

AMENDMENTS TO HOUSE BILL NO. 2150

Sponsor: REPRESENTATIVE YOUNGBLOOD

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

1 excluded from gaming activities, for investigations and
2 enforcement and for prohibited acts and penalties; in
3 miscellaneous provisions, further providing for
4 appropriations; making an editorial change; and making a
5 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 4. Section 1202(a)(1) and (b)(20) and (23) of Title
32 4 are amended and subsection (b) is amended by adding paragraphs
33 to read:

34 § 1202. General and specific powers.

35 (a) General powers.--

36 (1) The board shall have general and sole regulatory
37 authority over the conduct of gaming [or] and related
38 activities as described in this part. The board shall ensure
39 the integrity of the acquisition and operation of slot
40 machines, table games, table game devices and associated
41 equipment and authorized interactive games and interactive
42 gaming devices and associated equipment and shall have sole
43 regulatory authority over every aspect of the authorization,
44 operation and play of slot machines [and], including the
45 operation of slot machines at nonprimary locations, table
46 games and interactive gaming devices and associated equipment
47 and the implementation and regulation of airport gaming.

48 * * *

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

51 * * *

1 (12.2) At its discretion, to award, revoke, suspend,
2 condition or deny an interactive gaming certificate or an
3 interactive gaming license in accordance with Chapter 13B
4 (relating to interactive gaming).

5 (12.3) To award, revoke, suspend, condition or deny a
6 casino simulcasting permit in accordance with Chapter 13F
7 (relating to casino simulcasting).

8 (12.4) At its discretion, to award, revoke, suspend,
9 condition or deny authorization for the placement and
10 operation of slot machines at a nonprimary location in
11 accordance with Chapter 13D (relating to slot machines at
12 nonprimary locations).

13 * * *

14 (20) In addition to the power of the board regarding
15 license and permit applicants, to determine at its discretion
16 the suitability of any person who furnishes or seeks to
17 furnish to a slot machine licensee directly or indirectly any
18 goods, services or property related to slot machines, table
19 games, table game devices or associated equipment,
20 interactive games and interactive gaming devices and
21 associated equipment or casino simulcasting technology and
22 equipment or through any arrangements under which that person
23 receives payment based directly or indirectly on earnings,
24 profits or receipts from the slot machines, table games,
25 table game devices and associated equipment, interactive
26 games, interactive gaming devices and associated equipment or
27 casino simulcasting technology and equipment. The board may
28 require any such person to comply with the requirements of
29 this part and the regulations of the board and may prohibit
30 the person from furnishing the goods, services or property
31 except that, in determining the suitability of a person who
32 furnishes or seeks to furnish casino simulcasting technology
33 and equipment, the board shall consult the commission.

34 * * *

35 (23) The board shall not approve an application for or
36 issue or renew a license, certificate, registration or permit
37 unless it is satisfied that the applicant has demonstrated by
38 clear and convincing evidence that the applicant is a person
39 of good character, honesty and integrity and is a person
40 whose prior activities, criminal record, if any, reputation,
41 habits and associations do not pose a threat to the public
42 interest or the effective regulation and control of slot
43 machine [or], including the operation of slot machines at
44 nonprimary locations and qualified airports, table game
45 operations or interactive gaming operations or casino
46 simulcasting, or create or enhance the danger of unsuitable,
47 unfair or illegal practices, methods and activities in the
48 conduct of slot machine or table game operations, interactive
49 gaming operations, casino simulcasting or the carrying on of
50 the business and financial arrangements incidental thereto.

51 * * *

1 (27.2) Within six months of the effective date of this
2 section, to publish on the board's Internet website a
3 complete list of all slot machine licensees who filed a
4 petition seeking authorization to conduct interactive gaming
5 and the status of each petition or interactive gaming
6 certificate.

7 * * *

8 (35) To review detailed site plans identifying the
9 interactive gaming restricted area or room where a slot
10 machine licensee proposes to manage, administer or control
11 interactive gaming operations to determine the adequacy of
12 the proposed internal and external security and proposed
13 surveillance measures.

14 (36) To require each slot machine licensee that holds an
15 interactive gaming certificate to provide on a quarterly
16 basis the following information with respect to interactive
17 gaming:

18 (i) the name of any person, entity or firm to whom
19 any payment, remuneration or other benefit or thing of
20 value has been made or conferred for professional
21 services, including, but not limited to, interactive
22 gaming system operations or management, legal, consulting
23 and lobbying services;

24 (ii) the amount or value of the payments,
25 remuneration, benefit or thing of value;

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

28 (iv) the reason or purpose for the procurement of
29 the services.

30 (37) To review and approve detailed site and
31 architectural plans identifying the area of a licensed
32 facility where a slot machine licensee proposes to manage,
33 control and administer casino simulcasting in order to
34 determine the adequacy of proposed internal and external
35 controls, security and surveillance measures.

36 (38) To review and approve detailed site and
37 architectural plans identifying the area of a nonprimary
38 location where a Category 1 slot machine licensee proposes to
39 place and make slot machines available for play in accordance
40 with Chapter 13D in order to determine the adequacy of
41 proposed internal and external controls, security and
42 proposed surveillance measures.

43 (39) To review and approve detailed site and
44 architectural plans identifying the area of a licensed
45 facility where a slot machine licensee proposes to place and
46 make multistate wide-area progressive slot machines, skill
47 slot machines or hybrid slot machines available for play in
48 order to determine the adequacy of proposed internal and
49 external controls, security and proposed surveillance
50 measures.

51 Section 5. Sections 1204 and 1206(f)(1) of Title 4 are

1 amended to read:

2 § 1204. Licensed gaming entity application appeals from board.

3 The Supreme Court of Pennsylvania shall be vested with
4 exclusive appellate jurisdiction to consider appeals of any
5 final order, determination or decision of the board involving
6 the approval, issuance, denial or conditioning of a slot machine
7 license [or], the award, denial or conditioning of a table game
8 operation certificate[.] or the award, denial or conditioning of
9 an interactive gaming certificate, an interactive gaming
10 license, a casino simulcasting permit, a nonprimary location
11 permit or an airport gaming operation certificate.

12 Notwithstanding the provisions of 2 Pa.C.S. Ch. 7 Subch. A
13 (relating to judicial review of Commonwealth agency action) and
14 42 Pa.C.S. § 763 (relating to direct appeals from government
15 agencies), the Supreme Court shall affirm all final orders,
16 determinations or decisions of the board involving the approval,
17 issuance, denial or conditioning of a slot machine license [or],
18 the award, denial or conditioning of a table game operation
19 certificate or the award, denial or conditioning of an
20 interactive gaming certificate, an interactive gaming license, a
21 casino simulcasting permit, a nonprimary location permit or an
22 airport gaming operation certificate, unless it shall find that
23 the board committed an error of law or that the order,
24 determination or decision of the board was arbitrary and there
25 was a capricious disregard of the evidence.

26 § 1206. Board minutes and records.

27 * * *

28 (f) Confidentiality of information.--

29 (1) The following information submitted by an applicant,
30 permittee, certificate holder or licensee pursuant to section
31 1310(a) (relating to slot machine license application
32 character requirements) [or], 1308(a.1) (relating to
33 applications for license or permit), 13B12 (relating to
34 interactive gaming certificate required and content of
35 petition), 13B14 (relating to interactive gaming operators),
36 13D11 (relating to application for nonprimary location
37 permit), 13E12 (relating to application) or 13F12 (relating
38 to casino simulcasting permit) or obtained by the board or
39 the bureau as part of a background or other investigation
40 from any source shall be confidential and withheld from
41 public disclosure:

42 (i) All information relating to character, honesty
43 and integrity, including family, habits, reputation,
44 history of criminal activity, business activities,
45 financial affairs and business, professional and personal
46 associations submitted under section 1310(a) or 1308(a.1)
47 or otherwise obtained by the board or the bureau.

48 (ii) Nonpublic personal information, including home
49 addresses, telephone numbers and other personal contact
50 information, Social Security numbers, educational
51 records, memberships, medical records, tax returns and

1 declarations, actual or proposed compensation, financial
2 account records, creditworthiness or financial condition
3 relating to an applicant, licensee [or], permittee,
4 including the holder of an interactive gaming
5 certificate, interactive gaming license, casino
6 simulcasting permit, nonprimary location permit or
7 airport gaming operation certificate or the immediate
8 family thereof.

9 (iii) Information relating to proprietary
10 information, trade secrets, patents or exclusive
11 licenses, architectural and engineering plans and
12 information relating to competitive marketing materials
13 and strategies, which may include customer-identifying
14 information or customer prospects for services subject to
15 competition.

16 (iv) Security information, including risk prevention
17 plans, detection and countermeasures, location of count
18 rooms, location of interactive gaming restricted areas
19 and redundancy facilities, emergency management plans,
20 security and surveillance plans, equipment and usage
21 protocols and theft and fraud prevention plans and
22 countermeasures.

23 (v) Information with respect to which there is a
24 reasonable possibility that public release or inspection
25 of the information would constitute an unwarranted
26 invasion into personal privacy of any individual as
27 determined by the board.

28 (vi) Records of an applicant or licensee not
29 required to be filed with the Securities and Exchange
30 Commission by issuers that either have securities
31 registered under section 12 of the Securities Exchange
32 Act of 1934 (48 Stat. 881, 15 U.S.C. § 781) or are
33 required to file reports under section 15(d) of the
34 Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.
35 § 78o).

36 (vii) Records considered nonpublic matters or
37 information by the Securities and Exchange Commission as
38 provided by 17 CFR 200.80 (relating to commission records
39 and information).

40 (viii) Any financial information deemed confidential
41 by the board upon a showing of good cause by the
42 applicant or licensee.

43 * * *

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

47 § 1207. Regulatory authority of board.

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

49 (1) Deny, deny the renewal, revoke, condition or suspend
50 any license [or], permit, certificate, registration or other
51 authorizations provided for in this part if the board finds

1 in its sole discretion that a licensee [or], permittee,
2 registrant or certificate holder, including any interactive
3 gaming operator, under this part, or its officers, employees
4 or agents, have furnished false or misleading information to
5 the board or failed to comply with the provisions of this
6 part or the rules and regulations of the board and that it
7 would be in the public interest to deny, deny the renewal,
8 revoke, condition or suspend the license [or], permit,
9 certificate, registration or other authorizations.

10 * * *

11 (3) Prescribe and require periodic financial reporting
12 and internal control requirements for all licensed entities,
13 including, in the case of interactive gaming, all interactive
14 gaming operators.

15 (4) Require that each licensed entity, including, in the
16 case of interactive gaming, each interactive gaming operator,
17 provide to the board its audited annual financial statements,
18 with such additional detail as the board from time to time
19 shall require, which information shall be submitted not later
20 than 90 days after the end of the licensee's fiscal year.

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

26 (6) Prescribe criteria and conditions for the operation
27 of slot machine progressive systems, including multistate
28 wide-area progressive slot machine systems. A wide area
29 progressive slot system shall be collectively administered by
30 participating slot machine licensees in accordance with the
31 terms of a written agreement executed by each participating
32 slot machine licensee and, in the case of a multistate wide-
33 area progressive slot machine system, in accordance with the
34 terms of an agreement executed by the slot machine licensee
35 and authorized gaming entities in other states or
36 jurisdictions, as approved by the board.

37 (6.1) Collaborate with the appropriate gaming
38 authorities in other states or jurisdictions to facilitate
39 the establishment of multistate wide-area progressive slot
40 machine systems by slot machine licensees in this
41 Commonwealth and, if determined necessary, enter into the
42 necessary agreements with such other states or jurisdictions
43 as necessary for the operation of multistate wide-area
44 progressive slot machine systems by slot machine licensees in
45 this Commonwealth.

46 * * *

47 (7.2) Enforce prescribed hours for the operation of
48 authorized interactive games so that an interactive gaming
49 certificate holder or interactive gaming licensee may conduct
50 authorized interactive games on any day during the year in
51 order to meet the needs of registered players or to meet

1 competition.

2 (7.3) In consultation with the commission, enforce
3 prescribed hours of operation of casino simulcasting by slot
4 machine licensees and the operation of slot machines at a
5 nonprimary location by a Category 1 slot machine licensee.

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

10 (9) Establish procedures for the inspection and
11 certification of compliance of each slot machine, table game,
12 table game device and associated equipment, interactive game
13 and interactive gaming device and associated equipment and
14 casino simulcasting technology and equipment prior to being
15 placed into use by a slot machine licensee. However, the
16 board shall collaborate with the commission to facilitate the
17 inspection and certification of casino simulcasting
18 technology and equipment.

19 (10) Require that no slot machine or authorized
20 interactive game that replicates the play of a slot machine
21 may be set to pay out less than the theoretical payout
22 percentage, which shall be no less than 85%, as specifically
23 approved by the board. The board shall adopt regulations that
24 define the theoretical payout percentage of a slot machine
25 game based on the total value of the jackpots expected to be
26 paid by a play or a slot machine game divided by the total
27 value of slot machine wagers expected to be made on that play
28 or slot machine game during the same portion of the game
29 cycle. In so doing, the board shall decide whether the
30 calculation shall include the entire cycle of a slot machine
31 game or any portion thereof. Except that, in the case of
32 skill slot machines and hybrid slot machines, the board shall
33 adopt regulations to define the player's win percentage based
34 on the relative skill of the player or the combination of
35 skill and the elements of chance of the game. In the case of
36 multistate wide-area progressive slot machine system, the
37 theoretical payout percentage or a player's win percentage
38 shall be as set forth in the agreement, as approved by the
39 board.

40 * * *

41 (21) Authorize, in its discretion, a slot machine
42 licensee to conduct slot machine contests or tournaments,
43 table game tournaments or contests in accordance with section
44 13A22.1 (relating to table game tournaments) or interactive
45 gaming contests or tournaments and adopt regulations
46 governing the conduct of such tournaments and contests.

47 (21.1) Authorize, at its discretion, a slot machine
48 licensee to place and make multistate wide-area progressive
49 slot machines, skill slot machines or hybrid slot machines
50 available for play at licensed facilities.

51 (21.2) Adopt and promulgate regulations to govern the

1 operation and placement of skill slot machines and hybrid
2 slot machines by slot machine licensees at licensed
3 facilities. In order to facilitate the operation and
4 placement of skill and hybrid slot machines at licensed
5 facilities pursuant to this paragraph, regulations
6 promulgated by the board shall be deemed temporary
7 regulations which shall expire two years after the date of
8 publication in the Pennsylvania Bulletin.

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

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

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

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

28 (26) Negotiate and enter into interactive gaming
29 reciprocal agreements on behalf of the Commonwealth to govern
30 the conduct of interactive gaming between interactive gaming
31 certificate holders in this Commonwealth and gaming entities
32 of other states or jurisdictions. Notwithstanding any
33 provision of this part, wagers may be accepted in accordance
34 with this part and regulations of the board from persons in
35 other states or jurisdictions if the board determines that
36 such wagering is not inconsistent with Federal law or the law
37 of the state or jurisdiction, including a foreign
38 jurisdiction, in which the person is located, or such
39 wagering is conducted pursuant to an interactive gaming
40 reciprocal agreement to which this Commonwealth is a party
41 that is not inconsistent with Federal law. The board, with
42 the approval of the Governor, is hereby designated as the
43 agency of the Commonwealth with the sole power and authority
44 to enter into interactive gaming reciprocal agreements with
45 other states or jurisdictions.

46 (27) Enter into agreements with other states for the
47 operation of multistate wide-area progressive slot machine
48 systems.

49 (28) Authorize a Category 2 or Category 3 slot machine
50 licensee to enter into an agreement with a Category 1 slot
51 machine licensee for the conduct of casino simulcasting under

1 the Category 1 slot machine licensee's authority as a
2 licensed racing entity, if such agreement is approved by the
3 board and by the commission, pursuant to the commission's
4 authority under Article XXVIII-D of The Administrative Code
5 of 1929.

6 (29) Adopt, in consultation with the commission,
7 regulations to govern the conduct of casino simulcasting by a
8 Category 2 or Category 3 slot machine licensee in accordance
9 with paragraph (28).

10 (30) Adopt and promulgate regulations to govern the
11 installation of video display technology in approved areas of
12 a Category 1 licensed facility to enable the delivery of
13 simulcast horse race meetings to patrons through video walls
14 and other such video display technology. The board may
15 consult with the commission to facilitate the installation of
16 video display monitors in accordance with this paragraph and
17 to facilitate the conduct of casino simulcasting under
18 paragraph (28).

19 Section 7. Section 1209(b) of Title 4 is amended to read:

20 § 1209. Slot machine license fee.

21 * * *

22 (b) Term.--A slot machine license, after payment of the fee,
23 shall be in effect unless suspended, revoked or not renewed by
24 the board upon good cause consistent with the license
25 requirements as provided for in this part. Slot machine
26 licensees shall be required to update the information in their
27 initial applications annually, and the license of a licensee in
28 good standing shall be renewed every [three] five years. Nothing
29 in this subsection shall relieve a licensee of the affirmative
30 duty to notify the board of any changes relating to the status
31 of its license or to any other information contained in the
32 application materials on file with the board. As to the renewal
33 of a license, except as required in subsection (f)(3), no
34 additional license fee pursuant to subsection (a) shall be
35 required.

36 * * *

37 Section 8. Section 1211 of Title 4 is amended by adding
38 subsections to read:

39 § 1211. Reports of board.

40 * * *

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

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

45 (i) Total gross interactive gaming revenue.

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

49 (iii) All taxes, fees, fines and other revenue
50 collected and, where appropriate, revenue disbursed
51 during the previous year. The department shall

1 collaborate with the board to carry out the requirements
2 of this subparagraph.

3 (2) The board may require interactive gaming certificate
4 holders and other persons involved in the operation of
5 interactive gaming on behalf of a slot machine licensee to
6 provide information to the board to assist in the preparation
7 of the report.

8 * * *

9 (d.1) Impact of interactive gaming, annual report.--One year
10 after the issuance of the first interactive gaming certificate,
11 an annual report shall be prepared and distributed to the
12 Governor and the standing committees of the General Assembly
13 with jurisdiction over this part on the impact of interactive
14 gaming on compulsive and problem gambling and gambling addiction
15 in this Commonwealth. The report shall be prepared by a private
16 organization or entity with expertise in serving and treating
17 the needs of persons with compulsive gambling addictions, which
18 organization or entity shall be selected by the Department of
19 Drug and Alcohol Programs. The report may be prepared and
20 distributed in coordination with the board. Any costs associated
21 with the preparation and distribution of the report shall be
22 borne by slot machine licensees who have been authorized by the
23 board to conduct interactive gaming. The board shall be
24 authorized to assess a fee against each slot machine licensee
25 for these purposes.

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

27 (1) One year after the commencement of casino
28 simulcasting in accordance with Chapter 13F (relating to
29 casino simulcasting), the operation of skill slot machines,
30 hybrid slot machines, the operation of slot machines at
31 nonprimary locations in accordance with Chapter 13D (relating
32 to slot machines at nonprimary locations) and the operation
33 of a multistate wide-area slot machine system, the report
34 required under subsection (a) shall include information
35 related to the following:

36 (i) The conduct of casino simulcasting.

37 (ii) The operation of skill slot machines and hybrid
38 slot machines.

39 (iii) The operation of a multistate wide-area
40 progressive slot machine system.

41 (iv) The operation of slot machines at nonprimary
42 locations.

43 (2) Information on revenue, taxes, fees and fines, if
44 any, collected during the preceding calendar year and any
45 other information, data or recommendations related to the
46 conduct of casino simulcasting, the operation of multistate
47 wide-area progressive slot machines, skill slot machines and
48 hybrid slot machines and the operation of slot machines at
49 nonprimary locations as determined by the board, in
50 consultation with the commission, to be necessary under this
51 part shall be included in the report.

1 (d.3) Annual report.--In addition to its duties under
2 subsection (d), the board shall have the continuing duty to
3 study and annually report to the chairperson and minority
4 chairperson of the Community, Economic and Recreational
5 Development Committee of the Senate and to the chairperson and
6 minority chairperson of the Gaming Oversight Committee of the
7 House of Representatives on developments in gaming technology
8 and the impact, if any, new technologies are having or will have
9 on the sustainability and competitiveness of the commercial
10 gaming industry in this Commonwealth. The report shall
11 specifically address the following:

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

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

17 (3) Any gaming products which the board may have the
18 authority to authorize pursuant to its regulatory authority
19 under this part.

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

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

28 * * *

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

31 § 1212. Diversity goals of board.

32 * * *

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

37 * * *

38 (9) Technology related to interactive gaming and
39 interactive gaming devices and associated equipment.

40 (10) Technology related to casino simulcasting.

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

42 § 1305. Category 3 slot machine license.

43 (a) Eligibility.--

44 (1) A person may be eligible to apply for a Category 3
45 slot machine license if the applicant, its affiliate,
46 intermediary, subsidiary or holding company has not applied
47 for or been approved or issued a Category 1 or Category 2
48 slot machine license and the person is seeking to locate a
49 Category 3 licensed facility in a well-established resort
50 hotel having no fewer than 275 guest rooms under common
51 ownership and having substantial year-round [recreational]

1 guest amenities. The applicant for a Category 3 license shall
2 be the owner or be a wholly owned subsidiary of the owner of
3 the well-established resort hotel. [A Category 3 license may
4 only be granted upon the express condition that an individual
5 may not enter a gaming area of the licensed facility if the
6 individual is not any of the following:

7 (i) A registered overnight guest of the well-
8 established resort hotel.

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

11 (iii) An authorized employee of the slot machine
12 licensee, of a gaming service provider, of the board or
13 of any regulatory, emergency response or law enforcement
14 agency while engaged in the performance of the employee's
15 duties.

16 (iv) An individual holding a valid membership
17 approved in accordance with paragraph (1.1) or a guest of
18 such individual.

19 (1.1) The board may approve a seasonal or year-round
20 membership that allows an individual to use one or more of
21 the amenities provided by the well-established resort hotel
22 holding a Category 3 slot machine license. The membership
23 shall allow the member and one guest to enter the gaming
24 floor at any time as long as the guest is accompanied by the
25 individual owning or holding the membership. The board shall
26 base its approval of a membership on all of the following:

27 (i) The duration of the membership.

28 (ii) The amenity covered by the membership.

29 (iii) Whether the fee charged for the membership
30 represents the fair market value for the use of the
31 amenity.]

32 (2) Notwithstanding section 1512(a) and (a.1) (relating
33 to public official financial interest), if at the time of
34 application an applicant has terminated public office or
35 employment as an executive-level public employee within the
36 last calendar year, the applicant shall be eligible to apply
37 for a slot machine license under this section but may not be
38 issued a license until one year following the date of
39 termination as a public official or executive-level public
40 employee. An application submitted in accordance with this
41 paragraph shall not constitute a violation of section 1512(a)
42 or (a.1).

43 (3) If the person seeking a slot machine license
44 proposes to place the licensed facility upon land designated
45 a subzone, an expansion subzone or an improvement subzone
46 under the act of October 6, 1998 (P.L.705, No.92), known as
47 the Keystone Opportunity Zone, Keystone Opportunity Expansion
48 Zone and Keystone Opportunity Improvement Zone Act, the
49 person shall, at any time prior to the application being
50 approved, submit a statement waiving the exemptions,
51 deductions, abatements or credits granted under the Keystone

1 Opportunity Zone, Keystone Opportunity Expansion Zone and
2 Keystone Opportunity Improvement Zone Act if the board
3 approves the application.

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

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

8 (1.1) A Category 3 license established on or after [July
9 20, 2017] January 1, 2016, shall [not be located by the board
10 within 30 linear miles of another licensed facility.] only be
11 located in a county that:

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

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

16 (2) Within five days of approving a license for an
17 applicant with a proposed licensed facility consisting of
18 land designated a subzone, an expansion subzone or an
19 improvement subzone under the Keystone Opportunity Zone,
20 Keystone Opportunity Expansion Zone and Keystone Opportunity
21 Improvement Zone Act for a slot machine license under this
22 section, the board shall notify the Department of Community
23 and Economic Development. The notice shall include a
24 description of the land of the proposed licensed facility
25 which is designated a subzone, an expansion subzone or an
26 improvement subzone. Within five days of receiving the notice
27 required by this paragraph, the Secretary of Community and
28 Economic Development shall decertify the land of the proposed
29 license facility as being a subzone, an expansion subzone or
30 an improvement subzone. Upon decertification in accordance
31 with this paragraph and notwithstanding Chapter 3 of the
32 Keystone Opportunity Zone, Keystone Opportunity Expansion
33 Zone and Keystone Opportunity Improvement Zone Act, a
34 political subdivision may amend the ordinance, resolution or
35 other required action which granted the exemptions,
36 deductions, abatements or credits required by the Keystone
37 Opportunity Zone, Keystone Opportunity Expansion Zone and
38 Keystone Opportunity Improvement Zone Act to repeal the
39 exemptions, deductions, abatements or credits for the land
40 decertified.

41 (c) Number of slot machines.--Notwithstanding the number of
42 permissible slot machines as set forth in section 1210 (relating
43 to number of slot machines), a Category 3 license granted under
44 the provisions of this section shall entitle the licensed entity
45 to operate no more than 500 slot machines at the licensed
46 facility, provided, however, a Category 3 slot machine licensee
47 holding a table game operation certificate shall be entitled to
48 operate no more than 600 slot machines at its licensed facility.

49 (c.1) Additional slot machines.--Upon submission of a
50 petition to the board, in such form and manner as the board may
51 require, the board may authorize the Category 3 slot machine

1 licensee to increase the number of slot machines at its licensed
2 facility. An increase in the number of slot machines by a
3 Category 3 slot machine licensee pursuant to this subsection may
4 not, at the discretion of the board, exceed 250 additional slot
5 machines, which shall be in addition to the number of
6 permissible slot machines authorized under subsection (c).

7 (c.2) Increase in number.--Upon submission of a petition to
8 the board in such form and manner as the board may require, the
9 board may authorize the Category 3 slot machine licensee to
10 increase the number of slot machines at its licensed facility
11 for the conduct of a slot machine tournament or contest. An
12 increase in the number of slot machines by a Category 3 slot
13 machine licensee under this subsection may not, at the
14 discretion of the board, exceed 75 additional slot machines,
15 which shall be in addition to the number of permissible slot
16 machines authorized under subsections (c) and (c.1).

17 (d) Category 3 license fee.--The board shall impose a one-
18 time Category 3 license fee to be paid by each successful
19 applicant in the amount of \$5,000,000 to be deposited in the
20 State Gaming Fund. The provisions of section 1209(b), (c), (d)
21 and (e) shall apply to a Category 3 licensee[.], except that the
22 holder of a Category 3 slot machine license approved and issued
23 by the board on or after January 1, 2016, shall pay a fee of
24 \$8,500,000 for deposit in the General Fund.

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

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

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

39 "Amenities." Any ancillary activities, services or
40 facilities in which a registered guest or the transient public,
41 in return for non-de minimis consideration as defined by board
42 regulation, may participate at a well-established resort hotel,
43 including, but not limited to, sports and recreational
44 activities and facilities such as a golf course or golf driving
45 range, tennis courts or swimming pool; health spa; convention,
46 meeting and banquet facilities; entertainment facilities; and
47 restaurant facilities.

48 "Patron of the amenities." Any individual who is a
49 registered attendee of a convention, meeting or banquet event or
50 a participant in a sport or recreational event or any other
51 social, cultural or business event held at a resort hotel or who

1 participates in one or more of the amenities provided to
2 registered guests of the well-established resort hotel.]

3 Section 11. Section 1309(a.1) heading of Title 4 is amended
4 and the subsection is amended by adding a paragraph to read:
5 § 1309. Slot machine license application.

6 * * *

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

8 * * *

9 (3) Notwithstanding paragraph (2), the board may permit
10 an applicant for a slot machine license that has an
11 application pending before the board to supplement its
12 application with all information required under Chapters 13B
13 (relating to interactive gaming) and 13D (relating to slot
14 machines at nonprimary locations) and to request that the
15 board consider its application for a slot machine license, a
16 table game operation certificate, an interactive gaming
17 certificate or a nonprimary location permit concurrently. All
18 fees for an interactive gaming certificate and a nonprimary
19 location permit shall be paid by the applicant in accordance
20 with the requirements of this part.

21 * * *

22 Section 12. Sections 1317(a) and (c) and 1317.1(a), (b),
23 (c), (c.1), (d.1) and (e) of Title 4 are amended and the
24 sections are amended by adding subsections to read:
25 § 1317. Supplier licenses.

26 (a) Application.--A manufacturer that elects to contract
27 with a supplier under section 1317.1(d.1) (relating to
28 manufacturer licenses) shall ensure that the supplier is
29 appropriately licensed under this section. A person seeking to
30 provide slot machines, table game devices or associated
31 equipment, interactive gaming devices or associated equipment or
32 multi-use computing devices to a slot machine licensee or an
33 interactive gaming licensee within this Commonwealth through a
34 contract with a licensed manufacturer shall apply to the board
35 for the appropriate supplier license.

36 * * *

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

41 (1) The [initial license shall be for a period of one
42 year, and, if renewed under subsection (d), the] license
43 shall be issued for a period of [three] five years and shall
44 be renewed in accordance with subsection (d). Nothing in this
45 paragraph shall relieve a licensee of the affirmative duty to
46 notify the board of any changes relating to the status of its
47 license or to any information contained in the application
48 materials on file with the board.

49 (2) The license shall be nontransferable.

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

51 * * *

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

2 (1) Notwithstanding subsection (c.1)(1) or any
3 regulations of the board to the contrary, the board may
4 extend the use of the abbreviated process authorized under
5 subsection (c.1) to an applicant for a supplier license to
6 supply slot machines used in a multistate wide-area
7 progressive slot machine system, skill slot machines, hybrid
8 slot machines and devices or associated equipment used in
9 connection with multistate wide-area progressive slot machine
10 systems, skill or hybrid slot machines, interactive gaming
11 devices or associated equipment used in connection with
12 interactive gaming, including multi-use computing devices, if
13 the applicant holds a valid supplier license issued by the
14 board to supply slot machines or associated equipment or
15 table games or table game devices and associated equipment.
16 The requirements of subsection (c.1)(2) and (3) shall apply
17 to this subsection.

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

23 * * *

24 § 1317.1. Manufacturer licenses.

25 (a) Application.--A person seeking to manufacture slot
26 machines, table game devices and associated equipment or
27 interactive gaming devices and associated equipment for use in
28 this Commonwealth shall apply to the board for a manufacturer
29 license.

30 (b) Requirements.--An application for a manufacturer license
31 shall be on the form required by the board, accompanied by the
32 application fee, and shall include all of the following:

33 (1) The name and business address of the applicant and
34 the applicant's affiliates, intermediaries, subsidiaries and
35 holding companies; the principals and key employees of each
36 business; and a list of employees and their positions within
37 each business, as well as any financial information required
38 by the board.

39 (2) A statement that the applicant and each affiliate,
40 intermediary, subsidiary or holding company of the applicant
41 are not slot machine licensees.

42 (3) The consent to a background investigation of the
43 applicant, its principals and key employees or other persons
44 required by the board and a release to obtain any and all
45 information necessary for the completion of the background
46 investigation.

47 (4) The details of any equivalent license granted or
48 denied by other jurisdictions where gaming activities as
49 authorized by this part are permitted and consent for the
50 board to acquire copies of applications submitted or licenses
51 issued in connection therewith.

1 (5) The type of slot machines, table game devices or
2 associated equipment or interactive gaming devices or
3 associated equipment to be manufactured or repaired.

4 (6) Any other information determined by the board to be
5 appropriate.

6 (c) Review and approval.--Upon being satisfied that the
7 requirements of subsection (b) have been met, the board may
8 approve the application and grant the applicant a manufacturer
9 license consistent with all of the following:

10 (1) The [initial license shall be for a period of one
11 year, and, if renewed under subsection (d), the] license
12 shall be issued for a period of [three] five years and shall
13 be renewed in accordance with subsection (d). Nothing in this
14 paragraph shall relieve the licensee of the affirmative duty
15 to notify the board of any changes relating to the status of
16 its license or to any other information contained in
17 application materials on file with the board.

18 (2) The license shall be nontransferable.

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

20 (c.1) Abbreviated process.--In the event an applicant for a
21 manufacturer license to manufacture table game devices or
22 associated equipment used in connection with table games is
23 licensed by the board under this section to manufacture slot
24 machines or associated equipment used in connection with slot
25 machines, the board may determine to use an abbreviated process
26 requiring only that information determined by the board to be
27 necessary to consider the issuance of a license to manufacture
28 table game devices or associated equipment used in connection
29 with table games, including financial viability of the
30 applicant. Nothing in this section shall be construed to waive
31 any fees associated with obtaining a license, certificate or
32 permit through the normal application process. The board may
33 only use the abbreviated process if all of the following apply:

34 (1) The manufacturer license was issued by the board
35 within a 36-month period immediately preceding the date the
36 manufacturer licensee files an application to manufacture
37 table game devices or associated equipment.

38 (2) The person to whom the manufacturer license was
39 issued affirms there has been no material change in
40 circumstances relating to the license.

41 (3) The board determines, in its sole discretion, that
42 there has been no material change in circumstances relating
43 to the licensee that necessitates that the abbreviated
44 process not be used.

