THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 271   Session of 2017

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

AMENDMENTS TO HOUSE AMENDMENTS, IN SENATE, OCTOBER 25, 2017

AN ACT

Amending Titles 3 (Agriculture), 4 (Amusements) and 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, in race horse industry reform, repealing definitions and provisions relating to place and manner of conducting pari-mutuel wagering at racetrack enclosure and to pari-mutuel wagering at nonprimary locations and further providing for licensing costs and fees and for operations; providing for fantasy contests, establishing a Lottery Sales Advisory Council within the Department of Revenue and providing for iLottery; in general provisions, further providing for legislative intent and for definitions; in Pennsylvania Gaming Control Board, further providing for Pennsylvania Gaming Control Board established, for general and specific powers, for licensed gaming entity application appeals from board, for board minutes and records, for regulatory authority of board, for slot machine license fee, for reports of board and for diversity goals of board; in licensees, further providing for Category 1 slot machine license and for Category 3 slot machine license, providing for remaining Category 2 licenses, further providing for number of slot machine licenses, for slot machine license application, for supplier licenses and for manufacturer licenses, providing for nongaming service provider, further providing for slot machine testing and certification standards and for license renewals, providing for slot machine license operation fee and further providing for change in ownership or control of slot machine licensee, repealing provisions related to multiple slot machine license prohibition and prohibiting undue economic concentration; in table games, further providing for authorization to conduct table games, for table game tournaments, for other financial transactions, for table game device and associated equipment testing and...
certification standards, for table game authorization fee and
for local share assessment; providing for interactive gaming,
for sports wagering, sports wagering tax and local fee
assessment and for slot machines at nonprimary locations; in
revenues, further providing for gross terminal revenue
deductions, for establishment of State Gaming Fund and net
slot machine revenue distribution and for Pennsylvania Gaming
Economic Development and Tourism Fund; in administration and
enforcement, further providing for responsibility and
authority of the Department of Revenue, for wagering on
credit, for compulsive and problem gambling program, for
financial and employment interests, for political influence,
for regulation requiring exclusion or ejection of certain
persons, for repeat offenders excludable from licensed gaming
facilities, for list of persons self excluded from gaming
activities, for investigations and enforcement and for
prohibited acts and penalties and providing for casino liquor
licenses; in miscellaneous provisions, further providing for
appropriations and for repayments to State Gaming Fund,
providing for video gaming; establishing the Video Gaming
Fund, the Fire Company and Emergency Responder Grant Fund,
the City of the First Class Enforcement Fund, the Lottery
Stabilization Fund and the Gun Violence Task Force Fund; in
riot, disorderly conduct and related offenses, further
providing for the offense of gambling devices, gambling,
etc.; and making related repeals.

AMENDING TITLES 3 (AGRICULTURE) AND 4 (AMUSEMENTS) OF THE
PENNSYLVANIA CONSOLIDATED STATUTES, EXTENSIVELY REVISING
GAMING PROVISIONS AS FOLLOWS:

IN TITLE 3:

FOR HORSE RACING, IN THE AREA OF RACE HORSE INDUSTRY
REFORM.

IN TITLE 4:

FOR AMUSEMENTS GENERALLY, IN THE AREAS OF FANTASY
CONTESTS, OF LOTTERY AND OF ILOTTERY;

FOR GAMING, IN THE AREAS OF GENERAL PROVISIONS, OF
PENNSYLVANIA GAMING CONTROL BOARD, OF LICENSEES, OF TABLE
GAMES, OF INTERACTIVE GAMING, OF REVENUES, OF ADMINISTRATION
AND ENFORCEMENT AND OF MISCELLANEOUS PROVISIONS; AND

PROVIDING FOR VIDEO GAMING.

PROVIDING, AS TO THE REVISIONS:

FOR RELATED REPEALS.

REPEALING A PROVISION RELATED TO KENO IN THE STATE LOTTERY
LAW.

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

Section 1. The definitions of "primary market area of a
racetrack" and "secondary market of a racetrack" in section 9301
of Title 3 of the Pennsylvania Consolidated Statutes are
repealed.
§ 9301. Definitions.

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

"Primary market area of a racetrack." The land area included in a circle drawn with the racetrack as the center and a radius of 35 land miles.

"Secondary market area of a racetrack." The land area included in a circle drawn with the racetrack as the center and a radius of 50 land miles, not including the primary market area of the racetrack.

Section 1.1. Section 9330(f) of Title 3 is repealed:

§ 9330. Place and manner of conducting pari-mutuel wagering at racetrack enclosure.

(f) Primary market area.

(1) A licensed racing entity or secondary pari-mutuel organization may not accept a wager or establish electronic wagering or advanced deposit account wagering for any person located in the primary market area of a racetrack, other than the racetrack at which the licensed racing entity is conducting a horse race meeting.

(2) Nothing in this subsection shall be construed to prohibit a licensed racing entity from accepting a wager from or establishing an electronic wagering account for any person located in the primary market area of the racetrack where the licensed racing entity is conducting a horse race meeting.
two tracks share the primary market area, both racetracks shall have equal rights to the market in the shared area.

Section 1.2. Sections 9331(a)(1), (d)(4) and (e), 9352(3) and (4) and 9356(b)(2) of Title 3 are amended to read:

§ 9331. Pari-mutuel wagering at nonprimary locations.

(a) Nonprimary locations. The following shall apply:

(1) Notwithstanding any other provision of this chapter, the commission may approve a licensed racing entity to continue to operate a nonprimary location where it has conducted pari-mutuel wagering on horse races conducted by the licensed racing entity. The licensed racing entity may continue to conduct pari-mutuel wagering at the location on horse races conducted by another licensed racing entity, which horse races may be televised to the location or on horse races simulcast to the location under section 9329 (relating to interstate simuleasting), provided that:

(i) A licensed racing entity has not established a nonprimary location within the primary market area of any racetrack other than a racetrack where the licensed racing entity conducts horse race meetings. Establishment of a nonprimary location by a licensed racing entity within the primary market area of a racetrack where the licensed racing entity conducts horse race meetings shall require approval of the commission.

(ii) A licensed racing entity has not established a nonprimary location within the secondary market area of a racetrack if the nonprimary location is approved by the commission.

(iii) A licensed racing entity has not established a nonprimary location in an area outside the primary and
secondary market areas of any racetrack if the location is approved by the commission].

(d) Payment of purses.—A licensed racing entity conducting a horse race meeting where pari mutuel wagering is conducted at one or more nonprimary locations shall distribute money to the horsemen’s organization, or, in accordance with the practice of the parties, to be used for payment of purses at that racetrack, as follows:

[(4) Whenever a nonprimary location is within the primary market area of a licensed racing entity other than the licensed racing entity conducting the races, the applicable percentage shall be distributed one-half to the horsemen’s organization at the racetrack or in accordance with the practice of the parties.]

[(e) Other payments.—Notwithstanding any other provision of this chapter, a nonprimary location may be established within the primary market area of a racetrack by agreement between the licensed racing entity and the horsemen’s organization at the racetrack specifying the total percentage of handle wagered at the nonprimary location to be distributed to the horsemen’s organization, or, in accordance with the practice of the parties, to be used for the payment of purses at that racetrack. If no agreement is reached covering the locations, the total percentage to be paid for purses shall be the same as that applied to on-track wagering at the racetrack located within the primary market area.]
Costs and fees are as follows:

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(3) Initial license fee:
   (i) The fee for an electronic wagering license under section 9351(a) (relating to general license requirements) shall be $500,000. If an applicant that is also a Category 1 slot machine licensee or its corporate successor or affiliate paid the license fee under 4 Pa.C.S. § 1209 (relating to slot machine license fee), the fee required under this paragraph shall be deemed paid. A fee paid under this paragraph shall be deposited in the State Racing Fund, or, in the case of a deemed payment, transferred to the State Racing Fund upon certification of the Secretary of the Budget.
   (ii) The fee for an initial totalisator or racing vendor license under section 9351(a.1) shall be $25,000 and shall be deposited in the State Racing Fund.

(4) License renewal fee:
   (i) The fee for an electronic wagering license renewal under section 9351(b)(2) shall be $100,000. If an existing licensee under this section that is also a Category 1 slot machine licensee or its corporate successor or an affiliate paid the license fee under 4 Pa.C.S. § 1209, the fee required under this paragraph shall be deemed paid. A license renewal may not be issued until receipt of the license renewal fee. The license fee shall be deposited into the State Racing Fund, or, in the case of a deemed payment, it shall be transferred to the State Racing Fund.
   (ii) The fee for the renewal of a totalisator or
racing vendor license under section 9351(b)(1) shall be $5,000 and shall be deposited in the State Racing Fund.

§ 9356. Operations.

(b) Requirements.

(2) A licensee shall [enter into an agreement with each licensed racing entity in this Commonwealth on whose races the licensee offers wagering regarding payment of host fees and any other applicable fees, costs or payments of any kind to be paid to the licensed racing entity. The licensed racing entity and the applicable horsemen's organization shall negotiate a separate agreement for contributions to the purse account.] contribute to the purse account in accordance with section 9331(d) (relating to pari-mutuel wagering at nonprimary locations).

Section 1.3. Title 4 is amended by adding a part to read:

PART I

AMUSEMENTS GENERALLY

Chapter

1. Preliminary Provisions (Reserved)

2. Fantasy Contests

3. Lottery

4. iLottery

CHAPTER 1

PRELIMINARY PROVISIONS

(Reserved)

CHAPTER 3
FANTASY CONTESTS

Subchapter

A. General Provisions
B. Administration
C. Licensure
D. Fiscal Provisions
E. Miscellaneous Provisions

SUBCHAPTER A

GENERAL PROVISIONS

Sec.

301. Scope of chapter.

302. Definitions.

§ 301. Scope of chapter.

This chapter relates to fantasy contests.

§ 302. Definitions.

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

"Board." The Pennsylvania Gaming Control Board.

"Conduct of gaming." As defined in section 1103 (relating to definitions).

"Controlling interest." Either of the following:

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

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

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

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

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

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

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

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

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

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

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

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

   (1) register for a fantasy contest account;
   (2) pay an entry fee;
   (3) select athletes for a fantasy contest;
   (4) receive winnings; or
   (5) otherwise participate in a fantasy contest.

"Gaming service provider." As defined in section 1103.

"In-State participant." An individual who participates in a
fantasy contest conducted by a licensed operator and pays a fee
to a licensed operator from a location within this Commonwealth.
The term includes an individual who pays an entry fee through a
fantasy contest terminal within a licensed facility.

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

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

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

"Licensed gaming entity." As defined in section 1103.

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

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

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

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

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

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

(1) has a class or series of securities registered under
§ 78a et seq.);

(2) is a registered management company under the
80a-1 et seq.); or

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

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

"Season-long fantasy contest." A fantasy contest offered by
a licensed operator that is conducted over an entire sports
season.
§ 311. General and specific powers of board.

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

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

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

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

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

(3) To publish each January on the board's publicly accessible Internet website a complete list of all persons who applied for or held a fantasy contest license at any time during the preceding calendar year and the status of the
(4) To prepare and, through the Governor, submit annually to the General Assembly an itemized budget consistent with Article VI of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, consisting of the amounts necessary to be appropriated by the General Assembly out of the accounts established under section 332 (relating to licensed operator deposits) required to meet the obligations under this chapter accruing during the period beginning July 1 of the following fiscal year.

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

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

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

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

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

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

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

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

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

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

(12) To promulgate regulations regarding the placement
and operation of fantasy contest terminals within licensed
facilities and to ensure the integrity of fantasy contest
terminals.
(b.i) Licensed entity representative.--

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

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

(3) The board shall maintain a list of licensed entity
representatives which shall contain the information required
under paragraph (1) and shall be available for public
inspection at the offices of the board and on the board's
publicly accessible Internet website.
(c) Exceptions.--Except as provided under section 342
(relating to licensed gaming entities), nothing in this section
shall be construed to authorize the board:

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

(2) To require any additional permits or licenses not
specifically enumerated in this chapter.
§ 312.  Temporary regulations.
(a) Promulgation.--In order to facilitate the prompt
implementation of this chapter, regulations promulgated by the
board shall be deemed temporary regulations and shall expire no
later than two years following the effective date of this section. The board may promulgate temporary regulations not subject to:

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

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


(b) Expiration.—Except for temporary regulations concerning network connectivity, security and testing and compulsive and problem play, the authority provided to the board to adopt temporary regulations in subsection (a) shall expire no later than two years following the effective date of this section. Regulations adopted after this period shall be promulgated as provided by law.

§ 313. Fantasy contest license appeals.

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

§ 314. Board minutes and records.

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

(b) Applicant information.--

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

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

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

(d) Confidentiality of information.--

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

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

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

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

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


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

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

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

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

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

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

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

(f) Information held by department. Files, records, reports
and other information in the possession of the department

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pertaining to licensed operators shall be made available to the
board as may be necessary for the effective administration of
this chapter.

§ 315. Reports of board.

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

(1) Total fantasy contest adjusted revenues.

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

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

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

SUBCHAPTER C

LICENSURE

Sec.

321. General prohibition.

322. Application.

323. Issuance and denial of license.

324. License renewal.

325. Conditions of licensure.

326. Prohibitions.

327. Change in ownership or control of licensed operators.

328. Penalties.

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

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

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

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

§ 322. Application.

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

(1) (i) if an individual, the name, Federal employer identification number and principal address of the applicant;

(ii) if a corporation, the state of its incorporation, the full name and address of each officer and director thereof;

(iii) if a foreign corporation, whether it is qualified to do business in this Commonwealth; and

(iv) if a partnership or joint venture, the name and address of each officer thereof.

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

(3) The names and addresses of key employees.
(4) The names and addresses of each of the applicant's principals.

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

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

(7) Any other information required by the board.

(b) Nonrefundable application fee.--Each application submitted under this chapter shall be accompanied by a nonrefundable application fee, which shall be established by the board, and which may not exceed the amount necessary to reimburse the board for all costs incurred by the board for fulfilling the requirements of this section and section 323 (relating to issuance and denial of license).

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

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

§ 323. Issuance and denial of license.

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

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

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

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

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

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

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

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

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

(5) Has legally defaulted in the payment of any obligation or debt due to the Commonwealth or is not compliant with taxes due; or

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

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

(d) License fee.

(1) Within 30 days of the board issuing a fantasy contest license, an applicant shall pay to the board a license fee of $50,000.

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

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

(e) Abbreviated approval process.--The board, at its discretion, may establish an abbreviated approval process for the issuance of a fantasy contest license to a licensed gaming entity whose slot machine license under Chapter 13 (relating to licenses) and table game operation certificate under Chapter 13A (relating to table games) are in good standing.

§ 324. License renewal.

(a) Renewal.

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

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

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

(b) Revocation or failure to renew.--

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

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

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

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

(iv) the applicant has failed to remit taxes or assessments required under section 321 (relating to fantasy contest tax), 332 (relating to licensed operator deposits) or 333 (relating to responsibility and authority of department); or

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

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

c) Renewal fee.—

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

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

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

§ 325. Conditions of licensure.

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

(1) Permit only participants who have established a fantasy contest account with the licensed operator to participate in a fantasy contest conducted by the licensed operator.
(2) Verify the age, location and identity of any participant prior to making a deposit into a fantasy contest account for a participant located in this Commonwealth. No participant under 18 years of age may be permitted to establish a fantasy contest account with a licensed operator.

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

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

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

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

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

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

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

(10) Prohibit the licensed operator's principals,
employees and relatives living in the same household of an-
employee or principal from competing in a fantasy contest
offered by any licensed operator to the general public and in-
which fantasy contest the licensed operator offers a prize or-
award.

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

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

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

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

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

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

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

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

§ 326. Prohibitions.

(a) General rule. No licensed operator may:

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

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

(3) permit a participant to enter a fantasy contest prior to establishing a fantasy contest account, unless the
licensed operator is also a licensed gaming entity and the
participant enters a fantasy contest through a fantasy
contest terminal located within the licensed gaming entity's
licensed facility;
(4) establish a fantasy contest account for a person who
is not an individual;
(5) alter rules established for a fantasy contest after
a participant has entered the fantasy contest;
(6) issue credit to a participant to establish or fund a
fantasy contest account;
(7) knowingly directly market to a participant during
the time period in which the participant has self-excluded
from the licensed operator's fantasy contests;
(8) knowingly permit a participant to enter the licensed
operator's fantasy contests during the time period in which
the participant has self-excluded from the licensed
operators' fantasy contests;
(8.1) knowingly allow a self-excluded individual to keep
a prize or award;
(9) knowingly accept a deposit in excess of a limit
established by a participant for the specific time period
established by the participant;
(10) share confidential information that could affect
fantasy contest play with third parties until the information
is made publicly available;
(11) knowingly permit a principal, an employee or a
relative living in the same household of an employee or
principal to become a participant in a fantasy contest
offered by any licensed operator in which a licensed operator
offers a prize or award.
(12) offer a fantasy contest where:
   (i) the minimum value of all prizes or awards offered to winning participants is not established and made known to participants in advance of the fantasy contest;
   (ii) winning outcomes do not reflect the relative knowledge and skill of participants;
   (iii) the winning outcome is based on the score, point spread or performance of a single actual team or combination of teams or solely on a single performance of an individual athlete or player in a single actual event; or
   (iv) the winning outcome is not based on statistical results accumulated from fully completed athletic sports contests or events, except that participants may be credited for statistical results accumulated in a suspended or shortened sports event which has been partially completed on account of weather or other natural or unforeseen event;
(13) fail to remit taxes or assessments to the department in accordance with sections 331 (relating to fantasy contest tax), 332 (relating to licensed operator deposits) and 333 (relating to responsibility and authority of department);
(14) knowingly allow a participant to use a script during a fantasy contest;
(15) except as permitted under section 342 (relating to licensed gaming entities), offer or make available in this Commonwealth a fantasy contest terminal; and
(16) perform any other action prohibited by the board.
(b) Deposit.--The licensed operator shall deposit the amount of the prize or award under subsection (a)(8.1) in the General Fund.

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

(a) Notification and approval.

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

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

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

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

(2) Notwithstanding the provisions of paragraph (1), a licensed operator shall not be required to notify the board of any acquisition by an institutional investor under paragraph (1)(i) or (ii) if the institutional investor holds less than 10% of the securities or other ownership interests referred to in paragraph (1)(i) or (ii), the securities or interests are publicly traded securities and its holdings of such securities were purchased for investment purposes only and the institutional investor files with the board a certified statement to the effect that the institutional investor has no intention of influencing or affecting, directly or indirectly, the affairs of the licensed operator. However, the institutional investor may vote on matters put to the vote of the outstanding security holders. Notice to
the board shall be required prior to completion of any
proposed or contemplated change of ownership of a licensed
operator that meets the criteria of this section.
(b) Qualification of purchaser and change of control.--
   (1) A purchaser of the assets, other than in the
   ordinary course of business, of a licensed operator shall
   independently qualify for a fantasy contest license in
   accordance with this chapter and shall pay the application
   fee and license fee as required by sections 322 (relating to
   application) and 323 (relating to issuance and denial of
   license), except that if the purchaser of assets is another
   licensed operator, the purchaser of assets shall not be
   required to requalify for a fantasy contest license or pay
   another application fee and license fee.
   (2) A change in control of any licensed operator shall
   require that the licensed operator independently qualify for
   a fantasy contest license in accordance with this chapter,
   and the licensed operator shall pay a new application and
   license fee as required by sections 322 and 323, except that
   if the new controller is another licensed operator, the new
   controller shall not be required to requalify for a fantasy
   contest license or pay another application fee and license
   fee.
(c) License revocation. Failure to comply with this section
may cause the fantasy contest license issued under this chapter
to be revoked or suspended by the board unless the purchase of
the assets or the change in control that meets the criteria of
this section has been independently qualified in advance by the
board and any required application or license fee has been paid.
(d) Definitions. As used in this section, the following
words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Change in control of a licensed operator." The acquisition by a person or group of persons acting in concert of more than 20% of a licensed operator's securities or other ownership interests, with the exception of any ownership interest of the person that existed at the time of initial licensing and payment of the initial fantasy contest license fee, or more than 20% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the licensed operator.

§ 328. Penalties.

(a) Suspension or revocation of license.

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

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

(b) Administrative penalties.

(1) In addition to suspension or revocation of a fantasy contest license, the board may impose administrative penalties on a licensed operator for violations of this chapter.

(2) A violation of this chapter that is determined to be an offense of a continuing nature shall be deemed to be a separate offense on each event or day during which the
violation occurs.

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

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

(c) Civil penalties.

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

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

SUBCHAPTER D
FISCAL PROVISIONS

See

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

§ 331. Fantasy contest tax.

(a) Imposition. Each licensed operator shall report to the department and pay from its monthly fantasy contest adjusted revenues, on a form and in the manner prescribed by the department, a tax of 19% of its monthly fantasy contest adjusted revenues.

(b) Deposits and distributions.

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

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

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

(c) Penalty.

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

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

§ 332. Licensed operator deposits.

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

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

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

(b) Deposits.--

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

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

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

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

(c) Itemized budget reporting.--

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

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

(3) The itemized budget required under paragraph (1)
shall be submitted in conjunction with the budget required to be submitted under section 1202(b)(28) (relating to general and specific powers).

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

(e) Penalty.

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

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

§ 333. Responsibility and authority of department.

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

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

§ 341. Applicability of other statutes.

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

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

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

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

§ 342. Licensed gaming entities.

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

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

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

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

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

(f) Fantasy contest terminals.—

1. A licensed gaming entity may petition the board, on a form and in a manner as required by the board, to place and operate fantasy contest terminals within the licensed gaming entity's licensed facility.

2. The board may, according to regulations adopted by the board, approve the placement and operation of fantasy contest terminals at one or more locations within a licensed facility, provided that fantasy contest terminals may not be placed on the gaming floor.

3. The board may not require a participant to establish a fantasy contest account prior to entering a fantasy contest through a fantasy contest terminal.
502. Sales agent compensation.

§ 503. Lottery Sales Advisory Council.

§ 501. Definitions.

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

"Cash bonus." Compensation paid to a licensed lottery sales agent for issuing prizes to players for winning lottery tickets or shares, the amount of which compensation is a percentage amount of the prize awarded by the licensed lottery sales agent to a player for a winning ticket or share.

"Commission." Compensation paid to a licensed lottery sales agent for the sale of lottery tickets or shares to the public, the amount of which compensation is a percentage amount of the retail price of a ticket or share sold by a licensed lottery sales agent.

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

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

§ 502. Sales agent compensation.

(a) Commission required.—

(1) Notwithstanding section 303 of the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law, and subject to paragraph (2), the secretary shall provide a commission to licensed lottery sales agents that shall be no less than 5.5%.

(2) Beginning one year after the effective date of this section, the secretary shall provide a commission to licensed lottery sales agents in an amount that shall be no less than 6%.

(b) Cash bonus required.—
(1) Notwithstanding section 303 of the State Lottery Law, the secretary shall provide a cash bonus to licensed lottery sales agents in an amount that shall be no less than 1%.

(2) The secretary shall permit a licensed lottery sales agent to redeem a winning ticket or share for a prize amount of $2,500 or less.

§ 503. Lottery Sales Advisory Council.

(a) Establishment.

(1) The department shall establish a Lottery Sales Advisory Council which shall be comprised of the secretary, the Director of the Division of the State Lottery, a representative from the Department of Aging or a successor agency, representatives from a Statewide food merchants association, licensed lottery sales agents and any other individual, at the discretion of the department.

(2) The Lottery Sales Advisory Council shall meet at times and in a manner at the department's discretion for the purposes of increasing the partnership between the State Lottery and licensed lottery sales agents and developing policy recommendations for increased lottery sales.

(3) The Lottery Sales Advisory Council shall operate in an advisory, nonbinding capacity.

(b) Compensation. No member of the Lottery Sales Advisory Council shall be entitled to any form of compensation from the Commonwealth for the performance of any duty that may be required by the Lottery Sales Advisory Council.

CHAPTER 7

LOTTERY
§ 701. Scope of chapter.

This chapter relates to iLottery.

§ 702. Definitions.

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

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

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

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

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

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

"Subscription services." A payment, advance payment or promise of payment for multiple lottery products over a specified period of time, including payment through iLottery.

§ 703. iLottery authorization.

(a) Authority. Notwithstanding any provision of law to the contrary, the department may operate iLottery and Internet instant games.

(b) Temporary regulatory authority.--

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

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

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


(2) Regulations adopted after the two-year time period shall be promulgated as provided by law.

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

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

(e) Lottery proprietary information.--

(1) Information obtained by the department as a result
of a player's purchase of lottery products or entering a
lottery drawing, such as aggregate statistical data which may
include play history or player tendencies, shall be
considered proprietary information of the department and
otherwise exempt from disclosure whether retained by the
department, an agent of the lottery or a lottery retailer.

(2) Proprietary information shall include any research
or study conducted by the lottery or a lottery vendor that
utilizes proprietary information obtained under this section.
(f) Revenues.—

(1) Notwithstanding any provision of law to the contrary, revenues accruing from the sale of lottery products under this chapter shall be dedicated to and deposited in the State Lottery Fund as provided for in section 311 of the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law. The revenues shall be apportioned as provided for in section 303(a)(11) of the State Lottery Law.

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

(g) Prepaid cards.—

(1) The department shall provide licensed lottery sales agents prepaid cards or other mechanisms for sale to the public that allow a player to prepurchase lottery products offered through iLottery.

(2) Nothing in this subsection shall be construed to require a player to purchase prepaid cards or other mechanisms from a licensed lottery sales agent in order to engage in iLottery.

(h) Sales agent compensation.—A licensed lottery sales agent shall be entitled to no less than 6% of the retail amount of a prepaid card or other mechanism authorized under subsection (g) that is sold by the licensed lottery sales agent.

Section 2. Section 1102 of Title 4 is amended to read:

§ 1102. Legislative intent.

The General Assembly recognizes the following public policy purposes and declares that the following objectives of the Commonwealth are to be served by this part:
(1) The primary objective of this part to which all other objectives and purposes are secondary is to protect the public through the regulation and policing of all activities involving gaming and practices that continue to be unlawful.

(2) The authorization of limited gaming by the installation and operation of slot machines as authorized in this part is intended to enhance live horse racing, breeding programs, entertainment and employment in this Commonwealth.

(2.1) The authorization of table games and interactive gaming in this part is intended to supplement slot machine gaming by increasing revenues to the Commonwealth and providing new employment opportunities by creating skilled jobs for individuals related to the conduct of table games at licensed facilities in this Commonwealth and related to the conduct of interactive gaming.

(3) The authorization of limited gaming is intended to provide a significant source of new revenue to the Commonwealth to support property tax relief, wage tax reduction, economic development opportunities and other similar initiatives.

(4) The authorization of limited gaming is intended to positively assist the Commonwealth's horse racing industry, support programs intended to foster and promote horse breeding and improve the living and working conditions of personnel who work and reside in and around the stable and backside areas of racetracks.

(5) The authorization of limited gaming is intended to provide broad economic opportunities to the citizens of this Commonwealth and shall be implemented in such a manner as to prevent possible monopolization by establishing reasonable
restrictions on the control of multiple licensed gaming facilities in this Commonwealth.

(6) The authorization of limited gaming is intended to enhance the further development of the tourism market throughout this Commonwealth, including, but not limited to, year-round recreational and tourism locations in this Commonwealth.

(7) Participation in limited gaming authorized under this part by any licensee, permittee, registrant or certificate holder shall be deemed a privilege, conditioned upon the proper and continued qualification of the licensee, permittee, registrant or certificate holder and upon the discharge of the affirmative responsibility of each licensee, permittee, registrant and certificate holder to provide the regulatory and investigatory authorities of the Commonwealth with assistance and information necessary to assure that the policies declared by this part are achieved.

(8) Strictly monitored and enforced control over all limited gaming authorized by this part shall be provided through regulation, licensing and appropriate enforcement actions of specified locations, persons, associations, practices, activities, licensees and permittees, registrants and certificate holders.

(9) Strict financial monitoring and controls shall be established and enforced by all licensees, permittees, registrants and certificate holders.

(10) The public interest of the citizens of this Commonwealth and the social effect of gaming shall be taken into consideration in any decision or order made pursuant to this part.
The General Assembly has a compelling interest in protecting the integrity of both the electoral process and the legislative process by preventing corruption and the appearance of corruption which may arise through permitting any type of political campaign contributions by certain persons involved in the gaming industry and regulated under this part.

Banning all types of political campaign contributions by certain persons subject to this part is necessary to prevent corruption and the appearance of corruption that may arise when political campaign contributions and gaming regulated under this part are intermingled.

It is necessary to maintain the integrity of the regulatory control and legislative oversight over the operation and play of slot machines [and] table games and interactive gaming in this Commonwealth, to ensure the bipartisan administration of this part, and avoid actions that may erode public confidence in the system of representative government.

It is the intent of the General Assembly to authorize the operation and play of slot machines [and] table games and interactive gaming under a single slot machine license issued to a slot machine licensee when a slot machine licensee has been issued a table game operation certificate and an interactive gaming certificate under this part.

The continued growth and success of the commercial gaming industry in this Commonwealth is dependent upon a regulatory environment which promotes and fosters...
technological advances and encourages the development and
delivery of innovative gaming products.

(12.2) It is also the intent of the General Assembly to
ensure the sustainability and competitiveness of the
commercial gaming industry in this Commonwealth by
authorizing interactive gaming, the operation of multistate
wide-area progressive slot machines, skill and hybrid slot-
machines.

(12.3) It is also the intent of the General Assembly to
authorize the operation and play of interactive gaming in
conformance with Federal law, including the Unlawful Internet-
Gambling Enforcement Act of 2006 (Title VIII of Public Law-

(13) The authorization of limited gaming in this
Commonwealth requires the Commonwealth to take steps to
increase awareness of compulsive and problem gambling and to-
develop and implement effective strategies for prevention,
assessment and treatment of this behavioral disorder.

(14) Research indicates that [for some individuals]
compulsive and problem gambling and drug and alcohol-
addiction are related. Therefore, the General Assembly
intends to establish an approach to compulsive and problem-
gambling prevention, assessment and treatment that will
ensure the provision of adequate resources to identify,
assess and treat both compulsive and problem gambling and
drug and alcohol addiction.

Section 3. The definitions of "associated equipment," "cash-
equivalent," "cheat," "cheating or thieving device,"
"commission" or "commissions," "conduct of gaming," "contest,"
"counterfeit chip," "fully automated electronic gaming table,"
§ 1103. Definitions.

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

* * *

"Airport authority." Any of the following:

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

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

"Airport gaming area." A location or locations within a qualified airport approved by the airport authority and the Pennsylvania Gaming Control Board for the conduct of interactive gaming through the use of multi-use computing devices by eligible passengers.

* * *

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

* * *

"Authorized interactive game." An interactive game approved by regulation of the Pennsylvania Gaming Control Board to be suitable for interactive gaming offered by an interactive gaming certificate holder or an interactive gaming operator on behalf of an interactive gaming certificate holder in accordance with Chapter 13B (relating to interactive gaming). The term shall include any interactive game approved by regulation of the Pennsylvania Control Board to be suitable for interactive gaming through the use of a multi-use computing device.

* * *

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

1. Chips or tokens.
2. Travelers checks.
3. Foreign currency and coin.
4. Certified checks, cashier’s checks and money orders.
(5) Personal checks or drafts.

(6) A negotiable instrument applied against credit extended by a certificate holder, an interactive gaming certificate holder, an interactive gaming operator or a financial institution.

(6.1) A prepaid access instrument.

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

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

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

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

(3) The value of a wagering instrument.

(4) The value of a wagering credit.

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

"Cheating or thieving device." A device, software or hardware used or possessed with the intent to be used to cheat.
during the operation or play of any slot machine [or] table-

game or authorized interactive game. The term shall also include-

any device used to alter a slot machine [or] a table game-

device or associated equipment, an authorized interactive game-
or interactive gaming device or associated equipment without the-

slot machine licensee's approval.

***

["Commission" or "commissions."] "Commission." The State-

Horse Racing Commission [or the State Harness Racing Commission,
or both as the context may require.] as defined in 3 Pa.C.S. §-

9301 (relating to definitions).

"Communications technology." Any method used and the-

components employed to facilitate the transmission and receipt-
of information, including transmission and reception by systems-

using wire, wireless, cable, radio, microwave, light, fiber-

optics, satellite or computer data networks, including the-

Internet and intranets.

***

"Concession operator." A person engaged in the sale or-

offering for sale of consumer goods or services to the public at-

a qualified airport, or authorized to conduct other commercial-

activities related to passenger services at a qualified airport,
in accordance with the terms and conditions of an agreement or-

contract with an airport authority, government entity or other-

person.

"Conduct of gaming." The licensed placement, operation and-

play of slot machines [and] table games and interactive games-

and casino simulcasting under this part, as authorized and-

approved by the Pennsylvania Gaming Control Board. The term-

shall include the licensed placement, operation and play of-
authorized interactive games through the use of multi-use computing devices at a qualified airport under Subchapter B.1 of Chapter 13B (relating to multi-use computing devices).

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

***

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

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

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

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

(4) presented during play of an authorized interactive game for redemption, if the object or thing was not issued by the interactive gaming certificate holder or interactive gaming operator.

***

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

***

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

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

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

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

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

***

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

***

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

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

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

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

"Gross interactive gaming revenue." As follows:

(1) The total of all cash or cash equivalent wagers paid
by registered players or eligible passengers to an
interactive gaming certificate holder in consideration for
the play of authorized interactive games, minus:

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

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

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

(2) Amounts deposited with an interactive gaming
certificate holder for purposes of interactive gaming and
amounts taken in fraudulent acts perpetrated against an
interactive gaming certificate holder for which the
interactive gaming certificate holder is not reimbursed shall
not be considered to have been paid to the interactive gaming
certificate holder for purposes of calculating gross
interactive gaming revenue. For purposes of calculating the
tax imposed under section 13B52 (relating to interactive
gaming tax) and the local share assessment imposed under
section 13B53 (relating to local share assessment), the term
shall not include gross revenue generated from the conduct of
interactive gaming through multi-use computing devices at a
qualified airport.

***

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

***

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

1. A lottery game or Internet instant game as defined in the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law.
2. iLottery under Chapter 7 (relating to iLottery).
3. A nongambling game that does not otherwise require a license under the laws of this Commonwealth.

"Interactive gaming." The placing of wagers with an interactive gaming certificate holder or interactive gaming operator using a computer network of both Federal and non-Federal interoperable packet-switched data networks through which an interactive gaming certificate holder may offer authorized interactive games to registered players. The term shall include the placing of wagers through the use of a multi-use computing device.

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

"Interactive gaming account agreement." An agreement entered into between an interactive gaming certificate holder and a registered player which governs the terms and conditions of the registered player’s interactive gaming account and the use of the Internet for purposes of placing wagers on authorized interactive games operated by an interactive gaming certificate holder or interactive gaming operator.

"Interactive gaming agreement." An agreement entered into by or between an interactive gaming certificate holder and an
interactive gaming operator related to the offering or operation
of interactive gaming or an interactive gaming system by the
interactive gaming operator on behalf of the interactive gaming
certificate holder. The term shall include an interactive gaming
agreement entered into between an interactive gaming certificate
holder and an interactive gaming operator for the conduct of
interactive gaming through the use of multi-use computing
devices at a qualified airport in accordance with Chapter 13B
 relating to interactive gaming).

"Interactive gaming certificate." The authorization issued
to a slot machine licensee by the Pennsylvania Gaming Control
Board authorizing the operation and conduct of interactive
gaming by a slot machine licensee in accordance with Chapter 13B
 relating to interactive gaming).

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

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

"Interactive gaming license." A license issued to an
interactive gaming operator by the Pennsylvania Gaming Control
Board under Chapter 13B (relating to interactive gaming).

"Interactive gaming operator." A person licensed by the
Pennsylvania Gaming Control Board to operate interactive gaming
or an interactive gaming system on behalf of an interactive
gaming certificate holder. The term shall include a person that
has received conditional authorization under section 13B14
"Interactive gaming platform." The combination of hardware and software or other technology designed and used to manage, conduct and record interactive games and the wagers associated with interactive games, as approved by the Pennsylvania Gaming Control Board. The term shall include any emerging or new technology deployed to advance the conduct and operation of interactive gaming, as approved through regulation by the Pennsylvania Gaming Control Board.

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

"Interactive gaming restricted area." Any room or area, as approved by the Pennsylvania Gaming Control Board, used by an interactive gaming certificate holder or interactive gaming operator to manage, control and operate interactive gaming, including, where approved by the board, redundancy facilities.

"Interactive gaming skin or skins." The portal or portals to an interactive gaming platform or Internet website through which authorized interactive games are made available by an interactive gaming certificate holder or interactive gaming operator to registered players in this Commonwealth or registered players in any other state or jurisdiction which has entered into an interactive gaming reciprocal agreement.
"Interactive gaming system." All hardware, software and communications that comprise a type of server-based gaming system for the purpose of offering authorized interactive games.

"Internet website." The interactive gaming skin or skins through which an interactive gaming certificate holder or other person makes authorized interactive games available for play.

***

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

***

"Licensed facility." As follows:

(1) The physical land-based location at which a licensed gaming entity is authorized to place and operate slot machines and, if authorized by the Pennsylvania Gaming Control Board under Chapter 13A (relating to table games), to conduct table games and if authorized under Chapter 13B (relating to interactive gaming), to conduct interactive gaming. The term includes any:

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

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

[(3)] (iii) area of a hotel which the Pennsylvania Gaming Control Board determines is suitable to conduct table games[.] and

(iv) area of a licensed facility where casino simulcasting is conducted, as approved by the Pennsylvania Gaming Control Board.

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

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

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

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

"Multi-use computing device." As follows:

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

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

(ii) Allows an eligible passenger to play an authorized interactive game.

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

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

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

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

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

"Multistate agreement." The written agreement between the Pennsylvania Gaming Control Board and regulatory agencies in other states or jurisdictions for the operation of a multistate wide-area progressive slot machine system.

"Multistate wide-area progressive slot machine system." The linking of slot machines located in this Commonwealth with slot machines located in one or more states or jurisdictions whose regulatory agencies have entered into written agreements with
the Pennsylvania Gaming Control Board for the operation of the-

system.

***

"Nongaming service provider." A person that is not a gaming-

service provider or required to be licensed as a manufacturer,

supplier, management company or gaming junket enterprise under

this part or regulations of the Pennsylvania Gaming Control-

Board and that provides goods or services:

(1) to a slot machine licensee or applicant for a slot-

machine license for use in the operation of a licensed

facility; and

(2) that does not require access to the gaming floor or

ea gaming-related restricted area of a licensed facility.

***

"Player." An individual wagering cash, a cash equivalent or-
other thing of value in the play or operation of a slot machine-
(or), an authorized interactive game or a table game, including-
during a contest or tournament, the play or operation of which-
may deliver or entitle the individual playing or operating the-
slot machine (or), authorized interactive game or table game to-
receive cash, a cash equivalent or other thing of value from-
another player or a slot machine licensee.

"Prepaid access instrument." A card, code, electronic serial-
number, mobile identification number, personal identification-
number or similar device that:

(1) Allows patron access to funds that have been paid in-

advance and can be retrieved or transferred at some point in-

the future through the device.

(2) Qualifies as an access device for purposes of-

Regulation E issued by the Board of Governors of the Federal
Reserve System under 12 CFR Pt. 205 (relating to electronic fund transfers (Regulation E));

(3) Must be distributed by a slot machine licensee or its affiliates in order to be considered a cash equivalent at the slot machine licensee's location or the location of the slot machine licensee's affiliates.

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

* * *

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

"Progressive system." A computerized system linking slot machines in one or more licensed facilities within this Commonwealth and offering one or more common progressive payouts based on the amounts wagered. The term shall include a multistate wide-area progressive system.

* * *

"Qualified airport." Any of the following:

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

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


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

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

**

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

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

"Slot machine."

(1) The term includes:

(i) Any mechanical, electrical or computerized contrivance, terminal, machine or other device approved by the Pennsylvania Gaming Control Board which, upon insertion of a coin, bill, ticket, token or similar object therein or upon payment of any consideration whatsoever, including the use of any electronic payment system except a credit card or debit card, is available to play or operate, the play or operation of which, whether by reason of skill or application of the elements of chance or both[, may]:

(A) May deliver or entitle the person or persons playing or operating the contrivance, terminal, machine or other device to receive cash, billets, tickets, tokens or electronic credits to be exchanged for cash or to receive merchandise or anything of
value whatsoever, whether the payoff is made
automatically from the machine or manually. [A slot-

machine:]

{(1)} (B) May utilize spinning reels or video-
displays or both.
{(2)} (C) May or may not dispense coins, tickets
or tokens to winning patrons.
{(3)} (D) May use an electronic credit system
for receiving wagers and making payouts. [The term
shall include associated equipment.]

(ii) Associated equipment necessary to conduct the
operation of the contrivance, terminal, machine or other-
device.

(iii) A skill slot machine, hybrid slot machine and
the devices or associated equipment necessary to conduct
the operation of a skill slot machine or hybrid slot-
machine.

(iv) A slot machine used in a multistate wide-area
progressive slot machine system and devices and
associated equipment as defined by the Pennsylvania
Gaming Control Board through regulations.

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

(2) The term does not include a fantasy contest terminal
within the meaning of Chapter 3 (relating to fantasy-
contests).

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

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

* * *

"Table game."  Any banking or nonbanking game approved by the
Pennsylvania Gaming Control Board. The term includes roulette,
baccarat, blackjack, poker, craps, big six wheel, mini-baccarat,
red dog, pai-gow, twenty-one, casino war, acesy-duecy, sic bo,
chuck-a-luck, Panguingue, Fan-tan, Asia poker, Boston 5 stud-
poker, Caribbean stud poker, Colorado hold'em poker, double-
attack blackjack, double cross poker, double down stud poker,
fast action hold'em, flop poker, four card poker, let it ride-
poker, mini craps, mini dice, pai gow poker, pokette, Spanish-
21, Texas hold'em bonus poker, three card poker, two card joker-
poker, ultimate Texas hold'em, winner's pot poker and any other
banking or nonbanking game. The term shall not include:

(1)  Lottery games of the Pennsylvania State Lottery as
authorized under the act of August 26, 1971 (P.L.351, No.91),
known as the State Lottery Law.
(2)  Bingo as authorized under the act of July 10, 1981
(P.L.214, No.67), known as the Bingo Law.

(3) Pari-mutuel betting on the outcome of thoroughbred
or harness horse racing as authorized under the act of
December 17, 1981 (P.L.435, No.135), known as the Race Horse
Industry Reform Act.

(4) Small games of chance as authorized under the act of
December 19, 1988 (P.L.1262, No.156), known as the Local
Option Small Games of Chance Act.

(5) Slot machine gaming and progressive slot machine
gaming as defined and authorized under this part.

(6) Keno.

(7) A fantasy contest terminal within the meaning of
Chapter 3 (relating to fantasy contests).

(8) iLottery under Chapter 7 (relating to iLottery).

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

***

Section 4. Section 1201(h)(11) of Title 4 is amended to
read:

§ 1201. Pennsylvania Gaming Control Board established.

***

(h) Qualifications and restrictions.--

***

(11) No member, employee of the board or independent
contractor shall accept a complimentary service, wager or be
paid any prize from any wager at any licensed facility within
this Commonwealth [or] at any other facility outside this
Commonwealth which is owned or operated by a licensed gaming-
entity or any of its affiliates, intermediaries, subsidiaries
or holding companies or as a result of playing an interactive-
game including on a multi-use computing device for the
duration of their term of office, employment or contract with
the board and for a period of two years from the termination
of term of office, employment or contract with the board. The
provisions of this paragraph prohibiting wagering during the
term of employment shall not apply to employees or
independent contractors while utilizing slot machines [or],
table game devices, interactive gaming devices or multi-use-
computing devices for testing purposes or while verifying the
performance of a slot machine [or], table game, interactive-
gaming device or multi-use computing device as part of an
enforcement investigation.

***

Section 5. Section 1202(a)(1) and (b)(17), (18), (20) and
(23) of Title 4 are amended and subsection (b) is amended by
adding paragraphs to read:

§ 1202. General and specific powers.

(a) General powers.—

(1) The board shall have general and sole regulatory
authority over the conduct of gaming [or] and related
activities as described in this part. The board shall ensure
the integrity of the acquisition and operation of slot-
machines, table games, table game devices and associated
equipment and authorized interactive games and interactive-
gaming devices and associated equipment and shall have sole regulatory authority over every aspect of the authorization, operation and play of slot machines [and] table games and interactive gaming devices and associated equipment and the implementation and regulation of airport gaming.

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

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

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

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

To require prospective and existing employees, independent contractors, applicants, licensees and permittees to submit photographs consistent with the standards [of the Commonwealth Photo Imaging Network] established by the board.
(20) In addition to the power of the board regarding license and permit applicants, to determine at its discretion the suitability of any person who furnishes or seeks to furnish to a slot machine licensee directly or indirectly any goods, services or property related to slot machines, table games, table game devices or associated equipment, interactive games and interactive gaming devices and associated equipment or casino simulcasting technology and equipment or through any arrangements under which that person receives payment based directly or indirectly on earnings, profits or receipts from the slot machines, table games, table game devices and associated equipment[,], interactive games, interactive gaming devices and associated equipment or casino simulcasting technology and equipment. The board may require any such person to comply with the requirements of this part and the regulations of the board and may prohibit the person from furnishing the goods, services or property[.]

* * *

(23) The board shall not approve an application for or issue or renew a license, certificate, registration or permit unless it is satisfied that the applicant has demonstrated by clear and convincing evidence that the applicant is a person of good character, honesty and integrity and is a person whose prior activities, criminal record, if any, reputation, habits and associations do not pose a threat to the public interest or the effective regulation and control of slot
machine [or] operations, table game operations, interactive
operations or casino simulcasting, or create or
enhance the danger of unsuitable, unfair or illegal
practices, methods and activities in the conduct of slot-
machine [or] operations, table game operations, interactive
operations or casino simulcasting or the carrying on
of the business and financial arrangements incidental
thereto.

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

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

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

(i) the name of any person, entity or firm to whom
any payment, remuneration or other benefit or thing of
value has been made or conferred for professional
services, including, but not limited to, interactive
gaming system operations or management, legal, consulting
and lobbying services;
   (ii) the amount or value of the payments,
remuneration, benefit or thing of value;
   (iii) the date on which the payments, remuneration,
benefit or thing of value was submitted; and
   (iv) the reason or purpose for the procurement of
the services.
(27) To review and approve detailed site and
architectural plans identifying the area of a licensed
facility where a slot machine licensee proposes to place slot-
machines that are or will be used in a multistate wide-area
progressive slot machine system, skill slot machines or
hybrid slot machines or administer casino simulcasting and
make them available for play in order to determine the
adequacy of proposed internal and external controls, security
and proposed surveillance measures.
Section 6. Sections 1204 and 1206(f)(1) of Title 4 are
amended to read:
§ 1204. Licensed gaming entity application appeals from board.
The Supreme Court of Pennsylvania shall be vested with
exclusive appellate jurisdiction to consider appeals of any
final order, determination or decision of the board involving
the approval, issuance, denial or conditioning of a slot machine-
license [or], the award, denial or conditioning of a table game-
operation certificate[.] or the award, denial or conditioning of
an interactive gaming certificate, an interactive gaming license-
or a casino simulcasting permit. Notwithstanding the provisions
of 2 Pa.C.S. Ch. 7 Subeh. A (relating to judicial review of
Commonwealth agency action) and 42 Pa.C.S. § 763 (relating to
direct appeals from government agencies), the Supreme Court shall affirm all final orders, determinations or decisions of the board involving the approval, issuance, denial or conditioning of a slot machine license or the award, denial or conditioning of a table game operation certificate or the award, denial or conditioning of an interactive gaming certificate, an interactive gaming license or a casino simulcasting permit, unless it shall find that the board committed an error of law or that the order, determination or decision of the board was arbitrary and there was a capricious disregard of the evidence.

§ 1206. Board minutes and records.

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(f) Confidentiality of information. --

(1) The following information submitted by an applicant, permittee, certificate holder, interactive gaming certificate holder or licensee pursuant to section 1310(a) (relating to slot machine license application character requirements) or 1308(a.1) (relating to applications for license or permit), 13B12 (relating to interactive gaming certificate required and content of petition), 13B14 (relating to interactive gaming operators) or 13F12 (relating to casino simulcasting permit) or obtained by the board or the bureau as part of a background or other investigation from any source shall be confidential and withheld from public disclosure:

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

(ii) Nonpublic personal information, including home-
addresses, telephone numbers and other personal contact-
information, Social Security numbers, educational-
records, memberships, medical records, tax returns and-
declarations, actual or proposed compensation, financial-
account records, creditworthiness or financial condition-
relating to an applicant, licence [or] permittee, certificate holder, interactive gaming certificate holder-
or casino simulcasting permit holder, or the immediate-
family thereof.

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

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

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

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

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

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

***

Section 7. Section 1207(1), (5), (6), (8), (9), (10) and
(21) of Title 4 are amended and the section is amended by adding
paragraphs to read:

§ 1207. Regulatory authority of board.

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

(1) Deny, deny the renewal, revoke, condition or suspend
any license [or] permit, certificate, registration or other
authorization provided for in this part if the board finds in
its sole discretion that a licensee [or] permittee,
registrant, certificate holder, or interactive gaming
certificate holder, under this part, or its officers,
employees or agents, have furnished false or misleading
information to the board or failed to comply with the
provisions of this part or the rules and regulations of the
board and that it would be in the public interest to deny,
deny the renewal, revoke, condition or suspend the license
(or) permit, certificate, registration or other
authorization.

***

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

(6) Prescribe criteria and conditions for the operation
of slot machine progressive systems, including multistate-
wide-area progressive slot machine systems. A wide area
progressive slot system shall be collectively administered by
participating slot machine licensees in accordance with the
terms of a written agreement executed by each participating
slot machine licensee and, in the case of a multistate wide-
area progressive slot machine system, in accordance with the
multistate agreement, as approved by the board.

(6.1) Collaborate with the appropriate regulatory
agencies in other states or jurisdictions to facilitate the
establishment of multistate wide area progressive slot-
machine systems by slot machine licensees in this
Commonwealth and, if determined necessary, enter into the
multistate agreements.

***

(7.2) Enforce prescribed hours for the operation of
authorized interactive games so that an interactive gaming-
certificate holder or interactive gaming operator may conduct,
authorized interactive games on any day during the year in
order to meet the needs of registered players or to meet
competition.

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

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

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

(10) [Require] Subject to paragraph (10.1), require that
no slot machine or authorized interactive game that
replicates the play of a slot machine, other than a slot
machine or authorized interactive game that replicates the
play of a slot machine that is used in a multistate wide area
progressive slot machine system, may be set to pay out less
than the theoretical payout percentage, which shall be no
less than 85%, as specifically approved by the board. The
board shall adopt regulations that define the theoretical
payout percentage [of a slot machine game] based on the total
value of the jackpots expected to be paid by a play or a slot-
machine game or an authorized interactive game that-
replicates the play of a slot machine divided by the total-
value (of slot machine) wagers expected to be made on that-
play or slot machine game or an authorized interactive game-
that replicates the play of a slot machine during the same-
portion of the game cycle. In so doing, the board shall-
decide whether the calculation shall include the entire cycle-
of a slot machine game or an authorized interactive game that-
replicates the play of a slot machine or any portion thereof.-
Subject to paragraph (10.1), in the case of a slot machine-
that is used in a multistate wide area progressive slot-
machine system, the theoretical payout percentage shall be as-
set forth in the multistate agreement.

(10.1) For each of the following, define the player’s-
win percentage based on the relative skill of the player or-
the combination of skill and the elements of chance of the-
game:

(i) A skill slot machine or an authorized-
interactive game that replicates the play of a skill slot-
machine. For a skill slot machine or authorized-
interactive game that replicates the play of a skill slot-
machine that is used in a multistate wide area-
progressive slot machine system, the player’s win-
percentage shall be as set forth in the multistate-
agreement.

(ii) A hybrid slot machine or an authorized-
interactive game that replicates the play of a hybrid-
slot machine. For a hybrid slot machine or an authorized-
interactive game that replicates the play of a hybrid-
slot machine that is used in a multistate wide-area progressive slot machine system, the player's win percentage shall be set forth in the multistate agreement.

* * *

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

(21.1) Authorize, at its discretion, a slot machine licensee to place slot machines that are used in a multistate wide-area progressive slot machine system, skill slot machines or hybrid slot machines and make them available for play at licensed facilities.

(21.2) Adopt and promulgate regulations to govern the operation and placement of skill slot machines and hybrid slot machines by slot machine licensees at licensed facilities in the same manner as provided in section 13B03 (relating to regulations).

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

(23) Define and limit the rules of authorized interactive games, including odds, interactive gaming devices and associated equipment permitted and the method of operation of authorized interactive games and interactive gaming devices and associated equipment.

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

(25) Ensure, in consultation with the commission, that
the wagering at casino simulcasting facilities is conducted
in conformance with the pari mutuel system of wagering
regulated by the commission under 3 Pa.C.S. Ch. 93 (relating
to race horse industry reform).

(26) Negotiate and enter into interactive gaming
reciprocal agreements on behalf of the Commonwealth to govern
the conduct of interactive gaming between interactive gaming
certificate holders in this Commonwealth and gaming entities
in other states or jurisdictions. Notwithstanding any
provision of this part, wagers may be accepted in accordance
with this part and regulations of the board from persons in
other states or jurisdictions and wagers from persons in this
Commonwealth may be made through an interactive gaming
platform to a state or jurisdiction with which the
Commonwealth has an interactive gaming reciprocal agreement
if the board determines that such wagering is not
inconsistent with Federal law or the law of the state or
jurisdiction in which the person or gaming entity is located,
or such wagering is conducted pursuant to an interactive
gaming reciprocal agreement to which this Commonwealth is a
party that is not inconsistent with Federal law. The board is
hereby designated as the agency of the Commonwealth with the
sole power and authority to enter into interactive gaming
reciprocal agreements with other states or jurisdictions.

(27) Enter into multistate agreements with other states
or jurisdictions for the operation of multistate wide area
progressive slot machine systems.

(28) Authorize a Category 2 or Category 3 slot machine licensee to enter into an agreement with a Category 1 slot machine licensee for the conduct of casino simulcasting under the Category 1 slot machine licensee's authority as a licensed racing entity, if such agreement is approved by the board and by the commission, pursuant to the commission's authority under 3 Pa.C.S. Ch. 93.

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

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

Section 8. Section 1209(b) of Title 4 is amended to read:

§ 1209. Slot machine license fee.

* * *

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

Section 9. Section 1211 of Title 4 is amended by adding subsections to read:

§ 1211. Reports of board.

* * *

(a.4) Interactive gaming reporting requirements.—

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

(i) Total gross interactive gaming revenue.

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

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

(2) The board may require interactive gaming certificate holders and interactive gaming operators to provide information to the board to assist in the preparation of the report.
(d.1) Impact of interactive gaming.—Commencing one year after the issuance of the first interactive gaming certificate and continuing annually thereafter, the board shall prepare and distribute a report to the Governor and the standing committees of the General Assembly with jurisdiction over the board on the impact of interactive gaming on compulsive and problem gambling and gambling addiction in this Commonwealth. The report shall be prepared by a private organization or entity with expertise in serving and treating the needs of persons with compulsive gambling addictions, which organization or entity shall be selected by the Department of Drug and Alcohol Programs. The report may be prepared and distributed in coordination with the board. Any costs associated with the preparation and distribution of the report shall be borne by all interactive gaming certificate holders. The board shall be authorized to assess a fee against each interactive gaming certificate holder for these purposes.

(d.2) Additional information for annual report.—

(1) One year after the commencement of casino simulcasting in accordance with Chapter 13F (relating to casino simulcasting), the operation of skill slot machines, hybrid slot machines and the operation of a multistate wide-area slot machine system, the report required under subsection (a) shall include information related to the following:

(i) The conduct of casino simulcasting.

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

(iii) The operation of the multistate wide-area...
progressive slot machine system.

(2) Information on revenue, taxes, fees and fines, if any, collected during the preceding calendar year and any other information, data or recommendations related to the conduct of casino simulcasting and the operation of the multistate wide area progressive slot machine system, skill slot machines and hybrid slot machines as determined by the board.

(d.3) Study. The board shall study and annually report to the standing committees of the General Assembly with jurisdiction over the board on developments in gaming technology and the impact, if any, new technologies are having or are expected to have on the sustainability and competitiveness of the gaming industry in this Commonwealth. The initial report shall be due one year after the effective date of this subsection. Each report shall specifically address the following:

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

(2) New gaming products, if any, which have been introduced in other states or jurisdictions.

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

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

Section 10. Section 1212(e) of Title 4 is amended by adding paragraphs to read:
§ 1212. Diversity goals of board.

**

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

**

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

(10) Technology related to casino simulcasting.

Section 11. Section 1302(a) of Title 4 is amended to read:

§ 1302. Category 1 slot machine license.

(a) Eligibility.--A person may be eligible to apply for a Category 1 license to place and operate slot machines at a licensed racetrack facility if the person:

(1) has been issued a license from either the State Horse Racing Commission or the State Harness Racing Commission to conduct thoroughbred or harness race meetings respectively with pari-mutuel wagering and has conducted live horse races for not less than two years immediately preceding the effective date of this part;

(2) has been approved or issued a license from either the State Horse Racing Commission or the State Harness Racing Commission to conduct thoroughbred or harness race meetings respectively with pari-mutuel wagering within 18 months immediately preceding the effective date of this part and will successfully conduct live racing pursuant to the requirements of section 1303 (relating to additional Category 1 slot machine license requirements);

(3) has been approved by the State Harness Racing Commission.
Commission, after the effective date of this part, to conduct harness race meetings with pari-mutuel wagering and will conduct live racing pursuant to the requirements of section 1303, or

(4) is a successor in interest to persons eligible under paragraph (1), (2) or (3) who comply with the requirements of section 1328 (relating to change in ownership or control of slot machine licensee) or is a successor in interest to persons otherwise eligible under paragraph (1), (2) or (3) but precluded from eligibility under the provisions of section [1330] 1330.1 (relating to undue economic concentration prohibited).

Nothing in this part shall be construed to permit the approval or issuance of more than one slot machine license at a licensed racetrack facility.

***

Section 12. Section 1305(a) and (e) of Title 4 are amended and the section is amended by adding subsections to read:

§ 1305. Category 3 slot machine license.

(a) Eligibility.--

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

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

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

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

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

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

(i) The duration of the membership.

(ii) The amenity covered by the membership.

(iii) Whether the fee charged for the membership represents the fair market value for the use of the amenity.]
to public official financial interest), if at the time of
application an applicant has terminated public office or
employment as an executive-level public employee within the
last calendar year, the applicant shall be eligible to apply
for a slot machine license under this section but may not be
issued a license until one year following the date of
termination as a public official or executive level public-
employee. An application submitted in accordance with this
paragraph shall not constitute a violation of section 1512(a)
or (a.1).

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

(c.1) Additional slot machines.

(1) Upon submission by a Category 3 slot machine
licensee of a petition to the board, in such form and manner
as the board may require, the board may authorize the
Category 3 slot machine licensee to increase the number of
slot machines at the Category 3 slot machine licensee's
licensed facility.
(2) An increase in the number of slot machines by a Category 3 slot machine licensee under paragraph (1) may not, at the discretion of the board, exceed 250 additional slot machines, which shall be in addition to the number of permissible slot machines authorized under subsection (c).

(d.1) Additional fee. Notwithstanding subsection (d), no later than 60 days after the effective date of this subsection, each holder of an existing Category 3 slot machine license issued by the board before January 1, 2017, shall pay a one-time fee of $1,000,000. Each holder of a Category 3 slot machine license issued by the board after January 1, 2017, shall pay a one-time fee of $1,000,000 within 60 days of issuance of the slot machine license. The fee shall be deposited in the General Fund.

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

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

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

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

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

§ 1306.1. Remaining Category 2 licenses.

Notwithstanding any other provisions of this part, the board shall create an expedited approval process that prioritizes the issuance of any remaining Category 2 slot machine licenses not issued prior to the effective date of this section, provided that the expedited approval process shall protect the public interest and integrity of gaming. When creating the expedited approval process, the board shall include procedures for ensuring that a Category 2 slot machine license applied for, the application for which is withdrawn after the effective date of this section, is eligible to be reapplied for by another applicant within 30 days of the withdrawn application. The board shall create the expedited approval process within 30 days of the effective date of this section.

Section 12.2. Section 1307 of Title 4 is amended to read:

§ 1307. Number of slot machine licenses.

(a) Limitation. The board may license no more than seven Category 1 licensed facilities and no more than five Category 2 licensed facilities, as it may deem appropriate, as long as two,
and not more, Category 2 licensed facilities are located by the board within the city of the first class and that one, and not more, Category 2 licensed facility is located by the board within the city of the second class. The board may at its discretion increase the total number of Category 2 licensed facilities permitted to be licensed by the board by an amount not to exceed the total number of Category 1 licenses not applied for within five years following the effective date of this part. Except as permitted by section 1328 (relating to change in ownership or control of slot machine licensee), any Category 1 license may be reissued by the board at its discretion as a Category 2 license if an application for issuance of such license has not been made to the board. The board may license no more than two Category 3 licensed facilities.

(b) Delay of issuance.—Notwithstanding subsection (a) or any other provisions of this part, the board may not:

(1) Accept an application for a Category 1 slot machine license for a period starting on the effective date of this subsection through July 1, 2020.

(2) Issue a Category 1 slot machine license for a period starting on the effective date of this subsection through July 1, 2020.

c) Applicability.—Subsection (b) shall not apply to a change of ownership or control of a Category 1 slot machine license as permitted by section 1328.

Section 13. Section 1309(a.1) heading of Title 4 is amended and the subsection is amended by adding a paragraph to read:

§ 1309. Slot machine license application.

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

***

(3) The board may permit an applicant for a slot machine license that has an application under paragraph (1) or (2) pending before the board to supplement its application with all information required under Chapter 13B (relating to interactive gaming) and to request that the board consider its application for a slot machine license, a table game operation certificate and an interactive gaming certificate concurrently. All fees for an interactive gaming certificate shall be paid by the applicant in accordance with the requirements of this part.

***

Section 14. Sections 1317(a) and (c) and 1317.1(a), (b), (c), (c.1), (d.1) and (e) of Title 4 are amended and the sections are amended by adding subsections to read:

§ 1317. Supplier licenses.

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

***

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

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

2. The license shall be nontransferable.

3. Any other condition established by the board.

* * *

(c.2) Abbreviated process for supplier.

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

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

§ 1317.1. Manufacturer licenses.

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

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

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

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

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

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

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

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

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

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

(2) The license shall be nontransferable.

(3) Any other condition established by the board.

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

1. The manufacturer license was issued by the board within a 36-month period immediately preceding the date the manufacturer licensee files an application to manufacture table game devices or associated equipment.
2. The person to whom the manufacturer license was issued affirms there has been no material change in circumstances relating to the license.
3. The board determines, in its sole discretion, that there has been no material change in circumstances relating to the licensee that necessitates that the abbreviated process not be used.

(c.2) Abbreviated process for manufacturer.—

1. Notwithstanding subsection (c.1)(1) or any regulations of the board to the contrary, the board may extend the use of the abbreviated process authorized under subsection (c.1) to an applicant for a manufacturer license to manufacture slot machines used in multistate wide area progressive slot machine systems, skill slot machines, hybrid slot machines or associated equipment used in connection with multistate wide area progressive slot machine systems, skill slot machines or hybrid slot machines or interactive gaming.
devices or associated equipment used in connection with
interactive gaming, if the applicant holds a valid
manufacturer license issued by the board to manufacturer slot
machines or associated equipment or table games or table game
devices or associated equipment. The requirements of
subsection (c.1) (2) and (3) shall apply to this subsection.

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

* * *

(d.1) Authority.—The following shall apply to a licensed
manufacturer:

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

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

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

(4) A manufacturer may contract with a supplier under section 1317 to provide slot machines used in a multistate wide area progressive system, skill slot machines or hybrid slot machines or associated equipment, interactive gaming devices or associated equipment, provided that the manufacturer is licensed to manufacture slot machines used in a multistate wide area progressive slot machine system, skill slot machines or hybrid slot machines or associated equipment or interactive gaming devices or associated equipment used in connection with interactive games.

(e) Prohibitions.--

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

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

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

(4) No limitation shall be placed on the number of
manufacturer licenses issued or the time period to submit applications for licensure, except as required to comply with section 1306 (relating to order of initial license issuance).

Section 15. Title 4 is amended by adding a section to read:

§ 1317.3. Nongaming service provider.

(a) Notification required.

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

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

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

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

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

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

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

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

(4) An affirmation from the slot machine licensee or applicant for a slot machine license certifying that the licensee or applicant has performed due diligence regarding the nongaming service provider and believes that neither the nongaming service provider nor its employees will adversely affect the public interest or integrity of gaming.

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

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

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

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

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

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

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

(2) The slot machine licensee or applicant for a slot machine license shall notify the board of any material change in the information provided in the notification under this section. No fee shall be required for a subsequent change during the time for which the notification remains valid.
(3) The slot machine licensee or applicant for a slot-machine license shall ensure that employees of the nongaming-service provider do not enter the gaming floor or a gaming-related restricted area of the licensed facility.

(4) The slot machine licensee or applicant for a slot-machine license shall report to the board an employee of a nongaming service provider that does any of the following:
   (i) Enters the gaming floor or a gaming-related restricted area of the licensed facility.
   (ii) Commits an act that adversely affects the public interest or integrity of gaming.

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

(e) Authority to exempt.--The board may exempt a slot-machine licensee or applicant for a slot-machine license from the notification requirements of this section if the board determines any of the following:
   (1) The nongaming service provider or the type or nature of the nongaming service provider's business is regulated by an agency of the Federal Government, an agency of the Commonwealth or the Pennsylvania Supreme Court.
   (2) Notification is not necessary to protect the public interest or integrity of gaming.

(f) (Reserved).

(g) Criminal history record information.--Notwithstanding
any other provision of this part or regulation of the board, a
nongaming service provider shall obtain from the Pennsylvania
State Police and provide to the board the results of a criminal
history record information check under 18 Pa.C.S. Ch. 91
(relating to criminal history record information).

(h) Emergency notification.

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

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

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

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

(i) Nongaming service provider list.

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

(2) The board shall develop and maintain a list of
prohibited nongaming service providers and make it available

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upon request to a slot machine licensee or an applicant for a slot machine license.

(3) A slot machine licensee or applicant for a slot machine license may not enter into an agreement or engage in business with a nongaming service provider appearing on the list described in paragraph (2).

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

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

(2) Comply with each condition, restriction, requirement, order or ruling of the board issued under this part or regulation of the board.

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

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

Section 16. Section 1320(a) of Title 4 is amended and the section is amended by adding a subsection to read:
§ 1320. Slot machine testing and certification standards.

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

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

Notwithstanding any other provisions of this part or regulation
of the board, if a slot machine is tested and certified by a
private testing and certification facility registered with the
board, the board shall use an abbreviated certification process
requiring only that information determined by it to be necessary
to consider the issuance of a slot machine certification under
this section. Within one year of the effective date of this
subsection, the board shall promulgate regulations that:

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

2. Specify the form and content of the application for
registration.

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

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

5. Utilize information provided by private testing and
certification facilities for the abbreviated certification of
slot machines.

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

7. Establish fees that must be paid by licensed
manufacturers.
(8) Require slot machines submitted for abbreviated certification to be approved or denied by the board within 30 days from the date of submission to the board. If the board fails to act within the 30-day period, the abbreviated certification shall be deemed conditionally approved.

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

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Section 17. Section 1326 of Title 4 is amended to read:

§ 1326. [License renewals] Renewals.

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

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

Section 18. Title 4 is amended by adding a section to read:

§ 1326.1. Slot machine license operation fee.

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

(b) Payment of fee.--The slot machine license operation fee
imposed under subsection (a) shall be paid in equal monthly
installments on or before the first day of each month.

(c) Failure to pay.--The board may at the board's discretion
suspend, revoke or deny any permit or license issued under this
part to a Category 1 licensed gaming entity or Category 2
licensed gaming entity that fails to pay the slot machine
license operation fee imposed under subsection (a).

(d) Deposit.--The slot machine license operation fees
collected by the board under this section shall be deposited in
the fund and shall be appropriated to the department on a
continuing basis for the purposes under section 1403(c)(3)
(relating to establishment of State Gaming Fund and net slot-
machine revenue distribution).

Section 19. Section 1328(d) of Title 4 is amended and the-
section is amended by adding a subsection to read:

§ 1328. Change in ownership or control of slot machine-
licensee.

* * *

(d) Fee reduction.--The board may in its discretion
eliminate the need for qualification and/or proportionately-
reduce[, but not eliminate,] the new license fee otherwise-
required pursuant to this section in connection with a change of
control of a licensee, provided that the reduced minimum license-
fee for a Category 1 or Category 2 slot machine licensee shall
not be less than $15,000,000 and the reduced minimum license fee
for a Category 3 slot machine licensee shall not be less than.
$1,000,000, depending upon the type of transaction, the relevant ownership interests and changes thereto resulting from the transaction and other considerations deemed relevant by the board.

(f) Undue economic concentration prohibited. A change in ownership or control of a slot machine licensee shall comply with section 1330.1 (relating to undue economic concentration prohibited).

Section 20. Section 1330 of Title 4 is repealed:
§ 1330. Multiple slot machine license prohibition.

No slot machine licensee, its affiliate, intermediary, subsidiary or holding company may possess an ownership or financial interest that is greater than 33.3% of another slot machine licensee or person eligible to apply for a Category 1 license, its affiliate, intermediary, subsidiary or holding company. The board shall approve the terms and conditions of any divestiture under this section. Under no circumstances shall any such divestiture be approved by the board if the compensation for the divested interest in a person eligible to apply for a Category 1 license exceeds the greater of the original cost of the interest, the book value of the interest or an independently assessed value of the interest one month prior to the effective date of this part and, in the case of a person eligible to apply for a Category 1 license, unless the person acquiring the divested interest is required to continue conducting live racing at the location where live racing is currently being conducted in accordance with section 1303 (relating to additional Category 1 slot machine license requirements) and be approved for a Category 1 slot machine license.
applicant shall be issued a slot machine license until the-
applicant has completely divested its ownership or financial-
interest that is in excess of 33.3% in another slot machine-
licensee or person eligible to apply for a Category 1 license,
its affiliate, intermediary, subsidiary or holding company.)

Section 21. Title 4 is amended by adding a section to read:
§ 1330.1. Undue economic concentration prohibited.

(a) General rule. No slot machine licensee, its affiliate,
intermediary, subsidiary or holding company may possess an
ownership or financial interest of another slot machine licensee
or person eligible to apply for a Category 1 license, its
affiliate, intermediary, subsidiary or holding company if the
ownership or financial interest would result in undue economic
concentration in this Commonwealth.

(b) Board to establish criteria. The board shall establish
through regulation criteria for determining whether the issuanc-
of a slot machine license or a change in ownership or control of
a slot machine licensee occurring under section 1328 (relating
to change in ownership or control of slot machine licensee)
constitutes undue economic concentration. The criteria shall
include:

(1) The percentage share of the market presently
controlled by the applicant.

(2) The estimated increase in the market share if the
applicant is issued the slot machine license.

(3) The relative position of other slot machine-
licensees.

(4) The current and projected financial condition of the-
gaming industry in this Commonwealth.

(5) Current market conditions, including level of
competition, consumer demand, market concentration, any
consolidation trends in the industry and any other relevant
characteristics of the market.

(6) Whether the applicant has separate organizational
structures or other independent obligations.

(7) Potential impact on the projected future growth and
development of the gaming industry in this Commonwealth.

(8) Whether the issuance or holding of the slot machine
license by the applicant will adversely impact consumer
interests.

(9) Any other criteria the board may require.

(c) Divestiture.—No applicant shall be issued a slot
machine license or approved for a change in ownership or control
until the applicant has completely divested a portion of
ownership or financial interest of another slot machine
licensee. The board shall approve the terms and conditions of
any divestiture that may be required under this section.

(d) Definition.—For the purpose of this section, "undue
economic concentration" means that a slot machine licensee, its
affiliate, intermediary, subsidiary or holding company would
have such actual or potential domination of the gaming market in
this Commonwealth as to substantially impede or suppress
competition among slot machine licensees or adversely impact the
economic stability of the gaming industry in this Commonwealth.

Section 22. Sections 13A11(b), 13A22.1(c) and 13A27(a) and
(c) of Title 4 are amended to read:


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(b) Number of authorized gaming tables.—

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

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

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

(3) Nonbanking gaming tables shall seat a maximum of ten...
§ 13A22.1. Table game tournaments.

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(c) Exemptions and additional tables.—The following shall apply:

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

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

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§ 13A27. Other financial transactions.

(a) Credit.—

(1) Notwithstanding section 1504 (relating to wagering on credit), a certificate holder may extend interest-free,
unsecured credit to patrons for the purpose of playing slot-
machines or table games in accordance with this section;-
however, a certificate holder shall not accept credit cards,-
charge cards or debit cards from a patron or player for the-
exchange or purchase or chips, slot machine or table game-
credits or for an advance of coins or currency to be utilized-
by a player to play slot machine or table games. No credit-
card advance machine may be placed on the gaming floor.

(2) Prepaid access instruments are not deemed to be a-
credit card, charge card, debit card or any other instrument-
of credit and are not prohibited under this section. A device-
or other mechanism that allows or facilitates the funding of-
a prepaid access instrument shall not be deemed a credit card-
advance machine under this section.

***

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

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

(2) That the applicant's name is not included on an-
exclusion list under section 1514 (relating to regulation-
requiring exclusion [or] ejection or denial of access of-
certain persons) or 1516 (relating to list of persons self-
excluded from gaming activities) or the voluntary credit-
suspension list under subsection (h).
Section 23. Section 13A.41 of Title 4 is amended by adding a subsection to read:

§ 13A.41. Table game device and associated equipment testing and certification standards.

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

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

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

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

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

(4) Establish uniform procedures and standards which private testing and certification facilities must comply with during the testing and certification of table game devices and associated equipment.
(5) Utilize information provided by private testing and certification facilities for the abbreviated certification of table game devices or associated equipment.

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

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

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

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

Section 23.1. Section 13A61(a) of Title 4 is amended by adding a paragraph to read:

§ 13A61. Table game authorization fee.

(a) Amount of authorization fee.

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(3.1) Notwithstanding any other provision of this part, no later than 60 days after the board approves a request for additional table games in accordance with section 13A11 (relating to authorization to conduct table games) submitted by a Category 3 slot machine licensee, the Category 3 slot machine licensee shall pay a one-time nonrefundable fee in
the amount of $1,000,000. The fee shall be deposited into the General Fund.

Section 24. Section 13A63(b)(3)(iii)(C) and (4) of Title 4 are amended to read:

§ 13A63. Local share assessment.

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

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

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

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

* * *

(4) The following apply:

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

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

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

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

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

***

Section 25. Title 4 is amended by adding chapters to read:

CHAPTER 13B

INTERACTIVE GAMING

Subchapter

A. General Provisions

B. Interactive Gaming Authorized

B.1. Multi-use Computing Devices

C. Conduct of Interactive Gaming

D. Facilities and Equipment

E. Testing and Certification

F. Taxes and Fees

G. Miscellaneous Provisions

SUBCHAPTER A

GENERAL PROVISIONS

see

13B01. (Reserved).

13B02. Regulatory authority.
13B03. Regulations.

§ 13B01. (Reserved).

§ 13B02. Regulatory authority.

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

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

(2) Establishing standards and procedures for testing and approving interactive games and interactive gaming devices and associated equipment, and any variations or composites of authorized interactive games, provided that the board determines that the interactive games and any new interactive games or any variations or composites are suitable for use after a test or experimental period under any terms and conditions as the board may deem appropriate. The board may give priority to the testing of interactive games, interactive gaming devices and associated equipment or other gaming equipment which a slot machine licensee or an applicant for an interactive gaming license has certified that it will use to conduct interactive gaming in this Commonwealth. Nothing in this paragraph shall be construed to prohibit the board from using the testing and certification standards of another state or jurisdiction in which interactive gaming is conducted, if it determines that the standards of the jurisdiction are comprehensive, thorough and
provide similar and adequate safeguards as those required under this part. If the board makes such a determination and the slot machine licensee or applicant for an interactive gaming license is licensed in another state or jurisdiction to operate interactive gaming or an interactive gaming system, it may use an abbreviated process requiring only the information determined by it to be necessary to consider the issuance of an interactive gaming certificate or interactive gaming license under this chapter. The board, in its discretion, may also rely upon the certification of interactive games that have met the testing and certification standards of a board-approved private testing and certification facility.

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

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

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

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

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

(8) Governing the creation, ownership and utilization of interactive gaming accounts by registered players, including the following:

(i) Requiring that an interactive gaming account be created, owned and utilized by a natural person and not in the name of any beneficiary, custodian, joint trust, corporation, partnership or other organization or entity.

(ii) Prohibiting the assignment or other transfer of an interactive gaming account.

(iii) Prohibiting the creation, ownership or utilization of an interactive gaming account by an individual under 21 years of age.

(9) Establishing procedures for a registered player to log into the registered player's interactive gaming account, authenticate the registered player's identity, agree to terms, conditions and rules applicable to authorized interactive games and log out of the registered player's interactive gaming account, including procedures for automatically logging off a registered player from an interactive game after a specified period of inactivity.

(10) Establishing procedures for:

(i) Depositing funds in an interactive gaming account by cash, transfer or other means, as approved by

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the board.

(ii) The withdrawal of funds from an interactive
    gaming account.

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

(iv) The termination of an interactive gaming
    account and disposition of funds in the account.

(v) The disposition of unclaimed funds in a dormant
    interactive gaming account.

(11) Establishing mechanisms by which a registered
    player may place a limit on the amount of money being wagered
    on an authorized interactive game or during any specified
    time period or the amount of money lost during any specified
    time period.

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

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

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

(15) Requiring each interactive gaming certificate holder to:

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

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

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

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

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

(vi) Adopt policies or procedures to prohibit any unauthorized person from having access to interactive gaming devices and associated equipment.

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

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

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

(b) Additional authority.--

(1) At its discretion, the board may determine whether persons that provide the following goods or services shall be required to obtain a license, permit or other authorization:

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

   (ii) Identity, location or age verification and geospatial technology services.

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

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

(v) Any other goods or services related to
interactive gaming as the board may determine.
(2) The board shall develop a classification system for
the licensure, permitting or other authorization of persons
that provide the following goods or services related to
interactive gaming:

(i) Persons that provide interactive games and
interactive gaming devices and associated equipment.
(ii) Persons that manage, control or administer the
interactive games or the wagers associated with
interactive games.
(iii) Providers of customer lists comprised of
persons identified or selected, in whole or in part,
because they placed or may place wagers on interactive

gaming.
§ 13B03. Regulations.
(a) Promulgation.--
(1) In order to facilitate the prompt implementation of
this chapter, the board shall have the authority to
promulgate temporary regulations which shall expire not later
than two years following the publication of the temporary
regulation in the Pennsylvania Bulletin and on the board's
publicly accessible Internet website.
(2) The board may promulgate temporary regulations not
subject to:
(i) Sections 201, 202, 203, 204 and 205 of the act.
(ii) Sections 204(b) and 301(10) of the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act.


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

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

SUBCHAPTER B
INTERACTIVE GAMING AUTHORIZED

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$13B11. Authorization to conduct interactive gaming.

$13B12. Interactive gaming certificate required and content of petition.


$13B15. Interactive gaming certificate and interactive gaming license.

$13B16. Timing of initial interactive gaming authorizations.

(a) Authority of board.--The board may authorize a slot machine licensee:

(1) To conduct interactive gaming directly or through an interactive gaming operator under an interactive gaming agreement, including contests and tournaments and any other game which is determined by the board to be suitable for interactive gaming.

(2) To deploy interactive gaming skins or Internet websites to facilitate the conduct of interactive gaming activities.

(b) Authority to play interactive games.--Notwithstanding any other provision of law, an individual who is 21 years of age or older is hereby permitted to participate as a registered player in interactive gaming and wagering associated with playing an authorized interactive game offered by an interactive gaming certificate holder in accordance with this chapter and regulations of the board. Except as provided in Subchapter G (relating to miscellaneous provisions), a registered player must be physically located within this Commonwealth in order to participate in interactive gaming.
§ 13B12. Interactive gaming certificate required and content of petition.

(a) Certificate required.--No person shall operate or conduct or attempt to operate or conduct interactive gaming, except for test purposes as approved by the board, or offer open interactive gaming for play by the public in this Commonwealth without first obtaining an interactive gaming certificate or an interactive gaming license from the board. A slot machine licensee may seek approval to conduct interactive gaming by filing a petition for an interactive gaming certificate with the board. The board shall prescribe the form and the manner in which it shall be filed.

(b) Content of petition.--In addition to information and documentation demonstrating that the slot machine licensee is qualified for an interactive gaming certificate under this chapter, a petition for an interactive gaming certificate shall include the following:

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

(2) The name, business address and contact information of any affiliate or other person that will be a party to an agreement with the slot machine licensee related to the operation of interactive gaming or an interactive gaming system on behalf of the slot machine licensee, including a person applying for an interactive gaming license.

(3) The name and business address, job title and a photograph of each principal and key employee of the slot machine licensee who will be involved in the conduct of interactive gaming, whether or not the principal or key employee is currently licensed by the board, if known.
(4) The name and business address, job title and a photograph of each principal and key employee of the interactive gaming operator, if any, who will conduct interactive gaming or an interactive gaming system on behalf of the slot machine licensee, whether or not the principal or key employee is currently licensed by the board, if known.

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

(6) The estimated number of full-time and part-time employment positions that will be created at the slot machine licensee's licensed facility or at any interactive gaming restricted area if an interactive gaming certificate is issued and an updated hiring plan under section 1510(a) (relating to labor hiring preferences) which outlines the slot machine licensee's plan to promote the representation of diverse groups and Commonwealth residents in the employment positions.

(7) A brief description of the economic benefits expected to be realized by the Commonwealth, the host municipalities and residents if an interactive gaming certificate is issued.

(8) The details of any financing obtained or that will be obtained to fund an expansion or modification of the slot machine licensee's licensed facility to accommodate interactive gaming and to otherwise fund the cost of
commencing interactive gaming.

(9) Information and documentation concerning financial background and resources, as the board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the slot machine licensee, and information or documentation concerning any person that will operate interactive gaming or an interactive gaming system on behalf of the slot machine licensee as an interactive gaming operator, as the board may require. The interactive gaming agreement with such person shall be subject to the review and approval of the board.

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

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

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

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

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

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

(iii) How the slot machine licensee will facilitate compliance with all of the requirements set forth in this chapter and in section 802(a) of the Unlawful Internet Gambling Enforcement Act of 2006 (Public Law 109-347, 31 U.S.C. § 5262(10)(B)), including, but not limited to, all of the following:

(A) Age, identity and location verification requirements.

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

(C) Except as provided in Subchapter G (relating to miscellaneous provisions), the requirement that all wagers made in the conduct of interactive gaming be initiated and received or otherwise made exclusively within this Commonwealth.

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

(v) The procedures the slot machine licensee will use to register individuals as registered players.

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

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

(viii) Documentation and information relating to-
known proposed contractors of the slot-machine licensee-
and subcontractors of the contractors.

(14) The interactive gaming devices and associated-
equipment and interactive gaming system or systems, that the-
slot-machine licensee plans to or will utilize to manage,
administer or control its interactive gaming operations.

(15) Compliance certification of the slot-machine-
licensee's proposed interactive gaming devices and associated-
equipment, including interactive gaming software and-
hardware, by a board-approved gaming laboratory to ensure-
that the gaming software and hardware comply with the-
requirements of this chapter and regulations of the board.

(16) Detailed description of accounting systems,
including, but not limited to, accounting systems for all of-
the following:

(i) Interactive gaming accounts.

(ii) Per-hand charges, if applicable.

(iii) Transparency and reporting to the board and-
the department.

(iv) Distribution of revenue to the Commonwealth and-
earnings to registered players.

(v) Ongoing auditing and internal control compliance-
reviews.

(17) Detailed information on security systems to protect-
the interactive gaming skins or Internet website from-
internal and external breaches and threats.

(18) Any other information the board may require.

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


(a) Requirements for approval of petition.

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

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

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

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

   (iv) The slot machine licensee has implemented or will implement appropriate standards to protect the...
privacy and security of registered players with a reasonable degree of certainty.

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

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

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

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

(b) Issuance of interactive gaming certificate.—

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

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

(c) Term of interactive gaming certificate.—Subject to the power of the board to deny, revoke or suspend an interactive gaming certificate, an interactive gaming certificate shall be valid for five years from the date of issuance and may be renewed in accordance with the requirements of section 1326 (relating to renewals).

(d) Sanctions.—An interactive gaming certificate holder that fails to abide by the requirements of this chapter or regulations of the board or any condition contained in the interactive gaming certificate holder's statement of conditions governing the operation of interactive gaming shall be subject to board imposed administrative sanctions or other penalties authorized under this part.

(e) Background investigations.—Each petition for an interactive gaming certificate shall be accompanied by a nonrefundable fee established by the board to cover the cost of background investigations. The board shall determine by regulation the persons who shall be subject to background investigation. Any additional costs and expenses incurred in any

(a) License required.--No person shall serve or attempt to serve as an interactive gaming operator without first obtaining an interactive gaming license from the board for each interactive gaming certificate holder the applicant proposes to operate interactive gaming or an interactive gaming system on behalf of. A person may seek approval to serve as an interactive gaming operator by filing an application with the board. The board shall prescribe the form of the application and the manner in which it shall be filed. The board shall:

(1) Determine suitability of the person filing an application under this section. The board shall determine suitability in accordance with the same requirements of this part applicable to the determination of suitability of the issuance of an interactive gaming certificate to a slot machine licensee. Notwithstanding the provisions of this paragraph, the board may consider a holder of a valid license, permit, registration, certificate or other authorization approved and issued under this part, which is in good standing, as suitable under this section without additional investigation. The consideration shall not relieve the applicant for an interactive gaming license from payment of all fees imposed under this chapter.

(2) Provide for the approval of the terms and conditions of all agreements entered into by or between an interactive gaming certificate holder and a person applying for an interactive gaming license.

(b) Classification and approval of employees.
The board shall establish a classification system for employees of interactive gaming operators or other persons who provide products or services associated with or related to interactive gaming, interactive gaming platforms and interactive gaming systems.

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

c) Applicability of certain provisions. Interactive gaming operators shall be subject to the applicable provisions of this part that apply to interactive gaming certificate holders, as determined by the board, including the provisions of section 13B13(d) (relating to issuance of interactive gaming certificate).

d) Term of interactive gaming license. Subject to the power of the board to deny, revoke or suspend an interactive gaming license, an interactive gaming license shall be valid for five years from the date of issuance and may be renewed in accordance with the requirements of section 1326 (relating to renewals).

e) Interactive gaming license and conditional authorization.

(1) The following shall apply:

(i) During the first 18 months after the effective date of this section, the board may issue conditional authorization to a person applying for an interactive gaming license.

(ii) Conditional authorization issued under this subsection shall remain in effect until the earlier of
the date occurring 12 months after the issuance of the
authorization or the date upon which the board makes a
final determination on the person's application.

(iii) The effectiveness of a conditional
authorization may be extended by the board not more than
once, upon a showing of good cause.

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

(2) A conditional authorization may not be issued
unless:

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

(ii) The applicant agrees to pay or has paid the fee
prescribed in section 13B51 (relating to interactive
gaming authorization fee) prior to the issuance of
a conditional authorization.

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

(3) Within 45 days of the date that the bureau receives
the completed application for an interactive gaming license
from an applicant for investigation, the bureau shall conduct
a preliminary investigation of the applicant and any employee
of the applicant determined by the board to be included in
the investigation, which shall include a criminal background
investigation.

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

(5) If the bureau's preliminary investigation discloses adverse information that would impact suitability for licensure, it shall register an objection, and a conditional authorization may not be issued until the bureau's concerns are resolved.

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

§ 13B15. Interactive gaming certificate and interactive gaming license.
The following shall apply:

(1) An interactive gaming certificate and an interactive gaming license issued to an interactive gaming operator conducting interactive gaming or an interactive gaming system on behalf of the interactive gaming certificate holder shall be valid unless not renewed in accordance with the provisions of this chapter or:

(i) The certificate or license is suspended or revoked by the board as permitted by this part and regulations of the board.

(ii) The interactive gaming certificate holder's slot machine license is suspended, revoked or not renewed by the board as permitted by this part and regulations of the board.

(iii) The interactive gaming certificate holder
licensee relinquishes or does not seek renewal of its slot machine license.

(iv) The interactive gaming certificate holder does not seek renewal of its interactive gaming certificate.

(2) The interactive gaming certificate may include an initial itemized list by number and type of authorized interactive games for interactive gaming to be conducted by the interactive gaming certificate holder or interactive gaming operator. The interactive gaming certificate holder may increase or decrease the number of interactive games authorized for play on its interactive gaming skin or Internet website or change the type of authorized interactive games played on its interactive gaming skin or Internet website upon notice, if required by the board, to the board and approval by the board or a designated employee of the board. Unless approved by the board or a designated employee of the board, the total number and type of authorized interactive games offered for play by an interactive gaming certificate holder may not differ from the number and type approved by the board and authorized in the interactive gaming certificate.

(3) A slot machine licensee shall be required to update the information in its petition for an interactive gaming certificate at times and in the form and manner prescribed by the board.

(4) A valid interactive gaming certificate or interactive gaming license may be renewed in accordance with the procedures set forth in section 1326 (relating to renewals) and upon the payment of the applicable renewal fee required by section 13B51(e) (relating to interactive gaming.
The board shall prescribe the date on which petitions for an
interactive gaming certificate and applications for an
interactive gaming license must be filed with the board and
shall approve or deny a petition or application within 90 days
following receipt.

SUBCHAPTER B.1
MULTI-USE COMPUTING DEVICES

Sec.

13B20.1. (Reserved).
13B20.2. (Reserved).
13B20.3. Fee.
13B20.4. Multi-use gaming device tax.
13B20.5. Local share assessment.
13B20.6. Regulations.
13B20.7. Construction.


(a) Authority.--The board may authorize an interactive

gaming certificate holder to provide for the conduct of
interactive gaming, either directly or through an interactive-
gaming operator under an interactive gaming agreement, at a
qualified airport through the use of multi-use computing devices
by eligible passengers in accordance with this subchapter and
the regulations of the board. The following shall apply:

(1) If the interactive gaming certificate holder intends
to operate interactive gaming under an interactive gaming
agreement, the interactive gaming operator that is a party to
the interactive gaming agreement shall have been issued an
interactive gaming license or will be issued an interactive
gaming license prior to the commencement of operations under
the interactive gaming agreement. The interactive gaming
agreement shall be subject to the review and approval of the
board.

(2) The interactive gaming certificate holder or the
interactive gaming operator, as the case may be, shall enter
into written agreements with the airport authority and the
concession operator at the qualified airport or, for
operation at a qualified airport which is not located
primarily within a city of the first class, a written
agreement with the airport authority that permits the conduct
of interactive gaming through the use of multi-use computing
devices within the airport gaming area. The agreements shall
be subject to the review and approval of the board.

(3) Notwithstanding any provision to the contrary
contained in this part or regulation of the board, an
eligible passenger does not need to be a registered player.

(b) Petition.—An interactive gaming certificate holder
desiring to provide interactive gaming at a qualified airport
under subsection (a) shall submit a petition for approval to the
board. The petition shall be in the form and submitted in the-
manner prescribed by the board.

(c) Requirements. The petition filed under subsection (b)
shall include the following:

(1) The name, business address and contact information
of the interactive gaming certificate holder and the name,
business address and contact information of the interactive
gaming operator, if applicable.

(2) The name and business address, job title and a
photograph of each principal and key employee, if known, of
the interactive gaming certificate holder and the interactive
gaming operator, if applicable, who will be directly involved
in the conduct of the authorized interactive games at the
qualified airport and who are not currently licensed by the
board.

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

(4) A copy of the interactive gaming agreement, if
applicable.

(5) The location of the qualified airport together with
detailed site plans indicating the location of the proposed
airport gaming area.

(6) Except as provided in paragraph (7), the name and
business address of the airport authority governing the
qualified airport and the names of the members of the
governing body of the airport authority.

(7) If the use and control of the qualified airport is
regulated by a city of the first class, an identification of
the municipal agency and primary officials of the city of the
first class.

(8) Copies of the agreements required under subsection
(a)(2).

(9) The brand name of the multi-use computing devices
that will be placed in operation at the qualified airport and
any information required by the board, in its discretion,
regarding persons that manufacture or will supply the multi-
use computing devices as it deems necessary.
(10) The interactive games the interactive gaming certificate holder or the interactive gaming operator, as applicable, intends to offer for play at the qualified airport.

(11) Information, as the board may require, on any computer applications, including gaming applications, that can be accessed on the multi-use computing devices to be placed into operation at the qualified airport.

(12) Information and documentation evidencing the financial stability, integrity and responsibility of the interactive gaming certificate holder and the interactive gaming operator, if applicable.

(13) The agreement of the interactive gaming certificate holder to pay the fee required by section 13B20.3 (relating to fee).

(14) Any other information required by the board.

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

(e) Approval. -- The board shall approve the petition submitted under subsection (b) upon review and approval of the information submitted under subsection (c) and a determination by the board by clear and convincing evidence that:

(1) The interactive gaming certificate holder and the interactive gaming operator, if applicable, have paid all required fees and taxes payable under provisions of this part other than this subchapter to the date of submission of the petition.

(2) The interactive gaming certificate holder, or the
interactive gaming operator, as the case may be, possesses
the necessary funds or has secured adequate financing to
commence the conduct of interactive gaming at the qualified
airport.

(3) The proposed internal and external security and
surveillance measures at the qualified airport and within the
airport gaming area are adequate.

(4) Interactive gaming at the qualified airport will be
conducted and operated in accordance with this part and
regulations of the board.

§ 13B20.1. (Reserved).
§ 13B20.2. (Reserved).
§ 13B20.3. Fee.

(a) Required fee.—

(1) An interactive gaming certificate holder shall pay a
one-time, nonrefundable fee upon the authorization to conduct
interactive gaming at a qualified airport through the use of
multi-use computing devices in accordance with this
subchapter.

(2) The amount of the fee shall be as follows:

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

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

(iii) If the airport is an international airport
located in a county other than a county of the first or
second class, the amount of the fee shall be $1,000,000.
(iv) If the airport is a qualified airport that has not been designated an international airport, the amount of the fee shall be $250,000.

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

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

(a) Imposition.

(1) Each interactive gaming certificate holder authorized to conduct interactive gaming at a qualified airport in accordance with the provisions of this subchapter shall report to the department and pay from its daily gross interactive gaming revenue generated from the conduct of interactive gaming through multi-use computing devices at the qualified airport, on a form and in the manner prescribed by the department, a tax of 16% of its daily gross interactive gaming revenue generated from multi-use computing devices at the qualified airport.

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

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

(4) The department shall transfer the funds collected
under this section to the General Fund.

§ 13B20.5. Local share assessment.

(a) Required payment. In addition to the tax imposed under
section 13B20.4 (relating to multi-use gaming device tax), each
interactive gaming certificate holder authorized to conduct
interactive gaming at a qualified airport shall pay, on a form
and in a manner prescribed by the department, a local share
assessment equal to 20% of the interactive gaming certificate
holder's daily gross interactive gaming revenue from multi-use
devices at the qualified airport. The funds shall be payable to
the department on a weekly basis and shall be based upon the
revenue generated during the previous week. The funds shall be
paid into a restricted receipts account established by the
department in the fund. All funds owed to the Commonwealth under
this section shall be held in trust by the interactive gaming
certificate holder until the funds are paid to the department.
Funds in the account are hereby appropriated to the department
on a continuing basis for the purposes set forth in this
section.

(b) Distributions to qualified airports.

(1) Except as provided in paragraph (2), the department
shall make quarterly distributions from the local share
assessments deposited into the restricted receipts account
under subsection (a) to each airport authority regulating the
use and control of a qualified airport where interactive
gaming is conducted under this subchapter. The amount

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distributed to an airport authority under this subsection shall be equal to the funds deposited into the restricted receipts account by the interactive gaming certificate holder authorized to conduct interactive gaming at the qualified airport regulated by the airport authority.

(2) (Reserved).
§ 13B20.6. Regulations.
The board shall promulgate regulations related to the operation of authorized interactive games through the use of multi-use computing devices at qualified airports, including, but not limited to:

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

(2) Procedures to govern credits, debits, deposits and payments to interactive gaming accounts.

(3) In consultation with the department, procedures to govern financial transactions between an interactive gaming certificate holder, an interactive gaming operator or other persons that relates to the reporting of gross interactive gaming revenue generated through the use of multi-use computing devices at qualified airports.

§ 13B20.7. Construction.
Nothing in this subchapter shall be construed to:

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

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

SUBCHAPTER C

CONDUCT OF INTERACTIVE GAMING

Sec.


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


13B27. Information provided at login.


13B29. Commencement of interactive gaming operations.


Except as provided in Subchapter C (relating to miscellaneous provisions), all wagers made through interactive gaming shall be deemed to be initiated, received or otherwise made within the geographic boundaries of this Commonwealth. The intermediate routing of electronic data associated or in connection with interactive gaming shall not determine the location or locations in which a bet or wager is initiated, received or otherwise made.


(a) Registration restrictions.—Only a registered player who has first established an interactive gaming account shall be permitted to play an authorized interactive game or place a...
wager associated with an authorized interactive game. The
interactive gaming account shall be in the name of a registered
player and may not be in the name of any beneficiary, custodian,
joint trust, corporation, partnership or other organization or
entity. An eligible passenger is not required to comply with
this section in order to play or place a wager associated with
an interactive game through the use of a multi-use computing
device at a qualified airport.

(b) Establishment of interactive gaming accounts.

(1) An interactive gaming account may be established in
person, provided that the board shall, through regulations,
provide procedures for the establishment of interactive-
gaming accounts over the Internet through the interactive-
gaming certificate holder's interactive gaming skin or
Internet website. Each interactive gaming account shall
comply with the internal controls of the interactive gaming
certificate holder that, at a minimum, require the following:

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

(ii) Proof of age, identity and physical address of
the principal residence of the prospective interactive-
gaming account holder in a method approved by the board
through regulation.

(iii) Electronic mail address and other contact
information of the prospective account holder, as the
board or interactive gaming certificate holder may
require.

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

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

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

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

(4) An interactive gaming account shall be a noninterest-
bearing account and shall not be assignable or otherwise
transferable.

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

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

(e) Suspension of interactive gaming account.—The interactive gaming certificate holder shall have the right to suspend or close any interactive gaming account or declare all or any part of an interactive gaming account closed for wagering at its discretion.

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

(1) A person under 21 years of age.
(2) A person on the list of persons who are or will be excluded or ejected from or denied access to any licensed facility under section 1514 (relating to regulation requiring exclusion, ejection or denial of access of certain persons), 1515 (relating to repeat offenders excludable from licensed gaming facility) or 1516 (relating to list of persons self excluded from gaming activities).
(3) A gaming employee, key employee or principal employee of a slot machine licensee and any employee or key employee of an interactive gaming operator.

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

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

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

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

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


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

(1) The wager shall be placed directly with the
 interactive gaming certificate holder by the registered
 player, after the interactive gaming certificate holder has
 verified the identity of the individual seeking to place the
 wager.

(2) The registered player provides the interactive
 gaming certificate holder with the correct password or other
 authentication information for access to the interactive
 gaming account.

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

Before closing a dormant interactive gaming account, the
interactive gaming certificate holder shall attempt to contact
the interactive gaming account holder by mail and phone or e-
mail to inform the account holder that the interactive gaming
account is inactive and may be subject to termination. The time
and manner of terminating a dormant interactive gaming account
shall be prescribed by regulation of the board.


Each interactive gaming certificate holder shall establish a
log-in procedure for a registered player to access interactive-
gaming. The log-in procedure shall include the provision of the
appropriate authentication information by the registered player
for access to the registered player's interactive gaming
account. The interactive gaming certificate holder shall not
allow a registered player to log in and access an interactive-
gaming account unless the correct password or other
authentication information is provided.

§ 13B27. Information provided at login.

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

(1) The current amount of funds in the registered
player's interactive gaming account.

(2) The wins and losses since the registered player's
interactive gaming account was established.

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

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

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

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

§ 13B29. Commencement of interactive gaming operations.

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

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

(2) The interactive gaming certificate holder's internal, administrative and accounting controls are sufficient to meet the requirements of section 13B32 (relating to internal, administrative and accounting controls) and have been implemented.

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

(4) The employees of the interactive gaming operator, if any, that is conducting interactive gaming on behalf of the interactive gaming certificate holder are, where applicable, licensed, permitted or otherwise authorized by the board to perform their duties.

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

(6) The interactive gaming certificate holder has implemented necessary security arrangements and surveillance systems for the operation of interactive gaming.

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

(8) The board has approved the interactive gaming agreement between the interactive gaming certificate holder and the interactive gaming operator, if applicable.

SUBCHAPTER D

FACILITIES AND EQUIPMENT

Sec.


13B32. Internal, administrative and accounting controls.


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

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

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

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

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

(b) Location of equipment and interactive gaming restricted
areas.—

(1) All interactive gaming devices and associated
equipment used by an interactive gaming certificate holder or
an interactive gaming licensee to conduct interactive gaming
may be located, with the prior approval of the board, in an
interactive gaming restricted area on the premises of the
licensed facility, in an interactive gaming restricted area
within the geographic limits of the county in this
Commonwealth where the licensed facility is situated or in
any other area approved by the board.

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

§ 13B32. Internal, administrative and accounting controls.

(a) Submissions to board.—Notwithstanding any provision of
this part, each slot machine licensee who holds or has applied

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for an interactive gaming certificate in accordance with this chapter shall submit a description of its system of internal procedures and administrative and accounting controls for interactive gaming to the board, including provisions that provide for real-time monitoring, recordation or storage of all interactive games and a description of any changes to its procedures and controls. The submission shall be made at least 90 days before interactive gaming is to commence or at least 90 days before any change in those procedures or controls is to take effect, unless otherwise directed by the board.

(b) Filing.—Notwithstanding subsection (a), the procedures and controls may be implemented by an interactive gaming certificate holder upon the filing of the procedures and controls with the board. Each procedure or control submission shall contain both narrative and diagrammatic representations of the system to be utilized and shall include but need not be limited to:

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

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

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

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

(4) Procedures for the registration of players and
establishment of interactive gaming accounts, including a
procedure for authenticating the age, identity and physical
address of an applicant for an interactive gaming account and
whether the applicant is a person prohibited from
establishing or maintaining an account under section 13B22
(relating to establishment of interactive gaming accounts).

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

(6) Procedures for suspending or terminating a dormant
interactive gaming account and the return of any funds
remaining in the dormant interactive gaming account to the
registered player.

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

(8) Procedures for the crediting and debiting of a
registered player's interactive gaming account.

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

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

(11) Procedures for the protection of a registered player's funds, including the segregation of a registered player's funds from operating funds of the interactive gaming certificate holder.

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

(13) Procedures for the security and sharing of personal identifiable information of a registered player, funds in an interactive gaming account and other information as required by the board. The procedures shall include the means by which an interactive gaming certificate holder or interactive gaming operator will provide notice to a registered player related to the sharing of personal identifiable information.

For the purpose of this paragraph, "personal identifiable information" shall mean any data or information that can be used, on its own or with other data or information, to identify, contact or otherwise locate a registered player, including a registered player's name, address, date of birth and Social Security number.

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

(15) Procedures for the security of interactive gaming devices and associated equipment.

(16) Procedures and security standards as to receipt, handling and storage of interactive gaming devices and associated equipment.

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

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

(19) Procedures to verify each registered player's physical location each time a registered player logs into his or her interactive gaming account and at appropriate intervals thereafter as determined by the board.

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

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

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

(c) Review of submissions.—

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

(2) If the board determines that the submission is not
sufficient, it shall specify the insufficiencies in writing
to the interactive gaming certificate holder, who shall make
appropriate alterations to ensure compliance with the
requirements of this chapter and regulations of the board.
When the board determines a submission to be adequate in all
respects, it shall notify the interactive gaming certificate
holder.

(3) Except as otherwise provided in subsection (a) or an
emergency situation threatening the integrity of the
interactive gaming platform, no interactive gaming
certificate holder, interactive gaming operator or other
person shall commence or alter interactive gaming operations
unless and until the system of procedures, controls and
alternations is submitted to and approved by the board.

SUBCHAPTER E
TESTING AND CERTIFICATION
§ 13B41. Interactive games and interactive gaming devices and associated equipment testing and certification standards.

(a) Testing required.

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

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

(b) Cost of testing and certification.--Any costs associated with the board's testing and certification under this section shall be assessed on persons authorized by the board to manufacture, supply, distribute or otherwise provide interactive games and interactive gaming devices and associated equipment to interactive gaming certificate holders or to interactive gaming operators in this Commonwealth. The costs shall be assessed in accordance with a schedule adopted by the board.

(c) Use of other state standards.--The board may determine whether the testing and certification standards for interactive games and interactive gaming devices and associated equipment as
adopted by another jurisdiction within the United States are comprehensive and thorough and provide similar and adequate safeguards as those required by this chapter and regulations of the board. If the board makes that determination, it may permit the person authorized to manufacture, supply, distribute or otherwise provide interactive games and interactive gaming devices or associated equipment that have met the testing and certification standard in such other jurisdiction to furnish interactive games or interactive gaming devices and associated equipment to interactive gaming certificate holders in this Commonwealth without undergoing the full testing and certification under this section.

SUBCHAPTER F
TAXES AND FEES

§ 13B51. Interactive gaming authorization fee.

(a) Amount of authorization fee.—

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

(2) Each interactive gaming operator shall pay a one-time nonrefundable authorization fee in the amount of $2,000,000.

(3) Each interactive gaming operator that has been
approved by the board to provide for the conduct of
interactive gaming on behalf of an interactive gaming
certificate holder at a qualified airport shall pay a one-
time nonrefundable authorization fee in the amount of
$1,000,000.

(b) Payment of fee. Persons required to pay the
authorization fee under subsection (a) shall remit the fee to
the board within 60 days of the board's approval of its
petition, license or conditional authorization.

(c) Renewal fee.

(1) Notwithstanding any other provision of this chapter,
an interactive gaming certificate holder shall pay a renewal
fee in the amount of $250,000 upon the renewal of its
interactive gaming certificate.

(2) Each interactive gaming operator shall pay a renewal
fee of $100,000 upon the renewal of its interactive gaming
license.

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

§ 13B52. Interactive gaming tax.

(a) Imposition of tax. Each interactive gaming certificate
holder that conducts interactive gaming shall report to the
department and pay from its daily gross interactive gaming
revenue, on a form and in the manner prescribed by the
department, a tax of 16% of its daily gross interactive gaming
revenue.

(b) Deposits and distributions.

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

(2) An interactive gaming certificate holder shall establish a separate bank account into which gross interactive gaming revenue shall be deposited and maintained until such time as the funds are paid to the department under this section.

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

(d) Deposit of funds. The tax imposed under subsection (a) shall be collected by the department and deposited in the General Fund.

§ 13B53. Local share assessment.

(a) Required payment.

(1) In addition to the tax imposed under section 13B52 (relating to interactive gaming tax), each interactive gaming certificate holder that conducts interactive gaming shall pay on a weekly basis, on a form and in a manner prescribed by the department, a local share assessment equal to 3% of the interactive gaming certificate holder's daily gross interactive gaming revenue.

(2) One-third of the local share assessment under paragraph (1) of each interactive gaming certificate holder's daily gross interactive gaming revenue shall be provided to the county hosting the interactive gaming certificate holder.
holder's licensed facility and the remaining funds shall be paid into a restricted receipt account established in the Department of Community and Economic Development to be used exclusively for grants to all counties in this Commonwealth, to economic development authorities or redevelopment authorities within each county, for grants for economic development projects, community improvement projects and other projects in the public interest. Funds in the account are hereby appropriated to the Department of Community and Economic Development on a continuing basis for the purposes specified in this paragraph.

(b) Distribution of grants. — The Department of Community and Economic Development shall develop policies and procedures to govern the distribution of grants from the local share assessment established under subsection (a). The policies and procedures shall be of sufficient scope to ensure equal access to grant funds by all counties in this Commonwealth.

§ 13B54. Compulsive and problem gambling.

The following shall apply:

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

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


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

(b) Deposits.

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

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

(1) The board and the department shall prepare and annually submit to the chairperson and minority chairperson of the Appropriations Committee of the Senate and the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives an itemized budget consisting of amounts to be appropriated out of the accounts established under this section as necessary to administer this chapter.

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

(3) The itemized budget required under paragraph (1) shall be submitted in conjunction with the budget required to be submitted under section 1202(b)(28) (relating to general and specific powers).

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

(e) Penalty.—

(1) An interactive gaming certificate holder that fails to timely remit to the department amounts required under this section shall be subject to, in addition to liability imposed in this chapter, a penalty of 5% per month up to a maximum of 25% of the amounts ultimately found to be due. The penalty shall be recovered by the department.
Penalties imposed under this subsection shall be deposited into the General Fund.

SUBCHAPTER G
MISCELLANEOUS PROVISIONS

Sec.
13B61. Participation in interactive gaming outside Commonwealth.

13B62. Institutional investors.

13B63. Internet cafes and prohibition.

§ 13B61. Participation in interactive gaming outside Commonwealth.

Notwithstanding any other provision of this chapter to the contrary, an interactive gaming certificate holder may accept interactive gaming wagers from a person who is not physically located in this Commonwealth or may accept interactive gaming wagers from a person physically present in this Commonwealth and transmit such wagers to an interactive gaming platform operated by one or more operators licensed in a foreign jurisdiction where interactive gaming is permitted, if the board determines the following:

(1) participation in interactive gaming and acceptance of wagers associated with interactive gaming from a person not physically located in this Commonwealth or accepting interactive gaming wagers from a person physically present in this Commonwealth and transmitting such wagers to an interactive gaming platform operated by one or more operators licensed in a foreign jurisdiction where interactive gaming is permitted is not inconsistent with Federal law or regulation or the law or regulation of the state or jurisdiction in which the person or operator is located; and
(2) Participation in interactive gaming is conducted pursuant to an interactive gaming reciprocal agreement with the state or jurisdiction where the person is located and the interactive gaming reciprocal agreement is not inconsistent with Federal law or regulation.

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

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

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

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

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

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

(b) Failure to declare.--If the board finds:
(1) that an institutional investor holding any security
of a holding or intermediary company of an interactive gaming
certificate holder or interactive gaming operator or
applicant or, where relevant, of another subsidiary company
of a holding or intermediary company of an interactive gaming
certificate holder or interactive gaming operator or
applicant which is related in any way to the financing of the
interactive gaming certificate holder or interactive gaming
operator or applicant, fails to comply with the provisions of
subsection (a); or

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

then the board may take any necessary action otherwise
authorized under this chapter to protect the public interest.

§ 13B63. Internet cafes and prohibition.

(a) General rule. No person shall operate a place of public
accommodation, club, including a club or association limited to
dues paying members or similar restricted groups, or similar
establishment in which computer terminals or similar access
devices are advertised or made available to be used principally
for the purpose of accessing authorized interactive games. No
interactive gaming certificate holder or interactive gaming
operator shall offer or make available computer terminals or
similar access devices to be used principally for the purpose of
accessing interactive games within a licensed facility.
(b) Construction.—Nothing in this section shall be
construed to:

(1) require the owner or operator of a hotel or motel or
other public place of general use in this Commonwealth to
prohibit or block guests from playing authorized interactive
games on their own computers or other devices; or

(2) require an interactive gaming certificate holder or
an interactive gaming operator to prohibit registered players
within a licensed facility from playing authorized
interactive games on their own computers or other devices.

CHAPTER 13C

SPORTS WAGERING

Subchapter

A. General Provisions

B. Sports Wagering Authorized

C. Conduct of Sports Wagering

D. Sports Wagering Taxes and Fees

E. Miscellaneous Provisions

SUBCHAPTER A

GENERAL PROVISIONS

Sec.

13C01. Definitions.

13C02. Regulatory authority.

13C03. Temporary sports wagering regulations.

13C04. Unauthorized sports wagering.

§ 13C01. Definitions.

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

"Certificate holder." A person to whom the board has awarded
a sports wagering certificate.

"Gross sports wagering revenue."

(1) The total of cash or cash equivalents received from
sports wagering minus the total of:

(i) Cash or cash equivalents paid to players as a
result of sports wagering.

(ii) Cash or cash equivalents paid to purchase
annuities to fund prizes payable to players over a period
of time as a result of sports wagering.

(iii) The actual cost paid by the certificate holder
for any personal property distributed to a player as a
result of sports wagering. This subparagraph does not
include travel expenses, food, refreshments, lodging or
services.

(2) The term does not include any of the following:

(i) Counterfeit cash or chips.

(ii) Coins or currency of other countries received
as a result of sports wagering, except to the extent that
the coins or currency are readily convertible to cash.

(iii) Cash taken in a fraudulent act perpetrated
against a certificate holder for which the certificate
holder is not reimbursed.

"Sporting event." A professional or collegiate sports or
athletic event or a motor race event.

"Sports wagering." The business of accepting wagers on
sporting events or on the individual performance statistics of
athletes in a sporting event or combination of sporting events
by any system or method of wagering, including over the Internet
through websites and mobile applications. The term includes, but
is not limited to, exchange wagering, parlays, over-under,
moneyline, pools and straight bets. The term does not include:

(1) Pari-mutuel betting on the outcome of thoroughbred
or harness horse racing as authorized under 3 Pa.C.S. Ch. 93
(relating to race horse industry reform).

(2) Lottery games of the Pennsylvania State Lottery as
authorized under the act of August 26, 1971 (P.L.351, No.91),
known as the State Lottery Law.

(3) Bingo as authorized under the act of July 10, 1981
(P.L.214, No.67), known as the Bingo Law.

(4) Small games of chance as authorized under the act of
December 19, 1988 (P.L.1262, No.156), known as the Local
Option Small Games of Chance Act.

(5) Slot machine gaming and progressive slot machine
gaming as defined and authorized under this part.

(6) Keno.

(7) Fantasy sports contests.

(8) iLottery under Chapter 7 (relating to iLottery).

"Sports wagering certificate." A certificate awarded by the
board under this chapter that authorizes a slot machine licensee
to conduct sports wagering in accordance with this chapter.

"Sports wagering device." The term includes any mechanical,
electrical or computerized contrivance, terminal, machine or
other device, apparatus, equipment or supplies approved by the
board and used to conduct sports wagering.

§ 13C02. Regulatory authority.

The board shall promulgate regulations:

(1) Establishing standards and procedures for sports
wagering. The standards and procedures shall provide for the
conduct and implementation of sports wagering within licensed
facilities, including any new sports wagering or variations.
or composites of approved sports wagering, provided that the
board determines that the new sports wagering or any
variations or composites or other approved sports wagering
are suitable for use after a test or experimental period
under the terms and conditions as the board may deem
appropriate.

(2) Establishing standards and rules to govern the
conduct of sports wagering and the system of wagering,
including the manner in which wagers are received, payouts
are remitted and point spreads, lines and odds are
determined. The board may also establish standards and rules
to govern the conduct of sports wagering and the system of
wagering as a form of interactive gaming authorized by the
Commonwealth.

(3) Establishing the method for calculating gross sports
wagering revenue and standards for the daily counting and
recording of cash and cash equivalents received in the
conduct of sports wagering, including ensuring that internal
controls are followed and how financial books and records are
maintained and audits are conducted. The board shall consult
with the department in establishing the regulations under
this paragraph.

(4) Establishing notice requirements pertaining to
minimum and maximum wagers on sports wagering.

(5) Establishing compulsive and problem gambling
standards pertaining to sports wagering consistent with this
part.

(6) Establishing standards prohibiting persons under 21
years of age from participating in sports wagering.

(7) Providing information pertaining to sports wagering.
in the board's annual report required under section 1211(a.1)
(relating to reports of board).

(8) Requiring each certificate holder to:

(i) Provide written information about sports
wagering rules, payouts or winning wagers and other
information as the board may require.

(ii) Provide specifications approved by the board
under section 1207(11) (relating to regulatory authority
of board) to integrate and update the licensed facility's
surveillance system to cover all areas where sports
wagering is conducted. The specifications shall include
provisions providing the board and other persons
authorized by the board with onsite access to the system
or its signal.

(iii) Designate one or more locations within the
licensed facility of the certificate holder to conduct
sports wagering.

(iv) Ensure that visibility in the licensed facility
of the certificate holder is not obstructed in any way
that could interfere with the ability of the certificate
holder, the board and other persons authorized under this
part or by the board to oversee the surveillance of the
conduct of sports wagering.

(v) Integrate the licensed facility's count room to
ensure maximum security of the counting and storage of
cash and cash equivalents.

(vi) Equip each designated location within the
licensed facility providing sports wagering with a sign
indicating the permissible sports wagering minimum and
maximum wagers.
Ensure that no person under 21 years of age participates in sports wagering.

§ 13C03. Temporary sports wagering regulations.

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

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

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


(b) Expiration. — Except for temporary regulations governing the rules of new sports wagering approved by the board, the board's authority to adopt temporary regulations under subsection (a) shall expire two years after the effective date of this section. Regulations adopted after this period shall be promulgated as provided by law.

§ 13C04. Unauthorized sports wagering.

(a) Offense defined.

(1) It shall be unlawful for any person to willfully and knowingly operate, carry on, offer or expose for play any sports wagering or to accept a bet or wager associated with sports wagering from any person physically located in this Commonwealth at the time of play that is not within the scope—
of a valid and current sports wagering certificate issued by
the board under this chapter or by another state, territory,
or possession of the United States with which the
Commonwealth has a sports wagering agreement.
(2) It shall be unlawful for any person to willfully and
knowingly provide services with respect to any sports
wagering or bet or wager specified in paragraph (1).
(b) Grading of offense. A person who violates subsection
(a) commits a misdemeanor of the first degree. For a second or
subsequent violation of subsection (a), a person commits a
felony of the second degree.
(c) Penalties.--
(1) For a first violation of subsection (a), a person
shall be sentenced to pay a fine of:
(i) not less than $75,000 nor more than $150,000, if
the person is an individual;
(ii) not less than $150,000 nor more than $300,000,
if the person is a licensed manufacturer or supplier; or
(iii) not less than $300,000 nor more than $600,000,
if the person is a licensed gaming entity.
(2) For a second or subsequent violation of subsection
(a), a person shall be sentenced to pay a fine of:
(i) not less than $150,000 nor more than $300,000,
if the person is an individual;
(ii) not less than $300,000 nor more than $600,000,
if the person is a licensed manufacturer or supplier; or
(iii) not less than $600,000 nor more than
$1,200,000, if the person is a licensed gaming entity.
(d) Forfeiture. If a person engages in sports wagering from
a location in which the activity is unauthorized, the person.
shall forfeit all entitlement to any winnings and the money
associated with any forfeited winnings shall be deposited into
the Compulsive and Problem Gambling Treatment Fund established
under section 1509(b) (relating to compulsive and problem
 gambling program).

(e) Tax liability.

(1) An unlicensed person who offers sports wagering to
persons in this Commonwealth shall be liable for all taxes
required by this chapter in the same manner and amounts as if
the person were a licensee.

(2) Timely payment of the taxes may not constitute a
defense to any prosecution or other proceeding in connection
with unauthorized sports wagering, except for a prosecution
or proceeding alleging failure to make such payment.

SUBCHAPTER B
SPORTS WAGERING AUTHORIZED

See

13C11. Authorization to conduct sports wagering.
13C12. Petition requirements.
13C14. Award of certificate.
§ 13C11. Authorization to conduct sports wagering.

(a) Persons who may be authorized.

(1) (i) The board may authorize a slot machine licensee
to conduct sports wagering and to operate a system of
wagering associated with the conduct of sports wagering
at the slot machine licensee's licensed facility, a-
temporary facility authorized under section 13C21(b)
(relating to authorized locations for operation), an area
authorized under section 13C21(c) or through an Internet-
based system.

(ii) Authorization shall be contingent upon the slot-
machine licensee's agreement to ensure that sports
wagering will be conducted in accordance with this part
and any other conditions established by the board.

(iii) Nothing in this part shall be construed to
create a separate license governing the conduct of sports
wagering by slot machine licensees within this
Commonwealth.

(2) The board may authorize a sports wagering
certificate holder to conduct sports wagering and to operate
a system of wagering associated with the conduct of sports
wagering as a form of interactive gaming authorized by the
Commonwealth.

(3) (i) Except as provided in this part, all
individuals wagering on sporting events through
authorized sports wagering must be physically located
within this Commonwealth or within a state or
jurisdiction with which the board has entered a sports
wagering agreement.

(ii) No individual under 21 years of age may make a
wager or bet on sporting events through authorized sports
wagering or have access to the designated area of the
licensed facility authorized to host sports wagering.

(b) Federal authorization.

(1) The Secretary of the Commonwealth shall, when
Federal law is enacted or repealed or a Federal court
decision is filed that affirms the authority of a state to
regulate sports wagering, publish a notice in the Pennsylvania Bulletin certifying the enactment or repeal or the filing of the decision.

(2) The board may not authorize the conduct of sports wagering in this Commonwealth until the notice is published as prescribed in paragraph (1).

§ 13C12. Petition requirements.

(a) General rule. Unless otherwise prohibited under section 13A13 (relating to prohibitions), a slot machine licensee may seek approval to conduct sports wagering by filing a petition with the board.

(b) Petition contents. A petition seeking authorization to conduct sports wagering shall include the following:

(1) The name, business address and contact information of the petitioner.

(2) The name, business address, job title and a photograph of each principal and key employee of the petitioner who will be involved in the conduct of sports wagering and who is not currently licensed by the board, if known.

(3) A brief description of the economic benefits expected to be realized by the Commonwealth, its municipalities and its residents if sports wagering is authorized at the petitioner's licensed facility.

(4) The details of any financing obtained or that will be obtained to fund an expansion or modification of the licensed facility to accommodate sports wagering and to otherwise fund the cost of commencing sports wagering.

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

(6) Information and documentation, as the board may
require, to establish by clear and convincing evidence that
the petitioner has sufficient business ability and experience
to create and maintain a successful sports wagering
operation. In making this determination, the board may
consider the performance of the petitioner's slot machine and
table game operation, including financial information,
employment data and capital investment.

(7) Information and documentation, as the board may
require, to establish by clear and convincing evidence that
the petitioner has or will have the financial ability to pay
the authorization fee under section 13C61 (relating to sports
wagering authorization fee).

(8) Detailed site plans identifying the petitioner's
proposed sports wagering area within the licensed facility.

(9) Other information as the board may require.

c Confidentiality.—Information submitted to the board
under subsection (b)(4), (5), (6), (7) and (8) may be considered
confidential by the board if the information would be
confidential under section 1206(f) (relating to board minutes
and records).


(a) General rule. The board shall approve a petition if the
petitioner establishes, by clear and convincing evidence, all of
the following:

(1) The petitioner's slot machine license is in good
standing with the board.

(2) The conduct of sports wagering at the petitioner's
licensed facility will have a positive economic impact on the Commonwealth, its municipalities and residents through increased revenues and employment opportunities.

(3) The petitioner possesses adequate funds or has secured adequate financing to:

(i) Fund any necessary expansion or modification of the petitioner's licensed facility to accommodate the conduct of sports wagering.

(ii) Pay the authorization fee in accordance with section 13C61 (relating to sports wagering authorization fee).

(iii) Commence sports wagering operations at its licensed facility.

(4) The petitioner has the financial stability, integrity and responsibility to conduct sports wagering.

(5) The petitioner has sufficient business ability and experience to create and maintain a successful sports wagering operation.

(6) The petitioner's proposed internal and external security and proposed surveillance measures within the area of the licensed facility where the petitioner seeks to conduct sports wagering are adequate.

(7) The petitioner has satisfied the petition application requirements and provided any other information required by section 13C12(b) (relating to petition requirements).

(b) Timing of approval.—The board shall approve or deny a petition within 90 days following receipt of the petition.


(a) General rule.—Upon approval of a petition, the board
shall award a sports wagering certificate to the petitioner. The
award of a sports wagering certificate prior to the payment in
full of the authorization fee required by section 13C61
(relating to sports wagering authorization fee) shall not
relieve the petitioner from complying with the provisions of
section 13C61.

(b) Statement of conditions. Upon awarding a sports
wagering operation certificate, the board shall amend the slot
machine licensee's statement of conditions pertaining to the
requirements of this chapter.

(c) Term of sports wagering certificate. Subject to the
power of the board to deny, revoke or suspend a sports wagering
certificate issued in accordance with the requirements of this
section, a sports wagering certificate shall be renewed every
five years and shall be subject to the requirements of section
1326 (relating to renewals).


The following shall apply:

(1) A sports wagering certificate shall be in effect

unless:

(i) suspended or revoked by the board consistent

with the requirements of this part;

(ii) the slot machine license held by the

certificate holder is suspended, revoked or not renewed

by the board consistent with the requirements of this

part; or

(iii) the certificate holder relinquishes or does

not seek renewal of its slot machine license.

(2) A certificate holder that fails to abide by this

chapter or any condition contained in the slot machine
licensor's statement of conditions governing the conduct of
sports wagering shall be subject to board-imposed
administrative sanctions or other penalties authorized under
this part.


(a) Suppliers. A person that sells, leases, offers or
otherwise provides, distributes or services any sports wagering
device or associated equipment for use or operation in this
Commonwealth for sports wagering purposes shall be licensed by
the board under section 1317 (relating to supplier licenses) and
shall be subject to application and licensure fees and fines as
prescribed under section 1208 (relating to collection of fees
and fines), as determined by the board.

(b) Manufacturers. A person who manufactures, builds,
rebuids, fabricates, assembles, produces, programs, designs or
otherwise makes modifications to any sports wagering device or
associated equipment for use or operation in this Commonwealth
for sports wagering purposes shall be licensed by the board
under section 1317.1 (relating to manufacturer licenses) and
shall be subject to application and licensure fees and fines as
prescribed under section 1208, as determined by the board.

SUBCHAPTER C

CONDUCT OF SPORTS WAGERING

Sec.

13C22. Commencement of sports wagering operations.
13C23. Condition of continued operation.
13C24. Key employees and occupation permits.

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(a) Restriction.--A certificate holder may only be permitted to conduct sports wagering at the licensed facility, a temporary facility authorized under subsection (b), an area authorized under subsection (c) or through an Internet based system.

(b) Temporary facilities. The board may permit a certificate holder to conduct sports wagering at a temporary facility that is physically connected to, attached to or adjacent to a licensed facility for a period not to exceed 24 months.

(c) Powers and duties of board.--

(1) Upon request made by a certificate holder, the board may determine the suitability of a Category 1 licensed gaming entity that is also a licensed racing entity authorized to conduct pari-mutuel wagering at nonprimary locations under 3 Pa.C.S. Ch. 93 (relating to race horse industry reform) to conduct sports wagering at nonprimary locations.

(2) No certificate holder may be approved to conduct sports wagering in a nonprimary location unless the areas are equipped with adequate security and surveillance equipment to ensure the integrity of the conduct of sports wagering.

(3) An authorization granted under this subsection may not:

   (i) Impose any criteria or requirements regarding the contents or structure of a nonprimary location that are unrelated to the conduct of sports wagering.

   (ii) Authorize the placement or operation of slot machines or table games in a nonprimary location.

§ 13C22. Commencement of sports wagering operations.

No certificate holder may operate or offer sports wagering operations.
(1) The certificate holder is in compliance with the requirements of this part.
(2) The certificate holder is prepared in all respects to offer sports wagering play to the public at the licensed facility.
(3) The certificate holder has implemented necessary internal and management controls and security arrangements and surveillance systems for the conduct of sports wagering.
(4) The certificate holder is in compliance with or has complied with section 13C61 (relating to sports wagering authorization fee).
(5) Other conditions as the board may require to implement the conduct of sports wagering.

§ 13C23. Condition of continued operation.
As a condition of continued operation, a certificate holder shall agree to maintain all books, records and documents pertaining to sports wagering in a manner and location within this Commonwealth as approved by the board. All books, records and documents related to sports wagering shall be:
(1) segregated by separate accounts within the certificate holder's books, records and documents, except for any books, records or documents that are common to slot machine, table game and sports wagering operations;
(2) immediately available for inspection upon request of the board, the bureau, the department, the Pennsylvania State Police or the Attorney General, or agents thereof, during all hours of operation of the certificate holder in accordance with regulations promulgated by the board; and
(3) maintained for a period as the board, by regulation,
§ 13C24. Key employees and occupation permits.

Nothing in this part shall be construed to require any individual who holds a principal license, a key employee license or a gaming employee occupation permit under Chapter 13 (relating to licensees) to obtain a separate license or permit to be employed in a certificate holder's sports wagering operation authorized under this chapter.


For the purpose of section 3(b)(11) of the act of June 13, 2008 (P.L.182, No.27), known as the Clean Indoor Air Act, the term "gaming floor" shall include the areas of any facility where the certificate holder is authorized to conduct sports wagering, except such areas off the gaming floor where contests or tournaments are conducted unless smoking is otherwise permitted in such areas.


The provisions of section 493(24)(ii) of the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, shall also apply to sports wagering.

SUBCHAPTER D
SPORTS WAGERING TAXES AND FEES

Sec.

13C61. Sports wagering authorization fee.


13C63. Local share assessment.

13C64. Compulsive and problem gambling.

§ 13C61. Sports wagering authorization fee.

(a) Amount. Each slot machine licensee that is issued a sports wagering certificate to conduct sports wagering in...
accordance with section 13C11 (relating to authorization to conduct sports wagering) shall pay a one-time nonrefundable authorization fee in the amount of $10,000,000.

(b) Payment of fee.--A slot machine licensee shall remit the authorization fee under subsection (a) to the board within 60 days of the approval of a petition to conduct sports wagering. The board may allow the fee to be paid in installments, provided all installments are paid within the 60-day period. In that event, the board and the slot machine licensee shall enter into a written agreement setting forth the terms of payment. Sports wagering may not be conducted until the fee under subsection (a) is paid in full.

(c) Renewal fee.--Notwithstanding any other provision of this chapter, a slot machine licensee that is issued a sports wagering certificate shall pay a renewal fee in the amount of $250,000 upon the renewal of its sports wagering certificate in accordance with sections 1326 (relating to renewals) and 13C14(c) (relating to award of certificate).

(d) Failure to pay by deadline.--If a petitioner or certificate holder fails to pay the required authorization fee in full within the 60-day time period, the board shall impose a penalty and may grant the petitioner or certificate holder up to a six-month extension to pay the authorization fee or any remaining portion of the authorization fee and the penalty.

(e) Suspension of certificate. The board shall suspend the sports wagering certificate if the certificate holder fails to pay the total authorization fee and the penalty prior to the expiration of an extension period granted under subsection (d). The suspension shall remain in effect until final payment is made.
(f) Deposit of fees.—Notwithstanding section 1208 (relating to collection of fees and fines), all sports wagering authorization fees or penalties received by the board under this subchapter, all sports wagering device and associated equipment manufacturer and supplier license fees, all sports wagering device or associated equipment manufacturer and supplier renewal fees and all fees for licenses issued under Chapter 16 (relating to junkets) shall be deposited into the General Fund.

(a) Imposition.—Each certificate holder shall report to the department and pay from its daily gross sports wagering revenue, on a form and in the manner prescribed by the department, a tax of 16% of its daily gross sports wagering revenue.
(b) Deposits and distributions.—
(1) The tax imposed under subsection (a) shall be payable to the department on a weekly basis and shall be based upon gross sports wagering revenue derived during the previous week.
(2) All funds owed to the Commonwealth under this section shall be held in trust for the Commonwealth by the certificate holder until the funds are paid to the department. Unless otherwise agreed to by the board, a certificate holder shall establish a separate bank account into which gross sports wagering revenue shall be deposited and maintained until such time as the funds are paid to the department under this section or paid into the fund under section 13C63(a) (relating to local share assessment).
(3) The tax imposed under subsection (a) shall be deposited into the General Fund.
§ 13C63. Local share assessment.
(a) Required payment.—In addition to the tax imposed under section 13C62 (relating to sports wagering tax), each certificate holder shall pay on a weekly basis, on a form and in the manner prescribed by the department, a local share assessment into a restricted receipts account established within the fund. All money owed under this section shall be held in trust by the certificate holder until the money is paid into the restricted account. Funds in the restricted account are hereby appropriated to the department on a continuing basis for the purposes set forth under this section.

(b) Distributions.—The department shall make quarterly distributions from the local share assessments deposited into the restricted account under subsection (a) to counties, including home rule counties, and to municipalities, including home rule municipalities, in accordance with the following:

(1) For sports wagering conducted at licensed facilities, the local share assessment shall be distributed as follows:

(i) Fifty percent to the county in which the licensed facility is located.

(ii) Fifty percent to the municipality in which the licensed facility is located.

(2) For sports wagering conducted at nonprimary locations, the local share assessment shall be distributed as follows:

(i) Fifty percent to the county in which the nonprimary location is located.

(ii) Fifty percent to the municipality in which the nonprimary location is located.

(c) Definitions.—As used in this section, the following
words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Local share assessment." Two percent of a certificate holder's daily gross sports wagering revenue.

§ 13C64. Compulsive and problem gambling.

The following shall apply:

(1) Each year, from the tax imposed under section 13C62 (relating to sports wagering tax), $2,000,000 or an amount equal to 0.002 multiplied by the total gross sports wagering revenue of all active and operating sports wagering certificate holders, whichever is greater, shall be transferred into the Compulsive and Problem Gambling Treatment Fund established under section 1509 (relating to compulsive and problem gambling program).

(2) Each year, from the tax imposed under section 13C62, $2,000,000 or an amount equal to 0.002 multiplied by the total gross sports wagering revenue of all active and operating sports wagering certificate holders, whichever is greater, shall be transferred to the Department of Health to be used for drug and alcohol addiction treatment services, including treatment for drug and alcohol addiction related to compulsive and problem gambling, as set forth under section 1509.1 (relating to drug and alcohol treatment).

SUBCHAPTER E
MISCELLANEOUS PROVISIONS

Sec.

13C71. Criminal activity.

§ 13C71. Criminal activity.

Sports wagering conducted by a certificate holder in accordance with this chapter shall not constitute a criminal
activity under 18 Pa.C.S. § 5514 (relating to pool selling and
bookmaking).

CHAPTER 13D
SLOT MACHINES AT NONPRIMARY LOCATIONS

Subchapter
A. General Provisions
B. Category 1 Licensed Gaming Entities and Nonprimary Locations
C. Application and Issuance of Nonprimary Location Permit
D. Fees and Taxes

SUBCHAPTER A
GENERAL PROVISIONS

Sec.
13D01. Definitions.
13D02. Authority to place slot machines at nonprimary locations.
13D03. Temporary regulations.

§ 13D01. Definitions.
The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Consumer price index." The Consumer Price Index for All Urban Consumers for the Pennsylvania, New Jersey, Delaware and Maryland area for the most recent 12-month period for which figures have been officially reported by the United States Department of Labor, Bureau of Labor Statistics.

"Nonprimary location." As defined in 3 Pa.C.S. § 9301 (relating to definitions).

"Nonprimary location permit." The permit issued to a Category 1 slot machine licensee authorizing the placement and
operation of slot machines at a nonprimary location.

"Nonprimary location permit holder." A Category 1 slot
machine licensee that has been approved for and issued a permit
to place and make slot machines available for play at a
nonprimary location.

"Primary market area." An area within 35 linear miles of a
licensed facility or another nonprimary location.

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

(a) Placement of slot machines at nonprimary locations. Notwithstanding any other provision of this part, 3 Pa.C.S. Ch.
93 (relating to race horse industry reform), or any other law or
regulation to the contrary, a Category 1 licensed gaming entity
that is a licensed racing entity under 3 Pa.C.S. Ch. 93 may
apply to the board for a nonprimary location permit.

(b) Duty of the board and commission.--

(1) Subject to the provisions of paragraph (2), the
board shall have general and sole regulatory authority over
the placement and operation of slot machines at nonprimary
locations and shall, in consultation with the commission,
promulgate regulations to govern the placement and operation
of slot machines at nonprimary locations.

(2) Any regulations specific to the operation of
nonprimary locations by licensed racing entities promulgated
under 58 Pa. Code Ch. 171 (relating to nonprimary locations)
or any regulations related to the operation of nonprimary
locations that may be adopted by the commission subsequent to
the effective date of this section shall be adopted as
regulations under this chapter, unless the board, in
consultation with the commission, determine that the
regulations are not sufficient for the administration and
enforcement of this chapter.

(3) In that event, the board, in consultation with the
commission, shall promulgate such regulations specific to the
operation of slot machines at nonprimary locations as the
board and commission deem necessary to facilitate the
administration and enforcement of this chapter.

§ 13B03. Temporary regulations.

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

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

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

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

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

(c) Temporary regulations. The board, in consultation with
the commission, shall begin publishing temporary regulations—
governing placement and operation of slot machines at nonprimary
locations in the Pennsylvania Bulletin within 60 days of the
effective date of this section.

SUBCHAPTER B

CATEGORY 1 LICENSED GAMING ENTITIES

AND NONPRIMARY LOCATIONS

Sec.

13D07. Category 1 licensed gaming entity and operation of slot
machines at nonprimary locations.

§ 13D07. Category 1 licensed gaming entity and operation of
slot machines at nonprimary locations.

(a) Requirements.--

(1) Each Category 1 licensed gaming entity referred to
under section 13D02 (relating to authority to place slot-
machines at nonprimary locations) and is authorized to hold
horse race meetings at a racetrack at which more than one-
license is authorized may be granted approval to place and
make slot machines available for play at four nonprimary
locations, if the board, in consultation with the commission,
determines that a nonprimary location newly proposed or
approved by the commission in accordance with 3 Pa.C.S. Ch.
93 (relating to race horse industry reform) and regulations
of the commission will benefit economic development,
employment, tourism, the race horse industry and result in-
enhanced revenues to the Commonwealth and the municipality
where the newly proposed or approved nonprimary location will
be or is situated.

(2) Each Category 1 licensed gaming entity under section
13D02 that is authorized to hold horse race meetings at a
racetrack at which only one license is authorized may be.
granted approval to place and make slot machines available for play at four nonprimary locations, if the board, in consultation with the commission, determines that a nonprimary location newly proposed or approved by the commission in accordance with 3 Pa.C.S. Ch. 93 and regulations of the commission will benefit economic development, employment, tourism, the race horse industry and result in enhanced revenues to the Commonwealth and the municipality where the newly proposed or approved nonprimary location will be or is situated.

(3) No Category 1 licensed gaming entity referred to under section 13D02(a), may place and make slot machines available for play at any nonprimary location that is within the primary market area of another licensed racing entity, regardless of whether the licensed racing entity is authorized to conduct horse race meetings or harness horse race meetings, or both, at the racetrack.

(4) No Category 1 licensed gaming entity referred to under section 13D02(a), may place and make slot machines available for play at a nonprimary location that is located within the primary market area of another licensed facility or another nonprimary location.

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

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

(b) Existing and newly established nonprimary locations. Notwithstanding any provision of 3 Pa.C.S. Ch. 93 or any other law or regulation to the contrary:

(1) A licensed racing entity that operated nonprimary locations prior to the effective date of this section shall not be prohibited from reopening a previously closed nonprimary location or relocating an existing nonprimary location in order to place and make slot machines available for play in a reopened or relocated nonprimary location, Provided, that, the previously closed or relocated nonprimary location is approved by the commission in accordance with 3 Pa.C.S. Ch. 93 and regulations adopted by the commission pursuant to 3 Pa.C.S. Ch. 93 and complies with the location requirements specified in subsection (a)(3), (4) and (5).

(2) A licensed racing entity may establish a new nonprimary location in accordance with 3 Pa.C.S. Ch. 93 and regulations of the commission in order to place and make slot machines available for playing and race horse simulcasting, Provided, that, the new nonprimary location is approved by the commission in accordance with 3 Pa.C.S. Ch. 93 and regulations adopted by the commission pursuant to 3 Pa.C.S. Ch. 93 and complies with the location requirements set forth in subsection (a)(3), (4) and (5).

(c) Permissible number of slot machines.

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

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

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

SUBCHAPTER C
APPLICATION AND ISSUANCE OF NONPRIMARY LOCATION PERMIT

See:

§ 13D11. Application for nonprimary location permit.
§ 13D12. Issuance and terms of nonprimary location permit.

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

(1) Ensure that the proposed location of the nonprimary
location is approved by the commission in accordance with
section 13D07 (relating to Category 1 licensed gaming entity
and operation of slot machines at nonprimary locations) and
complies with the location requirements specified in section
13D07(a)(3), (4) and (5).

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

(b) Required information. An application for a nonprimary
location permit shall include, at a minimum:

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

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

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

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

(5) The number of slot machines requested.

(6) The current status of the licensed racing entity's
(7) The current status of the slot machine license issued under this part, if required by the board.

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

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

(10) Other information determined to be necessary and appropriate by the board.

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

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

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

c) Notification of change in status.--Nothing in this
section shall be construed to relieve a nonprimary location
permit holder of the affirmative duty to notify the board of any
change relating to the status of its nonprimary location permit,
its horse racing license or to other information contained in
the application materials on file with the board.


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


Nothing in this subchapter shall be construed to require an
individual who holds a principal license, a key employee license
or gaming employee license under Chapters 13 (relating to
licensees) and 13A (relating to table games) or who holds a
license, permit or registration under 3 Pa.C.S. Ch. 93 (relating
to race horse industry reform) to obtain a separate license,
permit or registration to be employed in a slot machine-
licensee's slot machine operation at a nonprimary location under
this chapter, if the board determines, in consultation with the
commission, that licensure under the provisions of this part or
3 Pa.C.S. Ch. 93 is sufficient and will not compromise the
integrity of the operation of slot machines at nonprimary
locations.

SUBCHAPTER D

FEES AND TAXES
§ 13D17. Nonprimary location permit fee.

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

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

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

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

(a) Tax and assessment.--The department shall determine and each nonprimary location permit holder shall pay on a weekly basis:

(1) A tax of 50% from its gross terminal revenue from the slot machines in operation at the nonprimary location permit holder's nonprimary location.

(2) A 4% local share assessment from the nonprimary location permit holder's gross terminal revenue from the slot machines in operation at its nonprimary location.
(b) Deposit.—The department shall deposit the tax imposed and assessment under subsection (a) into the General Fund. From the local share assessment established under subsection (a), the department shall make distributions among the counties and municipalities that host nonprimary locations in accordance with section 13D19 (relating to local share).

(c) Trust required. All money owed to the Commonwealth, a county or a municipality under this section shall be held in trust by the licensed racing entity or licensed gaming entity for the Commonwealth, county or municipality until all funds are deposited with and distributed by the department in accordance with this chapter.

(d) Applicability.—Chapter 14 (relating to revenues) shall not apply to slot machines operated at nonprimary locations in accordance with this chapter.

§ 13D19. Local share.

(a) Distribution.—

(1) Subject to the limitation under subsection (b), the department shall distribute, in a manner and according to a schedule adopted by the department, to each municipality 2% of the gross terminal revenue of slot machines operating at a nonprimary location within the municipality.

(2) The department shall on a quarterly basis deposit 2% of the gross terminal revenue of slot machines operating at a nonprimary location within the county into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants for projects in the public interest within the host county.

(b) Limitation.—The department may not distribute a local share amount to a municipality in excess of 50% of the
municipality's total budget for fiscal year 2017, adjusted for
inflation in subsequent fiscal years by an amount not to exceed
an annual cost-of-living adjustment calculated by applying an
upward percentage change in the Consumer Price Index immediately
prior to the date the adjustment is due to take effect.

(c) Alternate distribution. Local share amounts not
distributed by the department to a municipality due to the
limitation established under subsection (b) shall be distributed
to the host county in accordance with subsection (a)(2).

(d) Use of assessments.

(1) A municipality that receives assessments from the
department under subsection (a) may use the funds for any
purpose.

(2) A county that receives assessments from the
department under subsection (a) may use the funds as local
matching funds for other grants or loans from the
Commonwealth.

(e) Reporting.

(1) In cooperation with the department and the
Commonwealth Financing Authority, the Department of Community
and Economic Development shall submit an annual report on all
distributions of local share assessments to municipalities
and counties under this section to the chairperson and
minority chairperson of the Appropriations Committee of the
Senate, the chairperson and minority chairperson of the
Community, Economic and Recreational Development Committee of
the Senate, the chairperson and minority chairperson of the
Appropriations Committee of the House of Representatives and
the chairperson and minority chairperson of the Gaming
Oversight Committee of the House of Representatives. The

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(2) A municipality or county that receives distributions of local share assessments under this section shall submit information to the Department of Community and Economic Development on a form prepared by the Department of Community and Economic Development that states the amount and use of the funds received in the prior fiscal year. The form shall specify whether the funds received were deposited in the municipality's or county's general fund or committed to a specific project or use.

CHAPTER 13E
(Reserved)
CHAPTER 13F
CASINO SIMULCASTING
Subchapter
A. General Provisions
B. Casino Simulcasting Authorized
C. Application and Issuance of Permit and Establishment of Simulcasting Facility
D. Conduct of Casino Simulcasting
E. Fees and Taxes

SUBCHAPTER A
GENERAL PROVISIONS
Sec.
13F01. Legislative intent and purpose.
13F02. Definitions.
§ 13F01. Legislative intent and purpose.
The General Assembly finds as follows:

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

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

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

§ 13F02. Definitions.

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

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

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

"Casino simulcasting permit holder." A licensed gaming entity that holds a casino simulcasting permit issued by the board in accordance with section 13F12.

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

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

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

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

"Simulcasting facility." An area of a licensed facility established and maintained by a slot machine licensee for the conduct of casino simulcasting in accordance with this chapter, 3 Pa.C.S. Ch. 93 (relating to race horse industry reform) and regulations of the board and the commission.

SUBCHAPTER B
CASINO SIMULCASTING AUTHORIZED

Sec.
13F05. Authorization to conduct simulcasting.
13F06. Regulations.
13F07. Temporary regulations.
13F08. Simulcast agreements.

§ 13F05. Authorization to conduct simulcasting.

(a) Authority to conduct.--Notwithstanding any other provision of law or regulation, it shall be lawful for a licensed gaming entity to conduct casino simulcasting or enter into an agreement or agreements with a licensed racing entity or other person for the conduct of casino simulcasting in accordance with the provisions of this chapter, 3 Pa.C.S. Ch. 93 (relating to race horse industry reform) and the applicable regulations of the board and the commission promulgated under this chapter.

(b) Administration and enforcement. The board shall administer and enforce the provisions of this chapter as they relate to the conduct of casino simulcasting by a slot machine licensee and, except as provided in this chapter, shall adopt and promulgate regulations to carry out and enforce the provisions of this chapter.
§ 13F06. Regulations.

(a) Adoption of regulations.--The board, in consultation with the commission, shall adopt and promulgate regulations to govern the conduct of casino simulcasting by licensed gaming entities in this Commonwealth. Such regulations shall establish the following:

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

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

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

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

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

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

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

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

(9) Notwithstanding 3 Pa.C.S. § 9340 (relating to prohibition of wagering) or any other provision of law or regulation, the policies and procedures which will be adopted, implemented and followed to ensure that individuals under 21 years of age will be prohibited from participating in casino simulcasting or entering simulcasting areas of licensed facilities.

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

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

(c) Adoption of existing regulations.--Notwithstanding subsection (b) or any other law or regulation to the contrary, the provisions of 3 Pa.C.S. § 9335 (relating to pari-mutuel pool distribution) and all regulations and supplements thereto or revisions thereof adopted by the commission under 3 Pa.C.S. § 9335, which relate to the retention of money in pari-mutuel pools and the pari-mutuel system of wagering on, before or after the effective date of this chapter are adopted as regulations under this chapter and shall remain in effect unless subsequently modified or superseded by regulations promulgated by the commission.

§ 13F07. Temporary regulations.

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

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

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


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

(c) Publication of temporary regulations.--The board and the commission shall begin publishing temporary regulations governing casino simulcasting in the Pennsylvania Bulletin no later than February 1, 2018.

§ 13F08. Simulcast agreements.

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

(b) Wager provisions.--Notwithstanding 3 Pa.C.S. § 9334 (relating to State Racing Fund and tax rate) or 9335 (relating to pari-mutuel pool distribution), the following shall apply:

(1) If a licensed gaming entity offers casino simulcasting at its licensed facility through an agreement with a licensed racing entity, the agreement shall specify the percentage of the money wagered each racing day at the casino simulcasting facility and remaining in the wagering pools after the required distributions under 3 Pa.C.S. § 9335, that will be paid to the licensed gaming entity. The amount retained by a licensed gaming entity shall not exceed 25% of the money retained by the licensed racing entity under 3 Pa.C.S. § 9335.

(2) If a licensed gaming entity chooses to offer casino simulcasting through its own resources or through an agreement with another person, as approved by the board and...
the commission, the board, in consultation with the
commission, shall, through regulation, establish the
percentage of money wagered each racing day at the casino-
simulcasting facility and remaining in the wagering pools
after the required distributions under 3 Pa.C.S. § 9334 that
will be paid to the licensed gaming entity or other person,
provided that the percentage of money to be paid to a
licensed gaming entity or other person under this paragraph
shall be, if determined appropriate by the board and the
commission, the same percentage of money remaining in the
wagering pools that is retained by a licensed racing entity
in accordance with 3 Pa.C.S. § 9335.

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

SUBCHAPTER C
APPLICATION AND ISSUANCE OF PERMIT AND
ESTABLISHMENT OF SIMULCASTING FACILITY

See:
13F11. Application for permit and requirements.
13F13. Casino simulcasting facilities.
13F14. License or registration of employees required.
13F15. Key employees and occupation permits.
§ 13F11. Application for permit and requirements.

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

(1) The name, business address and contact information
of the applicant.
(2) The name and location of the applicant’s licensed facility.

(3) The name and business address, job title and a photograph of each principal and key employee of the applicant who will be involved in the conduct of casino simulcasting and who is not currently licensed by the board or the commission, if known.

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

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

(6) The details of any financing, if applicable, obtained or that will be obtained to fund an expansion or modification of the licensed facility to accommodate casino simulcasting or construct a simulcasting facility or to otherwise fund the cost of commencing casino simulcasting operations.

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

(8) A copy of or a detailed description of the terms and
conditions of any agreement or agreements the licensed gaming entity has entered into or will enter into with a licensed corporation or other person to facilitate the conduct of casino simulcasting.

(9) A detailed description of any financial arrangements between a licensed gaming entity and a licensed racing entity or other person related to the conduct of casino simulcasting.

(10) Detailed site and architectural plans of the proposed simulcasting facility within the applicant's licensed facility.

(11) Any other information as the board may require.

(b) Review and approval of application.—The board shall review and approve an application for a simulcasting permit if the applicant establishes, by clear and convincing evidence, all of the following:

(1) The applicant's slot machine license is in good standing with the board.

(2) The conduct of casino simulcasting at the applicant's licensed facility will have a positive economic impact on the Commonwealth and the race horse industry in this Commonwealth through increased revenues, increased purses and employment opportunities.

(3) The applicant possesses adequate funds or has secured adequate financing to:

   (i) Fund any necessary expansion or modification of the applicant's licensed facility or to construct a simulcasting facility to accommodate the conduct of casino simulcasting.

   (ii) Pay the costs of establishing, maintaining and
operating the simulcasting facility.

(iii) Commence casino simulcasting operations.

(4) The applicant has entered into or will enter into an agreement with a licensed racing entity or other person to manage or operate casino simulcasting operations, and the agreement has been approved by the commission.

(5) The applicant has the expertise to manage casino simulcasting.

(6) The applicant has the financial stability, integrity and responsibility to conduct casino simulcasting.

(7) The applicant has sufficient business ability and experience to create and maintain a successful casino simulcasting operation.

(8) The applicant's proposed internal and external security controls and proposed surveillance measures within the area of the licensed facility where the applicant seeks to conduct casino simulcasting are adequate.

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


(a) Issuance of permit. Upon review and approval of an application submitted to the board in accordance with section 13F11 (relating to application for permit and requirements), the board shall issue a casino simulcasting permit to the applicant.

(b) Content of permit.--

(1) A casino simulcasting permit shall include a list of the horse race meetings which are proposed to be simulcast by

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the casino simulcasting permit holder at its simulcasting
facility, including the names and locations of the in-State
sending tracks and out-of-State sending tracks, and the start
date and expiration date of any agreement or agreements the
permit holder has entered into or will enter into with a
licensed racing entity or other person for the operation of
casino simulcasting.

(2) A casino simulcasting permit holder shall be
required to update the initial casino simulcasting
application at times prescribed by the board, in consultation
with the commission.

(a) Establishment of simulcasting facility.--A licensed
gaming entity approved for and issued a permit to operate casino
simulcasting under this chapter shall establish a simulcasting
facility as part of its licensed facility. The simulcasting
facility may be adjacent to, but shall not be part of, any room
or location in which slot machines or table games are operated
or conducted in accordance with the provisions of this part. The
following shall apply:

(1) The simulcasting facility shall conform to all
requirements concerning square footage, equipment, security
measures and related matters which the board, in consultation
with the commission, shall by regulation prescribe.

(2) The space or area required for the establishment of
a simulcasting facility shall not be used to decrease the
number of slot machines or table games in operation at the
licensed facility or to reduce the space approved by the
board for the operation of slot machines and the conduct of
table games.
(3) The cost of establishing, maintaining and operating a simulcasting facility shall be the sole responsibility of the licensed gaming entity.

(b) Video display monitors.—Notwithstanding 3 Pa.C.S. Ch. 93 (relating to race horse industry reform) or regulations promulgated pursuant to 3 Pa.C.S. Ch. 93, the regulations promulgated by the board shall provide for the installation of video display technology in approved areas of licensed facilities to deliver simulcast horse race meetings to patrons via video walls and other such innovative video display technology. The board may collaborate with the commission in developing regulations to govern the installation and operation of video display monitors in accordance with this subsection.

§ 13F14. License or registration of employees required.

Except as provided in this part, all persons engaged directly in wagering-related activities at a simulcasting facility, whether employed by the licensed gaming entity, licensed racing entity or by a person or entity conducting casino simulcasting in the simulcasting facility under an agreement with the licensed gaming entity and all other employees of the licensed gaming entity, licensed racing entity or of the person or entity conducting casino simulcasting who work or will work in the simulcasting facility, shall be licensed or registered in accordance with regulations promulgated by the board in collaboration with the commission.

§ 13F15. Key employees and occupation permits.

Nothing in this subchapter shall be construed to require any individual who holds a principal license, a key employee license or gaming employee license under Chapters 13 (relating to licensees) and 13A (relating to table games) or who holds a
license under 3 Pa.C.S. Ch. 93 (relating to race horse industry reform) to obtain a separate license, permit or registration to be employed in a casino simulcasting permit holder's casino simulcasting operation authorized under this chapter, if the board, in consultation with the commission, determines that licensure under the provisions of this part or 3 Pa.C.S. Ch. 93 is sufficient and will not compromise the integrity of casino simulcasting.

SUBCHAPTER D

CONDUCT OF CASINO SIMULCASTING

Sec.


13F33. Accounting controls and audit protocols.

13F34. Condition of continued operation.


(a) Wagering.--Wagering on simulcast horse races shall be conducted only in the simulcasting facility.

(b) Required security.--

(1) The security measures for a simulcasting facility shall include, but may not be limited to, the installation by the licensed gaming entity of a closed circuit television system according to specifications promulgated by the board, in consultation with the commission.

(2) The board and the commission shall have access to the simulcast system or its signal in accordance with regulations promulgated by the board, in consultation with the commission.

The following shall apply:

(1) A licensed racing entity which operates interstate or international simulcasting of horse race meetings in this Commonwealth shall have discretion to transmit all or some of the live races conducted at the racetrack to the licensed facility of a licensed gaming entity which has established a simulcasting facility under this chapter. Any race which is transmitted from an in-State sending track shall be transmitted to all licensed gaming entities which have established simulcasting facilities.

(2) A licensed gaming entity which establishes a simulcasting facility and conducts casino simulcasting in accordance with this chapter shall, as a condition of continued operation of casino simulcasting, receive all live races which are transmitted by in-State sending tracks.

§ 13F33. Accounting controls and audit protocols.

(a) Approval.—Prior to the commencement of casino simulcasting, a casino simulcasting permit holder shall submit to the board for approval all proposed site and architectural plans, internal control systems and audit protocols for the permit holder's casino simulcasting operations.

(b) Minimum requirements.—A casino simulcasting permit holder's internal controls and audit protocols shall:

(1) Provide for reliable records, accounts and reports of any financial event that occurs in the conduct of casino simulcasting, including reports to the board and commission related to casino simulcasting, as may be required by regulation of the board, in consultation with the commission.

(2) Provide for accurate and reliable financial records related to the conduct of casino simulcasting and the pari-
mutuel system of wagering.

(3) Establish procedures and security for the counting, recording and storage of money generated from the conduct of casino simulcasting.

(4) Establish procedures and security standards for the maintenance of telecommunications equipment and video display technology used in connection with the conduct of casino simulcasting.

(5) Establish procedures and rules to govern the conduct of casino simulcasting and the responsibility of employees related to casino simulcasting.

(6) Establish procedures for the collection, recording and deposit of revenue from the conduct of casino simulcasting, including the roles of the commission, the department, licensed racing entities and licensed gaming entities in the collection and recording of the revenue.

(7) Ensure that the system of pari-mutuel wagering used in the conduct of casino simulcasting is in accordance with 3 Pa.C.S. Ch. 93 (relating to race horse industry reform) and regulations of the commission promulgated under 3 Pa.C.S. (relating to agriculture).

(8) Ensure, in consultation with the commission, the proper and timely accounting for and retention of percentages for pari-mutuel pools and the proper and timely distribution of money in any pari-mutuel pool generated from casino simulcasting.

(9) Ensure that all functions, duties and responsibilities related to casino simulcasting are appropriately segregated and performed in accordance with sound financial practices by qualified employees.
(10) Permit use of its casino simulcasting facility by
the board, the bureau, the commission and other persons
authorized under this part or by the board and the commission
to facilitate their ability to perform regulatory and
oversight functions under this chapter.

(c) Submission to board. The submission required under
subsection (a) shall include a detailed description of the-
casino simulcasting permit holder's administrative and
accounting procedures related to casino simulcasting, including
its written system of internal controls. Each written system of
internal controls shall include:

(1) An organizational chart depicting appropriate
functions and responsibilities of employees involved in
 casino simulcasting.

(2) A description of the duties and responsibilities of
each position shown on the organizational chart.

(3) The record retention policy of the permit holder.

(4) The procedure to be utilized to ensure that money
generated from the conduct of casino simulcasting is
safeguarded, including mandatory counting and recording
procedures.

(5) A statement signed by the casino simulcasting permit
holder's chief financial officer or other competent person
attesting that the signatory believes, in good faith, that
the system satisfies the requirements of this section.

(d) Review. Prior to authorizing a permit holder to conduct
 casino simulcasting, the board, in consultation with the
commission, shall review the system of internal controls
submitted under subsection (c) to determine whether it conforms
to the requirements of this subchapter and whether it provides
adequate and effective controls for the conduct of casino simulcasting.

(e) License or registration of employees required.--Except as provided in section 13F15 (relating to key employees and occupation permits), persons engaged directly in wagering-related activities at a simulcasting facility, whether employed by the licensed gaming entity, a licensed racing entity or by a person or entity conducting casino simulcasting under an agreement with the licensed gaming entity, licensed racing entity and all other employees of the licensed gaming entity or of the person or entity conducting casino simulcasting who work or will work in the simulcasting facility shall be licensed or registered in accordance with regulations promulgated by the board in collaboration with the commission.

§ 13F34. Condition of continued operation.

As a condition of continued operation, a casino simulcasting permit holder shall agree to maintain all books, records and documents pertaining to casino simulcasting in a manner and location within this Commonwealth as approved by the board, in consultation with the commission. All books, records and documents related to casino simulcasting shall:

(1) Be organized in a manner to clearly depict by separate record the total amount of money contributed to every pari-mutuel pool in accordance with the applicable provisions of 3 Pa.C.S. Ch. 93 (relating to race horse industry reform) and any regulation promulgated under 3 Pa.C.S. Ch. 93.

(2) Be segregated by separate accounts within the licensed gaming entity's books, records and documents, except for any books, records or documents that are common to the
machine operations, table game operations and casino
simulcasting, as determined by the board in consultation with
the commission.

(3) Be immediately available for inspection upon request
of the board, the commission, the bureau, the department, the
Pennsylvania State Police or the Attorney General, or agents
thereof, during all hours of operation of the permit holder's
simulcasting facility in accordance with regulations
promulgated by the board in consultation with the commission.

(4) Be maintained for a specific period of time as the
board, in consultation with the commission, by regulation,
may require.

The provisions of section 493(24)(ii) of the act of April 12,
1951 (P.L.90, No.21), known as the Liquor Code, shall also apply
to casino simulcasting.

SUBCHAPTER E
FEES AND TAXES

See-

13F41. Casino simulcasting authorization fee.

13F42. Retention and distribution of money and pari-mutuel
pools.

13F43. Casino simulcasting taxes.

13F44. Construction.

§ 13F41. Casino simulcasting authorization fee.

A casino simulcasting permit shall not be subject to the
payment of an authorization fee, renewal or a renewal fee or the
payment of an additional permit fee.

§ 13F42. Retention and distribution of money and pari-mutuel
pools.
(a) Wagers included in pari-mutuel pools.—

(1) Sums wagered at a simulcasting facility on the results of a simulcast horse race shall be included in the appropriate pari-mutuel pool generated for the race being transmitted in accordance with 3 Pa.C.S. § 9335 (relating to pari-mutuel pool distribution) and shall be distributed in accordance with 3 Pa.C.S. § 9335 or any regulations promulgated under 3 Pa.C.S. § 9335. All remaining money shall be paid to the General Fund.

(2) Payments to persons holding winning tickets at a licensed facility shall be made according to the same odds as those generated at the in-State sending track.

(3) A person placing a wager on a simulcast horse race at a simulcasting facility shall not be charged a fee for placing the wager in addition to the amount wagered.

(b) Computation of money wagered.—All money wagered by players on horse race meetings at a simulcasting facility shall be computed in the amount of money wagered each racing day for purposes of taxation under 3 Pa.C.S. § 9334 (relating to State Racing Fund and tax rate), all thoroughbred races shall be considered a part of a thoroughbred horse race meeting and all harness races shall be considered a part of a harness horse race meeting for purposes of 3 Pa.C.S. § 9334.

§ 13F43. Casino simulcasting taxes.

(a) Imposition.—

(1) All licensed gaming entities that conduct casino simulcasting shall pay a tax through the department for credit to the General Fund.

(2) The tax imposed on all licensed gaming entities shall be a percentage tax in the amount of 2% of the amount—
wagered each racing day on casino simulcasting and shall be
paid from the money retained by the licensed gaming entity.
The tax imposed under this paragraph shall be paid to the
department on a form and in the manner prescribed by the
department for deposit into the General Fund.

(3) The casino simulcasting tax imposed under this
section shall be paid to the department by the casino
simulcasting permit holder for deposit into the General Fund.

(b) Deposits and distributions.

(1) The tax imposed under subsection (a) shall be
payable to the department on a weekly basis and shall be
based upon the amounts retained by the casino simulcasting
permit holder from the amount wagered on casino simulcasting
each racing day during the previous week.

(2) All money owed to the Commonwealth under this
section shall be held in trust for the Commonwealth by the
permit holder until the funds are paid to the department.
Unless otherwise agreed to by the board, a casino
simulcasting permit holder shall establish a separate bank
account into which casino simulcasting revenue shall be
deposited and maintained until such time as the funds are
paid to the department under this section.

§ 13F44. Construction.
Nothing in this chapter and section 1207 (relating to
regulatory authority of board), as it relates to casino
simulcasting, shall be construed to alter, preempt or otherwise
impinge the authority of the commission under 3 Pa.C.S. Ch. 93
(relating to race horse industry reform).

Section 26. Section 1402(b) of Title 4 is amended to read:

§ 1402. Gross terminal revenue deductions.
(b) [(Reserved).] Assessment limitation.  
   (1) Beginning July 1, 2017, the assessment rate determined by the department under subsection (a) shall not exceed an amount equal to 1.7% of the slot machine licensee’s gross terminal revenue.  
   (2) Beginning July 1, 2018, and each year thereafter, the assessment rate determined by the department under subsection (a) shall not exceed an amount equal to 1.5% of the slot machine licensee’s gross terminal revenue.

Section 27. Section 1403 of Title 4 is reenacted and amended to read:

§ 1403. Establishment of State Gaming Fund and net slot machine revenue distribution.  
   (a) Fund established. There is hereby established the State Gaming Fund within the State Treasury.  
   (b) Slot machine tax. The department shall determine and each slot machine licensee shall pay a daily tax of 34% from its daily gross terminal revenue from the slot machines in operation at its facility and a local share assessment as provided in subsection (c). All funds owed to the Commonwealth, a county or a municipality under this section shall be held in trust by the licensed gaming entity for the Commonwealth, the county and the municipality until the funds are paid or transferred to the fund. Unless otherwise agreed to by the board, a licensed gaming entity shall establish a separate bank account to maintain gross terminal revenue until such time as the funds are paid or transferred under this section. Moneys in the fund are hereby appropriated to the department on a continuing basis for the purposes set forth in subsection (c).
(e) Transfers and distributions.—The department shall:

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

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

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

      (A) A county of the first class: 4% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. Notwithstanding any other provision to the contrary, funds from licensed gaming entities located within a county of the first class shall not be distributed outside of a county of the first class.

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

      (C) A county of the second class A: 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. An additional 1% of the gross terminal revenue to the county hosting the licensed facility for the purpose of municipal grants within the county in which the licensee is located.

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

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

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

(I.3) Notwithstanding the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act, grants made under subclause (I) may be utilized as local matching funds for other grants or loans from the Commonwealth.

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

(E) A county of the fourth class: 2% of the
gross terminal revenue from each such licensed
facility shall be distributed as follows:

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

(II) Any funds not distributed under subclause (I) shall be deposited into a restricted receipts account established in the Department of Community and Economic Development to be used exclusively for grants to the county, to economic development authorities or redevelopment authorities within the county for grants for economic development projects,
infrastructure projects, job training, community improvement projects, other projects in the public interest, and necessary and reasonable administrative costs. Notwithstanding the provisions of the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act, grants made under this clause may be utilized as local matching funds for other grants or loans from the Commonwealth.

(F) Counties of the fifth through eighth classes:

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

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

(a) 1% shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants for projects in the public interest to municipalities within the county where the licensed facility is located.

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

(C) Any county not specifically enumerated in clauses (A) through (F), 2% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility.

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

(A) A county of the first class: 4% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. Notwithstanding any other provision to the contrary, funds from licensed gaming entities located within the county of the first class shall not be distributed outside of a county of the first class.

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

(C) A county of the second class A: 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. An additional 1% of the gross terminal revenue to the county hosting the licensed facility for the purpose of municipal grants within the county in which the licensee is located.

(D) A county of the third class which is also a home rule county: 1% of the gross terminal revenue to the county hosting the licensed facility from each
such licensed facility. An additional 1% of the gross terminal revenue minus the amount contained in clauses (D.1) and (D.2) to the county hosting the licensed facility from each such licensed facility for the purpose of municipal grants within the county in which the licensee is located. Beginning January 1, 2018, municipal grants authorized under this clause shall not be awarded through a county economic development or redevelopment authority and shall only be awarded by the county through an official action of the county council and the county executive governing the county of the third class which is also a home rule county. Notwithstanding the provisions of the Capital Facilities Debt Enabling Act, grants made under this clause may be utilized as local matching funds for other grants or loans from the Commonwealth.

(D.1) $500,000 of the gross terminal revenue to a city of the third class with a population of not less than 80,000 located within a county of the third class that is also a home rule county to be used exclusively for police, fire and other emergency services or infrastructure projects. Notwithstanding the provisions of the Capital Facilities Debt Enabling Act, funds distributed under this clause may be utilized as local matching funds for other grants or loans from the Commonwealth.

(D.2) $1,500,000 of the gross terminal revenue annually to a land bank jurisdiction established by a county of the third class which is also a home rule.
county. Until a land bank jurisdiction is established by a county of the third class which is also a home rule county after the effective date of this subclause, $1,500,000 to the county redevelopment authority.

(D.3) A county of the third class which is not a home rule county: 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility minus amounts in clauses (D.4), (D.5) and (D.6). An additional 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility for the purpose of municipal grants within the county in which the licensee is located. Notwithstanding the provisions of the Capital Facilities Debt Enabling Act, grants made under this clause may be utilized as local matching funds for other grants or loans from the Commonwealth.

(D.4) $220,000 of the gross terminal revenue annually to a contiguous county containing a township that receives a portion of the licensed facility's slot machine operation fee under paragraph (3)(v)(C) for the purpose of municipal grants within the county. Notwithstanding the provisions of the Capital Facilities Debt Enabling Act, grants made under this clause may be utilized as local matching funds for other grants or loans from the Commonwealth.

(D.5) $50,000 of the gross terminal revenue annually to a contiguous county of the fourth class for fire and emergency services and economic...
development. Notwithstanding the provisions of the Capital Facilities Debt Enabling Act, grants made under this clause may be utilized as local matching funds for other grants or loans from the Commonwealth.

(D.6) $30,000 of the gross terminal revenue annually to a township of the second class with a population between 2,000 and 2,500 as of the 2010 decennial census that is contiguous to a township in a county of the fifth class that receives a portion of the licensed facility's slot machine operation fee under paragraph (3)(v)(C).

(E) A county of the fourth class: 2% of the gross terminal revenue from each such licensed facility shall be deposited into a restricted account established in the Department of Community and Economic Development to be used exclusively for grants to the county, to economic development authorities or redevelopment authorities within the county for grants for economic development projects, community improvement projects, job training, other projects in the public interest and reasonable administrative costs. Notwithstanding the Capital Facilities Debt Enabling Act, grants made under this clause may be utilized as local matching funds for other grants or loans from the Commonwealth.

(F) Counties of the fifth through eighth classes: 2% of the gross terminal revenue from each such licensed facility shall be deposited into a restricted account established in the Department of
Community and Economic Development to be used exclusively for grants to the county.

(C) Any county not specifically enumerated in clauses (A) through (F), 2% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility.

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

(A) A county of the first class: 4% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility.

Notwithstanding any other provision to the contrary, funds from licensed gaming entities located within a county of the first class shall not be distributed outside of a county of the first class. The first $5,000,000 of the total amount distributed annually to the county of the first class shall be distributed to the Philadelphia School District.

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

(C) A county of the second class A: 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. An additional 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility for the purpose of municipal grants within the county in which the licensee is located.

(D) A county of the third class: 1% of the
gross terminal revenue to the county hosting the licensed facility from each such licensed facility.

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

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

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

(a) 20% shall be distributed to the host city.

(b) 30% shall be distributed to the host county.

(c) 50% shall be distributed as follows:

(1) Beginning January 1, 2018, the sum of $250,000 shall be distributed annually for a period of 20 years to a city of the third class located in two counties of the third class for purposes of funding the redevelopment of an existing arts and education...
center that has professional artist space and studios and is located within the city of the third class that is located in two counties of the third class, and the sum of $250,000 annually for a period of 20 years to the host county for the purpose of funding the construction of a pool and indoor recreation facility at an existing nonprofit recreation center in a borough with a population between 3,400 and 3,800 at the 2010 decennial census.

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

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

city of the third class located solely in the-

nonhost county in which the host city of the-

third class is also located or 60% to the nonhost-
city of the third class located both in the host-

and nonhost counties of the third class, 35% to-

the nonhost county and 5% to the nonhost county-

for the purpose of making municipal grants within-

the county.)

(a) 60% shall be distributed to a-

nonhost city of the third class located-

solely in the nonhost county in which the-

host city of the third class is also located-
or 60% to the nonhost city of the third class-

located both in the host and nonhost counties-
of the third class.

(b) 35% shall be distributed to the-

nonhost county.

(c) 5% shall be deposited into a-

restricted receipts account to be established-
in the Commonwealth Financing Authority for-
distribution within the nonhost county to be-
used exclusively for economic development-
projects, community improvement projects and-
other projects in the public interest within-
the nonhost county, with priority given to-
municipalities contiguous to the host city.

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

facility shall be deposited into a restricted account-
established in the Department of Community and Economic Development to be used exclusively for grants to the county, to economic development authorities or redevelopment authorities within the county for grants for economic development projects, community improvement projects, job training, other projects in the public interest and reasonable administrative costs. Notwithstanding the Capital Facilities Debt Enabling Act, grants made under this clause may be utilized as local matching funds for other grants or loans from the Commonwealth.

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

(I) One percent to be distributed as follows:

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

(b) Any funds not distributed under subclause (a) shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants within the county for economic development projects, road projects located within a 20-mile radius of
the licensed facility and located within the county, community improvement projects and other projects in the public interest within the county. The amount under this subclause includes reasonable administrative costs.

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

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

(III) Fifty percent of any revenue required to be transferred under paragraph (3)(v) shall be deposited into the restricted receipts account established under subclause (I)(b), and 50% shall be deposited into the restricted receipts account established under subclause (II). Notwithstanding the Capital Facilities Debt Enabling Act, grants made under this clause may be utilized as local
matching funds for other grants or loans from the Commonwealth.

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

(iv) (A) Except as provided in clause (B) or (C), if the facility is a Category 3 licensed facility, 2% of the gross terminal revenue from the licensed facility shall be deposited into a restricted receipts account established in the Department of Community and Economic Development to be used exclusively for grants to the county, to economic development authorities or redevelopment authorities within the county for grants for economic development projects, community improvement projects and other projects in the public interest.

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

(I) Seventy-five percent shall be deposited for the purpose of supporting the maintenance and refurbishment of the parks and heritage sites throughout the county in which the licensed facility is located.

(II) Twelve and one-half percent shall be deposited for the purpose of supporting a child advocacy center located within the county in which the licensed facility is located.

(III) Twelve and one-half percent shall be deposited for the purpose of supporting an organization providing comprehensive support services to victims of domestic violence, including legal and medical aid, shelters, transitional housing and counseling located within the county in which the licensed facility is located.

