

AMENDMENTS TO HOUSE BILL NO. 271

Sponsor: SENATOR SCAVELLO

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

35 Amend Bill, page 1, lines 13 through 21; pages 2 through 24,
36 lines 1 through 30; page 25, lines 1 through 17; by striking out

1 all of said lines on said pages and inserting

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

4 PART I
5 AMUSEMENTS GENERALLY

6 Chapter

- 7 1. Preliminary Provisions (Reserved)
8 3. Fantasy Contests
9 5. (Reserved)
10 7. iLottery

11 CHAPTER 1
12 PRELIMINARY PROVISIONS
13 (Reserved)

14 CHAPTER 3
15 FANTASY CONTESTS

16 Subchapter

- 17 A. General Provisions
18 B. Administration
19 C. Licensure
20 D. Fiscal Provisions
21 E. Miscellaneous Provisions

22 SUBCHAPTER A
23 GENERAL PROVISIONS

24 Sec.

25 301. Scope of chapter.

26 302. Definitions.

27 § 301. Scope of chapter.

28 This chapter relates to fantasy contests.

29 § 302. Definitions.

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

33 "Board." The Pennsylvania Gaming Control Board.

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

37 "Controlling interest." Either of the following:

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

49 (2) For a privately held domestic or foreign

1 corporation, partnership, limited liability company or other
2 form of privately held legal entity, a controlling interest
3 is the holding of securities of 15% or more in the legal
4 entity, unless this presumption of control is rebutted by
5 clear and convincing evidence.

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

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

10 "Fantasy contest." An online fantasy or simulated game or
11 contest with an entry fee and a prize or award administered by a
12 licensed operator in which:

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

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

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

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

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

33 "Fantasy contest license." A license issued by the
34 Pennsylvania Gaming Control Board authorizing a person to offer
35 fantasy contests in this Commonwealth in accordance with this
36 chapter.

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

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

42 "In-State percentage." For each fantasy contest, the
43 percentage, rounded to the nearest tenth of a percent, equal to
44 the total entry fees collected from all in-State participants
45 divided by the total entry fees collected from all participants
46 in the fantasy contest.

47 "Key employee." An individual who is employed by an
48 applicant for a fantasy contest license or a licensed operator
49 in a director or department head capacity and who is empowered
50 to make discretionary decisions that regulate fantasy contest
51 operations as determined by the board.

1 "Licensed entity representative." A person, including an
2 attorney, agent or lobbyist, acting on behalf of or authorized
3 to represent the interest of an applicant, licensee or other
4 person authorized by the Pennsylvania Gaming Control Board to
5 engage in an act or activity which is regulated under this
6 chapter regarding a matter before, or which may be reasonably
7 expected to come before, the board.

8 "Licensed gaming entity." As defined in section 1103
9 (relating to definitions).

10 "Licensed operator." A person who holds a fantasy contest
11 license.

12 "Participant." An individual who participates in a fantasy
13 contest, whether the individual is located in this Commonwealth
14 or another jurisdiction.

15 "Person." A natural person, corporation, publicly traded
16 corporation, foundation, organization, business trust, estate,
17 limited liability company, licensed corporation, trust,
18 partnership, limited liability partnership, association or other
19 form of legal business entity.

20 "Principal." An officer, director, person who directly holds
21 a beneficial interest in or ownership of the securities of an
22 applicant for a fantasy contest license or a licensed operator,
23 person who has a controlling interest in an applicant for a
24 fantasy contest license or a licensed operator or who has the
25 ability to elect a majority of the board of directors of a
26 licensed operator or to otherwise control a licensed operator,
27 lender or other licensed financial institution of an applicant
28 for a fantasy contest license or a licensed operator, other than
29 a bank or lending institution which makes a loan or holds a
30 mortgage or other lien acquired in the ordinary course of
31 business, underwriter of an applicant for a fantasy contest
32 license or a licensed operator or other person or employee of an
33 applicant for a fantasy contest license or a licensed operator
34 deemed to be a principal by the board.

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

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

39 (1) has a class or series of securities registered under
40 the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.
41 § 78a et seq.);

42 (2) is a registered management company under the
43 Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. §
44 80a-1 et seq.); or

45 (3) is subject to the reporting obligations imposed by
46 section 15(d) of the Securities Exchange Act of 1934 by
47 reason of having filed a registration statement that has
48 become effective under the Securities Act of 1933 (48 Stat.
49 74, 15 U.S.C. § 77a et seq.).

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

1 processes on a licensed operator's fantasy contest platform.
2 "Season-long fantasy contest." A fantasy contest offered by
3 a licensed operator that is conducted over an entire sports
4 season.

5 SUBCHAPTER B
6 ADMINISTRATION

7 Sec.

8 311. General and specific powers of board.

9 312. Temporary regulations.

10 313. Fantasy contest license appeals.

11 314. Board minutes and records.

12 315. Reports of board.

13 § 311. General and specific powers of board.

14 (a) General powers.--

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

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

25 (b) Specific powers.--The board shall have the following
26 powers:

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

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

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

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

46 (5) In the event that, in any year, appropriations for
47 the administration of this chapter are not enacted by June
48 30, any funds appropriated for the administration of this
49 chapter which are unexpended, uncommitted and unencumbered at
50 the end of a fiscal year shall remain available for
51 expenditure by the board until the enactment of appropriation

1 for the ensuing fiscal year.

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

9 (7) To administer oaths, examine witnesses and issue
10 subpoenas compelling the attendance of witnesses or the
11 production of documents and records or other evidence or to
12 designate officers or employees to perform duties required by
13 this chapter.

14 (7.1) To require prospective and existing employees,
15 independent contractors, applicants, licensees and permittees
16 to submit to fingerprinting by the Pennsylvania State Police
17 or an authorized agent of the Pennsylvania State Police. The
18 Pennsylvania State Police shall submit the fingerprints to
19 the Federal Bureau of Investigation for purposes of verifying
20 the identity of the individual and obtaining records of
21 criminal arrests and convictions.

22 (7.2) To require prospective and existing employees,
23 independent contractors, applicants, licensees and permittees
24 to submit photographs consistent with the standards
25 established by the board.

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

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

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

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

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

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

49 (11) In conjunction with the Department of Drug and
50 Alcohol Programs or successor agency, to develop a process by
51 which licensed operators provide participants with a toll-

1 free telephone number that provides individuals with
2 information on how to access appropriate treatment services
3 for compulsive and problem play.

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

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

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

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

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

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

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

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

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

33 § 312. Temporary regulations.

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

39 (1) Sections 201, 202 and 203 of the act of July 31,
40 1968 (P.L.769, No.240), referred to as the Commonwealth
41 Documents Law.

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

44 (b) Expiration.--Except for temporary regulations concerning
45 new fantasy contests or variations of approved fantasy contests,
46 network connectivity, security and testing and compulsive and
47 problem play, the authority provided to the board to adopt
48 temporary regulations in subsection (a) shall expire no later
49 than two years following the effective date of this section.
50 Regulations adopted after this period shall be promulgated as
51 provided by law.

1 § 313. Fantasy contest license appeals.

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

8 § 314. Board minutes and records.

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

15 (b) Applicant information.--

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

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

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

27 (d) Confidentiality of information.--

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

34 (i) All information relating to character, honesty
35 and integrity, including family, habits, reputation,
36 history of criminal activity, business activities,
37 financial affairs and business, professional and personal
38 associations.

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

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

1 competition.

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

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

15 (vi) Records considered nonpublic matters or
16 information by the Securities and Exchange Commission as
17 provided by 17 CFR 200.80 (relating to commission records
18 and information).

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

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

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

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

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

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

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

6 § 315. Reports of board.

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

10 (1) Total fantasy contest adjusted revenues.

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

15 (3) At the board's discretion, any other information
16 related to the conduct of fantasy contests or licensed
17 operators.

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

21 SUBCHAPTER C

22 LICENSURE

23 Sec.

24 321. General prohibition.

25 322. Application.

26 323. Issuance and denial of license.

27 324. License renewal.

28 325. Conditions of licensure.

29 326. Prohibitions.

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

31 328. Penalties.

32 § 321. General prohibition.

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

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

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

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

45 § 322. Application.

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

50 (1) The name, Federal employer identification number and
51 principal address of the applicant; if a corporation, the

1 state of its incorporation, the full name and address of each
2 officer and director of the corporation, and, if a foreign
3 corporation, whether it is qualified to do business in this
4 Commonwealth; if a partnership or joint venture, the name and
5 address of each officer of the partnership or joint venture.

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

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

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

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

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

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

21 (b) Application fee.--Each application submitted under this
22 chapter shall be accompanied by an application fee which shall
23 be determined by the board. The fees established by the board
24 shall be utilized to pay all costs incurred by the board to
25 fulfill the requirements of this section and section 323
26 (relating to issuance and denial of license). If the fee is
27 greater than the costs incurred by the board, then the board
28 shall remit the difference to the applicant.

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

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

39 § 323. Issuance and denial of license.

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

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

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

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

51 (b) Reasons to deny applications.--The board may deny an

1 application for a license if the applicant:

2 (1) has knowingly made a false statement of material
3 fact or has deliberately failed to disclose any information
4 requested;

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

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

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

14 (5) has legally defaulted in the payment of an
15 obligation or debt due to the Commonwealth or is not
16 compliant with taxes due; or

17 (6) is not qualified to do business in this Commonwealth
18 or is not subject to the jurisdiction of the courts of the
19 Commonwealth.

20 (c) Time period for review.--The board shall conclude its
21 review of an application for a fantasy contest license within
22 180 days of receipt of the completed application. If the license
23 is not issued, the board shall provide the applicant with the
24 justification for not issuing a license with specificity.

25 (d) License fee.--

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

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

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

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

45 § 324. License renewal.

46 (a) Renewal.--

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

49 (2) Nothing in this paragraph shall be construed to
50 relieve a licensed operator of the affirmative duty to notify
51 the board of changes relating to the status of its fantasy

1 contest license or to any other information contained in the
2 application materials on file with the board.

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

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

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

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

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

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

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

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

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

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

42 (c) Renewal fee.--

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

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

50 (3) If a licensed operator fails to pay the renewal fee
51 required under this subsection, the board shall suspend or

1 revoke the licensed operator's fantasy contest license until
2 payment of the renewal fee is received.

3 § 325. Conditions of licensure.

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

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

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

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

20 (4) Ensure rules and prizes and awards established by
21 the licensed operator for a fantasy contest are made known to
22 a participant prior to the acceptance of an entry fee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36 (18) Establish conditions deemed appropriate by the
37 board.

38 § 326. Prohibitions.

39 (a) General rule.--No licensed operator may:

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

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

45 (3) permit a participant to enter a fantasy contest
46 prior to establishing a fantasy contest account;

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

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

51 (6) issue credit to a participant to establish or fund a

1 fantasy contest account;

2 (7) knowingly directly market to an individual during
3 the time period in which the individual has self-excluded
4 from the licensed operators' fantasy contests;

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

9 (8.1) knowingly allow a self-excluded individual to keep
10 a prize or award.

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

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

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

22 (12) offer a fantasy contest where:

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

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

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

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

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

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

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

48 (b) Deposit.--The licensed operator shall deposit the amount
49 of the prize or award under subsection (a) (8.1) in the General
50 Fund.

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

1 (a) Notification and approval.--

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

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

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

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

13 (2) Notwithstanding the provisions of paragraph (1), a
14 licensed operator shall not be required to notify the board
15 of any acquisition by an institutional investor under
16 paragraph (1)(i) or (ii) if the institutional investor holds
17 less than 20% of the securities or other ownership interests
18 referred to in paragraph (1)(i) or (ii), the securities or
19 interests are publicly traded securities and its holdings of
20 the securities were purchased for investment purposes only
21 and the institutional investor files with the board a
22 certified statement to the effect that the institutional
23 investor has no intention of influencing or affecting,
24 directly or indirectly, the affairs of the licensed operator,
25 except that the institutional investor may vote on matters
26 put to the vote of the outstanding security holders. Notice
27 to the board shall be required prior to completion of a
28 proposed or contemplated change of ownership of a licensed
29 operator that meets the criteria of this section.

30 (b) Qualification of purchaser and change of control.--

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

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

50 (c) Change in control defined.--For purposes of this
51 section, a change in control of a licensed operator shall mean

1 the acquisition by a person or group of persons acting in
2 concert of more than 20% of a licensed operator's securities or
3 other ownership interests, with the exception of an ownership
4 interest of the person that existed at the time of initial
5 licensing and payment of the initial fantasy contest license
6 fee, or more than 20% of the securities or other ownership
7 interests of a corporation or other form of business entity that
8 owns directly or indirectly at least 20% of the voting or other
9 securities or other ownership interests of the licensed
10 operator.

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

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

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

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

27 (b) Administrative penalties.--

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

32 (2) A violation of this chapter that is determined to be
33 an offense of a continuing nature shall be deemed to be a
34 separate offense on each event or day during which the
35 violation occurs, except that the total administrative
36 penalty for an offense of a continuing nature may not exceed
37 \$25,000.

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

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

45 (c) Civil penalties.--

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

50 (2) The civil penalty shall be recovered in a civil
51 action brought by the board and shall be paid into the

1 General Fund.

2 SUBCHAPTER D
3 FISCAL PROVISIONS

4 Sec.

5 331. Fantasy contest tax.

6 332. Licensed operator deposits.

7 333. Responsibility and authority of department.

8 § 331. Fantasy contest tax.

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

14 (b) Deposits and distributions.--

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

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

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

24 (c) Penalty.--

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

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

33 § 332. Licensed operator deposits.

34 (a) Accounts established.--The State Treasurer shall
35 establish within the State Treasury an account for each licensed
36 operator for the deposit of sums required under subsection (b)
37 to:

38 (1) recover costs or expenses incurred by the board and
39 the department in carrying out their powers and duties under
40 this chapter based upon a budget submitted by the board and
41 the department under subsection (c); and

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

45 (b) Deposits.--

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

51 (2) The percentage assessed shall not exceed an amount

1 necessary to:

2 (i) recover costs or expenses incurred by the board
3 and the department in carrying out powers and duties
4 under this chapter based on a budget submitted by the
5 board and the department under subsection (c); and
6 (ii) repay loans made from the General Fund to the
7 board in connection with carrying out its powers and
8 duties under this chapter.

9 (c) Itemized budget reporting.--

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

17 (2) As soon as practicable after submitting copies of
18 the itemized budget, the board and the department shall
19 prepare and submit to the chairman and minority chairman of
20 the Appropriations Committee of the Senate and the chairman
21 and minority chairman of the Appropriations Committee of the
22 House of Representatives analyses of and make recommendations
23 regarding the itemized budgets.

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

27 (e) Penalty.--

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

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

36 § 333. Responsibility and authority of department.

37 (a) General rule.--The department may administer and collect
38 taxes imposed under section 331 (relating to fantasy contest
39 tax) and interest imposed under section 806 of the act of April
40 9, 1929 (P.L.343, No.176), known as The Fiscal Code, and
41 promulgate and enforce rules and regulations to carry out its
42 prescribed duties in accordance with sections 331 and 332
43 (relating to licensed operator deposits), including the
44 collection of taxes, penalties, assessments and interest.

45 (b) Procedure.--For purposes of implementing sections 331
46 and 332, the department may promulgate regulations in the same
47 manner in which the board is authorized as provided in section
48 312 (relating to temporary regulations).

49 SUBCHAPTER E

50 MISCELLANEOUS PROVISIONS

51 Sec.

1 341. Applicability of other statutes.

2 342. Licensed gaming entities.

3 343. Funding.

4 § 341. Applicability of other statutes.

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

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

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

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

21 § 342. Licensed gaming entities.

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

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

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

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

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

46 § 343. Funding.

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

48 (1) The sum of \$1,250,000 is appropriated from the
49 General Fund to the board for the fiscal year period July 1,
50 2017, to June 30, 2018, for the purpose of implementing and
51 administering the provisions of this chapter.

1 (2) The sum of \$500,000 is appropriated from the General
2 Fund to the department for the fiscal period July 1, 2017, to
3 June 30, 2018, for the purpose of implementing and
4 administering the provisions of this chapter.

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

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

17 CHAPTER 5

18 (Reserved)

19 CHAPTER 7

20 iLOTTERY

21 Sec.

22 701. Scope of chapter.

23 702. Definitions.

24 703. iLottery authorization.

25 § 701. Scope of chapter.

26 This chapter relates to iLottery.

27 § 702. Definitions.

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

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

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

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

49 "Lottery products." Plays, shares or chances offered by the
50 lottery as well as lottery property that may be exchanged for
51 plays, shares or chances. The term shall include instant

1 tickets, terminal-based tickets, raffle games, Internet instant
2 tickets, iLottery games, play-for-fun games, lottery vouchers,
3 subscription services and gift cards.

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

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

9 § 703. iLottery authorization.

10 (a) Authority.--Notwithstanding any provision of law to the
11 contrary, the department shall have the authority to operate
12 iLottery and Internet instant games.

13 (b) Temporary regulatory authority.--The following apply:

14 (1) In order to facilitate the prompt implementation of
15 iLottery products or new sales methods of existing lottery
16 products over the Internet, regulations promulgated by the
17 secretary shall be deemed temporary regulations which shall
18 expire not later than two years following the publication of
19 the temporary regulation. The secretary may promulgate
20 temporary regulations not subject to:

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

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

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

29 (2) Except for temporary regulations as proscribed
30 above, the secretary's authority to adopt temporary
31 regulations under subsection (a) shall expire two years after
32 the effective date of this section. Regulations adopted after
33 this period shall be promulgated as provided by law.

34 (c) Prompt implementation.--Notwithstanding any other
35 provision of law to the contrary and in order to facilitate the
36 prompt implementation of iLottery in this Commonwealth, initial
37 contracts entered into by the department for iLottery and
38 related gaming systems, including any necessary hardware,
39 software, licenses or related services shall not be subject to
40 the provisions of 62 Pa.C.S. (relating to procurement).
41 Contracts entered into under this authority shall not exceed
42 five years.

43 (d) Player identifiable information.--With the exception of
44 certain information released by the department to notify the
45 public of the identity of a prize recipient or to perform any
46 other obligation of the lottery under law or regulation related
47 to the payment of lottery prizes, personally identifying
48 information obtained by the department as a result of a player's
49 purchase of lottery products or the claim of a lottery prize,
50 such as name, address, telephone number or player financial
51 information, shall be considered confidential and otherwise

1 exempt from disclosure whether retained by the department, any
2 agent of the department or a lottery retailer.

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

14 (f) Revenues.--Notwithstanding any provision of law to the
15 contrary, all revenues accruing from the sale of lottery
16 products under this chapter shall be dedicated to and deposited
17 in the State Lottery Fund as provided for in section 311 of the
18 act of August 26, 1971 (P.L.351, No.91), known as the State
19 Lottery Law. The revenues shall be apportioned as provided for
20 in section 303(a)(11) of the State Lottery Law. For fiscal years
21 beginning after June 30, 2017, revenues raised under this
22 chapter shall not be subject to the profit margin limitations
23 set forth in section 303(a)(11)(iv) of the State Lottery Law.

24 Section 2. Section 1102 of Title 4 is amended by adding
25 paragraphs to read:

26 § 1102. Legislative intent.

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

30 * * *

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

36 (12.2) It is also the intent of the General Assembly to
37 ensure the sustainability and competitiveness of the
38 commercial gaming industry in this Commonwealth by
39 authorizing interactive gaming.

40 * * *

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

1 § 1103. Definitions.

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

5 * * *

6 "Airport authority." Any of the following:

7 (1) the governing body of a municipal authority
8 organized and incorporated to oversee the operations of a
9 qualified airport under 53 Pa.C.S. Ch. 56 (relating to
10 municipal authorities); or

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

15 "Airport gaming area." A location or locations within a
16 qualified airport approved for the conduct of authorized
17 interactive games through the use of multi-use computing devices
18 by eligible passengers as approved by the airport authority and
19 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 or slot machines, replacement parts, equipment which
26 affects the proper reporting and counting of gross terminal
27 revenue [and], gross table game revenue and gross interactive
28 gaming revenue, computerized systems for controlling and
29 monitoring slot machines [or], table games or interactive games,
30 including, but not limited to, the central control computer to
31 which all slot machines communicate [and], devices for weighing
32 or counting money[.] and interactive gaming devices and
33 associated equipment necessary for the operation of interactive
34 games as approved by the Pennsylvania Gaming Control Board. The
35 term shall not include count room equipment.

36 * * *

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

46 * * *

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

- 49 (1) Chips or tokens.
50 (2) Travelers checks.
51 (3) Foreign currency and coin.

1 (4) Certified checks, cashier's checks and money orders.

2 (5) Personal checks or drafts.

3 (6) A negotiable instrument applied against credit
4 extended by a certificate holder, an interactive gaming
5 certificate holder, a holder of an interactive gaming license
6 or a financial institution.

7 (7) A prepaid access instrument as defined in this
8 section.

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

12 * * *

13 "Cheat." To defraud or steal from any player, slot machine
14 licensee or the Commonwealth while operating or playing a slot
15 machine [or], table game or authorized interactive game,
16 including causing, aiding, abetting or conspiring with another
17 person to do so. The term shall also mean to alter or causing,
18 aiding, abetting or conspiring with another person to alter the
19 elements of chance, method of selection or criteria which
20 determine:

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

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

25 (3) The value of a wagering instrument.

26 (4) The value of a wagering credit.

27 The term does not include altering a slot machine, table game
28 device or associated equipment, interactive gaming device or
29 associated equipment or a multi-use computing device for
30 maintenance or repair with the approval of a slot machine
31 licensee.

32 "Cheating or thieving device." A device, software or
33 hardware used or possessed with the intent to be used to cheat
34 during the operation or play of any slot machine [or], table
35 game or authorized interactive game. The term shall also include
36 any device used to alter a slot machine [or], a table game
37 device or associated equipment, an authorized interactive game,
38 interactive gaming device or associated equipment or a multi-use
39 computing device without the slot machine licensee's approval.