45 (c.2) Abbreviated process for manufacturer.--

46 (1) Notwithstanding subsection (c.1)(1) or any
47 regulations of the board to the contrary, the board may
48 extend the use of the abbreviated process authorized under
49 subsection (c.1) to an applicant for a manufacturer license
50 to manufacture multistate wide-area progressive slot
51 machines, skill slot machines, hybrid slot machines or

1 associated equipment used in connection with multistate wide-
2 area progressive slot machines, skill or hybrid slot machines
3 or interactive gaming devices or associated equipment used in
4 connection with interactive gaming, if the applicant holds a
5 valid manufacturer license issued by the board to
6 manufacturer slot machines or associated equipment or table
7 games or table game devices or associated equipment. The
8 requirements of subsection (c.1) (2) and (3) shall apply to
9 this subsection.

10 (2) An applicant for a manufacturer license to
11 manufacture slot machines used in a multistate wide-area
12 progressive system, skill or hybrid slot machines or
13 associated equipment or interactive gaming devices or
14 associated equipment shall be subject to the applicable
15 provisions of this part.

16 * * *

17 (d.1) Authority.--The following shall apply to a licensed
18 manufacturer:

19 (1) A manufacturer or its designee, as licensed by the
20 board, may supply or repair any slot machine, table game
21 device or associated equipment or interactive gaming device
22 or associated equipment manufactured by the manufacturer,
23 provided the manufacturer holds the appropriate manufacturer
24 license.

25 (2) A manufacturer of slot machines may contract with a
26 supplier under section 1317 (relating to supplier licenses)
27 to provide slot machines or associated equipment to a slot
28 machine licensee within this Commonwealth, provided the
29 supplier is licensed to supply slot machines or associated
30 equipment used in connection with slot machines.

31 (3) A manufacturer may contract with a supplier under
32 section 1317 to provide table game devices or associated
33 equipment to a certificate holder, provided the supplier is
34 licensed to supply table game devices or associated equipment
35 used in connection with table games.

36 (4) A manufacturer may contract with a supplier under
37 section 1317 to provide slot machines used in a multistate
38 wide-area progressive system, skill or hybrid slot machines
39 or associated equipment, interactive gaming devices or
40 associated equipment to a slot machine licensee, provided
41 that the manufacturer is licensed to manufacture slot
42 machines used in a multistate wide-area progressive slot
43 machine system, skill or hybrid slot machines or associated
44 equipment or interactive gaming devices or associated
45 equipment used in connection with interactive games.

46 (e) Prohibitions.--

47 (1) No person may manufacture slot machines, table game
48 devices or associated equipment or interactive gaming devices
49 or associated equipment for use within this Commonwealth by a
50 slot machine licensee unless the person has been issued the
51 appropriate manufacturer license under this section.

1 (2) Except as permitted in section 13A23.1 (relating to
2 training equipment), no slot machine licensee may use slot
3 machines, table game devices or associated equipment,
4 authorized interactive games or interactive gaming devices or
5 associated equipment unless the slot machines, table game
6 devices or associated equipment, interactive games or
7 interactive gaming devices or associated equipment were
8 manufactured by a person that has been issued the appropriate
9 manufacturer license under this section.

10 (3) No person issued a license under this section shall
11 apply for or be issued a license under section 1317.

12 (4) No limitation shall be placed on the number of
13 manufacturer licenses issued or the time period to submit
14 applications for licensure, except as required to comply with
15 section 1306 (relating to order of initial license issuance).
16 Section 13. Title 4 is amended by adding a section to read:

17 § 1317.3. Nongaming service provider.

18 (a) Notification required.--

19 (1) A slot machine licensee or applicant for a slot
20 machine license that contracts with or otherwise engages in
21 business with a nongaming service provider shall provide
22 notification to the board prior to:

23 (i) the nongaming service provider's provision of
24 goods or services at the slot machine licensee's licensed
25 facility; or

26 (ii) the provision of goods or services for use in
27 the operation of the slot machine licensee's licensed
28 facility.

29 (2) Notification under this section shall be on a form
30 and in a manner as determined by the board. The board may
31 impose a fee, not to exceed \$100, which must accompany the
32 notification.

33 (b) Contents of notification.--Notification under this
34 section shall include:

35 (1) The name and business address of the nongaming
36 service provider.

37 (2) A description of the type or nature of the goods or
38 services to be provided.

39 (3) An affirmation from the slot machine licensee or
40 applicant for a slot machine license that the goods or
41 services to be provided by the nongaming service provider
42 will not require access to the gaming floor or a gaming-
43 related restricted area of a licensed facility.

44 (4) An affirmation from the slot machine licensee or
45 applicant for a slot machine license certifying that the
46 licensee or applicant has performed due diligence regarding
47 the nongaming service provider and believes that the
48 nongaming service provider and its employees will not
49 adversely affect the public interest or integrity of gaming.

50 (5) Any other information that the board may require.

51 (c) Duration of notification.--The nongaming service

1 provider notification required under subsection (a) may be valid
2 for three years unless modified by the board. In determining the
3 duration of a nongaming service provider notification, the board
4 shall consider the following:

5 (1) The type or nature of the goods or services.

6 (2) The frequency of business transactions related to
7 the provision of such goods or services.

8 (3) Any other information the board deems necessary and
9 appropriate.

10 (d) Conditions.--A slot machine licensee or applicant for a
11 slot machine license that contracts or otherwise engages in
12 business with a nongaming service provider shall be subject to
13 the following conditions:

14 (1) The nongaming service provider or its employees
15 shall only provide the goods and services described in the
16 notification under this section.

17 (2) The slot machine licensee or applicant for a slot
18 machine license shall notify the board of any material change
19 in the information provided in the notification under this
20 section. No fee shall be required for a subsequent change
21 during the time for which the notification remains valid
22 under subsection (c).

23 (3) The slot machine licensee or applicant for a slot
24 machine license shall ensure that employees of the nongaming
25 service provider do not enter the gaming floor or a gaming-
26 related restricted area of the licensed facility.

27 (4) The slot machine licensee or applicant for a slot
28 machine license shall report to the board an employee of a
29 nongaming service provider that does any of the following:

30 (i) Enters the gaming floor or a gaming-related
31 restricted area of the licensed facility.

32 (ii) Commits an act that adversely affects the
33 public interest or integrity of gaming.

34 (5) The board may prohibit a nongaming service provider
35 and any employees from providing goods or services to a slot
36 machine licensee or applicant for a slot machine license at a
37 licensed facility if the board determines the prohibition is
38 necessary to protect the public interest or integrity of
39 gaming.

40 (e) Authority to exempt.--The board may exempt a nongaming
41 service provider from the notification requirements of this
42 section if the board determines any of the following:

43 (1) The nongaming service provider or the type or nature
44 of the nongaming service provider's business is regulated by
45 an agency of the Federal Government, an agency of the
46 Commonwealth or the Pennsylvania Supreme Court.

47 (2) Notification is not necessary to protect the public
48 interest or integrity of gaming.

49 (f) (Reserved).

50 (g) Criminal history record information.--Notwithstanding
51 any other provision of this part or regulation of the board, a

1 nongaming service provider shall provide a criminal history
2 record information check obtained from the Pennsylvania State
3 Police as defined in 18 Pa.C.S. § 9102 (relating to definitions)
4 and permitted by 18 Pa.C.S. § 9121(b) (relating to general
5 regulations).

6 (h) Emergency notification.--

7 (1) A slot machine licensee may use a nongaming service
8 provider prior to the board receiving notification under this
9 section when a threat to public health, welfare or safety
10 exists or circumstances outside the control of the slot
11 machine licensee require immediate action to mitigate damage
12 or loss to the slot machine licensee's licensed facility or
13 to the Commonwealth.

14 (2) A slot machine licensee that uses a nongaming
15 service provider in accordance with paragraph (1) shall:

16 (i) Notify the board immediately upon engaging a
17 nongaming service provider for which the board has not
18 previously received notification in accordance with
19 subsection (a).

20 (ii) Provide the notification required under
21 subsection (a) within a reasonable time as established by
22 the board.

23 (i) Nongaming service provider list.--

24 (1) The board shall have the authority to prohibit a
25 nongaming service provider from engaging in business with a
26 slot machine licensee upon a finding by the board that the
27 prohibition is necessary to protect the public interest and
28 the integrity of gaming.

29 (2) The board shall develop and maintain a list of
30 prohibited nongaming service providers.

31 (3) A slot machine licensee or applicant for a slot
32 machine license may not enter into an agreement or engage in
33 business with a nongaming service provider appearing on the
34 list under this subsection.

35 (j) Duties of nongaming service provider.--A nongaming
36 service provider shall:

37 (1) Cooperate with the board and bureau regarding an
38 investigation, hearing, enforcement action or disciplinary
39 action.

40 (2) Comply with each condition, restriction,
41 requirement, order or ruling of the board in accordance with
42 this part.

43 (3) Report any change in circumstances to the slot
44 machine licensee or applicant for a slot machine license that
45 may render the nongaming service provider ineligible,
46 unqualified or unsuitable for the provision of goods or
47 services at a licensed facility or use in the operation of a
48 licensed facility. The slot machine licensee shall report any
49 such change in circumstances to the board in such form and
50 manner as the board may establish.

51 (k) Construction.--Nothing in this section shall be

1 construed to limit the powers and authority of the board under
2 section 1202 (relating to general and specific powers of the
3 board) or the regulatory authority of the board under section
4 1207 (relating to regulatory authority of the board).

5 Section 14. Section 1320(a) of Title 4 is amended and the
6 section is amended by adding a subsection to read:
7 § 1320. Slot machine testing and certification standards.

8 (a) Use of other state standards.--[Until such time as the
9 board establishes an independent testing and certification
10 facility pursuant to subsection (b), the] The board may
11 determine, at its discretion, whether the slot machine testing
12 and certification standards of another jurisdiction within the
13 United States in which an applicant for a manufacturer license
14 is licensed are comprehensive and thorough and provide similar
15 adequate safeguards as those required by this part. If the board
16 makes that determination, it may permit a manufacturer through a
17 licensed supplier as provided in section 1317 (relating to
18 supplier [and manufacturer licenses application] licenses) to
19 deploy those slot machines which have met the slot machine
20 testing and certification standards in such other jurisdictions
21 without undergoing the full testing and certification process by
22 a board-established independent facility. In the event slot
23 machines of an applicant for a manufacturer license are licensed
24 in such other jurisdiction, the board may determine to use an
25 abbreviated process requiring only that information determined
26 by the board to be necessary to consider the issuance of a slot
27 machine certification to such an applicant. [Alternatively, the
28 board in its discretion may also rely upon the certification of
29 a slot machine that has met the testing and certification
30 standards of a board-approved private testing and certification
31 facility until such time as the board establishes an independent
32 testing and certification facility pursuant to subsection (b).
33 Nothing in this section shall be construed to waive any fees
34 associated with obtaining a license through the normal
35 application process.]

36 * * *

37 (b.1) Use of private testing and certification facilities.--
38 Notwithstanding any other provisions of this part or regulation
39 of the board, if a slot machine is tested and certified by a
40 private testing and certification facility registered with the
41 board, the board shall use an abbreviated certification process
42 requiring only that information determined by it to be necessary
43 to consider the issuance of a slot machine certification under
44 this section. Within one year of the effective date of this
45 subsection, the board shall promulgate regulations that:

46 (1) Provide for the registration of private testing and
47 certification facilities. Persons seeking registration under
48 this subsection shall be subject to section 1202(b)(9)
49 (relating to specific powers).

50 (2) Specify the form and content of the application for
51 registration.

1 (3) Establish and collect an application fee for persons
2 seeking registration. The application fee shall include the
3 costs of all background investigations as determined
4 necessary and appropriate by the bureau.

5 (4) Establish uniform procedures and standards which
6 private testing and certification facilities must comply with
7 during the testing and certification of slot machines.

8 (5) Utilize information provided by private testing and
9 certification facilities for the abbreviated certification of
10 slot machines.

11 (6) Establish an abbreviated certification process that
12 may be used by registered private testing and certification
13 facilities to test and certify slot machines.

14 (7) Establish fees that must be paid by licensed
15 manufacturers.

16 (8) Require slot machines submitted for abbreviated
17 certification to be approved or denied by the board within 30
18 days from the date of submission to the board. If the board
19 fails to act within the 30-day period, the abbreviated
20 certification shall be deemed conditionally approved.

21 (9) Provide procedures and standards for the suspension
22 and revocation of the registration of a private testing and
23 certification facility and the reinstatement of a suspended
24 or revoked registration, as determined appropriate by the
25 board.

26 * * *

27 Section 15. Sections 1326, 13A11(b), 13A22.1(c) and 13A27(c)
28 of Title 4 are amended to read:

29 § 1326. [License renewals] Renewals.

30 (a) Renewal.--All permits [and], licenses, registrations or
31 certificates issued under this part unless otherwise provided
32 shall be subject to renewal every [three] five years. Nothing in
33 this subsection shall relieve a licensee of the affirmative duty
34 to notify the board of any changes relating to the status of its
35 license, permit, certificate or registration or to any other
36 information contained in the application materials on file with
37 the board. The application for renewal shall be submitted at
38 least [60] 180 days prior to the expiration of the permit [or],
39 license, registration or certificate and shall include an update
40 of the information contained in the initial and any prior
41 renewal applications and the payment of any renewal fee required
42 by this part. Unless otherwise specifically provided in this
43 part, the amount of any renewal fee shall be calculated by the
44 board to reflect the longer renewal period. A permit [or],
45 license, registration or certificate for which a completed
46 renewal application and fee, if required, has been received by
47 the board will continue in effect unless and until the board
48 sends written notification to the holder of the permit [or],
49 license, registration or certificate that the board has denied
50 the renewal of such permit [or], license, registration or
51 certificate.

1 (b) Revocation or failure to renew.--In addition to any
2 other sanctions the board may impose under this part, the board
3 may at its discretion suspend, revoke or deny renewal of any
4 permit [or], license, registration or certificate issued under
5 this part if it receives any information from any source that
6 the applicant or any of its officers, directors, owners or key
7 employees is in violation of any provision of this part, that
8 the applicant has furnished the board with false or misleading
9 information or that the information contained in the applicant's
10 initial application or any renewal application is no longer true
11 and correct. In the event of a revocation or failure to renew,
12 the applicant's authorization to conduct the previously approved
13 activity shall immediately cease, and all fees paid in
14 connection therewith shall be deemed to be forfeited. In the
15 event of a suspension, the applicant's authorization to conduct
16 the previously approved activity shall immediately cease until
17 the board has notified the applicant that the suspension is no
18 longer in effect.

19 § 13A11. Authorization to conduct table games.

20 * * *

21 (b) Number of authorized gaming tables.--

22 (1) A Category 1 and Category 2 slot machine licensee
23 awarded a table game operation certificate may operate up to
24 250 gaming tables at any one time at its licensed facility.
25 No more than 30% of these gaming tables may be used to play
26 nonbanking games at any one time. Six months following the
27 date of commencement of table game operations, the board may
28 permit a Category 1 or Category 2 certificate holder to
29 increase the number of gaming tables above the number
30 authorized under this paragraph. The certificate holder shall
31 petition the board for the increase at its licensed facility.
32 The board, in considering the petition, shall take into
33 account the appropriateness of the physical space where the
34 gaming tables will be located and the convenience of the
35 public attending the facility. The board may also take into
36 account the potential benefit to the Commonwealth.

37 (2) A Category 3 slot machine licensee awarded a table
38 game operation certificate may operate up to 50 gaming tables
39 at any one time at its licensed facility. [No more than 30%
40 of these gaming tables may be used to play nonbanking games
41 at any one time.]

42 (2.1) A Category 3 slot machine licensee awarded a table
43 game operation certificate may petition the board for
44 additional table games at its licensed facility. The board
45 may authorize up to 15 additional gaming tables. The
46 additional tables shall be used to play nonbanking games. The
47 board, in considering the petition, shall take into account
48 the appropriateness of the physical space where the gaming
49 tables will be located and the convenience of the public
50 attending the facility. The board may also take into account
51 the potential benefit to the Commonwealth.

1 (3) Nonbanking gaming tables shall seat a maximum of ten
2 players.

3 § 13A22.1. Table game tournaments.

4 * * *

5 (c) Exemptions and additional tables.--The following shall
6 apply:

7 (1) For a Category 1 or Category 2 licensed facility,
8 gaming tables used in tournaments shall be exempt from
9 section 13A11 (b) (1) (relating to authorization to conduct
10 table games) and shall not be used in any calculation of the
11 total number of gaming tables authorized in the table game
12 authorization certificate.

13 (2) For a Category 3 licensed facility, the executive
14 director may authorize the licensed facility to operate up to
15 15 additional gaming tables for use in tournaments. [The
16 executive director may grant the use of the additional gaming
17 tables for tournaments authorized under this paragraph only
18 one day per month.] Additional gaming tables for use in
19 tournaments shall be exempt from section 13A11(b)(2)
20 (relating to authorization to conduct table games) and shall
21 not be used in any calculation of the total number of gaming
22 tables authorized in the table game authorization
23 certificate. The executive director may grant the use of
24 additional gaming tables on the dates and times listed in the
25 proposed schedule of tournaments submitted by the Category 3
26 slot machine licensee in accordance with subsection (b).

27 * * *

28 § 13A27. Other financial transactions.

29 * * *

30 (c) Credit application verification.---Prior to approving an
31 application for credit, a certificate holder shall verify:

32 (1) The identity, creditworthiness and indebtedness
33 information of the applicant by conducting a comprehensive
34 review of the information submitted with the application and
35 any information regarding the applicant's credit activity at
36 other licensed facilities which the certificate holder may
37 obtain through a casino credit bureau and, if appropriate,
38 through direct contact with other slot machine licensees.

39 (2) That the applicant's name is not included on an
40 exclusion list under section 1514 (relating to regulation
41 requiring exclusion [or] ejection or denial of access of
42 certain persons) or 1516 (relating to list of persons self
43 excluded from gaming activities) or the voluntary credit
44 suspension list under subsection (h).

45 * * *

46 Section 16. Section 13A41 of Title 4 is amended by adding a
47 subsection to read:

48 § 13A41. Table game device and associated equipment testing and
49 certification standards.

50 * * *

51 (b.1) Use of private testing and certification facilities.--

1 Notwithstanding any provision of this part or regulation of the
2 board, if a table game device or associated equipment is tested
3 and certified by a private testing and certification facility
4 registered with the board, the board shall use an abbreviated
5 certification process requiring only that information determined
6 by it to be necessary to consider the issuance of a table game
7 device or associated equipment certification under this section.
8 Within one year of the effective date of this subsection, the
9 board shall promulgate regulations that:

10 (1) Provide for the registration of private testing and
11 certification facilities. Persons seeking registration under
12 this subsection shall be subject to section 1202(b)(9)
13 (relating to specific powers).

14 (2) Specify the form and content of the application for
15 registration.

16 (3) Establish and collect an application fee for persons
17 seeking registration. The application fee shall include the
18 costs of all background investigations as determined
19 necessary and appropriate by the board.

20 (4) Establish uniform procedures and standards which
21 private testing and certification facilities must comply with
22 during the testing and certification of table game devices
23 and associated equipment.

24 (5) Utilize information provided by private testing and
25 certification facilities for the abbreviated certification of
26 table game devices and associated equipment.

27 (6) Establish an abbreviated certification process that
28 may be used by registered private testing and certification
29 facilities to test and certify table game devices and
30 associated equipment.

31 (7) Establish fees that must be paid by a licensed
32 manufacturer.

33 (8) Require table game devices and associated equipment
34 submitted for abbreviated certification to be approved or
35 denied by the board within 30 days from the date of
36 submission to the board. If the board fails to act within the
37 30-day period, the abbreviated certification shall be deemed
38 conditionally approved.

39 (9) Provide procedures and standards for the suspension
40 and revocation of the registration of a private testing and
41 certification facility and the reinstatement of a suspended
42 or revoked registration.

43 Section 17. Sections 13A61(a) and (f) and 13A63(b)(4) of
44 Title 4 are amended to read:

45 § 13A61. Table game authorization fee.

46 (a) Amount of authorization fee.--

47 (1) A Category 1 or a Category 2 slot machine licensee
48 that submits a petition for a table game operation
49 certificate under section 13A12 (relating to petition
50 requirements) on or before June 1, 2010, shall pay a one-time
51 nonrefundable authorization fee in the amount of \$16,500,000.

1 A Category 1 or a Category 2 slot machine licensee that
2 submits a petition for a table game operation certificate
3 under section 13A12 after June 1, 2010, shall pay a one-time
4 nonrefundable authorization fee in the amount of \$24,750,000.

5 (2) A Category 3 slot machine licensee that submits a
6 petition for a table game operation certificate under section
7 13A12 on or before June 1, 2010, shall pay a one-time
8 nonrefundable authorization fee in the amount of \$7,500,000.

9 A Category 3 slot machine licensee that submits a petition
10 for a table game operation certificate under section 13A12
11 after June 1, 2010, shall pay a one-time nonrefundable
12 authorization fee in the amount of \$11,250,000.

13 (3) Notwithstanding paragraphs (1) and (2), the holder
14 of a Category 1 or Category 3 slot machine license issued
15 after June 1, 2010, that submits a petition for a table game
16 operation certificate shall pay a one-time nonrefundable
17 authorization fee in the amount of \$16,500,000 or \$7,500,000,
18 respectively.

19 (3.1) Notwithstanding paragraphs (2) and (3), the holder
20 of a Category 3 slot machine license issued on or after
21 January 1, 2016, that submits a petition for a table game
22 operation certificate shall pay a one-time nonrefundable
23 authorization fee in the amount of \$8,500,000.

24 (3.2) Notwithstanding any other provision of this part,
25 no later than 60 days after the board approves a request for
26 additional table games in accordance with section 13A11
27 (relating to authorization to conduct table games) submitted
28 by the holder of a Category 3 slot machine license issued
29 prior to January 1, 2016, the Category 3 slot machine
30 licensee shall pay a one-time nonrefundable fee in the amount
31 of \$1,000,000.

32 (4) A table game operation certificate shall not be
33 subject to renewal or payment of an additional authorization
34 fee.

35 * * *

36 (f) Deposit of fees.--Notwithstanding section 1208 (relating
37 to collection of fees and fines), all table game authorization
38 fees and other fees or penalties received by the board under
39 this subchapter, all table game device and associated equipment
40 manufacturer and supplier license fees, all table game device or
41 associated equipment manufacturer and supplier renewal fees and
42 fees for licenses issued under Chapter 16 (relating to junkets)
43 shall be deposited in the General Fund.

44 § 13A63. Local share assessment.

45 * * *

46 (b) Distributions to counties.--The department shall make
47 quarterly distributions from the local share assessments
48 deposited into the fund under subsection (a) to counties,
49 including home rule counties, hosting a licensed facility
50 authorized to conduct table games under this chapter in
51 accordance with the following:

1 * * *

2 (4) The following apply:

3 (i) If the facility is a Category 3 licensed
4 facility located in a county of the second class A: 50%
5 of the licensed facility's local share assessment shall
6 be [deposited into a restricted receipts account to be
7 established in the Commonwealth Financing Authority to be
8 used exclusively for grants or guarantees for projects in
9 the county that qualify under 64 Pa.C.S. §§ 1551
10 (relating to Business in Our Sites Program), 1556
11 (relating to Tax Increment Financing Guarantee Program)
12 and 1558 (relating to Water Supply and Waste Water
13 Infrastructure Program).] distributed as follows:

14 (A) Seventy-five percent shall be distributed to
15 the county hosting the licensed facility from each
16 such licensed facility for the purpose of supporting
17 the maintenance and refurbishment of the Parks and
18 Heritage sites throughout the county in which the
19 licensee is located.

20 (B) Twelve and one-half percent shall be
21 distributed to the county hosting the licensed
22 facility from each such licensed facility for the
23 purpose of supporting a child advocacy center located
24 within the county in which the licensee is located.

25 (C) Twelve and one-half percent shall be
26 distributed to the county hosting the licensed
27 facility from each such licensed facility for the
28 purpose of supporting an organization providing
29 comprehensive support services to victims of domestic
30 violence, including legal and medical aid, shelters,
31 transitional housing and counseling located within
32 the county in which the licensee is located.

33 (ii) Except as provided in subparagraph (i), if the
34 facility is a Category 3 licensed facility in a county of
35 any class: 50% of the licensed facility's local share
36 assessment shall be added to the funds in the restricted
37 receipts account established under section 1403(c)(2)(iv)
38 for distribution with those funds.

39 * * *

40 Section 18. Title 4 is amended by adding chapters to read:

41 CHAPTER 13B

42 INTERACTIVE GAMING

43 Subchapter

44 A. General Provisions

45 B. Interactive Gaming Authorized

46 B.1. Multi-use Computing Devices

47 C. Conduct of Interactive Gaming

48 D. Facilities and Equipment

49 E. Testing and Certification

50 F. Taxes and Fees

51 G. Miscellaneous Provisions

SUBCHAPTER A
GENERAL PROVISIONS

Sec.

13B01. Legislative findings.

13B02. Regulatory authority.

13B03. Temporary interactive gaming regulations.

§ 13B01. Legislative findings.

The General Assembly finds and declares that:

(1) The primary objective of the Pennsylvania Race Horse Development and Gaming Act, to which all other objectives are secondary, is to protect the public through the regulation and policing of all activities involving gaming and practices that continue to be unlawful.

(2) Legislative authorization of slot machine gaming and the conduct of table games is intended to enhance live horse racing, breeding programs, entertainment and employment in this Commonwealth.

(3) Legalized gaming was seen as a means to provide a source of revenue for property and wage tax relief, promote economic development and enhance development of tourism markets throughout this Commonwealth.

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

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

(6) Since its development, the Internet has provided the opportunity for millions of people worldwide to engage in online gambling, mostly through illegal, unregulated off-shore gambling operations.

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

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

(9) Interactive gaming is illegal in this Commonwealth and without legislative authorization and strict regulation,

1 the public's trust and confidence in legalized commercial
2 gaming may be impacted.

3 (10) In this Commonwealth, interactive gaming has been
4 conducted without oversight, regulation or enforcement, all
5 of which raises significant concerns for the protection of
6 the health, welfare and safety of the citizens of this
7 Commonwealth.

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

17 (12) By legalizing interactive gaming and subjecting it
18 to the regulatory oversight of the Pennsylvania Gaming
19 Control Board, the General Assembly is assuring the citizens
20 of this Commonwealth that only those persons licensed by the
21 board to conduct slot machine gaming and table games and to
22 operate interactive games or interactive gaming systems, in
23 accordance with the requirements of this part, have been
24 determined to be suitable to facilitate and conduct
25 interactive gaming activities in this Commonwealth.

26 (13) An effective regulatory, licensing and enforcement
27 system to govern interactive gaming in this Commonwealth is
28 consistent with the original objectives and intent of the
29 Pennsylvania Race Horse Development and Gaming Act, thereby
30 ensuring the public trust and confidence in the commercial
31 gaming industry in this Commonwealth.

32 (14) The Commonwealth has a legitimate State interest in
33 protecting the integrity of State-authorized interactive
34 gaming by licensing those entities already engaged in the
35 conduct of gaming in this Commonwealth, which are subject to
36 the scrutiny and discipline of the board and other regulatory
37 agencies and which are in good standing with those agencies.

38 § 13B02. Regulatory authority.

39 (a) Authority.--The board shall promulgate and adopt rules
40 and regulations to govern the conduct of interactive gaming in
41 order to ensure that it will be implemented in a manner that
42 provides for the security and effective management,
43 administration and control of interactive gaming, including, but
44 not limited to, regulations:

45 (1) Ensuring that interactive gaming is offered for play
46 in this Commonwealth in a manner that is consistent with
47 Federal law and the provisions of this chapter.

48 (2) Establishing standards and procedures for testing
49 and approving interactive games and interactive gaming
50 devices and associated equipment, and any variations or
51 composites of authorized interactive games, provided that the

1 board determines that the interactive games and any new
2 interactive games or any variations or composites are
3 suitable for use after a test or experimental period under
4 any terms and conditions as the board may deem appropriate.
5 The board may give priority to the testing of interactive
6 games, interactive gaming devices and associated equipment or
7 other gaming equipment which a slot machine licensee has
8 certified that it will use to conduct interactive gaming in
9 this Commonwealth. Nothing in this paragraph shall be
10 construed to prohibit the board from using the testing and
11 certification standards of another state or jurisdiction in
12 which interactive gaming is conducted, if it determines that
13 the standards of the jurisdiction are comprehensive, thorough
14 and provide similar and adequate safeguards as those required
15 under this part. If the board makes such a determination and
16 the applicant for an interactive gaming certificate or an
17 interactive gaming license is licensed in another state or
18 jurisdiction to operate interactive gaming, it may use an
19 abbreviated process requiring only the information determined
20 by it to be necessary to consider the issuance of a
21 certification under this chapter. The board, in its
22 discretion, may also rely upon the certification of
23 interactive games that have met the testing and certification
24 standards of a board-approved private testing and
25 certification facility.

26 (3) Establishing standards and rules to govern the
27 conduct of interactive gaming and the system of and wagering
28 associated with interactive gaming, including internal
29 controls and accounting controls, and the type, number,
30 payout, wagering limits and rules for interactive games.

31 (4) Establishing the method for calculating gross
32 interactive gaming revenue and standards for the daily
33 counting and recording of cash and cash equivalents received
34 in the conduct of authorized interactive games and ensure
35 that internal controls and accounting controls are followed,
36 including the maintenance of financial books and records and
37 the conduct of audits. The board shall consult with the
38 department in establishing these regulations.

39 (5) Establishing notice requirements pertaining to
40 minimum and maximum wagers on authorized interactive games.

41 (6) Ensuring that all facilities and interactive gaming
42 devices and associated equipment are arranged in a manner to
43 promote appropriate security for interactive gaming.

44 (7) Establishing technical standards for the approval of
45 interactive games, interactive gaming devices and associated
46 equipment, including mechanical, electrical or program
47 reliability, security against tampering and any other
48 standards as it may deem necessary to protect registered
49 players from fraud or deception.

50 (8) Governing the creation and utilization of
51 interactive gaming accounts by registered players, including

1 requiring that:

2 (i) Interactive gaming accounts be possessed by a
3 natural person and not in the name of any beneficiary,
4 custodian, joint trust, corporation, partnership or other
5 organization or entity.

6 (ii) Interactive gaming accounts shall not be
7 assignable or otherwise transferable.

8 (iii) No account be established for an individual
9 under 21 years of age.

10 (9) Establishing procedures for registered players to
11 log into their interactive gaming accounts, authenticate
12 identities, agree to terms, conditions and rules applicable
13 to authorized interactive games and log out of interactive
14 gaming accounts, including procedures for automatically
15 logging off registered players from an interactive game after
16 a specified period of inactivity.

17 (10) Establishing procedures for:

18 (i) Depositing funds in an interactive gaming
19 account by cash, transfer or other means, as approved by
20 the board.

21 (ii) The withdrawal of funds from interactive gaming
22 accounts.

23 (iii) The suspension of interactive gaming account
24 activity for security reasons.

25 (iv) The termination of interactive gaming accounts
26 and disposition of proceeds in accounts.

27 (v) The disposition of unclaimed amounts in dormant
28 interactive gaming accounts.

29 (11) Establishing mechanisms by which registered players
30 may place limits on the amount of money being wagered per
31 authorized interactive game or during any specified time
32 period or the amount of losses incurred during any specified
33 time period.

34 (12) Establishing mechanisms to exclude from interactive
35 gaming persons not eligible to play by reason of age,
36 identity or location or inclusion on a list of persons denied
37 access to interactive gaming activities in accordance with
38 sections 1514 (relating to regulation requiring exclusion,
39 ejection or denial of access of certain persons), 1515
40 (relating to repeat offenders excludable from licensed gaming
41 facility) and 1516 (relating to list of persons self excluded
42 from gaming activities).

43 (13) Establishing procedures for the protection,
44 security and reliability of interactive gaming accounts,
45 authorized interactive games, interactive gaming devices and
46 associated equipment and mechanisms to prevent tampering or
47 utilization by unauthorized persons.

48 (14) Establishing data security standards to govern age,
49 identity and location verification of persons engaged in
50 interactive gaming activity.

51 (15) Requiring each interactive gaming certificate

1 holder to:

2 (i) Provide written information on its interactive
3 gaming skin or Internet website, which explains the rules
4 for each authorized interactive game, payoffs or winning
5 wagers and other information as the board may require.

6 (ii) Designate one or more interactive gaming
7 restricted areas where interactive gaming will be
8 managed, administered or controlled.

9 (iii) Provide the board with access to the
10 interactive gaming skin or website, interactive gaming
11 platform, signal or transmission used in connection with
12 interactive gaming and interactive gaming restricted
13 areas.

14 (iv) Adopt procedures for the recordation,
15 replication and storage of all play and transactions for
16 a period to be determined by the board.

17 (v) Provide statements on its interactive gaming
18 skin or website about the permissible minimum and maximum
19 wagers for each authorized interactive game, as
20 applicable.

21 (vi) Adopt policies or procedures to prohibit any
22 unauthorized person from having access to interactive
23 gaming devices and associated equipment, including
24 software, system programs, hardware and any other gaming
25 equipment or devices which are used to manage, administer
26 or control interactive gaming.