(C) If the facility is a Category 3 licensed facility located in a county of the fifth class that is contiguous to a county of the seventh class, 2% of the gross terminal revenue from the licensed facility shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants within the county for economic development projects, infrastructure projects, community improvement projects and other projects in the public interest within the county and for infrastructure projects within a 20-mile radius of the licensed facility in a
contiguous county of the seventh class.

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

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

(vii) The distributions provided in this paragraph shall be based upon county classifications in effect on
the effective date of this section. Any reclassification of counties as a result of a Federal decennial census or of a State statute shall not apply to this subparagraph.

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

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

(3) From [the local share assessment established in subsection (b)] the slot machine operation fees deposited into the fund under section 1326.1(d) (relating to slot machine license operation fee), make quarterly distributions among the municipalities, including home rule municipalities, hosting a licensed facility in accordance with the following schedule:

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

gaming entity operating a facility in the city and
deposit that amount in the city treasury.] shall be-
distributed to the city treasury.

(ii) To a city of the second class A hosting a

licensed facility, other than a Category 3 licensed-
facility, [2% of the gross terminal revenue or

$10,000,000 annually, whichever is greater, shall be paid-
by each licensed entity operating a licensed facility-
located in that city] $10,000,000 annually shall be-
distributed to the city, subject, however, to the-
budgetary limitation in this subparagraph. The amount-
allocated to the designated municipalities shall not-
exceed 50% of their total budget for fiscal year 2003-
2004, adjusted for inflation in subsequent years by an-
amount not to exceed an annual cost-of-living adjustment-
calculated by applying the percentage change in the-
Consumer Price Index immediately prior to the date the-
adjustment is due to take effect. Any remaining moneys-
shall be [collected by the department from each licensed-
gaming entity and] distributed in accordance with-
paragraph (2) based upon the classification of county-
where the licensed facility is located. [In the event-
that the revenues generated by the 2% do not meet the-
$10,000,000 minimum specified in this subparagraph, the-
department shall collect the remainder of the minimum-
amount of $10,000,000 from each licensed gaming entity-
operating a facility in the city, pay any balance due to-
the city and transfer any remainder in accordance with-
paragraph (2).]
(iii) To a city of the third class hosting a licensed facility, other than a Category 3 licensed facility, [2% of the gross terminal revenue or $10,000,000 annually, whichever is greater, shall be paid by each licensed gaming entity operating a licensed facility located in that city] $10,000,000 annually, less any amount up to $5,000,000 received pursuant to a written agreement with a licensed gaming entity executed prior to the effective date of this part, shall be distributed to the city, subject, however, to the budgetary limitation in this subparagraph. In the event that the city has a written agreement with a licensed gaming entity executed prior to the effective date of this part, the amount paid under the agreement to the city shall be applied and credited [to the difference between 2% of the gross terminal revenue and the $10,000,000 owed under this subparagraph if the 2% of the gross terminal revenue is less than $10,000,000. If 2% of the gross terminal revenue is greater than the $10,000,000 required to be paid under this subparagraph, the credit shall not apply. The amount of gross terminal revenue required to be paid pursuant to the agreement shall be deemed to be gross terminal revenue for purposes of this subparagraph.], up to $5,000,000, to the slot machine license operation fee owed under section 1326.1. The amount allocated to the designated municipalities shall not exceed 50% of their total budget for fiscal year 2003-2004, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change.
in the Consumer Price Index immediately prior to the date
the adjustment is due to take effect. Any remaining
moneys shall be [collected by the department from each
licensed gaming entity and] distributed in accordance
with paragraph (2) based upon the classification of
county where the licensed facility is located. [In the
event that the revenues generated by the 2% do not meet
the $10,000,000 minimum specified in this subparagraph,
the department shall collect the remainder of the minimum
amount of $10,000,000 from each licensed gaming entity
operating a facility, pay any balance due to the city of
the third class and transfer any remainder in accordance
with paragraph (2).]

(iii.1) If a licensed facility, other than a
Category 3 licensed facility, is located in a city of the
third class and the city is located in more than one
county of the third class, [2% of the gross terminal
revenue or $10,000,000 annually, whichever is greater,]
$10,000,000 annually shall be distributed as follows:
80% to the host city and 20% to the city of the third
class located solely in a nonhost county in which the
host city of the third class is also located. If a
licensed facility, other than a Category 3 licensed
facility, is located in a city of the third class and
that city is located solely in a host county of the third
class in which a nonhost city of the third class is also
located[, 2% of gross terminal revenue or $10,000,000
annually, whichever is greater], $10,000,000 annually
shall be distributed as follows: 80% to the host city
and 20% to a city of the third class located both in a
nonhost county of the third class and in a host county of
the third class in which the host city of the third class
is located.

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

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

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

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facility in the township, pay any balance due to the
township and transfer any remainder in accordance
with paragraph (2).]

(B) [2% of the gross terminal revenue or
$10,000,000 annually, whichever is greater,]
$10,000,000 annually, less the amount paid under
clause (C), shall be [paid by each licensed gaming-
entity operating a licensed facility and owning land-
adjacent to the licensed facility located in more-
than one township of the second class, other than a
Category 3 licensed facility,] distributed to the-
township of the second class hosting [the] a licensed-
facility which owns land adjacent to the licensed-
facility located in more than one township of the-
second class, other than a Category 3 licensed-
facility, subject, however, to the budgetary-
limitation in this subparagraph. The amount allocated-
to the designated municipalities may not exceed 50%
of their total budget for the fiscal year 2003-2004,
adjusted for inflation in subsequent years by an-
amount not to exceed an annual cost-of-living-
adjustment calculated by applying the percentage-
change in the Consumer Price Index immediately prior-
to the date the adjustment is due to take effect. Any-
remaining money shall be [collected by the department-
from each licensed gaming entity and] distributed in-
accordance with paragraph (2) based upon the-
classification of the county where the licensed-
facility is located. The county commissioners of a-
county of the third class in which the licensed-
facility is located shall appoint an advisory committee for the purpose of advising the county as to the need for municipal grants for health, safety, transportation and other projects in the public interest to be comprised of two individuals from the host municipality, two from contiguous municipalities within the county of the third class and one from the host county. [In the event that the revenues generated by the 2% do not meet the $10,000,000 minimum specified in this subparagraph, the department shall collect the remainder of the minimum amount of $10,000,000 from each licensed gaming entity operating a licensed facility in the township, pay any balance due to the township and transfer any remainder in accordance with paragraph (2).]

(C) [$160,000 annually shall be paid by each licensed gaming entity operating a licensed facility and owning land adjacent to the licensed facility located in more than one township of the second class, other than a Category 3 licensed facility, to the township of the second class that is located in a county of the fifth class in which the adjacent land is located, including racetracks, grazing fields or any other adjoining real property.] For land owned by a licensed gaming entity, other than a Category 3 licensed facility, and located in more than one township of the second class, $160,000 shall be distributed annually to the township of the second class which is located in a county of the fifth class if the land owned, including racetracks, grazing
fields and other adjoining real property, is adjacent to the licensed facility.

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

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

(viii) (A) Except as provided in clause (B) or (C), to a municipality of any class hosting a Category 3 facility, 2% of the gross terminal revenue from the Category 3 licensed facility located in the municipality, subject, however, to the budgetary limitation in this clause. The amount allocated to the designated municipalities shall not exceed 50% of...
their total budget for fiscal year 2009, adjusted for
inflation in subsequent years by an amount not to
exceed an annual cost-of-living adjustment calculated
by applying the percentage change in the Consumer
Price Index immediately prior to the date the
adjustment is due to take effect. Any remaining money
shall be collected by the department from each
licensed gaming entity and distributed in accordance
with paragraph (2) based upon the classification of
county where the licensed facility is located.

(B) If the municipality hosting a Category 3-
licensed facility is a borough located in a county of
the third class and the borough is contiguous to a
city of the third class, 1% of gross terminal revenue
shall be distributed to the host borough and 1% of
gross terminal revenue shall be distributed to the
city of the third class that is contiguous to the
host borough, subject, however, to the budgetary
limitation in this clause. The amount allocated to
each designated municipality shall not exceed 50% of
its total budget for fiscal year 2009, adjusted for
inflation in subsequent years by an amount not to
exceed an annual cost of living adjustment calculated
by applying the percentage increase, if any, in the
Consumer Price Index immediately prior to the date
the adjustment is due to take effect. Any remaining
money shall be collected by the department from each
licensed gaming entity and distributed in accordance
with paragraph (2) based upon the classification of
county where the licensed facility is located.
(C) If the municipality hosting a Category 3 licensed facility is a township of the second class in a county of the fifth class which is contiguous to a county of the seventh class, 2% of the gross terminal revenue from the Category 3 licensed facility located in the municipality shall be distributed to the municipality, subject, however, to the budgetary limitation in this clause. The amount allocated to the designated municipalities shall not exceed the lesser of $1,000,000 or 50% of their total budget for fiscal year 2009, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any remaining money shall be collected by the department from each licensed gaming entity and distributed in equal amounts to each municipality contiguous to the host municipality. However, the amount to be allocated to any contiguous municipality shall not exceed the lesser of $1,000,000 or 50% of the municipality's total budget for fiscal year 2009, adjusted for inflation in subsequent years by an amount not to exceed an annual cost of living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any money remaining following distribution to contiguous municipalities shall be collected by the department and distributed in
accordance with paragraph (2) based upon the classification of county where the licensed facility is located.

(ix) Any municipality not specifically enumerated in subparagraphs (i) through (viii), 2% of the gross terminal revenue to the municipality hosting the licensed facility from each such licensed facility.

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

(xi) If the licensed facility is located at a resort which is also an incorporated municipality, such municipality shall not be eligible to receive any distribution under this paragraph. The distribution it would have otherwise been entitled to under this paragraph shall instead be distributed in accordance with paragraph (2) based upon the county where the licensed facility is located.

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

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

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

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

(A) to reduce the debt of the second class city;
(B) to increase the level of funding of the
municipal pension funds of the second class city; or
(C) for any other purposes as determined to be
in the best interest of the second class city by such
intergovernmental cooperation authority. Such
revenues shall not be directed to or under the
control of such city of the second class or any
coordinator appointed pursuant to the act of July 10,
1987 (P.L.246, No.47), known as the Municipalities-
Financial Recovery Act, for such city of the second-
class.

(4) From the local share assessment established in
subsection (b), make quarterly distributions among the municipalities, including home rule municipalities, hosting a licensed facility in accordance with the following schedule:

(i) Except as provided in subparagraph (ii) or (iii), to a municipality of any class hosting a Category 3 facility, 2% of the gross terminal revenue from the Category 3 licensed facility located in the municipality, subject, however, to the budgetary limitation in this subparagraph. The amount allocated to the designated municipalities shall not exceed 50% of their total budget for fiscal year 2009, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any remaining money shall be collected by the department from each licensed gaming entity and distributed in accordance with paragraph (2) based upon the classification of county where the licensed facility is located.

(ii) If the municipality hosting a Category 3 licensed facility is a borough located in a county of the third class and the borough is contiguous to a city of the third class, 1% of gross terminal revenue shall be distributed to the host borough and 1% of gross terminal revenue shall be distributed to the city of the third class that is contiguous to the host borough, subject, however, to the budgetary limitation in this subparagraph. The amount allocated to each designated municipality shall not exceed 50% of its total budget for
fiscal year 2009, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage increase, if any, in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any remaining money shall be collected by the department from each licensed gaming entity and distributed in accordance with paragraph (2) based upon the classification of county where the licensed facility is located.

(iii) If the municipality hosting a Category 3 licensed facility is a township of the second class in a county of the fifth class which is contiguous to a county of the seventh class, 2% of the gross terminal revenue from the Category 3 licensed facility located in the municipality shall be distributed to the municipality, subject, however, to the budgetary limitation in this subparagraph. The amount allocated to the designated municipalities shall not exceed the lesser of $1,000,000 or 50% of their total budget for fiscal year 2009, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any remaining money shall be collected by the department from each licensed gaming entity and distributed in equal amounts to each municipality contiguous to the host municipality. The amount to be allocated to any contiguous municipality shall not exceed the lesser of $1,000,000 or 50% of the
municipality's total budget for fiscal year 2009,
adjusted for inflation in subsequent years by an amount
not to exceed an annual cost-of-living adjustment
calculated by applying the percentage change in the
Consumer Price Index immediately prior to the date the
adjustment is due to take effect. Any money remaining
following distribution to contiguous municipalities shall
be collected by the department and distributed in
accordance with paragraph (2) based upon the
classification of county where the licensed facility is
located.

(5) From the slot machine operation fees deposited in
the fund under section 1326.1(d), make quarterly
distributions to any municipality not specifically enumerated
in paragraph (3) or (4) hosting a Category 1 or a Category 2
licensed facility, other than a Category 1 or Category 2
licensed facility located in a city of the first class, equal
to $10,000,000 annually.

(6) From the local share assessment established in
subsection (b), make quarterly distributions to any
municipality not enumerated in paragraph (3) or (4) hosting a
Category 3 licensed facility: 2% of the gross terminal
revenue paid by each licensed gaming entity operating a
Category 3 licensed facility.

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

(8) If a licensed facility is located at a resort which
is also an incorporated municipality, the municipality shall not be eligible to receive any distribution under paragraph (3), (4), (5) or (6). The distribution it would have otherwise been entitled to under paragraph (3), (4), (5) or (6) shall instead be distributed in accordance with paragraph (2) based upon the classification of county where the licensed facility is located.

(9) The distributions provided in paragraph (3), (4), (5) or (6) shall be based upon municipal classifications in effect on July 5, 2004. For the purposes of paragraphs (3), (4), (5) and (6), any reclassification of municipalities as a result of a Federal decennial census or of a State statute shall not apply to paragraphs (3), (4), (5) and (6).

(10) If any provision of paragraph (3), (4), (5) or (6) is found to be unenforceable for any reason, the distribution provided for in the unenforceable provision shall be made to the municipality in which the licensed facility is located.

(11) Nothing in paragraph (3), (4), (5) or (6) shall be construed to prevent any of the above municipalities from entering into intergovernmental cooperative agreements with other jurisdictions for sharing the funds distributed to them.

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

   (i) to reduce the debt of the city of the second
class;
   
   (ii) to increase the level of funding of the
municipal pension funds of the city of the second class;
or
   
   (iii) for any other purposes as determined to be in
the best interest of the city of the second class by the
intergovernmental cooperation authority. The revenues
shall not be directed to or under the control of the city
of the second class or any coordinator appointed under
the act of July 10, 1987 (P.L.246, No.47), known as the
Municipalities Financial Recovery Act, for the city of
the-second-class.

(d) Consumer Price Index.—For purposes of subsection (c),
references to the Consumer Price Index shall mean the Consumer
Price Index for All Urban Consumers for the Pennsylvania, New-
Jersey, Delaware and Maryland area for the most recent 12-month
period for which figures have been officially reported by the

(e) Reporting.—

   (1) In cooperation with the department and the
Commonwealth Financing Authority, the Department of Community
and Economic Development shall submit an annual report on all
distributions of local share assessments and slot machine-
license operation fees to counties and municipalities under
this section to the chairman and minority chairman of the
Appropriations Committee of the Senate, the chairman and
minority chairman of the Community, Economic and Recreational
Development Committee of the Senate, the chairman and
minority chairman of the Appropriations Committee of the
House of Representatives and the chairman and minority
chairman of the Gaming Oversight Committee of the House of
Representatives. The report shall be submitted by [August 31,
thereafter.

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

(f) Prohibited activities.--

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

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

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

(iii) The person is paid a fixed fee or percentage of the amount of any funds approved, awarded or received up to .5%.

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

Section 28. Sections 1407(d) introductory paragraph and (d.1) heading and (1), 1501(b), 1504 and 1509 of Title 4 are amended to read:


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(d) Restrictions on projects for certain counties and cities.--Except as set forth in subsection (d.1), [for a ten-year period beginning with the first fiscal year during which deposits are made into this fund,] no moneys from the Pennsylvania Gaming Economic Development and Tourism Fund shall be distributed for any project located in a city or county of the first or second class except as authorized by this subsection. Moneys not used for the authorized projects in cities and counties of the first and second classes may be used throughout this Commonwealth. Moneys from the fund for projects within cities and counties of the first and second classes may only be used for the following projects [during this ten-year period]:

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(d.1) Community infrastructure and economic development.
(1) Notwithstanding subsection (b) or any other provision of law to the contrary, the money authorized but not expended under former subsection (d)(7) as of the effective date of this subsection and money authorized but not expended under subsection (d)(5) shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority exclusively for eligible applications submitted by the redevelopment authority of a county of the second class created pursuant to the act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law, for economic development, infrastructure development, job training, community improvement, public safety or other projects in the public interest located in a county of the second class. Community development corporations, political subdivisions, urban redevelopment authorities, municipal authorities, for-profit entities and nonprofit entities located in a county of the second class shall be eligible to receive funds made available under this paragraph.

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§ 1501. Responsibility and authority of department.

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(b) Application of rules and regulations.—The department may prescribe the extent, if any, to which any rules and regulations shall be applied without retroactive effect. The department shall have authority to prescribe the forms and the system of accounting and recordkeeping to be employed and through its representative shall at all times have power of access to and examination and audit of any equipment and records relating to all aspects of the operation of slot machines [and] table games and interactive gaming under this part.
§ 1504. Wagering on credit.

(a) General rule.—Except as otherwise provided in this section, slot machine licensees shall not extend credit. Slot machine licensees shall not accept credit cards, charge cards or debit cards from a patron or a player for the exchange or purchase of slot machine credits or for an advance of coins or currency to be utilized by a player to play slot machine games or extend credit in any manner to a player so as to enable the player to play slot machines. Slot machine licensees who hold a table game operation certificate may extend credit for slot machine gaming in accordance with section 13A.26 (relating to cash equivalents).

(b) Prepaid access instruments.—Prepaid access instruments are not deemed to be a credit card, charge card, debit card or any other instrument of credit and are not prohibited under this section.

§ 1509. Compulsive and problem gambling program.

(a) Establishment of program.—The Department of Health Drug and Alcohol Programs or successor agency, in consultation with organizations similar to the Mid-Atlantic Addiction Training Institute, shall develop program guidelines for public education, awareness and training regarding compulsive and problem gambling and the treatment and prevention of compulsive and problem gambling. The guidelines shall include strategies for the prevention of compulsive and problem gambling. The Department of Health Drug and Alcohol Programs or successor agency may consult with the board and licensed gaming entities to develop such strategies.

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

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

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

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

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

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

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

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

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

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

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

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

(6) Prepare an itemized budget outlining how funds will be allocated to fulfill the responsibilities under this section.

(b) Compulsive and Problem Gambling Treatment Fund.--There is hereby established in the State Treasury a special fund to be known as the Compulsive and Problem Gambling Treatment Fund. All moneys in the fund shall be administered by the Department of
[Health] Drug and Alcohol Programs or successor agency and

expended solely for programs for the prevention and treatment of

gambling addiction and other emotional and behavioral problems

associated with or related to gambling addiction and for the

administration of the compulsive and problem gambling program,

provided that the Department of [Health] Drug and Alcohol

Programs or successor agency shall annually distribute at least

50% of the money in the fund to single county authorities under

subsection (d). The fund shall consist of money annually

allocated to it from the annual payment established under

section 1408(a) (relating to transfers from State Gaming Fund),

money which may be allocated by the board, interest earnings on

moneys in the fund and any other contributions, payments or

deposits which may be made to the fund.

(c) Notice of availability of assistance.—

(1) [Each] Except as otherwise provided for in paragraph

(4), each slot machine licensee shall [obtain a] use the

toll-free telephone number [to be used] established by the

Department of Drug and Alcohol Programs or successor agency

in subsection (a.1)(1) to provide persons with information on

assistance for compulsive or problem gambling. Each licensee

shall conspicuously post at least 20 signs similar to the

following statement:

If you or someone you know has a gambling problem, help

is available. Call (Toll-free telephone number).

The signs must be posted within 50 feet of each entrance and

exit, within 50 feet of each automated teller machine

location within the licensed facility and in other

appropriate public areas of the licensed facility as

determined by the slot machine licensee.
(2) Each racetrack where slot machines or table games are operated shall print a statement on daily racing programs provided to the general public that is similar to the following:

If you or someone you know has a gambling problem, help is available. Call (Toll-free telephone number).

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

(2.1) Each interactive gaming certificate holder and interactive gaming operator:

(i) Shall cause the words:

If you or someone you know has a gambling problem, help is available. Call (Toll-free telephone number), or some comparable language approved by the board, which language shall include the words "gambling problem" and "call 1-800-XXXX," to be prominently displayed to any person visiting or logging onto the interactive gaming certificate holder's interactive gaming skin or Internet website.

(ii) Shall provide a mechanism by which an interactive gaming account holder may establish the following controls on wagering activity through the interactive gaming account:

(A) A limit on the amount of money lost within a specified period of time and the length of time the account holder will be unable to participate in gaming if the holder reaches the established loss limit.
(B) A limit on the maximum amount of any single 
wager on any interactive game.

(C) A temporary suspension of interactive gaming 
through the account for any number of hours or days.

(iii) Shall not knowingly mail or otherwise forward 
any gaming-related promotional material or e-mail to a 
registered player during any period in which interactive 
gaming through the registered players’ interactive gaming 
account has been suspended or terminated. The interactive 
gaming certificate holder shall provide a mechanism by 
which a registered player may change the controls.

Notwithstanding any other provision of this subparagraph, 
while interactive gaming through the interactive gaming 
account is suspended, the registered player may not 
change gaming controls until the suspension expires, but 
the registered player shall continue to have access to 
the account and shall be permitted to withdraw funds from 
the account upon proper application for the funds to the 
interactive gaming certificate holder.

(3) A [licensed facility] licensed gaming entity, 
interactive gaming certificate holder or interactive gaming 
operator, as the case may be, which fails to post or print 
the warning sign in accordance with paragraph (1) [or] (2) 
or (2.1)(i) shall be assessed a fine of $1,000 a day for each 
day the minimum number of signs are not posted or the 
required statement is not printed as provided in this 
subsection.

(3.1) An interactive gaming certificate holder or 
interactive gaming operator, as the case may be, that fails 
to establish the mechanisms, controls and systems in
accordance with paragraph (2.1)(ii) and (iii) shall be assessed a fine of not less than $5,000 per day for each day the mechanisms, controls and systems are not available to
interactive gaming account holders.

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

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

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

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

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

Section 29. Section 1512 of Title 4 is amended by adding a subsection to read:

§ 1512. Financial and employment interests.

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(a.6) Prohibition related to interactive gaming.

(1) Except as may be provided by rule or order of the Pennsylvania Supreme Court and except as provided in section 1202.1 (relating to code of conduct) or 1512.1 (relating to additional restrictions), no executive-level public employee,
public official or party officer or immediate family member
thereof shall hold, directly or indirectly, a financial
interest in, be employed by or represent, appear for, or
negotiate on behalf of, or derive any remuneration, payment,
benefit or any other thing of value for any services,
including, but not limited to, consulting or similar services
from any holder of or applicant for an interactive gaming
certificate, holder of or applicant for an interactive gaming
license or other authorization to conduct interactive gaming
or any holding, subsidiary or intermediary company with
respect thereto, or any business, association, enterprise or
other entity that is organized in whole or in part for the
purpose of promoting, advocating for or advancing the
interests of the interactive gaming industry generally or any
interactive gaming related business or businesses in
connection with any cause, application or matter. The
financial interest and employment prohibitions under this
paragraph shall remain in effect for one year following
termination of the individual's status as an executive-level
public employee, public official or party officer.

(2) Notwithstanding paragraph (1), a member of the
immediate family of an executive-level public employee,
public official or party officer may hold employment with the
holder of or applicant for an interactive gaming certificate,
holder of or applicant for an interactive gaming license or
other authorization to conduct interactive gaming or any
holding, subsidiary or intermediary company with respect
thereto, if in the judgment of the State Ethics Commission or
the Supreme Court, as appropriate, employment will not
interfere with the responsibilities of the executive-level
public employee, public official or party officer and will not create a conflict of interest or reasonable risk of the public perception of a conflict of interest on the part of the executive-level public employee, public official or party officer.

Section 30. Sections 1513(a), 1514 heading, (a), (d), (e) and (f), 1515, 1516 and 1517(b)(1), (c)(6) and (12) and (e)(1) of Title 4 are amended to read:

§ 1513. Political influence.

(a) Contribution restriction.—The following persons shall be prohibited from contributing any money or in-kind contribution to a candidate for nomination or election to any public office in this Commonwealth, or to any political party committee or other political committee in this Commonwealth or to any group, committee or association organized in support of a candidate, political party committee or other political committee in this Commonwealth:

(1) An applicant for a slot machine license, manufacturer license, supplier license, principal license, key employee license, interactive gaming license or horse or harness racing license.

(2) A slot machine licensee, licensed manufacturer, licensed supplier, interactive gaming operator or licensed racing entity.

(3) A licensed principal or licensed key employee of a slot machine licensee, licensed manufacturer, licensed supplier, interactive gaming operator or licensed racing entity.

(4) An affiliate, intermediary, subsidiary or holding—
company of a slot machine licensee, licensed manufacturer, licensed supplier, interactive gaming operator or licensed racing entity.

(5) A licensed principal or licensed key employee of an affiliate, intermediary, subsidiary or holding company of a slot machine licensee, licensed manufacturer, licensed supplier, interactive gaming operator or licensed racing entity.

(6) A person who holds a similar gaming license in another jurisdiction and the affiliates, intermediaries, subsidiaries, holding companies, principals or key employees thereof.

* * *

§ 1514. Regulation requiring exclusion, ejection or denial of access of certain persons.

(a) General rule. The board shall by regulation provide for the establishment of a list of persons who are to be excluded or ejected from any licensed facility or who may be denied access to interactive gaming. The provisions shall define the standards for exclusion and shall include standards relating to persons who are career or professional offenders as defined by regulations of the board or whose presence in a licensed facility or whose access to interactive gaming would, in the opinion of the board, be inimical to the interest of the Commonwealth or of licensed gaming therein, or both.

* * *

(d) Sanctions. The board may impose sanctions upon a licensed gaming entity or interactive gaming operator in accordance with this part if the licensed gaming entity knowingly fails to exclude or eject from the premises of any
licensed facility or deny access to interactive gaming any
person placed by the board on the list of persons to be excluded
(or) ejected or denied access.

(c) List not all-inclusive.--Any list compiled by the board
of persons to be excluded (or) ejected or denied access shall
not be deemed an all-inclusive list, and a licensed gaming
entity shall have a duty to keep from the licensed facility and
from interactive gaming persons known to it to be within the
classifications declared in this section and the regulations
promulgated under this section whose presence in a licensed
facility or whose participation in interactive gaming would be
inimical to the interest of the Commonwealth or of licensed
gaming therein, or both, as defined in standards established by
the board.

(f) Notice.--Whenever the bureau seeks to place the name of
any person on a list pursuant to this section, the bureau shall
serve notice of this fact to such person by personal service or
certified mail at the last known address of the person. The
notice shall inform the person of the right to request a hearing
under subsection (g). The bureau may also provide notice by
electronic mail, if the electronic mail address of the person is
known to the bureau.

§ 1515. Repeat offenders excludable from licensed gaming
facility.

A licensed gaming entity may exclude or eject from its
licensed facility or deny access to interactive gaming any
person who is known to it to have been convicted of a
misdemeanor or felony committed in or on the premises of any
licensed facility. Nothing in this section or in any other law
of this Commonwealth shall limit the right of a licensed gaming entity to exercise its common law right to exclude or eject permanently from its licensed facility or permanently deny access to its interactive gaming any person who disrupts the operations of its premises or its interactive gaming, threatens the security of its premises or its occupants or is disorderly or intoxicated[.] or who threatens the security of its licensed facility or the area of a licensed facility where interactive gaming operations are managed, administered or controlled.

§ 1516. List of persons self excluded from gaming activities.

(a) General rule. — The board shall provide by regulation for the establishment of a list of persons self excluded from gaming activities, including interactive gaming, at all licensed facilities. Any person may request placement on the list of self-excluded persons by acknowledging in a manner to be established by the board that the person is a problem gambler and by agreeing that, during any period of voluntary exclusion, the person may not collect any winnings or recover any losses resulting from any gaming activity at licensed facilities, including interactive gaming.

(b) Regulations. — The regulations of the board shall establish procedures for placements on and removals from the list of self excluded persons. The regulations shall establish procedures for the transmittal to licensed gaming entities of identifying information concerning self excluded persons and shall require licensed gaming entities to establish procedures designed at a minimum to deny self-excluded persons access to interactive gaming and to remove self-excluded persons from targeted mailings or other forms of advertising or promotions and deny self-excluded persons access to complimentaries, check...
(c) Liability.--A licensed gaming entity or employee thereof shall not be liable to any self-excluded person or to any other party in any judicial proceeding for any harm, monetary or otherwise, which may arise as a result of:

(1) the failure of a licensed gaming entity to withhold gaming privileges from or restore gaming privileges to a self-excluded person; [or]

(1.1) the failure of an interactive gaming certificate holder or interactive gaming operator to withhold interactive gaming privileges from or restore interactive gaming privileges to a self-excluded person; or

(2) otherwise permitting or not permitting a self-excluded person to engage in gaming activity in the facility or participate in interactive gaming while on the list of self-excluded persons.

(d) Disclosure.--Notwithstanding any other law to the contrary, the board's list of self-excluded persons shall not be open to public inspection. Nothing in this section, however, shall be construed to prohibit a licensed gaming entity from disclosing the identity of persons self-excluded pursuant to this section to affiliated gaming entities in this Commonwealth or other jurisdictions for the limited purpose of assisting in the proper administration of responsible gaming programs operated by affiliated licensed gaming entities.

§ 1517. Investigations and enforcement.

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(b) Powers and duties of department.--

(1) The department shall at all times have the power of access to examine and audit equipment and records relating to
all aspects of the operation of slot machines or table games or interactive games under this part.

(c) Powers and duties of the Pennsylvania State Police.--The Pennsylvania State Police shall have the following powers and duties:

(6) Enforce the criminal provisions of this part and all other criminal laws of the Commonwealth, including, but not limited to, within a licensed facility and parking lots under control of a slot machine licensee adjacent to a licensed facility.

(12) Conduct audits or verification of information of slot machine or table game operations, including the operation of slot machines used in a multistate wide-area progressive slot machine system and in the operation of skill or hybrid slot machines and interactive gaming operations at such times, under such circumstances and to such extent as the bureau determines. This paragraph includes reviews of accounting, administrative and financial records and management control systems, procedures and records utilized by a slot machine licensee.

(e) Inspection, seizure and warrants.

(1) The bureau, the department and the Pennsylvania State Police shall have the authority without notice and without warrant to do all of the following in the performance of their duties:

(i) Inspect and examine all premises where slot
machine [or] table game and interactive gaming operations are conducted, slot machines, table game devices and associated equipment, interactive gaming devices and associated equipment are manufactured, sold, distributed or serviced or where records of these activities are prepared or maintained.

(ii) Inspect all equipment and supplies in, about, upon or around premises referred to in subparagraph (i).

(iii) Seize, summarily remove and impound equipment and supplies from premises referred to in subparagraph (i) for the purposes of examination and inspection.

(iv) Inspect, examine and audit all books, records and documents pertaining to a slot machine licensee's operation.

(v) Seize, impound or assume physical control of any book, record, ledger, game, device, cash box and its contents, count room or its equipment, interactive gaming devices and associated equipment or slot machine [or] table game or interactive gaming operations.

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Section 31. Section 1518(a)(1), (2), (3), (4), (5), (7.1), (11), (13), (13.1), (15) and (17) and (b)(1), (2) and (3) of Title 4 are amended and subsections (a) and (b) are amended by adding paragraphs to read:

§ 1518. Prohibited acts; penalties.

(a) Criminal offenses.

(1) The provisions of 18 Pa.C.S. § 4902 (relating to perjury), 4903 (relating to false swearing) or 4904 (relating to unsworn falsification to authorities) shall apply to any person providing information or making any statement, whether
written or oral, to the board, the commission, the bureau,
the department, the Pennsylvania State Police or the Office
of Attorney General, as required by this part.

(2) It shall be unlawful for a person to willfully:

(i) fail to report, pay or truthfully account for
and pay over any license fee, authorization fee, permit
fee, tax or assessment imposed under this part; or

(ii) attempt in any manner to evade or defeat any
license fee, authorization fee, permit fee, registration
fee, tax or assessment or any other fee imposed under
this part.

(3) It shall be unlawful for any licensed entity, gaming
employee, key employee or any other person to permit a slot-
machine, table game or table game device, interactive game or
interactive gaming device or associated equipment to be-
operated, transported, repaired or opened on the premises of
a licensed facility by a person other than a person licensed-
or permitted by the board pursuant to this part.

(3.1) It shall be unlawful for any person who does not
possess a valid and then effective interactive gaming-
certificate or interactive gaming license to accept any wager-
associated with any authorized interactive game from any
individual without verifying the age, identity and physical
location of the player at the time of play or wager.

(4) It shall be unlawful for any licensed entity or
other person to manufacture, supply or place slot machines,
table games, table game devices or associated equipment,
authorized interactive game or interactive gaming devices or
associated equipment into play or display slot machines,
table games, table game devices or associated equipment on
the premises of a licensed facility without the authority of the board.

(4.1) It shall be unlawful for any slot machine licensee to offer interactive games into play or display such games on its interactive gaming skin or Internet website without the approval of the board.

(4.2) It shall be unlawful for any licensed entity or other person to manufacture, supply or place interactive gaming devices or associated equipment into operation at a licensed facility without the approval of the board.

(5) Except as provided for in section 1326 (relating to [license] renewals), it shall be unlawful for a licensed entity or other person to manufacture, supply, operate, carry on or expose for play any slot machine, table game, table game device or associated equipment, interactive game or interactive gaming device or associated equipment after the person's license has expired and prior to the actual renewal of the license.

***

(7.1) It shall be unlawful for an individual to do any of the following:

(i) Use or possess counterfeit, marked, loaded or tampered with table game devices or associated equipment, chips or other cheating devices in the conduct of gaming under this part, except that an authorized employee of a licensee or an authorized employee of the board may possess and use counterfeit chips or table game devices or associated equipment that have been marked, loaded or tampered with, or other cheating devices or any unauthorized interactive gaming device or associated...
equipment in performance of the duties of employment for training, investigative or testing purposes only.

(ii) Knowingly, by a trick or sleight of hand, performance or by fraud or fraudulent scheme, or manipulation, table game device or other device, or interactive gaming device for himself or for another, win or attempt to win any cash, property or prize at a licensed facility or to reduce or attempt to reduce a losing wager.

(7.2) It shall be unlawful for a person to knowingly alter, tamper or manipulate interactive gaming devices or associated equipment, including software, system programs, hardware and any other device or associated equipment used in interactive gaming operations, in order to alter the odds or the payout of an interactive game or to disable the interactive game from operating according to the rules of the game as authorized by the board.

(7.3) It shall be unlawful for a person to knowingly offer or allow to be offered any authorized interactive game that has been altered, tampered with or manipulated in a way that affects the odds or the payout of an authorized interactive game or disables the interactive game from operating according to the authorized rules of the game as authorized by the board.

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(11) It shall be unlawful for a licensed gaming entity that is a licensed racing entity and that has lost the license issued to it by [either] the State Horse Racing Commission or the State Harness Racing Commission under the Race Horse Industry Reform Act or that has had that license
suspended to operate slot machines or table games or authorized interactive games at the racetrack for which its slot machine license was issued unless the license issued to it by either the State Horse Racing Commission or the State Harness Racing Commission will be subsequently reissued or reinstated within 30 days after the loss or suspension.

(13) It shall be unlawful for an individual under 21 years of age to enter and remain in any area of a licensed facility where slot machines are operated or the play of table games is conducted, except that an individual 18 years of age or older employed by a slot machine licensee, a gaming service provider, the board or any other regulatory or emergency response agency may enter and remain in any such area while engaged in the performance of the individual's employment duties.

(13.1) It shall be unlawful for an individual under 21 years of age to wager, play or attempt to play a slot machine or table game at a licensed facility or to wager, play or attempt to play an interactive game.

(13.2) It shall be unlawful to allow a person under 21 years of age to open, maintain or use in any way an interactive gaming account. Any interactive gaming certificate holder, interactive gaming operator or employee of an interactive gaming certificate holder or interactive gaming operator or other such person who knowingly allows a person under 21 years of age to open, maintain or use an interactive gaming account shall be subject to the penalty set forth in this section, except that the establishment of all of the following facts by an interactive gaming
certificate holder, interactive gaming operator or employee
of an interactive gaming certificate holder, interactive
gaming operator or other such person shall constitute a
defense to any regulatory action by the board or the penalty
authorized under this section:

(i) the underage person falsely represented that the
person was at least 21 years of age in the application
for an interactive gaming account; and
(ii) the establishment of the interactive gaming
account was made in good faith reliance upon such
representation and in the reasonable belief that the
underage person was at least 21 years of age.

(15) It shall be unlawful for a licensed gaming entity
to require a wager to be greater than the stated minimum
wager or less than the stated maximum wager. However, a wager
made by a player and not rejected by a licensed gaming entity
prior to commencement of play shall be treated as a valid
wager. A wager accepted by a dealer or through an authorized
interactive game shall be paid or lost in its entirety in
accordance with the rules of the game, notwithstanding that
the wager exceeded the current table maximum wager or
authorized interactive game wager or was lower than the
current table minimum wager or minimum interactive game
wager.

(17) It shall be unlawful for an individual to claim,
collect or take, or attempt to claim, collect or take, money-
or anything of value in or from a slot machine, gaming table-
or other table game device, interactive game or interactive-
gaming device with the intent to defraud, or to claim, collect or take an amount greater than the amount won, or to manipulate with the intent to cheat, any component of any slot machine, table game or table game device, interactive game or interactive gaming device in a manner contrary to the designed and normal operational purpose.

(b) Criminal penalties and fines.

(1) (i) A person that commits a first offense in violation of 18 Pa.C.S. § 4902, 4903 or 4904 in connection with providing information or making any statement, whether written or oral, to the board, the bureau, the department, the Pennsylvania State Police, the Office of Attorney General or a district attorney as required by this part commits an offense to be graded in accordance with the applicable section violated. A person that is convicted of a second or subsequent violation of 18 Pa.C.S. § 4902, 4903 or 4904 in connection with providing information or making any statement, whether written or oral, to the board, the bureau, the department, the Pennsylvania State Police, the Office of Attorney General or a district attorney as required by this part commits a felony of the second degree.

(ii) A person that violates subsection (a)(2), (3) and (4) through (12) or (17) commits a misdemeanor of the first degree. A person that is convicted of a second or subsequent violation of subsection (a)(2), (3) and (4) through (12) or (17) commits a felony of the second degree.

(2) (i) For a first violation of subsection (a)(1) through (12) or (17), a person shall be sentenced to pay
a fine of:

(A) not less than $75,000 nor more than $150,000
if the person is an individual;

(B) not less than $300,000 nor more than
$600,000 if the person is a licensed gaming entity or
an interactive gaming operator; or

(C) not less than $150,000 nor more than
$300,000 if the person is a licensed manufacturer or
supplier.

(ii) For a second or subsequent violation of
subsection (a)(1), (2), (3) and (4) through (12) or (17),
a person shall be sentenced to pay a fine of:

(A) not less than $150,000 nor more than
$300,000 if the person is an individual;

(B) not less than $600,000 nor more than
$1,200,000 if the person is a licensed gaming entity;
or

(C) not less than $300,000 nor more than
$600,000 if the person is a licensed manufacturer or
supplier.

(2.1) A person that commits an offense in violation of
subsection (a)(3.1) commits a felony and, upon conviction,
shall be sentenced to pay a fine of not less than $500,000
nor more than $1,000,000. A person that is convicted of a
second or subsequent violation of subsection (a)(3.1) commits
a felony of the first degree and shall be sentenced to pay a
fine of not less than $1,000,000 nor more than $2,500,000.

(3) An individual who commits an offense in violation of
subsection (a)(13) [or] (13.1) or (13.2) commits a
nongambling summary offense and upon conviction of a first-
offense shall be sentenced to pay a fine of not less than $200 nor more than $1,000. An individual that is convicted of a second or subsequent offense under subsection (a)(13) or (13.1) or (13.2) shall be sentenced to pay a fine of not less than $500 nor more than $1,500. In addition to the fine imposed, an individual convicted of an offense under subsection (a)(13) or (13.1) or (13.2) may be sentenced to perform a period of community service not to exceed 40 hours.

Section 31.1. Title 4 is amended by adding a section to read:

§ 1521.1. Casino liquor license.

(a) Application.—Notwithstanding section 1521 (relating to liquor licenses at licensed facilities) or any provision of law or regulation to the contrary, a slot machine licensee holding a restaurant liquor or eating place retail dispenser license under the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, may apply to the Pennsylvania Liquor Control Board for a casino liquor license. The Pennsylvania Liquor Control Board may issue a casino liquor license to a slot machine licensee for use at its licensed facility in accordance with this section.

(b) Fees.—Each application for a casino license under this section shall be accompanied by a fee of $1,000,000.

(c) Renewal.

(1) The license must be renewed on an annual basis.

(2) For the first five years after the initial issuance of the license, the license shall not be subject to an annual renewal fee.

(3) Thereafter, the licensee shall be subject to an annual renewal fee of $50,000.
(4) All fees collected or received by the Pennsylvania Liquor Control Board under this subsection shall be paid into the State Treasury through the Department of Revenue for deposit into the General Fund.

(d) Disposition of restaurant liquor or eating place retail dispenser license.

(1) An applicant under this section that currently holds a restaurant liquor or eating place retail dispenser license issued under the authority of the Liquor Code may continue to utilize that license until such time as the casino liquor license is issued by the Pennsylvania Liquor Control Board. Upon the issuance of a license under this section, the applicant must surrender the restaurant liquor or eating place retail dispenser license to the Pennsylvania Liquor Control Board.

(2) An applicant under this section that currently holds a restaurant liquor or eating place retail dispenser license purchased through private sale may continue to utilize that license until such time as the casino liquor license is issued by the Pennsylvania Liquor Control Board. Upon issuance of a license under this section, the applicant may sell the previously purchased restaurant liquor or eating place retail dispenser license.

(e) Hours of operation. Notwithstanding any other provision of law to the contrary, a holder of a casino liquor license may sell or serve liquor and malt or brewed beverages 24 hours a day, seven days a week.

(f) Transfers.

(1) Licenses issued under this section are nontransferable.
(2) Nothing in this subsection shall be construed to
preclude a transfer of ownership of a casino liquor license
to another eligible person to be used at the same licensed
facility.

(g) Expiration. Licenses under this section shall expire
under the following circumstances:

(1) revocation by an administrative law judge under
section 471 of the Liquor Code;

(2) nonrenewal by the Pennsylvania Liquor Control Board
under section 470 of the Liquor Code;

(3) nonrenewal of the license by the slot machine
licensee; or

(4) upon request by the slot machine licensee.

(h) New applicant. The Pennsylvania Liquor Control Board
may issue a license under this section at any time to a new
applicant even if the previous license has:

(1) been revoked by an administrative law judge under
section 471 of the Liquor Code;

(2) not been renewed by the Pennsylvania Liquor Control
Board under section 470 of the Liquor Code;

(3) not been renewed by the slot machine licensee; or

(4) expired upon request by the slot machine licensee.

(i) Restrictions and privileges. Licenses issued under this
section are subject to the following additional restrictions and
privileges:

(1) Sales may be made at any time the facility is open
to the public.

(2) Liquor or malt or brewed beverages may be
transported and consumed off the gaming floor so long as the
liquor or malt or brewed beverages remain within the premises.
of the licensed facility.

(3) Sales of malt or brewed beverages for off-premises consumption are prohibited.

(4) In addition to the provisions of section 493(24)(ii) of the Liquor Code, the holder of a casino license may give liquor and malt or brewed beverages free of charge to any person attending an invitation only event held anywhere on the premises of the licensed facility.

(5) Licenses issued under this section shall not be subject to:

   (i) The proximity provisions of sections 402 and 404 of the Liquor Code.

   (ii) The restrictions on discount pricing practices specified in section 406(g) of the Liquor Code.

   (iii) The quota restrictions of section 461 of the Liquor Code.

   (iv) The provisions of section 493(10) of the Liquor Code, except as they relate to lewd, immoral or improper entertainment.

   (v) The prohibition against minors frequenting as described in section 493(14) of the Liquor Code.

   (vi) The cost and total display area limitations of section 493(20)(i) of the Liquor Code.

   (vii) The restrictions on events, tournaments or contests specified in 40 Pa. Code § 5.32 (relating to restrictions/exceptions).

   (viii) The restrictions on the awarding of trophies, prizes or premiums set forth in 40 Pa. Code § 5.32.

(6) The authorization to sell or serve liquor and malt or brewed beverages by a holder of a casino liquor license.
under subsection (c) shall not apply to the operation of slot machines at a nonprimary location or at a qualified airport.

(j) Multiple licenses.——

(1) Subject to paragraph (2), more than one license issued by the Pennsylvania Liquor Control Board may be in effect at a licensed facility at any one time.

(2) No more than one license issued under this section shall be in effect at any specific location within the premises of a licensed facility at the same time.

Section 32. Sections 1901 and 1901.1 of Title 4 are amended to read:

§ 1901. Appropriations.

(a) Appropriation to board.——

(1) The sum of $7,500,000 is hereby appropriated to the Pennsylvania Gaming Control Board for the fiscal period July 1, 2004, to June 30, 2006, to implement and administer the provisions of this part. The money appropriated in this subsection shall be considered a loan from the General Fund [and shall be repaid to the General Fund quarterly commencing with the date slot machine licensees begin operating slot machines under this part]. This appropriation shall be a two-year appropriation and shall not lapse until June 30, 2006.

(2) The sum of $2,100,000 is hereby appropriated from the State Gaming Fund to the Pennsylvania Gaming Control Board for salaries, wages and all necessary expenses for the proper operation and administration of the Pennsylvania Gaming Control Board for the expansion of gaming associated with table games. This appropriation shall be a supplemental appropriation for fiscal year 2009-2010 and shall be in addition to the appropriation contained in the act of August

(b) Appropriation to department.--The sum of $21,100,000 is hereby appropriated from the General Fund to the Department of Revenue for the fiscal period July 1, 2004, to June 30, 2006, to prepare for, implement and administer the provisions of this part. The money appropriated under this subsection shall be considered a loan from the General Fund [and shall be repaid to the General Fund quarterly commencing with the date slot machine licensees begin operating slot machines under this part]. This appropriation shall be a two-year appropriation and shall not lapse until June 30, 2006.

c) Appropriation to Pennsylvania State Police.--The sum of $7,500,000 is hereby appropriated from the General Fund to the Pennsylvania State Police for the fiscal period July 1, 2004, to June 30, 2006, to prepare for, implement and administer the provisions of this part. The money appropriated under this subsection shall be considered a loan from the General Fund [and shall be repaid to the General Fund quarterly commencing when all slot machine licensees begin operating slot machines under this part]. This appropriation shall be a two-year appropriation and shall not lapse until June 30, 2006.


[The board shall defer assessing slot machine licensees for payments to the State Gaming Fund for any loans made to the State Gaming Fund until such time as all slot machine licenses have been issued and all licensed gaming entities have commenced the operation of slot machines. The board shall adopt a repayment schedule that assesses to each slot machine licensee costs for the repayment of any such loans in an amount that is...
proportional to each slot machine licensee's gross terminal revenue.}

(a) Establishment of repayment schedule.--

(1) No later than September 30, 2017, the Pennsylvania Gaming Control Board, in consultation with all licensed gaming entities, shall establish a schedule governing the repayment by licensed gaming entities of loans provided under section 1901 (relating to appropriations).

(2) The repayment of loans provided under section 1901 by licensed gaming entities shall begin no later than January 1, 2018.

(3) The repayment schedule shall, at a minimum:

(i) Specify the dates upon which the repayments shall be due. Payments may be required on a quarterly, semiannual or annual basis.

(ii) Assess each slot machine licensee's costs for repayment of loans under section 1901 in an amount that is proportional to each slot machine licensee's gross terminal revenue.

(iii) Result in the total amounts loaned under section 1901 being repaid by June 30, 2019.

(b) Deposit.--Payments received under subsection (a) shall be deposited into the General Fund.

Section 33. Title 4 is amended by adding a part to read:

PART III

VIDEO GAMING

Chapter


33. Administration

35. Application and Licensure
CHAPTER 31

GENERAL PROVISIONS

Sec.

3101. Scope of part.

3102. Definitions.

§ 3101. Scope of part.

This part relates to video gaming terminals.

§ 3102. Definitions.

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

"Affiliate," "affiliate of" or "person affiliated with." A person who directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with a specified person.

"Applicant." A person who, on his own behalf or on behalf of another, applies for permission to engage in an act or activity that is regulated under the provisions of this part.

"Associated equipment." Equipment or a mechanical, electromechanical or electronic contrivance, component or machine used in connection with video gaming terminals or redemption terminals, including replacement parts, hardware and software.

"Background investigation." A security, criminal, credit and suitability investigation of a person as provided for in this
part that includes the status of taxes owed to the United
States, the Commonwealth and its political subdivisions. All
costs associated with a background investigation, except for a
background investigation conducted on an establishment license
applicant, shall be paid by the applicant and shall be in
addition to the application fee in section 4101 (relating to
fees).

"Board." The Pennsylvania Gaming Control Board established
under section 1201 (relating to Pennsylvania Gaming Control
Board established).

"Bowling center establishment." A premises that is open to
the public, has no less than 16 lanes for the game of bowling
and has been in existence for at least five years prior to being
eligible for receiving an establishment licensed under this
part.

"Bureau." The Bureau of Investigations and Enforcement of
the board.

"Cash." United States currency and coin.

"Cash equivalent." A ticket, token, chip, card or other
similar instrument or representation of value that the board
deems a cash equivalent in accordance with this part.

"Central control computer." A central site computer
controlled by the department and accessible by the board to
which all video gaming terminals communicate for the purpose of
auditing capacity, real time information retrieval of the
details of any financial event that occurs in the operation of a
video gaming terminal or redemption terminal, including, but not
limited to, coin in, coin out, ticket in, ticket out, jackpots,
video gaming terminal and redemption terminal door openings and
power failure and remote video gaming terminal or redemption.
terminal activation and disabling of video gaming terminals or
redemption terminals.

"Cheat."

(1) Any of the following:

(i) To defraud or steal from a player, terminal
operator licensee, establishment licensee or the
Commonwealth while operating or playing a video gaming-
terminal, including causing, aiding, abetting or
conspiring with another person to do so.

(ii) To alter or causing, aiding, abetting or
conspiring with another person to alter the elements of-
chance, method of selection or criteria that determine:

(A) The result of a video gaming terminal game.

(B) The amount or frequency of payment in a-
video gaming terminal game.

(C) The value of a wagering instrument.

(D) The value of a wagering credit.

(iii) The term does not include altering a video-
gaming terminal or associated equipment for maintenance-
or repair with the approval of a terminal operator-
licensee.

"Cheating or thieving device."

A device:

(1) used or possessed with the intent to be used to-
cheat during the operation or play of a video gaming-
terminal; or

(2) used to alter a video gaming terminal without the-
terminal operator licensee's approval.

"City of the First Class Enforcement Fund."

The fund-
established in section 4107 (relating to City of the First Class-
Enforcement Fund).
"Coin-operated amusement game." A machine that requires the insertion of a coin, currency or token to play or activate a game the outcome of which is predominantly and primarily determined by the skill of the player.

"Compensation." Anything of value, money or a financial benefit conferred on or received by a person in return for services rendered or to be rendered whether by the person or another.

"Complimentary service." A lodging, service or item that is provided to an individual at no cost or at a reduced cost that is not generally available to the public under similar circumstances. Group rates, including convention and government rates, shall be deemed to be generally available to the public.

"Conduct of video gaming." The licensed placement, operation and play of video gaming terminals under this part, as authorized and approved by the board.

"Controlling interest." Any of the following:

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

2. For a privately held domestic or foreign
corporation, partnership, limited liability company or other
form of privately held legal entity, the term means the
holding of any securities in the legal entity, unless this
presumption of control is rebutted by clear and convincing
evidence.

"Conviction." A finding of guilt or a plea of guilty or nolo
contendere, whether or not a judgment of sentence has been
imposed as determined by the law of the jurisdiction in which
the prosecution was held. The term does not include a conviction
that has been expunged or overturned or for which an individual
has been pardoned or had an order of Accelerated Rehabilitative
Disposition entered.

"Corporation." The term includes a publicly traded
corporation.

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

"Establishment." A liquor establishment or truck stop
establishment.

"Establishment license." A license issued by the board
authorizing an establishment to permit a terminal operator
licensee to place and operate video gaming terminals on the
establishment's premises pursuant to this part and the rules and
regulations promulgated under this part.

"Establishment licensee." An establishment that holds an
establishment license.

"Executive level public employee." The term shall include
the following:

(1) A deputy secretary of the Commonwealth and the
Governor's Office executive staff.

(2) An employee of the executive branch whose duties
substantially involve licensing or enforcement under this
part, who has discretionary power that may affect or
influence the outcome of a Commonwealth agency's action or
decision or who is involved in the development of regulations
or policies relating to a licensed entity. The term includes
an employee with law enforcement authority.

(3) An employee of a county or municipality with
discretionary powers that may affect or influence the outcome
of the county's or municipality's action or decision related
to this part or who is involved in the development of law,
regulation or policy relating to matters regulated under this
part. The term includes an employee with law enforcement
authority.

(4) An employee of a department, agency, board,
commission, authority or other governmental body not included
in paragraph (1), (2) or (3) with discretionary power that
may affect or influence the outcome of the governmental
body's action or decision related to this part or who is
involved in the development of regulation or policy relating
to matters regulated under this part. The term includes an
employee with law enforcement authority.

"Financial backer." An investor, mortgagee, bondholder,
noteholder or other sources of equity or capital provided to an
applicant or licensed entity.

"Fire Company and Emergency Responder Grant Fund." The fund
established in section 4106 (relating to Fire Company and
Emergency Responder Grant Fund).

"Gambling game." A game that plays or simulates the play of
video poker, bingo, keno, reel games, blackjack or other similar
game authorized by the board.

"Gaming employee."
Any of the following:

(i) An employee of a terminal operator licensee or supplier licensee that is not a key employee but has direct contact with establishment licensees or is otherwise involved in the conduct of video gaming.

(ii) An employee of a supplier licensee whose duties are directly involved with the repair or distribution of video gaming terminals or associated equipment sold or provided to a terminal operator licensee within this Commonwealth as determined by the board.

(2) The term does not include nongaming personnel as determined by the board or an employee of an establishment licensee.

“Gaming school.” An educational institution approved by the Department of Education as an accredited college or university, community college, Pennsylvania private licensed school or its equivalent and whose curriculum guidelines are approved by the Department of Labor and Industry to provide education and job training related to employment opportunities associated with video gaming terminals and associated equipment maintenance and repair.

“Gaming service provider.” A person that is not required to be licensed as a terminal operator, manufacturer, supplier or establishment licensee and provides goods or services to a terminal operator licensee that directly relates to the operation and security of a video gaming terminal or redemption terminal. The term shall not include a person that supplies goods or services that, at the discretion of the board, does not impact the integrity of video gaming, video gaming terminals or the connection of video gaming terminals to the central control.
computer system, including:

(1) Seating to accompany video gaming terminals.

(2) Structural or cosmetic renovations, improvements or other alterations to a video gaming area.

"Gross terminal revenue." The total of cash or cash equivalents received by a video gaming terminal minus the total of cash or cash equivalents paid out to players as a result of playing a video gaming terminal. The term does not include counterfeit cash or cash taken in a fraudulent act perpetrated against a terminal operator licensee for which the terminal operator licensee is not reimbursed.

"Holding company." A person, other than an individual, which, directly or indirectly, owns or has the power or right to control or to vote a significant part of the outstanding voting securities of a corporation or other form of business organization. A holding company indirectly has, holds or owns any such power, right or security if it does so through an interest in a subsidiary or successive subsidiaries.

"Incentive." Consideration, including a promotion or prize, provided to a player or potential player as an enticement to play a video gaming terminal. The term shall not include consideration, promotions, prizes or complimentary play provided to a player or potential player through a customer loyalty or rewards card program approved by the board.

"Inducement."

(1) Any of the following:

(i) Consideration paid directly or indirectly, from a manufacturer, supplier, terminal operator, procurement agent, gaming employee, employee or another person on behalf of an applicant or licensee, to an establishment,
establishment licensee, establishment licensee owner or an employee of the establishment licensee, directly or indirectly as an enticement to solicit or maintain the establishment licensee or establishment licensee owner's business.

(ii) Cash, incentive, marketing and advertising cost, gift, food, beverage, loan, prepayment of gross terminal revenue and other contribution or payment that offsets an establishment licensee's operational costs, or as otherwise determined by the board.

(2) The term shall not include costs paid by a terminal operator applicant or licensee related to:

(i) Structural changes necessary to segregate the video gaming area or maintain the security of video gaming terminals and redemption terminals as required by the board that do not exceed $2,500, provided, however, that any changes in excess of $2,500 may be shared equally between the terminal applicant or licensee and the establishment applicant or licensee.

(ii) Surveillance technology to monitor only the video gaming area.

(iii) Making video gaming terminals operate at a licensed establishment, including wiring and rewiring, software updates, ongoing video gaming terminal maintenance, redemption terminals, network connections, site controllers and costs associated with communicating with the central control computer system.

(iv) Installation of security and alarm system at an establishment licensee's premises that are reasonably necessary to protect video gaming terminals and
redemption terminals outside normal business hours, provided that the cost does not exceed $1,000.

(v) Any requirement established by the board regarding minimum standards for a video gaming area.

(vi) Any cosmetic renovations or improvements within a video gaming area that are reasonably necessary, as determined by the board.

(vii) Fees established by the board to cover costs associated with the mandatory employee training program established under section 3706 (relating to compulsive and problem gambling).

"Institutional investor." A retirement fund administered by a public agency for the exclusive benefit of Federal, State or local public employees, investment company registered under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1 et seq.), collective investment trust organized by banks under Part Nine of the Rules of the Comptroller of the Currency, closed end investment trust, chartered or licensed life insurance company or property and casualty insurance company, banking and other chartered or licensed lending institution, investment advisor registered under The Investment Advisers Act of 1940 (54 Stat. 847, 15 U.S.C. § 80b-1 et seq.) and such other person as the board may determine consistent with this part.

"Intermediary." A person, other than an individual, that:

(1) is a holding company with respect to a corporation or other form of business organization, that holds or applies for a license under this part; and

(2) is a subsidiary with respect to a holding company.

"Key employee." An individual employed by a manufacturer licensee, supplier licensee, terminal operator licensee or
establishment licensee that is determined by the board to be a
director or department head or otherwise empowered to make
discretionary decisions that regulate the conduct of video-
gaming.

"Law enforcement authority." The power to conduct
investigations of or to make arrests for criminal offenses.

"Licensed entity." A terminal operator licensee,
establishment licensee, manufacturer licensee or supplier
licensee.

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

"Licensed facility." As defined in section 1103 (relating to
definitions).

"Licensed gaming entity." As defined in section 1103.

"Liquor establishment." A person that operates under a valid
liquor license. The term excludes:

(1) A person who operates under a liquor license and the
person's licensed premises is located within a licensed-
facility.

(2) A person who operates under a liquor license and the
person's licensed premises has an interior connection to an
unlicensed business that is not a bowling center-
establishment.

(3) A nonprimary location.

"Liquor license." Any of the following licenses issued by
the Pennsylvania Liquor Control Board under Article IV of the
act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code:

(1) Catering club.
(2) Club liquor.
(3) Club retail dispenser.
(4) Eating place retail dispenser.
(5) Hotel liquor.
(6) Hotel retail dispenser.
(7) Municipal golf course liquor.
(8) Municipal golf course retail dispenser.
(9) Privately owned private golf course club liquor.
(10) Privately-owned private golf course catering club liquor.
(11) Privately-owned public golf course retail dispenser.
(12) Privately-owned public golf course restaurant liquor.
(13) Restaurant liquor.

"Manufacturer." A person that manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to a video gaming terminal, redemption terminal or associated equipment for use or play in this Commonwealth for gaming purposes and provides such products to a supplier.

"Manufacturer license." A license issued by the board authorizing a manufacturer to manufacture or produce video gaming terminals, redemption terminals or associated equipment for use in this Commonwealth for gaming purposes.

"Manufacturer licensee." A person that obtains a manufacturer license.

"Municipality." A city, township, borough or incorporated
"Non-key employee." An individual employed by a terminal operator licensee who, unless otherwise designated by the board, is not a key employee.

"Nonprimary location." As defined in 3 Pa.C.S. § 9301.

"Occupation permit." A permit authorizing an individual to be employed or to work as a gaming employee.

"Party." The bureau or an applicant, licensee, registrant or other person appearing of record in any proceeding before the board.

"Permittee." A holder of a permit issued under this part.

"Person." A natural person, corporation, foundation, organization, business trust, estate, limited liability company, licensed corporation, trust, partnership, limited liability partnership, association or other form of legal business entity.

"Player." An individual who wagers cash or a cash equivalent in the play or operation of a video gaming terminal and the play or operation of which may deliver or entitle the individual playing or operating the video gaming terminal to receive cash or a cash equivalent from a terminal operator licensee.

"Principal." An officer, director, person who directly holds a beneficial interest in or ownership of the securities of an applicant or licensee, person who has a controlling interest in an applicant or licensee or has the ability to elect a majority of the board of directors of a licensee or to otherwise control a licensee, lender or other licensed financial institution of an applicant or licensee, other than a bank or lending institution which makes a loan or holds a mortgage or other lien acquired in the ordinary course of business, underwriter of an applicant or licensee or other person or employee of an applicant, terminal operator licensee.
operator licensee, manufacturer licensee or supplier licensee
deemed to be a principal by the board, including a procurement
agent.

"Procurement agent." A person that shares in the gross-
terminal revenue or is otherwise compensated for the purpose of-
soliciting or procuring a terminal placement agreement.

"Progressive payout." A video game terminal wager payout-
that increases in a monetary amount based on the amounts wagered-
in a progressive system.

"Progressive system." A computerized system linking video-
game terminals at an establishment licensee and offering one or-
more common progressive payouts based on the amounts wagered.

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

(1) has a class or series of securities registered under-
§ 78a et seq.);

(2) is a registered management company under the-
Investment Company Act of 1940; or

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

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

"Security." As defined in the act of December 5, 1972-
(P.L.1280, No.284), known as the Pennsylvania Securities Act of
1972.

"Slot machine." As defined in section 1103.

"State Treasurer." The State Treasurer of the Commonwealth.

"Supplier." A person that sells, leases, offers or otherwise provides, distributes or services any video gaming terminal, redemption terminal or associated equipment to a terminal operator licensee for use or play in this Commonwealth.

"Supplier license." A license issued by the board authorizing a supplier to provide products or services related to video gaming terminals, redemption terminals or associated equipment to terminal operator licensees for use in this Commonwealth for video gaming.

"Supplier licensee." A person that holds a supplier license.

"Terminal operator." A person that owns, services or maintains video gaming terminals for placement and operation in an establishment licensee.

"Terminal operator license." A license issued by the board authorizing a terminal operator to place and operate video gaming terminals in an establishment licensee's premises pursuant to this part and the rules and regulations promulgated under this part.

"Terminal operator licensee." A person that holds a terminal operator license.

"Terminal placement agreement." The formal written agreement or contract between a terminal operator applicant or licensee and an establishment applicant or licensee that establishes the terms and conditions regarding the conduct of video gaming.

"Truck stop establishment." A premises that:

(1) Is equipped with diesel islands used for fueling commercial motor vehicles.
(2) Has sold on average 50,000 gallons of diesel or biodiesel fuel each month for the previous 12 months or is projected to sell an average of 50,000 gallons of diesel or biodiesel fuel each month for the next 12 months.

(3) Has parking spaces dedicated for commercial motor vehicles.

(4) Has a convenience store.

(5) Is situated on a parcel of land of not less than three acres that the truck stop establishment owns or leases.

"Video gaming area." The area of an establishment licensee's premises where video gaming terminals are installed for operation and play.

"Video gaming employees." The term includes key employees and non-key employees.

"Video Gaming Fund." The fund established in section 4102 (relating to taxes and assessments).

"Video gaming terminal."

(1) A mechanical or electrical contrivance, terminal, machine or other device approved by the board that, upon insertion of cash or cash equivalents, is available to play or operate one or more gambling games, the play of which utilizes a random number generator and:

   (i) May award a winning player either a free game or credit that shall only be redeemable for cash or cash equivalents at a redemption terminal.

   (ii) May utilize video displays.

   (iii) May use an electronic credit system for receiving wagers and making payouts that are only redeemable at a redemption terminal.

(2) Associated equipment necessary to conduct the
operation of the contrivance, terminal, machine or other

device.

(3) The term does not include a slot machine operated at
a licensed facility in accordance with Part II (relating to
gaming) or a coin operated amusement game.

CHAPTER 33
ADMINISTRATION

Sec.

3301. Powers of board.
3302. Regulatory authority of board.
3303. Temporary regulations.
3304. Appeals.
3305. Records and confidentiality of information.
3306. Reporting.
3307. Diversity.
3308. Authority of department.
3309. Central control computer system.
3310. Department of Drug and Alcohol Progam.
§ 3301. Powers of board.

(a) General powers.—

(1) The board shall have general and sole regulatory
authority over the conduct of video gaming terminal or
related activities as described in this part. The board shall
ensure the integrity of the acquisition and operation of
video gaming terminals, redemption terminals and associated
equipment and shall have sole regulatory authority over every-
aspect of the conduct of video gaming.

(2) The board may employ individuals as necessary to
carry out the requirements of this part who shall serve at
the board's pleasure.
(b) Specific powers. The board shall have the power and duty:

(1) To require background investigations on applicants, licensees, principals, key employees, procurement agents or gaming employees under the jurisdiction of the board.

(2) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of terminal operator licenses.

(3) At its discretion, to award, revoke, suspend, condition or deny issuance or renewal of establishment licenses.

(4) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of supplier and manufacturer licenses.

(5) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of a license or permit for various classes of employees as required under this part.

(6) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of additional licenses or permits that may be required by the board under this part.

(7) At its discretion, to suspend, condition or deny the issuance or renewal of a license or permit or levy a fine or other sanction for a violation of this part.

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

(9) To require prospective and existing video gaming employees, independent contractors, applicants, permittees and licensees to submit photographs consistent with a statement of policy developed by the board.

(10) In addition to the power of the board relating to license and permit applicants, to determine at its discretion the suitability of a person who furnishes or seeks to furnish to a terminal operator licensee directly or indirectly goods, services or property related to video gaming terminals, redemption terminals or associated equipment.

(11) To approve an application for or issue or renew a license, certificate, registration or permit if the board is satisfied that the person has demonstrated by clear and convincing evidence that the person is of good character, honesty and integrity whose prior activities, criminal record, if any, reputation, habits and associations do not pose a threat to the public interest or the effective regulation and control of video gaming terminal operations or create or enhance the danger of unsuitable, unfair or illegal practices, methods and activities in the conduct of video gaming or the carrying on of the business and financial arrangements incidental thereto.

(12) To publish on the board's publicly accessible Internet website a complete list of persons or entities who applied for or held a terminal operator license, establishment license, manufacturer license or supplier license at any time during the preceding calendar year and
affiliates, intermediaries, subsidiaries and holding companies thereof and the status of the application or license.

(13) To prepare and, through the Governor, submit annually to the General Assembly an itemized budget consistent with Article VI of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, consisting of the amounts necessary to be appropriated by the General Assembly out of the accounts established under section 4104 (relating to regulatory assessments) required to meet the obligations under this part accruing during the fiscal period beginning July 1 of the following year.

(14) In the event that appropriations for the administration of this part are not enacted by June 30 of any year, funds appropriated for the administration of this part which are unexpended, uncommitted and unencumbered at the end of a fiscal year shall remain available for expenditure by the board or other agency to which they were appropriated until the enactment of an appropriation for the ensuing fiscal year.

(15) To collect and post information on the board's publicly accessible Internet website with sufficient detail to inform the public of persons with a controlling interest or ownership interest in an applicant for a terminal operator license or terminal operator licensee or affiliate, intermediary, subsidiary or holding company of an applicant for a terminal operator license. The posting shall include:

(i) If the applicant for a terminal operator license or terminal operator licensee or an affiliate, intermediary, subsidiary or holding company of the
applicant for a terminal operator license or terminal operator licensee is a publicly traded domestic or foreign corporation, partnership, limited liability company or other legal entity, the names of persons with a controlling interest.

(ii) If the applicant for a terminal operator license or terminal operator licensee or an affiliate, intermediary, subsidiary or holding company of the applicant for a terminal operator license or terminal operator licensee is a privately held domestic or foreign corporation, partnership, limited liability company or other legal entity, the names of all persons with an ownership interest equal to or greater than 1%.

(iii) The name of a person entitled to cast the vote of a person named under subparagraph (i) or (ii).

(iv) The names of officers, directors and principals of the applicant for a terminal operator license or terminal operator licensee.

(16) Determine, designate and classify employees of a terminal operator licensee as key employees and non-key employees.

§ 3302. Regulatory authority of board.

(a) General rule. The board shall have the power and duty:

(1) To deny, deny the renewal, revoke, condition or suspend a license provided for in this part if the board finds in its sole discretion that a licensee under this part or its officers, employees or agents have intentionally furnished false or misleading information to the board or failed to comply with the provisions of this part or the rules and regulations of the board and that it would be in
the public interest to deny, deny the renewal, revoke, condition or suspend the license.

(2) To restrict access to confidential information in the possession of the board that has been obtained under this part and ensure that the confidentiality of information is maintained and protected.

(3) To prescribe and require periodic financial reporting and internal control requirements for terminal operator licensees.

(4) To require that each terminal operator licensee provide to the board its annual financial statements, with such additional detail as the board shall require, which shall be submitted not later than 180 days after the end of the licensee's fiscal year.

(5) To prescribe the procedures to be followed by terminal operator licensees for a financial event that occurs in the operation and play of video gaming terminals.

(6) To require that each establishment licensee prohibits minors from operating or using video gaming terminals or redemption terminals.

(7) To establish procedures for the inspection and certification of compliance of video gaming terminals, redemption terminals and associated equipment prior to being placed into use by a terminal operator licensee.

(8) To require that no video gaming terminal may be set to pay out less than the theoretical payout percentage, which percentage shall be no less than 85\%, as specifically approved by the board. The board shall adopt regulations that define the theoretical payout percentage of a video gaming terminal game based on the total value of the jackpots.
expected to be paid by a play on a video gaming terminal game divided by the total value of video gaming terminals wagers expected to be made on that play or video gaming terminal game during the same portion of the game cycle. In so doing, the board shall specify whether the calculation includes a portion of or the entire cycle of a video gaming terminal game.

(9) To require that an establishment license applicant provide detailed site plans of its proposed video gaming area for review and approval by the board for the purpose of determining the adequacy of the proposed security and surveillance measures. The applicant shall cooperate with the board in making changes to the plans suggested by the board and shall ensure that the plans as modified and approved are implemented. The board may not require a floor-to-ceiling wall to segregate the video gaming area, but may adopt rules to establish segregation requirements.

(10) To promulgate rules and regulations governing the advertisement of video gaming terminals, provided that the board shall require all advertisements to display or reference the toll-free problem gambling telephone number maintained by the Department of Drug and Alcohol Programs under section 3310(b) (relating to duties of Department of Drug and Alcohol Programs).

(11) To enter into contracts with persons for the purposes of carrying out the powers and duties of the board under this part.

(12) To adopt regulations governing the postemployment limitations and restrictions applicable to members and employees of the board subject to section 4302 (relating to
additional board restrictions). In developing the
regulations, the board may consult with the State Ethics
Commission, governmental agencies and the disciplinary board
of the Supreme Court regarding postemployment limitations and
restrictions on members and employees of the board who are
members of the Pennsylvania Bar.

(13) To review and approve all cash handling policies
and procedures employed by terminal operator licensees.

(14) To promulgate rules and regulations governing the
placement of automated teller machines within video gaming
areas.

(15) To establish reasonable age-verification procedures
for establishment licensees and their employees to ensure
minors do not access a video gaming area or terminal,
provided that the board may not require video gaming
terminals to be equipped with identification card-reading
devices or require establishment licensees to purchase
identification card-reading devices.

(16) To promulgate rules and regulations governing
player loyalty or rewards card programs.

(17) To promulgate rules and regulations governing the
interconnection of video gaming terminals with a single-
establishment for a progressive system.

(18) To promulgate rules and regulations necessary for
the administration and enforcement of this part.

(19) To limit the total number of video gaming terminals
in operation within this Commonwealth as follows:

(i) No more than 30,000 video gaming terminals by
December 31, 2018.

(ii) No more than 35,000 video gaming terminals by
December 31, 2019.

(iii) No more than 40,000 video gaming terminals by December 31, 2020, and thereafter.

(b) Applicable law.--Except as provided in section 3303 (relating to temporary regulations), regulations shall be adopted the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law, and the act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.

§ 3303. Temporary regulations.

(a) Promulgation. In order to facilitate the prompt implementation of this part, regulations promulgated by the board shall be deemed temporary regulations which shall expire no later than three years following the effective date of this section. The board may promulgate temporary regulations not subject to:

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

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


(b) Expiration. Except for temporary regulations related to security and surveillance, the authority provided to the board to adopt temporary regulations in subsection (a) shall expire July 1, 2020. Regulations adopted after that date shall be promulgated as provided by law.

(c) Special consideration.--When promulgating temporary regulations regarding the application, background investigation and renewal process for an establishment license or regulations
regarding an establishment licensee's duties and responsibilities regarding the conduct of video gaming under this part, the board shall consider promulgating regulations that minimize the regulatory burden on establishment licensees and establishment license applicants to the extent that:

(1) All requirements, duties and responsibilities are fulfilled under this part.

(2) The temporary regulations adequately protect the public interest and integrity of video gaming.

§ 3304. Appeals.

An applicant or licensee may appeal a final order, determination or decision of the board involving the approval, issuance, denial, revocation, nonrenewal, suspension or conditioning, including any disciplinary actions, of a license, permit or authorization under this part in accordance with 2 Pa.C.S. Chs. 5 Subeh. A (relating to practice and procedure of Commonwealth agencies) and 7 Subeh. A (relating to judicial review of Commonwealth agency action).

§ 3305. Records and confidentiality of information.

(a) Records.—The board shall maintain files and records deemed necessary for the administration and enforcement of this part.

(b) Confidentiality of information.

(1) The following information submitted by an applicant or licensee under Chapter 35 (relating to application and licensure) or obtained by the board or the bureau as part of a background or other investigation from any source shall be confidential and withheld from public disclosure:

(i) Information relating to character, honesty and integrity, including family, habits, reputation, history.
of criminal activity, business activities, financial
affairs and business, professional and personal
associations submitted to or otherwise obtained by the
board or the bureau.

(ii) Nonpublic personal information, including home
addresses, telephone numbers and other personal contact
information, Social Security numbers, educational
records, memberships, medical records, tax returns and
declarations, actual or proposed compensation, financial
account records, creditworthiness or financial condition
relating to an applicant or licensee or the immediate
family thereof.

(iii) Information relating to proprietary
information, trade secrets, patents or exclusive
licenses, architectural and engineering plans and
information relating to competitive marketing materials
and strategies, including customer-identifying
information or customer prospects for services subject to
competition.

(iv) Security information, including risk prevention
plans, detection and countermeasures, location of count-
rooms, emergency management plans, security and
surveillance plans, equipment and usage protocols and
theft and fraud prevention plans and countermeasures.

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

(vi) Records of an applicant or licensee not

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

(viii) Financial information provided to the board by an applicant or licensee.

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

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

(4) Except as provided in section 3904(h) (relating to investigations and enforcement), the information made confidential under this section shall be withheld from public disclosure in whole or in part, except that confidential information shall be released upon the order of a court of competent jurisdiction or, with the approval of the Attorney General, to a duly authorized law enforcement agency or shall be released to the public, in whole or in part, to the extent that the release is requested by an applicant or licensee and
does not otherwise contain confidential information about another person.

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

(6) (i) No current or former member and no current or former employee, agent or independent contractor of the board, the department, the Pennsylvania State Police, the Office of Attorney General or other executive branch office who has obtained confidential information in the performance of duties under this part shall intentionally and publicly disclose the information to a person, knowing that the information being disclosed is confidential under this subsection, unless the person is authorized by law to receive it.

(ii) A violation of this subsection shall constitute a misdemeanor of the third degree.

(iii) In addition to any penalty under subparagraph (ii), an employee, agent or independent contractor who violates this subsection shall be administratively disciplined by discharge, suspension, termination of contract or other formal disciplinary action as appropriate. If a current member violates this paragraph, the other members shall refer the matter to the current member's appointing authority.

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

(d) Information held by other agencies.--Files, records,
reports and other information in the possession of the
department or the Pennsylvania Liquor Control Board pertaining
to a licensee shall be made available to the board as may be
necessary to the effective administration of this part.

§ 3306. Reporting.

(a) Report by board. Beginning October 1, 2018, and every
year thereafter, the annual report submitted to the Governor and
the General Assembly by the board under section 1211 (relating
to reports of board) shall include information on the conduct of
video gaming terminals for the previous calendar year:

(1) Total gross terminal revenue.

(2) Total number of terminal operator licensees and
establishment licensees.

(3) All taxes, fees, fines and other revenue collected
and, where appropriate, revenue disbursed. The department
shall collaborate with the board to carry out the
requirements of this paragraph.

(4) Other information related to the conduct of video-
gaming terminals that the board deems appropriate.

(b) Participation. The board may require terminal operator
licensees to provide information to the board to assist in the
preparation of the report under subsection (a).

(c) Report by department. No later than June 1, 2018, and
each year thereafter until June 1, 2020, the department shall
provide an annual report to the Governor and the General
Assembly regarding the impact of legalized video gaming-
terminals on the State Lottery Fund.
§ 3307. Diversity.

(a) Intent.--It is the intent and goal of the General Assembly that the board promote and ensure diversity in all aspects of the gaming activities authorized under this part.

(b) Reports by applicants. An applicant for a terminal operator license shall submit a diversity plan to the board. At a minimum, the diversity plan shall contain a summary of:

(1) All employee recruitment and retention efforts undertaken to promote the participation of diverse groups in employment with the applicant if issued a terminal operator license.

(2) Other information deemed necessary by the board to assess the diversity plan.

(c) Review.--The board shall conduct a review of a diversity plan. When reviewing the adequacy of a diversity plan, the board shall take into consideration the total number of video gaming terminals the applicant proposes to operate within the Commonwealth.

(d) Periodic review.--Upon an applicant receiving a terminal operator license, the board, in its discretion, may periodically review the terminal operator licensee's diversity plan and recommend changes to the diversity plan.

(e) Terminal operator responsibility. An applicant for a terminal operator license or a terminal operator licensee shall provide information as required by the board to enable the board to complete the reviews required under subsections (c) and (d).

§ 3308. Authority of department.

(a) General rule.--The department shall administer and collect taxes imposed under this part and interest imposed under section 806 of the act of April 9, 1929 (P.L.343, No.176), known
as The Fiscal Code, and promulgate and enforce rules and regulations to carry out its prescribed duties in accordance with this part, including the collection of taxes, penalties and interest imposed by this part.

(b) Application of rules and regulations. The department may prescribe the extent, if any, to which any rules and regulations shall be applied without retroactive effect. The department shall prescribe the forms and the system of accounting and recordkeeping to be employed and through its representative shall at all times have power of access to and examination and audit of any equipment and records relating to all aspects of the operation of video gaming terminals and redemption terminals under this part.

(c) Procedure. For purposes of implementing this part, the department may promulgate regulations in the same manner in which the board is authorized as provided in section 3303 (relating to temporary regulations).

(d) Additional penalty. A person who fails to timely remit to the department or the State Treasurer amounts required under this part shall be liable, in addition to liability imposed elsewhere in this part, to a penalty of 5% per month up to a maximum of 25% of the amounts ultimately found to be due, to be recovered by the department.

(e) Liens and suits for taxes. The provisions of this part shall be subject to the provisions of sections 242 and 243 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

§ 3309. Central control computer system.

(a) General rule. To facilitate the auditing and security programs critical to the integrity of video gaming terminals in
this Commonwealth, the department shall have overall control of video gaming terminals that:

(1) Shall be linked, at an appropriate time to be determined by the department, to a central control computer under the control of the department and accessible by the board to provide auditing program capacity and individual terminal information as approved by the department.

(2) Shall include real time information retrieval and terminal activation and disabling programs.

(b) System requirements. The central control computer employed by the department shall provide:

(1) A fully operational Statewide video gaming terminal control system that has the capability of supporting up to the maximum number of video gaming terminals that is permitted to be in operation under this part.

(2) The employment of a widely accepted gaming industry protocol to facilitate a video gaming terminal manufacturers' ability to communicate with the Statewide system.

(3) The delivery of a system that has the ability to verify software, detect alterations in payout and detect other methods of fraud in all aspects of the operation of video gaming terminals.

(4) The delivery of a system that has the capability to support progressive video gaming terminals as approved by the board.

(5) The delivery of a system that does not alter the statistical awards of video gaming terminal games as designed by the manufacturer and approved by the board.

(6) The delivery of a system that provides redundancy so that each component of the network is capable of operating...
independently by the department if any component of the
network, including the central control computer, fails or
cannot be operated for any reason as determined by the
department, and to assure that all transational data is
captured and secured. Costs associated with a computer system
required by the department to operate within a video gaming
area, whether independent or as part of the central control
computer, shall be paid by the terminal operator licensee.
The computer system shall be controlled by the department and
accessible to the board.

(7) The ability to meet all reporting and control
requirements as prescribed by the board and department.

(8) The delivery of a system that provides centralized
issuance of cash redemption tickets and facilitates the
acceptance of the tickets by video gaming terminals and
redemption terminals.

(9) Other capabilities as determined by the department
in consultation with the board.

(c) Personal information.--The central control computer may
not provide for the monitoring or reading of personal or
financial information concerning a patron of a terminal operator
licensee.

(d) Initial acquisition of central control computer.

(1) Notwithstanding any other provision of law to the
contrary and in order to facilitate the prompt implementation
of this part, initial contracts entered into by the
department for a central control computer, including
necessary computer hardware, software, licenses or related
services shall not be subject to the provisions of 62 Pa.C.S.
(relating to procurement).
(2) Contracts made pursuant to the provisions of this section may not exceed five years.

(e) Resolution of contract disputes.--The process specified in 62 Pa.C.S. Ch. 17 Subch. B (relating to prelitigation resolution of controversies) shall be the sole means of resolution for controversies arising with respect to contracts executed under this section.

(f) Existing central control computer system.--The department, in its discretion, may alter or utilize the central control computer system controlled by the department under section 1323 (relating to central control computer system) to fulfill the requirements of this section.

§ 3310. Department of Drug and Alcohol Programs or successor agency.
(a) Program update.--

(1) The Department of Drug and Alcohol Programs or successor agency shall update the compulsive and problem gambling program established in section 1509 (relating to compulsive and problem gambling program) to address public education, awareness and training regarding compulsive and problem gambling and the treatment and prevention of compulsive and problem gambling related to video gaming terminals.

(2) The updated guidelines shall include strategies for the prevention of compulsive and problem gambling related to video gaming terminals.

(3) The Department of Drug and Alcohol Programs or successor agency may consult with the board and terminal operator licensee to develop the strategies.

(b) Duties of Department of Drug and Alcohol Programs or
successor agency.--From funds available in the Compulsive and Problem Gambling Treatment Fund, the Department of Drug and Alcohol Programs or successor agency shall with respect to video gaming terminals:

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

(2) Maintain one compulsive gambler's assistance organization's telephone number, which shall be accessible via a free text message service, to provide crisis counseling and referral services to individuals and families experiencing difficulty as a result of problem or compulsive gambling.

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

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

(5) Provide grants to and contract with single county authorities and other organizations that provide services specified in this section.

(6) Reimburse organizations for reasonable expenses.
incurred assisting the Department of Drug and Alcohol Programs with implementing this section.

(c) Additional duties.--Within 60 days following the effective date of this section, the Department of Drug and Alcohol Programs or successor agency and the board's Office of Compulsive and Problem Gambling shall jointly collaborate with other appropriate offices and agencies of State or local government, including single county authorities and providers and other persons, public or private, with expertise in compulsive and problem gambling treatment with respect to video gaming terminals:

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

(2) Adopt compulsive and problem gambling treatment standards to be integrated with the Department of Drug and Alcohol Programs' or successor agency's uniform Statewide guidelines that govern the provision of addiction treatment services.

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

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

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

(6) Prepare an itemized budget outlining how funds will be allocated to fulfill the responsibilities under this—
section.

(d) Report.--The Department of Drug and Alcohol Programs or successor agency shall include in the report required under section 1509 information involving video gaming terminals.

CHAPTER 35
APPLICATION AND LICENSURE

Sec.

3501. General prohibition.
3502. Terminal operator licenses.
3503. (Reserved).
3504. Principal licenses.
3505. Key employee licenses.
3506. Divestiture of disqualifying applicant.
3507. Supplier licenses.
3508. Manufacturer licenses.
3509. Gaming service provider.
3510. Occupation permit.
3511. Alternative terminal operator licensing standards.
3512. Alternative manufacturer licensing standards.
3513. Alternative supplier licensing standards.
3514. Establishment licenses.
3515. License or permit prohibition.
3516. Issuance and renewal.
3517. Change in ownership or control of terminal operator licenses.
3518. Video gaming accounting controls and audits.
3519. Multiple licenses prohibited.
3520. Conditional licenses.
§ 3501. General prohibition.

No person may offer or otherwise make available for play in
§ 3502. Terminal operator licenses.

(a) General requirements. An application for a terminal operator license shall be on the form required by the board and shall include, at a minimum, all of the following:

(1) The name, address and photograph of the applicant and of all directors and owners and key employees and their positions within the corporation or organization, as well as additional financial information required by the board.

(2) A current tax lien certificate issued by the department.

(3) The details of any gaming license applied for, granted to or denied to the applicant by another jurisdiction where the form of gaming is legal and the consent for the board to acquire copies of the application submitted or license issued in connection with the application.

(4) The details of any loan obtained from a financial institution or not obtained from a financial institution.

(5) The consent to conduct a background investigation by the board, the scope of which investigation shall be determined by the board in its discretion consistent with the provisions of this part, and a release signed by all persons subject to the investigation of all information required to complete the investigation.

(6) The details of the applicant's diversity plan to assure that all persons are accorded equality of opportunity in employment and contracting by the applicant, its contractors, subcontractors, assignees, lessees, agents,
vendors and suppliers.

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

(b) Character requirements.--An application for a terminal operator license shall include such information, documentation and assurances as may be required to establish by clear and convincing evidence of the applicant's suitability, including good character, honesty and integrity. The application shall include, without limitation, information pertaining to family, habits, character, reputation, criminal history background, business activities, financial affairs and business, professional and personal associates, covering at least the 10-year period immediately preceding the filing date of the application.

c) Civil judgments.--An applicant shall notify the board of any civil judgment obtained against the applicant pertaining to laws of the Federal Government, this Commonwealth or another state, jurisdiction, province or country.

d) (Reserved).

e) (Reserved).

(f) Additional eligibility requirements.--In order to be eligible for a terminal operator license under this part, the principals and key employees of the applicant must obtain a license to meet the character requirements of this section or other eligibility requirements established by the board.

(g) Classification system. The board shall develop a classification system for other agents, employees or persons who directly or indirectly hold or are deemed to be holding debt or equity securities or other financial interest in the applicant and for other persons that the board considers appropriate for
review under this section.

(h) Related entities.--

(1) Except as provided in paragraph (2), no person shall
be eligible to receive a terminal operator license unless the
principals and key employees of each intermediary or holding
company of the person meet the requirements of subsection
(f).

(2) The board may require that lenders and underwriters
of intermediaries, subsidiaries or holding companies of a
terminal operator license applicant meet the requirements of
subsection (f) if the board determines that the suitability
of a lender or underwriter is at issue and necessary to
consider a pending application for a terminal operator
license.

(i) Revocable privilege.--The issuance or renewal of a
license or other authorization by the board under this section
shall be a revocable privilege.

(j) Waiver for publicly traded corporations.--The board may
waive the requirements of subsection (f) for a person directly
or indirectly holding ownership of securities in a publicly
traded corporation if the board determines that the holder of
the securities does not have the ability to control the
 corporation or elect one or more directors thereof.

(k) (Reserved).

(l) Ongoing duty.--A person applying for a license or other
authorization under this part shall continue to provide
information required by the board or the bureau and cooperate in
any inquiry or investigation.

(m) Criminal history record check.--The board may conduct a
criminal history record check on a person for whom a waiver is
(n) Applicant financial information.--

(1) The board shall require an applicant for a terminal operator license to produce the information, documentation and assurances concerning financial background and resources as the board deems necessary to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant, its affiliate, intermediary, subsidiary or holding company, including, but not limited to, bank references, business and personal income and disbursement schedules, tax returns and other reports filed with governmental agencies and business and personal accounting and check records and ledgers.

(2) An applicant shall in writing authorize the examination of all bank accounts and records as may be deemed necessary by the board.

(o) Financial backer information.--

(1) The board shall require an applicant for a terminal operator license to produce the information, documentation and assurances as may be necessary to establish by clear and convincing evidence the integrity of all financial backers, investors, mortgagees, bondholders and holders of indentures, notes or other evidences of indebtedness, either in effect or proposed.

(2) The board may waive the qualification requirements for banking or lending institution and institutional investors.

(3) A banking or lending institution or institutional investor shall produce for the board upon request any document or information that bears relation to the proposal.
submitted by the applicant or applicants.

(4) The integrity of the financial sources shall be judged upon the same standards as the applicant. Any such person or entity shall produce for the board upon request any document or information which bears any relation to the application.

(5) The applicant shall produce whatever information, documentation or assurances the board requires to establish by clear and convincing evidence the adequacy of financial resources.

(p) Applicant's business experience.

(1) The board shall require an applicant for a terminal operator license to produce the information, documentation and assurances as the board may require to establish by clear and convincing evidence that the applicant has sufficient business ability and experience to create and maintain a successful, efficient operation.

(2) An applicant shall produce the names of all proposed key employees and a description of their respective or proposed responsibilities as they become known.

(q) Additional information.--In addition to other information required by this part, a person applying for a terminal operator license shall provide the following information:

(1) The organization, financial structure and nature of all businesses operated by the person, including any affiliate, intermediary, subsidiary or holding companies, the names and personal employment and criminal histories of all officers, directors and key employees of the corporation; the names of all holding, intermediary, affiliate and subsidiary
companies of the corporation; and the organization, financial
structure and nature of all businesses operated by such
holding, intermediary and subsidiary companies as the board
may require, including names and personal employment and
criminal histories of such officers, directors and principal
employees of such corporations and companies as the board may
require.

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

(3) Copies of all management and service contracts.

Review and approval.—Upon being satisfied that the
requirements of subsections (a), (b), (c), (d), (e), (f), (g),
(h), (i), (j), (k), (l), (m), (n), (o), (p) and (q) have been
met, the board may approve the application and issue the
applicant a terminal operator license consistent with all of the
following:

(1) (i) The license shall be for a period of five
years.

(ii) Nothing in this paragraph shall be construed to
relieve a licensee of the affirmative duty to notify the
board of any changes relating to the status of its
license or to any information contained in the
application materials on file with the board.

(2) The license shall be nontransferable.

(3) Any other condition established by the board.

Renewal.—

(1) At least six months prior to expiration of a
terminal operator license, the terminal operator licensee
seeking renewal of its license shall submit a renewal
application to the board.

(2) If the renewal application satisfies the requirements of subsections (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p) and (q), the board may renew the licensee's terminal operator license.

(3) If the board receives a complete renewal application but fails to act upon the renewal application prior to the expiration of the terminal operator license, the terminal operator license shall continue in effect until acted upon by the board.

§ 3503. (Reserved).

§ 3504. Principal licenses.

(a) License required.—All principals shall obtain a principal license from the board.

(b) Application.—A principal license application shall be in a form prescribed by the board and shall include the following:

(1) Verification of status as a principal from a terminal operator licensee, manufacturer licensee or supplier licensee.

(2) A description of responsibilities as a principal.

(3) All releases necessary to obtain information from governmental agencies, employers and other organizations.

(4) Details relating to a similar license, permit or other authorization obtained in another jurisdiction.

(5) Additional information required by the board.

(e) Issuance.—Following review of the application and the background investigation, the board may issue a principal license if the applicant has proven by clear and convincing evidence that the applicant is a person of good character,
(d) Nontransferability.--A license issued under this section shall be nontransferable.

(e) Principals. An individual who receives a principal license need not obtain a key employee license.

§ 3505. Key employee licenses.

(a) License required. All key employees shall obtain a key employee license from the board.

(b) Application. A key employee license application shall be in a form prescribed by the board and shall include the following:

(1) Verification of status as a key employee from a terminal operator licensee, manufacturer licensee or supplier licensee.

(2) A description of employment responsibilities.

(3) All releases necessary to obtain information from governmental agencies, employers and other organizations.

(4) Details relating to a similar license or other authorization obtained in another jurisdiction.

(5) Additional information required by the board.

(c) Issuance. Following review of the application and the background investigation, the board may issue a key employee license if the applicant has proven by clear and convincing evidence that the applicant is a person of good character, honesty and integrity and is eligible and suitable to be licensed as a key employee.

(d) Nontransferability.--A license issued under this section shall be nontransferable.

§ 3506. Divestiture of disqualifying applicant.
(a) Board power to require.--

(1) In the event that any establishment license application, terminal operator license application, supplier license application or manufacturer license application is not approved by the board based on a finding that an individual who is a principal or has an interest in the person applying for the license does not meet the character requirements of this part or any of the eligibility requirements under this part or a person who purchases a controlling interest in the applicant in violation of section 3517 (relating to change in ownership or control of terminal operator licensee), the board may afford the individual the opportunity to completely divest his interest in the person, its affiliate, intermediary, subsidiary or holding company seeking the license and, after such divestiture, reconsider the person's or applicant's suitability for licensure in an expedited proceeding and may, after such proceeding, issue the person or applicant a terminal operator license.

(2) The board shall approve the terms and conditions of any divestiture under this section.

(b) Limitation.--Under no circumstances shall any divestiture be approved by the board if the compensation for the divested interest exceeds the cost of the interest.

§ 3507. Supplier licenses.

(a) Application.--

(1) A manufacturer that elects to contract with a supplier under section 3508 (relating to manufacturer licensees) shall ensure that the supplier is appropriately licensed under this section.

(2) A person seeking to provide video gaming terminals,
redemption terminals or associated equipment to a terminal operator licensee within this Commonwealth through a contract with a licensed manufacturer must apply to the board for the appropriate supplier license.

(b) Requirements. An application for a supplier license shall be on the form required by the board and shall include all of the following:

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

(2) A statement that the applicant and each affiliate, intermediary, subsidiary or holding company of the applicant are not terminal operator licensees.

(3) Proof that the applicant has or will establish a place of business in this Commonwealth. A supplier licensee shall maintain its place of business in this Commonwealth to remain eligible for licensure.

(4) The consent to a background investigation by the bureau of the applicant, its principals and key employees or other persons required by the board and a release to obtain the information necessary for the completion of the background investigation.

(5) The details of any supplier license issued by the board to the applicant under section 1317 (relating to supplier licenses), if applicable.

(6) The details of any equivalent license granted or denied by other jurisdictions where gaming activities as...
authorized by this part are permitted.

(7) The type of goods and services to be supplied and whether those goods and services will be provided through purchase, lease, contract or otherwise.

(8) Other information determined by the board to be appropriate.

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

(1) (i) The license shall be for a period of five years.

(ii) Nothing in this paragraph shall be construed to relieve a licensee of the affirmative duty to notify the board of a change relating to the status of its license or to information contained in the application materials on file with the board.

(2) The license shall be nontransferable.

(3) Other conditions established by the board.

(d) Renewal.--

(1) At least six months prior to expiration of a supplier license, the supplier licensee seeking renewal of its license shall submit a renewal application to the board.

(2) If the renewal application satisfies the requirements of subsection (b), the board may renew the licensee's supplier license.

(3) If the board receives a complete renewal application but fails to act upon the renewal application prior to the expiration of the supplier license, the supplier license shall continue in effect until acted upon by the board.
§ 3508. Manufacturer licenses.

(a) Application. — A person seeking to manufacture video gaming terminals, redemption terminals and associated equipment for use in this Commonwealth must apply to the board for a manufacturer license.

(b) Requirements. An application for a manufacturer license shall be on the form required by the board and shall include all of the following:

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

(2) A statement that the applicant and each affiliate, intermediary, subsidiary or holding company of the applicant are not terminal operator licensees.

(3) The consent to a background investigation by the bureau of the applicant, its principals, its key employees, its intermediaries, its subsidiaries or other persons required by the board and a release to obtain the information necessary for the completion of the background investigation.

(4) The details of any equivalent license granted or denied by other jurisdictions where gaming activities as authorized by this part are permitted.

(5) The details of any manufacturer license issued by the board to the applicant under section 1317.1 (relating to manufacturer licensees), if applicable.

(6) The type of video gaming terminals, redemption terminals or associated equipment to be manufactured or
repaired.

(7) Other information determined by the board to be appropriate.

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

(1) (i) The license shall be for a period of five years.

(ii) Nothing in this paragraph shall be construed to relieve the licensee of the affirmative duty to notify the board of a change relating to the status of its license or to other information contained in application materials on file with the board.

(2) The license shall be nontransferable.

(3) Other conditions established by the board.

(d) Renewal.--

(1) At least six months prior to expiration of a manufacturer license, the manufacturer licensee seeking renewal of its license shall submit a renewal application accompanied by the renewal fee to the board.

(2) If the renewal application satisfies the requirements of subsection (b), the board may renew the licensee's manufacturer license.

(3) If the board receives a complete renewal application but fails to act upon the renewal application prior to the expiration of the manufacturer license, the manufacturer license shall continue in effect until acted upon by the board.

(e) Authority.-- The following shall apply to a licensed
(1) A manufacturer or its designee, as licensed by the board, may supply or repair a video gaming terminal, redemption terminal or associated equipment manufactured by the manufacturer, provided the manufacturer holds the appropriate manufacturer license.

(2) A manufacturer of video gaming terminals or redemption terminals may contract with a supplier under section 3507 (relating to supplier licenses) to provide video gaming terminals, redemption terminals or associated equipment to a terminal operator licensee within this Commonwealth, provided the supplier is licensed to supply video gaming terminals, redemption terminals or associated equipment.

(f) Prohibitions.--

(1) No person may manufacture video gaming terminals, redemption terminals or associated equipment for use within this Commonwealth by a terminal operator licensee unless the person has been issued the appropriate manufacturer license under this section.

(2) No person issued a license under this section may apply for or be issued a terminal operator license under section 3502 (relating to terminal operator licenses) or establishment license under section 3514 (relating to establishment licenses).

§ 3509. Gaming service provider.

(a) Development of classification system.--The board shall develop a classification system governing the certification, registration and regulation of gaming service providers and individuals and entities associated with them. The
classification system shall be based upon the following:

(1) Whether the employees of the gaming service provider will have access to the video gaming area of an establishment or the video gaming terminals or redemption terminals prior to or after installation.

(2) Whether the goods or services provided or to be provided by the gaming service provider would impact the integrity of video gaming terminals, redemption terminals or the conduct of video gaming.

(b) Authority to exempt. The board may exempt a person or type of business from the requirements of this section if the board determines:

(1) the person or type of business is regulated by an agency of the Federal Government, an agency of the Commonwealth or the Pennsylvania Supreme Court; or

(2) the regulation of the person or type of business is determined not to be necessary in order to protect the public interest or the integrity of gaming.

(c) Duties of gaming service providers. A gaming service provider shall have a continuing duty to:

(1) Provide all information, documentation and assurances as the board may require.

(2) Cooperate with the board in investigations, hearings and enforcement and disciplinary actions.

(3) Comply with all conditions, restrictions, requirements, orders and rulings of the board in accordance with this part.

(4) Report a change in circumstances that may render the gaming service provider ineligible, unqualified or unsuitable for continued registration or certification.
(d) Requirement for permit.--The board may require employees of a gaming service provider to obtain a permit or other authorization if, after an analysis of duties, responsibilities and functions, the board determines that a permit or other authorization is necessary to protect the integrity of gaming.

(e) Interim authorization.--The board or a designated employee of the board may permit a gaming service provider applicant to engage in business with an applicant for a terminal operator license or a terminal operator licensee prior to approval of the gaming service provider application if the following criteria have been satisfied:

(1) A completed application has been filed with the board by the gaming service provider.

(2) The terminal operator license applicant or terminal operator licensee contracting or doing business with the gaming service provider certifies that it has performed due diligence on the gaming service provider and believes that the applicant meets the qualification to be a gaming service provider pursuant to this section.

(3) The gaming service provider applicant agrees in writing that the grant of interim authorization to conduct business prior to board approval of the application does not create a right to continue to engage in business if the board determines that the applicant is not suitable or continued authorization is not in the public interest.

(f) Construction.--Nothing in this section shall be construed to prohibit the board from rescinding a grant of interim authorization if, at any time, the suitability of the person subject to interim authorization is at issue or if the person fails to cooperate with the board, the bureau or an agent...
of the board or bureau.

(g) Gaming service provider lists.--

(1) The board shall:

(i) Develop and maintain a list of approved gaming service providers who are authorized to provide goods or services whether under a grant of interim or continued authorization.

(ii) Develop and maintain a list of prohibited gaming service providers.

(2) An applicant for a terminal operator license or a terminal operator licensee may not enter into an agreement or engage in business with a gaming service provider listed on the prohibited gaming service provider list.

(h) Emergency authorization.--

(1) A terminal operator licensee may utilize a gaming service provider that has not been approved by the board when a threat to public health, welfare or safety exists or circumstances outside the control of the terminal operator licensee require immediate action to mitigate damage or loss to the licensee's video gaming terminals.

(2) The board shall promulgate regulations to govern the use of gaming service providers under emergency circumstances. The regulations shall include a requirement that the terminal operator licensee contact the board immediately upon utilizing a gaming service provider that has not been approved by the board.

(i) Criminal history record information.--If the classification system developed by the board in accordance with subsection (a) requires a gaming service provider or an individual or entity associated with the gaming service provider
to submit to or provide the bureau with criminal history record information under 18 Pa.C.S. Ch. 91 (relating to criminal history record information), the bureau shall notify a terminal operator licensee that submitted a certification under subsection (e)(2) whether the applicant has been convicted of a felony or misdemeanor gambling offense.

§ 3510. Occupation permit.

(a) Application.

(1) A person who desires to be a gaming employee and has a bona fide offer of employment from a terminal operator licensee shall apply to the board for an occupation permit.

(2) A person may not be employed as a gaming employee unless and until that person holds an appropriate occupation permit issued under this section.

(3) The board may promulgate regulations to reclassify a category of nongaming employees or gaming employees upon a finding that the reclassification is in the public interest and consistent with the objectives of this part.

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

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

(2) The previous employment history of the person.

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

(4) A photograph of the person.

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

(6) The details of an occupation permit or similar license granted or denied to the applicant in other
jurisdictions.

(7) Other information determined by the board to be
appropriate.

(c) Prohibition.--No terminal operator licensee may employ
or permit a person under 18 years of age to render service in a
video gaming area.

§ 3511. Alternative terminal operator licensing standards.

(a) Determination.

(1) The board may determine whether the licensing
standards of another jurisdiction within the United States or
Canada in which an applicant, its affiliate, intermediary,
subsidiary or holding company for a terminal operator license
is similarly licensed are comprehensive and thorough and
provide similar adequate safeguards as those required by this
part.

(2) If the board makes that determination, it may issue
a terminal operator license to an applicant who holds a
terminal operator license in the other jurisdiction after
conducting an evaluation of the information relating to the
applicant from the other jurisdictions, as updated by the
board, and evaluating other information related to the
applicant received from that jurisdiction and other
jurisdictions where the applicant may be licensed, the board
may incorporate such information in whole or in part into the
board’s evaluation of the applicant.

(b) Abbreviated process.

(1) In the event an applicant for a terminal operator
license is licensed in another jurisdiction, the board may
determine to use an alternate process requiring only that
information determined by the board to be necessary to
consider the issuance of a license, including financial
viability of the licensee, to such an applicant.

(2) Nothing in this section shall be construed to waive
fees associated with obtaining a license through the normal
application process.

(c) Current license holders. In the event an applicant for
a terminal operator license under this part holds a slot machine
license under Part II (relating to gaming), the board may
determine to use an abbreviated process requiring only that
information determined by the board to be necessary to consider
the issuance of a license, including financial viability of the
applicant.

§ 3512. Alternative manufacturer licensing standards.

(a) Determination.—

(1) The board may determine whether the licensing
standards of another jurisdiction within the United States in
which an applicant for a manufacturer license is similarly
licensed are comprehensive and thorough and provide similar
adequate safeguards as those required by this part.

(2) If the board makes that determination, it may issue
a manufacturer license to an applicant who holds a similar
manufacturer license in the other jurisdiction after
conducting an evaluation of the information relating to the
applicant from the other jurisdictions, as updated by the
board, and evaluating other information related to the
applicant received from that jurisdiction and other
jurisdictions where the applicant may be licensed, the board
may incorporate such information in whole or in part into the
board's evaluation of the applicant.

(b) Abbreviated process.—
(1) In the event an applicant for a manufacturer license is licensed in another jurisdiction, the board may determine to use an abbreviated process requiring only that information determined by the board to be necessary to consider the issuance of a license, including financial viability of the applicant.

(2) Nothing in this section shall be construed to waive fees associated with obtaining a license through the normal application process.

(c) Current license holders. In the event an applicant for a manufacturer license under this part holds a manufacturer license under section 1317.1 (relating to manufacturer licenses), the board may determine to use an abbreviated process requiring only that information determined by the board to be necessary to consider the issuance of a license, including financial viability of the applicant.

§ 3513. Alternative supplier licensing standards.

(a) Determination.—

(1) The board may determine whether the licensing standards of another jurisdiction within the United States in which an applicant for a supplier's license is similarly licensed are comprehensive and thorough and provide similar adequate safeguards as required by this part.

(2) If the board makes that determination, it may issue a supplier license to an applicant who holds a similar supplier license in another jurisdiction after conducting an evaluation of the information relating to the applicant from the other jurisdictions, as updated by the board, and evaluating other information related to the applicant received from that jurisdiction and other jurisdictions where
the applicant may be licensed. The board may incorporate the
information in whole or in part into its evaluation of the
applicant.

(b) Abbreviated process.--

(1) In the event an applicant for a supplier license is
licensed in another jurisdiction, the board may determine to
use an abbreviated process requiring only that information
determined by the board to be necessary to consider the
issuance of a license, including financial viability of the
applicant.

(2) Nothing in this section shall be construed to waive
any fees associated with obtaining a license through the
normal application process.

(c) Current license holders.--In the event an applicant for
a supplier license under this part holds a supplier license
under section 1317 (relating to supplier licenses), the board
may determine to use an abbreviated process requiring only that
information determined by the board to be necessary to consider
the issuance of a license, including financial viability of the
applicant.

§ 3514. Establishment licenses.

(a) General requirements.--An establishment that submits an
application for an establishment license shall include at a
minimum:

(1) The name, address and photograph of the applicant
and additional financial information required by the board.

(2) A description of the proposed surveillance and
security measures to ensure the security of the proposed
video gaming area.

(3) A current tax lien certificate issued by the
department.

(4) The criminal history record of the applicant, principal and key employees and a consent for the bureau to conduct a background investigation on the applicant, principals and key employees.

(5) If the applicant is a liquor establishment, documentation showing that the establishment’s liquor license is valid and is in good standing with the Pennsylvania Liquor Control Board.

(6) If the applicant is a liquor establishment, disclosure of conditional license agreements entered into under the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code.

(7) Other information determined to be appropriate by the board.

(b) Nontransferability.--A license issued under this section shall be nontransferable.

(c) Ongoing duty.--An establishment applying for a license under this section shall continue to provide information required by the board or the bureau and cooperate in any inquiry or investigation.

(d) Review and approval.--Upon being satisfied that the requirements of subsection (a) have been met, the board may approve the application and issue the applicant an establishment license consistent with all of the following:

(1) (i) The license shall be for a period of five years.

(ii) Nothing in this paragraph shall be construed to relieve a licensee of the affirmative duty to notify the board of a change relating to the status of its license.
or to information contained in application materials on file with the board.

(2) The license shall be nontransferable.

(3) Other conditions established by the board.

(e) Inspection required.

(1) If the board receives an application under subsection (a) from an applicant that is a liquor establishment whose licensed premises is less than 1,000 square feet, the board shall request the Bureau of Liquor Control Enforcement of the Pennsylvania State Police to inspect the liquor establishment's licensed premises to ensure compliance with the Liquor Code. The Bureau of Liquor Control Enforcement of the Pennsylvania State Police shall inspect the liquor establishment's licensed premises upon receiving the request for the board.

(2) The Bureau of Liquor Control Enforcement of the Pennsylvania State Police shall transmit the findings of the inspection required in paragraph (1) to the Pennsylvania Liquor Control Board and the Pennsylvania Liquor Control Board shall provide to the board a report containing the following information:

(i) Violations of the Liquor Code found as a result of the inspection.

(ii) Whether the violations are of a continuing nature.

(iii) Severity of the violations and potential sanctions against the liquor establishment.

(iv) Whether, according to the discretion of the Pennsylvania Liquor Control Board, the liquor establishment is suitable to receive an establishment.
license from the board.

(v) Other information determined by the Pennsylvania Liquor Control Board to be appropriate regarding the suitability of the liquor establishment to participate in video gaming.

(3) The board shall require a fee from the liquor establishment to reimburse the Bureau of Liquor Control Enforcement of the Pennsylvania State Police and the Pennsylvania Liquor Control Board for any costs incurred as a result of fulfilling the requirements of paragraphs (1) and (2). The fee shall not be subject to fee limitations contained in section 4101 (relating to fees).

(f) Renewal.—

(1) At least three months prior to expiration of an establishment license, the establishment licensee seeking renewal of its license shall submit a renewal application accompanied by the renewal fee to the board.

(2) If the renewal application satisfies the requirements of subsection (b), the board may renew the licensee’s establishment license.

(3) If the board receives a complete renewal application but fails to act upon the renewal application prior to the expiration of the manufacturer license, the establishment license shall continue in effect until acted upon by the board.

§ 3515. License or permit prohibition.

The following apply:

(1) The board shall be prohibited from granting a license under this part to any applicant who has been convicted of a felony offense in any jurisdiction.
(2) In addition to the prohibition under paragraph (1), the board shall be prohibited from granting the following:

(i) A principal license or key employee license to an individual who has been convicted in a jurisdiction of a misdemeanor gambling offense, unless 15 years have elapsed from the date of conviction for the offense.

(ii) A gaming employee permit or a license other than a principal license or key employee license to an individual who has been convicted in a jurisdiction of a misdemeanor gambling offense, unless 15 years have elapsed from the date of conviction for the offense.

(iii) An establishment license to an applicant who has been convicted in a jurisdiction of a misdemeanor gambling offense, unless three years have elapsed from the date of conviction for the offense.

(iv) An establishment license to an applicant that is a liquor establishment whose liquor license is not in good standing with the Pennsylvania Liquor Control Board.

(v) An establishment license to an applicant that is a liquor establishment that is declared a nuisance under section 611 of the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, or has been declared a nuisance within the past three years.

(vi) An establishment license to an applicant that is a liquor establishment with a conditional license agreement entered into under the Liquor Code unless the agreement has been amended to allow for video gaming.

(vii) An establishment license to an applicant that is a liquor establishment whose liquor license has been suspended, unless three years have elapsed from the date.
of suspension.

(3) Following the expiration of any prohibition period applicable to an applicant under paragraph (2), in determining whether to issue a license or permit, the board shall consider the following factors:

(i) The nature and duties of the applicant's position with the licensed entity.

(ii) The nature and seriousness of the offense or conduct.

(iii) The circumstances under which the offense or conduct occurred.

(iv) The age of the applicant when the offense or conduct was committed.

(v) Whether the offense or conduct was an isolated or a repeated incident.

(vi) Evidence of rehabilitation, including good conduct in the community, counseling or psychiatric treatment received and the recommendation of persons who have substantial contact with the applicant.

(4) For purposes of this section, a felony offense is any of the following:

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

(ii) An offense which, under the laws of another jurisdiction, is:

(A) classified as a felony; or

(B) punishable by imprisonment for more than five years.

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

§ 3516. Issuance and renewal.

(a) Issuance.--

(1) In addition to any other criteria provided under this part, any terminal operator, establishment, supplier, manufacturer, gaming employee or other person that the board approves as qualified to receive a license or a permit under this part shall be issued a license or permit upon the payment of a fee required in section 4101 (relating to fees) and upon the fulfillment of conditions required by the board or provided for in this part.

(2) Nothing contained in this part is intended or shall be construed to create an entitlement to a license or permit by a person.

(b) Renewal.--

(1) All permits and licenses issued under this part, unless otherwise provided shall be subject to renewal every five years.

(2) The application for renewal, unless otherwise provided, shall be submitted at least 180 days prior to the expiration of the permit or license and shall include an update of the information contained in the initial and any prior renewal applications and the payment of any renewal fee required by section 4101.

(3) Nothing in this subsection shall be construed to relieve a licensee of the affirmative duty to notify the board of a change relating to the status of its license or other information contained in the application materials on file with the board.
(e) Revocation or failure to renew.--

(1) In addition to other sanctions the board may impose under this part, the board may at its discretion suspend, revoke or deny renewal of a permit or license issued under this part if it receives information from any source that the applicant or any of its officers, directors, owners or key employees is in violation of any provision of this part, that the applicant has furnished the board with false or misleading information or that the information contained in the applicant's initial application or renewal application is no longer true and correct such that the applicant is no longer eligible.

(2) In the event of a revocation or failure to renew, the applicant's authorization to conduct the previously approved activity shall immediately cease upon receipt of a final adjudication under 2 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of Commonwealth agencies) and 7 Subch. A (relating to judicial review of Commonwealth agency action), and all fees paid in connection with the application shall be deemed to be forfeited.

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

(d) Nontransferability of licenses.--

(1) A license issued by the board is a grant of the privilege to conduct a business in this Commonwealth.

(2) Except as permitted by section 3517 (relating to change in ownership or control of terminal operator licensee), no license granted or renewed pursuant to this
part may be sold, transferred or assigned to another person.

(3) No licensee may pledge or otherwise grant a security interest in or lien on the license.

(4) The board has the sole discretion to issue, renew, condition or deny the issuance of a terminal operator license based upon the requirements of this part.

(5) Nothing contained in this part is intended or shall be construed to create in any person an entitlement to a license.

§ 3517. Change in ownership or control of terminal operator licensee.

(a) Notification and approval. —

(1) A terminal operator licensee shall promptly notify the board of a proposed or contemplated change of ownership of the terminal operator licensee by a person or group of persons acting in concert which involves any of the following:

(i) More than 5% of a terminal operator licensee's securities or other ownership interests.

(ii) More than 5% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the licensee.

(iii) The sale of all or substantially all of a licensee's assets.

(iv) Other transaction or occurrence deemed by the board to be relevant to license qualifications.

(2) (i) Notwithstanding the provisions of paragraph (1), no terminal operator licensee may be required to
notify the board of an acquisition by an institutional
investor under paragraph (1)(i) or (ii) if the
institutional investor holds less than 10% of the
securities or other ownership interests referred to in
paragraph (1)(i) or (ii), the securities or interests are
publicly traded securities and its holdings of the
securities were purchased for investment purposes only
and the institutional investor files with the board a
certified statement to the effect that it has no
intention of influencing or affecting, directly or
indirectly, the affairs of the licensee, provided,
however, that it shall be permitted to vote on matters
put to the vote of the outstanding security holders.

(ii) Notice to the board and board approval shall be
required prior to completion of any proposed or
contemplated change of ownership of a terminal operator
licensee that meets the criteria of this section.

(b) Qualification of purchaser of terminal operator
licensee; change of control.

(1) The purchaser of all or substantially all of the
assets of a terminal operator licensee shall, if not already
a terminal operator licensee, independently qualify for a
license in accordance with this part and shall pay the
license fee as required by section 4101 (relating to fees).

(2) A change in control of a terminal operator licensee
shall require that the terminal operator licensee
independently qualify for a license in accordance with this
part, and the terminal operator licensee shall pay a new
license fee as required by section 4101, except as otherwise
required by the board pursuant to this section.
(3) The new license fee shall be paid upon the assignment and actual change of control or ownership of the terminal operator license.

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

(d) Fee reduction.--The board may in its discretion eliminate the need for qualification or proportionately reduce, but not eliminate, the new license fee otherwise required pursuant to this section in connection with a change of control of a licensee, depending upon the type of transaction, the relevant ownership interests and changes to the interests resulting from the transaction and other considerations deemed relevant by the board.

(e) License revocation.--Failure to comply with this section may cause the license issued under this part to be revoked or suspended by the board unless the purchase of the assets or the change in control that meets the criteria of this section has been independently qualified in advance by the board and any required license fee has been paid.

§ 3518. Video gaming accounting controls and audits.
(a) Approval.--Except as otherwise provided by this part, a
terminal operator license applicant shall, in addition to
obtaining a terminal operator license, obtain approval from the
board in consultation with the department of its internal
control systems and audit protocols prior to the installation
and operation of video gaming terminals at licensed
establishments.

(b) Minimum requirements. At a minimum, the applicant's
proposed internal controls and audit protocols shall:

(1) Safeguard its assets and revenues, including, but
not limited to, the recording of cash and evidences of
indebtedness related to the video gaming terminals.

(2) Provide for reliable records, accounts and reports
of a financial event that occurs in the operation of a video
gaming terminal, including reports to the board related to
the video gaming terminals.

(3) Ensure that each video gaming terminal directly
provides or communicates all required activities and
financial details to the central control computer system as
set by the board.

(4) Provide for accurate and reliable financial records.

(5) Ensure a financial event that occurs in the
operation of a video gaming terminal is performed only in
accordance with the management's general or specific
authorization, as approved by the board.

(6) Ensure that a financial event that occurs in the
operation of a video gaming terminal is recorded adequately
to permit proper and timely reporting of gross revenue and
the calculation thereof and of fees and taxes and to maintain
accountability for assets.
(7) Ensure that access to assets is permitted only in accordance with management's specific authorization, as approved by the board.

(8) Ensure that recorded accountability for assets is compared with actual assets at intervals as required by the board and appropriate action is taken with respect to discrepancies.

(9) Ensure that all functions, duties and responsibilities are appropriately segregated and performed in accordance with sound financial practices by competent, qualified personnel.

(10) Any other requirement of the board.

(c) Internal control.--A terminal operator license applicant shall submit to the board and department, in such manner as the board requires, a description of its administrative and accounting procedures in detail, including its written system of internal control. The written system of internal control shall include:

(1) Records of direct and indirect ownership in the proposed terminal operator licensee, its affiliate, intermediary, subsidiary or holding company.

(2) An organizational chart depicting appropriate segregation of functions and responsibilities.

(3) A description of the duties and responsibilities of each position shown on the organizational chart.

(4) A detailed narrative description of the administrative and accounting procedures designed to satisfy the requirements of this section.

(5) Record retention policy.

(6) Procedure to ensure that assets are safeguarded,
including mandatory count procedures.

(7) A statement signed by the chief financial officer of
the terminal operator license applicant or other competent
person and the chief executive officer of the terminal
operator license applicant or other competent person
attesting that the officer believes, in good faith, that the
system satisfies the requirements of this section.

(8) Other items that the board may require in its
discretion.

§ 3519. Multiple licenses prohibited.

(a) Manufacturer restriction.--A manufacturer may not be
licensed as a terminal operator or own, manage or control an
establishment licensee, but may also be licensed as a supplier.

(b) Supplier restriction.--A supplier may not be licensed as
a terminal operator or own, manage or control an establishment
licensee or terminal operator licensee.

(c) Terminal operator restriction.--A terminal operator may
not be licensed as a manufacturer or supplier or own, manage or
control an establishment licensee or own, manage or control
premises used by an establishment licensee.

(d) Establishment restriction.--An establishment licensee
may not be licensed as a manufacturer, supplier, terminal
operator or procurement agent.

§ 3520. Conditional licenses.

(a) Conditional establishment licenses.

(1) Within 90 days after the effective date of this
section, the board shall make applications for establishment
licensees available to applicants.

(2) The board shall issue a conditional license to an
applicant for an establishment license if the applicant—
satisfies, as determined by the board, all of the following criteria:

(i) The applicant has never been convicted of a felony in any jurisdiction.

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

(iii) The applicant has submitted a completed application for an establishment license in accordance with this part, which may be submitted concurrently with the applicant's request for a conditional license.

(iv) For liquor establishment applicants, the applicant held a valid liquor license on the date of application and such license is in good standing.

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

(vi) For an applicant that is a liquor establishment whose licensed premises is less than 1,000 square feet, the report required under section 3514(d.1) (relating to establishment licenses) has been received and reviewed by the board.

(3) (i) The board shall issue a conditional license to an applicant for an establishment license, within 60 days after the completed application has been received by the board, provided that the board determines that the criteria contained in paragraph (2) has been satisfied.

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

(4) A conditional license shall be valid until: 
(i) the board either approves or denies the
applicant's application for licensure;
(ii) the conditional license is terminated for a
violation of this part; or
(iii) one calendar year has passed since the
conditional license was issued.

(5) The board may extend the duration of the conditional
license for one calendar year.

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

(7) A request for conditional licensure under this
subsection shall include payment of a $100 fee, which fee
shall be in addition to the applicable fee required under
section 4101 (relating to fees).

(b) Conditional terminal operator licenses.--

(1) Within 90 days after the effective date of this
section, the board shall make applications for terminal
operator licenses available to applicants.

(2) The board shall issue a conditional license to an
applicant for a terminal operator license if the applicant
satisfies, as determined by the board, all of the following
criteria:

(i) The applicant has never been convicted of a
felony in any jurisdiction.

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

(iii) The applicant has submitted a completed
application for a terminal operator license which may be
submitted concurrently with the applicant's request for a
conditional license.

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

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

(3) (i) The board shall issue a conditional license to an applicant for a terminal operator license, within 60 days after the completed application has been received by the board, provided that the board determines that the criteria contained in paragraph (3) has been satisfied.

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

(4) A conditional license shall be valid until:

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

(ii) the conditional license is terminated for a violation of this chapter; or

(iii) one calendar year has passed since the conditional license was issued.

(5) The board may extend the duration of the conditional license for one calendar year.

(6) An applicant shall attest by way of affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure according to the requirements of this subsection or any other provision of this part.

(7) A request for conditional licensure under this
subsection shall include payment of a $100 fee, which fee shall be in addition to the applicable fee required under section 4101.

(c) Conditional manufacturer and supplier licenses.--

(1) Within 90 days after the effective date of this section, the board shall make applications available for manufacturer and supplier license.

(2) The board shall issue a conditional license to an applicant for a manufacturer or supplier license if the applicant satisfies, as determined by the board, all of the following criteria:

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

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

(iii) The applicant has submitted a completed application a manufacturer or supplier license, which may be submitted concurrently with the applicant's request for a conditional license.

(iv) The applicant has never had its manufacturer, supplier or similar gaming license denied or revoked in another jurisdiction.

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

(3) (i) The board shall issue a conditional license to an applicant for a manufacturer or supplier license within 60 days after the completed application has been received by the board, provided that the board determines that the criteria contained in paragraph (2) has been satisfied.

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

(4) A conditional license shall be valid until:
   (i) the board either approves or denies the
       applicant's application for licensure;
   (ii) the conditional license is terminated for a
       violation of this part; or
   (iii) one calendar year has passed since the
       conditional license was issued.

(5) The board may extend the duration of the conditional
license for one calendar year.

(6) An applicant shall attest by way of affidavit under
penalty of perjury that the applicant is not otherwise
prohibited from licensure according to the requirements of
this subsection or any other provision of this part.

(7) A request for a conditional license under this
subsection shall include payment of a $1,000 fee, which fee
shall be in addition to the applicable fee required under
section 4101.

(d) Other conditional licenses.--

   (1) Within 90 days after the effective date of this
section, the board shall make applications available for any
other license required under this part.

   (2) The board shall issue a conditional license to an
applicant if the applicant satisfies, as determined by the
board, all of the following criteria:

      (i) The applicant has never been convicted of a
          felony in any jurisdiction.
(ii) The applicant is current on all State taxes.

(iii) The applicant has submitted a completed application for licensure, which may be submitted concurrently with the applicant's request for a conditional license.

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

(3) (i) The board shall issue a conditional license to an applicant within 60 days after the completed application has been received by the board, provided that the board determines that the criteria contained in paragraph (2) has been satisfied.

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

(4) A conditional license shall be valid until:

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

(ii) the conditional license is terminated for a violation of this part; or

(iii) one calendar year has passed since the conditional license was issued.

(5) The board may extend the duration of the conditional license for one calendar year.

(6) An applicant shall attest by way of affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure according to the requirements of this subsection or any other provision of this part.
A request for conditional licensure under this subsection shall include payment of a $100 fee, which fee shall be in addition to the applicable fee required under section 4101.

(e) Prioritization prohibited.

(1) The board may not utilize the alternative licensing standards for a terminal operator license, manufacturer license or a supplier license under sections 3511 (relating to alternative terminal operator licensing standards), 3512 (relating to alternative manufacturer licensing standards) and 3513 (relating to alternative supplier licensing standards) to prioritize the issuance of a terminal operator, manufacturer or supplier license under this chapter.

(2) The board shall ensure that applications made to the board according to the alternative standards under sections 3511, 3512 and 3513 are not approved or denied in a time period that is less than the time period in which an application for a conditional license is approved or denied under this section.

(f) Incomplete applications.—If the board receives an application that is incomplete, the board shall, within seven days of receiving the incomplete application, notify the applicant of additional information required by the board.

CHAPTER 37
OPERATION
3701. Testing and certification of terminals.
3702. Video gaming limitations.
3703. Hours of operation.
3704. Terminal placement agreements.
3705. Duties of licensees.
§ 3701. Testing and certification of terminals.

(a) General rule.--No video gaming terminal or redemption terminal or associated equipment may be made available for use in this Commonwealth prior to being tested and certified by the board in accordance with this section.

(b) Video gaming terminal specifications. Video gaming terminals shall be tested and certified to meet the following specifications:

1. The video gaming terminal shall have the ability to be linked to the central control computer.
2. The video gaming terminal shall be marked with an irremovable identification plate that is placed in a conspicuous location on the exterior of the video gaming terminal. The identification plate shall contain the name of the manufacturer and the serial and model numbers of the video gaming terminal.
3. The video gaming terminal shall prominently display the rules of play either on the video gaming terminal face or screen.
4. The video gaming terminal may not have the ability to dispense cash, tokens or anything of value, except redemption tickets which shall only be exchangeable for cash at a redemption terminal or reinserted into another video gaming terminal located in the same video gaming area as the video gaming terminal.
5. The cost of a credit shall only be 1¢, 5¢, 10¢ or 25¢.
6. The maximum wager per individual game shall not exceed $5.
(7) The maximum prize per individual game shall not exceed $1,000.

(8) The video gaming terminal shall be designed and manufactured with total accountability to include gross proceeds, net profits, winning percentages and other information the board requires.

(9) The video gaming terminal shall pay out a minimum of 85% of the amount wagered.

(10) Other specifications the board requires.

(c) Redemption terminal specifications. Redemption terminals shall be tested and certified to meet the following specifications:

(1) The redemption terminal shall be marked with an irremovable identification plate that is placed in a conspicuous location on the exterior of the redemption terminal. The identification plate shall contain the name of the manufacturer and the serial and model numbers of the redemption terminal.

(2) The redemption terminal shall only accept redemption tickets from video gaming terminals located in the same video gaming area.

(3) The redemption terminal shall be designed and manufactured with total accountability to record information the board requires.

(4) Other specifications the board requires.

(d) Use of other state standards.

(1) The board may determine, in its discretion, whether the video gaming terminal or redemption terminal testing and certification standards of another jurisdiction within the United States in which a manufacturer licensee is licensed...
are comprehensive and thorough and provide similar adequate safeguards as those required by this part.

(2) If the board makes that determination, the board may permit a manufacturer licensee through a licensed supplier to deploy those video gaming terminals or redemption terminals which have met the video gaming terminal or redemption terminal testing and certification standards in such other jurisdictions without undergoing the full testing and certification process by the board's testing facility.

(3) In the event video gaming terminals or redemption terminals of a manufacturer licensee are licensed in the other jurisdiction, the board may determine to use an abbreviated process requiring only that information determined by the board to be necessary to consider the issuance of a video gaming terminal or redemption terminal certification to such an applicant.

(e) Private testing.—The board may, in its discretion, rely upon the certification of a video gaming terminal or redemption terminal that has met the testing and certification standards of one or more board-approved independent private testing and certification facilities.

(f) Testing and certification fee.—

(1) A fee for the testing and certification of a video gaming terminal or redemption terminal shall be paid by the manufacturer licensee submitting the terminal, which fee shall be an amount established by the board according to a schedule adopted by the board.

(2) Fees established by the board shall be exempt from any fee limitation contained in section 4101 (relating to fees).
(g) Central control computer compatibility.--The board shall ensure that all video gaming terminals certified and approved for use in this Commonwealth are compatible and comply with the central control computer and protocol specifications approved by the department.

§ 3702. Video gaming limitations.

(a) Establishment licensee limitations.--An establishment licensee may offer video gaming terminals for play within its premises, subject to the following:

(1) No more than the following number of video gaming terminals may be placed on the premises of the establishment licensee:

- (i) For an establishment licensee that is a truck stop establishment, no more than 10 video gaming terminals.
- (ii) For an establishment licensee that is not a truck stop establishment or nonprimary location, no more than five video gaming terminals.

(2) Redemption tickets shall only be exchanged for cash through a redemption terminal or reinserted into another video gaming terminal in the same video gaming area or as otherwise authorized by the board in the event of a failure or malfunction in a redemption terminal, and at least one redemption terminal shall be located in the video gaming area.

(3) Video gaming terminals located on the premises of the establishment licensee shall be placed and operated by a terminal operator licensee pursuant to a terminal placement agreement.

(4) No video gaming area may be located in an area that
is not properly segregated from minors.

(5) The entrance to the video gaming area shall be
secure and easily seen and observed by at least one employee.

(6) The video gaming area shall at all times be
monitored by an employee of the establishment licensee either
directly or through live monitoring of video surveillance.
The employee must be at least 18 years of age and have
completed the mandatory training program required in section
2706 (relating to compulsive and problem gambling).

(7) No establishment licensee may provide an incentive.

(8) No minor shall be permitted to play a video gaming-
terminal or enter the video gaming area.

(9) No visibly intoxicated person shall be permitted to
play a video gaming terminal.

(10) No establishment licensee may extend credit or
accept a credit card or debit card for play of a video gaming-
terminal.

(11) No establishment licensee may make structural-
alterations or significant renovations to a video gaming area
unless the establishment licensee has notified the terminal-
operator licensee and obtained prior approval from the board.

(12) No establishment licensee may move a video gaming-
terminal or redemption terminal after installation by a
terminal operator licensee.

(b) Terminal operator licensee limitations. A terminal
operator licensee may place and operate video gaming terminals
on the premises of an establishment licensee, subject to the
following:

(1) No more than the following number of video gaming-
terminals may be placed on the premises of the establishment-
licensee:

(i) For an establishment licensee that is a truck stop establishment, no more than 10 video gaming terminals.

(ii) For an establishment licensee that is not a truck stop establishment or nonprimary location, no more than five video gaming terminals.

(2) Redemption tickets shall only be exchanged for cash through a redemption terminal located within the same video gaming area or reinserted into another video gaming terminal located in the same video gaming area as the video gaming terminal.

(3) Video gaming terminals located on the premises of the establishment licensee shall be placed and operated pursuant to a terminal placement agreement.

(4) No terminal operator licensee may provide an incentive.

(5) No terminal operator licensee may place and operate video gaming terminals within a licensed facility.

(6) No terminal operator licensee may extend credit or accept a credit card or debit card for play of a video gaming terminal.

(7) No terminal operator licensee may give or offer to give, directly or indirectly, any type of inducement to an establishment to secure or maintain a terminal placement agreement.

(8) No terminal operator licensee may give an establishment licensee a percentage of gross terminal revenue other than 26% of the gross terminal revenue of the video gaming terminals operating in the establishment licensee's
premises.

(9) A terminal operator licensee shall only operate, install or otherwise make available for public use a video gaming terminal or redemption terminal that has been obtained from a supplier licensee.

(10) No terminal operator licensee may make structural alterations or significant renovations to a video gaming area unless the terminal operator licensee has notified the establishment licensee and obtained prior approval from the board.

(11) No terminal operator licensee may move a video gaming terminal or redemption terminal after installation unless prior approval is obtained from the board.

§ 3703. Hours of operation.

(a) Liquor establishments.--An establishment licensee that is also a liquor establishment may only permit the play of video gaming terminals during the hours in which the liquor establishment is authorized by the Pennsylvania Liquor Control Board to sell alcoholic beverages.

(b) Other establishments.--An establishment licensee that is also a truck stop establishment may permit play of video gaming terminals during normal business hours.

§ 3704. Terminal placement agreements.

(a) General rule. Except as provided for in subsection (j), no terminal operator licensee may place and operate video gaming terminals on the premises of an establishment licensee unless pursuant to a terminal placement agreement approved by the board. Approval shall be presented upon connection of one or more video gaming terminals at the establishment licensee to the central control computer.
(b) Form of agreement.--The board shall establish through regulation minimum standards for terminal placement agreements.

(c) Length of agreement.--Terminal placement agreements shall be valid for a minimum 60-month term but shall not exceed a 120-month term.

(d) Provisions required. A terminal placement agreement shall include a provision that:

(1) Renders the agreement invalid if either the terminal operator license or terminal operator application or the establishment license or establishment licensee application is denied, revoked, not renewed, withdrawn or surrendered.

(2) Provides the establishment licensee no more or less than 26% of gross terminal revenue from each video gaming terminal located on the premises of the establishment licensee.

(3) Identifies who solicited the terminal placement agreement on behalf of a terminal operator licensee or applicant.

(e) Procurement agent.--No person may be compensated for the solicitation or procurement of a terminal placement agreement on behalf of a terminal operator licensee or applicant.

(f) Parties to agreement.--Only an establishment licensee or applicant may sign or agree to sign a terminal placement agreement with an applicant for a terminal operator license or a terminal operator licensee.

(g) Void agreements. An agreement entered into by an establishment prior to the effective date of this section with a person or entity for the placement, operation, service or maintenance of video gaming terminals, including an agreement granting a person or entity the right to enter into an agreement.
or match any offer made after the effective date of this section shall be void and may not be approved by the board.

(h) Transferability of agreements.--No terminal placement agreement may be transferred or assigned unless the individual or entity making the assignment is either a terminal operator applicant or licensee and the individual or entity receiving the assignment of the terminal placement agreement is either a terminal operator applicant or licensee under this chapter.

§ 3705. Duties of licensees.

A person issued a license under this part shall:

(1) Provide assistance or information required by the board, the bureau or the Pennsylvania State Police and to cooperate in inquiries, investigations and hearings.

(2) Consent to inspections, searches and seizures.

(3) Inform the board of actions that the person believes would constitute a violation of this part.

(4) Inform the board of arrests for violations of offenses enumerated under 18 Pa.C.S. (relating to crimes and offenses).

§ 3706. Compulsive and problem gambling.

(a) Required posting.---

(1) An establishment licensee shall conspicuously post signs similar to the following statement:

If you or someone you know has a gambling problem, help is available. Call (Toll free telephone number) or Text (Toll free telephone number).

(2) At least one sign shall be posted within the video gaming area and at least one sign shall be posted within five feet of each automated teller machine located within the establishment licensee's premises, if applicable.
(b) Toll-free telephone number.--The toll-free telephone number required to be posted in subsection (a) shall be the same number maintained by the Department of Drug and Alcohol Programs or successor agency under section 3310 (relating to Department of Drug and Alcohol Programs).

(c) Problem gambling information.---

(1) An establishment licensee shall have available in its establishment access to materials regarding compulsive and problem gambling assistance.

(2) The available materials required by paragraph (1) shall be a uniform, Statewide handout developed by the board in consultation with the Department of Drug and Alcohol Programs or successor agency.

(3) The available materials required by paragraph (1) shall be displayed conspicuously at least within the video gaming area.

(d) Mandatory training.---

(1) The board's Office of Compulsive and Problem Gambling, in consultation with the Department of Drug and Alcohol Programs or successor agency, shall develop a mandatory training program for employees and management of an establishment licensee who oversee the licensee's video gaming area. The training program shall address responsible gaming and other compulsive and problem gambling issues related to video gaming terminals.

(2) The board shall establish a fee to cover the cost of the mandatory training program.

(3) At least one employee of the establishment licensee who has successfully completed the training program shall be located on the premises and supervising the video gaming area.
during all times video gaming terminals are available for play.

(e) Penalty.--An establishment licensee that fails to fulfill the requirements of subsection (a), (b), (c) or (d) shall be assessed by the board an administrative penalty and may have its establishment license suspended. When determining the penalty and number of suspension days, the board shall consider the length of time in which the materials were not available or a trained employee was not located on the premises as required by subsection (d)(3).

CHAPTER 39
ENFORCEMENT

See:

3901. Exclusion or ejection of certain persons.
3902. Repeat offenders.
3903. Self-exclusion.
3904. Investigations and enforcement.
3905. Prohibited acts and penalties.
3907. Additional authority.
3908. Detention.

§ 3901. Exclusion or ejection of certain persons.

(a) General rule. The board shall by regulation provide for the establishment of a list of persons who are to be excluded or ejected from the video gaming area of an establishment licensee. The provisions shall define the standards for exclusion and shall include standards relating to persons who are career or professional offenders as defined by regulations of the board or whose presence in a video gaming area would, in the opinion of the board, be inimical to the interest of the Commonwealth or of
licenced video gaming in this Commonwealth, or both.

(b) Categories to be defined. The board shall promulgate
definitions establishing categories of persons who shall be
excluded or ejected pursuant to this section, including cheats
and persons whose privileges for licensure, certification,
permit or registration have been revoked.

(c) Discrimination prohibited. Race, color, creed, national
origin or ancestry or sex shall not be a reason for placing the
name of a person upon a list under this section.

(d) Prevention of access. The board shall, in consultation
with terminal operator licensees and establishment licensees,
develop policies and procedures to reasonably prevent persons on
the list required by this section from entering a video gaming
area.

(e) Sanctions. The board may impose sanctions upon an
establishment licensee in accordance with this part if the
establishment licensee knowingly fails to implement the policies
and procedures established by the board under paragraph (d).

(f) List not all-inclusive. A list compiled by the board
under this section shall not be deemed an all-inclusive list,
and an establishment licensee shall keep from the video gaming
area persons known to the establishment licensee to be within
the classifications declared in this section and the regulations
promulgated under this section whose presence in a video gaming
area would be inimical to the interest of the Commonwealth or of
licensed video gaming in this Commonwealth, or both, as defined
in standards established by the board.

(g) Notice. If the bureau decides to place the name of a
person on a list pursuant to this section, the bureau shall
serve notice of the decision to the person by personal service.
or certified mail at the last known address of the person. The notice shall inform the person of the right to request a hearing under subsection (h).

(h) Hearing.—

(1) Within 30 days after receipt of notice in accordance with subsection (g), the person named for exclusion or ejection may demand a hearing before the board, at which hearing the bureau must demonstrate that the person named for exclusion or ejection satisfies the criteria for exclusion or ejection established by this section and the board's regulations.

(2) Failure of the person to demand a hearing within 30 days after service shall be deemed an admission of all matters and facts alleged in the bureau's notice and shall preclude the person from having an administrative hearing, but shall in no way affect the right to judicial review as provided in this section.

(i) Review.—

(1) If, upon completion of a hearing on the notice of exclusion or ejection, the board determines that placement of the name of the person on the exclusion or ejection list is appropriate, the board shall make and enter an order to that effect.

(2) The order shall be subject to review by the Commonwealth Court in accordance with the rules of court.

§ 3902. Repeat offenders.

(a) Discretion to exclude or eject.—An establishment licensee may exclude or eject from the establishment licensee's video gaming area or premises a person who is known to it to have been convicted of a misdemeanor or felony committed in or
on the premises of a licensed establishment.

(b) Construction. Nothing in this section or in any other law of this Commonwealth shall be construed to limit the right of an establishment licensee to exercise its common law right to exclude or eject permanently from its video gaming area or premises a person who:

(1) disrupts the operations of its premises;
(2) threatens the security of its premises or its occupants; or
(3) is disorderly or intoxicated.

§ 3903. Self-exclusion.

(a) Establishment of list. —

(1) The board shall provide by regulation for the establishment of a list of persons self-excluded from video gaming activities within specific establishment licensees or establishment licensees in geographic areas of the Commonwealth.

(2) A person may request placement on the list of self-excluded persons by:

(i) acknowledging in a manner to be established by the board that the person is a problem gambler;

(ii) agreeing that, during any period of voluntary exclusion, the person may not collect any winnings or recover any losses resulting from any video gaming activity within establishment licensees and that person may be subject to arrest for trespass; and

(iii) agreeing to another condition established by the board.

(b) Regulations. — The regulations of the board shall establish...
(1) Procedures for placement on and removal from the
list of a self-excluded person.

(2) Procedures for the transmittal to establishment
licensees of identifying information concerning a self-
excluded person and shall require establishment licensees to
establish reasonable procedures designed at a minimum to
prevent entry of a self-excluded person into the video gaming-
area of an establishment licensee, provided that the board
may not require video gaming terminals to be equipped with
identification card reading devices or require establishment
licensees to purchase identification card reading devices.

(3) Procedures for the transmittal to terminal operator
licensees of identifying information concerning a self-
excluded person and shall require terminal operator licensees
to establish procedures to remove self-excluded persons from
customer loyalty or reward card programs and targeted
mailings or other forms of advertising or promotions;
provided that the board may not require video gaming-
terminals to be equipped with identification card reading
devices or require establishment licensees to purchase
identification card reading devices.

(c) Liability.--An establishment licensee or employee
thereof shall not be liable to a self excluded person or to
another party in a judicial proceeding for harm, monetary or
otherwise, which may arise as a result of:

(1) the failure of the establishment licensee to
withhold video gaming privileges from or restore video gaming-
privileges to the self-excluded person; or

(2) otherwise permitting or not permitting the self-
excluded person to engage in video gaming activity within the
establishment licensee's premises while on the list of self-
excluded persons.

(d) Nondisclosure.—Notwithstanding any other law to the
contrary, the board's list of self-excluded persons shall not be
open to public inspection.

§ 3904. Investigations and enforcement.
(a) Powers and duties of bureau. The bureau shall have the
following powers and duties:

(1) Enforce the provisions of this part.

(2) Investigate and review applicants and applications
for a license or registration. The bureau shall be prohibited
from disclosing any portion of a background investigation
report to a member of the board prior to the submission of
the bureau's final background investigation report relating
to the applicant's suitability for licensure to the board.

The Office of Enforcement Counsel, on behalf of the bureau,
shall prepare the final background investigation report for
inclusion in a final report relating to the applicant's
suitability for licensure.

(3) Investigate licensees, registrants and other persons
regulated by the board under this part for noncriminal
violations of this part, including potential violations
referred to the bureau by the board or other person.

(4) Monitor video gaming operations to ensure compliance
with this part.

(5) Inspect and examine licensed entities. Inspections
may include the review and reproduction of documents or
records.

(6) Conduct reviews of a licensed entity as necessary to
ensure compliance with this part. A review may include the
review of accounting, administrative and financial records, management control systems, procedures and other records utilized by a licensed entity.

(7) Refer possible criminal violations to the Pennsylvania State Police. The bureau shall not have the power of arrest.

(8) Cooperate in the investigation and prosecution of criminal violations related to this part.

(9) Be a criminal justice agency under 18 Pa.C.S. Ch. 91 (relating to criminal history record information).

(b) Office of Enforcement Counsel.--The board's Office of Enforcement Counsel shall act as the prosecutor in all noncriminal enforcement actions initiated by the bureau under this part and shall have the following powers and duties:

(1) Advise the bureau on all matters, including the granting of licenses or registrations, the conduct of background investigations, audits and inspections and the investigation of potential violations of this part.

(2) File on behalf of the bureau recommendations and objections relating to the issuance of licenses and registrations.

(3) Initiate, in its sole discretion, proceedings for noncriminal violations of this part by filing a complaint or other pleading with the board.

(c) Powers and duties of department.

(1) The department shall at all times have the power of access to examine and audit equipment and records relating to all aspects of the operation of video gaming terminals and redemption terminals under this part.

(2) Notwithstanding the provisions of section 353(f) of
the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, the department shall supply the board, the bureau, the Pennsylvania State Police and the Office of Attorney General with information concerning the status of delinquent taxes owned by applicants or licensees.

(d) Powers and duties of the Pennsylvania State Police. The Pennsylvania State Police shall have the following powers and duties:

1. Promptly conduct background investigations on persons as directed by the board under this part. The Pennsylvania State Police may contract with other law enforcement annuitants to assist in the conduct of investigations under this paragraph.

2. Initiate proceedings for criminal violations of this part.

3. Provide the board with all information necessary for all actions under this part for all proceedings involving criminal enforcement of this part.

4. Inspect, when appropriate, a licensee's person and personal effects present within an establishment licensee's premises under this part while that licensee is present.

5. Enforce the criminal provisions of this part and all other criminal laws of this Commonwealth.

6. Fingerprint applicants.

7. Exchange fingerprint data with and receive national criminal history record information from the Federal Bureau of Investigation for use in background investigations performed by the bureau under this part.

8. Receive and take appropriate action on any referral from the bureau relating to criminal conduct.
(9) Conduct administrative inspections on the premises of an establishment licensee at such times, under such circumstances and to such extent as the bureau determines to ensure compliance with this part and the regulations of the board and, in the course of inspections, review and make copies of all documents and records required by the inspection through onsite observation and other reasonable means to assure compliance with this part and regulations promulgated under this part.

(10) Conduct audits or verification of information of video gaming terminal operations at such times, under such circumstances and to such extent as the bureau determines. This paragraph includes the review of accounting, administrative and financial records and management control systems, procedures and records utilized by a terminal operator licensee.

(11) Assign members of the Pennsylvania State Police to duties of enforcement under this part. Those members shall not be counted toward the complement as provided in section 205 of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

(12) Report to the General Assembly. By March 1 of each year, the Commissioner of the Pennsylvania State Police shall submit a report to the Appropriations Committee of the Senate, the Community, Economic and Recreational Development Committee of the Senate, the Appropriations Committee of the House of Representatives and the Gaming Oversight Committee of the House of Representatives. The report shall summarize all law enforcement activities at each establishment licensee during the previous calendar year and shall include all of
the following:

(i) The number of arrests made and citations issued at each establishment licensee and the name of the law enforcement agency making the arrests or issuing the citations.

(ii) A list of specific offenses charged for each arrest made or citation issued.

(iii) The number of criminal prosecutions resulting from arrests made or citations issued.

(iv) The number of convictions resulting from prosecutions reported under subparagraph (iii).

(13) Report violations of this part to the bureau that are found during the normal course of duties required under any law of this Commonwealth.

(14) Require the Bureau of Liquor Control Enforcement to report violations of this part to the bureau that are found during the normal course of duties required under any law of this Commonwealth.

(e) Powers and duties of Attorney General.--The Gaming Unit within the Office of Attorney General shall investigate and institute criminal proceedings as authorized under subsection (f).

(f) Criminal action.

(1) The district attorneys of the several counties shall have authority to investigate and to institute criminal proceedings for a violation of this part.

(2) In addition to the authority conferred upon the Attorney General under the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act, the Attorney General shall have the authority to investigate and,
following consultation with the appropriate district attorney, to institute criminal proceedings for a violation of this part.

(3) A person charged with a violation of this part by the Attorney General shall not have standing to challenge the authority of the Attorney General to investigate or prosecute the case, and, if any such challenge is made, the challenge shall be dismissed and no relief shall be available in the courts of this Commonwealth to the person making the challenge.

(g) Regulatory action. -- Nothing contained in subsection (e) shall be construed to limit the existing regulatory or investigative authority of an agency or the Commonwealth whose functions relate to persons or matters within the scope of this part.

(h) Inspection, seizure and warrants. --

(1) The board, the bureau, the department and the Pennsylvania State Police shall have the authority without notice and without warrant to do all of the following in the performance of their duties under this part:

(i) Inspect and examine all premises where video gaming operations are conducted, where video gaming terminals, redemption terminals and associated equipment are manufactured, sold, distributed or serviced, or where records of these activities are prepared or maintained.

(ii) Inspect all equipment and supplies in, about, upon or around premises referred to in subparagraph (i).

(iii) Seize, summarily remove and impound equipment and supplies from premises referred to in subparagraph (i) for the purposes of examination and inspection.
(iv) Inspect, examine and audit all books, records and documents pertaining to a terminal operator licensee's video gaming operation.

(v) Seize, impound or assume physical control of any book, record, ledger or device related to video gaming operations or the video gaming terminals or redemption terminals.

(2) The provisions of paragraph (1) shall not be construed to limit warrantless inspections except in accordance with constitutional requirements.

(3) To further effectuate the purposes of this part, the bureau and the Pennsylvania State Police may obtain administrative warrants for the inspection and seizure of property possessed, controlled, bailed or otherwise held by an applicant, licensee, intermediary, subsidiary, affiliate or holding company.

(i) Information sharing and enforcement referral. With respect to the administration, supervision and enforcement of this part, the bureau, the department, the Pennsylvania State Police or the Office of Attorney General may obtain or provide pertinent information regarding applicants or licensees from or to law enforcement entities or gaming authorities of the Commonwealth and other domestic, foreign or federally approved jurisdictions, including the Federal Bureau of Investigation, and may transmit the information to each other electronically.

(j) Pennsylvania Liquor Control Board. Nothing in this part shall be construed as conferring on the Pennsylvania Liquor Control Board the authority to assess penalties under the act of April 12, 1951 (P.L. 90, No. 21), known as the Liquor Code.
license for violations of this part that are not a criminal
offense.

(k) Information sharing and enforcement referral.--With
respect to the administration, supervision and enforcement of
this part, the bureau, the department, the Pennsylvania State
Police or the Office of Attorney General may obtain or provide
pertinent information regarding applicants or licensees from or
to law enforcement entities or gaming authorities of the
Commonwealth and other domestic, foreign or federally approved
jurisdictions, including the Federal Bureau of Investigation,
and may transmit such information to each other electronically.
§ 3905. Prohibited acts and penalties.

(a) Criminal offenses.--

(1) The provisions of 18 Pa.C.S. § 4902 (relating to
perjury), 4903 (relating to false swearing) or 4904 (relating
to unsworn falsification to authorities) shall apply to a
person providing information or making a statement, whether
written or oral, to the board, the bureau, the department,
the Pennsylvania State Police or the Office of Attorney
General, as required by this part.

(2) It shall be unlawful for a person to willfully:

(i) fail to report, pay or truthfully account for
and pay over a license fee, authorization fee, tax or
assessment imposed under this part; or

(ii) attempt in any manner to evade or defeat a
license fee, authorization fee, tax or assessment imposed
under this part.

(3) It shall be unlawful for a licensed entity, gaming
employee, key employee or any other person to permit a video-
gaming terminal to be operated, transported, repaired or

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opened on the premises of an establishment licensee by a
person other than a person licensed or permitted by the board
pursuant to this part.

(4) It shall be unlawful for a licensed entity or other
person to manufacture, supply or place video gaming
terminals, redemption terminals or associated equipment into
play or display video gaming terminals, redemption terminals
or associated equipment on the premises of an establishment
licensee without the authority of the board.

(5) It shall be unlawful for a licensed entity or other
person to manufacture, supply, operate, carry on or expose
for play a video gaming terminal or associated equipment
after the person's license has expired or failed to be
renewed in accordance with this part.

(6) It shall be unlawful for an individual while on the
premises of an establishment licensee to knowingly use
currency other than lawful coin or legal tender of the United
States or a coin not of the same denomination as the coin
intended to be used in the video gaming terminal or use a
counterfeit or altered redemption tickets with the intent to
cheat or defraud a terminal operator licensee or the
Commonwealth or damage the video gaming terminal or
redemption terminal.

(7) (i) Except as set forth in subparagraph (ii), it
shall be unlawful for an individual to use or possess a
cheating or thieving device, counterfeit or altered
billet, ticket, token or similar object accepted by a
video gaming terminal or counterfeit or altered
redemption ticket on the premises of an establishment
licensee.
(ii) An authorized employee of a licensee or an employee of the board may possess and use a cheating or thieving device, counterfeit or altered billet, ticket, token or similar object accepted by a video gaming terminal or counterfeit or altered redemption ticket in performance of the duties of employment.

(8) (i) Except as set forth in subparagraph (ii), it shall be unlawful for an individual to knowingly possess or use while on the premises of an establishment licensee a key or device designed for the purpose of and suitable for opening or entering a video gaming terminal or redemption terminal that is located on the premises of the establishment licensee.

(ii) An authorized employee of a licensee or a member of the board may possess and use a device referred to in subparagraph (i) in the performance of the duties of employment.

(9) It shall be unlawful for a person or licensed entity to possess a device, equipment or material which the person or licensed entity knows has been manufactured, distributed, sold, tampered with or serviced in violation of this part with the intent to use the device, equipment or material as though it had been manufactured, distributed, sold, tampered with or serviced pursuant to this part.

(10) It shall be unlawful for a person to sell, offer for sale, represent or pass off as lawful any device, equipment or material that the person or licensed entity knows has been manufactured, distributed, sold, tampered with or serviced in violation of this part.

(11) It shall be unlawful for an individual to work or
be employed in a position the duties of which would require licensing under this part without first obtaining the requisite license issued under this part.

(12) It shall be unlawful for a licensed entity to employ or continue to employ an individual in a position the duties of which require a license under this part if the individual:

(i) Is not licensed under this part.

(ii) Is prohibited from accepting employment from a licensee.

(13) It shall be unlawful for a minor to enter and remain in any video gaming area, except that an individual at least 18 years of age employed by a terminal operator licensee, a gaming service provider, an establishment licensee, the board or another regulatory or emergency response agency may enter and remain in the area while engaged in the performance of the individual's employment duties.

(14) It shall be unlawful for a minor to wager, play or attempt to play a video gaming terminal or submit a redemption ticket into a redemption terminal.

(15) It shall be unlawful for a terminal operator licensee to require a video gaming terminal wager to be greater than the stated minimum wager or greater than the stated maximum wager.

(16) An individual who engages in conduct prohibited by 18 Pa.C.S. § 6308 (relating to purchase, consumption, possession or transportation of liquor or malt or brewed beverages) on the premises of an establishment licensee commits a nongambling offense.
It shall be unlawful for an individual to claim, collect or take, or attempt to claim, collect or take, money or anything of value in or from a video gaming terminal or redemption terminal with the intent to defraud, or to claim, collect or take an amount greater than the amount won, or to manipulate with the intent to cheat, a component of a video gaming terminal or redemption terminal in a manner contrary to the designed and normal operational purpose.

(b) Criminal penalties and fines.

(1) (i) A person that commits a first offense in violation of 18 Pa.C.S. § 4902, 4903 or 4904 in connection with providing information or making any statement, whether written or oral, to the board, the bureau, the department, the Pennsylvania State Police, the Office of Attorney General or a district attorney as required by this part commits an offense to be graded in accordance with the applicable section violated. A person that is convicted of a second or subsequent violation of 18 Pa.C.S. § 4902, 4903 or 4904 in connection with providing information or making any statement, whether written or oral, to the board, the bureau, the department, the Pennsylvania State Police, the Office of Attorney General or a district attorney as required by this part commits a felony of the second degree.

(ii) A person that violates subsection (a)(2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12) or (17) commits a misdemeanor of the first degree. A person that is convicted of a second or subsequent violation of subsection (a)(2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12) or (17) commits a felony of the second degree.
degree.

(2) (i) For a first violation of subsection (a)(1),
(2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12)
or (17), a person shall be sentenced to pay a fine of:

(A) not less than $75,000 nor more than $150,000
if the person is an individual or establishment
licensee;

(B) not less than $300,000 nor more than
$600,000 if the person is a terminal operator
licensee; or

(C) not less than $150,000 nor more than
$300,000 if the person is a licensed manufacturer or
supplier.

(ii) For a second or subsequent violation of
subsection (a)(1), (2), (3), (4), (5), (6), (7), (8),
(9), (10), (11), (12) or (17), a person shall be
sentenced to pay a fine of:

(A) not less than $150,000 nor more than
$300,000 if the person is an individual or
establishment licensee;

(B) not less than $600,000 nor more than
$1,200,000 if the person is a terminal operator
licensee; or

(C) not less than $300,000 nor more than
$600,000 if the person is a licensed manufacturer or
supplier.

(3) An individual who commits an offense in violation of
subsection (a)(13) or (14) commits a nongambling summary
offense and upon conviction of a first offense shall be
sentenced to pay a fine of not less than $200 nor more than
$1,000. An individual who is convicted of a second or
subsequent offense under subsection (a)(13) or (14) shall be
sentenced to pay a fine of not less than $500 nor more than
$1,500. In addition to the fine imposed, an individual
convicted of an offense under subsection (a)(13) or (14) may
be sentenced to perform a period of community service not to
exceed 40 hours.

(4) An individual who commits an offense in violation of
subsection (a)(16) commits a nongambling offense to be graded
in accordance with 18 Pa.C.S. § 6308 and shall be subject to
the same penalties imposed pursuant to 18 Pa.C.S. §§ 6308 and
6310.4 (relating to restriction of operating privileges)
except that the fine imposed for a violation of subsection
(a)(16) shall be not less than $350 nor more than $1,000.

c. Board-imposed administrative sanctions.—

(1) In addition to any other penalty authorized by law,
the board may impose without limitation the following
sanctions:

(i) Revoke the license of a person convicted of a
criminal offense under this part or regulations
promulgated under this part or committing any other
offense or violation of this part or applicable law that
would otherwise disqualify the person from holding the
license.

(ii) Revoke the license of a person determined to
have violated a provision of this part or regulations
promulgated under this part that would otherwise
disqualify the person from holding the license.

(iii) Revoke the license of a person for willfully
and knowingly violating or attempting to violate an order—
of the board directed to the person.

(iv) Subject to subsection (g), assess administrative penalties as necessary to punish violations of this part.

(v) Order restitution of money or property unlawfully obtained or retained by a licensee.

(vi) Enter cease and desist orders which specify the conduct which is to be discontinued, altered or implemented by a licensee.

(vii) Issue letters of reprimand or censure, which letters shall be made a permanent part of the file of the licensee so sanctioned.

(2) (i) If the board refuses to issue or renew a license, suspends or revokes a license, assesses civil penalties, orders restitution, enters a cease and desist order or issues a letter of reprimand or censure, the board shall provide the applicant or licensee with written notification of its decision, including a statement of the reasons for its decision, by certified mail within five business days of the decision of the board.

(ii) The applicant or licensee shall have the right to appeal the decision in accordance with 2 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of Commonwealth agencies) and 7 Subch. A (relating to judicial review of Commonwealth agency action).

(d) Aiding and abetting.—A person who aids, abets, counsels, commands, induces, procures or causes another person to violate this part shall be subject to all sanctions and penalties, both civil and criminal, provided under this part.
(e) Continuing offenses. A violation of this part that is determined to be an offense of a continuing nature shall be deemed to be a separate offense on each event or day during which the violation occurs.

(f) Property subject to seizure, confiscation, destruction or forfeiture. Any equipment, device or apparatus, money, material, gaming proceeds or substituted proceeds or real or personal property used, obtained or received or an attempt to use, obtain or receive the device, apparatus, money, material, proceeds or real or personal property in violation of this part shall be subject to seizure, confiscation, destruction or forfeiture.

(g) Penalty limitation.--

(1) Administrative penalties assessed by the board on an establishment licensee shall not exceed $5,000 for each noncriminal violation of this part.

(2) When imposing an administrative penalty on an establishment licensee for a noncriminal violation of this part, the board shall take into consideration the establishment licensee's annual taxable income and whether the penalty amount would cause the establishment licensee to cease non-video gaming operations.

(h) Deposit of fines. Fines imposed and collected by the board under subsection (c) shall be deposited into the General Fund.


(a) Duty. An establishment licensee or terminal operator licensee or a person acting on behalf of an establishment licensee or terminal operator licensee shall, on a form and in a manner as required by the bureau, notify the bureau of a
(b) Failure to report.—

(1) A person that is required to file a report of a suspicious transaction under this section and knowingly fails to file the report or that knowingly causes another person having that responsibility to fail to file the report commits a misdemeanor of the third degree.

(2) A person required to file a report of a suspicious transaction under this section and fails to file the report or a person that causes another person required under this section to file the report to fail to file the report shall be strictly liable for the person's actions and may be subject to sanction under section 3905(c) (relating to prohibited acts and penalties).

(c) Bureau.—The bureau shall maintain a record of all reports made under this section for a period of five years. The bureau shall make the reports available to any Federal or State law enforcement agency upon written request and without necessity of subpoena.

(d) Notice prohibited.—

(1) A person that is required to file a report of a suspicious transaction under this section may not notify an individual suspected of committing the suspicious transaction that the transaction has been reported.

(2) A person that violates this subsection commits a misdemeanor of the third degree and may be subject to sanction under section 3905(c).

(e) Immunity.—A person that is required to file a report of a suspicious transaction under this section and in good faith makes the report shall not be liable in any civil action brought—
by a person for making the report, regardless of whether the
transaction is later determined to be a suspicious transaction.

(f) Sanctions.—

(1) In considering appropriate administrative sanctions
against a person for violating this section, the board shall
consider all of the following:

(i) The risk to the public and to the integrity of
gaming operations created by the conduct of the person.

(ii) The seriousness of the conduct of the person
and whether the conduct was purposeful and with knowledge
that it was in contravention of the provisions of this
part or regulations promulgated under this part.

(iii) Justification or excuse for the conduct by the
person.

(iv) The prior history of the particular licensee or
person involved with respect to video gaming terminal
activity.

(v) The corrective action taken by the establishment
licensee or terminal operator licensee to prevent future
misconduct of a like nature from occurring.

(vi) In the case of a monetary penalty, the amount
of the penalty in relation to the severity of the
misconduct and the financial means of the licensee or
person. The board may impose any schedule or terms of
payment of such penalty as it may deem appropriate.

(2) It shall be no defense to disciplinary action before
the board that a person inadvertently, unintentionally or
unknowingly violated this section. The factors enumerated
under paragraph (1) shall only apply to the degree of the
penalty to be imposed by the board and not to a finding of a
violation itself.

(g) Regulations.--The board shall promulgate regulations to

effectuate the purposes of this section.

§ 3907. Additional authority.

(a) Petition for access to agency information.

(1) The director of the Office of Enforcement Counsel

within the bureau may petition a court of record having

jurisdiction over information in the possession of an agency

in this Commonwealth or, if there is no such court, then the

Commonwealth Court for authorization to review or obtain

information in the possession of an agency in this

Commonwealth by averring specific facts demonstrating that:

(i) The agency has in its possession information

material to a pending investigation or inquiry being

conducted by the bureau pursuant to this part.

(ii) Disclosure or release of the information is in

the best interest of the Commonwealth.

(2) The petition shall request that the court enter a

rule upon the agency to show cause why the agency should not

be directed to disclose to the bureau, or identified agents

thereof, information in the agency's possession about any

pending matter under the jurisdiction of the bureau pursuant

to this part.

(3) If the respondent is a local agency, a copy of a

rule issued pursuant to this section shall be provided to the

district attorney of the county in which the local agency is

located and the Office of Attorney General.

(4) Upon request of a local agency, the district

attorney or the Attorney General may elect to enter an

appearance to represent the local agency in the proceedings.
(b) Procedure.--

(1) The filing of a petition pursuant to this section and related proceedings shall be in accordance with court rule, including issuance as of course.

(2) A party to the proceeding may not disclose the filing of a petition or answer or the receipt, content or disposition of a rule or order issued pursuant to this section, without leave of court.

(3) A party to the proceedings may request that the record be sealed and proceedings be closed. The court shall grant the request if it is in the best interest of a person or the Commonwealth to do so.

(c) Court determination.--

(1) Following review of the record, the court shall grant the relief sought by the director of the Office of Enforcement Counsel if the court determines that:

   (i) The agency has in its possession information material to the investigation or inquiry.

   (ii) Disclosure or release of the information is in the best interest of the Commonwealth.

   (iii) The disclosure or release of the information is not otherwise prohibited by statute or regulation.

   (iv) The disclosure or release of the information would not inhibit an agency in the performance of the agency's duties.

(2) If the court so determines, the court shall enter an order authorizing and directing the information be made available for review in camera.

(d) Release of materials or information.--

(1) If, after an in-camera review by the court, the
director of the Office of Enforcement Counsel seeks to obtain copies of materials in the agency's possession, the court may, if not otherwise prohibited by statute or regulation, enter an order that the requested materials be provided.

(2) An order authorizing the release of materials or other information shall contain direction regarding the safekeeping and use of the materials or other information sufficient to satisfy the court that the materials or information will be sufficiently safeguarded.

(3) In making the determination under paragraph (2) the court shall consider input of the agency in possession of the information and input from any agency with which the information originated concerning a pending investigation or ongoing matter and the safety of person and property.

(c) Modification of order.—

(1) If subsequent investigation or inquiry by the bureau warrants modification of an order entered pursuant to this section, the director of the Office of Enforcement Counsel may petition to request modification of the order.

(2) Upon the request, the court may modify the order at any time and in any manner it deems necessary and appropriate.

(3) The agency named in the original petition shall be given notice and an opportunity to be heard.

(f) Use of information or materials. A person who, by any means authorized by this section, has obtained knowledge of information or materials solely pursuant to this section may use the information or materials in a manner consistent with any direction imposed by the court and appropriate to the proper performance of the person's duties under this part.
(g) Violation.—In addition to the remedies and penalties provided in this part, a violation of the provisions of this section may be punished as contempt of court.

(h) Definition.—As used in this section, the term "agency" shall mean a "Commonwealth agency" or a "local agency" as those terms are defined in section 102 of the act of February 14, 2008 (P.L.6, No.3), known as the Right to Know Law.

§ 3908. Detention.

(a) General rule. A peace officer who has probable cause to believe that criminal violation of this part has occurred or is occurring on or about an establishment licensee's premises and who has probable cause to believe that a specific individual has committed or is committing the criminal violation may detain the individual in a reasonable manner for a reasonable time on the premises of the establishment licensee to require the suspect to identify himself, to verify such identification or to inform a peace officer.

(b) Immunity.—A peace officer shall not be subject to civil or criminal liability for detention of an individual in accordance with subsection (a).

CHAPTER 41

REVENUES

Sec.
4101. Fees.
4102. Taxes and assessments.
4103. Distribution of local share.
4104. Regulatory assessments.
4105. Transfers from Video Gaming Fund.
4106. Fire Company and Emergency Responder Grant Fund.
4107. City of the First Class Enforcement Fund.
§ 4101. Fees.

(a) Application fees.—The following nonrefundable application fees shall accompany an application for the following licenses or permits applied for under Chapter 35 (relating to application and licensure):

1. For a manufacturer or supplier license, $50,000.
2. For a terminal operator license, $25,000.
3. For an establishment license, $100.
4. For a key employee or principal license, $500.
5. For any other authorization or permit authorized by this part, an amount established by the board, through regulation, which may not exceed $100.

(b) Initial license and renewal fees.—The following nonrefundable fees shall be required upon issuance of an initial license and shall accompany an application for renewal for the following licenses or permits under Chapter 35:

1. For a manufacturer or supplier license, $10,000.
2. For a terminal operator license, $5,000.
3. For an establishment license, an amount equal to $250 per each video gaming terminal in operation at the premises of the establishment licensee.
4. For a key employee, procurement agent license or principal license, $500.
5. For any other authorization or license authorized by this part, an amount established by the board, through regulation, which may not exceed $100.

(c) Terminal increase fee.—An establishment licensee that increases the total number of video gaming terminals within the
establishment after submission of the renewal fee required in
subsection (b) shall provide the board with a $250 renewal fee
for each additional video gaming terminal added to the
establishment within 60 days of installation of each additional
video gaming terminal.

d) Deposit of fees. Fees collected under this section
shall be deposited into the General Fund.

§ 4102. Taxes and assessments.
(a) Fund established. The Video Gaming Fund is established
in the State Treasury. Money in the fund is hereby appropriated
to the department on a continuing basis for the purposes under-
subsection (e).
(b) Video gaming terminal tax and assessments.--
(1) The department shall determine and each terminal
operator licensee shall pay on a bimonthly basis:
   (i) A tax of 37.5% of its gross terminal revenue
   from all video gaming terminals operated by the terminal
   operator licensee within this Commonwealth.
   (ii) A 4% local share assessment from its gross
   terminal revenue.
   (iii) A regulatory assessment established in section
   4104 (relating to regulatory assessments) from the
   terminal operator licensee's weekly gross terminal
   revenue.
(2) All money owed under this section shall be held in
trust by the terminal operator licensee until the money is
paid or transferred to the Video Gaming Fund.
(3) Unless otherwise agreed to by the board, a terminal
operator licensee shall establish a separate bank account to
maintain gross terminal revenue until such time as the money
is paid or transferred under this section.

(c) Transfers and distributions.—The department shall:

(1) Transfer the tax imposed under subsection (b) to the Video Gaming Fund.

(2) From the local share assessment established under subsection (b), make distributions among the municipalities that host establishment licensees in accordance with section 4103 (relating to distribution of local share).

(3) Transfer the regulatory assessment imposed under subsection (b) in accordance with section 4104.

§ 4103. Distribution of local share.

(a) Distribution.—

(1) Subject to the limitation under subsection (c), the department shall distribute, in a manner and according to a schedule adopted by the department, to each municipality 2% of the gross terminal revenue of each video gaming terminal operating within the municipality.

(2) The department shall on a quarterly basis deposit 2% of the gross terminal revenue of each video gaming terminal operating within the county into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants for projects in the public interest within the host county.

(b) Duty of terminal operator.—A terminal operator licensee shall continuously provide the department with records, documents or other information necessary to effectuate the requirements of subsection (a).

(c) Limitation.—The department may not distribute a local share amount to a municipality in excess of 50% of the municipality's total budget for fiscal year 2017, adjusted for...
inflation in subsequent fiscal years by an amount not to exceed an annual cost-of-living adjustment calculated by applying an upward percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect.

(d) Transfers to fund. Local share amounts not distributed by the department to a municipality due to the limitation established under subsection (c) shall be distributed to the host county in accordance with subsection (a)(2).

(e) Use of assessments.

(1) A municipality that receives assessments from the department under subsection (a) may use the funds for the following purposes:

   (i) Economic development.
   (ii) Combating blight and the funding of land bank jurisdictions.
   (iii) Local law enforcement funding.
   (iv) Grants to volunteer ambulance services and fire companies.

(2) A county may use the funds as local matching funds for other grants or loans from the Commonwealth.

(f) Reporting.

   (1) In cooperation with the department and the Commonwealth Financing Authority, the Department of Community and Economic Development shall submit an annual report on all distributions of local share assessments to municipalities and counties under this section to the chairperson and minority chairperson of the Appropriations Committee of the Senate, the chairperson and minority chairperson of the Community, Economic and Recreational Development Committee of the Senate, the chairperson and minority chairperson of the...
Appropriations Committee of the House of Representatives and
the chairperson and minority chairperson of the Gaming
Oversight Committee of the House of Representatives. The
report shall be submitted by August 31, 2018, and by August
31 of each year thereafter.

(2) A municipality or county that receives distributions
of local share assessments under this section shall submit
information to the Department of Community and Economic
Development on a form prepared by the Department of Community
and Economic Development that states the amount and use of
the funds received in the prior fiscal year. The form shall
specify whether the funds received were deposited in the
municipality's or county's General Fund or committed to a
specific project or use.

(g) Definitions.--As used in this section, the following
words and phrases shall have the meanings given to them in this
subsection unless the context clearly indicates otherwise:

"Consumer Price Index." The Consumer Price Index for All
Urban Consumers for the Pennsylvania, New Jersey, Delaware and
Maryland area for the most recent 12-month period for which
figures have been officially reported by the United States
Department of Labor, Bureau of Labor Statistics.

"Municipality." The term does not include a county.

§ 4104. Regulatory assessments.

(a) Accounts established. The State Treasurer shall
establish within the State Treasury an account for each terminal
operator for the deposit of a regulatory assessment amount
required under subsection (b) to recover costs or expenses
incurred by the board, the department, the Pennsylvania State
Police and the Office of Attorney General in carrying out their
powers and duties under this part based upon a budget submitted by the department under subsection (c).

(b) Bi-monthly deposits.—

(1) The department shall determine the appropriate assessment amount for each terminal operator licensee, which shall be a percentage assessed on the terminal operator licensee's bi-monthly gross terminal revenue.

(2) The percentage assessed shall not exceed an amount equal to the lesser of:

   (i) the costs or expenses incurred by the board, the department, the Pennsylvania State Police or the Office of Attorney General in carrying out their powers and duties under this part based upon a budget submitted by the department under subsection (c); or

   (ii) one and one-half percent of the terminal operator licensee's weekly gross terminal revenue.

(c) Itemized budget reporting.—

(1) The department shall prepare and annually submit to the chairperson and minority chairperson of the Appropriations Committee of the Senate and the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives an itemized budget consisting of amounts to be appropriated out of the accounts established under this section necessary to administer this part.

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

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itemized budget.

(3) The itemized budget required under paragraph (1) shall be submitted in conjunction with the budget required to be submitted under section 1202(b)(28) (relating to general and specific powers).

(d) Appropriation.

(1) Costs and expenses may be paid from the accounts established under subsection (a) only upon appropriation by the General Assembly.

(2) If the total costs or expenses incurred by the board, the department, the Pennsylvania State Police or the Office of Attorney General exceed the amounts available in the accounts established under subsection (a), the General Assembly may appropriate additional amounts to the board, the department, the Pennsylvania State Police or the Office of Attorney General from the Video Gaming Fund.

§ 4105. Transfers from Video Gaming Fund.