40 * * *

41 ["Commission" or "commissions."] "Commission." The State
42 Horse Racing Commission [or the State Harness Racing Commission,
43 or both as the context may require].

44 * * *

45 "Concession operator." A person engaged in the sale or
46 offering for sale of consumer goods or services to the public at
47 a qualified airport or authorized to conduct other commercial
48 activities related to passenger services at a qualified airport
49 in accordance with the terms and conditions of an agreement or
50 contract with an airport authority, government entity or other
51 person.

1 "Conduct of gaming." The licensed placement, operation and
2 play of slot machines [and], table games and interactive games
3 under this part, as authorized and approved by the Pennsylvania
4 Gaming Control Board. The term shall include the licensed
5 placement, operation and play of authorized interactive games
6 through the use of multi-use computing devices at a qualified
7 airport, as authorized and approved by the Pennsylvania Gaming
8 Control Board.

9 "Contest." A slot machine, table game or authorized
10 interactive game competition among players for cash, cash
11 equivalents or prizes.

12 * * *

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

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

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

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

22 (4) presented during play of an authorized interactive
23 game for redemption, if the object or thing was not issued by
24 the interactive gaming certificate holder or other person on
25 behalf of an interactive gaming certificate holder.

26 * * *

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

31 * * *

32 "Fully automated electronic gaming table." An electronic
33 gaming table determined by the Pennsylvania Gaming Control Board
34 to be playable or operable as a table game without the
35 assistance or participation of a person acting on behalf of a
36 certificate holder. The term shall include a multi-use computing
37 device, which through the use of digital, electronic or other
38 communications technology, is capable of simulating a table
39 game.

40 * * *

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

43 (1) Cashiers.

44 (2) Change personnel.

45 (3) Count room personnel.

46 (4) Slot attendants.

47 (5) Hosts or other individuals authorized to extend
48 complimentary services, including employees performing
49 functions similar to those performed by a gaming junket
50 representative.

51 (6) Machine mechanics, computer machine technicians or

- 1 table game device technicians.
2 (7) Security personnel.
3 (8) Surveillance personnel.
4 (9) Promotional play supervisors, credit supervisors,
5 pit supervisors, cashier supervisors, shift supervisors,
6 table game managers and assistant managers and other
7 supervisors and managers, except for those specifically
8 identified in this part as key employees.
9 (10) Boxmen.
10 (11) Dealers or croupiers.
11 (12) Floormen.
12 (13) Personnel authorized to issue promotional play.
13 (14) Personnel authorized to issue credit.

14 The term shall include employees of a person holding a
15 supplier's license whose duties are directly involved with the
16 repair or distribution of slot machines, table game devices or
17 associated equipment or interactive gaming devices or associated
18 equipment sold or provided to a licensed facility within this
19 Commonwealth as determined by the Pennsylvania Gaming Control
20 Board. The term shall further include employees of a person
21 authorized by the board to supply goods and services related to
22 interactive gaming or any subcontractor or an employee of a
23 subcontractor that supplies interactive gaming devices,
24 including multi-use computing devices or associated equipment to
25 a holder of an interactive gaming certificate or interactive
26 gaming license. The term does not include bartenders, cocktail
27 servers or other persons engaged solely in preparing or serving
28 food or beverages, clerical or secretarial personnel, parking
29 attendants, janitorial, stage, sound and light technicians and
30 other nongaming personnel as determined by the board.

31 "Gaming floor." A portion of a licensed facility where slot
32 machines or table games have been installed for use or play.

33 * * *

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

39 "Gaming school." Any educational institution approved by the
40 Department of Education as an accredited college or university,
41 community college, Pennsylvania private licensed school or its
42 equivalent and whose curriculum guidelines are approved by the
43 Department of Labor and Industry to provide education and job
44 training related to employment opportunities associated with
45 slot machines [or], table games or interactive games, including
46 slot machine, table game device and associated equipment
47 maintenance and repair and interactive gaming devices and
48 associated equipment maintenance and repair.

49 "Gaming service provider." A person that is not required to
50 be licensed as a manufacturer, supplier, management company or
51 gaming junket enterprise under this part or regulations of the

1 Pennsylvania Gaming Control Board and:

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

6 (2) [provides goods or services at] requires access to
7 the gaming floor or a gaming-related restricted area of a
8 licensed facility as determined by the Pennsylvania Gaming
9 Control Board.

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

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

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

20 (3) Any administrative fee, operations fee or tax paid
21 to another state or jurisdiction pursuant to an interactive
22 gaming reciprocal agreement.

23 Amounts deposited with an interactive gaming certificate holder
24 for purposes of interactive gaming and amounts taken in
25 fraudulent acts perpetrated against an interactive gaming
26 certificate holder for which the interactive gaming certificate
27 holder is not reimbursed may not be considered to have been paid
28 to the interactive gaming certificate holder for purposes of
29 calculating gross interactive gaming revenue.

30 * * *

31 "Interactive game." Any gambling game offered through the
32 use of communications technology that allows a person, utilizing
33 money, checks, electronic checks, electronic transfers of money,
34 credit cards, debit cards or other instrumentality to transmit
35 electronic information to assist in the placement of a bet or
36 wager and corresponding information related to the display of
37 the game, game outcomes or other similar information. The term
38 shall not include:

39 (1) A lottery game or Internet instant game as defined
40 in the act of August 26, 1971 (P.L.351, No.91), known as the
41 State Lottery Law or iLottery under section 702 (relating to
42 definitions).

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

45 (3) Fantasy contests as defined under Chapter 3.
46 For the purposes of this definition, the term "communications
47 technology" shall mean any method used and the components
48 employed to facilitate the transmission and receipt of
49 information, including transmission and reception by systems
50 using wire, wireless, cable, radio, microwave, light, fiber
51 optics, satellite or computer data networks, including the

1 Internet and intranets, as approved by the board.

2 "Interactive gaming." The placing of bets or wagers with an
3 interactive gaming certificate holder or interactive gaming
4 licensee located in this Commonwealth using a computer network
5 of both Federal and non-Federal interoperable packet switched
6 data networks through which an interactive gaming certificate
7 holder may offer authorized interactive games to registered
8 players. The term shall include the placing of bets or wagers
9 through the use of a multi-use computing device.

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

14 "Interactive gaming account agreement." An agreement entered
15 into between an interactive gaming certificate holder or other
16 person on behalf of an interactive gaming certificate holder and
17 an individual which governs the terms and conditions of the
18 individual's interactive gaming account and the use of the
19 Internet for purposes of placing bets or wagers on authorized
20 interactive games operated by an interactive gaming certificate
21 holder or other person on behalf of an interactive gaming
22 certificate holder.

23 "Interactive gaming agreement." An agreement entered into by
24 or between an interactive gaming certificate holder and an
25 interactive gaming operator related to the offering or operation
26 of interactive gaming or an interactive gaming system on behalf
27 of an interactive gaming certificate holder. The term shall
28 include an interactive gaming agreement entered into by or
29 between an interactive gaming certificate holder and an
30 interactive gaming operator for the conduct of interactive
31 gaming through the use of multi-use computing devices at a
32 qualified airport in accordance with this part.

33 "Interactive gaming certificate." The authorization issued
34 to a slot machine licensee or other entity by the Pennsylvania
35 Gaming Control Board authorizing the operation and conduct of
36 interactive gaming by a slot machine licensee or other entity or
37 other person on behalf of a slot machine licensee or other
38 entity in accordance with Chapter 13C (relating to interactive
39 gaming).

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

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

49 "Interactive gaming license." A license issued to a person
50 by the Pennsylvania Gaming Control Board under Chapter 13C
51 (relating to interactive gaming).

1 "Interactive gaming licensee." A person who has been issued
2 a license to act as an interactive gaming operator under Chapter
3 13C (relating to interactive gaming).

4 "Interactive gaming operator." A person, including an
5 affiliate of a slot machine licensee, licensed by the
6 Pennsylvania Gaming Control Board to operate interactive gaming
7 or an interactive gaming system on behalf of an interactive
8 gaming certificate holder.

9 "Interactive gaming platform." The combination of hardware
10 and software or other technology designed and used to manage,
11 conduct and record interactive games and the bets or wagers
12 associated with interactive games, as approved by the
13 Pennsylvania Gaming Control Board. The term shall include any
14 emerging or new technology deployed to advance the conduct and
15 operation of interactive gaming, as approved through regulation
16 by the Pennsylvania Gaming Control Board.

17 "Interactive gaming reciprocal agreement." An agreement
18 negotiated by the Pennsylvania Gaming Control Board on behalf of
19 the Commonwealth with the authorized agency of one or more
20 states or jurisdictions where interactive gaming is legally
21 authorized which will permit the conduct of interactive gaming
22 between interactive gaming certificate holders in this
23 Commonwealth and gaming entities in the states or jurisdictions
24 that are parties to the agreement.

25 "Interactive gaming restricted area." A room or area, as
26 approved by the Pennsylvania Gaming Control Board, used by an
27 interactive gaming certificate holder or interactive gaming
28 license holder to manage, control and operate interactive
29 gaming, including, where approved by the board, redundancy
30 facilities.

31 "Interactive gaming skin or skins." The portal or portals to
32 an interactive gaming platform or Internet website through which
33 authorized interactive games are made available to registered
34 players by an interactive gaming certificate holder or other
35 person on behalf of an interactive gaming certificate holder in
36 this Commonwealth or players in another state or jurisdiction in
37 which an interactive gaming reciprocal agreement has been
38 entered.

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

42 * * *

43 "Internet website." The interactive gaming skin or skins or
44 Internet portal or portals through which an interactive gaming
45 certificate holder or other person makes authorized interactive
46 games available for play.

47 * * *

48 "Key employee." Any individual who is employed in a director
49 or department head capacity and who is empowered to make
50 discretionary decisions that regulate slot machine or table game
51 operations or interactive gaming operations, including the

1 general manager and assistant manager of the licensed facility,
2 director of slot operations, director of table game operations,
3 director of interactive gaming, director of cage and/or credit
4 operations, director of surveillance, director of marketing,
5 director of management information systems, director of
6 interactive gaming system programs or other similar job
7 classifications associated with interactive gaming, persons who
8 manage, control or administer interactive gaming or the bets and
9 wagers associated with authorized interactive games, director of
10 security, comptroller and any employee who is not otherwise
11 designated as a gaming employee and who supervises the
12 operations of these departments or to whom these department
13 directors or department heads report and such other positions
14 not otherwise designated or defined under this part which the
15 Pennsylvania Gaming Control Board shall determine based on
16 detailed analyses of job descriptions as provided in the
17 internal controls of the licensee as approved by the
18 Pennsylvania Gaming Control Board. All other gaming employees
19 unless otherwise designated by the Pennsylvania Gaming Control
20 Board shall be classified as non-key employees.

21 * * *

22 "Licensed facility." The physical land-based location at
23 which a licensed gaming entity is authorized to place and
24 operate slot machines and, if authorized by the Pennsylvania
25 Gaming Control Board under Chapter 13A (relating to table
26 games), to conduct table games and if authorized under Chapter
27 13C (relating to interactive gaming), to conduct interactive
28 gaming. The term includes any:

29 (1) area of a licensed racetrack at which a slot machine
30 licensee was previously authorized pursuant to section
31 1207(17) (relating to regulatory authority of board) to
32 operate slot machines prior to the effective date of this
33 paragraph;

34 (2) board-approved interim facility or temporary
35 facility; and

36 (3) area of a hotel which the Pennsylvania Gaming
37 Control Board determines is suitable to conduct table games.

38 The term shall not include a redundancy facility or an
39 interactive gaming restricted area which is not located on the
40 premises of a licensed facility as approved by the Pennsylvania
41 Gaming Control Board and which is maintained and operated by an
42 interactive gaming certificate holder in connection with
43 interactive gaming.

44 * * *

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

51 "Manufacturer." A person who manufactures, builds, rebuilds,

1 fabricates, assembles, produces, programs, designs or otherwise
2 makes modifications to any slot machine, table game device or
3 associated equipment or authorized interactive games or
4 associated equipment for use or play of slot machines [or],
5 table games or authorized interactive games in this Commonwealth
6 for gaming purposes. The term does not include a person who
7 manufactures, builds, rebuilds, fabricates, assembles, produces,
8 programs, designs or otherwise makes modifications to multi-use
9 computing devices used in connection with the conduct of
10 interactive gaming at a qualified airport.

11 "Manufacturer license." A license issued by the Pennsylvania
12 Gaming Control Board authorizing a manufacturer to manufacture
13 or produce slot machines, table game devices or associated
14 equipment, interactive gaming devices or associated equipment
15 for use in this Commonwealth for gaming purposes.

16 * * *

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

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

20 (i) Allows a player to access an authorized
21 interactive game.

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

24 (iii) Communicates with a server that is in a
25 location approved by the Pennsylvania Gaming Control
26 Board.

27 (iv) Is approved by the Pennsylvania Gaming Control
28 Board.

29 (v) Has the capability of being linked to and
30 monitored by the department's central control computer
31 system, as applicable for an authorized interactive game
32 in accordance with section 1323 (relating to central
33 control computer system).

34 (vi) Offers a player additional functions that
35 include Internet browsing, the capability of checking
36 flight status and ordering food or beverages.

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

41 * * *

42 "Nongaming service provider." A person that is not a gaming
43 service provider or required to be licensed as a manufacturer,
44 supplier, management company or gaming junket enterprise under
45 this part or regulations of the board and that provides goods or
46 services:

47 (1) to a slot machine licensee or applicant for a slot
48 machine license for use in the operation of a licensed
49 facility; and

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

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

4 * * *

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

9 * * *

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

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

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

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

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

34 * * *

35 "Qualified airport." Any of the following:

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

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

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.] 3 Pa.C.S. Ch. 93 (relating to race horse industry reform).

44 * * *

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 "Slot machine." Includes:

3 (1) Any mechanical, electrical or computerized
4 contrivance, terminal, machine or other device approved by
5 the Pennsylvania Gaming Control Board which, upon insertion
6 of a coin, bill, ticket, token or similar object therein or
7 upon payment of any consideration whatsoever, including the
8 use of any electronic payment system except a credit card or
9 debit card, is available to play or operate, the play or
10 operation of which, whether by reason of skill or application
11 of the element of chance or both, may deliver or entitle the
12 person or persons playing or operating the contrivance,
13 terminal, machine or other device to receive cash, billets,
14 tickets, tokens or electronic credits to be exchanged for
15 cash or to receive merchandise or anything of value
16 whatsoever, whether the payoff is made automatically from the
17 machine or manually. A slot machine:

18 [(1)] (i) May utilize spinning reels or video
19 displays or both.

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

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

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

26 (i) Associated equipment necessary to conduct the
27 operation of the contrivance, terminal, machine or other
28 device.

29 (ii) A multi-use computing device which is capable
30 of simulating, either digitally or electronically, a slot
31 machine.

32 * * *

33 "Supplier." A person that sells, leases, offers or otherwise
34 provides, distributes or services any slot machine, table game
35 device or associated equipment, or interactive gaming device or
36 associated equipment for use or play of slot machines [or],
37 table games or interactive games in this Commonwealth. The term
38 shall include a person that sells, leases, offers or otherwise
39 provides, distributes or services any multi-use computing device
40 as approved by the Pennsylvania Gaming Control Board.

41 "Supplier license." A license issued by the Pennsylvania
42 Gaming Control Board authorizing a supplier to provide products
43 or services related to slot machines, table game devices or
44 associated equipment or interactive gaming devices, including
45 any multi-use computing devices or associated equipment, to slot
46 machine licensees for use in this Commonwealth for gaming
47 purposes.

48 * * *

49 "Table game device." Includes gaming tables, cards, dice,
50 chips, shufflers, tiles, dominoes, wheels, drop boxes or any
51 mechanical, electrical or computerized contrivance, terminal,

1 machine or other device, apparatus, equipment or supplies
2 approved by the Pennsylvania Gaming Control Board and used to
3 conduct a table game or that is capable, through the use of
4 digital, electronic or other communications technology, of
5 simulating play of a table game.

6 * * *

7 Section 4. Section 1202(a)(1) and (b)(20) and (23) of Title
8 4 are amended and subsection (b) is amended by adding paragraphs
9 to read:

10 § 1202. General and specific powers.

11 (a) General powers.--

12 (1) The board shall have general and sole regulatory
13 authority over the conduct of gaming [or] and related
14 activities as described in this part. The board shall ensure
15 the integrity of the acquisition and operation of slot
16 machines, table games, table game devices and associated
17 equipment and authorized interactive games and interactive
18 gaming devices and associated equipment and multi-use
19 computing devices and associated equipment and shall have
20 sole regulatory authority over every aspect of the
21 authorization, operation and play of slot machines [and],
22 table games, interactive gaming devices and associated
23 equipment and the implementation and regulation of airport
24 gaming.

25 * * *

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

28 * * *

29 (12.2) At its discretion, to award, revoke, suspend,
30 condition or deny an interactive gaming certificate or an
31 interactive gaming license in accordance with Chapter 13C
32 (relating to interactive gaming).

33 * * *

34 (20) In addition to the power of the board regarding
35 license and permit applicants, to determine at its discretion
36 the suitability of any person who furnishes or seeks to
37 furnish to a slot machine licensee directly or indirectly any
38 goods, services or property related to slot machines, table
39 games, table game devices or associated equipment,
40 interactive games and interactive gaming devices and
41 associated equipment or through any arrangements under which
42 that person receives payment based directly or indirectly on
43 earnings, profits or receipts from the slot machines, table
44 games, table game devices and associated equipment,
45 interactive games, interactive gaming devices and associated
46 equipment. The board may require any such person to comply
47 with the requirements of this part and the regulations of the
48 board and may prohibit the person from furnishing the goods,
49 services or property.

50 * * *

51 (23) The board shall not approve an application for or

1 issue or renew a license, certificate, registration or permit
2 unless it is satisfied that the applicant has demonstrated by
3 clear and convincing evidence that the applicant is a person
4 of good character, honesty and integrity and is a person
5 whose prior activities, criminal record, if any, reputation,
6 habits and associations do not pose a threat to the public
7 interest or the effective regulation and control of slot
8 machine [or] operations, table game operations or interactive
9 gaming operations, or create or enhance the danger of
10 unsuitable, unfair or illegal practices, methods and
11 activities in the conduct of slot machine or table game
12 operations, interactive gaming operations or the carrying on
13 of the business and financial arrangements incidental
14 thereto.

15 * * *

16 (27.2) Within six months of the effective date of this
17 section, to publish on the board's Internet website a
18 complete list of all slot machine licensees and other
19 entities that filed a petition seeking authorization to
20 conduct interactive gaming and the status of each petition or
21 interactive gaming certificate.

22 * * *

23 (35) To review detailed site plans identifying the
24 interactive gaming restricted area or room where a slot
25 machine licensee or other entity proposes to manage,
26 administer or control interactive gaming operations to
27 determine the adequacy of the proposed internal and external
28 security and proposed surveillance measures.

29 (36) To require each slot machine licensee or other
30 entity that holds an interactive gaming certificate to
31 provide on a quarterly basis the following information with
32 respect to interactive gaming:

33 (i) the name of a person, entity or firm to whom
34 payment, remuneration or other benefit or thing of value
35 has been made or conferred for professional services,
36 including, but not limited to, interactive gaming system
37 operations or management, legal, consulting and lobbying
38 services;

39 (ii) the amount or value of the payments,
40 remuneration, benefit or thing of value;

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

43 (iv) the reason or purpose for the procurement of
44 the services.

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

47 § 1204. Licensed gaming entity application appeals from board.

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

1 license [or], the award, denial or conditioning of a table game
2 operation certificate[.] or the award, denial or conditioning of
3 an interactive gaming certificate or an interactive gaming
4 license. Notwithstanding the provisions of 2 Pa.C.S. Ch. 7
5 Subch. A (relating to judicial review of Commonwealth agency
6 action) and 42 Pa.C.S. § 763 (relating to direct appeals from
7 government agencies), the Supreme Court shall affirm all final
8 orders, determinations or decisions of the board involving the
9 approval, issuance, denial or conditioning of a slot machine
10 license [or], the award, denial or conditioning of a table game
11 operation certificate or the award, denial or conditioning of an
12 interactive gaming certificate or an interactive gaming license,
13 unless it shall find that the board committed an error of law or
14 that the order, determination or decision of the board was
15 arbitrary and there was a capricious disregard of the evidence.
16 § 1206. Board minutes and records.

17 * * *

18 (f) Confidentiality of information.--

19 (1) The following information submitted by an applicant,
20 permittee, certificate holder or licensee pursuant to section
21 1310(a) (relating to slot machine license application
22 character requirements) [or], 1308(a.1) (relating to
23 applications for license or permit), 13C12 (relating to
24 interactive gaming certificate required and content of
25 petition) or 13C14 (relating to interactive gaming operators)
26 or obtained by the board or the bureau as part of a
27 background or other investigation from any source shall be
28 confidential and withheld from public disclosure:

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

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

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

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

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

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

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

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

28 * * *

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

32 § 1207. Regulatory authority of board.

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

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

46 * * *

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

51 (4) Require that each licensed entity, including, in the

1 case of interactive gaming, each interactive gaming
2 certificate holder and interactive gaming operator, provide
3 to the board its audited annual financial statements, with
4 such additional detail as the board from time to time shall
5 require, which information shall be submitted not later than
6 90 days after the end of the licensee's fiscal year.

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

11 * * *

12 (7.2) Enforce prescribed hours for the operation of
13 authorized interactive games so that an interactive gaming
14 certificate holder or interactive gaming licensee may conduct
15 authorized interactive games on any day during the year in
16 order to meet the needs of registered players or to meet
17 competition.