27 (vii) Adopt data security standards to verify the
28 age, identity and location of persons engaged in
29 interactive gaming activity and prevent unauthorized
30 access by any person whose age and location have not been
31 verified or whose age and location cannot be verified in
32 accordance with regulations adopted by the board.

33 (viii) Adopt standards to protect the privacy and
34 security of registered players engaged in interactive
35 gaming.

36 (ix) Collect, report and pay any and all applicable
37 taxes and fees and maintain all books, records and
38 documents related to the interactive gaming certificate
39 holder's interactive gaming activities in a manner and in
40 a location within this Commonwealth as approved by the
41 board or the department. All books, records and documents
42 shall be immediately available for inspection during all
43 hours of operation in accordance with the regulations of
44 the board and shall be maintained in a manner and during
45 periods of time as the board shall by regulation require.

46 (b) Additional authority.--

47 (1) At its discretion, the board may determine whether
48 persons that provide the following goods or services and any
49 other goods or services related to interactive gaming as the
50 board may determine shall be required to obtain a license,
51 permit or other authorization:

1 (i) Payment processing and related money
2 transmitting and services.

3 (ii) Customer identity or age verification and
4 geospatial technology services.

5 (iii) General telecommunications services, which are
6 not specifically designed for or related to interactive
7 gaming.

8 (iv) Other goods or services that are not
9 specifically designed for use with interactive gaming if
10 the persons providing the goods or services are not paid
11 a percentage of gaming revenue or of money wagered on
12 interactive games or of any fees, not including fees to
13 financial institutions and payment providers for
14 facilitating a deposit by an interactive gaming account
15 holder.

16 (2) The board shall develop a classification system for
17 the licensure, permitting or other authorization of persons
18 that provide the following goods or services related to
19 interactive gaming:

20 (i) Persons that provide interactive games and
21 interactive gaming devices and associated equipment.

22 (ii) Persons that manage, control or administer the
23 interactive games or the wagers associated with
24 interactive games.

25 (iii) Providers of customer lists comprised of
26 persons identified or selected, in whole or in part,
27 because they placed or may place wagers on interactive
28 gaming.

29 (c) Definition.--For the purposes of subsection (a) (12),
30 (14) and (15) (viii) and (ix), the term "person" shall mean a
31 natural person.

32 § 13B03. Temporary interactive gaming regulations.

33 (a) Promulgation.--

34 (1) In order to facilitate the prompt implementation of
35 this chapter, regulations promulgated by the board shall be
36 deemed temporary regulations which shall expire not later
37 than two years following the publication of the temporary
38 regulation in the Pennsylvania Bulletin and on the board's
39 publicly accessible Internet website.

40 (2) The board may promulgate temporary regulations not
41 subject to:

42 (i) Sections 201, 202, 203, 204 and 205 of the act
43 of July 31, 1968 (P.L.769, No.240), referred to as the
44 Commonwealth Documents Law.

45 (ii) Sections 204(b) and 301(10) of the act of
46 October 15, 1980 (P.L.950, No.164), known as the
47 Commonwealth Attorneys Act.

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

50 (b) Temporary regulations.--The board shall begin publishing
51 temporary regulations governing the rules for interactive

1 gaming, the issuance of interactive gaming certificates and
2 interactive gaming licenses, standards for approving
3 manufacturers, suppliers and other persons seeking to provide
4 interactive games, interactive gaming devices and associated
5 equipment, including age and location verification software or
6 system programs and security and surveillance standards in the
7 Pennsylvania Bulletin within 30 days of the effective date of
8 this subsection.

9 (c) Expiration of temporary regulations.--Except for
10 temporary regulations governing the rules for issuing
11 certificates and licenses under this chapter, for new
12 interactive games, for approving interactive games or variations
13 thereof, interactive gaming devices and associated equipment and
14 for approving manufacturers, suppliers and other persons seeking
15 to provide interactive games, interactive gaming devices and
16 associated equipment, the board's authority to adopt temporary
17 regulations under subsection (a) shall expire two years after
18 the effective date of this section. Regulations adopted after
19 this period shall be promulgated as provided by law.

20 SUBCHAPTER B

21 INTERACTIVE GAMING AUTHORIZED

22 Sec.

23 13B11. Authorization to conduct interactive gaming.

24 13B12. Interactive gaming certificate required and content of
25 petition.

26 13B13. Issuance of interactive gaming certificate.

27 13B14. Interactive gaming operators.

28 13B15. Interactive gaming certificate and license.

29 13B16. Timing of initial interactive gaming authorizations.

30 § 13B11. Authorization to conduct interactive gaming.

31 (a) Authority of board.--

32 (1) The board may authorize a slot machine licensee:

33 (i) To conduct interactive gaming, including
34 contests and tournaments and any other game which is
35 determined by the board to be suitable for interactive
36 gaming.

37 (ii) To deploy interactive gaming skins or Internet
38 websites to facilitate the conduct of interactive gaming
39 activities.

40 (2) Except as provided in this part, all individuals
41 playing authorized interactive games must be physically
42 located within this Commonwealth or within a state or
43 jurisdiction in which the board has entered an interactive
44 gaming reciprocal agreement. No individual under 21 years of
45 age shall open, maintain, use or have access to an
46 interactive gaming account.

47 (b) Authority to play interactive games.--Notwithstanding
48 any other provision of law, an individual who is 21 years of age
49 or older is hereby permitted to participate as a registered
50 player in interactive gaming and wagering associated with
51 playing an authorized interactive game offered by an interactive

1 gaming certificate holder in accordance with regulations of the
2 board.

3 § 13B12. Interactive gaming certificate required and content of
4 petition.

5 (a) Certificate required.--No slot machine licensee or any
6 other person associated with or representing a slot machine
7 licensee shall operate or conduct or attempt to operate or
8 conduct interactive gaming, except for test purposes or open
9 interactive gaming to the public in this Commonwealth without
10 first obtaining an interactive gaming certificate or an
11 interactive gaming license from the board. A slot machine
12 licensee may seek approval to conduct interactive gaming by
13 filing a petition for an interactive gaming certificate with the
14 board. The board shall prescribe the form and manner to govern
15 the submission of a petition for an interactive gaming
16 certificate.

17 (b) Content of petition.--In addition to information and
18 documentation demonstrating that the slot machine licensee is
19 qualified for an interactive gaming certificate under this
20 chapter, a petition seeking board approval to conduct
21 interactive gaming within this Commonwealth shall include the
22 following:

23 (1) The name, business address and contact information
24 of the slot machine licensee.

25 (2) The name, business address and contact information
26 of any affiliate, interactive gaming operator or other person
27 that will be a party to an agreement related to the operation
28 of interactive gaming or an interactive gaming system on
29 behalf of a slot machine licensee.

30 (3) The name and business address, job title and a
31 photograph of each principal and key employee of the slot
32 machine licensee who will be involved in the conduct of
33 interactive gaming and who is not currently licensed by the
34 board, if known.

35 (4) The name and business address, job title and a
36 photograph of each principal and key employee of the
37 interactive gaming certificate holder and interactive gaming
38 licensee, if any, who will be involved in the conduct of
39 interactive gaming and who is currently licensed by the
40 board.

41 (5) An itemized list of the interactive games and any
42 other game or games the slot machine licensee plans to offer
43 over the Internet for which authorization is being sought.
44 The slot machine licensee shall, in accordance with
45 regulations promulgated by the board, file any changes in the
46 number of authorized interactive games offered through
47 interactive gaming with the board.

48 (6) The estimated number of full-time and part-time
49 employment positions that will be created at the licensed
50 facility if interactive gaming is authorized and an updated
51 hiring plan under section 1510(a) (relating to labor hiring

1 preferences) which outlines the slot machine licensee's plan
2 to promote the representation of diverse groups and
3 Commonwealth residents in the employment positions.

4 (7) A brief description of the economic benefits
5 expected to be realized by the Commonwealth, the host
6 municipalities and residents if interactive gaming is
7 authorized.

8 (8) The details of any financing obtained or that will
9 be obtained to fund an expansion or modification of the
10 licensed facility to accommodate interactive gaming and to
11 otherwise fund the cost of commencing interactive gaming.

12 (9) Information and documentation concerning financial
13 background and resources, as the board may require, to
14 establish by clear and convincing evidence the financial
15 stability, integrity and responsibility of the slot machine
16 licensee, and information or documentation concerning any
17 interactive gaming operator that will operate interactive
18 gaming or an interactive gaming system on behalf of the slot
19 machine licensee, as the board may require.

20 (10) Information and documentation, as the board may
21 require, to establish by clear and convincing evidence that
22 the slot machine licensee has sufficient business ability and
23 experience to conduct a successful interactive gaming
24 operation. In making this determination, the board may
25 consider the results of the slot machine licensee's slot
26 machine and table game operations, including financial
27 information, employment data and capital investment.

28 (11) Information and documentation, as the board may
29 require, to establish by clear and convincing evidence that
30 the slot machine licensee has or will have the financial
31 ability to pay the interactive gaming authorization fee.

32 (12) Detailed site plans identifying the proposed
33 interactive gaming restricted area where interactive gaming
34 operations will be managed, administered or controlled as
35 approved by the board.

36 (13) A detailed description of all of the following:

37 (i) The slot machine licensee's initial system of
38 internal and accounting controls applicable to
39 interactive gaming.

40 (ii) The slot machine licensee's proposed standards
41 to protect, with a reasonable degree of certainty, the
42 privacy and security of its registered players.

43 (iii) How the slot machine licensee will facilitate
44 compliance with all of the requirements set forth in this
45 chapter and in section 802(a) of the Unlawful Internet
46 Gambling Enforcement Act of 2006 (Public Law 109-347, 31
47 U.S.C. § 5362(10)(B)), including, but not limited to, all
48 of the following:

49 (A) Age, identity and location verification
50 requirements designed to block access to individuals
51 under 21 years of age.

1 (B) Appropriate data security standards to
2 prevent unauthorized access by any person whose age,
3 identity and location have not been verified or whose
4 age, identity and location cannot be verified in
5 accordance with this chapter and applicable
6 regulations of the board.

7 (C) Except as provided in this chapter, the
8 requirement that all wagers made in the conduct of
9 interactive gaming be initiated and received or
10 otherwise made exclusively within this Commonwealth.

11 (iv) The slot machine licensee's proposed age,
12 identity and location verification standards designed to
13 block access to persons under 21 years of age and persons
14 excluded or prohibited from participating in interactive
15 gaming under this chapter.

16 (v) The procedures the slot machine licensee will
17 use to register individuals who wish to participate in
18 interactive gaming.

19 (vi) The procedures the slot machine licensee will
20 use to establish interactive gaming accounts for
21 registered players.

22 (vii) The interactive games and services the slot
23 machine licensee proposes to offer to registered players.

24 (viii) Documentation and information relating to all
25 proposed subcontractors of the slot machine licensee,
26 including, but not limited to, all of the following:

27 (A) A description of the services to be provided
28 by each subcontractor.

29 (B) Information on the experience and
30 qualifications of each subcontractor to provide the
31 services anticipated.

32 (C) The names of all proposed subcontractors,
33 owners, executives and employees that will be
34 directly or indirectly involved in the slot machine
35 licensee's interactive gaming operations, as well as
36 sufficient personal identifying information on each
37 such person to conduct background checks as may be
38 required by the board.

39 (14) The interactive gaming devices and associated
40 equipment, including the interactive gaming network,
41 interactive gaming system or systems, that the slot machine
42 licensee plans to or will utilize to manage, administer or
43 control its interactive gaming operations.

44 (15) Compliance certification of its interactive gaming
45 devices and associated equipment, including interactive
46 gaming software and hardware, by a board-approved gaming
47 laboratory to ensure that the gaming software and hardware
48 comply with the requirements of this chapter and regulations
49 of the board.

50 (16) Detailed description of accounting systems,
51 including, but not limited to, accounting systems for all of

1 the following:

2 (i) Interactive gaming accounts.

3 (ii) Per-hand charges, if applicable.

4 (iii) Transparency and reporting to the board and
5 the department.

6 (iv) Distribution of revenue to the Commonwealth and
7 winnings to registered players.

8 (v) Ongoing auditing and internal control compliance
9 reviews.

10 (17) Detailed information on security systems at the
11 licensed facility to protect the interactive gaming skins or
12 Internet website from internal and external breaches and
13 threats.

14 (18) Any other information the board may require.

15 (c) Confidentiality.--Information submitted to the board
16 under subsection (b) may be considered confidential by the board
17 if the information would be confidential under section 1206(f)
18 (relating to board minutes and records).

19 § 13B13. Issuance of interactive gaming certificate.

20 (a) Requirements for approval of petition.--

21 (1) The board may approve a petition under section 13B12
22 (relating to interactive gaming certificate required and
23 content of petition) upon finding clear and convincing
24 evidence of all of the following:

25 (i) The slot machine licensee's conduct of
26 interactive gaming complies in all respects with the
27 requirements of this chapter and regulations promulgated
28 by the board.

29 (ii) Age, identity and location verification
30 requirements designed to block access to individuals
31 under 21 years of age and persons otherwise prohibited
32 from engaging in interactive gaming in accordance with
33 this chapter, as approved by the board, have been
34 implemented by the slot machine licensee.

35 (iii) The slot machine licensee has implemented or
36 will implement appropriate data security standards to
37 prevent unauthorized access by any person whose age,
38 identity and location has not been verified or cannot be
39 verified in accordance with the regulations promulgated
40 and adopted by the board.

41 (iv) The slot machine licensee has implemented or
42 will implement appropriate standards to protect the
43 privacy and security of registered players.

44 (v) The slot machine licensee's initial system of
45 internal and accounting controls applicable to
46 interactive gaming, and the security and integrity of all
47 financial transactions in connection with the system,
48 complies with this chapter and regulations promulgated
49 and adopted by the board.

50 (vi) The slot machine licensee is in good standing
51 with the board.

1 (vii) The slot machine licensee agrees that the
2 number of slot machines and table games in operation at
3 its licensed facility, as of the effective date of this
4 section, will not be reduced as a result of the
5 authorization and commencement of interactive gaming.

6 (2) It shall be an express condition of any interactive
7 gaming certificate that a slot machine licensee shall
8 collect, report and pay all applicable taxes and fees and
9 shall maintain all books, records and documents pertaining to
10 the slot machine licensee's interactive gaming operations in
11 a manner and location within this Commonwealth as approved by
12 the board. All books, records and documents shall be
13 immediately available for inspection by the board and the
14 department during all hours of operation in accordance with
15 the regulations of the board and shall be maintained in a
16 manner and during periods of time as the board shall require.

17 (b) Issuance of interactive gaming certificate.--

18 (1) Upon approval of a petition for an interactive
19 gaming certificate, the board shall issue an interactive
20 gaming certificate to the slot machine licensee. The issuance
21 of an interactive gaming certificate prior to the full
22 payment of the authorization fee required under section 13B51
23 (relating to interactive gaming authorization fee) shall not
24 relieve the slot machine licensee from the obligation to pay
25 the authorization fee in accordance with the requirements of
26 section 13B51.

27 (2) Upon issuing an interactive gaming certificate, the
28 board shall amend the slot machine licensee's statement of
29 conditions to include conditions pertaining to the
30 requirements of this chapter.

31 (c) Term of interactive gaming certificate.--Subject to the
32 power of the board to deny, revoke or suspend an interactive
33 gaming certificate issued in accordance with the requirements of
34 this section, an interactive gaming certificate shall be renewed
35 every five years and shall be subject to the requirements of
36 section 1326 (relating to renewals).

37 (d) Sanctions.--A slot machine licensee that fails to abide
38 by the requirements of this chapter or any condition contained
39 in the slot machine licensee's statement of conditions governing
40 the operation of interactive gaming shall be subject to board-
41 imposed administrative sanctions or other penalties authorized
42 under this part. The imposition of administrative sanctions in
43 accordance with this subsection shall apply to any interactive
44 gaming operator that fails to abide by the requirements of this
45 chapter and regulations of the board.

46 (e) Background investigations.--Each petition for an
47 interactive gaming certificate shall be accompanied by a
48 nonrefundable fee established by the board to cover the cost of
49 background investigations. The board shall determine by
50 regulation the persons involved, directly or indirectly, in a
51 slot machine licensee's interactive gaming operations and

1 persons involved in the operations of an interactive gaming
2 operator who shall be subject to background investigation. Any
3 additional costs and expenses incurred in any background
4 investigation or other investigation or proceeding under this
5 chapter shall be reimbursed to the board.

6 § 13B14. Interactive gaming operators.

7 (a) License required.--No person shall serve or attempt to
8 serve as an interactive gaming operator without first obtaining
9 an interactive gaming license from the board. A person may seek
10 approval to serve as an interactive gaming operator by filing an
11 application with the board. The board shall prescribe the form
12 and manner to govern the submission of an application for an
13 interactive gaming license. The board shall provide for the
14 licensure of interactive gaming operators that operate
15 interactive gaming or an interactive gaming system on behalf of
16 an interactive gaming certificate holder. The board shall:

17 (1) Determine suitability and provide for the licensure,
18 permitting, registration or certification, as it deems
19 appropriate, of interactive gaming operators or other persons
20 directly involved in the operation of interactive gaming or
21 an interactive gaming system on behalf of a slot machine
22 licensee. The board shall determine suitability in accordance
23 with the applicable requirements of this part, provided that
24 the board may extend suitability to a holder of a valid
25 license, permit, registration, certificate or other
26 authorizations approved and issued under this part, which is
27 in good standing, without additional investigation. The
28 extension of suitability in accordance with this paragraph
29 shall not relieve the holder of a valid license, permit,
30 registration or certificate issued under this chapter from
31 payment of all fees imposed under this chapter.

32 (2) Provide for the approval of the terms and conditions
33 of all agreements entered into by or between an interactive
34 gaming certificate holder and an interactive gaming operator
35 or any other person related to the operation of interactive
36 games or an interactive gaming system on behalf of the
37 interactive gaming certificate holder.

38 (b) Classification and approval of employees.--

39 (1) The board shall establish a classification system
40 for employees of interactive gaming operators or other
41 persons who provide products or services associated with or
42 related to interactive gaming, interactive gaming platforms
43 and interactive gaming systems.

44 (2) The board shall provide for the licensure,
45 permitting, registration or certification, as it deems
46 appropriate, of employees in each employee classification
47 established by it in accordance with paragraph (1).

48 (c) Applicability of certain provisions.--Interactive gaming
49 operators shall be subject to the applicable provisions of this
50 part that apply to interactive gaming certificate holders, as
51 determined by the board.

1 (d) Operators owned, controlled by slot machine licensee.--
2 This section shall not apply to an interactive gaming operator
3 that is owned by, affiliated with or otherwise controlled by a
4 slot machine licensee that has been approved for and issued an
5 interactive gaming certificate under this chapter. The board
6 shall determine by regulation the criteria or conditions
7 necessary to determine whether an interactive gaming operator is
8 owned by, affiliated with or otherwise controlled by a slot
9 machine licensee to effectuate the purpose of this subsection.

10 (e) Interactive gaming license and conditional
11 authorization.--

12 (1) The following shall apply:

13 (i) During the first 18 months after the effective
14 date of this section, the board may issue conditional
15 authorizations to persons seeking licensure as
16 interactive gaming operators.

17 (ii) Conditional authorization awarded to an
18 interactive gaming operator may remain in effect until
19 the shorter of 12 months after the date of issue or the
20 date by which the board considers the subject
21 application.

22 (iii) Conditional authorization may be renewed by
23 the board not more than once, upon a showing of good
24 cause.

25 (iv) Conditional authorization shall allow an
26 applicant for an interactive gaming license to engage in
27 all of the functions of a licensed interactive gaming
28 operator for the duration of the conditional
29 authorization.

30 (2) No conditional authorization may be issued unless:

31 (i) The applicant has submitted a complete
32 application for an interactive gaming license to the
33 board.

34 (ii) The applicant agrees to pay or has paid the fee
35 prescribed in section 13B51 (relating to interactive
36 gaming authorization fee) prior to the issuance of
37 conditional authorization, which may be refundable in the
38 event the license is not approved and issued by the
39 board.

40 (iii) The bureau has no objection to the issuance of
41 a conditional authorization to the applicant.

42 (3) Within 45 days of the date that the bureau receives
43 the completed application for an interactive gaming license
44 from an applicant for investigation, the bureau shall conduct
45 a preliminary investigation of the applicant and any key
46 interactive gaming employee of the applicant, as determined
47 by the board, which shall include a criminal background
48 investigation of the applicant and any interactive gaming
49 employees of the applicant, as determined by the board in
50 accordance with section 1202(b) (relating to general and
51 specific powers).

1 (4) If the bureau's preliminary investigation discloses
2 no adverse information that would impact suitability for
3 licensure, the bureau shall provide the board with a
4 statement of no objection to issuance of conditional
5 authorization to the applicant.

6 (5) If the bureau's preliminary investigation discloses
7 adverse information that would impact suitability for
8 licensure, it shall register an objection and no conditional
9 authorization may be issued until the bureau's concerns are
10 resolved.

11 (6) Any conditional authorization approved and issued to
12 an applicant for an interactive gaming license under this
13 subsection may be suspended or withdrawn by the board upon a
14 showing of good cause by the bureau.

15 § 13B15. Interactive gaming certificate and license.

16 The following shall apply:

17 (1) An interactive gaming certificate and interactive
18 gaming license shall be in effect unless:

19 (i) The certificate or license is suspended or
20 revoked by the board consistent with the requirements of
21 this part.

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

25 (iii) The slot machine licensee relinquishes or does
26 not seek renewal of its slot machine license.

27 (iv) The slot machine licensee does not seek renewal
28 of its interactive gaming certificate.

29 (2) The interactive gaming certificate may include an
30 initial itemized list by number and type of authorized
31 interactive games for interactive gaming to be conducted by
32 the interactive gaming certificate holder or interactive
33 gaming operator or other person on behalf of an interactive
34 gaming certificate holder. The slot machine licensee may
35 increase or decrease the number of interactive games
36 authorized for play on its interactive gaming skin or
37 Internet website or change the type of authorized interactive
38 games played on its interactive gaming skin or Internet
39 website upon notice, if required by the board, to the board
40 and approval by the board or a designated employee of the
41 board. Unless approved by the board or a designated employee
42 of the board, the total number and type of authorized
43 interactive games offered for play by an interactive gaming
44 certificate holder may not differ from the number and type
45 approved by the board and authorized in the interactive
46 gaming certificate.

47 (3) A slot machine licensee shall be required to update
48 the information in its initial interactive gaming petition at
49 times and in the form and manner as prescribed by the board.

50 § 13B16. Timing of initial interactive gaming authorizations.

51 The board shall prescribe the date on which petitions for an

1 interactive gaming certificate and applications for an
2 interactive gaming license must be filed with the board and
3 shall approve or deny a petition or application within 90 days
4 following receipt.

5 SUBCHAPTER B.1

6 MULTI-USE COMPUTING DEVICES

7 Sec.

8 13B20. Authorization.

9 13B20.1. Board authorization required.

10 13B20.2. Standard for review of applications.

11 13B20.3. Fees.

12 13B20.4. Multi-use gaming device tax.

13 13B20.5. Local share assessment.

14 13B20.6. Regulations.

15 13B20.7. Construction.

16 § 13B20. Authorization.

17 (a) Authority.--

18 (1) Notwithstanding any provision of this part or
19 regulation of the board, an interactive gaming certificate
20 holder may provide for the conduct of interactive gaming at a
21 qualified airport through the use of multi-use computing
22 devices or enter into a written agreement with an interactive
23 gaming operator that provides for the conduct of such
24 interactive gaming by the interactive gaming operator on
25 behalf of the interactive gaming certificate holder.

26 (2) An interactive gaming certificate holder seeking to
27 make authorized interactive games available for play through
28 the use of multi-use computing devices at a qualified airport
29 shall file a petition with the board in such form and manner
30 as the board, through regulations, shall require.

31 (b) Place of conduct.--The board, at its discretion, may
32 authorize an interactive gaming certificate holder or an
33 interactive gaming operator to place and make authorized
34 interactive games available for play at a qualified airport
35 through the use of multi-use computing devices in accordance
36 with the requirements of this subchapter and regulations of the
37 board.

38 (c) Satisfaction of contingencies.--Authorization for an
39 interactive gaming certificate holder to conduct interactive
40 gaming at a qualified airport in accordance with subsection (a)
41 shall be contingent upon the following:

42 (1) The interactive gaming certificate holder has
43 submitted a petition to the board seeking authorization to
44 manage the conduct of interactive gaming at the qualified
45 airport and the board has approved the petition.

46 (2) The interactive gaming certificate holder has
47 disclosed that it has or will enter into an agreement with an
48 interactive gaming operator who will manage, operate and
49 control the conduct of interactive gaming at a qualified
50 airport on behalf of the interactive gaming certificate
51 holder and the interactive gaming operator has petitioned the

1 board for approval and the board has approved the agreement
2 and the petition.

3 (3) The interactive gaming certificate holder or
4 interactive gaming operator, as the case may be, has entered
5 into an agreement with the concession operator at the
6 qualified airport for the conduct of interactive gaming
7 through the use of multi-use computing devices within the
8 airport gaming area.

9 (4) The interactive gaming certificate holder or
10 interactive gaming operator, as applicable, has provided
11 adequate assurances that the conduct of interactive gaming at
12 the qualified airport will be conducted and operated in
13 accordance with this part and regulations promulgated by the
14 board.

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

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

28 (d) Agreement required.--The following shall apply:

29 (1) An interactive gaming certificate holder may seek
30 authorization for the operation and placement of authorized
31 interactive games at a qualified airport or may enter into an
32 agreement with an interactive gaming operator to provide for
33 the conduct of interactive gaming at the qualified airport.

34 (2) An agreement entered into in accordance with this
35 subsection shall be in writing and shall be submitted to the
36 board for review and approval.

37 § 13B20.1. Board authorization required.

38 (a) Contents of petition.--An interactive gaming certificate
39 holder seeking authorization to conduct interactive gaming at a
40 qualified airport through the use of a multi-use computing
41 device shall petition the board for approval. The petition shall
42 include:

43 (1) The name, business address and contact information
44 of the interactive gaming certificate holder or the name,
45 business address and contact information of the interactive
46 gaming operator, if an interactive gaming operator will
47 manage the operation of interactive gaming at a qualified
48 airport on behalf of an interactive gaming certificate holder
49 pursuant to an interactive gaming agreement.

50 (2) The name and business address, job title and a
51 photograph of each principal and key employee of the

1 interactive gaming certificate holder and, if relevant, the
2 interactive gaming operator who will be directly involved in
3 the conduct of authorized interactive games at the qualified
4 airport and who is not currently licensed by the board, if
5 known.

6 (3) The name and business address of the airport
7 authority, the location of the qualified airport and the
8 names of the governing body of the airport authority, if the
9 airport authority is incorporated in accordance with 53
10 Pa.C.S. Ch. 56 (relating to municipal authorities).

11 (4) If the use and control of a qualified airport is
12 regulated by a city of the first class, an identification of
13 the municipal agency and primary officials of a city of the
14 first class, which regulates the use and control of the
15 qualified airport.

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

20 (6) The brand name of the multi-use computing devices
21 that will be placed in operation at the qualified airport.
22 The board, at its discretion, may require any additional
23 information related to the conduct of interactive gaming at a
24 qualified airport through the use of multi-use computing
25 devices or persons that manufacture or supply multi-use
26 computing devices that it may determine necessary and
27 appropriate to ensure the integrity of interactive gaming at
28 a qualified airport and protect the public interest.

29 (7) An itemized list of the interactive games for which
30 authorization is being sought.

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

34 (9) Information on the terms and conditions of any
35 interactive gaming agreement entered into by or between an
36 interactive gaming certificate holder and interactive gaming
37 operator or other person related to the conduct of
38 interactive gaming through the use of multi-use computing
39 devices at a qualified airport, if the board deems necessary
40 and appropriate.

41 (10) Detailed site plans illustrating the location of
42 the proposed airport gaming area at the qualified airport.

43 (11) Information and documentation concerning financial
44 background and resources, as the board may require, to
45 establish by clear and convincing evidence the financial
46 stability, integrity and responsibility of the petitioner.

47 (12) Any other information as the board may require.

48 (b) Confidentiality.--Information submitted to the board
49 under subsection (a) (8), (9), (11) and (12) may be considered
50 confidential by the board if the information would be
51 confidential under section 1206(f) (relating to board minutes

1 and records).

2 (c) Approval of petition.--Upon approval of a petition as
3 required under this section, the board shall authorize an
4 interactive gaming certificate holder or an interactive gaming
5 operator, as applicable, to conduct interactive gaming at a
6 qualified airport through the use of multi-use computing
7 devices. The authorization of an interactive gaming certificate
8 holder or an interactive gaming operator, as applicable, to
9 conduct interactive gaming at a qualified airport in accordance
10 with this chapter prior to the full payment of the authorization
11 fee under section 13B20.3 (relating to fees) shall not relieve
12 the interactive gaming certificate holder or interactive gaming
13 operator, as applicable, from the obligation to pay the
14 authorization fee in accordance with section 13B20.3.

15 § 13B20.2. Standard for review of petitions.

16 The board shall approve a petition under section 13B20.1
17 (relating to board authorization required) if the interactive
18 gaming operator has been or will be issued an interactive gaming
19 license under section 13B14 (relating to interactive gaming
20 operators), and if it establishes, by clear and convincing
21 evidence, all of the following:

22 (1) The interactive gaming certificate holder or
23 interactive gaming operator, as the case may be, has entered
24 into an agreement with a concession operator for the conduct
25 of interactive gaming through the use of multi-use computing
26 devices within the airport gaming area of a qualified
27 airport.

28 (2) The interactive gaming operator has an agreement
29 with an interactive gaming certificate holder relating to the
30 conduct of authorized interactive games by the interactive
31 gaming operator on behalf of the interactive gaming
32 certificate holder.

33 (3) The board has approved the agreements under
34 paragraphs (1) and (2), as applicable.

35 (4) The interactive gaming operator has paid the
36 authorization fee under section 13B51 (relating to
37 interactive gaming authorization fee).

38 (5) The interactive gaming operator possesses the
39 necessary funds or has secured adequate financing to commence
40 the conduct of interactive gaming at the qualified airport.

41 (6) The proposed internal and external security and
42 surveillance measures within the airport gaming area of the
43 qualified airport are adequate.

44 § 13B20.3. Fees.

45 (a) Required fees.--An interactive gaming certificate holder
46 shall pay a one-time, nonrefundable fee of \$1,000,000 upon the
47 authorization to conduct interactive gaming at a qualified
48 airport through the use of multi-use computing devices in
49 accordance with this chapter.

50 (b) Deposit of fees.--Notwithstanding section 1208 (relating
51 to collection of fees and fines), all fees or penalties received

1 by the board under this chapter shall be deposited in the
2 General Fund.

3 § 13B20.4. Multi-use gaming device tax.

4 (a) Imposition.--

5 (1) Each interactive gaming certificate holder
6 authorized to conduct interactive gaming at a qualified
7 airport in accordance with the provisions of this subchapter
8 shall report to the department and pay from its daily gross
9 interactive gaming revenue generated from the conduct of
10 interactive gaming through multi-use computing devices at the
11 qualified airport, on a form and in the manner prescribed by
12 the department, a tax of 14% of its daily gross interactive
13 gaming revenue generated from multi-use computing devices at
14 the qualified airport and a local share assessment.

15 (2) The tax imposed under subsection (a) shall be
16 payable to the department on a daily basis and shall be based
17 upon the gross interactive gaming revenue generated from
18 multi-use computing devices at a qualified airport derived
19 during the previous week.

20 (3) All funds owed to the Commonwealth under this
21 section shall be held in trust for the Commonwealth by the
22 interactive gaming certificate holder until the funds are
23 paid to the department. An interactive gaming certificate
24 holder shall establish a separate bank account into which
25 gross interactive gaming revenue from multi-use computing
26 devices shall be deposited and maintained until such time as
27 the funds are paid to the department under this section.

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

30 § 13B20.5. Local share assessment.

31 (a) Required payment.--In addition to the tax imposed under
32 section 13B20.4 (relating to multi-use gaming device tax), each
33 interactive gaming certificate holder shall pay on a weekly
34 basis and on a form and in a manner prescribed by the department
35 a local share assessment into a restricted receipts account
36 established in the fund. All funds owed under this section shall
37 be held in trust by the interactive gaming certificate holder
38 until the funds are paid into the account. Funds in the account
39 are hereby appropriated to the department on a continuing basis
40 for the purposes set forth in this section.

41 (b) Distributions to qualified airports.--

42 (1) The department shall make quarterly distributions
43 from the local share assessments deposited into the fund
44 under subsection (a) to qualified airports.

45 (2) Notwithstanding paragraph (1) or any other provision
46 of law, the multi-use computing device local share assessment
47 generated at a qualified airport located in a city of the
48 first class which regulates the use and control of a
49 qualified airport shall be distributed to the school district
50 of the city of the first class for pre-kindergarten programs.