(a) Transfer for compulsive and problem gambling treatment.—On June 30, 2018, and on the last day of each fiscal year thereafter, the State Treasurer shall transfer from the Video Gaming Fund the sum of $2,500,000 or an amount equal to 0.002 multiplied by the total gross terminal revenue of all terminal operator licensees, whichever is greater, to the Compulsive and Problem Gambling Treatment Fund established in section 1509 (relating to compulsive and problem gambling program).

(b) Transfer to Fire Company and Emergency Responder Grant Fund.—On June 30, 2018, and on the last day of each fiscal year thereafter, the State Treasurer shall transfer from the Video Gaming Fund the sum of $2,500,000 to the Fire Company and
Emergency Responder Grant Fund established in section 4106 (relating to Fire Company and Emergency Responder Grant Fund).

(c) Transfer for drug and alcohol treatment.--On June 30, 2018, and on the last day of each fiscal year thereafter, the State Treasurer shall transfer from the Video Gaming Fund the sum of $2,500,000 to the Department of Drug and Alcohol Programs to be used to provide drug and alcohol addiction treatment services, including treatment for drug and alcohol addiction related to compulsive and problem gambling, as set forth in section 1509.1 (relating to drug and alcohol treatment).

(d) Transfer to City of the First Class Enforcement Fund.--On June 30, 2018, and on the last day of each fiscal year thereafter, the State Treasurer shall transfer from the Video Gaming Fund the sum of $3,000,000 to the City of the First Class Enforcement Fund established in section 4107 (relating to City of the First Class Enforcement Fund).

(e) Transfer to the State Lottery Fund.--On June 30, 2018, the State Treasurer shall transfer from the Video Gaming Fund the sum of $38,000,000 to the State Lottery Fund. On June 30, 2019, and on the last day of each fiscal year thereafter, an amount, to be determined through an appropriation by the General Assembly, to make the amount of money in the State Lottery Fund equal to amounts in the State Lottery Fund for the previous fiscal year.

(f) Transfer to the Lottery Stabilization Fund.--On June 30, 2019, and on the last day of each fiscal year thereafter, the State Treasurer shall transfer from the Video Gaming Fund 3.5% of the gross terminal revenue of all video gaming terminals operating within this Commonwealth for the current fiscal year to the Lottery Stabilization Fund established in section 4108.
(g) Transfer to Gun Violence Task Force Fund.—On June 30, 2018, and on the last day of each fiscal year thereafter, the State Treasurer shall transfer from the Video Gaming Fund the sum of $2,000,000 to the Gun Violence Task Force Fund established in section 4109 (relating to Gun Violence Task Force Fund).

(h) General Fund transfer.—On June 30, 2018, and on the last day of each fiscal year thereafter, the State Treasurer shall transfer the remaining balance in the Video Gaming Fund that is not transferred under subsections (a), (b), (c), (d), (e), (f) and (g) to the General Fund.

§ 4106. Fire Company and Emergency Responder Grant Fund.

(a) Establishment.—The Fire Company and Emergency Responder Grant Fund is established in the State Treasury. The fund shall receive money from the Video Gaming Fund in accordance with section 4105 (relating to transfers from Video Gaming Fund).

(b) Use of fund.—Half of the money in the fund shall be used to fund programs that provide grants to volunteer ambulance services and the remaining money in the fund shall be used to fund programs that provide grants to fire companies and other emergency responders as specified through separate act of the General Assembly.

§ 4107. City of the First Class Enforcement Fund.

(a) Establishment.—The City of the First Class Enforcement Fund is established in the State Treasury. The fund shall receive money from the Video Gaming Fund in accordance with section 4105 (relating to transfers from Video Gaming Fund).

(b) Use of money.—Money in the fund shall be used solely for the assignment and related costs of additional agents to Liquor Code enforcement and the reporting to the bureau of...
violations of this part within a city of the first class.

§ 4108. Lottery Stabilization Fund.

(a) Establishment.—The Lottery Stabilization Fund is established in the State Treasury. The fund shall receive money from the Video Gaming Fund in accordance with section 4105 (relating to transfers from Video Gaming Fund).

(b) Use of money.—Money in the fund shall be used to transfer funds to the State Lottery Fund in order to ensure the stability and maintenance of adequate funding to the State Lottery Fund as specified through a separate act of the General Assembly.


(a) Establishment.—The Gun Violence Task Force Fund is established in the State Treasury. The fund shall receive money from the Video Gaming Fund in accordance with section 4105 (relating to transfers from Video Gaming Fund).

(b) Use of money.—Money in the fund shall be used by a task force on gun violence as specified through a separate act of the General Assembly.

CHAPTER 43
ETHICS

Sec.
4301. Board code of conduct.
4302. Additional board restrictions.
4303. Financial and employment interests.
4304. Additional restrictions.
4305. Political influence.
§ 4301. Board code of conduct.

(a) Update required.—The board shall update the comprehensive code of conduct established under section 1202.1.

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(relating to code of conduct) prior to the consideration of a license, permit or other authorization under this part in order to avoid a perceived or actual conflict of interest and to promote public confidence in the integrity and impartiality of the board as related to video gaming. At a minimum, the updated code of conduct adopted under this section shall include registration of licensed entity representatives under subsection (b) and the restrictions under subsection (c) as they relate to video gaming.

(b) Registration.

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

(2) A licensed entity representative shall update the registration information on an ongoing basis and failure to do so shall be punishable by the board.

(3) The board shall maintain a registration list that contains the information required under paragraph (1). The list shall be available on the board's publicly accessible Internet website.

(c) Restrictions. In addition to the other prohibitions contained in this part, a member of the board shall:

(1) Not accept a discount, gift, gratuity, compensation, travel, lodging or other thing of value, directly or indirectly, from an applicant, licensed entity, affiliate, subsidiary or intermediary of an applicant or a licensed entity, registrant or licensed entity representative.
(2) Disclose and recuse himself from a hearing or other proceeding in which the member's objectivity, impartiality, integrity or independence of judgment may be reasonably questioned due to the member's relationship or association with a party connected to a hearing or proceeding or a person appearing before the board.

(3) Refrain from financial or business dealing that would tend to reflect adversely on the member's objectivity, impartiality or independence of judgment.

(4) (i) Not solicit funds for a charitable, educational, religious, health, fraternal, civic or other nonprofit entity from an applicant, licensed entity, party, registrant or licensed entity representative or from an affiliate, subsidiary, intermediary or holding company of an applicant, licensed entity, party or licensed entity representative.

(ii) Subject to the provisions of section 1201(h)(4.1) (relating to Pennsylvania Gaming Control Board established), a member may serve as an officer, employee or member of the governing body of a nonprofit entity and may attend, make personal contributions to and plan or preside over the entity's fundraising events.

(iii) A member may permit their name to appear on the letterhead used for fundraising events if the letterhead contains only the member's name and position with the nonprofit entity.

(5) (i) Not meet or engage in discussions with an applicant, licensed entity, registrant, licensed entity representative, person who provides goods, property or services to a terminal operator licensee or another
person or entity under the jurisdiction of the board unless the meeting or discussion occurs on the business premises of the board and is recorded in a log.

(ii) The log shall be posted on the board's publicly accessible Internet website.

(iii) The log must include the date and time of the meeting or discussion, the names of the participants and the subject discussed.

(iv) The provisions of this paragraph shall not apply to a meeting that considers matters requiring the physical inspection of the equipment or premises of an applicant or a licensed entity, if the meeting is entered in the log.

6. Avoid impropriety and the appearance of impropriety at all times and observe standards and conduct that promote public confidence in the oversight of video gaming.

7. Comply with other laws, rules or regulations relating to the conduct of a member.

§ 4302. Additional board restrictions.

(a) Board restrictions.—The following shall apply to a board member or employee of the board whose duties substantially involve licensing, enforcement, development of law, promulgation of regulations or development of policy relating to gaming under this part or who has other discretionary authority which may affect or influence the outcome of an action, proceeding or decision under this part:

(1) The individual may not, for a period of two years following termination of employment, accept employment with or be retained by an applicant or a licensed entity or by an affiliate, intermediary, subsidiary or holding company of an
applicant or a licensed entity.

(2) The individual may not, for a period of two years following termination of employment, appear before the board in a hearing or proceeding or participate in activity on behalf of an applicant, licensee or licensed entity or on behalf of an affiliate, intermediary, subsidiary or holding company of an applicant, licensee or licensed entity.

(3) (i) An applicant or a licensed entity or an affiliate, intermediary, subsidiary or holding company of an applicant or a licensed entity may not, until the expiration of two years following termination of employment, employ or retain the individual.

(ii) Violation of this subparagraph shall result in termination of the individual's employment and subject the violator to section 3905(c) (relating to prohibited acts and penalties).

(4) (i) A prospective employee who, upon employment, would be subject to this subsection must, as a condition of employment, sign an affidavit that the prospective employee will not violate paragraph (1) or (2).

(ii) If the prospective employee fails to sign the affidavit, the board shall rescind an offer of employment and may not employ the individual.

(b) Contractor restrictions. The following shall apply to an independent contractor of the board and to an employee of an independent contractor whose duties substantially involve consultation relating to licensing, enforcement, development of law, promulgation of regulations or development of policy relating to video gaming under this part:

(1) The person may not, for a period of one year.
following termination of the contract with the board, be
retained by an applicant or a licensed entity or by an
affiliate, intermediary, subsidiary or holding company of an
applicant or a licensed entity.

(2) The person may not, for a period of two years
following termination of the contract with the board, appear
before the board in a hearing or proceeding or participate in
activity on behalf of an applicant, licensee or licensed
entity or on behalf of an affiliate, intermediary, subsidiary
or holding company of an applicant, licensee or licensed
entity.

(3) (i) An applicant or a licensed entity or an
affiliate, intermediary, subsidiary or holding company of
an applicant or a licensee may not, until the expiration
of one year following termination of the contract with
the board, employ or retain the person.

(ii) A knowing violation of this subparagraph shall
result in termination of the person's employment and
subject the violator to section 3905(c).

(4) (i) Each contract between the board and an
independent contractor that involves the duties specified
in this subsection shall contain a provision requiring
the independent contractor to sign an affidavit that the
independent contractor will not violate paragraph (1) or
(2).

(ii) If the independent contractor fails to sign the
affidavit, the board may not enter into the contract or
must terminate the contract.

(5) (i) An independent contractor shall require a
prospective employee whose employment would involve the
duties specified in this subsection to sign an affidavit that the prospective employee will not violate paragraph (1) or (2).

(ii) If the prospective employee fails to sign the affidavit, the independent contractor shall rescind an offer of employment and may not employ the individual.

(c) Construction. Nothing under subsection (a) or (b) shall be construed to prevent a current or former employee of the board, a current or former independent contractor or a current or former employee of an independent contractor from appearing before the board in a hearing or proceeding as a witness or testifying as to any fact or information.

(d) Ethics commission.

(1) The State Ethics Commission shall issue a written determination of whether a person is subject to subsection (a) or (b) upon the written request of the person or the person’s employer or potential employer. A person that relies in good faith on a determination issued under this paragraph shall not be subject to a penalty for an action taken, provided that all material facts specified in the request for the determination are correct.

(2) (i) The State Ethics Commission shall publish a list of all employment positions within the board and employment positions within independent contractors whose duties would subject the individuals in those positions to the provisions of subsections (a) and (b).

(ii) The board and each independent contractor shall assist the State Ethics Commission in the development of the list, which shall be published by the State Ethics Commission in the Pennsylvania Bulletin biennially and
posted by the board on the board's publicly accessible Internet website.

(iii) Upon request, employees of the board and each independent contractor shall provide the State Ethics Commission with adequate information to accurately develop and maintain the list.

(iv) The State Ethics Commission may impose a civil penalty under 65 Pa.C.S. § 1109(f) (relating to penalties) upon an individual who fails to cooperate with the State Ethics Commission under this paragraph.

(v) An individual who relies in good faith on the list published by the State Ethics Commission shall not be subject to a penalty for a violation of subsection (a) or (b).

§ 4303. Financial and employment interests.

(a) Financial interests.—Except as may be provided for the judiciary by rule or order of the Pennsylvania Supreme Court, an executive level public employee, public official or party officer, or an immediate family member thereof, shall not intentionally or knowingly hold a financial interest in an applicant or a licensee, or in a holding company, affiliate, intermediary or subsidiary thereof, while the individual is an executive level public employee, public official or party officer and for one year following termination of the individual's status as an executive level public employee, public official or party officer.

(b) Employment.—Except as may be provided by rule or order of the Pennsylvania Supreme Court and except as provided in section 1202.1 (relating to code of conduct) or 4304 (relating to additional restrictions), no executive level public employee,
public official or party officer, or an immediate family member thereof, shall be employed by an applicant or licensee, or by a holding company, affiliate, intermediary or subsidiary thereof, while the individual is an executive-level public employee, public official or party officer and for one year following termination of the individual's status as an executive level public employee, public official or party officer.

(c) Complimentary services.

(1) No executive-level public employee, public official or party officer, or an immediate family member thereof, shall solicit or accept a complimentary service from an applicant or licensee, or from an affiliate, intermediary, subsidiary or holding company thereof, which the executive-level public employee, public official or party officer, or an immediate family member thereof, knows or has reason to know is other than a service or discount which is offered to members of the general public in like circumstances.

(2) No applicant or licensee, or an affiliate, intermediary, subsidiary or holding company thereof, shall offer or deliver to an executive-level public employee, public official or party officer, or an immediate family member thereof, a complimentary service from the applicant or licensee, or an affiliate, intermediary, subsidiary or holding company thereof, that the applicant or licensee, or an affiliate, intermediary, subsidiary or holding company thereof, knows or has reason to know is other than a service or discount that is offered to members of the general public in like circumstances.

(d) Grading.--An individual who violates this section commits a misdemeanor of the third degree and shall, upon
conviction, be sentenced to pay a fine of not more than $1,000
or to imprisonment for not more than one year, or both.

(e) Divestiture.--

(1) An executive-level public employee, public official
or party officer, or an immediate family member thereof, who
holds a financial interest prohibited by this section shall
divest the financial interest within three months of the
effective date of this section, as applicable.

(2) An executive-level public employee, public official,
party officer or immediate family member shall have 30 days
from the date the individual knew or had reason to know of
the violation or 30 days from the publication in the
Pennsylvania Bulletin under section 3301(b)(12) (relating to
powers of board) of the application or licensure of the
executive-level public employee, public official, party
officer or immediate family member, whichever occurs earlier,
to divest the financial interest.

(3) The State Ethics Commission may, for good cause,
extend the time period under this subsection.

(f) State Ethics Commission.--The State Ethics Commission
shall do all of the following:

(1) (i) Issue a written determination of whether a
person is subject to subsection (a), (b) or (c) upon the
written request of the person or another person that may
have liability for an action taken with respect to the
person.

(ii) A person that relies in good faith on a
determination made under this paragraph shall not be
subject to penalty for an action taken, provided that all
material facts specified in the request for the
determination are correct.

(2) (i) Publish a list of all State, county, municipal and other government positions that meet the definitions of "public official" as defined under subsection (g) or "executive level public employee" as defined under section 3102 (relating to definitions).

(ii) The Office of Administration shall assist the State Ethics Commission in the development of the list, which list shall be published by the State Ethics Commission in the Pennsylvania Bulletin biennially and posted by the board on the board's publicly accessible Internet website.

(iii) Upon request, a public official shall provide the State Ethics Commission with adequate information to accurately develop and maintain the list.

(iv) The State Ethics Commission may impose a civil penalty under 65 Pa.C.S. § 1109(f) (relating to penalties) upon an individual, including a public official or executive level public employee, who fails to cooperate with the State Ethics Commission under this subsection.

(v) A person that relies in good faith on the list published by the State Ethics Commission shall not be subject to penalty for a violation of this section.

(g) Definitions. As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Applicant." A person applying for a manufacturer license, supplier license or terminal operator license under this part.

"Financial interest." Owning or holding, or being deemed to
hold, debt or equity securities or other ownership interest or
profits interest. A financial interest shall not include a debt
or equity security, or other ownership interest or profits
interest, which is held or deemed to be held in any of the
following:

(1) A blind trust over which the executive level public
employee, public official, party officer or immediate family
member thereof may not exercise any managerial control or
receive income during the tenure of office and the period
under subsection (a). The provisions of this paragraph shall
apply only to blind trusts established prior to the effective
date of this section.

(2) Securities that are held in a pension plan, profit-
sharing plan, individual retirement account, tax-sheltered
annuity, a plan established pursuant to section 457 of the
1 et seq.) or a successor provision deferred compensation
plan whether qualified or not qualified under the Internal
Revenue Code of 1986 or any successor provision or other
retirement plan that:

(i) is not self-directed by the individual, and

(ii) is advised by an independent investment adviser
who has sole authority to make investment decisions with
respect to contributions made by the individual to these
plans.

(3) A tuition account plan organized and operated under
section 529 of the Internal Revenue Code of 1986 that is not
self-directed by the individual.

(4) A mutual fund where the interest owned by the mutual
fund in a licensed entity does not constitute a controlling
interest as defined in this part.

"Immediate family." A spouse, minor child or unemancipated child.

"Licensee." A manufacturer licensee, supplier licensee or a terminal operator licensee.

"Party officer." A member of a national committee; a chairperson, vice chairperson, secretary, treasurer or counsel of a State committee or member of the executive committee of a State committee; a county chairperson, vice chairperson, counsel, secretary or treasurer of a county committee in which a licensed facility is located; or a city chairperson, vice chairperson, counsel, secretary or treasurer of a city committee of a city in which a licensed facility is located.

"Public official." The term shall include the following:

(1) The Governor, Lieutenant Governor, a member of the Governor's cabinet, State Treasurer, Auditor General and Attorney General of the Commonwealth.

(2) A member of the Senate or House of Representatives of the Commonwealth.

(3) An individual elected or appointed to an office of a county or municipality that directly receives a distribution of revenue under this part.

(4) An individual elected or appointed to a department, agency, board, commission, authority or other governmental body not included in paragraph (1), (2) or (3) that directly receives a distribution of revenue under this part.

(5) An individual elected or appointed to a department, agency, board, commission, authority, county, municipality or other governmental body not included in paragraph (1), (2) or (3) with discretionary power that may influence or affect the
outcome of an action or decision and who is involved in the
development of regulation or policy relating to a licensed
entity or is involved in other matters under this part.

§ 4304. Additional restrictions.

(a) Restrictions.

(1) No individual trooper or employee of the
Pennsylvania State Police or employee of the Office of
Attorney General or the department whose duties substantially
involve licensing or enforcement, the development of laws or
the development or adoption of regulations or policy related
to gaming under this part or who has other discretionary
authority that may affect or influence the outcome of an
action, proceeding or decision under this part may do any of
the following:

   (i) Accept employment with or be retained by an
applicant or licensed entity, or an affiliate,
intermediary, subsidiary or holding company of an
applicant or licensed entity, for a period of two years
after the termination of employment.

   (ii) (A) Appear before the board in a hearing or
proceeding or participate in other activity on behalf
of an applicant, licensee or licensed entity, or an
affiliate, intermediary, subsidiary or holding
company of an applicant, licensee or licensed entity,
for a period of two years after termination of
employment.

      (B) Nothing in this paragraph shall be construed
to prevent a current or former trooper or employee of
the Pennsylvania State Police, the Office of Attorney
General or the department from appearing before the
board in a proceeding or hearing as a witness or
testifying as to a fact or information.

(2) As a condition of employment, a potential employee
who would be subject to this subsection shall sign an
affidavit that the individual will not accept employment with
or be retained by an applicant or licensed entity, or an
affiliate, intermediary, subsidiary or holding company of an
applicant or licensed entity, for a period of two years after
the termination of employment.

(b) Employment or retention.

(1) No applicant or licensed entity or an affiliate,
intermediary, subsidiary or holding company of an applicant
or licensed entity may employ or retain an individual subject
to subsection (a) until the expiration of the period required
in subsection (a)(1)(i).

(2) An applicant or licensed entity, or an affiliate,
intermediary, subsidiary or holding company of an applicant
or licensed entity, that knowingly employs or retains an
individual in violation of this subsection shall terminate
the employment of the individual and be subject to penalty
under section 1518(c) (relating to prohibited acts;
penalties).

(c) Violation. If an individual subject to subsection (a)
refuses or otherwise fails to sign an affidavit, the
individual's potential employer shall rescind the offer of
employment.

(d) Code of conduct.

(1) The Pennsylvania State Police, Office of Attorney-
General and department each shall adopt a comprehensive code
of conduct that supplements all other requirements under this

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part and 65 Pa.C.S. Pt. II (relating to accountability), as applicable, and shall provide guidelines applicable to troopers, employees, independent contractors of the agency whose duties substantially involve licensing or enforcement, the development of laws or the development or adoption of regulations or policy related to video gaming under this part or who have other discretionary authority that may affect the outcome of an action, proceeding or decision under this part, and the immediate families of these individuals to enable them to avoid a perceived or actual conflict of interest and to promote public confidence in the integrity and impartiality of video gaming enforcement and regulation.

(2) At a minimum, the code of conduct adopted under this section shall apply the types of restrictions applicable to members under section 1202.1(e) (relating to code of conduct), except that the restrictions under section 1202.1(e)(5) shall not apply to an elected Attorney General.

(e) State Ethics Commission.—The State Ethics Commission shall do all of the following:

(1) (i) Issue a written determination of whether an individual is subject to subsection (a) upon the written request of the individual or the individual's employer or potential employer.

(ii) A person that relies in good faith on a determination made under this paragraph shall not be subject to penalty for an action taken, provided that all material facts specified in the request for the determination are correct.

(2) (i) Publish a list of all positions within the Pennsylvania State Police, the Office of Attorney General
and the department the duties of which would subject the
individuals in those positions to the provisions of
subsection (a).

(ii) Each agency subject to this subsection shall
assist the State Ethics Commission in the development of
the list, which list shall be published by the State
Ethics Commission in the Pennsylvania Bulletin
biennially, shall be posted by the board on the board's
publicly accessible Internet website and shall be posted
by each agency on the agency's publicly accessible
Internet website.

(iii) Upon request by the State Ethics Commission,
members and employees of each agency subject to this
subsection shall provide the State Ethics Commission with
adequate information to accurately develop and maintain
the list.

(iv) The State Ethics Commission may impose a civil
penalty under 65 Pa.C.S. § 1109(f) (relating to
penalties) upon an individual who fails to cooperate with
the State Ethics Commission under this subsection.

(v) A person who relies in good faith on the list
published by the State Ethics Commission shall not be
subject to penalty for a violation of subsection (a).

§ 4305. Political influence.

(a) Contribution restriction. The following persons shall
be prohibited from contributing money or an in kind contribution
to a candidate for nomination or election to a public office in
this Commonwealth, to a political party committee or other
political committee in this Commonwealth or to a group,
committee or association organized in support of a candidate,
political party committee or other political committee in this Commonwealth:

(1) An applicant for a terminal operator license, manufacturer license, supplier license, principal license or a key employee license.

(2) A terminal operator licensee, manufacturer licensee or supplier licensee.

(3) A licensed principal or licensed key employee of a terminal operator licensee, manufacturer licensee or supplier licensee.

(4) An affiliate, intermediary, subsidiary or holding company of a terminal operator licensee, manufacturer licensee or supplier licensee.

(5) A licensed principal or licensed key employee of an affiliate, intermediary, subsidiary or holding company of a terminal operator licensee, manufacturer licensee or supplier licensee.

(6) A person who holds a similar video gaming license in another jurisdiction and the affiliates, intermediaries, subsidiaries, holding companies, principals or key employees thereof.

(b) Contributions to certain associations and organizations barred. No individual prohibited from making political contributions under subsection (a) may make a political contribution of money or an in kind contribution to an association or organization, including a nonprofit organization, that has been solicited by, or knowing that the contribution or a portion thereof will be contributed to, the elected official, executive level public employee or candidate for nomination or election to a public office in this Commonwealth.
(c) Internet website.

(1) The board shall establish a publicly accessible Internet website that includes a list of all applicants for and holders of a terminal operator license, manufacturer license or supplier license and the affiliates, intermediaries, holding companies, principals and key employees thereof, all persons holding a similar video gaming license in another jurisdiction, and the affiliates, intermediaries, holding companies, principals and key employees thereof, and other entity in which the applicant or licensee has a debt or an equity security or other ownership or profits interest. An applicant or licensee shall notify the board within seven days of the discovery of a change in or addition to the information.

(2) No individual who acts in good faith and in reliance on the information on the board's publicly accessible Internet website shall be subject to penalty or liability imposed for a violation of this section.

(3) The board shall request the information required under paragraph (1) from a person licensed in another jurisdiction who does not hold a license in this Commonwealth and from regulatory agencies in the other jurisdiction. If a person who is a licensee in another jurisdiction refuses to provide the information required under paragraph (1), the person and its officers, directors or persons with a controlling interest shall be ineligible to receive a license under this part.

(d) Annual certification.—The chief executive officer, or other appropriate individual, of each applicant for a terminal operator license, manufacturer license or supplier license, or
manufacturer licensee, supplier licensee or terminal operator licensee, shall annually certify under oath to the board and the Department of State that the applicant or supplier licensee, manufacturer licensee or terminal operator licensee has developed and implemented internal safeguards and policies intended to prevent a violation of this provision and that the applicant or supplier licensee, manufacturer licensee or terminal operator licensee has conducted a good faith investigation that has not revealed a violation of this subsection during the past year.

(e) Penalties.--

   (1) A violation of this section by a terminal operator licensee or a person that holds a controlling interest in the license, or a subsidiary company thereof, or an officer, director or management-level employee of the licensee shall be punishable as follows:

      (i) A first violation of this section shall be punishable by a fine equal to an amount not less than the average single-day gross terminal revenue of the terminal operator licensee.

      (ii) A second violation of this section, within five years of the first violation, shall be punishable by at least a one day suspension of the license held by the terminal operator licensee and a fine equal to an amount not less than two times the average single day gross terminal revenue of the terminal operator licensee.

      (iii) A third violation of this section within five years of the second violation shall be punishable by the immediate revocation of the license held by the terminal operator licensee.
(2) A violation of this section by a manufacturer or supplier licensed under this part or by a person that holds a controlling interest in such manufacturer or supplier, or a subsidiary company thereof, or an officer, a director or management level employee of such a licensee shall be punishable as follows:

(i) A first violation of this section shall be punishable by a fine equal to an amount not less than a single day average of the gross profit from sales made by the manufacturer or supplier in this Commonwealth during the preceding 12-month period or portion thereof in the event the manufacturer or supplier has not operated in this Commonwealth for 12 months.

(ii) A second or subsequent violation of this section within five years of a prior violation shall be punishable by a one-month suspension of the license held by the manufacturer or supplier and a fine equal to an amount not less than two times a single day average of the gross profit from sales made by the manufacturer or supplier in this Commonwealth during the preceding 12-month period or portion thereof in the event the manufacturer or supplier has not operated in this Commonwealth for 12 months.

(3) In no event shall the fine imposed under this section be an amount less than $100,000 for each violation. In addition to a fine or sanction that may be imposed by the board under this subsection, an individual who makes a contribution in violation of this section commits a misdemeanor of the third degree.

(d) Definitions.—As used in this section, the following...
words and phrases shall have the meanings given to them in this subsection:

"Contribution." A payment, gift, subscription, assessment, contract, payment for services, dues, loan, forbearance, advance or deposit of money or a valuable thing made to a candidate or political committee for the purpose of influencing an election in this Commonwealth or for paying debts incurred by or for a candidate or committee before or after an election. The term includes:

1. The purchase of tickets for events, including dinners, luncheons, rallies and other fundraising events.
2. The granting of discounts or rebates not available to the general public.
3. The granting of discounts or rebates by television and radio stations and newspapers not extended on an equal basis to all candidates for the same office.
4. A payment provided for the benefit of a candidate, including payment for the services of a person serving as an agent of a candidate or committee by a person other than the candidate or committee or person whose expenditures the candidate or committee must report.
5. The receipt or use of anything of value by a political committee from another political committee and a return on investments by a political committee.

"Political committee." A committee, club, association or other group of persons that receives contributions or makes expenditures.
§ 4501. Gaming schools.

(a) Curriculum.--The Department of Labor and Industry, in consultation with the Department of Education and the board, shall, within 60 days following the effective date of this section, develop curriculum guidelines, including minimum proficiency requirements established by the board, for gaming school instruction related to video gaming terminals. The guidelines shall, at a minimum, establish courses of instruction that will provide individuals with adequate job training necessary to obtain employment as video gaming employees.

(b) Gaming equipment.--All gaming equipment utilized by a gaming school, including video gaming and associated equipment and all representations of value, shall be used for training, instructional and practice purposes only. The use of the gaming equipment for actual gaming by a person is prohibited.

(c) Possession, removal and transport of equipment.--No gaming school shall possess, remove or transport, or cause to be removed or transported, a video gaming terminal or associated equipment except in accordance with this part.

(d) Serial numbers.--Each video gaming terminal and associated equipment on the premises of a gaming school shall have permanently affixed on it a serial number that, together with the location of the video gaming terminal, is filed with...
the board.

(e) Security.--Each gaming school shall provide adequate
security for video gaming terminals and associated equipment on
the gaming school premises.

(f) Notice to board and bureau. No gaming school shall sell
or transfer a video gaming terminal or associated equipment
except upon prior written notice to the board and the bureau.

§ 4502. Declaration of exemption from Federal laws prohibiting
video gaming terminals.

(a) Declaration. Under the Gambling Devices Transportation
Act (64 Stat. 1134, 15 U.S.C. § 1171 et seq.), the Commonwealth
declares that it is exempt from section 2 of that act.

(b) Legal shipments.—All shipments of gambling devices, as
defined in section 1 of the Gambling Devices Transportation Act,
into this Commonwealth, the registering, recording and labeling
of which has been effected by the manufacturer and supplier of
those devices in accordance with sections 3 and 4 of the
Gambling Devices Transportation Act, shall be deemed legal
shipments of gambling devices into this Commonwealth.

§ 4503. Preemption of local taxes and license fees.

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

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

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

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

(4) Any statute that confers taxing authority to a
political subdivision.
(b) Licensing fees.--Video gaming terminals are exempt from local licensing fees.

§ 4504. Exclusive jurisdiction of Supreme Court.
The Pennsylvania Supreme Court shall have exclusive jurisdiction to hear a challenge to or to render a declaratory judgment concerning the constitutionality of this part. The Pennsylvania Supreme Court may take such action as it deems appropriate, consistent with the Pennsylvania Supreme Court retaining jurisdiction over the matter, to find facts or to expedite a final judgment in connection with a challenge or request for declaratory relief.

§ 4505. Funding.

(a) Appropriation.--The General Assembly appropriates the following:

(1) The sum of $5,000,000 is hereby appropriated to the board for the fiscal period July 1, 2017, to June 30, 2018, to implement and administer the provisions of this part.

(2) The sum of $3,000,000 is hereby appropriated from the General Fund to the department for the fiscal period July 1, 2017, to June 30, 2018, to prepare for, implement and administer the provisions of this part.

(3) The sum of $2,000,000 is hereby appropriated from the General Fund to the Pennsylvania State Police for the fiscal period July 1, 2017, to June 30, 2018, to prepare for, implement and administer the provisions of this part.

(b) Repayment required. The money appropriated under this section shall be repaid to the General Fund by terminal operator licensees according to subsection (c).

(c) Repayment schedule.--Beginning two years from the date the board authorizes the first video gaming terminal to be
connected to the central control computer system and is made available for public use, the department shall collect an assessment of .05% of gross terminal revenue on a bi-monthly basis from each terminal operator licensee for deposit into the General Fund. The department shall continue to collect the assessment until the amounts under subsection (a) are repaid to the General Fund.

(d) Unused amounts. On July 1, 2018, any portion of amounts appropriated under this section that are unexpended, unencumbered or uncommitted as of June 30 of the prior fiscal year shall automatically be transferred to the General Fund.

§ 4506. Commonwealth Financing Authority.

The Commonwealth Financing Authority shall establish accounts, administer and distribute the funds deposited into the accounts and perform all other duties required of it under this part.

Section 34. Section 5513 of Title 18 is amended to read:

§ 5513. Gambling devices, gambling, etc.

(a) Offense defined.--[A] Except as otherwise provided for in subsections (a.1) and (a.2), a person is guilty of a misdemeanor of the first degree if he:

(1) intentionally or knowingly makes, assembles, sets up, maintains, sells, lends, leases, gives away, or offers for sale, loan, lease or gift, any punch board, drawing card[, slot machine] or any device to be used for gambling purposes, except playing cards;

(2) allows persons to collect and assemble for the purpose of unlawful gambling at any place under his control;

(3) solicits or invites any person to visit any unlawful gambling place for the purpose of gambling; or
(4) being the owner, tenant, lessee or occupant of any premises, knowingly permits or suffers the same, or any part thereof, to be used for the purpose of unlawful gambling.

(a.1) Electronic video monitor.--A person commits a felony of the third degree if he owns, operates, maintains, places into operation or has a financial interest in an electronic video monitor or business that owns, operates, maintains or places into operation or has a financial interest in an electronic video monitor:

1. which is offered or made available to persons to play or participate in a simulated gambling program for direct or indirect consideration, including consideration associated with a related product, service or activity; and

2. for which the person playing the simulated gambling program may become eligible for a cash or cash-equivalent prize, whether or not the eligibility for or value of the cash or cash-equivalent prize is determined by or has any relationship to the outcome of or play of the simulated gambling program.

(a.2) Gaming machine.--A person commits a felony of the third degree if he owns, operates, maintains, places into operation or has a financial interest in a gaming machine or business that owns, operates, maintains or places into operation or has a financial interest in a gaming machine.

(b) Confiscation of gambling devices. Any gambling device or gaming machine possessed or used in violation of the provisions of subsection (a), (a.1) and (a.2) of this section shall be seized and forfeited to the Commonwealth. All provisions of law relating to the seizure, summary and judicial forfeiture, and condemnation of

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intoxicating liquor shall apply to seizures and forfeitures under the provisions of this section.

(c) Antique slot machines.--

(1) An antique slot machine shall not be considered a gaming machine or an illegal gambling device if the defendant shows by a preponderance of the evidence that it was manufactured at least 25 years before the current year and that it was not used or attempted to be used for any unlawful purposes. Notwithstanding subsection (b), no antique slot machine seized from any defendant shall be destroyed or otherwise altered until the defendant is given an opportunity to establish that the slot machine is an antique slot machine. After a final court determination that the slot machine is an antique slot machine, the slot machine shall be returned pursuant to the provisions of law providing for the return of property; otherwise, the slot machine shall be destroyed.

(2) It is the purpose of this subsection to protect the collection and restoration of antique slot machines not presently utilized for gambling purposes.

(d) Shipbuilding business.--Notwithstanding any other provisions of this section, a person may construct, deliver, convert or repair a vessel that is equipped with gambling devices if all of the following conditions are satisfied:

(1) The work performed on the vessel is ordered by a customer who uses or possesses the vessel outside of this Commonwealth in a locality where the use or possession of the gambling devices on the vessel is lawful.

(2) The work performed on the vessel that is equipped with gambling devices is performed at a shipbuilding or
repair yard located within a port facility under the jurisdiction of any port authority organized under the act of December 6, 1972 (P.L.1392, No.298), known as the Third Class City Port Authority Act.

(3) The person provides the Office of Attorney General, prior to the importation of the gambling devices into this Commonwealth, records that account for the gambling devices, including the identification number affixed to each gambling device by the manufacturer, and that identify the location where the gambling devices will be stored prior to the installation of the gambling devices on the vessel.

(4) The person stores the gambling devices at a secured location and permits any person authorized to enforce the gambling laws to inspect the location where the gambling devices are stored and records relating to the storage of the gambling devices.

(5) If the person removes used gambling devices from a vessel, the person shall provide the Office of Attorney General of Pennsylvania with an inventory of the used gambling devices prior to their removal from the vessel. The inventory shall include the identification number affixed to each gambling device by the manufacturer.

(6) The person submits documentation to the Office of Attorney General of Pennsylvania no later than 30 days after the date of delivery that the vessel equipped with gambling devices has been delivered to the customer who ordered the work performed on the vessel.

(7) The person does not sell a gambling device to any other person except to a customer who shall use or possess the gambling device outside of this Commonwealth in a
locality where the use or possession of the gambling device  
is lawful. If a person sells a gambling device to such a  
customer, the person shall submit documentation to the Office  
of Attorney General of Pennsylvania no later than 30 days  
after the date of delivery that the gambling device has been  
delivered to the customer.

(e) Penalty. Any person who fails to provide records as  
provided in subsection (d) commits a summary offense.

(e.1) Construction. Nothing in this section shall be  
construed to prohibit any activity that is lawfully conducted  
under any of the following:

(1) The act of August 26, 1971 (P.L.351, No.91), known  
as the State Lottery Law.

(2) The act of July 10, 1981 (P.L.214, No.67), known as  
the Bingo Law.

(3) The act of December 19, 1988 (P.L.1262, No.156),  
known as the Local Option Small Games of Chance Act.

(4) 4 Pa.C.S. (relating to amusements).

(f) Definitions.--The following words and phrases when used  
in this section shall have the meanings given to them in this  
subsection unless the context clearly indicates otherwise:

"Consideration associated with a related product, service or  
activity." Money or other value collected for a product,  
service or activity which is offered in any direct or indirect  
relationship to playing or participating in the simulated  
gambling program. The term includes consideration paid for  
computer time, Internet time, telephone calling cards and a  
sweepstakes entry.

"Electronic video monitor." An electronic device capable of  
showing moving or still images.
"Gaming machine." An electronic or mechanical device or game that directly or indirectly requires consideration to play, has the outcome of play determined primarily by chance and rewards a player cash, prize or anything of value. The term includes a video gaming terminal as defined in 4 Pa.C.S. § 3102 (relating to definitions) that does not contain an irremovable identification plate as specified in 4 Pa.C.S. § 3701 (relating to testing and certification of terminals).

"Simulated gambling program." Any method intended to be used by a person interacting with an electronic video monitor in a business establishment that directly or indirectly implements the predetermination of sweepstakes cash or cash-equivalent prizes or otherwise connects the sweepstakes player or participant with the cash or cash-equivalent prize.

Section 35. No person may be charged with a violation of 18 Pa.C.S. § 5513 involving a gambling device or gaming machine if the person surrenders the gambling device or gaming machine to the Pennsylvania State Police within 60 days of the effective date of this section.

Section 36. Licensed gaming entities required to make payments under 4 Pa.C.S. § 1326.1 shall:

(1) receive a credit against payments due in calendar year 2017 for any payments made up to the date the first payment is due under paragraph (2) under the following:

(i) 4 Pa.C.S. § 1403(c)(3)(i), (ii), (iii), (iii.1), (iv), (v), (vi) and (vii) and 4(i) and (ii), formerly (3)(viii)(A) and (B), as those provisions were in existence prior to the effective date of the reenactment and amendment of 4 Pa.C.S. § 1403;

(ii) any written agreement between a municipality
and a licensed gaming entity required to make payments under 4 Pa.C.S. § 1326.1 entered into prior to the effective date of this section that relates to the payments required under 4 Pa.C.S. § 1403(c)(3)(i), (ii), (iii), (iii.1), (iv), (v), (vi) and (vii) and 4(i) and (ii), formerly (3)(viii)(A) and (B), as those provisions existed prior to the effective date of the amendment of 4 Pa.C.S. § 1403; or

(iii) any written agreement between a county and a licensed gaming entity required to make payments prior to the effective date of this section under the provisions of 4 Pa.C.S. § 1403(c)(2), as those provisions existed prior to the effective date of the amendment of 4 Pa.C.S. § 1403; and

(2) commence the payments due under this section the first day of the first calendar month following the effective date of this section.

Section 37. This act shall apply as follows:

(1) The following provisions shall apply retroactively to January 1, 2017:

(i) The addition of 4 Pa.C.S. § 1326.1.

(ii) The amendment of 4 Pa.C.S. § 13A63(b)(3)(iii) (A) and (C).

(iii) The reenactment and amendment of 4 Pa.C.S. § 1403, except as provided in paragraph (2) of this section.

(iv) Section 36 of this act.

Section 38. Repeals are as follows:
The General Assembly finds that the repeal under paragraph (2) is necessary to effectuate the amendment of 4 Pa.C.S. § 1307(a).

Section 21(2) of the act of January 7, 2010 (P.L.1, No.1), is repealed.

The General Assembly declares that the repeal under paragraph (4) is necessary to effectuate the addition of 4 Pa.C.S. § 1403(c)(2)(I)(2) and (I.3).

Section 1753 E of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, is repealed.

The General Assembly declares that the repeal under paragraph (6) is necessary to effectuate the addition of 4 Pa.C.S. § 1521.1.

Section 416 of the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code.

Section 39. This act shall take effect as follows:

(1) The amendment or addition of 4 Pa.C.S. Chs. 5 and 13C and 4 Pa.C.S. § 1509 shall take effect in 60 days.

(2) The addition of 4 Pa.C.S. Ch. 3 shall take effect in 180 days.

(3) The remainder of this act shall take effect immediately.

SECTION 1. SECTION 9313 OF TITLE 3 OF THE PENNSYLVANIA CONSOLIDATED STATUTES IS AMENDED TO READ:

§ 9313. BUDGET.


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AMOUNTS TO BE APPROPRIATED FROM THE STATE RACING FUND, THE
PENNSYLVANIA RACE HORSE DEVELOPMENT TRUST FUND AND THE GENERAL
FUND TO ADMINISTER AND ENFORCE THIS CHAPTER AND FOR THE
PROMOTION OF HORSE RACING. BEGINNING JULY 1, 2016, AND ANNUALLY
THEREAFTER, 1% OF THE PREVIOUS FISCAL YEAR'S DEPOSITS INTO THE
PENNSYLVANIA RACE HORSE DEVELOPMENT TRUST FUND SHALL BE
TRANSFERRED FROM THE PENNSYLVANIA RACE HORSE DEVELOPMENT TRUST-
FUND TO THE STATE RACING FUND TO PROVIDE FOR THE PROMOTION OF
HORSE RACING.

SECTION 1.1. SECTION 9330(F) OF TITLE 3 IS REPEALED:
§ 9330. PLACE AND MANNER OF CONDUCTING PARI-MUTUEL WAGERING AT
RACETRACK ENCLOSURE.

* * *

[(F) PRIMARY MARKET AREA.--

(1) A LICENSED RACING ENTITY OR SECONDARY PARI-MUTUEL
ORGANIZATION MAY NOT ACCEPT A WAGER OR ESTABLISH ELECTRONIC
WAGERING OR ADVANCED DEPOSIT ACCOUNT WAGERING FOR ANY PERSON
LOCATED IN THE PRIMARY MARKET AREA OF A RACETRACK, OTHER THAN
THE RACETRACK AT WHICH THE LICENSED RACING ENTITY IS
CONDUCTING A HORSE RACE MEETING.

(2) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO
PROHIBIT A LICENSED RACING ENTITY FROM ACCEPTING A WAGER FROM
OR ESTABLISHING AN ELECTRONIC WAGERING ACCOUNT FOR ANY PERSON
LOCATED IN THE PRIMARY MARKET AREA OF THE RACETRACK WHERE THE
LICENSED RACING ENTITY IS CONDUCTING A HORSE RACE MEETING. IF
TWO TRACKS SHARE THE PRIMARY MARKET AREA, BOTH RACETRACKS
SHALL HAVE EQUAL RIGHTS TO THE MARKET IN THE SHARED AREA.]

SECTION 1.2. SECTIONS 9352(3) AND (4), 9356(B)(2) AND (10)
AND 9374(A) OF TITLE 3 ARE AMENDED TO READ:

§ 9352. LICENSING COSTS AND FEES.
COSTS AND FEES ARE AS FOLLOWS:

* * *

(3) INITIAL LICENSE FEE:

   (I) THE FEE FOR AN ELECTRONIC WAGERING LICENSE UNDER SECTION 9351(A) (RELATING TO GENERAL LICENSE REQUIREMENTS) SHALL BE [500,000] $50,000. IF AN APPLICANT THAT IS ALSO A CATEGORY 1 SLOT MACHINE LICENSEE OR ITS CORPORATE SUCCESSOR OR AFFILIATE PAID THE LICENSE FEE UNDER 4 PA.C.S. § 1209 (RELATING TO SLOT MACHINE LICENSE FEE), THE FEE REQUIRED UNDER THIS PARAGRAPH SHALL BE DEEMED PAID. A FEE PAID UNDER THIS PARAGRAPH SHALL BE DEPOSITED IN THE STATE RACING FUND, OR, IN THE CASE OF A DEEMED PAYMENT, TRANSFERRED TO THE STATE RACING FUND UPON CERTIFICATION OF THE SECRETARY OF THE BUDGET.

   (II) THE FEE FOR AN INITIAL TOTALISATOR OR RACING VENDOR LICENSE UNDER SECTION 9351(A.1) SHALL BE $25,000 AND SHALL BE DEPOSITED IN THE STATE RACING FUND.

(4) LICENSE RENEWAL FEE:

   (I) THE FEE FOR AN ELECTRONIC WAGERING LICENSE RENEWAL UNDER SECTION 9351(B)(2) SHALL BE [100,000] $10,000. IF AN EXISTING LICENSEE UNDER THIS SECTION THAT IS ALSO A CATEGORY 1 SLOT MACHINE LICENSEE OR ITS CORPORATE SUCCESSOR OR AN AFFILIATE PAID THE LICENSE FEE UNDER 4 PA.C.S. § 1209, THE FEE REQUIRED UNDER THIS PARAGRAPH SHALL BE DEEMED PAID. A LICENSE RENEWAL MAY NOT BE ISSUED UNTIL RECEIPT OF THE LICENSE RENEWAL FEE. THE LICENSE FEE SHALL BE DEPOSITED INTO THE STATE RACING FUND, OR, IN THE CASE OF A DEEMED PAYMENT, IT SHALL BE TRANSFERRED TO THE STATE RACING FUND.

   (II) THE FEE FOR THE RENEWAL OF A TOTALISATOR OR
RACING VENDOR LICENSE UNDER SECTION 9351(B)(1) SHALL BE $5,000 AND SHALL BE DEPOSITED IN THE STATE RACING FUND.

§ 9356. OPERATIONS.

(B) REQUIREMENTS.--

(2) A LICENSEE SHALL [ENTER INTO AN AGREEMENT WITH EACH LICENSED RACING ENTITY IN THIS COMMONWEALTH ON WHOSE RACES THE LICENSEE OFFERS WAGERING REGARDING PAYMENT OF HOST FEES AND ANY OTHER APPLICABLE FEES, COSTS OR PAYMENTS OF ANY KIND TO BE PAID TO THE LICENSED RACING ENTITY. THE LICENSED RACING ENTITY AND THE APPLICABLE HORSEMEN'S ORGANIZATION SHALL NEGOTIATE A SEPARATE AGREEMENT FOR CONTRIBUTIONS TO THE PURSE ACCOUNT.] CONTRIBUTE TO THE PURSE ACCOUNT IN ACCORDANCE WITH SECTION 9331(D) (RELATING TO PARI-MUTUEL WAGERING AT NONPRIMARY LOCATIONS).

(10) THE INFORMATION SUPPLIED BY THE ACCOUNT HOLDER SHALL BE VERIFIED BY THE LICENSEE USING MEANS ACCEPTABLE TO THE COMMISSION. [A SECONDARY PARI-MUTUEL ORGANIZATION MUST VERIFY THAT THE ACCOUNT HOLDER DOES NOT RESIDE WITHIN THE PRIMARY MARKET AREA OF A LICENSED RACING ENTITY.]

§ 9374. COSTS OF ENFORCEMENT OF MEDICATION RULES OR REGULATIONS.

(A) AUTHORIZATION.--BEGINNING JULY 1, 2016, AND EACH YEAR THEREAFTER, THE GENERAL ASSEMBLY SHALL AUTHORIZE THE TRANSFER OF FUNDS FROM THE PENNSYLVANIA RACE HORSE DEVELOPMENT TRUST FUND TO THE STATE RACING FUND TO PROVIDE FOR EACH COST ASSOCIATED WITH
THE COLLECTION AND RESEARCH OF AND TESTING FOR MEDICATION, WHICH
SHALL INCLUDE THE COST OF NECESSARY PERSONNEL, EQUIPMENT,
SUPPLIES AND FACILITIES, EXCEPT HOLDING BARNS OR STABLES, TO BE
LOCATED AT HORSE RACE FACILITIES, GROUNDS OR ENCLOSURES OR AT
OTHER LOCATIONS DESIGNATED BY THE COMMISSION. ALL SUCH COSTS
SHALL BE REVIEWED AND APPROVED BY THE COMMISSION. THE TRANSFER
SHALL BE MADE IN 52 EQUAL WEEKLY INSTALLMENTS DURING THE FISCAL
YEAR BEFORE ANY OTHER DISTRIBUTION FROM THE PENNSYLVANIA RACE
HORSE DEVELOPMENT TRUST FUND.

* * *

SECTION 1.4. TITLE 4 IS AMENDED BY ADDING A PART TO READ:

PART I

AMUSEMENTS GENERALLY

CHAPTER

1. PRELIMINARY PROVISIONS (RESERVED)

3. FANTASY CONTESTS

5. LOTTERY

7. ILOTTERY

CHAPTER 1

PRELIMINARY PROVISIONS

(RESERVED)

CHAPTER 3

FANTASY CONTESTS

SUBCHAPTER

A. GENERAL PROVISIONS

B. ADMINISTRATION

C. LICENSURE

D. FISCAL PROVISIONS

E. MISCELLANEOUS PROVISIONS

SUBCHAPTER A
SEC.

301. SCOPE OF CHAPTER.

302. DEFINITIONS.

§ 301. SCOPE OF CHAPTER.

THIS CHAPTER RELATES TO FANTASY CONTESTS.

§ 302. DEFINITIONS.

THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

"APPLICANT." A PERSON WHO, ON HIS OWN BEHALF OR ON BEHALF OF ANOTHER, IS APPLYING FOR PERMISSION TO ENGAGE IN ANY ACT OR ACTIVITY WHICH IS REGULATED UNDER THE PROVISIONS OF THIS CHAPTER. IF THE APPLICANT IS A PERSON OTHER THAN AN INDIVIDUAL, THE BOARD SHALL DETERMINE THE ASSOCIATED PERSONS WHOSE QUALIFICATIONS ARE NECESSARY AS A PRECONDITION TO THE LICENSING OF THE APPLICANT.

"BEGINNER." A PARTICIPANT WHO HAS ENTERED FEWER THAN 51 CONTESTS OFFERED BY A SINGLE LICENSED OPERATOR OR WHO DOES NOT MEET THE DEFINITION OF A HIGHLY EXPERIENCED PLAYER.

"BOARD." THE PENNSYLVANIA GAMING CONTROL BOARD.

"BUREAU." THE BUREAU OF INVESTIGATIONS AND ENFORCEMENT OF THE BOARD.

"CONDUCT OF GAMING." AS DEFINED IN SECTION 1103 (RELATING TO DEFINITIONS).

"CONTROLLING INTEREST." EITHER OF THE FOLLOWING:

(1) FOR A PUBLICLY TRADED DOMESTIC OR FOREIGN CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER FORM OF PUBLICLY TRADED LEGAL ENTITY, A CONTROLLING INTEREST IS AN INTEREST IF A PERSON'S SOLE VOTING RIGHTS UNDER STATE LAW ARE CONTROLLED BY THE PERSON.
LAW OR CORPORATE ARTICLES OR BYLAWS ENTITLE THE PERSON TO
ELECT OR APPOINT ONE OR MORE OF THE MEMBERS OF THE BOARD OF
DIRECTORS OR OTHER GOVERNING BOARD OR THE OWNERSHIP OR
BENEFICIAL HOLDING OF 5% OR MORE OF THE SECURITIES OF THE
PUBLICLY TRADED CORPORATION, PARTNERSHIP, LIMITED LIABILITY
COMPANY OR OTHER FORM OF PUBLICLY TRADED LEGAL ENTITY, UNLESS
THIS PRESUMPTION OF CONTROL OR ABILITY TO ELECT IS REBUTTED
BY CLEAR AND CONVINCING EVIDENCE.

(2) FOR A PRIVATELY HELD DOMESTIC OR FOREIGN
CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER
FORM OF PRIVATELY HELD LEGAL ENTITY, A CONTROLLING INTEREST
IS THE HOLDING OF SECURITIES OF 15% OR MORE IN THE LEGAL
ENTITY, UNLESS THIS PRESUMPTION OF CONTROL IS REBUTTED BY
CLEAR AND CONVINCING EVIDENCE.

"DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.
"ENTRY FEE." THE CASH OR CASH EQUIVALENT PAID BY A
PARTICIPANT TO A LICENSED OPERATOR IN ORDER TO PARTICIPATE IN A
FANTASY CONTEST.

"FANTASY CONTEST." AS FOLLOWS:

(1) AN ONLINE FANTASY OR SIMULATED GAME OR CONTEST WITH
AN ENTRY FEE AND A PRIZE OR AWARD IN WHICH:

(I) THE VALUE OF ALL PRIZES OR AWARDS OFFERED TO
WINNING PARTICIPANTS IS ESTABLISHED AND MADE KNOWN TO
PARTICIPANTS IN ADVANCE OF THE CONTEST AND THE VALUE IS
NOT DETERMINED BY THE NUMBER OF PARTICIPANTS OR THE
AMOUNT OF ANY FEES PAID BY THOSE PARTICIPANTS.

(II) ALL WINNING OUTCOMES REFLECT THE RELATIVE
KNOWLEDGE AND SKILL OF PARTICIPANTS AND ARE DETERMINED BY
ACCUMULATED STATISTICAL RESULTS OF THE PERFORMANCE OF
INDIVIDUALS, INCLUDING ATHLETES IN THE CASE OF SPORTS
EVENTS.

(III) NO WINNING OUTCOME IS BASED ON THE SCORE,
POINT SPREAD OR PERFORMANCE OF A SINGLE ACTUAL TEAM OR
COMBINATION OF TEAMS OR SOLELY ON A SINGLE PERFORMANCE OF
AN INDIVIDUAL ATHLETE OR PLAYER IN A SINGLE ACTUAL EVENT.
(2) THE TERM DOES NOT INCLUDE SOCIAL FANTASY CONTESTS.
"FANTASY CONTEST ACCOUNT." THE FORMAL ELECTRONIC SYSTEM
IMPLEMENTED BY A LICENSED OPERATOR TO RECORD A PARTICIPANT'S
ENTRY FEES, PRIZES OR AWARDS AND OTHER ACTIVITIES RELATED TO
PARTICIPATION IN THE LICENSED OPERATOR'S FANTASY CONTESTS.
"FANTASY CONTEST ADJUSTED REVENUES." FOR EACH FANTASY
CONTEST, THE AMOUNT EQUAL TO THE TOTAL AMOUNT OF ALL ENTRY FEES
COLLECTED FROM ALL PARTICIPANTS ENTERING THE FANTASY CONTEST
MINUS PRIZES OR AWARDS PAID TO PARTICIPANTS IN THE FANTASY
CONTEST, MULTIPLIED BY THE IN-STATE PERCENTAGE.
"FANTASY CONTEST LICENSE." A LICENSE ISSUED BY THE BOARD
AUTHORIZING A PERSON TO OFFER FANTASY CONTESTS IN THIS
COMMONWEALTH IN ACCORDANCE WITH THIS CHAPTER.
"FANTASY CONTEST TERMINAL." A COMPUTERIZED OR ELECTRONIC
TERMINAL OR SIMILAR DEVICE WITHIN A LICENSED FACILITY THAT
ALLOWS PARTICIPANTS TO:
(1) REGISTER FOR A FANTASY CONTEST ACCOUNT;
(2) PAY AN ENTRY FEE;
(3) SELECT ATHLETES FOR A FANTASY CONTEST;
(4) RECEIVE Winnings; OR
(5) OTHERWISE PARTICIPATE IN A FANTASY CONTEST.
"GAMING SERVICE PROVIDER." AS DEFINED IN SECTION 1103.
"HIGHLY EXPERIENCED PLAYER." AS FOLLOWS:
(1) ANY PARTICIPANT WHO HAS:
(I) ENTERED MORE THAN 1,000 FANTASY CONTESTS; OR
(II) Won more than three fantasy contest prizes or awards valued at $1,000 or more.

(2) Once a participant is classified as a highly experienced player, a player shall remain classified as a highly experienced player.

"In-state participant." An individual who participates in a fantasy contest conducted by a licensed operator and pays a fee to a licensed operator from a location within this commonwealth. The term includes an individual who pays an entry fee through a fantasy contest terminal within a licensed facility.

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

"Institutional investor." As defined in section 1103.

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

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

"Licensed facility." As defined in section 1103.

"Licensed gaming entity." As defined in section 1103.
"LICENSED OPERATOR." A PERSON WHO HOLDS A FANTASY CONTEST LICENSE.

"LICENSEE." A LICENSED OPERATOR, A PRINCIPAL OR KEY EMPLOYEE OF A LICENSED OPERATOR.

"PARTICIPANT." AN INDIVIDUAL WHO PARTICIPATES IN A FANTASY CONTEST, WHETHER THE INDIVIDUAL IS LOCATED IN THIS COMMONWEALTH OR ANOTHER JURISDICTION.

"PERSON." A NATURAL PERSON, CORPORATION, PUBLICLY TRADED CORPORATION, FOUNDATION, ORGANIZATION, BUSINESS TRUST, ESTATE, LIMITED LIABILITY COMPANY, LICENSED CORPORATION, TRUST, PARTNERSHIP, LIMITED LIABILITY PARTNERSHIP, ASSOCIATION OR ANY OTHER FORM OF LEGAL BUSINESS ENTITY.

"PRINCIPAL." AN OFFICER, DIRECTOR OR PERSON WHO DIRECTLY HOLDS A BENEFICIAL INTEREST IN OR OWNERSHIP OF THE SECURITIES OF AN APPLICANT FOR A FANTASY CONTEST LICENSE OR A LICENSED OPERATOR, A PERSON WHO HAS A CONTROLLING INTEREST IN AN APPLICANT FOR A FANTASY CONTEST LICENSE OR A LICENSED OPERATOR OR WHO HAS THE ABILITY TO ELECT A MAJORITY OF THE BOARD OF DIRECTORS OF A LICENSED OPERATOR OR TO OTHERWISE CONTROL A LICENSED OPERATOR, LENDER OR OTHER LICENSED FINANCIAL INSTITUTION OF AN APPLICANT FOR A FANTASY CONTEST LICENSE OR A LICENSED OPERATOR, OTHER THAN A BANK OR LENDING INSTITUTION WHICH MAKES A LOAN OR HOLDS A MORTGAGE OR OTHER LIEN ACQUIRED IN THE ORDINARY COURSE OF BUSINESS, UNDERWRITER OF AN APPLICANT FOR A FANTASY CONTEST LICENSE OR A LICENSED OPERATOR, OTHER THAN A BANK OR LENDING INSTITUTION WHICH MAKES A LOAN OR HOLDS A MORTGAGE OR OTHER LIEN ACQUIRED IN THE ORDINARY COURSE OF BUSINESS, UNDERWRITER OF AN APPLICANT FOR A FANTASY CONTEST LICENSE OR A LICENSED OPERATOR OR OTHER PERSON OR EMPLOYEE OF AN APPLICANT FOR A FANTASY CONTEST LICENSE OR A LICENSED OPERATOR DEEMED TO BE A PRINCIPAL BY THE BOARD.

"PRIZE OR AWARD." ANYTHING OF VALUE WORTH $100 OR MORE OR ANY AMOUNT OF CASH OR CASH EQUIVALENTS.

"PUBLICLY TRADED CORPORATION." A PERSON, OTHER THAN AN
INDIVIDUAL, THAT:

(1) HAS A CLASS OR SERIES OF SECURITIES REGISTERED UNDER
THE SECURITIES EXCHANGE ACT OF 1934 (48 STAT. 881, 15 U.S.C. § 78A ET SEQ.);

(2) IS A REGISTERED MANAGEMENT COMPANY UNDER THE
INVESTMENT COMPANY ACT OF 1940 (54 STAT. 789, 15 U.S.C. § 80A-1 ET SEQ.); OR

(3) IS SUBJECT TO THE REPORTING REQUIREMENTS UNDER
SECTION 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 BY
REASON OF HAVING FILED A REGISTRATION STATEMENT THAT HAS

"SCRIPT." A LIST OF COMMANDS THAT A FANTASY-CONTEST-RELATED
COMPUTER SOFTWARE PROGRAM CAN EXECUTE THAT IS CREATED BY A
PARTICIPANT OR THIRD PARTY NOT APPROVED BY THE LICENSED OPERATOR
TO AUTOMATE PROCESSES ON A LICENSED OPERATOR’S FANTASY CONTEST
PLATFORM.

"SEASON-LONG FANTASY CONTEST." A FANTASY CONTEST OFFERED BY
A LICENSED OPERATOR THAT IS CONDUCTED OVER AN ENTIRE SPORTS
SEASON.

"SOCIAL FANTASY CONTEST." A FANTasy CONTEST WHICH MEETS ONE
OR MORE OF THE FOLLOWING CRITERIA:

(1) NOTHING IS OFFERED TO PARTICIPANTS OTHER THAN GAME-
BASED VIRTUAL CURRENCY THAT CANNOT BE REDEEMED FOR CASH,
MERCHANDISE OR ANYTHING OF VALUE OUTSIDE THE CONTEXT OF GAME
PLAY.

(2) THE CONTEST IS FREE TO ALL PARTICIPANTS.

(3) THE ENTITY OFFERING THE CONTEST RECEIVES NO
COMPENSATION, OTHER THAN AN ADMINISTRATIVE FEE FOR THE
MAINTENANCE OF STATISTICAL INFORMATION, IN CONNECTION WITH
THE CONTEST.

(4) THE WINNINGS OFFERED ARE OF NO GREATER VALUE THAN
THE LOWEST INDIVIDUAL FEE CHARGED TO A SINGLE PARTICIPANT FOR
ENTERING OR PARTICIPATING IN THE CONTEST.

(5) THE CONTEST ENCOMPASSES AN ENTIRE SEASON OF THE
ACTIVITY IN WHICH THE UNDERLYING COMPETITION IS BEING
CONDUCTED AND THE WINNINGS OFFERED, IF ANY, ARE DETERMINED BY
AGREEMENT OF THE PARTICIPANTS ONLY IN ORDER TO DISTRIBUTE
FULLY THE PARTICIPANTS' CONTRIBUTIONS TO A FUND ESTABLISHED
TO GRANT THE WINNINGS FOR THE CONTEST.

"SUSPICIOUS TRANSACTION." A TRANSACTION BETWEEN A LICENSED
OPERATOR OR AN EMPLOYEE OF A LICENSED OPERATOR AND AN INDIVIDUAL
THAT INVOLVES THE ACCEPTANCE OR REDEMPTION BY A PERSON OF CASH
OR CASH EQUIVALENT INVOLVING OR AGGREGATING $5,000 OR MORE WHICH
A LICENSED OPERATOR OR EMPLOYEE OF A LICENSED OPERATOR KNOWS,
SUSPECTS OR HAS REASON TO BELIEVE:

(1) INVOLVES FUNDS DERIVED FROM ILLEGAL ACTIVITIES OR IS
INTENDED OR CONDUCTED IN ORDER TO CONCEAL OR DISGUISE FUNDS
OR ASSETS DERIVED FROM ILLEGAL ACTIVITIES;

(2) IS PART OF A PLAN TO VIOLATE OR EVADE A LAW OR
REGULATION TO AVOID A TRANSACTION REPORTING REQUIREMENT UNDER
THE LAWS OR REGULATIONS OF THE UNITED STATES OR THIS
COMMONWEALTH, INCLUDING A PLAN TO STRUCTURE A SERIES OF
TRANSACTIONS TO AVOID A TRANSACTION REPORTING REQUIREMENT
UNDER THE LAWS OF THE UNITED STATES OR THIS COMMONWEALTH; OR

(3) HAD NO APPARENT LAWFUL PURPOSE OR IS NOT THE TYPE OF
TRANSACTION IN WHICH A PERSON WOULD NORMALLY BE EXPECTED TO
ENGAGE AND THE LICENSED OPERATOR OR EMPLOYEE KNOWS OF NO
REASONABLE EXPLANATION FOR THE TRANSACTION AFTER EXAMINING
THE AVAILABLE FACTS, INCLUDING THE BACKGROUND AND POSSIBLE
§ 311. GENERAL AND SPECIFIC POWERS OF BOARD.

(A) GENERAL POWERS.--

(1) THE BOARD SHALL HAVE GENERAL AND SOLE REGULATORY AUTHORITY OVER THE CONDUCT OF FANTASY CONTESTS AND RELATED ACTIVITIES AS DESCRIBED IN THIS CHAPTER. THE BOARD SHALL ENSURE THE INTEGRITY OF FANTASY CONTESTS OFFERED IN THIS COMMONWEALTH.

(2) THE BOARD MAY EMPLOY INDIVIDUALS AS NECESSARY TO CARRY OUT THE REQUIREMENTS OF THIS CHAPTER, WHO SHALL SERVE AT THE BOARD’S PLEASURE. AN EMPLOYEE OF THE BOARD SHALL BE CONSIDERED A STATE EMPLOYEE FOR PURPOSES OF 71 PA.C.S. PT. XXV (RELATING TO RETIREMENT FOR STATE EMPLOYEES AND OFFICERS).

(B) SPECIFIC POWERS.--THE BOARD SHALL HAVE THE FOLLOWING SPECIFIC POWERS:

(1) AT THE BOARD’S DISCRETION, TO ISSUE, APPROVE, RENEW, REVOKE, SUSPEND, CONDITION OR DENY ISSUANCE OF LICENSES UNDER THIS CHAPTER.

(2) AT THE BOARD’S DISCRETION, TO SUSPEND, CONDITION OR DENY THE ISSUANCE OR RENEWAL OF A LICENSE OR LEVY FINES FOR ANY VIOLATION OF THIS CHAPTER.
(3) To publish each January on the Board's publicly accessible Internet website a complete list of all persons who applied for or held a fantasy contest license at any time during the preceding calendar year and the status of the application or fantasy contest license.

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

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

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

(7) To administer oaths, examine witnesses and issue subpoenas compelling the attendance of witnesses or the
PRODUCTION OF DOCUMENTS AND RECORDS OR OTHER EVIDENCE OR TO
DESIGNATE OFFICERS OR EMPLOYEES TO PERFORM DUTIES REQUIRED BY
THIS CHAPTER.

(7.1) TO REQUIRE PROSPECTIVE AND EXISTING EMPLOYEES,
INDEPENDENT CONTRACTORS, APPLICANTS AND LICENSEES TO SUBMIT
TO FINGERPRINTING BY THE PENNSYLVANIA STATE POLICE OR AN
AUTHORIZED AGENT OF THE PENNSYLVANIA STATE POLICE. THE
PENNSYLVANIA STATE POLICE OR AUTHORIZED AGENT OF THE
PENNSYLVANIA STATE POLICE SHALL SUBMIT THE FINGERPRINTS TO
THE FEDERAL BUREAU OF INVESTIGATION FOR PURPOSES OR VERIFYING
THE IDENTITY OF THE INDIVIDUAL AND OBTAINING RECORDS OF
CRIMINAL ARRESTS AND CONVICTIONS.

(7.2) TO REQUIRE PROSPECTIVE AND EXISTING EMPLOYEES,
INDEPENDENT CONTRACTORS, APPLICANTS AND LICENSEES TO SUBMIT
PHOTOGRAPHS CONSISTENT WITH THE STANDARDS ESTABLISHED BY THE
BOARD.

(7.3) TO REQUIRE LICENSED OPERATORS TO MAINTAIN AN
OFFICE OR PLACE OF BUSINESS WITHIN THIS COMMONWEALTH.

(7.4) TO EXEMPT CERTAIN PROSPECTIVE AND EXISTING
EMPLOYEES OR INDEPENDENT CONTRACTORS FROM THE REQUIREMENTS
UNDER PARAGRAPHS (7.1) AND (7.2) THAT ARE NOT INCONSISTENT
WITH THE PROPER REGULATION OF FANTASY CONTESTS UNDER THIS
CHAPTER.

(8) AT THE BOARD'S DISCRETION, TO DELEGATE ANY OF THE
BOARD'S RESPONSIBILITIES UNDER THIS CHAPTER TO THE EXECUTIVE
DIRECTOR OF THE BOARD OR OTHER DESIGNATED STAFF.

(9) TO REQUIRE LICENSED OPERATORS AND APPLICANTS FOR A
FANTASY CONTEST LICENSE TO SUBMIT ANY INFORMATION OR
DOCUMENTATION NECESSARY TO ENSURE THE PROPER REGULATION OF
FANTASY CONTESTS IN ACCORDANCE WITH THIS CHAPTER.
(10) to require licensed operators, except for a licensed operator operating season-long fantasy contests that generate less than $250,000 in season-long fantasy contest adjusted revenue, unless the board determines otherwise, to:

(I) contract with a certified public accountant to conduct an annual independent audit in accordance with standards adopted by the American Institute of Certified Public Accountants to verify compliance with the provisions of this chapter and board regulations;

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

(III) annually submit to the board and department a copy of the audit report required by subparagraph (I) and submit to the board a copy of the report of the testing laboratory required by subparagraph (II).

(11) in conjunction with the department of drug and alcohol programs or successor agency, to develop a process by which licensed operators provide participants with a toll-free telephone number that provides individuals with information on how to access appropriate treatment services.

(12) to promulgate regulations regarding the placement and operation of fantasy contest terminals within licensed facilities and to ensure the integrity of fantasy contest terminals.

(B.1) licensed entity representative.--

(1) a licensed entity representative shall register with the board, in a manner prescribed by the board. the registration shall include the name, employer or firm, business address and business telephone number of both the
LICENSED ENTITY REPRESENTATIVE AND ANY LICENSED OPERATOR,
APPLICANT FOR LICENSURE OR OTHER PERSON BEING REPRESENTED.

(2) A LICENSED ENTITY REPRESENTATIVE SHALL HAVE AN
AFFIRMATIVE DUTY TO UPDATE ITS REGISTRATION INFORMATION ON AN
ONGOING BASIS. FAILURE TO UPDATE A REGISTRATION SHALL BE
PUNISHABLE BY THE BOARD.

(3) THE BOARD SHALL MAINTAIN A LIST OF LICENSED ENTITY
REPRESENTATIVES WHICH SHALL CONTAIN THE INFORMATION REQUIRED
UNDER PARAGRAPH (1) AND SHALL BE AVAILABLE ON THE BOARD'S
PUBLICLY ACCESSIBLE INTERNET WEBSITE.

(C) EXCEPTIONS.—EXCEPT AS PROVIDED UNDER SECTION 342
(RELATING TO LICENSED GAMING ENTITIES), NOTHING IN THIS SECTION
SHALL BE CONSTRUED TO AUTHORIZE THE BOARD TO REQUIRE ANY
ADDITIONAL PERMITS OR LICENSES NOT SPECIFICALLY ENUMERATED IN
THIS CHAPTER.

§ 312. TEMPORARY REGULATIONS.

(A) PROMULGATION.—IN ORDER TO FACILITATE THE PROMPT
IMPLEMENTATION OF THIS CHAPTER, REGULATIONS PROMULGATED BY THE
BOARD SHALL BE DEEMED TEMPORARY REGULATIONS AND SHALL EXPIRE NO
LATER THAN TWO YEARS FOLLOWING THE PUBLICATION OF TEMPORARY
REGULATIONS. THE BOARD MAY PROMULGATE TEMPORARY REGULATIONS NOT
SUBJECT TO:

(1) SECTIONS 201, 202, 203, 204 AND 205 OF THE ACT OF
JULY 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE
COMMONWEALTH DOCUMENTS LAW.

(2) SECTION 204(B) OF THE ACT OF OCTOBER 15, 1980
(P.L.950, NO.164), KNOWN AS THE COMMONWEALTH ATTORNEYS ACT.

(3) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS
THE REGULATORY REVIEW ACT.

(B) EXPIRATION.—EXCEPT FOR TEMPORARY REGULATIONS CONCERNING
NETWORK CONNECTIVITY, SECURITY AND TESTING AND COMPULSIVE AND
PROBLEM PLAY, THE AUTHORITY PROVIDED TO THE BOARD TO ADOPT
TEMPORARY REGULATIONS IN SUBSECTION (A) SHALL EXPIRE NO LATER
THAN TWO YEARS FOLLOWING THE PUBLICATION OF TEMPORARY
REGULATIONS. REGULATIONS ADOPTED AFTER THIS PERIOD SHALL BE
PROMULGATED AS PROVIDED BY LAW.

§ 313. FANTASY CONTEST LICENSE APPEALS.

AN APPLICANT MAY APPEAL ANY FINAL ORDER, DETERMINATION OR
DECISION OF THE BOARD INVOLVING THE APPROVAL, ISSUANCE, DENIAL,
REVOCATION OR CONDITIONING OF A FANTASY CONTEST LICENSE IN
ACCORDANCE WITH 2 PA.C.S. CHS. 5 SUBCH. A (RELATING TO PRACTICE
AND PROCEDURE OF COMMONWEALTH AGENCIES) AND 7 SUBCH. A (RELATING
TO JUDICIAL REVIEW OF COMMONWEALTH AGENCY ACTION).

§ 314. BOARD MINUTES AND RECORDS.

(A) RECORD OF PROCEEDINGS.--THE BOARD SHALL MAINTAIN A
RECORD OF ALL PROCEEDINGS HELD AT PUBLIC MEETINGS OF THE BOARD.
THE VERBATIM TRANSCRIPT OF THE PROCEEDINGS SHALL BE THE PROPERTY
OF THE BOARD AND SHALL BE PREPARED BY THE BOARD UPON THE REQUEST
OF ANY PERSON AND THE PAYMENT BY THAT PERSON OF THE COSTS OF
PREPARATION.

(B) APPLICANT INFORMATION.--

(1) THE BOARD SHALL MAINTAIN A LIST OF ALL APPLICANTS
FOR A FANTASY CONTEST LICENSE. THE LIST SHALL INCLUDE A
RECORD OF ALL ACTIONS TAKEN WITH RESPECT TO EACH APPLICANT.
THE LIST SHALL BE AVAILABLE ON THE BOARD'S PUBLICLY
ACCESSIBLE INTERNET WEBSITE.

(2) INFORMATION UNDER PARAGRAPH (1) REGARDING AN
APPLICANT WHOSE FANTASY CONTEST LICENSE HAS BEEN DENIED,
REVOKED OR NOT RENEWED SHALL BE REMOVED FROM THE LIST AFTER
SEVEN YEARS FROM THE DATE OF THE ACTION.
(C) OTHER FILES AND RECORDS.--THE BOARD SHALL MAINTAIN SUCH OTHER FILES AND RECORDS AS IT MAY DEEM APPROPRIATE.

(D) CONFIDENTIALITY OF INFORMATION.--

(1) THE FOLLOWING INFORMATION SUBMITTED BY AN APPLICANT FOR A FANTASY CONTEST LICENSE UNDER SECTION 322 (RELATING TO APPLICATION) OR OTHERWISE OBTAINED BY THE BOARD OR THE BUREAU AS PART OF A BACKGROUND OR OTHER INVESTIGATION FROM ANY SOURCE SHALL BE CONFIDENTIAL AND WITHHELD FROM PUBLIC DISCLOSURE:

(I) ALL INFORMATION RELATING TO CHARACTER, HONESTY AND INTEGRITY, INCLUDING FAMILY, HABITS, REPUTATION, HISTORY OF CRIMINAL ACTIVITY, BUSINESS ACTIVITIES, FINANCIAL AFFAIRS AND BUSINESS, PROFESSIONAL AND PERSONAL ASSOCIATIONS.

(II) NONPUBLIC PERSONAL INFORMATION, INCLUDING HOME ADDRESSES, TELEPHONE NUMBERS AND OTHER PERSONAL CONTACT INFORMATION, SOCIAL SECURITY NUMBERS, EDUCATIONAL RECORDS, MEMBERSHIPS, MEDICAL RECORDS, TAX RETURNS AND DECLARATIONS, ACTUAL OR PROPOSED COMPENSATION, FINANCIAL ACCOUNT RECORDS, CREDITWORTHINESS OR FINANCIAL CONDITION RELATING TO AN APPLICANT OR LICENSEE.

(III) INFORMATION RELATING TO PROPRIETARY INFORMATION, TRADE SECRETS, PATENTS OR EXCLUSIVE LICENSES, ARCHITECTURAL AND ENGINEERING PLANS AND INFORMATION RELATING TO COMPETITIVE MARKETING MATERIALS AND STRATEGIES THAT MAY INCLUDE CUSTOMER-IDENTIFYING INFORMATION OR CUSTOMER PROSPECTS FOR SERVICES SUBJECT TO COMPETITION.

(IV) INFORMATION WITH RESPECT TO WHICH THERE IS A REASONABLE POSSIBILITY THAT PUBLIC RELEASE OR INSPECTION
OF THE INFORMATION WOULD CONSTITUTE AN UNWARRANTED
INVASION INTO PERSONAL PRIVACY OF AN INDIVIDUAL AS
DETERMINED BY THE BOARD.

(V) RECORDS OF AN APPLICANT FOR A FANTASY CONTEST
LICENSE OR A LICENSED OPERATOR NOT REQUIRED TO BE FILED
WITH THE SECURITIES AND EXCHANGE COMMISSION BY ISSUERS
THAT EITHER HAVE SECURITIES REGISTERED UNDER SECTION 12
OF THE SECURITIES EXCHANGE ACT OF 1934 (48 STAT. 881, 15
U.S.C. § 78L) OR ARE REQUIRED TO FILE REPORTS UNDER
SECTION 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 (48

(VI) RECORDS CONSIDERED NONPUBLIC MATTERS OR
INFORMATION BY THE SECURITIES AND EXCHANGE COMMISSION AS
PROVIDED BY 17 CFR 200.80 (RELATING TO COMMISSION RECORDS
AND INFORMATION).

(VII) FINANCIAL OR SECURITY INFORMATION DEEMED
CONFIDENTIAL BY THE BOARD UPON A SHOWING OF GOOD CAUSE BY
THE APPLICANT FOR A FANTASY CONTEST LICENSE OR LICENSED
OPERATOR.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (1), NO CLAIM OF
CONFIDENTIALITY SHALL BE MADE REGARDING ANY CRIMINAL HISTORY
RECORD INFORMATION THAT IS AVAILABLE TO THE PUBLIC UNDER 18
PA.C.S. § 9121(B) (RELATING TO GENERAL REGULATIONS).

(3) EXCEPT AS PROVIDED IN PARAGRAPH (1), NO CLAIM OF
CONFIDENTIALITY SHALL BE MADE REGARDING A RECORD IN
POSSESSION OF THE BOARD THAT IS OTHERWISE PUBLICLY AVAILABLE
FROM THE BOARD UNDER THE ACT OF FEBRUARY 14, 2008 (P.L.6,
NO.3), KNOWN AS THE RIGHT-TO-KNOW LAW.

(4) THE INFORMATION MADE CONFIDENTIAL UNDER THIS SECTION
SHALL BE WITHHELD FROM PUBLIC DISCLOSURE, IN WHOLE OR IN
PART, EXCEPT THAT ANY CONFIDENTIAL INFORMATION SHALL BE
RELEASED UPON THE ORDER OF A COURT OF COMPETENT JURISDICTION
OR, WITH THE APPROVAL OF THE ATTORNEY GENERAL, TO A DUTY
AUTHORIZED LAW ENFORCEMENT AGENCY OR SHALL BE RELEASED TO THE
PUBLIC, IN WHOLE OR IN PART, TO THE EXTENT THAT SUCH RELEASE
IS REQUESTED BY AN APPLICANT FOR A FANTASY CONTEST LICENSE OR
LICENSED OPERATOR AND DOES NOT OTHERWISE CONTAIN CONFIDENTIAL
INFORMATION ABOUT ANOTHER PERSON.

(5) THE BOARD MAY SEEK A VOLUNTARY WAIVER OF
CONFIDENTIALITY FROM AN APPLICANT FOR A FANTASY CONTEST
LICENSE OR A LICENSED OPERATOR, BUT MAY NOT REQUIRE AN
APPLICANT OR LICENSED OPERATOR TO WAIVE ANY CONFIDENTIALITY
PROVIDED FOR IN THIS SUBSECTION AS A CONDITION FOR THE
APPROVAL OF AN APPLICATION, RENEWAL OF A FANTASY CONTEST
LICENSE OR ANY OTHER ACTION OF THE BOARD.

(E) NOTICE.--NOTICE OF THE CONTENTS OF ANY INFORMATION,
EXCEPT TO A DUTY AUTHORIZED LAW ENFORCEMENT AGENCY UNDER THIS
SECTION, SHALL BE GIVEN TO AN APPLICANT OR LICENSEE IN A MANNER
PRESCRIBED BY THE RULES AND REGULATIONS ADOPTED BY THE BOARD.

(F) INFORMATION HELD BY DEPARTMENT.--FILES, RECORDS, REPORTS
AND OTHER INFORMATION IN THE POSSESSION OF THE DEPARTMENT
PERTAINING TO LICENSED OPERATORS OR APPLICANTS SHALL BE MADE
AVAILABLE TO THE BOARD AS MAY BE NECESSARY FOR THE EFFECTIVE
ADMINISTRATION OF THIS CHAPTER.

§ 315. REPORTS OF BOARD.

(A) GENERAL RULE.--THE ANNUAL REPORT SUBMITTED BY THE BOARD
UNDER SECTION 1211 (RELATING TO REPORTS OF BOARD) SHALL INCLUDE
THE FOLLOWING INFORMATION ON THE CONDUCT OF FANTASY CONTESTS:

(1) TOTAL FANTASY CONTEST ADJUSTED REVENUES.

(2) ALL TAXES, FEES, FINES AND OTHER REVENUE COLLECTED
FROM LICENSED OPERATORS DURING THE PREVIOUS YEAR. THE
DEPARTMENT SHALL COLLABORATE WITH THE BOARD TO CARRY OUT THE
REQUIREMENTS OF THIS SECTION.

(3) AT THE BOARD’S DISCRETION, ANY OTHER INFORMATION
RELATED TO THE CONDUCT OF FANTASY CONTESTS OR LICENSED
OPERATORS.

(B) LICENSED OPERATORS.--THE BOARD MAY REQUIRE LICENSED
OPERATORS TO PROVIDE INFORMATION TO THE BOARD TO ASSIST IN THE
PREPARATION OF THE REPORT.

SUBCHAPTER C
LICENSURE

SEC.

321. GENERAL PROHIBITION.

322. APPLICATION.

323. ISSUANCE AND DENIAL OF LICENSE.

324. LICENSE RENEWAL.

325. CONDITIONS OF LICENSURE.

326. PROHIBITIONS.

327. CHANGE IN OWNERSHIP OR CONTROL OF LICENSED OPERATORS.

328. PENALTIES.

§ 321. GENERAL PROHIBITION.

(A) GENERAL RULE.--EXCEPT AS PROVIDED IN SUBSECTION (B), NO
PERSON MAY OFFER OR OTHERWISE MAKE AVAILABLE FOR PLAY IN THIS
COMMONWEALTH A FANTASY CONTEST WITHOUT A FANTASY CONTEST
LICENSE.

(B) EXISTING ACTIVITY.--A PERSON WHO APPLIES FOR OR RENEWS A
FANTASY CONTEST LICENSE IN ACCORDANCE WITH THIS CHAPTER MAY
OPERATE DURING THE APPLICATION OR RENEWAL PERIOD UNLESS:

(1) THE BOARD HAS REASONABLE CAUSE TO BELIEVE THE PERSON
OR LICENSED OPERATOR IS OR MAY BE IN VIOLATION OF THE
PROVISIONS OF THIS CHAPTER.

(2) THE BOARD REQUIRES THE PERSON TO SUSPEND THE
OPERATION OF A FANTASY CONTEST UNTIL THE FANTASY CONTEST
LICENSE IS ISSUED OR RENEWED.

§ 322. APPLICATION.

(A) FORM AND INFORMATION.--AN APPLICATION FOR A FANTASY
CONTEST LICENSE SHALL BE SUBMITTED ON A FORM AND IN MANNER AS
SHALL BE REQUIRED BY THE BOARD. AN APPLICATION FOR A FANTASY
CONTEST LICENSE SHALL CONTAIN THE FOLLOWING INFORMATION:

(1) (I) IF THE APPLICANT IS AN INDIVIDUAL, THE NAME,
FEDERAL EMPLOYER IDENTIFICATION NUMBER AND BUSINESS
ADDRESS OF THE APPLICANT;

(II) IF THE APPLICANT IS A CORPORATION, THE NAME AND
BUSINESS ADDRESS OF THE CORPORATION, THE STATE OF ITS
INCORPORATION AND THE FULL NAME AND BUSINESS ADDRESS OF
EACH OFFICER AND DIRECTOR THEREOF;

(III) IF THE APPLICANT IS A FOREIGN CORPORATION, THE
NAME AND BUSINESS ADDRESS OF THE CORPORATION, WHETHER IT
IS QUALIFIED TO DO BUSINESS IN THIS COMMONWEALTH AND THE
FULL NAME AND BUSINESS ADDRESS OF EACH OFFICER AND
DIRECTOR THEREOF; AND

(IV) IF THE APPLICANT IS A PARTNERSHIP OR JOINT
VENTURE, THE NAME AND BUSINESS ADDRESS OF EACH OFFICER
THEREOF.

(2) THE NAME AND BUSINESS ADDRESS OF THE PERSON HAVING
CUSTODY OF THE APPLICANT'S FINANCIAL RECORDS.

(3) THE NAMES AND BUSINESS ADDRESSES OF THE APPLICANT'S
KEY EMPLOYEES.

(4) THE NAMES AND BUSINESS ADDRESSES OF EACH OF THE
APPLICANT'S PRINCIPALS.
(5) INFORMATION, DOCUMENTATION AND ASSURANCES RELATED TO FINANCIAL AND CRIMINAL HISTORY AS THE BOARD DEEMS NECESSARY TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE FINANCIAL STABILITY, INTEGRITY AND RESPONSIBILITY OF THE APPLICANT AND THE APPLICANT'S KEY EMPLOYEES AND PRINCIPALS.

(6) INFORMATION AND DOCUMENTATION NECESSARY TO ESTABLISH THE APPLICANT'S ABILITY TO COMPLY WITH SECTION 325 (RELATING TO CONDITIONS OF LICENSURE).

(7) ANY OTHER INFORMATION REQUIRED BY THE BOARD.

(B) NONREFUNDABLE APPLICATION FEE.--EACH APPLICATION SUBMITTED UNDER THIS CHAPTER SHALL BE ACCOMPANIED BY A NONREFUNDABLE APPLICATION FEE, WHICH SHALL BE ESTABLISHED BY THE BOARD, AND WHICH MAY NOT EXCEED THE AMOUNT NECESSARY TO REIMBURSE THE BOARD FOR ALL COSTS INCURRED BY THE BOARD FOR FULFILLING THE REQUIREMENTS OF THIS SECTION AND SECTION 323 (RELATING TO ISSUANCE AND DENIAL OF LICENSE).

(C) ADDITIONAL INFORMATION.--A PERSON APPLYING FOR A FANTASY CONTEST LICENSE SHALL HAVE AN ONGOING DUTY TO PROVIDE INFORMATION REQUIRED BY THE BOARD AND TO COOPERATE IN ANY INQUIRY OR INVESTIGATION.

(D) ABBREVIATED APPLICATION PROCESS.--THE BOARD, AT ITS DISCRETION, MAY ESTABLISH AN ABBREVIATED APPLICATION PROCESS FOR A FANTASY CONTEST LICENSE FOR APPLICANTS THAT ARE ALSO LICENSED GAMING ENTITIES. THE ABBREVIATED APPLICATION MAY ONLY REQUIRE INFORMATION NOT IN POSSESSION OF THE BOARD THAT IS NECESSARY TO FULFILL THE REQUIREMENTS OF THIS CHAPTER.

§ 323. ISSUANCE AND DENIAL OF LICENSE.

(A) DUTY TO REVIEW APPLICATIONS.--THE BOARD SHALL REVIEW ALL APPLICATIONS FOR A FANTASY CONTEST LICENSE AND MAY ISSUE A LICENSE TO ANY APPLICANT THAT:
(1) Has submitted a completed application and paid the nonrefundable application fee as required by the Board under section 322 (relating to application).

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

(3) Has not been denied an application for a fantasy contest license under subsection (b).

(b) Reasons to deny applications.--The Board may deny an application for a fantasy contest license if the applicant:

(1) Has knowingly made a false statement of material fact in the application or has deliberately failed to disclose any information requested;

(2) Employs a principal or key employee who has been convicted in any jurisdiction of any of the following:

(I) A felony;

(II) An offense under the laws of another jurisdiction which, if committed in this Commonwealth, would be subject to imprisonment for more than five years; or

(III) A misdemeanor gambling offense, unless 15 years have elapsed from the date of conviction for the offense.

(3) Has at any time knowingly failed to comply with the provisions of this chapter or of any requirements of the Board;

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

(5) Has legally defaulted in the payment of any...
OBLIGATION OR DEBT DUE TO THE COMMONWEALTH OR IS NOT
COMPLIANT WITH TAXES DUE; OR

(6) IS NOT QUALIFIED TO DO BUSINESS IN THIS COMMONWEALTH
OR IS NOT SUBJECT TO THE JURISDICTION OF THE COURTS OF THE
COMMONWEALTH.

(7) IS FOUND BY THE BOARD TO BE UNSUITABLE FOR LICENSURE
OR INIMICABLE TO THE INTEREST OF THE COMMONWEALTH TO OFFER
FANTASY CONTESTS IN THIS COMMONWEALTH.

(C) TIME PERIOD FOR REVIEW.--THE BOARD SHALL CONCLUDE ITS
REVIEW OF AN APPLICATION FOR A FANTASY CONTEST LICENSE WITHIN
120 DAYS OF RECEIPT OF THE COMPLETED APPLICATION. IF THE FANTASY
CONTEST LICENSE IS NOT ISSUED, THE BOARD SHALL PROVIDE THE
APPLICANT WITH THE JUSTIFICATION FOR NOT ISSUING THE FANTASY
CONTEST LICENSE.

(D) LICENSE FEE.--

(1) WITHIN 30 DAYS OF THE BOARD ISSUING A FANTASY
CONTEST LICENSE, A SUCCESSFUL APPLICANT SHALL PAY TO THE
BOARD A LICENSE FEE OF $50,000.

(2) THE LICENSE FEE COLLECTED UNDER THIS SUBSECTION
SHALL BE DEPOSITED INTO THE GENERAL FUND.

(3) IF A LICENSED OPERATOR FAILS TO PAY THE FEE REQUIRED
BY THIS SUBSECTION, THE BOARD SHALL SUSPEND OR REVOKE THE
LICENSED OPERATOR'S FANTASY CONTEST LICENSE UNTIL PAYMENT OF
THE LICENSE FEE IS RECEIVED.

(E) ABBREVIATED APPROVAL PROCESS.--THE BOARD, AT ITS
DISCRETION, MAY ESTABLISH AN ABBREVIATED APPROVAL PROCESS FOR
THE ISSUANCE OF A FANTASY CONTEST LICENSE TO A LICENSED GAMING
ENTITY WHOSE SLOT MACHINE LICENSE UNDER CHAPTER 13 (RELATING TO
LICENSES) AND TABLE GAME OPERATION CERTIFICATE UNDER CHAPTER 13A
(RELATING TO TABLE GAMES) ARE IN GOOD STANDING.
§ 324. LICENSE RENEWAL.

(A) RENEWAL.--

(1) A FANTASY CONTEST LICENSE ISSUED UNDER THIS CHAPTER SHALL BE VALID FOR A PERIOD OF FIVE YEARS.

(2) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO RELIEVE A LICENSED OPERATOR OF THE AFFIRMATIVE DUTY TO NOTIFY THE BOARD OF ANY CHANGES RELATING TO THE STATUS OF ITS FANTASY CONTEST LICENSE OR TO ANY OTHER INFORMATION CONTAINED IN THE APPLICATION MATERIALS ON FILE WITH THE BOARD.

(3) THE APPLICATION FOR RENEWAL OF A FANTASY CONTEST LICENSE MUST BE SUBMITTED AT LEAST 180 DAYS PRIOR TO THE EXPIRATION OF THE FANTASY CONTEST LICENSE AND INCLUDE AN UPDATE OF THE INFORMATION CONTAINED IN THE INITIAL APPLICATION FOR A FANTASY CONTEST LICENSE. A FANTASY CONTEST LICENSE FOR WHICH A COMPLETED RENEWAL APPLICATION AND FEE AS REQUIRED UNDER SUBSECTION (C) HAS BEEN RECEIVED BY THE BOARD SHALL CONTINUE IN EFFECT UNLESS AND UNTIL THE BOARD SENDS WRITTEN NOTIFICATION TO THE LICENSED OPERATOR THAT THE BOARD HAS DENIED THE RENEWAL OF THE FANTASY CONTEST LICENSE.

(B) REVOCATION OR FAILURE TO RENEW.--

(1) IN ADDITION TO ANY OTHER SANCTION THE BOARD MAY IMPOSE UNDER THIS CHAPTER, THE BOARD MAY AT ITS DISCRETION SUSPEND, REVOKE OR DENY RENEWAL OF A FANTASY CONTEST LICENSE ISSUED UNDER THIS CHAPTER IF IT RECEIVES INFORMATION THAT:

(I) THE LICENSED OPERATOR OR THE LICENSED OPERATOR'S KEY EMPLOYEES OR PRINCIPALS ARE IN VIOLATION OF ANY PROVISION OF THIS CHAPTER;

(II) THE LICENSED OPERATOR HAS FURNISHED THE BOARD WITH FALSE OR MISLEADING INFORMATION;

(III) THE INFORMATION CONTAINED IN THE LICENSED
OPERATOR'S INITIAL APPLICATION OR ANY RENEWAL APPLICATION
IS NO LONGER TRUE AND CORRECT;

(IV) THE LICENSED OPERATOR HAS FAILED TO REMIT TAXES
OR ASSESSMENTS REQUIRED UNDER SECTION 331 (RELATING TO
FANTASY CONTEST TAX), 332 (RELATING TO LICENSED OPERATOR
DEPOSITS) OR 333 (RELATING TO RESPONSIBILITY AND
AUTHORITY OF DEPARTMENT); OR

(V) THE LICENSED OPERATOR HAS LEGALLY DEFAULTED IN
THE PAYMENT OF ANY OBLIGATION OR DEBT DUE TO THE
COMMONWEALTH.

(2) IN THE EVENT OF A REVOCATION OR FAILURE TO RENEW,
THE LICENSED OPERATOR'S AUTHORIZATION TO CONDUCT FANTASY
CONTESTS SHALL IMMEDIATELY CEASE AND ALL FEES PAID IN
CONNECTION WITH THE APPLICATION SHALL BE DEEMED TO BE
FORFEITED.

(3) IN THE EVENT OF A SUSPENSION, THE LICENSED
OPERATOR'S AUTHORIZATION TO CONDUCT FANTASY CONTESTS SHALL
IMMEDIATELY CEASE UNTIL THE BOARD HAS NOTIFIED THE LICENSED
OPERATOR THAT THE SUSPENSION IS NO LONGER IN EFFECT.

(C) RENEWAL FEE.--

(1) WITHIN 30 DAYS OF THE BOARD RENEWING A FANTASY
CONTEST LICENSE, THE LICENSED OPERATOR SHALL PAY TO THE BOARD
A RENEWAL FEE OF $10,000.

(2) THE RENEWAL FEE COLLECTED BY THE BOARD UNDER THIS
SUBSECTION SHALL BE DEPOSITED INTO THE GENERAL FUND.

(3) IF A LICENSED OPERATOR FAILS TO PAY THE RENEWAL FEE
REQUIRED UNDER THIS SUBSECTION, THE BOARD SHALL SUSPEND OR
REVOKE THE LICENSED OPERATOR'S FANTASY CONTEST LICENSE UNTIL
PAYMENT OF THE RENEWAL FEE IS RECEIVED.

§ 325. CONDITIONS OF LICENSURE.
AS A CONDITION OF LICENSURE, THE BOARD SHALL REQUIRE EACH LICENSED OPERATOR TO ESTABLISH AND IMPLEMENT PROCEDURES TO GOVERN THE CONDUCT OF FANTASY CONTESTS IN THIS COMMONWEALTH. THE PROCEDURES, AT A MINIMUM, SHALL:

1. PERMIT ONLY PARTICIPANTS WHO HAVE ESTABLISHED A FANTASY CONTEST ACCOUNT WITH THE LICENSED OPERATOR TO PARTICIPATE IN A FANTASY CONTEST CONDUCTED BY THE LICENSED OPERATOR.

2. VERIFY THE AGE, LOCATION AND IDENTITY OF ANY PARTICIPANT PRIOR TO MAKING A DEPOSIT INTO A FANTASY CONTEST ACCOUNT FOR A PARTICIPANT LOCATED IN THIS COMMONWEALTH ACCORDING TO REGULATIONS ESTABLISHED BY THE BOARD. NO PARTICIPANT UNDER 18 YEARS OF AGE MAY BE PERMITTED TO ESTABLISH A FANTASY CONTEST ACCOUNT WITH A LICENSED OPERATOR.

3. VERIFY THE IDENTITY OF A PARTICIPANT BY REQUIRING THE PARTICIPANT TO PROVIDE THE LICENSED OPERATOR A UNIQUE USER NAME AND PASSWORD PRIOR TO ACCESSING A FANTASY CONTEST ACCOUNT.

4. ENSURE RULES AND PRIZES AND AWARDS ESTABLISHED BY THE LICENSED OPERATOR FOR A FANTASY CONTEST ARE MADE KNOWN TO A PARTICIPANT PRIOR TO THE ACCEPTANCE OF ANY ENTRY FEE AND PRIZE AND AWARD VALUES ARE NOT DETERMINED BY THE NUMBER OF PARTICIPANTS NOR THE AMOUNT OF ANY FEES PAID BY THOSE PARTICIPANTS.

4.1 DEVELOP AND OFFER FANTASY CONTESTS THAT ARE LIMITED TO BEGINNERS AS FOLLOWS:

(I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II), A LICENSED OPERATOR SHALL PROHIBIT PARTICIPANTS WHO ARE NOT BEGINNERS FROM PARTICIPATING, DIRECTLY OR THROUGH ANOTHER PERSON AS A PROXY, IN BEGINNER FANTASY CONTESTS.
(II) A LICENSED OPERATOR MAY ALLOW A PARTICIPANT WHO
IS NOT A BEGINNER TO ENTER UP TO 10 BEGINNER FANTASY
CONTESTS IN ANY SPORT IN WHICH THAT PARTICIPANT HAS NOT
ALREADY ENTERED 20 FANTASY CONTESTS.

(III) A LICENSED OPERATOR SHALL SUSPEND THE ACCOUNT
OF A PARTICIPANT WHO IS NOT A BEGINNER, EXCEPT AS
PROVIDED FOR IN SUBPARAGRAPH (II), THAT ENTERS A BEGINNER
FANTASY CONTEST AND SHALL BAN THE PARTICIPANT FROM
FURTHER PARTICIPATION IN BEGINNER FANTASY CONTESTS
OFFERED BY THE LICENSED OPERATOR.

(4.2) DEVELOP AND OFFER FANTASY CONTESTS IN WHICH HIGHLY
EXPERIENCED PLAYERS CANNOT, EITHER DIRECTLY OR THROUGH
ANOTHER PERSON AS A PROXY, PARTICIPATE. A LICENSED OPERATOR
SHALL SUSPEND THE ACCOUNT OF ANY HIGHLY EXPERIENCED PLAYER
WHO ENTERS A FANTASY CONTEST WHICH EXCLUDES HIGHLY
EXPERIENCED PLAYERS, DIRECTLY OR THROUGH ANOTHER PERSON AS A
PROXY, AND SHALL BAN THE INDIVIDUAL FROM FURTHER
PARTICIPATION IN FANTASY CONTESTS OFFERED BY THE LICENSED
OPERATOR.

(4.3) ESTABLISH A PROCEDURE FOR RECEIVING AND RESPONDING
TO PARTICIPANT COMPLAINTS AND RECONCILING A PARTICIPANT'S
FANTASY CONTEST ACCOUNT. THE LICENSED OPERATOR SHALL FORWARD
TO THE BOARD ON A QUARTERLY BASIS A COPY OF EACH COMPLAINT
RECEIVED.

(4.4) SUBMIT, IN THE MANNER AS THE BOARD REQUIRES, A
DESCRIPTION OF THE LICENSED OPERATOR'S ADMINISTRATIVE AND
ACCOUNTING PROCEDURES IN DETAIL, INCLUDING ITS WRITTEN SYSTEM
OF INTERNAL CONTROL. EACH WRITTEN SYSTEM OF INTERNAL CONTROL
SHALL INCLUDE:

(I) AN ORGANIZATIONAL CHART DEPICTING APPROPRIATE
SEGREGATION OF EMPLOYEE FUNCTIONS AND RESPONSIBILITIES.

(II) A DESCRIPTION OF THE DUTIES AND
RESPONSIBILITIES OF EACH EMPLOYEE POSITION SHOWN ON THE
ORGANIZATIONAL CHART.

(III) A DETAILED NARRATIVE DESCRIPTION OF THE
ADMINISTRATIVE AND ACCOUNTING PROCEDURES DESIGNED TO
SATISFY THE REQUIREMENTS OF THIS SECTION.

(IV) RECORD RETENTION POLICY.

(V) A STATEMENT SIGNED BY THE CHIEF FINANCIAL
OFFICER OF THE PROPOSED LICENSED OPERATOR OR OTHER
COMPETENT PERSON AND THE CHIEF EXECUTIVE OFFICER OF THE
PROPOSED LICENSED OPERATOR OR OTHER COMPETENT PERSON
ATTESTING THAT THE OFFICERS BELIEVE, IN GOOD FAITH, THAT
THE SYSTEM SATISFIES THE REQUIREMENTS OF THIS SECTION.

(VI) ANY OTHER ITEM THAT THE BOARD MAY REQUIRE IN
ITS DISCRETION.

(4.5) FILE A REPORT OF ANY SUSPICIOUS TRANSACTION WITH
THE BUREAU. THE FOLLOWING SHALL APPLY:

(I) A LICENSED OPERATOR OR A PERSON ACTING ON BEHALF
OF A LICENSED OPERATOR WHO KNOWINGLY FAILS TO FILE A
REPORT OF A SUSPICIOUS TRANSACTION COMMITS A MISDEMEANOR
OF THE THIRD DEGREE.

(II) A LICENSED OPERATOR OR A PERSON ACTING ON
BEHALF OF A LICENSED OPERATOR WHO FAILS TO FILE A REPORT
OR A PERSON WHO CAUSES ANOTHER PERSON REQUIRED UNDER THIS
SECTION TO FAIL TO FILE A REPORT OF A SUSPICIOUS
TRANSACTION SHALL BE STRICTLY LIABLE FOR HIS ACTIONS AND
MAY BE SUBJECT TO SANCTIONS AS DETERMINED BY THE BOARD.

(III) THE BUREAU SHALL MAINTAIN A RECORD OF ALL
REPORTS MADE UNDER THIS PARAGRAPH FOR A PERIOD OF FIVE
YEARS. THE BUREAU SHALL MAKE THE REPORTS AVAILABLE TO ANY
FEDERAL OR STATE LAW ENFORCEMENT AGENCY WITHOUT NECESSITY
OF SUBPOENA.

(IV) A PERSON WHO IS REQUIRED TO FILE A REPORT OF A
SUSPICIOUS TRANSACTION SHALL NOT NOTIFY AN INDIVIDUAL
SUSPECTED OF COMMITTING THE SUSPICIOUS TRANSACTION THAT
THE TRANSACTION HAS BEEN REPORTED. A PERSON THAT VIOLATES
THIS SUBSECTION COMMITS A MISDEMEANOR OF THE THIRD DEGREE
AND MAY BE SUBJECT TO SANCTIONS AS DETERMINED BY THE
BOARD.

(V) A PERSON WHO IS REQUIRED TO FILE A REPORT OF A
SUSPICIOUS TRANSACTION WHO IN GOOD FAITH MAKES THE REPORT
SHALL NOT BE LIABLE IN ANY CIVIL ACTION BROUGHT BY A
PERSON FOR MAKING THE REPORT, REGARDLESS OF WHETHER THE
TRANSACTION IS LATER DETERMINED TO BE SUSPICIOUS.

(5) ENSURE THAT AN INDIVIDUAL WHO IS THE SUBJECT OF A
FANTASY CONTEST IS RESTRICTED FROM ENTERING AS A PARTICIPANT
IN A FANTASY CONTEST THAT IS DETERMINED, IN WHOLE OR PART, ON
THE ACCUMULATED STATISTICAL RESULTS OF A TEAM OF INDIVIDUALS
IN THE SPORT IN WHICH THE INDIVIDUAL IS A MEMBER.

(6) ALLOW A PERSON TO RESTRICT HIMSELF FROM ENTERING A
FANTASY CONTEST OR ACCESSING A FANTASY CONTEST ACCOUNT FOR A
SPECIFIC PERIOD OF TIME AS DETERMINED BY THE PARTICIPANT AND
IMPLEMENT PROCEDURES TO PREVENT THE PERSON FROM PARTICIPATING
IN THE LICENSED OPERATOR’S FANTASY CONTESTS. THE FOLLOWING
SHALL APPLY TO SELF-EXCLUSIONS:

(I) A PERSON MAY REQUEST PLACEMENT ON THE LIST OF
SELF-EXCLUDED PERSONS AND AGREE THAT, DURING ANY PERIOD
OF VOLUNTARY EXCLUSION, THE PERSON MAY NOT COLLECT ANY
WINNINGS NOR RECOVER ANY LOSSES RESULTING FROM ANY
FANTASY CONTEST ACTIVITY.

(II) NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY,
THE BOARD'S LIST OF SELF-EXCLUDED PERSONS SHALL NOT BE
OPEN TO PUBLIC INSPECTION. NOTHING IN THIS SECTION SHALL
BE CONSTRUED TO PROHIBIT A LICENSED OPERATOR FROM
DISCLOSING THE IDENTITY OF PERSONS SELF-EXCLUDED UNDER
THIS PARAGRAPH TO AFFILIATED LICENSED GAMING ENTITIES OR
LICENSED OPERATORS IN THIS COMMONWEALTH OR OTHER
JURISDICTIONS FOR THE LIMITED PURPOSE OF ASSISTING IN THE
PROPER ADMINISTRATION OF RESPONSIBLE PROGRAMS OPERATED BY
AFFILIATED LICENSED GAMING ENTITIES OR LICENSED
OPERATORS.

(7) ALLOW A PERSON TO RESTRICT THE TOTAL AMOUNT OF
DEPOSITS THAT THE PARTICIPANT MAY PAY TO THE LICENSED
OPERATOR FOR A SPECIFIC TIME PERIOD ESTABLISHED BY THE
PARTICIPANT AND IMPLEMENT PROCEDURES TO PREVENT THE
PARTICIPANT FROM EXCEEDING THE LIMIT.

(8) CONSPICUOUSLY POST COMPULSIVE AND PROBLEM PLAY
NOTICES AT FANTASY CONTEST REGISTRATION POINTS AND PROVIDE
THE TOLL-FREE TELEPHONE NUMBER TO PARTICIPANTS. THE TOLL-FREE
TELEPHONE NUMBER AND THE COMPULSIVE AND PROBLEM PLAY NOTICE
SHALL BE APPROVED BY THE BOARD, IN CONSULTATION WITH THE
DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR A SUCCESSOR
AGENCY.

(9) DISCLOSE THE NUMBER OF ENTRIES A SINGLE PARTICIPANT
MAY SUBMIT TO EACH FANTASY CONTEST AND TAKE STEPS TO PREVENT
SUCH PARTICIPANTS FROM SUBMITTING MORE THAN THE ALLOWABLE
NUMBER.

(10) PROHIBIT THE LICENSED OPERATOR'S PRINCIPALS,
EMPLOYEES AND RELATIVES LIVING IN THE SAME HOUSEHOLD OF AN
EMPLOYEE OR PRINCIPAL FROM COMPETING IN A FANTASY CONTEST OFFERED BY ANY LICENSED OPERATOR TO THE GENERAL PUBLIC AND IN WHICH FANTASY CONTEST THE LICENSED OPERATOR OFFERS A PRIZE OR AWARD.

(11) PREVENT THE SHARING OF CONFIDENTIAL INFORMATION THAT COULD AFFECT FANTASY CONTEST PLAY WITH THIRD PARTIES UNTIL THE INFORMATION IS MADE PUBLICLY AVAILABLE.

(12) TAKE STEPS TO MAINTAIN THE CONFIDENTIALITY OF A PARTICIPANT'S PERSONAL AND FINANCIAL INFORMATION.

(13) SEGREGATE PARTICIPANT FUNDS FROM OPERATIONAL FUNDS IN SEPARATE ACCOUNTS AND MAINTAIN A RESERVE IN THE FORM OF CASH, CASH EQUIVALENTS, SECURITY DEPOSITS HELD BY BANKS AND PROCESSORS, AN IRREVOCABLE LETTER OF CREDIT, PAYMENT PROCESSOR RESERVES AND RECEIVABLES, A BOND OR A COMBINATION THEREOF IN AN AMOUNT SUFFICIENT TO PAY ALL PRIZES AND AWARDS OFFERED TO WINNING PARTICIPANTS. TO SATISFY THIS PARAGRAPH, A LICENSED OPERATOR THAT ONLY OFFERS SEASON-LONG FANTASY CONTESTS THAT GENERATE LESS THAN $250,000 IN SEASON-LONG FANTASY CONTEST ADJUSTED REVENUE MAY CONTRACT WITH A THIRD PARTY TO HOLD PRIZES AND AWARDS IN AN ESCROW ACCOUNT UNTIL AFTER THE SEASON IS CONCLUDED AND PRIZES AND AWARDS ARE DISTRIBUTED.

(14) PROVIDE WINNING IN-STATE PARTICIPANTS WITH INFORMATION AND DOCUMENTATION NECESSARY TO ENSURE THE PROPER REPORTING OF WINNINGS BY IN-STATE PARTICIPANTS TO THE DEPARTMENT.

(15) REMIT TAXES OR ASSESSMENTS TO THE DEPARTMENT IN ACCORDANCE WITH SECTIONS 331 (RELATING TO FANTASY CONTEST TAX), 332 (RELATING TO LICENSED OPERATOR DEPOSITS) AND 333 (RELATING TO RESPONSIBILITY AND AUTHORITY OF DEPARTMENT).
(16) Prohibit the use of scripts by participants and implement technologies to prevent the use of scripts.

(17) Monitor fantasy contests for the use of scripts and prohibit participants found to have used such scripts from participation in future fantasy contests.

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

§ 326. Prohibitions.

(A) General rule.--No licensed operator may:

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

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

(3) Permit a participant to enter a fantasy contest prior to establishing a fantasy contest account, unless the licensed operator is also a licensed gaming entity and the participant enters a fantasy contest through a fantasy contest terminal located within the licensed gaming entity's licensed facility;

(4) Establish a fantasy contest account for a person who is not an individual;

(5) Alter rules established for a fantasy contest after a participant has entered the fantasy contest;

(6) Issue credit to a participant to establish or fund a fantasy contest account;

(7) Knowingly market to a participant during the time period in which the participant has self-excluded from the licensed operator's fantasy contests;

(8) Knowingly permit a participant to enter the licensed.
OPERATOR'S FANTASY CONTESTS DURING THE TIME PERIOD IN WHICH
THE PARTICIPANT HAS SELF-EXCLUDED FROM THE LICENSED
OPERATORS' FANTASY CONTESTS;

(8.1) KNOWINGLY ALLOW A SELF-EXCLUDED PERSON TO KEEP A
PRIZE OR AWARD.

(9) KNOWINGLY ACCEPT A DEPOSIT IN EXCESS OF A LIMIT
ESTABLISHED BY A PARTICIPANT FOR THE SPECIFIC TIME PERIOD
ESTABLISHED BY THE PARTICIPANT;

(10) SHARE CONFIDENTIAL INFORMATION THAT COULD AFFECT
FANTASY CONTEST PLAY WITH THIRD PARTIES UNTIL THE INFORMATION
IS MADE PUBLICLY AVAILABLE;

(11) KNOWINGLY PERMIT A PRINCIPAL, AN EMPLOYEE OF A
LICENSED OPERATOR OR A RELATIVE LIVING IN THE SAME HOUSEHOLD
OF AN EMPLOYEE OR PRINCIPAL OF A LICENSED OPERATOR TO BECOME
A PARTICIPANT IN A FANTASY CONTEST OFFERED BY ANY LICENSED
OPERATOR IN WHICH A LICENSED OPERATOR OFFERS A PRIZE OR
AWARD;

(12) OFFER A FANTASY CONTEST WHERE:

(I) THE VALUE OF ALL PRIZES OR AWARDS OFFERED TO
WINNING PARTICIPANTS IS NOT ESTABLISHED AND MADE KNOWN TO
PARTICIPANTS IN ADVANCE OF THE FANTASY CONTEST;

(II) THE VALUE OF THE PRIZE OR AWARD IS DETERMINED
BY THE NUMBER OF PARTICIPANTS OR THE AMOUNT OF ANY FEES
PAID BY THOSE PARTICIPANTS;

(III) THE WINNING OUTCOME DOES NOT REFLECT THE
RELATIVE KNOWLEDGE AND SKILL OF PARTICIPANTS;

(IV) THE WINNING OUTCOME IS BASED ON THE SCORE,
POINT SPREAD OR PERFORMANCE OF A SINGLE ACTUAL TEAM OR
COMBINATION OF TEAMS OR SOLELY ON A SINGLE PERFORMANCE OF
AN INDIVIDUAL ATHLETE OR PLAYER IN A SINGLE ACTUAL EVENT;
(V) the winning outcome is not based on statistical results accumulated from fully completed athletic sports contests or events, except that participants may be credited for statistical results accumulated in a suspended or shortened sports event which has been partially completed on account of weather or other natural or unforeseen event;

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

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

(15) except as permitted under section 342 (relating to licensed gaming entities), offer or make available in this commonwealth a fantasy contest terminal; and

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

(B) deposit.--the licensed operator shall forward the amount of the prize or award under subsection (a)(8.1) to the board which shall transfer the amount to the state treasurer for deposit in the general fund.

§ 327. change in ownership or control of licensed operators.

(A) notification and approval.--

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

(I) more than 15% of a licensed operator's
SECURITIES OR OTHER OWNERSHIP INTERESTS.

(II) THE SALE OTHER THAN IN THE ORDINARY COURSE OF
BUSINESS OF A LICENSED OPERATOR'S ASSETS.

(III) ANY OTHER TRANSACTION OR OCCURRENCE DEEMED BY
THE BOARD TO BE RELEVANT TO FANTASY CONTEST LICENSE
QUALIFICATIONS.

(2) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (1), A
LICENSED OPERATOR SHALL NOT BE REQUIRED TO NOTIFY THE BOARD
OF ANY ACQUISITION BY AN INSTITUTIONAL INVESTOR UNDER
PARAGRAPH (1)(I) OR (II) IF THE INSTITUTIONAL INVESTOR HOLDS
LESS THAN 10% OF THE SECURITIES OR OTHER OWNERSHIP INTERESTS
REFERRED TO IN PARAGRAPH (1)(I) OR (II), THE SECURITIES OR
INTERESTS ARE PUBLICLY TRaded SECURITIES AND ITS HOLDINGS OF
SUCH SECURITIES WERE PURCHASED FOR INVESTMENT PURPOSES ONLY
AND THE INSTITUTIONAL INVESTOR FILES WITH THE BOARD A
CERTIFIED STATEMENT TO THE EFFECT THAT THE INSTITUTIONAL
INVESTOR HAS NO INTENTION OF INFLUENCING OR AFFECTING,
DIRECTLY OR INDIRECTLY, THE AFFAIRS OF THE LICENSED OPERATOR.
HOWEVER, THE INSTITUTIONAL INVESTOR MAY VOTE ON MATTERS PUT
TO THE VOTE OF THE OUTSTANDING SECURITY HOLDERS. NOTICE TO
THE BOARD SHALL BE REQUIRED PRIOR TO COMPLETION OF ANY
PROPOSED OR CONTEMPLATED CHANGE OF OWNERSHIP OF A LICENSED
OPERATOR THAT MEETS THE CRITERIA OF THIS SECTION.

(B) QUALIFICATION OF PURCHASER AND CHANGE OF CONTROL.--

(1) A PURCHASER OF THE ASSETS, OTHER THAN IN THE
ORDINARY COURSE OF BUSINESS, OF A LICENSED OPERATOR SHALL
INDEPENDENTLY QUALIFY FOR A FANTASY CONTEST LICENSE IN
ACCORDANCE WITH THIS CHAPTER AND SHALL PAY THE APPLICATION
FEE AND LICENSE FEE AS REQUIRED BY SECTIONS 322 (RELATING TO
APPLICATION) AND 323 (RELATING TO ISSUANCE AND DENIAL OF
LICENSE), EXCEPT THAT IF THE PURCHASER OF ASSETS IS ANOTHER
LICENSED OPERATOR, THE PURCHASER OF ASSETS SHALL NOT BE
REQUIRED TO REQUALIFY FOR A FANTASY CONTEST LICENSE OR PAY
ANOTHER APPLICATION FEE AND LICENSE FEE.

(2) A CHANGE IN CONTROL OF ANY LICENSED OPERATOR SHALL
REQUIRE THAT THE LICENSED OPERATOR INDEPENDENTLY QUALIFY FOR
A FANTASY CONTEST LICENSE IN ACCORDANCE WITH THIS CHAPTER,
AND THE LICENSED OPERATOR SHALL PAY A NEW APPLICATION AND
LICENSE FEE AS REQUIRED BY SECTIONS 322 AND 323, EXCEPT THAT
IF THE NEW CONTROLLER IS ANOTHER LICENSED OPERATOR, THE NEW
CONTROLLER SHALL NOT BE REQUIRED TO REQUALIFY FOR A FANTASY
CONTEST LICENSE OR PAY ANOTHER APPLICATION FEE AND LICENSE
FEE.

(C) LICENSE REVOCATION.--FAILURE TO COMPLY WITH THIS SECTION
MAY CAUSE THE FANTASY CONTEST LICENSE ISSUED UNDER THIS CHAPTER
TO BE REVOKED OR SUSPENDED BY THE BOARD UNLESS THE PURCHASE OF
THE ASSETS OR THE CHANGE IN CONTROL THAT MEETS THE CRITERIA OF
THIS SECTION HAS BEEN INDEPENDENTLY QUALIFIED IN ADVANCE BY THE
BOARD AND ANY REQUIRED APPLICATION OR LICENSE FEE HAS BEEN PAID.

(D) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING
WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS
SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

"CHANGE IN CONTROL OF A LICENSED OPERATOR." THE ACQUISITION
BY A PERSON OR GROUP OF PERSONS ACTING IN CONCERT OF MORE THAN
20% OF A LICENSED OPERATOR'S SECURITIES OR OTHER OWNERSHIP
INTERESTS, WITH THE EXCEPTION OF ANY OWNERSHIP INTEREST OF THE
PERSON THAT EXISTED AT THE TIME OF INITIAL LICENSING AND PAYMENT
OF THE INITIAL FANTASY CONTEST LICENSE FEE, OR MORE THAN 20% OF
THE SECURITIES OR OTHER OWNERSHIP INTERESTS OF A CORPORATION OR
OTHER FORM OF BUSINESS ENTITY THAT OWNS DIRECTLY OR INDIRECTLY
AT LEAST 20% OF THE VOTING OR OTHER SECURITIES OR OTHER OWNERSHIP INTERESTS OF THE LICENSED OPERATOR.

§ 328. PENALTIES.

(A) SUSPENSION OR REVOCATION OF LICENSE.--AFTER A PUBLIC HEARING WITH AT LEAST 15 DAYS' NOTICE, THE BOARD MAY SUSPEND OR REVOKE A LICENSED OPERATOR'S FANTASY CONTEST LICENSE IN ANY CASE WHERE A VIOLATION OF THIS CHAPTER HAS BEEN SHOWN BY A PREPONDERANCE OF THE EVIDENCE.

(B) ADMINISTRATIVE PENALTIES.--

(1) IN ADDITION TO SUSPENSION OR REVOCATION OF A FANTASY CONTEST LICENSE, THE BOARD MAY IMPOSE ADMINISTRATIVE PENALTIES ON A LICENSED OPERATOR FOR VIOLATIONS OF THIS CHAPTER.

(2) A VIOLATION OF THIS CHAPTER THAT IS DETERMINED TO BE AN OFFENSE OF A CONTINUING NATURE SHALL BE DEEMED TO BE A SEPARATE OFFENSE ON EACH EVENT OR DAY DURING WHICH THE VIOLATION OCCURS.

(3) THE LICENSED OPERATOR SHALL HAVE THE RIGHT TO APPEAL ADMINISTRATIVE PENALTIES IN ACCORDANCE WITH 2 PA.C.S. CHS. 5 SUBCH. A (RELATING TO PRACTICE AND PROCEDURE OF COMMONWEALTH AGENCIES) AND 7 SUBCH. A (RELATING TO JUDICIAL REVIEW OF COMMONWEALTH AGENCY ACTION).

(4) PENALTIES IMPOSED UNDER THIS SUBSECTION SHALL BE DEPOSITED INTO THE GENERAL FUND.

(C) CIVIL PENALTIES.--

(1) IN ADDITION TO THE PROVISIONS OF THIS SECTION, A PERSON WHO KNOWINGLY VIOLATES A PROVISION OF THIS CHAPTER SHALL BE LIABLE FOR A CIVIL PENALTY OF NOT MORE THAN $1,000 FOR EACH SUCH VIOLATION.

(2) THE CIVIL PENALTY SHALL BE RECOVERED IN A CIVIL
ACTION BROUGHT BY THE BOARD AND SHALL BE PAID INTO THE
GENERAL FUND.

SUBCHAPTER D

FISCAL PROVISIONS

SEC.

331. FANTASY CONTEST TAX.

332. LICENSED OPERATOR DEPOSITS.

333. RESPONSIBILITY AND AUTHORITY OF DEPARTMENT.

334. COMPULSIVE AND PROBLEM GAMBLING.

§ 331. FANTASY CONTEST TAX.

(A) IMPOSITION.--EACH LICENSED OPERATOR SHALL REPORT TO THE
DEPARTMENT AND PAY FROM ITS MONTHLY FANTASY CONTEST ADJUSTED
REVENUES, ON A FORM AND IN THE MANNER PRESCRIBED BY THE
DEPARTMENT, A TAX OF 15% OF ITS MONTHLY FANTASY CONTEST ADJUSTED
REVENUES.

(B) DEPOSITS AND DISTRIBUTIONS.--

(1) THE TAX IMPOSED UNDER SUBSECTION (A) SHALL BE
PAYABLE TO THE DEPARTMENT ON A MONTHLY BASIS AND SHALL BE
BASED UPON MONTHLY FANTASY CONTEST ADJUSTED REVENUE DERIVED
DURING THE PREVIOUS MONTH.

(2) ALL FUNDS OWED TO THE COMMONWEALTH UNDER THIS
SECTION SHALL BE HELD IN TRUST FOR THE COMMONWEALTH BY THE
LICENSED OPERATOR UNTIL THE FUNDS ARE PAID TO THE DEPARTMENT.

(3) THE TAX IMPOSED AND COLLECTED BY THE DEPARTMENT
UNDER SUBSECTION (A) SHALL BE DEPOSITED INTO THE GENERAL
FUND.

(C) PENALTY.--

(1) A LICENSED OPERATOR WHO FAILS TO TIMELY REMIT TO THE
DEPARTMENT THE TAX IMPOSED UNDER THIS SECTION SHALL BE
LIABLE, IN ADDITION TO ANY SANCTION OR PENALTY IMPOSED UNDER
THIS CHAPTER, FOR THE PAYMENT OF A PENALTY OF 5% PER MONTH UP TO A MAXIMUM OF 25% OF THE AMOUNTS ULTIMATELY FOUND TO BE DUE, TO BE RECOVERED BY THE DEPARTMENT.

(2) PENALTIES IMPOSED AND COLLECTED BY THE DEPARTMENT OR THE BOARD UNDER THIS SUBSECTION SHALL BE DEPOSITED IN THE GENERAL FUND.

§ 332. LICENSED OPERATOR DEPOSITS.

(A) ACCOUNTS ESTABLISHED.--THE STATE TREASURER SHALL ESTABLISH WITHIN THE STATE TREASURY AN ACCOUNT FOR EACH LICENSED OPERATOR FOR THE DEPOSIT REQUIRED UNDER SUBSECTION (B) TO RECOVER COSTS OR EXPENSES INCURRED BY THE BOARD AND THE DEPARTMENT IN CARRYING OUT THEIR POWERS AND DUTIES UNDER THIS CHAPTER BASED UPON A BUDGET SUBMITTED BY THE BOARD AND THE DEPARTMENT UNDER SUBSECTION (C).

(B) DEPOSITS.--

(1) THE DEPARTMENT SHALL DETERMINE THE APPROPRIATE ASSESSMENT AMOUNT FOR EACH LICENSED OPERATOR, WHICH SHALL BE A PERCENTAGE ASSESSED BY THE DEPARTMENT ON THE LICENSED OPERATOR'S FANTASY CONTEST ADJUSTED REVENUES. EACH LICENSED OPERATOR SHALL DEPOSIT FUNDS INTO ITS ACCOUNT ON A MONTHLY BASIS.

(2) THE PERCENTAGE ASSESSED BY THE DEPARTMENT SHALL NOT EXCEED AN AMOUNT NECESSARY TO RECOVER COSTS OR EXPENSES INCURRED BY THE BOARD AND THE DEPARTMENT IN CARRYING OUT THEIR POWERS AND DUTIES UNDER THIS CHAPTER BASED ON A BUDGET SUBMITTED BY THE BOARD AND THE DEPARTMENT UNDER SUBSECTION (C).

(C) ITEMIZED BUDGET REPORTING.--

(1) THE BOARD AND THE DEPARTMENT SHALL PREPARE AND ANNually SUBMIT TO THE CHAIRPERSON AND MINORITY CHAIRPERSON
OF THE APPROPRIATIONS COMMITTEE OF THE SENATE AND THE
CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS
COMMITTEE OF THE HOUSE OF REPRESENTATIVES AN ITEMIZED BUDGET
CONSISTING OF AMOUNTS TO BE APPROPRIATED OUT OF THE ACCOUNTS
ESTABLISHED UNDER THIS SECTION NECESSARY TO ADMINISTER THIS
CHAPTER.

(2) THE ITEMIZED BUDGET REQUIRED UNDER PARAGRAPH (1)
SHALL BE SUBMITTED IN CONJUNCTION WITH THE BUDGET REQUIRED TO
BE SUBMITTED UNDER SECTION 1202(B)(28) (RELATING TO GENERAL
AND SPECIFIC POWERS).

(D) APPROPRIATION.--COSTS AND EXPENSES FROM ACCOUNTS
ESTABLISHED UNDER SUBSECTION (A) SHALL ONLY BE DISBURSED UPON
APPROPRIATION BY THE GENERAL ASSEMBLY.

(E) PENALTY.—

(1) A LICENSED OPERATOR WHO FAILS TO TIMELY REMIT TO THE
DEPARTMENT THE TAX IMPOSED UNDER THIS SECTION SHALL BE
LIABLE, IN ADDITION TO ANY SANCTION OR PENALTY IMPOSED UNDER
THIS CHAPTER, FOR THE PAYMENT OF A PENALTY OF 5% PER MONTH UP
TO A MAXIMUM OF 25% OF THE AMOUNTS ULTIMATELY FOUND TO BE
DUE, TO BE RECOVERED BY THE DEPARTMENT.

(2) PENALTIES IMPOSED AND COLLECTED BY THE DEPARTMENT
UNDER THIS SUBSECTION SHALL BE DEPOSITED INTO THE GENERAL
FUND.

§ 333. RESPONSIBILITY AND AUTHORITY OF DEPARTMENT.

(A) GENERAL RULE.—THE DEPARTMENT SHALL ADMINISTER AND
COLLECT TAXES IMPOSED UNDER SECTION 331 (RELATING TO FANTASY
CONTEST TAX) AND INTEREST IMPOSED UNDER SECTION 806 OF THE ACT
OF APRIL 9, 1929 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE,
AND PROMULGATE AND ENFORCE RULES AND REGULATIONS TO CARRY OUT
ITS PRESCRIBED DUTIES IN ACCORDANCE WITH SECTIONS 331 AND 332
(RELATING TO LICENSED OPERATOR DEPOSITS), INCLUDING THE
COLLECTION OF TAXES, PENALTIES, ASSESSMENTS AND INTEREST.

(B) PROCEDURE.--FOR PURPOSES OF IMPLEMENTING SECTIONS 331
AND 332, THE DEPARTMENT MAY PROMULGATE REGULATIONS IN THE SAME
MANNER IN WHICH THE BOARD IS AUTHORIZED AS PROVIDED IN SECTION
312 (RELATING TO TEMPORARY REGULATIONS).

§ 334. COMPULSIVE AND PROBLEM GAMBLING.

EACH YEAR, FROM THE TAX IMPOSED UNDER SECTION 331, THE AMOUNT
EQUAL TO .002 MULTIPLIED BY THE TOTAL FANTASY CONTEST ADJUSTED
REVENUE OF ALL ACTIVE AND OPERATING LICENSED OPERATORS SHALL BE
TRANSFERRED TO THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR A
SUCCESSOR AGENCY TO BE USED FOR DRUG AND ALCOHOL ADDICTION
TREATMENT SERVICES, INCLUDING TREATMENT FOR DRUG AND ALCOHOL
ADDICTION RELATED TO COMPULSIVE AND PROBLEM GAMBLING AS PROVIDED
UNDER SECTION 1509.1 (RELATING TO DRUG AND ALCOHOL TREATMENT).

SUBCHAPTER E
MISCELLANEOUS PROVISIONS

SEC.
341. APPLICABILITY OF OTHER STATUTES.

341.1. LIABILITY.

342. LICENSED GAMING ENTITIES.

§ 341. APPLICABILITY OF OTHER STATUTES.

(A) UNLAWFUL GAMBLING.--THE PROVISIONS OF 18 PA.C.S. § 5513
(RELATING TO GAMBLING DEVICES, GAMBLING, ETC.) SHALL NOT APPLY
TO A FANTASY CONTEST CONDUCTED IN ACCORDANCE WITH THIS CHAPTER.

(B) POOL SELLING AND BOOKMAKING.--THE PROVISIONS OF 18
PA.C.S. § 5514 (RELATING TO POOL SELLING AND BOOKMAKING) SHALL
NOT APPLY TO A FANTASY CONTEST CONDUCTED IN ACCORDANCE WITH THIS
CHAPTER.

(C) LOTTERIES.--THE PROVISIONS OF 18 PA.C.S. § 5512
(RELATING TO LOTTERIES, ETC.) SHALL NOT APPLY TO A FANTASY
CONTEST CONDUCTED IN ACCORDANCE WITH THIS CHAPTER.

(D) STATE LOTTERY LAW.--THIS CHAPTER SHALL NOT APPLY TO A
FANTASY CONTEST OR SIMILAR PRODUCT AUTHORIZED UNDER THE ACT OF
AUGUST 26, 1971 (P.L.351, NO.91), KNOWN AS THE STATE LOTTERY
LAW, AND AUTHORIZED SOLELY BY THE DEPARTMENT AND THE DIVISION OF
THE STATE LOTTERY OR ILOTTERY UNDER CHAPTER 5 (RELATING TO
LOTTERY).

§ 341. LIABILITY.

A LICENSED OPERATOR OR EMPLOYEE OF A LICENSED OPERATOR SHALL
NOT BE LIABLE TO ANY SELF-EXCLUDED PERSON OR TO ANY OTHER PARTY
IN ANY JUDICIAL PROCEEDING FOR ANY HARM, MONETARY OR OTHERWISE,
WHICH MAY ARISE AS A RESULT OF:

(1) THE FAILURE OF A LICENSED OPERATOR TO WITHHOLD
FANTASY CONTEST PRIVILEGES FROM OR RESTORE FANTASY CONTEST
PRIVILEGES TO A SELF-EXCLUDED PERSON; OR

(2) OTHERWISE PERMITTING OR NOT PERMITTING A SELF-
EXCLUDED PERSON TO ENGAGE IN FANTASY CONTEST ACTIVITY WHILE
ON THE LIST OF SELF-EXCLUDED PERSONS.

§ 342. LICENSED GAMING ENTITIES.

(A) SCOPE.--THIS SECTION SHALL APPLY TO A LICENSED GAMING
ENTITY THAT HOLDS A FANTASY CONTEST LICENSE.

(B) APPLICABILITY.--NOTHING IN THIS CHAPTER SHALL BE
CONSTRUED TO LIMIT THE BOARD’S GENERAL AND SOLE REGULATORY
AUTHORITY OVER THE CONDUCT OF GAMING OR RELATED ACTIVITIES UNDER
PART II (RELATING TO GAMING), INCLUDING, BUT NOT LIMITED TO, THE
CERTIFICATION, REGISTRATION AND REGULATION OF GAMING SERVICE
PROVIDERS AND INDIVIDUALS AND ENTITIES ASSOCIATED WITH A GAMING
SERVICE PROVIDER.

(C) RESTRICTED CONTESTS.--A LICENSED GAMING ENTITY MAY OFFER
RESTRICTED FANTASY CONTESTS THAT ARE EXCLUSIVE TO PARTICIPANTS WHO ARE AT LEAST 21 YEARS OF AGE.

(D) PROMOTIONAL PLAY.--FOR A RESTRICTED FANTASY CONTEST UNDER SUBSECTION (C), A LICENSED GAMING ENTITY MAY OFFER SLOT MACHINE PROMOTIONAL PLAY OR TABLE GAME MATCH PLAY TO A PARTICIPANT WHO IS AT LEAST 21 YEARS OF AGE AS A PRIZE OR AWARD OR FOR PARTICIPATING IN A FANTASY CONTEST CONDUCTED BY THE LICENSED GAMING ENTITY.

(E) GAMING SERVICE PROVIDERS.--A LICENSED OPERATOR WHO IS NOT A LICENSED GAMING ENTITY MAY, AT THE DISCRETION OF THE BOARD, BE CERTIFICATED OR REGISTERED AS A GAMING SERVICE PROVIDER UNDER SECTION 1317.2 (RELATING TO GAMING SERVICE PROVIDER) IN ORDER TO OPERATE FANTASY CONTESTS SUBJECT TO THE REQUIREMENTS OF THIS SECTION.

(F) FANTASY CONTEST TERMINALS.--

(1) A LICENSED GAMING ENTITY MAY PETITION THE BOARD, ON A FORM AND IN A MANNER AS REQUIRED BY THE BOARD, TO PLACE AND OPERATE FANTASY CONTEST TERMINALS WITHIN THE LICENSED GAMING ENTITY'S LICENSED FACILITY.

(2) THE BOARD MAY, ACCORDING TO REGULATIONS ADOPTED BY THE BOARD, APPROVE THE PLACEMENT AND OPERATION OF FANTASY CONTEST TERMINALS AT ONE OR MORE LOCATIONS WITHIN A LICENSED FACILITY, PROVIDED THAT FANTASY CONTEST TERMINALS MAY NOT BE PLACED ON THE GAMING FLOOR.

(3) THE BOARD MAY NOT REQUIRE A PARTICIPANT TO ESTABLISH A FANTASY CONTEST ACCOUNT PRIOR TO ENTERING A FANTASY CONTEST THROUGH A FANTASY CONTEST TERMINAL.
§ 501. Scope of Chapter.

THIS CHAPTER RELATES TO LOTTERY.


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

"Agent" or "Lottery Sales Agent." A person licensed under section 305 of the State Lottery Law.

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

"Ilottery." A system that provides for the distribution of lottery products through numerous channels that include, but are not limited to, web applications, mobile applications, mobile web, tablets and social media platforms that allows players to interface through a portal for the purpose of obtaining lottery products and ancillary services, such as account management, game purchase, game play and prize redemption.

"Ilottery game." Internet instant games and other lottery products offered through ilottery. The term does not include games that represent physical, internet-based or monitor-based interactive lottery games which simulate casino-style lottery games, specifically including poker, roulette, slot machines or blackjack.

"Internet instant game." A lottery game of chance in which, by the use of a computer, tablet computer or other mobile device, a player purchases a lottery play, with the result of...
PLAY BEING A REVEAL ON THE DEVICE OF NUMBERS, LETTERS OR SYMBOLS INDICATING WHETHER A LOTTERY PRIZE HAS BEEN WON ACCORDING TO AN ESTABLISHED METHODOLOGY AS PROVIDED BY THE LOTTERY.

"LOTTERY" OR "STATE LOTTERY." THE LOTTERY ESTABLISHED UNDER THE STATE LOTTERY LAW.

"LOTTERY PRODUCTS." PLAYS, SHARES OR CHANCES OFFERED BY THE STATE LOTTERY AS WELL AS LOTTERY PROPERTY THAT MAY BE EXCHANGED FOR PLAYS, SHARES OR CHANCES. THE TERM INCLUDES INSTANT TICKETS, TERMINAL-BASED TICKETS, RAFFLE GAMES, PLAY-FOR-FUN GAMES, LOTTERY VOUCHERS, SUBSCRIPTION SERVICES AND GIFT CARDS AUTHORIZED FOR SALE UNDER THE STATE LOTTERY LAW.

"SECRETARY." THE SECRETARY OF REVENUE OF THE COMMONWEALTH.

"STATE LOTTERY LAW." THE ACT OF AUGUST 26, 1971 (P.L.351, NO.91), KNOWN AS THE STATE LOTTERY LAW.

"SUBSCRIPTION SERVICES." A PAYMENT, ADVANCE PAYMENT OR PROMISE OF PAYMENT FOR MULTIPLE LOTTERY PRODUCTS OVER A SPECIFIED PERIOD OF TIME, INCLUDING PAYMENT THROUGH ILOTTERY.

§ 503. ILOTTERY AUTHORIZATION.

(A) AUTHORITY.--NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, THE DEPARTMENT MAY OPERATE ILOTTERY GAMES.

(B) TEMPORARY REGULATORY AUTHORITY.--

(1) IN ORDER TO FACILITATE THE PROMPT IMPLEMENTATION OF ILOTTERY OR NEW SALES METHODS OF TRADITIONAL LOTTERY PRODUCTS OVER THE INTERNET, REGULATIONS PROMULGATED BY THE SECRETARY SHALL BE DEEMED TEMPORARY REGULATIONS WHICH SHALL EXPIRE NOT LATER THAN TWO YEARS FOLLOWING THE PUBLICATION OF THE TEMPORARY REGULATIONS. THE SECRETARY MAY PROMULGATE TEMPORARY REGULATIONS NOT SUBJECT TO:

(I) SECTIONS 201, 202, 203, 204 AND 205 OF THE ACT OF JULY 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE
COMMONWEALTH DOCUMENTS LAW.

(II) SECTION 204(B) OF THE ACT OF OCTOBER 15, 1980
(P.L.950, NO.164), KNOWN AS THE COMMONWEALTH ATTORNEYS
ACT.

(III) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181),
KNOWN AS THE REGULATORY REVIEW ACT.

(2) REGULATIONS ADOPTED AFTER THE TWO-YEAR TIME PERIOD
SHALL BE PROMULGATED AS PROVIDED BY LAW.

(C) PROMPT IMPLEMENTATION.--NOTWITHSTANDING ANY OTHER
PROVISION OF LAW TO THE CONTRARY AND IN ORDER TO FACILITATE THE
PROMPT IMPLEMENTATION OF ILOTTERY IN THIS COMMONWEALTH, INITIAL
CONTRACTS ENTERED INTO BY THE DEPARTMENT FOR ILOTTERY AND
RELATED GAMING SYSTEMS, INCLUDING ANY NECESSARY HARDWARE,
SOFTWARE, LICENSES OR RELATED SERVICES, SHALL NOT BE SUBJECT TO
THE PROVISIONS OF 62 PA.C.S. (RELATING TO PROCUREMENT).
CONTRACTS ENTERED INTO UNDER THIS SUBSECTION MAY NOT EXCEED TWO
YEARS.

(D) PLAYER IDENTIFIABLE INFORMATION.--WITH THE EXCEPTION OF
CERTAIN INFORMATION RELEASED BY THE DEPARTMENT TO NOTIFY THE
PUBLIC OF THE IDENTITY OF A PRIZE RECIPIENT OR TO PERFORM ANY
OTHER OBLIGATION OF THE LOTTERY UNDER LAWS OR REGULATIONS
RELATED TO THE PAYMENT OF LOTTERY PRIZES, PERSONAL IDENTIFYING
INFORMATION OBTAINED BY THE DEPARTMENT AS A RESULT OF A PLAYER'S
PURCHASE OF LOTTERY PRODUCTS OR THE CLAIM OF A LOTTERY PRIZE,
SUCH AS NAME, ADDRESS, TELEPHONE NUMBER OR PLAYER FINANCIAL
INFORMATION, SHALL BE CONSIDERED CONFIDENTIAL AND OTHERWISE
EXEMPT FROM PUBLIC DISCLOSURE WHETHER RETAINED BY THE
DEPARTMENT, AN AGENT OF THE DEPARTMENT OR A LOTTERY SALES AGENT.

(E) LOTTERY CONFIDENTIAL PROPRIETARY INFORMATION.--

(1) INFORMATION OBTAINED BY THE DEPARTMENT AS A RESULT
OF A PLAYER'S PURCHASE OF LOTTERY PRODUCTS OR ENTERING A
LOTTERY DRAWING, SUCH AS AGGREGATE STATISTICAL DATA WHICH MAY
INCLUDE PLAY HISTORY OR PLAYER TENDENCIES, SHALL BE
CONSIDERED CONFIDENTIAL PROPRIETARY INFORMATION OF THE
DEPARTMENT AND OTHERWISE EXEMPT FROM PUBLIC DISCLOSURE
WHETHER RETAINED BY THE DEPARTMENT, AN AGENT OF THE LOTTERY
OR A LOTTERY SALES AGENT.

(2) CONFIDENTIAL PROPRIETARY INFORMATION SHALL INCLUDE
ANY RESEARCH OR STUDY CONDUCTED BY THE LOTTERY OR A LOTTERY
VENDOR THAT UTILIZES CONFIDENTIAL PROPRIETARY INFORMATION
OBTAINED UNDER THIS SECTION.

(F) REVENUES.--

(1) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
CONTRARY, REVENUES ACCRUING FROM THE SALE OF LOTTERY PRODUCTS
UNDER THIS CHAPTER SHALL BE DEDICATED TO AND DEPOSITED IN THE
STATE LOTTERY FUND AS PROVIDED FOR IN SECTION 311 OF THE
STATE LOTTERY LAW. THE REVENUES SHALL BE APPORTIONED AS
PROVIDED FOR IN SECTION 303(A)(11) OF THE STATE LOTTERY LAW.

(2) FOR FISCAL YEARS BEGINNING AFTER JUNE 30, 2017,
REVENUES RAISED UNDER THIS CHAPTER SHALL NOT BE SUBJECT TO
THE PROFIT MARGIN LIMITATIONS SPECIFIED IN SECTION 303(A)(11)
(IV) OF THE STATE LOTTERY LAW.

(G) ILOTTERY GAME CARDS.--ILOTTERY GAME CARDS OR OTHER
SIMILAR MECHANISMS THAT ALLOW PLAYERS TO PREPURCHASE LOTTERY
PRODUCTS OFFERED THROUGH ILOTTERY SOLD BY A LOTTERY SALES AGENT
SHALL RESULT IN THE LOTTERY SALES AGENT RECEIVING A COMMISSION
ON THE SALE AS PROVIDED FOR UNDER THE STATE LOTTERY LAW.

(H) RESTRICTIONS.--

(1) AN ILOTTERY PLAYER MUST BE AT LEAST 18 YEARS OF AGE
TO ESTABLISH AN ACCOUNT WITH THE DEPARTMENT AND MUST BE

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PHYSICALLY LOCATED WITHIN THE GEOGRAPHICAL BOUNDARIES OF THIS
COMMONWEALTH TO PLAY ILOTTERY GAMES. A PLAYER ESTABLISHING AN
ACCOUNT MUST AGREE TO THE TERMS AND CONDITIONS PRESENTED BY
THE DEPARTMENT WHICH MUST REQUIRE THE PLAYER TO AFFIRM THAT
THE ACCOUNT IS LIMITED SOLELY TO THAT PLAYER’S USE FOR
ILOTTERY GAMING PURPOSES AND THAT OTHER USE IS UNLAWFUL.

(2) NO ILOTTERY GAME SHALL BE SOLD, AND NO PRIZE SHALL
BE AWARDED, TO AN OFFICER OR EMPLOYEE OF THE DIVISION OF
STATE LOTTERY IN THE DEPARTMENT OR A SPOUSE, CHILD, BROTHER,
SISTER OR PARENT RESIDING AS A MEMBER OF THE SAME HOUSEHOLD
IN THE PRINCIPAL PLACE OF ABODE OF THE OFFICER OR EMPLOYEE.

(I) SELF-EXCLUSION.--THE DEPARTMENT SHALL PROMULGATE
REGULATIONS REGARDING THE ESTABLISHMENT OF AN ILOTTERY SELF-
EXCLUSION PROGRAM THAT WOULD ALLOW INDIVIDUALS TO VOLUNTARILY
EXCLUDE THEMSELVES FROM ILOTTERY.

§ 504. RETAIL INCENTIVE PROGRAM.

(A) ESTABLISHMENT.--THE DEPARTMENT SHALL ESTABLISH A RETAIL
INCENTIVE PROGRAM TO REWARD LOTTERY SALES AGENTS THAT ENGAGE IN
DEPARTMENT-RECOMMENDED BEST PRACTICES WHICH RESULT IN INCREASED
LOTTERY SALES AT THE AGENT'S LOTTERY SALES LOCATION. CONSISTENT
WITH THE STATE LOTTERY'S RESPONSIBILITIES TO OLDER
PENNSYLVANIANS AND THE LOTTERY'S COMMITMENT TO HELPING AGENTS
ACHIEVE SUCCESS IN SELLING LOTTERY PRODUCTS, THE RETAIL
INCENTIVE PROGRAM SHALL BE DESIGNED TO GENERATE INCREMENTAL
REVENUE THAT EXCEEDS THE COST OF THE PROGRAM. THE PROGRAM SHALL
BE REVIEWED ANNUALLY TO DETERMINE THE BENEFIT TO OLDER
PENNSYLVANIANS AND THE CONSISTENCY TO THE STATE LOTTERY'S
MISSION.

(B) FUNDING.--THE DEPARTMENT SHALL FUND THE PROGRAM WITH
0.5% OF THE SALE OF TRADITIONAL LOTTERY PRODUCTS AT LOTTERY

(C) NOTICE.—PRIOR TO THE COMMENCEMENT OF THE RETAIL INCENTIVE PROGRAM, AND FOR EACH YEAR THEREAFTER THAT THE RETAIL INCENTIVE PROGRAM IS IN EFFECT, THE DEPARTMENT SHALL PUBLISH A NOTICE IN THE PENNSYLVANIA BULLETIN DETAILING THE RETAIL INCENTIVE PROGRAM FOR THAT FISCAL YEAR. THE NOTICE SHALL INCLUDE PROGRAM GOALS, REQUIREMENTS AND THE ASSESSMENT METRICS THAT WILL BE USED FOR MEASURING PROGRAM EFFECTIVENESS. A MODIFICATION IN THE PROGRAM MUST BE SUBMITTED FOR PUBLICATION AS A NOTICE IN THE PENNSYLVANIA BULLETIN.

(D) REVIEW.—THE NOTICES UNDER SUBSECTION (C) SHALL NOT BE SUBJECT TO REVIEW UNDER ANY OF THE FOLLOWING:

(1) SECTION 205 OF THE ACT OF JULY 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE COMMONWEALTH DOCUMENTS LAW.

(2) SECTIONS 204(B) AND 301(10) OF THE ACT OF OCTOBER 15, 1980 (P.L.950, NO.164), KNOWN AS THE COMMONWEALTH ATTORNEYS ACT.


(E) CONTENTS.—THE RETAIL INCENTIVE PROGRAM SHALL INCLUDE REGULAR AND VARIED INCENTIVES FOR LOTTERY SALES AGENTS TO INCREASE SALES BY A PREDETERMINED PERCENTAGE OVER A BASE PERIOD, INCREASE STATE LOTTERY SIGNAGE, KEEP TICKET DISPLAYS STOCKED, PAY WINNING TICKETS AND ACTIVELY PROMOTE THE SALE OF LOTTERY PRODUCTS.

(F) PARTICIPATION.—PARTICIPATION IN THE RETAILER INCENTIVE PROGRAM SHALL BE VOLUNTARY FOR LOTTERY SALES AGENTS.
NONLAPSE.--AMOUNTS REMAINING IN THE RETAIL INCENTIVE PROGRAM AT THE END OF A FISCAL YEAR SHALL NOT LAPSE, BUT SHALL BE USED TO FUND RETAIL SALES INITIATIVES, INCLUDING, BUT NOT LIMITED TO, NEW EQUIPMENT, SIGNAGE, TRAINING, COUPONS, CONSUMER AND AGENT IN-STORE PROMOTIONS AND SALES MAKEOVERS, DESIGNED TO IMPROVE IN-STORE MERCHANDISING, FOOT TRAFFIC AND SALES.

§ 505. LOTTERY SALES ADVISORY COUNCIL.

(A) ESTABLISHMENT.--


(2) THE LOTTERY SALES ADVISORY COUNCIL SHALL MEET AT TIMES AND IN A MANNER AT THE DEPARTMENT'S DISCRETION FOR THE PURPOSES OF INCREASING THE PARTNERSHIP BETWEEN THE STATE LOTTERY AND LOTTERY SALES AGENTS AND DEVELOPING POLICY RECOMMENDATIONS FOR INCREASED LOTTERY SALES.

(3) THE LOTTERY SALES ADVISORY COUNCIL SHALL OPERATE IN AN ADVISORY, NONBINDING CAPACITY.

(B) COMPENSATION.--A NON-COMMONWEALTH EMPLOYEE MEMBER OF THE LOTTERY SALES ADVISORY COUNCIL SHALL NOT BE ENTITLED TO ANY FORM OF COMPENSATION FROM THE COMMONWEALTH FOR THE PERFORMANCE OF ANY DUTY THAT MAY BE REQUIRED BY THE LOTTERY SALES ADVISORY COUNCIL.

SECTION 2. SECTION 1102 OF TITLE 4 IS AMENDED TO READ:

§ 1102. LEGISLATIVE INTENT.

THE GENERAL ASSEMBLY RECOGNIZES THE FOLLOWING PUBLIC POLICY PURPOSES AND DECLARES THAT THE FOLLOWING OBJECTIVES OF THE
COMMONWEALTH ARE TO BE SERVED BY THIS PART:

(1) THE PRIMARY OBJECTIVE OF THIS PART TO WHICH ALL OTHER OBJECTIVES AND PURPOSES ARE SECONDARY IS TO PROTECT THE PUBLIC THROUGH THE REGULATION AND POLICING OF ALL ACTIVITIES INVOLVING GAMING AND PRACTICES THAT CONTINUE TO BE UNLAWFUL.

(2) THE AUTHORIZATION OF LIMITED GAMING BY THE INSTALLATION AND OPERATION OF SLOT MACHINES AS AUTHORIZED IN THIS PART IS INTENDED TO ENHANCE LIVE HORSE RACING, BREEDING PROGRAMS, ENTERTAINMENT AND EMPLOYMENT IN THIS COMMONWEALTH.

(2.1) THE AUTHORIZATION OF TABLE GAMES AND INTERACTIVE GAMING IN THIS PART IS INTENDED TO SUPPLEMENT SLOT MACHINE GAMING BY INCREASING REVENUES TO THE COMMONWEALTH AND PROVIDING NEW EMPLOYMENT OPPORTUNITIES BY CREATING SKILLED JOBS FOR INDIVIDUALS RELATED TO THE CONDUCT OF TABLE GAMES AT LICENSED FACILITIES IN THIS COMMONWEALTH AND RELATED TO THE CONDUCT OF INTERACTIVE GAMING.

(3) THE AUTHORIZATION OF LIMITED GAMING IS INTENDED TO PROVIDE A SIGNIFICANT SOURCE OF NEW REVENUE TO THE COMMONWEALTH TO SUPPORT PROPERTY TAX RELIEF, WAGE TAX REDUCTION, ECONOMIC DEVELOPMENT OPPORTUNITIES AND OTHER SIMILAR INITIATIVES.

(3.1) THE AUTHORIZATION OF LIMITED GAMING IN THIS COMMONWEALTH IMPACTS THIS COMMONWEALTH AS A WHOLE, INCLUDING THE GEOGRAPHIC REGIONS OF THIS COMMONWEALTH WHERE LICENSED FACILITIES ARE LOCATED, REQUIRING LICENSED FACILITIES TO MAKE ANNUAL PAYMENTS FOR THE PRIVILEGE OF OPERATING IN THIS COMMONWEALTH'S COUNTIES AND MUNICIPALITIES FURTHERS A LEGITIMATE GOVERNMENT INTEREST OF ENSURING BENEFITS TO NOT ONLY THE HOST COUNTY AND HOST MUNICIPALITY BUT THE REGION WHERE THE LICENSED FACILITY IS LOCATED.
(3.2) REQUIRING ANNUAL PAYMENTS TO BOTH HOST COUNTIES AND HOST MUNICIPALITIES RECOGNIZES THAT THESE TWO SEPARATE UNITS OF LOCAL GOVERNMENT HAVE SEPARATE GOVERNING BODIES, DIFFERENT JURISDICTIONS AND MAY FACE DISTINCT ISSUES RELATED TO THE AUTHORIZATION OF LIMITED GAMING WITHIN THEIR BOUNDARIES. THIS DISTINCTION APPLIES IN ALL REGIONS, EXCEPT A CITY AND COUNTY OF THE FIRST CLASS, WHICH ARE GOVERNED BY ONE GOVERNING BODY AND WHERE THE TERRITORIAL LIMITS OF THE JURISDICTIONS ARE IDENTICAL AND UNIQUE.

(4) THE AUTHORIZATION OF LIMITED GAMING IS INTENDED TO POSITIVELY ASSIST THE COMMONWEALTH'S HORSE RACING INDUSTRY, SUPPORT PROGRAMS INTENDED TO FOSTER AND PROMOTE HORSE BREEDING AND IMPROVE THE LIVING AND WORKING CONDITIONS OF PERSONNEL WHO WORK AND RESIDE IN AND AROUND THE STABLE AND BACKSIDE AREAS OF RACETRACKS.

(5) THE AUTHORIZATION OF LIMITED GAMING IS INTENDED TO PROVIDE BROAD ECONOMIC OPPORTUNITIES TO THE CITIZENS OF THIS COMMONWEALTH AND SHALL BE IMPLEMENTED IN SUCH A MANNER AS TO PREVENT POSSIBLE MONOPOLIZATION BY ESTABLISHING REASONABLE RESTRICTIONS ON THE CONTROL OF MULTIPLE LICENSED GAMING FACILITIES IN THIS COMMONWEALTH.

(6) THE AUTHORIZATION OF LIMITED GAMING IS INTENDED TO ENHANCE THE FURTHER DEVELOPMENT OF THE TOURISM MARKET THROUGHOUT THIS COMMONWEALTH, INCLUDING, BUT NOT LIMITED TO, YEAR-ROUND RECREATIONAL AND TOURISM LOCATIONS IN THIS COMMONWEALTH.

(7) PARTICIPATION IN LIMITED GAMING AUTHORIZED UNDER THIS PART BY ANY LICENSEE [OR] PERMITTEE, REGISTRANT OR CERTIFICATE HOLDER SHALL BE DEEMED A PRIVILEGE, CONDITIONED UPON THE PROPER AND CONTINUED QUALIFICATION OF THE LICENSEE
PERMITTEE, REGISTRANT OR CERTIFICATE HOLDER AND UPON
THE DISCHARGE OF THE AFFIRMATIVE RESPONSIBILITY OF EACH
LICENSEE, PERMITTEE, REGISTRANT AND CERTIFICATE HOLDER TO
PROVIDE THE REGULATORY AND INVESTIGATORY AUTHORITIES OF THE
COMMONWEALTH WITH ASSISTANCE AND INFORMATION NECESSARY TO
ASSURE THAT THE POLICIES DECLARED BY THIS PART ARE ACHIEVED.

(8) STRICTLY MONITORED AND ENFORCED CONTROL OVER ALL
LIMITED GAMING AUTHORIZED BY THIS PART SHALL BE PROVIDED
THROUGH REGULATION, LICENSING AND APPROPRIATE ENFORCEMENT
ACTIONS OF SPECIFIED LOCATIONS, PERSONS, ASSOCIATIONS,
PRACTICES, ACTIVITIES, LICENSEES [AND] PERMITTEES,
REGISTRANTS AND CERTIFICATE HOLDERS.

(9) STRICT FINANCIAL MONITORING AND CONTROLS SHALL BE
ESTABLISHED AND ENFORCED BY ALL LICENSEES [OR] PERMITTEES,
REGISTRANTS AND CERTIFICATE HOLDERS.

(10) THE PUBLIC INTEREST OF THE CITIZENS OF THIS
COMMONWEALTH AND THE SOCIAL EFFECT OF GAMING SHALL BE TAKEN
INTO CONSIDERATION IN ANY DECISION OR ORDER MADE PURSUANT TO
THIS PART.

(10.1) THE GENERAL ASSEMBLY HAS A COMPELLING INTEREST IN
PROTECTING THE INTEGRITY OF BOTH THE ELECTORAL PROCESS AND
THE LEGISLATIVE PROCESS BY PREVENTING CORRUPTION AND THE
APPEARANCE OF CORRUPTION WHICH MAY ARISE THROUGH PERMITTING
ANY TYPE OF POLITICAL CAMPAIGN CONTRIBUTIONS BY CERTAIN
PERSONS INVOLVED IN THE GAMING INDUSTRY AND REGULATED UNDER
THIS PART.

(10.2) BANNING ALL TYPES OF POLITICAL CAMPAIGN
CONTRIBUTIONS BY CERTAIN PERSONS SUBJECT TO THIS PART IS
NECESSARY TO PREVENT CORRUPTION AND THE APPEARANCE OF
CORRUPTION THAT MAY ARISE WHEN POLITICAL CAMPAIGN
CONTRIBUTIONS AND GAMING REGULATED UNDER THIS PART ARE INTERMINGLED.

(11) IT IS NECESSARY TO MAINTAIN THE INTEGRITY OF THE REGULATORY CONTROL AND LEGISLATIVE OVERSIGHT OVER THE OPERATION AND PLAY OF SLOT MACHINES [AND] TABLE GAMES AND INTERACTIVE GAMING IN THIS COMMONWEALTH; TO ENSURE THE BIPARTISAN ADMINISTRATION OF THIS PART; AND AVOID ACTIONS THAT MAY ERODE PUBLIC CONFIDENCE IN THE SYSTEM OF REPRESENTATIVE GOVERNMENT.

(12) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO AUTHORIZE THE OPERATION AND PLAY OF SLOT MACHINES [AND], TABLE GAMES AND INTERACTIVE GAMING UNDER A SINGLE SLOT MACHINE LICENSE ISSUED TO A SLOT MACHINE LICENSEE WHEN A SLOT MACHINE LICENSEE HAS BEEN ISSUED A TABLE GAME OPERATION CERTIFICATE AND AN INTERACTIVE GAMING CERTIFICATE UNDER THIS PART.

(12.1) THE CONTINUED GROWTH AND SUCCESS OF THE COMMERCIAL GAMING INDUSTRY IN THIS COMMONWEALTH IS DEPENDENT UPON A REGULATORY ENVIRONMENT WHICH PROMOTES AND FOSTERS TECHNOLOGICAL ADVANCES AND ENCOURAGES THE DEVELOPMENT AND DELIVERY OF INNOVATIVE GAMING PRODUCTS.

(12.2) IT IS ALSO THE INTENT OF THE GENERAL ASSEMBLY TO ENSURE THE SUSTAINABILITY AND COMPETITIVENESS OF THE COMMERCIAL GAMING INDUSTRY IN THIS COMMONWEALTH BY AUTHORIZING INTERACTIVE GAMING, THE OPERATION OF MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINES, SKILL AND HYBRID SLOT MACHINES.

(12.3) IT IS ALSO THE INTENT OF THE GENERAL ASSEMBLY TO AUTHORIZE THE OPERATION AND PLAY OF INTERACTIVE GAMING IN CONFORMANCE WITH FEDERAL LAW, INCLUDING THE UNLAWFUL INTERNET

(12.4) IT IS ALSO THE INTENT OF THE GENERAL ASSEMBLY TO AUTHORIZE SPORTS WAGERING WHEN FEDERAL LAW IS ENACTED OR REPEALED OR A FEDERAL COURT DECISION IS FILED THAT PERMITS A STATE TO REGULATE SPORTS WAGERING.

(12.5) IT IS FURTHER THE INTENT OF THE GENERAL ASSEMBLY TO:

(I) AUCTION CATEGORY 4 LOCATIONS AND THE RIGHT TO APPLY FOR CATEGORY 4 LOCATIONS IN THIS COMMONWEALTH TO ENSURE THE SUSTAINABILITY AND COMPETITIVENESS OF THE COMMERCIAL GAMING INDUSTRY.

(II) AUTHORIZE CATEGORY 4 LOCATIONS IN A MANNER TO AVOID THE CANNIBALIZATION OF EXISTING COMMERCIAL GAMING LOCATIONS.

(13) THE AUTHORIZATION OF LIMITED GAMING IN THIS COMMONWEALTH REQUIRES THE COMMONWEALTH TO TAKE STEPS TO INCREASE AWARENESS OF COMPULSIVE AND PROBLEM GAMBLING AND TO DEVELOP AND IMPLEMENT EFFECTIVE STRATEGIES FOR PREVENTION, ASSESSMENT AND TREATMENT OF THIS BEHAVIORAL DISORDER.

(14) RESEARCH INDICATES THAT [FOR SOME INDIVIDUALS] COMPULSIVE AND PROBLEM GAMBLING AND DRUG AND ALCOHOL ADDICTION ARE RELATED. THEREFORE, THE GENERAL ASSEMBLY INTENDS TO ESTABLISH AN APPROACH TO COMPULSIVE AND PROBLEM GAMBLING PREVENTION, ASSESSMENT AND TREATMENT THAT WILL ENSURE THE PROVISION OF ADEQUATE RESOURCES TO IDENTIFY, ASSESS AND TREAT BOTH COMPULSIVE AND PROBLEM GAMBLING AND DRUG AND ALCOHOL ADDICTION.

SECTION 3. THE DEFINITIONS OF "ASSOCIATED EQUIPMENT," "CASH EQUIVALENT," "CHEAT," "CHEATING OR THIEVING DEVICE,"

§ 1103. DEFINITIONS.

THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS PART SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

* * *

"AIRPORT AUTHORITY." ANY OF THE FOLLOWING:

(1)  THE GOVERNING BODY OF A MUNICIPAL AUTHORITY ORGANIZED AND INCORPORATED TO OVERSEE THE OPERATIONS OF A QUALIFIED AIRPORT UNDER 53 PA.C.S. CH. 56 (RELATING TO MUNICIPAL AUTHORITIES); OR

(2)  A CITY OF THE FIRST CLASS THAT REGULATES THE USE AND CONTROL OF A QUALIFIED AIRPORT LOCATED PARTIALLY IN A COUNTY OF THE FIRST CLASS AND PARTIALLY IN A COUNTY CONTIGUOUS TO A COUNTY OF THE FIRST CLASS.

"AIRPORT GAMING AREA." A LOCATION OR LOCATIONS WITHIN A QUALIFIED AIRPORT APPROVED BY THE AIRPORT AUTHORITY AND THE PENNSYLVANIA GAMING CONTROL BOARD FOR THE CONDUCT OF INTERACTIVE GAMING THROUGH THE USE OF MULTI-USE COMPUTING DEVICES BY ELIGIBLE PASSENGERS.

* * *
"ASSOCIATED EQUIPMENT." ANY EQUIPMENT OR MECHANICAL, ELECTROMECHANICAL OR ELECTRONIC CONTRIVANCE, COMPONENT OR MACHINE USED IN CONNECTION WITH SLOT MACHINES OR TABLE GAMES, INCLUDING LINKING DEVICES WHICH CONNECT TO PROGRESSIVE SLOT MACHINES AND MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINES OR SLOT [MACHINES, REPLACEMENT] MACHINE REPLACEMENT PARTS, EQUIPMENT WHICH AFFECTS THE PROPER REPORTING AND COUNTING OF GROSS TERMINAL REVENUE [AND] GROSS TABLE GAME REVENUE AND GROSS INTERACTIVE GAMING REVENUE, COMPUTERIZED SYSTEMS FOR CONTROLLING AND MONITORING SLOT MACHINES [OR] TABLE GAMES OR INTERACTIVE GAMES, INCLUDING, BUT NOT LIMITED TO, THE CENTRAL CONTROL COMPUTER TO WHICH ALL SLOT MACHINES COMMUNICATE [AND] DEVICES FOR WEIGHING OR COUNTING MONEY[.] AND INTERACTIVE GAMING DEVICES NECESSARY FOR THE OPERATION OF INTERACTIVE GAMES AS APPROVED BY THE PENNSYLVANIA GAMING CONTROL BOARD. THE TERM SHALL NOT INCLUDE COUNT ROOM EQUIPMENT.

"AUCTION." A PUBLIC MEETING OF THE BOARD TO RECEIVE AND OPEN SEALED BIDS SUBMITTED IN ACCORDANCE WITH SECTION 1305.2 (RELATING TO CONDUCT OF AUCTIONS).

* * *

"AUTHORIZED INTERACTIVE GAME." AN INTERACTIVE GAME APPROVED BY REGULATION OF THE PENNSYLVANIA GAMING CONTROL BOARD TO BE SUITABLE FOR INTERACTIVE GAMING OFFERED BY AN INTERACTIVE GAMING CERTIFICATE HOLDER OR AN INTERACTIVE GAMING OPERATOR ON BEHALF OF AN INTERACTIVE GAMING CERTIFICATE HOLDER IN ACCORDANCE WITH CHAPTER 13B (RELATING TO INTERACTIVE GAMING). THE TERM SHALL INCLUDE ANY INTERACTIVE GAME APPROVED BY REGULATION OF THE PENNSYLVANIA CONTROL BOARD TO BE SUITABLE FOR INTERACTIVE GAMING THROUGH THE USE OF A MULTI-USE COMPUTING DEVICE.

* * *
"BID." AN OFFER TO PAY FOR THE RIGHT TO SELECT A CATEGORY 4 LOCATION AND APPLY FOR A CATEGORY 4 SLOT MACHINE LICENSE.

* * *

"CASH EQUIVALENT." AN ASSET THAT IS READILY CONVERTIBLE TO CASH, INCLUDING, BUT NOT LIMITED TO, ANY OF THE FOLLOWING:

(1) CHIPS OR TOKENS.
(2) TRAVELERS CHECKS.
(3) FOREIGN CURRENCY AND COIN.
(4) CERTIFIED CHECKS, CASHIER'S CHECKS AND MONEY ORDERS.
(5) PERSONAL CHECKS OR DRAFTS.
(6) A NEGOTIABLE INSTRUMENT APPLIED AGAINST CREDIT EXTENDED BY A CERTIFICATE HOLDER, AN INTERACTIVE GAMING CERTIFICATE HOLDER, AN INTERACTIVE GAMING OPERATOR OR A FINANCIAL INSTITUTION.
(6.1) A PREPAID ACCESS INSTRUMENT.
(7) ANY OTHER INSTRUMENT OR REPRESENTATION OF VALUE THAT THE PENNSYLVANIA GAMING CONTROL BOARD DEEMS A CASH EQUIVALENT.

"CATEGORY 4 LOCATION." A SPECIFIC GEOGRAPHIC POINT ESTABLISHED BY GEOGRAPHIC COORDINATES IN THIS COMMONWEALTH WITH A 15-LINEAR MILE RADIUS.

* * *

"CHEAT." TO DEFFRAUD OR STEAL FROM ANY PLAYER, SLOT MACHINE LICENSEE OR THE COMMONWEALTH WHILE OPERATING OR PLAYING A SLOT MACHINE [OR] TABLE GAME[,] OR AUTHORIZED INTERACTIVE GAME[,]
INCLUDING CAUSING, AIDING, ABETTING OR CONSPIRING WITH ANOTHER PERSON TO DO SO. THE TERM SHALL ALSO MEAN TO ALTER OR CAUSING, AIDING, ABETTING OR CONSPIRING WITH ANOTHER PERSON TO ALTER THE ELEMENTS OF CHANCE, METHOD OF SELECTION OR CRITERIA WHICH DETERMINE:
(1) THE RESULT OF A SLOT MACHINE GAME [OR] TABLE GAME OR AUTHORIZED INTERACTIVE GAME.

(2) THE AMOUNT OR FREQUENCY OF PAYMENT IN A SLOT MACHINE GAME [OR] TABLE GAME OR AUTHORIZED INTERACTIVE GAME.

(3) THE VALUE OF A WAGERING INSTRUMENT.

(4) THE VALUE OF A WAGERING CREDIT.

THE TERM DOES NOT INCLUDE ALTERING A SLOT MACHINE, TABLE GAME DEVICE OR ASSOCIATED EQUIPMENT OR INTERACTIVE GAMING DEVICE OR ASSOCIATED EQUIPMENT FOR MAINTENANCE OR REPAIR WITH THE APPROVAL OF A SLOT MACHINE LICENSEE.

"CHEATING OR THIEVING DEVICE." A DEVICE, SOFTWARE OR HARDWARE USED OR POSSESSED WITH THE INTENT TO BE USED TO CHEAT DURING THE OPERATION OR PLAY OF ANY SLOT MACHINE [OR] TABLE GAME OR AUTHORIZED INTERACTIVE GAME. THE TERM SHALL ALSO INCLUDE ANY DEVICE USED TO ALTER A SLOT MACHINE [OR] A TABLE GAME DEVICE OR ASSOCIATED EQUIPMENT, AN AUTHORIZED INTERACTIVE GAME OR INTERACTIVE GAMING DEVICE OR ASSOCIATED EQUIPMENT WITHOUT THE SLOT MACHINE LICENSEE'S APPROVAL.

* * *

["COMMISSION" OR "COMMISSIONS."] "COMMISSION." THE STATE HORSE RACING COMMISSION [OR THE STATE HARNESS RACING COMMISSION, OR BOTH AS THE CONTEXT MAY REQUIRE.] AS DEFINED IN 3 PA.C.S. § 9301 (RELATING TO DEFINITIONS).

"COMMUNICATIONS TECHNOLOGY." ANY METHOD USED AND THE COMPONENTS EMPLOYED TO FACILITATE THE TRANSMISSION AND RECEIPT OF INFORMATION, INCLUDING TRANSMISSION AND RECEPTION BY SYSTEMS USING WIRE, WIRELESS, CABLE, RADIO, MICROWAVE, LIGHT, FIBER OPTICS, SATELLITE OR COMPUTER DATA NETWORKS, INCLUDING THE INTERNET AND INTRANETS.

* * *

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"CONCESSION OPERATOR." A PERSON ENGAGED IN THE SALE OR OFFERING FOR SALE OF CONSUMER GOODS OR SERVICES TO THE PUBLIC AT A QUALIFIED AIRPORT, OR AUTHORIZED TO CONDUCT OTHER COMMERCIAL ACTIVITIES RELATED TO PASSENGER SERVICES AT A QUALIFIED AIRPORT, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF AN AGREEMENT OR CONTRACT WITH AN AIRPORT AUTHORITY, GOVERNMENT ENTITY OR OTHER PERSON.

"CONDUCT OF GAMING." THE LICENSED PLACEMENT, OPERATION AND PLAY OF SLOT MACHINES [AND], TABLE GAMES AND INTERACTIVE GAMES AND CASINO SIMULCASTING UNDER THIS PART, AS AUTHORIZED AND APPROVED BY THE PENNSYLVANIA GAMING CONTROL BOARD. THE TERM SHALL INCLUDE THE LICENSED PLACEMENT, OPERATION AND PLAY OF AUTHORIZED INTERACTIVE GAMES THROUGH THE USE OF MULTI-USE COMPUTING DEVICES AT A QUALIFIED AIRPORT UNDER SUBCHAPTER B.1 OF CHAPTER 13B (RELATING TO MULTI-USE COMPUTING DEVICES).

"CONTEST." A SLOT MACHINE, TABLE GAME OR AUTHORIZED INTERACTIVE GAME COMPETITION AMONG PLAYERS FOR CASH, CASH EQUIVALENTS OR PRIZES.

* * *

"COUNTERFEIT CHIP." ANY OBJECT OR THING THAT IS:

(1) USED OR INTENDED TO BE USED TO PLAY A TABLE GAME AT A CERTIFICATE HOLDER'S LICENSED FACILITY AND WHICH WAS NOT ISSUED BY THAT CERTIFICATE HOLDER FOR SUCH USE; [OR]

(2) PRESENTED TO A CERTIFICATE HOLDER FOR REDEMPTION IF THE OBJECT WAS NOT ISSUED BY THE CERTIFICATE HOLDER[.]

(3) USED OR INTENDED TO BE USED TO PLAY AN AUTHORIZED INTERACTIVE GAME WHICH WAS NOT APPROVED BY THE INTERACTIVE GAMING CERTIFICATE HOLDER FOR SUCH USE; OR

(4) PRESENTED DURING PLAY OF AN AUTHORIZED INTERACTIVE GAME FOR REDEMPTION, IF THE OBJECT OR THING WAS NOT ISSUED BY
THE INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE GAMING OPERATOR.

* * *

"ELIGIBLE PASSENGER." AN INDIVIDUAL 21 YEARS OF AGE OR OLDER WHO HAS CLEARED SECURITY CHECK POINTS WITH A VALID AIRLINE BOARDING PASS FOR TRAVEL FROM ONE DESTINATION TO ANOTHER BY AIRPLANE.