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

22 (9) Establish procedures for the inspection and
23 certification of compliance of each slot machine, table game,
24 table game device and associated equipment, interactive game
25 and interactive gaming device and associated equipment and
26 multi-use computing device and associated equipment prior to
27 being placed into use by a slot machine licensee.

28 (10) Require that no slot machine or authorized
29 interactive game that replicates the play of a slot machine
30 may be set to pay out less than the theoretical payout
31 percentage, which shall be no less than 85%, as specifically
32 approved by the board. The board shall adopt regulations that
33 define the theoretical payout percentage of a slot machine
34 game based on the total value of the jackpots expected to be
35 paid by a play or a slot machine game divided by the total
36 value of slot machine wagers expected to be made on that play
37 or slot machine game during the same portion of the game
38 cycle. In so doing, the board shall decide whether the
39 calculation shall include the entire cycle of a slot machine
40 game or any portion thereof.

41 * * *

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

48 (22) License, regulate, investigate and take any other
49 action determined necessary regarding all aspects of
50 interactive gaming.

51 (23) Define and limit the areas of operation and the

1 rules of authorized interactive games, including odds,
2 devices and associated equipment permitted and the method of
3 operation of authorized interactive games and interactive
4 gaming devices and associated equipment.

5 (24) Require, as applicable, that all wagering offered
6 through interactive gaming display online the permissible
7 minimum and maximum wagers associated with each authorized
8 interactive game.

9 (25) (Reserved).

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

28 Section 7. (Reserved).

29 Section 8. Section 1211 of Title 4 is amended by adding
30 subsections to read:

31 § 1211. Reports of board.

32 * * *

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

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

37 (i) Total gross interactive gaming revenue.

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

41 (iii) All taxes, fees, fines and other revenue
42 collected and, where appropriate, revenue disbursed
43 during the previous year. The department shall
44 collaborate with the board to carry out the requirements
45 of this subparagraph.

46 (2) The board may require interactive gaming certificate
47 holders and other persons involved in the operation of
48 interactive gaming on behalf of a slot machine licensee or
49 other entity to provide information to the board to assist in
50 the preparation of the report.

51 * * *

1 (d.1) Impact of interactive gaming, annual report.--One year
2 after the issuance of the first interactive gaming certificate,
3 an annual report shall be prepared and distributed by the board
4 to the Governor and the standing committees of the General
5 Assembly with jurisdiction over this part on the impact of
6 interactive gaming on compulsive and problem gambling and
7 gambling addiction in this Commonwealth. The board may contract
8 with a private organization or entity with expertise in serving
9 and treating the needs of persons with compulsive gambling
10 addictions, in consultation with the Department of Drug and
11 Alcohol Programs or successor agency. The report may be prepared
12 and distributed in coordination with the board. Costs associated
13 with the preparation and distribution of the report shall be
14 borne by slot machine licensees and other entities who have been
15 authorized by the board to conduct interactive gaming. The board
16 shall be authorized to assess a fee against each slot machine
17 licensee or other entity for these purposes.

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

23 * * *

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

26 § 1212. Diversity goals of board.

27 * * *

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

32 * * *

33 (9) Technology related to interactive gaming and
34 interactive gaming devices and associated equipment.

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

37 § 1305. Category 3 slot machine license.

38 (a) Eligibility.--

39 * * *

40 (1.2) The requirements under paragraph (1)(i), (ii) and
41 (iii) and the membership fee required under paragraphs (1)
42 (iv) and (1.1) shall not apply to the licensed facility if
43 the Category 3 slot machine licensee makes notification to
44 the board and a payment of \$1,000,000 to the department for
45 deposit into the General Fund. The board shall submit notice
46 to the Legislative Reference Bureau for publication in the
47 Pennsylvania Bulletin upon receipt of the notification and
48 confirmation of the payment by any Category 3 slot machine
49 licensee.

50 * * *

51 Section 11. Section 1309(a.1) heading of Title 4 is amended

1 and the subsection is amended by adding a paragraph to read:
2 § 1309. Slot machine license application.

3 * * *

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

5 * * *

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

16 * * *

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

19 § 1317. Supplier licenses.

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

31 * * *

32 § 1317.1. Manufacturer licenses.

33 (a) Application.--A person seeking to manufacture slot
34 machines, table game devices and associated equipment or
35 interactive gaming devices and associated equipment for use in
36 this Commonwealth shall apply to the board for a manufacturer
37 license.

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

41 (1) The name and business address of the applicant and
42 the applicant's affiliates, intermediaries, subsidiaries and
43 holding companies; the principals and key employees of each
44 business; and a list of employees and their positions within
45 each business, as well as any financial information required
46 by the board.

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

50 (3) The consent to a background investigation of the
51 applicant, its principals and key employees or other persons

1 required by the board and a release to obtain any and all
2 information necessary for the completion of the background
3 investigation.

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

9 (5) The type of slot machines, table game devices or
10 associated equipment or interactive gaming devices or
11 associated equipment to be manufactured or repaired.

12 (6) Any other information determined by the board to be
13 appropriate.

14 * * *

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

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

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

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

34 (e) Prohibitions.--

35 (1) No person may manufacture slot machines, table game
36 devices or associated equipment or interactive gaming devices
37 or associated equipment for use within this Commonwealth by a
38 slot machine licensee unless the person has been issued the
39 appropriate manufacturer license under this section.

40 (2) Except as permitted in section 13A23.1 (relating to
41 training equipment), no slot machine licensee may use slot
42 machines, table game devices or associated equipment,
43 authorized interactive games or interactive gaming devices or
44 associated equipment unless the slot machines, table game
45 devices or associated equipment, interactive games or
46 interactive gaming devices or associated equipment were
47 manufactured by a person that has been issued the appropriate
48 manufacturer license under this section.

49 * * *

50 Section 12.1. Title 4 is amended by adding a section to
51 read:

1 § 1317.3. Nongaming service provider.

2 (a) Notification required.--

3 (1) A slot machine licensee or applicant for a slot
4 machine license that contracts with or otherwise engages in
5 business with a nongaming service provider shall provide
6 notification to the board prior to the nongaming service
7 provider's provision of goods or services at the slot machine
8 licensee's licensed facility.

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

13 (b) Contents of notification.--Notification under this
14 section shall include:

15 (1) The name and business address of the nongaming
16 service provider.

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

19 (3) An affirmation from the slot machine licensee or
20 applicant for a slot machine license that the goods or
21 services to be provided by the nongaming service provider
22 will not require access to the gaming floor or a gaming-
23 related restricted area of a licensed facility.

24 (4) An affirmation from the slot machine licensee or
25 applicant for a slot machine license certifying that the
26 licensee or applicant has performed due diligence regarding
27 the nongaming service provider and believes that the
28 nongaming service provider and its employees will not
29 adversely affect the public interest or integrity of gaming.

30 (5) Other information that the board may require.

31 (c) Duration of notification.--The nongaming service
32 provider notification required under subsection (a) may be valid
33 for five years unless modified by the board. In determining the
34 duration of a nongaming service provider notification, the board
35 shall consider the following:

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

37 (2) The frequency of business transactions related to
38 the provision of the goods or services.

39 (3) Any other information the board deems necessary and
40 appropriate.

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

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

48 (2) The slot machine licensee or applicant for a slot
49 machine license shall notify the board of any material change
50 in the information provided in the notification under this
51 section. No fee shall be required for a subsequent change

1 during the time for which the notification remains valid
2 under subsection (c).

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

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

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

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

14 (5) The board may prohibit a nongaming service provider
15 and employees from providing goods or services to a slot
16 machine licensee or applicant for a slot machine license at a
17 licensed facility if the board determines the prohibition is
18 necessary to protect the public interest or integrity of
19 gaming.

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

23 (1) The nongaming service provider or the type or nature
24 of the nongaming service provider's business is regulated by
25 an agency of the Federal Government, an agency of the
26 Commonwealth or the Pennsylvania Supreme Court.

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

29 (f) (Reserved).

30 (g) Additional authority.--If, upon examination of the
31 provided notification, the bureau determines that the
32 registration or certification of a nongaming service provider is
33 necessary to protect the integrity of gaming, the bureau may
34 require the nongaming service provider to file an application
35 for registration or certification and be authorized by the board
36 prior to providing services at a licensed facility.

37 (h) Emergency notification.--

38 (1) A slot machine licensee may use a nongaming service
39 provider prior to the board receiving notification under this
40 section when a threat to public health, welfare or safety
41 exists or circumstances outside the control of the slot
42 machine licensee require immediate action to mitigate damage
43 or loss to the slot machine licensee's licensed facility or
44 to the Commonwealth.

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

47 (i) Notify the board immediately upon engaging a
48 nongaming service provider for which the board has not
49 previously received notification in accordance with
50 subsection (a).

51 (ii) Provide the notification required under

1 subsection (a) within a reasonable time as established by
2 the board.

3 (i) Nongaming service provider list.--

4 (1) The board shall have the authority to prohibit a
5 nongaming service provider from engaging in business with a
6 slot machine licensee upon a finding by the board that the
7 prohibition is necessary to protect the public interest and
8 the integrity of gaming.

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

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

15 (j) Duties of nongaming service provider.--A nongaming
16 service provider shall:

17 (1) Cooperate with the board and bureau regarding an
18 investigation, hearing, enforcement action or disciplinary
19 action.

20 (2) Comply with each condition, restriction,
21 requirement, order or ruling of the board in accordance with
22 this part.

23 (3) Report any change in circumstances to the slot
24 machine licensee or applicant for a slot machine license that
25 may render the nongaming service provider ineligible,
26 unqualified or unsuitable for the provision of goods or
27 services at a licensed facility or use in the operation of a
28 licensed facility. The slot machine licensee shall report a
29 change in circumstances to the board in such form and manner
30 as the board may establish.

31 (k) Construction.--Nothing in this section shall be
32 construed to limit the powers and authority of the board under
33 section 1202 (relating to general and specific powers of the
34 board) or the regulatory authority of the board under section
35 1207 (relating to regulatory authority of the board).

36 Section 13. (Reserved).

37 Section 14. Section 1326 of Title 4 is amended to read:

38 § 1326. [License renewals] Renewals.

39 (a) Renewal.--All permits [and], licenses, registrations or
40 certificates issued under this part unless otherwise provided
41 shall be subject to renewal every three years. Nothing in this
42 subsection shall relieve a licensee of the affirmative duty to
43 notify the board of any changes relating to the status of its
44 license, permit, certificate or registration or to any other
45 information contained in the application materials on file with
46 the board. The application for renewal shall be submitted at
47 least 60 days prior to the expiration of the permit [or],
48 license, registration or certificate and shall include an update
49 of the information contained in the initial and any prior
50 renewal applications and the payment of any renewal fee required
51 by this part. Unless otherwise specifically provided in this

1 part, the amount of any renewal fee shall be calculated by the
2 board to reflect the longer renewal period. A permit [or],
3 license, registration or certificate for which a completed
4 renewal application and fee, if required, has been received by
5 the board will continue in effect unless and until the board
6 sends written notification to the holder of the permit [or],
7 license, registration or certificate that the board has denied
8 the renewal of such permit [or], license, registration or
9 certificate.

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

28 Section 15. Title 4 is amended by adding a section to read:
29 § 1326.1. Slot machine license operation fee.

30 (a) Imposition.--Beginning January 1, 2017, the board shall
31 impose an annual slot machine license operation fee on each
32 Category 1 and Category 2 licensed gaming entity in an amount
33 equal to 20% of the slot machine license fee paid at the time of
34 issuance under section 1209(a) (relating to slot machine license
35 fee). The slot machine license operation fee shall be paid by
36 each Category 1 and Category 2 licensed gaming entity in equal
37 installments on a monthly basis.

38 (b) Payment of fee.--The department shall develop a payment
39 schedule for the slot machine operation fee imposed under
40 subsection (a).

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

50 (d) Failure to pay.--The board may at the board's discretion
51 suspend, revoke or deny a permit or license issued under this

1 part if a Category 1 or Category 2 licensed gaming entity fails
2 to pay the slot machine license operation fee imposed under
3 subsection (a).

4 (e) Deposit of slot machine license operation fee.--The
5 total amount of all license operation fees imposed and collected
6 by the board under this section shall be deposited in the fund
7 and shall be appropriated to the department on a continuing
8 basis for the purposes under section 1403(c)(3) (relating to
9 establishment of State Gaming Fund and net slot machine revenue
10 distribution).

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

13 § 13A27. Other financial transactions.

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

30 * * *

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

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

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

46 * * *

47 Section 17. (Reserved).

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

50 § 13A63. Local share assessment.

51 * * *

1 (b) Distributions to counties.--The department shall make
2 quarterly distributions from the local share assessments
3 deposited into the fund under subsection (a) to counties,
4 including home rule counties, hosting a licensed facility
5 authorized to conduct table games under this chapter in
6 accordance with the following:

7 * * *

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

11 * * *

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

17 * * *

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

28 * * *

29 (4) The following apply:

30 (i) If the facility is a Category 3 licensed
31 facility located in a county of the second class A: 50%
32 of the licensed facility's local share assessment shall
33 be [deposited into a restricted receipts account to be
34 established in the Commonwealth Financing Authority to be
35 used exclusively for grants or guarantees for projects in
36 the county that qualify under 64 Pa.C.S. §§ 1551
37 (relating to Business in Our Sites Program), 1556
38 (relating to Tax Increment Financing Guarantee Program)
39 and 1558 (relating to Water Supply and Waste Water
40 Infrastructure Program).] distributed as follows:

41 (A) Seventy-five percent shall be distributed to
42 the county hosting the licensed facility from each
43 licensed facility for the purpose of supporting the
44 maintenance and refurbishment of the Parks and
45 Heritage sites throughout the county in which the
46 licensee is located.

47 (B) Twelve and one-half percent shall be
48 distributed to the county hosting the licensed
49 facility from each licensed facility for the purpose
50 of supporting a child advocacy center located within
51 the county in which the licensee is located.

1 (C) Twelve and one-half percent shall be
2 distributed to the county hosting the licensed
3 facility from each licensed facility for the purpose
4 of supporting an organization providing comprehensive
5 support services to victims of domestic violence,
6 including legal and medical aid, shelters,
7 transitional housing and counseling located within
8 the county in which the licensee is located.

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

15 * * *

16 Section 19. Title 4 is amended by adding chapters to read:

17 CHAPTER 13B

18 (RESERVED)

19 CHAPTER 13C

20 INTERACTIVE GAMING

21 Subchapter

22 A. General Provisions

23 B. Interactive Gaming Authorized

24 C. Conduct of Interactive Gaming

25 D. Facilities and Equipment

26 E. Testing and Certification

27 F. Taxes and Fees

28 G. Miscellaneous Provisions

29 SUBCHAPTER A

30 GENERAL PROVISIONS

31 Sec.

32 13C01. Legislative findings.

33 13C02. Regulatory authority.

34 13C03. Temporary interactive gaming regulations.

35 § 13C01. Legislative findings.

36 The General Assembly finds and declares that:

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

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

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

50 (4) Legalized gaming in the Category 1, Category 2 and
51 Category 3 licensed facilities geographically dispersed in

1 this Commonwealth has become a critical component of economic
2 development and, if gaming activities continue to be properly
3 regulated and fostered, it will provide a substantial
4 contribution to the general health, welfare and prosperity of
5 this Commonwealth and the residents of this Commonwealth.

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

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

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

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

28 (9) Without legislative authorization and strict
29 regulation of interactive gaming in this Commonwealth, the
30 public's trust and confidence in legalized commercial gaming
31 may be impacted.

32 (10) An effective regulatory, licensing and enforcement
33 system for Interactive gaming in this Commonwealth would
34 inhibit underage wagering and otherwise protect vulnerable
35 individuals, ensure that the games offered through the
36 Internet are fair and safe, stop sending jobs, tax and other
37 revenue to illegal operators, provide a significant source of
38 taxable revenue, create jobs and economic development and
39 address the concerns of law enforcement.

40 (12) By legalizing interactive gaming and subjecting it
41 to the regulatory oversight of the board, the General
42 Assembly is assuring the residents of this Commonwealth that
43 only those persons who have been determined to be suitable
44 are licensed to facilitate and conduct interactive gaming
45 activities in this Commonwealth.

46 (13) An effective regulatory, licensing and enforcement
47 system to govern interactive gaming in this Commonwealth is
48 consistent with the original objectives and intent of the
49 Pennsylvania Race Horse Development and Gaming Act, thereby
50 ensuring the public trust and confidence in the commercial
51 gaming industry in this Commonwealth.

1 (14) The Commonwealth has a legitimate State interest in
2 protecting the integrity of State-authorized interactive
3 gaming by licensing those entities already engaged in the
4 conduct of gaming in this Commonwealth, which are subject to
5 the scrutiny and discipline of the board and other regulatory
6 agencies and which are in good standing with those agencies.
7 § 13C02. Regulatory authority.

8 (a) Authority.--The board shall promulgate and adopt rules
9 and regulations to govern the conduct of interactive gaming in
10 order to ensure that it will be implemented in a manner that
11 provides for the security and effective management,
12 administration and control of interactive gaming, including, but
13 not limited to, regulations:

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

17 (2) Establishing standards and procedures for testing
18 and approving interactive games and interactive gaming
19 devices and associated equipment, and variations or
20 composites of authorized interactive games, if the board
21 determines that the interactive games and new interactive
22 games or variations or composites are suitable for use after
23 a test or experimental period under terms and conditions as
24 the board may deem appropriate. The board may give priority
25 to the testing of interactive games, interactive gaming
26 devices and associated equipment or other gaming equipment
27 which a slot machine licensee or other entity has certified
28 that it will use to conduct interactive gaming in this
29 Commonwealth. Nothing in this paragraph shall be construed to
30 prohibit the board from using the testing and certification
31 standards of another state or jurisdiction in which
32 interactive gaming is conducted, if it determines that the
33 standards of the jurisdiction are comprehensive, thorough and
34 provide similar and adequate safeguards as those required
35 under this part. If the board makes a determination and the
36 applicant for an interactive gaming certificate or an
37 interactive gaming license is licensed in another state or
38 jurisdiction to operate interactive gaming, it may use an
39 abbreviated process requiring only the information determined
40 by it to be necessary to consider the issuance of a
41 certification under this chapter. The board, in its
42 discretion, may also rely upon the certification of
43 interactive games that have met the testing and certification
44 standards of a board-approved private testing and
45 certification facility.

46 (3) Establishing standards and rules to govern the
47 conduct of interactive gaming and the system of and wagering
48 associated with interactive gaming, including internal
49 controls and accounting controls, and the type, number,
50 payout, wagering limits and rules for interactive games.

51 (4) Establishing the method for calculating gross

1 interactive gaming revenue and standards for the daily
2 counting and recording of cash and cash equivalents received
3 in the conduct of authorized interactive games and ensure
4 that internal controls and accounting controls are followed,
5 including the maintenance of financial books and records and
6 the conduct of audits. The board shall consult with the
7 department in establishing these regulations.

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

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

13 (7) Establishing technical standards for the approval of
14 interactive games, interactive gaming devices and associated
15 equipment, including mechanical, electrical or program
16 reliability, security against tampering and other standards
17 as it may deem necessary to protect registered players from
18 fraud or deception.

19 (8) Governing the creation and utilization of
20 interactive gaming accounts by registered players, including
21 requiring that:

22 (i) Interactive gaming accounts be possessed by a
23 natural person and not in the name of a beneficiary,
24 custodian, joint trust, corporation, partnership or other
25 organization or entity.

26 (ii) Interactive gaming accounts shall not be
27 assignable or otherwise transferable.

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

30 (9) Establishing procedures for registered players to
31 log into their interactive gaming accounts, authenticate
32 identities, agree to terms, conditions and rules applicable
33 to authorized interactive games and log out of interactive
34 gaming accounts, including procedures for automatically
35 logging off registered players from an interactive game after
36 a specified period of inactivity.

37 (10) Establishing procedures for:

38 (i) Depositing funds in an interactive gaming
39 account by cash, transfer or other means, as approved by
40 the board.

41 (ii) The withdrawal of funds from interactive gaming
42 accounts.

43 (iii) The suspension of interactive gaming account
44 activity for security reasons.

45 (iv) The termination of interactive gaming accounts
46 and disposition of proceeds in accounts.

47 (v) The disposition of unclaimed amounts in dormant
48 interactive gaming accounts.

49 (11) Establishing mechanisms by which registered players
50 may place limits on the amount of money being wagered per
51 authorized interactive game or during a specified time period

1 or the amount of losses incurred during the specified time
2 period.

3 (12) Establishing mechanisms to exclude from interactive
4 gaming persons not eligible to play by reason of age,
5 identity or location or inclusion on a list of persons denied
6 access to interactive gaming activities in accordance with
7 sections 1514 (relating to regulation requiring exclusion,
8 ejection or denial of access of certain persons), 1515
9 (relating to repeat offenders excludable from licensed gaming
10 facility) and 1516 (relating to list of persons self excluded
11 from gaming activities).

12 (13) Establishing procedures for the protection,
13 security and reliability of interactive gaming accounts,
14 authorized interactive games, interactive gaming devices and
15 associated equipment and mechanisms to prevent tampering or
16 utilization by unauthorized persons.

17 (14) Establishing data security standards to govern age,
18 identity and location verification of persons engaged in
19 interactive gaming activity.

20 (15) Requiring each interactive gaming certificate
21 holder to:

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

26 (ii) Designate one or more interactive gaming
27 restricted areas where interactive gaming will be
28 managed, administered or controlled.

29 (iii) Provide the board with access to the
30 interactive gaming skin or website, interactive gaming
31 platform, signal or transmission used in connection with
32 interactive gaming and interactive gaming restricted
33 areas.

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

37 (v) Provide statements on its interactive gaming
38 skin or website about the permissible minimum and maximum
39 wagers for each authorized interactive game, as
40 applicable.