51 (c) Definition.--As used in this section, the term "multi-

1 use computing device local share assessment" means 20% of an
2 interactive gaming certificate holder's gross interactive gaming
3 revenue from multi-use computing devices at qualified airports.
4 § 13B20.6. Regulations.

5 (a) Regulations.--The board shall promulgate regulations
6 related to the operation of authorized interactive games through
7 the use of multi-use computing devices at qualified airports,
8 including, but not limited to:

9 (1) Procedures for the creation of temporary or
10 provisional interactive gaming accounts that take into
11 consideration the nature of interactive gaming through multi-
12 use computing devices at qualified airports.

13 (2) Procedures to govern credits, debits, deposits and
14 payments to interactive gaming accounts established through
15 multi-use computing devices at qualified airports.

16 (3) Procedures, in consultation with the department, to
17 govern financial transactions between an interactive gaming
18 certificate holder, an interactive gaming operator or other
19 persons that relates to the reporting of gross interactive
20 gaming revenue generated through the use of multi-use
21 computing devices at qualified airports.

22 (b) Temporary regulations.--In order to facilitate the
23 prompt implementation of this chapter, regulations promulgated
24 by the board in accordance with subsection (a) shall be deemed
25 temporary regulations. The board and the commission may
26 promulgate temporary regulations not subject to:

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

30 (2) Sections 204(b) and 301(10) of the act of October
31 15, 1980 (P.L.950, No.164), known as the Commonwealth
32 Attorneys Act.

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

35 § 13B20.7. Construction.

36 Nothing in this subchapter shall be construed to:

37 (1) Create a separate license governing the use of
38 multi-use computing devices for the conduct of interactive
39 games at eligible airports by interactive gaming certificate
40 holders within this Commonwealth.

41 (2) Limit the board's authority to determine the
42 suitability of any person who may be directly or indirectly
43 involved in or associated with the operation of interactive
44 gaming at a qualified airport to ensure the integrity of
45 interactive gaming and protect the public interest.

SUBCHAPTER C

CONDUCT OF INTERACTIVE GAMING

48 Sec.

49 13B21. Situs of interactive gaming operations.

50 13B22. Establishment of interactive gaming accounts.

51 13B23. Interactive gaming account credits, debits, deposits and

1 payments.
2 13B24. Acceptance of account wagers.
3 13B25. Dormant interactive gaming accounts.
4 13B26. Log-in procedure required.
5 13B27. Information provided at login.
6 13B28. Prohibitions.
7 13B29. Commencement of interactive gaming operations.
8 § 13B21. Situs of interactive gaming operations.

9 Except as provided in this chapter, all wagers made through
10 interactive gaming shall be deemed to be initiated, received or
11 otherwise made within the geographic boundaries of this
12 Commonwealth. The intermediate routing of electronic data
13 associated or in connection with interactive gaming shall not
14 determine the location or locations in which a bet or wager is
15 initiated, received or otherwise made.

16 § 13B22. Establishment of interactive gaming accounts.

17 (a) Registration restrictions.--Only a natural person who
18 has first established an interactive gaming account shall be
19 permitted to play an authorized interactive game or place any
20 bet or wager associated with an authorized interactive game. An
21 interactive gaming account shall be in the name of a natural
22 person and may not be in the name of any beneficiary, custodian,
23 joint trust, corporation, partnership or other organization or
24 entity. An interactive gaming certificate holder shall not
25 permit an individual to establish an interactive gaming account
26 unless the person is 21 years of age or older.

27 (b) Establishment of interactive gaming accounts.--

28 (1) An interactive gaming account may be executed in
29 person, provided that the board shall, through regulations,
30 provide procedures for the establishment of interactive
31 gaming accounts over the Internet through the interactive
32 gaming certificate holder's interactive gaming skin or portal
33 or Internet website. Each interactive gaming account shall
34 comply with the internal controls of the interactive gaming
35 certificate holder that, at a minimum, require the following:

36 (i) The filing and execution of an interactive
37 gaming account application, the form of which has been
38 preapproved by the board.

39 (ii) Proof of age, identity and residency as
40 demonstrated by at least two forms of identification
41 approved by the board through regulation.

42 (iii) Physical address or the principal residence of
43 the prospective account holder, e-mail address of the
44 prospective account holder and other contact information,
45 as the board or interactive gaming certificate holder may
46 require.

47 (iv) Password or other secured identification
48 provided by the interactive gaming certificate holder to
49 access the interactive gaming account or some other
50 mechanism approved by the board to authenticate the
51 player as the holder to the interactive gaming account.

1 (v) An acknowledgment under penalty of perjury that
2 false or misleading statements made in regard to an
3 application for an interactive gaming account may subject
4 the applicant to civil and criminal penalties.

5 (2) The interactive gaming certificate holder may accept
6 or reject an application after receipt and review of the
7 application and verification of age and identity for
8 compliance with the provisions of this chapter. The
9 interactive gaming certificate holder shall have the right,
10 at any time with or without cause, to suspend or close any
11 interactive gaming account at its sole discretion.

12 (3) The address provided by the applicant in the
13 application for an interactive gaming account shall be deemed
14 the address of record for the purposes of mailing checks,
15 account withdrawals, notices and other materials to the
16 interactive gaming account holder.

17 (4) An interactive gaming account shall not be
18 assignable or otherwise transferable and an interactive
19 gaming certificate holder may, at any time, declare all or
20 any part of an interactive gaming account to be closed for
21 wagering.

22 (c) Password required.--As part of the application process,
23 the interactive gaming certificate holder shall provide the
24 prospective interactive gaming account holder with a password to
25 access the interactive gaming account or shall establish some
26 other method approved by the board to authenticate the
27 individual as the holder of the interactive gaming account and
28 allow the registered player access to the interactive gaming
29 account.

30 (d) Grounds for rejection.--Any individual who provides
31 false or misleading information in the application for an
32 interactive gaming account may be subject to rejection of the
33 application or cancellation of the account by the interactive
34 gaming certificate holder.

35 (e) Suspension of interactive gaming account.--The
36 interactive gaming certificate holder shall have the right to
37 suspend or close any interactive gaming account at its
38 discretion.

39 (f) Persons prohibited from establishing or maintaining an
40 interactive gaming account.--The following persons shall not be
41 entitled to establish or maintain an interactive gaming account:

42 (1) Any person under 21 years of age.

43 (2) Any person on the list of persons who are or will be
44 excluded or ejected from or denied access to any licensed
45 facility under section 1514 (relating to regulation requiring
46 exclusion, ejection or denial of access of certain persons),
47 1515 (relating to repeat offenders excludable from licensed
48 gaming facility) or 1516 (relating to list of persons self
49 excluded from gaming activities).

50 (3) Any gaming employee, key employee or principal
51 employee of a slot machine licensee and any employee or key

1 employee of an interactive gaming operator or any other
2 person directly involved in the operation of interactive
3 gaming or an interactive gaming system on behalf of a slot
4 machine licensee.

5 § 13B23. Interactive gaming account credits, debits, deposits
6 and payments.

7 (a) Duty of board.--The board shall, by regulation, develop
8 procedures to govern credits, debits and deposits to interactive
9 gaming accounts. Notwithstanding any provision of this part to
10 the contrary, all credits, debits and deposits to interactive
11 gaming accounts shall be made in accordance with regulations
12 promulgated by the board, in consultation with the department,
13 and all payments of winnings shall be made in accordance with
14 the rules of each particular authorized interactive game.

15 (b) Rights of interactive gaming certificate holder.--An
16 interactive gaming certificate holder shall have the right to:

17 (1) Credit an interactive gaming account as part of a
18 promotion.

19 (2) Refuse all or part of any wager or deposit to the
20 interactive gaming account of a registered player.

21 (c) Interest prohibited.--Funds deposited in a registered
22 player's interactive gaming account shall not bear interest to
23 the account holder.

24 § 13B24. Acceptance of account wagers.

25 (a) Acceptance.--An interactive gaming certificate holder
26 may accept interactive gaming wagers or bets only as follows:

27 (1) The wager shall be placed directly with the
28 interactive gaming certificate holder by the registered
29 player, after the interactive gaming certificate holder has
30 verified that the individual seeking to place a wager or bet
31 is the registered player.

32 (2) The registered player provides the slot machine
33 licensee with the correct password or other authentication
34 information for access to the interactive gaming account.

35 (b) Nonacceptance.--An interactive gaming certificate holder
36 may not accept an account wager in an amount in excess of funds
37 on deposit in an interactive gaming account of the registered
38 player placing the bet or wager. Funds on deposit include
39 amounts credited to a registered player's interactive gaming
40 account in accordance with regulations of the board and any
41 funds in the account at the time the wager is placed.

42 § 13B25. Dormant interactive gaming accounts.

43 Before closing a dormant interactive gaming account, the
44 interactive gaming certificate holder shall attempt to contact
45 the interactive gaming account holder by mail and phone or e-
46 mail to inform the account holder that the interactive gaming
47 account is inactive and may be subject to termination at such
48 time and manner as determined by regulation of the board.

49 § 13B26. Log-in procedure required.

50 Each interactive gaming certificate holder shall establish a
51 log-in procedure for registered players to access interactive

1 gaming. The log-in procedure shall include the provision of the
2 appropriate authentication information by the registered player
3 for access to the interactive gaming account. The interactive
4 gaming certificate holder shall not allow a registered player to
5 log in and access the interactive gaming account unless the
6 correct password or other authentication information is
7 provided.

8 § 13B27. Information provided at login.

9 The interactive gaming certificate holder shall configure its
10 interactive gaming skin to include a link that, upon login, will
11 allow a registered player to access all of the following
12 information:

13 (1) The current amount of funds in the interactive
14 gaming account.

15 (2) The wins and losses since the interactive gaming
16 account was established.

17 (3) The wins and losses at the beginning of the current
18 gaming session and the wins and losses at the end of the
19 current gaming session.

20 (4) The complete text in searchable format of the rules
21 of each authorized interactive game offered by the
22 interactive gaming certificate holder and any other
23 information as the board may require.

24 § 13B28. Prohibitions.

25 Except as provided in this part, no interactive gaming
26 certificate holder or any person licensed under this part to
27 operate interactive gaming or an interactive gaming system and
28 no person acting on behalf of, or under any arrangement with, an
29 interactive gaming certificate holder or other person licensed
30 under this part shall:

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

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

38 § 13B29. Commencement of interactive gaming operations.

39 An interactive gaming certificate holder may not operate or
40 offer interactive games for play on its interactive gaming skin
41 until the board determines that:

42 (1) The interactive gaming certificate holder is in
43 compliance with the requirements of this chapter.

44 (2) The interactive gaming certificate holder's
45 internal, administrative and accounting controls are
46 sufficient to meet the requirements of section 13B32
47 (relating to internal, administrative and accounting
48 controls).

49 (3) The interactive gaming certificate holder's
50 interactive gaming employees, where applicable, are licensed,
51 permitted, registered, certified or otherwise authorized by

1 the board to perform their respective duties.

2 (4) The employees of the interactive gaming operator
3 are, where applicable, licensed, permitted or otherwise
4 authorized by the board to perform their duties.

5 (5) The interactive gaming certificate holder is
6 prepared in all respects to offer interactive gaming to the
7 public over its interactive gaming skin.

8 (6) The interactive gaming certificate holder has
9 implemented necessary internal, administrative and accounting
10 controls, security arrangements and surveillance systems for
11 the operation of interactive gaming.

12 (7) The interactive gaming certificate holder is in
13 compliance with or will comply with section 13B31 (relating
14 to responsibilities of interactive gaming certificate
15 holder).

16 (8) The board has approved an agreement entered between
17 the interactive gaming certificate holder and an interactive
18 gaming operator or other person related to the operation of
19 interactive gaming or the operation of an interactive gaming
20 system on behalf of such interactive gaming certificate
21 holder.

22 SUBCHAPTER D
23 FACILITIES AND EQUIPMENT

24 Sec.

25 13B31. Responsibilities of interactive gaming certificate
26 holder.

27 13B32. Internal, administrative and accounting controls.

28 § 13B31. Responsibilities of interactive gaming certificate
29 holder.

30 (a) Facilities and equipment.--All facilities and
31 interactive gaming devices and associated equipment shall:

32 (1) Be arranged in a manner promoting appropriate
33 security for interactive gaming.

34 (2) Include a closed-circuit video monitoring system
35 according to rules or specifications approved by the board,
36 with board absolute access to the interactive gaming
37 certificate holder's interactive gaming skin, Internet
38 website and platform, signal or transmission used in
39 connection with interactive gaming.

40 (3) Not be designed in any way that might interfere with
41 or impede the board in its regulation of interactive gaming.

42 (4) Comply in all respects with regulations of the
43 board.

44 (b) Location of equipment and interactive gaming restricted
45 areas.--

46 (1) All interactive gaming devices and associated
47 equipment used by an interactive gaming certificate holder or
48 an interactive gaming licensee to conduct interactive gaming
49 may be located, with the prior approval of the board, in an
50 interactive gaming restricted area on the premises of the
51 licensed facility, in an interactive gaming restricted area

1 within the geographic limits of the county in this
2 Commonwealth where the licensed facility is situated or in
3 any other area approved by the board.

4 (2) All wagers associated with interactive gaming shall
5 be deemed to be placed when received by the interactive
6 gaming certificate holder.

7 § 13B32. Internal, administrative and accounting controls.

8 (a) Submissions to board.--Notwithstanding any provision of
9 this part, each slot machine licensee who holds or has applied
10 for an interactive gaming certificate in accordance with this
11 chapter shall submit a description of its system of internal
12 procedures and administrative and accounting controls for
13 interactive gaming to the board, including provisions that
14 provide for real-time monitoring, recordation or storage of all
15 interactive games and a description of any changes to its
16 procedures and controls. The submission shall be made at least
17 90 days before authorized interactive gaming is to commence or
18 at least 90 days before any change in those procedures or
19 controls is to take effect, unless otherwise directed by the
20 board.

21 (b) Filing.--Notwithstanding subsection (a), the procedures
22 and controls may be implemented by an interactive gaming
23 certificate holder upon the filing of the procedures and
24 controls with the board. Each procedure or control submission
25 shall contain both narrative and diagrammatic representations of
26 the system to be utilized with regard to interactive gaming,
27 including, but not limited to:

28 (1) Accounting controls, including the standardization
29 of forms and definition of terms to be utilized in the
30 interactive gaming operations.

31 (2) Procedures, forms and, where appropriate, formulas
32 to govern the following:

- 33 (i) calculation of hold percentages;
- 34 (ii) revenue drops;
- 35 (iii) expense and overhead schedules;
- 36 (iv) complimentary services; and
- 37 (v) cash-equivalent transactions.

38 (3) Job descriptions and the system of personnel and
39 chain of command, establishing a diversity of responsibility
40 among employees engaged in interactive gaming operations,
41 including employees of an interactive gaming operator, and
42 identifying primary and secondary management and supervisory
43 positions for areas of responsibility, salary structure and
44 personnel practices.

45 (4) Procedures for the registration of players and
46 establishment of interactive gaming accounts, including a
47 procedure for authenticating the age, identity and location
48 of applicants for interactive gaming accounts.

49 (5) Procedures for terminating a registered player's
50 interactive gaming account and the return of any funds
51 remaining in the interactive gaming account to the registered

1 player.

2 (6) Procedures for suspending or terminating a dormant
3 interactive gaming account.

4 (7) Procedures for the logging in and authentication of
5 a registered player in order to enable the player to commence
6 interactive gaming and the logging off of the registered
7 player when the player has completed play, including a
8 procedure to automatically log a registered player out of the
9 player's interactive gaming account after a specified period
10 of inactivity.

11 (8) Procedures for the crediting and debiting of
12 registered players' interactive gaming accounts.

13 (9) Procedures for cashing checks, receiving electronic
14 negotiable instruments and for redeeming chips, tokens or
15 other cash equivalents.

16 (10) Procedures for withdrawing funds from an
17 interactive gaming account by the registered player.

18 (11) Procedures for the protection of player funds,
19 including the segregation of player funds from operating
20 funds.

21 (12) Procedures for recording transactions pertaining to
22 interactive gaming.

23 (13) Procedures for the security and sharing of personal
24 identifiable information of registered players and other
25 information as required by the board and funds in interactive
26 gaming accounts. The procedures shall include the means by
27 which an interactive gaming certificate holder or interactive
28 gaming operator will provide notice to registered players
29 related to its sharing of personal identifiable information.
30 For the purpose of this paragraph, "personal identifiable
31 information" shall mean any data or information that can be
32 used, on its own or with other data or information, to
33 identify, contact or otherwise locate a registered player,
34 including a registered player's name, address, date of birth
35 and Social Security number.

36 (14) Procedures and security for the calculation and
37 recordation of revenue.

38 (15) Procedures for the security of interactive gaming
39 devices and associated equipment within an interactive gaming
40 restricted area on the premises of the licensed facility or
41 in a secure facility inaccessible to the public and
42 specifically designed for that purpose off the premises of a
43 licensed facility as approved by the board.

44 (16) Procedures and security standards as to receipt of
45 and the handling and storage of interactive gaming devices
46 and associated equipment.

47 (17) Procedures and security standards to protect the
48 interactive gaming certificate holder's interactive gaming
49 skin or Internet website and interactive gaming devices and
50 associated equipment from hacking or tampering by any person.

51 (18) Procedures for responding to suspected or actual

1 hacking or tampering with an interactive gaming certificate
2 holder's interactive gaming skin or Internet website and
3 interactive gaming devices and associated equipment,
4 including partial or complete suspension of interactive
5 gaming or the suspension of any or all interactive gaming
6 accounts when warranted.

7 (19) Procedures to verify each registered player's
8 physical location each time a wager is placed on an
9 interactive game.

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

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

25 (22) Procedures to govern emergencies, including
26 suspected or actual cyber attacks, hacking or tampering with
27 the interactive gaming certificate holder's interactive
28 gaming portal, platform or Internet website.

29 (c) Review of submissions.--

30 (1) The board shall review each submission required by
31 subsections (a) and (b) and shall determine whether the
32 submission conforms to the requirements of this chapter and
33 regulations promulgated by the board and whether the system
34 submitted provides adequate and effective controls for
35 interactive gaming of the particular interactive gaming
36 certificate holder.

37 (2) If the board determines that insufficiencies exist,
38 it shall specify the insufficiencies in writing to the
39 interactive gaming certificate holder, who shall make
40 appropriate alterations to ensure compliance with the
41 requirements of this chapter and regulations of the board.
42 When the board determines a submission to be adequate in all
43 respects, it shall notify the interactive gaming certificate
44 holder.

45 (3) Except as otherwise provided in subsection (a), no
46 interactive gaming certificate holder, interactive gaming
47 operator or other person shall commence or alter interactive
48 gaming operations unless and until the system of procedures,
49 controls and alternations is approved by the board.

50 SUBCHAPTER E

51 TESTING AND CERTIFICATION

1 Sec.

2 13B41. Interactive games and interactive gaming devices and
3 associated equipment testing and certification
4 standards.

5 § 13B41. Interactive games and interactive gaming devices and
6 associated equipment testing and certification
7 standards.

8 (a) Testing required.--

9 (1) No interactive game or interactive gaming device or
10 associated equipment shall be used to conduct interactive
11 gaming unless it has been tested and approved by the board.
12 The board may, in its discretion and for the purpose of
13 expediting the approval process, refer testing to any testing
14 laboratory as approved by the board.

15 (2) The board shall establish, by regulation, technical
16 standards for approval of interactive games and interactive
17 gaming devices and associated equipment, including standards
18 to govern mechanical, electrical or program reliability and
19 security against tampering and threats, as it may deem
20 necessary to protect the registered player from fraud or
21 deception and to ensure the integrity of interactive gaming.

22 (b) Independent testing and certification facility.--Any
23 costs associated with the board's testing and certification
24 facility shall be assessed on persons authorized by the board to
25 manufacture, supply, distribute or otherwise provide interactive
26 games and interactive gaming devices and associated equipment to
27 interactive gaming certificate holders or to interactive gaming
28 operators in this Commonwealth. The costs shall be assessed in
29 accordance with a schedule adopted by the board.

30 (c) Use of other state standards.--The board may determine
31 whether the testing and certification standards for interactive
32 games and interactive gaming devices and associated equipment as
33 adopted by another jurisdiction within the United States or any
34 of the testing and certification standards used by an
35 interactive gaming certificate holder are comprehensive and
36 thorough and provide similar and adequate safeguards as those
37 required by this chapter and regulations of the board. If the
38 board makes that determination, it may permit the person
39 authorized to manufacture, supply, distribute or otherwise
40 provide interactive games and interactive gaming devices or
41 associated equipment to furnish interactive games or interactive
42 gaming devices and associated equipment to interactive gaming
43 certificate holders in this Commonwealth without undergoing the
44 full testing and certification process by the board's
45 independent testing and certification facility.

46 SUBCHAPTER F
47 TAXES AND FEES

48 Sec.

49 13B51. Interactive gaming authorization fee.

50 13B52. Interactive gaming tax.

51 13B53. Local share assessment.

1 13B54. Compulsive and problem gambling.

2 § 13B51. Interactive gaming authorization fee.

3 (a) Amount of authorization fee.--

4 (1) Each slot machine licensee that is issued an
5 interactive gaming certificate to conduct interactive gaming
6 in accordance with section 13B11 (relating to authorization
7 to conduct interactive gaming) shall pay a one-time
8 nonrefundable authorization fee in the amount of \$8,000,000.

9 (2) Each interactive gaming operator or an affiliate of
10 an interactive gaming certificate holder that is issued an
11 interactive gaming license under this chapter to operate
12 interactive gaming or an interactive gaming system on behalf
13 of a slot machine licensee pursuant to an interactive gaming
14 agreement and that is not owned, affiliated with or otherwise
15 controlled by a slot machine licensee shall pay a one-time
16 nonrefundable authorization fee in the amount of \$2,000,000.

17 (3) Each interactive gaming operator that has been
18 approved by the board to provide for the conduct of
19 interactive gaming on behalf of an interactive gaming
20 certificate holder at a qualified airport in accordance with
21 Subchapter B.1 shall pay a one-time nonrefundable
22 authorization fee in the amount of \$1,000,000.

23 (b) Payment of fee.--Persons required to pay the
24 authorization fee under subsection (a) shall remit the fee to
25 the board within 60 days of the board's approval of its
26 petition, license or conditional license to conduct interactive
27 gaming or to operate interactive gaming or an interactive gaming
28 system. The board may allow the fee to be paid in installments,
29 provided that all such installments are paid within the 60-day
30 period and that the installment payments are made in accordance
31 with the terms of an agreement between the board and the
32 interactive gaming certificate holder or an interactive gaming
33 operator under subsection (a) (2) that sets forth the terms of
34 the installment payment.

35 (c) Renewal fee.--

36 (1) Notwithstanding any other provision of this chapter,
37 an interactive gaming certificate holder shall pay a renewal
38 fee in the amount of \$250,000 upon the renewal of its
39 interactive gaming certificate in accordance with sections
40 1326 (relating to renewals) and 13B13(c) (relating to
41 issuance of interactive gaming certificate).

42 (2) Each interactive gaming operator under subsection
43 (a) (2) shall pay a renewal fee of \$100,000 upon the renewal
44 of its interactive gaming license in accordance with this
45 chapter.

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

48 § 13B52. Interactive gaming tax.

49 (a) Imposition of tax.--Each interactive gaming certificate
50 holder that conducts interactive gaming shall report to the
51 department and pay from its daily gross interactive gaming

1 revenue, on a form and in the manner prescribed by the
2 department, a tax of 14% of its daily gross interactive gaming
3 revenue and a local share assessment as provided in section
4 13B53 (relating to local share assessment).

5 (b) Deposits and distributions.--

6 (1) The tax imposed under subsection (a) shall be
7 payable to the department on a weekly basis and shall be
8 based upon gross interactive gaming revenue derived during
9 the previous week.

10 (2) All funds owed to the Commonwealth under this
11 section shall be held in trust for the Commonwealth by the
12 interactive gaming certificate holder until the funds are
13 paid to the department for deposit in the General Fund. An
14 interactive gaming certificate holder shall establish a
15 separate bank account into which gross interactive gaming
16 revenue shall be deposited and maintained until such time as
17 the funds are paid to the department under this section.

18 (c) Taxes on out-of-State wagering.--The tax rate which
19 shall be assessed and collected by the department with respect
20 to any wagers placed by registered players located in this
21 Commonwealth with an interactive gaming operator outside of this
22 Commonwealth, but authorized under an interactive gaming
23 reciprocal agreement shall be governed by the agreement but may
24 not exceed 16% of gross interactive gaming revenue derived from
25 registered players located in this Commonwealth.

26 (d) Deposit of funds.--The tax imposed under subsection (a)
27 shall be collected by the department for deposit in the General
28 Fund.

29 § 13B53. Local share assessment.

30 (a) Required payment.--

31 (1) In addition to the tax imposed under section 13B52
32 (relating to interactive gaming tax), each interactive gaming
33 certificate holder that conducts interactive gaming shall pay
34 on a weekly basis and on a form and in a manner prescribed by
35 the department a local share assessment into a restricted
36 receipts account established in the Department of Community
37 and Economic Development to be used exclusively for grants to
38 all counties in this Commonwealth, to economic development
39 authorities or redevelopment authorities within each county,
40 for grants for economic development projects, community
41 improvement projects and other projects in the public
42 interest.

43 (2) The Department of Community and Economic Development
44 shall develop policies and procedures to govern the
45 distribution of grants from the local share assessment
46 established under paragraph (1). The policies and procedures
47 shall be of sufficient scope to ensure equal access to grant
48 funds by all counties in this Commonwealth.

49 (b) Definitions.--As used in this section, the following
50 words and phrases shall have the meaning given to them in this
51 subsection:

1 "Local share assessment." Two percent of an interactive
2 gaming certificate holder's daily gross interactive gaming
3 revenue.

4 § 13B54. Compulsive and problem gambling.

5 The following shall apply:

6 (1) Each year, from the tax imposed in section 13B52
7 (relating to interactive gaming tax), \$2,000,000 or an amount
8 equal to .002 multiplied by the total gross interactive
9 gaming revenue of all active and operating interactive gaming
10 certificate holders, whichever is greater, shall be
11 transferred into the Compulsive and Problem Gambling
12 Treatment Fund established in section 1509 (relating to
13 compulsive and problem gambling program).

14 (2) Each year, from the tax imposed in section 13B52,
15 \$2,000,000 or an amount equal to .002 multiplied by the total
16 gross interactive gaming revenue of all active and operating
17 interactive gaming certificate holders, whichever is greater,
18 shall be transferred to the Department of Drug and Alcohol
19 Programs to be used for drug and alcohol addiction treatment
20 services, including treatment for drug and alcohol addiction
21 related to compulsive and problem gambling, as set forth in
22 section 1509.1 (relating to drug and alcohol treatment).

23 SUBCHAPTER G

24 MISCELLANEOUS PROVISIONS

25 Sec.

26 13B61. Participation in interactive gaming by persons outside
27 Commonwealth.

28 13B62. Institutional investors.

29 13B63. Internet cafes and prohibition.

30 § 13B61. Participation in interactive gaming by persons outside
31 Commonwealth.

32 Notwithstanding any other provision of this chapter to the
33 contrary, an interactive gaming certificate holder may accept
34 interactive gaming wagers from a person who is not physically
35 present in this Commonwealth, if the board determines the
36 following:

37 (1) Participation in interactive gaming and acceptance
38 of wagers associated with interactive gaming from a person
39 not physically present in this Commonwealth is not
40 inconsistent with Federal law or regulation or the law or
41 regulation of the jurisdiction, including any foreign
42 jurisdiction, in which the person is located.

43 (2) Participation in interactive gaming is conducted
44 pursuant to an interactive gaming reciprocal agreement
45 between the Commonwealth and another state or jurisdiction,
46 including a foreign jurisdiction, to which the Commonwealth
47 is a party and the interactive gaming reciprocal agreement is
48 not inconsistent with Federal law or regulation.

49 § 13B62. Institutional investors.

50 (a) Declaration of investment intent.--Notwithstanding any
51 other provision of this part, the following shall apply:

1 (1) An institutional investor holding 20% or less of the
2 equity securities of an interactive gaming certificate
3 holder's, interactive gaming operator's or applicant's
4 holding, subsidiary or intermediary companies shall be
5 granted a waiver of any investigation of suitability or other
6 requirement if the securities are those of a corporation,
7 whether publicly traded or privately held, and the holdings
8 of the securities were purchased for investment purposes
9 only. The institutional investor shall file a certified
10 statement that it has no intention of influencing or
11 affecting the affairs of the interactive gaming certificate
12 holder, interactive gaming operator, applicant or any
13 holding, subsidiary or intermediary company of an interactive
14 gaming certificate holder, interactive gaming operator or
15 applicant. However, an institutional investor shall be
16 permitted to vote on matters put to the vote of the
17 outstanding security holders.

18 (2) The board may grant a waiver to an institutional
19 investor holding a higher percentage of securities upon a
20 showing of good cause and if the conditions specified in
21 paragraph (1) are met.

22 (3) An institutional investor granted a waiver under
23 this subsection who subsequently decides to influence or
24 affect the affairs of an interactive gaming certificate
25 holder, interactive gaming operator or applicant's holding,
26 subsidiary or intermediary company of an interactive gaming
27 certificate holder, interactive gaming operator or applicant
28 shall provide not less than 30 days' notice of intent and
29 shall file with the board a request for determination of
30 suitability before taking any action that may influence or
31 affect the affairs of the issuer. An institutional investor
32 shall be permitted to vote on matters put to the vote of the
33 outstanding security holders.

34 (4) If an institutional investor changes its investment
35 intent or if the board finds reasonable cause to believe that
36 the institutional investor may be found unsuitable, no action
37 other than divestiture shall be taken by the institutional
38 investor with respect to its security holdings until there
39 has been compliance with any requirements established by the
40 board, which may include the execution of a trust agreement
41 in accordance with section 1332 (relating to appointment of
42 trustee).

43 (5) The interactive gaming certificate holder or
44 interactive gaming operator or applicant or any holding,
45 intermediary or subsidiary company of an interactive gaming
46 certificate holder, interactive gaming operator or applicant
47 shall notify the board immediately of any information about,
48 or actions of, an institutional investor holding its equity
49 securities where the information or action may impact the
50 eligibility of the institutional investor for a waiver under
51 this subsection.

1 (b) Failure to declare.--If the board finds:

2 (1) that an institutional investor holding any security
3 of a holding or intermediary company of an interactive gaming
4 certificate holder or interactive gaming operator or
5 applicant or, where relevant, of another subsidiary company
6 of a holding or intermediary company of an interactive gaming
7 certificate holder or interactive gaming operator or
8 applicant which is related in any way to the financing of the
9 interactive gaming certificate holder or interactive gaming
10 operator or applicant, fails to comply with the provisions of
11 subsection (a); or

12 (2) by reason of the extent or nature of its holdings,
13 an institutional investor is in a position to exercise such a
14 substantial impact upon the controlling interests of an
15 interactive gaming certificate holder or interactive gaming
16 operator or applicant that investigation and determination of
17 suitability of the institutional investor is necessary to
18 protect the public interest;

19 then the board may take any necessary action otherwise
20 authorized under this chapter to protect the public interest.
21 § 13B63. Internet cafes and prohibition.

22 (a) General rule.--No organization or commercial enterprise
23 shall operate a place of public accommodation, club, including a
24 club or association limited to dues-paying members or similar
25 restricted groups, or similar establishment in which computer
26 terminals or similar access devices are advertised or made
27 available to be used principally for the purpose of accessing
28 authorized interactive games. No interactive gaming certificate
29 holder or interactive gaming operator shall offer or make
30 available computer terminals or similar access devices to be
31 used principally for the purpose of accessing interactive games
32 within a licensed facility.

33 (b) Construction.--Nothing in this section shall be
34 construed to:

35 (1) require the owner or operator of a hotel or motel or
36 other public place of general use in this Commonwealth to
37 prohibit or block guests from playing interactive games; or

38 (2) require an interactive gaming certificate holder or
39 an interactive gaming operator to prohibit registered players
40 within a licensed facility from playing interactive games.

41 CHAPTER 13C

42 (RESERVED)

43 CHAPTER 13D

44 SLOT MACHINES AT
45 NONPRIMARY LOCATIONS

46 Subchapter

47 A. General Provisions

48 B. Category 1 Licensed Gaming Entities and Nonprimary
49 Locations

50 C. Application and Issuance of Nonprimary Location Permit

51 D. Fees and Taxes

SUBCHAPTER A
GENERAL PROVISIONS

Sec.

13D01. (Reserved).

13D02. Authority to place slot machines at nonprimary locations.

13D03. Temporary regulations.

§ 13D01. (Reserved).

§ 13D02. Authority to place slot machines at nonprimary locations.

(a) Placement of slot machines at nonprimary locations.-- Notwithstanding any provision of this part, Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, or any other law or regulation to the contrary, a Category 1 licensed gaming entity that is a licensed racing entity under Article XXVIII-D of The Administrative Code of 1929 shall apply to the board for a nonprimary location permit to place and make slot machines available for play at nonprimary locations.