* * *

"GAMING EMPLOYEE." ANY EMPLOYEE OF A SLOT MACHINE LICENSEE, INCLUDING, BUT NOT LIMITED TO:

1. CASHIERS.
2. CHANGE PERSONNEL.
3. COUNT ROOM PERSONNEL.
4. SLOT ATTENDANTS.
5. HOSTS OR OTHER INDIVIDUALS AUTHORIZED TO EXTEND COMPLIMENTARY SERVICES, INCLUDING EMPLOYEES PERFORMING FUNCTIONS SIMILAR TO THOSE PERFORMED BY A GAMING JUNKET REPRESENTATIVE.
6. MACHINE MECHANICS, COMPUTER MACHINE TECHNICIANS OR TABLE GAME DEVICE TECHNICIANS.
7. SECURITY PERSONNEL.
8. SURVEILLANCE PERSONNEL.
9. PROMOTIONAL PLAY SUPERVISORS, CREDIT SUPERVISORS, PIT SUPERVISORS, CASHIER SUPERVISORS, SHIFT SUPERVISORS, TABLE GAME MANAGERS AND ASSISTANT MANAGERS AND OTHER SUPERVISORS AND MANAGERS, EXCEPT FOR THOSE SPECIFICALLY IDENTIFIED IN THIS PART AS KEY EMPLOYEES.
10. BOXMEN.
11. DEALERS OR CROUPIERS.
12. FLOORMEN.
(13) PERSONNEL AUTHORIZED TO ISSUE PROMOTIONAL PLAY.

(14) PERSONNEL AUTHORIZED TO ISSUE CREDIT.

THE TERM SHALL INCLUDE EMPLOYEES OF A PERSON HOLDING A
SUPPLIER'S LICENSE WHOSE DUTIES ARE DIRECTLY INVOLVED WITH THE
REPAIR OR DISTRIBUTION OF SLOT MACHINES, TABLE GAME DEVICES OR
ASSOCIATED EQUIPMENT OR INTERACTIVE GAMING DEVICES OR ASSOCIATED
EQUIPMENT SOLD OR PROVIDED TO A LICENSED FACILITY WITHIN THIS
COMMONWEALTH AS DETERMINED BY THE PENNSYLVANIA GAMING CONTROL
BOARD. THE TERM SHALL FURTHER INCLUDE EMPLOYEES OF A PERSON
AUTHORIZED BY THE BOARD TO SUPPLY GOODS AND SERVICES RELATED TO
INTERACTIVE GAMING OR ANY SUBCONTRACTOR OR AN EMPLOYEE OF A
SUBCONTRACTOR THAT SUPPLIES INTERACTIVE GAMING DEVICES,
INCLUDING MULTI-USE COMPUTING DEVICES, OR ASSOCIATED EQUIPMENT
TO AN INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE
GAMING OPERATOR WHO ARE DIRECTLY INVOLVED IN THE OPERATIONS OF
INTERACTIVE GAMING. THE TERM DOES NOT INCLUDE BARTENDERS,
COCKTAIL SERVERS OR OTHER PERSONS ENGAGED SOLELY IN PREPARING OR
SERVING FOOD OR BEVERAGES, CLERICAL OR SECRETARIAL PERSONNEL,
PARKING ATTENDANTS, JANITORIAL, STAGE, SOUND AND LIGHT
TECHNICIANS AND OTHER NONGAMING PERSONNEL AS DETERMINED BY THE
BOARD.

"GAMING FLOOR." ANY PORTION OF A LICENSED FACILITY WHERE
SLOT MACHINES OR TABLE GAMES HAVE BEEN INSTALLED FOR USE OR
PLAY.

* * *

"GAMING-RELATED RESTRICTED AREA." ANY ROOM OR AREA OF A
LICENSED FACILITY WHICH IS SPECIFICALLY DESIGNATED BY THE
PENNSYLVANIA GAMING CONTROL BOARD AS RESTRICTED OR BY THE SLOT
MACHINE LICENSEE AS RESTRICTED IN ITS BOARD-APPROVED INTERNAL
CONTROLS.
"GAMING SCHOOL." ANY EDUCATIONAL INSTITUTION APPROVED BY THE DEPARTMENT OF EDUCATION AS AN ACCREDITED COLLEGE OR UNIVERSITY, COMMUNITY COLLEGE, PENNSYLVANIA PRIVATE LICENSED SCHOOL OR ITS EQUIVALENT AND WHOSE CURRICULUM GUIDELINES ARE APPROVED BY THE DEPARTMENT OF LABOR AND INDUSTRY TO PROVIDE EDUCATION AND JOB TRAINING RELATED TO EMPLOYMENT OPPORTUNITIES ASSOCIATED WITH SLOT MACHINES [OR] TABLE GAMES OR INTERACTIVE GAMES, INCLUDING SLOT MACHINE, TABLE GAME DEVICE AND ASSOCIATED EQUIPMENT MAINTENANCE AND REPAIR AND INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT MAINTENANCE AND REPAIR.

"GAMING SERVICE PROVIDER." A PERSON THAT IS NOT REQUIRED TO BE LICENSED AS A MANUFACTURER, SUPPLIER, MANAGEMENT COMPANY OR GAMING JUNKET ENTERPRISE UNDER THIS PART AND:

(1) PROVIDES GOODS OR SERVICES, INCLUDING, BUT NOT LIMITED TO, COUNT ROOM EQUIPMENT, TO A SLOT MACHINE LICENSEE OR AN APPLICANT FOR A SLOT MACHINE LICENSE FOR USE IN THE OPERATION OF A LICENSED FACILITY; [OR] AND

(2) PROVIDES GOODS OR SERVICES [AT] TO A SLOT MACHINE LICENSEE OR AN APPLICANT FOR A SLOT MACHINE LICENSE THAT REQUIRES ACCESS TO THE GAMING FLOOR OR A GAMING-RELATED RESTRICTED AREA OF A LICENSED FACILITY.

"GROSS INTERACTIVE AIRPORT GAMING REVENUE." THE FOLLOWING SHALL APPLY:

(1) REVENUE SHALL BE THE TOTAL OF ALL CASH OR CASH EQUIVALENT WAGERS PAID BY AN ELIGIBLE PASSENGER TO AN INTERACTIVE GAMING CERTIFICATE HOLDER AT A QUALIFIED AIRPORT THROUGH THE USE OF MULTI-USE COMPUTING DEVICES IN CONSIDERATION FOR THE PLAY OF AUTHORIZED INTERACTIVE GAMES AT A QUALIFIED AIRPORT THROUGH THE USE OF MULTI-USE COMPUTING DEVICES...
DEVICES, INCLUDING CASH RECEIVED AS ENTRY FEES FOR CONTESTS OR TOURNAMENTS, MINUS:

(I) THE TOTAL OF CASH OR CASH EQUIVALENTS PAID OUT TO AN ELIGIBLE PASSENGER AS WINNINGS.

(II) THE ACTUAL COST PAID BY THE INTERACTIVE GAMING CERTIFICATE HOLDER AT A QUALIFIED AIRPORT THROUGH THE USE OF MULTI-USE COMPUTING DEVICES FOR PERSONAL PROPERTY DISTRIBUTED TO A PLAYER AS A RESULT OF PLAYING AN AUTHORIZED INTERACTIVE GAME. THIS SUBPARAGRAPH DOES NOT INCLUDE TRAVEL EXPENSES, FOOD, REFRESHMENTS, LODGING OR SERVICES.

(2) AMOUNTS DEPOSITED WITH AN INTERACTIVE GAMING CERTIFICATE HOLDER FOR PURPOSES OF INTERACTIVE GAMING AT A QUALIFIED AIRPORT THROUGH THE USE OF MULTI-USE COMPUTING DEVICES AND AMOUNTS TAKEN IN FRAUDULENT ACTS PERPETRATED AGAINST AN INTERACTIVE GAMING CERTIFICATE HOLDER FOR WHICH THE INTERACTIVE GAMING CERTIFICATE HOLDER IS NOT REIMBURSED AND SHALL NOT BE CONSIDERED TO HAVE BEEN PAID TO THE INTERACTIVE GAMING CERTIFICATE HOLDER FOR PURPOSES OF CALCULATING GROSS INTERACTIVE AIRPORT GAMING REVENUE.

"GROSS INTERACTIVE GAMING REVENUE." AS FOLLOWS:

(1) THE TOTAL OF ALL CASH OR CASH EQUIVALENT WAGERS PAID BY REGISTERED PLAYERS TO AN INTERACTIVE GAMING CERTIFICATE HOLDER IN CONSIDERATION FOR THE PLAY OF AUTHORIZED INTERACTIVE GAMES, INCLUDING CASH RECEIVED AS ENTRY FEES FOR CONTESTS OR TOURNAMENTS, MINUS:

(I) THE TOTAL OF CASH OR CASH EQUIVALENTS PAID OUT TO REGISTERED PLAYERS AS WINNINGS.

(II) THE ACTUAL COST PAID BY THE INTERACTIVE GAMING CERTIFICATE HOLDER FOR ANY PERSONAL PROPERTY DISTRIBUTED TO A PLAYER AS A RESULT OF PLAYING AN AUTHORIZED INTERACTIVE GAME.
TO A PLAYER AS A RESULT OF PLAYING AN AUTHORIZED INTERACTIVE GAME. THIS SUBPARAGRAPH DOES NOT INCLUDE TRAVEL EXPENSES, FOOD, REFRESHMENTS, LODGING OR SERVICES. (2) AMOUNTS DEPOSITED WITH AN INTERACTIVE GAMING CERTIFICATE HOLDER FOR PURPOSES OF INTERACTIVE GAMING AND AMOUNTS TAKEN IN FRAUDULENT ACTS PERPETRATED AGAINST AN INTERACTIVE GAMING CERTIFICATE HOLDER FOR WHICH THE INTERACTIVE GAMING CERTIFICATE HOLDER IS NOT REIMBURSED SHALL NOT BE CONSIDERED TO HAVE BEEN PAID TO THE INTERACTIVE GAMING CERTIFICATE HOLDER FOR PURPOSES OF CALCULATING GROSS INTERACTIVE GAMING REVENUE.

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"HYBRID SLOT MACHINE." A SLOT MACHINE IN WHICH A COMBINATION OF THE SKILL OF THE PLAYER AND ELEMENTS OF CHANCE AFFECTS THE OUTCOME OF THE GAME.

* * *

"INITIAL AUCTION." AN AUCTION AT WHICH A CATEGORY 1 AND CATEGORY 2 SLOT MACHINE LICENSEE MAY SUBMIT A BID.

* * *

"INTERACTIVE GAME." ANY GAMBLING GAME OFFERED THROUGH THE USE OF COMMUNICATIONS TECHNOLOGY THAT ALLOWS A PERSON, UTILIZING MONEY, CHECKS, ELECTRONIC CHECKS, ELECTRONIC TRANSFERS OF MONEY, CREDIT CARDS OR ANY OTHER INSTRUMENTALITY TO TRANSMIT ELECTRONIC INFORMATION TO ASSIST IN THE PLACEMENT OF A BET OR WAGER AND CORRESPONDING INFORMATION RELATED TO THE DISPLAY OF THE GAME, GAME OUTCOMES OR OTHER SIMILAR INFORMATION. THE TERM SHALL NOT INCLUDE:

(1) A LOTTERY GAME OR INTERNET INSTANT GAME AS DEFINED IN THE ACT OF AUGUST 26, 1971 (P.L.351, NO.91), KNOWN AS THE STATE LOTTERY LAW.
(2) LOTTERY UNDER CHAPTER 5 (RELATING TO LOTTERY).

(3) A NONGAMBLING GAME THAT DOES NOT OTHERWISE REQUIRE A LICENSE UNDER THE LAWS OF THIS COMMONWEALTH.

(4) A FANTASY CONTEST UNDER CHAPTER 3 (RELATING TO FANTASY CONTESTS).

"INTERACTIVE GAMING." THE PLACING OF WAGERS WITH AN INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE GAMING OPERATOR USING A COMPUTER NETWORK OF BOTH FEDERAL AND NON-FEDERAL INTEROPERABLE PACKET SWITCHED DATA NETWORKS THROUGH WHICH AN INTERACTIVE GAMING CERTIFICATE HOLDER MAY OFFER AUTHORIZED INTERACTIVE GAMES TO REGISTERED PLAYERS. THE TERM SHALL INCLUDE THE PLACING OF WAGERS THROUGH THE USE OF A MULTI-USE COMPUTING DEVICE.

"INTERACTIVE GAMING ACCOUNT." THE FORMAL, ELECTRONIC SYSTEM IMPLEMENTED BY AN INTERACTIVE GAMING CERTIFICATE HOLDER TO RECORD THE BALANCE OF A REGISTERED PLAYER'S DEBITS, CREDITS AND OTHER FINANCIAL ACTIVITY RELATED TO INTERACTIVE GAMING.

"INTERACTIVE GAMING ACCOUNT AGREEMENT." AN AGREEMENT ENTERED INTO BETWEEN AN INTERACTIVE GAMING CERTIFICATE HOLDER AND A REGISTERED PLAYER WHICH GOVERNS THE TERMS AND CONDITIONS OF THE REGISTERED PLAYER'S INTERACTIVE GAMING ACCOUNT AND THE USE OF THE INTERNET FOR PURPOSES OF PLACING WAGERS ON AUTHORIZED INTERACTIVE GAMES OPERATED BY AN INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE GAMING OPERATOR.

"INTERACTIVE GAMING AGREEMENT." AN AGREEMENT ENTERED INTO BY OR BETWEEN AN INTERACTIVE GAMING CERTIFICATE HOLDER AND AN INTERACTIVE GAMING OPERATOR RELATED TO THE OFFERING OR OPERATION OF INTERACTIVE GAMING OR AN INTERACTIVE GAMING SYSTEM BY THE INTERACTIVE GAMING OPERATOR ON BEHALF OF THE INTERACTIVE GAMING CERTIFICATE HOLDER. THE TERM SHALL INCLUDE AN INTERACTIVE GAMING AGREEMENT.
AGREEMENT ENTERED INTO BETWEEN AN INTERACTIVE GAMING CERTIFICATE
HOLDER AND AN INTERACTIVE GAMING OPERATOR FOR THE CONDUCT OF
INTERACTIVE GAMING THROUGH THE USE OF MULTI-USE COMPUTING
DEVICES AT A QUALIFIED AIRPORT IN ACCORDANCE WITH CHAPTER 13B
(RELATING TO INTERACTIVE GAMING).

"INTERACTIVE GAMING CERTIFICATE." THE AUTHORIZATION ISSUED
TO A SLOT MACHINE LICENSEE BY THE PENNSYLVANIA GAMING CONTROL
BOARD AUTHORIZING THE OPERATION AND CONDUCT OF INTERACTIVE
GAMING BY A SLOT MACHINE LICENSEE IN ACCORDANCE WITH CHAPTER 13B
(RELATING TO INTERACTIVE GAMING).

"INTERACTIVE GAMING CERTIFICATE HOLDER." A SLOT MACHINE
LICENSEE THAT HAS BEEN GRANTED AUTHORIZATION BY THE PENNSYLVANIA
GAMING CONTROL BOARD TO OPERATE INTERACTIVE GAMING IN ACCORDANCE
WITH CHAPTER 13B (RELATING TO INTERACTIVE GAMING).

"INTERACTIVE GAMING DEVICE." ALL HARDWARE AND SOFTWARE AND
OTHER TECHNOLOGY, EQUIPMENT OR DEVICE OF ANY KIND AS DETERMINED
BY THE PENNSYLVANIA GAMING CONTROL BOARD TO BE NECESSARY FOR THE
CONDUCT OF AUTHORIZED INTERACTIVE GAMES.

"INTERACTIVE GAMING LICENSE." A LICENSE ISSUED TO AN
INTERACTIVE GAMING OPERATOR BY THE PENNSYLVANIA GAMING CONTROL
BOARD UNDER CHAPTER 13B (RELATING TO INTERACTIVE GAMING).

"INTERACTIVE GAMING OPERATOR." A PERSON LICENSED BY THE
PENNSYLVANIA GAMING CONTROL BOARD TO OPERATE INTERACTIVE GAMING
OR AN INTERACTIVE GAMING SYSTEM ON BEHALF OF AN INTERACTIVE
GAMING CERTIFICATE HOLDER. THE TERM SHALL INCLUDE A PERSON THAT
HAS RECEIVED CONDITIONAL AUTHORIZATION UNDER SECTION 13B14
(RELATING TO INTERACTIVE GAMING OPERATORS) FOR SO LONG AS SUCH
AUTHORIZATION IS EFFECTIVE.

"INTERACTIVE GAMING PLATFORM." THE COMBINATION OF HARDWARE
AND SOFTWARE OR OTHER TECHNOLOGY DESIGNED AND USED TO MANAGE,
CONDUCT AND RECORD INTERACTIVE GAMES AND THE WAGERS ASSOCIATED WITH INTERACTIVE GAMES, AS APPROVED BY THE PENNSYLVANIA GAMING CONTROL BOARD. THE TERM SHALL INCLUDE ANY EMERGING OR NEW TECHNOLOGY DEPLOYED TO ADVANCE THE CONDUCT AND OPERATION OF INTERACTIVE GAMING, AS APPROVED THROUGH REGULATION BY THE PENNSYLVANIA GAMING CONTROL BOARD.

"INTERACTIVE GAMING RECIPROCAL AGREEMENT." AN AGREEMENT NEGOTIATED BY THE PENNSYLVANIA GAMING CONTROL BOARD AND APPROVED BY THE GOVERNOR ON BEHALF OF THE COMMONWEALTH WITH THE REGULATORY AGENCY OF ONE OR MORE STATES OR JURISDICTIONS WHERE INTERACTIVE GAMING IS LEGALLY AUTHORIZED WHICH WILL PERMIT THE CONDUCT OF INTERACTIVE GAMING BETWEEN INTERACTIVE GAMING CERTIFICATE HOLDERS IN THIS COMMONWEALTH AND GAMING ENTITIES IN THE STATES OR JURISDICTIONS THAT ARE PARTIES TO THE AGREEMENT.

"INTERACTIVE GAMING RESTRICTED AREA." ANY ROOM OR AREA, AS APPROVED BY THE PENNSYLVANIA GAMING CONTROL BOARD, USED BY AN INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE GAMING OPERATOR TO MANAGE, CONTROL AND OPERATE INTERACTIVE GAMING, INCLUDING, WHERE APPROVED BY THE BOARD, REDUNDANCY FACILITIES.

"INTERACTIVE GAMING SKIN OR SKINS." THE PORTAL OR PORTALS TO AN INTERACTIVE GAMING PLATFORM OR INTERACTIVE GAMING WEBSITE THROUGH WHICH AUTHORIZED INTERACTIVE GAMES ARE MADE AVAILABLE BY AN INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE GAMING OPERATOR TO REGISTERED PLAYERS IN THIS COMMONWEALTH OR REGISTERED PLAYERS IN ANY OTHER STATE OR JURISDICTION WHICH HAS ENTERED INTO AN INTERACTIVE GAMING RECIPROCAL AGREEMENT.

"INTERACTIVE GAMING SYSTEM." ALL HARDWARE, SOFTWARE AND COMMUNICATIONS THAT COMprise A TYPE OF SERVER-BASED GAMING SYSTEM FOR THE PURPOSE OF OFFERING AUTHORIZED INTERACTIVE GAMES.

"INTERACTIVE GAMING WEBSITE." THE INTERACTIVE GAMING SKIN OR
SKINS THROUGH WHICH AN INTERACTIVE GAMING CERTIFICATE HOLDER OR
INTERACTIVE GAMING OPERATOR MAKES AUTHORIZED INTERACTIVE GAMES
AVAILABLE FOR PLAY.

* * *

"KEY EMPLOYEE." ANY INDIVIDUAL WHO IS EMPLOYED IN A DIRECTOR
OR DEPARTMENT HEAD CAPACITY AND WHO IS EMPOWERED TO MAKE
DISCRETIONARY DECISIONS THAT REGULATE SLOT MACHINE [OR]
OPERATIONS, TABLE GAME OPERATIONS, INTERACTIVE GAMING OPERATIONS
OR CASINO SIMULCASTING, INCLUDING THE GENERAL MANAGER AND
ASSISTANT MANAGER OF THE LICENSED FACILITY, DIRECTOR OF SLOT
OPERATIONS, DIRECTOR OF TABLE GAME OPERATIONS, DIRECTOR OF
INTERACTIVE GAMING, DIRECTOR OF CAGE AND/OR CREDIT OPERATIONS,
DIRECTOR OF SURVEILLANCE, DIRECTOR OF MARKETING, DIRECTOR OF
MANAGEMENT INFORMATION SYSTEMS, DIRECTOR OF INTERACTIVE GAMING
SYSTEM PROGRAMS OR OTHER SIMILAR JOB CLASSIFICATIONS ASSOCIATED
WITH INTERACTIVE GAMING AND CASINO SIMULCASTING, PERSONS WHO
MANAGE, CONTROL OR ADMINISTER INTERACTIVE GAMING AND CASINO
SIMULCASTING OR THE BETS AND WAGERS ASSOCIATED WITH AUTHORIZED
INTERACTIVE GAMES AND CASINO SIMULCASTING, DIRECTOR OF SECURITY,
COMPTROLLER AND ANY EMPLOYEE WHO IS NOT OTHERWISE DESIGNATED AS
A GAMING EMPLOYEE AND WHO SUPERVISES THE OPERATIONS OF THESE
DEPARTMENTS OR TO WHOM THESE DEPARTMENT DIRECTORS OR DEPARTMENT
HEADS REPORT AND SUCH OTHER POSITIONS NOT OTHERWISE DESIGNATED
OR DEFINED UNDER THIS PART WHICH THE PENNSYLVANIA GAMING CONTROL
BOARD SHALL DETERMINE BASED ON DETAILED ANALYSES OF JOB
DESCRIPTIONS AS PROVIDED IN THE INTERNAL CONTROLS OF THE
LICENSEE AS APPROVED BY THE PENNSYLVANIA GAMING CONTROL BOARD.
ALL OTHER GAMING EMPLOYEES UNLESS OTHERWISE DESIGNATED BY THE
PENNSYLVANIA GAMING CONTROL BOARD SHALL BE CLASSIFIED AS NON-KEY
EMPLOYEES.

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"LICENSED FACILITY." AS FOLLOWS:

   (1) THE PHYSICAL LAND-BASED LOCATION AT WHICH A LICENSED GAMING ENTITY IS AUTHORIZED TO PLACE AND OPERATE SLOT MACHINES AND, IF AUTHORIZED BY THE PENNSYLVANIA GAMING CONTROL BOARD UNDER CHAPTER 13A (RELATING TO TABLE GAMES), TO CONDUCT TABLE GAMES AND IF AUTHORIZED UNDER CHAPTER 13B (RELATING TO INTERACTIVE GAMING), TO CONDUCT INTERACTIVE GAMING. THE TERM INCLUDES ANY:

      [(1)] (I) AREA OF A LICENSED RACETRACK AT WHICH A SLOT MACHINE LICENSEE WAS PREVIOUSLY AUTHORIZED PURSUANT TO SECTION 1207(17) (RELATING TO REGULATORY AUTHORITY OF BOARD) TO OPERATE SLOT MACHINES PRIOR TO THE EFFECTIVE DATE OF THIS PARAGRAPH;

      [(2)] (II) BOARD-APPROVED INTERIM FACILITY OR TEMPORARY FACILITY; [AND]

      [(3)] (III) AREA OF A HOTEL WHICH THE PENNSYLVANIA GAMING CONTROL BOARD DETERMINES IS SUITABLE TO CONDUCT TABLE GAMES[.]; AND

      (IV) AREA OF A LICENSED FACILITY WHERE CASINO SIMULCASTING IS CONDUCTED, AS APPROVED BY THE PENNSYLVANIA GAMING CONTROL BOARD.

   (2) THE TERM SHALL NOT INCLUDE A REDUNDANCY FACILITY OR AN INTERACTIVE GAMING RESTRICTED AREA WHICH IS NOT LOCATED ON THE PREMISES OF A LICENSED FACILITY AS APPROVED BY THE PENNSYLVANIA GAMING CONTROL BOARD AND WHICH IS MAINTAINED AND OPERATED BY AN INTERACTIVE GAMING CERTIFICATE HOLDER IN CONNECTION WITH INTERACTIVE GAMING OR CASINO SIMULCASTING.

* * *

"LICENSED RACING ENTITY." ANY LEGAL ENTITY THAT HAS OBTAINED
A LICENSE TO CONDUCT LIVE THOROUGHBRED OR HARNESS HORSE RACE
MEETINGS RESPECTIVELY WITH PARI-MUTUEL WAGERING FROM [EITHER]
THE STATE HORSE RACING COMMISSION [OR THE STATE HARNESS RACING
COMMISSION] PURSUANT TO [THE ACT OF DECEMBER 17, 1981 (P.L.435,
NO.135), KNOWN AS] THE RACE HORSE INDUSTRY REFORM ACT.

"MANUFACTURER." A PERSON WHO MANUFACTURES, BUILDS, REBUILDS,
FABRICATES, ASSEMBLES, PRODUCES, PROGRAMS, DESIGNS OR OTHERWISE
MAKES MODIFICATIONS TO ANY SLOT MACHINE, TABLE GAME DEVICE OR
ASSOCIATED EQUIPMENT OR AUTHORIZED INTERACTIVE GAMES FOR USE OR
PLAY OF SLOT MACHINES [OR] TABLE GAMES OR AUTHORIZED
INTERACTIVE GAMES IN THIS COMMONWEALTH FOR GAMING PURPOSES. THE
TERM SHALL NOT INCLUDE A PERSON WHO MANUFACTURES, BUILDS,
REBUILDS, FABRICATES, ASSEMBLES, PRODUCES, PROGRAMS, DESIGNS OR
OTHERWISE MAKES MODIFICATIONS TO MULTI-USE COMPUTING DEVICES
USED IN CONNECTION WITH THE CONDUCT OF INTERACTIVE GAMING AT A
QUALIFIED AIRPORT.

"MANUFACTURER LICENSE." A LICENSE ISSUED BY THE PENNSYLVANIA
GAMING CONTROL BOARD AUTHORIZING A MANUFACTURER TO MANUFACTURE
OR PRODUCE SLOT MACHINES, TABLE GAME DEVICES OR ASSOCIATED
EQUIPMENT, INTERACTIVE GAMING DEVICES OR ASSOCIATED EQUIPMENT
FOR USE IN THIS COMMONWEALTH FOR GAMING PURPOSES.

* * *

"MULTI-USE COMPUTING DEVICE." AS FOLLOWS:
(1) A COMPUTING DEVICE, INCLUDING, BUT NOT LIMITED TO, A
TABLET COMPUTER, THAT:
   (I) IS LOCATED AND ACCESSIBLE TO ELIGIBLE PASSENGERS
   ONLY IN AN AIRPORT GAMING AREA.
   (II) ALLOWS AN ELIGIBLE PASSENGER TO PLAY AN
   AUTHORIZED INTERACTIVE GAME.
   (III) COMMUNICATES WITH A SERVER THAT IS IN A
LOCATION APPROVED BY THE PENNSYLVANIA GAMING CONTROL BOARD.

(IV) IS APPROVED BY THE PENNSYLVANIA GAMING CONTROL BOARD.

(V) HAS THE CAPABILITY OF BEING LINKED TO AND MONITORED BY THE DEPARTMENT'S CENTRAL CONTROL COMPUTER SYSTEM, AS APPLICABLE FOR ANY PARTICULAR INTERACTIVE GAME, IN ACCORDANCE WITH SECTION 1323 (RELATING TO CENTRAL CONTROL COMPUTER SYSTEM).

(VI) OFFERS A PLAYER ADDITIONAL FUNCTIONS WHICH SHALL INCLUDE INTERNET BROWSING, THE CAPABILITY OF CHECKING FLIGHT STATUS AND ORDERING FOOD OR BEVERAGES.

(2) THE TERM SHALL NOT INCLUDE ANY TABLET OR COMPUTING DEVICE THAT RESTRICTS, PROHIBITS OR IS INCAPABLE OF PROVIDING ACCESS TO INTERACTIVE GAMING, INTERACTIVE GAMING SKINS OR INTERACTIVE GAMING PLATFORMS.

"MULTISTATE AGREEMENT." THE WRITTEN AGREEMENT, APPROVED BY THE GOVERNOR, BETWEEN THE PENNSYLVANIA GAMING CONTROL BOARD AND REGULATORY AGENCIES IN OTHER STATES OR JURISDICTIONS FOR THE OPERATION OF A MULTISTATE WIDE-ARE PROGRESSIVE SLOT MACHINE SYSTEM.

"MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEM." THE LINKING OF SLOT MACHINES LOCATED IN THIS COMMONWEALTH WITH SLOT MACHINES LOCATED IN ONE OR MORE STATES OR JURISDICTIONS WHOSE REGULATORY AGENCIES HAVE ENTERED INTO WRITTEN AGREEMENTS WITH THE PENNSYLVANIA GAMING CONTROL BOARD FOR THE OPERATION OF THE SYSTEM.

* * *

"NET TERMINAL REVENUE." THE NET AMOUNT OF THE GROSS TERMINAL REVENUE LESS THE TAX AND ASSESSMENTS IMPOSED BY SECTIONS 1402
(RELATING TO GROSS TERMINAL REVENUE DEDUCTIONS), 1403 (RELATING TO ESTABLISHMENT OF STATE GAMING FUND AND NET SLOT MACHINE REVENUE DISTRIBUTION), 1405 (RELATING TO PENNSYLVANIA RACE HORSE DEVELOPMENT TRUST FUND) AND 1407 (RELATING TO PENNSYLVANIA GAMING ECONOMIC DEVELOPMENT AND TOURISM FUND).

**

"NONGAMING SERVICE PROVIDER." A PERSON THAT IS NOT A GAMING SERVICE PROVIDER OR REQUIRED TO BE LICENSED AS A MANUFACTURER, SUPPLIER, MANAGEMENT COMPANY OR GAMING JUNKET ENTERPRISE UNDER THIS PART AND THAT PROVIDES GOODS OR SERVICES:

(1) TO A SLOT MACHINE LICENSEE OR APPLICANT FOR A SLOT MACHINE LICENSE FOR USE IN THE OPERATION OF A LICENSED FACILITY; AND

(2) THAT DOES NOT REQUIRE ACCESS TO THE GAMING FLOOR OR A GAMING-RELATED RESTRICTED AREA.

"NON-PEER-TO-PEER INTERACTIVE GAME." AN AUTHORIZED INTERACTIVE GAME IN WHICH THE PLAYER DOES NOT COMPETE AGAINST PLAYERS AND WHICH IS NOT A PEER-TO-PEER INTERACTIVE GAME.

**

"PEER-TO-PEER INTERACTIVE GAME." AN AUTHORIZED INTERACTIVE GAME WHICH IS NONBANKING, IN WHICH A PLAYER COMPETES AGAINST ONE OR MORE PLAYERS AND IN WHICH THE INTERACTIVE GAMING CERTIFICATE HOLDER COLLECTS A RAKE.

**

"PLAYER." AN INDIVIDUAL WAGERING CASH, A CASH EQUIVALENT OR OTHER THING OF VALUE IN THE PLAY OR OPERATION OF A SLOT MACHINE [OR], AN AUTHORIZED INTERACTIVE GAME OR A TABLE GAME, INCLUDING DURING A CONTEST OR TOURNAMENT, THE PLAY OR OPERATION OF WHICH MAY DELIVER OR ENTITLE THE INDIVIDUAL PLAYING OR OPERATING THE SLOT MACHINE [OR], AUTHORIZED INTERACTIVE GAME OR TABLE GAME TO
RECEIVE CASH, A CASH EQUIVALENT OR OTHER THING OF VALUE FROM ANOTHER PLAYER OR A SLOT MACHINE LICENSEE.

"PREPAID ACCESS INSTRUMENT." A CARD, CODE, ELECTRONIC SERIAL NUMBER, MOBILE IDENTIFICATION NUMBER, PERSONAL IDENTIFICATION NUMBER OR SIMILAR DEVICE THAT:

(1) ALLOWS PATRON ACCESS TO FUNDS THAT HAVE BEEN PAID IN ADVANCE AND CAN BE RETRIEVED OR TRANSFERRED THROUGH THE USE OF THE DEVICE.

(2) QUALIFIES AS AN ACCESS DEVICE FOR PURPOSES OF REGULATION E ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM UNDER 12 CFR PT. 205 (RELATING TO ELECTRONIC FUND TRANSFERS (REGULATION E));

(3) MUST BE DISTRIBUTED BY A SLOT MACHINE LICENSEE OR ITS AFFILIATES IN ORDER TO BE CONSIDERED A CASH EQUIVALENT AT THE SLOT MACHINE LICENSEE'S LICENSED FACILITY OR THE LOCATION OF THE SLOT MACHINE LICENSEE'S AFFILIATES.

(4) MUST BE USED IN CONJUNCTION WITH AN APPROVED CASHLESS WAGERING SYSTEM OR ELECTRONIC CREDIT SYSTEM IN ORDER TO TRANSFER FUNDS FOR GAMING PURPOSES.

* * *

"PROGRESSIVE PAYOUT." A SLOT MACHINE WAGER PAYOUT THAT INCREASES IN A MONETARY AMOUNT BASED ON THE AMOUNTS WAGERED IN A PROGRESSIVE SYSTEM, INCLUDING A MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEM.

"PROGRESSIVE SYSTEM." A COMPUTERIZED SYSTEM LINKING SLOT MACHINES IN ONE OR MORE LICENSED FACILITIES WITHIN THIS COMMONWEALTH AND OFFERING ONE OR MORE COMMON PROGRESSIVE PAYOUTS BASED ON THE AMOUNTS WAGERED. THE TERM SHALL INCLUDE A MULTISTATE WIDE-AREA PROGRESSIVE SYSTEM.

* * *
"QUALIFIED AIRPORT." A PUBLICLY OWNED COMMERCIAL SERVICE AIRPORT.

"QUALIFIED ENTITY." AN ENTITY WHICH IS NOT A CATEGORY 1, CATEGORY 2 OR CATEGORY 3 SLOT MACHINE LICENSEE WHO MAY PARTICIPATE IN AN AUCTION UNDER SECTION 1305.2(B.1) AND WHO HAS SATISFIED THE REQUIREMENTS OF THIS PART AND ANY CRITERIA ESTABLISHED BY THE PENNSYLVANIA GAMING CONTROL BOARD FOR LICENSURE, INCLUDING BUT NOT LIMITED TO, FINANCIAL AND CHARACTER SUITABILITY REQUIREMENTS, AND HAS BEEN APPROVED BY THE BOARD.


* * *

"REDUNDANCY FACILITIES." ANY AND ALL ROOMS OR AREAS USED BY A SLOT MACHINE LICENSEE FOR EMERGENCY BACKUP, REDUNDANCY OR SECONDARY OPERATIONS ATTENDANT TO INTERACTIVE GAMING AS APPROVED BY THE PENNSYLVANIA GAMING CONTROL BOARD.

"REGISTERED PLAYER." AN INDIVIDUAL WHO HAS ENTERED INTO AN INTERACTIVE GAMING ACCOUNT AGREEMENT WITH AN INTERACTIVE GAMING CERTIFICATE HOLDER.

* * *

"SKILL." THE KNOWLEDGE, DEXTERITY, ADROITNESS, ACUMEN OR OTHER MENTAL SKILL OF AN INDIVIDUAL.

"SKILL SLOT MACHINE." A SLOT MACHINE IN WHICH THE SKILL OF THE PLAYER, RATHER THAN THE ELEMENTS OF CHANCE, IS THE PREDOMINANT FACTOR IN AFFECTING THE OUTCOME OF THE GAME.

"SLOT MACHINE."

(1) THE TERM INCLUDES:

(i) ANY MECHANICAL, ELECTRICAL OR COMPUTERIZED CONTRIVANCE, TERMINAL, MACHINE OR OTHER DEVICE APPROVED
BY THE PENNSYLVANIA GAMING CONTROL BOARD WHICH, UPON
INSERTION OF A COIN, BILL, TICKET, TOKEN OR SIMILAR
OBJECT THEREIN OR UPON PAYMENT OF ANY CONSIDERATION
WHATEVER, INCLUDING THE USE OF ANY ELECTRONIC PAYMENT
SYSTEM EXCEPT A CREDIT CARD OR DEBIT CARD, IS AVAILABLE
TO PLAY OR OPERATE, THE PLAY OR OPERATION OF WHICH,
WHETHER BY REASON OF SKILL OR APPLICATION OF THE ELEMENT
OF CHANCE OR BOTH[, MAY]:

(A) MAY DELIVER OR ENTITLE THE PERSON OR PERSONS
PLAYING OR OPERATING THE CONTRIVANCE, TERMINAL,
MACHINE OR OTHER DEVICE TO RECEIVE CASH, BILLETS,
TICKETS, TOKENS OR ELECTRONIC CREDITS TO BE EXCHANGED
FOR CASH OR TO RECEIVE MERCHANDISE OR ANYTHING OF
VALUE WHATSOEVER, WHETHER THE PAYOFF IS MADE
AUTOMATICALLY FROM THE MACHINE OR MANUALLY. [A SLOT
MACHINE:

(1)] (B) MAY UTILIZE SPINNING REELS OR VIDEO
DISPLAYS OR BOTH.

[(2)] (C) MAY OR MAY NOT DISPENSE COINS, TICKETS
OR TOKENS TO WINNING PATRONS.

[(3)] (D) MAY USE AN ELECTRONIC CREDIT SYSTEM
FOR RECEIVING WAGERS AND MAKING PAYOUTS. [THE TERM
SHALL INCLUDE ASSOCIATED EQUIPMENT.]

(II) ASSOCIATED EQUIPMENT NECESSARY TO CONDUCT THE
OPERATION OF THE CONTRIVANCE, TERMINAL, MACHINE OR OTHER
DEVICE.

(III) A SKILL SLOT MACHINE, HYBRID SLOT MACHINE AND
THE DEVICES OR ASSOCIATED EQUIPMENT NECESSARY TO CONDUCT
THE OPERATION OF A SKILL SLOT MACHINE OR HYBRID SLOT
MACHINE.
(IV) A SLOT MACHINE USED IN A MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEM AND DEVICES AND ASSOCIATED EQUIPMENT AS DEFINED BY THE PENNSYLVANIA GAMING CONTROL BOARD THROUGH REGULATIONS.

(V) A MULTI-USE COMPUTING DEVICE WHICH IS CAPABLE OF SIMULATING, EITHER DIGITALLY OR ELECTRONICALLY, A SLOT MACHINE.

(2) THE TERM DOES NOT INCLUDE A FANTASY CONTEST TERMINAL WITHIN THE MEANING OF CHAPTER 3.

"STATE GAMING RECEIPTS." revenues and receipts required by this part to be paid into the state gaming fund, the PENNSYLVANIA RACE HORSE DEVELOPMENT TRUST FUND AND THE PENNSYLVANIA GAMING ECONOMIC DEVELOPMENT AND TOURISM FUND, AND ALL RIGHTS, EXISTING ON THE EFFECTIVE DATE OF THIS SECTION OR COMING INTO EXISTENCE LATER, TO RECEIVE ANY OF THOSE REVENUES AND RECEIPTS.

"SUBSEQUENT AUCTION." an auction at which a category 1, category 2 and category 3 slot machine licensee may submit a bid for a category 4 license that remains available after an initial auction.

"SUPPLIER." a person that sells, leases, offers or otherwise provides, distributes or services any slot machine, table game device or associated equipment, or interactive gaming device or associated equipment for use or play of slot machines [or], table games or interactive games in this commonwealth. the term shall include a person that sells, leases, offers or otherwise provides, distributes or services any multi-use computing device,
AS APPROVED BY THE PENNSYLVANIA GAMING CONTROL BOARD.

"SUPPLIER LICENSE." A LICENSE ISSUED BY THE PENNSYLVANIA GAMING CONTROL BOARD AUTHORIZING A SUPPLIER TO PROVIDE PRODUCTS OR SERVICES RELATED TO SLOT MACHINES, TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT, INTERACTIVE GAMING DEVICES, INCLUDING ANY MULTI-USE COMPUTING DEVICE OR ASSOCIATED EQUIPMENT, TO SLOT MACHINE LICENSEES FOR USE IN THIS COMMONWEALTH FOR GAMING PURPOSES.

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"TABLE GAME." ANY BANKING OR NONBANKING GAME APPROVED BY THE PENNSYLVANIA GAMING CONTROL BOARD. THE TERM INCLUDES ROULETTE, BACCARAT, BLACKJACK, POKER, CRAPS, BIG SIX WHEEL, MINI-BACCARAT, RED DOG, PAI GOW, TWENTY-ONE, CASINO WAR, ACEY-DUCEY, SIC BO, CHUCK-A-LUCK, PANGUINGUE, FAN-TAN, ASIA POKER, BOSTON 5 STUD POKER, CARIBBEAN STUD POKER, COLORADO HOLD'EM POKER, DOUBLE ATTACK BLACKJACK, DOUBLE CROSS POKER, DOUBLE DOWN STUD POKER, FAST ACTION HOLD'EM, FLOP POKER, FOUR CARD POKER, LET IT RIDE POKER, MINI-CRAPS, MINI-DICE, PAI GOW POKER, POKETTE, SPANISH 21, TEXAS HOLD'EM BONUS POKER, THREE CARD POKER, TWO CARD JOKER POKER, ULTIMATE TEXAS HOLD'EM, WINNER'S POT POKER AND ANY OTHER BANKING OR NONBANKING GAME. THE TERM SHALL NOT INCLUDE:


(4) SMALL GAMES OF CHANCE AS AUTHORIZED UNDER THE ACT OF DECEMBER 19, 1988 (P.L.1262, NO.156), KNOWN AS THE LOCAL OPTION SMALL GAMES OF CHANCE ACT.

(5) SLOT MACHINE GAMING AND PROGRESSIVE SLOT MACHINE GAMING AS DEFINED AND AUTHORIZED UNDER THIS PART.

(6) KENO.

(7) A FANTASY CONTEST TERMINAL WITHIN THE MEANING OF CHAPTER 3 (RELATING TO FANTASY CONTESTS).

(8) ILotteRy UNDER CHAPTER 5 (RELATING TO LOTTERY).

"TABLE GAME DEVICE." INCLUDES GAMING TABLES, CARDS, DICE, CHIPS, SHUFFLERS, TILES, DOMINOES, WHEELS[, DROP BOXES] OR ANY MECHANICAL, ELECTRICAL OR COMPUTERIZED CONTRIVANCE, TERMINAL, MACHINE OR OTHER DEVICE, APPARATUS, EQUIPMENT OR SUPPLIES APPROVED BY THE PENNSYLVANIA GAMING CONTROL BOARD AND USED TO CONDUCT A TABLE GAME OR THAT IS CAPABLE, THROUGH THE USE OF DIGITAL, ELECTRONIC OR OTHER COMMUNICATIONS TECHNOLOGY, OF SIMULATING PLAY OF A TABLE GAME.

* * *

"WINNING BID." THE SINGLE HIGHEST BID RECEIVED AT AN AUCTION.

"WINNING BIDDER." THE SLOT MACHINE LICENSEE OR QUALIFIED ENTITY WITH THE WINNING BID.

SECTION 4. SECTION 1201(H)(11) OF TITLE 4 IS AMENDED TO READ:

§ 1201. PENNSYLVANIA GAMING CONTROL BOARD ESTABLISHED.

* * *

(H) QUALIFICATIONS AND RESTRICTIONS.--

* * *

(11) NO MEMBER, EMPLOYEE OF THE BOARD OR INDEPENDENT CONTRACTOR SHALL ACCEPT A COMPLIMENTARY SERVICE, WAGER OR BE
PAID ANY PRIZE FROM ANY WAGER AT ANY LICENSED FACILITY WITHIN
THIS COMMONWEALTH [OR] AT ANY OTHER FACILITY OUTSIDE THIS
COMMONWEALTH WHICH IS OWNED OR OPERATED BY A LICENSED GAMING
ENTITY OR ANY OF ITS AFFILIATES, INTERMEDIARIES, SUBSIDIARIES
OR HOLDING COMPANIES OR AS A RESULT OF PLAYING AN INTERACTIVE
GAME INCLUDING ON A MULTI-USE COMPUTING DEVICE FOR THE
DURATION OF THEIR TERM OF OFFICE, EMPLOYMENT OR CONTRACT WITH
THE BOARD AND FOR A PERIOD OF TWO YEARS FROM THE TERMINATION
OF TERM OF OFFICE, EMPLOYMENT OR CONTRACT WITH THE BOARD. THE
PROVISIONS OF THIS PARAGRAPH PROHIBITING WAGERING DURING THE
TERM OF EMPLOYMENT SHALL NOT APPLY TO EMPLOYEES OR
INDEPENDENT CONTRACTORS WHILE UTILIZING SLOT MACHINES [OR],
TABLE GAME DEVICES, INTERACTIVE GAMING DEVICES OR MULTI-USE
COMPUTING DEVICES FOR TESTING PURPOSES OR WHILE VERIFYING THE
PERFORMANCE OF A SLOT MACHINE [OR], TABLE GAME, INTERACTIVE
GAMING DEVICE OR MULTI-USE COMPUTING DEVICE AS PART OF AN
ENFORCEMENT INVESTIGATION.

* * *

SECTION 5. SECTION 1202(A)(1) AND (B)(17), (18), (20) AND
(23) OF TITLE 4 ARE AMENDED AND SUBSECTION (B) IS AMENDED BY
ADDING PARAGRAPHS TO READ:

§ 1202. GENERAL AND SPECIFIC POWERS.

(A) GENERAL POWERS.—

(1) THE BOARD SHALL HAVE GENERAL AND SOLE REGULATORY
AUTHORITY OVER THE CONDUCT OF GAMING [OR] AND RELATED
ACTIVITIES AS DESCRIBED IN THIS PART. THE BOARD SHALL ENSURE
THE INTEGRITY OF THE ACQUISITION AND OPERATION OF SLOT
MACHINES, TABLE GAMES, TABLE GAME DEVICES AND ASSOCIATED
EQUIPMENT AND AUTHORIZED INTERACTIVE GAMES AND INTERACTIVE
GAMING DEVICES AND ASSOCIATED EQUIPMENT AND SHALL HAVE SOLE
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REGULATORY AUTHORITY OVER EVERY ASPECT OF THE AUTHORIZATION,
OPERATION AND PLAY OF SLOT MACHINES [AND] TABLE GAMES AND
INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT.

* * *

(B) SPECIFIC POWERS.—THE BOARD SHALL HAVE THE SPECIFIC
POWER AND DUTY:

* * *

(12.2) AT ITS DISCRETION, TO AWARD, REVOKE, SUSPEND,
CONDITION OR DENY AN INTERACTIVE GAMING CERTIFICATE OR AN
INTERACTIVE GAMING LICENSE IN ACCORDANCE WITH CHAPTER 13B
(RELATING TO INTERACTIVE GAMING).

(12.3) AT ITS DISCRETION, TO AWARD, REVOKE, SUSPEND,
CONDITION OR DENY A CASINO SIMULCASTING PERMIT IN ACCORDANCE
WITH CHAPTER 13F (RELATING TO CASINO SIMULCASTING).

(12.4) AT ITS DISCRETION, TO AWARD, REVOKE, SUSPEND,
CONDITION OR DENY A SPORTS WAGERING CERTIFICATE IN ACCORDANCE
WITH CHAPTER 13C (RELATING TO SPORTS WAGERING).

* * *

(17) TO REQUIRE PROSPECTIVE AND EXISTING EMPLOYEES,
INDEPENDENT CONTRACTORS, APPLICANTS, LICENSEES AND PERMITTEES
TO SUBMIT TO FINGERPRINTING BY THE PENNSYLVANIA STATE POLICE
OR AN AUTHORIZED AGENT OF THE PENNSYLVANIA STATE POLICE. THE
PENNSYLVANIA STATE POLICE OR AN AUTHORIZED AGENT OF THE
PENNSYLVANIA STATE POLICE SHALL SUBMIT THE FINGERPRINTS TO
THE FEDERAL BUREAU OF INVESTIGATION FOR PURPOSES OF VERIFYING
THE IDENTITY OF THE INDIVIDUAL AND OBTAINING RECORDS OF
CRIMINAL ARRESTS AND CONVICTIONS.

(18) TO REQUIRE PROSPECTIVE AND EXISTING EMPLOYEES,
INDEPENDENT CONTRACTORS, APPLICANTS, LICENSEES AND PERMITTEES
TO SUBMIT PHOTOGRAPHS CONSISTENT WITH THE STANDARDS [OF THE
(20) In addition to the power of the Board regarding license and permit applicants, to determine at its discretion the suitability of any person who furnishes or seeks to furnish to a slot machine licensee directly or indirectly any goods, services or property related to slot machines, table games, table game devices or associated equipment, interactive games and interactive gaming devices and associated equipment, casino simulcasting technology and equipment or sports wagering and sports wagering devices or through any arrangements under which that person receives payment based directly or indirectly on earnings, profits or receipts from the slot machines, table games, table game devices and associated equipment, interactive games, interactive gaming devices and associated equipment, casino simulcasting technology and equipment or sports wagering and sports wagering devices, the Board may require any such person to comply with the requirements of this Part and the regulations of the Board and may prohibit the person from furnishing the goods, services or property. Except that, in determining the suitability of a person who furnishes or seeks to furnish casino simulcasting technology and equipment, the Board shall consult the Commission.

(23) The Board shall not approve an application for or issue or renew a license, certificate, registration or permit unless it is satisfied that the applicant has demonstrated by clear and convincing evidence that the applicant is a person of good character, honesty and integrity and is a person.
WHOSE PRIOR ACTIVITIES, CRIMINAL RECORD, IF ANY, REPUTATION, HABITS AND ASSOCIATIONS DO NOT POSE A THREAT TO THE PUBLIC INTEREST OR THE EFFECTIVE REGULATION AND CONTROL OF SLOT MACHINE [OR] OPERATIONS, TABLE GAME OPERATIONS, INTERACTIVE GAMING OPERATIONS, CASINO SIMULCASTING OR SPORTS WAGERING, OR CREATE OR ENHANCE THE DANGER OF UNSUITABLE, UNFAIR OR ILLEGAL PRACTICES, METHODS AND ACTIVITIES IN THE CONDUCT OF SLOT MACHINE [OR] OPERATIONS, TABLE GAME OPERATIONS, INTERACTIVE GAMING OPERATIONS, CASINO SIMULCASTING OR SPORTS WAGERING OR THE CARRYING ON OF THE BUSINESS AND FINANCIAL ARRANGEMENTS INCIDENTAL THERETO.

* * *

(27.2) WITHIN SIX MONTHS OF THE EFFECTIVE DATE OF THIS SECTION, TO PUBLISH ON THE BOARD'S PUBLICLY ACCESSIBLE INTERNET WEBSITE A COMPLETE LIST OF ALL SLOT MACHINE LICENSEES WHO FILED A PETITION SEEKING AUTHORIZATION TO CONDUCT INTERACTIVE GAMING AND THE STATUS OF EACH PETITION OR INTERACTIVE GAMING CERTIFICATE.

* * *

(35) TO REVIEW DETAILED SITE PLANS IDENTIFYING THE INTERACTIVE GAMING RESTRICTED AREA OR ROOM WHERE A SLOT MACHINE LICENSEE PROPOSES TO MANAGE, ADMINISTER OR CONTROL INTERACTIVE GAMING OPERATIONS TO DETERMINE THE ADEQUACY OF THE PROPOSED INTERNAL AND EXTERNAL SECURITY AND PROPOSED SURVEILLANCE MEASURES.

(36) TO REQUIRE EACH SLOT MACHINE LICENSEE THAT HOLDS AN INTERACTIVE GAMING CERTIFICATE TO PROVIDE ON A QUARTERLY BASIS THE FOLLOWING INFORMATION WITH RESPECT TO INTERACTIVE GAMING:

(I) THE NAME OF ANY PERSON, ENTITY OR FIRM TO WHOM
ANY PAYMENT, REMUNERATION OR OTHER BENEFIT OR THING OF
VALUE HAS BEEN MADE OR CONFERRED FOR PROFESSIONAL
SERVICES, INCLUDING, BUT NOT LIMITED TO, INTERACTIVE
GAMING SYSTEM OPERATIONS OR MANAGEMENT, LEGAL, CONSULTING
AND LOBBYING SERVICES;

   (II) THE AMOUNT OR VALUE OF THE PAYMENTS,
REMNUNERATION, BENEFIT OR THING OF VALUE;
   (III) THE DATE ON WHICH THE PAYMENTS, REMUNERATION,
BENEFIT OR THING OF VALUE WAS SUBMITTED; AND
   (IV) THE REASON OR PURPOSE FOR THE PROCUREMENT OF
THE SERVICES.

(37) TO REVIEW AND APPROVE DETAILED SITE AND
ARCHITECTURAL PLANS IDENTIFYING THE AREA OF A LICENSED
FACILITY WHERE A SLOT MACHINE LICENSEE PROPOSES TO PLACE SLOT
MACHINES THAT ARE OR WILL BE USED IN A MULTISTATE WIDE-AREA
PROGRESSIVE SLOT MACHINE SYSTEM, SKILL SLOT MACHINES OR
HYBRID SLOT MACHINES OR ADMINISTER CASINO SIMULCASTING AND
MAKE THEM AVAILABLE FOR PLAY IN ORDER TO DETERMINE THE
ADEQUACY OF PROPOSED INTERNAL AND EXTERNAL CONTROLS, SECURITY
AND PROPOSED SURVEILLANCE MEASURES.

(38) TO CONDUCT AUCTIONS UNDER SECTION 1305.2 (RELATING
TO CONDUCT OF AUCTIONS).

SECTION 6. SECTIONS 1204 AND 1206(F)(1) OF TITLE 4 ARE
AMENDED TO READ:

§ 1204. LICENSED GAMING ENTITY APPLICATION APPEALS FROM BOARD.
The supreme court of pennsylvania shall be vested with
EXCLUSIVE APPELLATE JURISDICTION TO CONSIDER APPEALS OF ANY
FINAL ORDER, DETERMINATION OR DECISION OF THE BOARD INVOLVING
THE APPROVAL, ISSUANCE, DENIAL OR CONDITIONING OF A SLOT MACHINE
LICENSE [OR] THE AWARD, DENIAL OR CONDITIONING OF A TABLE GAME
OPERATION CERTIFICATE OR THE AWARD, DENIAL OR CONDITIONING OF AN INTERACTIVE GAMING CERTIFICATE, AN INTERACTIVE GAMING LICENSE, A CASINO SIMULCASTING PERMIT OR A SPORTS WAGERING CERTIFICATE. NOTWITHSTANDING THE PROVISIONS OF 2 PA.C.S. CH. 7 SUBCH. A (RELATING TO JUDICIAL REVIEW OF COMMONWEALTH AGENCY ACTION) AND 42 PA.C.S. § 763 (RELATING TO DIRECT APPEALS FROM GOVERNMENT AGENCIES), THE SUPREME COURT SHALL AFFIRM ALL FINAL ORDERS, DETERMINATIONS OR DECISIONS OF THE BOARD INVOLVING THE APPROVAL, ISSUANCE, DENIAL OR CONDITIONING OF A SLOT MACHINE LICENSE [OR], THE AWARD, DENIAL OR CONDITIONING OF A TABLE GAME OPERATION CERTIFICATE OR THE AWARD, DENIAL OR CONDITIONING OF AN INTERACTIVE GAMING CERTIFICATE, AN INTERACTIVE GAMING LICENSE, A CASINO SIMULCASTING PERMIT OR A SPORTS WAGERING CERTIFICATE, UNLESS IT SHALL FIND THAT THE BOARD COMMITTED AN ERROR OF LAW OR THAT THE ORDER, DETERMINATION OR DECISION OF THE BOARD WAS ARBITRARY AND THERE WAS A CAPRICIOUS DISREGARD OF THE EVIDENCE.

§ 1206. BOARD MINUTES AND RECORDS.

* * *

(F) CONFIDENTIALITY OF INFORMATION.--

(1) THE FOLLOWING INFORMATION SUBMITTED BY AN APPLICANT, PERMITTEE, CERTIFICATE HOLDER, INTERACTIVE GAMING CERTIFICATE HOLDER OR LICENSEE PURSUANT TO SECTION 1310(A) (RELATING TO SLOT MACHINE LICENSE APPLICATION CHARACTER REQUIREMENTS) [OR] 1308(A.1) (RELATING TO APPLICATIONS FOR LICENSE OR PERMIT), 13B12 (RELATING TO INTERACTIVE GAMING CERTIFICATE REQUIRED AND CONTENT OF PETITION), 13B14 (RELATING TO INTERACTIVE GAMING OPERATORS), 13C12 (RELATING TO PETITION REQUIREMENTS) OR 13F12 (RELATING TO CASINO SIMULCASTING PERMIT) OR OBTAINED BY THE BOARD OR THE BUREAU AS PART OF A BACKGROUND OR OTHER INVESTIGATION FROM ANY SOURCE SHALL BE
CONFIDENTIAL AND WITHHELD FROM PUBLIC DISCLOSURE:

(I) ALL INFORMATION RELATING TO CHARACTER, HONESTY
AND INTEGRITY, INCLUDING FAMILY, HABITS, REPUTATION,
HISTORY OF CRIMINAL ACTIVITY, BUSINESS ACTIVITIES,
FINANCIAL AFFAIRS AND BUSINESS, PROFESSIONAL AND PERSONAL
ASSOCIATIONS SUBMITTED UNDER SECTION 1310(A) OR 1308(A.1)
OR OTHERWISE OBTAINED BY THE BOARD OR THE BUREAU.

(II) NONPUBLIC PERSONAL INFORMATION, INCLUDING HOME
ADDRESSES, TELEPHONE NUMBERS AND OTHER PERSONAL CONTACT
INFORMATION, SOCIAL SECURITY NUMBERS, EDUCATIONAL
RECORDS, MEMBERSHIPS, MEDICAL RECORDS, TAX RETURNS AND
DECLARATIONS, ACTUAL OR PROPOSED COMPENSATION, FINANCIAL
ACCOUNT RECORDS, CREDITWORTHINESS OR FINANCIAL CONDITION
RELATING TO AN APPLICANT, LICENSEE [OR] PERMITTEE,
CERTIFICATE HOLDER, INTERACTIVE GAMING CERTIFICATE
HOLDER, INTERACTIVE GAMING OPERATOR, CASINO SIMULCASTING
PERMIT HOLDER OR SPORTS WAGERING CERTIFICATE HOLDER, OR
THE IMMEDIATE FAMILY THEREOF.

(III) INFORMATION RELATING TO PROPRIETARY
INFORMATION, TRADE SECRETS, PATENTS OR EXCLUSIVE
LICENSES, ARCHITECTURAL AND ENGINEERING PLANS AND
INFORMATION RELATING TO COMPETITIVE MARKETING MATERIALS
AND STRATEGIES, WHICH MAY INCLUDE CUSTOMER-IDENTIFYING
INFORMATION OR CUSTOMER PROSPECTS FOR SERVICES SUBJECT TO
COMPETITION.

(IV) SECURITY INFORMATION, INCLUDING RISK PREVENTION
PLANS, DETECTION AND COUNTERMEASURES, LOCATION OF COUNT
ROOMS, LOCATION OF INTERACTIVE GAMING RESTRICTED AREAS
AND REDUNDANCY FACILITIES, EMERGENCY MANAGEMENT PLANS,
SECURITY AND SURVEILLANCE PLANS, EQUIPMENT AND USAGE
PROTOCOLS AND THEFT AND FRAUD PREVENTION PLANS AND COUNTERMEASURES.

(V) INFORMATION WITH RESPECT TO WHICH THERE IS A REASONABLE POSSIBILITY THAT PUBLIC RELEASE OR INSPECTION OF THE INFORMATION WOULD CONSTITUTE AN UNWARRANTED INVASION INTO PERSONAL PRIVACY OF ANY INDIVIDUAL AS DETERMINED BY THE BOARD.


(VII) RECORDS CONSIDERED NONPUBLIC MATTERS OR INFORMATION BY THE SECURITIES AND EXCHANGE COMMISSION AS PROVIDED BY 17 CFR 200.80 (RELATING TO COMMISSION RECORDS AND INFORMATION).

(VIII) ANY FINANCIAL INFORMATION DEEMED CONFIDENTIAL BY THE BOARD UPON A SHOWING OF GOOD CAUSE BY THE APPLICANT OR LICENSEE.

* * *

SECTION 7. SECTION 1207(1), (5), (6), (8), (9), (10) AND (21) OF TITLE 4 ARE AMENDED AND THE SECTION IS AMENDED BY ADDING PARAGRAPHS TO READ:

§ 1207. REGULATORY AUTHORITY OF BOARD.

THE BOARD SHALL HAVE THE POWER AND ITS DUTIES SHALL BE TO:

(1) DENY, DENY THE RENEWAL, REVOKE, CONDITION OR SUSPEND ANY LICENSE [OR] PERMIT, CERTIFICATE, REGISTRATION OR OTHER
AUTHORIZATION PROVIDED FOR IN THIS PART IF THE BOARD FINDS IN ITS SOLE DISCRETION THAT A LICENSEE [OR] PERMITTEE, REGISTRANT, CERTIFICATE HOLDER, OR INTERACTIVE GAMING CERTIFICATE HOLDER, UNDER THIS PART, OR ITS OFFICERS, EMPLOYEES OR AGENTS, HAVE FURNISHED FALSE OR MISLEADING INFORMATION TO THE BOARD OR FAILED TO COMPLY WITH THE PROVISIONS OF THIS PART OR THE RULES AND REGULATIONS OF THE BOARD AND THAT IT WOULD BE IN THE PUBLIC INTEREST TO DENY, DENY THE RENEWAL, REVOKE, CONDITION OR SUSPEND THE LICENSE [OR] PERMIT, CERTIFICATE, REGISTRATION OR OTHER AUTHORIZATION.

* * *

(5) PRESCRIBE THE PROCEDURES TO BE FOLLOWED BY SLOT MACHINE LICENSEES FOR ANY FINANCIAL EVENT THAT OCCURS IN THE OPERATION AND PLAY OF SLOT MACHINES [OR] TABLE GAMES, AUTHORIZED INTERACTIVE GAMES, CASINO SIMULCASTING, MULTI-USE COMPUTING DEVICES OR SPORTS WAGERING.

(6) PRESCRIBE CRITERIA AND CONDITIONS FOR THE OPERATION OF SLOT MACHINE PROGRESSIVE SYSTEMS, INCLUDING MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEMS. A WIDE AREA PROGRESSIVE SLOT SYSTEM SHALL BE COLLECTIVELY ADMINISTERED BY PARTICIPATING SLOT MACHINE LICENSEES IN ACCORDANCE WITH THE TERMS OF A WRITTEN AGREEMENT EXECUTED BY EACH PARTICIPATING SLOT MACHINE LICENSEE AND, IN THE CASE OF A MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEM, IN ACCORDANCE WITH THE MULTISTATE AGREEMENT, AS APPROVED BY THE BOARD.

(6.1) COLLABORATE WITH THE APPROPRIATE REGULATORY AGENCIES IN OTHER STATES OR JURISDICTIONS TO FACILITATE THE ESTABLISHMENT OF MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEMS BY SLOT MACHINE LICENSEES IN THIS
COMMONWEALTH AND, IF DETERMINED NECESSARY, ENTER INTO THE
MULTISTATE AGREEMENTS.

* * *

(7.2) ENFORCE PRESCRIBED HOURS FOR THE OPERATION OF
AUTHORIZED INTERACTIVE GAMES SO THAT AN INTERACTIVE GAMING
CERTIFICATE HOLDER OR INTERACTIVE GAMING OPERATOR MAY CONDUCT
AUTHORIZED INTERACTIVE GAMES ON ANY DAY DURING THE YEAR IN
ORDER TO MEET THE NEEDS OF REGISTERED PLAYERS OR TO MEET
COMPETITION.

(7.3) IN CONSULTATION WITH THE COMMISSION, ENFORCE
PRESCRIBED HOURS OF OPERATION OF CASINO SIMULCASTING BY SLOT
MACHINE LICENSEES.

(8) REQUIRE THAT EACH LICENSED GAMING ENTITY PROHIBIT
PERSONS UNDER 21 YEARS OF AGE FROM OPERATING OR USING SLOT
MACHINES [OR], PLAYING TABLE GAMES OR PARTICIPATING IN
INTERACTIVE GAMING, CASINO SIMULCASTING AND SPORTS WAGERING.

(9) ESTABLISH PROCEDURES FOR THE INSPECTION AND
CERTIFICATION OF COMPLIANCE OF EACH SLOT MACHINE, TABLE GAME,
TABLE GAME DEVICE AND ASSOCIATED EQUIPMENT, INTERACTIVE GAME
AND INTERACTIVE GAMING DEVICE AND ASSOCIATED EQUIPMENT,
CASINO SIMULCASTING TECHNOLOGY AND EQUIPMENT AND SPORTS
WAGERING AND SPORTS WAGERING DEVICES PRIOR TO BEING PLACED
INTO USE BY A SLOT MACHINE LICENSEE. THE BOARD SHALL
COLLABORATE WITH THE COMMISSION TO FACILITATE THE INSPECTION
AND CERTIFICATION OF CASINO SIMULCASTING TECHNOLOGY AND
EQUIPMENT.

(10) [REQUIRE] SUBJECT TO PARAGRAPH (10.1), REQUIRE THAT
NO SLOT MACHINE OR AUTHORIZED INTERACTIVE GAME THAT
REPLICATES THE PLAY OF A SLOT MACHINE, OTHER THAN A SLOT
MACHINE OR AUTHORIZED INTERACTIVE GAME THAT REPLICATES THE
PLAY OF A SLOT MACHINE THAT IS USED IN A MULTISTATE WIDE-AREA
PROGRESSIVE SLOT MACHINE SYSTEM, MAY BE SET TO PAY OUT LESS
THAN THE THEORETICAL PAYOUT PERCENTAGE, WHICH SHALL BE NO
LESS THAN 85%, AS SPECIFICALLY APPROVED BY THE BOARD. THE
BOARD SHALL ADOPT REGULATIONS THAT DEFINE THE THEORETICAL
PAYOUT PERCENTAGE [OF A SLOT MACHINE GAME] BASED ON THE TOTAL
VALUE OF THE JACKPOTS EXPECTED TO BE PAID BY A PLAY OR A SLOT
MACHINE GAME OR AN AUTHORIZED INTERACTIVE GAME THAT
REPLICATES THE PLAY OF A SLOT MACHINE DIVIDED BY THE TOTAL
VALUE [OF SLOT MACHINE] WAGERS EXPECTED TO BE MADE ON THAT
PLAY OR SLOT MACHINE GAME OR AN AUTHORIZED INTERACTIVE GAME
THAT REPLICATES THE PLAY OF A SLOT MACHINE DURING THE SAME
PORTION OF THE GAME CYCLE. IN SO DOING, THE BOARD SHALL
DECIDE WHETHER THE CALCULATION SHALL INCLUDE THE ENTIRE CYCLE
OF A SLOT MACHINE GAME OR AN AUTHORIZED INTERACTIVE GAME THAT
REPLICATES THE PLAY OF A SLOT MACHINE OR ANY PORTION THEREOF.
SUBJECT TO PARAGRAPH (10.1), IN THE CASE OF A SLOT MACHINE
THAT IS USED IN A MULTISTATE WIDE-AREA PROGRESSIVE SLOT
MACHINE SYSTEM, THE THEORETICAL PAYOUT PERCENTAGE SHALL BE AS
SET FORTH IN THE MULTISTATE AGREEMENT.

(10.1) FOR EACH OF THE FOLLOWING, DEFINE THE PLAYER'S
WIN PERCENTAGE BASED ON THE RELATIVE SKILL OF THE PLAYER OR
THE COMBINATION OF SKILL AND THE ELEMENTS OF CHANCE OF THE
GAME:

(I) A SKILL SLOT MACHINE OR AN AUTHORIZED
INTERACTIVE GAME THAT REPLICATES THE PLAY OF A SKILL SLOT
MACHINE. FOR A SKILL SLOT MACHINE OR AUTHORIZED
INTERACTIVE GAME THAT REPLICATES THE PLAY OF A SKILL SLOT
MACHINE THAT IS USED IN A MULTISTATE WIDE-AREA
PROGRESSIVE SLOT MACHINE SYSTEM, THE PLAYER'S WIN
PERCENTAGE SHALL BE AS SET FORTH IN THE MULTISTATE AGREEMENT.

(II) A HYBRID SLOT MACHINE OR AN AUTHORIZED INTERACTIVE GAME THAT REPLICATES THE PLAY OF A HYBRID SLOT MACHINE. FOR A HYBRID SLOT MACHINE OR AN AUTHORIZED INTERACTIVE GAME THAT REPLICATES THE PLAY OF A HYBRID SLOT MACHINE THAT IS USED IN A MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEM, THE PLAYER'S WIN PERCENTAGE SHALL BE SET FORTH IN THE MULTISTATE AGREEMENT.

* * *

(21) AUTHORIZE, IN ITS DISCRETION, A SLOT MACHINE LICENSEE TO CONDUCT SLOT MACHINE CONTESTS OR TOURNAMENTS, TABLE GAME CONTESTS OR TOURNAMENTS IN ACCORDANCE WITH SECTION 13A22.1 (RELATING TO TABLE GAME TOURNAMENTS) OR INTERACTIVE GAMING CONTESTS OR TOURNAMENTS AND ADOPT REGULATIONS GOVERNING THE CONDUCT OF SUCH CONTESTS AND TOURNAMENTS.

(21.1) AUTHORIZE, AT ITS DISCRETION, A SLOT MACHINE LICENSEE TO PLACE SLOT MACHINES THAT ARE USED IN A MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEM, SKILL SLOT MACHINES OR HYBRID SLOT MACHINES AND MAKE THEM AVAILABLE FOR PLAY AT LICENSED FACILITIES.

(21.2) ADOPT AND PROMULGATE REGULATIONS TO GOVERN THE OPERATION AND PLACEMENT OF SKILL SLOT MACHINES AND HYBRID SLOT MACHINES BY SLOT MACHINE LICENSEES AT LICENSED FACILITIES IN THE SAME MANNER AS PROVIDED IN SECTION 13B03 (RELATING TO REGULATIONS).

(22) LICENSE, REGULATE, INVESTIGATE AND TAKE ANY OTHER ACTION DETERMINED NECESSARY REGARDING ALL ASPECTS OF INTERACTIVE GAMING, CASINO SIMULCASTING AND SPORTS WAGERING.
(23) Define and limit the rules of authorized interactive games, including odds, interactive gaming devices and associated equipment permitted and the method of operation of authorized interactive games and interactive gaming devices and associated equipment.

(24) Require, as applicable, that all wagering offered through an interactive gaming website display the permissible minimum and maximum wagers associated with each authorized interactive game.

(25) Ensure, in consultation with the commission, that the wagering at casino simulcasting facilities is conducted in conformance with the pari-mutuel system of wagering regulated by the commission under 3 Pa.C.S. ch. 93 (relating to race horse industry reform).

(26) Negotiate and enter into interactive gaming reciprocal agreements on behalf of the commonwealth to govern the conduct of interactive gaming between interactive gaming certificate holders in this commonwealth and gaming entities in other states or jurisdictions. Notwithstanding any provision of this part, wagers may be accepted in accordance with this part and regulations of the board from persons in other states or jurisdictions and wagers from persons in this commonwealth may be made through an interactive gaming platform to a state or jurisdiction with which the commonwealth has an interactive gaming reciprocal agreement if the board determines that such wagering is not inconsistent with federal law or the law of the state or jurisdiction in which the person or gaming entity is located, or such wagering is conducted pursuant to an interactive gaming reciprocal agreement to which this commonwealth is a party.
PARTY THAT IS NOT INCONSISTENT WITH FEDERAL LAW. THE BOARD, WITH THE APPROVAL OF THE GOVERNOR, IS HEREBY DESIGNATED AS THE AGENCY OF THE COMMONWEALTH WITH THE POWER AND AUTHORITY TO ENTER INTO INTERACTIVE GAMING RECIPROCAL AGREEMENTS WITH OTHER STATES OR JURISDICTIONS.

(27) ENTER INTO MULTISTATE AGREEMENTS WITH OTHER STATES OR JURISDICTIONS FOR THE OPERATION OF MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEMS.

(28) AUTHORIZE A CATEGORY 2 OR CATEGORY 3 SLOT MACHINE LICENSEE TO ENTER INTO AN AGREEMENT WITH A CATEGORY 1 SLOT MACHINE LICENSEE FOR THE CONDUCT OF CASINO SIMULCASTING UNDER THE CATEGORY 1 SLOT MACHINE LICENSEE'S AUTHORITY AS A LICENSED RACING ENTITY, IF SUCH AGREEMENT IS APPROVED BY THE BOARD AND BY THE COMMISSION, PURSUANT TO THE COMMISSION'S AUTHORITY UNDER 3 PA.C.S. CH. 93.

(29) ADOPT, IN CONSULTATION WITH THE COMMISSION, REGULATIONS TO GOVERN THE CONDUCT OF CASINO SIMULCASTING BY A CATEGORY 2 OR CATEGORY 3 SLOT MACHINE LICENSEE IN ACCORDANCE WITH PARAGRAPH (28).

(30) ADOPT AND PROMULGATE REGULATIONS TO GOVERN THE INSTALLATION OF VIDEO DISPLAY TECHNOLOGY IN APPROVED AREAS OF A CATEGORY 1 LICENSED FACILITY TO ENABLE THE DELIVERY OF SIMULCAST HORSE RACE MEETINGS TO PATRONS THROUGH VIDEO WALLS AND OTHER SUCH VIDEO DISPLAY TECHNOLOGY. THE BOARD MAY CONSULT WITH THE COMMISSION TO FACILITATE THE INSTALLATION OF VIDEO DISPLAY MONITORS IN ACCORDANCE WITH THIS PARAGRAPH AND TO FACILITATE THE CONDUCT OF CASINO SIMULCASTING UNDER PARAGRAPH (28).

SECTION 7.1. SECTION 1208 OF TITLE 4 IS AMENDED BY ADDING A PARAGRAPH TO READ:

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§ 1208. COLLECTION OF FEES AND FINES.

THE BOARD HAS THE FOLLOWING POWERS AND DUTIES:

* * *

(1.1) TO COLLECT THE PROCEEDS OF AUCTIONS UNDER SECTION 1305.2 (RELATING TO CONDUCT OF AUCTIONS).

* * *

SECTION 8. SECTIONS 1209(A) AND (B) AND 1210 OF TITLE 4 ARE AMENDED TO READ:

§ 1209. SLOT MACHINE LICENSE FEE.

(A) IMPOSITION.--EXCEPT AS PROVIDED FOR A CATEGORY 3 LICENSED GAMING ENTITY UNDER SECTION 1305 (RELATING TO CATEGORY 3 SLOT MACHINE LICENSE) OR A CATEGORY 4 SLOT MACHINE LICENSEE UNDER SECTION 1305.1 (RELATING TO CATEGORY 4 SLOT MACHINE LICENSE) AND SUBJECT TO THE REQUIREMENTS OF THIS SECTION, AT THE TIME OF LICENSE ISSUANCE THE BOARD SHALL IMPOSE A ONE-TIME SLOT MACHINE LICENSE FEE TO BE PAID BY EACH SUCCESSFUL APPLICANT FOR A CONDITIONAL CATEGORY 1, A CATEGORY 1 OR A CATEGORY 2 LICENSE IN THE AMOUNT OF $50,000,000 AND DEPOSITED IN THE STATE GAMING FUND. NO FEE SHALL BE IMPOSED BY THE BOARD FOR A CATEGORY 1 LICENSE IF THE APPLICANT HAS PAID A $50,000,000 FEE FOR A CONDITIONAL CATEGORY 1 LICENSE.

(B) TERM.--A SLOT MACHINE LICENSE, AFTER PAYMENT OF THE FEE, SHALL BE IN EFFECT UNLESS SUSPENDED, REVOKED OR NOT RENEWED BY THE BOARD UPON GOOD CAUSE CONSISTENT WITH THE LICENSE REQUIREMENTS AS PROVIDED FOR IN THIS PART. SLOT MACHINE LICENSEES SHALL BE REQUIRED TO UPDATE THE INFORMATION IN THEIR INITIAL APPLICATIONS ANNUALLY, AND THE LICENSE OF A LICENSEE IN GOOD STANDING SHALL BE RENEWED EVERY [THREE] FIVE YEARS. NOTHING IN THIS SUBSECTION SHALL RELIEVE A LICENSEE OF THE AFFIRMATIVE DUTY TO NOTIFY THE BOARD OF ANY CHANGES RELATING TO THE STATUS OF THE LICENSEE.
OF ITS LICENSE OR TO ANY OTHER INFORMATION CONTAINED IN THE
APPLICATION MATERIALS ON FILE WITH THE BOARD. AS TO THE RENEWAL
OF A LICENSE, EXCEPT AS REQUIRED IN SUBSECTION (F)(3), NO
ADDITIONAL LICENSE FEE PURSUANT TO SUBSECTION (A) SHALL BE
REQUIRED.

* * *
§ 1210. NUMBER OF SLOT MACHINES.

(A) INITIAL COMPLEMENT.--EXCEPT AS PROVIDED FOR CATEGORY 3
SLOT MACHINE LICENSEE UNDER SECTION 1305 (RELATING TO CATEGORY
3 SLOT MACHINE LICENSE) OR A CATEGORY 4 SLOT MACHINE LICENSEE
UNDER SECTION 1305.1 (RELATING TO CATEGORY 4 SLOT MACHINE
LICENSE), THE FOLLOWING APPLY:

(1) ALL SLOT MACHINE LICENSEES SHALL BE PERMITTED TO
OPERATE UP TO 3,000 SLOT MACHINES AT ANY ONE LICENSED
FACILITY.

(2) EACH SLOT MACHINE LICENSEE SHALL BE REQUIRED TO
OPERATE AND MAKE AVAILABLE TO PLAY A MINIMUM OF 1,500 SLOT
MACHINES AT ITS LICENSED FACILITY WITHIN ONE YEAR OF THE
ISSUANCE BY THE BOARD OF A SLOT MACHINE LICENSE TO THE SLOT
MACHINE LICENSEE. THE BOARD, UPON APPLICATION AND FOR GOOD
CAUSE SHOWN, MAY GRANT AN EXTENSION FOR AN ADDITIONAL PERIOD
ENDING ON THE LATER OF 36 MONTHS FROM THE END OF THE INITIAL
ONE-YEAR PERIOD OR DECEMBER 31, 2012.

(3) A CATEGORY 1 OR CATEGORY 2 SLOT MACHINE LICENSEE
THAT IS ALSO A CATEGORY 4 SLOT MACHINE LICENSEE MAY, UPON
NOTIFICATION AND RECEIPT OF APPROVAL FROM THE BOARD, INSTALL
AND OPERATE SLOT MACHINES FROM THE INITIAL COMPLEMENT
AUTHORIZED UNDER SUBSECTION (A)(1) SUBJECT TO THE LIMITATION
UNDER SECTION 1305.1(D)(1) AT THE LICENSEE'S CATEGORY 4
LICENSED FACILITY.
(B) ADDITIONAL SLOT MACHINES.--EXCEPT AS PROVIDED FOR
CATEGORY 3 SLOT MACHINE LICENSEES UNDER SECTION 1305, SIX MONTHS
FOLLOWING THE DATE OF COMMENCEMENT OF SLOT MACHINE OPERATIONS,
THE BOARD MAY PERMIT A SLOT MACHINE LICENSEE TO INSTALL AND
OPERATE UP TO 2,000 ADDITIONAL SLOT MACHINES AT ITS LICENSED
FACILITY, BEYOND THOSE MACHINES PERMITTED UNDER SUBSECTION (A),
UPON APPLICATION BY THE SLOT MACHINE LICENSEE. THE BOARD, IN
CONSIDERING SUCH AN APPLICATION, SHALL TAKE INTO ACCOUNT THE
APPROPRIATENESS OF THE PHYSICAL SPACE WHERE THE ADDITIONAL SLOT
MACHINES WILL BE LOCATED AND THE CONVENIENCE OF THE PUBLIC
ATTENDING THE FACILITY. THE BOARD MAY ALSO TAKE INTO ACCOUNT THE
POTENTIAL BENEFIT TO ECONOMIC DEVELOPMENT, EMPLOYMENT AND
TOURISM, ENHANCED REVENUES TO THE COMMONWEALTH AND OTHER
ECONOMIC INDICATORS IT DEEMS APPLICABLE IN MAKING ITS DECISION.
SUBJECT TO THE LIMITATION UNDER SECTION 1305.1(D), SLOT MACHINES
APPROVED UNDER THIS SUBSECTION MAY BE INSTALLED AND OPERATED AT
A CATEGORY 4 LICENSED FACILITY.

SECTION 9. SECTION 1211 OF TITLE 4 IS AMENDED BY ADDING
SUBSECTIONS TO READ:

§ 1211. REPORTS OF BOARD.
* * *

(A.4) INTERACTIVE GAMING REPORTING REQUIREMENTS.--

(1) THE ANNUAL REPORT SUBMITTED BY THE BOARD IN
ACCORDANCE WITH SUBSECTION (A) SHALL INCLUDE INFORMATION ON
THE CONDUCT OF INTERACTIVE GAMES AS FOLLOWS:

(I) TOTAL GROSS INTERACTIVE GAMING REVENUE.

(II) THE NUMBER AND WIN BY TYPE OF AUTHORIZED
INTERACTIVE GAME AT EACH LICENSED FACILITY CONDUCTING
INTERACTIVE GAMING DURING THE PREVIOUS YEAR.

(III) ALL TAXES, FEES, FINES AND OTHER REVENUE
COLLECTED AND, WHERE APPROPRIATE, REVENUE DISBURSED DURING THE PREVIOUS YEAR RELATED TO INTERACTIVE GAMING ACTIVITIES. THE DEPARTMENT SHALL COLLABORATE WITH THE BOARD TO CARRY OUT THE REQUIREMENTS OF THIS SUBPARAGRAPH.

(2) THE BOARD MAY REQUIRE INTERACTIVE GAMING CERTIFICATE HOLDERS AND INTERACTIVE GAMING OPERATORS TO PROVIDE INFORMATION TO THE BOARD TO ASSIST IN THE PREPARATION OF THE REPORT.

* * *

(D.1) IMPACT OF INTERACTIVE GAMING.--

(1) COMMENCING ONE YEAR AFTER THE ISSUANCE OF THE FIRST INTERACTIVE GAMING CERTIFICATE AND CONTINUING ANNUALLY THEREAFTER, THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY SHALL PREPARE AND DISTRIBUTE A REPORT TO THE GOVERNOR AND THE STANDING COMMITTEES OF THE GENERAL ASSEMBLY WITH JURISDICTION OVER THE BOARD ON THE IMPACT OF INTERACTIVE GAMING ON COMPULSIVE AND PROBLEM GAMBLING AND GAMBLING ADDICTION IN THIS COMMONWEALTH. THE REPORT SHALL BE PREPARED BY A PRIVATE ORGANIZATION OR ENTITY WITH EXPERTISE IN SERVING AND TREATING THE NEEDS OF PERSONS WITH COMPULSIVE GAMBLING ADDICTIONS, WHICH ORGANIZATION OR ENTITY SHALL BE SELECTED BY THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY. THE REPORT MAY BE PREPARED AND DISTRIBUTED IN COORDINATION WITH THE BOARD. ANY COSTS ASSOCIATED WITH THE PREPARATION AND DISTRIBUTION OF THE REPORT SHALL BE BORNE BY ALL INTERACTIVE GAMING CERTIFICATE HOLDERS. THE BOARD SHALL BE AUTHORIZED TO ASSESS A FEE AGAINST EACH INTERACTIVE GAMING CERTIFICATE HOLDER FOR THESE PURPOSES.

(2) COMMENCING ONE YEAR AFTER THE ISSUANCE OF THE FIRST INTERACTIVE GAMING CERTIFICATE AND CONTINUING ANNUALLY
THEREAFTER, THE BOARD SHALL PREPARE AND DISTRIBUTE A REPORT TO THE GOVERNOR AND THE STANDING COMMITTEES OF THE GENERAL ASSEMBLY WITH THE JURISDICTION OVER THE BOARD ON THE IMPACT OF INTERACTIVE GAMING ON LICENSED GAMING ENTITIES IN THIS COMMONWEALTH.

(D.2) ADDITIONAL INFORMATION FOR ANNUAL REPORT.--

(1) ONE YEAR AFTER THE COMMENCEMENT OF CASINO SIMULCASTING IN ACCORDANCE WITH CHAPTER 13F (RELATING TO CASINO SIMULCASTING), THE OPERATION OF SKILL SLOT MACHINES, HYBRID SLOT MACHINES AND THE OPERATION OF A MULTISTATE WIDE-AREA SLOT MACHINE SYSTEM, THE REPORT REQUIRED UNDER SUBSECTION (A) SHALL INCLUDE INFORMATION RELATED TO THE FOLLOWING:

(I) THE CONDUCT OF CASINO SIMULCASTING.

(II) THE OPERATION OF SKILL SLOT MACHINES AND HYBRID SLOT MACHINES.

(III) THE OPERATION OF THE MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEM.

(2) INFORMATION ON REVENUE, TAXES, FEES AND FINES, IF ANY, COLLECTED DURING THE PRECEDING CALENDAR YEAR AND ANY OTHER INFORMATION, DATA OR RECOMMENDATIONS RELATED TO THE CONDUCT OF CASINO SIMULCASTING AND THE OPERATION OF THE MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEM, SKILL SLOT MACHINES AND HYBRID SLOT MACHINES AS DETERMINED BY THE BOARD.

(D.3) STUDY.--THE BOARD SHALL STUDY AND ANNUALLY REPORT TO THE STANDING COMMITTEES OF THE GENERAL ASSEMBLY WITH JURISDICTION OVER THE BOARD ON DEVELOPMENTS IN GAMING TECHNOLOGY AND THE IMPACT, IF ANY, NEW TECHNOLOGIES AND EXPANSION OF GAMING ARE HAVING OR ARE EXPECTED TO HAVE ON THE SUSTAINABILITY AND

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COMPETITIVENESS OF THE GAMING INDUSTRY IN THIS COMMONWEALTH. THE INITIAL REPORT SHALL BE DUE ONE YEAR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION. EACH REPORT SHALL SPECIFICALLY ADDRESS THE FOLLOWING:

(1) AWARENESS AND GROWTH, TO THE EXTENT KNOWN, OF ANY UNREGULATED COMMERCIAL GAMING PRODUCTS, SUCH AS E-SPORTS AND OTHER SUCH DIGITAL-BASED COMPUTER OR VIDEO TECHNOLOGY.

(2) NEW GAMING PRODUCTS, IF ANY, WHICH HAVE BEEN INTRODUCED IN OTHER STATES OR JURISDICTIONS.

(3) ANY GAMING PRODUCTS WHICH THE BOARD MAY AUTHORIZE PURSUANT TO ITS REGULATORY AUTHORITY UNDER THIS PART.

(4) ANY LEGISLATIVE OR ADMINISTRATIVE CONCERNS REGARDING TRADITIONAL, NEW OR EMERGING GAMING TECHNOLOGIES WITH RECOMMENDATIONS REGARDING RESOLUTION OF SUCH CONCERNS.

(5) ANY CANNIBALIZATION FROM CATEGORY 4 SLOT MACHINE LICENSEES ON CATEGORY 1, CATEGORY 2 OR CATEGORY 3 SLOT MACHINE LICENSEES.

* * *

SECTION 10. SECTION 1212(E) OF TITLE 4 IS AMENDED BY ADDING PARAGRAPHS TO READ:

§ 1212. DIVERSITY GOALS OF BOARD.

* * *

(E) DEFINITION.--AS USED IN THIS SECTION, THE TERM "PROFESSIONAL SERVICES" MEANS THOSE SERVICES RENDERED TO A SLOT MACHINE LICENSEE WHICH RELATE TO A LICENSED FACILITY IN THIS COMMONWEALTH, INCLUDING, BUT NOT LIMITED TO:

* * *

(9) TECHNOLOGY RELATED TO INTERACTIVE GAMING AND INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT.

(10) TECHNOLOGY RELATED TO CASINO SIMULCASTING.
TECHNOLOGY RELATED TO SPORTS WAGERING.

SECTION 11. SECTIONS 1301 AND 1302(A)(4) OF TITLE 4 ARE AMENDED TO READ:

§ 1301. AUTHORIZED SLOT MACHINE LICENSES.

[THERE] EXCEPT AS PROVIDED UNDER SECTION 1305.1 (RELATING TO CATEGORY 4 SLOT MACHINE LICENSE), THERE SHALL BE THREE DISTINCT CLASSIFICATIONS OF SLOT MACHINE LICENSES, DESIGNATED BY CATEGORY, EACH PERMITTING A LICENSED RACING ENTITY OR PERSON TO APPLY FOR A QUALIFYING LICENSE CATEGORY AND, UPON ISSUANCE BY THE BOARD IN ITS DISCRETION, TO PLACE AND OPERATE SLOT MACHINES AT A LICENSED FACILITY. EXCEPT FOR CONDITIONAL CATEGORY 1 LICENSE APPLICATIONS PURSUANT TO SECTION 1315 (RELATING TO CONDITIONAL CATEGORY 1 LICENSES), IT IS MANDATORY THAT THE BOARD SHALL CONSIDER, APPROVE, CONDITION OR DENY THE APPROVAL OF ALL INITIAL APPLICATIONS FOR EACH AND EVERY CATEGORY OF SLOT MACHINE LICENSES COLLECTIVELY AND TOGETHER, IN A COMPREHENSIVE STATEWIDE MANNER, WITHIN 12 MONTHS FOLLOWING THE TIME SET BY THE BOARD AT WHICH ALL APPLICATIONS ARE TO BE FILED AND DEEMED COMPLETE BY THE BOARD. THE BOARD SHALL APPROVE, CONDITION OR DENY THE ISSUANCE OF A SLOT MACHINE LICENSE OF ANY CATEGORY WITHIN THE TIME PERIOD PROVIDED FOR HEREIN. FOLLOWING APPROVAL OF AN APPLICATION FOR A SLOT MACHINE LICENSE, THE APPLICANT SHALL PROVIDE FORMAL NOTIFICATION TO THE BOARD AS SOON AS:

(1) IT FULFILLS ALL REQUIRED CONDITIONS FOR ISSUANCE OF THE LICENSE; AND

(2) THE BOARD'S DECISION APPROVING THE APPLICATION IS A FINAL, BINDING, NONAPPEALABLE DETERMINATION WHICH IS NOT SUBJECT TO A PENDING LEGAL CHALLENGE.

UPON RECEIPT OF SUCH FORMAL NOTIFICATION AND UPON CONDUCTING ANY NECESSARY VERIFICATION, THE BOARD SHALL ISSUE A SLOT MACHINE
LICENSE TO THE APPLICANT.

§ 1302. CATEGORY 1 SLOT MACHINE LICENSE.

(A) ELIGIBILITY.--A PERSON MAY BE ELIGIBLE TO APPLY FOR A CATEGORY 1 LICENSE TO PLACE AND OPERATE SLOT MACHINES AT A LICENSED RACETRACK FACILITY IF THE PERSON:

* * *

(4) IS A SUCCESSOR IN INTEREST TO PERSONS ELIGIBLE UNDER PARAGRAPH (1), (2) OR (3) WHO COMPLY WITH THE REQUIREMENTS OF SECTION 1328 (RELATING TO CHANGE IN OWNERSHIP OR CONTROL OF SLOT MACHINE LICENSEE) [OR IS A SUCCESSOR IN INTEREST TO PERSONS OTHERWISE ELIGIBLE UNDER PARAGRAPH (1), (2) OR (3) BUT PRECLUDED FROM ELIGIBILITY UNDER THE PROVISIONS OF SECTION 1330].

* * *

SECTION 12. SECTION 1305(A) IS AMENDED BY ADDING A PARAGRAPH AND THE SECTION IS AMENDED BY ADDING SUBSECTIONS TO READ:

§ 1305. CATEGORY 3 SLOT MACHINE LICENSE.

(A) ELIGIBILITY.--

* * *

(1.2) THE REQUIREMENTS UNDER PARAGRAPH (1)(I), (II) AND (III) AND THE MEMBERSHIP FEE REQUIRED UNDER PARAGRAPHS (1) (IV) AND (1.1) SHALL NOT APPLY TO THE LICENSED FACILITY IF THE CATEGORY 3 SLOT MACHINE LICENSEE MAKES NOTIFICATION TO THE BOARD AND A PAYMENT OF $1,000,000 TO THE DEPARTMENT FOR DEPOSIT INTO THE GENERAL FUND.

* * *

(C.1) ADDITIONAL SLOT MACHINES.--

(1) UPON SUBMISSION BY A CATEGORY 3 SLOT MACHINE LICENSEE OF A PETITION TO THE BOARD, IN SUCH FORM AND MANNER AS THE BOARD MAY REQUIRE, THE BOARD MAY AUTHORIZE THE
CATEGORY 3 SLOT MACHINE LICENSEE TO INCREASE THE NUMBER OF
SLOT MACHINES AT THE CATEGORY 3 SLOT MACHINE LICENSEE'S
LICENSED FACILITY.

(2) AN INCREASE IN THE NUMBER OF SLOT MACHINES BY A
CATEGORY 3 SLOT MACHINE LICENSEE UNDER PARAGRAPH (1) MAY NOT
EXCEED 250 ADDITIONAL SLOT MACHINES, WHICH SHALL BE IN
ADDITION TO THE NUMBER OF PERMISSIBLE SLOT MACHINES
AUTHORIZED UNDER SUBSECTION (C).

* * *

(D.1) FEE FOR ADDITIONAL SLOT MACHINES.--NOTWITHSTANDING
SUBSECTION (D), NO LATER THAN 60 DAYS AFTER THE BOARD APPROVES A
REQUEST FOR AN INCREASE IN THE NUMBER OF SLOT MACHINES SUBMITTED
BY A CATEGORY 3 SLOT MACHINE LICENSEE IN ACCORDANCE WITH
SUBSECTION (C.1), THE CATEGORY 3 SLOT MACHINE LICENSEE SHALL PAY
A ONE-TIME FEE OF $2,500,000 FOR DEPOSIT INTO THE GENERAL FUND.

* * *

SECTION 12.1. TITLE 4 IS AMENDED BY ADDING SECTIONS TO READ:
§ 1305.1. CATEGORY 4 SLOT MACHINE LICENSE.

(A) ELIGIBILITY.--THE FOLLOWING APPLY:

(1) A SLOT MACHINE LICENSEE MAY SUBMIT A BID IF:

(I) THE SLOT MACHINE LICENSEE'S LICENSE AND TABLE
GAME OPERATION CERTIFICATE ARE IN GOOD STANDING WITH THE
BOARD; AND

(II) THE SLOT MACHINE LICENSEE AGREES TO LOCATE A
CATEGORY 4 LICENSED FACILITY AS PROVIDED UNDER SUBSECTION
(B).

(2) A WINNING BIDDER OF AN AUCTION UNDER SECTION
1305.2(A) (RELATING TO CONDUCT OF AUCTIONS) SHALL BE
INELIGIBLE TO PARTICIPATE IN AN AUCTION UNTIL AN AUCTION IS
CONDUCTED UNDER SECTION 1305.2(B) AND (B.1).

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(A.1) MUNICIPAL OPTION.--

(1) PRIOR TO THE COMMENCEMENT OF AN AUCTION UNDER SECTION 1305.2, EACH MUNICIPALITY SHALL HAVE THE OPTION TO PROHIBIT THE LOCATION OF A CATEGORY 4 LICENSED FACILITY WITHIN THE MUNICIPALITY BY DELIVERING A RESOLUTION OF THE MUNICIPALITY’S GOVERNING BODY TO THE BOARD NO LATER THAN DECEMBER 31, 2017. NO CATEGORY 4 LICENSED FACILITY MAY BE LOCATED IN A MUNICIPALITY WHICH HAS EXERCISED ITS OPTION UNDER THIS PARAGRAPH.

(2) A MUNICIPALITY THAT PROHIBITS THE LOCATION OF A CATEGORY 4 LICENSED FACILITY WITHIN THE MUNICIPALITY UNDER SUBSECTION (A) MAY RESCIND THAT PROHIBITION AT ANY TIME BY DELIVERING A NEW RESOLUTION OF THE MUNICIPALITY’S GOVERNING BODY TO THE BOARD. A MUNICIPALITY THAT RESCINDS ITS PRIOR PROHIBITION ACCORDING TO THIS SUBSECTION MAY NOT SUBSEQUENTLY PROHIBIT THE LOCATION OF A CATEGORY 4 LICENSED FACILITY IN THE MUNICIPALITY.

(B) LOCATION.--THE FOLLOWING SHALL APPLY:

(1) TEN CATEGORY 4 LICENSED FACILITIES MAY BE LOCATED IN THIS COMMONWEALTH.

(2) A WINNING BIDDER’S CATEGORY 4 LOCATION MAY NOT BE WITHIN 25 LINEAR MILES OF ANOTHER CATEGORY 1, CATEGORY 2 OR CATEGORY 3 LICENSED FACILITY BUT MAY BE WITHIN 25 LINEAR MILES OF THE WINNING BIDDER’S LICENSED FACILITY.

(3) AFTER A WINNING BIDDER SELECTS A CATEGORY 4 LOCATION UNDER SECTION 1305.2(C)(9), THE SELECTED CATEGORY 4 LOCATION IS RESERVED AND ANOTHER CATEGORY 4 LOCATION MAY NOT BE LOCATED WITHIN THAT CATEGORY 4 LOCATION.

(4) IF THE WINNING BIDDER APPLYING FOR A CATEGORY 4 SLOT MACHINE LICENSE PROPOSES TO PLACE THE LICENSED FACILITY UPON

(5) WITHIN FIVE DAYS OF APPROVING A CATEGORY 4 SLOT MACHINE LICENSE FOR A PROPOSED CATEGORY 4 LICENSED FACILITY CONSISTING OF LAND DESIGNATED A SUBZONE, AN EXPANSION SUBZONE OR AN IMPROVEMENT SUBZONE UNDER THE KEYSTONE OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION ZONE AND KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ACT FOR A CATEGORY 4 SLOT MACHINE LICENSE UNDER THIS SECTION, THE BOARD SHALL NOTIFY THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT. THE NOTICE SHALL INCLUDE A DESCRIPTION OF THE LAND WHERE THE PROPOSED CATEGORY 4 LICENSED FACILITY WOULD BE SITUATED WHICH IS DESIGNATED A SUBZONE, AN EXPANSION SUBZONE OR AN IMPROVEMENT SUBZONE. WITHIN FIVE DAYS OF RECEIVING THE NOTICE REQUIRED BY THIS PARAGRAPH, THE SECRETARY OF COMMUNITY AND ECONOMIC DEVELOPMENT SHALL DECERTIFY THE LAND AS BEING A SUBZONE, AN EXPANSION SUBZONE OR AN IMPROVEMENT SUBZONE. UPON DECERTIFICATION IN ACCORDANCE WITH THIS PARAGRAPH AND NOTWITHSTANDING CHAPTER 3 OF THE KEYSTONE OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION ZONE AND KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ACT, A POLITICAL SUBDIVISION MAY AMEND AN ORDINANCE, RESOLUTION OR OTHER REQUIRED ACTION WHICH GRANTED
THE EXEMPTIONS, DEDUCTIONS, ABATEMENTS OR CREDITS REQUIRED BY
THE KEYSTONE OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION
ZONE AND KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ACT TO REPEAL
THE EXEMPTIONS, DEDUCTIONS, ABATEMENTS OR CREDITS FOR THE
DECERTIFIED LAND.

(6) A CATEGORY 4 SLOT MACHINE LICENSE MAY NOT BE LOCATED
IN A COUNTY HOSTING A CATEGORY 3 LICENSED FACILITY.

(7) A CATEGORY 4 SLOT MACHINE LICENSE MAY NOT BE LOCATED
IN A SIXTH CLASS COUNTY WHICH IS CONTIGUOUS TO A COUNTY THAT
HOSTS A CATEGORY 2 LICENSED FACILITY.

(C) CONDUCT OF GAMING.--A CATEGORY 4 SLOT MACHINE LICENSEE
SHALL HAVE THE AUTHORITY TO INSTALL AND MAKE SLOT MACHINES
AVAILABLE FOR PLAY AT A CATEGORY 4 LICENSED FACILITY. THE HOLDER
OF A TABLE GAME CERTIFICATE THAT IS A CATEGORY 4 SLOT MACHINE
LICENSEE MAY INSTALL AND MAKE TABLE GAMES AVAILABLE FOR PLAY AT
A CATEGORY 4 LICENSED FACILITY.

(D) NUMBER OF SLOT MACHINES.--THE FOLLOWING APPLY:

(1) SUBJECT TO PARAGRAPHS (2) AND (3), A CATEGORY 4 SLOT
MACHINE LICENSEE MAY OPERATE NOT FEWER THAN 300 AND NOT MORE
THAN 750 SLOT MACHINES AT THE CATEGORY 4 LICENSED FACILITY.

(2) A CATEGORY 1 OR CATEGORY 2 SLOT MACHINE LICENSEE WHO
IS A CATEGORY 4 SLOT MACHINE LICENSEE MAY NOT OPERATE SLOT
MACHINES ABOVE THE AUTHORIZED COMPLEMENT UNDER SECTION 1210
(RELATING TO NUMBER OF SLOT MACHINES).

(3) (I) A CATEGORY 3 SLOT MACHINE LICENSEE WHO IS A
CATEGORY 4 SLOT MACHINE LICENSEE MAY SUBMIT A PETITION TO
OPERATE SLOT MACHINES ABOVE THE CATEGORY 3 AUTHORIZED
COMPLEMENT UNDER SECTION 1305 (RELATING TO CATEGORY 3
SLOT MACHINE LICENSE).

(II) NO LATER THAN 60 DAYS AFTER THE BOARD APPROVES
A PETITION TO OPERATE SLOT MACHINES ABOVE THE CATEGORY 3 AUTHORIZED COMPLEMENT IN ACCORDANCE WITH SUBPARAGRAPH (I), THE CATEGORY 3 SLOT MACHINE LICENSEE SHALL PAY A NONREFUNDABLE AUTHORIZATION FEE IN THE AMOUNT OF $10,000 PER AUTHORIZED ADDITIONAL SLOT MACHINE.

(III) A QUALIFIED ENTITY WHO IS A CATEGORY 4 SLOT MACHINE LICENSEE SHALL SUBMIT TO THE BOARD A PETITION TO OPERATE SLOT MACHINES NOT TO EXCEED THE LIMIT UNDER PARAGRAPH (1). NO LATER THAN 60 DAYS AFTER THE BOARD APPROVES A PETITION TO OPERATE SLOT MACHINES AT A CATEGORY 4 LICENSED FACILITY, THE QUALIFIED ENTITY MUST PAY A NONREFUNDABLE AUTHORIZATION FEE IN THE AMOUNT OF $10,000 PER AUTHORIZED SLOT MACHINE.

(4) A SLOT MACHINE LICENSEE MAY NOT REDUCE THE NUMBER OF SLOT MACHINES AND TABLE GAMES IN OPERATION AT A CATEGORY 1, CATEGORY 2 OR CATEGORY 3 LICENSED FACILITY, AS OF THE EFFECTIVE DATE OF THIS SECTION, UNLESS THE BOARD APPROVES OF A REDUCTION AND THE REDUCTION IS NOT A RESULT OF THE CONDUCT OF GAMING AT A CATEGORY 4 LICENSED FACILITY.

(E) LICENSE FEE.--

(1) THE LICENSE FEE FOR A CATEGORY 4 SLOT MACHINE LICENSE SHALL BE DETERMINED PURSUANT TO AN AUCTION UNDER SECTION 1305.2.

(2) AN ADDITIONAL LICENSE FEE FOR A CATEGORY 4 SLOT MACHINE LICENSE SHALL NOT BE REQUIRED.

(3) THE PROVISIONS OF SECTION 1209(C) (RELATING TO SLOT MACHINE LICENSE FEE) SHALL NOT APPLY TO A CATEGORY 4 LICENSE.

(F) TEMPORARY FACILITIES.--THE BOARD, IN ITS DISCRETION AND UPON APPLICATION OR PETITION, MAY PERMIT THE USE OF A TEMPORARY FACILITY WITHIN WHICH SLOT MACHINES AND TABLE GAMES MAY BE MADE.
AVAILABLE FOR PLAY OR OPERATION AT A CATEGORY 4 LICENSED
FACILITY, FOR A PERIOD NOT TO EXCEED 18 MONTHS.

(G) PENNSYLVANIA STATE POLICE.--NOTWITHSTANDING SECTION 1517
(RELATING TO INVESTIGATIONS AND ENFORCEMENT), THE BOARD MAY NOT
REQUIRE THE PENNSYLVANIA STATE POLICE TO HAVE AN OFFICE LOCATED
WITHIN A CATEGORY 4 LICENSED FACILITY.

§ 1305.2. CONDUCT OF AUCTIONS.

(A) INITIAL AUCTIONS.--

(1) BEGINNING NO LATER THAN JANUARY 15, 2018, AND
CONCLUDING BY JULY 31, 2018, THE BOARD SHALL CONDUCT INITIAL
AUCTIONS FOR THE 10 AVAILABLE CATEGORY 4 SLOT MACHINE
LICENSES.

(2) THE BOARD SHALL SET THE DATE, TIME AND LOCATION OF
THE INITIAL AUCTIONS AT LEAST THREE WEEKS PRIOR TO THE
INITIAL AUCTION AND MAKE THE AUCTION INFORMATION AVAILABLE ON
THE BOARD'S PUBLICLY ACCESSIBLE INTERNET WEBSITE.

(B) SUBSEQUENT AUCTIONS.--

(1) IF A WINNING BID IS NOT AWARDED AT AN INITIAL
AUCTION CONDUCTED UNDER SUBSECTION (A), THE BOARD SHALL
CONDUCT SUBSEQUENT AUCTIONS.

(2) A CATEGORY 1 OR CATEGORY 2 SLOT MACHINE LICENSEE
THAT SUBMITTED A WINNING BID IN AN INITIAL AUCTION SHALL BE
ELIGIBLE TO SUBMIT A BID IN ALL SUBSEQUENT AUCTIONS.

(3) EXCEPT AS PROVIDED UNDER SUBSECTION (C)(10)(II),
(11), (12) AND (13), THE BOARD SHALL COMPLETE ALL SUBSEQUENT
AUCTIONS NO LATER THAN AUGUST 31, 2018.

(B.1) ADDITIONAL AUCTIONS.--IF A SUBSEQUENT AUCTION FAILS TO
GENERATE ANY BIDS, THE BOARD, IN ITS DISCRETION, MAY DETERMINE
IF IT IS IN THE BEST INTERESTS OF THE COMMONWEALTH WHETHER TO
CONDUCT ADDITIONAL AUCTIONS AT WHICH ANY CATEGORY 1, CATEGORY 2
OR CATEGORY 3 SLOT MACHINE LICENSEE, OR OTHER QUALIFIED ENTITY, MAY BID. IF THE BOARD INTENDS TO CONDUCT ADDITIONAL AUCTIONS, THE BOARD SHALL FIRST ESTABLISH CRITERIA AND PROCEDURES FOR THE QUALIFICATION OF ENTITIES TO BID AND APPLY FOR A CATEGORY 4 LICENSE.

(C) AUCTION PROCEDURES.--THE FOLLOWING SHALL APPLY TO THE AUCTIONS CONDUCTED BY THE BOARD:

(1) AUCTIONS SHALL BE CONDUCTED USING A COMPETITIVE BIDDING PROCESS.


(3) THE BOARD SHALL REQUIRE EACH PROSPECTIVE BIDDER TO SUBMIT A BOND OR LETTER OF CREDIT IN THE AMOUNT OF THE MINIMUM BID UNDER PARAGRAPH (5).

(4) EACH AUCTION SHALL BE CONDUCTED SEPARATELY.

(5) THE MINIMUM BID SHALL BE $7,500,000. IN NO CASE MAY THE BOARD ACCEPT A BID THAT IS LESS THAN $7,500,000.

(6) IF THE AUCTION DOES NOT RESULT IN A WINNING BID, THE HIGHEST BIDDERS SHALL HAVE ONE HOUR TO SUBMIT A FINAL AND BEST BID TO THE BOARD AT THE SAME PUBLIC MEETING. IF THE SUBMISSION OF THE FINAL BIDS DOES NOT RESULT IN A WINNING BID, THE HIGHEST BIDDERS SHALL CONTINUE TO SUBMIT FINAL BIDS, IN AN AMOUNT NOT LESS THAN OR EQUAL TO A PRIOR BID.
SUBMISSION, UNTIL A WINNING BID IS RECEIVED.

(7) THE WINNING BIDDER SHALL PAY TO THE BOARD THE BID
AMOUNT WITHIN TWO BUSINESS DAYS FOLLOWING THE AUCTION.
PAYMENT SHALL BE BY CASHIER'S CHECK, CERTIFIED CHECK OR ANY
OTHER METHOD ACCEPTABLE TO THE BOARD.

(8) IF THE WINNING BIDDER DOES NOT PAY THE BID AMOUNT
WITHIN THE TIME PERIOD REQUIRED UNDER PARAGRAPH (7), THE
SECOND HIGHEST BIDDER SHALL BE AWARDED THE RIGHT TO SELECT A
CATEGORY 4 LOCATION AND APPLY FOR THE CATEGORY 4 SLOT MACHINE
LICENSE, SO LONG AS THE SECOND HIGHEST BIDDER'S BID AMOUNT
MEETS THE REQUIREMENTS OF PARAGRAPH (5). IF THE SECOND
HIGHEST BIDDER DECLINES THE AWARD OR IS INELIGIBLE TO WIN,
THE BOARD SHALL CONDUCT ANOTHER AUCTION.

(9) UPON WINNING AN AUCTION, THE WINNING BIDDER AT THE
PUBLIC MEETING SHALL SELECT THE CATEGORY 4 LOCATION AT WHICH
IT INTENDS TO OPERATE THE CATEGORY 4 LICENSED FACILITY. THE
BOARD SHALL POST THE CATEGORY 4 LOCATION SELECTION ON ITS
PUBLICLY ACCESSIBLE INTERNET WEBSITE. THE SELECTED CATEGORY 4
LOCATION MAY NOT BE SELECTED BY A SUBSEQUENT WINNING BIDDER.

(10) (I) THE WINNING BIDDER SHALL SUBMIT AN APPLICATION
FOR THE CATEGORY 4 SLOT MACHINE LICENSE WITHIN SIX MONTHS
OF THE PAYMENT OF THE WINNING BID AMOUNT. THE BOARD MAY,
IN ITS DISCRETION, EXTEND THIS DEADLINE FOR A PERIOD NOT
TO EXCEED TWO ADDITIONAL MONTHS.

(II) FAILURE OF THE WINNING BIDDER TO SUBMIT AN
APPLICATION WITHIN THE TIME UNDER SUBPARAGRAPH (I) SHALL
RESULT IN FORFEITURE OF THE BIDDER'S RIGHT TO APPLY FOR
THE LICENSE AND FORFEITURE OF THE WINNING BID AMOUNT. THE
BOARD SHALL CONDUCT ANOTHER AUCTION AT A TIME DETERMINED
BY THE BOARD.
ISSUANCE OF A CATEGORY 4 SLOT MACHINE LICENSE BY THE BOARD TO A WINNING BIDDER SHALL BE CONTINGENT UPON THE BIDDER'S ABILITY TO MEET THE REQUIREMENTS OF THIS PART.

(12) IN THE EVENT THE BOARD DENIES THE APPLICATION FOR THE CATEGORY 4 SLOT MACHINE LICENSE FILED BY THE WINNING BIDDER, THE WINNING BIDDER SHALL BE ENTITLED TO A RETURN OF 75% OF THE WINNING BID AMOUNT THE WINNING BIDDER SUBMITTED UNDER PARAGRAPH (7). A REFUND UNDER THIS PARAGRAPH SHALL BE PAID FROM THE GENERAL FUND. THE BOARD SHALL CONDUCT ANOTHER AUCTION AT A TIME DETERMINED BY THE BOARD.

(13) IF THE BOARD APPROVES THE APPLICATION FOR THE CATEGORY 4 SLOT MACHINE LICENSE FILED BY THE WINNING BIDDER AND THE APPLICANT FAILS TO OPEN AND OPERATE THE CATEGORY 4 LICENSED FACILITY, THE BID AMOUNT SUBMITTED UNDER PARAGRAPH (7) IS FORFEITED. THE BOARD SHALL CONDUCT ANOTHER AUCTION AT A TIME DETERMINED BY THE BOARD.

(D) DEPOSIT OF FEES.--NOTWITHSTANDING SECTION 1209 (RELATING TO SLOT MACHINE LICENSE FEE), ALL CATEGORY 4 SLOT MACHINE LICENSE AUCTION FEES AND AUTHORIZATION FEES SHALL BE DEPOSITED INTO THE GENERAL FUND.

SECTION 12.2. SECTION 1307 OF TITLE 4 IS AMENDED TO READ:

§ 1307. NUMBER OF SLOT MACHINE LICENSES.

(A) CATEGORY 1, CATEGORY 2 AND CATEGORY 3 LICENSES.--THE BOARD MAY LICENSE NO MORE THAN SEVEN CATEGORY 1 LICENSED FACILITIES AND NO MORE THAN FIVE CATEGORY 2 LICENSED FACILITIES, AS IT MAY DEEM APPROPRIATE, AS LONG AS TWO, AND NOT MORE, CATEGORY 2 LICENSED FACILITIES ARE LOCATED BY THE BOARD WITHIN THE CITY OF THE FIRST CLASS AND THAT ONE, AND NOT MORE, CATEGORY 2 LICENSED FACILITY IS LOCATED BY THE BOARD WITHIN THE CITY OF THE SECOND CLASS. THE BOARD MAY AT ITS DISCRETION INCREASE THE
TOTAL NUMBER OF CATEGORY 2 LICENSED FACILITIES PERMITTED TO BE LICENSED BY THE BOARD BY AN AMOUNT NOT TO EXCEED THE TOTAL NUMBER OF CATEGORY 1 LICENSES NOT APPLIED FOR WITHIN FIVE YEARS FOLLOWING THE EFFECTIVE DATE OF THIS PART. EXCEPT AS PERMITTED BY SECTION 1328 (RELATING TO CHANGE IN OWNERSHIP OR CONTROL OF SLOT MACHINE LICENSEE), ANY CATEGORY 1 LICENSE MAY BE REISSUED BY THE BOARD AT ITS DISCRETION AS A CATEGORY 2 LICENSE IF AN APPLICATION FOR ISSUANCE OF SUCH LICENSE HAS NOT BEEN MADE TO THE BOARD. THE BOARD MAY LICENSE NO MORE THAN [THREE] TWO CATEGORY 3 LICENSED FACILITIES.

(B) CATEGORY 4 LICENSES.--THE BOARD MAY LICENSE NO MORE THAN 10 CATEGORY 4 LICENSED FACILITIES. THE BOARD SHALL CONDUCT AUCTIONS IN ACCORDANCE WITH SECTION 1305.2 (RELATING TO CONDUCT OF AUCTIONS).

SECTION 13. SECTION 1309(A.1) HEADING OF TITLE 4 IS AMENDED AND THE SUBSECTION IS AMENDED BY ADDING A PARAGRAPH TO READ:

§ 1309. SLOT MACHINE LICENSE APPLICATION.

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(A.1) TABLE GAMES AND INTERACTIVE GAMING INFORMATION.--

* * *

(3) THE BOARD MAY PERMIT AN APPLICANT FOR A SLOT MACHINE LICENSE THAT HAS AN APPLICATION UNDER PARAGRAPH (1) OR (2) PENDING BEFORE THE BOARD TO SUPPLEMENT ITS APPLICATION WITH ALL INFORMATION REQUIRED UNDER CHAPTER 13B (RELATING TO INTERACTIVE GAMING) AND TO REQUEST THAT THE BOARD CONSIDER ITS APPLICATION FOR A SLOT MACHINE LICENSE, A TABLE GAME OPERATION CERTIFICATE AND AN INTERACTIVE GAMING CERTIFICATE CONCURRENTLY. ALL FEES FOR AN INTERACTIVE GAMING CERTIFICATE SHALL BE PAID BY THE APPLICANT IN ACCORDANCE WITH THE REQUIREMENTS OF THIS PART.

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SECTION 13.1. SECTION 1313(E) OF TITLE 4 IS AMENDED TO READ:

§ 1313. SLOT MACHINE LICENSE APPLICATION FINANCIAL FITNESS REQUIREMENTS.

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(E) APPLICANT'S OPERATIONAL VIABILITY.--IN ASSESSING THE FINANCIAL VIABILITY OF THE PROPOSED LICENSED FACILITY, THE BOARD SHALL MAKE A FINDING, AFTER REVIEW OF THE APPLICATION, THAT THE APPLICANT IS LIKELY TO MAINTAIN A FINANCIALLY SUCCESSFUL, Viable AND EFFICIENT BUSINESS OPERATION AND WILL LIKELY BE ABLE TO MAINTAIN A STEADY LEVEL OF GROWTH OF REVENUE TO THE COMMONWEALTH PURSUANT TO SECTION 1403 (RELATING TO ESTABLISHMENT OF STATE GAMING FUND AND NET SLOT MACHINE REVENUE DISTRIBUTION). NOTWITHSTANDING ANY PROVISION OF THIS PART TO THE CONTRARY, AN APPLICANT THAT INCLUDES A COMMITMENT OR PROMISE TO PAY A SLOT MACHINE LICENSE FEE IN EXCESS OF THE AMOUNT PROVIDED IN SECTION 1209 OR A DISTRIBUTION OF TERMINAL REVENUE IN EXCESS OF THE AMOUNTS PROVIDED IN SECTIONS 1403, 1405 (RELATING TO PENNSYLVANIA RACE HORSE DEVELOPMENT TRUST FUND) AND 1407 (RELATING TO PENNSYLVANIA GAMING ECONOMIC DEVELOPMENT AND TOURISM FUND) SHALL NOT BE DEEMED A FINANCIALLY SUCCESSFUL, Viable OR EFFICIENT BUSINESS OPERATION AND SHALL NOT BE APPROVED FOR A SLOT MACHINE LICENSE.

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SECTION 14. SECTION 1317(A), (C) AND (D) OF TITLE 4 ARE AMENDED AND THE SECTION IS AMENDED BY ADDING SUBSECTIONS TO READ:

§ 1317. SUPPLIER LICENSES.

(A) APPLICATION.--A MANUFACTURER THAT ELECTS TO CONTRACT WITH A SUPPLIER UNDER SECTION 1317.1(D.1) (RELATING TO
MANUFACTURER LICENSES) SHALL ENSURE THAT THE SUPPLIER IS
APPROPRIATELY LICENSED UNDER THIS SECTION. A PERSON SEEKING TO
PROVIDE SLOT MACHINES, TABLE GAME DEVICES OR ASSOCIATED
EQUIPMENT, INTERACTIVE GAMING DEVICES OR ASSOCIATED EQUIPMENT OR
MULTI-USE COMPUTING DEVICES TO A SLOT MACHINE LICENSEE, AN
INTERACTIVE GAMING CERTIFICATE HOLDER OR AN INTERACTIVE GAMING
OPERATOR WITHIN THIS COMMONWEALTH THROUGH A CONTRACT WITH A
LICENSED MANUFACTURER SHALL APPLY TO THE BOARD FOR THE
APPROPRIATE SUPPLIER LICENSE.

* * *

(C) REVIEW AND APPROVAL.--UPON BEING SATISFIED THAT THE
REQUIREMENTS OF SUBSECTION (B) HAVE BEEN MET, THE BOARD MAY
APPROVE THE APPLICATION AND ISSUE THE APPLICANT A SUPPLIER
LICENSE CONSISTENT WITH ALL OF THE FOLLOWING:

(1) THE INITIAL LICENSE SHALL BE FOR A PERIOD OF ONE
YEAR, AND, IF RENEWED UNDER SUBSECTION (D), THE LICENSE
SHALL BE ISSUED FOR A PERIOD OF THREE FIVE YEARS AND SHALL
BE RENEWED IN ACCORDANCE WITH SUBSECTION (D). NOTHING IN THIS
PARAGRAPH SHALL RELIEVE A LICENSEE OF THE AFFIRMATIVE DUTY TO
NOTIFY THE BOARD OF ANY CHANGES RELATING TO THE STATUS OF ITS
LICENSE OR TO ANY INFORMATION CONTAINED IN THE APPLICATION
MATERIALS ON FILE WITH THE BOARD.

(2) THE LICENSE SHALL BE NONTRANSFERABLE.

(3) ANY OTHER CONDITION ESTABLISHED BY THE BOARD.

* * *

(C.2) ABBREVIATED PROCESS FOR SUPPLIER.--

(1) NOTWITHSTANDING SUBSECTION (C.1)(1) OR ANY
REGULATIONS OF THE BOARD TO THE CONTRARY, THE BOARD MAY
EXTEND THE USE OF THE ABBREVIATED PROCESS AUTHORIZED UNDER
SUBSECTION (C.1) TO AN APPLICANT FOR A SUPPLIER LICENSE TO
SUPPLY SLOT MACHINES USED IN A MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEM, SKILL SLOT MACHINES, HYBRID SLOT MACHINES AND DEVICES OR ASSOCIATED EQUIPMENT USED IN CONNECTION WITH MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEMS, SKILL SLOT MACHINES OR HYBRID SLOT MACHINES, INTERACTIVE GAMING DEVICES OR ASSOCIATED EQUIPMENT USED IN CONNECTION WITH INTERACTIVE GAMING, INCLUDING MULTI-USE COMPUTING DEVICES, IF THE APPLICANT HOLDS A VALID SUPPLIER LICENSE ISSUED BY THE BOARD TO SUPPLY SLOT MACHINES OR ASSOCIATED EQUIPMENT OR TABLE GAMES OR TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT. THE REQUIREMENTS OF SUBSECTION (C.1)(2) AND (3) SHALL APPLY TO THIS SUBSECTION.

(2) AN APPLICANT FOR A SUPPLIER'S LICENSE TO SUPPLY SLOT MACHINES USED IN A MULTISTATE WIDE-AREA PROGRESSIVE SYSTEMS, SKILL SLOT MACHINES OR HYBRID SLOT MACHINES OR ASSOCIATED EQUIPMENT OR INTERACTIVE GAMING DEVICES OR ASSOCIATED EQUIPMENT SHALL BE SUBJECT TO THE APPLICABLE PROVISIONS OF THIS PART.

(D) RENEWAL.—

(1) [TWO] SIX MONTHS PRIOR TO EXPIRATION OF A SUPPLIER LICENSE, THE SUPPLIER LICENSEE SEEKING RENEWAL OF ITS LICENSE SHALL SUBMIT A RENEWAL APPLICATION ACCOMPANIED BY THE RENEWAL FEE TO THE BOARD.

(2) IF THE RENEWAL APPLICATION SATISFIES THE REQUIREMENTS OF SUBSECTION (B), THE BOARD MAY RENEW THE LICENSEE'S SUPPLIER LICENSE.

(3) IF THE BOARD RECEIVES A COMPLETE RENEWAL APPLICATION BUT FAILS TO ACT UPON THE RENEWAL APPLICATION PRIOR TO THE EXPIRATION OF THE SUPPLIER LICENSE, THE SUPPLIER LICENSE SHALL CONTINUE IN EFFECT [FOR AN ADDITIONAL SIX-MONTH PERIOD]
OR] UNTIL ACTED UPON BY THE BOARD[, WHICHEVER OCCURS FIRST].

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SECTION 14.1. SECTION 1317.1 OF TITLE 4 IS AMENDED TO READ:

§ 1317.1. MANUFACTURER LICENSES.

(A) APPLICATION.--A PERSON SEEKING TO MANUFACTURE SLOT MACHINES, TABLE GAME DEVICES AND ASSOCIATED EQUIPMENT OR INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT FOR USE IN THIS COMMONWEALTH SHALL APPLY TO THE BOARD FOR A MANUFACTURER LICENSE.

(B) REQUIREMENTS.--AN APPLICATION FOR A MANUFACTURER LICENSE SHALL BE ON THE FORM REQUIRED BY THE BOARD, ACCOMPANIED BY THE APPLICATION FEE, AND SHALL INCLUDE ALL OF THE FOLLOWING:

(1) THE NAME AND BUSINESS ADDRESS OF THE APPLICANT AND THE APPLICANT'S AFFILIATES, INTERMEDIARIES, SUBSIDIARIES AND HOLDING COMPANIES; THE PRINCIPALS AND KEY EMPLOYEES OF EACH BUSINESS; AND A LIST OF EMPLOYEES AND THEIR POSITIONS WITHIN EACH BUSINESS, AS WELL AS ANY FINANCIAL INFORMATION REQUIRED BY THE BOARD.

(2) A STATEMENT THAT THE APPLICANT AND EACH AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF THE APPLICANT ARE NOT SLOT MACHINE LICENSEES.

(3) THE CONSENT TO A BACKGROUND INVESTIGATION OF THE APPLICANT, ITS PRINCIPALS AND KEY EMPLOYEES OR OTHER PERSONS REQUIRED BY THE BOARD AND A RELEASE TO OBTAIN ANY AND ALL INFORMATION NECESSARY FOR THE COMPLETION OF THE BACKGROUND INVESTIGATION.

(4) THE DETAILS OF ANY EQUIVALENT LICENSE GRANTED OR DENIED BY OTHER JURISDICTIONS WHERE GAMING ACTIVITIES AS AUTHORIZED BY THIS PART ARE PERMITTED AND CONSENT FOR THE BOARD TO ACQUIRE COPIES OF APPLICATIONS SUBMITTED OR LICENSES
ISSUED IN CONNECTION THEREWITH.

(5) THE TYPE OF SLOT MACHINES, TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT OR INTERACTIVE GAMING DEVICES OR ASSOCIATED EQUIPMENT TO BE MANUFACTURED OR REPAIRED.

(6) ANY OTHER INFORMATION DETERMINED BY THE BOARD TO BE APPROPRIATE.

(C) REVIEW AND APPROVAL.—UPON BEING SATISFIED THAT THE REQUIREMENTS OF SUBSECTION (B) HAVE BEEN MET, THE BOARD MAY APPROVE THE APPLICATION AND GRANT THE APPLICANT A MANUFACTURER LICENSE CONSISTENT WITH ALL OF THE FOLLOWING:

(1) THE [INITIAL LICENSE SHALL BE FOR A PERIOD OF ONE YEAR, AND, IF RENEWED UNDER SUBSECTION (D), THE] LICENSE SHALL BE ISSUED FOR A PERIOD OF [THREE] FIVE YEARS AND SHALL BE RENEWED IN ACCORDANCE WITH SUBSECTION (D). NOTHING IN THIS PARAGRAPH SHALL RELIEVE THE LICENSEE OF THE AFFIRMATIVE DUTY TO NOTIFY THE BOARD OF ANY CHANGES RELATING TO THE STATUS OF ITS LICENSE OR TO ANY OTHER INFORMATION CONTAINED IN APPLICATION MATERIALS ON FILE WITH THE BOARD.

(2) THE LICENSE SHALL BE NONTRANSFERABLE.

(3) ANY OTHER CONDITION ESTABLISHED BY THE BOARD.

(C.1) ABBREVIATED PROCESS.—IN THE EVENT AN APPLICANT FOR A MANUFACTURER LICENSE TO MANUFACTURE TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT USED IN CONNECTION WITH TABLE GAMES IS LICENSED BY THE BOARD UNDER THIS SECTION TO MANUFACTURE SLOT MACHINES OR ASSOCIATED EQUIPMENT USED IN CONNECTION WITH SLOT MACHINES, THE BOARD MAY DETERMINE TO USE AN ABBREVIATED PROCESS REQUIRING ONLY THAT INFORMATION DETERMINED BY THE BOARD TO BE NECESSARY TO CONSIDER THE ISSUANCE OF A LICENSE TO MANUFACTURE TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT USED IN CONNECTION WITH TABLE GAMES, INCLUDING FINANCIAL VIABILITY OF THE
APPLICANT. NOTHING IN THIS SECTION SHALL BE CONSTRUED TO WAIVE ANY FEES ASSOCIATED WITH OBTAINING A LICENSE, CERTIFICATE OR PERMIT THROUGH THE NORMAL APPLICATION PROCESS. THE BOARD MAY ONLY USE THE ABBREVIATED PROCESS IF ALL OF THE FOLLOWING APPLY:

(1) THE MANUFACTURER LICENSE WAS ISSUED BY THE BOARD WITHIN A 36-MONTH PERIOD IMMEDIATELY PRECEDING THE DATE THE MANUFACTURER LICENSEE FILES AN APPLICATION TO MANUFACTURE TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT.

(2) THE PERSON TO WHOM THE MANUFACTURER LICENSE WAS ISSUED AFFIRMS THERE HAS BEEN NO MATERIAL CHANGE IN CIRCUMSTANCES RELATING TO THE LICENSE.

(3) THE BOARD DETERMINES, IN ITS SOLE DISCRETION, THAT THERE HAS BEEN NO MATERIAL CHANGE IN CIRCUMSTANCES RELATING TO THE LICENSEE THAT NECESSITATES THAT THE ABBREVIATED PROCESS NOT BE USED.

(C.2) ABBREVIATED PROCESS FOR MANUFACTURER.--

(1) NOTWITHSTANDING SUBSECTION (C.1)(1) OR ANY REGULATIONS OF THE BOARD TO THE CONTRARY, THE BOARD MAY EXTEND THE USE OF THE ABBREVIATED PROCESS AUTHORIZED UNDER SUBSECTION (C.1) TO AN APPLICANT FOR A MANUFACTURER LICENSE TO MANUFACTURE SLOT MACHINES USED IN MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEMS, SKILL SLOT MACHINES, HYBRID SLOT MACHINES OR ASSOCIATED EQUIPMENT USED IN CONNECTION WITH MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEMS, SKILL SLOT MACHINES OR HYBRID SLOT MACHINES OR INTERACTIVE GAMING DEVICES OR ASSOCIATED EQUIPMENT USED IN CONNECTION WITH INTERACTIVE GAMING, IF THE APPLICANT HOLDS A VALID MANUFACTURER LICENSE ISSUED BY THE BOARD TO MANUFACTURER SLOT MACHINES OR ASSOCIATED EQUIPMENT OR TABLE GAMES OR TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT. THE REQUIREMENTS OF
(2) An applicant for a manufacturer license to manufacture slot machines used in a multistate wide-area progressive system, skill or hybrid slot machines or associated equipment or interactive gaming devices or associated equipment shall be subject to the applicable provisions of this part.

(D) Renewal.—

(1) [Two] Six months prior to expiration of a manufacturer license, the manufacturer licensee seeking renewal of its license shall submit a renewal application accompanied by the renewal fee to the board.

(2) If the renewal application satisfies the requirements of subsection (B), the board may renew the licensee’s manufacturer license.

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

(D.1) Authority.—The following shall apply to a licensed manufacturer:

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

(2) A manufacturer of slot machines may contract with a
SUPPLIER UNDER SECTION 1317 (RELATING TO SUPPLIER LICENSES) TO PROVIDE SLOT MACHINES OR ASSOCIATED EQUIPMENT TO A SLOT MACHINE LICENSEE WITHIN THIS COMMONWEALTH, PROVIDED THE SUPPLIER IS LICENSED TO SUPPLY SLOT MACHINES OR ASSOCIATED EQUIPMENT USED IN CONNECTION WITH SLOT MACHINES.

(3) A MANUFACTURER MAY CONTRACT WITH A SUPPLIER UNDER SECTION 1317 TO PROVIDE TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT TO A CERTIFICATE HOLDER, PROVIDED THE SUPPLIER IS LICENSED TO SUPPLY TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT USED IN CONNECTION WITH TABLE GAMES.

(4) A MANUFACTURER MAY CONTRACT WITH A SUPPLIER UNDER SECTION 1317 TO PROVIDE SLOT MACHINES USED IN A MULTISTATE WIDE-AREA PROGRESSIVE SYSTEM, SKILL SLOT MACHINES OR HYBRID SLOT MACHINES OR ASSOCIATED EQUIPMENT, INTERACTIVE GAMING DEVICES OR ASSOCIATED EQUIPMENT, PROVIDED THAT THE MANUFACTURER IS LICENSED TO MANUFACTURE SLOT MACHINES USED IN A MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEM, SKILL SLOT MACHINES OR HYBRID SLOT MACHINES OR ASSOCIATED EQUIPMENT OR INTERACTIVE GAMING DEVICES OR ASSOCIATED EQUIPMENT USED IN CONNECTION WITH INTERACTIVE GAMES.

(E) PROHIBITIONS.--

(1) NO PERSON MAY MANUFACTURE SLOT MACHINES, TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT OR INTERACTIVE GAMING DEVICES OR ASSOCIATED EQUIPMENT FOR USE WITHIN THIS COMMONWEALTH [BY A SLOT MACHINE LICENSEE] UNLESS THE PERSON HAS BEEN ISSUED THE APPROPRIATE MANUFACTURER LICENSE UNDER THIS SECTION.

(2) EXCEPT AS PERMITTED IN SECTION 13A23.1 (RELATING TO TRAINING EQUIPMENT), NO [SLOT MACHINE LICENSEE] PERSON MAY USE SLOT MACHINES, TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT, AUTHORIZED INTERACTIVE GAMES OR INTERACTIVE GAMING
DEVICES OR ASSOCIATED EQUIPMENT UNLESS THE SLOT MACHINES,
TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT, INTERACTIVE GAMES
OR INTERACTIVE GAMING DEVICES OR ASSOCIATED EQUIPMENT WERE
MANUFACTUREDBY A PERSON THAT HAS BEEN ISSUED THE APPROPRIATE
MANUFACTURER LICENSE UNDER THIS SECTION.

(3) NO PERSON ISSUED A LICENSE UNDER THIS SECTION SHALL
APPLY FOR OR BE ISSUED A LICENSE UNDER SECTION 1317.

(4) NO LIMITATION SHALL BE PLACED ON THE NUMBER OF
MANUFACTURER LICENSES ISSUED OR THE TIME PERIOD TO SUBMIT
APPLICATIONS FOR LICENSURE, EXCEPT AS REQUIRED TO COMPLY WITH
SECTION 1306 (RELATING TO ORDER OF INITIAL LICENSE ISSUANCE).

SECTION 15. TITLE 4 IS AMENDED BY ADDING A SECTION TO READ:
§ 1317.3. NONGAMING SERVICE PROVIDER.

(A) NOTIFICATION REQUIRED.--

(1) A SLOT MACHINE LICENSEE OR APPLICANT FOR A SLOT
MACHINE LICENSE THAT CONTRACTS WITH OR OTHERWISE ENGAGES IN
BUSINESS WITH A NONGAMING SERVICE PROVIDER SHALL PROVIDE
NOTIFICATION TO THE BOARD PRIOR TO:

(I) THE NONGAMING SERVICE PROVIDER'S PROVISION OF
GOODS OR SERVICES AT THE SLOT MACHINE LICENSEE'S LICENSED
FACILITY; OR

(II) THE PROVISION OF GOODS OR SERVICES FOR USE IN
THE OPERATION OF THE SLOT MACHINE LICENSEE'S LICENSED
FACILITY.

(2) NOTIFICATION UNDER THIS SECTION SHALL BE ON A FORM
AND IN A MANNER AS DETERMINED BY THE BOARD. THE BOARD MAY
IMPOSE A FEE, NOT TO EXCEED $100, IN CONNECTION WITH THE
NOTIFICATION.

(B) CONTENTS OF NOTIFICATION.--NOTIFICATION UNDER THIS
SECTION SHALL INCLUDE:
(1) THE NAME AND BUSINESS ADDRESS OF THE NONGAMING SERVICE PROVIDER.

(2) A DESCRIPTION OF THE TYPE OR NATURE OF THE GOODS OR SERVICES TO BE PROVIDED.

(3) AN AFFIRMATION FROM THE SLOT MACHINE LICENSEE OR APPLICANT FOR A SLOT MACHINE LICENSE THAT THE GOODS OR SERVICES TO BE PROVIDED BY THE NONGAMING SERVICE PROVIDER WILL NOT REQUIRE ACCESS TO THE GAMING FLOOR OR A GAMING-RELATED RESTRICTED AREA.

(4) AN AFFIRMATION FROM THE SLOT MACHINE LICENSEE OR APPLICANT FOR A SLOT MACHINE LICENSE CERTIFYING THAT THE LICENSEE OR APPLICANT HAS PERFORMED DUE DILIGENCE REGARDING THE NONGAMING SERVICE PROVIDER AND BELIEVES THAT NEITHER THE NONGAMING SERVICE PROVIDER NOR ITS EMPLOYEES WILL ADVERSELY AFFECT THE PUBLIC INTEREST OR INTEGRITY OF GAMING.

(5) ANY OTHER INFORMATION THAT THE BOARD DEEMS NECESSARY.

(C) DURATION OF NOTIFICATION.--SUBJECT TO SUBSECTION (D)(5), THE NONGAMING SERVICE PROVIDER NOTIFICATION REQUIRED UNDER SUBSECTION (A) SHALL BE VALID FOR FIVE YEARS.

(D) CONDITIONS.--A SLOT MACHINE LICENSEE OR APPLICANT FOR A SLOT MACHINE LICENSE THAT CONTRACTS OR OTHERWISE ENGAGES IN BUSINESS WITH A NONGAMING SERVICE PROVIDER SHALL BE SUBJECT TO THE FOLLOWING CONDITIONS:

(1) THE NONGAMING SERVICE PROVIDER AND ITS EMPLOYEES SHALL ONLY PROVIDE THE GOODS AND SERVICES DESCRIBED IN THE NOTIFICATION UNDER THIS SECTION.

(2) THE SLOT MACHINE LICENSEE OR APPLICANT FOR A SLOT MACHINE LICENSE SHALL NOTIFY THE BOARD OF ANY MATERIAL CHANGE IN THE INFORMATION PROVIDED IN THE NOTIFICATION UNDER THIS SECTION.
SECTION. NO FEE SHALL BE REQUIRED FOR A SUBSEQUENT CHANGE
DURING THE TIME FOR WHICH THE NOTIFICATION REMAINS VALID
UNDER SUBSECTION (C).

(3) THE SLOT MACHINE LICENSEE OR APPLICANT FOR A SLOT
MACHINE LICENSE SHALL ENSURE THAT EMPLOYEES OF THE NONGAMING
SERVICE PROVIDER DO NOT ENTER THE GAMING FLOOR OR A GAMING-
RELATED RESTRICTED AREA WHILE PROVIDING THE GOODS OR SERVICES
DESCRIBED IN SUBSECTION (B)(2).

(4) THE SLOT MACHINE LICENSEE OR APPLICANT FOR A SLOT
MACHINE LICENSE SHALL REPORT TO THE BOARD AN EMPLOYEE OF A
NONGAMING SERVICE PROVIDER THAT DOES ANY OF THE FOLLOWING:

(I) ENTERS THE GAMING FLOOR OR A GAMING-RELATED
RESTRICTED AREA OF THE LICENSED FACILITY.

(II) COMMITS AN ACT THAT ADVERSELY AFFECTS THE
PUBLIC INTEREST OR INTEGRITY OF GAMING.

(5) THE BOARD MAY PROHIBIT A NONGAMING SERVICE PROVIDER
OR ANY OF ITS EMPLOYEES FROM PROVIDING GOODS OR SERVICES TO A
SLOT MACHINE LICENSEE OR APPLICANT FOR A SLOT MACHINE LICENSE
AT A LICENSED FACILITY UPON A FINDING BY THE BOARD THAT THE
PROHIBITION IS NECESSARY TO PROTECT THE PUBLIC INTEREST OR
INTEGRITY OF GAMING.

(E) AUTHORITY TO EXEMPT.--THE BOARD MAY EXEMPT A SLOT
MACHINE LICENSEE OR APPLICANT FOR A SLOT MACHINE LICENSE FROM
THE NOTIFICATION REQUIREMENTS OF THIS SECTION IF THE BOARD
DETERMINES ANY OF THE FOLLOWING:

(1) THE NONGAMING SERVICE PROVIDER OR THE TYPE OR NATURE
OF THE NONGAMING SERVICE PROVIDER'S BUSINESS IS REGULATED BY
AN AGENCY OF THE FEDERAL GOVERNMENT, AN AGENCY OF THE
COMMONWEALTH OR THE PENNSYLVANIA SUPREME COURT.

(2) NOTIFICATION IS NOT NECESSARY TO PROTECT THE PUBLIC
INTEREST OR INTEGRITY OF GAMING.

(F) (RESERVED).

(G) CRIMINAL HISTORY RECORD INFORMATION.--NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART OR REGULATION OF THE BOARD, A NONGAMING SERVICE PROVIDER SHALL OBTAIN FROM THE PENNSYLVANIA STATE POLICE AND PROVIDE TO THE BOARD THE RESULTS OF A CRIMINAL HISTORY RECORD INFORMATION CHECK UNDER 18 PA.C.S. CH. 91 (RELATING TO CRIMINAL HISTORY RECORD INFORMATION).

(H) EMERGENCY NOTIFICATION.--

(1) A SLOT MACHINE LICENSEE MAY USE A NONGAMING SERVICE PROVIDER PRIOR TO THE BOARD RECEIVING NOTIFICATION UNDER THIS SECTION WHEN A THREAT TO PUBLIC HEALTH, WELFARE OR SAFETY EXISTS OR CIRCUMSTANCES OUTSIDE THE CONTROL OF THE SLOT MACHINE LICENSEE REQUIRE IMMEDIATE ACTION TO MITIGATE DAMAGE OR LOSS TO THE SLOT MACHINE LICENSEE'S LICENSED FACILITY OR TO THE COMMONWEALTH.

(2) A SLOT MACHINE LICENSEE THAT USES A NONGAMING SERVICE PROVIDER IN ACCORDANCE WITH PARAGRAPH (1) SHALL:

(I) NOTIFY THE BOARD IMMEDIATELY UPON ENGAGING A NONGAMING SERVICE PROVIDER FOR WHICH THE BOARD HAS NOT PREVIOUSLY RECEIVED NOTIFICATION IN ACCORDANCE WITH SUBSECTION (A).

(II) PROVIDE THE NOTIFICATION REQUIRED UNDER SUBSECTION (A) WITHIN A REASONABLE TIME AS ESTABLISHED BY THE BOARD.

(I) NONGAMING SERVICE PROVIDER LIST.--

(1) THE BOARD SHALL HAVE THE AUTHORITY TO PROHIBIT A NONGAMING SERVICE PROVIDER FROM ENGAGING IN BUSINESS WITH A SLOT MACHINE LICENSEE UPON A FINDING BY THE BOARD THAT THE PROHIBITION IS NECESSARY TO PROTECT THE PUBLIC INTEREST AND
THE INTEGRITY OF GAMING.

(2) THE BOARD SHALL DEVELOP AND MAINTAIN A LIST OF PROHIBITED NONGAMING SERVICE PROVIDERS AND MAKE IT AVAILABLE UPON REQUEST TO A SLOT MACHINE LICENSEE OR AN APPLICANT FOR A SLOT MACHINE LICENSE.

(3) A SLOT MACHINE LICENSEE OR APPLICANT FOR A SLOT MACHINE LICENSE MAY NOT ENTER INTO AN AGREEMENT OR ENGAGE IN BUSINESS WITH A NONGAMING SERVICE PROVIDER APPEARING ON THE LIST DESCRIBED IN PARAGRAPH (2).

(J) DUTIES OF NONGAMING SERVICE PROVIDER.--A NONGAMING SERVICE PROVIDER SHALL:

(1) COOPERATE WITH THE BOARD AND BUREAU REGARDING AN INVESTIGATION, HEARING, ENFORCEMENT ACTION OR DISCIPLINARY ACTION.

(2) COMPLY WITH EACH CONDITION, RESTRICTION, REQUIREMENT, ORDER OR RULING OF THE BOARD ISSUED UNDER THIS PART OR REGULATION OF THE BOARD.

(3) REPORT ANY CHANGE IN CIRCUMSTANCES TO THE SLOT MACHINE LICENSEE OR APPLICANT FOR A SLOT MACHINE LICENSE THAT MAY RENDER THE NONGAMING SERVICE PROVIDER INELIGIBLE, UNQUALIFIED OR UNSUITABLE FOR THE PROVISION OF GOODS OR SERVICES AT A LICENSED FACILITY OR USE IN THE OPERATION OF A LICENSED FACILITY. THE SLOT MACHINE LICENSEE OR APPLICANT FOR A SLOT MACHINE LICENSE SHALL REPORT ANY CHANGE IN CIRCUMSTANCES TO THE BOARD IN SUCH FORM AND MANNER AS THE BOARD MAY ESTABLISH.

(K) CONSTRUCTION.--NOTHING IN THIS SECTION SHALL BE CONSTRUED TO LIMIT THE POWERS AND AUTHORITY OF THE BOARD UNDER SECTION 1202 (RELATING TO GENERAL AND SPECIFIC POWERS) OR THE REGULATORY AUTHORITY OF THE BOARD UNDER SECTION 1207 (RELATING
SECTION 16. SECTION 1320(A) OF TITLE 4 IS AMENDED AND THE
SECTION IS AMENDED BY ADDING A SUBSECTION TO READ:
§ 1320. SLOT MACHINE TESTING AND CERTIFICATION STANDARDS.
(A) USE OF OTHER STATE STANDARDS.—[UNTIL SUCH TIME AS THE
BOARD ESTABLISHES AN INDEPENDENT TESTING AND CERTIFICATION
FACILITY PURSUANT TO SUBSECTION (B), THE] THE BOARD MAY
DETERMINE, AT ITS DISCRETION, WHETHER THE SLOT MACHINE TESTING
AND CERTIFICATION STANDARDS OF ANOTHER JURISDICTION WITHIN THE
UNITED STATES IN WHICH AN APPLICANT FOR A MANUFACTURER LICENSE
IS LICENSED ARE COMPREHENSIVE AND THOROUGH AND PROVIDE SIMILAR
ADEQUATE SAFEGUARDS AS THOSE REQUIRED BY THIS PART. IF THE BOARD
MAKES THAT DETERMINATION, IT MAY PERMIT A MANUFACTURER THROUGH A
LICENSED SUPPLIER AS PROVIDED IN SECTION 1317 (RELATING TO
SUPPLIER [AND MANUFACTURER LICENSES APPLICATION] LICENSES) TO
DEPLOY THOSE SLOT MACHINES WHICH HAVE MET THE SLOT MACHINE
TESTING AND CERTIFICATION STANDARDS IN SUCH OTHER JURISDICTIONS
WITHOUT UNDERGOING THE FULL TESTING AND CERTIFICATION PROCESS BY
A BOARD-ESTABLISHED INDEPENDENT FACILITY. IN THE EVENT SLOT
MACHINES OF AN APPLICANT FOR A MANUFACTURER LICENSE ARE LICENSED
IN SUCH OTHER JURISDICTION, THE BOARD MAY DETERMINE TO USE AN
ABBREVIATED PROCESS REQUIRING ONLY THAT INFORMATION DETERMINED
BY THE BOARD TO BE NECESSARY TO CONSIDER THE ISSUANCE OF A SLOT
MACHINE CERTIFICATION TO SUCH AN APPLICANT. [ALTERNATIVELY, THE
BOARD IN ITS DISCRETION MAY ALSO RELY UPON THE CERTIFICATION OF
A SLOT MACHINE THAT HAS MET THE TESTING AND CERTIFICATION
STANDARDS OF A BOARD-APPROVED PRIVATE TESTING AND CERTIFICATION
FACILITY UNTIL SUCH TIME AS THE BOARD ESTABLISHES AN INDEPENDENT TESTING AND CERTIFICATION FACILITY PURSUANT TO SUBSECTION (B).
NOTHING IN THIS SECTION SHALL BE CONSTRUED TO WAIVE ANY FEES
ASSOCIATED WITH OBTAINING A LICENSE THROUGH THE NORMAL APPLICATION PROCESS.

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(B.1) USE OF PRIVATE TESTING AND CERTIFICATION FACILITIES.-- NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS PART OR REGULATION OF THE BOARD, IF A SLOT MACHINE IS TESTED AND CERTIFIED BY A PRIVATE TESTING AND CERTIFICATION FACILITY REGISTERED WITH THE BOARD, THE BOARD SHALL USE AN ABBREVIATED CERTIFICATION PROCESS REQUIRING ONLY THAT INFORMATION DETERMINED BY IT TO BE NECESSARY TO CONSIDER THE ISSUANCE OF A SLOT MACHINE CERTIFICATION UNDER THIS SECTION. WITHIN ONE YEAR OF THE EFFECTIVE DATE OF THIS SUBSECTION, THE BOARD SHALL PROMULGATE REGULATIONS THAT:

(1) PROVIDE FOR THE REGISTRATION OF PRIVATE TESTING AND CERTIFICATION FACILITIES. PERSONS SEEKING REGISTRATION UNDER THIS SUBSECTION SHALL BE SUBJECT TO SECTION 1202(B)(9) (RELATING TO GENERAL AND SPECIFIC POWERS).

(2) SPECIFY THE FORM AND CONTENT OF THE APPLICATION FOR REGISTRATION.

(3) ESTABLISH AND COLLECT AN APPLICATION FEE FOR PERSONS SEEKING REGISTRATION. THE APPLICATION FEE SHALL INCLUDE THE COSTS OF ALL BACKGROUND INVESTIGATIONS AS DETERMINED NECESSARY AND APPROPRIATE BY THE BUREAU.

(4) ESTABLISH UNIFORM PROCEDURES AND STANDARDS WHICH PRIVATE TESTING AND CERTIFICATION FACILITIES MUST COMPLY WITH DURING THE TESTING AND CERTIFICATION OF SLOT MACHINES.

(5) UTILIZE INFORMATION PROVIDED BY PRIVATE TESTING AND CERTIFICATION FACILITIES FOR THE ABBREVIATED CERTIFICATION OF SLOT MACHINES.

(6) ESTABLISH AN ABBREVIATED CERTIFICATION PROCESS THAT MAY BE USED BY REGISTERED PRIVATE TESTING AND CERTIFICATION
FACILITIES TO TEST AND CERTIFY SLOT MACHINES.

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

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

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

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SECTION 17. SECTION 1326 OF TITLE 4 IS AMENDED TO READ:

§ 1326. [LICENSE RENEWALS] RENEWALS.

(A) Renewal.—All permits [and] licenses, registrations or certificates issued under this part unless otherwise provided shall be subject to renewal every [three] five years. Nothing in this subsection shall relieve a licensee, permittee or holder of a certificate or registration of the affirmative duty to notify the board of any changes relating to the status of its license, permit, certificate or registration or to any other information contained in the application materials on file with the board. The application for renewal shall be submitted at least [60] 180 days prior to the expiration of the permit [or] license, registration or certificate and shall include an update of the information contained in the initial and any prior renewal applications and the payment of any renewal fee required by this part. Unless otherwise specifically provided in this part, the
AMOUNT OF ANY RENEWAL FEE SHALL BE CALCULATED BY THE BOARD TO
REFLECT THE LONGER RENEWAL PERIOD. A PERMIT [OR] LICENSE,
REGISTRATION OR CERTIFICATE FOR WHICH A COMPLETED RENEWAL
APPLICATION AND FEE, IF REQUIRED, HAS BEEN RECEIVED BY THE BOARD
WILL CONTINUE IN EFFECT UNLESS AND UNTIL THE BOARD SENDS WRITTEN
NOTIFICATION TO THE HOLDER OF THE PERMIT [OR] LICENSE,
REGISTRATION OR CERTIFICATE THAT THE BOARD HAS DENIED THE
RENEWAL OF SUCH PERMIT [OR] LICENSE, REGISTRATION OR
CERTIFICATE.

(B) REVOCATION OR FAILURE TO RENEW.--IN ADDITION TO ANY
OTHER SANCTIONS THE BOARD MAY IMPOSE UNDER THIS PART, THE BOARD
MAY AT ITS DISCRETION SUSPEND, REVOKE OR DENY RENEWAL OF ANY
PERMIT [OR] LICENSE, REGISTRATION OR CERTIFICATE ISSUED UNDER
THIS PART IF IT RECEIVES ANY INFORMATION FROM ANY SOURCE THAT
THE APPLICANT OR ANY OF ITS OFFICERS, DIRECTORS, OWNERS OR KEY
EMPLOYEES IS IN VIOLATION OF ANY PROVISION OF THIS PART, THAT
THE APPLICANT HAS FURNISHED THE BOARD WITH FALSE OR MISLEADING
INFORMATION OR THAT THE INFORMATION CONTAINED IN THE APPLICANT'S
INITIAL APPLICATION OR ANY RENEWAL APPLICATION IS NO LONGER TRUE
AND CORRECT. IN THE EVENT OF A REVOCATION OR FAILURE TO RENEW,
THE APPLICANT'S AUTHORIZATION TO CONDUCT THE PREVIOUSLY APPROVED
ACTIVITY SHALL IMMEDIATELY CEASE, AND ALL FEES PAID IN
CONNECTION THEREWITH SHALL BE DEEMED TO BE FORFEITED. IN THE
EVENT OF A SUSPENSION, THE APPLICANT'S AUTHORIZATION TO CONDUCT
THE PREVIOUSLY APPROVED ACTIVITY SHALL IMMEDIATELY CEASE UNTIL
THE BOARD HAS NOTIFIED THE APPLICANT THAT THE SUSPENSION IS NO
LONGER IN EFFECT.

SECTION 18. TITLE 4 IS AMENDED BY ADDING A SECTION TO READ:
§ 1326.1. SLOT MACHINE LICENSE OPERATION FEE.
(A) IMPOSITION.--BEGINNING JANUARY 1, 2017, THE BOARD SHALL

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IMPOSE AN ANNUAL SLOT MACHINE LICENSE OPERATION FEE ON EACH CATEGORY 1 AND CATEGORY 2 LICENSED GAMING ENTITY IN AN AMOUNT EQUAL TO 20% OF THE SLOT MACHINE LICENSE FEE PAID AT THE TIME OF ISSUANCE UNDER SECTION 1209(A) (RELATING TO SLOT MACHINE LICENSE FEE).

(B) PAYMENT OF FEE.--THE DEPARTMENT SHALL DEVELOP A PAYMENT SCHEDULE FOR THE SLOT MACHINE LICENSE OPERATION FEE IMPOSED UNDER SUBSECTION (A).

(C) CREDIT FOR PAYMENT.--THE DEPARTMENT SHALL CREDIT AGAINST THE SLOT MACHINE LICENSE OPERATION FEE IMPOSED UNDER SUBSECTION (A) ANY AMOUNT PAID BY A:

(1) EXCEPT AS PROVIDED IN SUBPARAGRAPH (2), CATEGORY 1 OR 2 LICENSED GAMING ENTITY:

(I) UNDER SECTION 1403(C)(3) (RELATING TO THE ESTABLISHMENT OF STATE GAMING FUND AND NET SLOT MACHINE REVENUE DISTRIBUTION) BETWEEN JANUARY 1, 2017, AND MAY 27, 2017; AND

(II) TO A MUNICIPALITY UNDER AN AGREEMENT BETWEEN THE CATEGORY 1 OR 2 LICENSED GAMING ENTITY AND THE MUNICIPALITY IN LIEU OF A PAYMENT UNDER SECTION 1403(C)(3), AS CERTIFIED TO THE DEPARTMENT BY THE MUNICIPALITY RECEIVING THE FUNDS.

(2) CATEGORY 2 LICENSED GAMING ENTITY LOCATED IN A CITY OF THE FIRST CLASS:

(I) UNDER SECTION 1403(C)(2) BETWEEN JANUARY 1, 2017, AND MAY 27, 2017; AND

(II) TO A CITY OF THE FIRST CLASS UNDER AN AGREEMENT BETWEEN THE CATEGORY 2 LICENSED GAMING ENTITY AND THE CITY IN LIEU OF A PAYMENT UNDER SECTION 1403(C)(2), AS CERTIFIED TO THE DEPARTMENT BY THE CITY.
(D) FAILURE TO PAY.--THE BOARD MAY AT ITS DISCRETION SUSPEND, REVOKE OR DENY A PERMIT OR LICENSE ISSUED UNDER THIS PART IF A CATEGORY 1 OR CATEGORY 2 LICENSED GAMING ENTITY FAILS TO PAY THE SLOT MACHINE LICENSE OPERATION FEE IMPOSED UNDER SUBSECTION (A).

(E) DEPOSIT OF SLOT MACHINE LICENSE OPERATION FEE.--THE TOTAL AMOUNT OF ALL SLOT MACHINE LICENSE OPERATION FEES IMPOSED AND COLLECTED BY THE BOARD UNDER THIS SECTION SHALL BE DEPOSITED IN THE FUND AND SHALL BE APPROPRIATED TO THE DEPARTMENT ON A CONTINUING BASIS FOR THE PURPOSES UNDER SECTION 1403(C)(3) AND (4).

SECTION 19. SECTION 1330 OF TITLE 4 IS REPEALED:

§ 1330. MULTIPLE SLOT MACHINE LICENSE PROHIBITION.

NO SLOT MACHINE LICENSEE, ITS AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY MAY POSsess AN OWNERSHIP OR FINANCIAL INTEREST THAT IS GREATER THAN 33.3% OF ANOTHER SLOT MACHINE LICENSEE OR PERSON ELIGIBLE TO APPLY FOR A CATEGORY 1 LICENSE, ITS AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY. THE BOARD SHALL APPROVE THE TERMS AND CONDITIONS OF ANY DIVESTITURE UNDER THIS SECTION. UNDER NO CIRCUMSTANCES SHALL ANY SUCH DIVESTITURE BE APPROVED BY THE BOARD IF THE COMPENSATION FOR THE DIVESTED INTEREST IN A PERSON ELIGIBLE TO APPLY FOR A CATEGORY 1 LICENSE EXCEEDS THE GREATER OF THE ORIGINAL COST OF THE INTEREST, THE BOOK VALUE OF THE INTEREST OR AN INDEPENDENTLY ASSESSED VALUE OF THE INTEREST ONE MONTH PRIOR TO THE EFFECTIVE DATE OF THIS PART AND, IN THE CASE OF A PERSON ELIGIBLE TO APPLY FOR A CATEGORY 1 LICENSE, UNLESS THE PERSON ACQUIRING THE DIVESTED INTEREST IS REQUIRED TO CONTINUE CONDUCTING LIVE RACING AT THE LOCATION WHERE LIVE RACING IS CURRENTLY BEING CONDUCTED IN ACCORDANCE WITH SECTION 1303 (RELATING TO ADDITIONAL CATEGORY
1 SLOT MACHINE LICENSE REQUIREMENTS) AND BE APPROVED FOR A
2 CATEGORY 1 SLOT MACHINE LICENSE. NO SUCH SLOT MACHINE LICENSE
3 APPLICANT SHALL BE ISSUED A SLOT MACHINE LICENSE UNTIL THE
4 APPLICANT HAS COMPLETELY DIVESTED ITS OWNERSHIP OR FINANCIAL
5 INTEREST THAT IS IN EXCESS OF 33.3% IN ANOTHER SLOT MACHINE
6 LICENSEE OR PERSON ELIGIBLE TO APPLY FOR A CATEGORY 1 LICENSE,
7 ITS AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY.}
8
9 SECTION 20. (RESERVED).
10
11 SECTION 21. (RESERVED).
12
13 SECTION 22. SECTIONS 13A11(B), 13A22.1(C) AND 13A27(A) AND
14 (C) OF TITLE 4 ARE AMENDED TO READ:
15
16 § 13A11. AUTHORIZATION TO CONDUCT TABLE GAMES.
17
18 * * *
19
20 (B) NUMBER OF AUTHORIZED GAMING TABLES.--
21
22 (1) A CATEGORY 1 AND CATEGORY 2 SLOT MACHINE LICENSEE
23 AWARDED A TABLE GAME OPERATION CERTIFICATE MAY OPERATE UP TO
24 250 GAMING TABLES AT ANY ONE TIME AT ITS LICENSED FACILITY.
25 NO MORE THAN 30% OF THESE GAMING TABLES MAY BE USED TO PLAY
26 NONBANKING GAMES AT ANY ONE TIME. SIX MONTHS FOLLOWING THE
27 DATE OF COMMENCEMENT OF TABLE GAME OPERATIONS, THE BOARD MAY
28 PERMIT A CATEGORY 1 OR CATEGORY 2 CERTIFICATE HOLDER TO
29 INCREASE THE NUMBER OF GAMING TABLES ABOVE THE NUMBER
30 AUTHORIZED UNDER THIS PARAGRAPH. THE CERTIFICATE HOLDER SHALL
31 PETITION THE BOARD FOR THE INCREASE AT ITS LICENSED FACILITY.
32 THE BOARD, IN CONSIDERING THE PETITION, SHALL TAKE INTO
33 ACCOUNT THE APPROPRIATENESS OF THE PHYSICAL SPACE WHERE THE
34 GAMING TABLES WILL BE LOCATED AND THE CONVENIENCE OF THE
35 PUBLIC ATTENDING THE FACILITY. THE BOARD MAY ALSO TAKE INTO
36 ACCOUNT THE POTENTIAL BENEFIT TO THE COMMONWEALTH.
37
38 (2) A CATEGORY 3 SLOT MACHINE LICENSEE AWARDED A TABLE
GAME OPERATION CERTIFICATE MAY OPERATE UP TO 50 GAMING TABLES AT ANY ONE TIME AT ITS LICENSED FACILITY. [NO MORE THAN 30% OF THESE GAMING TABLES MAY BE USED TO PLAY NONBANKING GAMES AT ANY ONE TIME.]

(2.1) A CATEGORY 3 SLOT MACHINE LICENSEE AWARDED A TABLE GAME OPERATION CERTIFICATE MAY PETITION THE BOARD FOR ADDITIONAL TABLE GAMES AT ITS LICENSED FACILITY. THE BOARD MAY AUTHORIZE UP TO 15 ADDITIONAL GAMING TABLES. THE ADDITIONAL TABLES SHALL BE USED TO PLAY NONBANKING GAMES. THE BOARD, IN CONSIDERING THE PETITION, SHALL TAKE INTO ACCOUNT THE APPROPRIATENESS OF THE PHYSICAL SPACE WHERE THE GAMING TABLES WILL BE LOCATED AND THE CONVENIENCE OF THE PUBLIC ATTENDING THE FACILITY. THE BOARD MAY ALSO TAKE INTO ACCOUNT THE POTENTIAL BENEFIT TO THE COMMONWEALTH.

(2.2) THE FOLLOWING APPLY:

(I) A CATEGORY 4 SLOT MACHINE LICENSEE MAY SUBMIT A PETITION FOR A TABLE GAME OPERATION CERTIFICATE AT A CATEGORY 4 LICENSED FACILITY UNDER SECTION 13A12 (RELATING TO PETITION REQUIREMENTS). A CATEGORY 4 SLOT MACHINE LICENSEE THAT SUBMITS A PETITION FOR A TABLE GAME OPERATION CERTIFICATE UNDER SECTION 13A12 SHALL PAY, AT THE TIME OF SUBMISSION OF THE PETITION, A ONE-TIME NONREFUNDABLE AUTHORIZATION FEE IN THE AMOUNT OF $2,500,000.

(II) A CATEGORY 4 SLOT MACHINE LICENSEE AWARDED A TABLE GAME OPERATION CERTIFICATE AT A CATEGORY 4 LICENSED FACILITY BY THE BOARD MAY OPERATE UP TO 30 GAMING TABLES AT THE LICENSEE'S LICENSED FACILITY.

(III) TWELVE MONTHS FOLLOWING THE DATE OF COMMENCEMENT OF TABLE GAME OPERATIONS UNDER SUBPARAGRAPH
(II), a Category 4 slot machine licensee awarded a table game operation certificate may petition the board for an increase in the number of gaming tables at the Category 4 licensed facility. The board may permit the certificate holder under this section to add up to 10 additional gaming tables at a Category 4 licensed facility. The board, in considering the petition, shall take into account theappropriateness of the physical space where the gaming tables will be located and the convenience of the public attending the facility. The board may also take into account the potential benefit to the commonwealth.

(IV) Gaming tables used in tournaments shall not be used in the calculation of the total number of gaming tables authorized in a table game authorization certificate under subparagraphs (II) and (III).

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

§ 13A22.1. Table game tournaments.

* * *

(C) Exemptions and additional tables.--The following shall apply:

(1) For a Category 1 [or], Category 2 or Category 4 licensed facility, gaming tables used in tournaments shall be exempt from section 13A11 (B)(1) (relating to authorization to conduct table games) and shall not be used in any calculation of the total number of gaming tables authorized in the table game authorization certificate.

(2) For a Category 3 licensed facility, the executive director may authorize the licensed facility to operate up to
15 ADDITIONAL GAMING TABLES FOR USE IN TOURNAMENTS. [THE
EXECUTIVE DIRECTOR MAY GRANT THE USE OF THE ADDITIONAL GAMING
TABLES FOR TOURNAMENTS AUTHORIZED UNDER THIS PARAGRAPH ONLY
ONE DAY PER MONTH.] ADDITIONAL GAMING TABLES FOR USE IN
TOURNAMENTS AT A CATEGORY 3 LICENSED FACILITY SHALL BE EXEMPT
FROM SECTION 13A11(B)(2) AND SHALL NOT BE USED IN ANY
CALCULATION OF THE TOTAL NUMBER OF GAMING TABLES AUTHORIZED
IN THE TABLE GAME AUTHORIZATION CERTIFICATE. THE EXECUTIVE
DIRECTOR MAY GRANT THE USE OF ADDITIONAL GAMING TABLES ON THE
DATES AND TIMES LISTED IN THE PROPOSED SCHEDULE OF
TOURNAMENTS SUBMITTED BY THE CATEGORY 3 SLOT MACHINE LICENSEE
IN ACCORDANCE WITH SUBSECTION (B).

* * *

§ 13A27. OTHER FINANCIAL TRANSACTIONS.

(A) CREDIT.--

(1) NOTWITHSTANDING SECTION 1504 (RELATING TO WAGERING
ON CREDIT), A CERTIFICATE HOLDER MAY EXTEND INTEREST-FREE,
UNSECURED CREDIT TO PATRONS FOR THE PURPOSE OF PLAYING SLOT
MACHINES OR TABLE GAMES IN ACCORDANCE WITH THIS SECTION;
HOWEVER, A CERTIFICATE HOLDER SHALL NOT ACCEPT CREDIT CARDS,
CHARGE CARDS OR DEBIT CARDS FROM A PATRON OR PLAYER FOR THE
EXCHANGE OR PURCHASE OR CHIPS, SLOT MACHINE OR TABLE GAME
CREDITS OR FOR AN ADVANCE OF COINS OR CURRENCY TO BE UTILIZED
BY A PLAYER TO PLAY SLOT MACHINE OR TABLE GAMES. NO CREDIT
CARD ADVANCE MACHINE MAY BE PLACED ON THE GAMING FLOOR.

(2) PREPAID ACCESS INSTRUMENTS ARE NOT DEEMED TO BE A
CREDIT CARD, CHARGE CARD, DEBIT CARD OR ANY OTHER INSTRUMENT
OF CREDIT AND ARE NOT PROHIBITED UNDER THIS SECTION. A DEVICE
OR OTHER MECHANISM THAT ALLOWS OR FACILITATES THE FUNDING OF
A PREPAID ACCESS INSTRUMENT SHALL NOT BE DEEMED A CREDIT CARD.
ADVANCE MACHINE UNDER THIS SECTION.

* * *

(C) CREDIT APPLICATION VERIFICATION.—PRIOR TO APPROVING AN APPLICATION FOR CREDIT, A CERTIFICATE HOLDER SHALL VERIFY:

(1) THE IDENTITY, CREDITWORTHINESS AND INDEBTEDNESS INFORMATION OF THE APPLICANT BY CONDUCTING A COMPREHENSIVE REVIEW OF THE INFORMATION SUBMITTED WITH THE APPLICATION AND ANY INFORMATION REGARDING THE APPLICANT'S CREDIT ACTIVITY AT OTHER LICENSED FACILITIES WHICH THE CERTIFICATE HOLDER MAY OBTAIN THROUGH A CASINO CREDIT BUREAU AND, IF APPROPRIATE, THROUGH DIRECT CONTACT WITH OTHER SLOT MACHINE LICENSEES.

(2) THAT THE APPLICANT'S NAME IS NOT INCLUDED ON AN EXCLUSION LIST UNDER SECTION 1514 (RELATING TO REGULATION REQUIRING EXCLUSION [OR] EJECTION OR DENIAL OF ACCESS OF CERTAIN PERSONS) OR 1516 (RELATING TO LIST OF PERSONS SELF EXCLUDED FROM GAMING ACTIVITIES) OR THE VOLUNTARY CREDIT SUSPENSION LIST UNDER SUBSECTION (H).

* * *

SECTION 23. SECTION 13A41 OF TITLE 4 IS AMENDED BY ADDING A SUBSECTION TO READ:

§ 13A41. TABLE GAME DEVICE AND ASSOCIATED EQUIPMENT TESTING AND CERTIFICATION STANDARDS.

* * *

(B.1) USE OF PRIVATE TESTING AND CERTIFICATION FACILITIES.—NOTWITHSTANDING ANY PROVISION OF THIS PART OR REGULATION OF THE BOARD, IF A TABLE GAME DEVICE OR ASSOCIATED EQUIPMENT IS TESTED AND CERTIFIED BY A PRIVATE TESTING AND CERTIFICATION FACILITY REGISTERED WITH THE BOARD, THE BOARD SHALL USE AN ABBREVIATED CERTIFICATION PROCESS REQUIRING ONLY THAT INFORMATION DETERMINED BY IT TO BE NECESSARY TO CONSIDER THE ISSUANCE OF A TABLE GAME
DEVICE OR ASSOCIATED EQUIPMENT CERTIFICATION UNDER THIS SECTION.

WITHIN ONE YEAR OF THE EFFECTIVE DATE OF THIS SUBSECTION, THE
BOARD SHALL PROMULGATE REGULATIONS THAT:

(1) PROVIDE FOR THE REGISTRATION OF PRIVATE TESTING AND
CERTIFICATION FACILITIES. PERSONS SEEKING REGISTRATION UNDER
THIS SUBSECTION SHALL BE SUBJECT TO SECTION 1202(B)(9)
(RELATING TO GENERAL AND SPECIFIC POWERS).

(2) SPECIFY THE FORM AND CONTENT OF THE APPLICATION FOR
REGISTRATION.

(3) ESTABLISH AND COLLECT AN APPLICATION FEE FOR PERSONS
SEEKING REGISTRATION. THE APPLICATION FEE SHALL INCLUDE THE
COSTS OF ALL BACKGROUND INVESTIGATIONS AS DETERMINED
NECESSARY AND APPROPRIATE BY THE BOARD.

(4) ESTABLISH UNIFORM PROCEDURES AND STANDARDS WHICH
PRIVATE TESTING AND CERTIFICATION FACILITIES MUST COMPLY WITH
DURING THE TESTING AND CERTIFICATION OF TABLE GAME DEVICES
AND ASSOCIATED EQUIPMENT.

(5) UTILIZE INFORMATION PROVIDED BY PRIVATE TESTING AND
CERTIFICATION FACILITIES FOR THE ABBREVIATED CERTIFICATION OF
TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT.

(6) ESTABLISH AN ABBREVIATED CERTIFICATION PROCESS THAT
MAY BE USED BY REGISTERED PRIVATE TESTING AND CERTIFICATION
FACILITIES TO TEST AND CERTIFY TABLE GAME DEVICES OR
ASSOCIATED EQUIPMENT.

(7) ESTABLISH FEES THAT MUST BE PAID BY A LICENSED
MANUFACTURER.

(8) REQUIRE TABLE GAME DEVICES AND ASSOCIATED EQUIPMENT
SUBMITTED FOR ABBREVIATED CERTIFICATION TO BE APPROVED OR
DENIED BY THE BOARD WITHIN 30 DAYS FROM THE DATE OF
SUBMISSION TO THE BOARD. IF THE BOARD FAILS TO ACT WITHIN THE
30-DAY PERIOD, THE ABBREVIATED CERTIFICATION SHALL BE DEEMED CONDITIONALLY APPROVED.

(9) PROVIDE PROCEDURES AND STANDARDS FOR THE SUSPENSION AND REVOCATION OF THE REGISTRATION OF A PRIVATE TESTING AND CERTIFICATION FACILITY AND THE REINSTATEMENT OF A SUSPENDED OR REVOKED REGISTRATION.

SECTION 23.1. SECTION 13A61(A) OF TITLE 4 IS AMENDED BY ADDING A PARAGRAPH TO READ:

§ 13A61. TABLE GAME AUTHORIZATION FEE.

(A) AMOUNT OF AUTHORIZATION FEE.--

* * *

(3.1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART, NO LATER THAN 60 DAYS AFTER THE BOARD APPROVES A REQUEST FOR ADDITIONAL TABLE GAMES IN ACCORDANCE WITH SECTION 13A11 (RELATING TO AUTHORIZATION TO CONDUCT TABLE GAMES) SUBMITTED BY A CATEGORY 3 SLOT MACHINE LICENSEE, THE CATEGORY 3 SLOT MACHINE LICENSEE SHALL PAY A ONE-TIME NONREFUNDABLE FEE IN THE AMOUNT OF $1,000,000. THE FEE SHALL BE DEPOSITED INTO THE GENERAL FUND.

* * *

SECTION 24. SECTION 13A62(A) OF TITLE 4 IS AMENDED TO READ:

§ 13A62. TABLE GAME TAXES.

(A) IMPOSITION.--

(1) EXCEPT AS PROVIDED IN [PARAGRAPHS (2) AND (3)] PARAGRAPH (2), EACH CERTIFICATE HOLDER AND A CATEGORY 4 SLOT MACHINE LICENSEE WHO IS A HOLDER OF A TABLE GAME OPERATION CERTIFICATE AT A CATEGORY 4 LICENSED FACILITY SHALL REPORT TO THE DEPARTMENT AND PAY FROM ITS DAILY GROSS TABLE GAME REVENUE, ON A FORM AND IN THE MANNER PRESCRIBED BY THE DEPARTMENT, A TAX OF 12% OF ITS DAILY GROSS TABLE GAME
REVENUE.

(2) IN ADDITION TO THE TAX PAYABLE UNDER PARAGRAPH (1), EACH CERTIFICATE HOLDER AND CATEGORY 4 SLOT MACHINE LICENSEE WHO IS A HOLDER OF A TABLE GAME OPERATION CERTIFICATE AT A CATEGORY 4 LICENSED FACILITY SHALL REPORT TO THE DEPARTMENT AND PAY FROM ITS DAILY GROSS TABLE GAME REVENUE, ON A FORM AND IN THE MANNER PRESCRIBED BY THE DEPARTMENT, A TAX OF 34% OF ITS DAILY GROSS TABLE GAME REVENUE FROM EACH TABLE GAME PLAYED ON A FULLY AUTOMATED ELECTRONIC GAMING TABLE.