41 (vi) Adopt policies or procedures to prohibit an
42 unauthorized person from having access to interactive
43 gaming devices and associated equipment, including
44 software, system programs, hardware and any other gaming
45 equipment or devices which are used to manage, administer
46 or control interactive gaming.

47 (vii) Adopt data security standards to verify the
48 age, identity and location of persons engaged in
49 interactive gaming activity and prevent unauthorized
50 access by a person whose age and location have not been
51 verified or whose age and location cannot be verified in

1 accordance with regulations adopted by the board.

2 (viii) Adopt standards to protect the privacy and
3 security of registered players engaged in interactive
4 gaming.

5 (ix) Collect, report and pay any and all applicable
6 taxes and fees and maintain all books, data, records and
7 documents related to the interactive gaming certificate
8 holder's interactive gaming activities in a manner and in
9 a location within this Commonwealth as approved by the
10 board or the department. All books, data, records and
11 documents shall be immediately available for inspection
12 during all hours of operation in accordance with the
13 regulations of the board and shall be maintained in a
14 manner and during periods of time as the board shall
15 require by regulation.

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

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

29 (b) Additional authority.--

30 (1) At its discretion, the board may determine whether
31 persons that provide the following goods or services and any
32 other goods or services related to interactive gaming as the
33 board may determine shall be required to obtain a license,
34 permit or other authorization:

35 (i) Payment processing and related money
36 transmitting and services.

37 (ii) Customer identity or age verification and
38 geospatial technology services.

39 (iii) General telecommunications services, which are
40 not specifically designed for or related to interactive
41 gaming.

42 (iv) Other goods or services that are not
43 specifically designed for use with interactive gaming.

44 (2) The board shall develop a classification system for
45 the licensure, permitting or other authorization of persons
46 that provide the following goods or services related to
47 interactive gaming:

48 (i) Persons that provide interactive games and
49 interactive gaming devices and associated equipment.

50 (ii) Persons that manage, control or administer the
51 interactive games or the wagers associated with

1 interactive games.

2 (iii) Providers of customer lists comprised of
3 persons identified or selected, in whole or in part,
4 because they placed or may place wagers on interactive
5 gaming.

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

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

10 § 13C03. Temporary interactive gaming regulations.

11 (a) Promulgation.--

12 (1) In order to facilitate the prompt implementation of
13 this chapter, regulations promulgated by the board shall be
14 deemed temporary regulations which shall expire not later
15 than two years following the publication of the temporary
16 regulation in the Pennsylvania Bulletin and on the board's
17 publicly accessible Internet website.

18 (2) The board may promulgate temporary regulations not
19 subject to:

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

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

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

28 (b) Temporary regulations.--The board shall begin publishing
29 temporary regulations governing the rules for interactive
30 gaming, the issuance of interactive gaming certificates and
31 interactive gaming licenses, standards for approving
32 manufacturers, suppliers and other persons seeking to provide
33 interactive games, interactive gaming devices and associated
34 equipment, including age and location verification software or
35 system programs and security and surveillance standards in the
36 Pennsylvania Bulletin within 30 days of the effective date of
37 this subsection.

38 (c) Expiration of temporary regulations.--Except for
39 temporary regulations governing the rules for issuing
40 certificates and licenses under this chapter, for new
41 interactive games, for approving interactive games or variations
42 of interactive games, interactive gaming devices and associated
43 equipment and for approving manufacturers, suppliers and other
44 persons seeking to provide interactive games, interactive gaming
45 devices and associated equipment, the board's authority to adopt
46 temporary regulations under subsection (a) shall expire two
47 years after the effective date of this section. Regulations
48 adopted after this period shall be promulgated as provided by
49 law.

50 SUBCHAPTER B

51 INTERACTIVE GAMING AUTHORIZED

1 Sec.
2 13C11. Authorization to conduct interactive gaming.
3 13C12. Interactive gaming certificate required and content of
4 petition.
5 13C13. Issuance of interactive gaming certificate.
6 13C14. Interactive gaming operators.
7 13C15. Interactive gaming certificate and license.
8 13C16. Timing of initial interactive gaming authorizations.

9 § 13C11. Authorization to conduct interactive gaming.

10 (a) Authority of board.--

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

15 (i) To conduct interactive gaming, including
16 contests and tournaments and any other game which is
17 determined by the board to be suitable for interactive
18 gaming.

19 (ii) To deploy interactive gaming skins or Internet
20 websites to facilitate the conduct of interactive gaming
21 activities.

22 (2) Except as provided in this part, all individuals
23 playing authorized interactive games must be physically
24 located within this Commonwealth or within a state or
25 jurisdiction in which the board has entered into an
26 interactive gaming reciprocal agreement. No individual under
27 21 years of age shall open, maintain, use or have access to
28 an interactive gaming account.

29 (b) Authority to play interactive games.--Notwithstanding
30 any other provision of law, an individual who is 21 years of age
31 or older is permitted to participate as a registered player in
32 interactive gaming and wagering associated with playing an
33 authorized interactive game offered by an interactive gaming
34 certificate holder in accordance with regulations of the board.

35 § 13C12. Interactive gaming certificate required and content of
36 petition.

37 (a) Certificate required.--No slot machine licensee or other
38 entity or other person associated with or representing a slot
39 machine licensee or other entity shall operate or conduct or
40 attempt to operate or conduct interactive gaming, except for
41 test purposes or open interactive gaming to the public in this
42 Commonwealth without first obtaining an interactive gaming
43 certificate or an interactive gaming license from the board. A
44 slot machine licensee or other entity may seek approval to
45 conduct interactive gaming by filing a petition for an
46 interactive gaming certificate with the board. The board shall
47 prescribe the form and manner to govern the submission of a
48 petition for an interactive gaming certificate.

49 (b) Classifications.--There shall be two classifications of
50 interactive gaming certificates:

51 (1) One classification shall permit the interactive

1 gaming certificate holder to conduct interactive gaming with
2 peer-to-peer interactive games.

3 (2) One classification shall permit the interactive
4 gaming certificate holder to conduct interactive gaming with
5 non-peer-to-peer interactive games.

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

10 (d) Content of petition.--In addition to information and
11 documentation demonstrating that the slot machine licensee or
12 other entity is qualified for an interactive gaming certificate
13 under this chapter, a petition seeking board approval to conduct
14 interactive gaming within this Commonwealth shall include the
15 following:

16 (1) The name, business address and contact information
17 of the slot machine licensee or other entity.

18 (2) The name, business address and contact information
19 of an affiliate, interactive gaming operator or other person
20 that will be a party to an agreement related to the operation
21 of interactive gaming or an interactive gaming system on
22 behalf of a slot machine licensee or other entity.

23 (3) The name and business address, job title and a
24 photograph of each principal and key employee of the slot
25 machine licensee or other entity who will be involved in the
26 conduct of interactive gaming and who is not currently
27 licensed by the board, if known.

28 (4) The name and business address, job title and a
29 photograph of each principal and key employee of the
30 interactive gaming certificate holder and interactive gaming
31 licensee, if any, who will be involved in the conduct of
32 interactive gaming and who is currently licensed by the
33 board.

34 (5) An itemized list of the interactive games and other
35 game or games the slot machine licensee or other entity plans
36 to offer over the Internet for which authorization is being
37 sought. The slot machine licensee or other entity shall, in
38 accordance with regulations promulgated by the board, file
39 any changes in the number of authorized interactive games
40 offered through interactive gaming with the board.

41 (6) The estimated number of full-time and part-time
42 employment positions that will be created at the licensed
43 facility if interactive gaming is authorized and an updated
44 hiring plan under section 1510(a) (relating to labor hiring
45 preferences) which outlines the slot machine licensee's or
46 other entity's plan to promote the representation of diverse
47 groups and Commonwealth residents in the employment
48 positions.

49 (7) A brief description of the economic benefits
50 expected to be realized by the Commonwealth, the host
51 municipalities and residents if interactive gaming is

1 authorized.

2 (8) The details of financing obtained or that will be
3 obtained to fund an expansion or modification of the licensed
4 facility to accommodate interactive gaming and to otherwise
5 fund the cost of commencing interactive gaming.

6 (9) Information and documentation concerning financial
7 background and resources, as the board may require, to
8 establish by clear and convincing evidence the financial
9 stability, integrity and responsibility of the slot machine
10 licensee or other entity, and information or documentation
11 concerning an interactive gaming operator that will operate
12 interactive gaming or an interactive gaming system on behalf
13 of the slot machine licensee or other entity, as the board
14 may require.

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

24 (11) Information and documentation, as the board may
25 require, to establish by clear and convincing evidence that
26 the slot machine licensee or other entity has or will have
27 the financial ability to pay the interactive gaming
28 authorization fee.

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

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

34 (i) The slot machine licensee's or other entity's
35 initial system of internal and accounting controls
36 applicable to interactive gaming.

37 (ii) The slot machine licensee's or other entity's
38 proposed standards to protect, with a reasonable degree
39 of certainty, the privacy and security of its registered
40 players.

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

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

50 (B) Appropriate data security standards to
51 prevent unauthorized access by a person whose age,

1 identity and location have not been verified or whose
2 age, identity and location cannot be verified in
3 accordance with this chapter and applicable
4 regulations of the board.

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

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

14 (v) The procedures the slot machine licensee or
15 other entity will use to register individuals who wish to
16 participate in interactive gaming.

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

20 (vii) The interactive games and services the slot
21 machine licensee or other entity proposes to offer to
22 registered players.

23 (viii) Documentation and information relating to all
24 proposed subcontractors of the slot machine licensee or
25 other entity, including, but not limited to, all of the
26 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 or other entity's interactive gaming
36 operations, as well as sufficient personal
37 identifying information on each person to conduct
38 background checks as may be 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 or other entity plans to or will utilize to manage,
43 administer or 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) Other information the board may require.

15 (e) Confidentiality.--Information submitted to the board
16 under subsection (d) 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 § 13C13. Issuance of interactive gaming certificate.

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

21 (1) The board may approve a petition under section 13C12
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 or other entity's
26 conduct of interactive gaming complies in all respects
27 with the requirements of this chapter and regulations
28 promulgated 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 or other entity.

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

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

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

50 (vi) The slot machine licensee or other entity is in
51 good standing 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 an interactive
7 gaming certificate that a slot machine licensee or other
8 entity shall collect, report and pay all applicable taxes and
9 fees and shall maintain all books, data, records and
10 documents pertaining to the slot machine licensee's or other
11 entity's interactive gaming operations in a manner and
12 location within this Commonwealth as approved by the board.
13 All books, data, records and documents shall be immediately
14 available for inspection by the board and the department
15 during all hours of operation in accordance with the
16 regulations of the board and shall be maintained in a manner
17 and during periods of time as the board shall require.

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

19 (1) Upon approval of a petition for an interactive
20 gaming certificate, the board shall issue an interactive
21 gaming certificate to the slot machine licensee or other
22 entity. The issuance of an interactive gaming certificate
23 prior to the full payment of the authorization fee required
24 under section 13C51 (relating to interactive gaming
25 authorization fee) shall not relieve the slot machine
26 licensee or other entity from the obligation to pay the
27 authorization fee in accordance with the requirements of
28 section 13C51.

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

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

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

49 (e) Background investigations.--Each petition for an
50 interactive gaming certificate shall be accompanied by a
51 nonrefundable fee established by the board to cover the cost of

1 background investigations. The board shall determine by
2 regulation the persons involved, directly or indirectly, in a
3 slot machine licensee's or other entity's interactive gaming
4 operations and persons involved in the operations of an
5 interactive gaming operator who shall be subject to background
6 investigation. Additional costs and expenses incurred in a
7 background investigation or other investigation or proceeding
8 under this chapter shall be reimbursed to the board by the
9 petitioner.

10 (f) Petitions for interactive gaming certificates.--

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

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

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

34 (4) The board shall not issue more interactive gaming
35 certificates for peer-to-peer interactive games than the
36 number of slot machine licenses issued by the board. The
37 board shall not issue more interactive gaming certificates
38 for non-peer-to-peer interactive games than the number of
39 slot machine licenses issued by the board.

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

47 (g) Additional requirements.--Any entity, other than a slot
48 machine licensee, which seeks approval to conduct interactive
49 gaming must satisfy all the requirements for approval under this
50 chapter as well as any requirements for licensure under this
51 part that the board deems appropriate to ensure that the entity

1 has the qualifications to conduct gaming in this Commonwealth,
2 including, but not limited to, character suitability and
3 financial capability requirements.

4 § 13C14. Interactive gaming operators.

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

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

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

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

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

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

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

50 (d) Operators owned, controlled by slot machine licensee.--
51 This section shall not apply to an interactive gaming operator

1 that is owned by, affiliated with or otherwise controlled by a
2 slot machine licensee that has been approved for and issued an
3 interactive gaming certificate under this chapter. The board
4 shall determine by regulation the criteria or conditions
5 necessary to determine whether an interactive gaming operator is
6 owned by, affiliated with or otherwise controlled by a slot
7 machine licensee to effectuate the purpose of this subsection.

8 (e) Interactive gaming license and conditional
9 authorization.--

10 (1) The following shall apply:

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

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

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

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

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

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

32 (ii) The bureau has no objection to the issuance of
33 a conditional authorization to the applicant.

34 (3) Within 90 days of the date that the bureau receives
35 the completed application for an interactive gaming license
36 from an applicant for investigation, the bureau shall conduct
37 a preliminary investigation of the applicant and any key
38 interactive gaming employee of the applicant, as determined
39 by the board, which shall include a criminal background
40 investigation of the applicant and any interactive gaming
41 employees of the applicant, as determined by the board in
42 accordance with section 1202(b) (relating to general and
43 specific powers).

44 (4) If the bureau's preliminary investigation discloses
45 no adverse information that would impact suitability for
46 licensure, the bureau shall provide the board with a
47 statement of no objection to issuance of conditional
48 authorization to the applicant.

49 (5) If the bureau's preliminary investigation discloses
50 adverse information that would impact suitability for
51 licensure, it shall register an objection and no conditional

1 authorization may be issued until the bureau's concerns are
2 resolved.

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

7 § 13C15. Interactive gaming certificate and license.

8 The following shall apply:

9 (1) An interactive gaming certificate and interactive
10 gaming license shall be in effect unless:

11 (i) The certificate or license is suspended or
12 revoked by the board consistent with the requirements of
13 this part.

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

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

19 (iv) The slot machine licensee or other entity does
20 not seek renewal of its interactive gaming certificate.

21 (2) The interactive gaming certificate shall include an
22 initial itemized list by number and type of authorized
23 interactive games for interactive gaming to be conducted by
24 the interactive gaming certificate holder or interactive
25 gaming operator or other person on behalf of an interactive
26 gaming certificate holder. The interactive gaming certificate
27 holder may increase or decrease the number of interactive
28 games authorized for play on its interactive gaming skin or
29 Internet website or change the type of authorized interactive
30 games played on its interactive gaming skin or Internet
31 website upon notice, if required by the board, to the board
32 and approval by the board or a designated employee of the
33 board. Unless approved by the board or a designated employee
34 of the board, the total number and type of authorized
35 interactive games offered for play by an interactive gaming
36 certificate holder may not differ from the number and type
37 approved by the board and authorized in the interactive
38 gaming certificate.

39 (3) A slot machine licensee or other entity shall be
40 required to update the information in its initial interactive
41 gaming petition at times and in the form and manner as
42 prescribed by the board.

43 § 13C16. Timing of initial interactive gaming authorizations.

44 Except as provided under section 13C13(f) (relating to
45 issuance of interactive gaming certificate), the board shall
46 prescribe the date on which petitions for an interactive gaming
47 certificate and applications for an interactive gaming license
48 must be filed with the board and shall approve or deny a
49 petition or application within 120 days following receipt of a
50 completed application.

51 SUBCHAPTER B.1

1 MULTI-USE COMPUTING DEVICES

2 Sec.

3 13C20. Authorization.

4 13C20.1. Board authorization required.

5 13C20.2. Standard for review of petitions.

6 13C20.3. Fees.

7 13C20.4. Multi-use gaming device tax.

8 13C20.5. (Reserved).

9 13C20.6. Regulations.

10 13C20.7. Construction.

11 § 13C20. Authorization.

12 (a) Authority.--

13 (1) Notwithstanding any provision of law or regulation
14 of the board, an interactive gaming certificate holder may
15 provide for the conduct of interactive gaming at a qualified
16 airport through the use of multi-use computing devices or
17 enter into a written agreement with an interactive gaming
18 operator that provides for the conduct of such interactive
19 gaming by the interactive gaming operator on behalf of the
20 interactive gaming certificate holder.

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

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

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

37 (1) The interactive gaming certificate holder has
38 submitted a petition to the board seeking authorization to
39 manage the conduct of interactive gaming at the qualified
40 airport and the board has approved the petition.

41 (2) The interactive gaming certificate holder has
42 disclosed that it has or will enter into an agreement with an
43 interactive gaming operator who will manage, operate and
44 control the conduct of interactive gaming at a qualified
45 airport on behalf of the interactive gaming certificate
46 holder and the interactive gaming operator has petitioned the
47 board for approval and the board has approved the agreement
48 and the petition.

49 (3) The interactive gaming certificate holder or
50 interactive gaming operator, as the case may be, has entered
51 into an agreement with the concession operator at the

1 qualified airport for the conduct of interactive gaming
2 through the use of multi-use computing devices within the
3 airport gaming area, or for operation at a qualified airport
4 which is not located partially in a county of the first class
5 and partially in a county contiguous to a county of the first
6 class, the interactive gaming certificate holder or
7 interactive gaming operator has entered into an agreement
8 with the qualified airport operator for the conduct of
9 interactive gaming through the use of multi-use computing
10 devices within the airport gaming area.

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

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

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

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

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

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

38 § 13C20.1. Board authorization required.

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

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

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

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

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

12 (4) If the use and control of a qualified airport is
13 regulated by a city of the first class, an identification of
14 the municipal agency of a city of the first class, which
15 regulates the use and control of the 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 subchapter prior to the full payment of the
11 authorization fee under section 13C20.3 (relating to fees) shall
12 not relieve the interactive gaming certificate holder or
13 interactive gaming operator, as applicable, from the obligation
14 to pay the authorization fee in accordance with section 13C20.3.
15 § 13C20.2. Standard for review of petitions.

16 The board shall approve a petition under section 13C20.1
17 (relating to board authorization required) if the interactive
18 gaming operator has been or will be issued an interactive gaming
19 license under law, and if it establishes, by clear and
20 convincing evidence, all of the following:

21 (1) The interactive gaming certificate holder or
22 interactive gaming operator, as the case may be, has entered
23 into an agreement with a concession operator for the conduct
24 of interactive gaming through the use of multi-use computing
25 devices within the airport gaming area of a qualified airport
26 or for operation at a qualified airport which is not located
27 partially in a county of the first class and partially in a
28 county contiguous to a county of the first class, the
29 interactive gaming certificate holder or interactive gaming
30 operator has entered into an agreement with the qualified
31 airport operator for the conduct of interactive gaming
32 through the use of multi-use computing devices within the
33 airport gaming area.

34 (2) The interactive gaming operator has an agreement
35 with an interactive gaming certificate holder relating to the
36 conduct of authorized interactive games by the interactive
37 gaming operator on behalf of the interactive gaming
38 certificate holder.

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

41 (4) The interactive gaming operator has paid the
42 authorization fee under law.

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

46 (6) The proposed internal and external security and
47 surveillance measures within the airport gaming area of the
48 qualified airport are adequate.

49 § 13C20.3. Fees.

50 (a) Required fees.--An interactive gaming certificate holder
51 shall pay a one-time, nonrefundable fee upon the authorization

1 to conduct interactive gaming at a qualified airport through the
2 use of multi-use computing devices in accordance with this
3 subchapter. The amount of the fee shall be as follows:

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

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

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

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

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

21 § 13C20.4. Multi-use gaming device tax.

22 (a) Imposition.--

23 (1) Each interactive gaming certificate holder
24 authorized to conduct interactive gaming at a qualified
25 airport in accordance with the provisions of this subchapter
26 shall report to the department and pay from its daily gross
27 interactive gaming revenue generated from the conduct of
28 interactive gaming through multi-use computing devices at the
29 qualified airport, on a form and in the manner prescribed by
30 the department, a tax of 34% of its daily gross interactive
31 gaming revenue generated from multi-use computing devices at
32 the qualified airport.

33 (2) The tax imposed under subsection (a) shall be
34 payable to the department on a weekly basis and shall be
35 based upon the gross interactive gaming revenue generated
36 from multi-use computing devices at a qualified airport
37 derived during the previous week.

38 (3) All funds owed to the Commonwealth under this
39 section shall be held in trust for the Commonwealth by the
40 interactive gaming certificate holder until the funds are
41 paid to the department. An interactive gaming certificate
42 holder shall establish a separate bank account into which
43 gross interactive gaming revenue from multi-use computing
44 devices shall be deposited and maintained until such time as
45 the funds are paid to the department under this section.

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

48 (b) (Reserved).

49 § 13C20.5. (Reserved).

50 § 13C20.6. Regulations.

51 (a) Regulations.--The board shall promulgate regulations

1 related to the operation of authorized interactive games through
2 the use of multi-use computing devices at qualified airports,
3 including, but not limited to:

4 (1) Procedures for the creation of temporary or
5 provisional interactive gaming accounts that take into
6 consideration the nature of interactive gaming through multi-
7 use computing devices at qualified airports.

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

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

17 (b) Temporary regulations.--In order to facilitate the
18 prompt implementation of this subchapter, regulations
19 promulgated by the board in accordance with subsection (a) shall
20 be deemed temporary regulations. The board and the commission
21 may promulgate temporary regulations not subject to:

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

25 (2) Sections 204(b) and 301(10) of the act of October
26 15, 1980 (P.L.950, No.164), known as the Commonwealth
27 Attorneys Act.