(b) Duty of the board and commission.--The board shall have general and regulatory authority over the placement and operation of slot machines at nonprimary locations and shall, in consultation with the commission, promulgate regulations to govern the placement and operation of slot machines at nonprimary locations. Except that, any regulations specific to the operation of nonprimary locations by licensed racing entities promulgated under 58 Pa. Code Ch. 171 (relating to nonprimary locations) or any regulations related to the operation of nonprimary locations which may be adopted by the commission subsequent to the effective date of this chapter shall be adopted as regulations under this chapter, unless the board, in consultation with the commission, determine that such regulations are not sufficient for the administration and enforcement of this chapter. In that event, the board shall, in consultation with the commission, promulgate such regulations specific to the operation of slot machines at nonprimary locations as the board and commission deem necessary to facilitate the administration and enforcement of this chapter.

§ 13D03. Temporary regulations.

(a) Promulgation.--In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board or commission shall be deemed temporary regulations which shall expire not later than two years after the publication of the temporary regulation in the Pennsylvania Bulletin. The board may promulgate temporary regulations not subject to:

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

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

1 situated.

2 (3) A Category 1 licensed gaming entity, which is also a
3 licensed racing entity as set forth in section 13D02(a),
4 shall not be authorized to place and make slot machines
5 available for play at any nonprimary location which is within
6 the primary market area of another licensed racing entity,
7 regardless of whether the licensed racing entity is
8 authorized to conduct horse race meetings or harness horse
9 race meetings, or both, at the racetrack.

10 (4) No Category 1 licensed gaming entity, which is also
11 a licensed racing entity as set forth in section 13D02(a),
12 shall be authorized to place and make slot machines available
13 for play at a nonprimary location which is located within the
14 primary market area of another licensed facility or another
15 nonprimary location.

16 (5) A nonprimary location may be located within the
17 primary market area of a licensed facility if the Category 1
18 licensed gaming entity owns the nonprimary location and the
19 licensed gaming entity enters into an agreement with the
20 affected licensed gaming entity or entities and the agreement
21 is filed with the commission and the board.

22 (6) A Category 1 licensed gaming entity that places and
23 makes slot machines available for play at a nonprimary
24 location shall be subject to the requirements of section
25 1303(a), (b) and (d) (relating to additional Category 1 slot
26 machine license requirements).

27 (8) For the purposes of this subsection, the term
28 "primary market area" shall mean the area within 50 linear
29 miles of a licensed facility or nonprimary location.

30 (b) Existing and newly established nonprimary locations.--
31 Notwithstanding any provision of Article XXVIII-D of The
32 Administrative Code of 1929 or any other law or regulation to
33 the contrary, the following shall apply:

34 (1) A licensed racing entity that operated nonprimary
35 locations prior to the effective date of this subsection
36 shall not be prohibited from reopening a previously closed
37 nonprimary location or relocating an existing nonprimary
38 location in order to place and make slot machines available
39 for play in a reopened or relocated nonprimary location:
40 Provided, that, the previously closed or a relocated
41 nonprimary location is approved by the commission in
42 accordance with Article XXVIII-D of The Administrative Code
43 of 1929 and regulations adopted by the commission pursuant to
44 Article XXVIII-D and complies with the location requirements
45 set forth in subsection (a) (3), (4) and (5).

46 (2) A licensed racing entity may establish a new
47 nonprimary location in accordance with Article XXVIII-D of
48 The Administrative Code of 1929 and regulations of the
49 commission in order to place and make slot machines available
50 for play and operate race horse simulcasting:
51 Provided, that, the new nonprimary location is approved by

1 the commission in accordance with Article XXVIII-D of The
2 Administrative Code of 1929 and regulations adopted by the
3 commission pursuant to Article XXVIII-D and complies with the
4 location requirements set forth in subsection (a)(3), (4) and
5 (5).

6 (c) Permissible number of slot machines.--

7 (1) Notwithstanding section 1210 (relating to number of
8 slot machines), a Category 1 licensed gaming entity, upon
9 approval of the board and remittance of the fee under section
10 13D17 (relating to nonprimary location permit fee), may place
11 and make available for play no more than 250 slot machines at
12 a nonprimary location.

13 (2) The permissible number of slot machines that may be
14 placed and made available for play at a nonprimary location
15 under this subsection shall not be included in the complement
16 of slot machines authorized for a Category 1 licensed
17 facility under section 1210.

18 (3) In determining the permissible number of slot
19 machines that may be placed at a nonprimary location in
20 accordance with this subsection, the board shall consider the
21 appropriateness of the physical space of the nonprimary
22 location where the slot machines will be placed and the
23 convenience of the public patronizing the nonprimary
24 location. The board may also consider the potential benefit
25 to economic development, employment, tourism, the race horse
26 industry and enhanced revenues to the Commonwealth and the
27 municipality where the nonprimary location is situated.

SUBCHAPTER C

APPLICATION AND ISSUANCE OF NONPRIMARY LOCATION PERMIT

31 Sec.

32 13D11. Application for nonprimary location permit.

33 13D12. Issuance and terms of nonprimary location permit.

34 13D13. Confidentiality.

35 13D14. Key employees and occupation permits.

36 § 13D11. Application for nonprimary location permit.

37 (a) Application.--An application for a nonprimary location
38 permit to place and make slot machines available for play at a
39 nonprimary location shall be submitted on a form and in a manner
40 as shall be required by the board. In reviewing and approving
41 each application, the board shall:

42 (1) Ensure that the proposed location of the nonprimary
43 location is approved by the commission in accordance with
44 13D07 (relating to authority to place slot machine at
45 nonprimary locations) and complies with the location
46 requirements set forth in section 13D07(a)(3), (4) and (5).

47 (2) Confirm that the nonprimary location permit fee
48 under section 13D17 (relating to nonprimary location permit
49 fee) has been paid or will be paid in accordance section
50 13D17.

51 (b) Required information.--An application for a nonprimary

1 location permit shall include, at a minimum:

2 (1) The name of the Category 1 slot machine licensee and
3 the licensed racing entity and location of the existing
4 nonprimary location, if any, or the location of any proposed
5 relocated or new nonprimary location approved by the
6 commission.

7 (2) The name, address and current photograph of the
8 applicant and of all directors and owners and key employees
9 and their positions within the licensed racing entity, if
10 required by the board.

11 (3) The proposed location of the slot machine area or
12 areas in the nonprimary location, if known.

13 (4) Detailed site and architectural plans of the
14 proposed area or areas within the nonprimary location where
15 slot machines will be placed and made available for play.

16 (5) The number of slot machines requested.

17 (6) The current status of the licensed racing entity's
18 horse racing license, if required by the board.

19 (7) The current status of the slot machine license
20 issued under this part, if required by the board.

21 (8) The details of any loans or other financing obtained
22 or that will be obtained to fund an expansion, modification
23 or construction project at an existing nonprimary location, a
24 relocated nonprimary location or a proposed or newly approved
25 nonprimary location to accommodate slot machines at the
26 nonprimary location.

27 (9) The consent to conduct a background investigation by
28 the bureau, the scope of which shall be determined by the
29 bureau at its discretion consistent with the provisions of
30 this part, and a release signed by all persons subject to the
31 investigation of all information required to complete the
32 investigation, if the bureau, at its discretion, determines
33 that a background investigation is necessary under this
34 chapter.

35 (10) Any other information determined to be necessary
36 and appropriate by the board.

37 § 13D12. Issuance and terms of nonprimary location permit.

38 (a) Issuance of permit.--Upon approval of an application for
39 a nonprimary location permit and payment of the nonprimary
40 location permit fee under section 13D17 (relating to nonprimary
41 location permit fee), the board shall issue a nonprimary
42 location permit to a Category 1 licensed gaming entity
43 authorizing it to place and make slot machines available for
44 play at a nonprimary location.

45 (b) Terms of permit.--A nonprimary location permit approved
46 and issued by the board in accordance with subsection (a) shall
47 be in effect unless suspended or revoked by the board upon good
48 cause consistent with the requirements of this part, regulations
49 promulgated pursuant to this part or regulations of the
50 commission.

51 (c) Notification of change in status.--Nothing in this

1 section shall relieve a nonprimary location permit holder of the
2 affirmative duty to notify the board of any changes relating to
3 the status of its nonprimary location permit, its horse racing
4 license or to any other information contained in the application
5 materials on file with the board.

6 § 13D13. Confidentiality.

7 Information submitted to the board under section 13D11
8 (relating to application for nonprimary location permit) may be
9 considered confidential by the board if the information would be
10 confidential under section 1206(f) (relating to board minutes
11 and records).

12 § 13D14. Key employees and occupation permits.

13 Nothing in this subchapter shall be construed to require any
14 individual who holds a principal license, a key employee license
15 or gaming employee license under Chapters 13 (relating to
16 licensees) and 13A (relating to table games) or who holds a
17 license, permit or registration under Article XXVIII-D of the
18 act of April 9, 1929 (P.L.177, No.175), known as The
19 Administrative Code of 1929, to obtain a separate license,
20 permit or registration to be employed in a slot machine
21 licensee's slot machine operation at a nonprimary location under
22 this chapter, if the board determines, in consultation with the
23 commission, that licensure under the provisions of this part or
24 Article XXVIII-D of The Administrative Code of 1929 is
25 sufficient and will not compromise the integrity of the
26 operation of slot machines at nonprimary locations.

27 SUBCHAPTER D
28 FEES AND TAXES

29 Sec.

30 13D17. Nonprimary location permit fee.

31 13D18. Nonprimary location taxes, imposition, deposits and
32 distributions.

33 § 13D17. Nonprimary location permit fee.

34 (a) Amount of fee.--At the time a nonprimary location permit
35 is issued under section 13D12(a) (relating to issuance and terms
36 of nonprimary location permit), the board shall impose a one-
37 time fee of \$5,000,000 to be paid by the Category 1 licensed
38 gaming entity for each nonprimary location where it will place
39 and make slot machines available for play.

40 (b) Renewal fee not required.--A nonprimary location permit
41 shall not be subject to renewal or payment of any nonprimary
42 location permit renewal fee.

43 (c) Deposit of fee into General Fund.--Notwithstanding
44 section 1208 (relating to collection of fees and fines), all
45 nonprimary location permit fees and penalties collected by the
46 board under this section shall be deposited in the General Fund.

47 § 13D18. Nonprimary location taxes, imposition, deposits and
48 distributions.

49 (a) Imposition.--The department shall determine and each
50 nonprimary location permit holder shall pay a daily tax of 54%
51 from its daily gross terminal revenue from the slot machines in

1 operation at its nonprimary location.

2 (b) Distribution.--

3 (1) The tax imposed and collected under subsection (a)
4 shall be distributed as follows:

5 (i) Ninety-two percent of the tax shall be deposited
6 by the department in the General Fund.

7 (ii) Eight percent shall constitute a local share
8 assessment and be distributed by the department on a
9 quarterly basis as follows:

10 (A) Four percent to the county in which the
11 nonprimary location is located.

12 (B) Four percent to the municipality in which
13 the nonprimary location is located.

14 (2) All money owed to the Commonwealth, a county or a
15 municipality under this section shall be held in trust by the
16 licensed racing entity or licensed gaming entity for the
17 Commonwealth, county or municipality until all funds are
18 distributed by the department in accordance with this
19 subsection.

20 (c) Payments and deposits.--

21 (1) The tax imposed under subsection (a) shall be
22 payable to the department on a weekly basis and shall be
23 based upon gross slot machine revenue derived from the
24 operation of slot machines at a nonprimary location during
25 the previous week.

26 (2) All money owed to the Commonwealth and collected by
27 the department in accordance with this subchapter shall be
28 deposited in the General Fund.

29 CHAPTER 13E

30 SLOT MACHINES IN QUALIFIED AIRPORTS

31 Subchapter

32 A. Preliminary Provisions

33 B. Airport Gaming Authorized

34 C. Conduct of Airport Gaming

35 D. Airport Gaming Fees and Taxes

36 E. Miscellaneous Provisions

37 SUBCHAPTER A

38 PRELIMINARY PROVISIONS

39 Sec.

40 13E01. Definitions.

41 § 13E01. Definitions.

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

45 "Airport authority." The governing body of a municipal
46 authority organized and incorporated in accordance with 53
47 Pa.C.S. Ch. 56 (relating to municipal authorities) to oversee
48 the operations of a qualified airport. The term shall include
49 the governing body of any joint municipal authority which
50 operates a qualified airport and the governing body of a city of
51 the first class which owns and operates a qualified airport

1 located in a county of the first class.

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

5 "Airport gaming certificate holder." The authorization
6 issued under this chapter to conduct airport gaming.

7 "Airport gaming operation certificate." A certificate issued
8 by the Pennsylvania Gaming Control Board under Chapter 13B
9 (relating to interactive gaming) that authorizes a slot machine
10 licensee to conduct airport gaming in accordance with this
11 chapter.

12 "Airport gaming revenue." The daily gross terminal revenue
13 derived from the conduct of airport gaming.

14 "Applicant." A slot machine licensee.

15 "Qualified airport." A publicly owned commercial service
16 airport that is designated by the Federal Government as an
17 international airport.

18 "Specified area." The secure area of a qualified airport
19 where slot machines are placed and made available to play and
20 members of the public, other than passengers, are prohibited
21 from entering.

22 SUBCHAPTER B
23 AIRPORT GAMING AUTHORIZED

24 Sec.

25 13E11. Authorization.

26 13E12. Application.

27 13E13. Standard for review of applications.

28 13E14. Approval of application.

29 13E15. Airport gaming operation certificate.

30 13E16. Timing of initial airport gaming authorizations.

31 § 13E11. Authorization.

32 (a) General rule.--Upon application of a slot machine
33 licensee, the board may authorize the slot machine licensee to
34 conduct airport gaming. A slot machine licensee seeking
35 authorization to conduct airport gaming must enter into an
36 agreement with the governing body of a qualified airport and
37 submit the agreement to the board for approval. No person shall
38 cause or make slot machines available for play at a qualified
39 airport without first obtaining an airport gaming operation
40 certificate in accordance with the provisions of this chapter.

41 (b) Conditions.--Authorization shall be contingent upon the
42 slot machine licensee's agreement to ensure that slot machine
43 operations will be conducted in accordance with this part and
44 any other conditions established by the board. The agreement
45 shall specify the fees to be paid to the qualified airport by
46 the slot machine licensee for the privilege of conducting
47 airport gaming. Nothing in this part shall be construed to
48 create a separate license governing the conduct of airport
49 gaming by slot machine licensees within this Commonwealth.

50 (c) Number of slot machines.--The board shall approve the
51 maximum number of slot machines that a slot machine licensee may

1 operate at a qualified airport. The board, in making its
2 determination, shall consider the physical space where the slot
3 machines will be located and the convenience of passengers. The
4 board may also consider the potential employment, enhanced
5 revenues to the Commonwealth and other economic indicators it
6 deems applicable in making its decision.

7 § 13E12. Application.

8 (a) Information to be provided.--An applicant seeking
9 authorization to conduct airport gaming shall provide the
10 following information to the board:

11 (1) The name, business address and contact information
12 of the applicant, and the name, business address and contact
13 information of the airport authority and the location of the
14 qualified airport.

15 (2) The name and business address, job title and a
16 photograph of each principal and key employee of the
17 applicant who will be involved in the conduct of airport
18 gaming and who is not currently licensed by the board, if
19 known.

20 (3) The number of slot machines for which authorization
21 is being sought.

22 (4) The estimated number of full-time and part-time
23 employment positions that will be created at the qualified
24 airport if the slot machine licensee is authorized to operate
25 slot machines under this chapter and an updated hiring plan
26 under section 1510(a) (relating to labor hiring preferences)
27 which outlines the applicant's plan to promote the employment
28 representation of diverse groups and Commonwealth residents.

29 (5) The details of any financing obtained or that will
30 be obtained to fund an expansion or modification of the
31 qualified airport to accommodate the conduct of airport
32 gaming and to otherwise fund the cost of commencing airport
33 gaming operations.

34 (6) Information and documentation concerning financial
35 background and resources, as the board may require, to
36 establish by clear and convincing evidence the financial
37 stability, integrity and responsibility of the applicant.

38 (7) Information and documentation, as the board may
39 require, to establish by clear and convincing evidence that
40 the applicant has sufficient business ability and experience
41 to conduct airport gaming. In making this determination, the
42 board may consider the results of the applicant's slot
43 machine operation, including financial information,
44 employment data and capital investment.

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

49 (9) Detailed site plans identifying the applicant's
50 proposed specified area.

51 (10) A copy of the agreement entered into by the slot

1 machine licensee and the qualified airport. The agreement
2 shall identify the members of the governing board of the
3 airport authority and all employees of the airport authority
4 who, directly or indirectly, regulate the use and control of
5 the qualified airport and who will oversee airport gaming at
6 the qualified airport.

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

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

13 § 13E13. Standard for review of applications.

14 The board shall approve an application if the applicant
15 establishes, by clear and convincing evidence, all of the
16 following:

17 (1) The applicant's slot machine license is in good
18 standing with the board, and the applicant has an agreement
19 with the airport authority authorizing the placement of slot
20 machines at the qualified airport.

21 (2) The applicant possesses adequate funds or has
22 secured adequate financing to:

23 (i) Fund any necessary expansion or modification of
24 the qualified airport to accommodate the conduct of
25 airport gaming if required in the agreement with the
26 governing body of the airport authority.

27 (ii) Pay the required fee in accordance with section
28 13E51 (relating to fees).

29 (iii) Commence airport gaming operations at the
30 qualified airport.

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

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

35 (5) The applicant's proposed internal and external
36 security and proposed surveillance measures within the
37 specified area where the applicant seeks to conduct airport
38 gaming are adequate.

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

42 § 13E14. Approval of application.

43 Upon approval of an application, the board shall issue an
44 airport gaming operation certificate to the applicant. Issuing
45 an airport gaming operation certificate prior to the payment in
46 full of the fee required by section 13E51 (relating to fees)
47 shall not relieve the applicant from complying with the
48 provisions of section 13E51.

49 § 13E15. Airport gaming operation certificate.

50 The following shall apply:

51 (1) An airport gaming operation certificate shall be in

1 effect unless:

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

4 (ii) The slot machine license held by the airport
5 gaming certificate holder is suspended, revoked or not
6 renewed by the board consistent with the requirements of
7 this part.

8 (iii) The airport gaming certificate holder
9 relinquishes or does not seek renewal of its slot machine
10 license.

11 (iv) The agreement between the airport gaming
12 certificate holder and the governing body of the
13 authority is not renewed.

14 (2) The airport gaming operation certificate shall
15 include the maximum number of slot machines approved by the
16 board and permitted in the specified area. The airport gaming
17 certificate holder may increase or decrease the number of
18 slot machines permitted in the specified area or change the
19 configuration of the slot machines upon notice to and
20 approval by the board. Unless approved by the board, the
21 total number of slot machines in operation in the specified
22 area may not exceed the number authorized in the airport
23 gaming operation certificate.

24 (3) A airport gaming certificate holder shall be
25 required to update the information in its initial airport
26 gaming application at times prescribed by the board.

27 § 13E16. Timing of initial airport gaming authorizations.

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

30 SUBCHAPTER C

31 CONDUCT OF AIRPORT GAMING

32 Sec.

33 13E31. Authorized locations for operation.

34 13E32. Commencement of airport gaming operations.

35 13E33. Condition of continued operation.

36 13E34. Airport gaming accounting controls and audit protocols.

37 13E35. Cash equivalents.

38 13E36. Occupation permits.

39 § 13E31. Authorized locations for operation.

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

43 (b) Powers and duties of board.--No airport gaming
44 certificate holder may be approved to operate slot machines
45 unless the specified area is equipped with adequate security and
46 surveillance equipment to ensure the integrity of the conduct of
47 airport gaming. An authorization granted under this section may
48 not impose any criteria or requirements regarding the contents
49 or structure of a qualified airport which are unrelated to the
50 conduct of airport gaming.

51 § 13E32. Commencement of airport gaming operations.

1 An airport gaming certificate holder may not operate or offer
2 slot machines for play at a qualified airport until the board
3 determines that:

4 (1) The airport gaming certificate holder is in
5 compliance with the requirements of this part.

6 (2) The airport gaming certificate holder's internal
7 controls and audit protocols are sufficient to meet the
8 requirements of section 13E34 (relating to airport gaming
9 accounting controls and audit protocols).

10 (3) The airport gaming certificate holder's gaming
11 employees, where applicable, are licensed, permitted or
12 otherwise authorized by the board to perform their respective
13 duties.

14 (4) The airport gaming certificate holder is prepared in
15 all respects to offer slot machine play to eligible
16 passengers at the qualified airport.

17 (5) The airport gaming certificate holder has
18 implemented necessary internal and management controls and
19 security arrangements and surveillance systems for the
20 conduct of airport gaming.

21 (6) The airport gaming certificate holder is in
22 compliance with or has complied with section 13E51 (relating
23 to fees).

24 (7) All slot machines certified and approved for use
25 under this chapter have been approved by the board and are
26 compatible with the central control computer and protocol
27 specifications approved by the department.

28 (8) The airport gaming certificate holder has
29 implemented or will implement the necessary procedures and
30 safeguards to ensure that no individual under 21 years of age
31 will be permitted to enter the specified area of the
32 qualified airport.

33 § 13E33. Condition of continued operation.

34 As a condition of continued operation, an airport gaming
35 certificate holder shall maintain all books, records and
36 documents pertaining to airport gaming in a manner and location
37 within this Commonwealth as approved by the board. All books,
38 records and documents related to airport gaming shall:

39 (1) be segregated by separate accounts within the slot
40 machine licensee's books, records and documents, except for
41 any books, records or documents that are common to the
42 licensee's slot machine operations at a licensed facility and
43 a qualified airport;

44 (2) be immediately available for inspection upon request
45 of the board, the bureau, the department, the Pennsylvania
46 State Police or the Attorney General, or agents thereof,
47 during all hours of operation at the qualified airport in
48 accordance with regulations promulgated by the board; and

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

51 § 13E34. Airport gaming accounting controls and audit

1 protocols.

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

7 (b) Minimum requirements.--The airport gaming certificate
8 holder's internal and accounting controls and audit protocols
9 shall meet the requirements set forth in section 1322(b) and (c)
10 (relating to slot machine accounting controls and audits).
11 § 13E35. Cash equivalents.

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

16 § 13E36. Occupation permits.

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

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

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

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

31 (3) The criminal history record of the person, as well
32 as the person's consent for the Pennsylvania State Police to
33 conduct a background investigation.

34 (4) A current photograph of the person.

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

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

40 (7) Any other information determined by the board to be
41 appropriate.

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

46 (d) Construction.--Nothing in this part shall be construed
47 to require any person who holds a principal license, a key
48 employee license or gaming employee occupation permit under
49 Chapter 13 (relating to licensees) to obtain a separate license,
50 permit, certificate, registration or other authorization to be
51 employed in an airport gaming certificate holder's airport

1 gaming operations.

2 SUBCHAPTER D
3 AIRPORT GAMING FEES AND TAXES

4 Sec.

5 13E51. Fees.

6 13E52. Airport gaming tax and assessment.

7 § 13E51. Fees.

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

9 (1) Except as set forth in paragraph (2) or (3), a one-
10 time, nonrefundable fee of \$1,000,000 upon the issuance of a
11 certificate to operate slot machines under this chapter in a
12 qualified airport.

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

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

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

25 § 13E52. Airport gaming tax and assessment.

26 (a) Imposition.--Each airport gaming certificate holder
27 shall report to the department and pay from its airport gaming
28 revenue, on a form and in the manner prescribed by the
29 department, a tax of 34% of its airport gaming revenue and an
30 airport local share assessment.

31 (b) Deposits and distributions.--

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

36 (2) All funds owed to the Commonwealth under this
37 section shall be held in trust for the Commonwealth by the
38 airport gaming certificate holder until the funds are paid to
39 the department. Unless otherwise agreed to by the board, a
40 airport gaming certificate holder shall establish a separate
41 bank account into which gross terminal revenue shall be
42 deposited and maintained until such time as the funds are
43 paid to the department under this section.

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

46 (4) The department shall quarterly distribute to each
47 qualified airport the airport local share assessment from the
48 airport gaming revenue generated from airport gaming at each
49 qualified airport.

50 (c) Definitions.--As used in this section, the following
51 words and phrases shall have the meanings given to them in this

1 subsection unless the context clearly indicates otherwise:
2 "Airport local share assessment." Twenty percent of an
3 airport gaming certificate holder's airport gaming revenue.

4 SUBCHAPTER E

5 MISCELLANEOUS PROVISIONS

6 Sec.

7 13E91. Regulations.

8 § 13E91. Regulations.

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

12 (b) Temporary regulations.--In order to facilitate the
13 prompt implementation of this chapter, regulations promulgated
14 by the board in accordance with subsection (a) shall be deemed
15 temporary regulations which shall expire not later than two
16 years following the publication of the temporary regulation. The
17 board may promulgate temporary regulations not subject to:

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

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

23 (3) Sections 204(b) and 301(10) of the act of October
24 15, 1980 (P.L.950, No.164), known as the Commonwealth
25 Attorneys Act.

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

30 CHAPTER 13F

31 CASINO SIMULCASTING

32 Subchapter

33 A. General Provisions

34 B. Casino Simulcasting Authorized

35 C. Application and Issuance of Permit and Establishment of
36 Simulcasting Facility

37 D. Conduct of Casino Simulcasting

38 E. Fees and Taxes

39 SUBCHAPTER A

40 GENERAL PROVISIONS

41 Sec.

42 13F01. Legislative intent and purpose.

43 13F02. Definitions.

44 § 13F01. Legislative intent and purpose.

45 The General Assembly finds as follows:

46 (1) The people of this Commonwealth have a vital
47 economic interest in the continued success of this
48 Commonwealth's gaming industry, including the race horse
49 industry. Due to this economic interest, enhancements to
50 current gaming activities must be authorized to ensure the
51 ongoing competitiveness, viability and stability of the

1 gaming industry in this Commonwealth.

2 (2) A primary intent of the Race Horse Development and
3 Gaming Act, as codified in this part, is to enhance live
4 horse racing. However, the legalization of commercial gaming
5 in states on the geographic borders of this Commonwealth
6 makes it imperative to authorize new and innovative gaming
7 activities related to horse racing and commercial casino-
8 style gaming, which could be implemented by licensed gaming
9 entities, and which could help ensure the viability of both
10 horse racing and commercial gaming.

11 (3) The intent of this chapter is to give licensed
12 gaming entities the authority to conduct casino simulcasting
13 at Category 2 and Category 3 licensed facilities in order to
14 expand horse racing opportunities through simulcasting and,
15 thereby, enhancing the viability of this Commonwealth's race
16 horse and commercial gaming industry.

17 § 13F02. Definitions.

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

21 "Licensed gaming entity." A person who has been approved for
22 and issued a Category 2 slot machine license or a Category 3
23 slot machine license in accordance with sections 1304 (relating
24 to Category 2 slot machine license), 1305 (relating to Category
25 3 slot machine license) and 1325 (relating to license or permit
26 issuance) and who holds a casino simulcasting permit.

27 SUBCHAPTER B

28 CASINO SIMULCASTING AUTHORIZED

29 Sec.

30 13F05. Authorization to conduct simulcasting.

31 13F06. Regulations.

32 13F07. Temporary regulations.

33 13F08. Simulcast agreements.

34 § 13F05. Authorization to conduct simulcasting.

35 (a) Authority to conduct.--Notwithstanding any other
36 provision of law or regulation, it shall be lawful for a
37 licensed gaming entity to conduct casino simulcasting or enter
38 into an agreement or agreements with a licensed racing entity or
39 other person for the conduct of casino simulcasting in
40 accordance with the provisions of this chapter, Article XXVIII-D
41 of the act of April 9, 1929 (P.L.177, No.175), known as The
42 Administrative Code of 1929, and the applicable regulations of
43 the board and the commission promulgated under this chapter.

44 (b) Administration and enforcement.--The board shall
45 administer and enforce the provisions of this chapter as they
46 relate to the conduct of casino simulcasting by a slot machine
47 licensee and, except as provided in this chapter, shall adopt
48 and promulgate regulations to carry out and enforce the
49 provisions of this chapter.

50 § 13F06. Regulations.

51 (a) Adoption of regulations.--The board, in consultation

1 with the commission, shall adopt and promulgate regulations to
2 govern the conduct of casino simulcasting by licensed gaming
3 entities in this Commonwealth. Such regulations shall establish
4 the following:

5 (1) The method and form of the application which a
6 licensed gaming entity must follow and complete before
7 consideration of the licensed gaming entity's application to
8 conduct casino simulcasting.

9 (2) The permissible communications technology which must
10 be used to facilitate the conduct of casino simulcasting in
11 accordance with regulations of the board, the commission and
12 applicable Federal law and regulations.

13 (3) The times during which a licensed gaming entity may
14 conduct casino simulcasting shall be the same as the times
15 authorized for the conduct of casino simulcasting by Category
16 1 slot machine licensees.

17 (4) The approval of the terms and conditions of any
18 agreement between a licensed gaming entity and a licensed
19 racing entity or other person related to the management or
20 operation of casino simulcasting and the pari-mutuel system
21 of wagering, including the percentage of the money retained
22 by a licensed racing entity for pari-mutuel pools which may
23 be distributed to the licensed gaming entity.

24 (5) The required contents of agreements entered into
25 between a licensed gaming entity, a licensed racing entity or
26 other person for the management or operation of casino
27 simulcasting and the pari-mutuel system of wagering.

28 (6) A requirement that wagering on simulcast horse race
29 meetings shall only be conducted within an enclosed location
30 of an authorized licensed gaming entity's licensed facility
31 which has been approved by the board, in consultation with
32 the commission.

33 (7) The standards and rules to govern the conduct of
34 casino simulcasting and the system of pari-mutuel wagering
35 associated with race horse simulcasting.

36 (8) The reporting procedures and records which will be
37 required from a licensed gaming entity to ensure that all
38 money generated from casino simulcasting is accounted for and
39 winners' names, when required under applicable Federal or
40 State law, are filed with the appropriate taxing authorities.

41 (9) Notwithstanding section 2840-D of the act of April
42 9, 1929 (P.L.177, No.175), known as The Administrative Code
43 of 1929, or any other provision of law or regulation, the
44 policies and procedures which will be adopted, implemented
45 and followed to ensure that individuals under 21 years of age
46 will be prohibited from participating in casino simulcasting
47 or entering simulcasting areas of licensed facilities.

48 (10) Any other requirements, conditions or controls
49 which the board, in consultation with the commission, deems
50 necessary and appropriate to administer and enforce the
51 provisions of this chapter and to facilitate the

1 implementation of this chapter.

2 (b) Uniform regulation.--In adopting regulations under this
3 chapter, the commission shall cooperate and work with the board
4 to develop uniform regulations to govern the operation of casino
5 simulcasting in this Commonwealth. Except as herein provided,
6 the provisions of this chapter and any regulations promulgated
7 under this chapter shall be considered as establishing uniform
8 requirements and regulations for casino simulcasting at licensed
9 facilities in this Commonwealth.

10 (c) Adoption of existing regulations.--Notwithstanding
11 subsection (b) or any other law or regulation to the contrary,
12 the provisions of section 2835-D of The Administrative Code of
13 1929 and all regulations and supplements thereto or revisions
14 thereof adopted by the commission under section 2835-D of The
15 Administrative Code of 1929, which relate to the retention of
16 money in pari-mutuel pools and the pari-mutuel system of
17 wagering on, before or after the effective date of this chapter
18 are adopted as regulations under this chapter and shall remain
19 in effect unless subsequently modified or superseded by
20 regulations promulgated by the commission.
21 § 13F07. Temporary regulations.

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

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

31 (2) Sections 204(b) and 301(10) of the act of October
32 15, 1980 (P.L.950, No.164), known as the Commonwealth
33 Attorneys Act.

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

36 (b) Expiration.--The authority to adopt temporary
37 regulations under subsection (a) shall expire two years after
38 the effective date of this section. Regulations adopted by the
39 board and commission after the two-year period shall be
40 promulgated as provided by law.

41 (c) Publication of temporary regulations.--The board and the
42 commission shall begin publishing temporary regulations
43 governing casino simulcasting in the Pennsylvania Bulletin no
44 later than February 1, 2016.

45 § 13F08. Simulcast agreements.

46 (a) Manner of agreement.--Any agreement entered into between
47 a licensed gaming entity and a licensed racing entity or other
48 person to facilitate casino simulcasting shall be in writing and
49 shall be filed with and approved by the board and the commission
50 in accordance with regulations promulgated by the board in
51 consultation with the commission.

1 (b) Wager provisions.--Notwithstanding section 2834-D or
2 2835-D of the act of April 9, 1929 (P.L.177, No.175), known as
3 The Administrative Code of 1929, the following shall apply:

4 (1) If a licensed gaming entity offers casino
5 simulcasting at its licensed facility through an agreement
6 with a licensed racing entity, the agreement shall specify
7 the percentage of the money wagered each racing day at the
8 casino simulcasting facility and remaining in the wagering
9 pools after the required distributions under section 2834-D
10 of The Administrative Code of 1929, that will be paid to the
11 licensed gaming entity. The amount retained by a licensed
12 gaming entity shall not exceed 25% of the money retained by
13 the licensed racing entity under section 2835-D of The
14 Administrative Code of 1929.