[(3) THE TAX REPORTED AND PAYABLE UNDER PARAGRAPH (1) BY EACH CERTIFICATE HOLDER SHALL BE 14% OF DAILY GROSS TABLE GAME REVENUE FOR A PERIOD OF TWO YEARS FOLLOWING COMMENCEMENT OF TABLE GAMES OPERATIONS AT ITS LICENSED FACILITY.]

* * *

SECTION 24.1. SECTION 13A63(B)(1)(I), (3)(I) AND (III)(C) AND (4) OF TITLE 4 ARE AMENDED AND THE SECTION IS AMENDED BY ADDING SUBSECTIONS TO READ:

§ 13A63. LOCAL SHARE ASSESSMENT.

* * *

(A.1) REQUIRED PAYMENT FOR CATEGORY 4 LICENSEES.--IN ADDITION TO THE TAX IMPOSED UNDER SECTION 13A62, EACH CATEGORY 4 SLOT MACHINE LICENSEE WHO IS A HOLDER OF A TABLE GAME OPERATION CERTIFICATE AT A CATEGORY 4 LICENSED FACILITY SHALL PAY ON A WEEKLY BASIS AND ON A FORM AND IN A MANNER PRESCRIBED BY THE DEPARTMENT A LOCAL SHARE ASSESSMENT INTO A RESTRICTED RECEIPTS ACCOUNT ESTABLISHED WITHIN THE FUND. ALL FUNDS OWED UNDER THIS SECTION SHALL BE HELD IN TRUST BY THE CATEGORY 4 SLOT MACHINE LICENSEE WHO IS A HOLDER OF A TABLE GAME OPERATION CERTIFICATE AT A CATEGORY 4 LICENSED FACILITY UNTIL THE FUNDS ARE PAID INTO THE ACCOUNT. FUNDS IN THE ACCOUNT SHALL BE ADDED TO AND
DISTRIBUTED WITH THE FUNDS DISTRIBUTED UNDER SECTION 1403(C.1) (RELATING TO ESTABLISHMENT OF STATE GAMING FUND AND NET SLOT MACHINE REVENUE DISTRIBUTION).

(B) DISTRIBUTIONS TO COUNTIES.--THE DEPARTMENT SHALL MAKE QUARTERLY DISTRIBUTIONS FROM THE LOCAL SHARE ASSESSMENTS DEPOSITED INTO THE FUND UNDER SUBSECTION (A) TO COUNTIES, INCLUDING HOME RULE COUNTIES, HOSTING A LICENSED FACILITY AUTHORIZED TO CONDUCT TABLE GAMES UNDER THIS CHAPTER IN ACCORDANCE WITH THE FOLLOWING:

(1) IF THE LICENSED FACILITY IS A CATEGORY 1 LICENSED FACILITY LOCATED AT A HARNESS RACETRACK AND THE COUNTY, INCLUDING A HOME RULE COUNTY, IN WHICH THE LICENSED FACILITY IS LOCATED IS:

(I) A COUNTY OF THE THIRD CLASS: 50% OF THE LICENSED FACILITY'S LOCAL SHARE ASSESSMENT SHALL BE ADDED TO AND DISTRIBUTED WITH THE FUNDS DISTRIBUTED UNDER SECTION 1403(C)(2)(I)(D) [(RELATING TO ESTABLISHMENT OF STATE GAMING FUND AND NET SLOT MACHINE REVENUE DISTRIBUTION)].

* * *

(3) IF THE FACILITY IS A CATEGORY 2 LICENSED FACILITY AND IF THE COUNTY IN WHICH THE LICENSED FACILITY IS LOCATED IS:


* * *

(III) A COUNTY OF THE THIRD CLASS WHERE A CITY OF
THE THIRD CLASS HOSTING THE LICENSED FACILITY IS LOCATED IN TWO COUNTIES OF THE THIRD CLASS: 50% OF THE LICENSED FACILITY'S LOCAL SHARE ASSESSMENT SHALL BE DISTRIBUTED AS FOLLOWS:

* * *

(C) TWENTY PERCENT TO THE NONHOST COUNTY IN WHICH THE HOST CITY IS LOCATED, OF WHICH 50% SHALL BE DEPOSITED INTO A RESTRICTED RECEIPTS ACCOUNT TO BE ESTABLISHED IN THE COMMONWEALTH FINANCING AUTHORITY TO BE USED [SOLELY FOR GRANTS TO MUNICIPALITIES THAT ARE CONTIGUOUS TO THE HOST CITY] EXCLUSIVELY FOR ECONOMIC DEVELOPMENT PROJECTS, COMMUNITY IMPROVEMENT PROJECTS AND OTHER PROJECTS IN THE PUBLIC INTEREST WITHIN THE NONHOST COUNTY, WITH PRIORITY GIVEN TO MUNICIPALITIES CONTIGUOUS TO THE HOST CITY.

* * *

(4) THE FOLLOWING APPLY:

(I) IF THE FACILITY IS A CATEGORY 3 LICENSED FACILITY LOCATED IN A COUNTY OF THE SECOND CLASS A: 50% OF THE LICENSED FACILITY'S LOCAL SHARE ASSESSMENT SHALL BE [DEPOSITED INTO A RESTRICTED RECEIPTS ACCOUNT TO BE ESTABLISHED IN THE COMMONWEALTH FINANCING AUTHORITY TO BE USED EXCLUSIVELY FOR GRANTS OR GUARANTEES FOR PROJECTS IN THE COUNTY THAT QUALIFY UNDER 64 PA.C.S. §§ 1551 (RELATING TO BUSINESS IN OUR SITES PROGRAM), 1556 (RELATING TO TAX INCREMENT FINANCING GUARANTEE PROGRAM) AND 1558 (RELATING TO WATER SUPPLY AND WASTE WATER INFRASTRUCTURE PROGRAM).] DISTRIBUTED AS FOLLOWS:

(A) SEVENTY-FIVE PERCENT SHALL BE DISTRIBUTED TO THE COUNTY HOSTING THE LICENSED FACILITY FROM EACH
SUCH LICENSED FACILITY FOR THE PURPOSE OF SUPPORTING
THE MAINTENANCE AND REFURBISHMENT OF THE PARKS AND
HERITAGE SITES THROUGHOUT THE COUNTY IN WHICH THE
LICENSEE IS LOCATED.

(B) TWELVE AND ONE-HALF PERCENT SHALL BE
DISTRIBUTED TO THE COUNTY HOSTING THE LICENSED
FACILITY FROM EACH SUCH LICENSED FACILITY FOR THE
PURPOSE OF SUPPORTING A CHILD ADVOCACY CENTER LOCATED
WITHIN THE COUNTY IN WHICH THE LICENSEE IS LOCATED.

(C) TWELVE AND ONE-HALF PERCENT SHALL BE
DISTRIBUTED TO THE COUNTY HOSTING THE LICENSED
FACILITY FROM EACH SUCH LICENSED FACILITY FOR THE
PURPOSE OF SUPPORTING AN ORGANIZATION PROVIDING
COMPREHENSIVE SUPPORT SERVICES TO VICTIMS OF DOMESTIC
VIOLENCE, INCLUDING LEGAL AND MEDICAL AID, SHELTERS,
TRANSITIONAL HOUSING AND COUNSELING LOCATED WITHIN
THE COUNTY IN WHICH THE LICENSEE IS LOCATED.

(II) EXCEPT AS PROVIDED IN SUBPARAGRAPH (I), IF THE
FACILITY IS A CATEGORY 3 LICENSED FACILITY IN A COUNTY OF
ANY CLASS: 50% OF THE LICENSED FACILITY'S LOCAL SHARE
ASSESSMENT SHALL BE ADDED TO THE FUNDS IN THE RESTRICTED
RECEIPTS ACCOUNT ESTABLISHED UNDER SECTION 1403(C)(2)(IV)
FOR DISTRIBUTION WITH THOSE FUNDS.

* * *

SECTION 25. TITLE 4 IS AMENDED BY ADDING CHAPTERS TO READ:

CHAPTER 13B
INTERACTIVE GAMING

SUBCHAPTER

A. GENERAL PROVISIONS

B. INTERACTIVE GAMING AUTHORIZED
B.1. MULTI-USE COMPUTING DEVICES
C. CONDUCT OF INTERACTIVE GAMING
D. FACILITIES AND EQUIPMENT
E. TESTING AND CERTIFICATION
F. TAXES AND FEES
G. MISCELLANEOUS PROVISIONS

SUBCHAPTER A
GENERAL PROVISIONS

SEC.
13B01. (RESERVED).
13B02. REGULATORY AUTHORITY.
13B03. REGULATIONS.

§ 13B01. (RESERVED).
§ 13B02. REGULATORY AUTHORITY.

(A) AUTHORITY.—THE BOARD SHALL PROMULGATE AND ADOPT RULES AND REGULATIONS TO GOVERN THE CONDUCT OF INTERACTIVE GAMING IN ORDER TO ENSURE THAT IT WILL BE IMPLEMENTED IN A MANNER THAT PROVIDES FOR THE SECURITY AND EFFECTIVE MANAGEMENT, ADMINISTRATION AND CONTROL OF INTERACTIVE GAMING, INCLUDING, BUT NOT LIMITED TO, REGULATIONS:

(1) ENSURING THAT INTERACTIVE GAMING IS OFFERED FOR PLAY IN THIS COMMONWEALTH IN A MANNER THAT IS CONSISTENT WITH FEDERAL LAW AND THE PROVISIONS OF THIS CHAPTER.

(2) ESTABLISHING STANDARDS AND PROCEDURES FOR TESTING AND APPROVING INTERACTIVE GAMES AND INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT, AND ANY VARIATIONS OR COMPOSITES OF AUTHORIZED INTERACTIVE GAMES, PROVIDED THAT THE BOARD DETERMINES THAT THE INTERACTIVE GAMES AND ANY NEW INTERACTIVE GAMES OR ANY VARIATIONS OR COMPOSITES ARE SUITABLE FOR USE AFTER A TEST OR EXPERIMENTAL PERIOD UNDER
ANY TERMS AND CONDITIONS AS THE BOARD MAY DEEM APPROPRIATE.

THE BOARD MAY GIVE PRIORITY TO THE TESTING OF INTERACTIVE GAMES, INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT OR OTHER GAMING EQUIPMENT WHICH A SLOT MACHINE LICENSEE OR AN APPLICANT FOR AN INTERACTIVE GAMING LICENSE HAS CERTIFIED THAT IT WILL USE TO CONDUCT INTERACTIVE GAMING IN THIS COMMONWEALTH. NOTHING IN THIS PARAGRAPH SHALL BE CONSTRUED TO PROHIBIT THE BOARD FROM USING THE TESTING AND CERTIFICATION STANDARDS OF ANOTHER STATE OR JURISDICTION IN WHICH INTERACTIVE GAMING IS CONDUCTED, IF IT DETERMINES THAT THE STANDARDS OF THE JURISDICTION ARE COMPREHENSIVE, THOROUGH AND PROVIDE SIMILAR AND ADEQUATE SAFEGUARDS AS THOSE REQUIRED UNDER THIS PART. IF THE BOARD MAKES SUCH A DETERMINATION AND THE SLOT MACHINE LICENSEE OR APPLICANT FOR AN INTERACTIVE GAMING LICENSE IS LICENSED IN ANOTHER STATE OR JURISDICTION TO OPERATE INTERACTIVE GAMING OR AN INTERACTIVE GAMING SYSTEM, IT MAY USE AN ABBREVIATED PROCESS REQUIRING ONLY THE INFORMATION DETERMINED BY IT TO BE NECESSARY TO CONSIDER THE ISSUANCE OF AN INTERACTIVE GAMING CERTIFICATE OR INTERACTIVE GAMING LICENSE UNDER THIS CHAPTER. THE BOARD, IN ITS DISCRETION, MAY ALSO RELY UPON THE CERTIFICATION OF INTERACTIVE GAMES THAT HAVE MET THE TESTING AND CERTIFICATION STANDARDS OF A BOARD-APPROVED PRIVATE TESTING AND CERTIFICATION FACILITY.

(3) ESTABLISHING STANDARDS AND RULES TO GOVERN THE CONDUCT OF INTERACTIVE GAMING AND THE PLATFORM AND SYSTEM OF AND WAGERING ASSOCIATED WITH INTERACTIVE GAMING, INCLUDING INTERNAL CONTROLS AND ACCOUNTING CONTROLS, AND THE TYPE, NUMBER, PAYOUT, WAGERING LIMITS AND RULES FOR INTERACTIVE GAMES.
(4) Establishing the method for calculating gross interactive gaming revenue and standards for the daily counting and recording of cash and cash equivalents received in the conduct of authorized interactive games and ensure that internal controls and accounting controls are followed, including the maintenance of financial books and records and the conduct of audits. The board shall consult with the department in establishing these regulations.

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

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

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

(8) Governing the creation, ownership and utilization of interactive gaming accounts by registered players, including the following:

(I) Requiring that an interactive gaming account be created, owned and utilized by a natural person and not in the name of any beneficiary, custodian, joint trust, corporation, partnership or other organization or entity.

(II) Prohibiting the assignment or other transfer of an interactive gaming account.

(III) Prohibiting the creation, ownership or utilization of an interactive gaming account by an
INDIVIDUAL UNDER 21 YEARS OF AGE.

(9) Establishing procedures for a registered player to log into the registered player's interactive gaming account, authenticate the registered player's identity, agree to terms, conditions and rules applicable to authorized interactive games and log out of the registered player's interactive gaming account, including procedures for automatically logging off a registered player from an interactive game after a specified period of inactivity.

(10) Establishing procedures for:

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

(II) The withdrawal of funds from an interactive gaming account.

(III) The suspension of interactive gaming account activity for security reasons.

(IV) The termination of an interactive gaming account and disposition of funds in the account.

(V) The disposition of unclaimed funds in a dormant interactive gaming account.

(11) Establishing mechanisms by which a registered player may place a limit on the amount of money being wagered on an authorized interactive game or during any specified time period or the amount of money lost during any specified time period.

(12) Establishing mechanisms to exclude from interactive gaming persons not eligible to play by reason of age, identity or location or inclusion on a list of persons denied access to interactive gaming activities in accordance with
SECTIONS 1514 (RELATING TO REGULATION REQUIRING EXCLUSION, EJECTION OR DENIAL OF ACCESS OF CERTAIN PERSONS), 1515 (RELATING TO REPEAT OFFENDERS EXCLUDABLE FROM LICENSED GAMING FACILITY) AND 1516 (RELATING TO LIST OF PERSONS SELF EXCLUDED FROM GAMING ACTIVITIES).

(13) ESTABLISHING PROCEDURES FOR THE PROTECTION, SECURITY AND RELIABILITY OF INTERACTIVE GAMING ACCOUNTS, AUTHORIZED INTERACTIVE GAMES, INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT AND MECHANISMS TO PREVENT TAMPERING OR UTILIZATION BY UNAUTHORIZED PERSONS.

(14) ESTABLISHING DATA SECURITY STANDARDS TO GOVERN AGE, IDENTITY AND LOCATION VERIFICATION OF PERSONS ENGAGED IN INTERACTIVE GAMING ACTIVITY.

(15) REQUIRING EACH INTERACTIVE GAMING CERTIFICATE HOLDER TO:

(I) PROVIDE WRITTEN INFORMATION ON ITS INTERACTIVE GAMING SKIN OR INTERACTIVE GAMING WEBSITE, WHICH EXPLAINS THE RULES FOR EACH AUTHORIZED INTERACTIVE GAME, PAYOFFS OR WINNING WAGERS AND OTHER INFORMATION AS THE BOARD MAY REQUIRE.

(II) DESIGNATE ONE OR MORE INTERACTIVE GAMING RESTRICTED AREAS WHERE INTERACTIVE GAMING WILL BE MANAGED, ADMINISTERED OR CONTROLLED.

(III) PROVIDE THE BOARD WITH ACCESS TO THE INTERACTIVE GAMING SKIN OR INTERACTIVE GAMING WEBSITE, INTERACTIVE GAMING PLATFORM, SIGNAL OR TRANSMISSION USED IN CONNECTION WITH INTERACTIVE GAMING AND INTERACTIVE GAMING RESTRICTED AREAS.

(IV) ADOPT PROCEDURES FOR THE RECORDATION, REPLICATION AND STORAGE OF ALL PLAY AND TRANSACTIONS FOR
A PERIOD TO BE DETERMINED BY THE BOARD.

(V) PROVIDE STATEMENTS ON ITS INTERACTIVE GAMING
SKIN OR INTERACTIVE GAMING WEBSITE ABOUT THE PERMISSIBLE
MINIMUM AND MAXIMUM WAGERS FOR EACH AUTHORIZED
INTERACTIVE GAME, AS APPLICABLE.

(VI) ADOPT POLICIES OR PROCEDURES TO PROHIBIT ANY
UNAUTHORIZED PERSON FROM HAVING ACCESS TO INTERACTIVE
GAMING DEVICES AND ASSOCIATED EQUIPMENT.

(VII) ADOPT DATA SECURITY STANDARDS TO VERIFY THE
AGE, IDENTITY AND LOCATION OF PERSONS ENGAGED IN
INTERACTIVE GAMING AND PREVENT UNAUTHORIZED ACCESS BY ANY
PERSON WHOSE AGE, IDENTITY AND LOCATION HAVE NOT BEEN
VERIFIED OR WHOSE AGE, IDENTITY AND LOCATION CANNOT BE
VERIFIED IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE
BOARD.

(VIII) ADOPT STANDARDS TO PROTECT THE PRIVACY AND
SECURITY OF REGISTERED PLAYERS ENGAGED IN INTERACTIVE
GAMING.

(IX) COLLECT, REPORT AND PAY ANY AND ALL APPLICABLE
TAXES AND FEES AND MAINTAIN ALL BOOKS, RECORDS AND
DOCUMENTS RELATED TO THE INTERACTIVE GAMING CERTIFICATE
HOLDER'S INTERACTIVE GAMING ACTIVITIES IN A MANNER AND IN
A LOCATION WITHIN THIS COMMONWEALTH AS APPROVED BY THE
BOARD OR THE DEPARTMENT. ALL BOOKS, RECORDS AND DOCUMENTS
SHALL BE IMMEDIATELY AVAILABLE FOR INSPECTION DURING ALL
HOURS OF OPERATION IN ACCORDANCE WITH THE REGULATIONS OF
THE BOARD AND SHALL BE MAINTAINED IN A MANNER AND DURING
PERIODS OF TIME AS THE BOARD SHALL BY REGULATION REQUIRE.

(B) ADDITIONAL AUTHORITY.--

(1) AT ITS DISCRETION, THE BOARD MAY DETERMINE WHETHER
PERSONS THAT PROVIDE THE FOLLOWING GOODS OR SERVICES SHALL BE REQUIRED TO OBTAIN A LICENSE, PERMIT OR OTHER AUTHORIZATION:

(I) PAYMENT PROCESSING AND RELATED MONEY TRANSMITTING AND SERVICES.

(II) IDENTITY, LOCATION OR AGE VERIFICATION AND GEOSPATIAL TECHNOLOGY SERVICES.

(III) GENERAL TELECOMMUNICATIONS SERVICES, WHICH ARE NOT SPECIFICALLY DESIGNED FOR OR RELATED TO INTERACTIVE GAMING.

(IV) OTHER GOODS OR SERVICES THAT ARE NOT SPECIFICALLY DESIGNED FOR USE WITH INTERACTIVE GAMING IF THE PERSONS PROVIDING THE GOODS OR SERVICES ARE NOT PAID A PERCENTAGE OF GAMING REVENUE OR OF MONEY WAGERED ON INTERACTIVE GAMES OR OF ANY FEES, NOT INCLUDING FEES TO FINANCIAL INSTITUTIONS AND PAYMENT PROVIDERS FOR FACILITATING A DEPOSIT BY AN INTERACTIVE GAMING ACCOUNT HOLDER.

(V) ANY OTHER GOODS OR SERVICES RELATED TO INTERACTIVE GAMING AS THE BOARD MAY DETERMINE.

(2) THE BOARD SHALL DEVELOP A CLASSIFICATION SYSTEM FOR THE LICENSURE, PERMITTING OR OTHER AUTHORIZATION OF PERSONS THAT PROVIDE THE FOLLOWING GOODS OR SERVICES RELATED TO INTERACTIVE GAMING:

(I) PERSONS THAT PROVIDE INTERACTIVE GAMES AND INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT.

(II) PERSONS THAT MANAGE, CONTROL OR ADMINISTER THE INTERACTIVE GAMES OR THE WAGERS ASSOCIATED WITH INTERACTIVE GAMES.

(III) PERSONS THAT PROVIDE CUSTOMER LISTS COMPRISED OF PERSONS IDENTIFIED OR SELECTED, IN WHOLE OR IN PART,
BECAUSE THEY PLACED OR MAY PLACE WAGERS ON INTERACTIVE
GAMING.

§ 13B03. REGULATIONS.

(A) PROMULGATION.--

(1) IN ORDER TO FACILITATE THE PROMPT IMPLEMENTATION OF
THIS CHAPTER, THE BOARD SHALL HAVE THE AUTHORITY TO
PROMULGATE TEMPORARY REGULATIONS WHICH SHALL EXPIRE NOT LATER
THAN TWO YEARS FOLLOWING THE PUBLICATION OF THE TEMPORARY
REGULATION IN THE PENNSYLVANIA BULLETIN AND ON THE BOARD'S
PUBLICLY ACCESSIBLE INTERNET WEBSITE.

(2) THE BOARD MAY PROMULGATE TEMPORARY REGULATIONS NOT
SUBJECT TO:

(I) SECTIONS 201, 202, 203, 204 AND 205 OF THE ACT
OF JULY 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE
COMMONWEALTH DOCUMENTS LAW.

(II) SECTION 204(B) OF THE ACT OF OCTOBER 15, 1980
(P.L.950, NO.164), KNOWN AS THE COMMONWEALTH ATTORNEYS
ACT.

(III) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181),
KNOWN AS THE REGULATORY REVIEW ACT.

(B) PUBLICATIONS.--THE BOARD SHALL BEGIN PUBLISHING
TEMPORARY REGULATIONS GOVERNING THE RULES FOR INTERACTIVE
GAMING, THE ISSUANCE OF INTERACTIVE GAMING CERTIFICATES AND
INTERACTIVE GAMING LICENSES, STANDARDS FOR APPROVING
MANUFACTURERS, SUPPLIERS AND OTHER PERSONS SEEKING TO PROVIDE
INTERACTIVE GAMES, INTERACTIVE GAMING DEVICES AND ASSOCIATED
EQUIPMENT, INCLUDING AGE, IDENTITY AND LOCATION VERIFICATION
SOFTWARE OR SYSTEM PROGRAMS AND SECURITY AND SURVEILLANCE
STANDARDS IN THE PENNSYLVANIA BULLETIN WITHIN 45 DAYS OF THE
EFFECTIVE DATE OF THIS SUBSECTION.
(C) EXPIRATION OF TEMPORARY REGULATIONS.--EXCEPT FOR
TEMPORARY REGULATIONS GOVERNING THE RULES FOR ISSUING
CERTIFICATES AND LICENSES UNDER THIS CHAPTER, FOR NEW
INTERACTIVE GAMES, FOR APPROVING INTERACTIVE GAMES OR VARIATIONS
THEREOF, INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT AND
FOR APPROVING MANUFACTURERS, SUPPLIERS AND OTHER PERSONS SEEKING
TO PROVIDE INTERACTIVE GAMES, INTERACTIVE GAMING DEVICES AND
ASSOCIATED EQUIPMENT, THE BOARD'S AUTHORITY TO ADOPT TEMPORARY
REGULATIONS UNDER SUBSECTION (A) SHALL EXPIRE TWO YEARS AFTER
PUBLICATION OF THE TEMPORARY REGULATIONS. REGULATIONS ADOPTED
AFTER THIS PERIOD SHALL BE PROMULGATED AS PROVIDED BY LAW.

SUBCHAPTER B

INTERACTIVE GAMING AUTHORIZED

SEC.

13B11. AUTHORIZATION TO CONDUCT INTERACTIVE GAMING.

13B12. INTERACTIVE GAMING CERTIFICATE REQUIRED AND CONTENT OF
PETITION.

13B13. ISSUANCE OF INTERACTIVE GAMING CERTIFICATE.

13B14. INTERACTIVE GAMING OPERATORS.

13B15. INTERACTIVE GAMING CERTIFICATE AND INTERACTIVE GAMING
LICENSE.

13B16. TIMING OF INITIAL INTERACTIVE GAMING AUTHORIZATIONS.

§ 13B11. AUTHORIZATION TO CONDUCT INTERACTIVE GAMING.

(A) AUTHORITY OF BOARD.--THE BOARD MAY AUTHORIZE A SLOT
MACHINE LICENSEE:

(1) TO CONDUCT INTERACTIVE GAMING DIRECTLY OR THROUGH AN
INTERACTIVE GAMING OPERATOR UNDER AN INTERACTIVE GAMING
AGREEMENT, INCLUDING CONTESTS AND TOURNAMENTS AND ANY OTHER
GAME WHICH IS DETERMINED BY THE BOARD TO BE SUITABLE FOR
INTERACTIVE GAMING.
(2) To deploy interactive gaming skins or interactive
gaming websites to facilitate the conduct of interactive

activities.

(A.1) Additional authority of board.--Pursuant to section
13B12(A.1) (relating to interactive gaming certificate required
and content of petition), the board may authorize a qualified

gaming entity to:

(1) Conduct interactive gaming directly or through an

interactive gaming operator under an interactive gaming
agreement, including contests and tournaments and any other

game which is determined by the board to be suitable for

interactive gaming.

(2) Deploy interactive gaming skins or interactive

gaming websites to facilitate the conduct of interactive

activities.

(A.2) Categorization.--The board, in the board's sole

discretion, shall categorize each authorized interactive game as

one of the following:

(1) A peer-to-peer interactive game.

(2) A non-peer-to-peer interactive game which simulates

slot machines.

(3) A non-peer-to-peer interactive game which simulates

table games.

(B) Authority to play interactive games.--Notwithstanding

any other provision of law, an individual who is 21 years of age

or older is hereby permitted to participate as a registered

player in interactive gaming and wagering associated with

playing an authorized interactive game offered by an interactive

gaming certificate holder in accordance with this chapter and

regulations of the board. Except as provided in subchapter G.
RELATING TO MISCELLANEOUS PROVISIONS), A REGISTERED PLAYER MUST
BE PHYSICALLY LOCATED WITHIN THIS COMMONWEALTH IN ORDER TO
PARTICIPATE IN INTERACTIVE GAMING.

§ 13B12. INTERACTIVE GAMING CERTIFICATE REQUIRED AND CONTENT OF
PETITION.

(A) CERTIFICATE REQUIRED.--NO PERSON SHALL OPERATE OR
CONDUCT OR ATTEMPT TO OPERATE OR CONDUCT INTERACTIVE GAMING,
EXCEPT FOR TEST PURPOSES AS APPROVED BY THE BOARD, OR OFFER
INTERACTIVE GAMING FOR PLAY BY THE PUBLIC IN THIS COMMONWEALTH
WITHOUT FIRST OBTAINING AN INTERACTIVE GAMING CERTIFICATE OR AN
INTERACTIVE GAMING LICENSE FROM THE BOARD. A SLOT MACHINE
LICENSEE MAY SEEK APPROVAL TO CONDUCT INTERACTIVE GAMING BY
FILING A PETITION FOR AN INTERACTIVE GAMING CERTIFICATE WITH THE
BOARD. THE BOARD SHALL PRESCRIBE THE FORM AND THE MANNER IN
WHICH IT SHALL BE FILED.

(A.1) TIMING OF PETITION AND ELIGIBILITY.--THE FOLLOWING
SHALL APPLY:

(1) NO LATER THAN 90 DAYS AFTER THE DATE THE BOARD
BEGINNS ACCEPTING PETITIONS UNDER THIS CHAPTER, A SLOT MACHINE
LICENSEE MAY FILE A PETITION WITH THE BOARD FOR AN
INTERACTIVE GAMING CERTIFICATE. IF THE BOARD APPROVES A
PETITION FOR AN INTERACTIVE GAMING CERTIFICATE UNDER THIS
PARAGRAPH, THE BOARD SHALL AUTHORIZE THE INTERACTIVE GAMING
CERTIFICATE HOLDER TO OFFER ANY CATEGORY OF INTERACTIVE
GAMING.

(2) BETWEEN 90 DAYS AND 120 DAYS AFTER THE DATE THE
BOARD BEGINS ACCEPTING PETITIONS UNDER THIS CHAPTER, A SLOT
MACHINE LICENSEE MAY FILE A PETITION WITH THE BOARD FOR AN
INTERACTIVE GAMING CERTIFICATE. IF THE BOARD APPROVES A
PETITION FOR AN INTERACTIVE GAMING CERTIFICATE UNDER THIS

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Paragraph, the Board shall authorize the interactive gaming certificate holder to offer the categories of interactive gaming identified in the slot machine licensee's petition under paragraph (b)(4.1).

(3) One hundred twenty days after the date the Board begins accepting petitions under this chapter, a qualified gaming entity may file a petition with the Board for an interactive gaming certificate. If the Board approves a petition for an interactive gaming certificate under this paragraph, the Board shall authorize the interactive gaming certificate holder to offer the categories of interactive gaming identified in the slot machine licensee's petition under paragraph (b)(4.1).

(4) A qualified gaming entity which files a petition for an interactive gaming certificate under paragraph (3) shall be considered a slot machine licensee for the purposes of this subchapter.

(5) Any slot machine licensee who becomes licensed after the effective date of this section shall have 90 days from the date of licensure to submit a petition with the Board for an interactive gaming certificate. If the Board approves a petition for an interactive gaming certificate under this paragraph, the Board shall authorize the interactive gaming certificate holder to offer any category of interactive gaming. After 90 days but before 120 days from the date of licensure, the slot machine licensee may file a petition with the Board for an interactive gaming certificate. If the Board approves a petition for an interactive gaming certificate under this paragraph, the Board shall authorize the interactive gaming certificate holder to offer the categories
OF INTERACTIVE GAMING IDENTIFIED IN THE SLOT MACHINE LICENSEE'S PETITION UNDER PARAGRAPH (B)(4.1). AFTER 120 DAYS FROM THE DATE OF LICENSURE, A QUALIFIED GAMING ENTITY MAY FILE A PETITION WITH THE BOARD FOR AN INTERACTIVE GAMING CERTIFICATE IN THE CATEGORIES OF INTERACTIVE GAMES FOR WHICH THE SLOT MACHINE LICENSEE DID NOT SEEK AUTHORIZATION.

(6) FOR THE PURPOSES OF THIS SUBSECTION, A "QUALIFIED GAMING ENTITY" SHALL BE A GAMING ENTITY LICENSED IN ANY JURISDICTION WHICH HAS SATISFIED THE REQUIREMENTS OF THIS CHAPTER AND ANY OTHER CRITERIA ESTABLISHED BY THE BOARD, INCLUDING FINANCIAL AND CHARACTER SUITABILITY REQUIREMENTS.

(A.2) NUMBER OF INTERACTIVE GAMING CERTIFICATES AUTHORIZED.--

(1) THE BOARD MAY ISSUE A MAXIMUM NUMBER OF INTERACTIVE GAMING CERTIFICATES AS PROVIDED UNDER THIS SUBSECTION:

(I) AN AMOUNT NOT TO EXCEED ONE CERTIFICATE FOR PEER-TO-PEER INTERACTIVE GAMES PER CATEGORY 1, CATEGORY 2 OR CATEGORY 3 SLOT MACHINE LICENSE.

(II) AN AMOUNT NOT TO EXCEED ONE CERTIFICATE FOR NON-PEER-TO-PEER INTERACTIVE GAMES WHICH SIMULATE TABLE GAMES PER CATEGORY 1, CATEGORY 2 OR CATEGORY 3 SLOT MACHINE LICENSE.

(III) AN AMOUNT NOT TO EXCEED ONE CERTIFICATE FOR NON-PEER-TO-PEER INTERACTIVE GAMES WHICH SIMULATE SLOT MACHINES PER CATEGORY 1, CATEGORY 2 OR CATEGORY 3 SLOT MACHINE LICENSE.

(2) AN INTERACTIVE GAMING CERTIFICATE WHICH AUTHORIZES MULTIPLE CATEGORIES OF INTERACTIVE GAMES SHALL COUNT AS AN INTERACTIVE GAMING CERTIFICATE IN EACH CATEGORY OF INTERACTIVE GAME AUTHORIZED UNDER THIS SECTION.
(B) CONTENT OF PETITION.--IN ADDITION TO INFORMATION AND DOCUMENTATION DEMONSTRATING THAT THE SLOT MACHINE LICENSEE IS QUALIFIED FOR AN INTERACTIVE GAMING CERTIFICATE UNDER THIS CHAPTER, A PETITION FOR AN INTERACTIVE GAMING CERTIFICATE SHALL INCLUDE THE FOLLOWING:

(1) THE NAME, BUSINESS ADDRESS AND CONTACT INFORMATION OF THE SLOT MACHINE LICENSEE.

(2) THE NAME, BUSINESS ADDRESS AND CONTACT INFORMATION OF ANY AFFILIATE OR OTHER PERSON THAT WILL BE A PARTY TO AN AGREEMENT WITH THE SLOT MACHINE LICENSEE RELATED TO THE OPERATION OF INTERACTIVE GAMING OR AN INTERACTIVE GAMING SYSTEM ON BEHALF OF THE SLOT MACHINE LICENSEE, INCLUDING A PERSON APPLYING FOR AN INTERACTIVE GAMING LICENSE.

(3) THE NAME AND BUSINESS ADDRESS, JOB TITLE AND A PHOTOGRAPH OF EACH PRINCIPAL AND KEY EMPLOYEE OF THE SLOT MACHINE LICENSEE WHO WILL BE INVOLVED IN THE CONDUCT OF INTERACTIVE GAMING, WHETHER OR NOT THE PRINCIPAL OR KEY EMPLOYEE IS CURRENTLY LICENSED BY THE BOARD, IF KNOWN.

(4) THE NAME AND BUSINESS ADDRESS, JOB TITLE AND A PHOTOGRAPH OF EACH PRINCIPAL AND KEY EMPLOYEE OF THE INTERACTIVE GAMING OPERATOR, IF ANY, WHO WILL CONDUCT INTERACTIVE GAMING OR AN INTERACTIVE GAMING SYSTEM ON BEHALF OF THE SLOT MACHINE LICENSEE, WHETHER OR NOT THE PRINCIPAL OR KEY EMPLOYEE IS CURRENTLY LICENSED BY THE BOARD, IF KNOWN.

(4.1) A STATEMENT IDENTIFYING WHICH CATEGORIES OF INTERACTIVE GAMES THE SLOT MACHINE LICENSEE INTENDS TO OFFER:

(I) PEER-TO-PEER INTERACTIVE GAMES;

(II) NON-PEER-TO-PEER INTERACTIVE GAMES WHICH SIMULATE SLOT MACHINES; OR

(III) NON-PEER-TO-PEER INTERACTIVE GAMES WHICH
SIMULATE TABLE GAMES.

(5) AN ITEMIZED LIST OF THE INTERACTIVE GAMES, INCLUDING IDENTIFYING WHAT CATEGORY EACH INTERACTIVE GAME FALLS UNDER, AND ANY OTHER GAME OR GAMES THE SLOT MACHINE LICENSEE PLANS TO OFFER THROUGH THE SLOT MACHINE LICENSEE'S INTERACTIVE GAMING WEBSITE FOR WHICH AUTHORIZATION IS BEING SOUGHT. THE SLOT MACHINE LICENSEE SHALL, IN ACCORDANCE WITH REGULATIONS PROMULGATED BY THE BOARD, FILE WITH THE BOARD ANY CHANGES IN THE NUMBER OF AUTHORIZED INTERACTIVE GAMES OFFERED THROUGH INTERACTIVE GAMING.

(6) THE ESTIMATED NUMBER OF FULL-TIME AND PART-TIME EMPLOYMENT POSITIONS THAT WILL BE CREATED AT THE SLOT MACHINE LICENSEE'S LICENSED FACILITY OR AT ANY INTERACTIVE GAMING RESTRICTED AREA IF AN INTERACTIVE GAMING CERTIFICATE IS ISSUED AND AN UPDATED HIRING PLAN UNDER SECTION 1510(A) (RELATING TO LABOR HIRING PREFERENCES) WHICH OUTLINES THE SLOT MACHINE LICENSEE'S PLAN TO PROMOTE THE REPRESENTATION OF DIVERSE GROUPS AND COMMONWEALTH RESIDENTS IN THE EMPLOYMENT POSITIONS.

(7) A BRIEF DESCRIPTION OF THE ECONOMIC BENEFITS EXPECTED TO BE REALIZED BY THE COMMONWEALTH IF AN INTERACTIVE GAMING CERTIFICATE IS ISSUED.

(8) THE DETAILS OF ANY FINANCING OBTAINED OR THAT WILL BE OBTAINED TO FUND AN EXPANSION OR MODIFICATION OF THE SLOT MACHINE LICENSEE'S LICENSED FACILITY TO ACCOMMODATE INTERACTIVE GAMING AND TO OTHERWISE FUND THE COST OF COMMENCING INTERACTIVE GAMING.

(9) INFORMATION AND DOCUMENTATION CONCERNING FINANCIAL BACKGROUND AND RESOURCES, AS THE BOARD MAY REQUIRE, TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE FINANCIAL
STABILITY, INTEGRITY AND RESPONSIBILITY OF THE SLOT MACHINE LICENSEE, AND INFORMATION OR DOCUMENTATION CONCERNING ANY PERSON THAT WILL OPERATE INTERACTIVE GAMING OR AN INTERACTIVE GAMING SYSTEM ON BEHALF OF THE SLOT MACHINE LICENSEE AS AN INTERACTIVE GAMING OPERATOR, AS THE BOARD MAY REQUIRE. THE INTERACTIVE GAMING AGREEMENT WITH SUCH PERSON SHALL BE SUBJECT TO THE REVIEW AND APPROVAL OF THE BOARD.

(10) INFORMATION AND DOCUMENTATION, AS THE BOARD MAY REQUIRE, TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THAT THE SLOT MACHINE LICENSEE HAS SUFFICIENT BUSINESS ABILITY AND EXPERIENCE TO CONDUCT A SUCCESSFUL INTERACTIVE GAMING OPERATION. IN MAKING THIS DETERMINATION, THE BOARD MAY CONSIDER THE RESULTS OF THE SLOT MACHINE LICENSEE'S SLOT MACHINE AND TABLE GAME OPERATIONS, INCLUDING FINANCIAL INFORMATION, EMPLOYMENT DATA AND CAPITAL INVESTMENT.

(11) INFORMATION AND DOCUMENTATION, AS THE BOARD MAY REQUIRE, TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THAT THE SLOT MACHINE LICENSEE HAS OR WILL HAVE THE FINANCIAL ABILITY TO PAY THE INTERACTIVE GAMING AUTHORIZATION FEE.

(12) DETAILED SITE PLANS IDENTIFYING THE PROPOSED INTERACTIVE GAMING RESTRICTED AREA WHERE INTERACTIVE GAMING OPERATIONS WILL BE MANAGED, ADMINISTERED OR CONTROLLED AS APPROVED BY THE BOARD.

(13) A DETAILED DESCRIPTION OF ALL OF THE FOLLOWING:

(I) THE SLOT MACHINE LICENSEE'S INITIAL SYSTEM OF INTERNAL AND ACCOUNTING CONTROLS APPLICABLE TO INTERACTIVE GAMING.

(II) THE SLOT MACHINE LICENSEE'S PROPOSED STANDARDS TO PROTECT, WITH A REASONABLE DEGREE OF CERTAINTY, THE PRIVACY AND SECURITY OF ITS REGISTERED PLAYERS.
(III) HOW THE SLOT MACHINE LICENSEE WILL FACILITATE COMPLIANCE WITH ALL OF THE REQUIREMENTS SET FORTH IN THIS CHAPTER AND IN SECTION 802(A) OF THE UNLAWFUL INTERNET GAMBLING ENFORCEMENT ACT OF 2006 (PUBLIC LAW 109-347, 31 U.S.C. § 5362(10)(B)), INCLUDING, BUT NOT LIMITED TO, ALL OF THE FOLLOWING:

(A) AGE, IDENTITY AND LOCATION VERIFICATION REQUIREMENTS.

(B) APPROPRIATE DATA SECURITY STANDARDS TO PREVENT UNAUTHORIZED ACCESS BY ANY PERSON WHOSE AGE, IDENTITY OR LOCATION HAVE NOT BEEN VERIFIED OR CANNOT BE VERIFIED IN ACCORDANCE WITH THIS CHAPTER AND APPLICABLE REGULATIONS OF THE BOARD.

(C) EXCEPT AS PROVIDED IN SUBCHAPTER G (RELATING TO MISCELLANEOUS PROVISIONS), THE REQUIREMENT THAT ALL WAGERS MADE IN THE CONDUCT OF INTERACTIVE GAMING BE INITIATED AND RECEIVED OR OTHERWISE MADE EXCLUSIVELY WITHIN THIS COMMONWEALTH.

(IV) THE SLOT MACHINE LICENSEE'S PROPOSED AGE, IDENTITY AND LOCATION VERIFICATION STANDARDS DESIGNED TO BLOCK ACCESS TO PERSONS UNDER 21 YEARS OF AGE AND OTHER PERSONS EXCLUDED OR PROHIBITED FROM PARTICIPATING IN INTERACTIVE GAMING UNDER THIS CHAPTER.

(V) THE PROCEDURES THE SLOT MACHINE LICENSEE WILL USE TO REGISTER INDIVIDUALS AS REGISTERED PLAYERS.

(VI) THE PROCEDURES THE SLOT MACHINE LICENSEE WILL USE TO ESTABLISH INTERACTIVE GAMING ACCOUNTS FOR REGISTERED PLAYERS.

(VII) THE INTERACTIVE GAMES AND SERVICES THE SLOT MACHINE LICENSEE PROPOSES TO OFFER TO REGISTERED PLAYERS.
(VIII) DOCUMENTATION AND INFORMATION RELATING TO
KNOWN PROPOSED CONTRACTORS OF THE SLOT MACHINE LICENSEE
AND SUBCONTRACTORS OF THE CONTRACTORS.

(14) THE INTERACTIVE GAMING DEVICES AND ASSOCIATED
EQUIPMENT AND INTERACTIVE GAMING SYSTEM OR SYSTEMS, THAT THE
SLOT MACHINE LICENSEE PLANS TO OR WILL UTILIZE TO MANAGE,
ADMINISTER OR CONTROL ITS INTERACTIVE GAMING OPERATIONS.

(15) COMPLIANCE CERTIFICATION OF THE SLOT MACHINE
LICENSEE'S PROPOSED INTERACTIVE GAMING DEVICES AND ASSOCIATED
EQUIPMENT, INCLUDING INTERACTIVE GAMING SOFTWARE AND
HARDWARE, BY A BOARD-APPROVED GAMING LABORATORY TO ENSURE
THAT THE GAMING SOFTWARE AND HARDWARE COMPLY WITH THE
REQUIREMENTS OF THIS CHAPTER AND REGULATIONS OF THE BOARD.

(16) DETAILED DESCRIPTION OF ACCOUNTING SYSTEMS,
INCLUDING, BUT NOT LIMITED TO, ACCOUNTING SYSTEMS FOR ALL OF
THE FOLLOWING:

(I) INTERACTIVE GAMING ACCOUNTS.

(II) PER-HAND CHARGES, IF APPLICABLE.

(III) TRANSPARENCY AND REPORTING TO THE BOARD AND
THE DEPARTMENT.

(IV) DISTRIBUTION OF REVENUE TO THE COMMONWEALTH AND
WINNINGS TO REGISTERED PLAYERS.

(V) ONGOING AUDITING AND INTERNAL CONTROL COMPLIANCE
REVIEWS.

(17) DETAILED INFORMATION ON SECURITY SYSTEMS TO PROTECT
THE INTERACTIVE GAMING SKINS OR INTERACTIVE GAMING WEBSITE
FROM INTERNAL AND EXTERNAL BREACHES AND THREATS.

(18) ANY OTHER INFORMATION THE BOARD MAY REQUIRE.

(C) CONFIDENTIALITY.--INFORMATION SUBMITTED TO THE BOARD
UNDER SUBSECTION (B) MAY BE CONSIDERED CONFIDENTIAL BY THE BOARD
§ 13B13. ISSUANCE OF INTERACTIVE GAMING CERTIFICATE.

(A) REQUIREMENTS FOR APPROVAL OF PETITION.--

(1) THE BOARD MAY APPROVE A PETITION UNDER SECTION 13B12 (RELATING TO INTERACTIVE GAMING CERTIFICATE REQUIRED AND CONTENT OF PETITION) UPON FINDING CLEAR AND CONVINCING EVIDENCE OF ALL OF THE FOLLOWING:

(I) THE SLOT MACHINE LICENSEE'S PROPOSED CONDUCT OF INTERACTIVE GAMING COMPLIES IN ALL RESPECTS WITH THE REQUIREMENTS OF THIS CHAPTER AND REGULATIONS PROMULGATED BY THE BOARD.

(II) AGE, IDENTITY AND LOCATION VERIFICATION REQUIREMENTS DESIGNED TO BLOCK ACCESS TO INDIVIDUALS UNDER 21 YEARS OF AGE AND PERSONS OTHERWISE EXCLUDED OR PROHIBITED FROM ENGAGING IN INTERACTIVE GAMING IN ACCORDANCE WITH THIS CHAPTER, AS APPROVED BY THE BOARD, HAVE BEEN IMPLEMENTED BY THE SLOT MACHINE LICENSEE.

(III) THE SLOT MACHINE LICENSEE HAS IMPLEMENTED OR WILL IMPLEMENT APPROPRIATE DATA SECURITY STANDARDS TO PREVENT UNAUTHORIZED ACCESS BY ANY PERSON WHOSE AGE, IDENTITY AND LOCATION HAS NOT BEEN VERIFIED OR CANNOT BE VERIFIED IN ACCORDANCE WITH THE REGULATIONS PROMULGATED BY THE BOARD.

(IV) THE SLOT MACHINE LICENSEE HAS IMPLEMENTED OR WILL IMPLEMENT APPROPRIATE STANDARDS TO PROTECT THE PRIVACY AND SECURITY OF REGISTERED PLAYERS WITH A REASONABLE DEGREE OF CERTAINTY.

(V) THE SLOT MACHINE LICENSEE'S INITIAL SYSTEM OF INTERNAL AND ACCOUNTING CONTROLS APPLICABLE TO
INTERACTIVE GAMING, AND THE SECURITY AND INTEGRITY OF ALL
FINANCIAL TRANSACTIONS IN CONNECTION WITH THE SYSTEM,
COMPLIES WITH THIS CHAPTER AND REGULATIONS PROMULGATED BY
THE BOARD.

(VI) THE SLOT MACHINE LICENSEE IS IN GOOD STANDING
WITH THE BOARD.

(VII) THE SLOT MACHINE LICENSEE AGREES THAT THE
NUMBER OF SLOT MACHINES AND TABLE GAMES IN OPERATION AT
ITS LICENSED FACILITY, AS OF THE EFFECTIVE DATE OF THIS
SECTION, WILL NOT BE REDUCED AS A RESULT OF INTERACTIVE
GAMING.

(2) IT SHALL BE AN EXPRESS CONDITION OF THE ISSUANCE AND
CONTINUED VALIDITY OF AN INTERACTIVE GAMING CERTIFICATE THAT
A SLOT MACHINE LICENSEE SHALL COLLECT, REPORT AND PAY ALL
APPLICABLE TAXES AND FEES AND SHALL MAINTAIN ALL BOOKS,
RECORDS AND DOCUMENTS PERTAINING TO THE SLOT MACHINE
LICENSEE'S INTERACTIVE GAMING OPERATIONS IN A MANNER AND
LOCATION WITHIN THIS COMMONWEALTH AS APPROVED BY THE BOARD.
ALL BOOKS, RECORDS AND DOCUMENTS SHALL BE IMMEDIATELY
AVAILABLE FOR INSPECTION BY THE BOARD AND THE DEPARTMENT
DURING ALL HOURS OF OPERATION IN ACCORDANCE WITH THE
REGULATIONS OF THE BOARD AND SHALL BE MAINTAINED IN A MANNER
AND DURING PERIODS OF TIME AS THE BOARD SHALL REQUIRE.

(B) ISSUANCE OF INTERACTIVE GAMING CERTIFICATE.--

(1) UPON APPROVAL OF A PETITION FOR AN INTERACTIVE
GAMING CERTIFICATE, THE BOARD SHALL ISSUE AN INTERACTIVE
GAMING CERTIFICATE TO THE SLOT MACHINE LICENSEE. THE ISSUANCE
OF AN INTERACTIVE GAMING CERTIFICATE PRIOR TO THE FULL
PAYMENT OF THE AUTHORIZATION FEE REQUIRED UNDER SECTION 13B51
(RELATING TO INTERACTIVE GAMING AUTHORIZATION FEE) SHALL NOT
RELIEVE THE SLOT MACHINE LICENSEE FROM THE OBLIGATION TO PAY
THE AUTHORIZATION FEE IN ACCORDANCE WITH THE REQUIREMENTS OF
SECTION 13B51.

(2) UPON ISSUING AN INTERACTIVE GAMING CERTIFICATE, THE
BOARD SHALL AMEND THE SLOT MACHINE LICENSEE'S STATEMENT OF
CONDITIONS TO INCLUDE CONDITIONS PERTAINING TO THE
REQUIREMENTS OF THIS CHAPTER.

(C) TERM OF INTERACTIVE GAMING CERTIFICATE.--SUBJECT TO THE
POWER OF THE BOARD TO DENY, REVOKE OR SUSPEND AN INTERACTIVE
GAMING CERTIFICATE, AN INTERACTIVE GAMING CERTIFICATE SHALL BE
VALID FOR FIVE YEARS FROM THE DATE OF ISSUANCE AND MAY BE
RENEWED IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 1326
(RELATING TO RENEWALS).

(D) SANCTIONS.--AN INTERACTIVE GAMING CERTIFICATE HOLDER
THAT FAILS TO ABIDE BY THE REQUIREMENTS OF THIS CHAPTER OR
REGULATIONS OF THE BOARD OR ANY CONDITION CONTAINED IN THE
INTERACTIVE GAMING CERTIFICATE HOLDER'S STATEMENT OF CONDITIONS
GOVERNING THE OPERATION OF INTERACTIVE GAMING SHALL BE SUBJECT
TO BOARD-IMPOSED ADMINISTRATIVE SANCTIONS OR OTHER PENALTIES
AUTHORIZED UNDER THIS PART.

(E) BACKGROUND INVESTIGATIONS.--EACH PETITION FOR AN
INTERACTIVE GAMING CERTIFICATE SHALL BE ACCOMPANIED BY A
NONREFUNDABLE FEE ESTABLISHED BY THE BOARD TO COVER THE COST OF
BACKGROUND INVESTIGATIONS. THE BOARD SHALL DETERMINE BY
REGULATION THE PERSONS WHO SHALL BE SUBJECT TO BACKGROUND
INVESTIGATION. ANY ADDITIONAL COSTS AND EXPENSES INCURRED IN ANY
BACKGROUND INVESTIGATION OR OTHER INVESTIGATION OR PROCEEDING
UNDER THIS CHAPTER SHALL BE REIMBURSED TO THE BOARD BY THE
PETITIONER.
(A) LICENSE REQUIRED.--No person shall serve or attempt to serve as an interactive gaming operator without first obtaining an interactive gaming license from the board. A person may seek approval to serve as an interactive gaming operator by filing an application with the board. The board shall prescribe the form of the application and the manner in which it shall be filed.

The board shall:

(1) Determine suitability of the person filing an application under this section. The board shall determine suitability in accordance with the same requirements of this part applicable to the determination of suitability of the issuance of an interactive gaming certificate to a slot machine licensee. Notwithstanding the provisions of this paragraph, the board may consider a holder of a valid license, permit, registration, certificate or other authorization approved and issued under this part, which is in good standing, as suitable under this section without additional investigation. The consideration shall not relieve the applicant for an interactive gaming license from payment of all fees imposed under this chapter.

(2) Provide for the approval of the terms and conditions of all agreements entered into by or between an interactive gaming certificate holder and a person applying for an interactive gaming license.

(B) CLASSIFICATION AND APPROVAL OF EMPLOYEES.--

(1) The board shall establish a classification system for employees of interactive gaming operators or other persons who provide products or services associated with or related to interactive gaming, interactive gaming platforms and interactive gaming systems.
THE BOARD SHALL PROVIDE FOR THE LICENSURE,
PERMITTING, REGISTRATION OR CERTIFICATION, AS IT DEEMS
APPROPRIATE, OF EMPLOYEES IN EACH EMPLOYEE CLASSIFICATION
ESTABLISHED BY IT IN ACCORDANCE WITH PARAGRAPH (1).

(C) APPLICABILITY OF CERTAIN PROVISIONS.--INTERACTIVE GAMING
OPERATORS SHALL BE SUBJECT TO THE APPLICABLE PROVISIONS OF THIS
PART THAT APPLY TO INTERACTIVE GAMING CERTIFICATE HOLDERS, AS
DETERMINED BY THE BOARD, INCLUDING THE PROVISIONS OF SECTION
13B13(D) (RELATING TO ISSUANCE OF INTERACTIVE GAMING
CERTIFICATE).

(D) TERM OF INTERACTIVE GAMING LICENSE.--SUBJECT TO THE
POWER OF THE BOARD TO DENY, REVOKE OR SUSPEND AN INTERACTIVE
GAMING LICENSE, AN INTERACTIVE GAMING LICENSE SHALL BE VALID FOR
FIVE YEARS FROM THE DATE OF ISSUANCE AND MAY BE RENEWED IN
ACCORDANCE WITH THE REQUIREMENTS OF SECTION 1326 (RELATING TO
RENEWALS).

(E) INTERACTIVE GAMING LICENSE AND CONDITIONAL
AUTHORIZATION.--

(1) THE FOLLOWING SHALL APPLY:

(I) DURING THE FIRST 18 MONTHS AFTER THE EFFECTIVE
DATE OF THIS SECTION, THE BOARD MAY ISSUE CONDITIONAL
AUTHORIZATION TO A PERSON APPLYING FOR AN INTERACTIVE
GAMING LICENSE.

(II) CONDITIONAL AUTHORIZATION ISSUED UNDER THIS
SUBSECTION SHALL REMAIN IN EFFECT UNTIL THE EARLIER OF
THE DATE OCCURRING 12 MONTHS AFTER THE ISSUANCE OF THE
AUTHORIZATION OR THE DATE UPON WHICH THE BOARD MAKES A
FINAL DETERMINATION ON THE PERSON'S APPLICATION.

(III) THE EFFECTIVENESS OF A CONDITIONAL
AUTHORIZATION MAY BE EXTENDED BY THE BOARD NOT MORE THAN
ONCE, UPON A SHOWING OF GOOD CAUSE.

(IV) CONDITIONAL AUTHORIZATION SHALL ALLOW AN APPLICANT FOR AN INTERACTIVE GAMING LICENSE TO ENGAGE IN ALL OF THE FUNCTIONS OF A LICENSED INTERACTIVE GAMING OPERATOR FOR THE DURATION OF THE CONDITIONAL AUTHORIZATION.

(2) A CONDITIONAL AUTHORIZATION MAY NOT BE ISSUED UNLESS:

(I) THE APPLICANT HAS SUBMITTED A COMPLETE APPLICATION FOR AN INTERACTIVE GAMING LICENSE TO THE BOARD.

(II) THE APPLICANT AGREES TO PAY OR HAS PAID THE FEE PRESCRIBED IN SECTION 13B51 (RELATING TO INTERACTIVE GAMING AUTHORIZATION FEE) PRIOR TO THE ISSUANCE OF CONDITIONAL AUTHORIZATION.

(III) THE BUREAU HAS NO OBJECTION TO THE ISSUANCE OF A CONDITIONAL AUTHORIZATION TO THE APPLICANT.

(3) WITHIN 45 DAYS OF THE DATE THAT THE BUREAU RECEIVES THE COMPLETED APPLICATION FOR AN INTERACTIVE GAMING LICENSE FROM AN APPLICANT FOR INVESTIGATION, THE BUREAU SHALL CONDUCT A PRELIMINARY INVESTIGATION OF THE APPLICANT AND ANY EMPLOYEE OF THE APPLICANT DETERMINED BY THE BOARD TO BE INCLUDED IN THE INVESTIGATION, WHICH SHALL INCLUDE A CRIMINAL BACKGROUND INVESTIGATION.

(4) IF THE BUREAU'S PRELIMINARY INVESTIGATION DISCLOSES NO ADVERSE INFORMATION THAT WOULD IMPACT SUITABILITY FOR LICENSURE, THE BUREAU SHALL PROVIDE THE BOARD WITH A STATEMENT OF NO OBJECTION TO THE ISSUANCE OF CONDITIONAL AUTHORIZATION TO THE APPLICANT.

(5) IF THE BUREAU'S PRELIMINARY INVESTIGATION DISCLOSES
ADVERSE INFORMATION THAT WOULD IMPACT SUITABILITY FOR
LICENSURE, IT SHALL REGISTER AN OBJECTION, AND A CONDITIONAL
AUTHORIZATION MAY NOT BE ISSUED UNTIL THE BUREAU'S CONCERNS
ARE RESOLVED.

(6) A CONDITIONAL AUTHORIZATION APPROVED AND ISSUED TO
AN APPLICANT FOR AN INTERACTIVE GAMING LICENSE UNDER THIS
SUBSECTION MAY BE SUSPENDED OR WITHDRAWN BY THE BOARD UPON A
SHOWING OF GOOD CAUSE BY THE BUREAU.

§ 13B15. INTERACTIVE GAMING CERTIFICATE AND INTERACTIVE GAMING
LICENSE.

THE FOLLOWING SHALL APPLY:

(1) AN INTERACTIVE GAMING CERTIFICATE AND AN INTERACTIVE
GAMING LICENSE ISSUED TO AN INTERACTIVE GAMING OPERATOR
CONDUCTING INTERACTIVE GAMING OR AN INTERACTIVE GAMING SYSTEM
ON BEHALF OF THE INTERACTIVE GAMING CERTIFICATE HOLDER SHALL
BE VALID UNLESS NOT RENEWED IN ACCORDANCE WITH THE PROVISIONS
OF THIS CHAPTER OR:

(1) THE CERTIFICATE OR LICENSE IS SUSPENDED OR
REVOKED BY THE BOARD AS PERMITTED BY THIS PART AND
REGULATIONS OF THE BOARD.

(II) THE INTERACTIVE GAMING CERTIFICATE HOLDER'S
SLOT MACHINE LICENSE IS SUSPENDED, REVOKED OR NOT RENEWED
BY THE BOARD AS PERMITTED BY THIS PART AND REGULATIONS OF
THE BOARD.

(III) THE INTERACTIVE GAMING CERTIFICATE HOLDER SLOT
MACHINE LICENSEE RELINQUISHES OR DOES NOT SEEK RENEWAL OF
ITS SLOT MACHINE LICENSE.

(IV) THE INTERACTIVE GAMING CERTIFICATE HOLDER DOES
NOT SEEK RENEWAL OF ITS INTERACTIVE GAMING CERTIFICATE.

(2) THE INTERACTIVE GAMING CERTIFICATE MAY INCLUDE AN
INITIAL ITEMIZED LIST BY NUMBER AND TYPE OF AUTHORIZED INTERACTIVE GAMES TO BE CONDUCTED BY THE INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE GAMING OPERATOR. THE INTERACTIVE GAMING CERTIFICATE HOLDER MAY INCREASE OR DECREASE THE NUMBER OF INTERACTIVE GAMES AUTHORIZED FOR PLAY ON ITS INTERACTIVE GAMING SKIN OR INTERACTIVE GAMING WEBSITE OR CHANGE THE TYPE OF AUTHORIZED INTERACTIVE GAMES PLAYED ON ITS INTERACTIVE GAMING SKIN OR INTERACTIVE GAMING WEBSITE CONSISTENT WITH THE TYPES OF INTERACTIVE GAMES AUTHORIZED BY THE INTERACTIVE GAMING CERTIFICATE ISSUED BY THE BOARD, UPON NOTICE, IF REQUIRED BY THE BOARD, TO THE BOARD AND APPROVAL BY THE BOARD OR A DESIGNATED EMPLOYEE OF THE BOARD. UNLESS APPROVED BY THE BOARD OR A DESIGNATED EMPLOYEE OF THE BOARD, THE TOTAL NUMBER AND TYPE OF AUTHORIZED INTERACTIVE GAMES OFFERED FOR PLAY BY AN INTERACTIVE GAMING CERTIFICATE HOLDER MAY NOT DIFFER FROM THE NUMBER AND TYPE APPROVED BY THE BOARD AND AUTHORIZED IN THE INTERACTIVE GAMING CERTIFICATE.

(3) A SLOT MACHINE LICENSEE SHALL BE REQUIRED TO UPDATE THE INFORMATION IN ITS PETITION FOR AN INTERACTIVE GAMING CERTIFICATE AT TIMES AND IN THE FORM AND MANNER PRESCRIBED BY THE BOARD.

(4) A VALID INTERACTIVE GAMING CERTIFICATE OR INTERACTIVE GAMING LICENSE MAY BE RENEWED IN ACCORDANCE WITH THE PROCEDURES SET FORTH IN SECTION 1326 (RELATING TO RENEWALS) AND UPON THE PAYMENT OF THE APPLICABLE RENEWAL FEE REQUIRED BY SECTION 13B51(C) (RELATING TO INTERACTIVE GAMING AUTHORIZATION FEE).

§ 13B16. TIMING OF INITIAL INTERACTIVE GAMING AUTHORIZATIONS.

THE BOARD SHALL PRESCRIBE THE DATE ON WHICH INITIAL PETITIONS FOR AN INTERACTIVE GAMING CERTIFICATE AND APPLICATIONS FOR AN
INTERACTIVE GAMING LICENSE MUST BE FILED WITH THE BOARD AND
SHALL APPROVE OR DENY A PETITION OR APPLICATION WITHIN 90 DAYS
FOLLOWING RECEIPT.

SUBCHAPTER B.1
MULTI-USE COMPUTING DEVICES

SEC.

13B20. AUTHORIZATION.

13B20.1. (RESERVED).

13B20.2. (RESERVED).

13B20.3. FEE.

13B20.4. MULTI-USE GAMING DEVICE TAX.

13B20.5. MULTI-USE GAMING DEVICE LOCAL SHARE ASSESSMENT.

13B20.6. REGULATIONS.

13B20.7. CONSTRUCTION.

§ 13B20. AUTHORIZATION.

(A) AUTHORITY.--THE BOARD MAY AUTHORIZE AN INTERACTIVE
GAMING CERTIFICATE HOLDER TO PROVIDE FOR THE CONDUCT OF
INTERACTIVE GAMING, EITHER DIRECTLY OR THROUGH AN INTERACTIVE
GAMING OPERATOR UNDER AN INTERACTIVE GAMING AGREEMENT, AT A
QUALIFIED AIRPORT THROUGH THE USE OF MULTI-USE COMPUTING DEVICES
BY ELIGIBLE PASSENGERS IN ACCORDANCE WITH THIS SUBCHAPTER AND
THE REGULATIONS OF THE BOARD. THE FOLLOWING SHALL APPLY:

(1) IF THE INTERACTIVE GAMING CERTIFICATE HOLDER INTENDS
TO OPERATE INTERACTIVE GAMING UNDER AN INTERACTIVE GAMING
AGREEMENT, THE INTERACTIVE GAMING OPERATOR THAT IS A PARTY TO
THE INTERACTIVE GAMING AGREEMENT SHALL HAVE BEEN ISSUED AN
INTERACTIVE GAMING LICENSE OR WILL BE ISSUED AN INTERACTIVE
GAMING LICENSE PRIOR TO THE COMMENCEMENT OF OPERATIONS UNDER
THE INTERACTIVE GAMING AGREEMENT. THE INTERACTIVE GAMING
AGREEMENT SHALL BE SUBJECT TO THE REVIEW AND APPROVAL OF THE
(2) AS FOLLOWS:

(I) THE INTERACTIVE GAMING CERTIFICATE HOLDER OR THE
INTERACTIVE GAMING OPERATOR, AS APPROPRIATE, SHALL ENTER
INTO A WRITTEN AGREEMENT FOR THE CONDUCT OF INTERACTIVE
GAMING THROUGH THE USE OF MULTI-USE COMPUTING DEVICES
WITHIN THE AIRPORT GAMING AREA AS FOLLOWS:

(A) FOR THE CONDUCT OF INTERACTIVE GAMING AT A
QUALIFIED AIRPORT WHICH IS LOCATED PARTIALLY IN A
COUNTY OF THE FIRST CLASS AND PARTIALLY IN A COUNTY
CONTIGUOUS TO A COUNTY OF THE FIRST CLASS, THE
WRITTEN AGREEMENT SHALL BE WITH EITHER THE AIRPORT
AUTHORITY OR ITS DESIGNEE OR A CONCESSION OPERATOR,
EXCEPT THAT, IF THE WRITTEN AGREEMENT IS WITH A
CONCESSION OPERATOR, THE AIRPORT AUTHORITY OR ITS
DESIGNEE MUST HAVE APPROVED OR CONSENTED TO LAWFUL
GAMING WITHIN THE AIRPORT GAMING AREA THROUGH THE
CONCESSION OPERATOR'S CONCESSION CONTRACT AND THE
AIRPORT AUTHORITY MUST HAVE RECEIVED A COPY OF THE
WRITTEN AGREEMENT WITH THE CERTIFICATE HOLDER OR THE
INTERACTIVE GAMING OPERATOR.

(B) FOR THE CONDUCT OF INTERACTIVE GAMING AT A
QUALIFIED AIRPORT WHICH IS NOT LOCATED PARTIALLY
WITHIN A COUNTY OF THE FIRST CLASS AND PARTIALLY IN A
COUNTY CONTIGUOUS TO A COUNTY OF THE FIRST CLASS, THE
WRITTEN AGREEMENT SHALL BE WITH THE AIRPORT AUTHORITY
OR ITS DESIGNEE.

(II) THE WRITTEN AGREEMENT SHALL BE SUBJECT TO THE
REVIEW AND APPROVAL OF THE BOARD.

(3) NOTWITHSTANDING ANY PROVISION TO THE CONTRARY
CONTAINED IN THIS PART OR REGULATION OF THE BOARD, AN
ELIGIBLE PASSENGER DOES NOT NEED TO BE A REGISTERED PLAYER AS
PROVIDED FOR IN SECTION 13B22 (RELATING TO ESTABLISHMENT OF
INTERACTIVE GAMING ACCOUNTS).

(B) PETITION.--AN INTERACTIVE GAMING CERTIFICATE HOLDER
DESIRING TO PROVIDE INTERACTIVE GAMING AT A QUALIFIED AIRPORT
UNDER SUBSECTION (A) SHALL SUBMIT A PETITION FOR APPROVAL TO THE
BOARD. THE PETITION SHALL BE IN THE FORM AND SUBMITTED IN THE
MANNER PRESCRIBED BY THE BOARD.

(C) REQUIREMENTS.--THE PETITION FILED UNDER SUBSECTION (B)
SHALL INCLUDE THE FOLLOWING:

(1) THE NAME, BUSINESS ADDRESS AND CONTACT INFORMATION
OF THE INTERACTIVE GAMING CERTIFICATE HOLDER AND THE NAME,
BUSINESS ADDRESS AND CONTACT INFORMATION OF THE INTERACTIVE
GAMING OPERATOR, IF APPLICABLE.

(2) THE NAME AND BUSINESS ADDRESS, JOB TITLE AND A
PHOTOGRAPH OF EACH PRINCIPAL AND KEY EMPLOYEE, IF KNOWN, OF
THE INTERACTIVE GAMING CERTIFICATE HOLDER AND THE INTERACTIVE
GAMING OPERATOR, IF APPLICABLE, WHO WILL BE DIRECTLY INVOLVED
IN THE CONDUCT OF THE AUTHORIZED INTERACTIVE GAMES AT THE
QUALIFIED AIRPORT AND WHO ARE NOT CURRENTLY LICENSED BY THE
BOARD.

(3) THE NAME AND JOB TITLE OF THE PERSON OR PERSONS WHO
WILL BE RESPONSIBLE FOR ENSURING THE OPERATION AND INTEGRITY
OF THE CONDUCT OF INTERACTIVE GAMING AT THE QUALIFIED AIRPORT
AND FOR REVIEWING REPORTS OF SUSPICIOUS TRANSACTIONS.

(4) A COPY OF THE INTERACTIVE GAMING AGREEMENT, IF
APPLICABLE.

(5) THE LOCATION OF THE QUALIFIED AIRPORT TOGETHER WITH
DETAILED SITE PLANS INDICATING THE LOCATION OF THE PROPOSED

AIRPORT GAMING AREA.


(7) IF THE USE AND CONTROL OF THE QUALIFIED AIRPORT IS REGULATED BY A CITY OF THE FIRST CLASS, AN IDENTIFICATION OF THE MUNICIPAL AGENCY WITH PRIMARY OVERSIGHT IN THE CITY OF THE FIRST CLASS.

(8) COPIES OF THE AGREEMENTS REQUIRED UNDER SUBSECTION (A)(2).

(9) THE BRAND NAME OF THE MULTI-USE COMPUTING DEVICES THAT WILL BE PLACED IN OPERATION AT THE QUALIFIED AIRPORT AND ANY INFORMATION REQUIRED BY THE BOARD, IN ITS DISCRETION, REGARDING PERSONS THAT MANUFACTURE OR WILL SUPPLY THE MULTI-USE COMPUTING DEVICES AS IT DEEMS NECESSARY.

(10) THE INTERACTIVE GAMES THE INTERACTIVE GAMING CERTIFICATE HOLDER OR THE INTERACTIVE GAMING OPERATOR, AS APPLICABLE, INTENDS TO OFFER FOR PLAY AT THE QUALIFIED AIRPORT.

(11) INFORMATION, AS THE BOARD MAY REQUIRE, ON ANY COMPUTER APPLICATIONS, INCLUDING GAMING APPLICATIONS, THAT CAN BE ACCESSED ON THE MULTI-USE COMPUTING DEVICES TO BE PLACED INTO OPERATION AT THE QUALIFIED AIRPORT.

(12) INFORMATION AND DOCUMENTATION EVIDENCING THE FINANCIAL STABILITY, INTEGRITY AND RESPONSIBILITY OF THE INTERACTIVE GAMING CERTIFICATE HOLDER AND THE INTERACTIVE GAMING OPERATOR, IF APPLICABLE.

(13) THE AGREEMENT OF THE INTERACTIVE GAMING CERTIFICATE HOLDER TO PAY THE FEE REQUIRED BY SECTION 13B20.3 (RELATING...
TO FEE).

(14) ANY OTHER INFORMATION REQUIRED BY THE BOARD.

(D) CONFIDENTIALITY.--INFORMATION SUBMITTED TO THE BOARD
UNDER SUBSECTION (C) MAY BE CONSIDERED CONFIDENTIAL BY THE BOARD
IF THE INFORMATION WOULD BE CONFIDENTIAL UNDER SECTION 1206(F)
(RELATING TO BOARD MINUTES AND RECORDS).

(E) APPROVAL.--THE BOARD SHALL APPROVE THE PETITION
SUBMITTED UNDER SUBSECTION (B) UPON REVIEW AND APPROVAL OF THE
INFORMATION SUBMITTED UNDER SUBSECTION (C) AND A DETERMINATION
BY THE BOARD BY CLEAR AND CONVINCING EVIDENCE THAT:

(1) THE INTERACTIVE GAMING CERTIFICATE HOLDER AND THE
INTERACTIVE GAMING OPERATOR, IF APPLICABLE, HAVE PAID ALL
REQUIRED FEES AND TAXES PAYABLE UNDER PROVISIONS OF THIS PART
OTHER THAN THIS SUBCHAPTER TO THE DATE OF SUBMISSION OF THE
PETITION.

(2) THE INTERACTIVE GAMING CERTIFICATE HOLDER, OR THE
INTERACTIVE GAMING OPERATOR, AS THE CASE MAY BE, POSSESSES
THE NECESSARY FUNDS OR HAS SECURED ADEQUATE FINANCING TO
COMMENCE THE CONDUCT OF INTERACTIVE GAMING AT THE QUALIFIED
AIRPORT.

(3) THE PROPOSED INTERNAL AND EXTERNAL SECURITY AND
SURVEILLANCE MEASURES AT THE QUALIFIED AIRPORT AND WITHIN THE
AIRPORT GAMING AREA ARE ADEQUATE.

(4) INTERACTIVE GAMING AT THE QUALIFIED AIRPORT WILL BE
CONDUCTED AND OPERATED IN ACCORDANCE WITH THIS PART AND
REGULATIONS OF THE BOARD.

§ 13B20.1. (RESERVED).

§ 13B20.2. (RESERVED).

§ 13B20.3. FEE.

(A) REQUIRED FEE.--
AN INTERACTIVE GAMING CERTIFICATE HOLDER SHALL PAY A
ONE-TIME, NONREFUNDABLE FEE UPON THE AUTHORIZATION TO CONDUCT
INTERACTIVE GAMING AT A QUALIFIED AIRPORT THROUGH THE USE OF
MULTI-USE COMPUTING DEVICES IN ACCORDANCE WITH THIS
SUBCHAPTER.

THE AMOUNT OF THE FEE SHALL BE AS FOLLOWS:

(I) IF THE AIRPORT IS AN INTERNATIONAL AIRPORT
LOCATED PARTIALLY IN A COUNTY OF THE FIRST CLASS AND
PARTIALLY IN A COUNTY CONTIGUOUS TO A COUNTY OF THE FIRST
CLASS, THE AMOUNT OF THE FEE SHALL BE $2,500,000.

(II) IF THE AIRPORT IS AN INTERNATIONAL AIRPORT
LOCATED IN A COUNTY OF THE SECOND CLASS, THE AMOUNT OF
THE FEE SHALL BE $1,250,000.

(III) IF THE AIRPORT IS AN INTERNATIONAL AIRPORT
LOCATED IN A COUNTY OTHER THAN A COUNTY OF THE FIRST OR
SECOND CLASS, THE AMOUNT OF THE FEE SHALL BE $500,000.

(IV) IF THE AIRPORT IS A QUALIFIED AIRPORT THAT HAS
NOT BEEN DESIGNATED AN INTERNATIONAL AIRPORT, THE AMOUNT
OF THE FEE SHALL BE $125,000.

DEPOSIT OF FEES.--NOTWITHSTANDING SECTION 1208 (RELATING
TO COLLECTION OF FEES AND FINES), ALL FEES RECEIVED BY THE BOARD
UNDER THIS SUBCHAPTER SHALL BE DEPOSITED IN THE GENERAL FUND.

MULTI-USE GAMING DEVICE TAX.

(A) IMPOSITION.--

(1) EACH INTERACTIVE GAMING CERTIFICATE HOLDER
AUTHORIZED TO CONDUCT INTERACTIVE GAMING AT A QUALIFIED
AIRPORT IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBCHAPTER
SHALL REPORT TO THE DEPARTMENT AND PAY FROM ITS DAILY GROSS
INTERACTIVE AIRPORT GAMING REVENUE GENERATED FROM THE CONDUCT
OF INTERACTIVE GAMING THROUGH MULTI-USE COMPUTING DEVICES AT
THE QUALIFIED AIRPORT, ON A FORM AND IN THE MANNER PRESCRIBED
BY THE DEPARTMENT, A TAX EQUAL TO THE TAX IMPOSED UNDER
SECTION 13B52(A) (RELATING TO INTERACTIVE GAMING TAX) OF ITS
DAILY GROSS INTERACTIVE AIRPORT GAMING REVENUE GENERATED FROM
MULTI-USE COMPUTING DEVICES AT THE QUALIFIED AIRPORT.

(2) THE TAX IMPOSED UNDER PARAGRAPH (1) SHALL BE PAYABLE
TO THE DEPARTMENT ON A WEEKLY BASIS AND SHALL BE BASED UPON
THE GROSS INTERACTIVE AIRPORT GAMING REVENUE GENERATED FROM
MULTI-USE COMPUTING DEVICES AT THE QUALIFIED AIRPORT DERIVED
DURING THE PREVIOUS WEEK.

(3) ALL FUNDS OWED TO THE COMMONWEALTH UNDER THIS
SECTION SHALL BE HELD IN TRUST FOR THE COMMONWEALTH BY THE
INTERACTIVE GAMING CERTIFICATE HOLDER UNTIL THE FUNDS ARE
PAID TO THE DEPARTMENT. AN INTERACTIVE GAMING CERTIFICATE
HOLDER SHALL ESTABLISH A SEPARATE BANK ACCOUNT INTO WHICH
GROSS INTERACTIVE AIRPORT GAMING REVENUE FROM MULTI-USE
COMPUTING DEVICES AT A QUALIFIED AIRPORT SHALL BE DEPOSITED
AND MAINTAINED UNTIL SUCH TIME AS THE FUNDS ARE PAID TO THE
DEPARTMENT UNDER THIS SECTION.

(4) THE DEPARTMENT SHALL TRANSFER THE FUNDS COLLECTED
UNDER THIS SECTION TO THE GENERAL FUND.

(B) CREDIT AGAINST TAX IMPOSED.—A CREDIT AGAINST THE TAX
IMPOSED UNDER SUBSECTION (A) SHALL BE GRANTED IN AN AMOUNT
DETERMINED BY THE DEPARTMENT WITH RESPECT TO AN AMOUNT WHICH IS:

(1) PAID BY A CONCESSION OPERATOR OR AIRPORT AUTHORITY
ON THE DAILY GROSS INTERACTIVE GAMING REVENUE GENERATED FROM
THE CONDUCT OF INTERACTIVE GAMING THROUGH MULTI-USE COMPUTING
DEVICES AT THE QUALIFIED AIRPORT; AND

(2) REQUIRED TO REMAIN AT THE QUALIFIED AIRPORT PURSUANT
TO FEDERAL REQUIREMENTS RELATING TO FEDERAL AVIATION

(A) Required Payment.--In addition to the tax imposed under Section 13B20.4 (relating to multi-use gaming device tax), each interactive gaming certificate holder authorized to conduct interactive gaming at a qualified airport shall report to the department and pay, on a form and in a manner prescribed by the department, a local share assessment equal to the local share assessment imposed under Section 13B53 (relating to local share assessment) of the interactive gaming certificate holder's daily gross interactive airport gaming revenue from multi-use devices at the qualified airport. The funds shall be payable to the department on a weekly basis and shall be based upon the revenue generated during the previous week. The funds shall be paid into a restricted receipts account established by the department in the fund. All funds owed to the Commonwealth under this section shall be held in trust by the interactive gaming certificate holder until the funds are paid to the department. Funds in the account are hereby appropriated to the department on a continuing basis for the purposes set forth in this section.

(B) Distribution.--The department shall make quarterly distributions from the local share assessments imposed under subsection (A) as follows:

(1) Except as provided under paragraph (2), 50% shall be deposited into a restricted receipt account to be established in the Commonwealth financing authority to be used exclusively for grants in the public interest in a county hosting the qualified airport. If a qualified airport is located in more than one county, the grants shall be distributed equally to each county hosting the qualified...
AIRPORT.

(2) FOR AN INTERNATIONAL AIRPORT LOCATED PARTIALLY IN A COUNTY OF THE FIRST CLASS AND PARTIALLY IN A COUNTY CONTIGUOUS TO A COUNTY OF THE FIRST CLASS, 50% SHALL BE DISTRIBUTED AS FOLLOWS:

(I) FIFTY PERCENT TO A SCHOOL DISTRICT OF THE FIRST CLASS.

(II) FIFTY PERCENT SHALL BE DEPOSITED INTO A RESTRICTED RECEIPT ACCOUNT TO BE ESTABLISHED IN THE COMMONWEALTH FINANCING AUTHORITY TO BE USED EXCLUSIVELY FOR GRANTS IN THE PUBLIC INTEREST IN A COUNTY CONTIGUOUS TO A COUNTY OF THE FIRST CLASS AND IN WHICH AN INTERNATIONAL AIRPORT IS PARTIALLY LOCATED. (3) FIFTY PERCENT SHALL BE ADDED TO AND DISTRIBUTED WITH THE FUNDS DISTRIBUTED UNDER SECTION 13B53(B)(2).

§ 13B20.6. REGULATIONS.

THE BOARD SHALL PROMULGATE REGULATIONS RELATED TO THE OPERATION OF AUTHORIZED INTERACTIVE GAMES THROUGH THE USE OF MULTI-USE COMPUTING DEVICES AT QUALIFIED AIRPORTS, INCLUDING, BUT NOT LIMITED TO:

(1) PROCEDURES FOR THE CREATION OF TEMPORARY OR PROVISIONAL INTERACTIVE GAMING ACCOUNTS THAT TAKE INTO CONSIDERATION THE NATURE OF INTERACTIVE GAMING THROUGH MULTI-USE COMPUTING DEVICES AT QUALIFIED AIRPORTS.

(2) PROCEDURES TO GOVERN CREDITS, DEBITS, DEPOSITS AND PAYMENTS TO INTERACTIVE GAMING ACCOUNTS.

(3) IN CONSULTATION WITH THE DEPARTMENT, PROCEDURES TO GOVERN FINANCIAL TRANSACTIONS BETWEEN AN INTERACTIVE GAMING CERTIFICATE HOLDER, AN INTERACTIVE GAMING OPERATOR OR OTHER PERSONS THAT RELATES TO THE REPORTING OF GROSS INTERACTIVE
AIRPORT GAMING REVENUE GENERATED THROUGH THE USE OF MULTI-USE COMPUTING DEVICES AT QUALIFIED AIRPORTS.

§ 13B20.7. CONSTRUCTION.

NOTHING IN THIS SUBCHAPTER SHALL BE CONSTRUED TO:

(1) CREATE A SEPARATE LICENSE GOVERNING THE USE OF MULTI-USE COMPUTING DEVICES FOR THE CONDUCT OF INTERACTIVE GAMES AT QUALIFIED AIRPORTS BY INTERACTIVE GAMING CERTIFICATE HOLDERS WITHIN THIS COMMONWEALTH.

(2) LIMIT THE BOARD'S AUTHORITY TO DETERMINE THE SUITABILITY OF ANY PERSON WHO MAY BE DIRECTLY OR INDIRECTLY INVOLVED IN OR ASSOCIATED WITH THE OPERATION OF INTERACTIVE GAMING AT A QUALIFIED AIRPORT OR TO ENSURE THE INTEGRITY OF INTERACTIVE GAMING AND PROTECT THE PUBLIC INTEREST.

SUBCHAPTER C

CONDUCT OF INTERACTIVE GAMING

SEC.

13B21. SITUS OF INTERACTIVE GAMING OPERATIONS.

13B22. ESTABLISHMENT OF INTERACTIVE GAMING ACCOUNTS.

13B23. INTERACTIVE GAMING ACCOUNT CREDITS, DEBITS, DEPOSITS AND PAYMENTS.

13B24. ACCEPTANCE OF WAGERS.

13B25. DORMANT INTERACTIVE GAMING ACCOUNTS.

13B26. LOG-IN PROCEDURE REQUIRED.

13B27. INFORMATION PROVIDED AT LOGIN.

13B28. PROHIBITIONS.

13B29. COMMENCEMENT OF INTERACTIVE GAMING OPERATIONS.

§ 13B21. SITUS OF INTERACTIVE GAMING OPERATIONS.

EXCEPT AS PROVIDED IN SUBCHAPTER G (RELATING TO MISCELLANEOUS PROVISIONS), ALL WAGERS MADE THROUGH INTERACTIVE GAMING SHALL BE DEEMED TO BE INITIATED, RECEIVED OR OTHERWISE MADE WITHIN THE
GEOGRAPHIC BOUNDARIES OF THIS COMMONWEALTH. THE INTERMEDIATE ROUTING OF ELECTRONIC DATA ASSOCIATED OR IN CONNECTION WITH INTERACTIVE GAMING SHALL NOT DETERMINE THE LOCATION OR LOCATIONS IN WHICH A BET OR WAGER IS INITIATED, RECEIVED OR OTHERWISE MADE.

§ 13B22. ESTABLISHMENT OF INTERACTIVE GAMING ACCOUNTS.

(A) REGISTRATION RESTRICTIONS.--ONLY A REGISTERED PLAYER WHO HAS FIRST ESTABLISHED AN INTERACTIVE GAMING ACCOUNT SHALL BE PERMITTED TO PLAY AN AUTHORIZED INTERACTIVE GAME OR PLACE A WAGER ASSOCIATED WITH AN AUTHORIZED INTERACTIVE GAME. THE INTERACTIVE GAMING ACCOUNT SHALL BE IN THE NAME OF A REGISTERED PLAYER AND MAY NOT BE IN THE NAME OF ANY BENEFICIARY, CUSTODIAN, JOINT TRUST, CORPORATION, PARTNERSHIP OR OTHER ORGANIZATION OR ENTITY. AN ELIGIBLE PASSENGER IS NOT REQUIRED TO COMPLY WITH THIS SECTION IN ORDER TO PLAY OR PLACE A WAGER ASSOCIATED WITH AN INTERACTIVE GAME THROUGH THE USE OF A MULTI-USE COMPUTING DEVICE AT A QUALIFIED AIRPORT.

(B) ESTABLISHMENT OF INTERACTIVE GAMING ACCOUNTS.--

(1) AN INTERACTIVE GAMING ACCOUNT MAY BE ESTABLISHED IN PERSON, PROVIDED THAT THE BOARD SHALL, THROUGH REGULATIONS, PROVIDE PROCEDURES FOR THE ESTABLISHMENT OF INTERACTIVE GAMING ACCOUNTS OVER THE INTERNET THROUGH THE INTERACTIVE GAMING CERTIFICATE HOLDER'S INTERACTIVE GAMING SKIN OR INTERACTIVE GAMING WEBSITE. EACH INTERACTIVE GAMING ACCOUNT SHALL COMPLY WITH THE INTERNAL CONTROLS OF THE INTERACTIVE GAMING CERTIFICATE HOLDER THAT, AT A MINIMUM, REQUIRE THE FOLLOWING:

(I) THE FILING AND EXECUTION OF AN INTERACTIVE GAMING ACCOUNT APPLICATION, THE FORM OF WHICH HAS BEEN PREAPPROVED BY THE BOARD.
(II) PROOF OF AGE, IDENTITY AND PHYSICAL ADDRESS OF THE PRINCIPAL RESIDENCE OF THE PROSPECTIVE INTERACTIVE GAMING ACCOUNT HOLDER IN A METHOD APPROVED BY THE BOARD THROUGH REGULATION.

(iii) ELECTRONIC MAIL ADDRESS AND OTHER CONTACT INFORMATION OF THE PROSPECTIVE ACCOUNT HOLDER, AS THE BOARD OR INTERACTIVE GAMING CERTIFICATE HOLDER MAY REQUIRE.

(iv) PASSWORD OR OTHER SECURED IDENTIFICATION PROVIDED BY THE INTERACTIVE GAMING CERTIFICATE HOLDER TO ACCESS THE INTERACTIVE GAMING ACCOUNT OR SOME OTHER MECHANISM APPROVED BY THE BOARD TO AUTHENTICATE THE REGISTERED PLAYER AS THE HOLDER TO THE INTERACTIVE GAMING ACCOUNT.

(v) AN ACKNOWLEDGMENT UNDER PENALTY OF PERJURY THAT FALSE OR MISLEADING STATEMENTS MADE IN REGARD TO AN APPLICATION FOR AN INTERACTIVE GAMING ACCOUNT MAY SUBJECT THE APPLICANT TO CIVIL AND CRIMINAL PENALTIES.

(2) THE INTERACTIVE GAMING CERTIFICATE HOLDER MAY ACCEPT OR REJECT AN APPLICATION AFTER RECEIPT AND REVIEW OF THE APPLICATION AND VERIFICATION OF AGE, IDENTITY AND PHYSICAL ADDRESS FOR COMPLIANCE WITH THE PROVISIONS OF THIS CHAPTER. THE INTERACTIVE GAMING CERTIFICATE HOLDER SHALL HAVE THE RIGHT, AT ANY TIME WITH OR WITHOUT CAUSE, TO SUSPEND OR CLOSE ANY INTERACTIVE GAMING ACCOUNT AT ITS SOLE DISCRETION.

(3) THE ADDRESS PROVIDED BY THE APPLICANT IN THE APPLICATION FOR AN INTERACTIVE GAMING ACCOUNT SHALL BE DEEMED THE ADDRESS OF RECORD FOR THE PURPOSES OF MAILING CHECKS, ACCOUNT WITHDRAWALS, NOTICES AND OTHER MATERIALS TO THE PROSPECTIVE INTERACTIVE GAMING ACCOUNT HOLDER.
(4) An interactive gaming account shall be a noninterest bearing account and shall not be assignable or otherwise transferable.

(C) Password required.--As part of the application process, the interactive gaming certificate holder shall provide the prospective interactive gaming account holder with a password to access the interactive gaming account or shall establish some other method approved by the board to authenticate the registered player as the holder of the interactive gaming account and allow the registered player access to the interactive gaming account.

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

(E) Suspension of interactive gaming account.--The interactive gaming certificate holder shall have the right to suspend or close any interactive gaming account or declare all or any part of an interactive gaming account closed for wagering at its discretion.

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

1. A person under 21 years of age.

2. A person on the list of persons who are or will be excluded or ejected from or denied access to any licensed facility under section 1514 (relating to regulation requiring exclusion, ejection or denial of access of certain persons), 1515 (relating to repeat offenders excludable from licensed facilities).
GAMING FACILITY) OR 1516 (RELATING TO LIST OF PERSONS SELF
EXCLUDED FROM GAMING ACTIVITIES).

(3) A GAMING EMPLOYEE, KEY EMPLOYEE OR PRINCIPAL
EMPLOYEE OF A SLOT MACHINE LICENSEE AND ANY EMPLOYEE OR KEY
EMPLOYEE OF AN INTERACTIVE GAMING OPERATOR.

§ 13B23. INTERACTIVE GAMING ACCOUNT CREDITS, DEBITS, DEPOSITS
AND PAYMENTS.

(A) DUTY OF BOARD.--THE BOARD SHALL, BY REGULATION, DEVELOP
PROCEDURES TO GOVERN CREDITS, DEBITS AND DEPOSITS TO INTERACTIVE
GAMING ACCOUNTS. NOTWITHSTANDING ANY PROVISION OF THIS PART TO
THE CONTRARY, ALL CREDITS, DEBITS AND DEPOSITS TO INTERACTIVE
GAMING ACCOUNTS SHALL BE MADE IN ACCORDANCE WITH REGULATIONS
PROMULGATED BY THE BOARD, IN CONSULTATION WITH THE DEPARTMENT,
AND ALL PAYMENTS OF WINNINGS SHALL BE MADE IN ACCORDANCE WITH
THE RULES OF EACH AUTHORIZED INTERACTIVE GAME.

(B) RIGHTS OF INTERACTIVE GAMING CERTIFICATE HOLDER.--AN
INTERACTIVE GAMING CERTIFICATE HOLDER SHALL HAVE THE RIGHT TO:

(1) CREDIT AN INTERACTIVE GAMING ACCOUNT AS PART OF A
PROMOTION.

(2) REFUSE ALL OR PART OF ANY WAGER OR DEPOSIT TO THE
INTERACTIVE GAMING ACCOUNT OF A REGISTERED PLAYER.

§ 13B24. ACCEPTANCE OF WAGERS.

(A) ACCEPTANCE.--AN INTERACTIVE GAMING CERTIFICATE HOLDER
MAY ACCEPT WAGERS ONLY AS FOLLOWS:

(1) THE WAGER SHALL BE PLACED DIRECTLY WITH THE
INTERACTIVE GAMING CERTIFICATE HOLDER BY THE REGISTERED
PLAYER, AFTER THE INTERACTIVE GAMING CERTIFICATE HOLDER HAS
VERIFIED THE IDENTITY OF THE INDIVIDUAL SEEKING TO PLACE THE
WAGER.

(2) THE REGISTERED PLAYER PROVIDES THE INTERACTIVE
GAMING CERTIFICATE HOLDER WITH THE CORRECT PASSWORD OR OTHER AUTHENTICATION INFORMATION FOR ACCESS TO THE INTERACTIVE GAMING ACCOUNT.

(B) NONACCEPTANCE.--AN INTERACTIVE GAMING CERTIFICATE HOLDER MAY NOT ACCEPT A WAGER IN AN AMOUNT IN EXCESS OF FUNDS ON DEPOSIT IN THE INTERACTIVE GAMING ACCOUNT OF THE REGISTERED PLAYER PLACING THE WAGER. FUNDS ON DEPOSIT INCLUDE AMOUNTS CREDITED TO A REGISTERED PLAYER'S INTERACTIVE GAMING ACCOUNT IN ACCORDANCE WITH REGULATIONS OF THE BOARD AND ANY FUNDS IN THE ACCOUNT AT THE TIME THE WAGER IS PLACED.

§ 13B25. DORMANT INTERACTIVE GAMING ACCOUNTS.
BEFORE CLOSING A DORMANT INTERACTIVE GAMING ACCOUNT, THE INTERACTIVE GAMING CERTIFICATE HOLDER SHALL ATTEMPT TO CONTACT THE INTERACTIVE GAMING ACCOUNT HOLDER BY MAIL, PHONE AND E-MAIL TO INFORM THE ACCOUNT HOLDER THAT THE INTERACTIVE GAMING ACCOUNT IS INACTIVE AND MAY BE SUBJECT TO TERMINATION. THE TIME AND MANNER OF TERMINATING A DORMANT INTERACTIVE GAMING ACCOUNT SHALL BE PRESCRIBED BY REGULATION OF THE BOARD.

§ 13B26. LOG-IN PROCEDURE REQUIRED.
EACH INTERACTIVE GAMING CERTIFICATE HOLDER SHALL ESTABLISH A LOG-IN PROCEDURE FOR A REGISTERED PLAYER TO ACCESS INTERACTIVE GAMING. THE LOG-IN PROCEDURE SHALL INCLUDE THE PROVISION OF THE APPROPRIATE AUTHENTICATION INFORMATION BY THE REGISTERED PLAYER FOR ACCESS TO THE REGISTERED PLAYER'S INTERACTIVE GAMING ACCOUNT. THE INTERACTIVE GAMING CERTIFICATE HOLDER SHALL NOT ALLOW A REGISTERED PLAYER TO LOG IN AND ACCESS AN INTERACTIVE GAMING ACCOUNT UNLESS THE CORRECT PASSWORD OR OTHER AUTHENTICATION INFORMATION IS PROVIDED.

§ 13B27. INFORMATION PROVIDED AT LOGIN.
THE INTERACTIVE GAMING CERTIFICATE HOLDER SHALL CONFIGURE ITS
INTERACTIVE GAMING SKIN OR INTERACTIVE GAMING WEBSITE TO INCLUDE
A LINK THAT, UPON LOGIN, WILL ALLOW A REGISTERED PLAYER TO
ACCESS ALL OF THE FOLLOWING INFORMATION:

(1) THE CURRENT AMOUNT OF FUNDS IN THE REGISTERED
PLAYER'S INTERACTIVE GAMING ACCOUNT.

(2) THE WINS AND LOSSES SINCE THE REGISTERED PLAYER'S
INTERACTIVE GAMING ACCOUNT WAS ESTABLISHED.

(3) THE WINS AND LOSSES AT THE BEGINNING OF THE CURRENT
GAMING SESSION AND THE WINS AND LOSSES AT THE END OF THE
CURRENT GAMING SESSION.

(4) THE COMPLETE TEXT IN SEARCHABLE FORMAT OF THE RULES
OF EACH AUTHORIZED INTERACTIVE GAME OFFERED BY THE
INTERACTIVE GAMING CERTIFICATE HOLDER AND ANY OTHER
INFORMATION AS THE BOARD MAY REQUIRE.

§ 13B28. PROHIBITIONS.
EXCEPT AS PROVIDED IN THIS PART, NO INTERACTIVE GAMING
CERTIFICATE HOLDER OR ANY PERSON LICENSED UNDER THIS PART TO
OPERATE INTERACTIVE GAMING OR AN INTERACTIVE GAMING SYSTEM AND
NO PERSON ACTING ON BEHALF OF, OR UNDER ANY ARRANGEMENT WITH, AN
INTERACTIVE GAMING CERTIFICATE HOLDER OR OTHER PERSON LICENSED
UNDER THIS PART SHALL:

(1) MAKE ANY LOAN TO ANY PERSON FOR THE PURPOSE OF
CREDITING AN INTERACTIVE GAMING ACCOUNT.

(2) RELEASE OR DISCHARGE ANY DEBT, EITHER IN WHOLE OR IN
PART, OR MAKE ANY LOAN WHICH REPRESENTS ANY LOSSES INCURRED
BY ANY REGISTERED PLAYER WHILE PLAYING AN AUTHORIZED
INTERACTIVE GAME WITHOUT MAINTAINING A WRITTEN RECORD THEREOF
IN ACCORDANCE WITH REGULATIONS OF THE BOARD.

§ 13B29. COMMENCEMENT OF INTERACTIVE GAMING OPERATIONS.
AN INTERACTIVE GAMING CERTIFICATE HOLDER MAY NOT OPERATE OR
OFFER INTERACTIVE GAMES FOR PLAY ON ITS INTERACTIVE GAMING SKIN OR INTERACTIVE GAMING WEBSITE UNTIL THE BOARD DETERMINES THAT:

(1) THE INTERACTIVE GAMING CERTIFICATE HOLDER IS IN COMPLIANCE WITH THE REQUIREMENTS OF THIS CHAPTER.

(2) THE INTERACTIVE GAMING CERTIFICATE HOLDER'S INTERNAL, ADMINISTRATIVE AND ACCOUNTING CONTROLS ARE SUFFICIENT TO MEET THE REQUIREMENTS OF SECTION 13B32 (RELATING TO INTERNAL, ADMINISTRATIVE AND ACCOUNTING CONTROLS) AND HAVE BEEN IMPLEMENTED.

(3) THE INTERACTIVE GAMING CERTIFICATE HOLDER'S INTERACTIVE GAMING EMPLOYEES, WHERE APPLICABLE, ARE LICENSED, PERMITTED, REGISTERED, CERTIFIED OR OTHERWISE AUTHORIZED BY THE BOARD TO PERFORM THEIR RESPECTIVE DUTIES.

(4) THE EMPLOYEES OF THE INTERACTIVE GAMING OPERATOR, IF ANY, THAT IS CONDUCTING INTERACTIVE GAMING ON BEHALF OF THE INTERACTIVE GAMING CERTIFICATE HOLDER ARE, WHERE APPLICABLE, LICENSED, PERMITTED OR OTHERWISE AUTHORIZED BY THE BOARD TO PERFORM THEIR DUTIES.

(5) THE INTERACTIVE GAMING CERTIFICATE HOLDER IS PREPARED IN ALL RESPECTS TO OFFER INTERACTIVE GAMING TO THE PUBLIC OVER ITS INTERACTIVE GAMING SKIN OR INTERACTIVE GAMING WEBSITE.

(6) THE INTERACTIVE GAMING CERTIFICATE HOLDER HAS IMPLEMENTED NECESSARY SECURITY ARRANGEMENTS AND SURVEILLANCE SYSTEMS FOR THE OPERATION OF INTERACTIVE GAMING.

(7) THE INTERACTIVE GAMING CERTIFICATE HOLDER IS IN COMPLIANCE WITH OR WILL COMPLY WITH SECTION 13B31 (RELATING TO RESPONSIBILITIES OF INTERACTIVE GAMING CERTIFICATE HOLDER).

(8) THE BOARD HAS APPROVED THE INTERACTIVE GAMING
AGREEMENT BETWEEN THE INTERACTIVE GAMING CERTIFICATE HOLDER
AND THE INTERACTIVE GAMING OPERATOR, IF APPLICABLE.

SUBCHAPTER D

FACILITIES AND EQUIPMENT

SEC.

13B31. RESPONSIBILITIES OF INTERACTIVE GAMING CERTIFICATE
HOLDER.

13B32. INTERNAL, ADMINISTRATIVE AND ACCOUNTING CONTROLS.

§ 13B31. RESPONSIBILITIES OF INTERACTIVE GAMING CERTIFICATE
HOLDER.

(A) FACILITIES AND EQUIPMENT.--ALL FACILITIES AND
INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT SHALL:

(1) BE ARRANGED IN A MANNER PROMOTING APPROPRIATE
SECURITY FOR INTERACTIVE GAMING.

(2) INCLUDE A CLOSED-CIRCUIT VIDEO MONITORING SYSTEM
ACCORDING TO RULES OR SPECIFICATIONS APPROVED BY THE BOARD,
WITH BOARD ABSOLUTE ACCESS TO THE INTERACTIVE GAMING
CERTIFICATE HOLDER'S INTERACTIVE GAMING SKIN, INTERACTIVE
GAMING WEBSITE AND INTERACTIVE GAMING PLATFORM, SIGNAL OR
TRANSMISSION USED IN CONNECTION WITH INTERACTIVE GAMING.

(3) NOT BE DESIGNED IN ANY WAY THAT MIGHT INTERFERE WITH
OR IMPED THE BOARD IN ITS REGULATION OF INTERACTIVE GAMING.

(4) COMPLY IN ALL RESPECTS WITH REGULATIONS OF THE
BOARD.

(B) LOCATION OF EQUIPMENT AND INTERACTIVE GAMING RESTRICTED
AREAS.--

(1) ALL INTERACTIVE GAMING DEVICES AND ASSOCIATED
EQUIPMENT USED BY AN INTERACTIVE GAMING CERTIFICATE HOLDER OR
AN INTERACTIVE GAMING LICENSEE TO CONDUCT INTERACTIVE GAMING
MAY BE LOCATED, WITH THE PRIOR APPROVAL OF THE BOARD, IN AN
INTERACTIVE GAMING RESTRICTED AREA ON THE PREMISES OF THE
LICENSED FACILITY, IN AN INTERACTIVE GAMING RESTRICTED AREA
WITHIN THE GEOGRAPHIC LIMITS OF THE COUNTY IN THIS
COMMONWEALTH WHERE THE LICENSED FACILITY IS SITUATED OR IN
ANY OTHER AREA APPROVED BY THE BOARD.

(2) ALL WAGERS ASSOCIATED WITH INTERACTIVE GAMING SHALL
BE DEEMED TO BE PLACED, INITIATED AND RECEIVED WHEN RECEIVED
BY THE INTERACTIVE GAMING CERTIFICATE HOLDER.

§ 13B32. INTERNAL, ADMINISTRATIVE AND ACCOUNTING CONTROLS.

(A) SUBMISSIONS TO BOARD.--NOTWITHSTANDING ANY PROVISION OF
THIS PART, EACH SLOT MACHINE LICENSEE WHO HOLDS OR HAS APPLIED
FOR AN INTERACTIVE GAMING CERTIFICATE IN ACCORDANCE WITH THIS
CHAPTER SHALL SUBMIT A DESCRIPTION OF ITS SYSTEM OF INTERNAL
PROCEDURES AND ADMINISTRATIVE AND ACCOUNTING CONTROLS FOR
INTERACTIVE GAMING TO THE BOARD, INCLUDING PROVISIONS THAT
PROVIDE FOR REAL-TIME MONITORING, RECORDATION OR STORAGE OF ALL
INTERACTIVE GAMES AND A DESCRIPTION OF ANY CHANGES TO ITS
PROCEDURES AND CONTROLS. THE SUBMISSION SHALL BE MADE AT LEAST
90 DAYS BEFORE INTERACTIVE GAMING IS TO COMMENCE OR AT LEAST 90
DAYS BEFORE ANY CHANGE IN THOSE PROCEDURES OR CONTROLS IS TO
TAKE EFFECT, UNLESS OTHERWISE DIRECTED BY THE BOARD.

(B) FILING.--NOTWITHSTANDING SUBSECTION (A), THE PROCEDURES
AND CONTROLS MAY BE IMPLEMENTED BY AN INTERACTIVE GAMING
CERTIFICATE HOLDER UPON THE FILING OF THE PROCEDURES AND
CONTROLS WITH THE BOARD. EACH PROCEDURE OR CONTROL SUBMISSION
SHALL CONTAIN BOTH NARRATIVE AND DIAGRAMMATIC REPRESENTATIONS OF
THE SYSTEM TO BE UTILIZED AND SHALL INCLUDE BUT NEED NOT BE
LIMITED TO:

(1) ACCOUNTING CONTROLS, INCLUDING THE STANDARDIZATION
OF FORMS AND DEFINITION OF TERMS TO BE UTILIZED IN THE
INTERACTIVE GAMING OPERATIONS.

(2) PROCEDURES, FORMS AND, WHERE APPROPRIATE, FORMULAS TO GOVERN THE FOLLOWING:

(I) CALCULATION OF HOLD PERCENTAGES;

(II) REVENUE DROPS;

(III) EXPENSE AND OVERHEAD SCHEDULES;

(IV) COMPLIMENTARY SERVICES; AND

(V) CASH-EQUIVALENT TRANSACTIONS.

(3) JOB DESCRIPTIONS AND THE SYSTEM OF PERSONNEL AND CHAIN OF COMMAND, ESTABLISHING A DIVERSITY OF RESPONSIBILITY AMONG EMPLOYEES ENGAGED IN INTERACTIVE GAMING OPERATIONS, INCLUDING EMPLOYEES OF AN INTERACTIVE GAMING OPERATOR, AND IDENTIFYING PRIMARY AND SECONDARY MANAGEMENT AND SUPERVISORY POSITIONS FOR AREAS OF RESPONSIBILITY, SALARY STRUCTURE AND PERSONNEL PRACTICES.

(4) PROCEDURES FOR THE REGISTRATION OF PLAYERS AND ESTABLISHMENT OF INTERACTIVE GAMING ACCOUNTS, INCLUDING A PROCEDURE FOR AUTHENTICATING THE AGE, IDENTITY AND PHYSICAL ADDRESS OF AN APPLICANT FOR AN INTERACTIVE GAMING ACCOUNT AND WHETHER THE APPLICANT IS A PERSON PROHIBITED FROM ESTABLISHING OR MAINTAINING AN ACCOUNT UNDER SECTION 13B22 (RELATING TO ESTABLISHMENT OF INTERACTIVE GAMING ACCOUNTS).

(5) PROCEDURES FOR TERMINATING A REGISTERED PLAYER'S INTERACTIVE GAMING ACCOUNT AND THE RETURN OF ANY FUNDS REMAINING IN THE INTERACTIVE GAMING ACCOUNT TO THE REGISTERED PLAYER.

(6) PROCEDURES FOR SUSPENDING OR TERMINATING A DORMANT INTERACTIVE GAMING ACCOUNT AND THE RETURN OF ANY FUNDS REMAINING IN THE DORMANT INTERACTIVE GAMING ACCOUNT TO THE REGISTERED PLAYER.
(7) Procedures for the logging in and authentication of a registered player in order to enable the player to commence interactive gaming and the logging off of the registered player when the player has completed play, including a procedure to automatically log a registered player out of the player's interactive gaming account after a specified period of inactivity.

(8) Procedures for the crediting and debiting of a registered player's interactive gaming account.

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

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

(11) Procedures for the protection of a registered player's funds, including the segregation of a registered player's funds from operating funds of the interactive gaming certificate holder.

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

(13) Procedures for the security and sharing of personal identifiable information of a registered player, funds in an interactive gaming account and other information as required by the board. The procedures shall include the means by which an interactive gaming certificate holder or interactive gaming operator will provide notice to a registered player related to the sharing of personal identifiable information. For the purpose of this paragraph, "personal identifiable information" shall mean any data or information that can be used, on its own or with other data or information, to
IDENTIFY, CONTACT OR OTHERWISE LOCATE A REGISTERED PLAYER,
INCLUDING A REGISTERED PLAYER'S NAME, ADDRESS, DATE OF BIRTH
AND SOCIAL SECURITY NUMBER.

(14) PROCEDURES AND SECURITY FOR THE CALCULATION AND
RECORDATION OF REVENUE.

(15) PROCEDURES FOR THE SECURITY OF INTERACTIVE GAMING
DEVICES AND ASSOCIATED EQUIPMENT.

(16) PROCEDURES AND SECURITY STANDARDS AS TO RECEIPT,
HANDLING AND STORAGE OF INTERACTIVE GAMING DEVICES AND
ASSOCIATED EQUIPMENT.

(17) PROCEDURES AND SECURITY STANDARDS TO PROTECT THE
INTERACTIVE GAMING CERTIFICATE HOLDER'S INTERACTIVE GAMING
SKIN OR INTERACTIVE GAMING WEBSITE AND INTERACTIVE GAMING
DEVICES AND ASSOCIATED EQUIPMENT FROM HACKING OR TAMPERING BY
ANY PERSON.

(18) PROCEDURES FOR RESPONDING TO SUSPECTED OR ACTUAL
HACKING OR TAMPERING WITH AN INTERACTIVE GAMING CERTIFICATE
HOLDER'S INTERACTIVE GAMING SKIN OR INTERACTIVE GAMING
WEBSITE AND INTERACTIVE GAMING DEVICES AND ASSOCIATED
EQUIPMENT, INCLUDING PARTIAL OR COMPLETE SUSPENSION OF
INTERACTIVE GAMING OR THE SUSPENSION OF ANY OR ALL
INTERACTIVE GAMING ACCOUNTS WHEN WARRANTED.

(19) PROCEDURES TO VERIFY EACH REGISTERED PLAYER'S
PHYSICAL LOCATION EACH TIME A REGISTERED PLAYER LOGS INTO HIS
OR HER INTERACTIVE GAMING ACCOUNT AND AT APPROPRIATE
INTERVALS THEREAFTER AS DETERMINED BY THE BOARD.

(20) PROCEDURES TO ENSURE THAT THE INTERACTIVE GAMES ARE
FAIR AND HONEST AND THAT APPROPRIATE MEASURES ARE IN PLACE TO
DETER, DETECT AND, TO THE EXTENT POSSIBLE, TO PREVENT
CHEATING, INCLUDING COLLUSION, AND USE OF CHEATING DEVICES,
INCLUDING THE USE OF SOFTWARE PROGRAMS THAT MAKE WAGERS
ACCORDING TO ALGORITHMS.

(21) PROCEDURES TO ASSIST PROBLEM AND COMPULSIVE
GAMBLERS, INCLUDING PROCEDURES INTENDED TO PREVENT A PERSON
FROM PARTICIPATING IN AUTHORIZED INTERACTIVE GAMING IN
ACCORDANCE WITH SECTIONS 1514 (RELATING TO REGULATION
REQUIRING EXCLUSION, EJECTION OR DENIAL OF ACCESS OF CERTAIN
PERSONS), 1515 (RELATING TO REPEAT OFFENDERS EXCLUDABLE FROM
LICENSED GAMING FACILITY) AND 1516 (RELATING TO LIST OF
PERSONS SELF EXCLUDED FROM GAMING ACTIVITIES).

(22) PROCEDURES TO GOVERN EMERGENCIES, INCLUDING
SUSPECTED OR ACTUAL CYBER ATTACKS, HACKING OR TAMPERING WITH
THE INTERACTIVE GAMING CERTIFICATE HOLDER'S INTERACTIVE
GAMING SKIN, INTERACTIVE GAMING PLATFORM OR INTERACTIVE
GAMING WEBSITE. THE PROCEDURES SHALL INCLUDE THE PROCESS FOR
THE RECONCILIATION OR REPAYMENT OF A REGISTERED PLAYER'S
INTERACTIVE GAMING ACCOUNT.

(C) REVIEW OF SUBMISSIONS.--

(1) THE BOARD SHALL REVIEW EACH SUBMISSION REQUIRED BY
SUBSECTIONS (A) AND (B) AND SHALL DETERMINE WHETHER THE
SUBMISSION CONFORMS TO THE REQUIREMENTS OF THIS CHAPTER AND
REGULATIONS PROMULGATED BY THE BOARD AND WHETHER THE SYSTEM
SUBMITTED PROVIDES ADEQUATE AND EFFECTIVE CONTROLS FOR
INTERACTIVE GAMING OF THE INTERACTIVE GAMING CERTIFICATE
HOLDER MAKING THE SUBMISSION.

(2) IF THE BOARD DETERMINES THAT THE SUBMISSION IS NOT
SUFFICIENT, IT SHALL SPECIFY THE INSUFFICIENCIES IN WRITING
TO THE INTERACTIVE GAMING CERTIFICATE HOLDER, WHO SHALL MAKE
APPROPRIATE ALTERATIONS TO ENSURE COMPLIANCE WITH THE
REQUIREMENTS OF THIS CHAPTER AND REGULATIONS OF THE BOARD.
WHEN THE BOARD DETERMINES A SUBMISSION TO BE ADEQUATE IN ALL RESPECTS, IT SHALL NOTIFY THE INTERACTIVE GAMING CERTIFICATE HOLDER.

(3) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (A) OR AN EMERGENCY SITUATION THREATENING THE INTEGRITY OF THE INTERACTIVE GAMING PLATFORM, NO INTERACTIVE GAMING CERTIFICATE HOLDER, INTERACTIVE GAMING OPERATOR OR OTHER PERSON SHALL COMMENCE OR ALTER INTERACTIVE GAMING OPERATIONS UNLESS AND UNTIL THE SYSTEM OF PROCEDURES, CONTROLS AND ALTERNATIONS IS SUBMITTED TO AND APPROVED BY THE BOARD.

SUBCHAPTER E
TESTING AND CERTIFICATION

SEC.
13B41. INTERACTIVE GAMES AND INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT TESTING AND CERTIFICATION STANDARDS.

§ 13B41. INTERACTIVE GAMES AND INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT TESTING AND CERTIFICATION STANDARDS.

(A) TESTING REQUIRED.--

(1) NO INTERACTIVE GAME OR INTERACTIVE GAMING DEVICE OR ASSOCIATED EQUIPMENT SHALL BE USED TO CONDUCT INTERACTIVE GAMING UNLESS IT HAS BEEN TESTED AND CERTIFIED BY THE BOARD. THE BOARD MAY, IN ITS DISCRETION AND FOR THE PURPOSE OF EXPEDITING THE APPROVAL PROCESS, REFER TESTING TO ANY TESTING LABORATORY AS APPROVED BY THE BOARD.

(2) THE BOARD SHALL ESTABLISH, BY REGULATION, TECHNICAL STANDARDS FOR APPROVAL OF INTERACTIVE GAMES AND INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT, INCLUDING STANDARDS TO GOVERN MECHANICAL, ELECTRICAL OR PROGRAM RELIABILITY AND
SECURITY AGAINST TAMPERING AND THREATS, AS IT MAY DEEM NECESSARY TO PROTECT A REGISTERED PLAYER FROM FRAUD OR DECEPTION AND TO ENSURE THE INTEGRITY OF INTERACTIVE GAMING.

(B) COST OF TESTING AND CERTIFICATION.--ANY COSTS ASSOCIATED WITH THE BOARD'S TESTING AND CERTIFICATION UNDER THIS SECTION SHALL BE ASSESSED ON PERSONS AUTHORIZED BY THE BOARD TO MANUFACTURE, SUPPLY, DISTRIBUTE OR OTHERWISE PROVIDE INTERACTIVE GAMES AND INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT TO INTERACTIVE GAMING CERTIFICATE HOLDERS OR TO INTERACTIVE GAMING OPERATORS IN THIS COMMONWEALTH. THE COSTS SHALL BE ASSESSED IN ACCORDANCE WITH A SCHEDULE ADOPTED BY THE BOARD.

(C) USE OF OTHER STATE STANDARDS.--THE BOARD MAY DETERMINE WHETHER THE TESTING AND CERTIFICATION STANDARDS FOR INTERACTIVE GAMES AND INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT AS ADOPTED BY ANOTHER JURISDICTION WITHIN THE UNITED STATES ARE COMPREHENSIVE AND THOROUGH AND PROVIDE SIMILAR AND ADEQUATE SAFEGUARDS AS THOSE REQUIRED BY THIS CHAPTER AND REGULATIONS OF THE BOARD. IF THE BOARD MAKES THAT DETERMINATION, IT MAY PERMIT THE PERSON AUTHORIZED TO MANUFACTURE, SUPPLY, DISTRIBUTE OR OTHERWISE PROVIDE INTERACTIVE GAMES AND INTERACTIVE GAMING DEVICES OR ASSOCIATED EQUIPMENT THAT HAVE MET THE TESTING AND CERTIFICATION STANDARD IN SUCH OTHER JURISDICTION TO FURNISH INTERACTIVE GAMES OR INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT TO INTERACTIVE GAMING CERTIFICATE HOLDERS IN THIS COMMONWEALTH WITHOUT UNDERGOING THE FULL TESTING AND CERTIFICATION UNDER THIS SECTION.
§ 13B51. INTERACTIVE GAMING AUTHORIZATION FEE.

(A) AMOUNT OF AUTHORIZATION FEE.--

(1) EACH SLOT MACHINE LICENSEE THAT IS ISSUED AN INTERACTIVE GAMING CERTIFICATE TO CONDUCT INTERACTIVE GAMING IN ACCORDANCE WITH SECTION 13B11 (RELATING TO AUTHORIZATION TO CONDUCT INTERACTIVE GAMING) SHALL PAY A ONE-TIME NONREFUNDABLE AUTHORIZATION FEE IN THE FOLLOWING AMOUNT:

(I) $10,000,000 IF THE SLOT MACHINE LICENSEE FILED A PETITION UNDER 13B12 (RELATING TO INTERACTIVE GAMING CERTIFICATE REQUIRED AND CONTENT OF PETITION) WITHIN 90 DAYS AFTER THE DATE THE BOARD BEGINS ACCEPTING PETITIONS UNDER THIS CHAPTER, OR FOR A SLOT MACHINE LICENSEE LICENSED AFTER THE EFFECTIVE DATE OF THIS SECTION, WITHIN 90 DAYS OF THE ISSUANCE OF THE SLOT MACHINE LICENSE.

(II) $4,000,000 FOR EACH CATEGORY OF INTERACTIVE GAME AUTHORIZED BY THE BOARD IF THE SLOT MACHINE LICENSEE FILED A PETITION UNDER 13B12 MORE THAN 90 DAYS BUT NOT MORE THAN 120 DAYS AFTER THE DATE THE BOARD BEGINS ACCEPTING PETITIONS UNDER THIS CHAPTER, OR FOR A SLOT MACHINE LICENSEE LICENSED AFTER THE EFFECTIVE DATE OF THIS SECTION, MORE THAN 90 DAYS BUT NOT MORE THAN 120 DAYS AFTER THE ISSUANCE OF THE SLOT MACHINE LICENSE.

(2) EACH QUALIFIED GAMING ENTITY THAT IS ISSUED AN INTERACTIVE GAMING CERTIFICATE TO CONDUCT INTERACTIVE GAMING IN ACCORDANCE WITH SECTION 13B11 SHALL PAY A ONE-TIME NONREFUNDABLE AUTHORIZATION FEE IN THE AMOUNT OF $4,000,000
FOR EACH CATEGORY OF INTERACTIVE GAME AUTHORIZED BY THE BOARD.

(3) EACH INTERACTIVE GAMING OPERATOR SHALL PAY A ONE-TIME NONREFUNDABLE AUTHORIZATION FEE IN THE AMOUNT OF $1,000,000.

(B) PAYMENT OF FEE.--PERSONS REQUIRED TO PAY THE AUTHORIZATION FEE UNDER SUBSECTION (A) SHALL REMIT THE FEE TO THE BOARD WITHIN 60 DAYS OF THE BOARD'S APPROVAL OF ITS PETITION, LICENSE OR CONDITIONAL AUTHORIZATION.

(C) RENEWAL FEE.--

(1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER, AN INTERACTIVE GAMING CERTIFICATE HOLDER SHALL PAY A RENEWAL FEE IN THE AMOUNT OF $250,000 UPON THE RENEWAL OF ITS INTERACTIVE GAMING CERTIFICATE.

(2) EACH INTERACTIVE GAMING OPERATOR SHALL PAY A RENEWAL FEE OF $100,000 UPON THE RENEWAL OF ITS INTERACTIVE GAMING LICENSE.

(D) DEPOSIT OF FEES.--THE FEES IMPOSED AND COLLECTED UNDER THIS SECTION SHALL BE DEPOSITED IN THE GENERAL FUND.

§ 13B52. INTERACTIVE GAMING TAX.

(A) IMPOSITION OF TAX.--EACH INTERACTIVE GAMING CERTIFICATE HOLDER THAT CONDUCTS INTERACTIVE GAMING SHALL REPORT TO THE DEPARTMENT AND PAY FROM ITS DAILY GROSS INTERACTIVE GAMING REVENUE, ON A FORM AND IN THE MANNER PRESCRIBED BY THE DEPARTMENT, A TAX OF:

(1) 14% OF ITS DAILY GROSS INTERACTIVE GAMING REVENUE FROM PEER-TO-PEER INTERACTIVE GAMES;

(2) 14% OF ITS DAILY GROSS INTERACTIVE GAMING REVENUE FROM NON-PEER-TO-PEER INTERACTIVE GAMES WHICH SIMULATE TABLE GAMES; AND
(3) 52% of its daily gross interactive gaming revenue from non-peer-to-peer interactive games which simulate slot machines.

(B) DEPOSITS AND DISTRIBUTIONS.--

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

(2) An interactive gaming certificate holder shall establish a separate bank account into which gross interactive gaming revenue shall be deposited and maintained until such time as the funds are paid to the department under this section.

(C) TAXES ON OUT-OF-STATE WAGERING.--The tax rate which shall be assessed and collected by the department with respect to wagers placed by registered players located in this Commonwealth with an interactive gaming operator located outside of this Commonwealth, but authorized under an interactive gaming reciprocal agreement, shall be governed by the agreement but may not be less than the tax imposed under subsection (a).

(D) DEPOSIT OF FUNDS.--From the tax imposed under subsections (a) and (c) the following shall apply:

(1) Taxes imposed under subsection (a)(1) and (2) shall be deposited into the general fund.

(2) Taxes imposed under subsection (a)(3) shall be distributed as follows:

(I) Sixty-five percent shall be deposited into the property tax relief fund established under section 1409 (relating to property tax relief fund).

(II) Ten percent shall be deposited into a
RESTRICTED RECEIPT ACCOUNT WITHIN THE STATE TREASURY.
MONEY IN THE RESTRICTED RECEIPT ACCOUNT IS APPROPRIATED
TO THE DEPARTMENT ON A CONTINUING BASIS FOR THE PURPOSES
UNDER THIS PARAGRAPH. BEGINNING IN FISCAL YEAR 2018-2019
AND EACH FISCAL YEAR THEREAFTER, DISTRIBUTIONS FROM THE
RESTRICTED RECEIPT ACCOUNT SHALL BE AS FOLLOWS:

(A) THE DEPARTMENT SHALL DETERMINE WHETHER A
COUNTY HOSTING A LICENSED FACILITY RECEIVED LESS THAN
THE AMOUNT THE COUNTY RECEIVED DURING FISCAL YEAR
2017-2018 UNDER SECTION 1403(C) (RELATING TO
ESTABLISHMENT OF STATE GAMING FUND AND NET SLOT
MACHINE REVENUE DISTRIBUTION). IF THE DEPARTMENT
DETERMINES THAT THE COUNTY HOSTING A LICENSED
FACILITY RECEIVED LESS THAN THE AMOUNT THE COUNTY
RECEIVED DURING FISCAL YEAR 2017-2018 UNDER SECTION
1403(C), THE DEPARTMENT SHALL CALCULATE THE
DIFFERENCE.

(B) THE DEPARTMENT SHALL MAKE DISTRIBUTIONS FROM
THE RESTRICTED RECEIPT ACCOUNT TO ANY COUNTY
DETERMINED UNDER CLAUSE (A) TO RECEIVE LESS IN THE
CURRENT FISCAL YEAR THAN THE COUNTY DID IN FISCAL
YEAR 2017-2018. THE AMOUNT DISTRIBUTED TO A COUNTY
UNDER THIS PARAGRAPH MAY NOT EXCEED THE DIFFERENCE
BETWEEN THE AMOUNT RECEIVED UNDER 1403(C) IN THE
CURRENT FISCAL YEAR AND THE AMOUNT RECEIVED UNDER
1403(C) IN FISCAL YEAR 2017-2018.

(C) IF MORE THAN ONE COUNTY IS OWED FUNDS UNDER
CLAUSE (B) AND THERE ARE INSUFFICIENT FUNDS IN THE
ACCOUNT TO PAY EACH COUNTY THE ENTIRE AMOUNT OF THE
DECREASE EXPERIENCED BY THAT COUNTY, EACH COUNTY
SHALL RECEIVE FUNDS IN PROPORTION OF THAT COUNTY'S DECREASE TO THE TOTAL AMOUNT OF ALL DECREASES.

(D) THE DEPARTMENT SHALL MAKE DISTRIBUTIONS REQUIRED UNDER THIS PARAGRAPH NO LATER THAN WITHIN 60 DAYS AFTER THE END OF THE FISCAL YEAR.

(E) UNDISTRIBUTED FUNDS SHALL REMAIN IN THE ACCOUNT AND NOT LAPSE.

(3) TWENTY-FIVE PERCENT SHALL BE DEPOSITED INTO A RESTRICTED RECEIPTS ACCOUNT TO BE ESTABLISHED IN THE COMMONWEALTH FINANCING AUTHORITY TO BE USED EXCLUSIVELY FOR GRANTS FOR PROJECTS IN THE PUBLIC INTEREST IN THE COMMONWEALTH.

§ 13B53. LOCAL SHARE ASSESSMENT.

(A) REQUIRED PAYMENT.--IN ADDITION TO THE TAX IMPOSED UNDER SECTION 13B52 (RELATING TO INTERACTIVE GAMING TAX), EACH INTERACTIVE GAMING CERTIFICATE HOLDER THAT CONDUCTS INTERACTIVE GAMING SHALL PAY ON A WEEKLY BASIS, ON A FORM AND IN A MANNER PRESCRIBED BY THE DEPARTMENT, A LOCAL SHARE ASSESSMENT EQUAL TO 2% OF THE INTERACTIVE GAMING CERTIFICATE HOLDER'S DAILY GROSS INTERACTIVE GAMING REVENUE.

(B) DEPOSIT AND DISTRIBUTION.--THE DEPARTMENT SHALL, ON A QUARTERLY BASIS, DEPOSIT THE LOCAL SHARE ASSESSMENT IMPOSED UNDER SUBSECTION (A) AS FOLLOWS:

(1) THE FOLLOWING SHALL APPLY:

(I) EXCEPT AS PROVIDED UNDER SUBPARAGRAPHS (II), (III) AND (IV), 50% SHALL BE ADDED TO AND DISTRIBUTED ACCORDING TO THE COUNTY CLASSIFICATION OF THE HOST COUNTY AND THE SLOT MACHINE LICENSE CATEGORY OF THE INTERACTIVE GAMING CERTIFICATE HOLDER UNDER SECTION 1403(C)(2) (RELATING TO ESTABLISHMENT OF STATE GAMING FUND AND NET
SLOT MACHINE REVENUE DISTRIBUTION.

(II) IF A HOST COUNTY IS BOTH A COUNTY OF THE FIRST CLASS AND A CITY OF THE FIRST CLASS WHICH IS COTERMINOUS, 50% SHALL BE DISTRIBUTED TO A SCHOOL DISTRICT OF THE FIRST CLASS.

(III) IF A HOST COUNTY OF THE INTERACTIVE GAMING CERTIFICATE HOLDER IS A HOME RULE COUNTY OF THE SECOND CLASS WHERE A CATEGORY 1 SLOT MACHINE LICENSEE IS LOCATED AT A HARNESS RACETRACK, 50% SHALL BE DISTRIBUTED TO AN AUTHORITY CREATED BY THE HOST COUNTY UNDER 53 PA.C.S. CH. 56 (RELATING TO MUNICIPAL AUTHORITIES), TO BE USED FOR GRANTS WITHIN THE INTERACTIVE GAMING CERTIFICATE HOLDER'S HOST COUNTY. GRANTS AWARDED BY THE AUTHORITY SHALL BE USED FOR ECONOMIC DEVELOPMENT, MUNICIPAL POLICE AND EMERGENCY SERVICES AND OTHER PURPOSES IN THE PUBLIC INTEREST.

(IV) IF AN INTERACTIVE GAMING CERTIFICATE HOLDER DOES NOT HAVE A LICENSED GAMING FACILITY LOCATED IN THIS COMMONWEALTH, 50% SHALL BE ADDED TO AND DISTRIBUTED WITH THE AMOUNT DEPOSITED UNDER SUBSECTION (B)(2).

(2) FIFTY PERCENT SHALL BE DEPOSITED INTO A RESTRICTED RECEIPTS ACCOUNT TO BE ESTABLISHED IN THE COMMONWEALTH FINANCING AUTHORITY TO BE USED EXCLUSIVELY FOR GRANTS FOR PROJECTS IN THE PUBLIC INTEREST IN THE COMMONWEALTH.

§ 13B54. COMPULSIVE AND PROBLEM GAMBLING.

THE FOLLOWING SHALL APPLY:

(1) EACH YEAR, FROM THE TAX IMPOSED IN SECTION 13B52 (RELATING TO INTERACTIVE GAMING TAX), AN AMOUNT EQUAL TO .002 MULTIPLIED BY THE TOTAL GROSS INTERACTIVE GAMING REVENUE OF ALL ACTIVE AND OPERATING INTERACTIVE GAMING CERTIFICATE
HOLDERS SHALL BE TRANSFERRED INTO THE COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND ESTABLISHED IN SECTION 1509 (RELATING TO COMPULSIVE AND PROBLEM GAMBLING PROGRAM).

(2) EACH YEAR, FROM THE TAX IMPOSED IN SECTION 13B52, AN AMOUNT EQUAL TO .002 MULTIPLIED BY THE TOTAL GROSS INTERACTIVE GAMING REVENUE OF ALL ACTIVE AND OPERATING INTERACTIVE GAMING CERTIFICATE HOLDERS SHALL BE TRANSFERRED TO THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY TO BE USED FOR DRUG AND ALCOHOL ADDICTION TREATMENT SERVICES, INCLUDING TREATMENT FOR DRUG AND ALCOHOL ADDICTION RELATED TO COMPULSIVE AND PROBLEM GAMBLING, AS SET FORTH IN SECTION 1509.1 (RELATING TO DRUG AND ALCOHOL TREATMENT).

§ 13B55. CERTIFICATE HOLDER DEPOSITS.

(A) DEPOSITS.--

(1) THE DEPARTMENT SHALL DETERMINE THE APPROPRIATE ASSESSMENT AMOUNT FOR EACH INTERACTIVE GAMING CERTIFICATE HOLDER, WHICH AMOUNT SHALL BE A PERCENTAGE ASSESSED ON THE INTERACTIVE GAMING CERTIFICATE HOLDER'S GROSS INTERACTIVE GAMING REVENUES. EACH INTERACTIVE GAMING CERTIFICATE HOLDER SHALL DEPOSIT FUNDS INTO ITS ACCOUNT UNDER SECTION 1401 (RELATING TO SLOT MACHINE LICENSEE DEPOSITS) ON A WEEKLY BASIS.

(2) THE PERCENTAGE ASSESSED SHALL NOT EXCEED AN AMOUNT NECESSARY TO RECOVER COSTS OR EXPENSES INCURRED BY THE BOARD AND THE DEPARTMENT IN CARRYING OUT POWERS AND DUTIES UNDER THIS CHAPTER BASED ON A BUDGET SUBMITTED BY THE BOARD AND THE DEPARTMENT UNDER SUBSECTION (B).

(B) ITEMIZED BUDGET REPORTING.--

(1) THE BOARD AND THE DEPARTMENT SHALL PREPARE AND ANNUALLY SUBMIT TO THE CHAIRPERSON AND MINORITY CHAIRPERSON
OF THE APPROPRIATIONS COMMITTEE OF THE SENATE AND THE
CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS
COMMITTEE OF THE HOUSE OF REPRESENTATIVES AN ITEMIZED BUDGET
CONSISTING OF AMOUNTS TO BE APPROPRIATED OUT OF THE ACCOUNTS
ESTABLISHED UNDER THIS SECTION AS NECESSARY TO ADMINISTER
THIS CHAPTER.

(2) THE ITEMIZED BUDGET REQUIRED UNDER PARAGRAPH (1)
SHALL BE SUBMITTED IN CONJUNCTION WITH THE BUDGET REQUIRED TO
BE SUBMITTED UNDER SECTION 1202(B)(28) (RELATING TO GENERAL
AND SPECIFIC POWERS).

(C) APPROPRIATION.--COSTS AND EXPENSES FROM ACCOUNTS
ESTABLISHED UNDER SECTION 1401 SHALL ONLY BE DISBURSED UPON
APPROPRIATION BY THE GENERAL ASSEMBLY.

(D) PENALTY.--

(1) AN INTERACTIVE GAMING CERTIFICATE HOLDER THAT FAILS
TO TIMELY REMIT TO THE DEPARTMENT AMOUNTS REQUIRED UNDER THIS
SECTION SHALL BE SUBJECT TO, IN ADDITION TO LIABILITY IMPOSED
IN THIS CHAPTER, A PENALTY OF 5% PER MONTH UP TO A MAXIMUM OF
25% OF THE AMOUNTS ULTIMELY FOUND TO BE DUE. THE PENALTY
SHALL BE RECOVERED BY THE DEPARTMENT.

(2) PENALTIES IMPOSED UNDER THIS SUBSECTION SHALL BE
DEPOSITED INTO THE GENERAL FUND.

SUBCHAPTER G
MISCELLANEOUS PROVISIONS

SEC.
13B61. PARTICIPATION IN INTERACTIVE GAMING OUTSIDE
COMMONWEALTH.

13B62. INSTITUTIONAL INVESTORS.

13B63. INTERNET CAFES AND PROHIBITION.

§ 13B61. PARTICIPATION IN INTERACTIVE GAMING OUTSIDE
COMMONWEALTH.

NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER TO THE CONTRARY, AN INTERACTIVE GAMING CERTIFICATE HOLDER MAY ACCEPT INTERACTIVE GAMING WAGERS FROM A PERSON WHO IS NOT PHYSICALLY LOCATED IN THIS COMMONWEALTH OR MAY ACCEPT INTERACTIVE GAMING WAGERS FROM A PERSON PHYSICALLY PRESENT IN THIS COMMONWEALTH AND TRANSMIT SUCH WAGERS TO AN INTERACTIVE GAMING PLATFORM OPERATED BY ONE OR MORE OPERATORS LICENSED IN A FOREIGN JURISDICTION WHERE INTERACTIVE GAMING IS PERMITTED, IF THE BOARD DETERMINES THE FOLLOWING:

(1) PARTICIPATION IN INTERACTIVE GAMING AND ACCEPTANCE OF WAGERS ASSOCIATED WITH INTERACTIVE GAMING FROM A PERSON NOT PHYSICALLY LOCATED IN THIS COMMONWEALTH OR ACCEPTING INTERACTIVE GAMING WAGERS FROM A PERSON PHYSICALLY PRESENT IN THIS COMMONWEALTH AND TRANSMITTING SUCH WAGERS TO AN INTERACTIVE GAMING PLATFORM OPERATED BY ONE OR MORE OPERATORS LICENSED IN A FOREIGN JURISDICTION WHERE INTERACTIVE GAMING IS PERMITTED IS NOT INCONSISTENT WITH FEDERAL LAW OR REGULATION OR THE LAW OR REGULATION OF THE STATE OR JURISDICTION IN WHICH THE PERSON OR OPERATOR IS LOCATED; AND

(2) PARTICIPATION IN INTERACTIVE GAMING IS CONDUCTED PURSUANT TO AN INTERACTIVE GAMING RECIPROCAL AGREEMENT WITH THE STATE OR JURISDICTION WHERE THE PERSON IS LOCATED AND THE INTERACTIVE GAMING RECIPROCAL AGREEMENT IS NOT INCONSISTENT WITH FEDERAL LAW OR REGULATION.

§ 13B62. INSTITUTIONAL INVESTORS.

(A) DECLARATION OF INVESTMENT INTENT.--NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART, THE FOLLOWING SHALL APPLY:

(1) AN INSTITUTIONAL INVESTOR HOLDING 20% OR LESS OF THE EQUITY SECURITIES OF AN INTERACTIVE GAMING CERTIFICATE
HOLDER'S, INTERACTIVE GAMING OPERATOR'S OR APPLICANT'S
HOLDING, SUBSIDIARY OR INTERMEDIARY COMPANIES SHALL BE
GRANTED A WAIVER OF ANY INVESTIGATION OF SUITABILITY OR OTHER
REQUIREMENT IF THE SECURITIES ARE THOSE OF A CORPORATION,
WHETHER PUBLICLY TRADED OR PRIVATELY HELD, AND THE HOLDINGS
OF THE SECURITIES WERE PURCHASED FOR INVESTMENT PURPOSES
ONLY. THE INSTITUTIONAL INVESTOR SHALL FILE A CERTIFIED
STATEMENT THAT IT HAS NO INTENTION OF INFLUENCING OR
AFFECTING THE AFFAIRS OF THE INTERACTIVE GAMING CERTIFICATE
HOLDER, INTERACTIVE GAMING OPERATOR, APPLICANT OR ANY
HOLDING, SUBSIDIARY OR INTERMEDIARY COMPANY OF AN INTERACTIVE
GAMING CERTIFICATE HOLDER, INTERACTIVE GAMING OPERATOR OR
APPLICANT. HOWEVER, AN INSTITUTIONAL INVESTOR SHALL BE
PERMITTED TO VOTE ON MATTERS PUT TO THE VOTE OF THE
OUTSTANDING SECURITY HOLDERS.

(2) THE BOARD MAY GRANT A WAIVER TO AN INSTITUTIONAL
INVESTOR HOLDING A higher PERCENTAGE OF SECURITIES UPON A
SHOWING OF GOOD CAUSE AND IF THE OTHER CONDITIONS SPECIFIED
IN PARAGRAPH (1) ARE MET.

(3) AN INSTITUTIONAL INVESTOR GRANTED A WAIVER UNDER
THIS SUBSECTION WHO SUBSEQUENTLY DECIDES TO INFLUENCE OR
AFFECT THE AFFAIRS OF AN INTERACTIVE GAMING CERTIFICATE
HOLDER, INTERACTIVE GAMING OPERATOR OR APPLICANT'S HOLDING,
SUBSIDIARY OR INTERMEDIARY COMPANY OF AN INTERACTIVE GAMING
CERTIFICATE HOLDER, INTERACTIVE GAMING OPERATOR OR APPLICANT
SHALL PROVIDE NOT LESS THAN 30 DAYS' NOTICE OF INTENT AND
SHALL FILE WITH THE BOARD A REQUEST FOR DETERMINATION OF
SUITABILITY BEFORE TAKING ANY ACTION THAT MAY INFLUENCE OR
AFFECT SUCH AFFAIRS. AN INSTITUTIONAL INVESTOR SHALL BE
PERMITTED TO VOTE ON MATTERS PUT TO THE VOTE OF THE
OUTSTANDING SECURITY HOLDERS.

(4) IF AN INSTITUTIONAL INVESTOR CHANGES ITS INVESTMENT INTENT OR IF THE BOARD FINDS REASONABLE CAUSE TO BELIEVE THAT THE INSTITUTIONAL INVESTOR MAY BE FOUND UNSUITABLE, NO ACTION OTHER THAN DIVESTITURE SHALL BE TAKEN BY THE INSTITUTIONAL INVESTOR WITH RESPECT TO ITS SECURITY HOLDINGS UNTIL THERE HAS BEEN COMPLIANCE WITH ANY REQUIREMENTS ESTABLISHED BY THE BOARD, WHICH MAY INCLUDE THE EXECUTION OF A TRUST AGREEMENT IN ACCORDANCE WITH SECTION 1332 (RELATING TO APPOINTMENT OF TRUSTEE).

(5) THE INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE GAMING OPERATOR OR APPLICANT OR ANY HOLDING, INTERMEDIARY OR SUBSIDIARY COMPANY OF AN INTERACTIVE GAMING CERTIFICATE HOLDER, INTERACTIVE GAMING OPERATOR OR APPLICANT SHALL NOTIFY THE BOARD IMMEDIATELY OF ANY INFORMATION ABOUT, OR ACTIONS OF, AN INSTITUTIONAL INVESTOR HOLDING ITS EQUITY SECURITIES WHERE THE INFORMATION OR ACTION MAY IMPACT THE ELIGIBILITY OF THE INSTITUTIONAL INVESTOR FOR A WAIVER UNDER THIS SUBSECTION.

(B) FAILURE TO DECLARE.--IF THE BOARD FINDS:

(1) THAT AN INSTITUTIONAL INVESTOR HOLDING ANY SECURITY OF A HOLDING OR INTERMEDIARY COMPANY OF AN INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE GAMING OPERATOR OR APPLICANT OR, WHERE RELEVANT, OF ANOTHER SUBSIDIARY COMPANY OF A HOLDING OR INTERMEDIARY COMPANY OF AN INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE GAMING OPERATOR OR APPLICANT WHICH IS RELATED IN ANY WAY TO THE FINANCING OF THE INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE GAMING OPERATOR OR APPLICANT, FAILS TO COMPLY WITH THE PROVISIONS OF SUBSECTION (A); OR
(2) BY REASON OF THE EXTENT OR NATURE OF ITS HOLDINGS, AN INSTITUTIONAL INVESTOR IS IN A POSITION TO EXERCISE SUCH A SUBSTANTIAL IMPACT UPON THE CONTROLLING INTERESTS OF AN INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE GAMING OPERATOR OR APPLICANT THAT INVESTIGATION AND DETERMINATION OF SUITABILITY OF THE INSTITUTIONAL INVESTOR IS NECESSARY TO PROTECT THE PUBLIC INTEREST;

THEN THE BOARD MAY TAKE ANY NECESSARY ACTION OTHERWISE AUTHORIZED UNDER THIS CHAPTER TO PROTECT THE PUBLIC INTEREST.

§ 13B63. INTERNET CAFES AND PROHIBITION.

(A) GENERAL RULE.—NO PERSON SHALL OPERATE A PLACE OF PUBLIC ACCOMMODATION, CLUB, INCLUDING A CLUB OR ASSOCIATION LIMITED TO DUES-PAYING MEMBERS OR SIMILAR RESTRICTED GROUPS, OR SIMILAR ESTABLISHMENT IN WHICH COMPUTER TERMINALS OR SIMILAR ACCESS DEVICES ARE ADVERTISED OR MADE AVAILABLE TO BE USED PRINCIPALLY FOR THE PURPOSE OF ACCESSING AUTHORIZED INTERACTIVE GAMES. NO INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE GAMING OPERATOR SHALL OFFER OR MAKE AVAILABLE COMPUTER TERMINALS OR SIMILAR ACCESS DEVICES TO BE USED PRINCIPALLY FOR THE PURPOSE OF ACCESSING INTERACTIVE GAMES WITHIN A LICENSED FACILITY.

(B) CONSTRUCTION.—NOTHING IN THIS SECTION SHALL BE CONSTRUED TO REQUIRE THE OWNER OR OPERATOR OF A HOTEL OR MOTEL OR OTHER PUBLIC PLACE OF GENERAL USE IN THIS COMMONWEALTH TO PROHIBIT OR BLOCK GUESTS FROM PLAYING AUTHORIZED INTERACTIVE GAMES ON THEIR OWN COMPUTERS OR OTHER DEVICES.

(C) COMPUTER ACCESS.—AN INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE GAMING OPERATOR SHALL PREVENT REGISTERED PLAYERS WITHIN A LICENSED FACILITY FROM ACCESSING AUTHORIZED INTERACTIVE GAMES ON THE REGISTERED PLAYER'S OWN COMPUTERS OR OTHER DEVICES THROUGH THE USE OF GEOSPATIAL TECHNOLOGIES.
CHAPTER 13C
SPORTS WAGERING

SUBCHAPTER
A. GENERAL PROVISIONS
B. SPORTS WAGERING AUTHORIZED
C. CONDUCT OF SPORTS WAGERING
D. SPORTS WAGERING TAXES AND FEES
E. MISCELLANEOUS PROVISIONS

SUBCHAPTER A
GENERAL PROVISIONS

SEC.
13C01. DEFINITIONS.
13C02. REGULATORY AUTHORITY.
13C03. TEMPORARY SPORTS WAGERING REGULATIONS.
13C04. UNAUTHORIZED SPORTS WAGERING.

§ 13C01. DEFINITIONS.
THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
CONTEXT CLEARLY INDICATES OTHERWISE:
"GROSS SPORTS WAGERING REVENUE."

(1) THE TOTAL OF CASH OR CASH EQUIVALENTS RECEIVED FROM
SPORTS WAGERING MINUS THE TOTAL OF:

(I) CASH OR CASH EQUIVALENTS PAID TO PLAYERS AS A
RESULT OF SPORTS WAGERING.

(II) CASH OR CASH EQUIVALENTS PAID TO PURCHASE
ANNUITIES TO FUND PRIZES PAYABLE TO PLAYERS OVER A PERIOD
OF TIME AS A RESULT OF SPORTS WAGERING.

(III) THE ACTUAL COST PAID BY THE SPORTS WAGERING
CERTIFICATE HOLDER FOR ANY PERSONAL PROPERTY DISTRIBUTED
TO A PLAYER AS A RESULT OF SPORTS WAGERING. THIS
SUBPARAGRAPH DOES NOT INCLUDE TRAVEL EXPENSES, FOOD, REFRESHMENTS, LODGING OR SERVICES.

(2) THE TERM DOES NOT INCLUDE ANY OF THE FOLLOWING:

   (I) COUNTERFEIT CASH OR CHIPS.

   (II) COINS OR CURRENCY OF OTHER COUNTRIES RECEIVED AS A RESULT OF SPORTS WAGERING, EXCEPT TO THE EXTENT THAT THE COINS OR CURRENCY ARE READILY CONVERTIBLE TO CASH.

   (III) CASH TAKEN IN A FRAUDULENT ACT PERPETRATED AGAINST A SPORTS WAGERING CERTIFICATE HOLDER FOR WHICH THE SPORTS WAGERING CERTIFICATE HOLDER IS NOT REIMBURSED.

"SPORTING EVENT." A PROFESSIONAL OR COLLEGIATE SPORT OR ATHLETIC EVENT OR A MOTOR RACE EVENT.

"SPORTS WAGERING." THE BUSINESS OF ACCEPTING WAGERS ON SPORTING EVENTS OR ON THE INDIVIDUAL PERFORMANCE STATISTICS OF ATHLETES IN A SPORTING EVENT OR COMBINATION OF SPORTING EVENTS BY ANY SYSTEM OR METHOD OF WAGERING, INCLUDING OVER THE INTERNET THROUGH WEBSITES AND MOBILE APPLICATIONS. THE TERM INCLUDES, BUT IS NOT LIMITED TO, EXCHANGE WAGERING, PARLAYS, OVER-UNDER, MONEYLINE, POOLS AND STRAIGHT BETS. THE TERM DOES NOT INCLUDE:

   (1) PARI-MUTUEL BETTING ON THE OUTCOME OF THOROUGHBRED OR HARNNESS HORSE RACING AS AUTHORIZED UNDER 3 PA.C.S. CH. 93 (RELATING TO RACE HORSE INDUSTRY REFORM).

   (2) LOTTERY GAMES OF THE PENNSYLVANIA STATE LOTTERY AS AUTHORIZED UNDER THE ACT OF AUGUST 26, 1971 (P.L.351, NO.91), KNOWN AS THE STATE LOTTERY LAW.

   (3) BINGO AS AUTHORIZED UNDER THE ACT OF JULY 10, 1981 (P.L.214, NO.67), KNOWN AS THE BINGO LAW.

   (4) SMALL GAMES OF CHANCE AS AUTHORIZED UNDER THE ACT OF DECEMBER 19, 1988 (P.L.1262, NO.156), KNOWN AS THE LOCAL OPTION SMALL GAMES OF CHANCE ACT.
(5) SLOT MACHINE GAMING AND PROGRESSIVE SLOT MACHINE GAMING AS DEFINED AND AUTHORIZED UNDER THIS PART.

(6) KENO.

(7) FANTASY CONTESTS.

(8) ILOTTERY UNDER CHAPTER 5 (RELATING TO LOTTERY).

"SPORTS WAGERING CERTIFICATE." A CERTIFICATE AWARDED BY THE BOARD UNDER THIS CHAPTER THAT AUTHORIZES A SLOT MACHINE LICENSEE TO CONDUCT SPORTS WAGERING IN ACCORDANCE WITH THIS CHAPTER.

"SPORTS WAGERING CERTIFICATE HOLDER." A SLOT MACHINE LICENSEE TO WHOM THE BOARD HAS AWARDED A SPORTS WAGERING CERTIFICATE.

"SPORTS WAGERING DEVICE." THE TERM INCLUDES ANY MECHANICAL, ELECTRICAL OR COMPUTERIZED CONTRIVANCE, TERMINAL, MACHINE OR OTHER DEVICE, APPARATUS, EQUIPMENT OR SUPPLIES APPROVED BY THE BOARD AND USED TO CONDUCT SPORTS WAGERING.

§ 13C02. REGULATORY AUTHORITY.

THE BOARD SHALL PROMULGATE REGULATIONS:

(1) ESTABLISHING STANDARDS AND PROCEDURES FOR SPORTS WAGERING. THE STANDARDS AND PROCEDURES SHALL PROVIDE FOR THE CONDUCT AND IMPLEMENTATION OF SPORTS WAGERING BY SLOT MACHINE LICENSEES, INCLUDING ANY NEW SPORTS WAGERING OR VARIATIONS OR COMPOSITES OF APPROVED SPORTS WAGERING, PROVIDED THAT THE BOARD DETERMINES THAT THE NEW SPORTS WAGERING OR ANY VARIATIONS OR COMPOSITES OR OTHER APPROVED SPORTS WAGERING ARE SUITABLE FOR USE AFTER A TEST OR EXPERIMENTAL PERIOD UNDER THE TERMS AND CONDITIONS AS THE BOARD MAY DEEM APPROPRIATE.

(2) ESTABLISHING STANDARDS AND PROCEDURES TO GOVERN THE CONDUCT OF SPORTS WAGERING AND THE SYSTEM OF WAGERING, INCLUDING THE MANNER IN WHICH WAGERS ARE RECEIVED, PAYOUTS
ARE REMITTED AND POINT SPREADS, LINES AND ODDS ARE
determined. The Board may also promulgate regulations to
govern the conduct of sports wagering and the system of
wagering as a form of interactive gaming authorized by the
commonwealth.

(3) Establishing the method for calculating gross sports
wagering revenue and standards for the daily counting and
recording of cash and cash equivalents received in the
conduct of sports wagering, including ensuring that internal
controls are followed and financial books and records are
maintained and audits are conducted. The Board shall consult
with the department in establishing the regulations under
this paragraph.

(4) Establishing notice requirements pertaining to
minimum and maximum wagers on sports wagering.

(5) Establishing compulsive and problem gambling
standards pertaining to sports wagering consistent with this
part.

(6) Establishing standards prohibiting persons under 21
years of age from participating in sports wagering.

(7) Providing information pertaining to sports wagering
in the Board’s annual report required under section 1211(A.1)
(relating to reports of Board).

(8) Requiring each sports wagering certificate holder
to:

(I) provide written information about sports
wagering rules, payouts or winning wagers and other
information as the Board may require.

(II) provide specifications approved by the Board
under section 1207(11) (relating to regulatory authority
OF BOARD) TO INTEGRATE AND UPDATE THE LICENSED FACILITY'S
SURVEILLANCE SYSTEM TO COVER ALL AREAS IN THE LICENSED
FACILITY WHERE SPORTS WAGERING IS CONDUCTED. THE
SPECIFICATIONS SHALL INCLUDE PROVISIONS PROVIDING THE
BOARD AND OTHER PERSONS AUTHORIZED BY THE BOARD WITH
ONSITE ACCESS TO THE SURVEILLANCE SYSTEM OR ITS SIGNAL.

(III) DESIGNATE ONE OR MORE LOCATIONS WITHIN THE
LICENSED FACILITY TO CONDUCT SPORTS WAGERING.

(IV) ENSURE THAT VISIBILITY OF EACH SPORTS WAGERING
AREA IN THE LICENSED FACILITY OF THE SPORTS WAGERING
CERTIFICATE HOLDER IS NOT OBSTRUCTED IN ANY WAY THAT
COULD INTERFERE WITH THE ABILITY OF THE SPORTS WAGERING
CERTIFICATE HOLDER, THE BOARD AND OTHER PERSONS
AUTHORIZED UNDER THIS PART OR BY THE BOARD TO OVERSEE THE
SURVEILLANCE OF THE CONDUCT OF SPORTS WAGERING.

(V) INTEGRATE THE LICENSED FACILITY'S COUNT ROOM TO
ENSURE MAXIMUM SECURITY OF THE COUNTING AND STORAGE OF
CASH AND CASH EQUIVALENTS.

(VI) EQUIP EACH DESIGNATED SPORTS WAGERING AREA
WITHIN THE LICENSED FACILITY WITH A SIGN INDICATING THE
PERMISSIBLE SPORTS WAGERING MINIMUM AND MAXIMUM WAGERS.

(VII) ENSURE THAT NO PERSON UNDER 21 YEARS OF AGE
PARTICIPATES IN SPORTS WAGERING.

§ 13C03. TEMPORARY SPORTS WAGERING REGULATIONS.

(A) PROMULGATION.--IN ORDER TO FACILITATE THE PROMPT
IMPLEMENTATION OF THIS CHAPTER, REGULATIONS PROMULGATED BY THE
BOARD SHALL BE DEEMED TEMPORARY REGULATIONS WHICH SHALL EXPIRE
NOT LATER THAN TWO YEARS FOLLOWING THE PUBLICATION OF THE
TEMPORARY REGULATIONS. THE BOARD MAY PROMULGATE TEMPORARY
REGULATIONS NOT SUBJECT TO:
(1) Sections 201, 202, 203, 204 and 205 of the Act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law.

(2) Section 204(B) of the Act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act.


(B) Expiration.--Except for temporary regulations governing the rules of sports wagering approved by the Board, the Board's authority to adopt temporary regulations under subsection (A) shall expire two years after publication of the temporary regulations. Regulations adopted after this period shall be promulgated as provided by law.


(A) Offense defined.--

(1) It shall be unlawful for any person to operate, conduct, offer or expose sports wagering for play or to accept a bet or wager associated with sports wagering from any person physically located in this Commonwealth which at the time of play that is not within the scope of a valid sports wagering certificate issued by the Board under this chapter.

(2) It shall be unlawful for any person to knowingly provide services with respect to any sports wagering or bet or wager specified in paragraph (1).

(B) Grading of offense.--A person who violates subsection (A) commits a misdemeanor of the first degree. For a second or subsequent violation of subsection (A), a person commits a felony of the second degree.

(C) Penalties.--
(1) For a first violation of subsection (a), a person shall be sentenced to pay a fine of:

(I) not more than $150,000, if the person is an individual;

(II) not less than $150,000 nor more than $300,000, if the person is a licensed manufacturer or supplier; or

(III) not less than $300,000 nor more than $600,000, if the person is a licensed gaming entity.

(2) For a second or subsequent violation of subsection (a), a person shall be sentenced to pay a fine of:

(I) not more than $300,000, if the person is an individual;

(II) not less than $300,000 nor more than $600,000, if the person is a licensed manufacturer or supplier; or

(III) not less than $600,000 nor more than $1,200,000, if the person is a licensed gaming entity.

(D) Forfeiture.—If a person engages in sports wagering from a location where sports wagering is unauthorized, the person shall forfeit all winnings and any forfeited winnings shall be deposited into the compulsive and problem gambling treatment fund established under section 1509(b) (relating to compulsive and problem gambling program).

(E) Tax liability.—A person who offers sports wagering without a valid sport wagering certificate shall be liable for all taxes required by this chapter in the same manner and amounts as if the person were a licensee.

Subchapter B

Sec.

13C11. Authorization to conduct sports wagering.
§ 13C11. AUTHORIZATION TO CONDUCT SPORTS WAGERING.

(A) PERSONS WHO MAY BE AUTHORIZED.--

(1) (I) THE BOARD MAY AUTHORIZE A SLOT MACHINE LICENSEE TO CONDUCT SPORTS WAGERING AND TO OPERATE A SYSTEM OF WAGERING ASSOCIATED WITH THE CONDUCT OF SPORTS WAGERING AT THE SLOT MACHINE LICENSEE'S LICENSED FACILITY, A TEMPORARY FACILITY AUTHORIZED UNDER SECTION 13C21(B) (RELATING TO AUTHORIZED LOCATIONS FOR OPERATION), AN AREA AUTHORIZED UNDER SECTION 13C21(C) OR THROUGH AN INTERNET-BASED SYSTEM.

(II) AUTHORIZATION SHALL BE CONTINGENT UPON THE SLOT MACHINE LICENSEE'S AGREEMENT TO ENSURE THAT SPORTS WAGERING WILL BE CONDUCTED IN ACCORDANCE WITH THIS PART AND ANY OTHER CONDITIONS ESTABLISHED BY THE BOARD.

(III) NOTHING IN THIS PART SHALL BE CONSTRUED TO CREATE A SEPARATE LICENSE GOVERNING THE CONDUCT OF SPORTS WAGERING BY SLOT MACHINE LICENSEES WITHIN THIS COMMONWEALTH.

(2) THE BOARD MAY AUTHORIZE A SPORTS WAGERING CERTIFICATE HOLDER TO CONDUCT SPORTS WAGERING AND TO OPERATE A SYSTEM OF WAGERING ASSOCIATED WITH THE CONDUCT OF SPORTS WAGERING AS A FORM OF INTERACTIVE GAMING AUTHORIZED BY THE COMMONWEALTH.

(3) (I) EXCEPT AS PROVIDED IN THIS PART, ALL INDIVIDUALS WAGERING ON SPORTING EVENTS THROUGH
AUTHORIZED SPORTS WAGERING MUST BE PHYSICALLY LOCATED
WITHIN THIS COMMONWEALTH OR WITHIN A STATE OR
JURISDICTION WITH WHICH THE BOARD HAS ENTERED A SPORTS
WAGERING AGREEMENT.

(ii) No individual under 21 years of age may make a
wager or bet on sporting events through authorized sports
wagering or have access to the designated sports wagering
area of the licensed facility.

(B) FEDERAL AUTHORIZATION.--

(1) The board shall, when federal law is enacted or
repealed or a federal court decision is filed that permits a
state to regulate sports wagering, publish a notice in the
Pennsylvania Bulletin certifying the enactment or repeal or
the filing of the decision.

(2) The board may not authorize the conduct of sports
wagering in this commonwealth until the notice is published
as prescribed in paragraph (1).

§ 13C12. Petition requirements.

(A) General rule.--Unless otherwise prohibited under section
13A13 (relating to prohibitions), a slot machine licensee may
seek approval to conduct sports wagering by filing a petition
with the board, in a form and in a manner prescribed by the
board.

(B) Petition contents.--A petition seeking authorization to
conduct sports wagering shall include the following:

(1) The name, business address and contact information
of the petitioner.

(2) The name, business address, job title and a
photograph of each principal and key employee of the
petitioner who will be involved in the conduct of sports
WAGERING AND WHO IS NOT CURRENTLY LICENSED BY THE BOARD, IF
KNOWN.

(3) A BRIEF DESCRIPTION OF THE ECONOMIC BENEFITS
EXPECTED TO BE REALIZED BY THE COMMONWEALTH, ITS
MUNICIPALITIES AND ITS RESIDENTS IF SPORTS WAGERING IS
AUTHORIZED AT THE PETITIONER'S LICENSED FACILITY.

(4) THE DETAILS OF ANY FINANCING OBTAINED OR THAT WILL
BE OBTAINED TO FUND AN EXPANSION OR MODIFICATION OF THE
LICENSED FACILITY TO ACCOMMODATE SPORTS WAGERING AND TO
OTHERWISE FUND THE COST OF COMMENCING SPORTS WAGERING.

(5) INFORMATION AND DOCUMENTATION CONCERNING FINANCIAL
BACKGROUND AND RESOURCES, AS THE BOARD MAY REQUIRE, TO
ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE FINANCIAL
STABILITY, INTEGRITY AND RESPONSIBILITY OF THE PETITIONER.

(6) INFORMATION AND DOCUMENTATION, AS THE BOARD MAY
REQUIRE, TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THAT
THE PETITIONER HAS SUFFICIENT BUSINESS ABILITY AND EXPERIENCE
TO CREATE AND MAINTAIN A SUCCESSFUL SPORTS WAGERING
OPERATION. IN MAKING THIS DETERMINATION, THE BOARD MAY
CONSIDER THE PERFORMANCE OF THE PETITIONER'S SLOT MACHINE AND
TABLE GAME OPERATION, INCLUDING FINANCIAL INFORMATION,
EMPLOYMENT DATA AND CAPITAL INVESTMENT.

(7) INFORMATION AND DOCUMENTATION, AS THE BOARD MAY
REQUIRE, TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THAT
THE PETITIONER HAS OR WILL HAVE THE FINANCIAL ABILITY TO PAY
THE AUTHORIZATION FEE UNDER SECTION 13C61 (RELATING TO SPORTS
WAGERING AUTHORIZATION FEE).

(8) DETAILED SITE PLANS IDENTIFYING THE PETITIONER'S
PROPOSED SPORTS WAGERING AREA WITHIN THE LICENSED FACILITY.

(9) OTHER INFORMATION AS THE BOARD MAY REQUIRE.
(C) CONFIDENTIALITY.--INFORMATION SUBMITTED TO THE BOARD UNDER SUBSECTION (B)(4), (5), (6), (7) AND (8) MAY BE CONSIDERED CONFIDENTIAL BY THE BOARD IF THE INFORMATION WOULD BE CONFIDENTIAL UNDER SECTION 1206(F) (RELATING TO BOARD MINUTES AND RECORDS).

§ 13C13. STANDARD FOR REVIEW OF PETITIONS.

(A) GENERAL RULE.--THE BOARD SHALL APPROVE A PETITION IF THE PETITIONER ESTABLISHES, BY CLEAR AND CONVINCING EVIDENCE, ALL OF THE FOLLOWING:

(1) THE PETITIONER'S SLOT MACHINE LICENSE AND TABLE GAME OPERATION CERTIFICATE ARE IN GOOD STANDING WITH THE BOARD.

(2) THE CONDUCT OF SPORTS WAGERING AT THE PETITIONER'S LICENSED FACILITY WILL INCREASE REVENUES AND EMPLOYMENT OPPORTUNITIES.

(3) THE PETITIONER POSSESSES ADEQUATE FUNDS OR HAS SECURED ADEQUATE FINANCING TO:

   (I) FUND ANY NECESSARY EXPANSION OR MODIFICATION OF THE PETITIONER'S LICENSED FACILITY TO ACCOMMODATE THE CONDUCT OF SPORTS WAGERING.

   (II) PAY THE AUTHORIZATION FEE IN ACCORDANCE WITH SECTION 13C61 (RELATING TO SPORTS WAGERING AUTHORIZATION FEE).

   (III) COMMENCE SPORTS WAGERING OPERATIONS AT ITS LICENSED FACILITY.

(4) THE PETITIONER HAS THE FINANCIAL STABILITY, INTEGRITY AND RESPONSIBILITY TO CONDUCT SPORTS WAGERING.

(5) THE PETITIONER HAS SUFFICIENT BUSINESS ABILITY AND EXPERIENCE TO CREATE AND MAINTAIN A SUCCESSFUL SPORTS WAGERING OPERATION.

(6) THE PETITIONER'S PROPOSED INTERNAL AND EXTERNAL
SECURITY AND PROPOSED SURVEILLANCE MEASURES WITHIN THE AREA
OF THE LICENSED FACILITY WHERE THE PETITIONER SEEKS TO
CONDUCT SPORTS WAGERING ARE ADEQUATE.

(7) THE PETITIONER HAS SATISFIED THE PETITION
APPLICATION REQUIREMENTS AND PROVIDED ANY OTHER INFORMATION
REQUIRED BY SECTION 13C12(B) (RELATING TO PETITION
REQUIREMENTS).

(B) TIMING OF APPROVAL.--THE BOARD SHALL APPROVE OR DENY A
PETITION WITHIN 120 DAYS FOLLOWING RECEIPT OF THE COMPLETED
PETITION.

§ 13C14. AWARD OF CERTIFICATE.

(A) GENERAL RULE.--UPON APPROVAL OF A PETITION, THE BOARD
SHALL AWARD A SPORTS WAGERING CERTIFICATE TO THE PETITIONER. THE
AWARD OF A SPORTS WAGERING CERTIFICATE PRIOR TO THE PAYMENT IN
FULL OF THE AUTHORIZATION FEE REQUIRED BY SECTION 13C61
(RELATING TO SPORTS WAGERING AUTHORIZATION FEE) SHALL NOT
RELIEVE THE PETITIONER FROM COMPLYING WITH THE PROVISIONS OF
SECTION 13C61.

(B) STATEMENT OF CONDITIONS.--UPON AWARDING A SPORTS
WAGERING OPERATION CERTIFICATE, THE BOARD SHALL AMEND THE SLOT
MACHINE LICENSEE'S STATEMENT OF CONDITIONS PERTAINING TO THE
REQUIREMENTS OF THIS CHAPTER.

(C) TERM OF SPORTS WAGERING CERTIFICATE.--SUBJECT TO THE
POWER OF THE BOARD TO DENY, REVOKE OR SUSPEND A SPORTS WAGERING
CERTIFICATE ISSUED IN ACCORDANCE WITH THE REQUIREMENTS OF THIS
SECTION, A SPORTS WAGERING CERTIFICATE SHALL BE RENEWED EVERY
FIVE YEARS AND SHALL BE SUBJECT TO THE REQUIREMENTS OF SECTION
1326 (RELATING TO RENEWALS).

§ 13C15. SPORTS WAGERING CERTIFICATE.

THE FOLLOWING SHALL APPLY:
(1) A SPORTS WAGERING CERTIFICATE SHALL BE IN EFFECT UNLESS:

   (I) SUSPENDED OR REVOKED BY THE BOARD CONSISTENT WITH THE REQUIREMENTS OF THIS PART;

   (II) THE SLOT MACHINE LICENSE HELD BY THE SPORTS WAGERING CERTIFICATE HOLDER IS SUSPENDED, REVOKED OR NOT RENEWED BY THE BOARD CONSISTENT WITH THE REQUIREMENTS OF THIS PART; OR

   (III) THE SPORTS WAGERING CERTIFICATE HOLDER RELINQUISHES OR DOES NOT SEEK RENEWAL OF ITS SLOT MACHINE LICENSE.

(2) A SPORTS WAGERING CERTIFICATE HOLDER THAT FAILS TO ABIDE BY THIS CHAPTER OR ANY CONDITION CONTAINED IN THE SLOT MACHINE LICENSEE'S STATEMENT OF CONDITIONS GOVERNING THE CONDUCT OF SPORTS WAGERING SHALL BE SUBJECT TO BOARD-IMPOSED ADMINISTRATIVE SANCTIONS OR OTHER PENALTIES AUTHORIZED UNDER THIS PART.

§ 13C16. SPORTS WAGERING MANUFACTURERS.

A PERSON WHO MANUFACTURES, BUILDS, REBUILDS, FABRICATES, ASSEMBLES, PRODUCES, PROGRAMS, DESIGNS, SELLS, LEASES, OFFERS OR OTHERWISE MAKES MODIFICATIONS TO ANY SPORTS WAGERING DEVICE OR ASSOCIATED EQUIPMENT FOR USE OR OPERATION IN THIS COMMONWEALTH FOR SPORTS WAGERING PURPOSES SHALL BE LICENSED BY THE BOARD UNDER SECTION 1317.1 (RELATING TO MANUFACTURER LICENSES) AND SHALL BE SUBJECT TO APPLICATION AND LICENSURE FEES AND FINES AS PRESCRIBED UNDER SECTION 1208, AS DETERMINED BY THE BOARD.

SUBCHAPTER C

CONDUCT OF SPORTS WAGERING

SEC.

13C21. AUTHORIZED LOCATIONS FOR OPERATION.
13C22. COMMENCEMENT OF SPORTS WAGERING OPERATIONS.

13C23. CONDITION OF CONTINUED OPERATION.

13C24. PRINCIPALS, KEY EMPLOYEES AND OCCUPATION PERMITS.

13C25. APPLICATION OF CLEAN INDOOR AIR ACT.

13C26. APPLICATION OF LIQUOR CODE.

§ 13C21. AUTHORIZED LOCATIONS FOR OPERATION.

(A) RESTRICTION.--A SPORTS WAGERING CERTIFICATE HOLDER MAY ONLY BE PERMITTED TO CONDUCT SPORTS WAGERING AT A LICENSED FACILITY, A TEMPORARY FACILITY AUTHORIZED UNDER SUBSECTION (B), AN AREA AUTHORIZED UNDER SUBSECTION (C) OR THROUGH AN INTERNET-BASED SYSTEM.

(B) TEMPORARY FACILITIES.--THE BOARD MAY PERMIT A SPORTS WAGERING CERTIFICATE HOLDER TO CONDUCT SPORTS WAGERING AT A TEMPORARY FACILITY THAT IS PHYSICALLY CONNECTED TO, ATTACHED TO OR ADJACENT TO A LICENSED FACILITY, AS APPROVED BY THE BOARD, FOR A PERIOD NOT TO EXCEED 18 MONTHS.

(C) POWERS AND DUTIES OF BOARD.--

(1) UPON REQUEST MADE BY A SPORTS WAGERING CERTIFICATE HOLDER, THE BOARD, IN CONSULTATION WITH THE COMMISSION, MAY DETERMINE THE SUITABILITY OF A CATEGORY 1 LICENSED GAMING ENTITY THAT IS ALSO A LICENSED RACING ENTITY AUTHORIZED TO CONDUCT PARI-MUTUEL WAGERING AT NONPRIMARY LOCATIONS UNDER 3 PA.C.S. CH. 93 (RELATING TO RACE HORSE INDUSTRY REFORM) TO CONDUCT SPORTS WAGERING AT NONPRIMARY LOCATIONS.

(2) NO SPORTS WAGERING CERTIFICATE HOLDER MAY BE APPROVED TO CONDUCT SPORTS WAGERING IN A NONPRIMARY LOCATION UNLESS THE AREAS OF THE NONPRIMARY LOCATION WHERE SPORTS WAGERING WILL BE CONDUCTED ARE EQUIPPED WITH ADEQUATE SECURITY AND SURVEILLANCE EQUIPMENT TO ENSURE THE INTEGRITY OF THE CONDUCT OF SPORTS WAGERING.
(3) AN AUTHORIZATION GRANTED UNDER THIS SUBSECTION MAY NOT:

(I) IMPOSE ANY CRITERIA OR REQUIREMENTS REGARDING
THE CONTENTS OR STRUCTURE OF A NONPRIMARY LOCATION THAT
ARE UNRELATED TO THE CONDUCT OF SPORTS WAGERING.

(II) AUTHORIZE THE PLACEMENT OR OPERATION OF SLOT
MACHINES OR TABLE GAMES IN A NONPRIMARY LOCATION.

§ 13C22. COMMENCEMENT OF SPORTS WAGERING OPERATIONS.
NO SPORTS WAGERING CERTIFICATE HOLDER MAY OPERATE OR OFFER
SPORTS WAGERING UNTIL THE BOARD DETERMINES THAT:

(1) THE SPORTS WAGERING CERTIFICATE HOLDER IS IN
COMPLIANCE WITH THE REQUIREMENTS OF THIS PART.

(2) THE SPORTS WAGERING CERTIFICATE HOLDER IS PREPARED
IN ALL RESPECTS TO OFFER SPORTS WAGERING PLAY TO THE PUBLIC
AT THE LICENSED FACILITY.

(3) THE SPORTS WAGERING CERTIFICATE HOLDER HAS
IMPLEMENTED NECESSARY INTERNAL AND MANAGEMENT CONTROLS AND
SECURITY ARRANGEMENTS AND SURVEILLANCE SYSTEMS FOR THE
CONDUCT OF SPORTS WAGERING.

(4) THE SPORTS WAGERING CERTIFICATE HOLDER IS IN
COMPLIANCE WITH OR HAS COMPLIED WITH SECTION 13C61 (RELATING
TO SPORTS WAGERING AUTHORIZATION FEE).

(5) OTHER CONDITIONS AS THE BOARD MAY REQUIRE TO
IMPLEMENT THE CONDUCT OF SPORTS WAGERING.

§ 13C23. CONDITION OF CONTINUED OPERATION.
AS A CONDITION OF CONTINUED OPERATION, A SPORTS WAGERING
CERTIFICATE HOLDER SHALL MAINTAIN ALL BOOKS, RECORDS AND
DOCUMENTS PERTAINING TO SPORTS WAGERING IN A MANNER AND LOCATION
WITHIN THIS COMMONWEALTH AS APPROVED BY THE BOARD. ALL BOOKS,
RECORDS AND DOCUMENTS RELATED TO SPORTS WAGERING SHALL BE:
(1) Segregated by separate accounts within the sports wagering certificate holder's books, records and documents, except for any books, records or documents that are common to slot machine, table game and sports wagering operations and approved by the board;

(2) Immediately available for inspection upon request of the board, the bureau, the department, the pennsylvania state police or the attorney general, or agents thereof and, if the sports wagering certificate holder is conducting sports wagering at a nonprimary location, upon the request of the commission, during all hours of operation of the sports wagering certificate holder in accordance with regulations promulgated by the board; and

(3) Maintained for a period as the board, by regulation, may require.

§ 13C24. PRINCIPALS, KEY EMPLOYEES AND OCCUPATION PERMITS.

The following shall apply:

(1) Except as provided under paragraph (2), each applicant for a principal license, key employee license or gaming employee occupation permit shall:

(I) Consent to a background investigation to be conducted by the bureau.

(II) Submit to fingerprinting by the pennsylvania state police or an authorized agent of the pennsylvania state police. the pennsylvania state police or the authorized agent shall submit the fingerprints to the federal bureau of investigation for purposes of verifying the identity of the individual and obtaining records of criminal arrests and convictions.

(III) Submit photographs consistent with the
STANDARDS ESTABLISHED BY THE BOARD.