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

30 § 13C20.7. Construction.

31 Nothing in this subchapter shall be construed to:

32 (1) Create a separate license governing the use of
33 multi-use computing devices for the conduct of interactive
34 games at eligible airports by interactive gaming certificate
35 holders within this Commonwealth.

36 (2) Limit the board's authority to determine the
37 suitability of any person who may be directly or indirectly
38 involved in or associated with the operation of interactive
39 gaming at a qualified airport to ensure the integrity of
40 interactive gaming and protect the public interest.

SUBCHAPTER C

CONDUCT OF INTERACTIVE GAMING

43 Sec.

44 13C21. Situs of interactive gaming operations.

45 13C22. Establishment of interactive gaming accounts.

46 13C23. Interactive gaming account credits, debits, deposits and
47 payments.

48 13C24. Acceptance of account wagers.

49 13C25. Dormant interactive gaming accounts.

50 13C26. Log-in procedure required.

51 13C27. Information provided at login.

1 13C28. Prohibitions.

2 13C29. Commencement of interactive gaming operations.

3 § 13C21. Situs of interactive gaming operations.

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

11 § 13C22. Establishment of interactive gaming accounts.

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

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

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

31 (i) The filing and execution of an interactive
32 gaming account application, the form of which has been
33 preapproved by the board.

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

37 (iii) Physical address or the principal residence of
38 the prospective account holder, e-mail address of the
39 prospective account holder and other contact information,
40 as the board or interactive gaming certificate holder may
41 require.

42 (iv) Password or other secured identification
43 provided by the interactive gaming certificate holder to
44 access the interactive gaming account or some other
45 mechanism approved by the board to authenticate the
46 player as the holder to the interactive gaming account.

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

51 (2) The interactive gaming certificate holder may accept

1 or reject an application after receipt and review of the
2 application and verification of age and identity for
3 compliance with the provisions of this chapter. The
4 interactive gaming certificate holder shall have the right,
5 at any time with or without cause, to suspend or close an
6 interactive gaming account at its sole discretion.

7 (3) The address provided by the applicant in the
8 application for an interactive gaming account shall be deemed
9 the address of record for the purposes of mailing checks,
10 account withdrawals, notices and other materials to the
11 interactive gaming account holder.

12 (4) An interactive gaming account shall not be
13 assignable or otherwise transferable and an interactive
14 gaming certificate holder may, at any time, declare all or
15 any part of an interactive gaming account to be closed for
16 wagering.

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

25 (d) Grounds for rejection.--An individual who provides false
26 or misleading information in the application for an interactive
27 gaming account may be subject to rejection of the application or
28 cancellation of the account by the interactive gaming
29 certificate holder.

30 (e) Suspension of interactive gaming account.--The
31 interactive gaming certificate holder shall have the right to
32 suspend or close any interactive gaming account at its
33 discretion.

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

37 (1) A person under 21 years of age.

38 (2) A person on the list of persons who are or will be
39 excluded or ejected from or denied access to any licensed
40 facility under section 1514 (relating to regulation requiring
41 exclusion, ejection or denial of access of certain persons),
42 1515 (relating to repeat offenders excludable from licensed
43 gaming facility) or 1516 (relating to list of persons self
44 excluded from gaming activities).

45 (3) A gaming employee, key employee or principal
46 employee of a slot machine licensee and an employee or key
47 employee of an interactive gaming certificate holder or
48 interactive gaming operator or other person directly involved
49 in the operation of interactive gaming or an interactive
50 gaming system on behalf of an interactive gaming certificate
51 holder.

1 § 13C23. Interactive gaming account credits, debits, deposits
2 and payments.

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

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

13 (1) Credit an interactive gaming account as part of a
14 promotion.

15 (2) Refuse all or part of a wager or deposit to the
16 interactive gaming account of a registered player.

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

20 § 13C24. Acceptance of account wagers.

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

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

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

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

38 § 13C25. Dormant interactive gaming accounts.

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

45 § 13C26. Log-in procedure required.

46 Each interactive gaming certificate holder shall establish a
47 log-in procedure for registered players to access interactive
48 gaming. The log-in procedure shall include the provision of the
49 appropriate authentication information by the registered player
50 for access to the interactive gaming account. The interactive
51 gaming certificate holder shall not allow a registered player to

1 log in and access the interactive gaming account unless the
2 correct password or other authentication information is
3 provided.

4 § 13C27. Information provided at login.

5 The interactive gaming certificate holder shall configure its
6 interactive gaming skin to include a link that, upon login, will
7 allow a registered player to access all of the following
8 information:

9 (1) The current amount of funds in the interactive
10 gaming account.

11 (2) The wins and losses since the interactive gaming
12 account was established.

13 (3) The wins and losses at the beginning of the current
14 gaming session and the wins and losses at the end of the
15 current gaming session.

16 (4) The complete text in searchable format of the rules
17 of each authorized interactive game offered by the
18 interactive gaming certificate holder and other information
19 as the board may require.

20 § 13C28. Prohibitions.

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

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

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

34 § 13C29. Commencement of interactive gaming operations.

35 An interactive gaming certificate holder may not operate or
36 offer interactive games for play on its interactive gaming skin
37 until the board determines that:

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

40 (2) The interactive gaming certificate holder's
41 internal, administrative and accounting controls are
42 sufficient to meet the requirements of section 13C32
43 (relating to internal, administrative and accounting
44 controls).

45 (3) The interactive gaming certificate holder's
46 interactive gaming employees, where applicable, are licensed,
47 permitted, registered, certified or otherwise authorized by
48 the board to perform their respective duties.

49 (4) The employees of the interactive gaming operator
50 are, where applicable, licensed, permitted, registered,
51 certified or otherwise authorized by the board to perform

1 their duties.

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

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

9 (7) The interactive gaming certificate holder is in
10 compliance with or will comply with section 13C31 (relating
11 to responsibilities of interactive gaming certificate
12 holder).

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

19 SUBCHAPTER D

20 FACILITIES AND EQUIPMENT

21 Sec.

22 13C31. Responsibilities of interactive gaming certificate
23 holder.

24 13C32. Internal, administrative and accounting controls.

25 § 13C31. Responsibilities of interactive gaming certificate
26 holder.

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

29 (1) Be arranged in a manner promoting appropriate
30 security for interactive gaming.

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

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

39 (4) Comply in all respects with regulations of the
40 board.

41 (b) Location of equipment and interactive gaming restricted
42 areas.--

43 (1) All interactive gaming devices and associated
44 equipment used by an interactive gaming certificate holder or
45 an interactive gaming licensee to conduct interactive gaming
46 may be located, with the prior approval of the board, in an
47 interactive gaming restricted area on the premises of the
48 licensed facility, in an interactive gaming restricted area
49 within the geographic limits of the county in this
50 Commonwealth where the licensed facility is situated or in
51 another area approved by the board.

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

4 § 13C32. Internal, administrative and accounting controls.

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

18 (b) Filing.--Each procedure or control submission shall
19 contain both narrative and diagrammatic representations of the
20 system to be utilized with regard to interactive gaming,
21 including, but not limited to:

22 (1) Accounting controls, including the standardization
23 of forms and definition of terms to be utilized in the
24 interactive gaming operations.

25 (2) Procedures, forms and, where appropriate, formulas
26 to govern the following:

27 (i) calculation of hold percentages;

28 (ii) revenue drops;

29 (iii) expense and overhead schedules;

30 (iv) complimentary services; and

31 (v) cash-equivalent transactions.

32 (3) Job descriptions, organizational charts and the
33 system of personnel and chain of command, establishing a
34 diversity of responsibility among employees engaged in
35 interactive gaming operations, including employees of an
36 interactive gaming operator, and identifying primary and
37 secondary management and supervisory positions for areas of
38 responsibility and personnel practices.

39 (4) Procedures for the registration of players and
40 establishment of interactive gaming accounts, including a
41 procedure for authenticating the age, identity and location
42 of applicants for interactive gaming accounts.

43 (5) Procedures for terminating a registered player's
44 interactive gaming account and the return of funds remaining
45 in the interactive gaming account to the registered player.

46 (6) Procedures for suspending or terminating a dormant
47 interactive gaming account.

48 (7) Procedures for the logging in and authentication of
49 a registered player in order to enable the player to commence
50 interactive gaming and the logging off of the registered
51 player when the player has completed play, including a

1 procedure to automatically log a registered player out of the
2 player's interactive gaming account after a specified period
3 of inactivity.

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

6 (9) Procedures for cashing checks, receiving electronic
7 negotiable instruments and for redeeming chips, tokens or
8 other cash equivalents.

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

11 (11) Procedures for the protection of player funds,
12 including the segregation of player funds from operating
13 funds.

14 (12) Procedures for recording transactions pertaining to
15 interactive gaming.

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

29 (14) Procedures and security for the calculation and
30 recordation of revenue.

31 (15) Procedures for the security of interactive gaming
32 devices and associated equipment within an interactive gaming
33 restricted area on the premises of the licensed facility or
34 in a secure facility inaccessible to the public and
35 specifically designed for that purpose off the premises of a
36 licensed facility as approved by the board.

37 (16) Procedures and security standards as to receipt of
38 and the handling and storage of interactive gaming devices
39 and associated equipment.

40 (17) Procedures and security standards to protect the
41 interactive gaming certificate holder's interactive gaming
42 skin or Internet website and interactive gaming devices and
43 associated equipment from hacking or tampering by a person.

44 (18) Procedures for responding to suspected or actual
45 hacking or tampering with an interactive gaming certificate
46 holder's interactive gaming skin or Internet website and
47 interactive gaming devices and associated equipment,
48 including partial or complete suspension of interactive
49 gaming or the suspension of any or all interactive gaming
50 accounts when warranted.

51 (19) Procedures to verify each registered player's

1 physical location each time a wager is placed on an
2 interactive game.

3 (20) Procedures to ensure, to a reasonable degree of
4 certainty, that the interactive games are fair and honest and
5 that appropriate measures are in place to deter, detect and,
6 to the extent reasonably possible, to prevent cheating,
7 including collusion, and use of cheating devices, including
8 the use of software programs that make bets or wagers
9 according to algorithms.

10 (21) Procedures to assist problem and compulsive
11 gamblers, including procedures reasonably intended to prevent
12 a person from participating in interactive gaming activities
13 in accordance with sections 1514 (relating to regulation
14 requiring exclusion, ejection or denial of access of certain
15 persons), 1515 (relating to repeat offenders excludable from
16 licensed gaming facility) and 1516 (relating to list of
17 persons self excluded from gaming activities).

18 (22) Procedures to govern emergencies, including
19 suspected or actual cyber attacks, hacking or tampering with
20 the interactive gaming certificate holder's interactive
21 gaming portal, platform or Internet website.

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

24 (c) Review of submissions.--

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

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

40 (3) Except as otherwise provided in subsection (a), no
41 interactive gaming certificate holder, interactive gaming
42 operator or other person shall commence or alter interactive
43 gaming operations unless and until the system of procedures,
44 controls and alterations is approved by the board.

SUBCHAPTER E

TESTING AND CERTIFICATION

47 Sec.

48 13C41. Interactive games and interactive gaming devices and
49 associated equipment testing and certification
50 standards.

51 § 13C41. Interactive games and interactive gaming devices and

1 associated equipment testing and certification
2 standards.

3 (a) Testing required.--

4 (1) No interactive game or interactive gaming device or
5 associated equipment shall be used to conduct interactive
6 gaming unless it has been tested and approved by the board.
7 The board may, in its discretion and for the purpose of
8 expediting the approval process, refer testing to a testing
9 laboratory as approved by the board.

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

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

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

41 SUBCHAPTER F
42 TAXES AND FEES

43 Sec.

44 13C51. Interactive gaming authorization fee.

45 13C52. Interactive gaming tax.

46 13C53. (Reserved).

47 13C54. Compulsive and problem gambling.

48 13C55. Certificate holder deposits.

49 § 13C51. Interactive gaming authorization fee.

50 (a) Amount of authorization fee.--Each slot machine licensee
51 or other entity that is issued an interactive gaming certificate

1 or certificates to conduct interactive gaming in accordance with
2 section 13C11 (relating to authorization to conduct interactive
3 gaming) shall pay a one-time nonrefundable authorization fee as
4 follows:

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

7 (2) \$5,000,000 for an interactive gaming certificate
8 authorizing non-peer-to-peer interactive games.

9 (3) \$10,000,000 for interactive gaming certificates
10 authorizing both classifications of interactive games.

11 (b) Payment of fee.--Persons required to pay the
12 authorization fee under subsection (a) shall remit the fee to
13 the board within 60 days of the board's approval of its petition
14 to conduct interactive gaming. The board may allow the fee to be
15 paid in installments, if all installments are paid within the
16 60-day period and that the installment payments are made in
17 accordance with the terms of an agreement between the board and
18 the interactive gaming certificate holder that sets forth the
19 terms of the installment payment.

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

26 (d) Deposit of fees.--The fees imposed and collected under
27 this section shall be deposited in the General Fund.
28 § 13C52. Interactive gaming tax.

29 (a) Imposition of tax.--Each interactive gaming certificate
30 holder that conducts interactive gaming shall report to the
31 department and pay from its daily gross interactive gaming
32 revenue, on a form and in the manner prescribed by the
33 department, a tax of 16% on its daily gross interactive gaming
34 revenue from peer-to-peer interactive games and 54% on its daily
35 gross interactive gaming revenue from non-peer-to-peer
36 interactive games. This section shall not apply to interactive
37 gaming revenue generated from multi-use computing devices at
38 qualified airports, which is subject to section 13C20.4
39 (relating to multi-use gaming device tax).

40 (b) Deposits and distributions.--

41 (1) The tax imposed under subsection (a) shall be
42 payable to the department on a weekly basis and shall be
43 based upon gross interactive gaming revenue derived during
44 the previous week.

45 (2) All funds owed to the Commonwealth under this
46 section shall be held in trust for the Commonwealth by the
47 interactive gaming certificate holder until the funds are
48 paid to the department for deposit in the General Fund. An
49 interactive gaming certificate holder shall establish a
50 separate bank account into which gross interactive gaming
51 revenue shall be deposited and maintained until the funds are

1 paid to the department under this section.

2 (c) Taxes on out-of-State wagering.--The tax rate which
3 shall be assessed and collected by the department with respect
4 to wagers placed by registered players located in this
5 Commonwealth with an interactive gaming operator outside of this
6 Commonwealth, but authorized under an interactive gaming
7 reciprocal agreement shall be governed by the agreement but may
8 not exceed 16% of gross interactive gaming revenue derived from
9 registered players located in this Commonwealth.

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

13 § 13C53. (Reserved).

14 § 13C54. Compulsive and problem gambling.

15 The following shall apply:

16 (1) Each year, from the tax imposed in section 13C52
17 (relating to interactive gaming tax), \$2,000,000 or an amount
18 equal to .002 multiplied by the total gross interactive
19 gaming revenue of all active and operating interactive gaming
20 certificate holders, whichever is greater, shall be
21 transferred into the Compulsive and Problem Gambling
22 Treatment Fund established in section 1509 (relating to
23 compulsive and problem gambling program).

24 (2) Each year, from the tax imposed in section 13C52,
25 \$2,000,000 or an amount equal to .002 multiplied by the total
26 gross interactive gaming revenue of all active and operating
27 interactive gaming certificate holders, whichever is greater,
28 shall be transferred to the Department of Drug and Alcohol
29 Programs or successor agency to be used for drug and alcohol
30 addiction treatment services, including treatment for drug
31 and alcohol addiction related to compulsive and problem
32 gambling, as set forth in section 1509.1 (relating to drug
33 and alcohol treatment).

34 § 13C55. Certificate holder deposits.

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

45 (b) Deposits.--The following shall apply:

46 (1) The department shall determine the appropriate
47 assessment amount for each interactive gaming certificate
48 holder, which shall be a percentage assessed on the
49 interactive gaming certificate holder's gross interactive
50 gaming revenues. Each interactive gaming certificate holder
51 shall deposit funds into its account established under this

1 section or under section 1401 on a quarterly basis.

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

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

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

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

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

26 (e) Penalty.--The following shall apply:

27 (1) An interactive gaming certificate holder who fails
28 to timely remit to the department amounts required under this
29 section shall be liable, in addition to liability imposed in
30 this chapter, to a penalty of 5% per month up to a maximum of
31 25% of the amounts ultimately found to be due, to be
32 recovered by the department.

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

35 SUBCHAPTER G

36 MISCELLANEOUS PROVISIONS

37 Sec.

38 13C61. Participation in interactive gaming by persons outside
39 Commonwealth.

40 13C62. Institutional investors.

41 13C63. Internet cafes and prohibition.

42 § 13C61. Participation in interactive gaming by persons outside
43 Commonwealth.

44 Notwithstanding any other provision of this chapter to the
45 contrary, an interactive gaming certificate holder may accept
46 interactive gaming wagers from a person who is not physically
47 present in this Commonwealth, if the board determines the
48 following:

49 (1) Participation in interactive gaming and acceptance
50 of wagers associated with interactive gaming from a person
51 not physically present in this Commonwealth is not

1 inconsistent with Federal law or regulation or the law or
2 regulation of the jurisdiction, including a foreign
3 jurisdiction, in which the person is located.

4 (2) Participation in interactive gaming is conducted
5 pursuant to an interactive gaming reciprocal agreement
6 between the Commonwealth and another state or jurisdiction,
7 including a foreign jurisdiction, to which the Commonwealth
8 is a party and the interactive gaming reciprocal agreement is
9 not inconsistent with Federal law or regulation.

10 § 13C62. Institutional investors.

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

13 (1) An institutional investor holding 20% or less of the
14 equity securities of an interactive gaming certificate
15 holder's, interactive gaming operator's or applicant's
16 holding, subsidiary or intermediary companies shall be
17 granted a waiver of an investigation of suitability or other
18 requirement if the securities are those of a corporation,
19 whether publicly traded or privately held, and the holdings
20 of the securities were purchased for investment purposes
21 only. The institutional investor shall file a certified
22 statement that it has no intention of influencing or
23 affecting the affairs of the interactive gaming certificate
24 holder, interactive gaming operator, applicant or holding,
25 subsidiary or intermediary company of an interactive gaming
26 certificate holder, interactive gaming operator or applicant.
27 However, an institutional investor shall be permitted to vote
28 on matters put to the vote of the outstanding security
29 holders.

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

34 (3) An institutional investor granted a waiver under
35 this subsection who subsequently decides to influence or
36 affect the affairs of an interactive gaming certificate
37 holder, interactive gaming operator or applicant's holding,
38 subsidiary or intermediary company of an interactive gaming
39 certificate holder, interactive gaming operator or applicant
40 shall provide not less than 30 days' notice of intent and
41 shall file with the board a request for determination of
42 suitability before taking an action that may influence or
43 affect the affairs of the issuer. An institutional investor
44 shall be permitted to vote on matters put to the vote of the
45 outstanding security holders.

46 (4) If an institutional investor changes its investment
47 intent or if the board finds reasonable cause to believe that
48 the institutional investor may be found unsuitable, no action
49 other than divestiture shall be taken by the institutional
50 investor with respect to its security holdings until there
51 has been compliance with requirements established by the

1 board, which may include the execution of a trust agreement
2 in accordance with section 1332 (relating to appointment of
3 trustee).

4 (5) The interactive gaming certificate holder or
5 interactive gaming operator or applicant or a holding,
6 intermediary or subsidiary company of an interactive gaming
7 certificate holder, interactive gaming operator or applicant
8 shall notify the board immediately of information about, or
9 actions of, an institutional investor holding its equity
10 securities where the information or action may impact the
11 eligibility of the institutional investor for a waiver under
12 this subsection.

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

14 (1) that an institutional investor holding a security of
15 a holding or intermediary company of an interactive gaming
16 certificate holder or interactive gaming operator or
17 applicant or, where relevant, of another subsidiary company
18 of a holding or intermediary company of an interactive gaming
19 certificate holder or interactive gaming operator or
20 applicant which is related in any way to the financing of the
21 interactive gaming certificate holder or interactive gaming
22 operator or applicant, fails to comply with the provisions of
23 subsection (a); or

24 (2) by reason of the extent or nature of its holdings,
25 an institutional investor is in a position to exercise such a
26 substantial impact upon the controlling interests of an
27 interactive gaming certificate holder or interactive gaming
28 operator or applicant that investigation and determination of
29 suitability of the institutional investor is necessary to
30 protect the public interest;

31 then the board may take necessary action otherwise authorized
32 under this chapter to protect the public interest.

33 § 13C63. Internet cafes and prohibition.

34 (a) General rule.--No organization or commercial enterprise
35 shall operate a place of public accommodation, club, including a
36 club or association limited to dues-paying members or similar
37 restricted groups, or similar establishment in which computer
38 terminals or similar access devices are advertised or made
39 available to be used principally for the purpose of accessing
40 authorized interactive games. No interactive gaming certificate
41 holder or interactive gaming operator shall offer or make
42 available computer terminals or similar access devices to be
43 used principally for the purpose of accessing interactive games
44 within a licensed facility.

45 (b) Construction.--Nothing in this section shall be
46 construed to:

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

50 (2) require an interactive gaming certificate holder or
51 an interactive gaming operator to prohibit registered players

1 within a licensed facility from playing interactive games.

2 CHAPTER 13D

3 (RESERVED)

4 CHAPTER 13E

5 (RESERVED)

6 CHAPTER 13F

7 (RESERVED)

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

9 § 1403. Establishment of State Gaming Fund and net slot machine
10 revenue distribution.

11 (a) Fund established.--There is hereby established the State
12 Gaming Fund within the State Treasury.

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

27 (c) Transfers and distributions.--The department shall:

28 (1) Transfer the slot machine tax and assessment imposed
29 in subsection (b) to the fund.