15 (2) If a licensed gaming entity chooses to offer casino
16 simulcasting through its own resources or through an
17 agreement with another person, as approved by the board and
18 the commission, the board, in consultation with the
19 commission, shall, through regulation, establish the
20 percentage of money wagered each racing day at the casino
21 simulcasting facility and remaining in the wagering pools
22 after the required distributions under section 2834-D of The
23 Administrative Code of 1929 that will be paid to the licensed
24 gaming entity or other person, provided that the percentage
25 of money to be paid to a licensed gaming entity or other
26 person under this paragraph shall be, if determined
27 appropriate by the board and the commission, the same
28 percentage of money remaining in the wagering pools that is
29 retained by a licensed racing entity in accordance with
30 section 2835-D of The Administrative Code of 1929.

31 (c) Regulations.--The board, in consultation with the
32 commission, shall establish regulations to administer the
33 retention requirements under this section.

34 SUBCHAPTER C

35 APPLICATION AND ISSUANCE OF PERMIT AND 36 ESTABLISHMENT OF SIMULCASTING FACILITY

37 Sec.

38 13F11. Application for permit and requirements.

39 13F12. Casino simulcasting permit.

40 13F13. Casino simulcasting facilities.

41 13F14. License or registration of employees required.

42 13F15. Key employees and occupation permits.

43 § 13F11. Application for permit and requirements.

44 (a) Applications.--A licensed gaming entity shall file an
45 application for a casino simulcasting permit with the board. The
46 application shall include the following:

47 (1) The name, business address and contact information
48 of the applicant.

49 (2) The name and location of the applicant's licensed
50 facility.

51 (3) The name and business address, job title and a

1 photograph of each principal and key employee of the
2 applicant who will be involved in the conduct of casino
3 simulcasting and who is not currently licensed by the board
4 or the commission, if known.

5 (4) The estimated number of full-time and part-time
6 employment positions that will be created at the licensed
7 facility if casino simulcasting is authorized and an updated
8 hiring plan under section 1510(a) (relating to labor hiring
9 preferences) which outlines the applicant's plan to promote
10 the representation of diverse groups and Commonwealth
11 residents in the employment positions.

12 (5) A brief description of the economic benefits
13 expected to be realized by the Commonwealth, the Department
14 of Agriculture and the race horse industry in this
15 Commonwealth if casino simulcasting is authorized at the
16 applicant's licensed facility.

17 (6) The details of any financing, if applicable,
18 obtained or that will be obtained to fund an expansion or
19 modification of the licensed facility to accommodate casino
20 simulcasting or construct a simulcasting facility or to
21 otherwise fund the cost of commencing casino simulcasting
22 operations.

23 (7) Information and documentation concerning financial
24 background and resources, as the board may require, to
25 establish by clear and convincing evidence the financial
26 stability, integrity and responsibility of the applicant.

27 (8) A copy of or a detailed description of the terms and
28 conditions of any agreement or agreements the licensed gaming
29 entity has entered into or will enter into with a licensed
30 corporation or other person to facilitate the conduct of
31 casino simulcasting.

32 (9) A detailed description of any financial arrangements
33 between a licensed gaming entity and a licensed racing entity
34 or other person related to the conduct of casino
35 simulcasting.

36 (10) Detailed site and architectural plans of the
37 proposed simulcasting facility within the applicant's
38 licensed facility.

39 (11) Any other information as the board may require.

40 (b) Review and approval of application.--The board shall
41 review and approve an application for a simulcasting permit if
42 the applicant establishes, by clear and convincing evidence, all
43 of the following:

44 (1) The applicant's slot machine license is in good
45 standing with the board.

46 (2) The conduct of casino simulcasting at the
47 applicant's licensed facility will have a positive economic
48 impact on the Commonwealth and the race horse industry in
49 this Commonwealth through increased revenues, increased
50 purses and employment opportunities.

51 (3) The applicant possesses adequate funds or has

1 secured adequate financing to:

2 (i) Fund any necessary expansion or modification of
3 the applicant's licensed facility or to construct a
4 simulcasting facility to accommodate the conduct of
5 casino simulcasting.

6 (ii) Pay the costs of establishing, maintaining and
7 operating the simulcasting facility.

8 (iii) Commence casino simulcasting operations.

9 (4) The applicant has entered into or will enter into an
10 agreement with a licensed racing entity or other person to
11 manage or operate casino simulcasting operations, and the
12 agreement has been approved by the commission.

13 (5) The applicant has the expertise to manage casino
14 simulcasting.

15 (6) The applicant has the financial stability, integrity
16 and responsibility to conduct casino simulcasting.

17 (7) The applicant has sufficient business ability and
18 experience to create and maintain a successful casino
19 simulcasting operation.

20 (8) The applicant's proposed internal and external
21 security controls and proposed surveillance measures within
22 the area of the licensed facility where the applicant seeks
23 to conduct casino simulcasting are adequate.

24 (c) Confidentiality.--Information submitted to the board
25 under subsection (a) (6), (7) and (8) may be considered
26 confidential by the board if the information would be
27 confidential under section 1206(f) (relating to board minutes
28 and records).

29 § 13F12. Casino simulcasting permit.

30 (a) Issuance of permit.--Upon review and approval of an
31 application submitted to the board in accordance with section
32 13F11 (relating to application for permit and requirements), the
33 board shall issue a casino simulcasting permit to the applicant.

34 (b) Content of permit.--

35 (1) A casino simulcasting permit shall include a list of
36 the horse race meetings which are proposed to be simulcast by
37 the casino simulcasting permit holder at its simulcasting
38 facility, including the names and locations of the in-State
39 sending racetracks and out-of-State sending racetracks, and
40 the start date and expiration date of any agreement or
41 agreements the permit holder has entered into or will enter
42 into with a licensed racing entity or other person for the
43 operation of casino simulcasting.

44 (2) A casino simulcasting permit holder shall be
45 required to update the initial casino simulcasting
46 application at times prescribed by the board, in consultation
47 with the commission.

48 § 13F13. Casino simulcasting facilities.

49 (a) Establishment of simulcasting facility.--A licensed
50 gaming entity approved for and issued a permit to operate casino
51 simulcasting under this chapter shall establish a simulcasting

1 facility as part of its licensed facility. The simulcasting
2 facility may be adjacent to, but shall not be part of, any room
3 or location in which slot machines or table games are operated
4 or conducted in accordance with the provisions of this part. The
5 following shall apply:

6 (1) The simulcasting facility shall conform to all
7 requirements concerning square footage, equipment, security
8 measures and related matters which the board, in consultation
9 with the commission, shall by regulation prescribe.

10 (2) The space or area required for the establishment of
11 a simulcasting facility shall not be used to decrease the
12 number of slot machines or table games in operation at the
13 licensed facility or to reduce the space approved by the
14 board for the operation of slot machines and the conduct of
15 table games.

16 (3) The cost of establishing, maintaining and operating
17 a simulcasting facility shall be the sole responsibility of
18 the licensed gaming entity.

19 (b) Video display monitors.--Notwithstanding Article XXVIII-
20 D of the act of April 9, 1929 (P.L.177, No.175), known as The
21 Administrative Code of 1929, or regulations promulgated pursuant
22 to Article XXVIII-D, the regulations promulgated by the board
23 shall provide for the installation of video display technology
24 in approved areas of licensed facilities to deliver simulcast
25 horse race meetings to patrons via video walls and other such
26 innovative video display technology. The board may collaborate
27 with the commission in developing regulations to govern the
28 installation and operation of video display monitors in
29 accordance with this subsection.

30 § 13F14. License or registration of employees required.

31 Except as provided in this part, all persons engaged directly
32 in wagering-related activities at a simulcasting facility,
33 whether employed by the licensed gaming entity, licensed racing
34 entity or by a person or entity conducting casino simulcasting
35 in the simulcasting facility under an agreement with the
36 licensed gaming entity and all other employees of the licensed
37 gaming entity, licensed racing entity or of the person or entity
38 conducting casino simulcasting who work or will work in the
39 simulcasting facility, shall be licensed or registered in
40 accordance with regulations promulgated by the board in
41 collaboration with the commission.

42 § 13F15. Key employees and occupation permits.

43 Nothing in this subchapter shall be construed to require any
44 individual who holds a principal license, a key employee license
45 or gaming employee license under Chapters 13 (relating to
46 licensees) and 13A (relating to table games) or who holds a
47 license under Article XXVIII-D of the act of April 9, 1929
48 (P.L.177, No.175), known as The Administrative Code of 1929, to
49 obtain a separate license, permit or registration to be employed
50 in a casino simulcasting permit holder's casino simulcasting
51 operation authorized under this chapter, if the board, in

1 consultation with the commission, determines that licensure
2 under the provisions of this part or Article XXVIII-D of The
3 Administrative Code of 1929, is sufficient and will not
4 compromise the integrity of casino simulcasting.

5 SUBCHAPTER D

6 CONDUCT OF CASINO SIMULCASTING

7 Sec.

8 13F31. Conduct of casino simulcasting.

9 13F32. Transmission of live races.

10 13F33. Accounting controls and audit protocols.

11 13F34. Condition of continued operation.

12 13F35. Application of Liquor Code.

13 § 13F31. Conduct of casino simulcasting.

14 (a) Wagering.--Wagering on simulcast horse races shall be
15 conducted only in the simulcasting facility.

16 (b) Required security.--

17 (1) The security measures for a simulcasting facility
18 shall include, but may not be limited to, the installation by
19 the licensed gaming entity of a closed-circuit television
20 system according to specifications promulgated by the board,
21 in consultation with the commission.

22 (2) The board and the commission shall have access to
23 the simulcast system or its signal in accordance with
24 regulations promulgated by the board, in consultation with
25 the commission.

26 § 13F32. Transmission of live races.

27 The following shall apply:

28 (1) A licensed racing entity which operates interstate
29 or international simulcasting of horse race meetings in this
30 Commonwealth shall have discretion to transmit all or some of
31 the live races conducted at the racetrack to the licensed
32 facility of a licensed gaming entity which has established a
33 simulcasting facility under this chapter. Any race which is
34 transmitted from an in-State sending track shall be
35 transmitted to all licensed gaming entities which have
36 established simulcasting facilities.

37 (2) A licensed gaming entity which establishes a
38 simulcasting facility and conducts casino simulcasting in
39 accordance with this chapter shall, as a condition of
40 continued operation of casino simulcasting, receive all live
41 races which are transmitted by in-State sending tracks.

42 § 13F33. Accounting controls and audit protocols.

43 (a) Approval.--Prior to the commencement of casino
44 simulcasting, a casino simulcasting permit holder shall submit
45 to the board for approval all proposed site and architectural
46 plans, internal control systems and audit protocols for the
47 permit holder's casino simulcasting operations.

48 (b) Minimum requirements.--A casino simulcasting permit
49 holder's internal controls and audit protocols shall:

50 (1) Provide for reliable records, accounts and reports
51 of any financial event that occurs in the conduct of casino

1 simulcasting, including reports to the board and commission
2 related to casino simulcasting, as may be required by
3 regulation of the board, in consultation with the commission.

4 (2) Provide for accurate and reliable financial records
5 related to the conduct of casino simulcasting and the pari-
6 mutuel system of wagering.

7 (3) Establish procedures and security for the counting,
8 recording and storage of money generated from the conduct of
9 casino simulcasting.

10 (4) Establish procedures and security standards for the
11 maintenance of telecommunications equipment and video display
12 technology used in connection with the conduct of casino
13 simulcasting.

14 (5) Establish procedures and rules to govern the conduct
15 of casino simulcasting and the responsibility of employees
16 related to casino simulcasting.

17 (6) Establish procedures for the collection, recording
18 and deposit of revenue from the conduct of casino
19 simulcasting, including the roles of the commission, the
20 department, licensed racing entities and licensed gaming
21 entities in the collection and recording of the revenue.

22 (7) Ensure that the system of pari-mutuel wagering used
23 in the conduct of casino simulcasting is in accordance with
24 Article XXVIII-D of the act of April 9, 1929 (P.L.177,
25 No.175), known as The Administrative Code of 1929, and
26 regulations of the commission promulgated under The
27 Administrative Code of 1929.

28 (8) Ensure, in consultation with the commission, the
29 proper and timely accounting for and retention of percentages
30 for pari-mutuel pools and the proper and timely distribution
31 of money in any pari-mutuel pool generated from casino
32 simulcasting.

33 (9) Ensure that all functions, duties and
34 responsibilities related to casino simulcasting are
35 appropriately segregated and performed in accordance with
36 sound financial practices by qualified employees.

37 (10) Permit use of its casino simulcasting facility by
38 the board, the bureau, the commission and other persons
39 authorized under this part or by the board and the commission
40 to facilitate their ability to perform regulatory and
41 oversight functions under this chapter.

42 (c) Submission to board.--The submission required under
43 subsection (a) shall include a detailed description of the
44 casino simulcasting permit holder's administrative and
45 accounting procedures related to casino simulcasting, including
46 its written system of internal controls. Each written system of
47 internal controls shall include:

48 (1) An organizational chart depicting appropriate
49 functions and responsibilities of employees involved in
50 casino simulcasting.

51 (2) A description of the duties and responsibilities of

1 each position shown on the organizational chart.

2 (3) The record retention policy of the permit holder.

3 (4) The procedure to be utilized to ensure that money
4 generated from the conduct of casino simulcasting is
5 safeguarded, including mandatory counting and recording
6 procedures.

7 (5) A statement signed by the casino simulcasting permit
8 holder's chief financial officer or other competent person
9 attesting that the signatory believes, in good faith, that
10 the system satisfies the requirements of this section.

11 (d) Review.--Prior to authorizing a permit holder to conduct
12 casino simulcasting, the board, in consultation with the
13 commission, shall review the system of internal controls
14 submitted under subsection (c) to determine whether it conforms
15 to the requirements of this subchapter and whether it provides
16 adequate and effective controls for the conduct of casino
17 simulcasting.

18 (e) License or registration of employees required.--Except
19 as provided in section 13F15 (relating to key employees and
20 occupation permits), persons engaged directly in wagering-
21 related activities at a simulcasting facility, whether employed
22 by the licensed gaming entity, a licensed racing entity or by a
23 person or entity conducting casino simulcasting under an
24 agreement with the licensed gaming entity, licensed racing
25 entity and all other employees of the licensed gaming entity or
26 of the person or entity conducting casino simulcasting who work
27 or will work in the simulcasting facility shall be licensed or
28 registered in accordance with regulations promulgated by the
29 board in collaboration with the commission.

30 § 13F34. Condition of continued operation.

31 As a condition of continued operation, a casino simulcasting
32 permit holder shall agree to maintain all books, records and
33 documents pertaining to casino simulcasting in a manner and
34 location within this Commonwealth as approved by the board, in
35 consultation with the commission. All books, records and
36 documents related to casino simulcasting shall:

37 (1) Be organized in a manner to clearly depict by
38 separate record the total amount of money contributed to
39 every pari-mutuel pool in accordance with the applicable
40 provisions of Article XXVIII-D of the act of April 9, 1929
41 (P.L.177, No.175), known as The Administrative Code of 1929,
42 and any regulation promulgated under Article XXVIII-D of The
43 Administrative Code of 1929.

44 (2) Be segregated by separate accounts within the
45 licensed gaming entity's books, records and documents, except
46 for any books, records or documents that are common to slot
47 machine operations, table game operations and casino
48 simulcasting, as determined by the board in consultation with
49 the commission.

50 (3) Be immediately available for inspection upon request
51 of the board, the commission, the bureau, the department, the

1 Pennsylvania State Police or the Attorney General, or agents
2 thereof, during all hours of operation of the permit holder's
3 simulcasting facility in accordance with regulations
4 promulgated by the board in consultation with the commission.

5 (4) Be maintained for a specific period of time as the
6 board, in consultation with the commission, by regulation,
7 may require.

8 § 13F35. Application of Liquor Code.

9 The provisions of section 493(24)(ii) of the act of April 12,
10 1951 (P.L.90, No.21), known as the Liquor Code, shall also apply
11 to casino simulcasting.

12 SUBCHAPTER E
13 FEES AND TAXES

14 Sec.

15 13F41. Casino simulcasting authorization fee.

16 13F42. Retention and distribution of money and pari-mutuel
17 pools.

18 13F43. Casino simulcasting taxes.

19 13F44. Construction.

20 § 13F41. Casino simulcasting authorization fee.

21 A casino simulcasting permit shall not be subject to the
22 payment of an authorization fee, renewal or a renewal fee or the
23 payment of an additional permit fee.

24 § 13F42. Retention and distribution of money and pari-mutuel
25 pools.

26 (a) Wagers included in pari-mutuel pools.--

27 (1) Sums wagered at a simulcasting facility on the
28 results of a simulcast horse race shall be included in the
29 appropriate pari-mutuel pool generated for the race being
30 transmitted in accordance with section 2835-D of The
31 Administrative Code of 1929 and shall be distributed in
32 accordance with section 2835-D of The Administrative Code of
33 1929 or any regulations promulgated under section 2835-D of
34 The Administrative Code of 1929. All remaining money shall be
35 paid to the General Fund.

36 (2) Payments to persons holding winning tickets at a
37 licensed facility shall be made according to the same odds as
38 those generated at the in-State sending track.

39 (3) A person placing a wager on a simulcast horse race
40 at a simulcasting facility shall not be charged a fee for
41 placing the wager in addition to the amount wagered.

42 (b) Computation of money wagered.--All money wagered by
43 players on horse race meetings at a simulcasting facility shall
44 be computed in the amount of money wagered each racing day for
45 purposes of taxation under section 2834-D of The Administrative
46 Code of 1929, all thoroughbred races shall be considered a part
47 of a thoroughbred horse race meeting and all harness races shall
48 be considered a part of a harness horse race meeting for
49 purposes of section 2834-D of The Administrative Code of 1929.

50 § 13F43. Casino simulcasting taxes.

51 (a) Imposition.--

1 (1) All licensed gaming entities that conduct casino
2 simulcasting shall pay a tax through the department for
3 credit to the State Racing Fund.

4 (2) The tax imposed on all licensed gaming entities
5 shall be a percentage tax in the amount of 2% of the amount
6 wagered each racing day on casino simulcasting and shall be
7 paid from the money retained by the licensed gaming entity.
8 The tax imposed under this paragraph shall be paid to the
9 department on a form and in the manner prescribed by the
10 department for deposit into the State Racing Fund.

11 (3) The casino simulcasting tax imposed under this
12 section shall be paid to the department by the casino
13 simulcasting permit holder for deposit into the State Racing
14 Fund.

15 (b) Deposits and distributions.--

16 (1) The tax imposed under subsection (a) shall be
17 payable to the department on a weekly basis and shall be
18 based upon the amounts retained by the casino simulcasting
19 permit holder from the amount wagered on casino simulcasting
20 each racing day during the previous week.

21 (2) All money owed to the Commonwealth under this
22 section shall be held in trust for the Commonwealth by the
23 permit holder until the funds are paid to the department.
24 Unless otherwise agreed to by the board, a casino
25 simulcasting permit holder shall establish a separate bank
26 account into which casino simulcasting revenue shall be
27 deposited and maintained until such time as the funds are
28 paid to the department under this section.

29 § 13F44. Construction.

30 Nothing in this chapter and section 1207 (relating to
31 regulatory authority of board), as it relates to slot machines
32 at nonprimary locations and casino simulcasting, shall be
33 construed to alter, preempt or otherwise impinge the authority
34 of the commission pursuant to Article XXVIII-D of the act of
35 April 9, 1929 (P.L.177, No.175), known as The Administrative
36 Code of 1929.

37 CHAPTER 13G
38 SPORTS WAGERING

39 Subchapter

- 40 A. General Provisions
- 41 B. Sports Wagering Authorized
- 42 C. Conduct of Sports Wagering
- 43 D. Sports Wagering Taxes and Fees
- 44 E. Miscellaneous Provisions

45 SUBCHAPTER A
46 GENERAL PROVISIONS

47 Sec.

- 48 13G01. Definitions.
- 49 13G02. Regulatory authority.
- 50 13G03. Temporary sports wagering regulations.
- 51 13G04. Unauthorized sports wagering.

1 § 13G01. Definitions.

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

5 "Certificate holder." A person to whom the board has awarded
6 a sports wagering certificate.

7 "Gross sports wagering revenue." The total of cash or cash
8 equivalents received from sports wagering minus the total of:

9 (1) Cash or cash equivalents paid to players as a result
10 of sports wagering.

11 (2) Cash or cash equivalents paid to purchase annuities
12 to fund prizes payable to players over a period of time as a
13 result of sports wagering.

14 (3) The actual cost paid by the certificate holder for
15 any personal property distributed to a player as a result of
16 sports wagering. This paragraph does not include travel
17 expenses, food, refreshments, lodging or services.

18 The term does not include counterfeit cash or chips; coins or
19 currency of other countries received in as a result of sports
20 wagering, except to the extent that the coins or currency are
21 readily convertible to cash; or cash taken in a fraudulent act
22 perpetrated against a certificate holder for which the
23 certificate holder is not reimbursed.

24 "Sporting events." Any professional or collegiate sports or
25 athletic event, or motor race event.

26 "Sports wagering." The business of accepting wagers on
27 sporting events or on the individual performance statistics of
28 athletes in a sporting event or combination of sporting events
29 by any system or method of wagering, including, but not limited
30 to, exchange wagering, parlays, over-under, moneyline, pools and
31 straight bets. The term does not include:

32 (1) Lottery games of the Pennsylvania State Lottery as
33 authorized under the act of August 26, 1971 (P.L.351, No.91),
34 known as the State Lottery Law.

35 (2) Bingo as authorized under the act of July 10, 1981
36 (P.L.214, No.67), known as the Bingo Law.

37 (3) Pari-mutuel betting on the outcome of thoroughbred
38 or harness horse racing as authorized under the act of
39 Article XXVIII-D of the act of April 9, 1929 (P.L.177,
40 No.175), known as The Administrative Code of 1929.

41 (4) Small games of chance as authorized under the act of
42 December 19, 1988 (P.L.1262, No.156), known as the Local
43 Option Small Games of Chance Act.

44 (5) Slot machine gaming and progressive slot machine
45 gaming as defined and authorized under this part.

46 (6) Keno.

47 (7) Fantasy contests as authorized under Chapter 3
48 (relating to fantasy contests).

49 "Sports wagering certificate." A certificate awarded by the
50 board under this chapter that authorizes a slot machine licensee
51 to conduct sports wagering in accordance with this chapter.

1 "Sports wagering device." The term includes any mechanical,
2 electrical or computerized contrivance, terminal, machine or
3 other device, apparatus, equipment or supplies approved by the
4 board and used to conduct sports wagering.

5 § 13G02. Regulatory authority.

6 The board shall promulgate regulations:

7 (1) Establishing standards and procedures for sports
8 wagering. The standards and procedures shall provide for the
9 conduct and implementation of sports wagering within licensed
10 facilities, including any new sports wagering or variations
11 or composites of approved sports wagering, provided the board
12 determines that the new sports wagering or any variations or
13 composites or other approved sports wagering are suitable for
14 use after a test or experimental period under the terms and
15 conditions as the board may deem appropriate.

16 (2) Establishing standards and rules to govern the
17 conduct of sports wagering and the system of wagering,
18 including the manner in which wagers are received and payouts
19 are remitted and point spreads, lines and odds are
20 determined. The board may also establish standards and rules
21 to govern the conduct of sports wagering and the system of
22 wagering as a form of interactive gaming authorized by the
23 Commonwealth.

24 (3) Establishing the method for calculating gross sports
25 wagering revenue and standards for the daily counting and
26 recording of cash and cash equivalents received in the
27 conduct of sports wagering, including the conduct of sports
28 wagering and the system of wagering as a form of interactive
29 gaming authorized by the Commonwealth, and ensuring that
30 internal controls are followed, the maintenance of financial
31 books and records and the conduct of audits. The board shall
32 consult with the department in establishing the regulations
33 under this paragraph.

34 (4) Establishing notice requirements pertaining to
35 minimum and maximum wagers on sports wagering.

36 (5) Establishing compulsive and problem gambling
37 standards pertaining to sports wagering consistent with this
38 part.

39 (6) Establishing standards prohibiting persons under 21
40 years of age from participating in sports wagering.

41 (7) Providing information pertaining to sports wagering
42 in the board's annual report required under section 1211(a.1)
43 (relating to reports of board).

44 (8) Requiring each certificate holder to:

45 (i) Provide written information about sports
46 wagering rules, payouts or winning wagers and other
47 information as the board may require.

48 (ii) Provide specifications approved by the board
49 under section 1207(11) (relating to regulatory authority
50 of board) to integrate and update the licensed facility's
51 surveillance system to cover all areas where sports

1 wagering is conducted. The specifications shall include
2 provisions providing the board and other persons
3 authorized by the board with onsite access to the system
4 or its signal.

5 (iii) Designate one or more locations within the
6 licensed facility of the certificate holder to conduct
7 sports wagering.

8 (iv) Ensure that visibility in the licensed facility
9 of the certificate holder is not obstructed in any way
10 that could interfere with the ability of the certificate
11 holder, the board and other persons authorized under this
12 part or by the board to oversee the surveillance of the
13 conduct of sports wagering.

14 (v) Integrate the licensed facility's count room to
15 ensure maximum security of the counting and storage of
16 cash and cash equivalents.

17 (vi) Equip each designated location within the
18 licensed facility providing sports wagering with a sign
19 indicating the permissible sports wagering minimum and
20 maximum wagers.

21 (vii) Ensure that no person under 21 years of age
22 participates in sports wagering.

23 § 13G03. Temporary sports wagering regulations.

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

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

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

35 (3) Sections 204(b) and 301(10) of the act of October
36 15, 1980 (P.L.950, No.164), known as the Commonwealth
37 Attorneys Act.

38 (b) Expiration.--Except for temporary regulations governing
39 the rules of new sports wagering approved by the board, the
40 board's authority to adopt temporary regulations under
41 subsection (a) shall expire two years after the effective date
42 of this section. Regulations adopted after this period shall be
43 promulgated as provided by law.

44 § 13G04. Unauthorized sports wagering.

45 (a) Offense defined.--

46 (1) It shall be unlawful for any person to willfully and
47 knowingly operate, carry on, offer or expose for play any
48 sports wagering or to accept a bet or wager associated with
49 sports wagering from any person physically located in this
50 Commonwealth at the time of play that is not within the scope
51 of a valid and current sports wagering certificate issued by

1 the board under this chapter or by another state, territory
2 or possession of the United States with which the
3 Commonwealth has a sports wagering agreement.

4 (2) It shall be unlawful for any person to willfully and
5 knowingly provide services with respect to any sports
6 wagering or bet or wager specified in paragraph (1).

7 (b) Grading of offense.--A person who violates subsection
8 (a) commits a misdemeanor of the first degree. For a second or
9 subsequent violation of subsection (a), a person commits a
10 felony of the second degree.

11 (c) Penalties.--

12 (1) For a first violation of subsection (a), a person
13 shall be sentenced to pay a fine of:

14 (i) not less than \$75,000 nor more than \$150,000, if
15 the person is an individual;

16 (ii) not less than \$150,000 nor more than \$300,000,
17 if the person is a licensed manufacturer or supplier; or

18 (iii) not less than \$300,000 nor more than \$600,000,
19 if the person is a licensed gaming entity.

20 (2) For a second or subsequent violation of subsection
21 (a), a person shall be sentenced to pay a fine of:

22 (i) not less than \$150,000 nor more than \$300,000,
23 if the person is an individual;

24 (ii) not less than \$300,000 nor more than \$600,000,
25 if the person is a licensed manufacturer or supplier; or

26 (iii) not less than \$600,000 nor more than
27 \$1,200,000, if the person is a licensed gaming entity.

28 (d) Forfeiture.--If a person engages in sports wagering from
29 a location in which the activity is unauthorized, the person
30 shall forfeit all entitlement to any winnings and the money
31 associated with any forfeited winnings shall be deposited into
32 the Compulsive and Problem Gambling Treatment Fund established
33 under section 1509(b) (relating to compulsive and problem
34 gambling program).

35 (e) Tax liability.--

36 (1) An unlicensed person who offers sports wagering to
37 persons in this Commonwealth shall be liable for all taxes
38 required by this chapter in the same manner and amounts as if
39 the person were a licensee.

40 (2) Timely payment of the taxes may not constitute a
41 defense to any prosecution or other proceeding in connection
42 with unauthorized sports wagering, except for a prosecution
43 or proceeding alleging failure to make such payment.

SUBCHAPTER B

SPORTS WAGERING AUTHORIZED

46 Sec.

47 13G11. Authorization to conduct sports wagering.

48 13G12. Petition requirements.

49 13G13. Standard for review of petitions.

50 13G14. Award of certificate.

51 13G15. Sports wagering certificate.

1 13G16. Sports wagering by suppliers and manufacturers.

2 § 13G11. Authorization to conduct sports wagering.

3 (a) Persons who may be authorized.--

4 (1) (i) The board may authorize a slot machine licensee
5 to conduct sports wagering and to operate a system of
6 wagering associated with the conduct of sports wagering
7 at the slot machine licensee's licensed facility, a
8 temporary facility authorized under section 13G21(a.1)
9 (relating to authorized locations for operation) or an
10 area authorized under section 13G21(b).

11 (ii) Authorization shall be contingent upon the slot
12 machine licensee's agreement to ensure that sports
13 wagering will be conducted in accordance with this part
14 and any other conditions established by the board.

15 (iii) Nothing in this part shall be construed to
16 create a separate license governing the conduct of sports
17 wagering by slot machine licensees within this
18 Commonwealth.

19 (2) The board may authorize a sports wagering
20 certificate holder to conduct sports wagering and to operate
21 a system of wagering associated with the conduct of sports
22 wagering as a form of interactive gaming authorized by the
23 Commonwealth.

24 (3) (i) Except as provided in this part, all
25 individuals wagering on sporting events through
26 authorized sports wagering must be physically located
27 within this Commonwealth or within a state or
28 jurisdiction in which the board has entered a sports
29 wagering agreement.

30 (ii) No individual under 21 years of age may make a
31 wager or bet on sporting events through authorized sports
32 wagering or have access to the designated area of the
33 licensed facility authorized to host sports wagering.

34 (b) Federal authorization.--

35 (1) The Secretary of State of the Commonwealth shall,
36 when Federal law is enacted or Federal court decision is
37 filed that affirms the authority of a state to regulate
38 sports wagering, publish a notice in the Pennsylvania
39 Bulletin certifying the enactment or filing of the decision.

40 (2) The board may not authorize the conduct of sports
41 wagering in this Commonwealth until the notice is published
42 as prescribed in paragraph (1).

43 § 13G12. Petition requirements.

44 (a) General rule.--Unless otherwise prohibited under section
45 13A13 (relating to prohibitions), a slot machine licensee may
46 seek approval to conduct sports wagering by filing a petition
47 with the board.

48 (b) Petition contents.--A petition seeking authorization to
49 conduct sports wagering shall include the following:

50 (1) The name, business address and contact information
51 of the petitioner.

1 (2) The name and business address, job title and a
2 photograph of each principal and key employee of the
3 petitioner who will be involved in the conduct of sports
4 wagering and who is not currently licensed by the board, if
5 known.

6 (3) A brief description of the economic benefits
7 expected to be realized by the Commonwealth, its
8 municipalities and its residents if sports wagering is
9 authorized at the petitioner's licensed facility.

10 (4) The details of any financing obtained or that will
11 be obtained to fund an expansion or modification of the
12 licensed facility to accommodate sports wagering and to
13 otherwise fund the cost of commencing sports wagering.

14 (5) Information and documentation concerning financial
15 background and resources, as the board may require, to
16 establish by clear and convincing evidence the financial
17 stability, integrity and responsibility of the petitioner.

18 (6) Information and documentation, as the board may
19 require, to establish by clear and convincing evidence that
20 the petitioner has sufficient business ability and experience
21 to create and maintain a successful sports wagering
22 operation. In making this determination, the board may
23 consider the performance of the petitioner's slot machine and
24 table game operation, including financial information,
25 employment data and capital investment.

26 (7) Information and documentation, as the board may
27 require, to establish by clear and convincing evidence that
28 the petitioner has or will have the financial ability to pay
29 the authorization fee under section 13G61 (relating to sports
30 wagering authorization fee).

31 (8) Detailed site plans identifying the petitioner's
32 proposed sports wagering area within the licensed facility.

33 (9) Other information as the board may require.

34 (c) Confidentiality.--Information submitted to the board
35 under subsection (b) (4), (5), (6), (7) and (8) may be considered
36 confidential by the board if the information would be
37 confidential under section 1206(f) (relating to board minutes
38 and records).

39 § 13G13. Standard for review of petitions.

40 (a) General rule.--The board shall approve a petition if the
41 petitioner establishes, by clear and convincing evidence, all of
42 the following:

43 (1) The petitioner's slot machine license is in good
44 standing with the board.

45 (2) The conduct of sports wagering at the petitioner's
46 licensed facility will have a positive economic impact on the
47 Commonwealth, its municipalities and residents through
48 increased revenues and employment opportunities.

49 (3) The petitioner possesses adequate funds or has
50 secured adequate financing to:

51 (i) Fund any necessary expansion or modification of

1 the petitioner's licensed facility to accommodate the
2 conduct of sports wagering.