(2) NOTHING IN THIS PART SHALL BE CONSTRUED TO REQUIRE
ANY INDIVIDUAL WHO HOLDS A PRINCIPAL LICENSE, A KEY EMPLOYEE
LICENSE OR A GAMING EMPLOYEE OCCUPATION PERMIT UNDER CHAPTERS
13 (RELATING TO LICENSEES), 13A (RELATING TO TABLE GAMES) AND
16 (RELATING TO JUNKETS) TO OBTAIN A SEPARATE LICENSE OR
PERMIT TO BE EMPLOYED IN A SPORTS WAGERING CERTIFICATE
HOLDER'S SPORTS WAGERING OPERATION AUTHORIZED UNDER THIS
CHAPTER.

§ 13C25. APPLICATION OF CLEAN INDOOR AIR ACT.

FOR THE PURPOSE OF SECTION 3(B)(11) OF THE ACT OF JUNE 13,
2008 (P.L.182, NO.27), KNOWN AS THE CLEAN INDOOR AIR ACT, THE
TERM "GAMING FLOOR" SHALL INCLUDE THE AREAS OF ANY FACILITY
WHERE THE SPORTS WAGERING CERTIFICATE HOLDER IS AUTHORIZED TO
CONDUCT SPORTS WAGERING, EXCEPT SUCH AREAS OFF THE GAMING FLOOR
WHERE CONTESTS OR TOURNAMENTS ARE CONDUCTED UNLESS SMOKING IS
OTHERWISE PERMITTED IN SUCH AREAS.

§ 13C26. APPLICATION OF LIQUOR CODE.

THE PROVISIONS OF SECTION 493(24)(II) OF THE ACT OF APRIL 12,
1951 (P.L.90, NO.21), KNOWN AS THE LIQUOR CODE, SHALL ALSO APPLY
TO SPORTS WAGERING.

SUBCHAPTER D
SPORTS WAGERING TAXES AND FEES

SEC.

13C61. SPORTS WAGERING AUTHORIZATION FEE.

13C62. SPORTS WAGERING TAX.

13C63. LOCAL SHARE ASSESSMENT.

13C64. COMPULSIVE AND PROBLEM GAMBLING.

§ 13C61. SPORTS WAGERING AUTHORIZATION FEE.

(A) AMOUNT.—EACH SLOT MACHINE LICENSEE THAT IS ISSUED A
SPORTS WAGERING CERTIFICATE TO CONDUCT SPORTS WAGERING IN ACCORDANCE WITH SECTION 13C11 (RELATING TO AUTHORIZATION TO CONDUCT SPORTS WAGERING) SHALL PAY A ONE-TIME NONREFUNDABLE AUTHORIZATION FEE IN THE AMOUNT OF $10,000,000.

(B) PAYMENT OF FEE. -- A SLOT MACHINE LICENSEE SHALL REMIT THE AUTHORIZATION FEE UNDER SUBSECTION (A) TO THE BOARD WITHIN 60 DAYS OF THE APPROVAL OF A PETITION TO CONDUCT SPORTS WAGERING. SPORTS WAGERING MAY NOT BE CONDUCTED UNTIL THE FEE UNDER SUBSECTION (A) IS PAID IN FULL.

(C) RENEWAL FEE. -- NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER, A SLOT MACHINE LICENSEE THAT IS ISSUED A SPORTS WAGERING CERTIFICATE SHALL PAY A RENEWAL FEE IN THE AMOUNT OF $250,000 UPON THE RENEWAL OF ITS SPORTS WAGERING CERTIFICATE IN ACCORDANCE WITH SECTIONS 1326 (RELATING TO RENEWALS) AND 13C14(C) (RELATING TO AWARD OF CERTIFICATE).

(D) FAILURE TO PAY BY DEADLINE. -- IF A PETITIONER OR SPORTS WAGERING CERTIFICATE HOLDER FAILS TO PAY THE REQUIRED AUTHORIZATION FEE IN FULL WITHIN THE 60-DAY TIME PERIOD, THE BOARD SHALL IMPOSE A PENALTY AND MAY GRANT THE PETITIONER OR SPORTS WAGERING CERTIFICATE HOLDER UP TO A SIX-MONTH EXTENSION TO PAY THE AUTHORIZATION FEE OR ANY REMAINING PORTION OF THE AUTHORIZATION FEE AND THE PENALTY.

(E) SUSPENSION OF CERTIFICATE. -- THE BOARD SHALL SUSPEND THE SPORTS WAGERING CERTIFICATE IF THE SPORTS WAGERING CERTIFICATE HOLDER FAILS TO PAY THE TOTAL AUTHORIZATION FEE AND THE PENALTY PRIOR TO THE EXPIRATION OF AN EXTENSION PERIOD GRANTED UNDER SUBSECTION (D). THE SUSPENSION SHALL REMAIN IN EFFECT UNTIL FINAL PAYMENT IS MADE.

(F) DEPOSIT OF FEES. -- NOTWITHSTANDING SECTION 1208 (RELATING TO COLLECTION OF FEES AND FINES), ALL SPORTS WAGERING
AUTHORIZATION FEES, MANUFACTURER LICENSE FEES, MANUFACTURER
RENEWAL FEES AND ALL FEES FOR LICENSES ISSUED UNDER CHAPTER 16
(RELATING TO JUNKETS) AND ALL MONEY COLLECTED BY THE BOARD FOR
VIOLATIONS OF THIS SUBCHAPTER SHALL BE DEPOSITED INTO THE
GENERAL FUND.

§ 13C62. SPORTS WAGERING TAX.
(A) IMPOSITION.--EACH SPORTS WAGERING CERTIFICATE HOLDER
SHALL REPORT TO THE DEPARTMENT AND PAY FROM ITS DAILY GROSS
SPORTS WAGERING REVENUE, ON A FORM AND IN THE MANNER PRESCRIBED
BY THE DEPARTMENT, A TAX OF 34% OF ITS DAILY GROSS SPORTS
WAGERING REVENUE.

(B) DEPOSITS AND DISTRIBUTIONS.--
(1) THE TAX IMPOSED UNDER SUBSECTION (A) SHALL BE
PAYABLE TO THE DEPARTMENT ON A WEEKLY BASIS AND SHALL BE
BASED UPON GROSS SPORTS WAGERING REVENUE DERIVED DURING THE
PREVIOUS WEEK.

(2) ALL FUNDS OWED TO THE COMMONWEALTH UNDER THIS
SECTION SHALL BE HELD IN TRUST FOR THE COMMONWEALTH BY THE
SPORTS WAGERING CERTIFICATE HOLDER UNTIL THE FUNDS ARE PAID
TO THE DEPARTMENT. A SPORTS WAGERING CERTIFICATE HOLDER SHALL
ESTABLISH A SEPARATE BANK ACCOUNT INTO WHICH GROSS SPORTS
WAGERING REVENUE SHALL BE DEPOSITED AND MAINTAINED UNTIL SUCH
TIME AS THE FUNDS ARE PAID TO THE DEPARTMENT UNDER THIS
SECTION OR PAID INTO THE FUND UNDER SECTION 13C63(A)
(RELATING TO LOCAL SHARE ASSESSMENT).

(3) THE TAX IMPOSED UNDER SUBSECTION (A) SHALL BE
DEPOSITED INTO THE GENERAL FUND.

§ 13C63. LOCAL SHARE ASSESSMENT.
(A) REQUIRED PAYMENT.--IN ADDITION TO THE TAX IMPOSED UNDER
SECTION 13C62 (RELATING TO SPORTS WAGERING TAX), EACH SPORTS
WAGERING CERTIFICATE HOLDER SHALL PAY ON A WEEKLY BASIS, ON A
FORM AND IN THE MANNER PRESCRIBED BY THE DEPARTMENT, A LOCAL
SHARE ASSESSMENT INTO A RESTRICTED RECEIPTS ACCOUNT ESTABLISHED
WITHIN THE FUND. ALL MONEY OWED UNDER THIS SECTION SHALL BE HELD
IN TRUST BY THE SPORTS WAGERING CERTIFICATE HOLDER UNTIL THE
MONEY IS PAID INTO THE RESTRICTED ACCOUNT. FUNDS IN THE
RESTRICTED ACCOUNT ARE HEREBY APPROPRIATED TO THE DEPARTMENT ON
A CONTINUING BASIS FOR THE PURPOSES SET FORTH UNDER THIS
SECTION.

(B) DISTRIBUTIONS.--THE DEPARTMENT SHALL, ON A QUARTERLY
BASIS, MAKE DISTRIBUTIONS FROM THE LOCAL SHARE ASSESSMENTS
DEPOSITED INTO THE RESTRICTED ACCOUNT UNDER SUBSECTION (A) INTO
A RESTRICTED RECEIPT ACCOUNT TO BE ESTABLISHED IN THE
COMMONWEALTH FINANCING AUTHORITY TO BE USED EXCLUSIVELY FOR
GRANTS FOR PROJECTS IN THE PUBLIC INTEREST IN THIS COMMONWEALTH.

(C) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING
WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS
SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:
"LOCAL SHARE ASSESSMENT." TWO PERCENT OF A SPORTS WAGERING
CERTIFICATE HOLDER'S DAILY GROSS SPORTS WAGERING REVENUE.

§ 13C64. COMPULSIVE AND PROBLEM GAMBLING.

THE FOLLOWING SHALL APPLY:

(1) EACH YEAR, FROM THE TAX IMPOSED UNDER SECTION 13C62
(RELATING TO SPORTS WAGERING TAX), AN AMOUNT EQUAL TO 0.002
MULTIPLIED BY THE TOTAL GROSS SPORTS WAGERING REVENUE OF ALL
ACTIVE AND OPERATING SPORTS WAGERING CERTIFICATE HOLDERS
SHALL BE TRANSFERRED INTO THE COMPULSIVE AND PROBLEM GAMBLING
TREATMENT FUND ESTABLISHED UNDER SECTION 1509 (RELATING TO
COMPULSIVE AND PROBLEM GAMBLING PROGRAM).

(2) EACH YEAR, FROM THE TAX IMPOSED UNDER SECTION 13C62,
AN AMOUNT EQUAL TO 0.002 MULTIPLIED BY THE TOTAL GROSS SPORTS WAGERING REVENUE OF ALL ACTIVE AND OPERATING SPORTS WAGERING CERTIFICATE HOLDERS SHALL BE TRANSFERRED TO THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY TO BE USED FOR DRUG AND ALCOHOL ADDICTION TREATMENT SERVICES, INCLUDING TREATMENT FOR DRUG AND ALCOHOL ADDICTION RELATED TO COMPULSIVE AND PROBLEM GAMBLING, AS SET FORTH UNDER SECTION 1509.1 (RELATING TO DRUG AND ALCOHOL TREATMENT).

SUBCHAPTER E
MISCELLANEOUS PROVISIONS

SEC. 13C71. CRIMINAL ACTIVITY.
§ 13C71. CRIMINAL ACTIVITY.
SPORTS WAGERING CONDUCTED BY A SPORTS WAGERING CERTIFICATE HOLDER IN ACCORDANCE WITH THIS CHAPTER SHALL NOT CONSTITUTE A CRIMINAL ACTIVITY UNDER 18 PA.C.S. § 5514 (RELATING TO POOL SELLING AND BOOKMAKING).

CHAPTER 13D
(RESERVED)

CHAPTER 13E
(RESERVED)

CHAPTER 13F
CASINO SIMULCASTING

SUBCHAPTER
A. GENERAL PROVISIONS
B. CASINO SIMULCASTING AUTHORIZED
C. APPLICATION AND ISSUANCE OF PERMIT AND ESTABLISHMENT OF SIMULCASTING FACILITY
D. CONDUCT OF CASINO SIMULCASTING
E. FEES AND TAXES
SEC.

13F01. LEGISLATIVE INTENT AND PURPOSE.

13F02. DEFINITIONS.

§ 13F01. LEGISLATIVE INTENT AND PURPOSE.

THE GENERAL ASSEMBLY FINDS AS FOLLOWS:

(1) THE PEOPLE OF THIS COMMONWEALTH HAVE A VITAL ECONOMIC INTEREST IN THE CONTINUED SUCCESS OF THIS COMMONWEALTH’S GAMING INDUSTRY, INCLUDING THE RACE HORSE INDUSTRY. DUE TO THIS ECONOMIC INTEREST, ENHANCEMENTS TO CURRENT GAMING ACTIVITIES MUST BE AUTHORIZED TO ENSURE THE ONGOING COMPETITIVENESS, VIABILITY AND STABILITY OF THE GAMING INDUSTRY IN THIS COMMONWEALTH.

(2) A PRIMARY INTENT OF THE RACE HORSE DEVELOPMENT AND GAMING ACT, AS CODIFIED IN THIS PART, IS TO ENHANCE LIVE HORSE RACING. HOWEVER, THE LEGALIZATION OF COMMERCIAL GAMING IN STATES ON THE GEOGRAPHIC BORDERS OF THIS COMMONWEALTH MAKES IT IMPERATIVE TO AUTHORIZE NEW AND INNOVATIVE GAMING ACTIVITIES RELATED TO HORSE RACING AND COMMERCIAL CASINO-STYLE GAMING, WHICH COULD BE IMPLEMENTED BY LICENSED GAMING ENTITIES, AND WHICH COULD HELP ENSURE THE VIABILITY OF BOTH HORSE RACING AND COMMERCIAL GAMING.

(3) THE INTENT OF THIS CHAPTER IS TO GIVE LICENSED GAMING ENTITIES THE AUTHORITY TO CONDUCT CASINO SIMULCASTING AT CATEGORY 2, CATEGORY 3 AND CATEGORY 4 LICENSED FACILITIES IN ORDER TO EXPAND HORSE RACING OPPORTUNITIES THROUGH SIMULCASTING AND, THEREBY, ENHANCING THE VIABILITY OF THIS COMMONWEALTH’S RACE HORSE AND COMMERCIAL GAMING INDUSTRY.

§ 13F02. DEFINITIONS.
THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
CONTEXT CLEARLY INDICATES OTHERWISE:

"CASINO SIMULCASTING." THE SIMULTANEOUS TRANSMISSION OF LIVE
THOROUGHBRED OR HARNESS HORSE RACE MEETINGS FROM AN IN-STATE
SENDING TRACK, OUT-OF-STATE Sending TRACK OR A SATELLITE
FACILITY, REGARDLESS OF LICENSURE STATUS OR WHETHER THE HORSE
RACE MEETINGS ORIGINATE WITHIN THIS COMMONWEALTH OR ANY OTHER
STATE OR JURISDICTION, TO A SIMULCASTING FACILITY IN THIS
COMMONWEALTH BY SATELLITE DEVICES, TELEVISION CABLES, TELEPHONE
LINES OR ANY OTHER TELECOMMUNICATIONS TECHNOLOGY FOR THE
PURPOSES OF CONDUCTING PARI-MUTUEL WAGERING.

"CASINO SIMULCASTING PERMIT" OR "SIMULCASTING PERMIT." A
PERMIT AWARDED BY THE BOARD UNDER SECTION 13F12 (RELATING TO
CASINO SIMULCASTING PERMIT) WHICH AUTHORIZES A LICENSED GAMING
ENTITY TO CONDUCT CASINO SIMULCASTING.

"CASINO SIMULCASTING PERMIT HOLDER." A LICENSED GAMING
ENTITY THAT HOLDS A CASINO SIMULCASTING PERMIT ISSUED BY THE
BOARD IN ACCORDANCE WITH SECTION 13F12.

"IN-STATE SENDING TRACK." A RACETRACK WITHIN THIS
COMMONWEALTH WHICH IS OPERATED BY A LICENSED RACING ENTITY AND
IS PERMITTED TO CONDUCT CASINO SIMULCASTING.

"LICENSED GAMING ENTITY." A PERSON WHO HAS BEEN APPROVED FOR
AND ISSUED A CATEGORY 2 SLOT MACHINE LICENSE, A CATEGORY 3 SLOT
MACHINE LICENSE OR A CATEGORY 4 SLOT MACHINE LICENSE IN
ACCORDANCE WITH SECTIONS 1304 (RELATING TO CATEGORY 2 SLOT
MACHINE LICENSE), 1305 (RELATING TO CATEGORY 3 SLOT MACHINE
LICENSE), 1305.1 (RELATING TO CATEGORY 4 SLOT MACHINE LICENSE)
AND 1325 (RELATING TO LICENSE OR PERMIT ISSUANCE) AND WHO HOLDS
A CASINO SIMULCASTING PERMIT.
"OUT-OF-STATE SENDING TRACK." AN INTERSTATE OR INTERNATIONAL
RACETRACK IN A STATE OR JURISDICTION OTHER THAN THIS
COMMONWEALTH WHICH IS EQUIPPED TO CONDUCT CASINO SIMULCASTING
AND THE OPERATOR OF WHICH IS LAWFULLY PERMITTED TO CONDUCT HORSE
RACE MEETINGS AND TO PROVIDE SIMULCAST HORSE RACES TO SLOT
MACHINE LICENSEES IN THIS COMMONWEALTH.

"SIMULCAST HORSE RACE." A THOROUGHBRED OR HARNESS HORSE RACE
MEETING CONDUCTED AT A RACETRACK, WHETHER WITHIN OR OUTSIDE THIS
COMMONWEALTH, WHICH IS SIMULTANEOUSLY TRANSMITTED BY AN APPROVED
TELECOMMUNICATIONS TECHNOLOGY TO RACETRACKS OR SIMULCASTING
FACILITIES IN THIS COMMONWEALTH IN ACCORDANCE WITH REGULATIONS
OF THE COMMISSION.

"SIMULCASTING FACILITY." AN AREA OF A LICENSED FACILITY
ESTABLISHED AND MAINTAINED BY A LICENSED GAMING ENTITY FOR THE
CONDUCT OF CASINO SIMULCASTING IN ACCORDANCE WITH THIS CHAPTER,
3 PA.C.S. CH. 93 (RELATING TO RACE HORSE INDUSTRY REFORM) AND
REGULATIONS OF THE BOARD AND THE COMMISSION.

SUBCHAPTER B
CASINO SIMULCASTING AUTHORIZED

SEC.

13F05. AUTHORIZATION TO CONDUCT SIMULCASTING.
13F06. REGULATIONS.
13F07. TEMPORARY REGULATIONS.
13F08. SIMULCAST AGREEMENTS.
§ 13F05. AUTHORIZATION TO CONDUCT SIMULCASTING.
(A) AUTHORITY TO CONDUCT.--NOTWITHSTANDING ANY OTHER
PROVISION OF LAW OR REGULATION, IT SHALL BE LAWFUL FOR A
LICENSED GAMING ENTITY TO CONDUCT CASINO SIMULCASTING BY
AGREEMENT OR AGREEMENTS WITH A LICENSED RACING ENTITY FOR THE
CONDUCT OF CASINO SIMULCASTING IN ACCORDANCE WITH THE PROVISIONS
OF THIS CHAPTER, 3 PA.C.S. CH. 93 (RELATING TO RACE HORSE
INDUSTRY REFORM) AND THE APPLICABLE REGULATIONS OF THE BOARD AND
THE COMMISSION PROMULGATED UNDER THIS CHAPTER.

(B) ADMINISTRATION AND ENFORCEMENT.--THE BOARD SHALL
ADMINISTER AND ENFORCE THE PROVISIONS OF THIS CHAPTER AS THEY
RELATE TO THE CONDUCT OF CASINO SIMULCASTING BY A SLOT MACHINE
LICENSEE AND, EXCEPT AS PROVIDED IN THIS CHAPTER, SHALL ADOPT
AND PROMULGATE REGULATIONS TO CARRY OUT AND ENFORCE THE
PROVISIONS OF THIS CHAPTER.

§ 13F06. REGULATIONS.

(A) ADOPTION OF REGULATIONS.--THE BOARD, IN CONSULTATION
WITH THE COMMISSION, SHALL ADOPT AND PROMULGATE REGULATIONS TO
GOVERN THE CONDUCT OF CASINO SIMULCASTING BY LICENSED GAMING
ENTITIES IN THIS COMMONWEALTH. SUCH REGULATIONS SHALL ESTABLISH
THE FOLLOWING:

(1) THE METHOD AND FORM OF THE APPLICATION WHICH A
LICENSED GAMING ENTITY MUST FOLLOW AND COMPLETE BEFORE
CONSIDERATION OF THE LICENSED GAMING ENTITY'S APPLICATION TO
CONDUCT CASINO SIMULCASTING.

(2) THE PERMISSIBLE COMMUNICATIONS TECHNOLOGY WHICH MUST
BE USED TO FACILITATE THE CONDUCT OF CASINO SIMULCASTING IN
ACCORDANCE WITH REGULATIONS OF THE BOARD, THE COMMISSION AND
APPLICABLE FEDERAL LAW AND REGULATIONS.

(3) THE TIMES DURING WHICH A LICENSED GAMING ENTITY MAY
CONDUCT CASINO SIMULCASTING SHALL BE THE SAME AS THE TIMES
AUTHORIZED FOR THE CONDUCT OF CASINO SIMULCASTING BY CATEGORY
1 SLOT MACHINE LICENSEES.

(4) THE APPROVAL OF THE TERMS AND CONDITIONS OF ANY
AGREEMENT BETWEEN A LICENSED GAMING ENTITY AND A LICENSED
RACING ENTITY RELATED TO THE MANAGEMENT OR OPERATION OF
CASINO SIMULCASTING AND THE PARI-MUTUEL SYSTEM OF WAGERING,
INCLUDING THE PERCENTAGE OF THE MONEY RETAINED BY A LICENSED
RACING ENTITY FOR PARI-MUTUEL POOLS WHICH MAY BE DISTRIBUTED
TO THE LICENSED GAMING ENTITY.

(5) THE REQUIRED CONTENTS OF AGREEMENTS ENTERED INTO
BETWEEN A LICENSED GAMING ENTITY AND A LICENSED RACING ENTITY
FOR THE MANAGEMENT OR OPERATION OF CASINO SIMULCASTING AND
THE PARI-MUTUEL SYSTEM OF WAGERING.

(6) A REQUIREMENT THAT WAGERING ON SIMULCAST HORSE RACE
MEETINGS SHALL ONLY BE CONDUCTED WITHIN A SIMULCASTING
FACILITY WHICH HAS BEEN APPROVED BY THE BOARD, IN
CONSULTATION WITH THE COMMISSION.

(7) THE STANDARDS AND RULES TO GOVERN THE CONDUCT OF
CASINO SIMULCASTING AND THE SYSTEM OF PARI-MUTUEL WAGERING
ASSOCIATED WITH RACE HORSE SIMULCASTING.

(8) THE REPORTING PROCEDURES AND RECORDS WHICH WILL BE
REQUIRED FROM A LICENSED GAMING ENTITY TO ENSURE THAT ALL
MONEY GENERATED FROM CASINO SIMULCASTING IS ACCOUNTED FOR AND
WINNERS' NAMES, WHEN REQUIRED UNDER APPLICABLE FEDERAL OR
STATE LAW, ARE FILED WITH THE APPROPRIATE TAXING AUTHORITIES.

(9) NOTWITHSTANDING 3 PA.C.S. § 9340 (RELATING TO
PROHIBITION OF WAGERING) OR ANY OTHER PROVISION OF LAW OR
REGULATION, THE POLICIES AND PROCEDURES WHICH WILL BE
ADOPTED, IMPLEMENTED AND FOLLOWED TO ENSURE THAT INDIVIDUALS
UNDER 21 YEARS OF AGE WILL BE PROHIBITED FROM PARTICIPATING
IN CASINO SIMULCASTING OR ENTERING A SIMULCASTING FACILITY.

(10) ANY OTHER REQUIREMENTS, CONDITIONS OR CONTROLS
WHICH THE BOARD, IN CONSULTATION WITH THE COMMISSION, DEEMS
NECESSARY AND APPROPRIATE TO ADMINISTER AND ENFORCE THE
PROVISIONS OF THIS CHAPTER AND TO FACILITATE THE

IMPLEMENTATION OF THIS CHAPTER.

(B) UNIFORM REGULATION.--IN ADOPTING REGULATIONS UNDER THIS CHAPTER, THE COMMISSION SHALL COOPERATE AND WORK WITH THE BOARD TO DEVELOP UNIFORM REGULATIONS TO GOVERN THE OPERATION OF CASINO SIMULCASTING IN THIS COMMONWEALTH. EXCEPT AS HEREIN PROVIDED, THE PROVISIONS OF THIS CHAPTER AND ANY REGULATIONS PROMULGATED UNDER THIS CHAPTER SHALL BE CONSIDERED AS ESTABLISHING UNIFORM REQUIREMENTS AND REGULATIONS FOR CASINO SIMULCASTING AT LICENSED FACILITIES IN THIS COMMONWEALTH.

(C) ADOPTION OF EXISTING REGULATIONS.--NOTWITHSTANDING SUBSECTION (B) OR ANY OTHER LAW OR REGULATION TO THE CONTRARY, THE PROVISIONS OF 3 PA.C.S. § 9335 (RELATING TO PARI-MUTUEL POOL DISTRIBUTION) AND ALL REGULATIONS AND SUPPLEMENTS THERETO OR REVISIONS THEREOF ADOPTED BY THE COMMISSION UNDER 3 PA.C.S. § 9335, WHICH RELATE TO THE RETENTION OF MONEY IN PARI-MUTUEL POOLS AND THE PARI-MUTUEL SYSTEM OF WAGERING ON, BEFORE OR AFTER THE EFFECTIVE DATE OF THIS CHAPTER ARE ADOPTED AS REGULATIONS UNDER THIS CHAPTER AND SHALL REMAIN IN EFFECT UNLESS SUBSEQUENTLY MODIFIED OR SUPERSEDED BY REGULATIONS PROMULGATED BY THE COMMISSION.

§ 13F07. TEMPORARY REGULATIONS.

(A) PROMULGATION.--IN ORDER TO FACILITATE THE PROMPT IMPLEMENTATION OF THIS CHAPTER, REGULATIONS PROMULGATED BY THE BOARD AND COMMISSION SHALL BE DEEMED TEMPORARY REGULATIONS WHICH SHALL EXPIRE NOT LATER THAN TWO YEARS FOLLOWING THE PUBLICATION OF THE TEMPORARY REGULATION. THE BOARD MAY PROMULGATE TEMPORARY REGULATIONS NOT SUBJECT TO:

(1) SECTIONS 201, 202, 203, 204 AND 205 OF THE ACT OF JULY 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE COMMONWEALTH DOCUMENTS LAW.
(2) SECTION 204(B) OF THE ACT OF OCTOBER 15, 1980

(P.L.950, NO.164), KNOWN AS THE COMMONWEALTH ATTORNEYS ACT.

(3) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS

THE REGULATORY REVIEW ACT.

(B) EXPIRATION.--THE AUTHORITY TO ADOPT TEMPORARY

REGULATIONS UNDER SUBSECTION (A) SHALL EXPIRE TWO YEARS AFTER

THE PUBLICATION OF THE TEMPORARY REGULATIONS. REGULATIONS

ADOPTED BY THE BOARD AND COMMISSION AFTER THE TWO-YEAR PERIOD

SHALL BE PROMULGATED AS PROVIDED BY LAW.

(C) PUBLICATION OF TEMPORARY REGULATIONS.--THE BOARD AND THE

COMMISSION SHALL BEGIN PUBLISHING TEMPORARY REGULATIONS

GOVERNING CASINO SIMULCASTING IN THE PENNSYLVANIA BULLETIN

WITHIN 60 DAYS OF THE EFFECTIVE DATE OF THIS SUBSECTION.

§ 13F08. SIMULCAST AGREEMENTS.

(A) MANNER OF AGREEMENT.--ANY AGREEMENT ENTERED INTO BETWEEN

A LICENSED GAMING ENTITY AND A LICENSED RACING ENTITY TO

FACILITATE CASINO SIMULCASTING SHALL BE IN WRITING AND SHALL BE

FILED WITH AND APPROVED BY THE BOARD AND THE COMMISSION IN

ACCORDANCE WITH REGULATIONS PROMULGATED BY THE BOARD IN

CONSULTATION WITH THE COMMISSION.

(B) WAGER PROVISIONS.--NOTWITHSTANDING 3 PA.C.S. § 9334

(RELATING TO STATE RACING FUND AND TAX RATE) OR 9335 (RELATING

TO PARI-MUTUEL POOL DISTRIBUTION), THE FOLLOWING SHALL APPLY:

(1) IF A LICENSED GAMING ENTITY OFFERS CASINO

SIMULCASTING AT ITS LICENSED FACILITY THROUGH AN AGREEMENT

WITH A LICENSED RACING ENTITY, THE AGREEMENT SHALL SPECIFY

THE PERCENTAGE OF THE MONEY WAGERED EACH RACING DAY AT THE

SIMULCASTING FACILITY AND REMAINING IN THE WAGERING POOLS

AFTER THE REQUIRED DISTRIBUTIONS UNDER 3 PA.C.S. § 9335, THAT

WILL BE PAID TO THE LICENSED GAMING ENTITY. THE AMOUNT
RETAINED BY A LICENSED GAMING ENTITY SHALL NOT EXCEED 25% OF
THE MONEY RETAINED BY THE LICENSED RACING ENTITY UNDER 3
PA.C.S. § 9335.

(2) (RESERVED).

(C) REGULATIONS.--THE BOARD, IN CONSULTATION WITH THE
COMMISSION, SHALL ESTABLISH REGULATIONS TO ADMINISTER THE
RETENTION REQUIREMENTS UNDER THIS SECTION.

SUBCHAPTER C
APPLICATION AND ISSUANCE OF PERMIT AND
ESTABLISHMENT OF SIMULCASTING FACILITY

SEC.

13F11. APPLICATION FOR PERMIT AND REQUIREMENTS.
13F12. CASINO SIMULCASTING PERMIT.
13F13. CASINO SIMULCASTING FACILITIES.
13F14. LICENSE, REGISTRATION OR PERMITTING OF EMPLOYEES
REQUIRED.
13F15. KEY EMPLOYEES AND OCCUPATION PERMITS.

§ 13F11. APPLICATION FOR PERMIT AND REQUIREMENTS.

(A) APPLICATIONS.--A LICENSED GAMING ENTITY SHALL FILE AN
APPLICATION FOR A CASINO SIMULCASTING PERMIT WITH THE BOARD. THE
APPLICATION SHALL INCLUDE THE FOLLOWING:

(1) THE NAME, BUSINESS ADDRESS AND CONTACT INFORMATION
OF THE APPLICANT.

(2) THE NAME AND LOCATION OF THE APPLICANT'S LICENSED
FACILITY.

(3) THE NAME AND BUSINESS ADDRESS, JOB TITLE AND A
PHOTOGRAPH OF EACH PRINCIPAL AND KEY EMPLOYEE OF THE
APPLICANT WHO WILL BE INVOLVED IN THE CONDUCT OF CASINO
SIMULCASTING AND WHO IS NOT CURRENTLY LICENSED BY THE BOARD
OR THE COMMISSION, IF KNOWN.
(4) The estimated number of full-time and part-time employment positions that will be created at the licensed facility if casino simulcasting is authorized and an updated hiring plan under Section 1510(a) (relating to labor hiring preferences) which outlines the applicant's plan to promote the representation of diverse groups and Commonwealth residents in the employment positions.

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

(6) The details of any financing, if applicable, obtained or that will be obtained to fund an expansion or modification of the licensed facility to accommodate casino simulcasting or construct a simulcasting facility or to otherwise fund the cost of commencing casino simulcasting operations.

(7) Information and documentation concerning financial background and resources, as the Board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant.

(8) A copy of or a detailed description of the terms and conditions of any agreement or agreements the licensed gaming entity has entered into or will enter into with a licensed racing entity to facilitate the conduct of casino simulcasting.

(9) A detailed description of any financial arrangements between a licensed gaming entity and a licensed racing entity related to the conduct of casino simulcasting.
(10) DETAILED SITE AND ARCHITECTURAL PLANS OF THE
PROPOSED SIMULCASTING FACILITY WITHIN THE APPLICANT'S
LICENSED FACILITY.

(11) ANY OTHER INFORMATION AS THE BOARD MAY REQUIRE.

(B) REVIEW AND APPROVAL OF APPLICATION.--THE BOARD SHALL
REVIEW AND APPROVE AN APPLICATION FOR A SIMULCASTING PERMIT IF
THE APPLICANT ESTABLISHES, BY CLEAR AND CONVINCING EVIDENCE, ALL
OF THE FOLLOWING:

(1) THE APPLICANT'S SLOT MACHINE LICENSE AND TABLE GAME
OPERATION CERTIFICATE ARE IN GOOD STANDING WITH THE BOARD.

(2) THE CONDUCT OF CASINO SIMULCASTING AT THE
APPLICANT'S LICENSED FACILITY WILL HAVE A POSITIVE ECONOMIC
IMPACT ON THE COMMONWEALTH AND THE RACE HORSE INDUSTRY IN
THIS COMMONWEALTH THROUGH INCREASED REVENUES, INCREASED
PURSES AND EMPLOYMENT OPPORTUNITIES.

(3) THE APPLICANT POSSESSES ADEQUATE FUNDS OR HAS
SECURED ADEQUATE FINANCING TO:

(I) FUND ANY NECESSARY EXPANSION OR MODIFICATION OF
THE APPLICANT'S LICENSED FACILITY OR TO CONSTRUCT A
SIMULCASTING FACILITY TO ACCOMMODATE THE CONDUCT OF
CASINO SIMULCASTING.

(II) PAY THE COSTS OF ESTABLISHING, MAINTAINING AND
OPERATING THE SIMULCASTING FACILITY.

(III) COMMENCE CASINO SIMULCASTING OPERATIONS.

(4) THE APPLICANT HAS ENTERED INTO OR WILL ENTER INTO AN
AGREEMENT WITH A LICENSED RACING ENTITY TO MANAGE OR OPERATE
CASINO SIMULCASTING OPERATIONS, AND THE AGREEMENT HAS BEEN
APPROVED BY THE COMMISSION.

(5) THE APPLICANT HAS THE EXPERTISE TO MANAGE CASINO
SIMULCASTING.
THE APPLICANT HAS THE FINANCIAL STABILITY, INTEGRITY
AND RESPONSIBILITY TO CONDUCT CASINO SIMULCASTING.

THE APPLICANT HAS SUFFICIENT BUSINESS ABILITY AND
EXPERIENCE TO CREATE AND MAINTAIN A SUCCESSFUL CASINO
SIMULCASTING OPERATION.

THE APPLICANT'S PROPOSED INTERNAL AND EXTERNAL
SECURITY CONTROLS AND PROPOSED SURVEILLANCE MEASURES WITHIN
THE AREA OF THE LICENSED FACILITY WHERE THE APPLICANT SEEKS
TO CONDUCT CASINO SIMULCASTING ARE ADEQUATE.

(C) CONFIDENTIALITY.--INFORMATION SUBMITTED TO THE BOARD
UNDER SUBSECTION (A)(6), (7) AND (8) MAY BE CONSIDERED
CONFIDENTIAL BY THE BOARD IF THE INFORMATION WOULD BE
CONFIDENTIAL UNDER SECTION 1206(F) (RELATING TO BOARD MINUTES
AND RECORDS).

§ 13F12. CASINO SIMULCASTING PERMIT.

(A) ISSUANCE OF PERMIT.--UPON REVIEW AND APPROVAL OF AN
APPLICATION SUBMITTED TO THE BOARD IN ACCORDANCE WITH SECTION
13F11 (RELATING TO APPLICATION FOR PERMIT AND REQUIREMENTS), THE
BOARD SHALL ISSUE A CASINO SIMULCASTING PERMIT TO THE APPLICANT.

(B) CONTENT OF PERMIT.--

(1) A CASINO SIMULCASTING PERMIT SHALL INCLUDE A LIST OF
THE HORSE RACE MEETINGS WHICH ARE PROPOSED TO BE SIMULCAST BY
THE CASINO SIMULCASTING PERMIT HOLDER AT ITS SIMULCASTING
FACILITY, INCLUDING THE NAMES AND LOCATIONS OF THE IN-STATE
SENDING TRACKS AND OUT-OF-STATE SENDING TRACKS, AND THE START
DATE AND EXPIRATION DATE OF ANY AGREEMENT OR AGREEMENTS THE
CASINO SIMULCASTING PERMIT HOLDER HAS ENTERED INTO OR WILL
ENTER INTO WITH A LICENSED RACING ENTITY FOR THE OPERATION OF
CASINO SIMULCASTING.

(2) A CASINO SIMULCASTING PERMIT HOLDER SHALL BE
REQUIRED TO UPDATE THE INITIAL CASINO SIMULCASTING APPLICATION AT TIMES PRESCRIBED BY THE BOARD, IN CONSULTATION WITH THE COMMISSION.

§ 13F13. CASINO SIMULCASTING FACILITIES.

(A) ESTABLISHMENT OF SIMULCASTING FACILITY.--A LICENSED GAMING ENTITY APPROVED FOR AND ISSUED A PERMIT TO OPERATE CASINO SIMULCASTING UNDER THIS CHAPTER SHALL ESTABLISH A SIMULCASTING FACILITY AS PART OF ITS LICENSED FACILITY. THE SIMULCASTING FACILITY MAY BE ADJACENT TO, BUT SHALL NOT BE PART OF, ANY ROOM OR LOCATION IN WHICH SLOT MACHINES OR TABLE GAMES ARE OPERATED OR CONDUCTED IN ACCORDANCE WITH THE PROVISIONS OF THIS PART. THE FOLLOWING SHALL APPLY:

(1) THE SIMULCASTING FACILITY SHALL CONFORM TO ALL REQUIREMENTS CONCERNING SQUARE FOOTAGE, EQUIPMENT, SECURITY MEASURES AND RELATED MATTERS WHICH THE BOARD, IN CONSULTATION WITH THE COMMISSION, SHALL BY REGULATION PRESCRIBE.

(2) THE SPACE OR AREA REQUIRED FOR THE ESTABLISHMENT OF A SIMULCASTING FACILITY SHALL NOT BE USED TO DECREASE THE NUMBER OF SLOT MACHINES OR TABLE GAMES IN OPERATION AT THE LICENSED FACILITY OR TO REDUCE THE SPACE APPROVED BY THE BOARD FOR THE OPERATION OF SLOT MACHINES AND THE CONDUCT OF TABLE GAMES.

(3) THE COST OF ESTABLISHING, MAINTAINING AND OPERATING A SIMULCASTING FACILITY SHALL BE THE SOLE RESPONSIBILITY OF THE LICENSED GAMING ENTITY.

(B) VIDEO DISPLAY MONITORS.--NOTWITHSTANDING 3 PA.C.S. CH. 93 (RELATING TO RACE HORSE INDUSTRY REFORM) OR REGULATIONS PROMULGATED PURSUANT TO 3 PA.C.S. CH. 93, THE REGULATIONS PROMULGATED BY THE BOARD SHALL PROVIDE FOR THE INSTALLATION OF VIDEO DISPLAY TECHNOLOGY IN APPROVED AREAS OF LICENSED
FACILITIES TO DELIVER SIMULCAST HORSE RACE MEETINGS TO PATRONS VIA VIDEO WALLS AND OTHER SUCH INNOVATIVE VIDEO DISPLAY TECHNOLOGY. THE BOARD MAY COLLABORATE WITH THE COMMISSION IN DEVELOPING REGULATIONS TO GOVERN THE INSTALLATION AND OPERATION OF VIDEO DISPLAY MONITORS IN ACCORDANCE WITH THIS SUBSECTION.

§ 13F14. LICENSE, REGISTRATION OR PERMITTING OF EMPLOYEES REQUIRED.

EXCEPT AS PROVIDED IN THIS PART, ALL PERSONS ENGAGED DIRECTLY IN WAGERING-RELATED ACTIVITIES AT A SIMULCASTING FACILITY, WHETHER EMPLOYED BY THE LICENSED GAMING ENTITY OR LICENSED RACING ENTITY AND ALL OTHER EMPLOYEES OF THE LICENSED GAMING ENTITY OR LICENSED RACING ENTITY WHO WORK OR WILL WORK IN THE SIMULCASTING FACILITY, SHALL BE LICENSED, REGISTERED OR PERMITTED IN ACCORDANCE WITH REGULATIONS PROMULGATED BY THE BOARD IN COLLABORATION WITH THE COMMISSION.

§ 13F15. KEY EMPLOYEES AND OCCUPATION PERMITS.

NOTHING IN THIS SUBCHAPTER SHALL BE CONSTRUED TO REQUIRE ANY INDIVIDUAL WHO HOLDS A PRINCIPAL LICENSE, A KEY EMPLOYEE LICENSE OR GAMING EMPLOYEE LICENSE UNDER CHAPTERS 13 (RELATING TO LICENSEES) AND 13A (RELATING TO TABLE GAMES) OR WHO HOLDS A LICENSE UNDER 3 PA.C.S. CH. 93 (RELATING TO RACE HORSE INDUSTRY REFORM) TO OBTAIN A SEPARATE LICENSE, PERMIT OR REGISTRATION TO BE EMPLOYED IN A CASINO SIMULCASTING PERMIT HOLDER'S CASINO SIMULCASTING OPERATION AUTHORIZED UNDER THIS CHAPTER, IF THE BOARD, IN CONSULTATION WITH THE COMMISSION, DETERMINES THAT LICENSURE UNDER THE PROVISIONS OF THIS PART OR 3 PA.C.S. CH. 93 IS SUFFICIENT AND WILL NOT COMPROMISE THE INTEGRITY OF CASINO SIMULCASTING.

SUBCHAPTER D

CONDUCT OF CASINO SIMULCASTING

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§ 13F31. CONDUCT OF CASINO SIMULCASTING.

(A) WAGERING.--WAGERING ON SIMULCAST HORSE RACES SHALL BE CONDUCTED ONLY IN THE SIMULCASTING FACILITY.

(B) REQUIRED SECURITY.--

(1) The security measures for a simulcasting facility shall include, but may not be limited to, the installation by the licensed gaming entity of a closed-circuit television system according to specifications promulgated by the board, in consultation with the commission.

(2) The board and the commission shall have access to the simulcast system or its signal in accordance with regulations promulgated by the board, in consultation with the commission.

§ 13F32. TRANSMISSION OF LIVE RACES.

The following shall apply:

(1) A licensed racing entity which operates interstate or international simulcasting of horse race meetings in this commonwealth shall have discretion to transmit all or some of the live races conducted at the racetrack to the licensed facility of a licensed gaming entity which has established a simulcasting facility under this chapter. Any race which is transmitted from an in-state sending track may be transmitted to all licensed gaming entities which have established simulcasting facilities.

(2) A licensed gaming entity which establishes a
SIMULCASTING FACILITY AND CONDUCTS CASINO SIMULCASTING IN
ACCORDANCE WITH THIS CHAPTER SHALL, AS A CONDITION OF
CONTINUED OPERATION OF CASINO SIMULCASTING, RECEIVE ALL LIVE
RACES WHICH ARE TRANSMITTED BY IN-STATE SENDING TRACKS.

§ 13F33. ACCOUNTING CONTROLS AND AUDIT PROTOCOLS.

(A) APPROVAL.--PRIOR TO THE COMMENCEMENT OF CASINO
SIMULCASTING, A CASINO SIMULCASTING PERMIT HOLDER SHALL SUBMIT
TO THE BOARD FOR APPROVAL ALL PROPOSED SITE AND ARCHITECTURAL
PLANS, INTERNAL CONTROL SYSTEMS AND AUDIT PROTOCOLS FOR THE
CASINO SIMULCASTING PERMIT HOLDER'S CASINO SIMULCASTING
OPERATIONS.

(B) MINIMUM REQUIREMENTS.--A CASINO SIMULCASTING PERMIT
HOLDER'S INTERNAL CONTROLS AND AUDIT PROTOCOLS SHALL:

(1) PROVIDE FOR RELIABLE RECORDS, ACCOUNTS AND REPORTS
OF ANY FINANCIAL EVENT THAT OCCURS IN THE CONDUCT OF CASINO
SIMULCASTING, INCLUDING REPORTS TO THE BOARD AND COMMISSION
RELATED TO CASINO SIMULCASTING, AS MAY BE REQUIRED BY
REGULATION OF THE BOARD, IN CONSULTATION WITH THE COMMISSION.

(2) PROVIDE FOR ACCURATE AND RELIABLE FINANCIAL RECORDS
RELATED TO THE CONDUCT OF CASINO SIMULCASTING AND THE PARI-
MUTUEL SYSTEM OF WAGERING.

(3) ESTABLISH PROCEDURES AND SECURITY FOR THE COUNTING,
RECORDING AND STORAGE OF MONEY GENERATED FROM THE CONDUCT OF
CASINO SIMULCASTING.

(4) ESTABLISH PROCEDURES AND SECURITY STANDARDS FOR THE
MAINTENANCE OF TELECOMMUNICATIONS EQUIPMENT AND VIDEO DISPLAY
TECHNOLOGY USED IN CONNECTION WITH THE CONDUCT OF CASINO
SIMULCASTING.

(5) ESTABLISH PROCEDURES AND RULES TO GOVERN THE CONDUCT
OF CASINO SIMULCASTING AND THE RESPONSIBILITY OF EMPLOYEES.
RELATED TO CASINO SIMULCASTING.

(6) Establish procedures for the collection, recording and deposit of revenue from the conduct of casino simulcasting, including the roles of the commission, the department, licensed racing entities and licensed gaming entities in the collection and recording of the revenue.

(7) Ensure that the system of pari-mutuel wagering used in the conduct of casino simulcasting is in accordance with 3 Pa.C.S. Ch. 93 (Relating to Race Horse Industry Reform) and regulations of the commission promulgated under 3 Pa.C.S. (Relating to Agriculture).

(8) Ensure, in consultation with the commission, the proper and timely accounting for and retention of percentages for pari-mutuel pools and the proper and timely distribution of money in any pari-mutuel pool generated from casino simulcasting.

(9) Ensure that all functions, duties and responsibilities related to casino simulcasting are appropriately segregated and performed in accordance with sound financial practices by qualified employees.

(10) Permit use of its simulcasting facility by the board, the bureau, the commission and other persons authorized under this part or by the board and the commission to facilitate their ability to perform regulatory and oversight functions under this chapter.

(C) Submission to Board.--The submission required under subsection (a) shall include a detailed description of the casino simulcasting permit holder's administrative and accounting procedures related to casino simulcasting, including its written system of internal controls. Each written system of

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INTERNAL CONTROLS SHALL INCLUDE:

(1) AN ORGANIZATIONAL CHART DEPICTING APPROPRIATE
FUNCTIONS AND RESPONSIBILITIES OF EMPLOYEES INVOLVED IN
CASINO SIMULCASTING.

(2) A DESCRIPTION OF THE DUTIES AND RESPONSIBILITIES OF
EACH POSITION SHOWN ON THE ORGANIZATIONAL CHART.

(3) THE RECORD RETENTION POLICY OF THE CASINO
SIMULCASTING PERMIT HOLDER.

(4) THE PROCEDURE TO BE UTILIZED TO ENSURE THAT MONEY
GENERATED FROM THE CONDUCT OF CASINO SIMULCASTING IS
SAFEGUARDED, INCLUDING MANDATORY COUNTING AND RECORDING
PROCEDURES.

(5) A STATEMENT SIGNED BY THE CASINO SIMULCASTING PERMIT
HOLDER'S CHIEF FINANCIAL OFFICER OR OTHER COMPETENT PERSON
ATTesting THAT THE SIGNATORY BELIEVES, IN GOOD FAITH, THAT
THE SYSTEM SATISFIES THE REQUIREMENTS OF THIS SECTION.

(D) REVIEW.--PRIOR TO AUTHORIZING A CASINO SIMULCASTING
PERMIT HOLDER TO CONDUCT CASINO SIMULCASTING, THE BOARD, IN
CONSULTATION WITH THE COMMISSION, SHALL REVIEW THE SYSTEM OF
INTERNAL CONTROLS SUBMITTED UNDER SUBSECTION (C) TO DETERMINE
WHETHER IT CONFORMS TO THE REQUIREMENTS OF THIS SUBCHAPTER AND
WHETHER IT PROVIDES ADEQUATE AND EFFECTIVE CONTROLS FOR THE
CONDUCT OF CASINO SIMULCASTING.

(E) LICENSE, REGISTRATION OR PERMITTING OF EMPLOYEES
REQUIRED.--EXCEPT AS PROVIDED IN SECTION 13F15 (RELATING TO KEY
EMPLOYEES AND OCCUPATION PERMITS), PERSONS ENGAGED DIRECTLY IN
WAGERING-RELATED ACTIVITIES AT A SIMULCASTING FACILITY, WHETHER
EMPLOYED BY THE LICENSED GAMING ENTITY OR A LICENSED RACING
ENTITY AND ALL OTHER EMPLOYEES OF THE LICENSED GAMING ENTITY WHO
WORK OR WILL WORK IN THE SIMULCASTING FACILITY SHALL BE
LICENSED, REGISTERED OR PERMITTED IN ACCORDANCE WITH REGULATIONS PROMULGATED BY THE BOARD IN COLLABORATION WITH THE COMMISSION.

§ 13F34. CONDITION OF CONTINUED OPERATION.

AS A CONDITION OF CONTINUED OPERATION, A CASINO SIMULCASTING PERMIT HOLDER SHALL AGREE TO MAINTAIN ALL BOOKS, RECORDS AND DOCUMENTS PERTAINING TO CASINO SIMULCASTING IN A MANNER AND LOCATION WITHIN THIS COMMONWEALTH AS APPROVED BY THE BOARD, IN CONSULTATION WITH THE COMMISSION. ALL BOOKS, RECORDS AND DOCUMENTS RELATED TO CASINO SIMULCASTING SHALL:

(1) BE ORGANIZED IN A MANNER TO CLEARLY DEPICT BY SEPARATE RECORD THE TOTAL AMOUNT OF MONEY CONTRIBUTED TO EVERY PARI-MUTUEL POOL IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF 3 PA.C.S. CH. 93 (RELATING TO RACE HORSE INDUSTRY REFORM) AND ANY REGULATION PROMULGATED UNDER 3 PA.C.S. CH. 93.

(2) BE SEGREGATED BY SEPARATE ACCOUNTS WITHIN THE LICENSED GAMING ENTITY'S BOOKS, RECORDS AND DOCUMENTS, EXCEPT FOR ANY BOOKS, RECORDS OR DOCUMENTS THAT ARE COMMON TO SLOT MACHINE OPERATIONS, TABLE GAME OPERATIONS AND CASINO SIMULCASTING, AS DETERMINED BY THE BOARD IN CONSULTATION WITH THE COMMISSION.


(4) BE MAINTAINED FOR A SPECIFIC PERIOD OF TIME AS THE BOARD, IN CONSULTATION WITH THE COMMISSION, BY REGULATION,
MAY REQUIRE.

SUBCHAPTER E

FEES AND TAXES

SEC.

13F41. CASINO SIMULCASTING AUTHORIZATION FEE.

13F42. RETENTION AND DISTRIBUTION OF MONEY AND PARI-MUTUEL POOLS.

13F43. CASINO SIMULCASTING TAXES.

13F44. CONSTRUCTION.

§ 13F41. CASINO SIMULCASTING AUTHORIZATION FEE.

A CASINO SIMULCASTING PERMIT SHALL NOT BE SUBJECT TO THE PAYMENT OF AN AUTHORIZATION FEE, RENEWAL OR A RENEWAL FEE OR THE PAYMENT OF AN ADDITIONAL PERMIT FEE.

§ 13F42. RETENTION AND DISTRIBUTION OF MONEY AND PARI-MUTUEL POOLS.

(A) WAGERS INCLUDED IN PARI-MUTUEL POOLS.--

(1) SUMS WAGERED AT A SIMULCASTING FACILITY ON THE RESULTS OF A SIMULCAST HORSE RACE SHALL BE INCLUDED IN THE APPROPRIATE PARI-MUTUEL POOL GENERATED FOR THE RACE BEING TRANSMITTED IN ACCORDANCE WITH 3 PA.C.S. § 9335 (RELATING TO PARI-MUTUEL POOL DISTRIBUTION) AND SHALL BE DISTRIBUTED IN ACCORDANCE WITH 3 PA.C.S. § 9335 OR ANY REGULATIONS PROMULGATED UNDER 3 PA.C.S. § 9335.

(2) PAYMENTS TO PERSONS HOLDING WINNING TICKETS AT A LICENSED FACILITY SHALL BE MADE ACCORDING TO THE SAME ODDS AS THOSE GENERATED AT THE IN-STATE SENDING TRACK.

(3) A PERSON PLACING A WAGER ON A SIMULCAST HORSE RACE AT A SIMULCASTING FACILITY SHALL NOT BE CHARGED A FEE FOR PLACING THE WAGER IN ADDITION TO THE AMOUNT WAGERED.

(B) COMPUTATION OF MONEY WAGERED.--ALL MONEY WAGERED BY
Players on horse race meetings at a simulcasting facility shall be computed in the amount of money wagered each racing day for purposes of taxation under 3 Pa.C.S. § 9334 (relating to state racing fund and tax rate), all thoroughbred races shall be considered a part of a thoroughbred horse race meeting and all harness races shall be considered a part of a harness horse race meeting for purposes of 3 Pa.C.S. § 9334.

§ 13F43. Casino simulcasting taxes.

All money wagered by players on horse race meetings under this chapter shall be subject to the tax imposed under 3 Pa.C.S. § 9334 (relating to state racing fund and tax rate).

§ 13F44. Construction.

Nothing in this chapter and section 1207 (relating to regulatory authority of board), as it relates to casino simulcasting, shall be construed to alter, preempt or otherwise impinge the authority of the commission under 3 Pa.C.S. ch. 93 (relating to race horse industry reform).

Section 26. Section 1401(b)(1) and (2) of title 4 are amended and the subsection is amended by adding a paragraph to read:

§ 1401. Slot machine licensee deposits.

* * *

(B) Initial deposit of funds.—Not later than two business days prior to the commencement of slot machine operations by a slot machine licensee, a slot machine licensee shall deposit and maintain the following sums in its account to guarantee the payment of funds to the commonwealth under this part and as security for its obligations under section 1405 (relating to Pennsylvania race horse development trust fund):

(1) For a category 1 or category 2 slot machine
LICENSEE, $1,500,000.

(2) FOR A CATEGORY 3 SLOT MACHINE LICENSEE, $1,000,000.

NO ADDITIONAL MINIMUM DEPOSIT SHALL BE REQUIRED FROM A SLOT MACHINE LICENSEE IF A SLOT MACHINE LICENSEE IS GRANTED A TABLE GAME OPERATION CERTIFICATE UNDER CHAPTER 13A (RELATING TO TABLE GAMES).

(3) FOR A CATEGORY 4 SLOT MACHINE LICENSEE, $1,250,000.

* * *

SECTION 27. SECTION 1403 OF TITLE 4 IS REENACTED AND AMENDED TO READ:

§ 1403. ESTABLISHMENT OF STATE GAMING FUND AND NET SLOT MACHINE REVENUE DISTRIBUTION.

(A) FUND ESTABLISHED.--THERE IS HEREBY ESTABLISHED THE STATE GAMING FUND WITHIN THE STATE TREASURY.

(B) SLOT MACHINE TAX.--THE DEPARTMENT SHALL DETERMINE AND EACH SLOT MACHINE LICENSEE, OTHER THAN A CATEGORY 4 SLOT MACHINE LICENSEE, SHALL PAY A DAILY TAX OF 34% FROM ITS DAILY GROSS TERMINAL REVENUE FROM THE SLOT MACHINES IN OPERATION AT ITS FACILITY AND A LOCAL SHARE ASSESSMENT AS PROVIDED IN SUBSECTION (C). ALL FUNDS OWED TO THE COMMONWEALTH, A COUNTY OR A MUNICIPALITY UNDER THIS SECTION SHALL BE HELD IN TRUST BY THE LICENSED GAMING ENTITY FOR THE COMMONWEALTH, THE COUNTY AND THE MUNICIPALITY UNTIL THE FUNDS ARE PAID OR TRANSFERRED TO THE FUND. UNLESS OTHERWISE AGREED TO BY THE BOARD, A LICENSED GAMING ENTITY SHALL ESTABLISH A SEPARATE BANK ACCOUNT TO MAINTAIN GROSS TERMINAL REVENUE UNTIL SUCH TIME AS THE FUNDS ARE PAID OR TRANSFERRED UNDER THIS SECTION. MONEYS IN THE FUND ARE HEREBY APPROPRIATED TO THE DEPARTMENT ON A CONTINUING BASIS FOR THE PURPOSES SET FORTH IN SUBSECTION (C).

(B.1) SLOT MACHINE TAX AT CATEGORY 4 LICENSED FACILITIES.--
(1) The department shall determine and each category 4 slot machine licensee shall pay a daily tax of 50% from its daily gross terminal revenue from the slot machines in operation at the category 4 licensed facility and a local share assessment as provided in subsection (C.1). All money owed to the Commonwealth, a county or a municipality under this section shall be held in trust by the licensed gaming entity for the Commonwealth, the county and the municipality until the money is paid or transferred to the fund, unless otherwise agreed to by the board, a licensed gaming entity shall establish a separate bank account to maintain gross terminal revenue until such time as the money is paid or transferred under this section. Money in the fund is appropriated to the department on a continuing basis for the purposes set forth in paragraph (2).

(2) The tax imposed under paragraph (1) shall be deposited as follows:

(I) Sixty-eight percent into the property tax relief fund established under section 1409 (relating to property tax relief fund).

(II) Ten percent added to and distributed under section 13B52(D)(2)(II) (relating to interactive gaming tax).

(III) Ten percent into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants for projects in the public interest in the Commonwealth.

(IV) Twelve percent added to and distributed under section 1407 (relating to Pennsylvania Gaming Economic Development and Tourism Fund).
(C) TRANSFERS AND DISTRIBUTIONS.--THE DEPARTMENT SHALL:

(1) TRANSFER THE SLOT MACHINE TAX AND ASSESSMENT IMPOSED IN SUBSECTION (B) TO THE FUND.

(2) FROM THE LOCAL SHARE ASSESSMENT ESTABLISHED IN SUBSECTION (B), MAKE QUARTERLY DISTRIBUTIONS AMONG THE COUNTIES HOSTING A LICENSED FACILITY IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

(I) IF THE LICENSED FACILITY IS A CATEGORY 1 LICENSED FACILITY THAT IS LOCATED AT A HARNESS RACETRACK AND THE COUNTY, INCLUDING A HOME RULE COUNTY, IN WHICH THE LICENSED FACILITY IS LOCATED IS:

[(A) A COUNTY OF THE FIRST CLASS:  4% OF THE GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY. NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY, FUNDS FROM LICENSED GAMING ENTITIES LOCATED WITHIN A COUNTY OF THE FIRST CLASS SHALL NOT BE DISTRIBUTED OUTSIDE OF A COUNTY OF THE FIRST CLASS.]

(B) A COUNTY OF THE SECOND CLASS:  2% OF THE GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY.

(C) A COUNTY OF THE SECOND CLASS A:  1% OF THE GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY. AN ADDITIONAL 1% OF THE GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE LICENSED FACILITY FOR THE PURPOSE OF MUNICIPAL GRANTS WITHIN THE COUNTY IN WHICH THE LICENSEE IS LOCATED.

(D) (I) A COUNTY OF THE THIRD CLASS: EXCEPT AS PROVIDED IN SUBCLAUSE (II), 2% OF THE GROSS
TERMINAL REVENUE FROM EACH SUCH LICENSED FACILITY SHALL BE DEPOSITED INTO A RESTRICTED RECEIPTS ACCOUNT TO BE ESTABLISHED IN THE COMMONWEALTH FINANCING AUTHORITY TO BE USED EXCLUSIVELY FOR GRANTS FOR PROJECTS IN THE PUBLIC INTEREST TO MUNICIPALITIES WITHIN THE COUNTY WHERE THE LICENSED FACILITY IS LOCATED.

(I.1) PRIORITY SHALL BE GIVEN TO MULTIYEAR PROJECTS APPROVED OR AWARDED BY THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT UNDER SUBCLAUSE (I) ON OR BEFORE [THE EFFECTIVE DATE OF THIS SUBCLAUSE] JANUARY 7, 2010.

(I.2) IN ADDITION TO MUNICIPALITIES THAT ARE ELIGIBLE TO RECEIVE GRANT FUNDING UNDER SUBCLAUSE (I), A COUNTY REDEVELOPMENT AUTHORITY WITHIN THE COUNTY SHALL ALSO BE ELIGIBLE TO RECEIVE GRANT FUNDING TO BE USED EXCLUSIVELY FOR ECONOMIC DEVELOPMENT PROJECTS OR INFRASTRUCTURE. A COUNTY REDEVELOPMENT AUTHORITY SHALL NOT BE ELIGIBLE TO RECEIVE MORE THAN 10% OF THE TOTAL GRANT FUNDS AWARDED.

(I.3) NOTWITHSTANDING THE ACT OF FEBRUARY 9, 1999 (P.L.1, NO.1), KNOWN AS THE CAPITAL FACILITIES DEBT ENABLING ACT, GRANTS MADE UNDER SUBCLAUSE (I) MAY BE UTILIZED AS LOCAL MATCHING FUNDS FOR OTHER GRANTS OR LOANS FROM THE COMMONWEALTH.

(II) IF A LICENSED FACILITY IS LOCATED IN ONE OF TWO COUNTIES OF THE THIRD CLASS WHERE A CITY OF THE THIRD CLASS IS LOCATED IN BOTH
COUNTIES OF THE THIRD CLASS, THE COUNTY IN WHICH THE LICENSED FACILITY IS LOCATED SHALL RECEIVE 1.2% OF THE GROSS TERMINAL REVENUE TO BE DISTRIBUTED AS FOLLOWS: 20% TO THE HOST CITY, 30% TO THE HOST COUNTY AND 50% TO THE HOST COUNTY FOR THE PURPOSE OF MAKING MUNICIPAL GRANTS WITHIN THE COUNTY, WITH PRIORITY GIVEN TO MUNICIPALITIES CONTIGUOUS TO THE HOST CITY. THE COUNTY OF THE THIRD CLASS, WHICH INCLUDES A CITY OF THE THIRD CLASS THAT IS LOCATED IN TWO COUNTIES OF THE THIRD CLASS AND IS NOT THE HOST COUNTY FOR THE LICENSED FACILITY, SHALL RECEIVE .8% OF THE GROSS TERMINAL REVENUE TO BE DISTRIBUTED AS FOLLOWS: 60% TO A NONHOST CITY OF THE THIRD CLASS LOCATED SOLELY IN THE NONHOST COUNTY IN WHICH THE HOST CITY OF THE THIRD CLASS IS ALSO LOCATED OR 60% TO THE NONHOST CITY OF THE THIRD CLASS LOCATED BOTH IN THE HOST AND NONHOST COUNTIES OF THE THIRD CLASS, 35% TO THE NONHOST COUNTY AND 5% TO THE NONHOST COUNTY FOR THE PURPOSE OF MAKING MUNICIPAL GRANTS WITHIN THE COUNTY.

(E) A COUNTY OF THE FOURTH CLASS: 2% OF THE GROSS TERMINAL REVENUE FROM EACH SUCH LICENSED FACILITY SHALL BE DISTRIBUTED AS FOLLOWS:

(I) THE DEPARTMENT SHALL MAKE DISTRIBUTIONS DIRECTLY TO EACH MUNICIPALITY WITHIN THE COUNTY, EXCEPT THE HOST MUNICIPALITY, BY USING A FORMULA EQUAL TO THE SUM OF $25,000 PLUS $10 PER RESIDENT OF THE MUNICIPALITY USING THE MOST RECENT POPULATION FIGURES PROVIDED BY THE DEPARTMENT OF
COMMUNITY AND ECONOMIC DEVELOPMENT, PROVIDED, 
HOWEVER, THAT THE AMOUNT SO DISTRIBUTED TO ANY 
MUNICIPALITY SHALL NOT EXCEED 50% OF ITS TOTAL 
BUDGET FOR FISCAL YEAR 2009 OR 2013, WHICHEVER IS 
GREATER, ADJUSTED FOR INFLATION IN SUBSEQUENT 
FISCAL YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL 
COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING 
ANY UPWARD PERCENTAGE CHANGE IN THE CONSUMER 
PRICE INDEX IMMEDIATELY PRIOR TO THE DATE THE 
ADJUSTMENT IS DUE TO TAKE EFFECT. DISTRIBUTIONS 
TO A MUNICIPALITY IN ACCORDANCE WITH THIS 
SUBCLAUSE SHALL BE DEPOSITED INTO A SPECIAL FUND 
WHICH SHALL BE ESTABLISHED BY THE MUNICIPALITY. 
THE GOVERNING BODY OF THE MUNICIPALITY SHALL HAVE 
THE RIGHT TO DRAW UPON THE SPECIAL FUND FOR ANY 
LAWFUL PURPOSE PROVIDED THAT THE MUNICIPALITY 
IDENTIFIES THE FUND AS THE SOURCE OF THE 
EXPENDITURE. EACH MUNICIPALITY SHALL ANNUALLY 
SUBMIT A REPORT TO THE DEPARTMENT OF COMMUNITY 
AND ECONOMIC DEVELOPMENT DETAILING THE AMOUNT AND 
PURPOSE OF EACH EXPENDITURE MADE FROM THE SPECIAL 
FUND DURING THE PRIOR FISCAL YEAR. 

(II) ANY FUNDS NOT DISTRIBUTED UNDER 
SUBCLAUSE (I) SHALL BE DEPOSITED INTO A 
RESTRICTED RECEIPTS ACCOUNT ESTABLISHED IN THE 
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT 
TO BE USED EXCLUSIVELY FOR GRANTS TO THE COUNTY, 
TO ECONOMIC DEVELOPMENT AUTHORITIES OR 
REDEVELOPMENT AUTHORITIES WITHIN THE COUNTY FOR 
GRANTS FOR ECONOMIC DEVELOPMENT PROJECTS,
INFRASTRUCTURE PROJECTS, JOB TRAINING, COMMUNITY
IMPROVEMENT PROJECTS, OTHER PROJECTS IN THE
PUBLIC INTEREST, AND NECESSARY AND REASONABLE
ADMINISTRATIVE COSTS. NOTWITHSTANDING THE
PROVISIONS OF THE ACT OF FEBRUARY 9, 1999 (P.L.1,
NO.1),Known as the Capital Facilities Debt
Enabling Act, grants made under this clause may
be utilized as local matching funds for other
grants or loans from the Commonwealth.

(F) Counties of the Fifth through Eighth
Classes:

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

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

(A) 1% shall be deposited into a
restricted receipts account to be established
in the Commonwealth Financing Authority to be
used exclusively for grants for projects in
the public interest to municipalities within
the county where the licensed facility is
located.

(B) 1% shall be distributed to the county
FOR PROJECTS IN THE PUBLIC INTEREST IN THE COUNTY.

(G) ANY COUNTY NOT SPECIFICALLY ENUMERATED IN CLAUSES (A) THROUGH (F), 2% OF THE GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY.

(II) IF THE LICENSED FACILITY IS A CATEGORY 1 LICENSED FACILITY AND IS LOCATED AT A THOROUGHBRED RACETRACK AND THE COUNTY IN WHICH THE LICENSED FACILITY IS LOCATED IS:

[(A) A COUNTY OF THE FIRST CLASS: 4% OF THE GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY. NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY, FUNDS FROM LICENSED GAMING ENTITIES LOCATED WITHIN THE COUNTY OF THE FIRST CLASS SHALL NOT BE DISTRIBUTED OUTSIDE OF A COUNTY OF THE FIRST CLASS.]

(B) A COUNTY OF THE SECOND CLASS: 2% OF THE GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY.

(C) A COUNTY OF THE SECOND CLASS A: 1% OF THE GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY[

FOR THE PURPOSE OF FUNDING NONPROFIT ENTITIES FULFILLING A HUMAN SERVICE, VICTIM ASSISTANCE OR DRUG AND ALCOHOL PREVENTION AND TREATMENT WITHIN THE COUNTY IN WHICH THE LICENSED FACILITY IS LOCATED. AN ADDITIONAL 1% OF THE GROSS TERMINAL REVENUE TO A REDEVELOPMENT AUTHORITY IN THE COUNTY HOSTING THE LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY
FOR THE PURPOSE OF MUNICIPAL GRANTS WITHIN THE COUNTY
IN WHICH THE LICENSEE IS LOCATED. THE REDEVELOPMENT
AUTHORITY SHALL RETAIN 5% OF THE TOTAL FUNDS
ADMINISTERED TO COVER THE COSTS AND EXPENSES OF
ADMINISTRATION OF THE GRANTS. FOR PURPOSES OF THIS
SUBPARAGRAPH, A MUNICIPALITY THAT IS WHOLLY WITHIN
THE BOUNDARIES OF A CONTIGUOUS MUNICIPALITY SHALL BE
CONSIDERED A CONTIGUOUS MUNICIPALITY AND ELIGIBLE TO
RECEIVE MUNICIPAL GRANTS UNDER THIS SUBPARAGRAPH.

(D) A COUNTY OF THE THIRD CLASS WHICH IS ALSO A
HOME RULE COUNTY: 1% OF THE GROSS TERMINAL REVENUE
TO THE COUNTY HOSTING THE LICENSED FACILITY FROM EACH
SUCH LICENSED FACILITY. AN ADDITIONAL 1% OF THE GROSS
TERMINAL REVENUE MINUS THE AMOUNT CONTAINED IN CLAUSE
(D.1) TO THE COUNTY HOSTING THE LICENSED FACILITY
FROM EACH SUCH LICENSED FACILITY FOR THE PURPOSE OF
MUNICIPAL GRANTS WITHIN THE COUNTY IN WHICH THE
LICENSEE IS LOCATED.

(D.1) $1,000,000 OF THE GROSS TERMINAL REVENUE
ANNUALLY TO A LAND BANK JURISDICTION ESTABLISHED BY A
COUNTY OF THE THIRD CLASS WHICH IS ALSO A HOME RULE
COUNTY. UNTIL A LAND BANK JURISDICTION IS ESTABLISHED
BY A COUNTY OF THE THIRD CLASS WHICH IS ALSO A HOME
RULE COUNTY AFTER THE EFFECTIVE DATE OF THIS
SUBCLAUSE, $1,000,000 TO THE COUNTY REDEVELOPMENT
AUTHORITY.

(D.2) AN ECONOMIC OR REDEVELOPMENT AUTHORITY
WHICH ADMINISTERS LOCAL SHARE ASSESSMENT FUNDS FOR A
COUNTY OF THE THIRD CLASS WHICH IS ALSO A HOME RULE
COUNTY IN WHICH A CATEGORY 1 LICENSED FACILITY IS
LOCATED AT A THOROUGHBRED RACETRACK, SHALL BE SUBJECT TO THE FOLLOWING:

(I) EACH EXPENDITURE OF THE LOCAL SHARE ASSESSMENT FUNDS BY THE AUTHORITY SHALL BE DISCLOSED ON THE AUTHORITY'S PUBLICLY ACCESSIBLE INTERNET WEBSITE.

(II) LOCAL SHARE ASSESSMENT FUNDS RECEIVED BY THE AUTHORITY MAY NOT BE USED TO PAY FOR TUITION OR OTHER EDUCATIONAL EXPENSES OF AN OFFICER OR EMPLOYEE OF THE AUTHORITY.

(III) EACH EXPENDITURE OF LOCAL SHARE ASSESSMENT FUNDS BY THE AUTHORITY SHALL INCLUDE A DISCLOSURE THAT THE FUNDS ORIGINATED FROM LICENSED GAMING ACTIVITIES.

(IV) THE AUTHORITY SHALL BE SUBJECT TO AUDIT BY THE AUDITOR GENERAL.

(D.3) A COUNTY OF THE THIRD CLASS WHICH IS NOT A HOME RULE COUNTY: 1% OF THE GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY MINUS AMOUNTS IN CLAUSES (D.4), (D.5), (D.6) AND (D.7). AN ADDITIONAL 1% OF THE GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY FOR THE PURPOSE OF MUNICIPAL GRANTS WITHIN THE COUNTY IN WHICH THE LICENSEE IS LOCATED. NOTWITHSTANDING THE PROVISIONS OF THE CAPITAL FACILITIES DEBT ENABLING ACT, GRANTS MADE UNDER THIS CLAUSE MAY BE UTILIZED AS LOCAL MATCHING FUNDS FOR OTHER GRANTS OR LOANS FROM THE COMMONWEALTH.

(D.4) $220,000 OF THE GROSS TERMINAL REVENUE
ANNUALLY SHALL BE DEPOSITED INTO A RESTRICTED RECEIPTS ACCOUNT TO BE ESTABLISHED IN THE COMMONWEALTH FINANCING AUTHORITY TO BE USED EXCLUSIVELY FOR GRANTS FOR PROJECTS IN THE PUBLIC INTEREST WITHIN A CONTIGUOUS COUNTY CONTAINING A TOWNSHIP THAT RECEIVES A PORTION OF THE LICENSED FACILITY'S SLOT MACHINE OPERATION FEE UNDER PARAGRAPH (3)(V)(C) FOR THE PURPOSE OF MUNICIPAL GRANTS WITHIN THE COUNTY. NOTWITHSTANDING THE PROVISIONS OF THE CAPITAL FACILITIES DEBT ENABLING ACT, GRANTS MADE UNDER THIS CLAUSE MAY BE UTILIZED AS LOCAL MATCHING FUNDS FOR OTHER GRANTS OR LOANS FROM THE COMMONWEALTH.

(D.5) $50,000 OF THE GROSS TERMINAL REVENUE ANNUALLY TO A CONTIGUOUS COUNTY OF THE FOURTH CLASS FOR FIRE AND EMERGENCY SERVICES AND ECONOMIC DEVELOPMENT. NOTWITHSTANDING THE PROVISIONS OF THE CAPITAL FACILITIES DEBT ENABLING ACT, GRANTS MADE UNDER THIS CLAUSE MAY BE UTILIZED AS LOCAL MATCHING FUNDS FOR OTHER GRANTS OR LOANS FROM THE COMMONWEALTH.

(D.6) $30,000 OF THE GROSS TERMINAL REVENUE ANNUALLY TO A TOWNSHIP OF THE SECOND CLASS WITH A POPULATION BETWEEN 2,000 AND 2,500 AS OF THE 2010 DECENNIAL CENSUS THAT IS CONTIGUOUS TO A TOWNSHIP IN A COUNTY OF THE FIFTH CLASS THAT RECEIVES A PORTION OF THE LICENSED FACILITY'S SLOT MACHINE OPERATION FEE UNDER PARAGRAPH (3)(V)(C).

(D.7) $30,000 OF THE GROSS TERMINAL REVENUE ANNUALLY TO A TOWNSHIP OF THE SECOND CLASS WITH A
POPULATION BETWEEN 8,000 AND 8,100 AS OF THE 2010 DECENNIAL CENSUS THAT IS CONTIGUOUS TO A TOWNSHIP IN A COUNTY OF THE FIFTH CLASS THAT RECEIVES A PORTION OF THE LICENSED FACILITY'S SLOT MACHINE OPERATION FEE UNDER PARAGRAPH (3)(V)(C). THE TOWNSHIP MAY USE THE AMOUNT FOR ANY PURPOSE, PROVIDED THAT FUNDING FOR FIRE AND OTHER EMERGENCY SERVICES IS PRIORITIZED.

(E) A COUNTY OF THE FOURTH CLASS: 2% OF THE GROSS TERMINAL REVENUE FROM EACH SUCH LICENSED FACILITY SHALL BE DEPOSITED INTO A RESTRICTED ACCOUNT ESTABLISHED IN THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT TO BE USED EXCLUSIVELY FOR GRANTS TO THE COUNTY, TO ECONOMIC DEVELOPMENT AUTHORITIES OR REDEVELOPMENT AUTHORITIES WITHIN THE COUNTY FOR GRANTS FOR ECONOMIC DEVELOPMENT PROJECTS, COMMUNITY IMPROVEMENT PROJECTS, JOB TRAINING, OTHER PROJECTS IN THE PUBLIC INTEREST AND REASONABLE ADMINISTRATIVE COSTS. NOTWITHSTANDING THE CAPITAL FACILITIES DEBT ENABLING ACT, GRANTS MADE UNDER THIS CLAUSE MAY BE UTILIZED AS LOCAL MATCHING FUNDS FOR OTHER GRANTS OR LOANS FROM THE COMMONWEALTH.

(F) COUNTIES OF THE FIFTH THROUGH EIGHTH CLASSES: 2% OF THE GROSS TERMINAL REVENUE FROM EACH SUCH LICENSED FACILITY SHALL BE DEPOSITED INTO A RESTRICTED ACCOUNT ESTABLISHED IN THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT TO BE USED EXCLUSIVELY FOR GRANTS TO THE COUNTY.

(G) ANY COUNTY NOT SPECIFICALLY ENUMERATED IN CLAUSES (A) THROUGH (F), 2% OF THE GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE LICENSED FACILITY
FROM EACH SUCH LICENSED FACILITY.

(III) IF THE FACILITY IS A CATEGORY 2 LICENSED FACILITY AND IF THE COUNTY IN WHICH THE LICENSED FACILITY IS LOCATED IS:

[(A) A COUNTY OF THE FIRST CLASS: 4% OF THE GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY. NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY, FUNDS FROM LICENSED GAMING ENTITIES LOCATED WITHIN A COUNTY OF THE FIRST CLASS SHALL NOT BE DISTRIBUTED OUTSIDE OF A COUNTY OF THE FIRST CLASS. THE FIRST $5,000,000 OF THE TOTAL AMOUNT DISTRIBUTED ANNUALLY TO THE COUNTY OF THE FIRST CLASS SHALL BE DISTRIBUTED TO THE PHILADELPHIA SCHOOL DISTRICT.]

(B) A COUNTY OF THE SECOND CLASS: 2% OF THE GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY.

(C) A COUNTY OF THE SECOND CLASS A: 1% OF THE GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY. AN ADDITIONAL 1% OF THE GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY FOR THE PURPOSE OF MUNICIPAL GRANTS WITHIN THE COUNTY IN WHICH THE LICENSEE IS LOCATED.

(D) A COUNTY OF THE THIRD CLASS: 1% OF THE GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY. AN ADDITIONAL 1% OF THE GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY FOR THE PURPOSE OF MUNICIPAL GRANTS
WITHIN THE COUNTY IN WHICH THE LICENSEE IS LOCATED.

(D.1) IF A LICENSED FACILITY IS LOCATED IN ONE OF TWO COUNTIES OF THE THIRD CLASS WHERE A CITY OF THE THIRD CLASS IS LOCATED IN BOTH COUNTIES OF THE THIRD CLASS, THE FOLLOWING SHALL APPLY:

(I) THE COUNTY IN WHICH THE LICENSED FACILITY IS LOCATED SHALL RECEIVE 1.2% OF THE GROSS TERMINAL REVENUE TO BE DISTRIBUTED AS FOLLOWS: [20% TO THE HOST CITY, 30% TO THE HOST COUNTY AND 50% TO THE HOST COUNTY FOR THE PURPOSE OF MAKING MUNICIPAL GRANTS WITHIN THE COUNTY, WITH PRIORITY GIVEN TO MUNICIPALITIES CONTIGUOUS TO THE HOST CITY.]

(A) 20% SHALL BE DISTRIBUTED TO THE HOST CITY.

(B) 30% SHALL BE DISTRIBUTED TO THE HOST COUNTY.

(C) 50% SHALL BE DISTRIBUTED AS FOLLOWS:

(1) BEGINNING JANUARY 1, 2018, THE SUM OF $250,000 SHALL BE DISTRIBUTED ANNUALLY FOR A PERIOD OF 20 YEARS TO A CITY OF THE THIRD CLASS LOCATED IN TWO COUNTIES OF THE THIRD CLASS FOR PURPOSES OF FUNDING THE REDEVELOPMENT OF AN EXISTING ARTS AND EDUCATION CENTER THAT HAS PROFESSIONAL ARTIST SPACE AND STUDIOS AND IS LOCATED WITHIN THE CITY OF THE THIRD CLASS THAT IS LOCATED IN TWO COUNTIES OF THE THIRD CLASS.
(2) AFTER THE DISTRIBUTION UNDER SUBUNIT (1), THE REMAINING FUNDS SHALL BE DEPOSITED INTO A RESTRICTED RECEIPTS ACCOUNT TO BE ESTABLISHED IN THE COMMONWEALTH FINANCING AUTHORITY FOR DISTRIBUTION WITHIN THE HOST COUNTY TO BE USED EXCLUSIVELY FOR ECONOMIC DEVELOPMENT PROJECTS, COMMUNITY IMPROVEMENT PROJECTS AND OTHER PROJECTS IN THE PUBLIC INTEREST WITHIN THE HOST COUNTY, WITH PRIORITY GIVEN TO MUNICIPALITIES CONTIGUOUS TO THE HOST CITY.

(II) THE COUNTY OF THE THIRD CLASS, WHICH INCLUDES A CITY OF THE THIRD CLASS THAT IS LOCATED IN TWO COUNTIES OF THE THIRD CLASS AND IS NOT THE HOST COUNTY FOR THE LICENSED FACILITY, SHALL RECEIVE .8% OF THE GROSS TERMINAL REVENUE TO BE DISTRIBUTED AS FOLLOWS: [60% TO A NONHOST CITY OF THE THIRD CLASS LOCATED SOLELY IN THE NONHOST COUNTY IN WHICH THE HOST CITY OF THE THIRD CLASS IS ALSO LOCATED OR 60% TO THE NONHOST CITY OF THE THIRD CLASS LOCATED BOTH IN THE HOST AND NONHOST COUNTIES OF THE THIRD CLASS, 35% TO THE NONHOST COUNTY AND 5% TO THE NONHOST COUNTY FOR THE PURPOSE OF MAKING MUNICIPAL GRANTS WITHIN THE COUNTY.]

(A) 60% SHALL BE DISTRIBUTED TO A NONHOST CITY OF THE THIRD CLASS LOCATED SOLELY IN THE NONHOST COUNTY IN WHICH THE
HOST CITY OF THE THIRD CLASS IS ALSO LOCATED
OR 60% TO THE NONHOST CITY OF THE THIRD CLASS
LOCATED BOTH IN THE HOST AND NONHOST COUNTIES
OF THE THIRD CLASS.

(B) 35% SHALL BE DISTRIBUTED TO THE
NONHOST COUNTY.

(C) 5% SHALL BE DEPOSITED INTO A
RESTRICTED RECEIPTS ACCOUNT TO BE ESTABLISHED
IN THE COMMONWEALTH FINANCING AUTHORITY FOR
DISTRIBUTION WITHIN THE NONHOST COUNTY TO BE
USED EXCLUSIVELY FOR ECONOMIC DEVELOPMENT
PROJECTS, COMMUNITY IMPROVEMENT PROJECTS AND
OTHER PROJECTS IN THE PUBLIC INTEREST WITHIN
THE NONHOST COUNTY, WITH PRIORITY GIVEN TO
MUNICIPALITIES CONTIGUOUS TO THE HOST CITY.

(E) A COUNTY OF THE FOURTH CLASS: 2% OF THE
GROSS TERMINAL REVENUE FROM EACH SUCH LICENSED
FACILITY SHALL BE DEPOSITED INTO A RESTRICTED ACCOUNT
ESTABLISHED IN THE DEPARTMENT OF COMMUNITY AND
ECONOMIC DEVELOPMENT TO BE USED EXCLUSIVELY FOR
GRANTS TO THE COUNTY, TO ECONOMIC DEVELOPMENT
AUTHORITIES OR REDEVELOPMENT AUTHORITIES WITHIN THE
COUNTY FOR GRANTS FOR ECONOMIC DEVELOPMENT PROJECTS,
COMMUNITY IMPROVEMENT PROJECTS, JOB TRAINING, OTHER
PROJECTS IN THE PUBLIC INTEREST AND REASONABLE
ADMINISTRATIVE COSTS. NOTWITHSTANDING THE CAPITAL
FACILITIES DEBT ENABLING ACT, GRANTS MADE UNDER THIS
CLAUSE MAY BE UTILIZED AS LOCAL MATCHING FUNDS FOR
OTHER GRANTS OR LOANS FROM THE COMMONWEALTH.

(F) COUNTIES OF THE FIFTH CLASS: 2% OF THE
GROSS TERMINAL REVENUE FROM EACH SUCH LICENSED FACILITY SHALL BE DEPOSITED AND DISTRIBUTED AS FOLLOWS:

(I) ONE PERCENT TO BE DISTRIBUTED AS FOLLOWS:

(A) BEGINNING IN 2010, THE SUM OF $2,400,000 ANNUALLY FOR A PERIOD OF 20 YEARS TO THE COUNTY FOR PURPOSES OF FUNDING DEBT SERVICE RELATED TO THE CONSTRUCTION OF A COMMUNITY COLLEGE CAMPUS LOCATED WITHIN THE COUNTY.

(B) ANY FUNDS NOT DISTRIBUTED UNDER SUBCLAUSE (A) SHALL BE DEPOSITED INTO A RESTRICTED RECEIPTS ACCOUNT TO BE ESTABLISHED IN THE COMMONWEALTH FINANCING AUTHORITY TO BE USED EXCLUSIVELY FOR GRANTS WITHIN THE COUNTY FOR ECONOMIC DEVELOPMENT PROJECTS, ROAD PROJECTS LOCATED WITHIN A 20-MILE RADIUS OF THE LICENSED FACILITY AND LOCATED WITHIN THE COUNTY, COMMUNITY IMPROVEMENT PROJECTS AND OTHER PROJECTS IN THE PUBLIC INTEREST WITHIN THE COUNTY. THE AMOUNT UNDER THIS SUBCLAUSE INCLUDES REASONABLE ADMINISTRATIVE COSTS.

(II) ONE PERCENT SHALL BE DISTRIBUTED AS FOLLOWS:

(A) BEGINNING JANUARY 1, 2018, THE SUM OF $250,000 SHALL BE DISTRIBUTED ANNUALLY FOR A PERIOD OF 20 YEARS TO A CONTIGUOUS COUNTY OF THE THIRD CLASS THAT HOSTS A CATEGORY 2 LICENSED FACILITY, FOR THE PURPOSE OF FUNDING
THE CONSTRUCTION OF A POOL AND INDOOR RECREATION FACILITY AT AN EXISTING NONPROFIT RECREATION CENTER WITHIN THE CONTIGUOUS COUNTY IN A BOROUGH WITH A POPULATION BETWEEN 3,400 AND 3,800 AT THE 2010 DECENNIAL CENSUS.

(B) AFTER THE DISTRIBUTION UNDER SUBUNIT (A), THE REMAINING FUNDS SHALL BE DEPOSITED INTO A RESTRICTED RECEIPTS ACCOUNT TO BE ESTABLISHED IN THE COMMONWEALTH FINANCING AUTHORITY TO BE USED EXCLUSIVELY FOR GRANTS WITHIN CONTIGUOUS COUNTIES FOR ECONOMIC DEVELOPMENT PROJECTS, COMMUNITY IMPROVEMENT PROJECTS AND OTHER PROJECTS IN THE PUBLIC INTEREST WITHIN CONTIGUOUS COUNTIES. THE AMOUNT UNDER THIS SUBCLAUSE INCLUDES REASONABLE ADMINISTRATIVE COSTS. A CONTIGUOUS COUNTY THAT HOSTS A CATEGORY 1 LICENSED FACILITY SHALL BE INELIGIBLE TO RECEIVE GRANTS UNDER THIS SUBCLAUSE.

(II.1) PRIORITY SHALL BE GIVEN TO MULTIYEAR PROJECTS APPROVED OR AWARDED BY THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT UNDER SUBCLAUSE (I)(B) OR (II) ON OR BEFORE [THE EFFECTIVE DATE OF THIS SUBCLAUSE] JANUARY 7, 2010.

(III) FIFTY PERCENT OF ANY REVENUE REQUIRED TO BE TRANSFERRED UNDER PARAGRAPH (3)(V) SHALL BE DEPOSITED INTO THE RESTRICTED RECEIPTS ACCOUNT ESTABLISHED UNDER SUBCLAUSE (I)(B), AND 50% SHALL BE DEPOSITED INTO THE RESTRICTED RECEIPTS ACCOUNT.
Established under subclause (ii). Notwithstanding the Capital Facilities Debt Enabling Act, grants made under this clause may be utilized as local matching funds for other grants or loans from the Commonwealth.

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

(IV) (A) Except as provided in clause (B) or (C), if the facility is a category 3 licensed facility, 2% of the gross terminal revenue from the licensed facility shall be deposited into a restricted receipts account established in the Department of Community and Economic Development to be used exclusively for grants to the county, to economic development authorities or redevelopment authorities within the county for grants for economic development projects, community improvement projects and other projects in the public interest.

(B) If the facility is a category 3 licensed facility located in a county of the second class A, 2% of the gross terminal revenue [from the licensed facility shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants or guarantees for projects in the host county that qualify under 64 Pa.C.S. §§ 1551 (relating to Business in Our Sites program), 1556 (relating to Tax Increment Financing Guarantee Program)].
PROGRAM AND 1558 (RELATING TO WATER SUPPLY AND
WASTEWATER INFRASTRUCTURE PROGRAM).] TO THE COUNTY
HOSTING THE LICENSED FACILITY FROM EACH SUCH LICENSED
FACILITY SHALL BE DEPOSITED AS FOLLOWS:

(I) SEVENTY-FIVE PERCENT SHALL BE DEPOSITED
FOR THE PURPOSE OF SUPPORTING THE MAINTENANCE AND
REFURBISHMENT OF THE PARKS AND HERITAGE SITES
THROUGHOUT THE COUNTY IN WHICH THE LICENSED
FACILITY IS LOCATED.

(II) TWELVE AND ONE-HALF PERCENT SHALL BE
DEPOSITED FOR THE PURPOSE OF SUPPORTING A CHILD
ADVOCACY CENTER LOCATED WITHIN THE COUNTY IN
WHICH THE LICENSED FACILITY IS LOCATED.

(III) TWELVE AND ONE-HALF PERCENT SHALL BE
DEPOSITED FOR THE PURPOSE OF SUPPORTING AN
ORGANIZATION PROVIDING COMPREHENSIVE SUPPORT
SERVICES TO VICTIMS OF DOMESTIC VIOLENCE,
INCLUDING LEGAL AND MEDICAL AID, SHELTERS,
TRANSITIONAL HOUSING AND COUNSELING LOCATED
WITHIN THE COUNTY IN WHICH THE LICENSED FACILITY
IS LOCATED.

(C) IF THE FACILITY IS A CATEGORY 3 LICENSED
FACILITY LOCATED IN A COUNTY OF THE FIFTH CLASS THAT
IS CONTIGUOUS TO A COUNTY OF THE SEVENTH CLASS, 2% OF
THE GROSS TERMINAL REVENUE FROM THE LICENSED FACILITY
SHALL BE DEPOSITED INTO A RESTRICTED RECEIPTS ACCOUNT
TO BE ESTABLISHED IN THE COMMONWEALTH FINANCING
AUTHORITY TO BE USED EXCLUSIVELY FOR GRANTS WITHIN
THE COUNTY FOR ECONOMIC DEVELOPMENT PROJECTS,
INFRASTRUCTURE PROJECTS, COMMUNITY IMPROVEMENT

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PROJECTS AND OTHER PROJECTS IN THE PUBLIC INTEREST
WITHIN THE COUNTY AND FOR INFRASTRUCTURE PROJECTS
WITHIN A 20-MILE RADIUS OF THE LICENSED FACILITY IN A
CONTIGUOUS COUNTY OF THE SEVENTH CLASS.

(V) UNLESS OTHERWISE SPECIFIED, FOR THE PURPOSES OF
THIS PARAGRAPH MONEY DESIGNATED FOR MUNICIPAL GRANTS
WITHIN A COUNTY, OTHER THAN A COUNTY OF THE FIRST CLASS,
IN WHICH A LICENSED FACILITY IS LOCATED SHALL BE USED TO
FUND GRANTS TO THE MUNICIPALITY IN WHICH THE LICENSED
FACILITY IS LOCATED, TO THE COUNTY IN WHICH THE LICENSED
FACILITY IS LOCATED AND TO THE MUNICIPALITIES WHICH ARE
CONTIGUOUS TO THE MUNICIPALITY IN WHICH THE LICENSED
FACILITY IS LOCATED AND WHICH ARE LOCATED WITHIN THE
COUNTY IN WHICH THE LICENSED FACILITY IS LOCATED. GRANTS
SHALL BE ADMINISTERED BY THE COUNTY THROUGH ITS ECONOMIC
DEVELOPMENT OR REDEVELOPMENT AUTHORITY IN WHICH THE
LICENSED FACILITY IS LOCATED. GRANTS SHALL BE USED TO
FUND THE COSTS OF HUMAN SERVICES, INFRASTRUCTURE
IMPROVEMENTS, FACILITIES, EMERGENCY SERVICES, HEALTH AND
PUBLIC SAFETY EXPENSES ASSOCIATED WITH LICENSED FACILITY
OPERATIONS. IF AT THE END OF A FISCAL YEAR UNCOMMITTED
FUNDS EXIST, THE COUNTY SHALL PAY TO THE ECONOMIC
DEVELOPMENT OR REDEVELOPMENT AUTHORITY OF THE COUNTY IN
WHICH THE LICENSED FACILITY IS LOCATED THE UNCOMMITTED
FUNDS.

(VI) IF THE LICENSED FACILITY IS LOCATED IN MORE
THAN ONE COUNTY, THE AMOUNT AVAILABLE SHALL BE
DISTRIBUTED ON A PRO RATA BASIS DETERMINED BY THE
PERCENTAGE OF ACREAGE LOCATED IN EACH COUNTY TO THE TOTAL
ACREAGE OF ALL COUNTIES OCCUPIED BY THE LICENSED
(VII) THE DISTRIBUTIONS PROVIDED IN THIS PARAGRAPH SHALL BE BASED UPON COUNTY CLASSIFICATIONS IN EFFECT ON [THE EFFECTIVE DATE OF THIS SECTION] JULY 5, 2004. ANY RECLASSIFICATION OF COUNTIES AS A RESULT OF A FEDERAL DECENNIAL CENSUS OR OF A STATE STATUTE SHALL NOT APPLY TO THIS SUBPARAGRAPH.

(VIII) IF ANY PROVISION OF THIS PARAGRAPH IS FOUND TO BE UNENFORCEABLE FOR ANY REASON, THE DISTRIBUTION PROVIDED FOR IN THE UNENFORCEABLE PROVISION SHALL BE MADE TO THE COUNTY IN WHICH THE LICENSED FACILITY IS LOCATED FOR THE PURPOSES OF GRANTS TO MUNICIPALITIES IN THAT COUNTY, INCLUDING MUNICIPAL GRANTS AS SPECIFIED IN SUBPARAGRAPH (V).

(IX) NOTHING IN THIS PARAGRAPH SHALL PREVENT ANY OF THE ABOVE COUNTIES WHICH DIRECTLY RECEIVE A DISTRIBUTION UNDER THIS SECTION FROM ENTERING INTO INTERGOVERNMENTAL COOPERATIVE AGREEMENTS WITH OTHER JURISDICTIONS FOR SHARING THIS MONEY.

(X) THE DEPARTMENT SHALL CREDIT AGAINST THE AMOUNT IMPOSED UNDER THIS PARAGRAPH ANY AMOUNT PAID BY A LICENSED FACILITY FROM MAY 27, 2017, UNTIL THE EFFECTIVE DATE OF THIS PARAGRAPH TO A COUNTY UNDER AN AGREEMENT BETWEEN THE CATEGORY 1, CATEGORY 2 OR CATEGORY 3 LICENSED GAMING ENTITY AND THE COUNTY IN LIEU OF A PAYMENT UNDER THIS PARAGRAPH, AS CERTIFIED TO THE DEPARTMENT BY THE COUNTY RECEIVING THE FUNDS.

(3) FROM [THE LOCAL SHARE ASSESSMENT ESTABLISHED IN SUBSECTION (B)] THE SLOT MACHINE LICENSE OPERATION FEES DEPOSITED INTO THE FUND UNDER SECTION 1326.1(E) (RELATING TO 20170HB0271PN2652)
SLOT MACHINE LICENSE OPERATION FEE), MAKE QUARTERLY DISTRIBUTIONS AMONG THE MUNICIPALITIES, INCLUDING HOME RULE MUNICIPALITIES, HOSTING A LICENSED FACILITY IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

   (I) TO A CITY OF THE SECOND CLASS HOSTING A LICENSED FACILITY, OTHER THAN A CATEGORY 3 OR CATEGORY 4 LICENSED FACILITY, [2% OF THE GROSS TERMINAL REVENUE OR] $10,000,000 ANNUALLY[, WHICHEVER IS GREATER, SHALL BE PAID BY EACH LICENSED GAMING ENTITY OPERATING A FACILITY LOCATED IN THAT CITY. IN THE EVENT THAT THE REVENUES GENERATED BY THE 2% DO NOT MEET THE $10,000,000 MINIMUM SPECIFIED IN THIS SUBPARAGRAPH, THE DEPARTMENT SHALL COLLECT THE REMAINDER OF THE MINIMUM AMOUNT OF $10,000,000 FROM EACH LICENSED GAMING ENTITY OPERATING A FACILITY IN THE CITY AND DEPOSIT THAT AMOUNT IN THE CITY TREASURY.] SHALL BE DISTRIBUTED TO THE CITY TREASURY.

   (II) TO A CITY OF THE SECOND CLASS A HOSTING A LICENSED FACILITY, OTHER THAN A CATEGORY 3 OR CATEGORY 4 LICENSED FACILITY, [2% OF THE GROSS TERMINAL REVENUE OR $10,000,000 ANNUALLY, WHICHEVER IS GREATER, SHALL BE PAID BY EACH LICENSED ENTITY OPERATING A LICENSED FACILITY LOCATED IN THAT CITY] $10,000,000 ANNUALLY SHALL BE DISTRIBUTED TO THE CITY, SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION IN THIS SUBPARAGRAPH. THE AMOUNT ALLOCATED TO THE DESIGNATED MUNICIPALITIES SHALL NOT EXCEED 50% OF THEIR TOTAL BUDGET FOR FISCAL YEAR 2003-2004, ADJUSTED FOR INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX IMMEDIATELY PRIOR TO THE DATE THE
ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING MONEYS
SHALL BE [COLLECTED BY THE DEPARTMENT FROM EACH LICENSED
GAMING ENTITY AND] DISTRIBUTED IN ACCORDANCE WITH
PARAGRAPH (2) BASED UPON THE CLASSIFICATION OF COUNTY
WHERE THE LICENSED FACILITY IS LOCATED. [IN THE EVENT
THAT THE REVENUES GENERATED BY THE 2% DO NOT MEET THE
$10,000,000 MINIMUM SPECIFIED IN THIS SUBPARAGRAPH, THE
DEPARTMENT SHALL COLLECT THE REMAINDER OF THE MINIMUM
AMOUNT OF $10,000,000 FROM EACH LICENSED GAMING ENTITY
OPERATING A FACILITY IN THE CITY, PAY ANY BALANCE DUE TO
THE CITY AND TRANSFER ANY REMAINDER IN ACCORDANCE WITH
PARAGRAPH (2).]

(III) TO A CITY OF THE THIRD CLASS HOSTING A
LICENSED FACILITY, OTHER THAN A CATEGORY 3 OR CATEGORY 4
LICENSED FACILITY, [2% OF THE GROSS TERMINAL REVENUE OR
$10,000,000 ANNUALLY, WHICHEVER IS GREATER, SHALL BE PAID
BY EACH LICENSED GAMING ENTITY OPERATING A LICENSED
FACILITY LOCATED IN THAT CITY] $10,000,000 ANNUALLY, LESS
ANY AMOUNT UP TO $5,000,000 RECEIVED PURSUANT TO A
WRITTEN AGREEMENT WITH A LICENSED GAMING ENTITY EXECUTED
PRIOR TO THE EFFECTIVE DATE OF THIS PART, SHALL BE
DISTRIBUTED TO THE CITY, SUBJECT, HOWEVER, TO THE
BUDGETARY LIMITATION IN THIS SUBPARAGRAPH. IN THE EVENT
THAT THE CITY HAS A WRITTEN AGREEMENT WITH A LICENSED
GAMING ENTITY EXECUTED PRIOR TO [THE EFFECTIVE DATE OF
AGREEMENT TO THE CITY SHALL BE APPLIED AND CREDITED [TO
THE DIFFERENCE BETWEEN 2% OF THE GROSS TERMINAL REVENUE
AND THE $10,000,000 OWED UNDER THIS SUBPARAGRAPH IF THE
2% OF THE GROSS TERMINAL REVENUE IS LESS THAN
$10,000,000. IF 2% OF THE GROSS TERMINAL REVENUE IS
GREATER THAN THE $10,000,000 REQUIRED TO BE PAID UNDER
THIS SUBPARAGRAPH, THE CREDIT SHALL NOT APPLY. THE AMOUNT
OF GROSS TERMINAL REVENUE REQUIRED TO BE PAID PURSUANT TO
THE AGREEMENT SHALL BE DEEMED TO BE GROSS TERMINAL
REVENUE FOR PURPOSES OF THIS SUBPARAGRAPH.], UP TO
$5,000,000, TO THE SLOT MACHINE LICENSE OPERATION FEE
OWED UNDER SECTION 1326.1. THE AMOUNT ALLOCATED TO THE
DESIGNATED MUNICIPALITIES SHALL NOT EXCEED 50% OF THEIR
TOTAL BUDGET FOR FISCAL YEAR 2003-2004, ADJUSTED FOR
INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED
AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY
APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE
INDEX IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT IS DUE
TO TAKE EFFECT. ANY REMAINING MONEYS SHALL BE [COLLECTED
BY THE DEPARTMENT FROM EACH LICENSED GAMING ENTITY AND]
DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2) BASED UPON
THE CLASSIFICATION OF COUNTY WHERE THE LICENSED FACILITY
IS LOCATED. [IN THE EVENT THAT THE REVENUES GENERATED BY
THE 2% DO NOT MEET THE $10,000,000 MINIMUM SPECIFIED IN
THIS SUBPARAGRAPH, THE DEPARTMENT SHALL COLLECT THE
REMAINDER OF THE MINIMUM AMOUNT OF $10,000,000 FROM EACH
LICENSED GAMING ENTITY OPERATING A FACILITY, PAY ANY
BALANCE DUE TO THE CITY OF THE THIRD CLASS AND TRANSFER
ANY REMAINDER IN ACCORDANCE WITH PARAGRAPH (2).]

(III.1) IF A LICENSED FACILITY, OTHER THAN A
CATEGORY 3 OR CATEGORY 4 LICENSED FACILITY, IS LOCATED IN
A CITY OF THE THIRD CLASS AND THE CITY IS LOCATED IN MORE
THAN ONE COUNTY OF THE THIRD CLASS, [2% OF THE GROSS
TERMINAL REVENUE OR $10,000,000 ANNUALLY, WHICHEVER IS
GREATER,] $10,000,000 ANNUALLY SHALL BE DISTRIBUTED AS
FOLLOWS: 80% TO THE HOST CITY AND 20% TO THE CITY OF THE
THIRD CLASS LOCATED SOLELY IN A NONHOST COUNTY IN WHICH
THE HOST CITY OF THE THIRD CLASS IS ALSO LOCATED. IF A
LICENSED FACILITY, OTHER THAN A CATEGORY 3 OR CATEGORY 4
LICENSED FACILITY, IS LOCATED IN A CITY OF THE THIRD
CLASS AND THAT CITY IS LOCATED SOLELY IN A HOST COUNTY OF
THE THIRD CLASS IN WHICH A NONHOST CITY OF THE THIRD
CLASS IS ALSO LOCATED[, 2% OF GROSS TERMINAL REVENUE OR
$10,000,000 ANNUALLY, WHICHERVER IS GREATER], $10,000,000
ANNUALLY SHALL BE DISTRIBUTED AS FOLLOWS: 80% TO THE
HOST CITY AND 20% TO A CITY OF THE THIRD CLASS LOCATED
BOTH IN A NONHOST COUNTY OF THE THIRD CLASS AND IN A HOST
COUNTY OF THE THIRD CLASS IN WHICH THE HOST CITY OF THE
THIRD CLASS IS LOCATED.

(IV) TO A TOWNSHIP OF THE FIRST CLASS HOSTING A
LICENSED FACILITY, OTHER THAN A CATEGORY 3 OR CATEGORY 4
LICENSED FACILITY, [2% OF THE GROSS TERMINAL REVENUE OR
$10,000,000 ANNUALLY, WHICVEREVER IS GREATER, SHALL BE PAID
BY EACH LICENSED GAMING ENTITY OPERATING A LICENSED
FACILITY LOCATED IN THE TOWNSHIP] $10,000,000 ANNUALLY
SHALL BE DISTRIBUTED TO THE TOWNSHIP, SUBJECT, HOWEVER,
TO THE BUDGETARY LIMITATION IN THIS SUBPARAGRAPH. THE
AMOUNT ALLOCATED TO THE DESIGNATED MUNICIPALITIES SHALL
NOT EXCEED 50% OF THEIR TOTAL BUDGET FOR FISCAL YEAR
2003-2004, ADJUSTED FOR INFLATION IN SUBSEQUENT YEARS BY
AN AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING
ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE CHANGE
IN THE CONSUMER PRICE INDEX IMMEDIATELY PRIOR TO THE DATE
THE ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING MONEY
SHALL BE [COLLECTED BY THE DEPARTMENT FROM EACH LICENSED GAMING ENTITY AND] DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2) BASED UPON THE CLASSIFICATION OF COUNTY WHERE THE LICENSED FACILITY IS LOCATED. [IN THE EVENT THAT THE REVENUES GENERATED BY THE 2% DO NOT MEET THE $10,000,000 MINIMUM SPECIFIED IN THIS SUBPARAGRAPH, THE DEPARTMENT SHALL COLLECT THE REMAINDER OF THE MINIMUM AMOUNT OF $10,000,000 FROM EACH LICENSED GAMING ENTITY OPERATING A LICENSED FACILITY IN THE TOWNSHIP, PAY ANY BALANCE DUE TO THE TOWNSHIP AND TRANSFER ANY REMAINDER IN ACCORDANCE WITH PARAGRAPH (2).]

(V) TO A TOWNSHIP OF THE SECOND CLASS HOSTING A LICENSED FACILITY:

(A) [2% OF THE GROSS TERMINAL REVENUE OR $10,000,000 ANNually, WHICHER IS GREATER, SHALL BE PAID BY EACH LICENSED GAMING ENTITY OPERATING A LICENSED FACILITY, OTHER THAN A CATEGORY 3 LICENSED FACILITY OR A LICENSED FACILITY OWNING LAND ADJACENT TO THE LICENSED FACILITY LOCATED IN MORE THAN ONE TOWNSHIP OF THE SECOND CLASS,] $10,000,000 ANNUALLY SHALL BE DISTRIBUTED TO THE TOWNSHIP OF THE SECOND CLASS HOSTING [THE] A LICENSED FACILITY, OTHER THAN A CATEGORY 3 OR CATEGORY 4 LICENSED FACILITY OR A LICENSED FACILITY LOCATED IN MORE THAN ONE TOWNSHIP OF THE SECOND CLASS, SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION IN THIS SUBPARAGRAPH. THE AMOUNT ALLOCATED TO THE DESIGNATED MUNICIPALITIES SHALL NOT EXCEED 50% OF THEIR TOTAL BUDGET FOR FISCAL YEAR 2003-2004, ADJUSTED FOR INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING
ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING MONEY SHALL BE [COLLECTED BY THE DEPARTMENT FROM EACH LICENSED GAMING ENTITY AND] DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2) BASED UPON THE CLASSIFICATION OF COUNTY WHERE THE LICENSED FACILITY IS LOCATED. [IF REVENUES GENERATED BY THE 2% DO NOT MEET THE $10,000,000 MINIMUM SPECIFIED IN THIS SUBPARAGRAPH, THE DEPARTMENT SHALL COLLECT THE REMAINDER OF THE MINIMUM AMOUNT OF $10,000,000 FROM EACH LICENSED GAMING ENTITY OPERATING A LICENSED FACILITY IN THE TOWNSHIP, PAY ANY BALANCE DUE TO THE TOWNSHIP AND TRANSFER ANY REMAINDER IN ACCORDANCE WITH PARAGRAPH (2).]

(B) [2% OF THE GROSS TERMINAL REVENUE OR $10,000,000 ANNUALLY, WHICHER IS GREATER,] $10,000,000 ANNUALLY, LESS THE AMOUNT PAID UNDER CLAUSE (C), SHALL BE [PAID BY EACH LICENSED GAMING ENTITY OPERATING A LICENSED FACILITY IN THE TOWNSHIP,] DISTRIBUTED TO THE TOWNSHIP OF THE SECOND CLASS HOSTING [THE] A LICENSED FACILITY WHICH OWNS LAND ADJACENT TO THE LICENSED FACILITY LOCATED IN MORE THAN ONE TOWNSHIP OF THE SECOND CLASS, OTHER THAN A CATEGORY 3 LICENSED FACILITY,] DISTRIBUTED TO THE TOWNSHIP OF THE SECOND CLASS HOSTING [THE] A LICENSED FACILITY WHICH OWNS LAND ADJACENT TO THE LICENSED FACILITY LOCATED IN MORE THAN ONE TOWNSHIP OF THE SECOND CLASS, OTHER THAN A CATEGORY 3 OR CATEGORY 4 LICENSED FACILITY, SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION IN THIS SUBPARAGRAPH. THE AMOUNT ALLOCATED TO THE DESIGNATED MUNICIPALITIES MAY NOT EXCEED 50%
OF THEIR TOTAL BUDGET FOR THE FISCAL YEAR 2003-2004, ADJUSTED FOR INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING MONEY SHALL BE [COLLECTED BY THE DEPARTMENT FROM EACH LICENSED GAMING ENTITY AND] DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2) BASED UPON THE CLASSIFICATION OF THE COUNTY WHERE THE LICENSED FACILITY IS LOCATED. THE COUNTY COMMISSIONERS OF A COUNTY OF THE THIRD CLASS IN WHICH THE LICENSED FACILITY IS LOCATED SHALL APPOINT AN ADVISORY COMMITTEE FOR THE PURPOSE OF ADVISING THE COUNTY AS TO THE NEED FOR MUNICIPAL GRANTS FOR HEALTH, SAFETY, TRANSPORTATION AND OTHER PROJECTS IN THE PUBLIC INTEREST TO BE COMPRised OF TWO INDIVIDUALS FROM THE HOST MUNICIPALITY, TWO FROM CONTIGUOUS MUNICIPALITIES WITHIN THE COUNTY OF THE THIRD CLASS AND ONE FROM THE HOST COUNTY. [IN THE EVENT THAT THE REVENUES GENERATED BY THE 2% DO NOT MEET THE $10,000,000 MINIMUM SPECIFIED IN THIS SUBPARAGRAPH, THE DEPARTMENT SHALL COLLECT THE REMAINDER OF THE MINIMUM AMOUNT OF $10,000,000 FROM EACH LICENSED GAMING ENTITY OPERATING A LICENSED FACILITY IN THE TOWNSHIP, PAY ANY BALANCE DUE TO THE TOWNSHIP AND TRANSFER ANY REMAINDER IN ACCORDANCE WITH PARAGRAPH (2).]

(C) [$160,000 ANNUALLY SHALL BE PAID BY EACH LICENSED GAMING ENTITY OPERATING A LICENSED FACILITY AND OWNING LAND ADJACENT TO THE LICENSED FACILITY
LOCATED IN MORE THAN ONE TOWNSHIP OF THE SECOND CLASS, OTHER THAN A CATEGORY 3 LICENSED FACILITY, TO THE TOWNSHIP OF THE SECOND CLASS THAT IS LOCATED IN A COUNTY OF THE FIFTH CLASS IN WHICH THE ADJACENT LAND IS LOCATED, INCLUDING RACETRACKS, GRAZING FIELDS OR ANY OTHER ADJOINING REAL PROPERTY.] FOR LAND OWNED BY A LICENSED GAMING ENTITY, OTHER THAN A CATEGORY 3 OR CATEGORY 4 LICENSED FACILITY, AND LOCATED IN MORE THAN ONE TOWNSHIP OF THE SECOND CLASS: $160,000 SHALL BE DISTRIBUTED ANNUALLY TO THE TOWNSHIP OF THE SECOND CLASS WHICH IS LOCATED IN A COUNTY OF THE FIFTH CLASS IF THE LAND OWNED, INCLUDING RACETRACKS, GRAZING FIELDS AND OTHER ADJOINING REAL PROPERTY, IS ADJACENT TO THE LICENSED FACILITY.

(VI) TO A BOROUGH HOSTING A LICENSED FACILITY, OTHER THAN A CATEGORY 3 OR CATEGORY 4 LICENSED FACILITY, [2% OF THE GROSS TERMINAL REVENUE OR $10,000,000 ANNUALLY, WHICHERVER IS GREATER, SHALL BE PAID BY EACH LICENSED GAMING ENTITY OPERATING A LICENSED FACILITY LOCATED IN THAT BOROUGH,] $10,000,000 ANNUALLY SHALL BE DISTRIBUTED TO THE BOROUGH, SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION IN THIS SUBPARAGRAPH. THE AMOUNT ALLOCATED TO THE DESIGNATED MUNICIPALITIES SHALL NOT EXCEED 50% OF THEIR TOTAL BUDGET FOR FISCAL YEAR 2003-2004, ADJUSTED FOR INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING MONEY SHALL BE [COLLECTED BY THE DEPARTMENT FROM EACH LICENSED GAMING ENTITY AND]
DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2) BASED UPON
THE CLASSIFICATION OF COUNTY WHERE THE LICENSED FACILITY
IS LOCATED. [IN THE EVENT THAT THE REVENUES GENERATED BY
THE 2% DO NOT MEET THE $10,000,000 MINIMUM SPECIFIED IN
THIS SUBPARAGRAPH, THE DEPARTMENT SHALL COLLECT THE
REMAINDER OF THE MINIMUM AMOUNT OF $10,000,000 FROM EACH
LICENSED GAMING ENTITY OPERATING A LICENSED FACILITY IN
THE BOROUGH, PAY ANY BALANCE DUE TO THE BOROUGH AND
TRANSFER ANY REMAINDER IN ACCORDANCE WITH PARAGRAPH (2).]

(VII) TO AN INCORPORATED TOWN HOSTING A LICENSED
FACILITY, OTHER THAN A CATEGORY 3 OR CATEGORY 4 LICENSED
FACILITY, [2% OF THE GROSS TERMINAL REVENUE OR
$10,000,000 ANNUALLY, WHICHER IS GREATER, SHALL BE PAID
BY EACH LICENSED ENTITY OPERATING A LICENSED FACILITY
LOCATED IN THE TOWN,] $10,000,000 ANNUALLY SHALL BE
DISTRIBUTED TO THE INCORPORATED TOWN, SUBJECT, HOWEVER,
TO THE BUDGETARY LIMITATION IN THIS SUBPARAGRAPH. THE
AMOUNT ALLOCATED TO THE DESIGNATED MUNICIPALITIES SHALL
NOT EXCEED 50% OF THEIR TOTAL BUDGET FOR FISCAL YEAR
2003-2004, ADJUSTED FOR INFLATION IN SUBSEQUENT YEARS BY
AN AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING
ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE CHANGE
IN THE CONSUMER PRICE INDEX IMMEDIATELY PRIOR TO THE DATE
THE ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING MONEY
SHALL BE [COLLECTED BY THE DEPARTMENT FROM EACH LICENSED
GAMING ENTITY AND] DISTRIBUTED IN ACCORDANCE WITH
PARAGRAPH (2) BASED UPON THE CLASSIFICATION OF COUNTY
WHERE THE LICENSED FACILITY IS LOCATED. [IN THE EVENT
THAT THE REVENUES GENERATED BY THE 2% DO NOT MEET THE
$10,000,000 MINIMUM SPECIFIED IN THIS SUBPARAGRAPH, THE
DEPARTMENT SHALL COLLECT THE REMAINDER OF THE MINIMUM AMOUNT OF $10,000,000 FROM EACH LICENSED GAMING ENTITY OPERATING A LICENSED FACILITY IN THE INCORPORATED TOWN, PAY ANY BALANCE DUE TO THE TOWN AND TRANSFER ANY REMAINDER IN ACCORDANCE WITH PARAGRAPH (2).

(VIII) (A) EXCEPT AS PROVIDED IN CLAUSE (B) OR (C), TO A MUNICIPALITY OF ANY CLASS HOSTING A CATEGORY 3 FACILITY, 2% OF THE GROSS TERMINAL REVENUE FROM THE CATEGORY 3 LICENSED FACILITY LOCATED IN THE MUNICIPALITY, SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION IN THIS CLAUSE. THE AMOUNT ALLOCATED TO THE DESIGNATED MUNICIPALITIES SHALL NOT EXCEED 50% OF THEIR TOTAL BUDGET FOR FISCAL YEAR 2009, ADJUSTED FOR INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING MONEY SHALL BE COLLECTED BY THE DEPARTMENT FROM EACH LICENSED GAMING ENTITY AND DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2) BASED UPON THE CLASSIFICATION OF COUNTY WHERE THE LICENSED FACILITY IS LOCATED.

(B) IF THE MUNICIPALITY HOSTING A CATEGORY 3 LICENSED FACILITY IS A BOROUGH LOCATED IN A COUNTY OF THE THIRD CLASS AND THE BOROUGH IS CONTIGUOUS TO A CITY OF THE THIRD CLASS, 1% OF GROSS TERMINAL REVENUE SHALL BE DISTRIBUTED TO THE HOST BOROUGH AND 1% OF GROSS TERMINAL REVENUE SHALL BE DISTRIBUTED TO THE CITY OF THE THIRD CLASS THAT IS CONTIGUOUS TO THE HOST BOROUGH, SUBJECT, HOWEVER, TO THE BUDGETARY
LIMITATION IN THIS CLAUSE. THE AMOUNT ALLOCATED TO EACH DESIGNATED MUNICIPALITY SHALL NOT EXCEED 50% OF ITS TOTAL BUDGET FOR FISCAL YEAR 2009, ADJUSTED FOR INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE INCREASE, IF ANY, IN THE CONSUMER PRICE INDEX IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING MONEY SHALL BE COLLECTED BY THE DEPARTMENT FROM EACH LICENSED GAMING ENTITY AND DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2) BASED UPON THE CLASSIFICATION OF COUNTY WHERE THE LICENSED FACILITY IS LOCATED.

(C) IF THE MUNICIPALITY HOSTING A CATEGORY 3 LICENSED FACILITY IS A TOWNSHIP OF THE SECOND CLASS IN A COUNTY OF THE FIFTH CLASS WHICH IS CONTIGUOUS TO A COUNTY OF THE SEVENTH CLASS, 2% OF THE GROSS TERMINAL REVENUE FROM THE CATEGORY 3 LICENSED FACILITY LOCATED IN THE MUNICIPALITY SHALL BE DISTRIBUTED TO THE MUNICIPALITY, SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION IN THIS CLAUSE. THE AMOUNT ALLOCATED TO THE DESIGNATED MUNICIPALITIES SHALL NOT EXCEED THE LESSER OF $1,000,000 OR 50% OF THEIR TOTAL BUDGET FOR FISCAL YEAR 2009, ADJUSTED FOR INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING MONEY SHALL BE COLLECTED BY THE DEPARTMENT FROM EACH LICENSED GAMING ENTITY AND DISTRIBUTED IN EQUAL AMOUNTS TO EACH
MUNICIPALITY CONTIGUOUS TO THE HOST MUNICIPALITY. HOWEVER, THE AMOUNT TO BE ALLOCATED TO ANY CONTIGUOUS MUNICIPALITY SHALL NOT EXCEED THE LESSER OF $1,000,000 OR 50% OF THE MUNICIPALITY'S TOTAL BUDGET FOR FISCAL YEAR 2009, ADJUSTED FOR INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT. ANY MONEY REMAINING FOLLOWING DISTRIBUTION TO CONTIGUOUS MUNICIPALITIES SHALL BE COLLECTED BY THE DEPARTMENT AND DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2) BASED UPON THE CLASSIFICATION OF COUNTY WHERE THE LICENSED FACILITY IS LOCATED.

(IX) ANY MUNICIPALITY NOT SPECIFICALLY ENUMERATED IN SUBPARAGRAPHS (I) THROUGH (VIII), 2% OF THE GROSS TERMINAL REVENUE TO THE MUNICIPALITY HOSTING THE LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY.

(X) IF THE LICENSED FACILITY IS LOCATED IN MORE THAN ONE MUNICIPALITY, THE AMOUNT AVAILABLE SHALL BE DISTRIBUTED ON A PRO RATA BASIS DETERMINED BY THE PERCENTAGE OF ACREAGE LOCATED IN EACH MUNICIPALITY TO THE TOTAL ACREAGE OF ALL MUNICIPALITIES OCCUPIED BY THE LICENSED FACILITY.

(XI) IF THE LICENSED FACILITY IS LOCATED AT A RESORT WHICH IS ALSO AN INCORPORATED MUNICIPALITY, SUCH MUNICIPALITY SHALL NOT BE ELIGIBLE TO RECEIVE ANY DISTRIBUTION UNDER THIS PARAGRAPH. THE DISTRIBUTION IT WOULD HAVE OTHERWISE BEEN ENTITLED TO UNDER THIS
PARAGRAPH SHALL INSTEAD BE DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2) BASED UPON THE COUNTY WHERE THE LICENSED FACILITY IS LOCATED.

(XII) THE DISTRIBUTIONS PROVIDED IN THIS PARAGRAPH SHALL BE BASED UPON MUNICIPAL CLASSIFICATIONS IN EFFECT ON THE EFFECTIVE DATE OF THIS SECTION. FOR THE PURPOSES OF THIS PARAGRAPH, ANY RECLASSIFICATION OF MUNICIPALITIES AS A RESULT OF A FEDERAL DECENNIAL CENSUS OR OF A STATE STATUTE SHALL NOT APPLY TO THIS PARAGRAPH.

(XIII) IF ANY PROVISION OF THIS PARAGRAPH IS FOUND TO BE UNENFORCEABLE FOR ANY REASON, THE DISTRIBUTION PROVIDED FOR IN SUCH UNENFORCEABLE PROVISION SHALL BE MADE TO THE MUNICIPALITY IN WHICH THE LICENSED FACILITY IS LOCATED.

(XIV) NOTHING IN THIS PARAGRAPH SHALL PREVENT ANY OF THE ABOVE MUNICIPALITIES FROM ENTERING INTO INTERGOVERNMENTAL COOPERATIVE AGREEMENTS WITH OTHER JURISDICTIONS FOR SHARING THIS MONEY.

(XV) NOTWITHSTANDING ANY OTHER LAW, AGREEMENT OR PROVISION IN THIS PART TO THE CONTRARY, ALL REVENUES PROVIDED, DIRECTED OR EARMARKED UNDER THIS SECTION TO OR FOR THE BENEFIT OF A CITY OF THE SECOND CLASS IN WHICH AN INTERGOVERNMENTAL COOPERATION AUTHORITY HAS BEEN ESTABLISHED AND IS IN EXISTENCE PURSUANT TO THE ACT OF FEBRUARY 12, 2004 (P.L.73, NO.11), KNOWN AS THE INTERGOVERNMENTAL COOPERATION AUTHORITY ACT FOR CITIES OF THE SECOND CLASS, SHALL BE DIRECTED TO AND UNDER THE EXCLUSIVE CONTROL OF SUCH INTERGOVERNMENTAL COOPERATION AUTHORITY TO BE USED:

(A) TO REDUCE THE DEBT OF THE SECOND CLASS CITY;
(B) to increase the level of funding of the municipals pension funds of the second class city; or

(C) for any other purposes as determined to be in the best interest of the second class city by such intergovernmental cooperation authority. Such revenues shall not be directed to or under the control of such city of the second class or any coordinator appointed pursuant to the act of July 10, 1987 (P.L.246, No.47), known as the municipalities financial recovery act, for such city of the second class.]

(4) from the slot machine license operation fee deposited into the fund under section 1326.1(E), make quarterly distributions totaling $10,000,000 for each licensed facility located within a county and a city of the first class which is coterminous as follows:

(I) if a licensed facility is a category 1 or category 2 licensed facility and is operating in a county and a city of the first class which is coterminous on the effective date of this paragraph, the first $5,000,000 shall be distributed annually to a school district of the first class. Of the remaining funds, 60% shall be distributed to the county and city of the first class which is coterminous and 40% shall be deposited into a restricted receipts account established in the department of community and economic development to be used exclusively for grants for economic development projects, neighborhood revitalization projects, community improvement projects and other projects in the public interest within the county and city of the first class.
WHICH IS COTERMINOUS.

(II) If a licensed facility is a Category 1 or Category 2 licensed facility and begins operating in a county and a city of the first class which is coterminous after the effective date of this paragraph, 70% of the slot machine license operation fee shall be distributed to the county and city of the first class which is coterminous and 30% of the slot machine license operation fee shall be deposited into a restricted receipts account established in the Department of Community and Economic Development to be used exclusively for grants for economic development projects, neighborhood revitalization projects, community improvement projects and other projects in the public interest within the county and city of the first class which is coterminous.

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

(5) From the local share assessment established in subsection (b), make quarterly distributions among the municipalities, including home rule municipalities, hosting a licensed facility in accordance with the following schedule:

(I) Except as provided in subparagraph (ii) or (iii), to a municipality of any class hosting a Category 3 facility, 2% of the gross terminal revenue from the Category 3 licensed facility located in the municipality, subject, however, to the budgetary limitation in this subparagraph. The amount allocated to the designated
MUNICIPALITIES SHALL NOT EXCEED 50% OF THEIR TOTAL BUDGET FOR FISCAL YEAR 2009, ADJUSTED FOR INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING MONEY SHALL BE COLLECTED BY THE DEPARTMENT FROM EACH LICENSED GAMING ENTITY AND DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2) BASED UPON THE CLASSIFICATION OF COUNTY WHERE THE LICENSED FACILITY IS LOCATED.

(II) IF THE MUNICIPALITY HOSTING A CATEGORY 3 LICENSED FACILITY IS A BOROUGH LOCATED IN A COUNTY OF THE THIRD CLASS AND THE BOROUGH IS CONTIGUOUS TO A CITY OF THE THIRD CLASS, 1% OF GROSS TERMINAL REVENUE SHALL BE DISTRIBUTED TO THE HOST BOROUGH AND 1% OF GROSS TERMINAL REVENUE SHALL BE DISTRIBUTED TO THE CITY OF THE THIRD CLASS THAT IS CONTIGUOUS TO THE HOST BOROUGH, SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION IN THIS SUBPARAGRAPH. THE AMOUNT ALLOCATED TO EACH DESIGNATED MUNICIPALITY SHALL NOT EXCEED 50% OF ITS TOTAL BUDGET FOR FISCAL YEAR 2009, ADJUSTED FOR INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE INCREASE, IF ANY, IN THE CONSUMER PRICE INDEX IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING MONEY SHALL BE COLLECTED BY THE DEPARTMENT FROM EACH LICENSED GAMING ENTITY AND DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2) BASED UPON THE CLASSIFICATION OF COUNTY WHERE THE LICENSED FACILITY IS
(III) IF THE MUNICIPALITY HOSTING A CATEGORY 3 LICENSED FACILITY IS A TOWNSHIP OF THE SECOND CLASS IN A COUNTY OF THE FIFTH CLASS WHICH IS CONTIGUOUS TO A COUNTY OF THE SEVENTH CLASS, 2% OF THE GROSS TERMINAL REVENUE FROM THE CATEGORY 3 LICENSED FACILITY LOCATED IN THE MUNICIPALITY SHALL BE DISTRIBUTED TO THE MUNICIPALITY, SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION IN THIS SUBPARAGRAPH. THE AMOUNT ALLOCATED TO THE DESIGNATED MUNICIPALITIES SHALL NOT EXCEED THE LESSER OF $1,000,000 OR 50% OF THEIR TOTAL BUDGET FOR FISCAL YEAR 2009, ADJUSTED FOR INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING MONEY SHALL BE COLLECTED BY THE DEPARTMENT FROM EACH LICENSED GAMING ENTITY AND DISTRIBUTED IN EQUAL AMOUNTS TO EACH MUNICIPALITY CONTIGUOUS TO THE HOST MUNICIPALITY. THE AMOUNT TO BE ALLOCATED TO ANY CONTIGUOUS MUNICIPALITY SHALL NOT EXCEED THE LESSER OF $1,000,000 OR 50% OF THE MUNICIPALITY'S TOTAL BUDGET FOR FISCAL YEAR 2009, ADJUSTED FOR INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT. ANY MONEY REMAINING FOLLOWING DISTRIBUTION TO CONTIGUOUS MUNICIPALITIES SHALL BE COLLECTED BY THE DEPARTMENT AND DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2) BASED UPON THE
CLASSIFICATION OF COUNTY WHERE THE LICENSED FACILITY IS LOCATED.

(IV) THE DEPARTMENT SHALL CREDIT AGAINST THE AMOUNT IMPOSED UNDER SECTION THIS PARAGRAPH ANY AMOUNT PAID BY A LICENSED FACILITY FROM MAY 27, 2017, UNTIL THE EFFECTIVE DATE OF THIS PARAGRAPH, TO A MUNICIPALITY UNDER AN AGREEMENT BETWEEN A CATEGORY 3 LICENSED GAMING ENTITY AND THE MUNICIPALITY IN LIEU OF A PAYMENT UNDER THIS PARAGRAPH, AS CERTIFIED TO THE DEPARTMENT BY THE MUNICIPALITY RECEIVING THE FUNDS.

(6) FROM THE SLOT MACHINE LICENSE OPERATION FEES DEPOSITED IN THE FUND UNDER SECTION 1326.1(E), MAKE QUARTERLY DISTRIBUTIONS TO ANY MUNICIPALITY NOT SPECIFICALLY ENUMERATED IN PARAGRAPH (3) OR (4) HOSTING A CATEGORY 1 OR A CATEGORY 2 LICENSED FACILITY, OTHER THAN A CATEGORY 1 OR CATEGORY 2 LICENSED FACILITY LOCATED IN A CITY OF THE FIRST CLASS, EQUAL TO $10,000,000 ANNUALLY.

(7) FROM THE LOCAL SHARE ASSESSMENT ESTABLISHED IN SUBSECTION (B), MAKE QUARTERLY DISTRIBUTIONS TO ANY MUNICIPALITY NOT ENUMERATED IN PARAGRAPH (5) HOSTING A CATEGORY 3 LICENSED FACILITY: 2% OF THE GROSS TERMINAL REVENUE PAID BY EACH LICENSED GAMING ENTITY OPERATING A CATEGORY 3 LICENSED FACILITY.

(8) IF A LICENSED FACILITY IS LOCATED IN MORE THAN ONE MUNICIPALITY, THE AMOUNT AVAILABLE SHALL BE DISTRIBUTED ON A PRO RATA BASIS DETERMINED BY THE PERCENTAGE OF ACREAGE LOCATED IN EACH MUNICIPALITY TO THE TOTAL ACREAGE OF ALL MUNICIPALITIES OCCUPIED BY THE LICENSED FACILITY.

(9) IF A LICENSED FACILITY IS LOCATED AT A RESORT WHICH IS ALSO AN INCORPORATED MUNICIPALITY, THE MUNICIPALITY SHALL
NOT BE ELIGIBLE TO RECEIVE ANY DISTRIBUTION UNDER PARAGRAPH (3), (4), (5), (6) OR (7). THE DISTRIBUTION IT WOULD HAVE OTHERWISE BEEN ENTITLED TO UNDER PARAGRAPH (3), (4), (5), (6) OR (7) SHALL INSTEAD BE DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2) BASED UPON THE CLASSIFICATION OF COUNTY WHERE THE LICENSED FACILITY IS LOCATED.

(10) THE DISTRIBUTIONS PROVIDED IN PARAGRAPH (3), (4), (5), (6) OR (7) SHALL BE BASED UPON MUNICIPAL CLASSIFICATIONS IN EFFECT ON JULY 5, 2004. FOR THE PURPOSES OF PARAGRAPHS (3), (4), (5), (6) AND (7), ANY RECLASSIFICATION OF MUNICIPALITIES AS A RESULT OF A FEDERAL DECENNIAL CENSUS OR OF A STATE STATUTE SHALL NOT APPLY TO PARAGRAPHS (3), (4), (5), (6) AND (7).

(11) IF ANY PROVISION OF PARAGRAPH (3), (4), (5), (6) OR (7) IS FOUND TO BE UNENFORCEABLE FOR ANY REASON, THE DISTRIBUTION PROVIDED FOR IN THE UNENFORCEABLE PROVISION SHALL BE MADE TO THE MUNICIPALITY IN WHICH THE LICENSED FACILITY IS LOCATED.

(12) NOTHING IN PARAGRAPH (3), (4), (5), (6) OR (7) SHALL BE CONSTRUED TO PREVENT ANY OF THE ABOVE MUNICIPALITIES FROM ENTERING INTO INTERGOVERNMENTAL COOPERATIVE AGREEMENTS WITH OTHER JURISDICTIONS FOR SHARING THE FUNDS DISTRIBUTED TO THEM.

(13) NOTWITHSTANDING ANY OTHER LAW, AGREEMENT OR PROVISION IN THIS PART TO THE CONTRARY, ALL REVENUES PROVIDED, DIRECTED OR EARMARKED UNDER THIS SECTION TO OR FOR THE BENEFIT OF A CITY OF THE SECOND CLASS IN WHICH AN INTERGOVERNMENTAL COOPERATION AUTHORITY HAS BEEN ESTABLISHED AND IS IN EXISTENCE UNDER THE ACT OF FEBRUARY 12, 2004 (P.L.73, NO.11), KNOWN AS THE INTERGOVERNMENTAL COOPERATION
AUTHORITY ACT FOR CITIES OF THE SECOND CLASS, SHALL BE
DIRECTED TO AND UNDER THE EXCLUSIVE CONTROL OF THE
INTERGOVERNMENTAL COOPERATION AUTHORITY TO BE USED:

(I) TO REDUCE THE DEBT OF THE CITY OF THE SECOND
CLASS;

(II) TO INCREASE THE LEVEL OF FUNDING OF THE
MUNICIPAL PENSION FUNDS OF THE CITY OF THE SECOND CLASS;
OR

(III) FOR ANY OTHER PURPOSES AS DETERMINED TO BE IN
THE BEST INTEREST OF THE CITY OF THE SECOND CLASS BY THE
INTERGOVERNMENTAL COOPERATION AUTHORITY. THE REVENUES
SHALL NOT BE DIRECTED TO OR UNDER THE CONTROL OF THE CITY
OF THE SECOND CLASS OR ANY COORDINATOR APPOINTED UNDER
THE ACT OF JULY 10, 1987 (P.L.246, NO.47), KNOWN AS THE
MUNICIPALITIES FINANCIAL RECOVERY ACT, FOR THE CITY OF
THE SECOND CLASS.

(C.1) LOCAL SHARE ASSESSMENT.--

(1) IN ADDITION TO THE TAX IMPOSED UNDER PARAGRAPH
(B.1), EACH CATEGORY 4 SLOT MACHINE LICENSEE SHALL PAY ON A
WEEKLY BASIS AND ON A FORM AND IN A MANNER PRESCRIBED BY THE
DEPARTMENT A LOCAL SHARE ASSESSMENT INTO A RESTRICTED
RECEIPTS ACCOUNT ESTABLISHED WITHIN THE FUND. ALL FUNDS OWED
UNDER THIS SECTION SHALL BE HELD IN TRUST BY THE CATEGORY 4
SLOT MACHINE LICENSEE UNTIL THE FUNDS ARE PAID INTO THE
ACCOUNT. FUNDS IN THE ACCOUNT ARE HEREBY APPROPRIATED TO THE
DEPARTMENT ON A CONTINUING BASIS FOR THE PURPOSES SET FORTH
IN PARAGRAPH (2).

(2) FROM THE LOCAL SHARE ASSESSMENT ESTABLISHED IN
PARAGRAPH (1), MAKE QUARTERLY DISTRIBUTIONS AS FOLLOWS:

(I) FIFTY PERCENT SHALL BE DEPOSITED INTO A
RESTRICTED RECEIPTS ACCOUNT TO BE ESTABLISHED IN THE
COMMONWEALTH FINANCING AUTHORITY TO BE USED EXCLUSIVELY
FOR GRANTS FOR PROJECTS IN THE PUBLIC INTEREST IN THE
COUNTY HOSTING THE CATEGORY 4 LICENSED FACILITY.

(II) FIFTY PERCENT TO THE MUNICIPALITY HOSTING THE
CATEGORY 4 LICENSED FACILITY FROM EACH CATEGORY 4
LICENSED FACILITY SHALL BE PAID BY EACH LICENSED GAMING
ENTITY OPERATING A CATEGORY 4 LICENSED FACILITY IN THE
MUNICIPALITY, SUBJECT TO THE BUDGETARY LIMITATION IN THIS
SUBPARAGRAPH. THE AMOUNT ALLOCATED TO THE DESIGNATED
MUNICIPALITIES SHALL NOT EXCEED 50% OF THE MUNICIPALITY'S
TOTAL BUDGET FOR FISCAL YEAR 2016-2017, ADJUSTED FOR
INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED
AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY
APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE
INDEX IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT IS DUE
TO TAKE EFFECT. ANY REMAINING MONEY SHALL BE COLLECTED BY
THE DEPARTMENT FROM EACH LICENSED GAMING ENTITY AND
DISTRIBUTED IN ACCORDANCE WITH SUBPARAGRAPH (I).

(3) FOR PURPOSES OF THIS SUBSECTION, LOCAL SHARE
ASSESSMENT SHALL BE 4% OF THE GROSS TERMINAL REVENUES
GENERATED AT A CATEGORY 4 LICENSED FACILITY.

(D) CONSUMER PRICE INDEX.--FOR PURPOSES OF SUBSECTION (C),
REFERENCES TO THE CONSUMER PRICE INDEX SHALL MEAN THE CONSUMER
PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW
JERSEY, DELAWARE AND MARYLAND AREA FOR THE MOST RECENT 12-MONTH
PERIOD FOR WHICH FIGURES HAVE BEEN OFFICIALLY REPORTED BY THE
UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.

(E) REPORTING.--

(1) IN COOPERATION WITH THE DEPARTMENT AND THE

(2) ALL COUNTIES AND MUNICIPALITIES RECEIVING DISTRIBUTIONS OF LOCAL SHARE ASSESSMENTS OR SLOT MACHINE LICENSE OPERATION FEES UNDER THIS SECTION SHALL SUBMIT INFORMATION TO THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT ON A FORM PREPARED BY THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT THAT SETS FORTH THE AMOUNT AND USE OF THE FUNDS RECEIVED IN THE PRIOR CALENDAR YEAR. THE FORM SHALL SET FORTH WHETHER THE FUNDS RECEIVED WERE DEPOSITED IN THE COUNTY'S OR MUNICIPALITY'S GENERAL FUND OR COMMITTED TO A SPECIFIC PROJECT OR USE.

(F) PROHIBITED ACTIVITIES.--

(1) A PERSON OR ITS AFFILIATED ENTITY OR A POLITICAL SUBDIVISION SHALL NOT COMPENSATE OR INCUR AN OBLIGATION TO COMPENSATE A PERSON TO ENGAGE IN LOBBYING FOR COMPENSATION CONTINGENT IN WHOLE OR IN PART UPON THE APPROVAL, AWARD, RECEIPT OR DENIAL OF FUNDS UNDER THIS SECTION. A PERSON OR
ITS AFFILIATED ENTITY SHALL NOT ENGAGE IN OR AGREE TO ENGAGE
IN LOBBYING FOR COMPENSATION CONTINGENT IN WHOLE OR IN PART
UPON THE APPROVAL, AWARD, RECEIPT OR DENIAL OF FUNDS UNDER
THIS SECTION. THIS SUBSECTION SHALL NOT APPLY TO A COUNTY OR
MUNICIPALITY THAT COMPENSATES A PERSON TO PREPARE A GRANT
APPLICATION FOR FUNDS UNDER THIS SECTION IF THE FOLLOWING
REQUIREMENTS ARE MET:

(I) THE PERSON IS NOT IDENTIFIED IN THE APPLICATION.

(II) THE PERSON HAS NO DIRECT CONTACT WITH THE
AGENCY, COUNTY OR MUNICIPALITY PROVIDING THE FUNDING.

(III) THE PERSON IS PAID A FIXED FEE OR PERCENTAGE
OF THE AMOUNT OF ANY FUNDS APPROVED, AWARDED OR RECEIVED
UP TO .5%.

(2) A VIOLATION OF THIS SECTION SHALL BE CONSIDERED AN
INTENTIONAL VIOLATION OF 65 PA.C.S. § 13A09(E) (RELATING TO
PENALTIES).

SECTION 27.1. SECTION 1405 OF TITLE 4 IS AMENDED TO READ:

§ 1405. PENNSYLVANIA RACE HORSE DEVELOPMENT TRUST FUND.

(A) FUND ESTABLISHED.--THE PENNSYLVANIA RACE HORSE
DEVELOPMENT FUND IS CONVERTED INTO A TRUST FUND AND SHALL BE
KNOWN AS THE PENNSYLVANIA RACE HORSE DEVELOPMENT TRUST FUND
WITHIN THE STATE TREASURY.

(B) PENNSYLVANIA RACE HORSE IMPROVEMENT ASSESSMENT.--EACH
ACTIVE AND OPERATING LICENSED GAMING ENTITY, OTHER THAN A
CATEGORY 4 SLOT MACHINE LICENSEE, SHALL PAY A DAILY ASSESSMENT
TO THE PENNSYLVANIA RACE HORSE DEVELOPMENT TRUST FUND AS
DETERMINED BY THE DEPARTMENT. SUBJECT TO THE DAILY ASSESSMENT
CAP ESTABLISHED UNDER SUBSECTION (C), THE LICENSED GAMING
ENTITY'S ASSESSMENT SHALL BE A PERCENTAGE OF EACH LICENSED
GAMING ENTITY'S GROSS TERMINAL REVENUE, EQUAL TO AN AMOUNT
CALCULATED AS "A" MULTIPLIED BY "B", WITH "A" BEING EQUAL TO EACH LICENSED GAMING ENTITY'S GROSS TERMINAL REVENUE FOR THAT DAY DIVIDED BY THE TOTAL GROSS TERMINAL REVENUE FOR THAT DAY FROM ALL LICENSED GAMING ENTITIES, AND "B" BEING EQUAL TO 18% OF THAT DAY'S GROSS TERMINAL REVENUE FOR ALL ACTIVE AND OPERATING CATEGORY 1 LICENSEES CONDUCTING LIVE RACING.

(C) DAILY ASSESSMENT CAP.--IF THE RESULTING DAILY ASSESSMENT FOR A LICENSED GAMING ENTITY EXCEEDS 12% OF THAT LICENSED GAMING ENTITY'S GROSS TERMINAL REVENUE FOR THE DAY, THE LICENSED GAMING ENTITY SHALL PAY A DAILY ASSESSMENT OF 12% OF ITS GROSS TERMINAL REVENUE FOR THAT DAY.

(D) DISTRIBUTIONS.--IN ACCORDANCE WITH SECTION 1406 (RELATING TO DISTRIBUTIONS FROM PENNSYLVANIA RACE HORSE DEVELOPMENT TRUST FUND), THE DEPARTMENT SHALL MAKE DISTRIBUTIONS FROM THE PENNSYLVANIA RACE HORSE DEVELOPMENT TRUST FUND TO EACH OF THE ACTIVE AND OPERATING CATEGORY 1 LICENSEES CONDUCTING LIVE RACING.

SECTION 27.2. TITLE 4 IS AMENDED BY ADDING A SECTION TO READ:

§ 1405.1. PROTECTION OF FUNDS.

(A) PAYMENT.--DAILY ASSESSMENTS COLLECTED OR RECEIVED BY THE DEPARTMENT UNDER SECTION 1405 (RELATING TO PENNSYLVANIA RACE HORSE DEVELOPMENT TRUST FUND) ARE NOT FUNDS OF THE COMMONWEALTH. THE DAILY ASSESSMENTS SHALL BE PAID BY THE STATE TREASURER AS DIRECTED BY THE DEPARTMENT TO EACH ACTIVE AND OPERATING CATEGORY 1 LICENSEE CONDUCTING LIVE RACING FOR THE OBLIGATIONS OF CATEGORY 1 LICENSEES IN ACCORDANCE WITH SECTION 1406 (RELATING TO DISTRIBUTIONS FROM PENNSYLVANIA RACE HORSE DEVELOPMENT TRUST FUND). THE COMMONWEALTH SHALL NOT BE RIGHTFULLY ENTITLED TO ANY MONEY DESCRIBED UNDER THIS SECTION AND SECTIONS 1405 AND 1406.
(B) ELIGIBLE RECIPIENTS.--FUNDS ALLOCATED TO THE HORSEMEN'S ORGANIZATION UNDER THIS PART MUST BE USED TO BENEFIT ALL HORSEMEN. FUNDS ACQUIRED FROM OTHER SOURCES SHALL BE KEPT SEPARATE AND APART FROM FUNDS OBTAINED UNDER THIS PART.

(C) APPLICABILITY.--THIS SECTION SHALL NOT APPLY TO 3 PA.C.S. § 9313 (RELATING TO BUDGET) FOR PROMOTION OF HORSE RACING, 3 PA.C.S. § 9374 (RELATING TO COSTS OF ENFORCEMENT OF MEDICATION RULES OR REGULATIONS) AND THE ANNUAL TRANSFER OF $19,659,000 UNDER SECTION 1723-A.1 OF THE ACT OF APRIL 9, 1929 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE.

SECTION 27.3. SECTION 1406(C) OF TITLE 4 IS AMENDED AND THE SECTION IS AMENDED BY ADDING SUBSECTIONS TO READ:

§ 1406. DISTRIBUTIONS FROM PENNSYLVANIA RACE HORSE DEVELOPMENT TRUST FUND.

(A) DISTRIBUTIONS.--FUNDS FROM THE PENNSYLVANIA RACE HORSE DEVELOPMENT TRUST FUND SHALL BE DISTRIBUTED TO EACH ACTIVE AND OPERATING CATEGORY 1 LICENSEE CONDUCTING LIVE RACING IN THE FOLLOWING MANNER:

(1) AN AMOUNT EQUAL TO 18% OF THE DAILY GROSS TERMINAL REVENUE OF EACH CATEGORY 1 LICENSEE SHALL BE DISTRIBUTED TO EACH ACTIVE AND OPERATING CATEGORY 1 LICENSEE CONDUCTING LIVE RACING UNLESS THE DAILY ASSESSMENTS ARE AFFECTED BY THE DAILY ASSESSMENT CAP PROVIDED FOR IN SECTION 1405(C) (RELATING TO PENNSYLVANIA RACE HORSE DEVELOPMENT TRUST FUND). IN CASES IN WHICH THE DAILY ASSESSMENT CAP AFFECTS DAILY ASSESSMENTS, THE DISTRIBUTION TO EACH ACTIVE AND OPERATING CATEGORY 1 LICENSEE CONDUCTING LIVE RACING FOR THAT DAY SHALL BE A PERCENTAGE OF THE TOTAL DAILY ASSESSMENTS PAID INTO THE PENNSYLVANIA RACE HORSE DEVELOPMENT TRUST FUND FOR THAT DAY EQUAL TO THE GROSS TERMINAL REVENUE OF EACH ACTIVE AND OPERATING CATEGORY 1
LICENSEE CONDUCTING LIVE RACING FOR THAT DAY DIVided by the
TOTAL GROSS TERMINAL REVENUE OF ALL ACTIVE AND OPERATING
CATEGORY I LICENSEES CONDUCTING LIVE RACING FOR THAT DAY. THE
DISTRIBUTIONS TO LICENSED RACING ENTITIES FROM THE
PENNSYLVANIA RACE HORSE DEVELOPMENT TRUST FUND SHALL BE
ALLOCATED AS FOLLOWS:

(I) EIGHTY PERCENT TO BE DEPOSITED WEEKLY INTO A
SEPARATE, INTEREST-BEARING PURSE ACCOUNT TO BE
ESTABLISHED BY AND FOR THE BENEFIT OF THE HORSEMEN. THE
EARNED INTEREST ON THE ACCOUNT SHALL BE CREDITED TO THE
PURSE ACCOUNT. LICENSEES SHALL COMBINE THESE FUNDS WITH
REVENUES FROM EXISTING PURSE AGREEMENTS TO FUND PURSES
FOR LIVE RACES CONSISTENT WITH THOSE AGREEMENTS WITH THE
ADVICE AND CONSENT OF THE HORSEMEN.

(II) FROM LICENSEES THAT OPERATE AT THOROUGHBRED
TRACKS, 16% TO BE DEPOSITED ON A MONTHLY BASIS INTO THE
PENNSYLVANIA BREEDING FUND AS DEFINED IN 3 PA.C.S. § 9336
(RELATING TO PENNSYLVANIA BREEDING FUND). FROM LICENSEES
THAT OPERATE AT STANDARDBRED TRACKS, 8% TO BE DEPOSITED
ON A MONTHLY BASIS IN THE PENNSYLVANIA SIRE STAKES FUND
AS DEFINED IN 3 PA.C.S. § 9337 (RELATING TO PENNSYLVANIA
SIRE STAKES FUND) AND 8% TO BE DEPOSITED ON A MONTHLY
BASIS INTO A RESTRICTED ACCOUNT IN THE STATE RACING FUND
TO BE KNOWN AS THE PENNSYLVANIA STANDARDBRED BREEDERS
DEVELOPMENT TRUST FUND. THE STATE HORSE RACING COMMISSION
SHALL, IN CONSULTATION WITH THE SECRETARY OF AGRICULTURE
BY RULE OR BY REGULATION, ADOPT A STANDARDBRED BREEDERS
PROGRAM THAT WILL INCLUDE THE ADMINISTRATION OF
PENNSYLVANIA STALLION AWARD, PENNSYLVANIA BRED AWARD AND
A PENNSYLVANIA SIRED AND BRED AWARD.
(III) Four percent to be used to fund health and pension benefits for the members of the horsemen's organizations representing the owners and trainers at the racetrack at which the licensed racing entity operates for the benefit of the organization's members, their families, employees and others in accordance with the rules and eligibility requirements of the organization, as approved by the state horse racing commission. This amount shall be deposited within five business days of the end of each month into a separate account to be established by each respective horsemen's organization at a banking institution of its choice. Of this amount, $250,000 shall be paid annually by the horsemen's organization to the thoroughbred jockeys or standardbred drivers organization at the racetrack at which the licensed racing entity operates for health insurance, life insurance or other benefits to active and disabled thoroughbred jockeys or standardbred drivers in accordance with the rules and eligibility requirements of that organization.

(2) (Reserved).

* * *

[(C) Eligible recipients.--Funds allocated to the horsemen's organization under this part must be used to benefit all horsemen. Funds acquired from other sources shall be kept separate and apart from funds obtained under this part.]

* * *

(H) Unauthorized use of funds.--If any funds from the Pennsylvania race horse development trust fund are diverted, redirected, taken or allocated for any purpose other than the
PURPOSES AUTHORIZED UNDER THIS SECTION THROUGH LEGISLATIVE OR
ADMINISTRATIVE ACTION, THE GENERAL ASSEMBLY SHALL WITHIN 30 DAYS
OF THE DIVERSION, REDIRECTION, TAKING OR ALLOCATION RESTORE ALL
FUNDS THAT HAVE BEEN DIVERTED, REDIRECTED, TAKEN OR ALLOCATED
FROM THE PENNSYLVANIA RACE HORSE DEVELOPMENT FUND SINCE 2009 FOR
ANY PURPOSE OTHER THAN THE PURPOSES AUTHORIZED UNDER THIS
SECTION.

SECTION 27.4. SECTION 1407(B), (C) AND (D) INTRODUCTORY
PARAGRAPH OF TITLE 4 ARE AMENDED AND THE SECTION IS AMENDED BY
ADDING SUBSECTIONS TO READ:

§ 1407. PENNSYLVANIA GAMING ECONOMIC DEVELOPMENT AND TOURISM
FUND.

* * *

(B) FUND ADMINISTRATION AND DISTRIBUTION.--THE PENNSYLVANIA
GAMING ECONOMIC DEVELOPMENT AND TOURISM FUND SHALL BE
ADMINISTERED BY THE DEPARTMENT OF COMMUNITY AND ECONOMIC
DEVELOPMENT. [ALL] EXCEPT AS PROVIDED UNDER SUBSECTION (C.1),
ALL MONEYS IN THE PENNSYLVANIA GAMING ECONOMIC DEVELOPMENT AND
TOURISM FUND SHALL BE DISTRIBUTED PURSUANT TO A SUBSEQUENTLY
ENACTED ECONOMIC DEVELOPMENT CAPITAL BUDGET THAT APPROPRIATES
MONEY FROM THE FUND PURSUANT TO THIS SECTION. THE PROCEDURES FOR
ENACTMENT, AUTHORIZATION AND RELEASE OF ECONOMIC DEVELOPMENT AND
TOURISM FUNDS AUTHORIZED UNDER THIS SECTION FOR BOTH CAPITAL
PROJECTS AND OPERATIONAL EXPENDITURES SHALL BE THE SAME AS THOSE
PROVIDED FOR IN SECTIONS 303(A), (B) AND (C) AND 318(A) OF THE
ACT OF FEBRUARY 9, 1999 (P.L.1, NO.1), KNOWN AS THE CAPITAL
FACILITIES DEBT ENABLING ACT, WITHOUT REFERENCE TO THE NATURE OR
PURPOSE OF THE PROJECT, AND ANY OTHER STATUTORY PROVISION, IF
ANY, NECESSARY TO EFFECTUATE THE RELEASE OF FUNDS APPROPRIATED
IN SUCH ECONOMIC DEVELOPMENT CAPITAL BUDGET.
(C) PENNSYLVANIA GAMING ECONOMIC DEVELOPMENT AND TOURISM FUND ASSESSMENT.--EACH LICENSED GAMING ENTITY, OTHER THAN A CATEGORY 4 SLOT MACHINE LICENSEE, SHALL PAY A DAILY ASSESSMENT OF [5%] 5.5% OF ITS GROSS TERMINAL REVENUE TO THE PENNSYLVANIA GAMING ECONOMIC DEVELOPMENT AND TOURISM FUND.

(C.1) SUPPLEMENTAL PENNSYLVANIA GAMING ECONOMIC DEVELOPMENT AND TOURISM FUND ASSESSMENT.--IN ADDITION TO SUBSECTION (C), BEGINNING JANUARY 1, 2018, EACH LICENSED GAMING ENTITY, OTHER THAN A CATEGORY 4 SLOT MACHINE LICENSEE, SHALL PAY A SUPPLEMENTAL DAILY ASSESSMENT OF 0.5% OF ITS GROSS TERMINAL REVENUE TO THE CASINO MARKETING AND CAPITAL DEVELOPMENT ACCOUNT. THE FOLLOWING SHALL APPLY:

(1) THE BOARD SHALL SUBMIT NOTICE TO THE LEGISLATIVE REFERENCE BUREAU FOR PUBLICATION IN THE PENNSYLVANIA BULLETIN WHEN THE GROSS TERMINAL REVENUE FOR EACH CATEGORY 1 AND CATEGORY 2 SLOT MACHINE LICENSEE FOR THE PREVIOUS FISCAL YEAR EXCEEDS $200,000,000 AND THE GROSS TERMINAL REVENUE FOR EACH CATEGORY 3 SLOT MACHINE LICENSEE FOR THE PREVIOUS FISCAL YEAR EXCEEDS $50,000,000.

(2) THIS SUBSECTION SHALL EXPIRE ON THE EARLIER OF:

(I) TEN YEARS AFTER THE EFFECTIVE DATE OF THIS SUBSECTION; OR

(II) THE DATE OF PUBLICATION OF THE NOTICE UNDER PARAGRAPH (1).

(D) RESTRICTIONS ON PROJECTS FOR CERTAIN COUNTIES AND CITIES.--EXCEPT AS SET FORTH IN SUBSECTIONS (D.1) (D.2), (D.3) AND (D.4), FOR A TEN-YEAR PERIOD BEGINNING WITH THE FIRST FISCAL YEAR DURING WHICH DEPOSITS ARE MADE INTO THIS FUND, NO MONEYS FROM THE PENNSYLVANIA GAMING ECONOMIC DEVELOPMENT AND TOURISM FUND SHALL BE DISTRIBUTED FOR ANY PROJECT LOCATED IN A...
CITY OR COUNTY OF THE FIRST OR SECOND CLASS EXCEPT AS AUTHORIZED
BY THIS SUBSECTION. MONEYS NOT USED FOR THE AUTHORIZED PROJECTS
IN CITIES AND COUNTIES OF THE FIRST AND SECOND CLASSES MAY BE
USED THROUGHOUT THIS COMMONWEALTH. MONEYS FROM THE FUND FOR
PROJECTS WITHIN CITIES AND COUNTIES OF THE FIRST AND SECOND
CLASSES MAY ONLY BE USED FOR THE FOLLOWING PROJECTS DURING THIS
TEN-YEAR PERIOD:

* * *

(D.2) PROJECT EXTENSION.--NOTWITHSTANDING ANY PROVISION OF
THIS TITLE OR THE ACT OF JULY 25, 2007 (P.L.342, NO.53), KNOWN
AS PENNSYLVANIA GAMING ECONOMIC DEVELOPMENT AND TOURISM FUND
CAPITAL BUDGET ITEMIZATION ACT OF 2007, THE PROJECTS UNDER
SUBSECTIONS (D)(4) AND (5) AND (D.1) SHALL BE AUTHORIZED BEYOND
THE EXPIRATION DATE OF EACH OF THE PROJECTS SET FORTH IN THE
PENNSYLVANIA GAMING ECONOMIC DEVELOPMENT AND TOURISM FUND
CAPITAL BUDGET ITEMIZATION ACT OF 2007. THE FOLLOWING SHALL
APPLY:

(1) ANNUAL ALLOCATIONS FOR PROJECTS UNDER SUBSECTION (D)
(4) AND (5), AND UNDER THE FORMER SUBSECTION (D)(7) AS OF THE
EFFECTIVE DATE OF SUBSECTION (D.1), SHALL CONTINUE IN
ACCORDANCE WITH THE AMOUNTS SET FORTH IN SECTION 4 OF THE
PENNSYLVANIA GAMING ECONOMIC DEVELOPMENT AND TOURISM FUND
CAPITAL BUDGET ITEMIZATION ACT OF 2007.

(2) ANNUAL ALLOCATIONS UNDER SUBSECTION (D)(5) SHALL BE
DEPOSITED INTO THE RESTRICTED RECEIPTS ACCOUNT ESTABLISHED
UNDER SUBSECTION (D.1) AND USED FOR PROJECTS AS SET FORTH IN
SUBSECTION (D.1)(1).

(D.3) REGIONAL ECONOMIC DEVELOPMENT CORPORATION.--FOR A TEN-
YEAR PERIOD BEGINNING WITH FISCAL YEAR 2019-20, THE AMOUNT OF
$2,000,000 ANNUALLY SHALL BE ALLOCATED FROM THE PENNSYLVANIA
GAMING ECONOMIC DEVELOPMENT AND TOURISM FUND FOR DISTRIBUTION TO
A REGIONAL ECONOMIC DEVELOPMENT CORPORATION IN TWO CONTIGUOUS
COUNTIES OF THE THIRD CLASS WHERE A CITY OF THE THIRD CLASS IS
LOCATED IN MORE THAN ONE COUNTY OF THE THIRD CLASS FOR DEBT
SERVICE ON THE CONSTRUCTION OF A SCIENCE AND EDUCATION CENTER IN
A CITY OF THE THIRD CLASS THAT IS ALSO THE COUNTY SEAT LOCATED
IN A COUNTY OF THE THIRD CLASS IN WHICH A CATEGORY 2 LICENSED
FACILITY IS LOCATED IN A CITY OF THE THIRD CLASS WHICH IS
LOCATED IN MORE THAN ONE COUNTY OF THE THIRD CLASS. UNUSED FUNDS
FROM THIS ALLOCATION SHALL BE DISTRIBUTED BY THE SAME REGIONAL
ECONOMIC DEVELOPMENT CORPORATION LOCATED IN TWO CONTIGUOUS
COUNTIES OF THE THIRD CLASS WHERE A CITY OF THE THIRD CLASS IS
LOCATED IN MORE THAN ONE COUNTY OF THE THIRD CLASS FOR DEBT
SERVICE ON THE CONSTRUCTION OF ONE OR MORE FACILITIES THAT
PROVIDE A SCIENCE, EDUCATION, ARTS, TECHNOLOGY OR RECREATIONAL
USE IN ONE OR BOTH CONTIGUOUS COUNTIES OF THE THIRD CLASS WHERE
A CITY OF THE THIRD CLASS IS LOCATED IN MORE THAN ONE COUNTY OF
THE THIRD CLASS. THE FUNDS ALLOCATED UNDER THIS SUBSECTION SHALL
BE DISTRIBUTED IN ACCORDANCE WITH SUBSECTION (B).

(D.4) REGIONAL SPORTS COMMISSION.—NOTWITHSTANDING ANY
PROVISION OF THIS TITLE OR THE ACT OF JULY 25, 2007 (P.L.342,
NO.53), KNOWN AS PENNSYLVANIA GAMING ECONOMIC DEVELOPMENT AND
TOURISM FUND CAPITAL BUDGET ITEMIZATION ACT OF 2007, THE ANNUAL
ALLOCATION AUTHORIZED UNDER SUBSECTION (D)(10) ON AND AFTER THE
EFFECTIVE DATE OF THIS SUBSECTION SHALL CONTINUE IN ACCORDANCE
WITH THE AMOUNTS UNDER SECTION 4 OF THE PENNSYLVANIA GAMING
ECONOMIC DEVELOPMENT AND TOURISM FUND CAPITAL BUDGET ITEMIZATION
ACT OF 2007 AND SHALL BE DEPOSITED INTO A RESTRICTED RECEIPTS
ACCOUNT TO BE USED EXCLUSIVELY BY AN AUTHORITY CREATED UNDER
ARTICLE XXV-A OF THE ACT OF JULY 28, 1953 (P.L.723, NO.230),

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KNOWN AS THE SECOND CLASS COUNTY CODE, IN A COUNTY OF THE SECOND
CLASS FOR THE ESTABLISHMENT, ADMINISTRATION AND MAINTENANCE OF A
REGIONAL SPORTS COMMISSION.

* * *

SECTION 27.5. TITLE 4 IS AMENDED BY ADDING A SECTION TO
READ:

§ 1407.1. CASINO MARKETING AND CAPITAL DEVELOPMENT ACCOUNT.

(A) ESTABLISHMENT.--THERE IS ESTABLISHED IN THE PENNSYLVANIA
GAMING ECONOMIC DEVELOPMENT AND TOURISM FUND A RESTRICTED
ACCOUNT TO BE KNOWN AS THE CASINO MARKETING AND CAPITAL
DEVELOPMENT ACCOUNT.

(B) ADMINISTRATION AND DISTRIBUTION.--THE CASINO MARKETING
AND CAPITAL DEVELOPMENT ACCOUNT SHALL BE ADMINISTERED BY THE
BOARD. ALL MONEY IN THE CASINO MARKETING AND CAPITAL DEVELOPMENT
ACCOUNT SHALL BE DISTRIBUTED AS GRANTS IN ACCORDANCE WITH THIS
SECTION. THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
SHALL MAKE PAYMENTS TO GRANT RECIPIENTS AS DIRECTED BY THE
BOARD.

(C) GRANT PROCEDURES.--THE BOARD SHALL ESTABLISH PROCEDUREs
FOR A SLOT MACHINE LICENSEE, OTHER THAN A CATEGORY 4 SLOT
MACHINE LICENSEE, TO APPLY FOR GRANTS FROM THE CASINO MARKETING
AND CAPITAL DEVELOPMENT ACCOUNT. THE BOARD SHALL DETERMINE THE
FORM AND MANNER IN WHICH AN APPLICATION FOR A GRANT MAY BE FILED
WITH THE BOARD.

(D) PROGRAM GUIDELINES.--THE BOARD SHALL ESTABLISH PROGRAM
GUIDELINES. EACH SLOT MACHINE LICENSEE, OTHER THAN A CATEGORY 4
SLOT MACHINE LICENSEE, THAT HAS BEEN LICENSED FOR AT LEAST TWO
YEARS, MAY APPLY TO THE BOARD FOR A GRANT UNDER THIS SECTION.
EACH GRANT AWARDED UNDER THIS SECTION SHALL BE USED BY THE SLOT
MACHINE LICENSEE FOR MARKETING OR CAPITAL DEVELOPMENT.
(E) DISTRIBUTION OF GRANTS.--

(1) EACH YEAR, BEFORE THE BOARD AWARDS A GRANT UNDER THIS SECTION, THE FOLLOWING DISTRIBUTIONS SHALL BE MADE:

(I) EACH CATEGORY 1 OR CATEGORY 2 SLOT MACHINE LICENSEE WITH GROSS TERMINAL REVENUES OF $150,000,000 OR LESS FOR THE PREVIOUS FISCAL YEAR SHALL RECEIVE $4,000,000.

(II) EACH CATEGORY 1 OR CATEGORY 2 SLOT MACHINE LICENSEE WITH GROSS TERMINAL REVENUES OF MORE THAN $150,000,000 BUT LESS THAN $200,000,000 FOR THE PREVIOUS FISCAL YEAR SHALL RECEIVE $2,500,000.

(III) EACH CATEGORY 3 SLOT MACHINE LICENSEE WITH GROSS TERMINAL REVENUE OF LESS THAN $50,000,000 FOR THE PREVIOUS FISCAL YEAR SHALL RECEIVE $500,000.

(IV) IF THERE IS INSUFFICIENT MONEY IN THE CASINO MARKETING AND CAPITAL DEVELOPMENT ACCOUNT TO MAKE THE REQUIRED DISTRIBUTIONS UNDER SUBPARAGRAPHS (I), (II) AND (III), DISTRIBUTIONS SHALL BE MADE IN THE PROPORTION OF:

(A) THE ELIGIBLE LICENSEES UNDER EACH SUBPARAGRAPH; TO

(B) THE TOTAL AMOUNT OF MONEY IN THE CASINO MARKETING AND CAPITAL DEVELOPMENT ACCOUNT.

(2) AFTER DISTRIBUTION UNDER PARAGRAPH (1), REMAINING MONEY IN THE CASINO MARKETING AND CAPITAL DEVELOPMENT ACCOUNT SHALL BE DISTRIBUTED BY THE BOARD TO OTHER SLOT MACHINE LICENSEES, OTHER THAN CATEGORY 4 SLOT MACHINE LICENSEES, THAT HAVE APPLIED FOR GRANTS.

(3) (I) NO SLOT MACHINE LICENSEE MAY RECEIVE MORE THAN $4,000,000 FROM THE CASINO MARKETING AND CAPITAL DEVELOPMENT ACCOUNT IN ONE YEAR.
(II) A SLOT MACHINE LICENSEE MAY NOT RECEIVE ANY
FUNDS FROM THE CASINO MARKETING AND CAPITAL DEVELOPMENT
ACCOUNT DURING THE FIRST TWO YEARS FOLLOWING LICENSURE.

(F) EXPIRATION. --

(1) THE BOARD SHALL SUBMIT NOTICE TO THE LEGISLATIVE
REFERENCE BUREAU FOR PUBLICATION IN THE PENNSYLVANIA BULLETIN
WHEN THE GROSS TERMINAL REVENUE FOR EACH CATEGORY 1 AND
CATEGORY 2 SLOT MACHINE LICENSEE FOR THE PREVIOUS FISCAL YEAR
EXCEEDS $200,000,000 AND THE GROSS TERMINAL REVENUE FOR EACH
CATEGORY 3 SLOT MACHINE LICENSEE FOR THE PREVIOUS FISCAL YEAR
EXCEEDS $50,000,000.

(2) THIS SECTION SHALL EXPIRE ON THE EARLIER OF:

(I) TEN YEARS AFTER THE EFFECTIVE DATE OF THIS
SUBSECTION; OR

(II) THE DATE OF PUBLICATION OF THE NOTICE UNDER
PARAGRAPH (1).

(G) DEFINITION. -- AS USED IN THIS SECTION, THE TERM "CAPITAL
DEVELOPMENT" SHALL INCLUDE, BUT NOT BE LIMITED TO, EXPANSION OR
RENOVATION OF AN EXISTING LICENSED FACILITY OR CONSTRUCTING OR
EXPANDING AMENITIES AT A LICENSED FACILITY.

SECTION 27.6. SECTION 1408(A) AND (C) OF TITLE 4 ARE AMENDED
AND THE SECTION IS AMENDED BY ADDING A SUBSECTION TO READ:

§ 1408. TRANSFERS FROM STATE GAMING FUND.

(A) TRANSFER FOR COMPULSIVE AND PROBLEM GAMBLING
TREATMENT. -- EACH YEAR, THE SUM OF $2,000,000 OR AN AMOUNT EQUAL
TO .002 MULTIPLIED BY THE TOTAL GROSS TERMINAL REVENUE OF ALL
ACTIVE AND OPERATING LICENSED GAMING ENTITIES, WHICHEVER IS
GREATER, SHALL BE TRANSFERRED INTO THE COMPULSIVE AND PROBLEM
GAMBLING TREATMENT FUND ESTABLISHED IN SECTION 1509 (RELATING TO
COMPULSIVE AND PROBLEM GAMBLING PROGRAM). GROSS TERMINAL REVENUE
GENERATED AT A CATEGORY 4 LICENSED FACILITY SHALL NOT BE INCLUDED IN CALCULATING THE ASSESSMENT UNDER THIS SUBSECTION.

* * *

(C) LOCAL LAW ENFORCEMENT GRANTS.--[ANNUALLY] EXCEPT AS PROVIDED IN SUBSECTION (C.1), ANNUALLY, THE SUM OF $2,000,000 SHALL BE TRANSFERRED TO THE BOARD FOR THE PURPOSE OF ISSUING GRANTS TO LOCAL LAW ENFORCEMENT AGENCIES TO INVESTIGATE VIOLATIONS OF AND ENFORCE LAWS RELATING TO UNLAWFUL GAMBLING IN THIS COMMONWEALTH. FOR PURPOSES OF THIS SUBSECTION, THE TERM "LOCAL LAW ENFORCEMENT AGENCY" SHALL INCLUDE THE PENNSYLVANIA STATE POLICE WHEN CONDUCTING UNLAWFUL GAMBLING ENFORCEMENT AND PREVENTION ACTIVITIES IN A MUNICIPALITY WHICH DOES NOT HAVE A MUNICIPAL POLICE DEPARTMENT AND IN WHICH THE PENNSYLVANIA STATE POLICE PROVIDE THE MUNICIPALITY WITH PRIMARY POLICE COVERAGE.

(C.1) TRANSFER TO THE CASINO MARKETING AND CAPITAL DEVELOPMENT ACCOUNT.--BEGINNING JULY 1, 2017, AND EACH YEAR THEREAFTER, $2,000,000 SHALL BE TRANSFERRED TO THE CASINO MARKETING AND CAPITAL DEVELOPMENT ACCOUNT ESTABLISHED IN SECTION 1407.1 (RELATING TO CASINO MARKETING AND CAPITAL DEVELOPMENT ACCOUNT). ANY MONEY NOT COMMITTED FOR LOCAL LAW ENFORCEMENT GRANTS UNDER SUBSECTION (C) ON THE EFFECTIVE DATE OF THIS SUBSECTION SHALL BE TRANSFERRED TO THE CASINO MARKETING AND CAPITAL DEVELOPMENT ACCOUNT. THE FOLLOWING SHALL APPLY:

(1) THE BOARD SHALL SUBMIT NOTICE TO THE LEGISLATIVE REFERENCE BUREAU FOR PUBLICATION IN THE PENNSYLVANIA BULLETIN WHEN THE GROSS TERMINAL REVENUE FOR EACH CATEGORY 1 AND CATEGORY 2 SLOT MACHINE LICENSEE FOR THE PREVIOUS FISCAL YEAR EXCEEDS $200,000,000 AND THE GROSS TERMINAL REVENUE FOR EACH CATEGORY 3 SLOT MACHINE LICENSEE FOR THE PREVIOUS FISCAL YEAR EXCEEDS $50,000,000.
(2) THIS SUBSECTION SHALL EXPIRE ON THE EARLIER OF:

   (I) TEN YEARS AFTER THE EFFECTIVE DATE OF THIS

   SUBSECTION; OR

   (II) THE DATE OF PUBLICATION OF THE NOTICE UNDER

   PARAGRAPH (1).

* * *

SECTION 28. SECTIONS 1501(B), 1504 AND 1509 OF TITLE 4 ARE

AMENDED TO READ:

§ 1501. RESPONSIBILITY AND AUTHORITY OF DEPARTMENT.

* * *

(B) APPLICATION OF RULES AND REGULATIONS.--THE DEPARTMENT

MAY PRESCRIBE THE EXTENT, IF ANY, TO WHICH ANY RULES AND

REGULATIONS SHALL BE APPLIED WITHOUT RETROACTIVE EFFECT. THE

DEPARTMENT SHALL HAVE AUTHORITY TO PRESCRIBE THE FORMS AND THE

SYSTEM OF ACCOUNTING AND RECORDKEEPING TO BE EMPLOYED AND

THROUGH ITS REPRESENTATIVE SHALL AT ALL TIMES HAVE POWER OF

ACCESS TO AND EXAMINATION AND AUDIT OF ANY EQUIPMENT AND RECORDS

RELATING TO ALL ASPECTS OF THE OPERATION OF SLOT MACHINES [AND]

TABLE GAMES AND INTERACTIVE GAMING UNDER THIS PART.

* * *

§ 1504. WAGERING ON CREDIT.

(A) GENERAL RULE.--EXCEPT AS OTHERWISE PROVIDED IN THIS

SECTION, SLOT MACHINE LICENSEES SHALL NOT EXTEND CREDIT. SLOT

MACHINE LICENSEES SHALL NOT ACCEPT CREDIT CARDS, CHARGE CARDS OR

DEBIT CARDS FROM A PATRON OR A PLAYER FOR THE EXCHANGE OR

PURCHASE OF SLOT MACHINE CREDITS OR FOR AN ADVANCE OF COINS OR

CURRENCY TO BE UTILIZED BY A PLAYER TO PLAY SLOT MACHINE GAMES

OR EXTEND CREDIT IN ANY MANNER TO A PLAYER SO AS TO ENABLE THE

PLAYER TO PLAY SLOT MACHINES. SLOT MACHINE LICENSEES WHO HOLD A

TABLE GAME OPERATION CERTIFICATE MAY EXTEND CREDIT FOR SLOT
MACHINE GAMING IN ACCORDANCE WITH SECTION 13A26 (RELATING TO CASH EQUIVALENTS).