30 (2) From the local share assessment established in
31 subsection (b), make quarterly distributions among the
32 counties hosting a licensed facility in accordance with the
33 following schedule:

34 (i) If the licensed facility is a Category 1
35 licensed facility that is located at a harness racetrack
36 and the county, including a home rule county, in which
37 the licensed facility is located is:

38 [(A) A county of the first class: 4% of the
39 gross terminal revenue to the county hosting the
40 licensed facility from each such licensed facility.
41 Notwithstanding any other provision to the contrary,
42 funds from licensed gaming entities located within a
43 county of the first class shall not be distributed
44 outside of a county of the first class.]

45 (B) A county of the second class: 2% of the
46 gross terminal revenue to the county hosting the
47 licensed facility from each such licensed facility.

48 (C) A county of the second class A: 1% of the
49 gross terminal revenue to the county hosting the
50 licensed facility from each such licensed facility.

51 An additional 1% of the gross terminal revenue to the

1 county hosting the licensed facility from each such
2 licensed facility for the purpose of municipal grants
3 within the county in which the licensee is located.

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

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

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

27 (I.3) Notwithstanding the act of February 9,
28 1999 (P.L.1, No.1), known as the Capital
29 Facilities Debt Enabling Act, grants made under
30 subclause (I) may be utilized as local matching
31 funds for other grants or loans from the
32 Commonwealth.

33 (II) If a licensed facility is located in
34 one of two counties of the third class where a
35 city of the third class is located in both
36 counties of the third class, the county in which
37 the licensed facility is located shall receive
38 1.2% of the gross terminal revenue to be
39 distributed as follows: 20% to the host city,
40 30% to the host county and 50% to the host county
41 for the purpose of making municipal grants within
42 the county, with priority given to municipalities
43 contiguous to the host city. The county of the
44 third class, which includes a city of the third
45 class that is located in two counties of the
46 third class and is not the host county for the
47 licensed facility, shall receive .8% of the gross
48 terminal revenue to be distributed as follows:
49 60% to a nonhost city of the third class located
50 solely in the nonhost county in which the host
51 city of the third class is also located or 60% to

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

6 (E) A county of the fourth class: 2% of the
7 gross terminal revenue from each such licensed
8 facility shall be distributed as follows:

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

37 (II) Any funds not distributed under
38 subclause (I) shall be deposited into a
39 restricted receipts account established in the
40 Department of Community and Economic Development
41 to be used exclusively for grants to the county,
42 to economic development authorities or
43 redevelopment authorities within the county for
44 grants for economic development projects,
45 infrastructure projects, job training, community
46 improvement projects, other projects in the
47 public interest, and necessary and reasonable
48 administrative costs. Notwithstanding the
49 provisions of the act of February 9, 1999 (P.L.1,
50 No.1), known as the Capital Facilities Debt
51 Enabling Act, grants made under this clause may

1 be utilized as local matching funds for other
2 grants or loans from the Commonwealth.

3 (F) Counties of the fifth through eighth
4 classes:

5 (I) Except as set forth in subclause (II),
6 2% of the gross terminal revenue from each such
7 licensed facility shall be deposited into a
8 restricted account established in the Department
9 of Community and Economic Development to be used
10 exclusively for grants to the county.

11 (II) If the licensed facility is located in
12 a second class township in a county of the fifth
13 class, 2% of the gross terminal revenue from the
14 licensed facility shall be distributed as
15 follows:

16 (a) 1% shall be deposited into a
17 restricted receipts account to be established
18 in the Commonwealth Financing Authority to be
19 used exclusively for grants for projects in
20 the public interest to municipalities within
21 the county where the licensed facility is
22 located.

23 (b) 1% shall be distributed to the county
24 for projects in the public interest in the
25 county.

26 (G) Any county not specifically enumerated in
27 clauses (A) through (F), 2% of the gross terminal
28 revenue to the county hosting the licensed facility
29 from each such licensed facility.

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 [(A) A county of the first class: 4% of the
35 gross terminal revenue to the county hosting the
36 licensed facility from each such licensed facility.
37 Notwithstanding any other provision to the contrary,
38 funds from licensed gaming entities located within
39 the county of the first class shall not be
40 distributed outside of a county of the first class.]

41 (B) A county of the second class: 2% of the
42 gross terminal revenue to the county hosting the
43 licensed facility from each such licensed facility.

44 (C) A county of the second class A: 1% of the
45 gross terminal revenue to the county hosting the
46 licensed facility from each such licensed facility.
47 An additional 1% of the gross terminal revenue to the
48 county hosting the licensed facility from each such
49 licensed facility for the purpose of municipal grants
50 within the county in which the licensee is located.

51 (D) A county of the third class: 1% of the

1 gross terminal revenue to the county hosting the
2 licensed facility from each such licensed facility.
3 An additional 1% of the gross terminal revenue to the
4 county hosting the licensed facility from each such
5 licensed facility for the purpose of municipal grants
6 within the county in which the licensee is located.
7 Notwithstanding the provisions of the Capital
8 Facilities Debt Enabling Act, grants made under this
9 clause may be utilized as local matching funds for
10 other grants or loans from the Commonwealth.

11 (E) A county of the fourth class: 2% of the
12 gross terminal revenue from each such licensed
13 facility shall be deposited into a restricted account
14 established in the Department of Community and
15 Economic Development to be used exclusively for
16 grants to the county, to economic development
17 authorities or redevelopment authorities within the
18 county for grants for economic development projects,
19 community improvement projects, job training, other
20 projects in the public interest and reasonable
21 administrative costs. Notwithstanding the Capital
22 Facilities Debt Enabling Act, grants made under this
23 clause may be utilized as local matching funds for
24 other grants or loans from the Commonwealth.

25 (F) Counties of the fifth through eighth
26 classes: 2% of the gross terminal revenue from each
27 such licensed facility shall be deposited into a
28 restricted account established in the Department of
29 Community and Economic Development to be used
30 exclusively for grants to the county.

31 (G) Any county not specifically enumerated in
32 clauses (A) through (F), 2% of the gross terminal
33 revenue to the county hosting the licensed facility
34 from each such licensed facility.

35 (iii) If the facility is a Category 2 licensed
36 facility and if the county in which the licensed facility
37 is located is:

38 [(A) A county of the first class: 4% of the
39 gross terminal revenue to the county hosting the
40 licensed facility from each such licensed facility.
41 Notwithstanding any other provision to the contrary,
42 funds from licensed gaming entities located within a
43 county of the first class shall not be distributed
44 outside of a county of the first class. The first
45 \$5,000,000 of the total amount distributed annually
46 to the county of the first class shall be distributed
47 to the Philadelphia School District.]

48 (B) A county of the second class: 2% of the
49 gross terminal revenue to the county hosting the
50 licensed facility from each such licensed facility.

51 (C) A county of the second class A: 1% of the

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

7 (D) A county of the third class: 1% of the
8 gross terminal revenue to the county hosting the
9 licensed facility from each such licensed facility.
10 An additional 1% of the gross terminal revenue to the
11 county hosting the licensed facility from each such
12 licensed facility for the purpose of municipal grants
13 within the county in which the licensee is located.

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

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

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

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

30 (c) Fifty percent shall be distributed
31 as follows:

32 (1) Beginning January 1, 2018, the
33 sum of \$250,000 shall be distributed
34 annually for a period of 20 years to a
35 city of the third class located in two
36 counties of the third class for
37 purposes of funding the redevelopment
38 of an existing arts and education
39 center which has professional artist
40 space and studios and is located within
41 the city of the third class that is
42 located in two counties of the third
43 class.

44 (2) After the distribution under
45 subunit (1), the remaining funds shall
46 be deposited into a restricted receipts
47 account to be established in the
48 Commonwealth Financing Authority for
49 distribution to the host county to be
50 used exclusively for economic
51 development projects, community

1 improvement projects and other projects
2 in the public interest within the
3 county, with priority given to
4 municipalities contiguous to the host
5 city.

6 (II) The county of the third class, which
7 includes a city of the third class that is
8 located in two counties of the third class and is
9 not the host county for the licensed facility,
10 shall receive .8% of the gross terminal revenue
11 to be distributed as follows: [60% to a nonhost
12 city of the third class located solely in the
13 nonhost county in which the host city of the
14 third class is also located or 60% to the nonhost
15 city of the third class located both in the host
16 and nonhost counties of the third class, 35% to
17 the nonhost county and 5% to the nonhost county
18 for the purpose of making municipal grants within
19 the county.]

20 (a) Sixty percent shall be distributed
21 to a nonhost city of the third class located
22 solely in the nonhost county in which the
23 host city of the third class is also located
24 or 60% to the nonhost city of the third class
25 located both in the host and nonhost counties
26 of the third class.

27 (b) Thirty-five percent shall be
28 distributed to the nonhost county.

29 (c) Five percent shall be deposited into
30 a restricted receipts account to be
31 established in the Commonwealth Financing
32 Authority for distribution to the host county
33 to be used exclusively for economic
34 development projects, community improvement
35 projects and other projects in the public
36 interest within the county, with priority
37 given to municipalities contiguous to the
38 host city.

39 (E) A county of the fourth class: 2% of the
40 gross terminal revenue from each such licensed
41 facility shall be deposited into a restricted account
42 established in the Department of Community and
43 Economic Development to be used exclusively for
44 grants to the county, to economic development
45 authorities or redevelopment authorities within the
46 county for grants for economic development projects,
47 community improvement projects, job training, other
48 projects in the public interest and reasonable
49 administrative costs. Notwithstanding the Capital
50 Facilities Debt Enabling Act, grants made under this
51 clause may be utilized as local matching funds for

1 other grants or loans from the Commonwealth.

2 (F) Counties of the fifth class: 2% of the
3 gross terminal revenue from each such licensed
4 facility shall be deposited and distributed as
5 follows:

6 (I) One percent to be distributed as
7 follows:

8 (a) Beginning in 2010, the sum of
9 \$2,400,000 annually for a period of 20 years
10 to the county for purposes of funding debt
11 service related to the construction of a
12 community college campus located within the
13 county.

14 (b) Any funds not distributed under
15 subclause (a) shall be deposited into a
16 restricted receipts account to be established
17 in the Commonwealth Financing Authority to be
18 used exclusively for grants within the county
19 for economic development projects, road
20 projects located within a 20-mile radius of
21 the licensed facility and located within the
22 county, community improvement projects and
23 other projects in the public interest within
24 the county. The amount under this subclause
25 includes reasonable administrative costs.

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

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

43 (III) Fifty percent of any revenue required
44 to be transferred under paragraph (3)(v) shall be
45 deposited into the restricted receipts account
46 established under subclause (I)(b), and 50% shall
47 be deposited into the restricted receipts account
48 established under subclause (II). Notwithstanding
49 the Capital Facilities Debt Enabling Act, grants
50 made under this clause may be utilized as local
51 matching funds for other grants or loans from the

1 Commonwealth.

2 (G) Any county not specifically enumerated in
3 clauses (A) through (F), 2% of the gross terminal
4 revenue to the county hosting the licensed facility
5 from each such licensed facility.

6 (iv) (A) Except as provided in clause (B) or (C),
7 if the facility is a Category 3 licensed facility, 2%
8 of the gross terminal revenue from the licensed
9 facility shall be deposited into a restricted
10 receipts account established in the Department of
11 Community and Economic Development to be used
12 exclusively for grants to the county, to economic
13 development authorities or redevelopment authorities
14 within the county for grants for economic development
15 projects, community improvement projects and other
16 projects in the public interest.

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

31 (I) Seventy-five percent shall be deposited
32 for the purpose of supporting the maintenance and
33 refurbishment of the parks and heritage sites
34 throughout the county in which the licensed
35 facility is located.

36 (II) Twelve and one-half percent shall be
37 deposited for the purpose of supporting a child
38 advocacy center located within the county in
39 which the licensed facility is located.

40 (III) Twelve and one-half percent shall be
41 deposited for the purpose of supporting an
42 organization providing comprehensive support
43 services to victims of domestic violence,
44 including legal and medical aid, shelters,
45 transitional housing and counseling located
46 within the county in which the licensed facility
47 is located.

48 (C) If the facility is a Category 3 licensed
49 facility located in a county of the fifth class that
50 is contiguous to a county of the seventh class, 2% of
51 the gross terminal revenue from the licensed facility

1 shall be deposited into a restricted receipts account
2 to be established in the Commonwealth Financing
3 Authority to be used exclusively for grants within
4 the county for economic development projects,
5 infrastructure projects, community improvement
6 projects and other projects in the public interest
7 within the county and for infrastructure projects
8 within a 20-mile radius of the licensed facility in a
9 contiguous county of the seventh class.

10 (v) Unless otherwise specified, for the purposes of
11 this paragraph money designated for municipal grants
12 within a county, other than a county of the first class,
13 in which a licensed facility is located shall be used to
14 fund grants to the municipality in which the licensed
15 facility is located, to the county in which the licensed
16 facility is located and to the municipalities which are
17 contiguous to the municipality in which the licensed
18 facility is located and which are located within the
19 county in which the licensed facility is located. Grants
20 shall be administered by the county through its economic
21 development or redevelopment authority in which the
22 licensed facility is located. Grants shall be used to
23 fund the costs of human services, infrastructure
24 improvements, facilities, emergency services, health and
25 public safety expenses associated with licensed facility
26 operations. If at the end of a fiscal year uncommitted
27 funds exist, the county shall pay to the economic
28 development or redevelopment authority of the county in
29 which the licensed facility is located the uncommitted
30 funds.

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

37 (vii) The distributions provided in this paragraph
38 shall be based upon county classifications in effect on
39 the effective date of this section. Any reclassification
40 of counties as a result of a Federal decennial census or
41 of a State statute shall not apply to this subparagraph.

42 (viii) If any provision of this paragraph is found
43 to be unenforceable for any reason, the distribution
44 provided for in the unenforceable provision shall be made
45 to the county in which the licensed facility is located
46 for the purposes of grants to municipalities in that
47 county, including municipal grants as specified in
48 subparagraph (v).

49 (ix) Nothing in this paragraph shall prevent any of
50 the above counties which directly receive a distribution
51 under this section from entering into intergovernmental

1 cooperative agreements with other jurisdictions for
2 sharing this money.

3 (3) From the local share assessment established in
4 subsection (b) and the slot machine operation fees imposed
5 under section 1326.1 (relating to slot machine license
6 operation fee) and deposited under section 1326.1(d), make
7 quarterly distributions among the municipalities, including
8 home rule municipalities, hosting a licensed facility in
9 accordance with the following schedule:

10 (i) To a city of the second class hosting a licensed
11 facility, other than a Category 3 licensed facility, [2%
12 of the gross terminal revenue or] \$10,000,000 annually[,
13 whichever is greater, shall be paid by each licensed
14 gaming entity operating a facility located in that city.
15 In the event that the revenues generated by the 2% do not
16 meet the \$10,000,000 minimum specified in this
17 subparagraph, the department shall collect the remainder
18 of the minimum amount of \$10,000,000 from each licensed
19 gaming entity operating a facility in the city and
20 deposit that amount in the city treasury] shall be
21 distributed to the city treasury.

22 (i.1) To a city of the first class hosting one or
23 more licensed facilities, other than a Category 3
24 licensed facility, \$10,000,000 from each licensed
25 facility located in a city of the first class shall be
26 distributed annually as follows:

27 (A) From a licensed facility operating in the
28 city of the first class on the effective date of this
29 subparagraph, the first \$5,000,000 shall be
30 distributed annually to the Philadelphia School
31 District. Of the remaining funds, 60% shall be
32 distributed to the city of the first class and 40%
33 shall be deposited into a restricted receipts account
34 established in the Department of Community and
35 Economic Development to be used exclusively for
36 grants for economic development projects,
37 neighborhood revitalization projects, community
38 improvement projects and other projects in the public
39 interest within the city of the first class.

40 (B) From a licensed facility that begins
41 operating in the city of the first class after the
42 effective date of this subparagraph, 70% of the slot
43 machine license operation fee shall be distributed to
44 the city of the first class and 30% of the slot
45 machine license operation fee shall be deposited into
46 a restricted receipts account established in the
47 Department of Community and Economic Development to
48 be used exclusively for grants for economic
49 development projects, neighborhood revitalization
50 projects, community improvement projects and other
51 projects in the public interest within the city of

1 the first class.

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

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

33 (iii) To a city of the third class hosting a
34 licensed facility, other than a Category 3 licensed
35 facility, [2% of the gross terminal revenue or
36 \$10,000,000 annually, whichever is greater, shall be paid
37 by each licensed gaming entity operating a licensed
38 facility located in that city] \$10,000,000 annually shall
39 be distributed to the city, subject, however, to the
40 budgetary limitation in this subparagraph. In the event
41 that the city has a written agreement with a licensed
42 gaming entity executed prior to the effective date of
43 this part, a portion of the \$10,000,000 local share
44 assessment equal to the amount paid under the agreement
45 to the city shall be [applied and credited to the
46 difference between 2% of the gross terminal revenue and
47 the \$10,000,000 owed under this subparagraph if the 2% of
48 the gross terminal revenue is less than \$10,000,000. If
49 2% of the gross terminal revenue is greater than the
50 \$10,000,000 required to be paid under this subparagraph,
51 the credit shall not apply. The amount of gross terminal

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

24 (iii.1) If a licensed facility is located in a city
25 of the third class and the city is located in more than
26 one county of the third class, [2% of the gross terminal
27 revenue or \$10,000,000 annually, whichever is greater,]
28 \$10,000,000 annually shall be distributed as follows:
29 80% to the host city and 20% to the city of the third
30 class located solely in a nonhost county in which the
31 host city of the third class is also located. If a
32 licensed facility is located in a city of the third class
33 and that city is located solely in a host county of the
34 third class in which a nonhost city of the third class is
35 also located[, 2% of gross terminal revenue or
36 \$10,000,000 annually, whichever is greater], \$10,000,000
37 annually shall be distributed as follows: 80% to the
38 host city and 20% to a city of the third class located
39 both in a nonhost county of the third class and in a host
40 county of the third class in which the host city of the
41 third class is located.

42 (iv) To a township of the first class hosting a
43 licensed facility, other than a Category 3 licensed
44 facility, [2% of the gross terminal revenue or
45 \$10,000,000 annually, whichever is greater, shall be paid
46 by each licensed gaming entity operating a licensed
47 facility located in the township] \$10,000,000 annually
48 shall be distributed to the township, subject, however,
49 to the budgetary limitation in this subparagraph. The
50 amount allocated to the designated municipalities shall
51 not exceed 50% of their total budget for fiscal year

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

17 (v) To a township of the second class hosting a
18 licensed facility:

19 (A) [2% of the gross terminal revenue or
20 \$10,000,000 annually, whichever is greater, shall be
21 paid by each licensed gaming entity operating a
22 licensed facility, other than a Category 3 licensed
23 facility or a licensed facility owning land adjacent
24 to the licensed facility located in more than one
25 township of the second class,] \$10,000,000 annually
26 shall be distributed to the township of the second
27 class hosting [the] a licensed facility, other than a
28 Category 3 licensed facility or a licensed facility
29 located in more than one township of the second
30 class, subject, however, to the budgetary limitation
31 in this subparagraph. The amount allocated to the
32 designated municipalities shall not exceed 50% of
33 their total budget for fiscal year 2003-2004,
34 adjusted for inflation in subsequent years by an
35 amount not to exceed an annual cost-of-living
36 adjustment calculated by applying the percentage
37 change in the Consumer Price Index immediately prior
38 to the date the adjustment is due to take effect. Any
39 remaining money shall be [collected by the department
40 from each licensed gaming entity and] distributed in
41 accordance with paragraph (2) based upon the
42 classification of county where the licensed facility
43 is located. [If revenues generated by the 2% do not
44 meet the \$10,000,000 minimum specified in this
45 subparagraph, the department shall collect the
46 remainder of the minimum amount of \$10,000,000 from
47 each licensed gaming entity operating a licensed
48 facility in the township, pay any balance due to the
49 township and transfer any remainder in accordance
50 with paragraph (2).]

51 (B) [2% of the gross terminal revenue or

1 \$10,000,000 annually, whichever is greater,]
2 \$10,000,000 annually, less the amount paid under
3 clause (C), shall be [paid by each licensed gaming
4 entity operating a licensed facility and owning land
5 adjacent to the licensed facility located in more
6 than one township of the second class, other than a
7 Category 3 licensed facility,] distributed to the
8 township of the second class hosting [the] a licensed
9 facility which owns land adjacent to the licensed
10 facility located in more than one township of the
11 second class, other than a Category 3 licensed
12 facility, subject, however, to the budgetary
13 limitation in this subparagraph. The amount allocated
14 to the designated municipalities may not exceed 50%
15 of their total budget for the fiscal year 2003-2004,
16 adjusted for inflation in subsequent years by an
17 amount not to exceed an annual cost-of-living
18 adjustment calculated by applying the percentage
19 change in the Consumer Price Index immediately prior
20 to the date the adjustment is due to take effect. Any
21 remaining money shall be [collected by the department
22 from each licensed gaming entity and] distributed in
23 accordance with paragraph (2) based upon the
24 classification of the county where the licensed
25 facility is located. The county commissioners of a
26 county of the third class in which the licensed
27 facility is located shall appoint an advisory
28 committee for the purpose of advising the county as
29 to the need for municipal grants for health, safety,
30 transportation and other projects in the public
31 interest to be comprised of two individuals from the
32 host municipality, two from contiguous municipalities
33 within the county of the third class and one from the
34 host county. [In the event that the revenues
35 generated by the 2% do not meet the \$10,000,000
36 minimum specified in this subparagraph, the
37 department shall collect the remainder of the minimum
38 amount of \$10,000,000 from each licensed gaming
39 entity operating a licensed facility in the township,
40 pay any balance due to the township and transfer any
41 remainder in accordance with paragraph (2).]