3 (ii) Pay the authorization fee in accordance with
4 section 13G61 (relating to sports wagering authorization
5 fee).

6 (iii) Commence sports wagering operations at its
7 licensed facility.

8 (4) The petitioner has the financial stability,
9 integrity and responsibility to conduct sports wagering.

10 (5) The petitioner has sufficient business ability and
11 experience to create and maintain a successful sports
12 wagering operation.

13 (6) The petitioner's proposed internal and external
14 security and proposed surveillance measures within the area
15 of the licensed facility where the petitioner seeks to
16 conduct sports wagering are adequate.

17 (7) The petitioner has satisfied the petition
18 application requirements and provided any other information
19 required by section 13G12(b) (relating to petition
20 requirements).

21 (b) Timing of approval.--The board shall approve or deny a
22 petition within 90 days following receipt of the petition.
23 § 13G14. Award of certificate.

24 (a) General rule.--Upon approval of a petition, the board
25 shall award a sports wagering certificate to the petitioner. The
26 award of a sports wagering certificate prior to the payment in
27 full of the authorization fee required by section 13G61
28 (relating to sports wagering authorization fee) shall not
29 relieve the petitioner from complying with the provisions of
30 section 13G61.

31 (b) Statement of conditions.--Upon awarding a sports
32 wagering operation certificate, the board shall amend the slot
33 machine licensee's statement of conditions pertaining to the
34 requirements of this chapter.

35 (c) Term of sports wagering certificate.--Subject to the
36 power of the board to deny, revoke or suspend a sports wagering
37 certificate issued in accordance with the requirements of this
38 section, a sports wagering certificate shall be renewed every
39 five years and shall be subject to the requirements of section
40 1326 (relating to license renewals).

41 § 13G15. Sports wagering certificate.

42 The following shall apply:

43 (1) A sports wagering certificate shall be in effect
44 unless:

45 (i) suspended or revoked by the board consistent
46 with the requirements of this part;

47 (ii) the slot machine license held by the
48 certificate holder is suspended, revoked or not renewed
49 by the board consistent with the requirements of this
50 part; or

51 (iii) the certificate holder relinquishes or does

1 not seek renewal of its slot machine license.

2 (2) A certificate holder that fails to abide by this
3 chapter or any condition contained in the slot machine
4 licensee's statement of conditions governing the conduct of
5 sports wagering shall be subject to board-imposed
6 administrative sanctions or other penalties authorized under
7 this part.

8 § 13G16. Sports wagering by suppliers and manufacturers.

9 (a) Suppliers.--A person that sells, leases, offers or
10 otherwise provides, distributes or services any sports wagering
11 device or associated equipment for use or operation in this
12 Commonwealth for sports wagering purposes shall be licensed by
13 the board pursuant to section 1317 (relating to supplier
14 licenses) and shall be subject to application and licensure fees
15 and fines as prescribed under section 1208 (relating to
16 collection of fees and fines), as determined by the board.

17 (b) Manufacturers.--A person who manufacturers, builds,
18 rebuilds, fabricates, assembles, produces, programs, designs or
19 otherwise makes modifications to any sports wagering device or
20 associated equipment for use or operation in this Commonwealth
21 for sports wagering purposes shall be licensed by the board
22 pursuant to section 1317.1 (relating to manufacturer licenses)
23 and shall be subject to application and licensure fees and fines
24 as prescribed under section 1208, as determined by the board.

25 SUBCHAPTER C

26 CONDUCT OF SPORTS WAGERING

27 Sec.

28 13G21. Authorized locations for operation.

29 13G22. Commencement of sports wagering operations.

30 13G23. Condition of continued operation.

31 13G24. Key employees and occupation permits.

32 13G25. Application of Clean Indoor Air Act.

33 13G25.1. Application of Liquor Code.

34 § 13G21. Authorized locations for operation.

35 (a) Restriction.--A certificate holder may only be permitted
36 to conduct sports wagering at the licensed facility, a temporary
37 facility authorized under subsection (a.1) or an area authorized
38 under subsection (b).

39 (a.1) Temporary facilities.--The board may permit a
40 certificate holder to conduct sports wagering at a temporary
41 facility that is physically connected to, attached to or
42 adjacent to a licensed facility for a period not to exceed 24
43 months.

44 (b) Powers and duties of board.--

45 (1) Upon request made by a certificate holder, the board
46 may determine the suitability of a category 1 licensed gaming
47 entity that is also a licensed racing entity authorized to
48 conduct pari-mutuel wagering at nonprimary locations under
49 the act of April 9, 1929 (P.L.177, No.175), known as The
50 Administrative Code of 1929, to conduct sports wagering at
51 nonprimary locations.

1 (2) No certificate holder may be approved to conduct
2 sports wagering in a nonprimary location unless the areas are
3 equipped with adequate security and surveillance equipment to
4 ensure the integrity of the conduct of sports wagering.

5 (3) An authorization granted under this subsection may
6 not:

7 (i) Impose any criteria or requirements regarding
8 the contents or structure of a nonprimary location that
9 are unrelated to the conduct of sports wagering.

10 (ii) Authorize the placement or operation of slot
11 machines or table games in a nonprimary location.

12 § 13G22. Commencement of sports wagering operations.

13 No certificate holder may operate or offer sports wagering
14 until the board determines that:

15 (1) The certificate holder is in compliance with the
16 requirements of this part.

17 (2) The certificate holder is prepared in all respects
18 to offer sports wagering play to the public at the licensed
19 facility.

20 (3) The certificate holder has implemented necessary
21 internal and management controls and security arrangements
22 and surveillance systems for the conduct of sports wagering.

23 (4) The certificate holder is in compliance with or has
24 complied with section 13A61 (relating to sports wagering
25 authorization fee).

26 (5) Other conditions as the board may require to
27 implement the conduct of sports wagering.

28 § 13G23. Condition of continued operation.

29 As a condition of continued operation, a certificate holder
30 shall agree to maintain all books, records and documents
31 pertaining to sports wagering in a manner and location within
32 this Commonwealth as approved by the board. All books, records
33 and documents related to sports wagering shall:

34 (1) be segregated by separate accounts within the
35 certificate holder's books, records and documents, except for
36 any books, records or documents that are common to slot
37 machine, table game and sports wagering operations;

38 (2) be immediately available for inspection upon request
39 of the board, the bureau, the department, the Pennsylvania
40 State Police or the Attorney General, or agents thereof,
41 during all hours of operation of the certificate holder in
42 accordance with regulations promulgated by the board; and

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

45 § 13G24. Key employees and occupation permits.

46 Nothing in this part shall be construed to require any
47 individual who holds a principal license, a key employee license
48 or gaming employee license under Chapter 13 (relating to
49 licensees) to obtain a separate license or permit to be employed
50 in a certificate holder's sports wagering operation authorized
51 under this chapter.

1 § 13G25. Application of Clean Indoor Air Act.

2 For the purpose of section 3(b)(11) of the act of June 13,
3 2008 (P.L.182, No.27), known as the Clean Indoor Air Act, the
4 term "gaming floor" shall include the areas of any facility
5 where the certificate holder is authorized to conduct sports
6 wagering, except such areas off the gaming floor where contests
7 or tournaments are conducted unless smoking is otherwise
8 permitted in such areas.

9 § 13G25.1. Application of Liquor Code.

10 The provisions of section 493(24)(ii) of the act of April 12,
11 1951 (P.L.90, No.21), known as the Liquor Code, shall also apply
12 to sports wagering.

13 SUBCHAPTER D

14 SPORTS WAGERING TAXES AND FEES

15 Sec.

16 13G61. Sports wagering authorization fee.

17 13G62. Sports wagering tax.

18 13G63. Local share assessment.

19 13G64. Compulsive and problem gambling.

20 § 13G61. Sports wagering authorization fee.

21 (a) Amount.--Each slot machine licensee that is issued a
22 sports wagering certificate to conduct sports wagering in
23 accordance with section 13G11 (relating to authorization to
24 conduct sports wagering) shall pay a one-time nonrefundable
25 authorization fee in the amount of \$5,000,000.

26 (b) Payment of fee.--The authorization fee under subsection
27 (a) shall remit the fee to the board within 60 days of the
28 approval of a petition to conduct sports wagering. The board may
29 allow the fee to be paid in installments, provided all
30 installments are paid within the 60-day period. In that event,
31 the board and the slot machine licensee shall enter into a
32 written agreement setting forth the terms of payment. Sports
33 wagering may not be conducted until the fee under subsection (a)
34 is paid in full.

35 (c) Renewal fee.--Notwithstanding any other provision of
36 this chapter, a slot machine licensee that is issued a sports
37 wagering certificate shall pay a renewal fee in the amount of
38 \$250,000 upon the renewal of its sports wagering certificate in
39 accordance with sections 1326 (relating to license renewals) and
40 13G14(c) (relating to award of certificate).

41 (d) Failure to pay by deadline.--If a petitioner or
42 certificate holder fails to pay the required authorization fee
43 in full within the 60-day time period, the board shall impose a
44 penalty and may grant the petitioner or certificate holder up to
45 a six-month extension to pay the authorization fee or any
46 remaining portion of the authorization fee and the penalty.

47 (e) Suspension of certificate.--The board shall suspend the
48 sports wagering certificate if the certificate holder fails to
49 pay the total authorization fee and the penalty prior to the
50 expiration of an extension period granted under subsection (c).
51 The suspension shall remain in effect until final payment is

1 made.

2 (f) Deposit of fees.--Notwithstanding section 1208 (relating
3 to collection of fees and fines), all sports wagering
4 authorization fees or penalties received by the board under this
5 subchapter, all sports wagering device and associated equipment
6 manufacturer and supplier license fees, all sports wagering
7 device or associated equipment manufacturer and supplier renewal
8 fees and fees for licenses issued under Chapter 16 (relating to
9 junkets) shall be deposited in the General Fund.

10 § 13G62. Sports wagering tax.

11 (a) Imposition.--Each certificate holder shall report to the
12 department and pay from its daily gross sports wagering revenue,
13 on a form and in the manner prescribed by the department, a tax
14 of 16% of its daily gross sports wagering revenue.

15 (b) Deposits and distributions.--

16 (1) The tax imposed under subsection (a) shall be
17 payable to the department on a weekly basis and shall be
18 based upon gross sports wagering revenue derived during the
19 previous week.

20 (2) All funds owed to the Commonwealth under this
21 section shall be held in trust for the Commonwealth by the
22 certificate holder until the funds are paid to the
23 department. Unless otherwise agreed to by the board, a
24 certificate holder shall establish a separate bank account
25 into which gross sports wagering revenue shall be deposited
26 and maintained until such time as the funds are paid to the
27 department under this section or paid into the fund under
28 section 13G63(a) (relating to local share assessment).

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

31 § 13G63. Local share assessment.

32 (a) Required payment.--In addition to the tax imposed under
33 section 13G62 (relating to sports wagering tax), each
34 certificate holder shall pay on a weekly basis and on a form and
35 in a manner prescribed by the department a local share
36 assessment into a restricted receipts account established within
37 the fund. All money owed under this section shall be held in
38 trust by the certificate holder until the money is paid into the
39 restricted account. Funds in the restricted account are hereby
40 appropriated to the department on a continuing basis for the
41 purposes set forth in this section.

42 (b) Distributions.--Except as provided under subsections
43 (b.1) and (b.2), the department shall make quarterly
44 distributions from the local share assessments deposited into
45 the restricted account to counties, including home rule
46 counties, and to municipalities, including home rule
47 municipalities, hosting a licensed facility authorized to
48 conduct sports wagering in the following manner:

49 (1) Fifty percent of the local share assessment under
50 this chapter shall be added to and distributed with the funds
51 distributed under section 13A63(b) (relating to local share

1 assessment).

2 (2) Fifty percent of the local share assessment under
3 this chapter shall be added to and distributed with the funds
4 distributed under section 13A63(c).

5 (b.1) Nonprimary locations.--For sports wagering conducted
6 at nonprimary locations, the local share assessment imposed
7 under subsection (a) shall be distributed as follows:

8 (1) Fifty percent to the county in which the nonprimary
9 location is located.

10 (2) Fifty percent to the municipality in which the
11 nonprimary location is located.

12 (b.2) Interactive gaming.--For sports wagering conducted as
13 a form of interactive gaming, the local share assessment imposed
14 under subsection (a) shall be added to and distributed with the
15 funds distributed under section 13B53 (relating to local share
16 assessment).

17 (c) Definitions.--As used in this section, "local share
18 assessment" means 2% of a certificate holder's daily gross
19 sports wagering revenue.

20 § 13G64. Compulsive and problem gambling.

21 The following shall apply:

22 (1) Each year, from the tax imposed in section 13G62
23 (relating to sports wagering tax), \$2,000,000 or an amount
24 equal to .002 multiplied by the total gross sports wagering
25 revenue of all active and operating sports wagering
26 certificate holders, whichever is greater, shall be
27 transferred into the Compulsive and Problem Gambling
28 Treatment Fund established in section 1509 (relating to
29 compulsive and problem gambling program).

30 (2) Each year, from the tax imposed in section 13G62,
31 \$2,000,000 or an amount equal to .002 multiplied by the total
32 gross sports wagering revenue of all active and operating
33 sports wagering certificate holders, whichever is greater,
34 shall be transferred to the Department of Health to be used
35 for drug and alcohol addiction treatment services, including
36 treatment for drug and alcohol addiction related to
37 compulsive and problem gambling, as set forth in section
38 1509.1 (relating to drug and alcohol treatment).

39 SUBCHAPTER E

40 MISCELLANEOUS PROVISIONS

41 Sec.

42 13G71. Criminal activity.

43 § 13G71. Criminal activity.

44 Sports wagering conducted by a certificate holder in
45 accordance with this chapter shall not constitute a criminal
46 activity under 18 Pa.C.S. § 5514 (relating to pool selling and
47 bookmaking).

48 Section 19. Sections 1403(b), (c) (2) (ii) (D), (iii) (A) and
49 (iv) (B), 1405 and 1407 of Title 4 are amended to read:

50 § 1403. Establishment of State Gaming Fund and net slot machine
51 revenue distribution.

1 * * *

2 (b) Slot machine tax.--The department shall determine and
3 each slot machine licensee shall pay a daily tax of 34% from its
4 daily gross terminal revenue from the slot machines in operation
5 at its licensed facility and a local share assessment as
6 provided in subsection (c). All funds owed to the Commonwealth,
7 a county or a municipality under this section shall be held in
8 trust by the licensed gaming entity for the Commonwealth, the
9 county and the municipality until the funds are paid or
10 transferred to the fund. Unless otherwise agreed to by the
11 board, a licensed gaming entity shall establish a separate bank
12 account to maintain gross terminal revenue until such time as
13 the funds are paid or transferred under this section. Moneys in
14 the fund are hereby appropriated to the department on a
15 continuing basis for the purposes set forth in subsection (c).
16 For the purpose of this subsection, the term licensed facility
17 shall not be construed to include a nonprimary location at which
18 a Category 1 slot machine licensee is authorized to place and
19 make slot machines available for play in accordance with Chapter
20 13D (relating to slot machines at nonprimary locations) or the
21 physical land-based location of a qualified airport under
22 Chapter 13E (relating to slot machines in qualified airports).

23 (c) Transfers and distributions.--The department shall:

24 * * *

25 (2) From the local share assessment established in
26 subsection (b), make quarterly distributions among the
27 counties hosting a licensed facility in accordance with the
28 following schedule:

29 * * *

30 (ii) If the licensed facility is a Category 1
31 licensed facility and is located at a thoroughbred
32 racetrack and the county in which the licensed facility
33 is located is:

34 * * *

35 (D) A county of the third class: 1% of the
36 gross terminal revenue to the county hosting the
37 licensed facility from each such licensed facility.
38 An additional 1% of the gross terminal revenue to the
39 county hosting the licensed facility from each such
40 licensed facility for the purpose of municipal grants
41 within the county in which the licensee is located.
42 Notwithstanding the provisions of the act of February
43 9, 1999 (P.L.1, No.1), known as the Capital
44 Facilities Debt Enabling Act, grants made under this
45 clause may be utilized as local matching funds for
46 other grants or loans from the Commonwealth.

47 * * *

48 (iii) If the facility is a Category 2 licensed
49 facility and if the county in which the licensed facility
50 is located is:

51 (A) A county of the first class: 4% of the

1 gross terminal revenue to the county hosting the
2 licensed facility from each such licensed facility.
3 Notwithstanding any other provision to the contrary,
4 funds from licensed gaming entities located within a
5 county of the first class shall not be distributed
6 outside of a county of the first class. [The first
7 \$5,000,000] Fifty percent or \$5,000,000, whichever is
8 greater, of the total amount distributed annually to
9 the county of the first class shall be distributed to
10 the Philadelphia School District.

11 * * *

12 (iv) * * *

13 (B) If the facility is a Category 3 licensed
14 facility located in a county of the second class A,
15 2% of the gross terminal revenue [from the licensed
16 facility shall be deposited into a restricted
17 receipts account to be established in the
18 Commonwealth Financing Authority to be used
19 exclusively for grants or guarantees for projects in
20 the host county that qualify under 64 Pa.C.S. §§ 1551
21 (relating to Business in Our Sites Program), 1556
22 (relating to Tax Increment Financing Guarantee
23 Program) and 1558 (relating to Water Supply and
24 Wastewater Infrastructure Program).] to the county
25 hosting the licensed facility from each such licensed
26 facility shall be deposited as follows:

27 (I) Seventy-five percent shall be deposited
28 for the purpose of supporting the maintenance and
29 refurbishment of the parks and heritage sites
30 throughout the county in which the licensed
31 facility is located.

32 (II) Twelve and one-half percent shall be
33 deposited for the purpose of supporting a child
34 advocacy center located within the county in
35 which the licensed facility is located.

36 (III) Twelve and one-half percent shall be
37 deposited for the purpose of supporting an
38 organization providing comprehensive support
39 services to victims of domestic violence,
40 including legal and medical aid, shelters,
41 transitional housing and counseling located
42 within the county in which the licensed facility
43 is located.

44 * * *

45 § 1405. Pennsylvania Race Horse Development Fund.

46 (b) Pennsylvania race horse improvement assessment.--Each
47 active and operating licensed gaming entity shall pay a daily
48 assessment to the Pennsylvania Race Horse Development Fund as
49 determined by the department. Subject to the daily assessment
50 cap established under subsection (c), the licensed gaming
51 entity's assessment shall be a percentage of each licensed

1 gaming entity's gross terminal revenue from the slot machines in
2 operation at its licensed facility, equal to an amount
3 calculated as "A" multiplied by "B", with "A" being equal to
4 each licensed gaming entity's gross terminal revenue for that
5 day divided by the total gross terminal revenue for that day
6 from all licensed gaming entities, and "B" being equal to 18% of
7 that day's gross terminal revenue for all active and operating
8 Category 1 licensees conducting live racing.

9 (c) Daily assessment cap.--If the resulting daily assessment
10 for a licensed gaming entity exceeds 12% of that licensed gaming
11 entity's gross terminal revenue from the slot machines in
12 operation at its licensed facility for the day, the licensed
13 gaming entity shall pay a daily assessment of 12% of its gross
14 terminal revenue for that day.

15 (e) Definition.--For the purposes of this section, the term
16 "licensed facility" shall not include the physical land-based
17 location at which a licensed gaming entity is authorized to
18 place and operate slot machines in a nonprimary location under
19 Chapter 13D (relating to slot machines at nonprimary locations)
20 or in a qualified airport under Chapter 13E (relating to slot
21 machines in qualified airports).

22 § 1407. Pennsylvania Gaming Economic Development and Tourism
23 Fund.

24 (a) Fund established.--There is hereby established a
25 Pennsylvania Gaming Economic Development and Tourism Fund within
26 the State Treasury.

27 (b) Fund administration and distribution.--The Pennsylvania
28 Gaming Economic Development and Tourism Fund shall be
29 administered by the Department of Community and Economic
30 Development. All moneys in the Pennsylvania Gaming Economic
31 Development and Tourism Fund shall be distributed pursuant to a
32 subsequently enacted Economic Development Capital Budget that
33 appropriates money from the fund pursuant to this section. The
34 procedures for enactment, authorization and release of economic
35 development and tourism funds authorized under this section for
36 both capital projects and operational expenditures shall be the
37 same as those provided for in sections 303(a), (b) and (c) and
38 318(a) of the act of February 9, 1999 (P.L.1, No.1), known as
39 the Capital Facilities Debt Enabling Act, without reference to
40 the nature or purpose of the project, and any other statutory
41 provision, if any, necessary to effectuate the release of funds
42 appropriated in such economic development capital budget.

43 (c) Pennsylvania Gaming Economic Development and Tourism
44 Fund Assessment.--Each licensed gaming entity shall pay a daily
45 assessment of 5% of its gross terminal revenue from the slot
46 machines in operation at its licensed facility to the
47 Pennsylvania Gaming Economic Development and Tourism Fund.

48 (d) Restrictions on projects for certain counties and
49 cities.--Except as set forth in subsection (d.1), [for a ten-
50 year period beginning with the first fiscal year during which
51 deposits are made into this fund], no moneys from the

1 Pennsylvania Gaming Economic Development and Tourism Fund shall
2 be distributed for any project located in a city or county of
3 the first or second class except as authorized by this
4 subsection. Moneys not used for the authorized projects in
5 cities and counties of the first and second classes may be used
6 throughout this Commonwealth. Moneys from the fund for projects
7 within cities and counties of the first and second classes may
8 only be used for the following projects [during this ten-year
9 period]:

10 (1) for reimbursement to a city of the first class for
11 debt service made by such city to the extent that such
12 payments have been made for the expansion of the Pennsylvania
13 Convention Center;

14 (2) for distribution to the General Fund to the extent
15 that the Commonwealth has made debt service payments for the
16 expansion of the Pennsylvania Convention Center;

17 (3) for reimbursement to a city of the first class for
18 payments made by such city for the operation expenses of the
19 Pennsylvania Convention Center during the prior calendar
20 year;

21 (4) for debt service and for development and economic
22 development projects for an international airport located in
23 a county of the second class;

24 (5) for distribution to a community infrastructure
25 development fund of a county of the second class to fund
26 construction, development, improvement and maintenance of
27 infrastructure projects;

28 (6) for the retirement of the indebtedness of an urban
29 redevelopment authority created pursuant to the act of May
30 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment
31 Law, in a city of the second class which is financed in part
32 with the utilization of funds transferred to the regional
33 asset district pursuant to Article XXXI-B of the act of July
34 28, 1953 (P.L.723, No.230), known as the Second Class County
35 Code;

36 (8) for retirement of indebtedness of a county of the
37 second class development fund created pursuant to the
38 authority of Article XXXI-B of the Second Class County Code
39 and the Urban Redevelopment Law;

40 (9) for retirement of indebtedness of a convention
41 center in a city of the second class established pursuant to
42 the authority of the Public Auditorium Authorities Law;

43 (10) for payment of the operating deficit for the
44 operation of a convention center in a city of the second
45 class established pursuant to the Public Auditorium
46 Authorities Law.

47 (d.1) Community and economic development.--

48 (1) Notwithstanding subsection (b) or any other
49 provision of law to the contrary, the money authorized but
50 not expended under former subsection (d) (7) as of the
51 effective date of this subsection shall be deposited into a

1 restricted receipts account to be established in the
2 Commonwealth Financing Authority exclusively for eligible
3 applications submitted by the redevelopment authority of a
4 county of the second class created pursuant to the act of May
5 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment
6 Law, for economic development, infrastructure development,
7 job training, community improvement, public safety or other
8 projects in the public interest located in a county of the
9 second class. Community development corporations, political
10 subdivisions, urban redevelopment authorities, municipal
11 authorities, for-profit entities and nonprofit entities
12 located in a county of the second class shall be eligible to
13 receive funds made available under this paragraph.

14 (2) Notwithstanding the Capital Facilities Debt Enabling
15 Act, funding under the paragraph (1) may be utilized as local
16 matching funds for grants or loans from the Commonwealth.

17 (e) Annual report.--The Office of the Budget, in cooperation
18 with the Department of Community and Economic Development and
19 the Commonwealth Financing Authority, shall submit an annual
20 report of all distribution of funds under this section to the
21 chairman and minority chairman of the Appropriations Committee
22 of the Senate, the chairman and minority chairman of the
23 Community, Economic and Recreational Development Committee of
24 the Senate, the chairman and minority chairman of the
25 Appropriations Committee of the House of Representatives and the
26 chairman and minority chairman of the Gaming Oversight Committee
27 of the House of Representatives. The report shall include
28 detailed information relating to transfers made from the
29 Pennsylvania Gaming Economic Development and Tourism Fund and
30 all reimbursements, distributions and payments made under
31 subsection (b) or the act of July 25, 2007 (P.L.342, No.53),
32 known as Pennsylvania Gaming Economic Development and Tourism
33 Fund Capital Budget Itemization Act of 2007. The report shall be
34 submitted by August 31, 2010, and by August 31 of each year
35 thereafter.

36 (f) Local report.--A city of the first class, city of the
37 second class, county of the second class, convention center or
38 convention center authority, sports and exhibition authority of
39 a county of the second class, urban redevelopment authority,
40 airport authority or other entity that receives money from the
41 fund pursuant to an Economic Development Capital Budget under
42 subsection (b) or the Pennsylvania Gaming Economic Development
43 and Tourism Fund Capital Budget Itemization Act of 2007 shall
44 submit an annual report to the Office of the Budget. The report
45 shall include detailed information, including records of
46 expenditures, payments and other distributions made from funds
47 received under subsection (b). The initial report shall include
48 information on all funds received prior to August 31, 2010. The
49 report shall be submitted by August 31, 2010, and by August 31
50 of each year thereafter until all funds under this section are
51 distributed or received. An entity that receives funds for the

1 first time after the effective date of this section shall submit
2 its initial report by August 31 of the year following receipt of
3 the funds.

4 (g) Distribution to international airport.--Notwithstanding
5 the provisions of section 7(d) of the Pennsylvania Gaming
6 Economic Development and Tourism Fund Capital Budget Itemization
7 Act of 2007, following the distribution of \$42.5 million of
8 funds allocated to a county of the second class for debt service
9 and economic development projects for an international airport
10 in the county under section 3(2)(i)(E) of the Pennsylvania
11 Gaming Economic Development and Tourism Fund Capital Budget
12 Itemization Act of 2007, all remaining funds shall be
13 distributed directly to an authority that operates an
14 international airport in the county.

15 (h) Definition.--For the purposes of this section, the term
16 "licensed facility" shall not include the physical land-based
17 location at which a licensed gaming entity is authorized to
18 place and operate slot machines in a nonprimary location under
19 Chapter 13D (relating to slot machines at nonprimary locations)
20 or in a qualified airport under Chapter 13E (relating to slot
21 machines in qualified airports).

22 Section 20. Title 4 is amended by adding a section to read:
23 § 1410. Public School Employees' Retirement Contribution Fund.

24 (a) Establishment.--The Public School Employees' Retirement
25 Contribution Fund is established within the State Treasury.

26 (b) Contents of fund.--The fund shall contain the money
27 transferred to the fund under subsection (c) and any other money
28 transferred to or deposited into the fund.

29 (c) Transfers to fund.--Notwithstanding any provision of
30 this part, the following shall apply:

31 (1) For the 2016-2017 fiscal year, \$303,000,000 of the
32 receipts deposited into the General Fund under Chapters 13A
33 (relating to table games), 13B (relating to interactive
34 gaming), 13D (relating to slot machines at nonprimary
35 locations) and 13E (relating to slot machines in qualified
36 airports) shall be transferred annually to the fund. The
37 transfers required by this paragraph shall be made in equal
38 monthly amounts by the 20th day of each month following the
39 effective date of this paragraph.

40 (2) For the 2017-2018 fiscal year and each fiscal year
41 thereafter, \$310,000,000 of the receipts deposited into the
42 General Fund under Chapters 13A, 13B, 13D and 13E shall be
43 transferred annually to the fund. The transfers required by
44 this paragraph shall be made in equal monthly amounts by the
45 20th day of each month.

46 (d) Use of money in fund.--Money in the fund is hereby
47 appropriated to the Department of Education as an augmentation
48 to the appropriation for required contribution for public school
49 employees' retirement.

50 (e) Definition.--As used in this section, the term "fund"
51 means the Public School Employees' Retirement Contribution Fund.

1 Section 21. Sections 1501(b) and 1509(c) of Title 4 are
2 amended to read:

3 § 1501. Responsibility and authority of department.

4 * * *

5 (b) Application of rules and regulations.--The department
6 may prescribe the extent, if any, to which any rules and
7 regulations shall be applied without retroactive effect. The
8 department shall have authority to prescribe the forms and the
9 system of accounting and recordkeeping to be employed and
10 through its representative shall at all times have power of
11 access to and examination and audit of any equipment and records
12 relating to all aspects of the operation of slot machines [and],
13 including slot machines at nonprimary locations and qualified
14 airports, table games, casino simulcasting and interactive
15 gaming under this part.

16 * * *

17 § 1509. Compulsive and problem gambling program.

18 * * *

19 (c) Notice of availability of assistance.--

20 (1) Each slot machine licensee shall obtain a toll-free
21 telephone number to be used to provide persons with
22 information on assistance for compulsive or problem gambling.
23 Each licensee shall conspicuously post at least 20 signs
24 similar to the following statement:

25 If you or someone you know has a gambling problem, help
26 is available. Call (Toll-free telephone number).

27 The signs must be posted within 50 feet of each entrance and
28 exit, within 50 feet of each automated teller machine
29 location within the licensed facility and in other
30 appropriate public areas of the licensed facility, including
31 areas of a casino simulcasting facility, as determined by the
32 slot machine licensee.

33 (2) Each racetrack where slot machines or table games
34 are operated shall print a statement on daily racing programs
35 provided to the general public that is similar to the
36 following:

37 If you or someone you know has a gambling problem, help
38 is available. Call (Toll-free telephone number).

39 (2.1) Each interactive gaming certificate holder,
40 interactive gaming operator or other person that operates
41 interactive gaming or an interactive gaming system on behalf
42 of an interactive gaming certificate holder:

43 (i) Shall cause the words:

44 If you or someone you know has a gambling problem,
45 help is available. Call (Toll-free telephone number).

46 or some comparable language approved by the board, which
47 language shall include the words "gambling problem" and
48 "call 1-800-XXXX," to be prominently and continuously
49 displayed to any person visiting or logged onto the
50 interactive gaming certificate holder's interactive
51 gaming skin or Internet website.

1 (ii) Shall provide a mechanism by which an
2 interactive gaming account holder may establish the
3 following controls on wagering activity through the
4 interactive gaming account:

5 (A) A limit on the amount of money lost within a
6 specified period of time and the length of time the
7 account holder will be unable to participate in
8 gaming if the holder reaches the established loss
9 limit.

10 (B) A limit on the maximum amount of any single
11 wager on any interactive game.

12 (C) A temporary suspension of interactive gaming
13 through the account for any number of hours or days.

14 (iii) Shall not mail or otherwise forward any
15 gaming-related promotional material or e-mail to a
16 registered player during any period in which interactive
17 gaming through the registered players' interactive gaming
18 account has been suspended or terminated. The interactive
19 gaming certificate holder shall provide a mechanism by
20 which a registered player may change the controls, except
21 that, while interactive gaming through the interactive
22 gaming account is suspended, the registered player may
23 not change gaming controls until the suspension expires,
24 but the registered player shall continue to have access
25 to the account and shall be permitted to withdraw funds
26 from the account upon proper application for the funds to
27 the interactive gaming certificate holder.

28 (3) A [licensed facility] licensed gaming entity which
29 fails to post or print the warning sign in accordance with
30 paragraph (1) [or], (2) or (2.1)(i) shall be assessed a fine
31 of \$1,000 a day for each day the minimum number of signs are
32 not posted or the required statement is not printed as
33 provided in this subsection.

34 (4) An interactive gaming certificate holder or
35 interactive gaming license holder, as the case may be, that
36 fails to establish the mechanisms, controls and systems in
37 accordance with paragraph (2.1)(ii) and (iii) shall be
38 assessed a fine of not less than \$5,000 per day for each day
39 the mechanisms, controls and systems are not available to
40 interactive gaming account holders.

41 * * *

42 Section 22. Title 4 is amended by adding a section to read:
43 § 1509.2. Child endangerment protection.

44 (a) Posting of signs.--The following shall apply:

45 (1) Each licensed gaming entity shall post the necessary
46 signage to notify patrons of the prohibition against leaving
47 a child unattended in a vehicle under section 1518(a)(18)
48 (relating to prohibited acts; penalties) and underage
49 gambling under section 1518(a)(13) and (13.1) and the penalty
50 for violations.

51 (2) The signs shall be conspicuously posted in clear

1 view of all parking areas and other public areas of the
2 licensed facility and, including where applicable, nonprimary
3 locations, as determined by the licensed gaming entity and
4 approved by the board.

5 (3) The board shall determine the written content and
6 minimum number of signs to be posted at each licensed
7 facility.

8 (b) Fine.--A licensed gaming entity that fails to post
9 signage in accordance with subsection (a) shall be assessed a
10 fine of \$1,000 per day for each day the minimum number of signs
11 as prescribed by the board are not posted.