(B) PREPAID ACCESS INSTRUMENTS.--PREPAID ACCESS INSTRUMENTS ARE NOT DEEMED TO BE A CREDIT CARD, CHARGE CARD, DEBIT CARD OR ANY OTHER INSTRUMENT OF CREDIT AND ARE NOT PROHIBITED UNDER THIS SECTION.

§ 1509. COMPULSIVE AND PROBLEM GAMBLING PROGRAM.

(A) ESTABLISHMENT OF PROGRAM.--THE DEPARTMENT OF [HEALTH] DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY, IN CONSULTATION WITH ORGANIZATIONS SIMILAR TO THE MID-ATLANTIC ADDICTION TRAINING INSTITUTE, SHALL DEVELOP PROGRAM GUIDELINES FOR PUBLIC EDUCATION, AWARENESS AND TRAINING REGARDING COMPULSIVE AND PROBLEM GAMBLING AND THE TREATMENT AND PREVENTION OF COMPULSIVE AND PROBLEM GAMBLING. THE GUIDELINES SHALL INCLUDE STRATEGIES FOR THE PREVENTION OF COMPULSIVE AND PROBLEM GAMBLING. THE DEPARTMENT OF [HEALTH] DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY MAY CONSULT WITH THE BOARD AND LICENSED GAMING ENTITIES TO DEVELOP SUCH STRATEGIES.


(1) MAINTAIN [A] ONE COMPULSIVE GAMBLERS ASSISTANCE ORGANIZATION'S TOLL-FREE PROBLEM GAMBLING TELEPHONE NUMBER, WHICH SHALL BE THE NUMBER 1-800-GAMBLER, TO PROVIDE CRISIS COUNSELING AND REFERRAL SERVICES TO INDIVIDUALS AND FAMILIES EXPERIENCING DIFFICULTY AS A RESULT OF PROBLEM OR COMPULSIVE GAMBLING. IF THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY DETERMINES THAT IT IS UNABLE TO ADOPT THE NUMBER 1-800-GAMBLER, THE DEPARTMENT OF DRUG AND ALCOHOL
PROGRAMS OR SUCCESSOR AGENCY SHALL MAINTAIN ANOTHER NUMBER.

(2) FACILITATE, THROUGH IN-SERVICE TRAINING AND OTHER MEANS, THE AVAILABILITY OF EFFECTIVE ASSISTANCE PROGRAMS FOR PROBLEM AND COMPULSIVE GAMBLERS AND FAMILY MEMBERS AFFECTED BY PROBLEM AND COMPULSIVE GAMBLING.

(3) AT ITS DISCRETION, CONDUCT STUDIES TO IDENTIFY INDIVIDUALS IN THIS COMMONWEALTH WHO ARE OR ARE AT RISK OF BECOMING PROBLEM OR COMPULSIVE GAMBLERS.

(4) PROVIDE GRANTS TO AND CONTRACT WITH SINGLE COUNTY AUTHORITIES AND OTHER ORGANIZATIONS WHICH PROVIDE SERVICES AS SET FORTH IN THIS SECTION.

(5) REIMBURSE ORGANIZATIONS FOR REASONABLE EXPENSES INCURRED ASSISTING THE DEPARTMENT OF [HEALTH] DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY WITH IMPLEMENTING THIS SECTION.


(1) IMPLEMENT A STRATEGIC PLAN FOR THE PREVENTION AND TREATMENT OF COMPULSIVE AND PROBLEM GAMBLING.

(2) ADOPT COMPULSIVE AND PROBLEM GAMBLING TREATMENT STANDARDS TO BE INTEGRATED WITH THE [BUREAU] DEPARTMENT OF DRUG AND ALCOHOL PROGRAM'S OR SUCCESSOR AGENCY'S UNIFORM
STATEWIDE GUIDELINES THAT GOVERN THE PROVISION OF ADDICTION TREATMENT SERVICES.

(3) DEVELOP A METHOD TO COORDINATE COMPULSIVE AND PROBLEM GAMBLING DATA COLLECTION AND REFERRAL INFORMATION TO CRISIS RESPONSE HOTLINES, CHILD WELFARE AND DOMESTIC VIOLENCE PROGRAMS AND PROVIDERS AND OTHER APPROPRIATE PROGRAMS AND PROVIDERS.

(4) DEVELOP AND DISSEMINATE EDUCATIONAL MATERIALS TO PROVIDE PUBLIC AWARENESS RELATED TO THE PREVENTION, RECOGNITION AND TREATMENT OF COMPULSIVE AND PROBLEM GAMBLING.

(5) DEVELOP DEMOGRAPHIC-SPECIFIC COMPULSIVE AND PROBLEM GAMBLING PREVENTION, INTERVENTION AND TREATMENT PROGRAMS.

(6) PREPARE AN ITEMIZED BUDGET OUTLINING HOW FUNDS WILL BE ALLOCATED TO FULFILL THE RESPONSIBILITIES UNDER THIS SECTION.

(B) COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND.--THERE IS HEREBY ESTABLISHED IN THE STATE TREASURY A SPECIAL FUND TO BE KNOWN AS THE COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND. ALL MONEYS IN THE FUND SHALL BE ADMINISTERED BY THE DEPARTMENT OF [HEALTH] DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY AND EXPENDED SOLELY FOR PROGRAMS FOR THE PREVENTION AND TREATMENT OF GAMBLING ADDICTION AND OTHER EMOTIONAL AND BEHAVIORAL PROBLEMS ASSOCIATED WITH OR RELATED TO GAMBLING ADDICTION AND FOR THE ADMINISTRATION OF THE COMPULSIVE AND PROBLEM GAMBLING PROGRAM, PROVIDED THAT THE DEPARTMENT OF [HEALTH] DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY SHALL ANNUALLY DISTRIBUTE AT LEAST 50% OF THE MONEY IN THE FUND TO SINGLE COUNTY AUTHORITIES UNDER SUBSECTION (D). THE FUND SHALL CONSIST OF MONEY ANNUALLY ALLOCATED TO IT FROM THE ANNUAL PAYMENT ESTABLISHED UNDER SECTION 1408(A) (RELATING TO TRANSFERS FROM STATE GAMING FUND),
MONEY WHICH MAY BE ALLOCATED BY THE BOARD, INTEREST EARNINGS ON MONEYS IN THE FUND AND ANY OTHER CONTRIBUTIONS, PAYMENTS OR DEPOSITS WHICH MAY BE MADE TO THE FUND.

(C) NOTICE OF AVAILABILITY OF ASSISTANCE.--

(1) [EACH] EXCEPT AS OTHERWISE PROVIDED FOR IN PARAGRAPH (4), EACH SLOT MACHINE LICENSEE SHALL [OBTAIN A] USE THE TOLL-FREE TELEPHONE NUMBER [TO BE USED] ESTABLISHED BY THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY IN SUBSECTION (A.1)(1) TO PROVIDE PERSONS WITH INFORMATION ON ASSISTANCE FOR COMPULSIVE OR PROBLEM GAMBLING. EACH LICENSEE SHALL CONSPICUOUSLY POST AT LEAST 20 SIGNS SIMILAR TO THE FOLLOWING STATEMENT:

IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM, HELP IS AVAILABLE. CALL (TOLL-FREE TELEPHONE NUMBER).

THE SIGNS MUST BE POSTED WITHIN 50 FEET OF EACH ENTRANCE AND EXIT, WITHIN 50 FEET OF EACH AUTOMATED TELLER MACHINE LOCATION WITHIN THE LICENSED FACILITY AND IN OTHER APPROPRIATE PUBLIC AREAS OF THE LICENSED FACILITY AS DETERMINED BY THE SLOT MACHINE LICENSEE.

(2) EACH RACETRACK WHERE SLOT MACHINES OR TABLE GAMES ARE OPERATED SHALL PRINT A STATEMENT ON DAILY RACING PROGRAMS PROVIDED TO THE GENERAL PUBLIC THAT IS SIMILAR TO THE FOLLOWING:

IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM, HELP IS AVAILABLE. CALL (TOLL-FREE TELEPHONE NUMBER).

EXCEPT AS OTHERWISE PROVIDED FOR IN PARAGRAPH (4), THE TOLL-FREE TELEPHONE NUMBER SHALL BE THE SAME TELEPHONE NUMBER ESTABLISHED BY THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY UNDER SUBSECTION (A.1)(1).

(2.1) EACH INTERACTIVE GAMING CERTIFICATE HOLDER AND
INTERACTIVE GAMING OPERATOR:

(I) SHALL CAUSE THE WORDS:

IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM,
HELP IS AVAILABLE. CALL (TOLL-FREE TELEPHONE NUMBER).

OR SOME COMPARABLE LANGUAGE APPROVED BY THE BOARD, WHICH
LANGUAGE SHALL INCLUDE THE WORDS "GAMBLING PROBLEM" AND
"CALL 1-800-XXXX," TO BE PROMINENTLY DISPLAYED TO ANY
PERSON VISITING OR LOGGING ONTO THE INTERACTIVE GAMING
CERTIFICATE HOLDER'S INTERACTIVE GAMING SKIN OR
INTERACTIVE GAMING WEBSITE.

(II) SHALL PROVIDE A MECHANISM BY WHICH AN
INTERACTIVE GAMING ACCOUNT HOLDER MAY ESTABLISH THE
FOLLOWING CONTROLS ON WAGERING ACTIVITY THROUGH THE
INTERACTIVE GAMING ACCOUNT:

(A) A LIMIT ON THE AMOUNT OF MONEY LOST WITHIN A
SPECIFIED PERIOD OF TIME AND THE LENGTH OF TIME THE
ACCOUNT HOLDER WILL BE UNABLE TO PARTICIPATE IN
GAMING IF THE HOLDER REACHES THE ESTABLISHED LOSS
LIMIT.

(B) A LIMIT ON THE MAXIMUM AMOUNT OF ANY SINGLE
WAGER ON ANY INTERACTIVE GAME.

(C) A TEMPORARY SUSPENSION OF INTERACTIVE GAMING
THROUGH THE ACCOUNT FOR ANY NUMBER OF HOURS OR DAYS.

(III) SHALL NOT KNOWINGLY MAIL OR OTHERWISE FORWARD
ANY GAMING-RELATED PROMOTIONAL MATERIAL OR E-MAIL TO A
REGISTERED PLAYER DURING ANY PERIOD IN WHICH INTERACTIVE
GAMING THROUGH THE REGISTERED PLAYERS' INTERACTIVE GAMING
ACCOUNT HAS BEEN SUSPENDED OR TERMINATED. THE INTERACTIVE
GAMING CERTIFICATE HOLDER SHALL PROVIDE A MECHANISM BY
WHICH A REGISTERED PLAYER MAY CHANGE THE CONTROLS.
NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBPARAGRAPH,

WHILE INTERACTIVE GAMING THROUGH THE INTERACTIVE GAMING
ACCOUNT IS SUSPENDED, THE REGISTERED PLAYER MAY NOT
CHANGE GAMING CONTROLS UNTIL THE SUSPENSION EXPIRES, BUT
THE REGISTERED PLAYER SHALL CONTINUE TO HAVE ACCESS TO
THE ACCOUNT AND SHALL BE PERMITTED TO WITHDRAW FUNDS FROM
THE ACCOUNT UPON PROPER APPLICATION FOR THE FUNDS TO THE
INTERACTIVE GAMING CERTIFICATE HOLDER.

(3) A [LICENSED FACILITY] LICENSED GAMING ENTITY,
INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE GAMING
OPERATOR, AS THE CASE MAY BE, WHICH FAILS TO POST OR PRINT
THE WARNING SIGN IN ACCORDANCE WITH PARAGRAPH (1) [OR] (2)
OR (2.1)(I) SHALL BE ASSESSED A FINE OF $1,000 A DAY FOR EACH
DAY THE MINIMUM NUMBER OF SIGNS ARE NOT POSTED OR THE
REQUIRED STATEMENT IS NOT PRINTED AS PROVIDED IN THIS
SUBSECTION.

(3.1) AN INTERACTIVE GAMING CERTIFICATE HOLDER OR
INTERACTIVE GAMING OPERATOR, AS THE CASE MAY BE, THAT FAILS
TO ESTABLISH THE MECHANISMS, CONTROLS AND SYSTEMS IN
ACCORDANCE WITH PARAGRAPH (2.1)(II) AND (III) SHALL BE
ASSESSED A FINE OF NOT LESS THAN $5,000 PER DAY FOR EACH DAY
THE MECHANISMS, CONTROLS AND SYSTEMS ARE NOT AVAILABLE TO
INTERACTIVE GAMING ACCOUNT HOLDERS.

(4) SLOT MACHINE LICENSEES OR RACETRACKS UTILIZING A
TOLL-FREE TELEPHONE NUMBER OTHER THAN THE NUMBER ESTABLISHED
BY THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR
AGENCY UNDER SUBSECTION (A.1)(1) PRIOR TO THE EFFECTIVE DATE
OF THIS PARAGRAPH MAY CONTINUE TO USE THAT NUMBER FOR A
PERIOD NOT TO EXCEED THREE YEARS FROM THE EFFECTIVE DATE OF
THIS PARAGRAPH UPON SHOWING GOOD CAUSE TO THE DEPARTMENT OF
(D) SINGLE COUNTY AUTHORITIES.--THE DEPARTMENT OF [HEALTH] DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY SHALL MAKE GRANTS FROM THE FUND ESTABLISHED UNDER SUBSECTION (B) TO SINGLE COUNTY AUTHORITIES CREATED PURSUANT TO THE ACT OF APRIL 14, 1972 (P.L.221, NO.63), KNOWN AS THE PENNSYLVANIA DRUG AND ALCOHOL ABUSE CONTROL ACT, FOR THE PURPOSE OF PROVIDING COMPULSIVE GAMBLING AND GAMBLING ADDICTION PREVENTION, TREATMENT AND EDUCATION PROGRAMS. TREATMENT MAY INCLUDE FINANCIAL COUNSELING, IRRESPECTIVE OF WHETHER THE FINANCIAL COUNSELING IS PROVIDED BY THE SINGLE COUNTY AUTHORITY, THE TREATMENT SERVICE PROVIDER OR SUBCONTRACTED TO A THIRD PARTY. IT IS THE INTENTION OF THE GENERAL ASSEMBLY THAT ANY GRANTS MADE BY THE DEPARTMENT OF [HEALTH] DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY TO ANY SINGLE COUNTY AUTHORITY IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBSECTION BE USED EXCLUSIVELY FOR THE DEVELOPMENT AND IMPLEMENTATION OF COMPULSIVE AND PROBLEM GAMBLING PROGRAMS AUTHORIZED UNDER THIS SECTION.

(D.1) ELIGIBILITY.--ELIGIBILITY TO RECEIVE TREATMENT SERVICES FOR TREATMENT OF COMPULSIVE AND PROBLEM GAMBLING UNDER THIS SECTION SHALL BE DETERMINED USING FINANCIAL ELIGIBILITY AND OTHER REQUIREMENTS OF THE SINGLE COUNTY AUTHORITIES AS APPROVED BY THE DEPARTMENT OF [HEALTH] DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY.

(D.2) REPORT.---[NO LATER THAN OCTOBER 1, 2010, AND EACH ANNUALLY ON OCTOBER 1 [THEREAFTER], THE DEPARTMENT OF [HEALTH] DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY, IN CONSULTATION WITH THE BOARD, SHALL PREPARE AND SUBMIT A REPORT ON THE IMPACT OF THE PROGRAMS FUNDED BY THE COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND TO THE GOVERNOR AND TO THE MEMBERS OF THE GENERAL ASSEMBLY.
ASSEMBLY. THE REPORT SHALL INCLUDE AGGREGATE DEMOGRAPHIC-
SPECIFIC DATA, INCLUDING RACE, GENDER, GEOGRAPHY AND INCOME OF
THOSE INDIVIDUALS TREATED.

(E) DEFINITION.—AS USED IN SUBSECTION (D), THE TERM "SINGLE
COUNTRY AUTHORITY" MEANS THE AGENCY DESIGNATED BY THE DEPARTMENT
OF HEALTH PURSUANT TO THE ACT OF APRIL 14, 1972 (P.L.221,
NO.63), KNOWN AS THE PENNSYLVANIA DRUG AND ALCOHOL ABUSE CONTROL
ACT, TO PLAN AND COORDINATE DRUG AND ALCOHOL PREVENTION,
INTERVENTION AND TREATMENT SERVICES FOR A GEOGRAPHIC AREA, WHICH
MAY CONSIST OF ONE OR MORE COUNTIES.

SECTION 28.1. SECTION 1510(A) OF TITLE 4 IS AMENDED TO READ:

§ 1510. LABOR HIRING PREFERENCES.

(A) CATEGORY 1, CATEGORY 2, [AND] CATEGORY 3 AND CATEGORY 4
LICENSED FACILITIES, GENERALLY.—EACH LICENSED GAMING ENTITY
SHALL PREPARE A HIRING PLAN FOR EMPLOYEES OF ITS RESPECTIVE
LICENSED FACILITY WHICH PROMOTES A DIVERSE WORK FORCE, MINORITY
PARTICIPATION AND PERSONNEL FROM WITHIN THE SURROUNDING
GEOGRAPHICAL AREA. THE HIRING PLAN SHALL BE APPROVED BY THE
BOARD AND SHALL BE CONSISTENT WITH THE GOALS OUTLINED IN
SECTIONS 1212 (RELATING TO DIVERSITY GOALS OF BOARD) AND 13A04
(RELATING TO COMMONWEALTH RESIDENT EMPLOYMENT GOALS) AND SHALL
BE UPDATED ANNUALLY.

* * *

SECTION 29. SECTION 1512 OF TITLE 4 IS AMENDED BY ADDING A
SUBSECTION TO READ:

§ 1512. FINANCIAL AND EMPLOYMENT INTERESTS.

* * *

(A.6) PROHIBITION RELATED TO INTERACTIVE GAMING.—

(1) EXCEPT AS MAY BE PROVIDED BY RULE OR ORDER OF THE
PENNSYLVANIA SUPREME COURT AND EXCEPT AS PROVIDED IN SECTION
1202.1 (RELATING TO CODE OF CONDUCT) OR 1512.1 (RELATING TO ADDITIONAL RESTRICTIONS), NO EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER OR IMMEDIATE FAMILY MEMBER THEREOF SHALL HOLD, DIRECTLY OR INDIRECTLY, A FINANCIAL INTEREST IN, BE EMPLOYED BY OR REPRESENT, APPEAR FOR, OR NEGOTIATE ON BEHALF OF, OR DERIVE ANY REMUNERATION, PAYMENT, BENEFIT OR ANY OTHER THING OF VALUE FOR ANY SERVICES, INCLUDING, BUT NOT LIMITED TO, CONSULTING OR SIMILAR SERVICES FROM ANY HOLDER OF OR APPLICANT FOR AN INTERACTIVE GAMING CERTIFICATE, HOLDER OF OR APPLICANT FOR AN INTERACTIVE GAMING LICENSE OR OTHER AUTHORIZATION TO CONDUCT INTERACTIVE GAMING OR ANY HOLDING, SUBSIDIARY OR INTERMEDIARY COMPANY WITH RESPECT THERETO, OR ANY BUSINESS, ASSOCIATION, ENTERPRISE OR OTHER ENTITY THAT IS ORGANIZED IN WHOLE OR IN PART FOR THE PURPOSE OF PROMOTING, ADVOCATING FOR OR ADVANCING THE INTERESTS OF THE INTERACTIVE GAMING INDUSTRY GENERALLY OR ANY INTERACTIVE GAMING-RELATED BUSINESS OR BUSINESSES IN CONNECTION WITH ANY CAUSE, APPLICATION OR MATTER. THE FINANCIAL INTEREST AND EMPLOYMENT PROHIBITIONS UNDER THIS PARAGRAPH SHALL REMAIN IN EFFECT FOR ONE YEAR FOLLOWING TERMINATION OF THE INDIVIDUAL'S STATUS AS AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER.

(2) NOTWITHSTANDING PARAGRAPH (1), A MEMBER OF THE IMMEDIATE FAMILY OF AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER MAY HOLD EMPLOYMENT WITH THE HOLDER OF OR APPLICANT FOR AN INTERACTIVE GAMING CERTIFICATE, HOLDER OF OR APPLICANT FOR AN INTERACTIVE GAMING LICENSE OR OTHER AUTHORIZATION TO CONDUCT INTERACTIVE GAMING OR ANY HOLDING, SUBSIDIARY OR INTERMEDIARY COMPANY WITH RESPECT THERETO, IF IN THE JUDGMENT OF THE STATE ETHICS COMMISSION OR
THE SUPREME COURT, AS APPROPRIATE, EMPLOYMENT WILL NOT
INTERFERE WITH THE RESPONSIBILITIES OF THE EXECUTIVE-LEVEL
PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER AND WILL
NOT CREATE A CONFLICT OF INTEREST OR REASONABLE RISK OF THE
PUBLIC PERCEPTION OF A CONFLICT OF INTEREST ON THE PART OF
THE EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY
OFFICER.

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SECTION 30. SECTIONS 1513(A), 1514 HEADING, (A), (D), (E)
 AND (F), 1515, 1516 AND 1517(B)(1), (C)(6) AND (12) AND (E)(1)
OF TITLE 4 ARE AMENDED TO READ:

§ 1513. POLITICAL INFLUENCE.
(A) CONTRIBUTION RESTRICTION.--THE FOLLOWING PERSONS SHALL
BE PROHIBITED FROM CONTRIBUTING ANY MONEY OR IN-KIND
CONTRIBUTION TO A CANDIDATE FOR NOMINATION OR ELECTION TO ANY
PUBLIC OFFICE IN THIS COMMONWEALTH, OR TO ANY POLITICAL PARTY
COMMITTEE OR OTHER POLITICAL COMMITTEE IN THIS COMMONWEALTH OR
TO ANY GROUP, COMMITTEE OR ASSOCIATION ORGANIZED IN SUPPORT OF A
CANDIDATE, POLITICAL PARTY COMMITTEE OR OTHER POLITICAL
COMMITTEE IN THIS COMMONWEALTH:
(1) AN APPLICANT FOR A SLOT MACHINE LICENSE,
MANUFACTURER LICENSE, SUPPLIER LICENSE, PRINCIPAL LICENSE,
KEY EMPLOYEE LICENSE, INTERACTIVE GAMING LICENSE OR HORSE OR
HARNESS RACING LICENSE.
(2) A SLOT MACHINE LICENSEE, LICENSED MANUFACTURER,
LICENSED SUPPLIER, INTERACTIVE GAMING OPERATOR OR LICENSED
RACING ENTITY.
(3) A LICENSED PRINCIPAL OR LICENSED KEY EMPLOYEE OF A
SLOT MACHINE LICENSEE, LICENSED MANUFACTURER, LICENSED
SUPPLIER, INTERACTIVE GAMING OPERATOR OR LICENSED RACING
ENTITY.

(4) AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING
COMPANY OF A SLOT MACHINE LICENSEE, LICENSED MANUFACTURER,
LICENSED SUPPLIER, INTERACTIVE GAMING OPERATOR OR LICENSED
RACING ENTITY.

(5) A LICENSED PRINCIPAL OR LICENSED KEY EMPLOYEE OF AN
AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF A
SLOT MACHINE LICENSEE, LICENSED MANUFACTURER, LICENSED
SUPPLIER, INTERACTIVE GAMING OPERATOR OR LICENSED RACING
ENTITY.

(6) A PERSON WHO HOLDS A SIMILAR GAMING LICENSE IN
ANOTHER JURISDICTION AND THE AFFILIATES, INTERMEDIARIES,
SUBSIDIARIES, HOLDING COMPANIES, PRINCIPALS OR KEY EMPLOYEES
THEREOF.

* * *

§ 1514. REGULATION REQUIRING EXCLUSION [OR] EJECTION OR DENIAL
OF ACCESS OF CERTAIN PERSONS.

(A) GENERAL RULE.--THE BOARD SHALL BY REGULATION PROVIDE FOR
THE ESTABLISHMENT OF A LIST OF PERSONS WHO ARE TO BE EXCLUDED OR
EJECTED FROM ANY LICENSED FACILITY OR WHO MAY BE DENIED ACCESS
TO INTERACTIVE GAMING. THE PROVISIONS SHALL DEFINE THE STANDARDS
FOR EXCLUSION AND SHALL INCLUDE STANDARDS RELATING TO PERSONS
WHO ARE CAREER OR PROFESSIONAL OFFENDERS AS DEFINED BY
REGULATIONS OF THE BOARD OR WHOSE PRESENCE IN A LICENSED
FACILITY OR WHOSE ACCESS TO INTERACTIVE GAMING WOULD, IN THE
OPINION OF THE BOARD, BE INIMICAL TO THE INTEREST OF THE
COMMONWEALTH OR OF LICENSED GAMING THEREIN, OR BOTH.

* * *

(D) SANCTIONS.--THE BOARD MAY IMPOSE SANCTIONS UPON A
LICENSED GAMING ENTITY OR INTERACTIVE GAMING OPERATOR IN
ACCORDANCE WITH THIS PART IF THE LICENSED GAMING ENTITY
KNOWINGLY FAILS TO EXCLUDE OR EJECT FROM THE PREMISES OF ANY
LICENSED FACILITY OR DENY ACCESS TO INTERACTIVE GAMING ANY
PERSON PLACED BY THE BOARD ON THE LIST OF PERSONS TO BE EXCLUDED
[OR] EJECTED OR DENIED ACCESS.

(E) LIST NOT ALL-INCLUSIVE.--ANY LIST COMPILED BY THE BOARD
OF PERSONS TO BE EXCLUDED [OR] EJECTED OR DENIED ACCESS SHALL
NOT BE DEEMED AN ALL-INCLUSIVE LIST, AND A LICENSED GAMING
ENTITY SHALL HAVE A DUTY TO KEEP FROM THE LICENSED FACILITY AND
FROM INTERACTIVE GAMING PERSONS KNOWN TO IT TO BE WITHIN THE
CLASSIFICATIONS DECLARED IN THIS SECTION AND THE REGULATIONS
PROMULGATED UNDER THIS SECTION WHOSE PRESENCE IN A LICENSED
FACILITY OR WHOSE PARTICIPATION IN INTERACTIVE GAMING WOULD BE
INIMICAL TO THE INTEREST OF THE COMMONWEALTH OR OF LICENSED
GAMING THEREIN, OR BOTH, AS DEFINED IN STANDARDS ESTABLISHED BY
THE BOARD.

(F) NOTICE.--WHENEVER THE BUREAU SEeks TO PLACE THE NAME OF
ANY PERSON ON A LIST PURSUANT TO THIS SECTION, THE BUREAU SHALL
SERVE NOTICE OF THIS FACT TO SUCH PERSON BY PERSONAL SERVICE OR
CERTIFIED MAIL AT THE LAST KNOWN ADDRESS OF THE PERSON. THE
NOTICE SHALL INFORM THE PERSON OF THE RIGHT TO REQUEST A HEARING
UNDER SUBSECTION (G). THE BUREAU MAY ALSO PROVIDE NOTICE BY
ELECTRONIC MAIL, IF THE ELECTRONIC MAIL ADDRESS OF THE PERSON IS
KNOWN TO THE BUREAU.

* * *

§ 1515. REPEAT OFFENDERS EXCLUDABLE FROM LICENSED GAMING
FACILITY.

A LICENSED GAMING ENTITY MAY EXCLUDE OR EJECT FROM ITS
LICENSED FACILITY OR DENY ACCESS TO INTERACTIVE GAMING ANY
PERSON WHO IS KNOWN TO IT TO HAVE BEEN CONVICTED OF A
MISDEMEANOR OR FELONY COMMITTED IN OR ON THE PREMISES OF ANY LICENSED FACILITY. NOTHING IN THIS SECTION OR IN ANY OTHER LAW OF THIS COMMONWEALTH SHALL LIMIT THE RIGHT OF A LICENSED GAMING ENTITY TO EXERCISE ITS COMMON LAW RIGHT TO EXCLUDE OR EJECT PERMANENTLY FROM ITS LICENSED FACILITY OR PERMANENTLY DENY ACCESS TO ITS INTERACTIVE GAMING ANY PERSON WHO DISRUPTS THE OPERATIONS OF ITS PREMISES OR ITS INTERACTIVE GAMING, THREATENS THE SECURITY OF ITS PREMISES OR ITS OCCUPANTS OR IS DISORDERLY OR INTOXICATED[.] OR WHO THREATENS THE SECURITY OF ITS LICENSED FACILITY OR THE AREA OF A LICENSED FACILITY WHERE INTERACTIVE GAMING OPERATIONS ARE MANAGED, ADMINISTERED OR CONTROLLED.

§ 1516. LIST OF PERSONS SELF EXCLUDED FROM GAMING ACTIVITIES.

(A) GENERAL RULE.--THE BOARD SHALL PROVIDE BY REGULATION FOR THE ESTABLISHMENT OF A LIST OF PERSONS SELF EXCLUDED FROM GAMING ACTIVITIES, INCLUDING INTERACTIVE GAMING, AT ALL LICENSED FACILITIES. ANY PERSON MAY REQUEST PLACEMENT ON THE LIST OF SELF-EXCLUDED PERSONS BY ACKNOWLEDGING IN A MANNER TO BE ESTABLISHED BY THE BOARD THAT THE PERSON IS A PROBLEM GAMBLER AND BY AGREEING THAT, DURING ANY PERIOD OF VOLUNTARY EXCLUSION, THE PERSON MAY NOT COLLECT ANY WINNINGS OR RECOVER ANY LOSSES RESULTING FROM ANY GAMING ACTIVITY AT LICENSED FACILITIES, INCLUDING INTERACTIVE GAMING.

(B) REGULATIONS.--THE REGULATIONS OF THE BOARD SHALL ESTABLISH PROCEDURES FOR PLACEMENTS ON AND REMOVALS FROM THE LIST OF SELF-EXCLUDED PERSONS. THE REGULATIONS SHALL ESTABLISH PROCEDURES FOR THE TRANSMITTAL TO LICENSED GAMING ENTITIES OF IDENTIFYING INFORMATION CONCERNING SELF-EXCLUDED PERSONS AND SHALL REQUIRE LICENSED GAMING ENTITIES TO ESTABLISH PROCEDURES DESIGNED AT A MINIMUM TO DENY SELF-EXCLUDED PERSONS ACCESS TO INTERACTIVE GAMING AND TO REMOVE SELF-EXCLUDED PERSONS FROM
TARGETED MAILINGS OR OTHER FORMS OF ADVERTISING OR PROMOTIONS AND DENY SELF-EXCLUDED PERSONS ACCESS TO COMPLIMENTARIES, CHECK CASHING PRIVILEGES, CLUB PROGRAMS AND OTHER SIMILAR BENEFITS.

(C) LIABILITY.--A LICENSED GAMING ENTITY OR EMPLOYEE THEREOF SHALL NOT BE LIABLE TO ANY SELF-EXCLUDED PERSON OR TO ANY OTHER PARTY IN ANY JUDICIAL PROCEEDING FOR ANY HARM, MONETARY OR OTHERWISE, WHICH MAY ARISE AS A RESULT OF:

(1) THE FAILURE OF A LICENSED GAMING ENTITY TO WITHHOLD GAMING PRIVILEGES FROM OR RESTORE GAMING PRIVILEGES TO A SELF-EXCLUDED PERSON; [OR]

(1.1) THE FAILURE OF AN INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE GAMING OPERATOR TO WITHHOLD INTERACTIVE GAMING PRIVILEGES FROM OR RESTORE INTERACTIVE GAMING PRIVILEGES TO A SELF-EXCLUDED PERSON; OR

(2) OTHERWISE PERMITTING OR NOT PERMITTING A SELF-EXCLUDED PERSON TO ENGAGE IN GAMING ACTIVITY IN THE FACILITY OR PARTICIPATE IN INTERACTIVE GAMING WHILE ON THE LIST OF SELF-EXCLUDED PERSONS.

(D) DISCLOSURE.--NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY, THE BOARD'S LIST OF SELF-EXCLUDED PERSONS SHALL NOT BE OPEN TO PUBLIC INSPECTION. NOTHING IN THIS SECTION, HOWEVER, SHALL BE CONSTRUED TO PROHIBIT A LICENSED GAMING ENTITY FROM DISCLOSING THE IDENTITY OF PERSONS SELF EXCLUDED PURSUANT TO THIS SECTION TO AFFILIATED GAMING ENTITIES IN THIS COMMONWEALTH OR OTHER JURISDICTIONS FOR THE LIMITED PURPOSE OF ASSISTING IN THE PROPER ADMINISTRATION OF RESPONSIBLE GAMING PROGRAMS OPERATED BY AFFILIATED LICENSED GAMING ENTITIES.

§ 1517. INVESTIGATIONS AND ENFORCEMENT.

* * *

(B) POWERS AND DUTIES OF DEPARTMENT.--

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(1) THE DEPARTMENT SHALL AT ALL TIMES HAVE THE POWER OF ACCESS TO EXAMINE AND AUDIT EQUIPMENT AND RECORDS RELATING TO ALL ASPECTS OF THE OPERATION OF SLOT MACHINES [OR] TABLE GAMES OR INTERACTIVE GAMES UNDER THIS PART.

* * *

(C) POWERS AND DUTIES OF THE PENNSYLVANIA STATE POLICE.--THE PENNSYLVANIA STATE POLICE SHALL HAVE THE FOLLOWING POWERS AND DUTIES:

* * *

(6) ENFORCE THE CRIMINAL PROVISIONS OF THIS PART AND ALL OTHER CRIMINAL LAWS OF THE COMMONWEALTH[, INCLUDING, BUT NOT LIMITED TO, WITHIN A LICENSED FACILITY AND PARKING LOTS UNDER CONTROL OF A SLOT MACHINE LICENSEE ADJACENT TO A LICENSED FACILITY.

* * *

(12) CONDUCT AUDITS OR VERIFICATION OF INFORMATION OF SLOT MACHINE [OR] TABLE GAME OPERATIONS, INCLUDING THE OPERATION OF SLOT MACHINES USED IN A MULTISTATE WIDE-AREA PROGRESSIVE SLOT MACHINE SYSTEM AND IN THE OPERATION OF SKILL OR HYBRID SLOT MACHINES AND INTERACTIVE GAMING OPERATIONS AT SUCH TIMES, UNDER SUCH CIRCUMSTANCES AND TO SUCH EXTENT AS THE BUREAU DETERMINES. THIS PARAGRAPH INCLUDES REVIEWS OF ACCOUNTING, ADMINISTRATIVE AND FINANCIAL RECORDS AND MANAGEMENT CONTROL SYSTEMS, PROCEDURES AND RECORDS UTILIZED BY A SLOT MACHINE LICENSEE.

* * *

(E) INSPECTION, SEIZURE AND WARRANTS.--

(1) THE BUREAU, THE DEPARTMENT AND THE PENNSYLVANIA STATE POLICE SHALL HAVE THE AUTHORITY WITHOUT NOTICE AND WITHOUT WARRANT TO DO ALL OF THE FOLLOWING IN THE PERFORMANCE
OF THEIR DUTIES:

(I) INSPECT AND EXAMINE ALL PREMISES WHERE SLOT MACHINE [OR] TABLE GAME AND INTERACTIVE GAMING OPERATIONS ARE CONDUCTED, SLOT MACHINES, TABLE GAME DEVICES AND ASSOCIATED EQUIPMENT, INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT ARE MANUFACTURED, SOLD, DISTRIBUTED OR SERVICED OR WHERE RECORDS OF THESE ACTIVITIES ARE PREPARED OR MAINTAINED.

(II) INSPECT ALL EQUIPMENT AND SUPPLIES IN, ABOUT, UPON OR AROUND PREMISES REFERRED TO IN SUBPARAGRAPH (I).

(III) SEIZE, SUMMARILY REMOVE AND IMPOUND EQUIPMENT AND SUPPLIES FROM PREMISES REFERRED TO IN SUBPARAGRAPH (I) FOR THE PURPOSES OF EXAMINATION AND INSPECTION.

(IV) INSPECT, EXAMINE AND AUDIT ALL BOOKS, RECORDS AND DOCUMENTS PERTAINING TO A SLOT MACHINE LICENSEE'S OPERATION.

(V) SEIZE, IMPOUND OR ASSUME PHYSICAL CONTROL OF ANY BOOK, RECORD, LEDGER, GAME, DEVICE, CASH BOX AND ITS CONTENTS, COUNT ROOM OR ITS EQUIPMENT, INTERACTIVE GAMING DEVICES AND ASSOCIATED EQUIPMENT OR SLOT MACHINE [OR], TABLE GAME OR INTERACTIVE GAMING OPERATIONS.

* * *

SECTION 31. SECTION 1518(A)(1), (2), (3), (4), (5), (7.1), (11), (13), (13.1), (15) AND (17) AND (B)(1), (2) AND (3) OF TITLE 4 ARE AMENDED AND SUBSECTIONS (A) AND (B) ARE AMENDED BY ADDING PARAGRAPHS TO READ:

§ 1518. PROHIBITED ACTS; PENALTIES.

(A) CRIMINAL OFFENSES.--

(1) THE PROVISIONS OF 18 PA.C.S. § 4902 (RELATING TO PERJURY), 4903 (RELATING TO FALSE SWEARING) OR 4904 (RELATING TO...
TO UNSWORN FALSIFICATION TO AUTHORITIES) SHALL APPLY TO ANY 
PERSON PROVIDING INFORMATION OR MAKING ANY STATEMENT, WHETHER 
WRITTEN OR ORAL, TO THE BOARD, THE COMMISSION, THE BUREAU, 
THE DEPARTMENT, THE PENNSYLVANIA STATE POLICE OR THE OFFICE 
of ATTORNEY GENERAL, AS REQUIRED BY THIS [PART] TITLE. 

(2) IT SHALL BE UNLAWFUL FOR A PERSON TO WILLFULLY: 

(I) FAIL TO REPORT, PAY OR TRUTHFULLY ACCOUNT FOR 
AND PAY OVER ANY LICENSE FEE, AUTHORIZATION FEE, PERMIT 
FEE, TAX OR ASSESSMENT IMPOSED UNDER THIS [PART] TITLE; 
OR 

(II) ATTEMPT IN ANY MANNER TO EVADE OR DEFEAT ANY 
LICENSE FEE, AUTHORIZATION FEE, PERMIT FEE, REGISTRATION 
FEE, TAX OR ASSESSMENT OR ANY OTHER FEE IMPOSED UNDER 
THIS [PART] TITLE. 

(3) IT SHALL BE UNLAWFUL FOR ANY LICENSED ENTITY, GAMING 
EMPLOYEE, KEY EMPLOYEE OR ANY OTHER PERSON TO PERMIT A SLOT 
MACHINE, TABLE GAME OR TABLE GAME DEVICE, INTERACTIVE GAME OR 
INTERACTIVE GAMING DEVICE OR ASSOCIATED EQUIPMENT TO BE 
OPERATED, TRANSPORTED, REPAIRED OR OPENED ON THE PREMISES OF 
A LICENSED FACILITY BY A PERSON OTHER THAN A PERSON LICENSED 
OR PERMITTED BY THE BOARD PURSUANT TO THIS PART. 

(3.1) IT SHALL BE UNLAWFUL FOR ANY PERSON WHO DOES NOT 
POSSESS A VALID AND THEN EFFECTIVE INTERACTIVE GAMING 
CERTIFICATE OR INTERACTIVE GAMING LICENSE TO ACCEPT ANY WAGER 
ASSOCIATED WITH ANY AUTHORIZED INTERACTIVE GAME FROM ANY 
INDIVIDUAL WITHOUT VERIFYING THE AGE, IDENTITY AND PHYSICAL 
LOCATION OF THE PLAYER AT THE TIME OF PLAY OR WAGER. 

(4) IT SHALL BE UNLAWFUL FOR ANY LICENSED ENTITY OR 
OTHER PERSON TO MANUFACTURE, SUPPLY OR PLACE SLOT MACHINES, 
TABLE GAMES, TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT,
AUTHORIZED INTERACTIVE GAME OR INTERACTIVE GAMING DEVICES OR ASSOCIATED EQUIPMENT INTO PLAY OR DISPLAY SLOT MACHINES, TABLE GAMES, TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT ON THE PREMISES OF A LICENSED FACILITY WITHOUT THE AUTHORITY OF THE BOARD.

(4.1) IT SHALL BE UNLAWFUL FOR ANY SLOT MACHINE LICENSEE TO OFFER INTERACTIVE GAMES INTO PLAY OR DISPLAY SUCH GAMES ON ITS INTERACTIVE GAMING SKIN OR INTERNET WEBSITE WITHOUT THE APPROVAL OF THE BOARD.

(4.2) IT SHALL BE UNLAWFUL FOR ANY LICENSED ENTITY OR OTHER PERSON TO MANUFACTURE, SUPPLY OR PLACE INTERACTIVE GAMING DEVICES OR ASSOCIATED EQUIPMENT INTO OPERATION AT A LICENSED FACILITY WITHOUT THE APPROVAL OF THE BOARD.

(5) EXCEPT AS PROVIDED FOR IN SECTION 1326 (RELATING TO [LICENSE] RENEWALS), IT SHALL BE UNLAWFUL FOR A LICENSED ENTITY OR OTHER PERSON TO MANUFACTURE, SUPPLY, OPERATE, CARRY ON OR EXPOSE FOR PLAY ANY SLOT MACHINE, TABLE GAME, TABLE GAME DEVICE OR ASSOCIATED EQUIPMENT, INTERACTIVE GAME OR INTERACTIVE GAMING DEVICE OR ASSOCIATED EQUIPMENT AFTER THE PERSON'S LICENSE HAS EXPIRED AND PRIOR TO THE ACTUAL RENEWAL OF THE LICENSE.

* * *

(7.1) IT SHALL BE UNLAWFUL FOR AN INDIVIDUAL TO DO ANY OF THE FOLLOWING:

(I) USE OR POSSESS COUNTERFEIT, MARKED, LOADED OR TAMPERED WITH TABLE GAME DEVICES OR ASSOCIATED EQUIPMENT, CHIPS OR OTHER CHEATING DEVICES IN THE CONDUCT OF GAMING UNDER THIS PART, EXCEPT THAT AN AUTHORIZED EMPLOYEE OF A LICENSEE OR AN AUTHORIZED EMPLOYEE OF THE BOARD MAY POSSESS AND USE COUNTERFEIT CHIPS OR TABLE GAME DEVICES
OR ASSOCIATED EQUIPMENT THAT HAVE BEEN MARKED, LOADED OR TAMPERED WITH, OR OTHER CHEATING DEVICES OR ANY UNAUTHORIZED INTERACTIVE GAMING DEVICE OR ASSOCIATED EQUIPMENT IN PERFORMANCE OF THE DUTIES OF EMPLOYMENT FOR TRAINING, INVESTIGATIVE OR TESTING PURPOSES ONLY.

(II) KNOWINGLY, BY A TRICK OR SLEIGHT OF HAND PERFORMANCE OR BY FRAUD OR FRAUDULENT SCHEME, OR MANIPULATION, TABLE GAME DEVICE OR OTHER DEVICE, OR INTERACTIVE GAMING DEVICE FOR HIMSELF OR FOR ANOTHER, WIN OR ATTEMPT TO WIN ANY CASH, PROPERTY OR PRIZE AT A LICENSED FACILITY OR TO REDUCE OR ATTEMPT TO REDUCE A LOSING WAGER.

(7.2) IT SHALL BE UNLAWFUL FOR A PERSON TO KNOWINGLY ALTER, TAMPER OR MANIPULATE INTERACTIVE GAMING DEVICES OR ASSOCIATED EQUIPMENT, INCLUDING SOFTWARE, SYSTEM PROGRAMS, HARDWARE AND ANY OTHER DEVICE OR ASSOCIATED EQUIPMENT USED IN INTERACTIVE GAMING OPERATIONS, IN ORDER TO ALTER THE ODDS OR THE PAYOUT OF AN INTERACTIVE GAME OR TO DISABLE THE INTERACTIVE GAME FROM OPERATING ACCORDING TO THE RULES OF THE GAME AS AUTHORIZED BY THE BOARD.

(7.3) IT SHALL BE UNLAWFUL FOR A PERSON TO KNOWINGLY OFFER OR ALLOW TO BE OFFERED ANY AUTHORIZED INTERACTIVE GAME THAT HAS BEEN ALTERED, TAMPERED WITH OR MANIPULATED IN A WAY THAT AFFECTS THE ODDS OR THE PAYOUT OF AN AUTHORIZED INTERACTIVE GAME OR DISABLES THE INTERACTIVE GAME FROM OPERATING ACCORDING TO THE AUTHORIZED RULES OF THE GAME AS AUTHORIZED BY THE BOARD.

* * *

(11) IT SHALL BE UNLAWFUL FOR A LICENSED GAMING ENTITY THAT IS A LICENSED RACING ENTITY AND THAT HAS LOST THE
LICENSE ISSUED TO IT BY [EITHER] THE STATE HORSE RACING
COMMISSION OR THE STATE HARNESS RACING COMMISSION UNDER THE
RACE HORSE INDUSTRY REFORM ACT OR THAT HAS HAD THAT LICENSE
SUSPENDED TO OPERATE SLOT MACHINES [OR] TABLE GAMES OR
AUTHORIZED INTERACTIVE GAMES AT THE RACETRACK FOR WHICH ITS
SLOT MACHINE LICENSE WAS ISSUED UNLESS THE LICENSE ISSUED TO
IT BY EITHER THE STATE HORSE RACING COMMISSION OR THE STATE
HARNESS RACING COMMISSION WILL BE SUBSEQUENTLY REISSUED OR
REINSTATED WITHIN 30 DAYS AFTER THE LOSS OR SUSPENSION.

* * *

(13) IT SHALL BE UNLAWFUL FOR AN INDIVIDUAL UNDER 21
YEARS OF AGE TO ENTER AND REMAIN IN ANY AREA OF A LICENSED
FACILITY WHERE SLOT MACHINES ARE OPERATED OR THE PLAY OF
TABLE GAMES IS CONDUCTED, EXCEPT THAT AN INDIVIDUAL 18 YEARS
OF AGE OR OLDER EMPLOYED BY A SLOT MACHINE LICENSEE, A GAMING
SERVICE PROVIDER, THE BOARD OR ANY OTHER REGULATORY OR
EMERGENCY RESPONSE AGENCY MAY ENTER AND REMAIN IN ANY SUCH
AREA WHILE ENGAGED IN THE PERFORMANCE OF THE INDIVIDUAL'S
EMPLOYMENT DUTIES.

(13.1) IT SHALL BE UNLAWFUL FOR AN INDIVIDUAL UNDER 21
YEARS OF AGE TO WAGER, PLAY OR ATTEMPT TO PLAY A SLOT MACHINE
OR TABLE GAME AT A LICENSED FACILITY OR TO WAGER, PLAY OR
ATTEMPT TO PLAY AN INTERACTIVE GAME.

(13.2) IT SHALL BE UNLAWFUL TO ALLOW A PERSON UNDER 21
YEARS OF AGE TO OPEN, MAINTAIN OR USE IN ANY WAY AN
INTERACTIVE GAMING ACCOUNT. ANY INTERACTIVE GAMING
CERTIFICATE HOLDER, INTERACTIVE GAMING OPERATOR OR EMPLOYEE
OF AN INTERACTIVE GAMING CERTIFICATE HOLDER OR INTERACTIVE
GAMING OPERATOR OR OTHER SUCH PERSON WHO KNOWINGLY ALLOWS A
PERSON UNDER 21 YEARS OF AGE TO OPEN, MAINTAIN OR USE AN
INTERACTIVE GAMING ACCOUNT SHALL BE SUBJECT TO THE PENALTY SET FORTH IN THIS SECTION, EXCEPT THAT THE ESTABLISHMENT OF ALL OF THE FOLLOWING FACTS BY AN INTERACTIVE GAMING CERTIFICATE HOLDER, INTERACTIVE GAMING OPERATOR OR EMPLOYEE OF AN INTERACTIVE GAMING CERTIFICATE HOLDER, INTERACTIVE GAMING OPERATOR OR OTHER SUCH PERSON SHALL CONSTITUTE A DEFENSE TO ANY REGULATORY ACTION BY THE BOARD OR THE PENALTY AUTHORIZED UNDER THIS SECTION:

(I) THE UNDERAGE PERSON FALSELY REPRESENTED THAT THE PERSON WAS AT LEAST 21 YEARS OF AGE IN THE APPLICATION FOR AN INTERACTIVE GAMING ACCOUNT; AND

(II) THE ESTABLISHMENT OF THE INTERACTIVE GAMING ACCOUNT WAS MADE IN GOOD FAITH RELIANCE UPON SUCH REPRESENTATION AND IN THE REASONABLE BELIEF THAT THE UNDERAGE PERSON WAS AT LEAST 21 YEARS OF AGE.

* * *

(15) IT SHALL BE UNLAWFUL FOR A LICENSED GAMING ENTITY TO REQUIRE A WAGER TO BE GREATER THAN THE STATED MINIMUM WAGER OR LESS THAN THE STATED MAXIMUM WAGER. HOWEVER, A WAGER MADE BY A PLAYER AND NOT REJECTED BY A LICENSED GAMING ENTITY PRIOR TO COMMENCEMENT OF PLAY SHALL BE TREATED AS A VALID WAGER. A WAGER ACCEPTED BY A DEALER OR THROUGH AN AUTHORIZED INTERACTIVE GAME SHALL BE PAID OR LOST IN ITS ENTIRETY IN ACCORDANCE WITH THE RULES OF THE GAME, NOTWITHSTANDING THAT THE WAGER EXCEEDED THE CURRENT TABLE MAXIMUM WAGER OR AUTHORIZED INTERACTIVE GAME WAGER OR WAS LOWER THAN THE CURRENT TABLE MINIMUM WAGER OR MINIMUM INTERACTIVE GAME WAGER.

* * *

(17) IT SHALL BE UNLAWFUL FOR AN INDIVIDUAL TO CLAIM,
COLLECT OR TAKE, OR ATTEMPT TO CLAIM, COLLECT OR TAKE, MONEY
OR ANYTHING OF VALUE IN OR FROM A SLOT MACHINE, GAMING TABLE
OR OTHER TABLE GAME DEVICE, INTERACTIVE GAME OR INTERACTIVE
GAMING DEVICE WITH THE INTENT TO DEFRAUD, OR TO CLAIM,
COLLECT OR TAKE AN AMOUNT GREATER THAN THE AMOUNT WON, OR TO
MANIPULATE WITH THE INTENT TO CHEAT, ANY COMPONENT OF ANY
SLOT MACHINE, TABLE GAME OR TABLE GAME DEVICE, INTERACTIVE
GAME OR INTERACTIVE GAMING DEVICE IN A MANNER CONTRARY TO THE
DESIGNED AND NORMAL OPERATIONAL PURPOSE.

(B) CRIMINAL PENALTIES AND FINES.--

(1) (I) A PERSON THAT COMMENTS A FIRST OFFENSE IN
VIOLATION OF 18 PA.C.S. § 4902, 4903 OR 4904 IN
CONNECTION WITH PROVIDING INFORMATION OR MAKING ANY
STATEMENT, WHETHER WRITTEN OR ORAL, TO THE BOARD, THE
BUREAU, THE DEPARTMENT, THE PENNSYLVANIA STATE POLICE,
THE OFFICE OF ATTORNEY GENERAL OR A DISTRICT ATTORNEY AS
REQUIRED BY THIS PART COMMITS AN OFFENSE TO BE GRADED IN
ACCORDANCE WITH THE APPLICABLE SECTION VIOLATED. A PERSON
THAT IS CONVICTED OF A SECOND OR SUBSEQUENT VIOLATION OF
18 PA.C.S. § 4902, 4903 OR 4904 IN CONNECTION WITH
PROVIDING INFORMATION OR MAKING ANY STATEMENT, WHETHER
WRITTEN OR ORAL, TO THE BOARD, THE BUREAU, THE
DEPARTMENT, THE PENNSYLVANIA STATE POLICE, THE OFFICE OF
ATTORNEY GENERAL OR A DISTRICT ATTORNEY AS REQUIRED BY
THIS PART COMMITS A FELONY OF THE SECOND DEGREE.

(II) A PERSON THAT VIOLATES SUBSECTION (A)(2), (3)
AND (4) THROUGH (12) OR (17) COMMITS A MISDEMEANOR OF THE
FIRST DEGREE. A PERSON THAT IS CONVICTED OF A SECOND OR
SUBSEQUENT VIOLATION OF SUBSECTION (A)(2), (3) AND (4)
THROUGH (12) OR (17) COMMITS A FELONY OF THE SECOND
DEGREE.

(2) (I) FOR A FIRST VIOLATION OF SUBSECTION (A)(1) THROUGH (12) OR (17), A PERSON SHALL BE SENTENCED TO PAY A FINE OF:

(A) NOT [LESS THAN $75,000 NOR] MORE THAN $150,000 IF THE PERSON IS AN INDIVIDUAL;

(B) NOT LESS THAN $300,000 NOR MORE THAN $600,000 IF THE PERSON IS A LICENSED GAMING ENTITY OR AN INTERACTIVE GAMING OPERATOR; OR

(C) NOT LESS THAN $150,000 NOR MORE THAN $300,000 IF THE PERSON IS A LICENSED MANUFACTURER OR SUPPLIER.

(II) FOR A SECOND OR SUBSEQUENT VIOLATION OF SUBSECTION (A)(1), (2), (3) AND (4) THROUGH (12) OR (17), A PERSON SHALL BE SENTENCED TO PAY A FINE OF:

(A) NOT [LESS THAN $150,000 NOR] MORE THAN $300,000 IF THE PERSON IS AN INDIVIDUAL;

(B) NOT LESS THAN $600,000 NOR MORE THAN $1,200,000 IF THE PERSON IS A LICENSED GAMING ENTITY; OR

(C) NOT LESS THAN $300,000 NOR MORE THAN $600,000 IF THE PERSON IS A LICENSED MANUFACTURER OR SUPPLIER.

(2.1) A PERSON THAT COMMITS AN OFFENSE IN VIOLATION OF SUBSECTION (A)(3.1) COMMITS A FELONY AND, UPON CONVICTION, SHALL BE SENTENCED TO PAY A FINE OF NOT LESS THAN $500,000 NOR MORE THAN $1,000,000. A PERSON THAT IS CONVICTED OF A SECOND OR SUBSEQUENT VIOLATION OF SUBSECTION (A)(3.1) COMMITS A FELONY OF THE FIRST DEGREE AND SHALL BE SENTENCED TO PAY A FINE OF NOT LESS THAN $1,000,000 NOR MORE THAN $2,500,000.
(3) An individual who commits an offense in violation of Subsection (A)(13) [or] (13.1) or (13.2) commits a nongambling summary offense and upon conviction of a first offense shall be sentenced to pay a fine of not less than $200 nor more than $1,000. An individual that is convicted of a second or subsequent offense under Subsection (A)(13) [or] (13.1) or (13.2) shall be sentenced to pay a fine of not less than $500 nor more than $1,500. In addition to the fine imposed, an individual convicted of an offense under Subsection (A)(13) [or] (13.1) or (13.2) may be sentenced to perform a period of community service not to exceed 40 hours.

* * *

Section 32. Sections 1901, 1901.1 and 1902 of Title 4 are amended to read:

§ 1901. Appropriations.

(A) Appropriation to Board.—

(1) The sum of $7,500,000 is hereby appropriated to the Pennsylvania Gaming Control Board for the fiscal period July 1, 2004, to June 30, 2006, to implement and administer the provisions of this part. The money appropriated in this subsection shall be considered a loan from the General Fund [and shall be repaid to the General Fund quarterly commencing with the date slot machine licensees begin operating slot machines under this part]. This appropriation shall be a two-year appropriation and shall not lapse until June 30, 2006.

(2) The sum of $2,100,000 is hereby appropriated from the State Gaming Fund to the Pennsylvania Gaming Control Board for salaries, wages and all necessary expenses for the proper operation and administration of the Pennsylvania Gaming Control Board for the expansion of gaming associated

(B) APPROPRIATION TO DEPARTMENT.--THE SUM OF $21,100,000 IS HEREBY APPROPRIATED FROM THE GENERAL FUND TO THE DEPARTMENT OF REVENUE FOR THE FISCAL PERIOD JULY 1, 2004, TO JUNE 30, 2006, TO PREPARE FOR, IMPLEMENT AND ADMINISTER THE PROVISIONS OF THIS PART. THE MONEY APPROPRIATED UNDER THIS SUBSECTION SHALL BE CONSIDERED A LOAN FROM THE GENERAL FUND [AND SHALL BE REPAID TO THE GENERAL FUND QUARTERLY COMMENCING WITH THE DATE SLOT MACHINE LICENSEES BEGIN OPERATING SLOT MACHINES UNDER THIS PART]. THIS APPROPRIATION SHALL BE A TWO-YEAR APPROPRIATION AND SHALL NOT LAPSE UNTIL JUNE 30, 2006.

(C) APPROPRIATION TO PENNSYLVANIA STATE POLICE.--THE SUM OF $7,500,000 IS HEREBY APPROPRIATED FROM THE GENERAL FUND TO THE PENNSYLVANIA STATE POLICE FOR THE FISCAL PERIOD JULY 1, 2004, TO JUNE 30, 2006, TO PREPARE FOR, IMPLEMENT AND ADMINISTER THE PROVISIONS OF THIS PART. THE MONEY APPROPRIATED UNDER THIS SUBSECTION SHALL BE CONSIDERED A LOAN FROM THE GENERAL FUND [AND SHALL BE REPAID TO THE GENERAL FUND QUARTERLY COMMENCING WHEN ALL SLOT MACHINE LICENSEES BEGIN OPERATING SLOT MACHINES UNDER THIS PART]. THIS APPROPRIATION SHALL BE A TWO-YEAR APPROPRIATION AND SHALL NOT LAPSE UNTIL JUNE 30, 2006.

§ 1901.1. REPAYMENTS TO [STATE GAMING] GENERAL FUND.

THE BOARD SHALL DEFER ASSESSING SLOT MACHINE LICENSEES FOR PAYMENTS TO THE STATE GAMING FUND FOR ANY LOANS MADE TO THE STATE GAMING FUND UNTIL SUCH TIME AS ALL SLOT MACHINE LICENSES HAVE BEEN ISSUED AND ALL LICENSED GAMING ENTITIES HAVE COMMENCED
THE OPERATION OF SLOT MACHINES. THE BOARD SHALL ADOPT A
REPAYMENT SCHEDULE THAT ASSESSES TO EACH SLOT MACHINE LICENSEE
COSTS FOR THE REPAYMENT OF ANY SUCH LOANS IN AN AMOUNT THAT IS
PROPORTIONAL TO EACH SLOT MACHINE LICENSEE'S GROSS TERMINAL
REVENUE.]

(A) ESTABLISHMENT OF REPAYMENT SCHEDULE.--

(1) NO LATER THAN DECEMBER 1, 2017, THE BOARD, IN
CONSULTATION WITH ALL LICENSED GAMING ENTITIES, SHALL
ESTABLISH A SCHEDULE GOVERNING THE REPAYMENT BY LICENSED
GAMING ENTITIES OF LOANS PROVIDED UNDER SECTION 1901
(RELATING TO APPROPRIATIONS).

(2) THE REPAYMENT OF LOANS PROVIDED UNDER SECTION 1901
BY LICENSED GAMING ENTITIES SHALL BEGIN NO LATER THAN JANUARY
1, 2018.

(3) THE REPAYMENT SCHEDULE SHALL, AT A MINIMUM:

(I) SPECIFY THE DATES UPON WHICH THE REPAYMENTS
SHALL BE DUE. PAYMENTS MAY BE REQUIRED ON A QUARTERLY,
SEMIANNUAL OR ANNUAL BASIS.

(II) ASSESS EACH SLOT MACHINE LICENSEE'S COSTS FOR
REPAYMENT OF LOANS UNDER SECTION 1901 IN AN AMOUNT THAT
IS PROPORTIONAL TO EACH SLOT MACHINE LICENSEE'S GROSS
TERMINAL REVENUE.

(III) RESULT IN THE TOTAL AMOUNTS LOANED UNDER
SECTION 1901 BEING REPRIED BY JUNE 30, 2019.

(B) DEPOSIT.--PAYMENTS RECEIVED UNDER SUBSECTION (A) SHALL
BE DEPOSITED INTO THE GENERAL FUND.

SECTION 32.1. TITLE 4 IS AMENDED BY ADDING A SECTION TO
READ:

§ 1901.3. ADVERSE LITIGATION.

NOTWITHSTANDING ANY LAW TO THE CONTRARY, THE BOARD MAY NOT
CONSIDER ANY APPLICATION FOR A CATEGORY 4 SLOT MACHINE LICENSE,
INTERACTIVE GAMING CERTIFICATE, INTERACTIVE GAMING LICENSE,
CASINO SIMULCASTING CERTIFICATE OR SPORTS WAGERING CERTIFICATE
IF THE APPLICANT OR ANY PERSON AFFILIATED WITH OR DIRECTLY
RELATED TO THE APPLICANT IS A PARTY IN ANY ONGOING CIVIL
PROCEEDING IN WHICH THE PARTY IS SEEKING TO OVERTURN OR
OTHERWISE CHALLENGE A DECISION OR ORDER OF THE BOARD PERTAINING
TO THE APPROVAL, DENIAL OR CONDITIONING OF A LICENSE TO OPERATE
SLOT MACHINES. THIS SECTION SHALL NOT BE INTERPRETED TO AFFECT
THE RIGHTS OF APPLICANTS TO SEEK JUDICIAL ENFORCEMENT OF
MANDATORY OBLIGATIONS OF THE BOARD AS MAY BE REQUIRED BY THIS
PART.

SECTION 32.2. SECTION 1902 OF TITLE 4 IS AMENDED TO READ:

§ 1902. SEVERABILITY.

(A) GENERAL RULE.--EXCEPT AS PROVIDED IN SUBSECTION (B), THE
PROVISIONS OF THIS [PART] TITLE ARE SEVERABLE. IF ANY PROVISION
OF THIS [PART] TITLE OR ITS APPLICATION TO ANY PERSON OR
CIRCUMSTANCES IS HELD INVALID, THE INVALIDITY SHALL NOT AFFECT
OTHER PROVISIONS OR APPLICATIONS OF THIS [PART] TITLE WHICH CAN
BE GIVEN EFFECT WITHOUT THE INVALID PROVISION OR APPLICATION.

(B) LIMITATION.--IF ANY OF THE PROVISIONS OF SECTION 1201
(RELATING TO PENNSYLVANIA GAMING CONTROL BOARD ESTABLISHED) OR
1209 (RELATING TO SLOT MACHINE LICENSE FEE) OR THEIR APPLICATION
TO ANY PERSON OR CIRCUMSTANCE ARE HELD TO BE INVALID BY ANY
COURT, THE REMAINING PROVISIONS OF THIS [PART] TITLE AND ITS
APPLICATION SHALL BE VOID.

SECTION 32.3. TITLE 4 IS AMENDED BY ADDING A PART TO READ:

PART III

CHAPTER

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CHAPTER 31
GENERAL PROVISIONS

SEC.

3101. SCOPE OF PART.

3102. DEFINITIONS.

§ 3101. SCOPE OF PART.

THIS PART RELATES TO VIDEO GAMING TERMINALS.

§ 3102. DEFINITIONS.

THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS PART SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

"AFFILIATE," "AFFILIATE OF" OR "PERSON AFFILIATED WITH." A PERSON WHO DIRECTLY OR INDIRECTLY, THROUGH ONE OR MORE INTERMEDIARIES, CONTROLS, IS CONTROLLED BY OR IS UNDER COMMON CONTROL WITH A SPECIFIED PERSON.

"APPLICANT." A PERSON WHO, ON HIS OWN BEHALF OR ON BEHALF OF ANOTHER, APPLIES FOR PERMISSION TO ENGAGE IN AN ACT OR ACTIVITY THAT IS REGULATED UNDER THE PROVISIONS OF THIS PART.

"ASSOCIATED EQUIPMENT." EQUIPMENT OR A MECHANICAL, ELECTROMECHANICAL OR ELECTRONIC CONTRIVANCE, COMPONENT OR MACHINE USED IN CONNECTION WITH VIDEO GAMING TERMINALS OR REDEMPTION TERMINALS, INCLUDING REPLACEMENT PARTS, HARDWARE AND...
SOFTWARE.

"BACKGROUND INVESTIGATION." A SECURITY, CRIMINAL, CREDIT AND
SUITABILITY INVESTIGATION OF A PERSON AS PROVIDED FOR IN THIS
PART THAT INCLUDES THE STATUS OF TAXES OWED TO THE UNITED
STATES, THE COMMONWEALTH AND ITS POLITICAL SUBDIVISIONS.

"BOARD." THE PENNSYLVANIA GAMING CONTROL BOARD ESTABLISHED
UNDER SECTION 1201 (RELATING TO PENNSYLVANIA GAMING CONTROL
BOARD ESTABLISHED).

"BUREAU." THE BUREAU OF INVESTIGATIONS AND ENFORCEMENT OF
THE BOARD.

"CASH." UNITED STATES CURRENCY AND COIN.

"CASH EQUIVALENT." A TICKET, TOKEN, CHIP, CARD OR OTHER
SIMILAR INSTRUMENT OR REPRESENTATION OF VALUE THAT THE BOARD
DEEMS A CASH EQUIVALENT IN ACCORDANCE WITH THIS PART.

"CENTRAL CONTROL COMPUTER." A CENTRAL SITE COMPUTER
CONTROLLED BY THE DEPARTMENT AND ACCESSIBLE BY THE BOARD TO
WHICH ALL VIDEO GAMING TERMINALS COMMUNICATE FOR THE PURPOSE OF
AUDITING CAPACITY, REAL-TIME INFORMATION RETRIEVAL OF THE
DETAILS OF ANY FINANCIAL EVENT THAT OCCURS IN THE OPERATION OF A
VIDEO GAMING TERMINAL OR REDEMPTION TERMINAL, INCLUDING, BUT NOT
LIMITED TO, COIN IN, COIN OUT, TICKET IN, TICKET OUT, JACKPOTS,
VIDEO GAMING TERMINAL AND REDEMPTION TERMINAL DOOR OPENINGS AND
POWER FAILURE AND REMOTE VIDEO GAMING TERMINAL OR REDEMPTION
TERMINAL ACTIVATION AND DISABLING OF VIDEO GAMING TERMINALS OR
REDEMPTION TERMINALS.

"CHEAT."

(1) ANY OF THE FOLLOWING:

(I) TO DEFRAUD OR STEAL FROM A PLAYER, TERMINAL
OPERATOR LICENSEE, ESTABLISHMENT LICENSEE OR THE
COMMONWEALTH WHILE OPERATING OR PLAYING A VIDEO GAMING
TERMINAL, INCLUDING CAUSING, AIDING, ABETTING OR
CONSPiring WITH ANOTHER PERSON TO DO SO.

(II) TO ALTER OR CAUSING, AIDING, ABETTING OR
CONSPiring WITH ANOTHER PERSON TO ALTER THE ELEMENTS OF
CHANCE, METHOD OF SELECTION OR CRITERIA THAT DETERMINE:

(A) THE RESULT OF A VIDEO GAMING TERMINAL GAME.
(B) THE AMOUNT OR FREQUENCY OF PAYMENT IN A
VIDEO GAMING TERMINAL GAME.
(C) THE VALUE OF A WAGERING INSTRUMENT.
(D) THE VALUE OF A WAGERING CREDIT.

(III) THE TERM DOES NOT INCLUDE ALTERING A VIDEO
GAMING TERMINAL OR ASSOCIATED EQUIPMENT FOR MAINTENANCE
OR REPAIR WITH THE APPROVAL OF A TERMINAL OPERATOR
LICENSEE AND THE BOARD.

"CHEATING OR THIEVING DEVICE." A DEVICE:

(1) USED OR POSSESSED WITH THE INTENT TO BE USED TO
CHEAT DURING THE OPERATION OR PLAY OF A VIDEO GAMING
TERMINAL; OR

(2) USED TO ALTER A VIDEO GAMING TERMINAL WITHOUT THE
TERMINAL OPERATOR LICENSEE'S AND THE BOARD'S APPROVAL.

"COIN-OPERATED AMUSEMENT GAME." A MACHINE THAT REQUIRES THE
INSERTION OF A COIN, CURRENCY OR TOKEN TO PLAY OR ACTIVATE A
GAME THE OUTCOME OF WHICH IS PREDOMINANTLY AND PRIMARILY
DETERMINED BY THE SKILL OF THE PLAYER.

"COMPENSATION." ANYTHING OF VALUE, MONEY OR A FINANCIAL
BENEFIT CONFERRED ON OR RECEIVED BY A PERSON IN RETURN FOR
SERVICES RENDERED OR TO BE RENDERED WHETHER BY THE PERSON OR
ANOTHER.

"COMPLIMENTARY SERVICE." A LODGING, SERVICE OR ITEM THAT IS
PROVIDED TO AN INDIVIDUAL AT NO COST OR AT A REDUCED COST THAT
IS NOT GENERALLY AVAILABLE TO THE PUBLIC UNDER SIMILAR CIRCUMSTANCES. GROUP RATES, INCLUDING CONVENTION AND GOVERNMENT RATES, SHALL BE DEEMED TO BE GENERALLY AVAILABLE TO THE PUBLIC.

"CONDUCT OF VIDEO GAMING." THE LICENSED PLACEMENT, OPERATION AND PLAY OF VIDEO GAMING TERMINALS UNDER THIS PART, AS AUTHORIZED AND APPROVED BY THE BOARD.

"CONTROLLING INTEREST." ANY OF THE FOLLOWING:

(1) FOR A PUBLICLY TRADED DOMESTIC OR FOREIGN CORPORATION, THE TERM MEANS A PERSON HAS A CONTROLLING INTEREST IN A LEGAL ENTITY, APPLICANT OR LICENSEE IF A PERSON'S SOLE VOTING RIGHTS UNDER STATE LAW OR CORPORATE ARTICLES OR BYLAWS ENTITLE THE PERSON TO ELECT OR APPOINT ONE OR MORE OF THE MEMBERS OF THE BOARD OF DIRECTORS OR OTHER GOVERNING BOARD OR THE PERSON HOLDS AN OWNERSHIP OR BENEFICIAL HOLDING OF 5% OR MORE OF THE SECURITIES OF THE PUBLICLY TRADED CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER FORM OF PUBLICLY TRADED LEGAL ENTITY, UNLESS THIS PRESUMPTION OF CONTROL OR ABILITY TO ELECT IS REBUTTED BY CLEAR AND CONVINCING EVIDENCE.

(2) FOR A PRIVATELY HELD DOMESTIC OR FOREIGN CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER FORM OF PRIVATELY HELD LEGAL ENTITY, THE TERM MEANS THE HOLDING OF ANY SECURITIES IN THE LEGAL ENTITY, UNLESS THIS PRESUMPTION OF CONTROL IS REBUTTED BY CLEAR AND CONVINCING EVIDENCE.

"CONVICTION." A FINDING OF GUILT OR A PLEA OF GUILTY OR NOLO CONTENDERE, WHETHER OR NOT A JUDGMENT OF SENTENCE HAS BEEN IMPOSED AS DETERMINED BY THE LAW OF THE JURISDICTION IN WHICH THE PROSECUTION WAS HELD. THE TERM DOES NOT INCLUDE A CONVICTION THAT HAS BEEN EXPUNGED OR OVERTURNED OR FOR WHICH AN INDIVIDUAL
HAS BEEN PARDONED OR HAD AN ORDER OF ACCELERATED REHABILITATIVE
DISPOSITION ENTERED.

"CORPORATION." THE TERM INCLUDES A PUBLICLY TRADED
CORPORATION.

"DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

"ESTABLISHMENT LICENSE." A LICENSE ISSUED BY THE BOARD
AUTHORIZING A TRUCK STOP ESTABLISHMENT TO PERMIT A TERMINAL
OPERATOR LICENSEE TO PLACE AND OPERATE VIDEO GAMING TERMINALS ON
THE TRUCK STOP ESTABLISHMENT'S PREMISES UNDER THIS PART AND THE
RULES AND REGULATIONS PROMULGATED UNDER THIS PART.

"ESTABLISHMENT LICENSEE." A TRUCK STOP ESTABLISHMENT THAT
HOLDS AN ESTABLISHMENT LICENSE.

"EXECUTIVE-LEVEL PUBLIC EMPLOYEE." THE TERM SHALL INCLUDE
THE FOLLOWING:

(1) A DEPUTY SECRETARY OF THE COMMONWEALTH AND THE
GOVERNOR'S OFFICE EXECUTIVE STAFF.

(2) AN EMPLOYEE OF THE EXECUTIVE BRANCH WHOSE DUTIES
SUBSTANTIALLY INVOLVE LICENSING OR ENFORCEMENT UNDER THIS
PART, WHO HAS DISCRETIONARY POWER THAT MAY AFFECT OR
INFLUENCE THE OUTCOME OF A COMMONWEALTH AGENCY'S ACTION OR
DECISION OR WHO IS INVOLVED IN THE DEVELOPMENT OF REGULATIONS
OR POLICIES RELATING TO A LICENSED ENTITY. THE TERM INCLUDES
AN EMPLOYEE WITH LAW ENFORCEMENT AUTHORITY.

(3) AN EMPLOYEE OF A COUNTY OR MUNICIPALITY WITH
DISCRETIONARY POWERS THAT MAY AFFECT OR INFLUENCE THE OUTCOME
OF THE COUNTY'S OR MUNICIPALITY'S ACTION OR DECISION RELATED
TO THIS PART OR WHO IS INVOLVED IN THE DEVELOPMENT OF LAW,
REGULATION OR POLICY RELATING TO MATTERS REGULATED UNDER THIS
PART. THE TERM INCLUDES AN EMPLOYEE WITH LAW ENFORCEMENT
AUTHORITY.
(4) An employee of a department, agency, board, commission, authority or other governmental body not included in paragraph (1), (2) or (3) with discretionary power that may affect or influence the outcome of the governmental body's action or decision related to this part or who is involved in the development of regulation or policy relating to matters regulated under this part. The term includes an employee with law enforcement authority.

"Financial backer." An investor, mortgagee, bondholder, noteholder or other sources of equity or capital provided to an applicant or licensed entity.

"Gambling game." A game that plays or simulates the play of video poker, reel games, blackjack or other similar game authorized by the board.

"Gaming employee."

(1) Any of the following:

   (I) An employee of a terminal operator licensee, establishment licensee or supplier licensee that is not a key employee and is involved in the conduct of video gaming.

   (II) An employee of a supplier licensee whose duties are directly involved with the repair or distribution of video gaming terminals or associated equipment sold or provided to a terminal operator licensee within this commonwealth as determined by the board.

(2) The term does not include nongaming personnel as determined by the board or an employee of an establishment licensee.

"Gaming service provider." A person that is not required to be licensed as a terminal operator, manufacturer, supplier or
ESTABLISHMENT LICENSEEE AND PROVIDES GOODS OR SERVICES TO A TERMINAL OPERATOR LICENSEEE THAT DIRECTLY RELATES TO THE OPERATION AND SECURITY OF A VIDEO GAMING TERMINAL OR REDEMPTION TERMINAL. THE TERM SHALL NOT INCLUDE A PERSON THAT SUPPLIES GOODS OR SERVICES THAT, AT THE DISCRETION OF THE BOARD, DOES NOT IMPACT THE INTEGRITY OF VIDEO GAMING, VIDEO GAMING TERMINALS OR THE CONNECTION OF VIDEO GAMING TERMINALS TO THE CENTRAL CONTROL COMPUTER SYSTEM, INCLUDING:

(1) SEATING TO ACCOMPANY VIDEO GAMING TERMINALS.
(2) STRUCTURAL OR COSMETIC RENOVATIONS, IMPROVEMENTS OR OTHER ALTERATIONS TO A VIDEO GAMING AREA.

"GROSS TERMINAL REVENUE." THE TOTAL OF CASH OR CASH EQUIVALENTS RECEIVED BY A VIDEO GAMING TERMINAL MINUS THE TOTAL OF CASH OR CASH EQUIVALENTS PAID OUT TO PLAYERS AS A RESULT OF PLAYING A VIDEO GAMING TERMINAL. THE TERM DOES NOT INCLUDE COUNTERFEIT CASH OR CASH TAKEN IN A FRAUDULENT ACT PERPETRATED AGAINST A TERMINAL OPERATOR LICENSEEE FOR WHICH THE TERMINAL OPERATOR LICENSEEE IS NOT REIMBURSED.

"HOLDING COMPANY." A PERSON, OTHER THAN AN INDIVIDUAL, WHICH, DIRECTLY OR INDIRECTLY, OWNS OR HAS THE POWER OR RIGHT TO CONTROL OR TO VOTE A SIGNIFICANT PART OF THE OUTSTANDING VOTING SECURITIES OF A CORPORATION OR OTHER FORM OF BUSINESS ORGANIZATION. A HOLDING COMPANY INDIRECTLY HAS, HOLDS OR OWNS ANY SUCH POWER, RIGHT OR SECURITY IF IT DOES SO THROUGH AN INTEREST IN A SUBSIDIARY OR SUCCESSIVE SUBSIDIARIES.

"INCENTIVE." CONSIDERATION, INCLUDING A PROMOTION OR PRIZE, PROVIDED TO A PLAYER OR POTENTIAL PLAYER AS AN ENTICEMENT TO PLAY A VIDEO GAMING TERMINAL.

"INDUCEMENT."

(1) ANY OF THE FOLLOWING:
(I) CONSIDERATION PAID DIRECTLY OR INDIRECTLY, FROM A MANUFACTURER, SUPPLIER, TERMINAL OPERATOR, PROCUREMENT AGENT, GAMING EMPLOYEE, EMPLOYEE OR ANOTHER PERSON ON BEHALF OF AN APPLICANT OR ANYONE LICENSED UNDER THIS PART, TO A TRUCK STOP ESTABLISHMENT, ESTABLISHMENT LICENSEE, ESTABLISHMENT LICENSEE OWNER OR AN EMPLOYEE OF THE ESTABLISHMENT LICENSEE, DIRECTLY OR INDIRECTLY AS AN ENTICEMENT TO SOLICIT OR MAINTAIN THE ESTABLISHMENT LICENSEE OR ESTABLISHMENT LICENSEE OWNER'S BUSINESS.

(II) CASH, INCENTIVE, MARKETING AND ADVERTISING COST, GIFT, FOOD, BEVERAGE, LOAN, PREPAYMENT OF GROSS TERMINAL REVENUE AND OTHER CONTRIBUTION OR PAYMENT THAT OFFSETS AN ESTABLISHMENT LICENSEE'S OPERATIONAL COSTS, OR AS OTHERWISE DETERMINED BY THE BOARD.

(2) THE TERM SHALL NOT INCLUDE COSTS PAID BY A TERMINAL OPERATOR APPLICANT OR TERMINAL OPERATOR LICENSEE RELATED TO MAKING VIDEO GAMING TERMINALS OPERATE AT THE PREMISES OF AN ESTABLISHMENT LICENSEE, INCLUDING WIRING ANDREWIRING, SOFTWARE UPDATES, ONGOING VIDEO GAMING TERMINAL MAINTENANCE, REDEMPTION TERMINALS, NETWORK CONNECTIONS, SITE CONTROLLERS AND COSTS ASSOCIATED WITH COMMUNICATING WITH THE CENTRAL CONTROL COMPUTER SYSTEM.

BANKING AND OTHER CHARTERED OR LICENSED LENDING INSTITUTION,
INVESTMENT ADVISOR REGISTERED UNDER THE INVESTMENT ADVISERS ACT
OF 1940 (54 STAT. 847, 15 U.S.C. § 80B-1 ET SEQ.) AND SUCH OTHER
PERSON AS THE BOARD MAY DETERMINE CONSISTENT WITH THIS PART.

"INTERMEDIARY." A PERSON, OTHER THAN AN INDIVIDUAL, THAT:

(1) IS A HOLDING COMPANY WITH RESPECT TO A CORPORATION
OR OTHER FORM OF BUSINESS ORGANIZATION, THAT HOLDS OR APPLIES
FOR A LICENSE UNDER THIS PART; AND

(2) IS A SUBSIDIARY WITH RESPECT TO A HOLDING COMPANY.

"KEY EMPLOYEE." AN INDIVIDUAL EMPLOYED BY A MANUFACTURER
LICENSEE, SUPPLIER LICENSEE, TERMINAL OPERATOR LICENSEE OR
ESTABLISHMENT LICENSEE THAT IS DETERMINED BY THE BOARD TO BE A
DIRECTOR OR DEPARTMENT HEAD OR OTHERWISE EMPOWERED TO MAKE
DISCRETIONARY DECISIONS THAT REGULATE THE CONDUCT OF VIDEO
GAMING.

"KEY EMPLOYEE LICENSEE." AN INDIVIDUAL WHO HOLDS A KEY
EMPLOYEE LICENSE.

"LAW ENFORCEMENT AUTHORITY." THE POWER TO CONDUCT
INVESTIGATIONS OF OR TO MAKE ARRESTS FOR CRIMINAL OFFENSES.

"LICENSED ENTITY." A TERMINAL OPERATOR LICENSEE,
ESTABLISHMENT LICENSEE, MANUFACTURER LICENSEE OR SUPPLIER
LICENSEE UNDER THIS PART.

"LICENSED ENTITY REPRESENTATIVE." A PERSON, INCLUDING AN
ATTORNEY, AGENT OR LOBBYIST, ACTING ON BEHALF OF OR AUTHORIZED
TO REPRESENT THE INTEREST OF AN APPLICANT, LICENSEE OR OTHER
PERSON AUTHORIZED BY THE BOARD TO ENGAGE IN AN ACT OR ACTIVITY
THAT IS REGULATED UNDER THIS PART REGARDING A MATTER BEFORE OR
THAT MAY REASONABLY BE EXPECTED TO COME BEFORE THE BOARD.

"LICENSED FACILITY." AS DEFINED IN SECTION 1103 (RELATING TO
DEFINITIONS).
"LICENSED GAMING ENTITY." AS DEFINED IN SECTION 1103.

"LICENSEE." A PERSON LISTED UNDER THIS PART.

"MANUFACTURER." A PERSON THAT MANUFACTURES, BUILDS,
REBUILDS, FABRICATES, ASSEMBLES, PRODUCES, PROGRAMS, DESIGNS OR
OTHERWISE MAKES MODIFICATIONS TO A VIDEO GAMING TERMINAL,
REDEMPTION TERMINAL OR ASSOCIATED EQUIPMENT FOR USE OR PLAY OF
VIDEO GAMING TERMINALS IN THIS COMMONWEALTH FOR VIDEO GAMING
PURPOSES.

"MANUFACTURER LICENSE." A LICENSE ISSUED BY THE BOARD
AUTHORIZING A MANUFACTURER TO MANUFACTURE OR PRODUCE VIDEO
GAMING TERMINALS, REDEMPTION TERMINALS OR ASSOCIATED EQUIPMENT
FOR USE IN THIS COMMONWEALTH FOR VIDEO GAMING PURPOSES.

"MANUFACTURER LICENSEE." A PERSON THAT HOLDS A MANUFACTURER
LICENSE.

"MINOR." AN INDIVIDUAL UNDER 21 YEARS OF AGE.

"MUNICIPALITY." A CITY, TOWNSHIP, BOROUGH OR INCORPORATED
TOWN.

"NON-KEY EMPLOYEE." AN INDIVIDUAL EMPLOYED BY A TERMINAL
OPERATOR LICENSEE WHO, UNLESS OTHERWISE DESIGNATED BY THE BOARD,
IS NOT A KEY EMPLOYEE.

"OCCUPATION PERMIT." A PERMIT AUTHORIZING AN INDIVIDUAL TO
BE EMPLOYED OR TO WORK AS A GAMING EMPLOYEE.

"PARTY." THE BUREAU OR AN APPLICANT, LICENSEE, REGISTRANT OR
OTHER PERSON APPEARING OF RECORD IN ANY PROCEEDING BEFORE THE
BOARD.

"PERMITTEE." A HOLDER OF A PERMIT ISSUED UNDER THIS PART.

"PERSON." A NATURAL PERSON, CORPORATION, FOUNDATION,
ORGANIZATION, BUSINESS TRUST, ESTATE, LIMITED LIABILITY COMPANY,
TRUST, PARTNERSHIP, LIMITED LIABILITY PARTNERSHIP, ASSOCIATION
OR OTHER FORM OF LEGAL BUSINESS ENTITY.
"PLAYER." AN INDIVIDUAL WHO WAGERS CASH OR A CASH EQUIVALENT IN THE PLAY OR OPERATION OF A VIDEO GAMING TERMINAL AND THE PLAY OR OPERATION OF WHICH MAY DELIVER OR ENTITLE THE INDIVIDUAL PLAYING OR OPERATING THE VIDEO GAMING TERMINAL TO RECEIVE CASH OR A CASH EQUIVALENT FROM A TERMINAL OPERATOR LICENSEE.

"PRINCIPAL." AN OFFICER, DIRECTOR, PERSON WHO DIRECTLY HOLDS A BENEFICIAL INTEREST IN OR OWNERSHIP OF THE SECURITIES OF AN APPLICANT OR ANYONE LICENSED UNDER THIS PART, PERSON WHO HAS A CONTROLLING INTEREST IN AN APPLICANT OR ANYONE LICENSED UNDER THIS PART OR HAS THE ABILITY TO ELECT A MAJORITY OF THE BOARD OF DIRECTORS OF A LICENSEE OR TO OTHERWISE CONTROL ANYONE LICENSED UNDER THIS PART, PROCUREMENT AGENT, LENDER OR OTHER LICENSED FINANCIAL INSTITUTION OF AN APPLICANT OR ANYONE LICENSED UNDER THIS PART, OTHER THAN A BANK OR LENDING INSTITUTION WHICH MAKES A LOAN OR HOLDS A MORTGAGE OR OTHER LIEN ACQUIRED IN THE ORDINARY COURSE OF BUSINESS, UNDERWRITER OF AN APPLICANT OR ANYONE LICENSED UNDER THIS PART OR OTHER PERSON OR EMPLOYEE OF AN APPLICANT, TERMINAL OPERATOR LICENSEE, MANUFACTURER LICENSEE OR SUPPLIER LICENSEE DEEMED TO BE A PRINCIPAL BY THE BOARD, INCLUDING A PROCUREMENT AGENT.

"PROCUREMENT AGENT." A PERSON THAT SHARES IN THE GROSS TERMINAL REVENUE OR IS OTHERWISE COMPENSATED FOR THE PURPOSE OF SOLICITING OR PROCURING A TERMINAL PLACEMENT AGREEMENT.

"PROGRESSIVE PAYOUT." A VIDEO GAME TERMINAL WAGER PAYOUT THAT INCREASES IN A MONETARY AMOUNT BASED ON THE AMOUNTS WAGERED IN A PROGRESSIVE SYSTEM.

"PROGRESSIVE SYSTEM." A COMPUTERIZED SYSTEM LINKING VIDEO GAMING TERMINALS ON THE PREMISES OF AN ESTABLISHMENT LICENSEE AND OFFERING ONE OR MORE COMMON PROGRESSIVE PAYOUTS BASED ON THE AMOUNTS WAGERED.
"PUBLICLY TRADED CORPORATION." A PERSON, OTHER THAN AN INDIVIDUAL, THAT:

(1) HAS A CLASS OR SERIES OF SECURITIES REGISTERED UNDER THE SECURITIES EXCHANGE ACT OF 1934 (48 STAT. 881, 15 U.S.C. § 78A ET SEQ.);

(2) IS A REGISTERED MANAGEMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OF 1940; OR


"REDEMPTION TERMINAL." THE COLLECTIVE HARDWARE, SOFTWARE, COMMUNICATIONS TECHNOLOGY AND OTHER ANCILLARY EQUIPMENT USED TO FACILITATE THE PAYMENT OF CASH OR A CASH EQUIVALENT TO A PLAYER AS A RESULT OF PLAYING A VIDEO GAMING TERMINAL.


"SLOT MACHINE." AS DEFINED IN SECTION 1103.

"STATE TREASURER." THE STATE TREASURER OF THE COMMONWEALTH.

"SUBSIDIARY." AS DEFINED IN SECTION 1103.

"SUPPLIER." A PERSON THAT SELLS, LEASES, OFFERS OR OTHERWISE PROVIDES, DISTRIBUTES OR SERVICES ANY VIDEO GAMING TERMINAL, REDEMPTION TERMINAL OR ASSOCIATED EQUIPMENT TO A TERMINAL OPERATOR LICENSEE FOR USE OR PLAY IN THIS COMMONWEALTH.

"SUPPLIER LICENSE." A LICENSE ISSUED BY THE BOARD AUTHORIZING A SUPPLIER TO PROVIDE PRODUCTS OR SERVICES RELATED TO VIDEO GAMING TERMINALS, REDEMPTION TERMINALS OR ASSOCIATED EQUIPMENT TO TERMINAL OPERATOR LICENSEES FOR USE IN THIS COMMONWEALTH.
COMMONWEALTH FOR THE CONDUCT OF VIDEO GAMING.

"SUPPLIER LICENSEE." A PERSON THAT HOLDS A SUPPLIER LICENSE.

"TERMINAL OPERATOR." A PERSON THAT OWNS, SERVICES OR MAINTAINS VIDEO GAMING TERMINALS FOR PLACEMENT AND OPERATION ON THE PREMISES OF AN ESTABLISHMENT LICENSEE.

"TERMINAL OPERATOR LICENSE." A LICENSE ISSUED BY THE BOARD AUTHORIZING A TERMINAL OPERATOR TO PLACE AND OPERATE VIDEO GAMING TERMINALS IN AN ESTABLISHMENT LICENSEE'S PREMISES PURSUANT TO THIS PART AND THE RULES AND REGULATIONS PROMULGATED UNDER THIS PART.

"TERMINAL OPERATOR LICENSEE." A PERSON THAT HOLDS A TERMINAL OPERATOR LICENSE.

"TERMINAL PLACEMENT AGREEMENT." THE FORMAL WRITTEN AGREEMENT OR CONTRACT BETWEEN AN APPLICANT FOR A TERMINAL OPERATOR LICENSE OR TERMINAL OPERATOR LICENSEE AND AN APPLICANT FOR AN ESTABLISHMENT LICENSE OR ESTABLISHMENT OR ESTABLISHMENT LICENSEE THAT ESTABLISHES THE TERMS AND CONDITIONS REGARDING THE CONDUCT OF VIDEO GAMING.

"TRUCK STOP ESTABLISHMENT." A PREMISES THAT:

1. IS EQUIPPED WITH DIESEL ISLANDS USED FOR FUELING COMMERCIAL MOTOR VEHICLES.

2. HAS SOLD ON AVERAGE 50,000 GALLONS OF DIESEL OR BIODIESEL FUEL EACH MONTH FOR THE PREVIOUS 12 MONTHS OR IS PROJECTED TO SELL AN AVERAGE OF 50,000 GALLONS OF DIESEL OR BIODIESEL FUEL EACH MONTH FOR THE NEXT 12 MONTHS.

3. HAS AT LEAST 20 PARKING SPACES DEDICATED FOR COMMERCIAL MOTOR VEHICLES.

4. HAS A CONVENIENCE STORE.

5. IS SITUATED ON A PARCEL OF LAND OF NOT LESS THAN THREE ACRES THAT THE TRUCK STOP ESTABLISHMENT OWNS OR LEASES.
(6) IS NOT LOCATED ON ANY PROPERTY OWNED BY THE PENNSYLVANIA TURNPIKE.

"VIDEO GAMING AREA." THE AREA OF AN ESTABLISHMENT LICENSEE'S PREMISES WHERE VIDEO GAMING TERMINALS AND REDEMPTION TERMINALS ARE INSTALLED FOR OPERATION AND PLAY.

"VIDEO GAMING EMPLOYEES." THE TERM INCLUDES GAMING EMPLOYEES, KEY EMPLOYEES AND NON-KEY EMPLOYEES.

"VIDEO GAMING FUND." THE FUND ESTABLISHED IN SECTION 4102 (RELATING TO TAXES AND ASSESSMENTS).

"VIDEO GAMING TERMINAL."

(1) A MECHANICAL OR ELECTRICAL CONTRIVANCE, TERMINAL, MACHINE OR OTHER DEVICE APPROVED BY THE BOARD THAT, UPON INSERTION OF CASH OR CASH EQUIVALENTS, IS AVAILABLE TO PLAY OR OPERATE ONE OR MORE GAMBLING GAMES, THE PLAY OF WHICH UTILIZES A RANDOM NUMBER GENERATOR AND:

(I) MAY AWARD A WINNING PLAYER EITHER A FREE GAME OR CREDIT THAT SHALL ONLY BE REDEEMABLE FOR CASH OR CASH EQUIVALENTS AT A REDEMPTION TERMINAL.

(II) MAY UTILIZE VIDEO DISPLAYS.

(III) MAY USE AN ELECTRONIC CREDIT SYSTEM FOR RECEIVING WAGERS AND MAKING PAYOUTS THAT ARE ONLY REDEEMABLE AT A REDEMPTION TERMINAL.

(2) ASSOCIATED EQUIPMENT NECESSARY TO CONDUCT THE OPERATION OF THE CONTRIVANCE, TERMINAL, MACHINE OR OTHER DEVICE.

(3) THE TERM DOES NOT INCLUDE A SLOT MACHINE OPERATED AT A LICENSED FACILITY IN ACCORDANCE WITH PART II (RELATING TO GAMING) OR A COIN-OPERATED AMUSEMENT GAME.

(4) THE TERM DOES NOT INCLUDE "LOTTERY" AS DEFINED UNDER THE ACT OF AUGUST 26, 1971 (P.L.351, NO.91), KNOWN AS THE 20170HB0271PN2652
§ 3301. POWERS OF BOARD.

(A) GENERAL POWERS.--

(1) The board shall have general and sole regulatory authority over the conduct of video gaming or related activities as described in this part. The board shall ensure the integrity of the acquisition and operation of video gaming terminals, redemption terminals and associated equipment and shall have sole regulatory authority over every aspect of the conduct of video gaming.

(2) The board may employ individuals as necessary to carry out the requirements of this part who shall serve at the board's pleasure.

(B) SPECIFIC POWERS.--The board shall have the power and duty:

(1) To require background investigations on applicants, licensees, principals, key employees, procurement agents or
GAMING EMPLOYEES UNDER THE JURISDICTION OF THE BOARD.

(2) AT ITS DISCRETION, TO ISSUE, APPROVE, RENEW, REVOKE,
SUSPEND, CONDITION OR DENY ISSUANCE OR RENEWAL OF TERMINAL
OPERATOR LICENSES.

(3) AT ITS DISCRETION, TO AWARD, REVOKE, SUSPEND,
CONDITION OR DENY ISSUANCE OR RENEWAL OF ESTABLISHMENT
LICENSES.

(4) AT ITS DISCRETION, TO ISSUE, APPROVE, RENEW, REVOKE,
SUSPEND, CONDITION OR DENY ISSUANCE OR RENEWAL OF SUPPLIER
AND MANUFACTURER LICENSES.

(5) AT ITS DISCRETION, TO ISSUE, APPROVE, RENEW, REVOKE,
SUSPEND, CONDITION OR DENY ISSUANCE OR RENEWAL OF A LICENSE
OR PERMIT FOR VARIOUS CLASSES OF EMPLOYEES AS REQUIRED UNDER
THIS PART.

(6) AT ITS DISCRETION, TO ISSUE, APPROVE, RENEW, REVOKE,
SUSPEND, CONDITION OR DENY ISSUANCE OR RENEWAL OF ADDITIONAL
LICENSES, PERMITS OR OTHER AUTHORIZATION THAT MAY BE REQUIRED
BY THE BOARD UNDER THIS PART.

(7) AT ITS DISCRETION, TO SUSPEND, CONDITION OR DENY THE
ISSUANCE OR RENEWAL OF A LICENSE OR PERMIT OR LEVY A FINE OR
OTHER SANCTION FOR A VIOLATION OF THIS PART.

(8) TO REQUIRE PROSPECTIVE AND EXISTING VIDEO GAMING
EMPLOYEES, INDEPENDENT CONTRACTORS, APPLICANTS, PERMITTEES
AND LICENSEES TO SUBMIT TO FINGERPRINTING BY THE PENNSYLVANIA
STATE POLICE OR ITS AUTHORIZED DESIGNEE. THE PENNSYLVANIA
STATE POLICE OR ITS AUTHORIZED DESIGNEE SHALL SUBMIT THE
FINGERPRINTS TO THE FEDERAL BUREAU OF INVESTIGATION FOR
PURPOSES OF VERIFYING THE IDENTITY OF THE INDIVIDUAL AND
OBTAINING RECORDS OF CRIMINAL ARRESTS AND CONVICTIONS.

(9) TO REQUIRE PROSPECTIVE AND EXISTING VIDEO GAMING
EMPLOYEES, INDEPENDENT CONTRACTORS, APPLICANTS, PERMITTEES AND LICENSEES TO SUBMIT PHOTOGRAPHS CONSISTENT WITH A STATEMENT OF POLICY DEVELOPED BY THE BOARD.

(10) IN ADDITION TO THE POWER OF THE BOARD RELATING TO LICENSE AND PERMIT APPLICANTS, TO DETERMINE AT ITS DISCRETION THE SUITABILITY OF A PERSON WHO FURNISHES OR SEeks TO FURNISH TO A TERMINAL OPERATOR LICENSEE DIRECTLY OR INDIRECTLY GOODS, SERVICES OR PROPERTY RELATED TO VIDEO GAMING TERMINALS, REDEMPTION TERMINALS OR ASSOCIATED EQUIPMENT.

(11) TO APPROVE AN APPLICATION FOR OR ISSUE OR RENEW A LICENSE, CERTIFICATE, REGISTRATION, PERMIT OR OTHER AUTHORIZATION THAT MAY BE REQUIRED BY THE BOARD, IF THE BOARD IS SATISFIED THAT THE PERSON HAS DEMONSTRATED BY CLEAR AND CONVINCING EVIDENCE THAT THE PERSON IS OF GOOD CHARACTER, HONESTY AND INTEGRITY WHOSE PRIOR ACTIVITIES, CRIMINAL RECORD, IF ANY, REPUTATION, HABITS AND ASSOCIATIONS DO NOT POSE A THREAT TO THE PUBLIC INTEREST OR THE EFFECTIVE REGULATION AND CONTROL OF VIDEO GAMING TERMINAL OPERATIONS OR CREATE OR ENHANCE THE DANGER OF UNSUITABLE, UNFAIR OR ILLEGAL PRACTICES, METHODS AND ACTIVITIES IN THE CONDUCT OF VIDEO GAMING OR THE CARRYING ON OF THE BUSINESS AND FINANCIAL ARRANGEMENTS INCIDENTAL THERETO.

(12) TO PUBLISH ON THE BOARD'S PUBLICLY ACCESSIBLE INTERNET WEBSITE A COMPLETE LIST OF PERSONS OR ENTITIES WHO APPLIED FOR OR HELD A TERMINAL OPERATOR LICENSE, ESTABLISHMENT LICENSE, MANUFACTURER LICENSE OR SUPPLIER LICENSE AT ANY TIME DURING THE PRECEDING CALENDAR YEAR AND AFFILIATES, INTERMEDIARIES, SUBSIDIARIES AND HOLDING COMPANIES THEREOF AND THE STATUS OF THE APPLICATION OR LICENSE.
(13) TO PREPARE AND, THROUGH THE GOVERNOR, SUBMIT ANNUALLY TO THE GENERAL ASSEMBLY AN ITEMIZED BUDGET CONSISTENT WITH ARTICLE VI OF THE ACT OF APRIL 9, 1929 (P.L.177, NO.175), KNOWN AS THE ADMINISTRATIVE CODE OF 1929, CONSISTING OF THE AMOUNTS NECESSARY TO BE APPROPRIATED BY THE GENERAL ASSEMBLY OUT OF THE ACCOUNTS ESTABLISHED UNDER SECTION 4104 (RELATING TO REGULATORY ASSESSMENTS) REQUIRED TO MEET THE OBLIGATIONS UNDER THIS PART ACCRUING DURING THE FISCAL PERIOD BEGINNING JULY 1 OF THE FOLLOWING YEAR.

(14) IN THE EVENT THAT APPROPRIATIONS FOR THE ADMINISTRATION OF THIS PART ARE NOT ENACTED BY JUNE 30 OF ANY YEAR, FUNDS APPROPRIATED FOR THE ADMINISTRATION OF THIS PART WHICH ARE UNEXPENDED, UNCOMMITTED AND UNENCUMBERED AT THE END OF A FISCAL YEAR SHALL REMAIN AVAILABLE FOR EXPENDITURE BY THE BOARD OR OTHER AGENCY TO WHICH THEY WERE APPROPRIATED UNTIL THE ENACTMENT OF AN APPROPRIATION FOR THE ENSUING FISCAL YEAR.

(15) TO COLLECT AND POST INFORMATION ON THE BOARD'S PUBLICLY ACCESSIBLE INTERNET WEBSITE WITH SUFFICIENT DETAIL TO INFORM THE PUBLIC OF PERSONS WITH A CONTROLLING INTEREST OR OWNERSHIP INTEREST IN AN APPLICANT FOR A TERMINAL OPERATOR LICENSE OR TERMINAL OPERATOR LICENSEE OR AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF AN APPLICANT FOR A TERMINAL OPERATOR LICENSE. THE POSTING SHALL INCLUDE:

(I) IF THE APPLICANT FOR A TERMINAL OPERATOR LICENSE OR TERMINAL OPERATOR LICENSEE OR AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF THE APPLICANT FOR A TERMINAL OPERATOR LICENSE OR TERMINAL OPERATOR LICENSEE IS A PUBLICLY TRADED DOMESTIC OR FOREIGN CORPORATION, PARTNERSHIP, LIMITED LIABILITY
COMPANY OR OTHER LEGAL ENTITY, THE NAMES OF PERSONS WITH A CONTROLLING INTEREST.

(II) IF THE APPLICANT FOR A TERMINAL OPERATOR LICENSE OR TERMINAL OPERATOR LICENSEE OR AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF THE APPLICANT FOR A TERMINAL OPERATOR LICENSE OR TERMINAL OPERATOR LICENSEE IS A PRIVATELY HELD DOMESTIC OR FOREIGN CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER LEGAL ENTITY, THE NAMES OF ALL PERSONS WITH AN OWNERSHIP INTEREST EQUAL TO OR GREATER THAN 1%.

(III) THE NAME OF A PERSON ENTITLED TO CAST THE VOTE OF A PERSON NAMED UNDER SUBPARAGRAPH (I) OR (II).

(IV) THE NAMES OF OFFICERS, DIRECTORS AND PRINCIPALS OF THE APPLICANT FOR A TERMINAL OPERATOR LICENSE OR TERMINAL OPERATOR LICENSEE.

(16) DETERMINE, DESIGNATE AND CLASSIFY EMPLOYEES OF A TERMINAL OPERATOR LICENSEE AS KEY EMPLOYEES AND NON-KEY EMPLOYEES.

§ 3302. REGULATORY AUTHORITY OF BOARD.

(A) GENERAL RULE.—THE BOARD SHALL HAVE THE POWER AND DUTY:

(1) TO DENY, DENY THE RENEWAL, REVOKE, CONDITION OR SUSPEND A LICENSE OR PERMIT PROVIDED FOR IN THIS PART IF THE BOARD FINDS IN ITS SOLE DISCRETION THAT AN APPLICANT, LICENSEE OR PERMITTEE UNDER THIS PART OR ITS OFFICERS, EMPLOYEES OR AGENTS HAVE FURNISHED FALSE OR MISLEADING INFORMATION TO THE BOARD OR FAILED TO COMPLY WITH THE PROVISIONS OF THIS PART OR THE RULES AND REGULATIONS OF THE BOARD AND THAT IT WOULD BE IN THE PUBLIC INTEREST TO DENY, DENY THE RENEWAL, REVOKE, CONDITION OR SUSPEND THE LICENSE OR PERMIT.
(2) TO RESTRICT ACCESS TO CONFIDENTIAL INFORMATION IN
THE POSSESSION OF THE BOARD THAT HAS BEEN OBTAINED UNDER THIS
PART AND ENSURE THAT THE CONFIDENTIALITY OF INFORMATION IS
MAINTAINED AND PROTECTED.

(3) TO PRESCRIBE AND REQUIRE PERIODIC FINANCIAL
REPORTING AND INTERNAL CONTROL REQUIREMENTS FOR TERMINAL
OPERATOR LICENSEES.

(4) TO REQUIRE THAT EACH TERMINAL OPERATOR LICENSEE
PROVIDE TO THE BOARD ITS ANNUAL FINANCIAL STATEMENTS, WITH
SUCH ADDITIONAL DETAIL AS THE BOARD SHALL REQUIRE, WHICH
SHALL BE SUBMITTED NOT LATER THAN 180 DAYS AFTER THE END OF
THE LICENSEE’S FISCAL YEAR.

(5) TO PRESCRIBE THE PROCEDURES TO BE FOLLOWED BY
TERMINAL OPERATOR LICENSEES FOR A FINANCIAL EVENT THAT OCCURS
IN THE OPERATION AND PLAY OF VIDEO GAMING TERMINALS.

(6) TO REQUIRE THAT EACH ESTABLISHMENT LICENSEE
PROHIBITS MINORS FROM OPERATING OR USING VIDEO GAMING
TERMINALS OR REDEMPTION TERMINALS.

(7) TO ESTABLISH PROCEDURES FOR THE INSPECTION AND
CERTIFICATION OF COMPLIANCE OF VIDEO GAMING TERMINALS,
REDEMPTION TERMINALS AND ASSOCIATED EQUIPMENT PRIOR TO BEING
PLACED INTO USE ON THE PREMISES OF AN ESTABLISHMENT LICENSEE
BY A TERMINAL OPERATOR LICENSEE.

(8) TO REQUIRE THAT NO VIDEO GAMING TERMINAL MAY BE SET
TO PAY OUT LESS THAN THE THEORETICAL PAYOUT PERCENTAGE, WHICH
PERCENTAGE SHALL BE NO LESS THAN 85%, AS SPECIFICALLY
APPROVED BY THE BOARD. THE BOARD SHALL ADOPT REGULATIONS THAT
DEFINE THE THEORETICAL PAYOUT PERCENTAGE OF A VIDEO GAMING
TERMINAL GAME BASED ON THE TOTAL VALUE OF THE JACKPOTS
EXPECTED TO BE PAID BY A PLAY ON A VIDEO GAMING TERMINAL GAME.
DIVIDED BY THE TOTAL VALUE OF VIDEO GAMING TERMINALS WAGERS
EXPECTED TO BE MADE ON THAT PLAY OR VIDEO GAMING TERMINAL
GAME DURING THE SAME PORTION OF THE GAME CYCLE. IN SO DOING,
THE BOARD SHALL SPECIFY WHETHER THE CALCULATION INCLUDES A
PORTION OF OR THE ENTIRE CYCLE OF A VIDEO GAMING TERMINAL
GAME.

(9) TO REQUIRE THAT AN ESTABLISHMENT LICENSE APPLICANT
PROVIDE DETAILED SITE PLANS OF ITS PROPOSED VIDEO GAMING AREA
FOR REVIEW AND APPROVAL BY THE BOARD FOR THE PURPOSE OF
DETERMINING THE ADEQUACY OF THE PROPOSED SECURITY AND
SURVEILLANCE MEASURES. THE APPLICANT SHALL COOPERATE WITH THE
BOARD IN MAKING CHANGES TO THE PLANS SUGGESTED BY THE BOARD
AND SHALL ENSURE THAT THE PLANS AS MODIFIED AND APPROVED ARE
IMPLEMENTED. THE BOARD MAY NOT REQUIRE A FLOOR-TO-CEILING
WALL TO SEGREGATE THE VIDEO GAMING AREA, BUT MAY ADOPT RULES
TO ESTABLISH SEGREGATION REQUIREMENTS.

(10) TO PROMULGATE RULES AND REGULATIONS GOVERNING THE
ADVERTISEMENT OF VIDEO GAMING TERMINALS, PROVIDED THAT THE
BOARD SHALL REQUIRE ALL ADVERTISEMENTS TO DISPLAY OR
REFERENCE THE TOLL-FREE PROBLEM GAMBLING TELEPHONE NUMBER
MAINTAINED BY THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR
SUCCESSOR AGENCY UNDER SECTION 3310(B) (RELATING TO DUTIES OF
DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS).

(11) TO ENTER INTO CONTRACTS WITH PERSONS FOR THE
PURPOSES OF CARRYING OUT THE POWERS AND DUTIES OF THE BOARD
UNDER THIS PART.

(12) TO ADOPT REGULATIONS GOVERNING THE POSTEMPLOYMENT
LIMITATIONS AND RESTRICTIONS APPLICABLE TO MEMBERS AND
EMPLOYEES OF THE BOARD SUBJECT TO SECTION 4302 (RELATING TO
ADDITIONAL BOARD RESTRICTIONS). IN DEVELOPING THE
REGULATIONS, THE BOARD MAY CONSULT WITH THE STATE ETHICS
COMMISSION, GOVERNMENTAL AGENCIES AND THE DISCIPLINARY BOARD
OF THE SUPREME COURT REGARDING POSTEMPLOYMENT LIMITATIONS AND
RESTRICTIONS ON MEMBERS AND EMPLOYEES OF THE BOARD WHO ARE
MEMBERS OF THE PENNSYLVANIA BAR.

(13) TO REVIEW AND APPROVE ALL CASH AND CASH EQUIVALENT
HANDLING POLICIES AND PROCEDURES EMPLOYED BY TERMINAL
OPERATOR LICENSEES.

(14) TO PROMULGATE RULES AND REGULATIONS GOVERNING THE
PLACEMENT OF AUTOMATED TELLER MACHINES WITHIN VIDEO GAMING
AREAS.

(15) TO ESTABLISH AGE-VERIFICATION PROCEDURES FOR
ESTABLISHMENT LICENSEES AND THEIR EMPLOYEES TO ENSURE MINORS
DO NOT ACCESS A VIDEO GAMING AREA, VIDEO GAMING TERMINAL OR
REDEMPTION TERMINAL.

(16) TO PROMULGATE RULES AND REGULATIONS GOVERNING THE
INTERCONNECTION OF VIDEO GAMING TERMINALS WITHIN THE PREMISES
OF AN ESTABLISHMENT LICENSEE FOR A PROGRESSIVE SYSTEM.

(17) TO PROMULGATE RULES AND REGULATIONS NECESSARY FOR
THE ADMINISTRATION AND ENFORCEMENT OF THIS PART.

(B) APPLICABLE LAW.--EXCEPT AS PROVIDED IN SECTION 3303
(RELATING TO TEMPORARY REGULATIONS), REGULATIONS SHALL BE
ADOPTED IN ACCORDANCE WITH THE ACT OF JULY 31, 1968 (P.L.769,
NO.240), REFERRED TO AS THE COMMONWEALTH DOCUMENTS LAW, AND THE
ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS THE REGULATORY
REVIEW ACT.

§ 3303. TEMPORARY REGULATIONS.

(A) PROMULGATION.--IN ORDER TO FACILITATE THE PROMPT
IMPLEMENTATION OF THIS PART, REGULATIONS PROMULGATED BY THE
BOARD SHALL BE DEEMED TEMPORARY REGULATIONS WHICH SHALL EXPIRE
NO LATER THAN TWO YEARS FOLLOWING THE PUBLICATION OF THE
TEMPORARY REGULATIONS, THE BOARD MAY PROMULGATE TEMPORARY
REGULATIONS NOT SUBJECT TO:

(1) SECTIONS 201, 202, 203, 204 AND 205 OF THE ACT OF
JULY 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE
COMMONWEALTH DOCUMENTS LAW.

(2) SECTION 204(B) OF THE ACT OF OCTOBER 15, 1980
(P.L.950, NO.164), KNOWN AS THE COMMONWEALTH ATTORNEYS ACT.

(3) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS
THE REGULATORY REVIEW ACT.

(B) EXPIRATION.--EXCEPT FOR TEMPORARY REGULATIONS RELATED TO
SECURITY AND SURVEILLANCE, THE AUTHORITY PROVIDED TO THE BOARD
TO ADOPT TEMPORARY REGULATIONS IN SUBSECTION (A) SHALL EXPIRE
TWO YEARS FOLLOWING THE PUBLICATION OF THE TEMPORARY
REGULATIONS. REGULATIONS ADOPTED AFTER THAT DATE SHALL BE
PROMULGATED AS PROVIDED BY LAW.

§ 3304. APPEALS.

AN APPLICANT, LICENSEE OR PERMITTEE MAY APPEAL A FINAL ORDER,
DETERMINATION OR DECISION OF THE BOARD INVOLVING THE APPROVAL,
ISSUANCE, DENIAL, REVOCATION, NONRENEWAL, SUSPENSION OR
CONDITIONING, INCLUDING ANY DISCIPLINARY ACTIONS, OF A LICENSE,
PERMIT OR AUTHORIZATION UNDER THIS PART IN ACCORDANCE WITH 2
PA.C.S. CHS. 5 SUBCH. A (RELATING TO PRACTICE AND PROCEDURE OF
COMMONWEALTH AGENCIES) AND 7 SUBCH. A (RELATING TO JUDICIAL
REVIEW OF COMMONWEALTH AGENCY ACTION).

§ 3305. RECORDS AND CONFIDENTIALITY OF INFORMATION.

(A) RECORDS.--THE BOARD SHALL MAINTAIN FILES AND RECORDS
DEEMED NECESSARY FOR THE ADMINISTRATION AND ENFORCEMENT OF THIS
PART.

(B) CONFIDENTIALITY OF INFORMATION.--
THE FOLLOWING INFORMATION SUBMITTED BY AN APPLICANT, LICENSEE OR PERMITTEE UNDER CHAPTER 35 (RELATING TO APPLICATION AND LICENSURE) OR OBTAINED BY THE BOARD OR THE BUREAU AS PART OF A BACKGROUND OR OTHER INVESTIGATION FROM ANY SOURCE SHALL BE CONFIDENTIAL AND WITHHELD FROM PUBLIC DISCLOSURE:

(I) INFORMATION RELATING TO CHARACTER, HONESTY AND INTEGRITY, INCLUDING FAMILY, HABITS, REPUTATION, HISTORY OF CRIMINAL ACTIVITY, BUSINESS ACTIVITIES, FINANCIAL AFFAIRS AND BUSINESS, PROFESSIONAL AND PERSONAL ASSOCIATIONS SUBMITTED TO OR OTHERWISE OBTAINED BY THE BOARD OR THE BUREAU.

(II) NONPUBLIC PERSONAL INFORMATION, INCLUDING HOME ADDRESSES, TELEPHONE NUMBERS AND OTHER PERSONAL CONTACT INFORMATION, SOCIAL SECURITY NUMBERS, EDUCATIONAL RECORDS, MEMBERSHIPS, MEDICAL RECORDS, TAX RETURNS AND DECLARATIONS, ACTUAL OR PROPOSED COMPENSATION, FINANCIAL ACCOUNT RECORDS, CREDITWORTHINESS OR FINANCIAL CONDITION RELATING TO AN APPLICANT, LICENSEE OR PERMITTEE OR THE IMMEDIATE FAMILY THEREOF.

(III) INFORMATION RELATING TO PROPRIETARY INFORMATION, TRADE SECRETS, PATENTS OR EXCLUSIVE LICENSES, ARCHITECTURAL AND ENGINEERING PLANS AND INFORMATION RELATING TO COMPETITIVE MARKETING MATERIALS AND STRATEGIES, INCLUDING CUSTOMER-IDENTIFYING INFORMATION OR CUSTOMER PROSPECTS FOR SERVICES SUBJECT TO COMPETITION.

(IV) SECURITY INFORMATION, INCLUDING RISK PREVENTION PLANS, DETECTION AND COUNTERMEASURES, EMERGENCY MANAGEMENT PLANS, SECURITY AND SURVEILLANCE PLANS,
EQUIPMENT AND USAGE PROTOCOLS AND THEFT AND FRAUD
PREVENTION PLANS AND COUNTERMEASURES.

(V) INFORMATION WITH RESPECT TO WHICH THERE IS A
REASONABLE POSSIBILITY THAT PUBLIC RELEASE OR INSPECTION
OF THE INFORMATION WOULD CONSTITUTE AN UNWARRANTED
INVASION INTO PERSONAL PRIVACY OF AN INDIVIDUAL AS
DETERMINED BY THE BOARD.

(VI) RECORDS OF AN APPLICANT, LICENSEE OR PERMITTEE
NOT REQUIRED TO BE FILED WITH THE SECURITIES AND EXCHANGE
COMMISSION BY ISSUERS THAT EITHER HAVE SECURITIES
REGISTERED UNDER SECTION 12 OF THE SECURITIES EXCHANGE
ACT OF 1934 (48 STAT. 881, 15 U.S.C. § 78L) OR ARE
REQUIRED TO FILE REPORTS UNDER SECTION 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934 (48 STAT. 881, 15 U.S.C.
§ 78O).

(VII) RECORDS CONSIDERED NONPUBLIC MATTERS OR
INFORMATION BY THE SECURITIES AND EXCHANGE COMMISSION AS
PROVIDED BY 17 CFR 200.80 (RELATING TO COMMISSION RECORDS
AND INFORMATION).

(VIII) FINANCIAL INFORMATION PROVIDED TO THE BOARD
BY AN APPLICANT, LICENSEE OR PERMITTEE.

(2) NO CLAIM OF CONFIDENTIALITY MAY BE MADE REGARDING
CRIMINAL HISTORY RECORD INFORMATION THAT IS AVAILABLE TO THE
PUBLIC UNDER 18 PA.C.S. § 9121(B) (RELATING TO GENERAL
REGULATIONS).

(3) EXCEPT AS PROVIDED IN PARAGRAPH (1), NO CLAIM OF
CONFIDENTIALITY MAY BE MADE REGARDING A RECORD IN POSSESSION
OF THE BOARD THAT IS OTHERWISE PUBLICLY AVAILABLE FROM THE
BOARD UNDER THE ACT OF FEBRUARY 14, 2008 (P.L.6, NO.3), KNOWN
AS THE RIGHT-TO-KNOW LAW.
(4) EXCEPT AS PROVIDED IN SECTION 3904(H) (RELATING TO INVESTIGATIONS AND ENFORCEMENT), THE INFORMATION MADE CONFIDENTIAL UNDER THIS SECTION SHALL BE WITHHELD FROM PUBLIC DISCLOSURE IN WHOLE OR IN PART, EXCEPT THAT CONFIDENTIAL INFORMATION SHALL BE RELEASED UPON THE ORDER OF A COURT OF COMPETENT JURISDICTION OR, WITH THE APPROVAL OF THE ATTORNEY GENERAL, TO A DUTY AUTHORIZED LAW ENFORCEMENT AGENCY OR SHALL BE RELEASED TO THE PUBLIC, IN WHOLE OR IN PART, TO THE EXTENT THAT THE RELEASE IS REQUESTED BY AN APPLICANT, LICENSEE OR PERMITTEE AND DOES NOT OTHERWISE CONTAIN CONFIDENTIAL INFORMATION ABOUT ANOTHER PERSON.

(5) THE BOARD MAY SEEK A VOLUNTARY WAIVER OF CONFIDENTIALITY FROM AN APPLICANT, LICENSEE OR PERMITTEE BUT MAY NOT REQUIRE AN APPLICANT, LICENSEE OR PERMITTEE TO WAIVE THE CONFIDENTIALITY PROVIDED UNDER THIS SUBSECTION AS A CONDITION FOR THE APPROVAL OF AN APPLICATION, RENEWAL OF A LICENSE OR OTHER ACTION OF THE BOARD.

(6) (I) NO CURRENT OR FORMER MEMBER AND NO CURRENT OR FORMER EMPLOYEE, AGENT OR INDEPENDENT CONTRACTOR OF THE BOARD, THE DEPARTMENT, THE PENNSYLVANIA STATE POLICE, THE OFFICE OF ATTORNEY GENERAL OR OTHER EXECUTIVE BRANCH OFFICE WHO HAS OBTAINED CONFIDENTIAL INFORMATION IN THE PERFORMANCE OF DUTIES UNDER THIS PART SHALL INTENTIONALLY DISCLOSE THE INFORMATION TO A PERSON, KNOWING THAT THE INFORMATION BEING DISCLOSED IS CONFIDENTIAL UNDER THIS SUBSECTION, UNLESS THE PERSON IS AUTHORIZED BY LAW TO RECEIVE IT.

(II) A VIOLATION OF THIS SUBSECTION SHALL CONSTITUTE A MISDEMEANOR OF THE THIRD DEGREE.

(III) IN ADDITION TO ANY PENALTY UNDER SUBPARAGRAPH
(II), AN EMPLOYEE, AGENT OR INDEPENDENT CONTRACTOR WHO
VIOLATES THIS SUBSECTION SHALL BE ADMINISTRATIVELY
DISCIPLINED BY DISCHARGE, SUSPENSION, TERMINATION OF
CONTRACT OR OTHER FORMAL DISCIPLINARY ACTION AS
APPROPRIATE. IF A CURRENT MEMBER VIOLATES THIS PARAGRAPH,
THE OTHER MEMBERS SHALL REFER THE MATTER TO THE CURRENT
MEMBER'S APPOINTING AUTHORITY.

(C) NOTICE.--NOTICE OF THE CONTENTS OF INFORMATION, EXCEPT
TO A DULY AUTHORIZED LAW ENFORCEMENT AGENCY PURSUANT TO THIS
SECTION, SHALL BE GIVEN TO AN APPLICANT, LICENSEE OR PERMITTEE
IN A MANNER PRESCRIBED BY THE RULES AND REGULATIONS ADOPTED BY
THE BOARD.

(D) INFORMATION HELD BY OTHER AGENCIES.--FILES, RECORDS,
REPORTS AND OTHER INFORMATION IN THE POSSESSION OF THE
DEPARTMENT PERTAINING TO AN APPLICANT, LICENSEE OR PERMITTEE
SHALL BE MADE AVAILABLE TO THE BOARD AS MAY BE NECESSARY TO THE
EFFECTIVE ADMINISTRATION OF THIS PART.

§ 3306. REPORTING.

(A) REPORT BY BOARD.--BEGINNING OCTOBER 1, 2018, AND EVERY
YEAR THEREAFTER, THE ANNUAL REPORT SUBMITTED TO THE GOVERNOR AND
THE GENERAL ASSEMBLY BY THE BOARD UNDER SECTION 1211 (RELATING
TO REPORTS OF BOARD) SHALL INCLUDE INFORMATION ON THE CONDUCT OF
VIDEO GAMING FOR THE PREVIOUS CALENDAR YEAR:

(1) TOTAL GROSS TERMINAL REVENUE.

(2) TOTAL NUMBER OF TERMINAL OPERATOR LICENSEES AND
ESTABLISHMENT LICENSEES.

(3) ALL TAXES, FEES, FINES AND OTHER REVENUE COLLECTED
AND, WHERE APPROPRIATE, REVENUE DISBURSED. THE DEPARTMENT
SHALL COLLABORATE WITH THE BOARD TO CARRY OUT THE
REQUIREMENTS OF THIS PARAGRAPH.
(4) OTHER INFORMATION RELATED TO THE CONDUCT OF VIDEO GAMING THAT THE BOARD DEEMS APPROPRIATE.

(B) PARTICIPATION.--THE BOARD MAY REQUIRE TERMINAL OPERATOR LICENSEES TO PROVIDE INFORMATION TO THE BOARD TO ASSIST IN THE PREPARATION OF THE REPORT UNDER SUBSECTION (A).

§ 3307. DIVERSITY.

(A) INTENT.--IT IS THE INTENT AND GOAL OF THE GENERAL ASSEMBLY THAT THE BOARD PROMOTE AND ENSURE DIVERSITY IN ALL ASPECTS OF THE GAMING ACTIVITIES AUTHORIZED UNDER THIS PART.

(B) REPORTS BY APPLICANTS.--AN APPLICANT FOR A TERMINAL OPERATOR LICENSE OR ESTABLISHMENT LICENSE SHALL SUBMIT A DIVERSITY PLAN TO THE BOARD. AT A MINIMUM, THE DIVERSITY PLAN SHALL CONTAIN A SUMMARY OF:

(1) ALL EMPLOYEE RECRUITMENT AND RETENTION EFFORTS UNDERTAKEN TO PROMOTE THE PARTICIPATION OF DIVERSE GROUPS IN EMPLOYMENT WITH THE APPLICANT IF ISSUED A TERMINAL OPERATOR LICENSE OR ESTABLISHMENT LICENSE.

(2) OTHER INFORMATION DEEMED NECESSARY BY THE BOARD TO ASSESS THE DIVERSITY PLAN.

(C) REVIEW.--THE BOARD SHALL CONDUCT A REVIEW OF A DIVERSITY PLAN. WHEN REVIEWING THE ADEQUACY OF A DIVERSITY PLAN, THE BOARD SHALL TAKE INTO CONSIDERATION THE TOTAL NUMBER OF VIDEO GAMING TERMINALS THE APPLICANT PROPOSES TO OPERATE WITHIN THE COMMONWEALTH.

(D) PERIODIC REVIEW.--THE BOARD SHALL PERIODICALLY REVIEW THE TERMINAL OPERATOR LICENSEE'S OR ESTABLISHMENT LICENSEE'S DIVERSITY PLAN AND RECOMMEND CHANGES.

(E) APPLICANT OR LICENSEE RESPONSIBILITY.--AN APPLICANT FOR A TERMINAL OPERATOR LICENSE OR ESTABLISHMENT LICENSE OR A TERMINAL OPERATOR LICENSEE OR ESTABLISHMENT LICENSEE SHALL
PROVIDE INFORMATION AS REQUIRED BY THE BOARD TO ENABLE THE BOARD TO COMPLETE THE REVIEWS REQUIRED UNDER SUBSECTIONS (C) AND (D).

§ 3308. AUTHORITY OF DEPARTMENT.

(A) GENERAL RULE.—THE DEPARTMENT SHALL ADMINISTER AND COLLECT TAXES IMPOSED UNDER THIS PART AND INTEREST IMPOSED UNDER SECTION 806 OF THE ACT OF APRIL 9, 1929 (P.L. 343, NO. 176), KNOWN AS THE FISCAL CODE, AND PROMULGATE AND ENFORCE RULES AND REGULATIONS TO CARRY OUT ITS PRESCRIBED DUTIES IN ACCORDANCE WITH THIS PART, INCLUDING THE COLLECTION OF TAXES, PENALTIES AND INTEREST IMPOSED BY THIS PART.

(B) APPLICATION OF RULES AND REGULATIONS.—THE DEPARTMENT MAY PRESCRIBE THE EXTENT, IF ANY, TO WHICH ANY RULES AND REGULATIONS SHALL BE APPLIED WITHOUT RETROACTIVE EFFECT. THE DEPARTMENT SHALL PRESCRIBE THE FORMS AND THE SYSTEM OF ACCOUNTING AND RECORDKEEPING TO BE EMPLOYED AND THROUGH ITS REPRESENTATIVE SHALL AT ALL TIMES HAVE POWER OF ACCESS TO AND EXAMINATION AND AUDIT OF ANY EQUIPMENT AND RECORDS RELATING TO ALL ASPECTS OF THE OPERATION OF VIDEO GAMING TERMINALS AND REDEMPTION TERMINALS UNDER THIS PART.

(C) PROCEDURE.—FOR PURPOSES OF IMPLEMENTING THIS PART, THE DEPARTMENT MAY PROMULGATE REGULATIONS IN THE SAME MANNER IN WHICH THE BOARD IS AUTHORIZED AS PROVIDED IN SECTION 3303 (RELATING TO TEMPORARY REGULATIONS).

(D) ADDITIONAL PENALTY.—A PERSON WHO FAILS TO TIMELY REMIT TO THE DEPARTMENT OR THE STATE TREASURER AMOUNTS REQUIRED UNDER THIS PART SHALL BE LIABLE, IN ADDITION TO LIABILITY IMPOSED ELSEWHERE IN THIS PART, TO A PENALTY OF 5% PER MONTH UP TO A MAXIMUM OF 25% OF THE AMOUNTS ULTIMATELY FOUND TO BE DUE, TO BE RECOVERED BY THE DEPARTMENT.

(E) LIENS AND SUITS FOR TAXES.—THE PROVISIONS OF THIS PART
SHALL BE SUBJECT TO THE PROVISIONS OF SECTIONS 242 AND 243 OF
THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM
CODE OF 1971.

§ 3309. CENTRAL CONTROL COMPUTER SYSTEM.

(A) GENERAL RULE.--TO FACILITATE THE AUDITING AND SECURITY
PROGRAMS CRITICAL TO THE INTEGRITY OF VIDEO GAMING TERMINALS IN
THIS COMMONWEALTH, THE DEPARTMENT SHALL HAVE OVERALL CONTROL OF
VIDEO GAMING TERMINALS THAT:

(1) SHALL BE LINKED, AT AN APPROPRIATE TIME TO BE
DETERMINED BY THE DEPARTMENT, TO A CENTRAL CONTROL COMPUTER
UNDER THE CONTROL OF THE DEPARTMENT AND ACCESSIBLE BY THE
BOARD TO PROVIDE AUDITING PROGRAM CAPACITY AND INDIVIDUAL
TERMINAL INFORMATION AS APPROVED BY THE DEPARTMENT.

(2) SHALL INCLUDE REAL-TIME INFORMATION RETRIEVAL AND
TERMINAL ACTIVATION AND DISABLING PROGRAMS.

(B) SYSTEM REQUIREMENTS.--THE CENTRAL CONTROL COMPUTER
EMPLOYED BY THE DEPARTMENT SHALL PROVIDE:

(1) A FULLY OPERATIONAL STATEWIDE VIDEO GAMING TERMINAL
CONTROL SYSTEM THAT HAS THE CAPABILITY OF SUPPORTING UP TO
THE MAXIMUM NUMBER OF VIDEO GAMING TERMINALS THAT IS
PERMITTED TO BE IN OPERATION UNDER THIS PART.

(2) THE EMPLOYMENT OF A WIDELY ACCEPTED GAMING INDUSTRY
PROTOCOL TO FACILITATE A VIDEO GAMING TERMINAL MANUFACTURERS'
ABILITY TO COMMUNICATE WITH THE STATEWIDE SYSTEM.

(3) THE DELIVERY OF A SYSTEM THAT HAS THE ABILITY TO
VERIFY SOFTWARE, DETECT ALTERATIONS IN PAYOUT AND DETECT
OTHER METHODS OF FRAUD IN ALL ASPECTS OF THE OPERATION OF
VIDEO GAMING TERMINALS.

(4) THE DELIVERY OF A SYSTEM THAT HAS THE CAPABILITY TO
SUPPORT PROGRESSIVE VIDEO GAMING TERMINALS AS APPROVED BY THE
(5) The delivery of a system that does not alter the statistical awards of video gaming terminal games as designed by the manufacturer and approved by the board.

(6) The delivery of a system that provides redundancy so that each component of the network is capable of operating independently by the department if any component of the network, including the central control computer, fails or cannot be operated for any reason as determined by the department, and to assure that all transactional data is captured and secured. Costs associated with a computer system required by the department to operate within a video gaming area, whether independent or as part of the central control computer, shall be paid by the terminal operator licensee. The computer system shall be controlled by the department and accessible to the board.

(7) The ability to meet all reporting and control requirements as prescribed by the board and department.

(8) The delivery of a system that provides centralized issuance of cash redemption tickets and facilitates the acceptance of the tickets by video gaming terminals and redemption terminals.

(9) Other capabilities as determined by the department in consultation with the board.

(C) Personal information.--The central control computer may not provide for the monitoring or reading of personal or financial information concerning a patron of a terminal operator licensee.

(D) Initial acquisition of central control computer.--

(1) Notwithstanding any other provision of law to the
CONTRARY AND IN ORDER TO FACILITATE THE PROMPT IMPLEMENTATION
OF THIS PART, INITIAL CONTRACTS ENTERED INTO BY THE
DEPARTMENT FOR A CENTRAL CONTROL COMPUTER, INCLUDING
NECESSARY COMPUTER HARDWARE, SOFTWARE, LICENSES OR RELATED
SERVICES SHALL NOT BE SUBJECT TO THE PROVISIONS OF 62 PA.C.S.
(RELATING TO PROCUREMENT).

(2) CONTRACTS MADE PURSUANT TO THE PROVISIONS OF THIS
SECTION MAY NOT EXCEED FIVE YEARS.

(E) RESOLUTION OF CONTRACT DISPUTES.--THE PROCESS SPECIFIED
IN 62 PA.C.S. CH. 17 SUBCH. B (RELATING TO PRELITIGATION
RESOLUTION OF CONTROVERSIES) SHALL BE THE SOLE MEANS OF
RESOLUTION FOR CONTROVERSIES ARISING WITH RESPECT TO CONTRACTS
EXECUTED UNDER THIS SECTION.

(F) EXISTING CENTRAL CONTROL COMPUTER SYSTEM.--THE
DEPARTMENT, IN ITS DISCRETION, MAY ALTER OR UTILIZE THE CENTRAL
CONTROL COMPUTER SYSTEM CONTROLLED BY THE DEPARTMENT UNDER
SECTION 1323 (RELATING TO CENTRAL CONTROL COMPUTER SYSTEM) TO
FULFILL THE REQUIREMENTS OF THIS SECTION.

§ 3310. DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR
AGENCY.

(A) PROGRAM UPDATE.--

(1) THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR
SUCCESSOR AGENCY SHALL UPDATE THE COMPULSIVE AND PROBLEM
GAMBLING PROGRAM ESTABLISHED IN SECTION 1509 (RELATING TO
COMPULSIVE AND PROBLEM GAMBLING PROGRAM) TO ADDRESS PUBLIC
EDUCATION, AWARENESS AND TRAINING REGARDING COMPULSIVE AND
PROBLEM GAMBLING AND THE TREATMENT AND PREVENTION OF
COMPULSIVE AND PROBLEM GAMBLING RELATED TO VIDEO GAMING
TERMINALS.

(2) THE UPDATED GUIDELINES SHALL INCLUDE STRATEGIES FOR
THE PREVENTION OF COMPULSIVE AND PROBLEM GAMBLING RELATED TO VIDEO GAMING TERMINALS.

(3) THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY MAY CONSULT WITH THE BOARD AND TERMINAL OPERATOR LICENSEES TO DEVELOP THE STRATEGIES.

(B) DUTIES OF DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY.--FROM FUNDS AVAILABLE IN THE COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND, THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY SHALL WITH RESPECT TO VIDEO GAMING TERMINALS:

(1) MAINTAIN ONE COMPULSIVE GAMBLERS ASSISTANCE ORGANIZATION’S TOLL-FREE PROBLEM GAMBLING TELEPHONE NUMBER, WHICH NUMBER SHALL BE 1-800-GAMBLER, TO PROVIDE CRISIS COUNSELING AND REFERRAL SERVICES TO INDIVIDUALS AND FAMILIES EXPERIENCING DIFFICULTY AS A RESULT OF PROBLEM OR COMPULSIVE GAMBLING. IF THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY DETERMINES THAT IT IS UNABLE TO ADOPT THE NUMBER 1-800-GAMBLER, THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY SHALL MAINTAIN ANOTHER NUMBER.

(2) MAINTAIN ONE COMPULSIVE GAMBLER’S ASSISTANCE ORGANIZATION’S TELEPHONE NUMBER, WHICH SHALL BE ACCESSIBLE VIA A FREE TEXT MESSAGE SERVICE, TO PROVIDE CRISIS COUNSELING AND REFERRAL SERVICES TO INDIVIDUALS AND FAMILIES EXPERIENCING DIFFICULTY AS A RESULT OF PROBLEM OR COMPULSIVE GAMBLING.

(3) FACILITATE, THROUGH IN-SERVICE TRAINING AND OTHER MEANS, THE AVAILABILITY OF EFFECTIVE ASSISTANCE PROGRAMS FOR PROBLEM AND COMPULSIVE GAMBLERS AND FAMILY MEMBERS AFFECTED BY PROBLEM AND COMPULSIVE GAMBLING.

(4) AT ITS DISCRETION, CONDUCT STUDIES TO IDENTIFY
INDIVIDUALS IN THIS COMMONWEALTH WHO ARE OR ARE AT RISK OF BECOMING PROBLEM OR COMPULSIVE GAMBLERS.

(5) PROVIDE GRANTS TO AND CONTRACT WITH SINGLE COUNTY AUTHORITIES AND OTHER ORGANIZATIONS THAT PROVIDE SERVICES SPECIFIED IN THIS SECTION.

(6) REIMBURSE ORGANIZATIONS FOR REASONABLE EXPENSES INCURRED ASSISTING THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY WITH IMPLEMENTING THIS SECTION.

(C) ADDITIONAL DUTIES.--WITHIN 60 DAYS FOLLOWING THE EFFECTIVE DATE OF THIS SECTION, THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY AND THE BOARD'S OFFICE OF COMPELLUSIVE AND PROBLEM GAMBLING SHALL JOINTLY COLLABORATE WITH OTHER APPROPRIATE OFFICES AND AGENCIES OF STATE OR LOCAL GOVERNMENT, INCLUDING SINGLE COUNTY AUTHORITIES AND PROVIDERS AND OTHER PERSONS, PUBLIC OR PRIVATE, WITH EXPERTISE IN COMPELLUSIVE AND PROBLEM GAMBLING TREATMENT WITH RESPECT TO VIDEO GAMING TERMINALS:

(1) IMPLEMENT A STRATEGIC PLAN FOR THE PREVENTION AND TREATMENT OF COMPELLUSIVE AND PROBLEM GAMBLING.

(2) ADOPT COMPELLUSIVE AND PROBLEM GAMBLING TREATMENT STANDARDS TO BE INTEGRATED WITH THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS' OR SUCCESSOR AGENCY'S UNIFORM STATEWIDE GUIDELINES THAT GOVERN THE PROVISION OF ADDICTION TREATMENT SERVICES.

(3) DEVELOP A METHOD TO COORDINATE COMPELLUSIVE AND PROBLEM GAMBLING DATA COLLECTION AND REFERRAL INFORMATION TO CRISIS RESPONSE HOTLINES, CHILD WELFARE AND DOMESTIC VIOLENCE PROGRAMS AND PROVIDERS AND OTHER APPROPRIATE PROGRAMS AND PROVIDERS.

(4) DEVELOP AND DISSEMINATE EDUCATIONAL MATERIALS TO
PROVIDE PUBLIC AWARENESS RELATED TO THE PREVENTION,
RECOGNITION AND TREATMENT OF COMPULSIVE AND PROBLEM GAMBLING.

(5) DEVELOP DEMOGRAPHIC-SPECIFIC COMPULSIVE AND PROBLEM
GAMBLING PREVENTION, INTERVENTION AND TREATMENT PROGRAMS.

(6) PREPARE AN ITEMIZED BUDGET OUTLINING HOW FUNDS WILL
BE ALLOCATED TO FULFILL THE RESPONSIBILITIES UNDER THIS
SECTION.

(D) REPORT.--THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR
SUCCESSOR AGENCY SHALL INCLUDE IN THE REPORT REQUIRED UNDER
SECTION 1509 INFORMATION INVOLVING VIDEO GAMING TERMINALS.

CHAPTER 35
APPLICATION AND LICENSURE

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3519. MULTIPLE LICENSES PROHIBITED.

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§ 3501. GENERAL PROHIBITION.

NO PERSON MAY OFFER OR OTHERWISE MAKE AVAILABLE FOR PLAY IN
THIS COMMONWEALTH A VIDEO GAMING TERMINAL UNLESS THE PERSON IS
LICENSED UNDER THIS PART AND ACCORDING TO REGULATIONS
PROMULGATED BY THE BOARD UNDER THIS PART.

§ 3502. TERMINAL OPERATOR LICENSES.

(A) GENERAL REQUIREMENTS.--AN APPLICATION FOR A TERMINAL
OPERATOR LICENSE SHALL BE ON THE FORM REQUIRED BY THE BOARD AND
SHALL INCLUDE, AT A MINIMUM, ALL OF THE FOLLOWING:

(1) THE NAME, ADDRESS AND PHOTOGRAPH OF THE APPLICANT
AND OF ALL DIRECTORS AND OWNERS AND KEY EMPLOYEES AND THEIR
POSITIONS WITHIN THE CORPORATION OR ORGANIZATION, AS WELL AS
ADDITIONAL FINANCIAL INFORMATION REQUIRED BY THE BOARD.

(2) A CURRENT TAX LIEN CERTIFICATE ISSUED BY THE
DEPARTMENT.

(3) THE DETAILS OF ANY GAMING LICENSE APPLIED FOR,
GRANTED TO OR DENIED TO THE APPLICANT BY ANOTHER JURISDICTION
WHERE THE FORM OF GAMING IS LEGAL AND THE CONSENT FOR THE
BOARD TO ACQUIRE COPIES OF THE APPLICATION SUBMITTED OR
LICENSE ISSUED IN CONNECTION WITH THE APPLICATION.

(4) THE DETAILS OF ANY LOAN OBTAINED FROM A FINANCIAL
INSTITUTION OR NOT OBTAINED FROM A FINANCIAL INSTITUTION.

(5) THE CONSENT TO CONDUCT A BACKGROUND INVESTIGATION BY
THE BOARD, THE SCOPE OF WHICH INVESTIGATION SHALL BE
DETERMINED BY THE BUREAU IN ITS DISCRETION CONSISTENT WITH
THE PROVISIONS OF THIS PART, AND A RELEASE SIGNED BY ALL
PERSONS SUBJECT TO THE INVESTIGATION OF ALL INFORMATION
REQUIRED TO COMPLETE THE INVESTIGATION.

(6) THE DETAILS OF THE APPLICANT'S DIVERSITY PLAN TO
ASSURE THAT ALL PERSONS ARE ACCORDED EQUALITY OF OPPORTUNITY
IN EMPLOYMENT AND CONTRACTING BY THE APPLICANT, ITS
CONTRACTORS, SUBCONTRACTORS, ASSIGNEES, LESSEES, AGENTS,
VENDORS AND SUPPLIERS.

(7) ANY INFORMATION CONCERNING MAINTENANCE AND OPERATION
OF VIDEO GAMING TERMINALS IN ANY OTHER JURISDICTION.

(8) PROOF THAT THE APPLICANT HAS OR WILL ESTABLISH A
PLACE OF BUSINESS IN THIS COMMONWEALTH. A TERMINAL OPERATOR
LICENSEE SHALL MAINTAIN ITS PLACE OF BUSINESS IN THIS
COMMONWEALTH TO REMAIN ELIGIBLE FOR LICENSURE.

(9) ANY OTHER INFORMATION DETERMINED TO BE APPROPRIATE
BY THE BOARD.

(B) CHARACTER REQUIREMENTS.--AN APPLICATION FOR A TERMINAL
OPERATOR LICENSE SHALL INCLUDE SUCH INFORMATION, DOCUMENTATION
AND ASSURANCES AS MAY BE REQUIRED TO ESTABLISH BY CLEAR AND
CONVINCING EVIDENCE OF THE APPLICANT'S SUITABILITY, INCLUDING
GOOD CHARACTER, HONESTY AND INTEGRITY. THE APPLICATION SHALL
INCLUDE, WITHOUT LIMITATION, INFORMATION PERTAINING TO FAMILY,
HABITS, CHARACTER, REPUTATION, CRIMINAL HISTORY BACKGROUND,
BUSINESS ACTIVITIES, FINANCIAL AFFAIRS AND BUSINESS,
PROFESSIONAL AND PERSONAL ASSOCIATES, COVERING AT LEAST THE 10-
YEAR PERIOD IMMEDIATELY PRECEDING THE FILING DATE OF THE
APPLICATION.

(C) CIVIL JUDGMENTS.--AN APPLICANT SHALL NOTIFY THE BOARD OF
ANY CIVIL JUDGMENT OBTAINED AGAINST THE APPLICANT PERTAINING TO
LAWS OF THE FEDERAL GOVERNMENT, THIS COMMONWEALTH OR ANOTHER
STATE, JURISDICTION, PROVINCE OR COUNTRY.
(D) (RESERVED).

(E) (RESERVED).

(F) ADDITIONAL ELIGIBILITY REQUIREMENTS.--IN ORDER TO BE
ELIGIBLE FOR A TERMINAL OPERATOR LICENSE UNDER THIS PART, THE
PRINCIPALS AND KEY EMPLOYEES OF THE APPLICANT MUST OBTAIN A
LICENSE TO MEET THE CHARACTER REQUIREMENTS OF THIS SECTION OR
OTHER ELIGIBILITY REQUIREMENTS ESTABLISHED BY THE BOARD.

(G) CLASSIFICATION SYSTEM.--THE BOARD SHALL DEVELOP A
CLASSIFICATION SYSTEM FOR OTHER AGENTS, EMPLOYEES OR PERSONS WHO
DIRECTLY OR INDIRECTLY HOLD OR ARE DEEMED TO BE HOLDING DEBT OR
EQUITY SECURITIES OR OTHER FINANCIAL INTEREST IN THE APPLICANT
AND FOR OTHER PERSONS THAT THE BOARD CONSIDERS APPROPRIATE FOR
REVIEW UNDER THIS SECTION.

(H) RELATED ENTITIES.--

(1) EXCEPT AS PROVIDED IN PARAGRAPH (2), NO PERSON SHALL
BE ELIGIBLE TO RECEIVE A TERMINAL OPERATOR LICENSE UNLESS THE
PRINCIPALS AND KEY EMPLOYEES OF EACH INTERMEDIARY OR HOLDING
COMPANY OF THE PERSON MEET THE REQUIREMENTS OF SUBSECTION
(F).

(2) THE BOARD MAY REQUIRE THAT LENDERS AND UNDERWRITERS
OF INTERMEDIARIES, SUBSIDIARIES OR HOLDING COMPANIES OF A
TERMINAL OPERATOR LICENSE APPLICANT MEET THE REQUIREMENTS OF
SUBSECTION (F) IF THE BOARD DETERMINES THAT THE SUITABILITY
OF A LENDER OR UNDERWRITER IS AT ISSUE AND NECESSARY TO
CONSIDER A PENDING APPLICATION FOR A TERMINAL OPERATOR
LICENSE.

(I) REVOCABLE PRIVILEGE.--THE ISSUANCE OR RENEWAL OF A
LICENSE OR OTHER AUTHORIZATION BY THE BOARD UNDER THIS SECTION
SHALL BE A REVOCABLE PRIVILEGE.

(J) WAIVER FOR PUBLICLY TRADED CORPORATIONS.--THE BOARD MAY
WAIVE THE REQUIREMENTS OF SUBSECTION (F) FOR A PERSON DIRECTLY OR INDIRECTLY HOLDING OWNERSHIP OF SECURITIES IN A PUBLICLY TRADED CORPORATION IF THE BOARD DETERMINES THAT THE HOLDER OF THE SECURITIES DOES NOT HAVE THE ABILITY TO CONTROL THE CORPORATION OR ELECT ONE OR MORE DIRECTORS THEREOF.

(K) (RESERVED).

(L) ONGOING DUTY.--A PERSON APPLYING FOR A LICENSE OR OTHER AUTHORIZATION UNDER THIS PART SHALL CONTINUE TO PROVIDE INFORMATION REQUIRED BY THE BOARD OR THE BUREAU AND COOPERATE IN ANY INQUIRY OR INVESTIGATION.

(M) CRIMINAL HISTORY RECORD CHECK.--THE BOARD MAY CONDUCT A CRIMINAL HISTORY RECORD CHECK ON A PERSON FOR WHOM A WAIVER IS GRANTED UNDER THIS SECTION.

(N) APPLICANT FINANCIAL INFORMATION.--

(1) THE BOARD SHALL REQUIRE AN APPLICANT FOR A TERMINAL OPERATOR LICENSE TO PRODUCE THE INFORMATION, DOCUMENTATION AND ASSURANCES CONCERNING FINANCIAL BACKGROUND AND RESOURCES AS THE BOARD DEEMS NECESSARY TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE FINANCIAL STABILITY, INTEGRITY AND RESPONSIBILITY OF THE APPLICANT, ITS AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY, INCLUDING, BUT NOT LIMITED TO, BANK REFERENCES, BUSINESS AND PERSONAL INCOME AND DISBURSEMENT SCHEDULES, TAX RETURNS AND OTHER REPORTS FILED WITH GOVERNMENTAL AGENCIES AND BUSINESS AND PERSONAL ACCOUNTING AND CHECK RECORDS AND LEDGERS.

(2) AN APPLICANT SHALL IN WRITING AUTHORIZE THE EXAMINATION OF ALL BANK ACCOUNTS AND RECORDS AS MAY BE DEEMED NECESSARY BY THE BOARD.

(O) FINANCIAL BACKER INFORMATION.--

(1) THE BOARD SHALL REQUIRE AN APPLICANT FOR A TERMINAL
OPERATOR LICENSE TO PRODUCE THE INFORMATION, DOCUMENTATION
AND ASSURANCES AS MAY BE NECESSARY TO ESTABLISH BY CLEAR AND
CONVINCING EVIDENCE THE INTEGRITY OF ALL FINANCIAL BACKERS,
INSTITUTIONAL INVESTORS, INVESTORS, MORTGAGEES, BONDHOLDERS
AND HOLDERS OF INDENTURES, NOTES OR OTHER EVIDENCES OF
INDEBTEDNESS, EITHER IN EFFECT OR PROPOSED.

(2) THE BOARD MAY WAIVE THE QUALIFICATION REQUIREMENTS
FOR BANKING OR LENDING INSTITUTION AND INSTITUTIONAL
INVESTORS.

(3) A BANKING OR LENDING INSTITUTION OR INSTITUTIONAL
INVESTOR SHALL PRODUCE FOR THE BOARD UPON REQUEST ANY
DOCUMENT OR INFORMATION THAT BEARS RELATION TO THE PROPOSAL
SUBMITTED BY THE APPLICANT OR APPLICANTS.

(4) THE INTEGRITY OF THE FINANCIAL SOURCES SHALL BE
JUDGED UPON THE SAME STANDARDS AS THE APPLICANT. ANY SUCH
PERSON OR ENTITY SHALL PRODUCE FOR THE BOARD UPON REQUEST ANY
DOCUMENT OR INFORMATION WHICH BEARS ANY RELATION TO THE
APPLICATION.

(5) THE APPLICANT SHALL PRODUCE WHATEVER INFORMATION,
DOCUMENTATION OR ASSURANCES THE BOARD REQUIRES TO ESTABLISH
BY CLEAR AND CONVINCING EVIDENCE THE ADEQUACY OF FINANCIAL
RESOURCES.

(P) APPLICANT'S BUSINESS EXPERIENCE.--

(1) THE BOARD SHALL REQUIRE AN APPLICANT FOR A TERMINAL
OPERATOR LICENSE TO PRODUCE THE INFORMATION, DOCUMENTATION
AND ASSURANCES AS THE BOARD MAY REQUIRE TO ESTABLISH BY CLEAR
AND CONVINCING EVIDENCE THAT THE APPLICANT HAS SUFFICIENT
BUSINESS ABILITY AND EXPERIENCE TO CREATE AND MAINTAIN A
SUCCESSFUL, EFFICIENT OPERATION.

(2) AN APPLICANT SHALL PRODUCE THE NAMES OF ALL PROPOSED
KEY EMPLOYEES AND A DESCRIPTION OF THEIR RESPECTIVE OR
PROPOSED RESPONSIBILITIES AS THEY BECOME KNOWN.

(Q) ADDITIONAL INFORMATION.--IN ADDITION TO OTHER
INFORMATION REQUIRED BY THIS PART, A PERSON APPLYING FOR A
TERMINAL OPERATOR LICENSE SHALL PROVIDE THE FOLLOWING
INFORMATION:

(1) THE ORGANIZATION, FINANCIAL STRUCTURE AND NATURE OF
ALL BUSINESSES OPERATED BY THE PERSON, INCLUDING ANY
AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANIES, THE
NAMES AND PERSONAL EMPLOYMENT AND CRIMINAL HISTORIES OF ALL
OFFICERS, DIRECTORS AND KEY EMPLOYEES OF THE CORPORATION; THE
NAMES OF ALL HOLDING, INTERMEDIARY, AFFILIATE AND SUBSIDIARY
COMPANIES OF THE CORPORATION; AND THE ORGANIZATION, FINANCIAL
STRUCTURE AND NATURE OF ALL BUSINESSES OPERATED BY SUCH
HOLDING, INTERMEDIARY AND SUBSIDIARY COMPANIES AS THE BOARD
MAY REQUIRE, INCLUDING NAMES AND PERSONAL EMPLOYMENT AND
CRIMINAL HISTORIES OF SUCH OFFICERS, DIRECTORS AND PRINCIPAL
EMPLOYEES OF SUCH CORPORATIONS AND COMPANIES AS THE BOARD MAY
REQUIRE.

(2) THE EXTENT OF SECURITIES HELD IN THE CORPORATION BY
ALL OFFICERS, DIRECTORS AND UNDERWRITERS AND THEIR
REMUNERATION IN THE FORM OF SALARY, WAGES, FEES OR OTHERWISE.

(3) COPIES OF ALL MANAGEMENT AND SERVICE CONTRACTS.

(R) REVIEW AND APPROVAL.--UPON BEING SATISFIED THAT THE
REQUIREMENTS OF SUBSECTIONS (A), (B), (C), (F), (G), (H), (I),
(J), (L), (M), (N), (O), (P) AND (Q) HAVE BEEN MET, THE BOARD
MAY APPROVE THE APPLICATION AND ISSUE THE APPLICANT A TERMINAL
OPERATOR LICENSE CONSISTENT WITH ALL OF THE FOLLOWING:

(1) (I) THE LICENSE SHALL BE VALID FOR A PERIOD OF FIVE
YEARS.
(II) NOTHING IN THIS PARAGRAPH SHALL BE CONSTRUED TO 
RELIEVE A LICENSEE OF THE AFFIRMATIVE DUTY TO NOTIFY THE 
BOARD OF ANY CHANGES RELATING TO THE STATUS OF ITS 
LICENSE OR TO ANY INFORMATION CONTAINED IN THE 
APPLICATION MATERIALS ON FILE WITH THE BOARD.
(2) THE LICENSE SHALL BE NONTRANSFERABLE.
(3) ANY OTHER CONDITION ESTABLISHED BY THE BOARD.

§ 3503. RENEWAL.--
(1) AT LEAST SIX MONTHS PRIOR TO EXPIRATION OF A 
TERMINAL OPERATOR LICENSE, THE TERMINAL OPERATOR LICENSEE 
SEEKING RENEWAL OF ITS LICENSE SHALL SUBMIT A RENEWAL 
APPLICATION TO THE BOARD.
(2) IF THE RENEWAL APPLICATION SATISFIES THE 
REQUIREMENTS OF SUBSECTIONS (A), (B), (C), (F), (G), (H), 
(I), (J), (L), (M), (N), (O), (P) AND (Q), THE BOARD MAY 
RENEW THE LICENSEE'S TERMINAL OPERATOR LICENSE.
(3) IF THE BOARD RECEIVES A COMPLETE RENEWAL APPLICATION 
BUT FAILS TO ACT UPON THE RENEWAL APPLICATION PRIOR TO THE 
EXPIRATION OF THE TERMINAL OPERATOR LICENSE, THE TERMINAL 
OPERATOR LICENSE SHALL CONTINUE IN EFFECT UNTIL ACTED UPON BY 
THE BOARD.
§ 3504. PRINCIPAL LICENSES.
(A) LICENSE REQUIRED.--ALL PRINCIPALS SHALL OBTAIN A 
PRINCIPAL LICENSE FROM THE BOARD.
(B) APPLICATION.--A PRINCIPAL LICENSE APPLICATION SHALL BE 
in a form prescribed by the board and shall include the 
following:
(1) VERIFICATION OF STATUS AS A PRINCIPAL FROM A
LICENSEE.

(2) A DESCRIPTION OF RESPONSIBILITIES AS A PRINCIPAL.

(3) ALL RELEASES NECESSARY TO OBTAIN INFORMATION FROM GOVERNMENTAL AGENCIES, EMPLOYERS AND OTHER ORGANIZATIONS.

(4) DETAILS RELATING TO A SIMILAR LICENSE, PERMIT OR OTHER AUTHORIZATION OBTAINED IN ANOTHER JURISDICTION.

(5) ADDITIONAL INFORMATION REQUIRED BY THE BOARD.

(C) ISSUANCE.--FOLLOWING REVIEW OF THE APPLICATION AND THE BACKGROUND INVESTIGATION, THE BOARD MAY ISSUE A PRINCIPAL LICENSE IF THE APPLICANT HAS PROVEN BY CLEAR AND CONVINCING EVIDENCE THAT THE APPLICANT IS A PERSON OF GOOD CHARACTER, HONESTY AND INTEGRITY AND IS ELIGIBLE AND SUITABLE TO BE LICENSED AS A PRINCIPAL.

(D) NONTRANSFERABILITY.--A LICENSE ISSUED UNDER THIS SECTION SHALL BE NONTRANSFERABLE.

(E) PRINCIPALS.--AN INDIVIDUAL WHO RECEIVES A PRINCIPAL LICENSE NEED NOT OBTAIN A KEY EMPLOYEE LICENSE.

§ 3505. KEY EMPLOYEE LICENSES.

(A) LICENSE REQUIRED.--ALL KEY EMPLOYEES SHALL OBTAIN A KEY EMPLOYEE LICENSE FROM THE BOARD.

(B) APPLICATION.--A KEY EMPLOYEE LICENSE APPLICATION SHALL BE IN A FORM PRESCRIBED BY THE BOARD AND SHALL INCLUDE THE FOLLOWING:

(1) VERIFICATION OF STATUS AS A KEY EMPLOYEE FROM A TERMINAL OPERATOR LICENSEE, ESTABLISHMENT LICENSEE, MANUFACTURER LICENSEE OR SUPPLIER LICENSEE.

(2) A DESCRIPTION OF EMPLOYMENT RESPONSIBILITIES.

(3) ALL RELEASES NECESSARY TO OBTAIN INFORMATION FROM GOVERNMENTAL AGENCIES, EMPLOYERS AND OTHER ORGANIZATIONS.

(4) DETAILS RELATING TO A SIMILAR LICENSE OR OTHER
AUTHORIZATION OBTAINED IN ANOTHER JURISDICTION.

(5) ADDITIONAL INFORMATION REQUIRED BY THE BOARD.

(C) ISSUANCE.--FOLLOWING REVIEW OF THE APPLICATION AND THE
BACKGROUND INVESTIGATION, THE BOARD MAY ISSUE A KEY EMPLOYEE
LICENSE IF THE APPLICANT HAS PROVEN BY CLEAR AND CONVINCING
EVIDENCE THAT THE APPLICANT IS A PERSON OF GOOD CHARACTER,
HONESTY AND INTEGRITY AND IS ELIGIBLE AND SUITABLE TO BE
LICENSED AS A KEY EMPLOYEE.

(D) NONTRANSFERABILITY.--A LICENSE ISSUED UNDER THIS SECTION
SHALL BE NONTRANSFERABLE.

§ 3506. DIVESTITURE OF DISQUALIFYING APPLICANT.

(A) BOARD POWER TO REQUIRE.--

(1) IN THE EVENT THAT ANY ESTABLISHMENT LICENSE
APPLICATION, TERMINAL OPERATOR LICENSE APPLICATION, SUPPLIER
LICENSE APPLICATION OR MANUFACTURER LICENSE APPLICATION IS
NOT APPROVED BY THE BOARD BASED ON A FINDING THAT AN
INDIVIDUAL WHO IS A PRINCIPAL OR HAS AN INTEREST IN THE
PERSON APPLYING FOR THE LICENSE DOES NOT MEET THE CHARACTER
REQUIREMENTS OF THIS PART OR ANY OF THE ELIGIBILITY
REQUIREMENTS UNDER THIS PART OR A PERSON WHO PURCHASES A
CONTROLLING INTEREST IN THE APPLICANT IN VIOLATION OF SECTION
3517 (RELATING TO CHANGE IN OWNERSHIP OR CONTROL OF TERMINAL
OPERATOR LICENSEE), THE BOARD MAY AFFORD THE INDIVIDUAL THE
OPPORTUNITY TO COMPLETELY DIVEST HIS INTEREST IN THE PERSON,
ITS AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY
SEEKING THE LICENSE AND, AFTER SUCH DIVESTITURE, RECONSIDER
THE PERSON'S OR APPLICANT'S SUITABILITY FOR LICENSURE IN AN
EXPEDITED PROCEEDING AND MAY, AFTER SUCH PROCEEDING, ISSUE
THE PERSON OR APPLICANT A TERMINAL OPERATOR LICENSE.

(2) THE BOARD SHALL APPROVE THE TERMS AND CONDITIONS OF
ANY DIVESTITURE UNDER THIS SECTION.

(B) LIMITATION.--UNDER NO CIRCUMSTANCES SHALL ANY
DIVESTITURE BE APPROVED BY THE BOARD IF THE COMPENSATION FOR THE
DIVESTED INTEREST EXCEEDS THE COST OF THE INTEREST.
§ 3507. SUPPLIER LICENSES.

(A) APPLICATION.--

(1) A MANUFACTURER THAT ELECTS TO CONTRACT WITH A
SUPPLIER UNDER SECTION 3508 (RELATING TO MANUFACTURER
LICENSES) SHALL ENSURE THAT THE SUPPLIER IS APPROPRIATELY
LICENSED UNDER THIS SECTION.

(2) A PERSON SEEKING TO PROVIDE VIDEO GAMING TERMINALS,
REDEMPTION TERMINALS OR ASSOCIATED EQUIPMENT TO A TERMINAL
OPERATOR LICENSEE WITHIN THIS COMMONWEALTH THROUGH A CONTRACT
WITH A LICENSED MANUFACTURER MUST APPLY TO THE BOARD FOR THE
APPROPRIATE SUPPLIER LICENSE.

(B) REQUIREMENTS.--AN APPLICATION FOR A SUPPLIER LICENSE
SHALL BE ON THE FORM REQUIRED BY THE BOARD AND SHALL INCLUDE ALL
OF THE FOLLOWING:

(1) THE NAME AND BUSINESS ADDRESS OF THE APPLICANT AND
THE APPLICANT'S AFFILIATES, INTERMEDIARIES, SUBSIDIARIES AND
HOLDING COMPANIES; THE PRINCIPALS AND KEY EMPLOYEES OF EACH
BUSINESS; AND A LIST OF EMPLOYEES AND THEIR POSITIONS WITHIN
EACH BUSINESS, AS WELL AS FINANCIAL INFORMATION REQUIRED BY
THE BOARD.

(2) A STATEMENT THAT THE APPLICANT AND EACH AFFILIATE,
INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF THE APPLICANT
ARE NOT TERMINAL OPERATOR LICENSEES.

(3) PROOF THAT THE APPLICANT HAS OR WILL ESTABLISH A
PLACE OF BUSINESS IN THIS COMMONWEALTH. A SUPPLIER LICENSEE
SHALL MAINTAIN ITS PLACE OF BUSINESS IN THIS COMMONWEALTH TO
REMAIN ELIGIBLE FOR LICENSURE.

(4) THE CONSENT TO A BACKGROUND INVESTIGATION BY THE
BUREAU OF THE APPLICANT, ITS PRINCIPALS AND KEY EMPLOYEES OR
OTHER PERSONS REQUIRED BY THE BOARD AND A RELEASE TO OBTAIN
THE INFORMATION NECESSARY FOR THE COMPLETION OF THE
BACKGROUND INVESTIGATION.

(5) THE DETAILS OF ANY SUPPLIER LICENSE ISSUED BY THE
BOARD TO THE APPLICANT UNDER SECTION 1317 (RELATING TO
SUPPLIER LICENSES), IF APPLICABLE.

(6) THE DETAILS OF ANY EQUIVALENT LICENSE GRANTED OR
DENIED BY OTHER JURISDICTIONS WHERE GAMING ACTIVITIES AS
AUTHORIZED BY THIS PART ARE PERMITTED.

(7) THE TYPE OF GOODS AND SERVICES TO BE SUPPLIED AND
WHETHER THOSE GOODS AND SERVICES WILL BE PROVIDED THROUGH
PURCHASE, LEASE, CONTRACT OR OTHERWISE.

(8) OTHER INFORMATION DETERMINED BY THE BOARD TO BE
APPROPRIATE.

(C) REVIEW AND APPROVAL.--UPON BEING SATISFIED THAT THE
REQUIREMENTS OF SUBSECTION (B) HAVE BEEN MET, THE BOARD MAY
APPROVE THE APPLICATION AND ISSUE THE APPLICANT A SUPPLIER
LICENSE CONSISTENT WITH ALL OF THE FOLLOWING:

(1) (I) THE LICENSE SHALL BE VALID FOR A PERIOD OF FIVE
YEARS.

(II) NOTHING IN THIS PARAGRAPH SHALL BE CONSTRUED TO
RELIEVE A LICENSEE OF THE AFFIRMATIVE DUTY TO NOTIFY THE
BOARD OF A CHANGE RELATING TO THE STATUS OF ITS LICENSE
OR TO INFORMATION CONTAINED IN THE APPLICATION MATERIALS
ON FILE WITH THE BOARD.

(2) THE LICENSE SHALL BE NONTRANSFERABLE.

(3) OTHER CONDITIONS ESTABLISHED BY THE BOARD.
(D) RENEWAL.--

(1) AT LEAST SIX MONTHS PRIOR TO EXPIRATION OF A
SUPPLIER LICENSE, THE SUPPLIER LICENSEE SEEKING RENEWAL OF
ITS LICENSE SHALL SUBMIT A RENEWAL APPLICATION TO THE BOARD.

(2) IF THE RENEWAL APPLICATION SATISFIES THE
REQUIREMENTS OF SUBSECTION (B), THE BOARD MAY RENEW THE
LICENSEE'S SUPPLIER LICENSE.

(3) IF THE BOARD RECEIVES A COMPLETE RENEWAL APPLICATION
BUT FAILS TO ACT UPON THE RENEWAL APPLICATION PRIOR TO THE
EXPIRATION OF THE SUPPLIER LICENSE, THE SUPPLIER LICENSE
SHALL CONTINUE IN EFFECT UNTIL ACTED UPON BY THE BOARD.

§ 3508. MANUFACTURER LICENSES.

(A) APPLICATION.--A PERSON SEEKING TO MANUFACTURE VIDEO
GAMING TERMINALS, REDEMPTION TERMINALS AND ASSOCIATED EQUIPMENT
FOR USE IN THIS COMMONWEALTH MUST APPLY TO THE BOARD FOR A
MANUFACTURER LICENSE.

(B) REQUIREMENTS.--AN APPLICATION FOR A MANUFACTURER LICENSE
SHALL BE ON THE FORM REQUIRED BY THE BOARD AND SHALL INCLUDE ALL
OF THE FOLLOWING:

(1) THE NAME AND BUSINESS ADDRESS OF THE APPLICANT AND
THE APPLICANT'S AFFILIATES, INTERMEDIARIES, SUBSIDIARIES AND
HOLDING COMPANIES; THE PRINCIPALS AND KEY EMPLOYEES OF EACH
BUSINESS; AND A LIST OF EMPLOYEES AND THEIR POSITIONS WITHIN
EACH BUSINESS, AS WELL AS FINANCIAL INFORMATION REQUIRED BY
THE BOARD.

(2) A STATEMENT THAT THE APPLICANT AND EACH AFFILIATE,
INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF THE APPLICANT
ARE NOT TERMINAL OPERATOR LICENSEES.

(3) THE CONSENT TO A BACKGROUND INVESTIGATION BY THE
BUREAU OF THE APPLICANT, ITS PRINCIPALS, ITS KEY EMPLOYEES,
ITS INTERMEDIARIES, ITS SUBSIDIARIES OR OTHER PERSONS
REQUIRED BY THE BOARD AND A RELEASE TO OBTAIN THE INFORMATION
NECESSARY FOR THE COMPLETION OF THE BACKGROUND INVESTIGATION.

(4) THE DETAILS OF ANY EQUIVALENT LICENSE GRANTED OR
DENIED BY OTHER JURISDICTIONS WHERE GAMING ACTIVITIES AS
AUTHORIZED BY THIS PART ARE PERMITTED.

(5) THE DETAILS OF ANY MANUFACTURER LICENSE ISSUED BY
THE BOARD TO THE APPLICANT UNDER SECTION 1317.1 (RELATING TO
MANUFACTURER LICENSES), IF APPLICABLE.

(6) THE TYPE OF VIDEO GAMING TERMINALS, REDEMPTION
TERMINALS OR ASSOCIATED EQUIPMENT TO BE MANUFACTURED OR
REPAIRED.

(7) OTHER INFORMATION DETERMINED BY THE BOARD TO BE
APPROPRIATE.

(C) REVIEW AND APPROVAL.--UPON BEING SATISFIED THAT THE
REQUIREMENTS OF SUBSECTION (B) HAVE BEEN MET, THE BOARD MAY
APPROVE THE APPLICATION AND GRANT THE APPLICANT A MANUFACTURER
LICENSE CONSISTENT WITH ALL OF THE FOLLOWING:

(1) (I) THE LICENSE SHALL BE VALID FOR A PERIOD OF FIVE
YEARS.

(II) NOTHING IN THIS PARAGRAPH SHALL BE CONSTRUED TO
RELIEVE THE LICENSEE OF THE AFFIRMATIVE DUTY TO NOTIFY
THE BOARD OF A CHANGE RELATING TO THE STATUS OF ITS
LICENSE OR TO OTHER INFORMATION CONTAINED IN APPLICATION
MATERIALS ON FILE WITH THE BOARD.

(2) THE LICENSE SHALL BE NONTRANSFERABLE.

(3) OTHER CONDITIONS ESTABLISHED BY THE BOARD.

(D) RENEWAL.--

(1) AT LEAST SIX MONTHS PRIOR TO EXPIRATION OF A
MANUFACTURER LICENSE, THE MANUFACTURER LICENSEE SEEKING
RENEWAL OF ITS LICENSE SHALL SUBMIT A RENEWAL APPLICATION ACCOMPANIED BY THE RENEWAL FEE TO THE BOARD.

(2) IF THE RENEWAL APPLICATION SATISFIES THE REQUIREMENTS OF SUBSECTION (B), THE BOARD MAY RENEW THE LICENSEE'S MANUFACTURER LICENSE.

(3) IF THE BOARD RECEIVES A COMPLETE RENEWAL APPLICATION BUT FAILS TO ACT UPON THE RENEWAL APPLICATION PRIOR TO THE EXPIRATION OF THE MANUFACTURER LICENSE, THE MANUFACTURER LICENSE SHALL CONTINUE IN EFFECT UNTIL ACTED UPON BY THE BOARD.

(E) AUTHORITY.--THE FOLLOWING SHALL APPLY TO A LICENSED MANUFACTURER:

(1) A MANUFACTURER OR ITS DESIGNEE, AS LICENSED BY THE BOARD, MAY SUPPLY OR REPAIR A VIDEO GAMING TERMINAL, REDEMPTION TERMINAL OR ASSOCIATED EQUIPMENT MANUFACTURED BY THE MANUFACTURER, PROVIDED THE MANUFACTURER HOLDS THE APPROPRIATE MANUFACTURER LICENSE.

(2) A MANUFACTURER OF VIDEO GAMING TERMINALS OR REDEMPTION TERMINALS MAY CONTRACT WITH A SUPPLIER UNDER SECTION 3507 (RELATING TO SUPPLIER LICENSES) TO PROVIDE VIDEO GAMING TERMINALS, REDEMPTION TERMINALS OR ASSOCIATED EQUIPMENT TO A TERMINAL OPERATOR LICENSEE WITHIN THIS COMMONWEALTH, PROVIDED THE SUPPLIER IS LICENSED TO SUPPLY VIDEO GAMING TERMINALS, REDEMPTION TERMINALS OR ASSOCIATED EQUIPMENT.

(F) PROHIBITIONS.--

(1) NO PERSON MAY MANUFACTURE VIDEO GAMING TERMINALS, REDEMPTION TERMINALS OR ASSOCIATED EQUIPMENT FOR USE WITHIN THIS COMMONWEALTH BY A TERMINAL OPERATOR LICENSEE UNLESS THE PERSON HAS BEEN ISSUED THE APPROPRIATE MANUFACTURER LICENSE.
UNDER THIS SECTION.

(2) NO PERSON ISSUED A LICENSE UNDER THIS SECTION MAY APPLY FOR OR BE ISSUED A TERMINAL OPERATOR LICENSE UNDER SECTION 3502 (RELATING TO TERMINAL OPERATOR LICENSES) OR ESTABLISHMENT LICENSE UNDER SECTION 3514 (RELATING TO ESTABLISHMENT LICENSES).

§ 3509. GAMING SERVICE PROVIDER.

(A) DEVELOPMENT OF CLASSIFICATION SYSTEM.--THE BOARD SHALL DEVELOP A CLASSIFICATION SYSTEM GOVERNING THE CERTIFICATION, REGISTRATION AND REGULATION OF GAMING SERVICE PROVIDERS AND INDIVIDUALS AND ENTITIES ASSOCIATED WITH THEM. THE CLASSIFICATION SYSTEM SHALL BE BASED UPON THE FOLLOWING:

(1) WHETHER THE EMPLOYEES OF THE GAMING SERVICE PROVIDER WILL HAVE ACCESS TO THE VIDEO GAMING AREA OR VIDEO GAMING TERMINALS OR REDEMPTION TERMINALS PRIOR TO OR AFTER INSTALLATION.

(2) WHETHER THE GOODS OR SERVICES PROVIDED OR TO BE PROVIDED BY THE GAMING SERVICE PROVIDER WOULD IMPACT THE INTEGRITY OF VIDEO GAMING TERMINALS, REDEMPTION TERMINALS OR THE CONDUCT OF VIDEO GAMING.

(B) AUTHORITY TO EXEMPT.--THE BOARD MAY EXEMPT A PERSON OR TYPE OF BUSINESS FROM THE REQUIREMENTS OF THIS SECTION IF THE BOARD DETERMINES:

(1) THE PERSON OR TYPE OF BUSINESS IS REGULATED BY AN AGENCY OF THE FEDERAL GOVERNMENT, AN AGENCY OF THE COMMONWEALTH OR THE PENNSYLVANIA SUPREME COURT; OR

(2) THE REGULATION OF THE PERSON OR TYPE OF BUSINESS IS DETERMINED NOT TO BE NECESSARY IN ORDER TO PROTECT THE PUBLIC INTEREST OR THE INTEGRITY OF GAMING.