42 (C) [\$160,000 annually shall be paid by each
43 licensed gaming entity operating a licensed facility
44 and owning land adjacent to the licensed facility
45 located in more than one township of the second
46 class, other than a Category 3 licensed facility, to
47 the township of the second class that is located in a
48 county of the fifth class in which the adjacent land
49 is located, including racetracks, grazing fields or
50 any other adjoining real property.] For land owned by
51 a licensed gaming entity, other than a Category 3

1 licensed facility and located in more than one
2 township of the second class, \$160,000 shall be
3 distributed annually to the township of the second
4 class which is located in a county of the fifth class
5 if the land owned, including racetracks, grazing
6 fields and other adjoining real property, is adjacent
7 to the licensed facility.

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

33 (vii) To an incorporated town hosting a licensed
34 facility, other than a Category 3 licensed facility, [2%
35 of the gross terminal revenue or \$10,000,000 annually,
36 whichever is greater, shall be paid by each licensed
37 entity operating a licensed facility located in the
38 town,] \$10,000,000 annually shall be distributed to the
39 incorporated town, subject, however, to the budgetary
40 limitation in this subparagraph. The amount allocated to
41 the designated municipalities shall not exceed 50% of
42 their total budget for fiscal year 2003-2004, adjusted
43 for inflation in subsequent years by an amount not to
44 exceed an annual cost-of-living adjustment calculated by
45 applying the percentage change in the Consumer Price
46 Index immediately prior to the date the adjustment is due
47 to take effect. Any remaining money shall be [collected
48 by the department from each licensed gaming entity and]
49 distributed in accordance with paragraph (2) based upon
50 the classification of county where the licensed facility
51 is located. [In the event that the revenues generated by

1 the 2% do not meet the \$10,000,000 minimum specified in
2 this subparagraph, the department shall collect the
3 remainder of the minimum amount of \$10,000,000 from each
4 licensed gaming entity operating a licensed facility in
5 the incorporated town, pay any balance due to the town
6 and transfer any remainder in accordance with paragraph
7 (2).]

8 (viii) (A) Except as provided in clause (B) or (C),
9 to a municipality of any class hosting a Category 3
10 facility, 2% of the gross terminal revenue from the
11 Category 3 licensed facility located in the
12 municipality, subject, however, to the budgetary
13 limitation in this clause. The amount allocated to
14 the designated municipalities shall not exceed 50% of
15 their total budget for fiscal year 2009, adjusted for
16 inflation in subsequent years by an amount not to
17 exceed an annual cost-of-living adjustment calculated
18 by applying the percentage change in the Consumer
19 Price Index immediately prior to the date the
20 adjustment is due to take effect. Any remaining money
21 shall be collected by the department from each
22 licensed gaming entity and distributed in accordance
23 with paragraph (2) based upon the classification of
24 county where the licensed facility is located.

25 (B) If the municipality hosting a Category 3
26 licensed facility is a borough located in a county of
27 the third class and the borough is contiguous to a
28 city of the third class, 1% of gross terminal revenue
29 shall be distributed to the host borough and 1% of
30 gross terminal revenue shall be distributed to the
31 city of the third class that is contiguous to the
32 host borough, subject, however, to the budgetary
33 limitation in this clause. The amount allocated to
34 each designated municipality shall not exceed 50% of
35 its total budget for fiscal year 2009, adjusted for
36 inflation in subsequent years by an amount not to
37 exceed an annual cost-of-living adjustment calculated
38 by applying the percentage increase, if any, in the
39 Consumer Price Index immediately prior to the date
40 the adjustment is due to take effect. Any remaining
41 money shall be collected by the department from each
42 licensed gaming entity and distributed in accordance
43 with paragraph (2) based upon the classification of
44 county where the licensed facility is located.

45 (C) If the municipality hosting a Category 3
46 licensed facility is a township of the second class
47 in a county of the fifth class which is contiguous to
48 a county of the seventh class, 2% of the gross
49 terminal revenue from the Category 3 licensed
50 facility located in the municipality shall be
51 distributed to the municipality, subject, however, to

1 the budgetary limitation in this clause. The amount
2 allocated to the designated municipalities shall not
3 exceed the lesser of \$1,000,000 or 50% of their total
4 budget for fiscal year 2009, adjusted for inflation
5 in subsequent years by an amount not to exceed an
6 annual cost-of-living adjustment calculated by
7 applying the percentage change in the Consumer Price
8 Index immediately prior to the date the adjustment is
9 due to take effect. Any remaining money shall be
10 collected by the department from each licensed gaming
11 entity and distributed in equal amounts to each
12 municipality contiguous to the host municipality.
13 However, the amount to be allocated to any contiguous
14 municipality shall not exceed the lesser of
15 \$1,000,000 or 50% of the municipality's total budget
16 for fiscal year 2009, adjusted for inflation in
17 subsequent years by an amount not to exceed an annual
18 cost-of-living adjustment calculated by applying the
19 percentage change in the Consumer Price Index
20 immediately prior to the date the adjustment is due
21 to take effect. Any money remaining following
22 distribution to contiguous municipalities shall be
23 collected by the department and distributed in
24 accordance with paragraph (2) based upon the
25 classification of county where the licensed facility
26 is located.

27 (ix) [Any municipality not specifically enumerated
28 in subparagraphs (i) through (viii),] To a municipality,
29 except for a city of the first class, not specifically
30 enumerated in subparagraphs (i), (ii), (iii), (iii.1),
31 (iv), (v), (vi), (vii) and (viii) hosting a licensed
32 facility, other than a Category 3 licensed facility,
33 \$10,000,000 annually shall be distributed to the host
34 municipality. To a municipality not enumerated in
35 subparagraphs (i), (ii), (iii), (iii.1), (iv), (v), (vi),
36 (vii) and (viii) hosting a Category 3 licensed facility,
37 2% of the gross terminal revenue to the municipality
38 hosting the Category 3 licensed facility from each such
39 Category 3 licensed facility.

40 (x) If the licensed facility is located in more than
41 one municipality, the amount available shall be
42 distributed on a pro rata basis determined by the
43 percentage of acreage located in each municipality to the
44 total acreage of all municipalities occupied by the
45 licensed facility.

46 (xi) If the licensed facility is located at a resort
47 which is also an incorporated municipality, such
48 municipality shall not be eligible to receive any
49 distribution under this paragraph. The distribution it
50 would have otherwise been entitled to under this
51 paragraph shall instead be distributed in accordance with

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

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

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

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

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

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

30 (B) to increase the level of funding of the
31 municipal pension funds of the second class city; or

32 (C) for any other purposes as determined to be
33 in the best interest of the second class city by such
34 intergovernmental cooperation authority. Such
35 revenues shall not be directed to or under the
36 control of such city of the second class or any
37 coordinator appointed pursuant to the act of July 10,
38 1987 (P.L.246, No.47), known as the Municipalities
39 Financial Recovery Act, for such city of the second
40 class.

41 (d) Consumer Price Index.--For purposes of subsection (c),
42 references to the Consumer Price Index shall mean the Consumer
43 Price Index for All Urban Consumers for the Pennsylvania, New
44 Jersey, Delaware and Maryland area for the most recent 12-month
45 period for which figures have been officially reported by the
46 United States Department of Labor, Bureau of Labor Statistics.

47 (e) Reporting.--

48 (1) In cooperation with the department and the
49 Commonwealth Financing Authority, the Department of Community
50 and Economic Development shall submit an annual report on all
51 distributions of local share assessments and slot machine

1 license operation fees to counties and municipalities under
2 this section to the chairman and minority chairman of the
3 Appropriations Committee of the Senate, the chairman and
4 minority chairman of the Community, Economic and Recreational
5 Development Committee of the Senate, the chairman and
6 minority chairman of the Appropriations Committee of the
7 House of Representatives and the chairman and minority
8 chairman of the Gaming Oversight Committee of the House of
9 Representatives. The report shall be submitted by [August 31,
10 2010] March 31, 2018, and by [August] March 31 of each year
11 thereafter.

12 (2) All counties and municipalities receiving
13 distributions of local share assessments or slot machine
14 license operation fees under this section shall submit
15 information to the Department of Community and Economic
16 Development on a form prepared by the Department of Community
17 and Economic Development that sets forth the amount and use
18 of the funds received in the prior calendar year. The form
19 shall set forth whether the funds received were deposited in
20 the county's or municipality's General Fund or committed to a
21 specific project or use.

22 (f) Prohibited activities.--

23 (1) A person or its affiliated entity or a political
24 subdivision shall not compensate or incur an obligation to
25 compensate a person to engage in lobbying for compensation
26 contingent in whole or in part upon the approval, award,
27 receipt or denial of funds under this section. A person or
28 its affiliated entity shall not engage in or agree to engage
29 in lobbying for compensation contingent in whole or in part
30 upon the approval, award, receipt or denial of funds under
31 this section. This subsection shall not apply to a county or
32 municipality that compensates a person to prepare a grant
33 application for funds under this section if the following
34 requirements are met:

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

36 (ii) The person has no direct contact with the
37 agency, county or municipality providing the funding.

38 (iii) The person is paid a fixed fee or percentage
39 of the amount of any funds approved, awarded or received
40 up to .5%.

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

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

46 § 1407. Pennsylvania Gaming Economic Development and Tourism
47 Fund.

48 * * *

49 (b) Fund administration and distribution.--The Pennsylvania
50 Gaming Economic Development and Tourism Fund shall be
51 administered by the Department of Community and Economic

1 Development. [All] Except as provided under subsection (c.1),
2 all moneys in the Pennsylvania Gaming Economic Development and
3 Tourism Fund shall be distributed pursuant to a subsequently
4 enacted Economic Development Capital Budget that appropriates
5 money from the fund pursuant to this section. The procedures for
6 enactment, authorization and release of economic development and
7 tourism funds authorized under this section for both capital
8 projects and operational expenditures shall be the same as those
9 provided for in sections 303(a), (b) and (c) and 318(a) of the
10 act of February 9, 1999 (P.L.1, No.1), known as the Capital
11 Facilities Debt Enabling Act, without reference to the nature or
12 purpose of the project, and any other statutory provision, if
13 any, necessary to effectuate the release of funds appropriated
14 in such economic development capital budget.

15 * * *

16 (c.1) Supplemental Pennsylvania Gaming Economic Development
17 and Tourism Fund Assessment.--Beginning July 1, 2017, each
18 licensed gaming entity shall pay a daily assessment of 0.5% of
19 its gross terminal revenue to the Casino Marketing and Capital
20 Development Account. The following shall apply:

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

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

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

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

31 * * *

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

34 § 1407.1. Casino Marketing and Capital Development Account.

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

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

46 (c) Grant procedures.--The board shall establish procedures
47 for a slot machine licensee to apply for grants from the Casino
48 Marketing and Capital Development Account. The board shall
49 determine the form and manner in which an application for a
50 grant may be filed with the board.

51 (d) Program guidelines.--The board shall establish program

1 guidelines. Each slot machine licensee may apply to the board
2 for a grant under this section. Each grant awarded under this
3 section shall be used by the slot machine licensee for marketing
4 or capital development.

5 (e) Distribution of grants.--

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

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

12 (ii) Each Category 1 or Category 2 slot machine
13 licensee with gross terminal revenues of more than
14 \$150,000,000 but less than \$200,000,000 for the fiscal
15 year ending June 30, 2016, shall receive \$3,000,000.

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

20 (A) the eligible licensees under each
21 subparagraph; to

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

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

28 (3) No slot machine licensee may receive more than
29 \$5,000,000 from the Casino Marketing and Capital Development
30 Account in one year.

31 (f) Expiration.--

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

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

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

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

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

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

48 § 1408. Transfers from State Gaming Fund.

49 * * *

50 (c) Local law enforcement grants.--[Annually] Except as
51 provided in subsection (c.1), annually, the sum of \$2,000,000

1 shall be transferred to the board for the purpose of issuing
2 grants to local law enforcement agencies to investigate
3 violations of and enforce laws relating to unlawful gambling in
4 this Commonwealth. For purposes of this subsection, the term
5 "local law enforcement agency" shall include the Pennsylvania
6 State Police when conducting unlawful gambling enforcement and
7 prevention activities in a municipality which does not have a
8 municipal police department and in which the Pennsylvania State
9 Police provide the municipality with primary police coverage.

10 (c.1) Transfer to the Casino Marketing and Capital
11 Development Account.--Beginning July 1, 2017, and each year
12 thereafter, \$2,000,000 shall be transferred to the Casino
13 Marketing and Capital Development Account established in section
14 1407.1 (relating to Casino Marketing and Capital Development
15 Account). Any money not committed for local law enforcement
16 grants under subsection (c) on the effective date of this
17 subsection shall be transferred to the Casino Marketing and
18 Capital Development Account. The following shall apply:

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

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

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

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

29 * * *

30 Section 20.4. Sections 1501(b), 1504 and 1509 of Title 4 are
31 amended to read:

32 § 1501. Responsibility and authority of department.

33 * * *

34 (b) Application of rules and regulations.--The department
35 may prescribe the extent, if any, to which any rules and
36 regulations shall be applied without retroactive effect. The
37 department shall have authority to prescribe the forms and the
38 system of accounting and recordkeeping to be employed and
39 through its representative shall at all times have power of
40 access to and examination and audit of any equipment and records
41 relating to all aspects of the operation of slot machines [and],
42 table games and interactive gaming under this part.

43 * * *

44 § 1504. Wagering on credit.

45 Except as otherwise provided in this section, slot machine
46 licensees shall not extend credit. Slot machine licensees shall
47 not accept credit cards, charge cards or debit cards from a
48 patron or a player for the exchange or purchase of slot machine
49 credits or for an advance of coins or currency to be utilized by
50 a player to play slot machine games or extend credit in any
51 manner to a player so as to enable the player to play slot

1 machines. Prepaid access instruments are not deemed to be a
2 credit card, charge card, debit card or any other instrument of
3 credit and are not prohibited under this section. Slot machine
4 licensees who hold a table game operation certificate may extend
5 credit for slot machine gaming in accordance with section 13A26
6 (relating to cash equivalents).

7 § 1509. Compulsive and problem gambling program.

8 (a) Establishment of program.--The Department of [Health]
9 Drug and Alcohol Programs or successor agency, in consultation
10 with organizations similar to the Mid-Atlantic Addiction
11 Training Institute, shall develop program guidelines for public
12 education, awareness and training regarding compulsive and
13 problem gambling and the treatment and prevention of compulsive
14 and problem gambling. The guidelines shall include strategies
15 for the prevention of compulsive and problem gambling. The
16 Department of [Health] Drug and Alcohol Programs or successor
17 agency may consult with the board and licensed gaming entities
18 to develop such strategies.

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

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

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

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

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

42 (5) Reimburse organizations for reasonable expenses
43 incurred assisting the Department of [Health] Drug and
44 Alcohol Programs or successor agency with implementing this
45 section.

46 (a.2) Duties of Department of [Health] Drug and Alcohol
47 Programs and board.--[Within 60 days following the effective
48 date of this subsection, the] The Department of [Health's Bureau
49 of] Drug and Alcohol Programs or successor agency and the
50 board's Office of Compulsive and Problem Gambling shall jointly
51 collaborate with other appropriate offices and agencies of State

1 or local government, including single county authorities, and
2 providers and other persons, public or private, with expertise
3 in compulsive and problem gambling treatment to do the
4 following:

5 (1) Implement a strategic plan for the prevention and
6 treatment of compulsive and problem gambling.

7 (2) Adopt compulsive and problem gambling treatment
8 standards to be integrated with the [Bureau] Department of
9 Drug and Alcohol Program's or successor agency's uniform
10 Statewide guidelines that govern the provision of addiction
11 treatment services.

12 (3) Develop a method to coordinate compulsive and
13 problem gambling data collection and referral information to
14 crisis response hotlines, child welfare and domestic violence
15 programs and providers and other appropriate programs and
16 providers.

17 (4) Develop and disseminate educational materials to
18 provide public awareness related to the prevention,
19 recognition and treatment of compulsive and problem gambling.

20 (5) Develop demographic-specific compulsive and problem
21 gambling prevention, intervention and treatment programs.

22 (6) Prepare an itemized budget outlining how funds will
23 be allocated to fulfill the responsibilities under this
24 section.

25 (b) Compulsive and Problem Gambling Treatment Fund.--There
26 is hereby established in the State Treasury a special fund to be
27 known as the Compulsive and Problem Gambling Treatment Fund. All
28 moneys in the fund shall be administered by the Department of
29 [Health] Drug and Alcohol Programs or successor agency and
30 expended solely for programs for the prevention and treatment of
31 gambling addiction and other emotional and behavioral problems
32 associated with or related to gambling addiction and for the
33 administration of the compulsive and problem gambling program,
34 provided that the Department of [Health] Drug and Alcohol
35 Programs or successor agency shall annually distribute at least
36 50% of the money in the fund to single county authorities under
37 subsection (d). The fund shall consist of money annually
38 allocated to it from the annual payment established under
39 section 1408(a) (relating to transfers from State Gaming Fund),
40 money which may be allocated by the board, interest earnings on
41 moneys in the fund and any other contributions, payments or
42 deposits which may be made to the fund.

43 (c) Notice of availability of assistance.--

44 (1) [Each] Except as otherwise provided for in paragraph
45 (4), each slot machine licensee shall [obtain a] use the
46 toll-free telephone number [to be used] established by the
47 Department of Drug and Alcohol Programs or successor agency
48 in subsection (a.1)(1) to provide persons with information on
49 assistance for compulsive or problem gambling. Each licensee
50 shall conspicuously post at least 20 signs similar to the
51 following statement:

1 If you or someone you know has a gambling problem, help
2 is available. Call (Toll-free telephone number).
3 The signs must be posted within 50 feet of each entrance and
4 exit, within 50 feet of each automated teller machine
5 location within the licensed facility and in other
6 appropriate public areas of the licensed facility as
7 determined by the slot machine licensee.

8 (2) Each racetrack where slot machines or table games
9 are operated shall print a statement on daily racing programs
10 provided to the general public that is similar to the
11 following:

12 If you or someone you know has a gambling problem, help
13 is available. Call (Toll-free telephone number).
14 Except as otherwise provided for in paragraph (4), the toll-
15 free telephone number shall be the same telephone number
16 established by the Department of Drug and Alcohol Programs or
17 successor agency under subsection (a.1)(1).

18 (2.1) Each interactive gaming certificate holder,
19 interactive gaming operator or other person that operates
20 interactive gaming or an interactive gaming system on behalf
21 of an interactive gaming certificate holder:

22 (i) Shall cause the words:

23 If you or someone you know has a gambling problem,
24 help is available. Call (Toll-free telephone number).
25 or some comparable language approved by the board, which
26 language shall include the words "gambling problem" and
27 "call 1-800-XXXX," to be prominently and continuously
28 displayed to a person visiting or logged onto the
29 interactive gaming certificate holder's interactive
30 gaming skin or Internet website.

31 (ii) Shall provide a mechanism by which an
32 interactive gaming account holder may establish the
33 following controls on wagering activity through the
34 interactive gaming account:

35 (A) A limit on the amount of money lost within a
36 specified period of time and the length of time the
37 account holder will be unable to participate in
38 gaming if the holder reaches the established loss
39 limit.

40 (B) A limit on the maximum amount of a single
41 wager on an interactive game.

42 (C) A temporary suspension of interactive gaming
43 through the account for any number of hours or days.

44 (iii) Shall not mail or otherwise forward a gaming-
45 related promotional material or e-mail to a registered
46 player during a period in which interactive gaming
47 through the registered players' interactive gaming
48 account has been suspended or terminated. The interactive
49 gaming certificate holder shall provide a mechanism by
50 which a registered player may change the controls, except
51 that, while interactive gaming through the interactive

1 gaming account is suspended, the registered player may
2 not change gaming controls until the suspension expires,
3 but the registered player shall continue to have access
4 to the account and shall be permitted to withdraw funds
5 from the account upon proper application for the funds to
6 the interactive gaming certificate holder.

7 (3) A licensed [facility] gaming entity which fails to
8 post or print the warning sign in accordance with paragraph
9 (1) [or], (2) or (2.1)(i) shall be assessed a fine of \$1,000
10 a day for each day the minimum number of signs are not posted
11 or the required statement is not printed as provided in this
12 subsection.

13 (3.1) An interactive gaming certificate holder or
14 interactive gaming license holder, as the case may be, that
15 fails to establish the mechanisms, controls and systems in
16 accordance with paragraph (2.1)(ii) and (iii) shall be
17 assessed a fine of not less than \$5,000 per day for each day
18 the mechanisms, controls and systems are not available to
19 interactive gaming account holders.

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

28 (d) Single county authorities.--The Department of [Health]
29 Drug and Alcohol Programs or successor agency shall make grants
30 from the fund established under subsection (b) to single county
31 authorities created pursuant to the act of April 14, 1972
32 (P.L.221, No.63), known as the Pennsylvania Drug and Alcohol
33 Abuse Control Act, for the purpose of providing compulsive
34 gambling and gambling addiction prevention, treatment and
35 education programs. Treatment may include financial counseling,
36 irrespective of whether the financial counseling is provided by
37 the single county authority, the treatment service provider or
38 subcontracted to a third party. It is the intention of the
39 General Assembly that any grants made by the Department of
40 [Health] Drug and Alcohol Programs or successor agency to any
41 single county authority in accordance with the provisions of
42 this subsection be used exclusively for the development and
43 implementation of compulsive and problem gambling programs
44 authorized under this section.

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

51 (d.2) Report.--[No later than October 1, 2010, and each]

1 Annually on October 1 [thereafter], the Department of [Health]
2 Drug and Alcohol Programs or successor agency, in consultation
3 with the board, shall prepare and submit a report on the impact
4 of the programs funded by the Compulsive and Problem Gambling
5 Treatment Fund to the Governor and to the members of the General
6 Assembly. The report shall include aggregate demographic-
7 specific data, including race, gender, geography and income of
8 those individuals treated.