12 Section 23. Section 1512 of Title 4 is amended by adding a
13 subsection to read:

14 § 1512. Financial and employment interests.

15 * * *

16 (a.6) Prohibition related to interactive gaming.--

17 (1) Except as may be provided by rule or order of the
18 Pennsylvania Supreme Court and except as provided in section
19 1202.1 (relating to code of conduct) or 1512.1 (relating to
20 additional restrictions), no executive-level public employee,
21 public official or party officer or immediate family member
22 thereof shall hold, directly or indirectly, a financial
23 interest in, be employed by or represent, appear for, or
24 negotiate on behalf of, or derive any remuneration, payment,
25 benefit or any other thing of value for any services,
26 including, but not limited to, consulting or similar services
27 from any holder of or applicant for an interactive gaming
28 certificate, holder or applicant for an interactive gaming
29 license or other authorization to conduct interactive gaming
30 or any holding, subsidiary or intermediary company with
31 respect thereto, or any business, association, enterprise or
32 other entity that is organized in whole or in part for the
33 purpose of promoting, advocating for or advancing the
34 interests of the interactive gaming industry generally or any
35 interactive gaming-related business or businesses in
36 connection with any cause, application or matter. The
37 financial interest and employment prohibitions under this
38 paragraph shall remain in effect for one year following
39 termination of the individual's status as an executive-level
40 public employee, public official or party officer.

41 (2) Notwithstanding paragraph (1), a member of the
42 immediate family of an executive-level public employee,
43 public official or party officer may hold employment with the
44 holder of or applicant for an interactive gaming certificate,
45 holder or applicant for an interactive gaming license or
46 other authorization to conduct interactive gaming or any
47 holding, subsidiary or intermediary company with respect
48 thereto, if in the judgment of the State Ethics Commission or
49 the Supreme Court, as appropriate, employment will not
50 interfere with the responsibilities of the executive-level
51 public employee, public official or party officer and will

1 not create a conflict of interest or reasonable risk of the
2 public perception of a conflict of interest on the part of
3 the executive-level public employee, public official or party
4 officer.

5 (3) The financial interest and employment prohibitions
6 specified in paragraphs (1) and (2) shall apply to casino
7 simulcasting under Chapter 13F (relating to casino
8 simulcasting), slot machines at nonprimary locations under
9 Chapter 13D (relating to slot machines at nonprimary
10 locations) and airport gaming under Chapter 13-E (relating to
11 slot machines in qualified airports).

12 * * *

13 Section 24. Sections 1513(a), 1514 heading, (a), (d), (e)
14 and (f), 1515, 1516 and 1517(b)(1), (c)(12) and (e)(1) of Title
15 4 are amended to read:

16 § 1513. Political influence.

17 (a) Contribution restriction.--The following persons shall
18 be prohibited from contributing any money or in-kind
19 contribution to a candidate for nomination or election to any
20 public office in this Commonwealth, or to any political party
21 committee or other political committee in this Commonwealth or
22 to any group, committee or association organized in support of a
23 candidate, political party committee or other political
24 committee in this Commonwealth:

25 (1) An applicant for a slot machine license,
26 manufacturer license, supplier license, principal license,
27 key employee license, interactive gaming license or horse or
28 harness racing license.

29 (2) A slot machine licensee, licensed manufacturer,
30 licensed supplier, interactive gaming operator or licensed
31 racing entity.

32 (3) A licensed principal or licensed key employee of a
33 slot machine licensee, licensed manufacturer, licensed
34 supplier, interactive gaming operator or licensed racing
35 entity.

36 (4) An affiliate, intermediary, subsidiary or holding
37 company of a slot machine licensee, licensed manufacturer,
38 licensed supplier, interactive gaming operator or licensed
39 racing entity.

40 (5) A licensed principal or licensed key employee of an
41 affiliate, intermediary, subsidiary or holding company of a
42 slot machine licensee, licensed manufacturer, licensed
43 supplier, interactive gaming operator or licensed racing
44 entity.

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

49 * * *

50 § 1514. Regulation requiring exclusion [or], ejection or denial
51 of access of certain persons.

1 (a) General rule.--The board shall by regulation provide for
2 the establishment of a list of persons who are to be excluded or
3 ejected from any licensed facility or who may be denied access
4 to interactive gaming, casino simulcasting or slot machines at
5 nonprimary locations. The provisions shall define the standards
6 for exclusion and shall include standards relating to persons
7 who are career or professional offenders as defined by
8 regulations of the board or whose presence in a licensed
9 facility or whose access to interactive gaming, casino
10 simulcasting and slot machines at nonprimary locations would, in
11 the opinion of the board, be inimical to the interest of the
12 Commonwealth or of licensed gaming therein, or both.

13 * * *

14 (d) Sanctions.--The board may impose sanctions upon a
15 licensed gaming entity or interactive gaming licensee in
16 accordance with this part if the licensed gaming entity
17 knowingly fails to exclude or eject from the premises of any
18 licensed facility or deny access to interactive gaming, casino
19 simulcasting or to slot machines at a nonprimary location any
20 person placed by the board on the list of persons to be excluded
21 [or], ejected or denied access.

22 (e) List not all-inclusive.--Any list compiled by the board
23 of persons to be excluded [or], ejected or denied access shall
24 not be deemed an all-inclusive list, and a licensed gaming
25 entity shall have a duty to keep from the licensed facility and
26 from interactive gaming, casino simulcasting and slot machines
27 at a nonprimary location persons known to it to be within the
28 classifications declared in this section and the regulations
29 promulgated under this section whose presence in a licensed
30 facility or whose participation in interactive gaming, casino
31 simulcasting and the play of slot machines at a nonprimary
32 location would be inimical to the interest of the Commonwealth
33 or of licensed gaming therein, or both, as defined in standards
34 established by the board.

35 (f) Notice.--Whenever the bureau seeks to place the name of
36 any person on a list pursuant to this section, the bureau shall
37 serve notice of this fact to such person by personal service or
38 certified mail at the last known address of the person. The
39 notice shall inform the person of the right to request a hearing
40 under subsection (g). The bureau may also provide notice by e-
41 mail, if the electronic mail address of the person is known to
42 the bureau.

43 * * *

44 § 1515. Repeat offenders excludable from licensed gaming
45 facility.

46 A licensed gaming entity may exclude or eject from its
47 licensed facility or deny access to interactive gaming, casino
48 simulcasting and slot machines at a nonprimary location any
49 person who is known to it to have been convicted of a
50 misdemeanor or felony committed in or on the premises of any
51 licensed facility. Nothing in this section or in any other law

1 of this Commonwealth shall limit the right of a licensed gaming
2 entity to exercise its common law right to exclude or eject
3 permanently from its licensed facility or permanently deny
4 access to its interactive gaming, casino simulcasting and slot
5 machines at a nonprimary location any person who disrupts the
6 operations of its premises or its interactive gaming, casino
7 simulcasting or the operation of slot machines at a nonprimary
8 location, threatens the security of its premises or its
9 occupants or is disorderly or intoxicated[.] or who threatens
10 the security of its licensed facility, including the area of a
11 nonprimary location where slot machines are placed and made
12 available for play or the area of a licensed facility where
13 interactive gaming operations are managed, administered or
14 controlled or casino simulcasting is conducted.

15 § 1516. List of persons self excluded from gaming activities.

16 (a) General rule.--The board shall provide by regulation for
17 the establishment of a list of persons self excluded from gaming
18 activities, including interactive gaming, casino simulcasting
19 and the play of slot machines at nonprimary locations, at all
20 licensed facilities. Any person may request placement on the
21 list of self-excluded persons by acknowledging in a manner to be
22 established by the board that the person is a problem gambler
23 and by agreeing that, during any period of voluntary exclusion,
24 the person may not collect any winnings or recover any losses
25 resulting from any gaming activity at licensed facilities,
26 including interactive gaming, casino simulcasting and the play
27 of slot machines at a nonprimary location.

28 (b) Regulations.--The regulations of the board shall
29 establish procedures for placements on and removals from the
30 list of self-excluded persons. The regulations shall establish
31 procedures for the transmittal to licensed gaming entities of
32 identifying information concerning self-excluded persons and
33 shall require licensed gaming entities to establish procedures
34 designed at a minimum to deny self-excluded persons access to
35 interactive gaming, casino simulcasting and the play of slot
36 machines at nonprimary locations and to remove self-excluded
37 persons from targeted mailings or other forms of advertising or
38 promotions and deny self-excluded persons access to
39 complimentaries, check cashing privileges, club programs and
40 other similar benefits.

41 (c) Liability.--A licensed gaming entity or employee thereof
42 shall not be liable to any self-excluded person or to any other
43 party in any judicial proceeding for any harm, monetary or
44 otherwise, which may arise as a result of:

45 (1) the failure of a licensed gaming entity to withhold
46 gaming privileges from or restore gaming privileges to a
47 self-excluded person; [or]

48 (1.1) the failure of a interactive gaming certificate
49 holder or interactive gaming licensee to withhold interactive
50 gaming privileges from or restore interactive gaming
51 privileges to a self-excluded person;

1 (1.2) the failure of a casino simulcasting permit holder
2 to withhold casino simulcasting privileges from or restore
3 such privileges to a self-excluded person;

4 (1.3) the failure of a Category 1 licensed gaming entity
5 to withhold or restore access to slot machines at a
6 nonprimary location to a self-excluded person; or

7 (2) otherwise permitting or not permitting a self-
8 excluded person to engage in gaming activity in the facility
9 or participate in interactive gaming, casino simulcasting or
10 slot machine play at a nonprimary location while on the list
11 of self-excluded persons.

12 (d) Disclosure.--Notwithstanding any other law to the
13 contrary, the board's list of self-excluded persons shall not be
14 open to public inspection. Nothing in this section, however,
15 shall be construed to prohibit a licensed gaming entity from
16 disclosing the identity of persons self excluded pursuant to
17 this section to affiliated gaming entities in this Commonwealth
18 or other jurisdictions for the limited purpose of assisting in
19 the proper administration of responsible gaming programs
20 operated by affiliated licensed gaming entities.
21 § 1517. Investigations and enforcement.

22 * * *

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

24 (1) The department shall at all times have the power of
25 access to examine and audit equipment and records relating to
26 all aspects of the operation of slot machines [or], including
27 slot machines at nonprimary locations and, consistent with
28 airport security rules and procedures, at qualified airports,
29 table games or interactive games and casino simulcasting
30 under this part.

31 * * *

32 (c) Powers and duties of the Pennsylvania State Police.--The
33 Pennsylvania State Police shall have the following powers and
34 duties:

35 * * *

36 (12) Conduct audits or verification of information of
37 slot machine [or], table game operations, including the
38 operation of slot machines used in a multistate wide-area
39 progressive slot machine system and in the operation of skill
40 or hybrid slot machines, interactive gaming operations and
41 casino simulcasting operations and the operation of slot
42 machines at a nonprimary location and in the specified area
43 of a qualified airport at such times, under such
44 circumstances and to such extent as the bureau determines.
45 This paragraph includes reviews of accounting, administrative
46 and financial records and management control systems,
47 procedures and records utilized by a slot machine licensee.

48 * * *

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

50 (1) The bureau, the department and the Pennsylvania
51 State Police shall have the authority without notice and

1 without warrant to do all of the following in the performance
2 of their duties:

3 (i) Inspect and examine all premises, including the
4 premises of a nonprimary location and the specified area
5 of a qualified airport, consistent with airport security
6 rules and procedures, where slot machine [or], table game
7 and interactive gaming and casino simulcasting operations
8 are conducted, slot machines, table game devices and
9 associated equipment, interactive gaming devices and
10 associated equipment or casino simulcasting technology or
11 equipment are manufactured, sold, distributed or serviced
12 or where records of these activities are prepared or
13 maintained.

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

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

19 (iv) Inspect, examine and audit all books, records
20 and documents pertaining to a slot machine licensee's
21 operation.

22 (v) Seize, impound or assume physical control of any
23 book, record, ledger, game, device, cash box and its
24 contents, count room or its equipment, interactive gaming
25 devices and associated equipment or casino simulcasting
26 technology or equipment or slot machine [or], table game
27 or interactive gaming or casino simulcasting operations.

28 * * *

29 Section 25. Section 1518(a)(1), (2), (3), (4), (5), (7.1),
30 (11), (13), (13.1), (15) and (17) and (b)(1), (2) and (3) of
31 Title 4 are amended, subsections (a) and (b) are amended by
32 adding paragraphs and subsection (c)(1) is amended by adding a
33 subparagraph to read:

34 § 1518. Prohibited acts; penalties.

35 (a) Criminal offenses.--

36 (1) The provisions of 18 Pa.C.S. § 4902 (relating to
37 perjury), 4903 (relating to false swearing) or 4904 (relating
38 to unsworn falsification to authorities) shall apply to any
39 person providing information or making any statement, whether
40 written or oral, to the board, the commission, the bureau,
41 the department, the Pennsylvania State Police or the Office
42 of Attorney General, as required by this part.

43 (2) It shall be unlawful for a person to willfully:

44 (i) fail to report, pay or truthfully account for
45 and pay over any license fee, authorization fee, permit
46 fee, tax or assessment imposed under this part; or

47 (ii) attempt in any manner to evade or defeat any
48 license fee, authorization fee, permit fee, registration
49 fee, tax or assessment or any other fee imposed under
50 this part.

51 (3) It shall be unlawful for any licensed entity, gaming

1 employee, key employee or any other person to permit a slot
2 machine, table game or table game device, interactive game or
3 interactive gaming device or associated equipment to be
4 operated, transported, repaired or opened on the premises of
5 a licensed facility by a person other than a person licensed
6 or permitted by the board pursuant to this part.

7 (3.1) It shall be unlawful for any person who does not
8 possess a valid and then effective interactive gaming
9 certificate or interactive gaming license issued by the board
10 in accordance with Chapter 13B (relating to interactive
11 gaming) to accept any wager associated with any authorized
12 interactive game from any individual without verifying the
13 age, identity and physical location of the player at the time
14 of play or wager.

15 (3.2) It shall be unlawful for any person who does not
16 possess a valid and then effective casino simulcasting permit
17 issued by the board in accordance with section 13F12
18 (relating to casino simulcasting permit) to operate or permit
19 an individual to participate in casino simulcasting at a
20 Category 2 licensed facility in this Commonwealth.

21 (3.3) It shall be unlawful for any person who does not
22 possess a valid nonprimary location permit issued by the
23 board in accordance with section 13D12 (relating to issuance
24 and terms of nonprimary location permit) to place and make
25 slot machines available for play at a nonprimary location.

26 (4) It shall be unlawful for any licensed entity or
27 other person to manufacture, supply or place slot machines,
28 table games, table game devices or associated equipment,
29 authorized interactive game or interactive gaming devices or
30 associated equipment or casino simulcasting technology or
31 equipment into play or display slot machines, including slot
32 machines at a nonprimary location or in a specified area of a
33 qualified airport, table games, table game devices or
34 associated equipment on the premises of a licensed facility
35 without the authority of the board.

36 (4.1) It shall be unlawful for any slot machine licensee
37 to offer interactive games into play or display such games on
38 its interactive gaming skin or Internet website without the
39 approval of the board.

40 (4.2) It shall be unlawful for any licensed entity or
41 other person to manufacture, supply or place interactive
42 gaming devices or associated equipment into operation at a
43 licensed facility without the approval of the board.

44 (4.3) It shall be unlawful for any slot machine licensee
45 to conduct casino simulcasting without the approval of the
46 board, in consultation with the commission.

47 (4.4) It shall be unlawful for any slot machine licensee
48 to place and make slot machines available for play at a
49 nonprimary location or in a specified area of a qualified
50 airport without the approval of the board.

51 (5) Except as provided for in section 1326 (relating to

1 [license] renewals), it shall be unlawful for a licensed
2 entity or other person to manufacture, supply, operate, carry
3 on or expose for play any slot machine, including slot
4 machines at a nonprimary location, table game, table game
5 device or associated equipment, interactive game or
6 interactive gaming device or associated equipment or casino
7 simulcasting technology or equipment after the person's
8 license has expired and prior to the actual renewal of the
9 license.

10 * * *

11 (7.1) It shall be unlawful for an individual to do any
12 of the following:

13 (i) Use or possess counterfeit, marked, loaded or
14 tampered with table game devices or associated equipment,
15 chips or other cheating devices in the conduct of gaming
16 under this part, except that an authorized employee of a
17 licensee or an authorized employee of the board may
18 possess and use counterfeit chips or table game devices
19 or associated equipment that have been marked, loaded or
20 tampered with, or other cheating devices or any
21 unauthorized interactive gaming device or associated
22 equipment in performance of the duties of employment for
23 training, investigative or testing purposes only.

24 (ii) Knowingly, by a trick or sleight of hand
25 performance or by fraud or fraudulent scheme, or
26 manipulation, table game device or other device, or
27 interactive gaming device for himself or for another, win
28 or attempt to win any cash, property or prize at a
29 licensed facility or to reduce or attempt to reduce a
30 losing wager.

31 (7.2) It shall be unlawful for a person to knowingly
32 alter, tamper or manipulate interactive gaming devices or
33 associated equipment, including software, system programs,
34 hardware and any other device or associated equipment used in
35 interactive gaming operations, in order to alter the odds or
36 the payout of an interactive game or to disable the
37 interactive game from operating according to the rules of the
38 game as authorized by the board.

39 (7.3) It shall be unlawful for a person to knowingly
40 offer or allow to be offered any authorized interactive game
41 that has been altered, tampered with or manipulated in a way
42 that affects the odds or the payout of an authorized
43 interactive game or disables the interactive game from
44 operating according to the authorized rules of the game as
45 authorized by the board.

46 * * *

47 (11) It shall be unlawful for a licensed gaming entity
48 that is a licensed racing entity and that has lost the
49 license issued to it by [either] the State Horse Racing
50 Commission or the State Harness Racing Commission under the
51 Race Horse Industry Reform Act or that has had that license

1 suspended to operate slot machines [or], table games or
2 authorized interactive games at the racetrack or nonprimary
3 location for which its slot machine license was issued unless
4 the license issued to it by either the State Horse Racing
5 Commission or the State Harness Racing Commission will be
6 subsequently reissued or reinstated within 30 days after the
7 loss or suspension.

8 * * *

9 (13) It shall be unlawful for an individual under 21
10 years of age to enter and remain in any area of a licensed
11 facility where slot machines are operated, including any area
12 of a nonprimary location or a specified area of a qualified
13 airport, or the play of table games is conducted or where
14 casino simulcasting is conducted, except that an individual
15 18 years of age or older employed by a slot machine licensee,
16 a gaming service provider, the board or any other regulatory
17 or emergency response agency may enter and remain in any such
18 area while engaged in the performance of the individual's
19 employment duties.

20 (13.1) It shall be unlawful for an individual under 21
21 years of age to wager, play or attempt to play a slot machine
22 or table game, or casino simulcasting at a licensed facility,
23 including at a nonprimary location and the specified area of
24 a qualified airport or to wager, play or attempt to play an
25 interactive game.

26 (13.2) It shall be unlawful to allow a person under 21
27 years of age to open, maintain or use in any way an
28 interactive gaming account. Any interactive gaming
29 certificate holder, interactive gaming licensee or employee
30 of an interactive gaming certificate holder or interactive
31 gaming licensee or other such person who knowingly allows a
32 person under 21 years of age to open, maintain or use an
33 interactive gaming account shall be subject to the penalty
34 set forth in this section, except that the establishment of
35 all of the following facts by an interactive gaming
36 certificate holder, interactive gaming licensee or employee
37 of an interactive gaming certificate holder, interactive
38 gaming licensee or other such person shall constitute a
39 defense to any regulatory action by the board or the penalty
40 authorized under this section:

41 (i) the underage person falsely represented that he
42 was of the permitted 21 years of age in the application
43 for an interactive gaming account; and

44 (ii) the establishment of the interactive gaming
45 account was made in good faith reliance upon such
46 representation and in the reasonable belief that the
47 underage person was 21 years of age.

48 * * *

49 (15) It shall be unlawful for a licensed gaming entity
50 to require a wager to be greater than the stated minimum
51 wager or less than the stated maximum wager. However, a wager

1 made by a player and not rejected by a licensed gaming entity
2 prior to commencement of play shall be treated as a valid
3 wager. A wager accepted by a dealer or through an authorized
4 interactive game shall be paid or lost in its entirety in
5 accordance with the rules of the game, notwithstanding that
6 the wager exceeded the current table maximum wager or
7 authorized interactive game wager or was lower than the
8 current table minimum wager or minimum interactive game
9 wager.

10 * * *

11 (17) It shall be unlawful for an individual to claim,
12 collect or take, or attempt to claim, collect or take, money
13 or anything of value in or from a slot machine, including a
14 slot machine at a nonprimary location or in a specified area
15 of a qualified airport, gaming table or other table game
16 device, interactive game or interactive gaming device or from
17 casino simulcasting operations with the intent to defraud, or
18 to claim, collect or take an amount greater than the amount
19 won, or to manipulate with the intent to cheat, any component
20 of any slot machine, including slot machines at a nonprimary
21 location or in a specified area of a qualified airport, table
22 game or table game device, interactive game or interactive
23 gaming device in a manner contrary to the designed and normal
24 operational purpose.

25 (18) Notwithstanding any other provision of law, it
26 shall be unlawful for an individual driving or in charge of a
27 motor vehicle to permit a child under 14 years of age to
28 remain unattended in the vehicle if the vehicle is located on
29 property owned, leased or controlled by a licensed gaming
30 entity or its affiliate, intermediary, subsidiary or holding
31 company. In addition to the penalties in subsection (b), the
32 individual shall be subject to exclusion or ejection from
33 licensed facilities under sections 1514 (relating to
34 regulation requiring exclusion, ejection or denial of access
35 of certain persons) and 1515 (relating to repeat offenders
36 excludable from licensed gaming facility). Notwithstanding
37 any of the provisions of 18 Pa.C.S. Ch. 91 (relating to
38 criminal history record information), the investigating
39 officer in the jurisdiction in which the vehicle is located
40 shall be responsible for providing written notice of the
41 violation within 48 hours to the director of the county
42 children and youth service agency of the county where the
43 violation occurred. The notice shall contain:

44 (i) The name of the individual charged under this
45 section.

46 (ii) The address or addresses at which the
47 individual resides.

48 (iii) The name of the child or children left
49 unattended.

50 (b) Criminal penalties and fines.--

51 (1) (i) A person that commits a first offense in

1 violation of 18 Pa.C.S. § 4902, 4903 or 4904 in
2 connection with providing information or making any
3 statement, whether written or oral, to the board, the
4 bureau, the department, the Pennsylvania State Police,
5 the Office of Attorney General or a district attorney as
6 required by this part commits an offense to be graded in
7 accordance with the applicable section violated. A person
8 that is convicted of a second or subsequent violation of
9 18 Pa.C.S. § 4902, 4903 or 4904 in connection with
10 providing information or making any statement, whether
11 written or oral, to the board, the bureau, the
12 department, the Pennsylvania State Police, the Office of
13 Attorney General or a district attorney as required by
14 this part commits a felony of the second degree.

15 (ii) A person that violates subsection (a) (2), (3)
16 and (4) through (12) or (17) commits a misdemeanor of the
17 first degree. A person that is convicted of a second or
18 subsequent violation of subsection (a) (2), (3) and (4)
19 through (12) or (17) commits a felony of the second
20 degree.

21 (2) (i) For a first violation of subsection (a) (1)
22 through (12) or (17), a person shall be sentenced to pay
23 a fine of:

24 (A) not less than \$75,000 nor more than \$150,000
25 if the person is an individual;

26 (B) not less than \$300,000 nor more than
27 \$600,000 if the person is a licensed gaming entity or
28 an interactive gaming licensee; or

29 (C) not less than \$150,000 nor more than
30 \$300,000 if the person is a licensed manufacturer or
31 supplier.

32 (ii) For a second or subsequent violation of
33 subsection (a) (1), (2), (3) and (4) through (12) or (17),
34 a person shall be sentenced to pay a fine of:

35 (A) not less than \$150,000 nor more than
36 \$300,000 if the person is an individual;

37 (B) not less than \$600,000 nor more than
38 \$1,200,000 if the person is a licensed gaming entity;
39 or

40 (C) not less than \$300,000 nor more than
41 \$600,000 if the person is a licensed manufacturer or
42 supplier.

43 (2.1) A person that commits an offense in violation of
44 subsection (a) (3.1) or (3.2) commits a felony and, upon
45 conviction, shall be sentenced to pay a fine of not less than
46 \$500,000 nor more than \$1,000,000. A person that is convicted
47 of a second or subsequent violation of subsection (a) (3.1)
48 commits a felony of the first degree and shall be sentenced
49 to pay a fine of not less than \$1,000,000 nor more than
50 \$2,500,000.

51 (3) An individual who commits an offense in violation of

1 subsection (a)(13) [or], (13.1) or (13.2) commits a
2 nongambling summary offense and upon conviction of a first
3 offense shall be sentenced to pay a fine of not less than
4 \$200 nor more than \$1,000. An individual that is convicted of
5 a second or subsequent offense under subsection (a)(13) [or],
6 (13.1) or (13.2) shall be sentenced to pay a fine of not less
7 than \$500 nor more than \$1,500. In addition to the fine
8 imposed, an individual convicted of an offense under
9 subsection (a)(13) [or], (13.1) or (13.2) may be sentenced to
10 perform a period of community service not to exceed 40 hours.

11 (3.1) Notwithstanding paragraph (3), whenever an
12 individual is convicted of a second or subsequent offense
13 under subsection (a)(13) or (13.1), the court, including a
14 court not of record if it is exercising jurisdiction pursuant
15 to 42 Pa.C.S. § 1515(a) (relating to jurisdiction and venue),
16 shall order the operating privileges of the individual
17 suspended. A copy of the court order shall be transmitted to
18 the Department of Transportation.

19 (3.2) When the department suspends the operating
20 privilege of a person under paragraph (3.1), the duration of
21 the suspension shall be as follows:

22 (i) For a first offense, a period of 90 days from
23 the date of suspension.

24 (ii) For a second offense, a period of one year from
25 the date of suspension.

26 (iii) For a third offense, and any offense
27 thereafter, a period of two years from the date of
28 suspension. Any multiple sentences imposed shall be
29 served consecutively.

30 Reinstatement of operating privilege shall be governed by 75
31 Pa.C.S. § 1545 (relating to restoration of operating
32 privilege).

33 * * *

34 (5) An individual who commits an offense in violation of
35 subsection (a)(18) commits a misdemeanor of the third degree
36 for the first offense. A person that is convicted of a second
37 or subsequent violation of subsection (a)(18) commits a
38 misdemeanor of the second degree.

39 (c) Board-imposed administrative sanctions.--

40 (1) In addition to any other penalty authorized by law,
41 the board may impose without limitation the following
42 sanctions upon any licensee or permittee:

43 * * *

44 (x) Assess a fine for failure to report a violation
45 under subsection (a)(18), of which the licensed gaming
46 entity knew or should have known, to the appropriate law
47 enforcement authority. The amount of the fine shall be
48 not less than \$75,000 nor more than \$150,000 for a first
49 violation of this subparagraph, and not less than
50 \$150,000 nor more than \$300,000 for a second or
51 subsequent violation of this subparagraph.

1 * * *

2 Section 26. Section 1901(a) of Title 4 is amended by adding
3 a paragraph to read:

4 § 1901. Appropriations.

5 (a) Appropriation to board.--

6 * * *

7 (3) The sum of \$5,000,000 is hereby appropriated from
8 the State Gaming Fund to the Pennsylvania Gaming Control
9 Board for salaries, wages and all necessary expenses for the
10 proper operation and administration of the board for the
11 activities authorized under this act. This appropriation
12 shall be a supplemental appropriation for fiscal year 2016-
13 2017 and shall be in addition to the appropriation contained
14 in the act of _____, 2016 (P.L. _____, No. A), known as the
15 Gaming Control Appropriation Act of 2016.

16 * * *

17 Section 27. The amendment of 4 Pa.C.S. § 1305 in the act of
18 January 7, 2010 (P.L.1, No.1), entitled "An act amending Title 4
19 (Amusements) of the Pennsylvania Consolidated Statutes, making
20 extensive revisions to provisions on gaming, in the areas of
21 legislative intent, definitions, the Pennsylvania Gaming Control
22 Board, applicability of other statutes, powers of the board,
23 code of conduct, expenses of regulatory agencies, licensed
24 gaming entity application appeals from board, license or permit
25 application hearing process and public hearings, board minutes
26 and records, regulatory authority, collection of fees and fines,
27 slot machine license fee, number of slot machines, reports of
28 board, diversity goals of board, license or permit prohibition,
29 specific authority to suspend slot machine license, Category 2
30 slot machine license, Category 3 slot machine license, number of
31 slot machine licenses, applications for license or permit, slot
32 machine license application, slot machine license application
33 character requirements, supplier licenses, manufacturer
34 licenses, gaming service provider, occupation permit
35 application, alternative manufacturer licensing standards,
36 alternative supplier licensing standards, additional licenses
37 and permits and approval of agreements, license renewals, change
38 in ownership or control of slot machine licensee, nonportability
39 of slot machine license, appointment of trustee, table games,
40 slot machine licensee deposits, gross terminal revenue
41 deductions, itemized budget reporting, establishment of State
42 Gaming Fund and net slot machine revenue distribution,
43 distributions from Pennsylvania Race Horse Development Fund,
44 Pennsylvania Gaming Economic Development and Tourism Fund,
45 transfers from State Gaming Fund, responsibility and authority
46 of Department of Revenue, wagering on credit, eminent domain
47 authority, compulsive and problem gambling program, drug and
48 alcohol treatment, labor hiring preferences, declaration of
49 exemption from Federal laws prohibiting slot machines, financial
50 and employment interests, additional restrictions, political
51 influence, regulation requiring exclusion of certain persons,

1 prosecutorial and adjudicative functions, investigations and
2 enforcement, conduct of public officials and employees,
3 prohibited acts and penalties, report of suspicious
4 transactions, additional authority, applicability of Clean
5 Indoor Air Act, liquor licenses at licensed facilities,
6 interception of oral communications, electronic funds transfer
7 terminals, junkets, gaming schools, appropriations and
8 Commonwealth Financing Authority; and making related repeals,"
9 shall take effect on January 1, 2016, if all Category 3 licensed
10 facilities authorized by 4 Pa.C.S. Pt. II before the effective
11 date of this section have commenced the operation of slot
12 machines.

13 Section 28. Repeals are as follows:

14 (1) The General Assembly finds that the repeal under
15 paragraph (2) is necessary to effectuate this act.

16 (2) Section 21(2) of the act of January 7, 2010 (P.L.1,
17 No.1), entitled "An act amending Title 4 (Amusements) of the
18 Pennsylvania Consolidated Statutes, making extensive
19 revisions to provisions on gaming, in the areas of
20 legislative intent, definitions, the Pennsylvania Gaming
21 Control Board, applicability of other statutes, powers of the
22 board, code of conduct, expenses of regulatory agencies,
23 licensed gaming entity application appeals from board,
24 license or permit application hearing process and public
25 hearings, board minutes and records, regulatory authority,
26 collection of fees and fines, slot machine license fee,
27 number of slot machines, reports of board, diversity goals of
28 board, license or permit prohibition, specific authority to
29 suspend slot machine license, Category 2 slot machine
30 license, Category 3 slot machine license, number of slot
31 machine licenses, applications for license or permit, slot
32 machine license application, slot machine license application
33 character requirements, supplier licenses, manufacturer
34 licenses, gaming service provider, occupation permit
35 application, alternative manufacturer licensing standards,
36 alternative supplier licensing standards, additional licenses
37 and permits and approval of agreements, license renewals,
38 change in ownership or control of slot machine licensee,
39 nonportability of slot machine license, appointment of
40 trustee, table games, slot machine licensee deposits, gross
41 terminal revenue deductions, itemized budget reporting,
42 establishment of State Gaming Fund and net slot machine
43 revenue distribution, distributions from Pennsylvania Race
44 Horse Development Fund, Pennsylvania Gaming Economic
45 Development and Tourism Fund, transfers from State Gaming
46 Fund, responsibility and authority of Department of Revenue,
47 wagering on credit, eminent domain authority, compulsive and
48 problem gambling program, drug and alcohol treatment, labor
49 hiring preferences, declaration of exemption from Federal
50 laws prohibiting slot machines, financial and employment
51 interests, additional restrictions, political influence,

1 regulation requiring exclusion of certain persons,
2 prosecutorial and adjudicative functions, investigations and
3 enforcement, conduct of public officials and employees,
4 prohibited acts and penalties, report of suspicious
5 transactions, additional authority, applicability of Clean
6 Indoor Air Act, liquor licenses at licensed facilities,
7 interception of oral communications, electronic funds
8 transfer terminals, junkets, gaming schools, appropriations
9 and Commonwealth Financing Authority; and making related
10 repeals," is repealed.

11 Section 29. This act shall take effect as follows:

12 (1) Except as set forth in paragraph (2), the addition
13 of 4 Pa.C.S. Ch. 3 shall take effect in 180 days.

14 (2) The addition of 4 Pa.C.S. § 343 shall take effect
15 immediately.

16 (3) The remainder of this act shall take effect
17 immediately.