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

16 Section 21. Section 1512 of Title 4 is amended by adding a
17 subsection to read:

18 § 1512. Financial and employment interests.

19 * * *

20 (a.6) Prohibition related to interactive gaming.--

21 (1) Except as may be provided by rule or order of the
22 Pennsylvania Supreme Court and except as provided in section
23 1202.1 (relating to code of conduct) or 1512.1 (relating to
24 additional restrictions), no executive-level public employee,
25 public official or party officer or immediate family member
26 thereof shall hold, directly or indirectly, a financial
27 interest in, be employed by or represent, appear for, or
28 negotiate on behalf of, or derive any remuneration, payment,
29 benefit or any other thing of value for any services,
30 including, but not limited to, consulting or similar services
31 from any holder of or applicant for an interactive gaming
32 certificate, holder or applicant for an interactive gaming
33 license or other authorization to conduct interactive gaming
34 or any holding, subsidiary or intermediary company with
35 respect thereto, or any business, association, enterprise or
36 other entity that is organized in whole or in part for the
37 purpose of promoting, advocating for or advancing the
38 interests of the interactive gaming industry generally or any
39 interactive gaming-related business or businesses in
40 connection with any cause, application or matter. The
41 financial interest and employment prohibitions under this
42 paragraph shall remain in effect for one year following
43 termination of the individual's status as an executive-level
44 public employee, public official or party officer.

45 (2) Notwithstanding paragraph (1), a member of the
46 immediate family of an executive-level public employee,
47 public official or party officer may hold employment with the
48 holder of or applicant for an interactive gaming certificate,
49 holder or applicant for an interactive gaming license or
50 other authorization to conduct interactive gaming or any
51 holding, subsidiary or intermediary company with respect

1 thereto, if in the judgment of the State Ethics Commission or
2 the Supreme Court, as appropriate, employment will not
3 interfere with the responsibilities of the executive-level
4 public employee, public official or party officer and will
5 not create a conflict of interest or reasonable risk of the
6 public perception of a conflict of interest on the part of
7 the executive-level public employee, public official or party
8 officer.

9 * * *

10 Section 22. Sections 1514 heading, (a), (d), (e) and (f),
11 1515 and 1516 of Title 4 are amended to read:

12 § 1514. Regulation requiring exclusion [or], ejection or denial
13 of access of certain persons.

14 (a) General rule.--The board shall by regulation provide for
15 the establishment of a list of persons who are to be excluded or
16 ejected from any licensed facility or who may be denied access
17 to interactive gaming. The provisions shall define the standards
18 for exclusion and shall include standards relating to persons
19 who are career or professional offenders as defined by
20 regulations of the board or whose presence in a licensed
21 facility or whose access to interactive gaming would, in the
22 opinion of the board, be inimical to the interest of the
23 Commonwealth or of licensed gaming therein, or both.

24 * * *

25 (d) Sanctions.--The board may impose sanctions upon a
26 licensed gaming entity, interactive gaming certificate holder or
27 interactive gaming licensee in accordance with this part if the
28 licensed gaming entity, interactive gaming certificate holder or
29 interactive gaming licensee knowingly fails to exclude or eject
30 from the premises of any licensed facility or deny access to
31 interactive gaming any person placed by the board on the list of
32 persons to be excluded [or], ejected or denied access.

33 (e) List not all-inclusive.--Any list compiled by the board
34 of persons to be excluded [or], ejected or denied access shall
35 not be deemed an all-inclusive list, and a licensed gaming
36 entity shall have a duty to keep from the licensed facility and
37 from interactive gaming persons known to it to be within the
38 classifications declared in this section and the regulations
39 promulgated under this section whose presence in a licensed
40 facility or whose participation in interactive gaming would be
41 inimical to the interest of the Commonwealth or of licensed
42 gaming therein, or both, as defined in standards established by
43 the board.

44 (f) Notice.--Whenever the bureau seeks to place the name of
45 any person on a list pursuant to this section, the bureau shall
46 serve notice of this fact to such person by personal service or
47 certified mail at the last known address of the person. The
48 notice shall inform the person of the right to request a hearing
49 under subsection (g). The bureau may also provide notice by e-
50 mail, if the e-mail address of the person is known to the
51 bureau.

1 * * *

2 § 1515. Repeat offenders excludable from licensed gaming
3 facility.

4 A licensed gaming entity may exclude or eject from its
5 licensed facility or deny access to interactive gaming any
6 person who is known to it to have been convicted of a
7 misdemeanor or felony committed in or on the premises of any
8 licensed facility. Nothing in this section or in any other law
9 of this Commonwealth shall limit the right of a licensed gaming
10 entity to exercise its common law right to exclude or eject
11 permanently from its licensed facility or permanently deny
12 access to its interactive gaming any person who disrupts the
13 operations of its premises or its interactive gaming, threatens
14 the security of its premises or its occupants or is disorderly
15 or intoxicated[.] or who threatens the security of its licensed
16 facility or the area of a licensed facility where interactive
17 gaming operations are managed, administered or controlled.

18 § 1516. List of persons self excluded from gaming activities.

19 (a) General rule.--The board shall provide by regulation for
20 the establishment of a list of persons self excluded from gaming
21 activities at all licensed facilities. Any person may request
22 placement on the list of self-excluded persons by acknowledging
23 in a manner to be established by the board that the person is a
24 problem gambler and by agreeing that, during any period of
25 voluntary exclusion, the person may not collect any winnings or
26 recover any losses resulting from any gaming activity at
27 licensed facilities.

28 (a.1) Interactive gaming self-exclusion.--The board shall
29 provide by regulation for the establishment of a list of persons
30 self-excluded from interactive gaming activities at all licensed
31 facilities. Any person may request placement on the list of
32 self-excluded persons by acknowledging in a manner to be
33 established by the board that the person is a problem gambler
34 and by agreeing that, during any period of voluntary exclusion,
35 the person may not collect any winnings or recover any losses
36 resulting from any gaming activity related to interactive
37 gaming.

38 (b) Regulations.--The regulations of the board shall
39 establish procedures for placements on and removals from the
40 list of self-excluded persons. The regulations shall establish
41 procedures for the transmittal to licensed gaming entities of
42 identifying information concerning self-excluded persons and
43 shall require licensed gaming entities to establish procedures
44 designed at a minimum to deny self-excluded persons access to
45 interactive gaming and to remove self-excluded persons from
46 targeted mailings or other forms of advertising or promotions
47 and deny self-excluded persons access to complimentaries, check
48 cashing privileges, club programs and other similar benefits.

49 (c) Liability.--A licensed gaming entity, interactive gaming
50 certificate holder or interactive gaming licensee or employee
51 thereof shall not be liable to any self-excluded person or to

1 any other party in any judicial proceeding for any harm,
2 monetary or otherwise, which may arise as a result of:

3 (1) the failure of a licensed gaming entity to withhold
4 gaming privileges from or restore gaming privileges to a
5 self-excluded person; [or]

6 (1.1) the failure of an interactive gaming certificate
7 holder or interactive gaming licensee to withhold interactive
8 gaming privileges from or restore interactive gaming
9 privileges to a self-excluded person; or

10 (2) otherwise permitting or not permitting a self-
11 excluded person to engage in gaming activity in the facility
12 or participate in interactive gaming while on the list of
13 self-excluded persons.

14 (d) Disclosure.--Notwithstanding any other law to the
15 contrary, the board's list of self-excluded persons shall not be
16 open to public inspection. Nothing in this section, however,
17 shall be construed to prohibit a licensed gaming entity from
18 disclosing the identity of persons self excluded pursuant to
19 this section to affiliated gaming entities in this Commonwealth
20 or other jurisdictions for the limited purpose of assisting in
21 the proper administration of responsible gaming programs
22 operated by affiliated licensed gaming entities.

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

25 § 1517. Investigations and enforcement.

26 * * *

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

28 (1) The department shall at all times have the power of
29 access to examine and audit equipment and records relating to
30 all aspects of the operation of slot machines [or], table
31 games or interactive games under this part.

32 * * *

33 (c) Powers and duties of the Pennsylvania State Police.--The
34 Pennsylvania State Police shall have the following powers and
35 duties:

36 * * *

37 (12) Conduct audits or verification of information of
38 slot machine [or], table game operations and interactive
39 gaming operations at such times, under such circumstances and
40 to such extent as the bureau determines. This paragraph
41 includes reviews of accounting, administrative and financial
42 records and management control systems, procedures and
43 records utilized by a slot machine licensee.

44 * * *

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

46 (1) The bureau, the department and the Pennsylvania
47 State Police shall have the authority without notice and
48 without warrant to do all of the following in the performance
49 of their duties:

50 (i) Inspect and examine all premises where slot
51 machine [or], table game operations and interactive

1 gaming operations are conducted, slot machines, table
2 game devices and associated equipment, interactive gaming
3 devices and associated equipment are manufactured, sold,
4 distributed or serviced or where records of these
5 activities are prepared or maintained.

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

8 (iii) Seize, summarily remove and impound equipment
9 and supplies from premises referred to in subparagraph

10 (i) for the purposes of examination and inspection.

11 (iv) Inspect, examine and audit all books, records
12 and documents pertaining to a slot machine licensee's
13 operation.

14 (v) Seize, impound or assume physical control of any
15 book, record, ledger, game, device, cash box and its
16 contents, count room or its equipment, interactive gaming
17 devices and associated equipment or slot machine [or],
18 table game operations or interactive gaming operations.

19 * * *

20 Section 23. Section 1518(a) (1), (2), (3), (4), (5), (7.1),
21 (11), (13.1), (15) and (17) and (b) (1), (2) and (3) of Title 4
22 are amended and subsections (a) and (b) are amended by adding
23 paragraphs to read:

24 § 1518. Prohibited acts; penalties.

25 (a) Criminal offenses.--

26 (1) The provisions of 18 Pa.C.S. § 4902 (relating to
27 perjury), 4903 (relating to false swearing) or 4904 (relating
28 to unsworn falsification to authorities) shall apply to any
29 person providing information or making any statement, whether
30 written or oral, to the board, the commission, the bureau,
31 the department, the Pennsylvania State Police or the Office
32 of Attorney General, as required by this part.

33 (2) It shall be unlawful for a person to willfully:

34 (i) fail to report, pay or truthfully account for
35 and pay over any license fee, authorization fee, permit
36 fee, tax or assessment imposed under this part; or

37 (ii) attempt in any manner to evade or defeat any
38 license fee, authorization fee, permit fee, registration
39 fee, tax or assessment or any other fee imposed under
40 this part.

41 (3) It shall be unlawful for any licensed entity, gaming
42 employee, key employee or any other person to permit a slot
43 machine, table game or table game device, interactive game or
44 interactive gaming device or associated equipment to be
45 operated, transported, repaired or opened on the premises of
46 a licensed facility by a person other than a person licensed
47 or permitted by the board pursuant to this part.

48 (3.1) It shall be unlawful for any person who does not
49 possess a valid and then effective interactive gaming
50 certificate or interactive gaming license issued by the board
51 in accordance with Chapter 13C (relating to interactive

1 gaming) to accept any wager associated with any authorized
2 interactive game from any individual without verifying the
3 age, identity and physical location of the player at the time
4 of play or wager.

5 (4) It shall be unlawful for any licensed entity or
6 other person to manufacture, supply or place slot machines,
7 table games, table game devices or associated equipment,
8 authorized interactive game or interactive gaming devices or
9 associated equipment into play or display slot machines,
10 table games, table game devices or associated equipment on
11 the premises of a licensed facility without the authority of
12 the board.

13 (4.1) It shall be unlawful for any interactive gaming
14 certificate holder or interactive gaming licensee to offer
15 interactive games into play or display such games on its
16 interactive gaming skin or Internet website without the
17 approval of the board.

18 (4.2) It shall be unlawful for any licensed entity or
19 other person to manufacture, supply or place interactive
20 gaming devices or associated equipment into operation at a
21 licensed facility without the approval of the board.

22 (5) Except as provided for in section 1326 (relating to
23 [license] renewals), it shall be unlawful for a licensed
24 entity or other person to manufacture, supply, operate, carry
25 on or expose for play any slot machine, table game, table
26 game device or associated equipment, interactive game or
27 interactive gaming device or associated equipment after the
28 person's license has expired and prior to the actual renewal
29 of the license.

30 * * *

31 (7.1) It shall be unlawful for an individual to do any
32 of the following:

33 (i) Use or possess counterfeit, marked, loaded or
34 tampered with table game devices or associated equipment,
35 chips or other cheating devices in the conduct of gaming
36 under this part, except that an authorized employee of a
37 licensee or an authorized employee of the board may
38 possess and use counterfeit chips or table game devices
39 or associated equipment that have been marked, loaded or
40 tampered with, or other cheating devices or any
41 unauthorized interactive gaming device or associated
42 equipment in performance of the duties of employment for
43 training, investigative or testing purposes only.

44 (ii) Knowingly, by a trick or sleight of hand
45 performance or by fraud or fraudulent scheme, or
46 manipulation, table game device or other device, or
47 interactive gaming device for himself or for another, win
48 or attempt to win any cash, property or prize at a
49 licensed facility or to reduce or attempt to reduce a
50 losing wager.

51 (7.2) It shall be unlawful for a person to knowingly

1 alter, tamper or manipulate interactive gaming devices or
2 associated equipment, including software, system programs,
3 hardware and any other device or associated equipment used in
4 interactive gaming operations, in order to alter the odds or
5 the payout of an interactive game or to disable the
6 interactive game from operating according to the rules of the
7 game as authorized by the board.

8 (7.3) It shall be unlawful for a person to knowingly
9 offer or allow to be offered any authorized interactive game
10 that has been altered, tampered with or manipulated in a way
11 that affects the odds or the payout of an authorized
12 interactive game or disables the interactive game from
13 operating according to the authorized rules of the game as
14 authorized by the board.

15 * * *

16 (11) It shall be unlawful for a licensed gaming entity
17 that is a licensed racing entity and that has lost the
18 license issued to it by [either] the State Horse Racing
19 Commission or the State Harness Racing Commission under the
20 Race Horse Industry Reform Act or that has had that license
21 suspended to operate slot machines [or], table games or
22 authorized interactive games at the racetrack for which its
23 slot machine license was issued unless the license issued to
24 it by either the State Horse Racing Commission or the State
25 Harness Racing Commission will be subsequently reissued or
26 reinstated within 30 days after the loss or suspension.

27 * * *

28 (13.1) It shall be unlawful for an individual under 21
29 years of age to wager, play or attempt to play a slot machine
30 or table game at a licensed facility or to wager, play or
31 attempt to play an interactive game.

32 (13.2) It shall be unlawful to allow a person under 21
33 years of age to open, maintain or use in any way an
34 interactive gaming account. Any interactive gaming
35 certificate holder, interactive gaming licensee or employee
36 of an interactive gaming certificate holder or interactive
37 gaming licensee or other such person who knowingly allows a
38 person under 21 years of age to open, maintain or use an
39 interactive gaming account shall be subject to the penalty
40 set forth in this section, except that the establishment of
41 all of the following facts by an interactive gaming
42 certificate holder, interactive gaming licensee or employee
43 of an interactive gaming certificate holder, interactive
44 gaming licensee or other such person shall constitute a
45 defense to any regulatory action by the board or the penalty
46 authorized under this section:

47 (i) the underage person falsely represented that he
48 was of the permitted 21 years of age in the application
49 for an interactive gaming account; and

50 (ii) the establishment of the interactive gaming
51 account was made in good faith reliance upon such

1 representation and in the reasonable belief that the
2 underage person was 21 years of age.

3 (13.3) It shall be unlawful for an individual who is
4 under 21 years of age to enter and remain in an airport
5 gaming area, except that an individual who is 18 years of age
6 and employed by a slot machine licensee, a gaming service
7 provider, the board or any other regulatory or emergency
8 response agency may enter and remain in the area while
9 engaged in the performance of the individual's employment
10 duties.

11 * * *

12 (15) It shall be unlawful for a licensed gaming entity
13 to require a wager to be greater than the stated minimum
14 wager or less than the stated maximum wager. However, a wager
15 made by a player and not rejected by a licensed gaming entity
16 prior to commencement of play shall be treated as a valid
17 wager. A wager accepted by a dealer or through an authorized
18 interactive game shall be paid or lost in its entirety in
19 accordance with the rules of the game, notwithstanding that
20 the wager exceeded the current table maximum wager or
21 authorized interactive game wager or was lower than the
22 current table minimum wager or minimum interactive game
23 wager.

24 * * *

25 (17) It shall be unlawful for an individual to claim,
26 collect or take, or attempt to claim, collect or take, money
27 or anything of value in or from a slot machine, gaming table
28 or other table game device, interactive game or interactive
29 gaming device with the intent to defraud, or to claim,
30 collect or take an amount greater than the amount won, or to
31 manipulate with the intent to cheat, any component of any
32 slot machine, table game or table game device, interactive
33 game or interactive gaming device in a manner contrary to the
34 designed and normal operational purpose.

35 (b) Criminal penalties and fines.--

36 (1) (i) A person that commits a first offense in
37 violation of 18 Pa.C.S. § 4902, 4903 or 4904 in
38 connection with providing information or making any
39 statement, whether written or oral, to the board, the
40 bureau, the department, the Pennsylvania State Police,
41 the Office of Attorney General or a district attorney as
42 required by this part commits an offense to be graded in
43 accordance with the applicable section violated. A person
44 that is convicted of a second or subsequent violation of
45 18 Pa.C.S. § 4902, 4903 or 4904 in connection with
46 providing information or making any statement, whether
47 written or oral, to the board, the bureau, the
48 department, the Pennsylvania State Police, the Office of
49 Attorney General or a district attorney as required by
50 this part commits a felony of the second degree.

51 (ii) A person that violates subsection (a) (2), (3)

1 and (4) through (12) or (17) commits a misdemeanor of the
2 first degree. A person that is convicted of a second or
3 subsequent violation of subsection (a) (2), (3) and (4)
4 through (12) or (17) commits a felony of the second
5 degree.

6 (2) (i) For a first violation of subsection (a) (1)
7 through (12) or (17), a person shall be sentenced to pay
8 a fine of:

9 (A) not less than \$75,000 nor more than \$150,000
10 if the person is an individual;

11 (B) not less than \$300,000 nor more than
12 \$600,000 if the person is a licensed gaming entity or
13 an interactive gaming certificate holder or an
14 interactive gaming licensee; or

15 (C) not less than \$150,000 nor more than
16 \$300,000 if the person is a licensed manufacturer or
17 supplier.

18 (ii) For a second or subsequent violation of
19 subsection (a) (1), (2), (3) and (4) through (12) or (17),
20 a person shall be sentenced to pay a fine of:

21 (A) not less than \$150,000 nor more than
22 \$300,000 if the person is an individual;

23 (B) not less than \$600,000 nor more than
24 \$1,200,000 if the person is a licensed gaming entity;
25 or

26 (C) not less than \$300,000 nor more than
27 \$600,000 if the person is a licensed manufacturer or
28 supplier.

29 (2.1) A person that commits an offense in violation of
30 subsection (a) (3.1) commits a felony and, upon conviction,
31 shall be sentenced to pay a fine of not more than \$1,000,000.
32 A person that is convicted of a second or subsequent
33 violation of subsection (a) (3.1) commits a felony of the
34 first degree and shall be sentenced to pay a fine of not more
35 than \$2,500,000.

36 (3) An individual who commits an offense in violation of
37 subsection (a) (13) [or], (13.1), (13.2) or (13.3) commits a
38 nongambling summary offense and upon conviction of a first
39 offense shall be sentenced to pay a fine of not [less than
40 \$200 nor] more than \$1,000. An individual that is convicted
41 of a second or subsequent offense under subsection (a) (13)
42 [or], (13.1), (13.2) or (13.3) shall be sentenced to pay a
43 fine of not [less than \$500 nor] more than \$1,500. In
44 addition to the fine imposed, an individual convicted of an
45 offense under subsection (a) (13) [or], (13.1), (13.2) or
46 (13.3) may be sentenced to perform a period of community
47 service not to exceed 40 hours.

48 * * *

49 Section 24. Section 1901(a) of Title 4 is amended by adding
50 a paragraph to read:
51 § 1901. Appropriations.

1 (a) Appropriation to board.--

2 * * *

3 (3) The sum of \$5,000,000 is hereby appropriated from
4 the State Gaming Fund to the Pennsylvania Gaming Control
5 Board for salaries, wages and all necessary expenses for the
6 proper operation and administration of the board for the
7 activities authorized under this act. This appropriation
8 shall be a supplemental appropriation for fiscal year 2016-
9 2017 and shall be in addition to the appropriation contained
10 in the act of July 8, 2016 (P.L.1570, No.10A), known as the
11 Gaming Control Appropriation Act of 2016.

12 * * *

13 Section 25. Repeals are as follows:

14 (1) The General Assembly declares that the repeal under
15 paragraph (2) is necessary to effectuate the addition of 4
16 Pa.C.S. § 1403(c)(2)(i)(D)(I.2) and (I.3).

17 (2) Section 1753-E of the act of April 9, 1929 (P.L.343,
18 No.176), known as The Fiscal Code, is repealed.

19 Section 26. This act shall take effect as follows:

20 (1) The following shall take effect in 60 days:

21 (i) The addition of 4 Pa.C.S. Ch. 13C.

22 (ii) The amendment of 4 Pa.C.S. § 1509.

23 (2) Except as set forth in paragraph (3)(ii), the
24 addition of 4 Pa.C.S. Ch. 3 shall take effect in 180 days.

25 (3) The following provisions shall take effect
26 immediately:

27 (i) This section.

28 (ii) The addition of 4 Pa.C.S. § 343.

29 (iii) The remainder of this act.