(C) DUTIES OF GAMING SERVICE PROVIDERS.--A GAMING SERVICE PROVIDER...
PROVIDER SHALL HAVE A CONTINUING DUTY TO:

(1) PROVIDE ALL INFORMATION, DOCUMENTATION AND ASSURANCES AS THE BOARD MAY REQUIRE.

(2) COOPERATE WITH THE BOARD IN INVESTIGATIONS, HEARINGS AND ENFORCEMENT AND DISCIPLINARY ACTIONS.

(3) COMPLY WITH ALL CONDITIONS, RESTRICTIONS, REQUIREMENTS, ORDERS AND RULINGS OF THE BOARD IN ACCORDANCE WITH THIS PART.

(4) REPORT A CHANGE IN CIRCUMSTANCES THAT MAY RENDER THE GAMING SERVICE PROVIDER INELIGIBLE, UNQUALIFIED OR UNSUITABLE FOR CONTINUED REGISTRATION OR CERTIFICATION.

(D) REQUIREMENT FOR PERMIT.--THE BOARD MAY REQUIRE EMPLOYEES OF A GAMING SERVICE PROVIDER TO OBTAIN A PERMIT OR OTHER AUTHORIZATION IF, AFTER AN ANALYSIS OF DUTIES, RESPONSIBILITIES AND FUNCTIONS, THE BOARD DETERMINES THAT A PERMIT OR OTHER AUTHORIZATION IS NECESSARY TO PROTECT THE INTEGRITY OF GAMING.

(E) INTERIM AUTHORIZATION.--THE BOARD OR A DESIGNATED EMPLOYEE OF THE BOARD MAY PERMIT A GAMING SERVICE PROVIDER APPLICANT TO ENGAGE IN BUSINESS WITH AN APPLICANT FOR A TERMINAL OPERATOR LICENSE OR A TERMINAL OPERATOR LICENSEE PRIOR TO APPROVAL OF THE GAMING SERVICE PROVIDER APPLICATION IF THE FOLLOWING CRITERIA HAVE BEEN SATISFIED:

(1) A COMPLETED APPLICATION HAS BEEN FILED WITH THE BOARD BY THE GAMING SERVICE PROVIDER.

(2) THE TERMINAL OPERATOR LICENSE APPLICANT OR TERMINAL OPERATOR LICENSEE CONTRACTING OR DOING BUSINESS WITH THE GAMING SERVICE PROVIDER CERTIFIES THAT IT HAS PERFORMED DUE DILIGENCE ON THE GAMING SERVICE PROVIDER AND BELIEVES THAT THE APPLICANT MEETS THE QUALIFICATION TO BE A GAMING SERVICE PROVIDER PURSUANT TO THIS SECTION.
THE GAMING SERVICE PROVIDER APPLICANT AGREES IN WRITING THAT THE GRANT OF INTERIM AUTHORIZATION TO CONDUCT BUSINESS PRIOR TO BOARD APPROVAL OF THE APPLICATION DOES NOT CREATE A RIGHT TO CONTINUE TO ENGAGE IN BUSINESS IF THE BOARD DETERMINES THAT THE APPLICANT IS NOT SUITABLE OR CONTINUED AUTHORIZATION IS NOT IN THE PUBLIC INTEREST.

(F) CONSTRUCTION.--NOTHING IN THIS SECTION SHALL BE CONSTRUED TO PROHIBIT THE BOARD FROM RESCINDING A GRANT OF INTERIM AUTHORIZATION IF, AT ANY TIME, THE SUITABILITY OF THE PERSON SUBJECT TO INTERIM AUTHORIZATION IS AT ISSUE OR IF THE PERSON FAILS TO COOPERATE WITH THE BOARD, THE BUREAU OR AN AGENT OF THE BOARD OR BUREAU.

(G) GAMING SERVICE PROVIDER LISTS.--

(1) THE BOARD SHALL:

(I) DEVELOP AND MAINTAIN A LIST OF APPROVED GAMING SERVICE PROVIDERS WHO ARE AUTHORIZED TO PROVIDE GOODS OR SERVICES WHETHER UNDER A GRANT OF INTERIM OR CONTINUED AUTHORIZATION.

(II) DEVELOP AND MAINTAIN A LIST OF PROHIBITED GAMING SERVICE PROVIDERS.

(2) AN APPLICANT FOR A TERMINAL OPERATOR LICENSE OR A TERMINAL OPERATOR LICENSEE MAY NOT ENTER INTO AN AGREEMENT OR ENGAGE IN BUSINESS WITH A GAMING SERVICE PROVIDER LISTED ON THE PROHIBITED GAMING SERVICE PROVIDER LIST.

(H) EMERGENCY AUTHORIZATION.--

(1) A TERMINAL OPERATOR LICENSEE MAY UTILIZE A GAMING SERVICE PROVIDER THAT HAS NOT BEEN APPROVED BY THE BOARD WHEN A THREAT TO PUBLIC HEALTH, WELFARE OR SAFETY EXISTS OR CIRCUMSTANCES OUTSIDE THE CONTROL OF THE TERMINAL OPERATOR LICENSEE REQUIRE IMMEDIATE ACTION TO MITIGATE DAMAGE OR LOSS.
TO THE LICENSEE'S VIDEO GAMING TERMINALS.

(2) THE BOARD SHALL PROMULGATE REGULATIONS TO GOVERN THE
USE OF GAMING SERVICE PROVIDERS UNDER EMERGENCY
CIRCUMSTANCES. THE REGULATIONS SHALL INCLUDE A REQUIREMENT
THAT THE TERMINAL OPERATOR LICENSEE CONTACT THE BOARD
IMMEDIATELY UPON UTILIZING A GAMING SERVICE PROVIDER THAT HAS
NOT BEEN APPROVED BY THE BOARD.

(I) CRIMINAL HISTORY RECORD INFORMATION.--IF THE
CLASSIFICATION SYSTEM DEVELOPED BY THE BOARD IN ACCORDANCE WITH
SUBSECTION (A) REQUIRES A GAMING SERVICE PROVIDER OR AN
INDIVIDUAL OR ENTITY ASSOCIATED WITH THE GAMING SERVICE PROVIDER
TO SUBMIT TO OR PROVIDE THE BUREAU WITH CRIMINAL HISTORY RECORD
INFORMATION UNDER 18 PA.C.S. CH. 91 (RELATING TO CRIMINAL
HISTORY RECORD INFORMATION), THE BUREAU SHALL NOTIFY A TERMINAL
OPERATOR LICENSEE THAT SUBMITTED A CERTIFICATION UNDER
SUBSECTION (E)(2) WHETHER THE APPLICANT HAS BEEN CONVICTED OF A
FELONY OR MISDEMEANOR GAMBLING OFFENSE.

§ 3510. OCCUPATION PERMIT.

(A) APPLICATION.--

(1) A PERSON WHO DESIRES TO BE A GAMING EMPLOYEE AND HAS
A BONA FIDE OFFER OF EMPLOYMENT FROM A TERMINAL OPERATOR
LICENSEE, ESTABLISHMENT LICENSEE OR SUPPLIER LICENSEE SHALL
APPLY TO THE BOARD FOR AN OCCUPATION PERMIT.

(2) A PERSON MAY NOT BE EMPLOYED AS A GAMING EMPLOYEE
UNLESS AND UNTIL THAT PERSON HOLDS AN APPROPRIATE OCCUPATION
PERMIT ISSUED UNDER THIS SECTION.

(3) THE BOARD MAY PROMULGATE REGULATIONS TO RECLASSIFY A
CATEGORY OF NONGAMING EMPLOYEES OR GAMING EMPLOYEES UPON A
FINDING THAT THE RECLASSIFICATION IS IN THE PUBLIC INTEREST
AND CONSISTENT WITH THE OBJECTIVES OF THIS PART.
(B) REQUIREMENTS.--THE APPLICATION FOR AN OCCUPATION PERMIT SHALL INCLUDE, AT A MINIMUM:

(1) THE NAME AND HOME ADDRESS OF THE PERSON.
(2) THE PREVIOUS EMPLOYMENT HISTORY OF THE PERSON.
(3) THE CRIMINAL HISTORY RECORD OF THE PERSON, AS WELL AS THE PERSON'S CONSENT FOR THE BUREAU TO CONDUCT A BACKGROUND INVESTIGATION.
(4) A PHOTOGRAPH OF THE PERSON.
(6) THE DETAILS OF AN OCCUPATION PERMIT OR SIMILAR LICENSE GRANTED OR DENIED TO THE APPLICANT IN OTHER JURISDICTIONS.
(7) OTHER INFORMATION DETERMINED BY THE BOARD TO BE APPROPRIATE.

(C) PROHIBITION.--NO TERMINAL OPERATOR LICENSEE MAY EMPLOY OR PERMIT A PERSON UNDER 18 YEARS OF AGE TO RENDER SERVICE IN A VIDEO GAMING AREA.

§ 3511. ALTERNATIVE TERMINAL OPERATOR LICENSING STANDARDS.

(A) DETERMINATION.--

(1) THE BOARD MAY DETERMINE WHETHER THE LICENSING STANDARDS OF ANOTHER JURISDICTION WITHIN THE UNITED STATES IN WHICH AN APPLICANT, ITS AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY FOR A TERMINAL OPERATOR LICENSE IS SIMILARLY LICENSED ARE COMPREHENSIVE AND THOROUGH AND PROVIDE SIMILAR ADEQUATE SAFEGUARDS AS THOSE REQUIRED BY THIS PART.
(2) IF THE BOARD MAKES THAT DETERMINATION, IT MAY ISSUE A TERMINAL OPERATOR LICENSE TO AN APPLICANT WHO HOLDS A TERMINAL OPERATOR LICENSE IN THE OTHER JURISDICTION AFTER CONDUCTING AN EVALUATION OF THE INFORMATION RELATING TO THE
APPLICANT FROM THE OTHER JURISDICTIONS, AS UPDATED BY THE 
BOARD, AND EVALUATING OTHER INFORMATION RELATED TO THE 
APPLICANT RECEIVED FROM THAT JURISDICTION AND OTHER 
JURISDICTIONS WHERE THE APPLICANT MAY BE LICENSED, THE BOARD 
MAY INCORPORATE SUCH INFORMATION IN WHOLE OR IN PART INTO THE 
BOARD'S EVALUATION OF THE APPLICANT.

(B) ABBREVIATED PROCESS.--

(1) IN THE EVENT AN APPLICANT FOR A TERMINAL OPERATOR 
LICENSE IS LICENSED IN ANOTHER JURISDICTION, THE BOARD MAY 
DETERMINE TO USE AN ALTERNATE PROCESS REQUIRING ONLY THAT 
INFORMATION DETERMINED BY THE BOARD TO BE NECESSARY TO 
CONSIDER THE ISSUANCE OF A LICENSE, INCLUDING FINANCIAL 
VIABILITY OF THE LICENSEE, TO SUCH AN APPLICANT.

(2) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO WAIVE 
FEES ASSOCIATED WITH OBTAINING A LICENSE THROUGH THE NORMAL 
APPLICATION PROCESS.

(C) CURRENT LICENSE HOLDERS.--IN THE EVENT AN APPLICANT FOR 
A TERMINAL OPERATOR LICENSE UNDER THIS PART HOLDS A SLOT MACHINE 
LICENSE UNDER PART II (RELATING TO GAMING), THE BOARD MAY 
DETERMINE TO USE AN ABBREVIATED PROCESS REQUIRING ONLY THAT 
INFORMATION DETERMINED BY THE BOARD TO BE NECESSARY TO CONSIDER 
THE ISSUANCE OF A LICENSE, INCLUDING FINANCIAL VIABILITY OF THE 
APPLICANT.

§ 3512. ALTERNATIVE MANUFACTURER LICENSING STANDARDS.

(A) DETERMINATION.--

(1) THE BOARD MAY DETERMINE WHETHER THE LICENSING 
STANDARDS OF ANOTHER JURISDICTION WITHIN THE UNITED STATES IN 
WHICH AN APPLICANT FOR A MANUFACTURER LICENSE IS SIMILARLY 
LICENSED ARE COMPREHENSIVE AND THOROUGH AND PROVIDE SIMILAR 
ADEQUATE SAFEGUARDS AS THOSE REQUIRED BY THIS PART.
(2) IF THE BOARD MAKES THAT DETERMINATION, IT MAY ISSUE A MANUFACTURER LICENSE TO AN APPLICANT WHO HOLDS A SIMILAR MANUFACTURER LICENSE IN THE OTHER JURISDICTION AFTER CONDUCTING AN EVALUATION OF THE INFORMATION RELATING TO THE APPLICANT FROM THE OTHER JURISDICTIONS, AS UPDATED BY THE BOARD, AND EVALUATING OTHER INFORMATION RELATED TO THE APPLICANT RECEIVED FROM THAT JURISDICTION AND OTHER JURISDICTIONS WHERE THE APPLICANT MAY BE LICENSED, THE BOARD MAY INCORPORATE SUCH INFORMATION IN WHOLE OR IN PART INTO THE BOARD'S EVALUATION OF THE APPLICANT.

(B) ABBREVIATED PROCESS.--

(1) IN THE EVENT AN APPLICANT FOR A MANUFACTURER LICENSE IS LICENSED IN ANOTHER JURISDICTION, THE BOARD MAY DETERMINE TO USE AN ABBREVIATED PROCESS REQUIRING ONLY THAT INFORMATION DETERMINED BY THE BOARD TO BE NECESSARY TO CONSIDER THE ISSUANCE OF A LICENSE, INCLUDING FINANCIAL VIABILITY OF THE APPLICANT.

(2) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO WAIVE FEES ASSOCIATED WITH OBTAINING A LICENSE THROUGH THE NORMAL APPLICATION PROCESS.

(C) CURRENT LICENSE HOLDERS.--IN THE EVENT AN APPLICANT FOR A MANUFACTURER LICENSE UNDER THIS PART HOLDS A MANUFACTURER LICENSE UNDER SECTION 1317.1 (RELATING TO MANUFACTURER LICENSES), THE BOARD MAY DETERMINE TO USE AN ABBREVIATED PROCESS REQUIRING ONLY THAT INFORMATION DETERMINED BY THE BOARD TO BE NECESSARY TO CONSIDER THE ISSUANCE OF A LICENSE, INCLUDING FINANCIAL VIABILITY OF THE APPLICANT.

§ 3513. ALTERNATIVE SUPPLIER LICENSING STANDARDS.

(A) DETERMINATION.--

(1) THE BOARD MAY DETERMINE WHETHER THE LICENSING
STANDARDS OF ANOTHER JURISDICTION WITHIN THE UNITED STATES IN
WHICH AN APPLICANT FOR A SUPPLIER'S LICENSE IS SIMILARLY
LICENSED ARE COMPREHENSIVE AND THOROUGH AND PROVIDE SIMILAR
ADEQUATE SAFEGUARDS AS REQUIRED BY THIS PART.

(2) IF THE BOARD MAKES THAT DETERMINATION, IT MAY ISSUE
A SUPPLIER LICENSE TO AN APPLICANT WHO HOLDS A SIMILAR
SUPPLIER LICENSE IN ANOTHER JURISDICTION AFTER CONDUCTING AN
EVALUATION OF THE INFORMATION RELATING TO THE APPLICANT FROM
THE OTHER JURISDICTIONS, AS UPDATED BY THE BOARD, AND
EVALUATING OTHER INFORMATION RELATED TO THE APPLICANT
RECEIVED FROM THAT JURISDICTION AND OTHER JURISDICTIONS WHERE
THE APPLICANT MAY BE LICENSED. THE BOARD MAY INCORPORATE THE
INFORMATION IN WHOLE OR IN PART INTO ITS EVALUATION OF THE
APPLICANT.

(B) ABBREVIATED PROCESS.--

(1) IN THE EVENT AN APPLICANT FOR A SUPPLIER LICENSE IS
LICENSED IN ANOTHER JURISDICTION, THE BOARD MAY DETERMINE TO
USE AN ABBREVIATED PROCESS REQUIRING ONLY THAT INFORMATION
DETERMINED BY THE BOARD TO BE NECESSARY TO CONSIDER THE
ISSUANCE OF A LICENSE, INCLUDING FINANCIAL VIABILITY OF THE
APPLICANT.

(2) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO WAIVE
ANY FEES ASSOCIATED WITH OBTAINING A LICENSE THROUGH THE
NORMAL APPLICATION PROCESS.

(C) CURRENT LICENSE HOLDERS.--IN THE EVENT AN APPLICANT FOR
A SUPPLIER LICENSE UNDER THIS PART HOLDS A SUPPLIER LICENSE
UNDER SECTION 1317 (RELATING TO SUPPLIER LICENSES), THE BOARD
MAY DETERMINE TO USE AN ABBREVIATED PROCESS REQUIRING ONLY THAT
INFORMATION DETERMINED BY THE BOARD TO BE NECESSARY TO CONSIDER
THE ISSUANCE OF A LICENSE, INCLUDING FINANCIAL VIABILITY OF THE
§ 3514. ESTABLISHMENT LICENSES.

(A) GENERAL REQUIREMENTS.—A TRUCK STOP ESTABLISHMENT THAT SUBMITS AN APPLICATION FOR AN ESTABLISHMENT LICENSE SHALL INCLUDE AT A MINIMUM:

(1) THE NAME, ADDRESS AND PHOTOGRAPH OF THE APPLICANT AND ADDITIONAL FINANCIAL INFORMATION REQUIRED BY THE BOARD.

(2) A DESCRIPTION OF THE PROPOSED SURVEILLANCE AND SECURITY MEASURES TO ENSURE THE SECURITY OF THE PROPOSED VIDEO GAMING AREA.

(3) A CURRENT TAX LIEN CERTIFICATE ISSUED BY THE DEPARTMENT.

(4) THE CRIMINAL HISTORY RECORD OF THE APPLICANT, PRINCIPAL AND KEY EMPLOYEES AND A CONSENT FOR THE BUREAU TO CONDUCT A BACKGROUND INVESTIGATION ON THE APPLICANT, PRINCIPALS AND KEY EMPLOYEES.

(5) OTHER INFORMATION DETERMINED TO BE APPROPRIATE BY THE BOARD.

(B) NONTRANSFERABILITY.—A LICENSE ISSUED UNDER THIS SECTION SHALL BE NONTRANSFERABLE.

(C) ONGOING DUTY.—AN ESTABLISHMENT APPLYING FOR A LICENSE UNDER THIS SECTION SHALL CONTINUE TO PROVIDE INFORMATION REQUIRED BY THE BOARD OR THE BUREAU AND COOPERATE IN ANY INQUIRY OR INVESTIGATION.

(D) REVIEW AND APPROVAL.—UPON BEING SATISFIED THAT THE REQUIREMENTS OF SUBSECTION (A) HAVE BEEN MET, THE BOARD MAY APPROVE THE APPLICATION AND ISSUE THE APPLICANT AN ESTABLISHMENT LICENSE CONSISTENT WITH ALL OF THE FOLLOWING:

(1) (I) THE LICENSE SHALL BE VALID FOR A PERIOD OF FIVE YEARS.
NOTHING IN THIS PARAGRAPH SHALL BE CONSTRUED TO RELIEVE A LICENSEE OF THE AFFIRMATIVE DUTY TO NOTIFY THE BOARD OF A CHANGE RELATING TO THE STATUS OF ITS LICENSE OR TO INFORMATION CONTAINED IN APPLICATION MATERIALS ON FILE WITH THE BOARD.

(2) THE LICENSE SHALL BE NONTRANSFERABLE.

(3) OTHER CONDITIONS ESTABLISHED BY THE BOARD.

(E) RENEWAL.--

(1) AT LEAST THREE MONTHS PRIOR TO EXPIRATION OF AN ESTABLISHMENT LICENSE, THE ESTABLISHMENT LICENSEEE SEEKING RENEWAL OF ITS LICENSE SHALL SUBMIT A RENEWAL APPLICATION ACCOMPANIED BY THE RENEWAL FEE TO THE BOARD.

(2) IF THE RENEWAL APPLICATION SATISFIES THE REQUIREMENTS OF SUBSECTION (D), THE BOARD MAY RENEW THE LICENSEEE'S ESTABLISHMENT LICENSE.

(3) IF THE BOARD RECEIVES A COMPLETE RENEWAL APPLICATION BUT FAILS TO ACT UPON THE RENEWAL APPLICATION PRIOR TO THE EXPIRATION OF THE ESTABLISHMENT LICENSE, THE ESTABLISHMENT LICENSE SHALL CONTINUE IN EFFECT UNTIL ACTED UPON BY THE BOARD.

(F) REQUIREMENT.--IN ORDER TO BE ELIGIBLE FOR AN ESTABLISHMENT LICENSE, A TRUCK STOP ESTABLISHMENT MUST BE LICENSED AS A LOTTERY SALES AGENT UNDER SECTION 305 OF THE ACT OF AUGUST 26, 1971 (P.L.351, NO.91), KNOWN AS THE STATE LOTTERY LAW, AND LICENSED TO TAKE ANY ACTIONS AUTHORIZED BY THE DESIGNATION.

§ 3515. LICENSE OR PERMIT PROHIBITION.

THE FOLLOWING APPLY:

(1) THE BOARD SHALL BE PROHIBITED FROM GRANTING A LICENSE UNDER THIS PART TO ANY APPLICANT WHO HAS BEEN
CONVICTED OF A FELONY OFFENSE IN ANY JURISDICTION.

(2) IN ADDITION TO THE PROHIBITION UNDER PARAGRAPH (1), THE BOARD SHALL BE PROHIBITED FROM GRANTING THE FOLLOWING:

(I) A PRINCIPAL LICENSE OR KEY EMPLOYEE LICENSE TO AN INDIVIDUAL WHO HAS BEEN CONVICTED IN A JURISDICTION OF A MISDEMEANOR GAMBLING OFFENSE, UNLESS 15 YEARS HAVE ELAPSED FROM THE DATE OF CONVICTION FOR THE OFFENSE.

(II) A GAMING EMPLOYEE PERMIT OR A LICENSE OTHER THAN A PRINCIPAL LICENSE OR KEY EMPLOYEE LICENSE TO AN INDIVIDUAL WHO HAS BEEN CONVICTED IN A JURISDICTION OF A MISDEMEANOR GAMBLING OFFENSE, UNLESS 15 YEARS HAVE ELAPSED FROM THE DATE OF CONVICTION FOR THE OFFENSE.

(III) AN ESTABLISHMENT LICENSE TO AN APPLICANT WHO HAS BEEN CONVICTED IN A JURISDICTION OF A MISDEMEANOR GAMBLING OFFENSE, UNLESS 15 YEARS HAVE ELAPSED FROM THE DATE OF CONVICTION FOR THE OFFENSE.

(3) FOLLOWING THE EXPIRATION OF ANY PROHIBITION PERIOD APPLICABLE TO AN APPLICANT UNDER PARAGRAPH (2), IN DETERMINING WHETHER TO ISSUE A LICENSE OR PERMIT, THE BOARD SHALL CONSIDER THE FOLLOWING FACTORS:

(I) THE NATURE AND DUTIES OF THE APPLICANT'S POSITION WITH THE LICENSED ENTITY.

(II) THE NATURE AND SERIOUSNESS OF THE OFFENSE OR CONDUCT.

(III) THE CIRCUMSTANCES UNDER WHICH THE OFFENSE OR CONDUCT OCCURRED.

(IV) THE AGE OF THE APPLICANT WHEN THE OFFENSE OR CONDUCT WAS COMMITTED.

(V) WHETHER THE OFFENSE OR CONDUCT WAS AN ISOLATED OR A REPEATED INCIDENT.
(VI) EVIDENCE OF REHABILITATION, INCLUDING GOOD
CONDUCT IN THE COMMUNITY, COUNSELING OR PSYCHIATRIC
TREATMENT RECEIVED AND THE RECOMMENDATION OF PERSONS WHO
HAVE SUBSTANTIAL CONTACT WITH THE APPLICANT.

(4) FOR PURPOSES OF THIS SECTION, A FELONY OFFENSE IS
ANY OF THE FOLLOWING:

(I) AN OFFENSE CLASSIFIED AS A FELONY OR PUNISHABLE
UNDER THE LAWS OF THIS COMMONWEALTH BY IMPRISONMENT FOR
MORE THAN FIVE YEARS.

(II) AN OFFENSE WHICH, UNDER THE LAWS OF ANOTHER
JURISDICTION, IS:

(A) CLASSIFIED AS A FELONY; OR

(B) PUNISHABLE BY IMPRISONMENT FOR MORE THAN
FIVE YEARS.

(III) AN OFFENSE UNDER THE LAWS OF ANOTHER
JURISDICTION WHICH, IF COMMITTED IN THIS COMMONWEALTH,
WOULD BE SUBJECT TO IMPRISONMENT FOR MORE THAN FIVE
YEARS.

§ 3516. ISSUANCE AND RENEWAL.

(A) ISSUANCE.--

(1) IN ADDITION TO ANY OTHER CRITERIA PROVIDED UNDER
THIS PART, ANY TERMINAL OPERATOR, TRUCK STOP ESTABLISHMENT,
SUPPLIER, MANUFACTURER, GAMING EMPLOYEE, KEY EMPLOYEE,
PRINCIPAL OR OTHER PERSON THAT THE BOARD APPROVES AS
QUALIFIED TO RECEIVE A LICENSE, PERMIT OR OTHER AUTHORIZATION
UNDER THIS PART SHALL BE ISSUED A LICENSE OR PERMIT UPON THE
PAYMENT OF A FEE REQUIRED IN SECTION 4101 (RELATING TO FEES)
AND UPON THE FULFILLMENT OF CONDITIONS REQUIRED BY THE BOARD
OR PROVIDED FOR IN THIS PART.

(2) NOTHING CONTAINED IN THIS PART IS INTENDED OR SHALL
BE CONSTRUED TO CREATE AN ENTITLEMENT TO A LICENSE, PERMIT OR
OTHER AUTHORIZATION BY A PERSON.

(B) RENEWAL.--

(1) ALL PERMITS AND LICENSES ISSUED UNDER THIS PART
UNLESS OTHERWISE PROVIDED SHALL BE SUBJECT TO RENEWAL EVERY
FIVE YEARS.

(2) THE APPLICATION FOR RENEWAL OF A LICENSE OR PERMIT,
UNLESS OTHERWISE PROVIDED, SHALL BE SUBMITTED AT LEAST 180
DAYS PRIOR TO THE EXPIRATION OF THE PERMIT OR LICENSE AND
SHALL INCLUDE AN UPDATE OF THE INFORMATION CONTAINED IN THE
INITIAL AND ANY PRIOR RENEWAL APPLICATIONS AND THE PAYMENT OF
ANY RENEWAL FEE REQUIRED BY SECTION 4101.

(3) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO
RELIEVE A LICENSEE OR PERMITTEE OF THE AFFIRMATIVE DUTY TO
NOTIFY THE BOARD OF A CHANGE RELATING TO THE STATUS OF ITS
LICENSE OR PERMIT OR TO OTHER INFORMATION CONTAINED IN THE
APPLICATION MATERIALS ON FILE WITH THE BOARD.

(C) REVOCATION OR FAILURE TO RENEW.--

(1) IN ADDITION TO OTHER SANCTIONS THE BOARD MAY IMPOSE
UNDER THIS PART, THE BOARD MAY AT ITS DISCRETION SUSPEND,
REVOKE OR DENY RENEWAL OF A PERMIT OR LICENSE ISSUED UNDER
THIS PART IF IT RECEIVES INFORMATION FROM ANY SOURCE THAT THE
APPLICANT OR ANY OF ITS OFFICERS, DIRECTORS, OWNERS OR KEY
EMPLOYEES IS IN VIOLATION OF ANY PROVISION OF THIS PART, THAT
THE APPLICANT HAS FURNISHED THE BOARD WITH FALSE OR
MISLEADING INFORMATION OR THAT THE INFORMATION CONTAINED IN
THE APPLICANT'S INITIAL APPLICATION OR RENEWAL APPLICATION IS
NO LONGER TRUE AND CORRECT SUCH THAT THE APPLICANT IS NO
LONGER ELIGIBLE.

(2) IN THE EVENT OF A REVOCATION OR FAILURE TO RENEW,
THE LICENSEE'S AUTHORIZATION TO CONDUCT THE PREVIOUSLY
APPROVED ACTIVITY SHALL IMMEDIATELY CEASE THE ACTIVITY AND
ALL FEES PAID IN CONNECTION WITH THE LICENSE SHALL BE DEEMED
TO BE FORFEITED.

(3) IN THE EVENT OF A SUSPENSION, THE APPLICANT'S
AUTHORIZATION TO CONDUCT THE PREVIOUSLY APPROVED ACTIVITY
SHALL IMMEDIATELY CEASE UNTIL THE BOARD HAS NOTIFIED THE
APPLICANT THAT THE SUSPENSION IS NO LONGER IN EFFECT.

(D) NONTRANSFERABILITY OF LICENSES.--

(1) A LICENSE ISSUED BY THE BOARD IS A GRANT OF THE
PRIVILEGE TO CONDUCT A BUSINESS IN THIS COMMONWEALTH.

(2) EXCEPT AS PERMITTED BY SECTION 3517 (RELATING TO
CHANGE IN OWNERSHIP OR CONTROL OF TERMINAL OPERATOR
LICENSEE), NO LICENSE GRANTED OR RENEWED PURSUANT TO THIS
PART MAY BE SOLD, TRANSFERRED OR ASSIGNED TO ANOTHER PERSON.

(3) NO LICENSEE MAY PLEDGE OR OTHERWISE GRANT A SECURITY
INTEREST IN OR LIEN ON THE LICENSE.

(4) THE BOARD HAS THE SOLE DISCRETION TO ISSUE, RENEW,
CONDITION OR DENY THE ISSUANCE OF A LICENSE BASED UPON THE
REQUIREMENTS OF THIS PART.

(5) NOTHING CONTAINED IN THIS PART IS INTENDED OR SHALL
BE CONSTRUED TO CREATE IN ANY PERSON AN ENTITLEMENT TO A
LICENSE.

§ 3517. CHANGE IN OWNERSHIP OR CONTROL OF TERMINAL OPERATOR
LICENSEE.

(A) NOTIFICATION AND APPROVAL.--

(1) A TERMINAL OPERATOR LICENSEE SHALL PROMPTLY NOTIFY
THE BOARD OF A PROPOSED OR CONTEMPLATED CHANGE OF OWNERSHIP
OF THE TERMINAL OPERATOR LICENSEE BY A PERSON OR GROUP OF
PERSONS ACTING IN CONCERT WHICH INVOLVES ANY OF THE
FOLLOWING:

(I) MORE THAN 5% OF A TERMINAL OPERATOR LICENSEE'S SECURITIES OR OTHER OWNERSHIP INTERESTS.

(II) MORE THAN 5% OF THE SECURITIES OR OTHER OWNERSHIP INTERESTS OF A CORPORATION OR OTHER FORM OF BUSINESS ENTITY THAT OWNS DIRECTLY OR INDIRECTLY AT LEAST 20% OF THE VOTING OR OTHER SECURITIES OR OTHER OWNERSHIP INTERESTS OF THE LICENSEE.

(III) THE SALE OF ALL OR SUBSTANTIALLY ALL OF A LICENSEE'S ASSETS.

(IV) OTHER TRANSACTION OR OCCURRENCE DEEMED BY THE BOARD TO BE RELEVANT TO LICENSE QUALIFICATIONS.

(2) (I) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (1), NO TERMINAL OPERATOR LICENSEE MAY BE REQUIRED TO NOTIFY THE BOARD OF AN ACQUISITION BY AN INSTITUTIONAL INVESTOR UNDER PARAGRAPH (1)(I) OR (II) IF THE INSTITUTIONAL INVESTOR HOLDS LESS THAN 10% OF THE SECURITIES OR OTHER OWNERSHIP INTERESTS REFERRED TO IN PARAGRAPH (1)(I) OR (II), THE SECURITIES OR INTERESTS ARE PUBLICLY TRaded SECURITIES AND ITS HOLDINGS OF THE SECURITIES WERE PURCHASED FOR INVESTMENT PURPOSES ONLY AND THE INSTITUTIONAL INVESTOR FILES WITH THE BOARD A CERTIFIED STATEMENT TO THE EFFECT THAT IT HAS NO INTENTION OF INFLUENCING OR AFFECTING, DIRECTLY OR INDIRECTLY, THE AFFAIRS OF THE LICENSEE, PROVIDED, HOWEVER, THAT IT SHALL BE PERMITTED TO VOTE ON MATTERS PUT TO THE VOTE OF THE OUTSTANDING SECURITY HOLDERS.

(II) NOTICE TO THE BOARD AND BOARD APPROVAL SHALL BE REQUIRED PRIOR TO COMPLETION OF ANY PROPOSED OR CONTEMPLATED CHANGE OF OWNERSHIP OF A TERMINAL OPERATOR
LICENSEE THAT MEETS THE CRITERIA OF THIS SECTION.

(B) QUALIFICATION OF PURCHASER OF TERMINAL OPERATOR LICENSEE; CHANGE OF CONTROL.--

(1) THE PURCHASER OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF A TERMINAL OPERATOR LICENSEE SHALL, IF NOT ALREADY A TERMINAL OPERATOR LICENSEE, INDEPENDENTLY QUALIFY FOR A LICENSE IN ACCORDANCE WITH THIS PART AND SHALL PAY THE LICENSE FEE AS REQUIRED BY SECTION 4101 (RELATING TO FEES).

(2) A CHANGE IN CONTROL OF A TERMINAL OPERATOR LICENSEE SHALL REQUIRE THAT THE TERMINAL OPERATOR LICENSEE INDEPENDENTLY QUALIFY FOR A LICENSE IN ACCORDANCE WITH THIS PART, AND THE TERMINAL OPERATOR LICENSEE SHALL PAY A NEW LICENSE FEE AS REQUIRED BY SECTION 4101, EXCEPT AS OTHERWISE REQUIRED BY THE BOARD PURSUANT TO THIS SECTION.

(3) THE NEW LICENSE FEE SHALL BE PAID UPON THE ASSIGNMENT AND ACTUAL CHANGE OF CONTROL OR OWNERSHIP OF THE TERMINAL OPERATOR LICENSE.

(C) CHANGE IN CONTROL DEFINED.--FOR PURPOSES OF THIS SECTION, A CHANGE IN CONTROL OF A TERMINAL OPERATOR LICENSEE SHALL MEAN THE ACQUISITION BY A PERSON OR GROUP OF PERSONS ACTING IN CONCERT OF MORE THAN 20% OF A TERMINAL OPERATOR LICENSEE'S SECURITIES OR OTHER OWNERSHIP INTERESTS, WITH THE EXCEPTION OF ANY OWNERSHIP INTEREST OF THE PERSON THAT EXISTED AT THE TIME OF INITIAL LICENSING AND PAYMENT OF THE INITIAL SLOT MACHINE LICENSE FEE, OR MORE THAN 20% OF THE SECURITIES OR OTHER OWNERSHIP INTERESTS OF A CORPORATION OR OTHER FORM OF BUSINESS ENTITY THAT OWNS DIRECTLY OR INDIRECTLY AT LEAST 20% OF THE VOTING OR OTHER SECURITIES OR OTHER OWNERSHIP INTERESTS OF THE LICENSEE.

(D) FEE REDUCTION.--THE BOARD MAY IN ITS DISCRETION
ELIMINATE THE NEED FOR QUALIFICATION OR PROPORTIONATELY REDUCE,
BUT NOT ELIMINATE, THE NEW LICENSE FEE OTHERWISE REQUIRED
PURSUANT TO THIS SECTION IN CONNECTION WITH A CHANGE OF CONTROL
OF A LICENSEE, DEPENDING UPON THE TYPE OF TRANSACTION, THE
RELEVANT OWNERSHIP INTERESTS AND CHANGES TO THE INTERESTS
RESULTING FROM THE TRANSACTION AND OTHER CONSIDERATIONS DEEMED
RELEVANT BY THE BOARD.

(E) LICENSE REVOCATION.—FAILURE TO COMPLY WITH THIS SECTION
MAY CAUSE THE LICENSE ISSUED UNDER THIS PART TO BE REVOKED OR
SUSPENDED BY THE BOARD UNLESS THE PURCHASE OF THE ASSETS OR THE
CHANGE IN CONTROL THAT MEETS THE CRITERIA OF THIS SECTION HAS
BEEN INDEPENDENTLY QUALIFIED IN ADVANCE BY THE BOARD AND ANY
REQUIRED LICENSE FEE HAS BEEN PAID.

§ 3518. VIDEO GAMING ACCOUNTING CONTROLS AND AUDITS.

(A) APPROVAL.—EXCEPT AS OTHERWISE PROVIDED BY THIS PART, A
TERMINAL OPERATOR LICENSE APPLICANT SHALL, IN ADDITION TO
OBTAINING A TERMINAL OPERATOR LICENSE, OBTAIN APPROVAL FROM THE
BOARD IN CONSULTATION WITH THE DEPARTMENT OF ITS INTERNAL
CONTROL SYSTEMS AND AUDIT PROTOCOLS PRIOR TO THE INSTALLATION
AND OPERATION OF VIDEO GAMING TERMINALS AT LICENSED
ESTABLISHMENTS.

(B) MINIMUM REQUIREMENTS.—AT A MINIMUM, THE APPLICANT'S
PROPOSED INTERNAL CONTROLS AND AUDIT PROTOCOLS SHALL:

(1) SAFEGUARD ITS ASSETS AND REVENUES, INCLUDING, BUT
NOT LIMITED TO, THE RECORDING OF CASH AND CASH EQUIVALENTS
AND EVIDENCES OF INDEBTEDNESS RELATED TO THE VIDEO GAMING
TERMINALS.

(2) PROVIDE FOR RELIABLE RECORDS, ACCOUNTS AND REPORTS
OF A FINANCIAL EVENT THAT OCCURS IN THE OPERATION OF A VIDEO
GAMING TERMINAL, INCLUDING REPORTS TO THE BOARD RELATED TO
(3) Ensure that each video gaming terminal directly provides or communicates all required activities and financial details to the central control computer system as set by the board and the department.

(4) Provide for accurate and reliable financial records.

(5) Ensure a financial event that occurs in the operation of a video gaming terminal is performed only in accordance with the management's general or specific authorization, as approved by the board.

(6) Ensure that a financial event that occurs in the operation of a video gaming terminal is recorded adequately to permit proper and timely reporting of gross revenue and the calculation thereof and of fees and taxes and to maintain accountability for assets.

(7) Ensure that access to assets is permitted only in accordance with management's specific authorization, as approved by the board.

(8) Ensure that recorded accountability for assets is compared with actual assets at intervals as required by the board and appropriate action is taken with respect to discrepancies.

(9) Ensure that all functions, duties and responsibilities are appropriately segregated and performed in accordance with sound financial practices by competent, qualified personnel.

(10) Any other requirement of the board or the department.

(C) Internal control.--A terminal operator license applicant shall submit to the board and department, in such manner as the
BOARD REQUIRE, A DESCRIPTION OF ITS ADMINISTRATIVE AND ACCOUNTING PROCEDURES IN DETAIL, INCLUDING ITS WRITTEN SYSTEM OF INTERNAL CONTROL. THE WRITTEN SYSTEM OF INTERNAL CONTROL SHALL INCLUDE:

1. RECORDS OF DIRECT AND INDIRECT OWNERSHIP IN THE PROPOSED TERMINAL OPERATOR LICENSEE, ITS AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY.
2. AN ORGANIZATIONAL CHART DEPICTING APPROPRIATE SEGREGATION OF EMPLOYEE FUNCTIONS AND RESPONSIBILITIES.
3. A DESCRIPTION OF THE DUTIES AND RESPONSIBILITIES OF EACH EMPLOYEE POSITION SHOWN ON THE ORGANIZATIONAL CHART.
4. A DETAILED NARRATIVE DESCRIPTION OF THE ADMINISTRATIVE AND ACCOUNTING PROCEDURES DESIGNED TO SATISFY THE REQUIREMENTS OF THIS SECTION.
5. RECORD RETENTION POLICY.
6. PROCEDURE TO ENSURE THAT ASSETS ARE SAFEGUARDED, INCLUDING MANDATORY COUNT PROCEDURES.
7. A STATEMENT SIGNED BY THE CHIEF FINANCIAL OFFICER OF THE TERMINAL OPERATOR LICENSE APPLICANT OR OTHER COMPETENT PERSON AND THE CHIEF EXECUTIVE OFFICER OF THE TERMINAL OPERATOR LICENSE APPLICANT OR OTHER COMPETENT PERSON ATTESTING THAT THE OFFICER BELIEVES, IN GOOD FAITH, THAT THE SYSTEM SATISFIES THE REQUIREMENTS OF THIS SECTION.
8. OTHER ITEMS THAT THE BOARD OR DEPARTMENT MAY REQUIRE IN ITS DISCRETION.

§ 3519. MULTIPLE LICENSES PROHIBITED.
(A) MANUFACTURER RESTRICTION.—A MANUFACTURER MAY NOT BE LICENSED AS A TERMINAL OPERATOR OR OWN, MANAGE OR CONTROL AN ESTABLISHMENT LICENSEE OR TERMINAL OPERATOR LICENSEE, BUT MAY ALSO BE LICENSED AS A SUPPLIER.
(B) SUPPLIER RESTRICTION.--A SUPPLIER MAY NOT BE LICENSED AS A TERMINAL OPERATOR OR OWN, MANAGE OR CONTROL AN ESTABLISHMENT LICENSEE OR TERMINAL OPERATOR LICENSEE.

(C) TERMINAL OPERATOR RESTRICTION.--A TERMINAL OPERATOR MAY NOT BE LICENSED AS A MANUFACTURER OR SUPPLIER OR OWN, MANAGE OR CONTROL AN ESTABLISHMENT LICENSEE OR OWN, MANAGE OR CONTROL PREMISES USED BY AN ESTABLISHMENT LICENSEE.

(D) ESTABLISHMENT RESTRICTION.--AN ESTABLISHMENT LICENSEE MAY NOT BE LICENSED AS A MANUFACTURER, SUPPLIER, TERMINAL OPERATOR.

§ 3520. CONDITIONAL LICENSES.

(A) CONDITIONAL ESTABLISHMENT LICENSES.--

(1) WITHIN 90 DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION, THE BOARD SHALL MAKE APPLICATIONS FOR ESTABLISHMENT LICENSES AVAILABLE TO APPLICANTS.

(2) THE BOARD SHALL ISSUE A CONDITIONAL LICENSE TO AN APPLICANT FOR AN ESTABLISHMENT LICENSE IF THE APPLICANT SATISFIES, AS DETERMINED BY THE BOARD, ALL OF THE FOLLOWING CRITERIA:

(I) THE APPLICANT HAS NEVER BEEN CONVICTED OF A FELONY IN ANY JURISDICTION.

(II) THE APPLICANT IS CURRENT ON ALL STATE TAXES.

(III) THE APPLICANT HAS SUBMITTED A COMPLETED APPLICATION FOR AN ESTABLISHMENT LICENSE IN ACCORDANCE WITH THIS PART, WHICH MAY BE SUBMITTED CONCURRENTLY WITH THE APPLICANT'S REQUEST FOR A CONDITIONAL LICENSE.

(IV) THE APPLICANT HAS NEVER BEEN CONVICTED OF A GAMBLING LAW VIOLATION IN ANY JURISDICTION.

(3) (I) THE BOARD SHALL ISSUE A CONDITIONAL LICENSE TO AN APPLICANT FOR AN ESTABLISHMENT LICENSE, WITHIN 60 DAYS
AFTER THE COMPLETED APPLICATION HAS BEEN RECEIVED BY THE BOARD, PROVIDED THAT THE BOARD DETERMINES THAT THE CRITERIA CONTAINED IN PARAGRAPH (2) HAS BEEN SATISFIED.

(II) IF THE BOARD DETERMINES THAT THE CRITERIA CONTAINED IN PARAGRAPH (2) HAS NOT BEEN SATISFIED, THE BOARD SHALL GIVE A WRITTEN EXPLANATION TO THE APPLICANT AS TO WHY IT HAS DETERMINED THE CRITERIA HAS NOT BEEN SATISFIED.

(4) A CONDITIONAL LICENSE SHALL BE VALID UNTIL:

(I) THE BOARD EITHER APPROVES OR DENIES THE APPLICANT'S APPLICATION FOR LICENSURE;

(II) THE CONDITIONAL LICENSE IS TERMINATED FOR A VIOLATION OF THIS PART; OR

(III) ONE CALENDAR YEAR HAS PASSED SINCE THE CONDITIONAL LICENSE WAS ISSUED.

(5) THE BOARD MAY EXTEND THE DURATION OF THE CONDITIONAL LICENSE FOR ONE CALENDAR YEAR.

(6) AN APPLICANT SHALL ATTEST BY WAY OF AFFIDAVIT UNDER PENALTY OF PERJURY THAT THE APPLICANT IS NOT OTHERWISE PROHIBITED FROM LICENSURE ACCORDING TO THE REQUIREMENTS OF THIS SECTION OR ANY OTHER PROVISION OF THIS PART.

(7) A REQUEST FOR CONDITIONAL LICENSURE UNDER THIS SUBSECTION SHALL INCLUDE PAYMENT OF A $100 FEE, WHICH FEE SHALL BE IN ADDITION TO THE APPLICABLE FEE REQUIRED UNDER SECTION 4101 (RELATING TO FEES).

(B) CONDITIONAL TERMINAL OPERATOR LICENSES.--

(1) WITHIN 90 DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION, THE BOARD SHALL MAKE APPLICATIONS FOR TERMINAL OPERATOR LICENSES AVAILABLE TO APPLICANTS.

(2) THE BOARD SHALL ISSUE A CONDITIONAL LICENSE TO AN
APPLICANT FOR A TERMINAL OPERATOR LICENSE IF THE APPLICANT
SATISFIES, AS DETERMINED BY THE BOARD, ALL OF THE FOLLOWING
CRITERIA:

(I) THE APPLICANT HAS NEVER BEEN CONVICTED OF A
FELONY IN ANY JURISDICTION.

(II) THE APPLICANT IS CURRENT ON ALL STATE TAXES.

(III) THE APPLICANT HAS SUBMITTED A COMPLETED
APPLICATION FOR A TERMINAL OPERATOR LICENSE WHICH MAY BE
SUBMITTED CONCURRENTLY WITH THE APPLICANT'S REQUEST FOR A
CONDITIONAL LICENSE.

(IV) THE APPLICANT HAS NEVER HAD ITS TERMINAL
OPERATOR LICENSE OR SIMILAR GAMING LICENSE DENIED OR
REVOKED IN ANOTHER JURISDICTION.

(V) THE APPLICANT HAS NEVER BEEN CONVICTED OF A
GAMBLING LAW VIOLATION IN ANY JURISDICTION.

(3) (I) THE BOARD SHALL ISSUE A CONDITIONAL LICENSE TO
AN APPLICANT FOR A TERMINAL OPERATOR LICENSE, WITHIN 60
DAYS AFTER THE COMPLETED APPLICATION HAS BEEN RECEIVED BY
THE BOARD, PROVIDED THAT THE BOARD DETERMINES THAT THE
CRITERIA CONTAINED IN PARAGRAPH (3) HAS BEEN SATISFIED.

(II) IF THE BOARD DETERMINES THAT THE CRITERIA
CONTAINED IN PARAGRAPH (3) HAS NOT BEEN SATISFIED, THE
BOARD SHALL GIVE A WRITTEN EXPLANATION TO THE APPLICANT
AS TO WHY IT HAS DETERMINED THE CRITERIA HAS NOT BEEN
SATISFIED.

(4) A CONDITIONAL LICENSE SHALL BE VALID UNTIL:

(I) THE BOARD EITHER APPROVES OR DENIES THE
APPLICANT'S APPLICATION FOR LICENSURE;

(II) THE CONDITIONAL LICENSE IS TERMINATED FOR A
VIOLATION OF THIS CHAPTER; OR
(III) ONE CALENDAR YEAR HAS PASSED SINCE THE
CONDITIONAL LICENSE WAS ISSUED.

(5) THE BOARD MAY EXTEND THE DURATION OF THE CONDITIONAL
LICENSE FOR ONE CALENDAR YEAR.

(6) AN APPLICANT SHALL ATTEST BY WAY OF AFFIDAVIT UNDER
PENALTY OF PERJURY THAT THE APPLICANT IS NOT OTHERWISE
PROHIBITED FROM LICENSURE ACCORDING TO THE REQUIREMENTS OF
THIS SUBSECTION OR ANY OTHER PROVISION OF THIS PART.

(7) A REQUEST FOR CONDITIONAL LICENSURE UNDER THIS
SUBSECTION SHALL INCLUDE PAYMENT OF A $100 FEE, WHICH FEE
SHALL BE IN ADDITION TO THE APPLICABLE FEE REQUIRED UNDER
SECTION 4101.

(C) CONDITIONAL MANUFACTURER AND SUPPLIER LICENSES.--

(1) WITHIN 90 DAYS AFTER THE EFFECTIVE DATE OF THIS
SECTION, THE BOARD SHALL MAKE APPLICATIONS AVAILABLE FOR
MANUFACTURER AND SUPPLIER LICENSE.

(2) THE BOARD SHALL ISSUE A CONDITIONAL LICENSE TO AN
APPLICANT FOR A MANUFACTURER OR SUPPLIER LICENSE IF THE
APPLICANT SATISFIES, AS DETERMINED BY THE BOARD, ALL OF THE
FOLLOWING CRITERIA:

(I) THE APPLICANT HAS NEVER BEEN CONVICTED OF A
FELONY.

(II) THE APPLICANT IS CURRENT ON ALL STATE TAXES.

(III) THE APPLICANT HAS SUBMITTED A COMPLETED
APPLICATION A MANUFACTURER OR SUPPLIER LICENSE, WHICH MAY
BE SUBMITTED CONCURRENTLY WITH THE APPLICANT'S REQUEST
FOR A CONDITIONAL LICENSE.

(IV) THE APPLICANT HAS NEVER HAD ITS MANUFACTURER,
SUPPLIER OR SIMILAR GAMING LICENSE DENIED OR REVOKED IN
ANOTHER JURISDICTION.
THE APPLICANT HAS NEVER BEEN CONVICTED OF A GAMBLING LAW VIOLATION IN ANY JURISDICTION.

THE BOARD SHALL ISSUE A CONDITIONAL LICENSE TO AN APPLICANT FOR A MANUFACTURER OR SUPPLIER LICENSE WITHIN 60 DAYS AFTER THE COMPLETED APPLICATION HAS BEEN RECEIVED BY THE BOARD, PROVIDED THAT THE BOARD DETERMINES THAT THE CRITERIA CONTAINED IN PARAGRAPH (2) HAS BEEN SATISFIED.

IF THE BOARD DETERMINES THAT THE CRITERIA CONTAINED IN PARAGRAPH (2) HAS NOT BEEN SATISFIED, THE BOARD SHALL GIVE A WRITTEN EXPLANATION TO THE APPLICANT AS TO WHY IT HAS DETERMINED THE CRITERIA HAS NOT BEEN SATISFIED.

A CONDITIONAL LICENSE SHALL BE VALID UNTIL:

THE BOARD EITHER APPROVES OR DENIES THE APPLICANT'S APPLICATION FOR LICENSURE;

THE CONDITIONAL LICENSE IS TERMINATED FOR A VIOLATION OF THIS PART; OR

ONE CALENDAR YEAR HAS PASSED SINCE THE CONDITIONAL LICENSE WAS ISSUED.

THE BOARD MAY EXTEND THE DURATION OF THE CONDITIONAL LICENSE FOR ONE CALENDAR YEAR.

AN APPLICANT SHALL ATTEST BY WAY OF AFFIDAVIT UNDER PENALTY OF PERJURY THAT THE APPLICANT IS NOT OTHERWISE PROHIBITED FROM LICENSURE ACCORDING TO THE REQUIREMENTS OF THIS SUBSECTION OR ANY OTHER PROVISION OF THIS PART.

A REQUEST FOR A CONDITIONAL LICENSE UNDER THIS SUBSECTION SHALL INCLUDE PAYMENT OF A $1,000 FEE, WHICH FEE SHALL BE IN ADDITION TO THE APPLICABLE FEE REQUIRED UNDER SECTION 4101.
(D) OTHER CONDITIONAL LICENSES.--

(1) WITHIN 90 DAYS AFTER THE EFFECTIVE DATE OF THIS
SECTION, THE BOARD SHALL MAKE APPLICATIONS AVAILABLE FOR ANY
OTHER LICENSE REQUIRED UNDER THIS PART.

(2) THE BOARD SHALL ISSUE A CONDITIONAL LICENSE TO AN
APPLICANT IF THE APPLICANT SATISFIES, AS DETERMINED BY THE
BOARD, ALL OF THE FOLLOWING CRITERIA:

(i) THE APPLICANT HAS NEVER BEEN CONVICTED OF A
FELONY IN ANY JURISDICTION.

(ii) THE APPLICANT IS CURRENT ON ALL STATE TAXES.

(iii) THE APPLICANT HAS SUBMITTED A COMPLETED
APPLICATION FOR LICENSURE, WHICH MAY BE SUBMITTED
CONCURRENTLY WITH THE APPLICANT'S REQUEST FOR A
CONDITIONAL LICENSE.

(iv) THE APPLICANT HAS NEVER BEEN CONVICTED OF A
GAMBLING LAW VIOLATION IN ANY JURISDICTION.

(3) (i) THE BOARD SHALL ISSUE A CONDITIONAL LICENSE TO
AN APPLICANT WITHIN 60 DAYS AFTER THE COMPLETED
APPLICATION HAS BEEN RECEIVED BY THE BOARD, PROVIDED THAT
THE BOARD DETERMINES THAT THE CRITERIA CONTAINED IN
PARAGRAPH (2) HAS BEEN SATISFIED.

(ii) IF THE BOARD DETERMINES THAT THE CRITERIA
CONTAINED IN PARAGRAPH (2) HAS NOT BEEN SATISFIED, THE
BOARD SHALL GIVE A WRITTEN EXPLANATION TO THE APPLICANT
AS TO WHY IT HAS DETERMINED THE CRITERIA HAS NOT BEEN
SATISFIED.

(4) A CONDITIONAL LICENSE SHALL BE VALID UNTIL:

(i) THE BOARD EITHER APPROVES OR DENIES THE
APPLICANT'S APPLICATION FOR LICENSURE;

(ii) THE CONDITIONAL LICENSE IS TERMINATED FOR A
VIOLATION OF THIS PART; OR

(III) ONE CALENDAR YEAR HAS PASSED SINCE THE
CONDITIONAL LICENSE WAS ISSUED.

(5) THE BOARD MAY EXTEND THE DURATION OF THE CONDITIONAL
LICENSE FOR ONE CALENDAR YEAR.

(6) AN APPLICANT SHALL ATTEST BY WAY OF AFFIDAVIT UNDER
PENALTY OF PERJURY THAT THE APPLICANT IS NOT OTHERWISE
PROHIBITED FROM LICENSURE ACCORDING TO THE REQUIREMENTS OF
THIS SUBSECTION OR ANY OTHER PROVISION OF THIS PART.

(7) A REQUEST FOR CONDITIONAL LICENSURE UNDER THIS
SUBSECTION SHALL INCLUDE PAYMENT OF A $100 FEE, WHICH FEE
SHALL BE IN ADDITION TO THE APPLICABLE FEE REQUIRED UNDER
SECTION 4101.

(E) PRIORITIZATION PROHIBITED.--

(1) THE BOARD MAY NOT UTILIZE THE ALTERNATIVE LICENSING
STANDARDS FOR A TERMINAL OPERATOR LICENSE, MANUFACTURER
LICENSE OR A SUPPLIER LICENSE UNDER SECTIONS 3511 (RELATING
TO ALTERNATIVE TERMINAL OPERATOR LICENSING STANDARDS), 3512
(RELATING TO ALTERNATIVE MANUFACTURER LICENSING STANDARDS)
AND 3513 (RELATING TO ALTERNATIVE SUPPLIER LICENSING
STANDARDS) TO PRIORITIZE THE ISSUANCE OF A TERMINAL OPERATOR,
MANUFACTURER OR SUPPLIER LICENSE UNDER THIS CHAPTER.

(2) THE BOARD SHALL ENSURE THAT APPLICATIONS MADE TO THE
BOARD ACCORDING TO THE ALTERNATIVE STANDARDS UNDER SECTIONS
3511, 3512 AND 3513 ARE NOT APPROVED OR DENIED IN A TIME
PERIOD THAT IS LESS THAN THE TIME PERIOD IN WHICH AN
APPLICATION FOR A CONDITIONAL LICENSE IS APPROVED OR DENIED
UNDER THIS SECTION.

(F) INCOMPLETE APPLICATIONS.--IF THE BOARD RECEIVES AN
APPLICATION THAT IS INCOMPLETE, THE BOARD SHALL, WITHIN SEVEN
DAYS OF RECEIVING THE INCOMPLETE APPLICATION, NOTIFY THE
APPLICANT OF ADDITIONAL INFORMATION REQUIRED BY THE BOARD.

CHAPTER 37
OPERATION

3701. TESTING AND CERTIFICATION OF TERMINALS.
3702. VIDEO GAMING LIMITATIONS.
3703. (RESERVED).
3704. TERMINAL PLACEMENT AGREEMENTS.
3705. DUTIES OF LICENSEES.
3706. COMPULSIVE AND PROBLEM GAMBLING.

§ 3701. TESTING AND CERTIFICATION OF TERMINALS.

(A) GENERAL RULE.--NO VIDEO GAMING TERMINAL OR REDEMPTION
TERMINAL OR ASSOCIATED EQUIPMENT MAY BE MADE AVAILABLE FOR USE
IN THIS COMMONWEALTH PRIOR TO BEING TESTED AND CERTIFIED BY THE
BOARD IN ACCORDANCE WITH THIS SECTION.

(B) VIDEO GAMING TERMINAL SPECIFICATIONS.--VIDEO GAMING
TERMINALS SHALL BE TESTED AND CERTIFIED TO MEET THE FOLLOWING
SPECIFICATIONS:

(1) THE VIDEO GAMING TERMINAL SHALL HAVE THE ABILITY TO
BE LINKED TO THE CENTRAL CONTROL COMPUTER.

(2) THE VIDEO GAMING TERMINAL SHALL BE MARKED WITH AN
IRREMOVABLE IDENTIFICATION PLATE THAT IS PLACED IN A
CONSPICUOUS LOCATION ON THE EXTERIOR OF THE VIDEO GAMING
TERMINAL. THE IDENTIFICATION PLATE SHALL CONTAIN THE NAME OF
THE MANUFACTURER AND THE SERIAL AND MODEL NUMBERS OF THE
VIDEO GAMING TERMINAL.

(3) THE VIDEO GAMING TERMINAL SHALL PROMINENTLY DISPLAY
THE RULES OF PLAY EITHER ON THE VIDEO GAMING TERMINAL FACE OR
SCREEN.

(4) THE VIDEO GAMING TERMINAL MAY NOT HAVE THE ABILITY
TO DISPENSE CASH, TOKENS OR ANYTHING OF VALUE, EXCEPT
REDEMPTION TICKETS WHICH SHALL ONLY BE EXCHANGEABLE FOR CASH
AT A REDEMPTION TERMINAL OR REINSERTED INTO ANOTHER VIDEO
GAMING TERMINAL LOCATED IN THE SAME VIDEO GAMING AREA AS THE
VIDEO GAMING TERMINAL.

(5) THE COST OF A CREDIT SHALL ONLY BE 1¢, 5¢, 10¢ OR
25¢.

(6) THE MAXIMUM WAGER PER INDIVIDUAL GAME SHALL NOT
EXCEED $5.

(7) THE MAXIMUM PRIZE PER INDIVIDUAL GAME SHALL NOT
EXCEED $1,000.

(8) THE VIDEO GAMING TERMINAL SHALL BE DESIGNED AND
MANUFACTURED WITH TOTAL ACCOUNTABILITY TO INCLUDE GROSS
PROCEEDS, NET PROFITS, WINNING PERCENTAGES AND OTHER
INFORMATION THE BOARD REQUIRES.

(9) THE VIDEO GAMING TERMINAL SHALL PAY OUT A MINIMUM OF
85% OF THE AMOUNT WAGERED.

(10) OTHER SPECIFICATIONS THE BOARD REQUIRES.

(C) REDEMPTION TERMINAL SPECIFICATIONS.--REDEMPTION
TERMINALS SHALL BE TESTED AND CERTIFIED TO MEET THE FOLLOWING
SPECIFICATIONS:

(1) THE REDEMPTION TERMINAL SHALL BE MARKED WITH AN
IRREMOVABLE IDENTIFICATION PLATE THAT IS PLACED IN A
CONSPICUOUS LOCATION ON THE EXTERIOR OF THE REDEMPTION
TERMINAL. THE IDENTIFICATION PLATE SHALL CONTAIN THE NAME OF
THE MANUFACTURER AND THE SERIAL AND MODEL NUMBERS OF THE
REDEMPTION TERMINAL.

(2) THE REDEMPTION TERMINAL SHALL ONLY ACCEPT REDEMPTION
TICKETS FROM VIDEO GAMING TERMINALS LOCATED IN THE SAME VIDEO
GAMING AREA.
(3) The redemption terminal shall be designed and manufactured with total accountability to record information the board requires.

(4) Other specifications the board requires.

(D) Use of other state standards.--

(1) The board may determine, in its discretion, whether the video gaming terminal or redemption terminal testing and certification standards of another jurisdiction within the United States in which a manufacturer licensee is licensed are comprehensive and thorough and provide similar adequate safeguards as those required by this part.

(2) If the board makes the determination under paragraph (1), the board may permit a manufacturer licensee to deploy those video gaming terminals or redemption terminals which have met the video gaming terminal or redemption terminal testing and certification standards in such other jurisdictions without undergoing the full testing and certification process by the board's testing facility.

(3) In the event video gaming terminals or redemption terminals of a manufacturer licensee are licensed in the other jurisdiction, the board may determine to use an abbreviated process requiring only that information determined by the board to be necessary to consider the issuance of a video gaming terminal or redemption terminal certification to such an applicant.

(E) Private testing.--The board may, in its discretion, rely upon the certification of a video gaming terminal or redemption terminal that has met the testing and certification standards of one or more board-approved independent private testing and certification facilities.

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(F) TESTING AND CERTIFICATION FEE.--

(1) A FEE FOR THE TESTING AND CERTIFICATION OF A VIDEO GAMING TERMINAL OR REDEMPTION TERMINAL SHALL BE PAID BY THE MANUFACTURER LICENSEE SUBMITTING THE TERMINAL, WHICH FEE SHALL BE AN AMOUNT ESTABLISHED BY THE BOARD ACCORDING TO A SCHEDULE ADOPTED BY THE BOARD.

(2) FEES ESTABLISHED BY THE BOARD SHALL BE EXEMPT FROM ANY FEE LIMITATION CONTAINED IN SECTION 4101 (RELATING TO FEES).

(G) CENTRAL CONTROL COMPUTER COMPATIBILITY.--THE BOARD SHALL ENSURE THAT ALL VIDEO GAMING TERMINALS CERTIFIED AND APPROVED FOR USE IN THIS COMMONWEALTH ARE COMPATIBLE AND COMPLY WITH THE CENTRAL CONTROL COMPUTER AND PROTOCOL SPECIFICATIONS APPROVED BY THE DEPARTMENT.

§ 3702. VIDEO GAMING LIMITATIONS.

(A) ESTABLISHMENT LICENSEE LIMITATIONS.--AN ESTABLISHMENT LICENSEE MAY OFFER VIDEO GAMING TERMINALS FOR PLAY WITHIN ITS PREMISES, SUBJECT TO THE FOLLOWING:

(1) NO MORE THAN FIVE VIDEO GAMING TERMINALS MAY BE PLACED ON THE PREMISES OF THE ESTABLISHMENT LICENSEE.

(2) REDEMPTION TICKETS SHALL ONLY BE EXCHANGED FOR CASH THROUGH A REDEMPTION TERMINAL OR REINSERTED INTO ANOTHER VIDEO GAMING TERMINAL IN THE SAME VIDEO GAMING AREA OR AS OTHERWISE AUTHORIZED BY THE BOARD IN THE EVENT OF A FAILURE OR MALFUNCTION IN A REDEMPTION TERMINAL, AND AT LEAST ONE REDEMPTION TERMINAL SHALL BE LOCATED IN THE VIDEO GAMING AREA.

(3) VIDEO GAMING TERMINALS LOCATED ON THE PREMISES OF THE ESTABLISHMENT LICENSEE SHALL BE PLACED AND OPERATED BY A TERMINAL OPERATOR LICENSEE PURSUANT TO A TERMINAL PLACEMENT
AGREEMENT.

(4) No video gaming area may be located in an area that is not properly segregated from minors.

(5) The entrance to the video gaming area shall be secure and easily seen and observed by at least one employee of the establishment licensee.

(6) The video gaming area shall at all times be monitored by an employee of the establishment licensee either directly or through live monitoring of video surveillance. The employee must be at least 18 years of age and have completed the mandatory training program required in section 3706 (relating to compulsive and problem gambling).

(7) No establishment licensee may provide an incentive.

(8) No minor shall be permitted to play a video gaming terminal or enter the video gaming area.

(9) No visibly intoxicated person shall be permitted to play a video gaming terminal.

(10) No establishment licensee may extend credit or accept a credit card or debit card for play of a video gaming terminal.

(11) No establishment licensee may make structural alterations or significant renovations to a video gaming area unless the establishment licensee has notified the terminal operator licensee and obtained prior approval from the board.

(12) No establishment licensee may move a video gaming terminal or redemption terminal after installation by a terminal operator licensee.

(B) Terminal operator licensee limitations.—A terminal operator licensee may place and operate video gaming terminals on the premises of an establishment licensee, subject to the
FOLLOWING:

(1) NO MORE THAN FIVE VIDEO GAMING TERMINALS MAY BE PLACED ON THE PREMISES OF THE ESTABLISHMENT LICENSEE.

(2) REDEMPTION TICKETS SHALL ONLY BE EXCHANGED FOR CASH THROUGH A REDEMPTION TERMINAL LOCATED WITHIN THE SAME VIDEO GAMING AREA OR REINSERED INTO ANOTHER VIDEO GAMING TERMINAL LOCATED IN THE SAME VIDEO GAMING AREA AS THE VIDEO GAMING TERMINAL.

(3) VIDEO GAMING TERMINALS LOCATED ON THE PREMISES OF THE ESTABLISHMENT LICENSEE SHALL BE PLACED AND OPERATED PURSUANT TO A TERMINAL PLACEMENT AGREEMENT.

(4) NO TERMINAL OPERATOR LICENSEE MAY PROVIDE AN INCENTIVE.

(5) NO TERMINAL OPERATOR LICENSEE MAY EXTEND CREDIT OR ACCEPT A CREDIT CARD OR DEBIT CARD FOR PLAY OF A VIDEO GAMING TERMINAL.

(6) NO TERMINAL OPERATOR LICENSEE MAY GIVE OR OFFER TO GIVE, DIRECTLY OR INDIRECTLY, ANY TYPE OF INDUCEMENT TO A TRUCK STOP ESTABLISHMENT TO SECURE OR MAINTAIN A TERMINAL PLACEMENT AGREEMENT.

(7) NO TERMINAL OPERATOR LICENSEE MAY GIVE AN ESTABLISHMENT LICENSEE A PERCENTAGE OF GROSS TERMINAL REVENUE OTHER THAN 15% OF THE GROSS TERMINAL REVENUE OF THE VIDEO GAMING TERMINALS OPERATING IN THE ESTABLISHMENT LICENSEE’S PREMISES.

(8) A TERMINAL OPERATOR LICENSEE SHALL ONLY OPERATE, INSTALL OR OTHERWISE MAKE AVAILABLE FOR PUBLIC USE A VIDEO GAMING TERMINAL OR REDEMPTION TERMINAL THAT HAS BEEN OBTAINED FROM A MANUFACTURER LICENSEE OR SUPPLIER LICENSEE.

(9) NO TERMINAL OPERATOR LICENSEE MAY MAKE STRUCTURAL

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ALTERATIONS OR SIGNIFICANT RENOVATIONS TO A VIDEO GAMING AREA UNLESS THE TERMINAL OPERATOR LICENSEE HAS NOTIFIED THE ESTABLISHMENT LICENSEE AND OBTAINED PRIOR APPROVAL FROM THE BOARD.

(10) NO TERMINAL OPERATOR LICENSEE MAY MOVE A VIDEO GAMING TERMINAL OR REDEMPTION TERMINAL AFTER INSTALLATION UNLESS PRIOR APPROVAL IS OBTAINED FROM THE BOARD.

§ 3703. (RESERVED).

§ 3704. TERMINAL PLACEMENT AGREEMENTS.

(A) GENERAL RULE.--NO TERMINAL OPERATOR LICENSEE MAY PLACE AND OPERATE VIDEO GAMING TERMINALS ON THE PREMISES OF AN ESTABLISHMENT LICENSEE UNLESS PURSUANT TO A TERMINAL PLACEMENT AGREEMENT APPROVED BY THE BOARD. APPROVAL SHALL BE PRESENTED UPON CONNECTION OF ONE OR MORE VIDEO GAMING TERMINALS AT THE ESTABLISHMENT LICENSEE TO THE CENTRAL CONTROL COMPUTER.

(B) FORM OF AGREEMENT.--THE BOARD SHALL ESTABLISH THROUGH REGULATION MINIMUM STANDARDS FOR TERMINAL PLACEMENT AGREEMENTS.

(C) LENGTH OF AGREEMENT.--TERMINAL PLACEMENT AGREEMENTS SHALL BE VALID FOR A MINIMUM 60-MONTH TERM BUT SHALL NOT EXCEED A 120-MONTH TERM.

(D) PROVISIONS REQUIRED.--A TERMINAL PLACEMENT AGREEMENT SHALL INCLUDE A PROVISION THAT:

(1) RENDERS THE AGREEMENT INVALID IF EITHER THE TERMINAL OPERATOR LICENSE OR TERMINAL OPERATOR APPLICATION OR THE ESTABLISHMENT LICENSE OR ESTABLISHMENT LICENSEE APPLICATION IS DENIED, REVOKED, NOT RENEWED, WITHDRAWN OR SURRENDERED.

(2) PROVIDES THE ESTABLISHMENT LICENSEE NO MORE OR LESS THAN 15% OF GROSS TERMINAL REVENUE FROM EACH VIDEO GAMING TERMINAL LOCATED ON THE PREMISES OF THE ESTABLISHMENT LICENSEE.
(3) IDENTIFIES WHO SOLICITED THE TERMINAL PLACEMENT AGREEMENT ON BEHALF OF A TERMINAL OPERATOR LICENSEE OR APPLICANT.

(E) PARTIES TO AGREEMENT.--ONLY AN ESTABLISHMENT LICENSEE OR APPLICANT MAY SIGN OR AGREE TO SIGN A TERMINAL PLACEMENT AGREEMENT WITH AN APPLICANT FOR A TERMINAL OPERATOR LICENSE OR A TERMINAL OPERATOR LICENSEE.

(F) VOID AGREEMENTS.--AN AGREEMENT ENTERED INTO BY A TRUCK STOP ESTABLISHMENT PRIOR TO THE EFFECTIVE DATE OF THIS SECTION WITH A PERSON OR ENTITY FOR THE PLACEMENT, OPERATION, SERVICE OR MAINTENANCE OF VIDEO GAMING TERMINALS, INCLUDING AN AGREEMENT GRANTING A PERSON OR ENTITY THE RIGHT TO ENTER INTO AN AGREEMENT OR MATCH ANY OFFER MADE AFTER THE EFFECTIVE DATE OF THIS SECTION SHALL BE VOID AND MAY NOT BE APPROVED BY THE BOARD.

(G) TRANSFERABILITY OF AGREEMENTS.--NO TERMINAL PLACEMENT AGREEMENT MAY BE TRANSFERRED OR ASSIGNED UNLESS THE INDIVIDUAL OR ENTITY MAKING THE ASSIGNMENT IS EITHER A TERMINAL OPERATOR APPLICANT OR TERMINAL OPERATOR LICENSEE AND THE INDIVIDUAL OR ENTITY RECEIVING THE ASSIGNMENT OF THE TERMINAL PLACEMENT AGREEMENT IS EITHER A TERMINAL OPERATOR APPLICANT OR TERMINAL OPERATOR LICENSEE UNDER THIS CHAPTER.

§ 3705. DUTIES OF LICENSEES.

A PERSON ISSUED A LICENSE UNDER THIS PART SHALL:

(1) PROVIDE ASSISTANCE OR INFORMATION REQUIRED BY THE BOARD, THE BUREAU, THE DEPARTMENT OR THE PENNSYLVANIA STATE POLICE AND TO COOPERATE IN INQUIRIES, INVESTIGATIONS AND HEARINGS.

(2) CONSENT TO INSPECTIONS, SEARCHES AND SEIZURES.

(3) INFORM THE BOARD OF ACTIONS THAT THE PERSON BELIEVES WOULD CONSTITUTE A VIOLATION OF THIS PART.
§ 3706. COMPULSIVE AND PROBLEM GAMBLING.

(A) REQUIRED POSTING.--

(1) AN ESTABLISHMENT LICENSEE SHALL CONSPICUOUSLY POST SIGNS SIMILAR TO THE FOLLOWING STATEMENT:

IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM, HELP IS AVAILABLE. CALL (TOLL-FREE TELEPHONE NUMBER) OR TEXT (TOLL-FREE TELEPHONE NUMBER).

(2) AT LEAST ONE SIGN SHALL BE POSTED WITHIN THE VIDEO GAMING AREA AND AT LEAST ONE SIGN SHALL BE POSTED WITHIN FIVE FEET OF EACH AUTOMATED TELLER MACHINE LOCATED WITHIN THE ESTABLISHMENT LICENSEE'S PREMISES, IF APPLICABLE.

(B) TOLL-FREE TELEPHONE NUMBER.--THE TOLL-FREE TELEPHONE NUMBER REQUIRED TO BE POSTED IN SUBSECTION (A) SHALL BE THE SAME NUMBER MAINTAINED BY THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY UNDER SECTION 3310 (RELATING TO DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS).

(C) PROBLEM GAMBLING INFORMATION.--

(1) AN ESTABLISHMENT LICENSEE SHALL HAVE AVAILABLE ON ITS PREMISES ACCESS TO MATERIALS REGARDING COMPULSIVE AND PROBLEM GAMBLING ASSISTANCE.

(2) THE AVAILABLE MATERIALS REQUIRED BY PARAGRAPH (1) SHALL BE A UNIFORM, STATEWIDE HANDOUT DEVELOPED BY THE BOARD IN CONSULTATION WITH THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY.

(3) THE AVAILABLE MATERIALS REQUIRED BY PARAGRAPH (1) SHALL BE DISPLAYED CONSPICUOUSLY AT LEAST WITHIN THE VIDEO GAMING AREA.
(D) MANDATORY TRAINING.--

(1) THE BOARD'S OFFICE OF COMPULSIVE AND PROBLEM GAMBLING, IN CONSULTATION WITH THE DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS OR SUCCESSOR AGENCY, SHALL DEVELOP A MANDATORY TRAINING PROGRAM FOR EMPLOYEES AND MANAGEMENT OF AN ESTABLISHMENT LICENSEE WHO OVERSEE THE ESTABLISHMENT LICENSEE'S VIDEO GAMING AREA. THE TRAINING PROGRAM SHALL ADDRESS RESPONSIBLE GAMING AND OTHER COMPULSIVE AND PROBLEM GAMBLING ISSUES RELATED TO VIDEO GAMING TERMINALS.

(2) THE BOARD SHALL ESTABLISH A FEE TO COVER THE COST OF THE MANDATORY TRAINING PROGRAM.

(3) AT LEAST ONE EMPLOYEE OF THE ESTABLISHMENT LICENSEE WHO HOLDS A VALID OCCUPATION PERMIT AND HAS SUCCESSFULLY COMPLETED THE TRAINING PROGRAM SHALL BE LOCATED ON THE PREMISES AND SUPERVISING THE VIDEO GAMING AREA DURING ALL TIMES VIDEO GAMING TERMINALS ARE AVAILABLE FOR PLAY.

(E) PENALTY.--AN ESTABLISHMENT LICENSEE THAT FAILS TO FULFILL THE REQUIREMENTS OF SUBSECTION (A), (B), (C) OR (D) SHALL BE ASSESSED BY THE BOARD AN ADMINISTRATIVE PENALTY AND MAY HAVE ITS ESTABLISHMENT LICENSE SUSPENDED. WHEN DETERMINING THE PENALTY AND NUMBER OF SUSPENSION DAYS, THE BOARD SHALL CONSIDER THE LENGTH OF TIME IN WHICH THE MATERIALS WERE NOT AVAILABLE OR A TRAINED EMPLOYEE WAS NOT LOCATED ON THE PREMISES AS REQUIRED BY SUBSECTION (D)(3).
§ 3901. EXCLUSION OR EJECTION OF CERTAIN PERSONS.

(A) GENERAL RULE.--THE BOARD SHALL BY REGULATION PROVIDE FOR THE ESTABLISHMENT OF A LIST OF PERSONS WHO ARE TO BE EXCLUDED OR EJECTED FROM THE VIDEO GAMING AREA OF AN ESTABLISHMENT LICENSEE. THE PROVISIONS SHALL DEFINE THE STANDARDS FOR EXCLUSION AND SHALL INCLUDE STANDARDS RELATING TO PERSONS WHO ARE CAREER OR PROFESSIONAL OFFENDERS AS DEFINED BY REGULATIONS OF THE BOARD OR WHOSE PRESENCE IN A VIDEO GAMING AREA WOULD, IN THE OPINION OF THE BOARD, BE INIMICAL TO THE INTEREST OF THE COMMONWEALTH OR OF LICENSED VIDEO GAMING IN THIS COMMONWEALTH, OR BOTH.

(B) CATEGORIES TO BE DEFINED.--THE BOARD SHALL PROMULGATE DEFINITIONS ESTABLISHING CATEGORIES OF PERSONS WHO SHALL BE EXCLUDED OR EJECTED PURSUANT TO THIS SECTION, INCLUDING CHEATS AND PERSONS WHOSE PRIVILEGES FOR LICENSURE, CERTIFICATION, PERMIT OR REGISTRATION HAVE BEEN REVOKED.

(C) DISCRIMINATION PROHIBITED.--RACE, COLOR, CREED, NATIONAL ORIGIN OR ANCESTRY OR SEX SHALL NOT BE A REASON FOR PLACING THE NAME OF A PERSON UPON A LIST UNDER THIS SECTION.

(D) PREVENTION OF ACCESS.--THE BOARD SHALL, IN CONSULTATION WITH TERMINAL OPERATOR LICENSEES AND ESTABLISHMENT LICENSEES, DEVELOP POLICIES AND PROCEDURES TO REASONABLY PREVENT PERSONS ON THE LIST REQUIRED BY THIS SECTION FROM ENTERING A VIDEO GAMING AREA.

(E) SANCTIONS.--THE BOARD MAY IMPOSE SANCTIONS UPON AN ESTABLISHMENT LICENSEE IN ACCORDANCE WITH THIS PART IF THE
ESTABLISHMENT LICENSEE KNOWINGLY FAILS TO IMPLEMENT THE POLICIES
AND PROCEDURES ESTABLISHED BY THE BOARD UNDER PARAGRAPH (D).

(F) LIST NOT ALL-INCLUSIVE.--A LIST COMPILED BY THE BOARD
UNDER THIS SECTION SHALL NOT BE DEEMED AN ALL-INCLUSIVE LIST,
AND AN ESTABLISHMENT LICENSEE SHALL KEEP FROM THE VIDEO GAMING
AREA PERSONS KNOWN TO THE ESTABLISHMENT LICENSEE TO BE WITHIN
THE CLASSIFICATIONS DECLARED IN THIS SECTION AND THE REGULATIONS
PROMULGATED UNDER THIS SECTION WHOSE PRESENCE IN A VIDEO GAMING
AREA WOULD BE INIMICAL TO THE INTEREST OF THE COMMONWEALTH OR OF
LICENSED VIDEO GAMING IN THIS COMMONWEALTH, OR BOTH, AS DEFINED
IN STANDARDS ESTABLISHED BY THE BOARD.

(G) NOTICE.--IF THE BUREAU DECIDES TO PLACE THE NAME OF A
PERSON ON A LIST PURSUANT TO THIS SECTION, THE BUREAU SHALL
SERVE NOTICE OF THE DECISION TO THE PERSON BY PERSONAL SERVICE
OR CERTIFIED MAIL AT THE LAST KNOWN ADDRESS OF THE PERSON. THE
NOTICE SHALL INFORM THE PERSON OF THE RIGHT TO REQUEST A HEARING
UNDER SUBSECTION (H).

(H) HEARING.--

(1) WITHIN 30 DAYS AFTER RECEIPT OF NOTICE IN ACCORDANCE
WITH SUBSECTION (G), THE PERSON NAMED FOR EXCLUSION OR
EJECTION MAY DEMAND A HEARING BEFORE THE BOARD, AT WHICH
HEARING THE BUREAU MUST DEMONSTRATE THAT THE PERSON NAMED FOR
EXCLUSION OR EJECTION SATISFIES THE CRITERIA FOR EXCLUSION OR
EJECTION ESTABLISHED BY THIS SECTION AND THE BOARD'S
REGULATIONS.

(2) FAILURE OF THE PERSON TO DEMAND A HEARING WITHIN 30
DAYS AFTER SERVICE SHALL BE DEEMED AN ADMISSION OF ALL
MATTERS AND FACTS ALLEGED IN THE BUREAU'S NOTICE AND SHALL
PRECLUDE THE PERSON FROM HAVING AN ADMINISTRATIVE HEARING,
BUT SHALL IN NO WAY AFFECT THE RIGHT TO JUDICIAL REVIEW AS
Provided in this section.

(i) Review.—

(1) If, upon completion of a hearing on the notice of exclusion or ejection, the board determines that placement of the name of the person on the exclusion or ejection list is appropriate, the board shall make and enter an order to that effect.

(2) The order shall be subject to review by the Commonwealth court in accordance with the rules of court.

§ 3902. Repeat Offenders.

(A) Discretion to exclude or eject.—An establishment licensee may exclude or eject from the establishment licensee’s video gaming area or premises a person who is known to it to have been convicted of a misdemeanor or felony committed in or on the premises of a licensed establishment.

(B) Construction.—Nothing in this section or in any other law of this Commonwealth shall be construed to limit the right of an establishment licensee to exercise its common law right to exclude or eject permanently from its video gaming area or premises a person who:

(1) disrupts the operations of its premises;

(2) threatens the security of its premises or its occupants; or

(3) is disorderly or intoxicated.

§ 3903. Self-Exclusion.

(A) Establishment of list.—

(1) The board shall provide by regulation for the establishment of a list of persons self-excluded from video gaming activities within specific establishment licensees or establishment licensees in geographic areas of the
COMMONWEALTH.

(2) A PERSON MAY REQUEST PLACEMENT ON THE LIST OF SELF-EXCLUDED PERSONS BY:

(I) ACKNOWLEDGING IN A MANNER TO BE ESTABLISHED BY THE BOARD THAT THE PERSON IS A PROBLEM GAMBLER;

(II) AGREEING THAT, DURING ANY PERIOD OF VOLUNTARY EXCLUSION, THE PERSON MAY NOT COLLECT ANY WINNINGS OR RECOVER ANY LOSSES RESULTING FROM ANY VIDEO GAMING ACTIVITY WITHIN ESTABLISHMENT LICENSEES AND THAT PERSON MAY BE SUBJECT TO ARREST FOR TRESPASS; AND

(III) AGREING TO ANOTHER CONDITION ESTABLISHED BY THE BOARD.

(B) REGULATIONS.--THE REGULATIONS OF THE BOARD SHALL ESTABLISH:

(1) PROCEDURES FOR PLACEMENT ON AND REMOVAL FROM THE LIST OF A SELF-EXCLUDED PERSON.

(2) PROCEDURES FOR THE TRANSMITTAL TO ESTABLISHMENT LICENSEES OF IDENTIFYING INFORMATION CONCERNING A SELF-EXCLUDED PERSON AND SHALL REQUIRE ESTABLISHMENT LICENSEES TO ESTABLISH REASONABLE PROCEDURES DESIGNED AT A MINIMUM TO PREVENT ENTRY OF A SELF-EXCLUDED PERSON INTO THE VIDEO GAMING AREA OF AN ESTABLISHMENT LICENSEE, PROVIDED THAT THE BOARD MAY NOT REQUIRE VIDEO GAMING TERMINALS TO BE EQUIPPED WITH IDENTIFICATION CARD-READING DEVICES OR REQUIRE ESTABLISHMENT LICENSEES TO PURCHASE IDENTIFICATION CARD-READING DEVICES.

(3) PROCEDURES FOR THE TRANSMITTAL TO TERMINAL OPERATOR LICENSEES OF IDENTIFYING INFORMATION CONCERNING A SELF-EXCLUDED PERSON AND SHALL REQUIRE TERMINAL OPERATOR LICENSEES TO ESTABLISH PROCEDURES TO REMOVE SELF-EXCLUDED PERSONS FROM CUSTOMER LOYALTY OR REWARD CARD PROGRAMS AND Targeted...
MAILINGS OR OTHER FORMS OF ADVERTISING OR PROMOTIONS.

(C) LIABILITY.--AN ESTABLISHMENT LICENSEE OR EMPLOYEE THEREOF SHALL NOT BE LIABLE TO A SELF-EXCLUDED PERSON OR TO ANOTHER PARTY IN A JUDICIAL PROCEEDING FOR HARM, MONETARY OR OTHERWISE, WHICH MAY ARISE AS A RESULT OF:

(1) THE FAILURE OF THE ESTABLISHMENT LICENSEE TO WITHHOLD VIDEO GAMING PRIVILEGES FROM OR RESTORE VIDEO GAMING PRIVILEGES TO THE SELF-EXCLUDED PERSON; OR

(2) OTHERWISE PERMITTING OR NOT PERMITTING THE SELF-EXCLUDED PERSON TO ENGAGE IN VIDEO GAMING ACTIVITY WITHIN THE ESTABLISHMENT LICENSEE'S PREMISES WHILE ON THE LIST OF SELF-EXCLUDED PERSONS.

(D) NONDISCLOSURE.--NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY, THE BOARD'S LIST OF SELF-EXCLUDED PERSONS SHALL NOT BE OPEN TO PUBLIC INSPECTION.

§ 3904. INVESTIGATIONS AND ENFORCEMENT.

(A) POWERS AND DUTIES OF BUREAU.--THE BUREAU SHALL HAVE THE FOLLOWING POWERS AND DUTIES:

(1) ENFORCE THE PROVISIONS OF THIS PART.

(2) INVESTIGATE AND REVIEW APPLICANTS AND APPLICATIONS FOR A LICENSE OR REGISTRATION. THE BUREAU SHALL BE PROHIBITED FROM DISCLOSING ANY PORTION OF A BACKGROUND INVESTIGATION REPORT TO A MEMBER OF THE BOARD PRIOR TO THE SUBMISSION OF THE BUREAU'S FINAL BACKGROUND INVESTIGATION REPORT RELATING TO THE APPLICANT'S SUITABILITY FOR LICENSURE TO THE BOARD. THE OFFICE OF ENFORCEMENT COUNSEL, ON BEHALF OF THE BUREAU, SHALL PREPARE THE FINAL BACKGROUND INVESTIGATION REPORT FOR INCLUSION IN A FINAL REPORT RELATING TO THE APPLICANT'S SUITABILITY FOR LICENSURE.

(3) INVESTIGATE LICENSEEES, REGISTRANTS AND OTHER PERSONS
REGULATED BY THE BOARD UNDER THIS PART FOR NONCRIMINAL VIOLA TIONS OF THIS PART, INCLUDING POTENTIAL VIOLATIONS REFERRED TO THE BUREAU BY THE BOARD OR OTHER PERSON.

(4) MONITOR VIDEO GAMING OPERATIONS TO ENSURE COMPLIANCE WITH THIS PART.

(5) INSPECT AND EXAMINE LICENSED ENTITIES. INSPECTIONS MAY INCLUDE THE REVIEW AND REPRODUCTION OF DOCUMENTS OR RECORDS.

(6) CONDUCT REVIEWS OF A LICENSED ENTITY AS NECESSARY TO ENSURE COMPLIANCE WITH THIS PART. A REVIEW MAY INCLUDE THE REVIEW OF ACCOUNTING, ADMINISTRATIVE AND FINANCIAL RECORDS, MANAGEMENT CONTROL SYSTEMS, PROCEDURES AND OTHER RECORDS UTILIZED BY A LICENSED ENTITY.

(7) REFER POSSIBLE CRIMINAL VIOLATIONS TO THE PENNSYLVANIA STATE POLICE. THE BUREAU SHALL NOT HAVE THE POWER OF ARREST.

(8) COOPERATE IN THE INVESTIGATION AND PROSECUTION OF CRIMINAL VIOLATIONS RELATED TO THIS PART.

(9) BE A CRIMINAL JUSTICE AGENCY UNDER 18 PA.C.S. CH. 91 (RELATING TO CRIMINAL HISTORY RECORD INFORMATION).

(B) OFFICE OF ENFORCEMENT COUNSEL.--THE BOARD'S OFFICE OF ENFORCEMENT COUNSEL SHALL ACT AS THE PROSECUTOR IN ALL NONCRIMINAL ENFORCEMENT ACTIONS INITIATED BY THE BUREAU UNDER THIS PART AND SHALL HAVE THE FOLLOWING POWERS AND DUTIES:

(1) ADVISE THE BUREAU ON ALL MATTERS, INCLUDING THE GRANTING OF LICENSES OR REGISTRATIONS, THE CONDUCT OF BACKGROUND INVESTIGATIONS, AUDITS AND INSPECTIONS AND THE INVESTIGATION OF POTENTIAL VIOLATIONS OF THIS PART.

(2) FILE ON BEHALF OF THE BUREAU RECOMMENDATIONS AND OBJECTIONS RELATING TO THE ISSUANCE OF LICENSES AND
REGISTRATIONS.

(3) INITIATE, IN ITS SOLE DISCRETION, PROCEEDINGS FOR
NONCRIMINAL VIOLATIONS OF THIS PART BY FILING A COMPLAINT OR
OTHER PLEADING WITH THE BOARD.

(C) POWERS AND DUTIES OF DEPARTMENT.--

(1) THE DEPARTMENT SHALL AT ALL TIMES HAVE THE POWER OF
ACCESS TO EXAMINE AND AUDIT EQUIPMENT AND RECORDS RELATING TO
ALL ASPECTS OF THE OPERATION OF VIDEO GAMING TERMINALS AND
REDEMPTION TERMINALS UNDER THIS PART.

(2) NOTWITHSTANDING THE PROVISIONS OF SECTION 353(F) OF
THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX
REFORM CODE OF 1971, THE DEPARTMENT SHALL SUPPLY THE BOARD,
THE BUREAU, THE PENNSYLVANIA STATE POLICE AND THE OFFICE OF
ATTORNEY GENERAL WITH INFORMATION CONCERNING THE STATUS OF
DELINQUENT TAXES OWED BY APPLICANTS OR LICENSEES.

(D) POWERS AND DUTIES OF THE PENNSYLVANIA STATE POLICE.--THE
PENNSYLVANIA STATE POLICE SHALL HAVE THE FOLLOWING POWERS AND
DUTIES:

(1) PROMPTLY CONDUCT BACKGROUND INVESTIGATIONS ON
PERSONS AS DIRECTED BY THE BOARD UNDER THIS PART. THE
PENNSYLVANIA STATE POLICE MAY CONTRACT WITH OTHER LAW
ENFORCEMENT ANNUITANTS TO ASSIST IN THE CONDUCT OF
INVESTIGATIONS UNDER THIS PARAGRAPH.

(2) INITIATE PROCEEDINGS FOR CRIMINAL VIOLATIONS OF THIS
PART.

(3) PROVIDE THE BOARD WITH ALL INFORMATION NECESSARY FOR
ALL ACTIONS UNDER THIS PART FOR ALL PROCEEDINGS INVOLVING
CRIMINAL ENFORCEMENT OF THIS PART.

(4) INSPECT, WHEN APPROPRIATE, A LICENSEE'S PERSON AND
PERSONAL EFFECTS PRESENT WITHIN AN ESTABLISHMENT LICENSEE'S
PREMISES UNDER THIS PART WHILE THAT LICENSEE IS PRESENT.

(5) ENFORCE THE CRIMINAL PROVISIONS OF THIS PART AND ALL OTHER CRIMINAL LAWS OF THIS COMMONWEALTH.

(6) FINGERPRINT APPLICANTS.

(7) EXCHANGE FINGERPRINT DATA WITH AND RECEIVE NATIONAL CRIMINAL HISTORY RECORD INFORMATION FROM THE FEDERAL BUREAU OF INVESTIGATION FOR USE IN BACKGROUND INVESTIGATIONS PERFORMED BY THE BUREAU UNDER THIS PART.

(8) RECEIVE AND TAKE APPROPRIATE ACTION ON ANY REFERRAL FROM THE BUREAU RELATING TO CRIMINAL CONDUCT.

(9) CONDUCT ADMINISTRATIVE INSPECTIONS ON THE PREMISES OF AN ESTABLISHMENT LICENSEE AT SUCH TIMES, UNDER SUCH CIRCUMSTANCES AND TO SUCH EXTENT AS THE BUREAU DETERMINES TO ENSURE COMPLIANCE WITH THIS PART AND THE REGULATIONS OF THE BOARD AND, IN THE COURSE OF INSPECTIONS, REVIEW AND MAKE COPIES OF ALL DOCUMENTS AND RECORDS REQUIRED BY THE INSPECTION THROUGH ONSITE OBSERVATION AND OTHER REASONABLE MEANS TO ASSURE COMPLIANCE WITH THIS PART AND REGULATIONS PROMULGATED UNDER THIS PART.

(10) CONDUCT AUDITS OR VERIFICATION OF INFORMATION OF VIDEO GAMING TERMINAL OPERATIONS AT SUCH TIMES, UNDER SUCH CIRCUMSTANCES AND TO SUCH EXTENT AS THE BUREAU DETERMINES. THIS PARAGRAPH INCLUDES THE REVIEW OF ACCOUNTING, ADMINISTRATIVE AND FINANCIAL RECORDS AND MANAGEMENT CONTROL SYSTEMS, PROCEDURES AND RECORDS UTILIZED BY A TERMINAL OPERATOR LICENSEE.

(11) ASSIGN MEMBERS OF THE PENNSYLVANIA STATE POLICE TO DUTIES OF ENFORCEMENT UNDER THIS PART. THOSE MEMBERS SHALL NOT BE COUNTED TOWARD THE COMPLEMENT AS PROVIDED IN SECTION 205 OF THE ACT OF APRIL 9, 1929 (P.L.177, NO.175), KNOWN AS
THE ADMINISTRATIVE CODE OF 1929.


(I) THE NUMBER OF ARRESTS MADE AND CITATIONS ISSUED AT EACH ESTABLISHMENT LICENSEE AND THE NAME OF THE LAW ENFORCEMENT AGENCY MAKING THE ARRESTS OR ISSUING THE CITATIONS.

(II) A LIST OF SPECIFIC OFFENSES CHARGED FOR EACH ARREST MADE OR CITATION ISSUED.

(III) THE NUMBER OF CRIMINAL PROSECUTIONS RESULTING FROM ARRESTS MADE OR CITATIONS ISSUED.

(IV) THE NUMBER OF CONVICTIONS RESULTING FROM PROSECUTIONS REPORTED UNDER SUBPARAGRAPH (III).

(13) REPORT VIOLATIONS OF THIS PART TO THE BUREAU THAT ARE FOUND DURING THE NORMAL COURSE OF DUTIES REQUIRED UNDER ANY LAW OF THIS COMMONWEALTH.

(E) POWERS AND DUTIES OF ATTORNEY GENERAL.--THE GAMING UNIT WITHIN THE OFFICE OF ATTORNEY GENERAL SHALL INVESTIGATE AND INSTITUTE CRIMINAL PROCEEDINGS AS AUTHORIZED UNDER SUBSECTION (F).

(F) CRIMINAL ACTION.--

(1) THE DISTRICT ATTORNEYS OF THE SEVERAL COUNTIES SHALL
HAVE AUTHORITY TO INVESTIGATE AND TO INSTITUTE CRIMINAL
PROCEEDINGS FOR A VIOLATION OF THIS PART.

(2) IN ADDITION TO THE AUTHORITY CONFERRED UPON THE
ATTORNEY GENERAL UNDER THE ACT OF OCTOBER 15, 1980 (P.L.950,
NO.164), KNOWN AS THE COMMONWEALTH ATTORNEYS ACT, THE
ATTORNEY GENERAL SHALL HAVE THE AUTHORITY TO INVESTIGATE AND,
FOLLOWING CONSULTATION WITH THE APPROPRIATE DISTRICT
ATTORNEY, TO INSTITUTE CRIMINAL PROCEEDINGS FOR A VIOLATION
OF THIS PART.

(3) A PERSON CHARGED WITH A VIOLATION OF THIS PART BY
THE ATTORNEY GENERAL SHALL NOT HAVE STANDING TO CHALLENGE THE
AUTHORITY OF THE ATTORNEY GENERAL TO INVESTIGATE OR PROSECUTE
THE CASE, AND, IF ANY SUCH CHALLENGE IS MADE, THE CHALLENGE
SHALL BE DISMISSED AND NO RELIEF SHALL BE AVAILABLE IN THE
COURTS OF THIS COMMONWEALTH TO THE PERSON MAKING THE
CHALLENGE.

(G) REGULATORY ACTION.--NOTHING CONTAINED IN SUBSECTION (E)
SHALL BE CONSTRUED TO LIMIT THE EXISTING REGULATORY OR
INVESTIGATIVE AUTHORITY OF AN AGENCY OR THE COMMONWEALTH WHOSE
FUNCTIONS RELATE TO PERSONS OR MATTERS WITHIN THE SCOPE OF THIS
PART.

(H) INSPECTION, SEIZURE AND WARRANTS.--

(1) THE BOARD, THE BUREAU, THE DEPARTMENT AND THE
PENNSYLVANIA STATE POLICE SHALL HAVE THE AUTHORITY WITHOUT
NOTICE AND WITHOUT WARRANT TO DO ALL OF THE FOLLOWING IN THE
PERFORMANCE OF THEIR DUTIES UNDER THIS PART:

(I) INSPECT AND EXAMINE ALL PREMISES WHERE VIDEO
GAMING OPERATIONS ARE CONducted; WHERE VIDEO GAMING
TERMINALS, REDEMPTION TERMINALS AND ASSOCIATED EQUIPMENT
ARE MANUFACTURED, SOLD, DISTRIBUTED OR SERVICED; OR WHERE
RECORDS OF THESE ACTIVITIES ARE PREPARED OR MAINTAINED.

(II) INSPECT ALL EQUIPMENT AND SUPPLIES IN, ABOUT,
UPON OR AROUND PREMISES REFERRED TO IN SUBPARAGRAPH (I).

(III) SEIZE, SUMMARILY REMOVE AND IMPOUND EQUIPMENT
AND SUPPLIES FROM PREMISES REFERRED TO IN SUBPARAGRAPH
(I) FOR THE PURPOSES OF EXAMINATION AND INSPECTION.

(IV) INSPECT, EXAMINE AND AUDIT ALL BOOKS, RECORDS
AND DOCUMENTS PERTAINING TO A TERMINAL OPERATOR
LICENSEE'S VIDEO GAMING OPERATION.

(V) SEIZE, IMPOUND OR ASSUME PHYSICAL CONTROL OF ANY
BOOK, RECORD, LEDGER OR DEVICE RELATED TO VIDEO GAMING
OPERATIONS OR THE VIDEO GAMING TERMINALS OR REDEMPTION
TERMINALS.

(2) THE PROVISIONS OF PARAGRAPH (1) SHALL NOT BE
CONSTRUED TO LIMIT WARRANTLESS INSPECTIONS EXCEPT IN
ACCORDANCE WITH CONSTITUTIONAL REQUIREMENTS.

(3) TO FURTHER EFFECTUATE THE PURPOSES OF THIS PART, THE
BUREAU AND THE PENNSYLVANIA STATE POLICE MAY OBTAIN
ADMINISTRATIVE WARRANTS FOR THE INSPECTION AND SEIZURE OF
PROPERTY POSSESSED, CONTROLLED, BAILED OR OTHERWISE HELD BY
AN APPLICANT, LICENSEE, INTERMEDIARY, SUBSIDIARY, AFFILIATE
OR HOLDING COMPANY.

(I) INFORMATION SHARING AND ENFORCEMENT REFERRAL.--WITH
RESPECT TO THE ADMINISTRATION, SUPERVISION AND ENFORCEMENT OF
POLICE OR THE OFFICE OF ATTORNEY GENERAL MAY OBTAIN OR PROVIDE
PERTINENT INFORMATION REGARDING APPLICANTS OR LICENSEES FROM OR
TO LAW ENFORCEMENT ENTITIES OR GAMING AUTHORITIES OF THE
COMMONWEALTH AND OTHER DOMESTIC, FOREIGN OR FEDERALLY APPROVED
JURISDICTIONS, INCLUDING THE FEDERAL BUREAU OF INVESTIGATION,
AND MAY TRANSMIT THE INFORMATION TO EACH OTHER ELECTRONICALLY.

§ 3905. PROHIBITED ACTS AND PENALTIES.

(A) CRIMINAL OFFENSES.--

(1) THE PROVISIONS OF 18 PA.C.S. § 4902 (RELATING TO PERJURY), 4903 (RELATING TO FALSE SWEARING) OR 4904 (RELATING TO UNSWORN FALSIFICATION TO AUTHORITIES) SHALL APPLY TO A PERSON PROVIDING INFORMATION OR MAKING A STATEMENT, WHETHER WRITTEN OR ORAL, TO THE BOARD, THE BUREAU, THE DEPARTMENT, THE PENNSYLVANIA STATE POLICE OR THE OFFICE OF ATTORNEY GENERAL, AS REQUIRED BY THIS PART.

(2) IT SHALL BE UNLAWFUL FOR A PERSON TO WILLFULLY:

(I) FAIL TO REPORT, PAY OR TRUTHFULLY ACCOUNT FOR AND PAY OVER A LICENSE FEE, AUTHORIZATION FEE, TAX OR ASSESSMENT IMPOSED UNDER THIS PART; OR

(II) ATTEMPT IN ANY MANNER TO EVADE OR DEFEAT A LICENSE FEE, AUTHORIZATION FEE, TAX OR ASSESSMENT IMPOSED UNDER THIS PART.

(3) IT SHALL BE UNLAWFUL FOR A LICENSED ENTITY, GAMING EMPLOYEE, KEY EMPLOYEE OR ANY OTHER PERSON TO PERMIT A VIDEO GAMING TERMINAL TO BE OPERATED, TRANSPORTED, REPAIRED OR OPENED ON THE PREMISES OF AN ESTABLISHMENT LICENSEE BY A PERSON OTHER THAN A PERSON LICENSED OR PERMITTED BY THE BOARD PURSUANT TO THIS PART.

(4) IT SHALL BE UNLAWFUL FOR A LICENSED ENTITY OR OTHER PERSON TO MANUFACTURE, SUPPLY OR PLACE VIDEO GAMING TERMINALS, REDEMPTION TERMINALS OR ASSOCIATED EQUIPMENT INTO PLAY OR DISPLAY VIDEO GAMING TERMINALS, REDEMPTION TERMINALS OR ASSOCIATED EQUIPMENT ON THE PREMISES OF AN ESTABLISHMENT LICENSEE WITHOUT THE AUTHORITY OF THE BOARD.

(5) IT SHALL BE UNLAWFUL FOR A LICENSED ENTITY OR OTHER
PERSON TO MANUFACTURE, SUPPLY, OPERATE, CARRY ON OR EXPOSE
FOR PLAY A VIDEO GAMING TERMINAL OR ASSOCIATED EQUIPMENT
AFTER THE PERSON'S LICENSE HAS EXPIRED OR FAILED TO BE
RENEWED IN ACCORDANCE WITH THIS PART.

(6) IT SHALL BE UNLAWFUL FOR AN INDIVIDUAL WHILE ON THE
PREMISES OF AN ESTABLISHMENT LICENSEE TO KNOWINGLY USE
CURRENCY OTHER THAN LAWFUL COIN OR LEGAL TENDER OF THE UNITED
STATES OR A COIN NOT OF THE SAME DENOMINATION AS THE COIN
INTENDED TO BE USED IN THE VIDEO GAMING TERMINAL OR USE A
COUNTERFEIT OR ALTERED REDEMPTION TICKETS WITH THE INTENT TO
CHEAT OR DEFRAUD A TERMINAL OPERATOR LICENSEE OR THE
COMMONWEALTH OR DAMAGE THE VIDEO GAMING TERMINAL OR
REDEMPTION TERMINAL.

(7) (I) EXCEPT AS SET FORTH IN SUBPARAGRAPH (II), IT
SHALL BE UNLAWFUL FOR AN INDIVIDUAL TO USE OR POSSESS A
CHEATING OR THIEVING DEVICE, COUNTERFEIT OR ALTERED
BILLET, TICKET, TOKEN OR SIMILAR OBJECT ACCEPTED BY A
VIDEO GAMING TERMINAL OR COUNTERFEIT OR ALTERED
REDEMPTION TICKET ON THE PREMISES OF AN ESTABLISHMENT
LICENSEE.

(II) AN AUTHORIZED EMPLOYEE OF A LICENSEE OR AN
EMPLOYEE OF THE BOARD MAY POSSESS AND USE A CHEATING OR
THIEVING DEVICE, COUNTERFEIT OR ALTERED BILLET, TICKET,
TOKEN OR SIMILAR OBJECT ACCEPTED BY A VIDEO GAMING
TERMINAL OR COUNTERFEIT OR ALTERED REDEMPTION TICKET IN
PERFORMANCE OF THE DUTIES OF EMPLOYMENT.

(8) (I) EXCEPT AS SET FORTH IN SUBPARAGRAPH (II), IT
SHALL BE UNLAWFUL FOR AN INDIVIDUAL TO KNOWINGLY POSSESS
OR USE WHILE ON THE PREMISES OF AN ESTABLISHMENT LICENSEE
A KEY OR DEVICE DESIGNED FOR THE PURPOSE OF AND SUITABLE

FOR OPENING OR ENTERING A VIDEO GAMING TERMINAL OR
REDEMPTION TERMINAL THAT IS LOCATED ON THE PREMISES OF
THE ESTABLISHMENT LICENSEE.

(II) AN AUTHORIZED EMPLOYEE OF A LICENSEE OR A
MEMBER OF THE BOARD MAY POSSESS AND USE A DEVICE REFERRED
TO IN SUBPARAGRAPH (I) IN THE PERFORMANCE OF THE DUTIES
OF EMPLOYMENT.

(9) IT SHALL BE UNLAWFUL FOR A PERSON OR LICENSED ENTITY
TO POSSESS A DEVICE, EQUIPMENT OR MATERIAL WHICH THE PERSON
OR LICENSED ENTITY KNOWS HAS BEEN MANUFACTURED, DISTRIBUTED,
SOLD, TAMPERED WITH OR SERVICED IN VIOLATION OF THIS PART
WITH THE INTENT TO USE THE DEVICE, EQUIPMENT OR MATERIAL AS
THOUGH IT HAD BEEN MANUFACTURED, DISTRIBUTED, SOLD, TAMPERED
WITH OR SERVICED PURSUANT TO THIS PART.

(10) IT SHALL BE UNLAWFUL FOR A PERSON TO SELL, OFFER
FOR SALE, REPRESENT OR PASS OFF AS LAWFUL ANY DEVICE,
EQUIPMENT OR MATERIAL THAT THE PERSON OR LICENSED ENTITY
KNOWS HAS BEEN MANUFACTURED, DISTRIBUTED, SOLD, TAMPERED WITH
OR SERVICED IN VIOLATION OF THIS PART.

(11) IT SHALL BE UNLAWFUL FOR AN INDIVIDUAL TO WORK OR
BE EMPLOYED IN A POSITION THE DUTIES OF WHICH WOULD REQUIRE
LICENSING UNDER THIS PART WITHOUT FIRST OBTAINING THE
REQUISITE LICENSE ISSUED UNDER THIS PART.

(12) IT SHALL BE UNLAWFUL FOR A LICENSED ENTITY TO
EMPLOY OR CONTINUE TO EMPLOY AN INDIVIDUAL IN A POSITION THE
DUTIES OF WHICH REQUIRE A LICENSE UNDER THIS PART IF THE
INDIVIDUAL:

(I) IS NOT LICENSED UNDER THIS PART.

(II) IS PROHIBITED FROM ACCEPTING EMPLOYMENT FROM A
LICENSEE.
(13) IT SHALL BE UNLAWFUL FOR A MINOR TO ENTER AND
REMAIN IN ANY VIDEO GAMING AREA, EXCEPT THAT AN INDIVIDUAL AT
LEAST 18 YEARS OF AGE EMPLOYED BY A TERMINAL OPERATOR
LICENSEE, A GAMING SERVICE PROVIDER, AN ESTABLISHMENT
LICENSEE, THE BOARD OR ANOTHER REGULATORY OR EMERGENCY
RESPONSE AGENCY MAY ENTER AND REMAIN IN THE AREA WHILE
ENGAGED IN THE PERFORMANCE OF THE INDIVIDUAL’S EMPLOYMENT
DUTIES.

(14) IT SHALL BE UNLAWFUL FOR A MINOR TO WAGER, PLAY OR
ATTEMPT TO PLAY A VIDEO GAMING TERMINAL OR SUBMIT A
REDEMPTION TICKET INTO A REDEMPTION TERMINAL.

(15) IT SHALL BE UNLAWFUL FOR A TERMINAL OPERATOR
LICENSEE TO REQUIRE A VIDEO GAMING TERMINAL WAGER TO BE
GREATER THAN THE STATED MINIMUM WAGER OR GREATER THAN THE
STATED MAXIMUM WAGER.

(16) AN INDIVIDUAL WHO ENGAGES IN CONDUCT PROHIBITED BY
18 PA.C.S. § 6308 (RELATING TO PURCHASE, CONSUMPTION,
POSSESSION OR TRANSPORTATION OF LIQUOR OR MALT OR BREWED
BEVERAGES) ON THE PREMISES OF AN ESTABLISHMENT LICENSEE
COMITS A NONGAMBLING OFFENSE.

(17) IT SHALL BE UNLAWFUL FOR AN INDIVIDUAL TO CLAIM,
COLLECT OR TAKE, OR ATTEMPT TO CLAIM, COLLECT OR TAKE, MONEY
OR ANYTHING OF VALUE IN OR FROM A VIDEO GAMING TERMINAL OR
REDEMPTION TERMINAL WITH THE INTENT TO DEFRAUD, OR TO CLAIM,
COLLECT OR TAKE AN AMOUNT GREATER THAN THE AMOUNT WON, OR TO
MANIPULATE WITH THE INTENT TO CHEAT, A COMPONENT OF A VIDEO
GAMING TERMINAL OR REDEMPTION TERMINAL IN A MANNER CONTRARY
TO THE DESIGNED AND NORMAL OPERATIONAL PURPOSE.

(B) CRIMINAL PENALTIES AND FINES.--

(1) (I) A PERSON THAT COMMITS A FIRST OFFENSE IN
VIOLATION OF 18 PA.C.S. § 4902, 4903 OR 4904 IN
CONNECTION WITH PROVIDING INFORMATION OR MAKING ANY
STATEMENT, WHETHER WRITTEN OR ORAL, TO THE BOARD, THE
BUREAU, THE DEPARTMENT, THE PENNSYLVANIA STATE POLICE,
THE OFFICE OF ATTORNEY GENERAL OR A DISTRICT ATTORNEY AS
REQUIRED BY THIS PART COMMITS AN OFFENSE TO BE GRADED IN
ACCORDANCE WITH THE APPLICABLE SECTION VIOLATED. A PERSON
THAT IS CONVICTED OF A SECOND OR SUBSEQUENT VIOLATION OF
18 PA.C.S. § 4902, 4903 OR 4904 IN CONNECTION WITH
PROVIDING INFORMATION OR MAKING ANY STATEMENT, WHETHER
WRITTEN OR ORAL, TO THE BOARD, THE BUREAU, THE
DEPARTMENT, THE PENNSYLVANIA STATE POLICE, THE OFFICE OF
ATTORNEY GENERAL OR A DISTRICT ATTORNEY AS REQUIRED BY
THIS PART COMMITS A FELONY OF THE SECOND DEGREE.

(II) A PERSON THAT VIOLATES SUBSECTION (A)(2), (3),
(4), (5), (6), (7), (8), (9), (10), (11), (12) OR (17)
COMMENTS A MISDEMEANOR OF THE FIRST DEGREE. A PERSON THAT
IS CONVICTED OF A SECOND OR SUBSEQUENT VIOLATION OF
SUBSECTION (A)(2), (3), (4), (5), (6), (7), (8), (9),
(10), (11), (12) OR (17) COMMITS A FELONY OF THE SECOND
DEGREE.

(2) (I) FOR A FIRST VIOLATION OF SUBSECTION (A)(1),
(2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12)
OR (17), A PERSON SHALL BE SENTENCED TO PAY A FINE OF:

(A) NOT LESS THAN $75,000 NOR MORE THAN $150,000
IF THE PERSON IS AN INDIVIDUAL OR ESTABLISHMENT
LICENSEE;

(B) NOT LESS THAN $300,000 NOR MORE THAN
$600,000 IF THE PERSON IS A TERMINAL OPERATOR
LICENSEE; OR
(C) NOT LESS THAN $150,000 NOR MORE THAN $300,000 IF THE PERSON IS A LICENSED MANUFACTURER OR SUPPLIER.

(II) FOR A SECOND OR SUBSEQUENT VIOLATION OF SUBSECTION (A)(1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12) OR (17), A PERSON SHALL BE SENTENCED TO PAY A FINE OF:

(A) NOT LESS THAN $150,000 NOR MORE THAN $300,000 IF THE PERSON IS AN INDIVIDUAL OR ESTABLISHMENT LICENSEE;

(B) NOT LESS THAN $600,000 NOR MORE THAN $1,200,000 IF THE PERSON IS A TERMINAL OPERATOR LICENSEE; OR

(C) NOT LESS THAN $300,000 NOR MORE THAN $600,000 IF THE PERSON IS A LICENSED MANUFACTURER OR SUPPLIER.

(3) AN INDIVIDUAL WHO COMMITS AN OFFENSE IN VIOLATION OF SUBSECTION (A)(13) OR (14) COMMITS A NONGAMBLING SUMMARY OFFENSE AND UPON CONVICTION OF A FIRST OFFENSE SHALL BE SENTENCED TO PAY A FINE OF NOT LESS THAN $200 NOR MORE THAN $1,000. AN INDIVIDUAL WHO IS CONVICTED OF A SECOND OR SUBSEQUENT OFFENSE UNDER SUBSECTION (A)(13) OR (14) SHALL BE SENTENCED TO PAY A FINE OF NOT LESS THAN $500 NOR MORE THAN $1,500. IN ADDITION TO THE FINE IMPOSED, AN INDIVIDUAL CONVICTED OF AN OFFENSE UNDER SUBSECTION (A)(13) OR (14) MAY BE SENTENCED TO PERFORM A PERIOD OF COMMUNITY SERVICE NOT TO EXCEED 40 HOURS.

(4) AN INDIVIDUAL WHO COMMIT AN OFFENSE IN VIOLATION OF SUBSECTION (A)(16) COMMITS A NONGAMBLING OFFENSE TO BE GRADED IN ACCORDANCE WITH 18 PA.C.S. § 6308 AND SHALL BE SUBJECT TO
THE SAME PENALTIES IMPOSED PURSUANT TO 18 PA.C.S. §§ 6308 AND
6310.4 (RELATING TO RESTRICTION OF OPERATING PRIVILEGES)
EXCEPT THAT THE FINE IMPOSED FOR A VIOLATION OF SUBSECTION
(A)(16) SHALL BE NOT LESS THAN $350 NOR MORE THAN $1,000.

(C) BOARD-IMPOSED ADMINISTRATIVE SANCTIONS.--

(1) IN ADDITION TO ANY OTHER PENALTY AUTHORIZED BY LAW,
THE BOARD MAY IMPOSE WITHOUT LIMITATION THE FOLLOWING
SANCTIONS:

(I) REVOKE THE LICENSE OF A PERSON CONVICTED OF A
CRIMINAL OFFENSE UNDER THIS PART OR REGULATIONS
PROMULGATED UNDER THIS PART OR COMMITTING ANY OTHER
OFFENSE OR VIOLATION OF THIS PART OR APPLICABLE LAW THAT
WOULD OTHERWISE DISQUALIFY THE PERSON FROM HOLDING THE
LICENSE.

(II) REVOKE THE LICENSE OF A PERSON DETERMINED TO
HAVE VIOLATED A PROVISION OF THIS PART OR REGULATIONS
PROMULGATED UNDER THIS PART THAT WOULD OTHERWISE
DISQUALIFY THE PERSON FROM HOLDING THE LICENSE.

(III) REVOKE THE LICENSE OF A PERSON FOR WILLFULLY
AND KNOWINGLY VIOLATING OR ATTEMPTING TO VIOLATE AN ORDER
OF THE BOARD DIRECTED TO THE PERSON.

(IV) SUBJECT TO SUBSECTION (G), ASSESS
ADMINISTRATIVE PENALTIES AS NECESSARY TO PUNISH
VIOLATIONS OF THIS PART.

(V) ORDER RESTITUTION OF MONEY OR PROPERTY
UNLAWFULLY OBTAINED OR RETAINED BY A LICENSEE.

(VI) ENTER CEASE AND DESIST ORDERS WHICH SPECIFY THE
CONDUCT WHICH IS TO BE DISCONTINUED, ALTERED OR
IMPLEMENTED BY A LICENSEE.

(VII) ISSUE LETTERS OF REPRIMAND OR CENSURE, WHICH
LETTERS SHALL BE MADE A PERMANENT PART OF THE FILE OF THE
LICENSEE SO SANCTIONED.

(2) (I) IF THE BOARD REFUSES TO ISSUE OR RENEW A
LICENSE, SUSPENDS OR REVOKES A LICENSE, ASSESSES CIVIL
PENALTIES, ORDERS RESTITUTION, ENTERS A CEASE AND DESIST
ORDER OR ISSUES A LETTER OF REPRIMAND OR CENSURE, THE
BOARD SHALL PROVIDE THE APPLICANT OR LICENSEE WITH
WRITTEN NOTIFICATION OF ITS DECISION, INCLUDING A
STATEMENT OF THE REASONS FOR ITS DECISION, BY CERTIFIED
MAIL WITHIN FIVE BUSINESS DAYS OF THE DECISION OF THE
BOARD.

(II) THE APPLICANT OR LICENSEE SHALL HAVE THE RIGHT
TO APPEAL THE DECISION IN ACCORDANCE WITH 2 PA.C.S. CHS.
5 SUBCH. A (RELATING TO PRACTICE AND PROCEDURE OF
COMMONWEALTH AGENCIES) AND 7 SUBCH. A (RELATING TO
JUDICIAL REVIEW OF COMMONWEALTH AGENCY ACTION).

(D) AIDING AND ABETTING.--A PERSON WHO AIDS, ABETS,
COUNSELS, COMMANDS, INDUCES, PROCURES OR CAUSES ANOTHER PERSON
TO VIOLATE THIS PART SHALL BE SUBJECT TO ALL SANCTIONS AND
PENALTIES, BOTH CIVIL AND CRIMINAL, PROVIDED UNDER THIS PART.

(E) CONTINUING OFFENSES.--A VIOLATION OF THIS PART THAT IS
DETERMINED TO BE AN OFFENSE OF A CONTINUING NATURE SHALL BE
DEEMED TO BE A SEPARATE OFFENSE ON EACH EVENT OR DAY DURING
WHICH THE VIOLATION OCCURS.

(F) PROPERTY SUBJECT TO SEIZURE, CONFISCATION, DESTRUCTION
OR FORFEITURE.--ANY EQUIPMENT, DEVICE OR APPARATUS, MONEY,
MATERIAL, GAMING PROCEEDS OR SUBSTITUTED PROCEEDS OR REAL OR
PERSONAL PROPERTY USED, OBTAINED OR RECEIVED OR AN ATTEMPT TO
USE, OBTAIN OR RECEIVE THE DEVICE, APPARATUS, MONEY, MATERIAL,
PROCEEDS OR REAL OR PERSONAL PROPERTY IN VIOLATION OF THIS PART.
SHALL BE SUBJECT TO SEIZURE, CONFISCATION, DESTRUCTION OR FORFEITURE.

(G) PENALTY LIMITATION.--

(1) ADMINISTRATIVE PENALTIES ASSESSED BY THE BOARD ON AN ESTABLISHMENT LICENSEE SHALL NOT EXCEED $5,000 FOR EACH NONCRIMINAL VIOLATION OF THIS PART.

(2) WHEN IMPOSING AN ADMINISTRATIVE PENALTY ON AN ESTABLISHMENT LICENSEE FOR A NONCRIMINAL VIOLATION OF THIS PART, THE BOARD SHALL TAKE INTO CONSIDERATION THE ESTABLISHMENT LICENSEE'S ANNUAL TAXABLE INCOME AND WHETHER THE PENALTY AMOUNT WOULD CAUSE THE ESTABLISHMENT LICENSEE TO CEASE NON-VIDEO GAMING OPERATIONS.

(H) DEPOSIT OF FINES.--FINES IMPOSED AND COLLECTED BY THE BOARD UNDER SUBSECTION (C) SHALL BE DEPOSITED INTO THE GENERAL FUND.

§ 3906. REPORT OF SUSPICIOUS TRANSACTIONS.

(A) DUTY.--AN ESTABLISHMENT LICENSEE OR TERMINAL OPERATOR LICENSEE OR A PERSON ACTING ON BEHALF OF AN ESTABLISHMENT LICENSEE OR TERMINAL OPERATOR LICENSEE SHALL, ON A FORM AND IN A MANNER AS REQUIRED BY THE BUREAU, NOTIFY THE BUREAU OF A SUSPICIOUS TRANSACTION.

(B) FAILURE TO REPORT.--

(1) A PERSON THAT IS REQUIRED TO FILE A REPORT OF A SUSPICIOUS TRANSACTION UNDER THIS SECTION AND KNOWINGLY FAILS TO FILE THE REPORT OR THAT KNOWINGLY CAUSES ANOTHER PERSON HAVING THAT RESPONSIBILITY TO FAIL TO FILE THE REPORT COMMITS A MISDEMEANOR OF THE THIRD DEGREE.

(2) A PERSON REQUIRED TO FILE A REPORT OF A SUSPICIOUS TRANSACTION UNDER THIS SECTION AND FAILS TO FILE THE REPORT OR A PERSON THAT CAUSES ANOTHER PERSON REQUIRED UNDER THIS

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SECTION TO FILE THE REPORT TO FAIL TO FILE THE REPORT SHALL BE STRICTLY LIABLE FOR THE PERSON'S ACTIONS AND MAY BE SUBJECT TO SANCTION UNDER SECTION 3905(C) (RELATING TO PROHIBITED ACTS AND PENALTIES).

(C) BUREAU.--THE BUREAU SHALL MAINTAIN A RECORD OF ALL REPORTS MADE UNDER THIS SECTION FOR A PERIOD OF FIVE YEARS. THE BUREAU SHALL MAKE THE REPORTS AVAILABLE TO ANY FEDERAL OR STATE LAW ENFORCEMENT AGENCY UPON WRITTEN REQUEST AND WITHOUT NECESSITY OF SUBPOENA.

(D) NOTICE PROHIBITED.--

(1) A PERSON THAT IS REQUIRED TO FILE A REPORT OF A SUSPICIOUS TRANSACTION UNDER THIS SECTION MAY NOT NOTIFY AN INDIVIDUAL SUSPECTED OF COMMITTING THE SUSPICIOUS TRANSACTION THAT THE TRANSACTION HAS BEEN REPORTED.

(2) A PERSON THAT VIOLATES THIS SUBSECTION COMMITS A MISDEMEANOR OF THE THIRD DEGREE AND MAY BE SUBJECT TO SANCTION UNDER SECTION 3905(C).

(E) IMMUNITY.--A PERSON THAT IS REQUIRED TO FILE A REPORT OF A SUSPICIOUS TRANSACTION UNDER THIS SECTION AND IN GOOD FAITH MAKES THE REPORT SHALL NOT BE LIABLE IN ANY CIVIL ACTION BROUGHT BY A PERSON FOR MAKING THE REPORT, REGARDLESS OF WHETHER THE TRANSACTION IS LATER DETERMINED TO BE A SUSPICIOUS TRANSACTION.

(F) SANCTIONS.--

(1) IN CONSIDERING APPROPRIATE ADMINISTRATIVE SANCTIONS AGAINST A PERSON FOR VIOLATING THIS SECTION, THE BOARD SHALL CONSIDER ALL OF THE FOLLOWING:

(I) THE RISK TO THE PUBLIC AND TO THE INTEGRITY OF GAMING OPERATIONS CREATED BY THE CONDUCT OF THE PERSON.

(II) THE SERIOUSNESS OF THE CONDUCT OF THE PERSON AND WHETHER THE CONDUCT WAS PURPOSEFUL AND WITH KNOWLEDGE
THAT IT WAS IN CONTRAVENTION OF THE PROVISIONS OF THIS
PART OR REGULATIONS PROMULGATED UNDER THIS PART.

(III) JUSTIFICATION OR EXCUSE FOR THE CONDUCT BY THE
PERSON.

(IV) THE PRIOR HISTORY OF THE PARTICULAR LICENSEE OR
PERSON INVOLVED WITH RESPECT TO VIDEO GAMING TERMINAL
ACTIVITY.

(V) THE CORRECTIVE ACTION TAKEN BY THE ESTABLISHMENT
LICENSEE OR TERMINAL OPERATOR LICENSEE TO PREVENT FUTURE
MISCONDUCT OF A LIKE NATURE FROM OCCURRING.

(VI) IN THE CASE OF A MONETARY PENALTY, THE AMOUNT
OF THE PENALTY IN RELATION TO THE SEVERITY OF THE
MISCONDUCT AND THE FINANCIAL MEANS OF THE LICENSEE OR
PERSON. THE BOARD MAY IMPOSE ANY SCHEDULE OR TERMS OF
PAYMENT OF SUCH PENALTY AS IT MAY DEEM APPROPRIATE.

(2) IT SHALL BE NO DEFENSE TO DISCIPLINARY ACTION BEFORE
THE BOARD THAT A PERSON INADVERTENTLY, UNINTENTIONALLY OR
UNKNOWINGLY VIOLATED THIS SECTION. THE FACTORS ENUMERATED
UNDER PARAGRAPH (1) SHALL ONLY APPLY TO THE DEGREE OF THE
PENALTY TO BE IMPOSED BY THE BOARD AND NOT TO A FINDING OF A
VIOLATION ITSELF.

(G) REGULATIONS.--THE BOARD SHALL PROMULGATE REGULATIONS TO
EFFECTUATE THE PURPOSES OF THIS SECTION.

§ 3907. ADDITIONAL AUTHORITY.

(A) PETITION FOR ACCESS TO AGENCY INFORMATION.--

(1) THE DIRECTOR OF THE OFFICE OF ENFORCEMENT COUNSEL
WITHIN THE BUREAU MAY PETITION A COURT OF RECORD HAVING
JURISDICTION OVER INFORMATION IN THE POSSESSION OF AN AGENCY
IN THIS COMMONWEALTH OR, IF THERE IS NO SUCH COURT, THEN THE
COMMONWEALTH COURT FOR AUTHORIZATION TO REVIEW OR OBTAIN
INFORMATION IN THE POSSESSION OF AN AGENCY IN THIS COMMONWEALTH BY AVERRING SPECIFIC FACTS DEMONSTRATING THAT:

(I) THE AGENCY HAS IN ITS POSSESSION INFORMATION MATERIAL TO A PENDING INVESTIGATION OR INQUIRY BEING CONDUCTED BY THE BUREAU PURSUANT TO THIS PART.

(II) DISCLOSURE OR RELEASE OF THE INFORMATION IS IN THE BEST INTEREST OF THE COMMONWEALTH.

(2) THE PETITION SHALL REQUEST THAT THE COURT ENTER A RULE UPON THE AGENCY TO SHOW CAUSE WHY THE AGENCY SHOULD NOT BE DIRECTED TO DISCLOSE TO THE BUREAU, OR IDENTIFIED AGENTS THEREOF, INFORMATION IN THE AGENCY'S POSSESSION ABOUT ANY PENDING MATTER UNDER THE JURISDICTION OF THE BUREAU PURSUANT TO THIS PART.

(3) IF THE RESPONDENT IS A LOCAL AGENCY, A COPY OF A RULE ISSUED PURSUANT TO THIS SECTION SHALL BE PROVIDED TO THE DISTRICT ATTORNEY OF THE COUNTY IN WHICH THE LOCAL AGENCY IS LOCATED AND THE OFFICE OF ATTORNEY GENERAL.

(4) UPON REQUEST OF A LOCAL AGENCY, THE DISTRICT ATTORNEY OR THE ATTORNEY GENERAL MAY ELECT TO ENTER AN APPEARANCE TO REPRESENT THE LOCAL AGENCY IN THE PROCEEDINGS.

(B) PROCEDURE.--

(1) THE FILING OF A PETITION PURSUANT TO THIS SECTION AND RELATED PROCEEDINGS SHALL BE IN ACCORDANCE WITH COURT RULE, INCLUDING ISSUANCE AS OF COURSE.

(2) A PARTY TO THE PROCEEDING MAY NOT DISCLOSE THE FILING OF A PETITION OR ANSWER OR THE RECEIPT, CONTENT OR DISPOSITION OF A RULE OR ORDER ISSUED PURSUANT TO THIS SECTION, WITHOUT LEAVE OF COURT.

(3) A PARTY TO THE PROCEEDINGS MAY REQUEST THAT THE RECORD BE SEALED AND PROCEEDINGS BE CLOSED. THE COURT SHALL
GRANT THE REQUEST IF IT IS IN THE BEST INTEREST OF A PERSON
OR THE COMMONWEALTH TO DO SO.

(C) COURT DETERMINATION.--

(1) FOLLOWING REVIEW OF THE RECORD, THE COURT SHALL
GRANT THE RELIEF SOUGHT BY THE DIRECTOR OF THE OFFICE OF
ENFORCEMENT COUNSEL IF THE COURT DETERMINES THAT:

(I) THE AGENCY HAS IN ITS POSSESSION INFORMATION
MATERIAL TO THE INVESTIGATION OR INQUIRY.

(II) DISCLOSURE OR RELEASE OF THE INFORMATION IS IN
THE BEST INTEREST OF THE COMMONWEALTH.

(III) THE DISCLOSURE OR RELEASE OF THE INFORMATION
IS NOT OTHERWISE PROHIBITED BY STATUTE OR REGULATION.

(IV) THE DISCLOSURE OR RELEASE OF THE INFORMATION
WOULD NOT INHIBIT AN AGENCY IN THE PERFORMANCE OF THE
AGENCY'S DUTIES.

(2) IF THE COURT SO DETERMINES, THE COURT SHALL ENTER AN
ORDER AUTHORIZING AND DIRECTING THE INFORMATION BE MADE
AVAILABLE FOR REVIEW IN CAMERA.

(D) RELEASE OF MATERIALS OR INFORMATION.--

(1) IF, AFTER AN IN-CAMERA REVIEW BY THE COURT, THE
DIRECTOR OF THE OFFICE OF ENFORCEMENT COUNSEL SEEKS TO OBTAIN
COPIES OF MATERIALS IN THE AGENCY'S POSSESSION, THE COURT
MAY, IF NOT OTHERWISE PROHIBITED BY STATUTE OR REGULATION,
ENTER AN ORDER THAT THE REQUESTED MATERIALS BE PROVIDED.

(2) AN ORDER AUTHORIZING THE RELEASE OF MATERIALS OR
OTHER INFORMATION SHALL CONTAIN DIRECTION REGARDING THE
SAFEKEEPING AND USE OF THE MATERIALS OR OTHER INFORMATION
SUFFICIENT TO SATISFY THE COURT THAT THE MATERIALS OR
INFORMATION WILL BE SUFFICIENTLY SAFEGUARDED.

(3) IN MAKING THE DETERMINATION UNDER PARAGRAPH (2) THE
COURT SHALL CONSIDER INPUT OF THE AGENCY IN POSSESSION OF THE
INFORMATION AND INPUT FROM ANY AGENCY WITH WHICH THE
INFORMATION ORIGINATED CONCERNING A PENDING INVESTIGATION OR
ONGOING MATTER AND THE SAFETY OF PERSON AND PROPERTY.

(E) MODIFICATION OF ORDER.--

(1) IF SUBSEQUENT INVESTIGATION OR INQUIRY BY THE BUREAU
WARRANTS MODIFICATION OF AN ORDER ENTERED PURSUANT TO THIS
SECTION, THE DIRECTOR OF THE OFFICE OF ENFORCEMENT COUNSEL
MAY PETITION TO REQUEST MODIFICATION OF THE ORDER.

(2) UPON THE REQUEST, THE COURT MAY MODIFY THE ORDER AT
ANY TIME AND IN ANY MANNER IT DEEMS NECESSARY AND
APPROPRIATE.

(3) THE AGENCY NAMED IN THE ORIGINAL PETITION SHALL BE
GIVEN NOTICE AND AN OPPORTUNITY TO BE HEARD.

(F) USE OF INFORMATION OR MATERIALS.--A PERSON WHO, BY ANY
MEANS AUTHORIZED BY THIS SECTION, HAS OBTAINED KNOWLEDGE OF
INFORMATION OR MATERIALS SOLELY PURSUANT TO THIS SECTION MAY USE
THE INFORMATION OR MATERIALS IN A MANNER CONSISTENT WITH ANY
DIRECTION IMPOSED BY THE COURT AND APPROPRIATE TO THE PROPER
PERFORMANCE OF THE PERSON'S DUTIES UNDER THIS PART.

(G) VIOLATION.--IN ADDITION TO THE REMEDIES AND PENALTIES
PROVIDED IN THIS PART, A VIOLATION OF THE PROVISIONS OF THIS
SECTION MAY BE PUNISHED AS CONTEMPT OF COURT.

(H) DEFINITION.--AS USED IN THIS SECTION, THE TERM "AGENCY"
SHALL MEAN A "COMMONWEALTH AGENCY" OR A "LOCAL AGENCY" AS THOSE
TERMS ARE DEFINED IN SECTION 102 OF THE ACT OF FEBRUARY 14, 2008
(P.L.6, NO.3), KNOWN AS THE RIGHT-TO-KNOW LAW.

§ 3908. DETENTION.

(A) GENERAL RULE.--A PEACE OFFICER WHO HAS PROBABLE CAUSE TO
BELIEVE THAT CRIMINAL VIOLATION OF THIS PART HAS OCCURRED OR IS

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OCCURRING ON OR ABOUT AN ESTABLISHMENT LICENSEE'S PREMISES AND
WHO HAS PROBABLE CAUSE TO BELIEVE THAT A SPECIFIC INDIVIDUAL HAS
COMMITTED OR IS COMMITTING THE CRIMINAL VIOLATION MAY DETAIN THE
INDIVIDUAL IN A REASONABLE MANNER FOR A REASONABLE TIME ON THE
PREMISES OF THE ESTABLISHMENT LICENSEE TO REQUIRE THE SUSPECT TO
IDENTIFY HIMSELF, TO VERIFY SUCH IDENTIFICATION OR TO INFORM A
PEACE OFFICER.

(B) IMMUNITY.--A PEACE OFFICER SHALL NOT BE SUBJECT TO CIVIL
OR CRIMINAL LIABILITY FOR DETENTION OF AN INDIVIDUAL IN
ACCORDANCE WITH SUBSECTION (A).

CHAPTER 41
REVENUES

SEC.
4101. FEES.

4102. TAXES AND ASSESSMENTS.

4103. DISTRIBUTION OF LOCAL SHARE.

4104. REGULATORY ASSESSMENTS.

4105. TRANSFERS FROM VIDEO GAMING FUND.

§ 4101. FEES.

(A) APPLICATION FEES.--THE FOLLOWING NONREFUNDABLE
APPLICATION FEES SHALL ACCOMPANY AN APPLICATION FOR THE
FOLLOWING LICENSES OR PERMITS APPLIED FOR UNDER CHAPTER 35
(RELATING TO APPLICATION AND LICENSURE):

(1) FOR A MANUFACTURER OR SUPPLIER LICENSE, $50,000.

(2) FOR A TERMINAL OPERATOR LICENSE, $25,000.

(3) FOR AN ESTABLISHMENT LICENSE, $1,000.

(4) FOR A KEY EMPLOYEE OR PRINCIPAL LICENSE, $500.

(5) FOR ANY OTHER AUTHORIZATION OR PERMIT AUTHORIZED BY
THIS PART, AN AMOUNT ESTABLISHED BY THE BOARD, THROUGH
REGULATION, WHICH MAY NOT EXCEED $100.
(B) INITIAL LICENSE AND RENEWAL FEES.--THE FOLLOWING NONREFUNDABLE FEES SHALL BE REQUIRED UPON ISSUANCE OF AN INITIAL LICENSE AND SHALL ACCOMPANY AN APPLICATION FOR RENEWAL FOR THE FOLLOWING LICENSES OR PERMITS UNDER CHAPTER 35:

(1) FOR A MANUFACTURER OR SUPPLIER LICENSE, $10,000.
(2) FOR A TERMINAL OPERATOR LICENSE, $5,000.
(3) FOR AN ESTABLISHMENT LICENSE, AN AMOUNT EQUAL TO $250 PER EACH VIDEO GAMING TERMINAL IN OPERATION AT THE PREMISES OF THE ESTABLISHMENT LICENSEE.
(4) FOR A KEY EMPLOYEE, PROCUREMENT AGENT LICENSE OR PRINCIPAL LICENSE, $500.
(5) FOR ANY OTHER AUTHORIZATION OR LICENSE AUTHORIZED BY
   THIS PART, AN AMOUNT ESTABLISHED BY THE BOARD, THROUGH REGULATION, WHICH MAY NOT EXCEED $100.

(C) TERMINAL INCREASE FEE.--AN ESTABLISHMENT LICENSEE THAT INCREASES THE TOTAL NUMBER OF VIDEO GAMING TERMINALS WITHIN THE ESTABLISHMENT AFTER SUBMISSION OF THE RENEWAL FEE REQUIRED IN SUBSECTION (B) SHALL PROVIDE THE BOARD WITH A $250 RENEWAL FEE FOR EACH ADDITIONAL VIDEO GAMING TERMINAL ADDED TO THE ESTABLISHMENT WITHIN 60 DAYS OF INSTALLATION OF EACH ADDITIONAL VIDEO GAMING TERMINAL.

(D) DEPOSIT OF FEES.--FEES COLLECTED UNDER THIS SECTION SHALL BE DEPOSITED INTO THE GENERAL FUND.

§ 4102. TAXES AND ASSESSMENTS.

(A) FUND ESTABLISHED.--THE VIDEO GAMING FUND IS ESTABLISHED IN THE STATE TREASURY. MONEY IN THE FUND IS HEREBY APPROPRIATED TO THE DEPARTMENT ON A CONTINUING BASIS FOR THE PURPOSES UNDER SUBSECTION (C).

(B) VIDEO GAMING TERMINAL TAX AND ASSESSMENTS.--

(1) THE DEPARTMENT SHALL DETERMINE AND EACH TERMINAL
OPERATOR LICENSEE SHALL PAY ON A BIMONTHLY BASIS:

(I) A TAX OF 42% OF ITS GROSS TERMINAL REVENUE FROM ALL VIDEO GAMING TERMINALS OPERATED BY THE TERMINAL OPERATOR LICENSEE WITHIN THIS COMMONWEALTH.

(II) A 10% LOCAL SHARE ASSESSMENT FROM ITS GROSS TERMINAL REVENUE.

(III) A REGULATORY ASSESSMENT ESTABLISHED IN SECTION 4104 (RELATING TO REGULATORY ASSESSMENTS) FROM THE TERMINAL OPERATOR LICENSEE'S WEEKLY GROSS TERMINAL REVENUE.

(2) ALL MONEY OWED UNDER THIS SECTION SHALL BE HELD IN TRUST BY THE TERMINAL OPERATOR LICENSEE UNTIL THE MONEY IS PAID OR TRANSFERRED TO THE VIDEO GAMING FUND.

(3) UNLESS OTHERWISE AGREED TO BY THE BOARD, A TERMINAL OPERATOR LICENSEE SHALL ESTABLISH A SEPARATE BANK ACCOUNT TO MAINTAIN GROSS TERMINAL REVENUE UNTIL SUCH TIME AS THE MONEY IS PAID OR TRANSFERRED UNDER THIS SECTION.

(C) TRANSFERS AND DISTRIBUTIONS.--THE DEPARTMENT SHALL:

(1) TRANSFER THE TAX IMPOSED UNDER SUBSECTION (B) TO THE VIDEO GAMING FUND.

(2) (RESERVED).

(3) TRANSFER THE REGULATORY ASSESSMENT IMPOSED UNDER SUBSECTION (B) IN ACCORDANCE WITH SECTION 4104.

§ 4103. DISTRIBUTION OF LOCAL SHARE.

(A) DISTRIBUTION.--

(1) (RESERVED).

(2) THE DEPARTMENT SHALL ON A QUARTERLY BASIS DEPOSIT THE LOCAL SHARE ASSESSMENT IMPOSED UNDER SECTION 4102(B)(1) (RELATING TO TAXES AND ASSESSMENTS) INTO A RESTRICTED RECEIPTS ACCOUNT TO BE ESTABLISHED IN THE COMMONWEALTH.
FINANCING AUTHORITY TO BE USED EXCLUSIVELY FOR GRANTS FOR PROJECTS IN THE PUBLIC INTEREST WITHIN THE COMMONWEALTH.

(B) DUTY OF TERMINAL OPERATOR.--A TERMINAL OPERATOR LICENSEE SHALL CONTINUOUSLY PROVIDE THE DEPARTMENT WITH RECORDS, DOCUMENTS OR OTHER INFORMATION NECESSARY TO EFFECTUATE THE REQUIREMENTS OF SUBSECTION (A).

§ 4104. REGULATORY ASSESSMENTS.

(A) ACCOUNTS ESTABLISHED.--THE STATE TREASURER SHALL ESTABLISH WITHIN THE STATE TREASURY AN ACCOUNT FOR EACH TERMINAL OPERATOR FOR THE DEPOSIT OF A REGULATORY ASSESSMENT AMOUNT REQUIRED UNDER SUBSECTION (B) TO RECOVER COSTS OR EXPENSES INCURRED BY THE BOARD, THE DEPARTMENT, THE PENNSYLVANIA STATE POLICE AND THE OFFICE OF ATTORNEY GENERAL IN CARRYING OUT THEIR POWERS AND DUTIES UNDER THIS PART BASED UPON A BUDGET SUBMITTED BY THE DEPARTMENT UNDER SUBSECTION (C).

(B) BI-MONTHLY DEPOSITS.--

(1) THE DEPARTMENT SHALL DETERMINE THE APPROPRIATE ASSESSMENT AMOUNT FOR EACH TERMINAL OPERATOR LICENSEE, WHICH SHALL BE A PERCENTAGE ASSESSED ON THE TERMINAL OPERATOR LICENSEE'S BI-MONTHLY GROSS TERMINAL REVENUE.

(2) THE PERCENTAGE ASSESSED SHALL NOT EXCEED AN AMOUNT EQUAL TO THE COSTS OR EXPENSES INCURRED BY THE BOARD, THE DEPARTMENT, THE PENNSYLVANIA STATE POLICE OR THE OFFICE OF ATTORNEY GENERAL IN CARRYING OUT THEIR POWERS AND DUTIES UNDER THIS PART BASED UPON A BUDGET SUBMITTED BY THE DEPARTMENT UNDER SUBSECTION (C).

(C) ITEMIZED BUDGET REPORTING.--

(1) THE DEPARTMENT SHALL PREPARE AND ANNUALLY SUBMIT TO THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE SENATE AND THE CHAIRPERSON
AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF
THE HOUSE OF REPRESENTATIVES AN ITEMIZED BUDGET CONSISTING OF
AMOUNTS TO BE APPROPRIATED OUT OF THE ACCOUNTS ESTABLISHED
UNDER THIS SECTION NECESSARY TO ADMINISTER THIS PART.

(2) AS SOON AS PRACTICABLE AFTER SUBMITTING COPIES OF
THE ITEMIZED BUDGET, THE DEPARTMENT SHALL SUBMIT TO THE
CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS
COMMITTEE OF THE SENATE AND THE CHAIRPERSON AND MINORITY
CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF
REPRESENTATIVES ANALYSES OF AND RECOMMENDATIONS REGARDING THE
ITEMIZED BUDGET.

(3) THE ITEMIZED BUDGET REQUIRED UNDER PARAGRAPH (1)
SHALL BE SUBMITTED IN CONJUNCTION WITH THE BUDGET REQUIRED TO
BE SUBMITTED UNDER SECTION 1202(B)(28) (RELATING TO GENERAL
AND SPECIFIC POWERS).

(D) APPROPRIATION.--

(1) COSTS AND EXPENSES MAY BE PAID FROM THE ACCOUNTS
ESTABLISHED UNDER SUBSECTION (A) ONLY UPON APPROPRIATION BY
THE GENERAL ASSEMBLY.

(2) IF THE TOTAL COSTS OR EXPENSES INCURRED BY THE
BOARD, THE DEPARTMENT, THE PENNSYLVANIA STATE POLICE OR THE
OFFICE OF ATTORNEY GENERAL EXCEED THE AMOUNTS AVAILABLE IN
THE ACCOUNTS ESTABLISHED UNDER SUBSECTION (A), THE GENERAL
ASSEMBLY MAY APPROPRIATE ADDITIONAL AMOUNTS TO THE BOARD, THE
DEPARTMENT, THE PENNSYLVANIA STATE POLICE OR THE OFFICE OF
ATTORNEY GENERAL FROM THE VIDEO GAMING FUND.

§ 4105. TRANSFERS FROM VIDEO GAMING FUND.

(A) TRANSFER FOR COMPULSIVE AND PROBLEM GAMBLING
TREATMENT.--ON JUNE 30, 2018, AND ON THE LAST DAY OF EACH FISCAL
YEAR THEREAFTER, THE STATE TREASURER SHALL TRANSFER FROM THE
VIDEO GAMING FUND AN AMOUNT EQUAL TO 0.002 MULTIPLIED BY THE TOTAL GROSS TERMINAL REVENUE OF ALL TERMINAL OPERATOR LICENSEES TO THE COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND ESTABLISHED IN SECTION 1509 (RELATING TO COMPULSIVE AND PROBLEM GAMBLING PROGRAM).

(B) GENERAL FUND TRANSFER.--ON JUNE 30, 2018, AND ON THE LAST DAY OF EACH FISCAL YEAR THEREAFTER, THE STATE TREASURER SHALL TRANSFER THE REMAINING BALANCE IN THE VIDEO GAMING FUND THAT IS NOT TRANSFERRED UNDER SUBSECTION (A) TO THE GENERAL FUND.

CHAPTER 43
ETHICS

SEC.
4301. BOARD CODE OF CONDUCT.
4302. ADDITIONAL BOARD RESTRICTIONS.
4303. FINANCIAL AND EMPLOYMENT INTERESTS.
4304. ADDITIONAL RESTRICTIONS.
4305. POLITICAL INFLUENCE.

§ 4301. BOARD CODE OF CONDUCT.
(A) UPDATE REQUIRED.--THE BOARD SHALL UPDATE THE COMPREHENSIVE CODE OF CONDUCT ESTABLISHED UNDER SECTION 1202.1 (RELATING TO CODE OF CONDUCT) PRIOR TO THE CONSIDERATION OF A LICENSE, PERMIT OR OTHER AUTHORIZATION UNDER THIS PART IN ORDER TO AVOID A PERCEIVED OR ACTUAL CONFLICT OF INTEREST AND TO PROMOTE PUBLIC CONFIDENCE IN THE INTEGRITY AND IMPARTIALITY OF THE BOARD AS RELATED TO VIDEO GAMING. AT A MINIMUM, THE UPDATED CODE OF CONDUCT ADOPTED UNDER THIS SECTION SHALL INCLUDE REGISTRATION OF LICENSED ENTITY REPRESENTATIVES UNDER SUBSECTION (B) AND THE RESTRICTIONS UNDER SUBSECTION (C) AS THEY RELATE TO VIDEO GAMING.
(B) REGISTRATION.--

(1) A LICENSED ENTITY REPRESENTATIVE SHALL REGISTER WITH
the Board in a manner prescribed by the Board. The
registration shall include the name, employer or firm,
business address and business telephone number of both the
licensed entity representative and any licensed entity,
applicant for licensure or other person being represented.

(2) A LICENSED ENTITY REPRESENTATIVE SHALL UPDATE THE
registration information on an ongoing basis and failure to
do so shall be punishable by the Board.

(3) THE BOARD SHALL MAINTAIN A REGISTRATION LIST THAT
contains the information required under paragraph (1). The
list shall be available on the Board's publicly accessible
internet website.

(C) RESTRICTIONS.--IN ADDITION TO THE OTHER PROHIBITIONS
CONTAINED IN THIS PART, A MEMBER OF THE BOARD SHALL:

(1) NOT ACCEPT A DISCOUNT, GIFT, GRATUITY, COMPENSATION,
TRAVEL, LODGING OR OTHER THING OF VALUE, DIRECTLY OR
INDIRECTLY, FROM AN APPLICANT, LICENSED ENTITY, AFFILIATE,
SUBSIDIARY OR INTERMEDIARY OF AN APPLICANT OR A LICENSED
ENTITY, REGISTRANT OR LICENSED ENTITY REPRESENTATIVE.

(2) DISCLOSE AND RECUSE HIMSELF FROM A HEARING OR OTHER
PROCEEDING IN WHICH THE MEMBER'S OBJECTIVITY, IMPARTIALITY,
INTEGRITY OR INDEPENDENCE OF JUDGMENT MAY BE REASONABLY
QUESTIONED DUE TO THE MEMBER'S RELATIONSHIP OR ASSOCIATION
WITH A PARTY CONNECTED TO A HEARING OR PROCEEDING OR A PERSON
APPEARING BEFORE THE BOARD.

(3) REFRAIN FROM FINANCIAL OR BUSINESS DEALING THAT
WOULD TEND TO REFLECT ADVERSELY ON THE MEMBER'S OBJECTIVITY,
IMPARTIALITY OR INDEPENDENCE OF JUDGMENT.
(4) (I) NOT SOLICIT FUNDS FOR A CHARITABLE, EDUCATIONAL, RELIGIOUS, HEALTH, FRATERNAL, CIVIC OR OTHER NONPROFIT ENTITY FROM AN APPLICANT, LICENSED ENTITY, PARTY, REGISTRANT OR LICENSED ENTITY REPRESENTATIVE OR FROM AN AFFILIATE, SUBSIDIARY, INTERMEDIARY OR HOLDING COMPANY OF AN APPLICANT, LICENSED ENTITY, PARTY OR LICENSED ENTITY REPRESENTATIVE.

(II) SUBJECT TO THE PROVISIONS OF SECTION 1201(H) (4.1) (RELATING TO PENNSYLVANIA GAMING CONTROL BOARD ESTABLISHED), A MEMBER MAY SERVE AS AN OFFICER, EMPLOYEE OR MEMBER OF THE GOVERNING BODY OF A NONPROFIT ENTITY AND MAY ATTEND, MAKE PERSONAL CONTRIBUTIONS TO AND PLAN OR PRESIDE OVER THE ENTITY'S FUNDRAISING EVENTS.

(III) A MEMBER MAY PERMIT THEIR NAME TO APPEAR ON THE LETTERHEAD USED FOR FUNDRAISING EVENTS IF THE LETTERHEAD CONTAINS ONLY THE MEMBER'S NAME AND POSITION WITH THE NONPROFIT ENTITY.

(5) (I) NOT MEET OR ENGAGE IN DISCUSSIONS WITH AN APPLICANT, LICENSED ENTITY, REGISTRANT, LICENSED ENTITY REPRESENTATIVE, PERSON WHO PROVIDES GOODS, PROPERTY OR SERVICES TO A TERMINAL OPERATOR LICENSEE OR ANOTHER PERSON OR ENTITY UNDER THE JURISDICTION OF THE BOARD UNLESS THE MEETING OR DISCUSSION OCCURS ON THE BUSINESS PREMISES OF THE BOARD AND IS RECORDED IN A LOG.

(II) THE LOG SHALL BE POSTED ON THE BOARD'S PUBLICLY ACCESSIBLE INTERNET WEBSITE.


(IV) THE PROVISIONS OF THIS PARAGRAPH SHALL NOT
APPLY TO A MEETING THAT CONSIDERS MATTERS REQUIRING THE
PHYSICAL INSPECTION OF THE EQUIPMENT OR PREMISES OF AN
APPLICANT OR A LICENSED ENTITY, IF THE MEETING IS ENTERED
IN THE LOG.

(6) AVOID IMPROPRIETY AND THE APPEARANCE OF IMPROPRIETY
AT ALL TIMES AND OBSERVE STANDARDS AND CONDUCT THAT PROMOTE
PUBLIC CONFIDENCE IN THE OVERSIGHT OF VIDEO GAMING.

(7) COMPLY WITH OTHER LAWS, RULES OR REGULATIONS
RELATING TO THE CONDUCT OF A MEMBER.

§ 4302. ADDITIONAL BOARD RESTRICTIONS.

(A) BOARD RESTRICTIONS.--THE FOLLOWING SHALL APPLY TO A
BOARD MEMBER OR EMPLOYEE OF THE BOARD WHOSE DUTIES SUBSTANTIALLY
INVOLVE LICENSING, ENFORCEMENT, DEVELOPMENT OF LAW, PROMULGATION
OF REGULATIONS OR DEVELOPMENT OF POLICY RELATING TO GAMING UNDER
THIS PART OR WHO HAS OTHER DISCRETIONARY AUTHORITY WHICH MAY
AFFECT OR INFLUENCE THE OUTCOME OF AN ACTION, PROCEEDING OR
DECISION UNDER THIS PART:

(1) THE INDIVIDUAL MAY NOT, FOR A PERIOD OF TWO YEARS
FOLLOWING TERMINATION OF EMPLOYMENT, ACCEPT EMPLOYMENT WITH
OR BE RETAINED BY AN APPLICANT OR A LICENSED ENTITY OR BY AN
AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF AN
APPLICANT OR A LICENSED ENTITY.

(2) THE INDIVIDUAL MAY NOT, FOR A PERIOD OF TWO YEARS
FOLLOWING TERMINATION OF EMPLOYMENT, APPEAR BEFORE THE BOARD
IN A HEARING OR PROCEEDING OR PARTICIPATE IN ACTIVITY ON
BEHALF OF AN APPLICANT, LICENSEE OR LICENSED ENTITY OR ON
BEHALF OF AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING
COMPANY OF AN APPLICANT, LICENSEE OR LICENSED ENTITY.

(3) (I) AN APPLICANT OR A LICENSED ENTITY OR AN
AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF
AN APPLICANT OR A LICENSED ENTITY MAY NOT, UNTIL THE
EXPIRATION OF TWO YEARS FOLLOWING TERMINATION OF
EMPLOYMENT, EMPLOY OR RETAIN THE INDIVIDUAL.

(II) VIOLATION OF THIS SUBPARAGRAPH SHALL RESULT IN
TERMINATION OF THE INDIVIDUAL'S EMPLOYMENT AND SUBJECT
THE VIOLATOR TO SECTION 3905(C) (RELATING TO PROHIBITED
ACTS AND PENALTIES).

(4) (I) A PROSPECTIVE EMPLOYEE WHO, UPON EMPLOYMENT,
WOULD BE SUBJECT TO THIS SUBSECTION MUST, AS A CONDITION
OF EMPLOYMENT, SIGN AN AFFIDAVIT THAT THE PROSPECTIVE
EMPLOYEE WILL NOT VIOLATE PARAGRAPH (1) OR (2).

(II) IF THE PROSPECTIVE EMPLOYEE FAILS TO SIGN THE
AFFIDAVIT, THE BOARD SHALL RESCIND AN OFFER OF EMPLOYMENT
AND MAY NOT EMPLOY THE INDIVIDUAL.

(B) CONTRACTOR RESTRICTIONS.--THE FOLLOWING SHALL APPLY TO
AN INDEPENDENT CONTRACTOR OF THE BOARD AND TO AN EMPLOYEE OF AN
INDEPENDENT CONTRACTOR WHOSE DUTIES SUBSTANTIALLY INVOLVE
CONSULTATION RELATING TO LICENSING, ENFORCEMENT, DEVELOPMENT OF
LAW, PROMULGATION OF REGULATIONS OR DEVELOPMENT OF POLICY
RELATING TO VIDEO GAMING UNDER THIS PART:

(1) THE PERSON MAY NOT, FOR A PERIOD OF ONE YEAR
FOLLOWING TERMINATION OF THE CONTRACT WITH THE BOARD, BE
RETAINED BY AN APPLICANT OR A LICENSED ENTITY OR BY AN
AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF AN
APPLICANT OR A LICENSED ENTITY.

(2) THE PERSON MAY NOT, FOR A PERIOD OF TWO YEARS
FOLLOWING TERMINATION OF THE CONTRACT WITH THE BOARD, APPEAR
BEFORE THE BOARD IN A HEARING OR PROCEEDING OR PARTICIPATE IN
ACTIVITY ON BEHALF OF AN APPLICANT, LICENSEE OR LICENSED
ENTITY OR ON BEHALF OF AN AFFILIATE, INTERMEDIARY, SUBSIDIARY
OR HOLDING COMPANY OF AN APPLICANT, LICENSEE OR LICENSED
ENTITY.

(3) (I) AN APPLICANT OR A LICENSED ENTITY OR AN
AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF
AN APPLICANT OR A LICENSEE MAY NOT, UNTIL THE EXPIRATION
OF ONE YEAR FOLLOWING TERMINATION OF THE CONTRACT WITH
THE BOARD, EMPLOY OR RETAIN THE PERSON.

(II) A KNOWING VIOLATION OF THIS SUBPARAGRAPH SHALL
RESULT IN TERMINATION OF THE PERSON'S EMPLOYMENT AND
SUBJECT THE VIOLATOR TO SECTION 3905(C).

(4) (I) EACH CONTRACT BETWEEN THE BOARD AND AN
INDEPENDENT CONTRACTOR THAT INVOLVES THE DUTIES SPECIFIED
IN THIS SUBSECTION SHALL CONTAIN A PROVISION REQUIRING
THE INDEPENDENT CONTRACTOR TO SIGN AN AFFIDAVIT THAT THE
INDEPENDENT CONTRACTOR WILL NOT VIOLATE PARAGRAPH (1) OR
(2).

(II) IF THE INDEPENDENT CONTRACTOR FAILS TO SIGN THE
AFFIDAVIT, THE BOARD MAY NOT ENTER INTO THE CONTRACT OR
MUST TERMINATE THE CONTRACT.

(5) (I) AN INDEPENDENT CONTRACTOR SHALL REQUIRE A
PROSPECTIVE EMPLOYEE WHOSE EMPLOYMENT WOULD INVOLVE THE
DUTIES SPECIFIED IN THIS SUBSECTION TO SIGN AN AFFIDAVIT
THAT THE PROSPECTIVE EMPLOYEE WILL NOT VIOLATE PARAGRAPH
(1) OR (2).

(II) IF THE PROSPECTIVE EMPLOYEE FAILS TO SIGN THE
AFFIDAVIT, THE INDEPENDENT CONTRACTOR SHALL RESCIND AN
OFFER OF EMPLOYMENT AND MAY NOT EMPLOY THE INDIVIDUAL.

(C) CONSTRUCTION.--NOTHING UNDER SUBSECTION (A) OR (B) SHALL
BE CONSTRUED TO PREVENT A CURRENT OR FORMER EMPLOYEE OF THE
BOARD, A CURRENT OR FORMER INDEPENDENT CONTRACTOR OR A CURRENT
OR FORMER EMPLOYEE OF AN INDEPENDENT CONTRACTOR FROM APPEARING
BEFORE THE BOARD IN A HEARING OR PROCEEDING AS A WITNESS OR
TESTIFYING AS TO ANY FACT OR INFORMATION.

(D) ETHICS COMMISSION.—

(1) THE STATE ETHICS COMMISSION SHALL ISSUE A WRITTEN
DETERMINATION OF WHETHER A PERSON IS SUBJECT TO SUBSECTION
(A) OR (B) UPON THE WRITTEN REQUEST OF THE PERSON OR THE
PERSON'S EMPLOYER OR POTENTIAL EMPLOYER. A PERSON THAT RELIES
IN GOOD FAITH ON A DETERMINATION ISSUED UNDER THIS PARAGRAPH
SHALL NOT BE SUBJECT TO A PENALTY FOR AN ACTION TAKEN,
PROVIDED THAT ALL MATERIAL FACTS SPECIFIED IN THE REQUEST FOR
THE DETERMINATION ARE CORRECT.

(2) (I) THE STATE ETHICS COMMISSION SHALL PUBLISH A
LIST OF ALL EMPLOYMENT POSITIONS WITHIN THE BOARD AND
EMPLOYMENT POSITIONS WITHIN INDEPENDENT CONTRACTORS WHOSE
DUTIES WOULD SUBJECT THE INDIVIDUALS IN THOSE POSITIONS
TO THE PROVISIONS OF SUBSECTIONS (A) AND (B).

(II) THE BOARD AND EACH INDEPENDENT CONTRACTOR SHALL
ASSIST THE STATE ETHICS COMMISSION IN THE DEVELOPMENT OF
THE LIST, WHICH SHALL BE PUBLISHED BY THE STATE ETHICS
COMMISSION IN THE PENNSYLVANIA BULLETIN BIENNIALY AND
POSTED BY THE BOARD ON THE BOARD'S PUBLICLY ACCESSIBLE
INTERNET WEBSITE.

(III) UPON REQUEST, EMPLOYEES OF THE BOARD AND EACH
INDEPENDENT CONTRACTOR SHALL PROVIDE THE STATE ETHICS
COMMISSION WITH ADEQUATE INFORMATION TO ACCURATELY
DEVELOP AND MAINTAIN THE LIST.

(IV) THE STATE ETHICS COMMISSION MAY IMPOSE A CIVIL
PENALTY UNDER 65 PA.C.S. § 1109(F) (RELATING TO
PENALTIES) UPON AN INDIVIDUAL WHO FAILS TO COOPERATE WITH
THE STATE ETHICS COMMISSION UNDER THIS PARAGRAPH.

(V) AN INDIVIDUAL WHO RELIES IN GOOD FAITH ON THE
LIST PUBLISHED BY THE STATE ETHICS COMMISSION SHALL NOT
BE SUBJECT TO A PENALTY FOR A VIOLATION OF SUBSECTION (A)
OR (B).

§ 4303. FINANCIAL AND EMPLOYMENT INTERESTS.

(A) FINANCIAL INTERESTS.—EXCEPT AS MAY BE PROVIDED FOR THE
JUDICIARY BY RULE OR ORDER OF THE PENNSYLVANIA SUPREME COURT, AN
EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY
OFFICER, OR AN IMMEDIATE FAMILY MEMBER THEREOF, SHALL NOT
INTENTIONALLY OR KNOWINGLY HOLD A FINANCIAL INTEREST IN AN
APPLICANT OR A LICENSEE, OR IN A HOLDING COMPANY, AFFILIATE,
INTERMEDIARY OR SUBSIDIARY THEREOF, WHILE THE INDIVIDUAL IS AN
EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY
OFFICER AND FOR ONE YEAR FOLLOWING TERMINATION OF THE
INDIVIDUAL'S STATUS AS AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE,
PUBLIC OFFICIAL OR PARTY OFFICER.

(B) EMPLOYMENT.—EXCEPT AS MAY BE PROVIDED BY RULE OR ORDER
OF THE PENNSYLVANIA SUPREME COURT AND EXCEPT AS PROVIDED IN
SECTION 1202.1 (RELATING TO CODE OF CONDUCT) OR 4304 (RELATING
TO ADDITIONAL RESTRICTIONS), NO EXECUTIVE-LEVEL PUBLIC EMPLOYEE,
PUBLIC OFFICIAL OR PARTY OFFICER, OR AN IMMEDIATE FAMILY MEMBER
THEREOF, SHALL BE EMPLOYED BY AN APPLICANT OR LICENSEE, OR BY A
HOLDING COMPANY, AFFILIATE, INTERMEDIARY OR SUBSIDIARY THEREOF,
WHILE THE INDIVIDUAL IS AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE,
PUBLIC OFFICIAL OR PARTY OFFICER AND FOR ONE YEAR FOLLOWING
TERMINATION OF THE INDIVIDUAL'S STATUS AS AN EXECUTIVE-LEVEL
PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER.

(C) COMPLIMENTARY SERVICES.—

(1) NO EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL
OR PARTY OFFICER, OR AN IMMEDIATE FAMILY MEMBER THEREOF, SHALL SOLICIT OR ACCEPT A COMPLIMENTARY SERVICE FROM AN APPLICANT OR LICENSEE, OR FROM AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY THEREOF, WHICH THE EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER, OR AN IMMEDIATE FAMILY MEMBER THEREOF, KNOWS OR HAS REASON TO KNOW IS OTHER THAN A SERVICE OR DISCOUNT WHICH IS OFFERED TO MEMBERS OF THE GENERAL PUBLIC IN LIKE CIRCUMSTANCES.

(2) NO APPLICANT OR LICENSEE, OR AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY THEREOF, SHALL OFFER OR DELIVER TO AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER, OR AN IMMEDIATE FAMILY MEMBER THEREOF, A COMPLIMENTARY SERVICE FROM THE APPLICANT OR LICENSEE, OR AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY THEREOF, THAT THE APPLICANT OR LICENSEE, OR AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY THEREOF, KNOWS OR HAS REASON TO KNOW IS OTHER THAN A SERVICE OR DISCOUNT THAT IS OFFERED TO MEMBERS OF THE GENERAL PUBLIC IN LIKE CIRCUMSTANCES.

(D) GRADING.--AN INDIVIDUAL WHO VIOLATES THIS SECTION COMMITS A MISDEMEANOR OF THE THIRD DEGREE AND SHALL, UPON CONVICTION, BE SENTENCED TO PAY A FINE OF NOT MORE THAN $1,000 OR TO IMPRISONMENT FOR NOT MORE THAN ONE YEAR, OR BOTH.

(E) DIVESTITURE.--

(1) AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER, OR AN IMMEDIATE FAMILY MEMBER THEREOF, WHO HOLDS A FINANCIAL INTEREST PROHIBITED BY THIS SECTION SHALL DIVEST THE FINANCIAL INTEREST WITHIN THREE MONTHS OF THE EFFECTIVE DATE OF THIS SECTION, AS APPLICABLE.

(2) AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL,
PARTY OFFICER OR IMMEDIATE FAMILY MEMBER SHALL HAVE 30 DAYS FROM THE DATE THE INDIVIDUAL KNEW OR HAD REASON TO KNOW OF THE VIOLATION OR 30 DAYS FROM THE PUBLICATION IN THE PENNSYLVANIA BULLETIN UNDER SECTION 3301(B)(12) (RELATING TO POWERS OF BOARD) OF THE APPLICATION OR LICENSURE OF THE EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL, PARTY OFFICER OR IMMEDIATE FAMILY MEMBER, WHICHEVER OCCURS EARLIER, TO DIVEST THE FINANCIAL INTEREST.

(3) THE STATE ETHICS COMMISSION MAY, FOR GOOD CAUSE, EXTEND THE TIME PERIOD UNDER THIS SUBSECTION.

(F) STATE ETHICS COMMISSION.—THE STATE ETHICS COMMISSION SHALL DO ALL OF THE FOLLOWING:

(1) (I) ISSUE A WRITTEN DETERMINATION OF WHETHER A PERSON IS SUBJECT TO SUBSECTION (A), (B) OR (C) UPON THE WRITTEN REQUEST OF THE PERSON OR ANOTHER PERSON THAT MAY HAVE LIABILITY FOR AN ACTION TAKEN WITH RESPECT TO THE PERSON.

   (II) A PERSON THAT RELIES IN GOOD FAITH ON A DETERMINATION MADE UNDER THIS PARAGRAPH SHALL NOT BE SUBJECT TO PENALTY FOR AN ACTION TAKEN, PROVIDED THAT ALL MATERIAL FACTS SPECIFIED IN THE REQUEST FOR THE DETERMINATION ARE CORRECT.

(2) (I) PUBLISH A LIST OF ALL STATE, COUNTY, MUNICIPAL AND OTHER GOVERNMENT POSITIONS THAT MEET THE DEFINITIONS OF "PUBLIC OFFICIAL" AS DEFINED UNDER SUBSECTION (G) OR "EXECUTIVE-LEVEL PUBLIC EMPLOYEE" AS DEFINED UNDER SECTION 3102 (RELATING TO DEFINITIONS).

   (II) THE OFFICE OF ADMINISTRATION SHALL ASSIST THE STATE ETHICS COMMISSION IN THE DEVELOPMENT OF THE LIST, WHICH LIST SHALL BE PUBLISHED BY THE STATE ETHICS
COMMISSION IN THE PENNSYLVANIA BULLETIN BIENNIALY AND
POSTED BY THE BOARD ON THE BOARD'S PUBLICLY ACCESSIBLE
INTERNET WEBSITE.

(III) UPON REQUEST, A PUBLIC OFFICIAL SHALL PROVIDE
THE STATE ETHICS COMMISSION WITH ADEQUATE INFORMATION TO
ACCURATELY DEVELOP AND MAINTAIN THE LIST.

(IV) THE STATE ETHICS COMMISSION MAY IMPOSE A CIVIL
PENALTY UNDER 65 PA.C.S. § 1109(F) (RELATING TO
PENALTIES) UPON AN INDIVIDUAL, INCLUDING A PUBLIC
OFFICIAL OR EXECUTIVE-LEVEL PUBLIC EMPLOYEE, WHO FAILS TO
COOPERATE WITH THE STATE ETHICS COMMISSION UNDER THIS
SUBSECTION.

(V) A PERSON THAT RELIES IN GOOD FAITH ON THE LIST
PUBLISHED BY THE STATE ETHICS COMMISSION SHALL NOT BE
SUBJECT TO PENALTY FOR A VIOLATION OF THIS SECTION.

(G) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING
WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS
SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

"APPLICANT." A PERSON APPLYING FOR A MANUFACTURER LICENSE,
SUPPLIER LICENSE OR TERMINAL OPERATOR LICENSE UNDER THIS PART.

"FINANCIAL INTEREST." OWNING OR HOLDING, OR BEING DEEMED TO
HOLD, DEBT OR EQUITY SECURITIES OR OTHER OWNERSHIP INTEREST OR
PROFITS INTEREST. A FINANCIAL INTEREST SHALL NOT INCLUDE A DEBT
OR EQUITY SECURITY, OR OTHER OWNERSHIP INTEREST OR PROFITS
INTEREST, WHICH IS HELD OR DEEMED TO BE HELD IN ANY OF THE
FOLLOWING:

(1) A BLIND TRUST OVER WHICH THE EXECUTIVE-LEVEL PUBLIC
EMPLOYEE, PUBLIC OFFICIAL, PARTY OFFICER OR IMMEDIATE FAMILY
MEMBER THEREOF MAY NOT EXERCISE ANY MANAGERIAL CONTROL OR
RECEIVE INCOME DURING THE TENURE OF OFFICE AND THE PERIOD

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UNDER SUBSECTION (A), THE PROVISIONS OF THIS PARAGRAPH SHALL APPLY ONLY TO BLIND TRUSTS ESTABLISHED PRIOR TO THE EFFECTIVE DATE OF THIS SECTION.

(2) SECURITIES THAT ARE HELD IN A PENSION PLAN, PROFIT-SHARING PLAN, INDIVIDUAL RETIREMENT ACCOUNT, TAX-SHELTERED ANNUITY, A PLAN ESTABLISHED PURSUANT TO SECTION 457 OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 1 ET SEQ.) OR A SUCCESSOR PROVISION DEFERRED COMPENSATION PLAN WHETHER QUALIFIED OR NOT QUALIFIED UNDER THE INTERNAL REVENUE CODE OF 1986 OR ANY SUCCESSOR PROVISION OR OTHER RETIREMENT PLAN THAT:

(I) IS NOT SELF-DIRECTED BY THE INDIVIDUAL; AND

(II) IS ADVISED BY AN INDEPENDENT INVESTMENT ADVISER WHO HAS SOLE AUTHORITY TO MAKE INVESTMENT DECISIONS WITH RESPECT TO CONTRIBUTIONS MADE BY THE INDIVIDUAL TO THESE PLANS.

(3) A TUITION ACCOUNT PLAN ORGANIZED AND OPERATED UNDER SECTION 529 OF THE INTERNAL REVENUE CODE OF 1986 THAT IS NOT SELF-DIRECTED BY THE INDIVIDUAL.

(4) A MUTUAL FUND WHERE THE INTEREST OWNED BY THE MUTUAL FUND IN A LICENSED ENTITY DOES NOT CONSTITUTE A CONTROLLING INTEREST AS DEFINED IN THIS PART.

"IMMEDIATE FAMILY." A SPOUSE, MINOR CHILD OR UNEMANCIPATED CHILD.

"LICENSEE." A MANUFACTURER LICENSEE, SUPPLIER LICENSEE OR A TERMINAL OPERATOR LICENSEE.

"PARTY OFFICER." A MEMBER OF A NATIONAL COMMITTEE; A CHAIRPERSON, VICE CHAIRPERSON, SECRETARY, TREASURER OR COUNSEL OF A STATE COMMITTEE OR MEMBER OF THE EXECUTIVE COMMITTEE OF A STATE COMMITTEE; A COUNTY CHAIRPERSON, VICE CHAIRPERSON,
COUNSEL, SECRETARY OR TREASURER OF A COUNTY COMMITTEE IN WHICH A LICENSED FACILITY IS LOCATED; OR A CITY CHAIRPERSON, VICE CHAIRPERSON, COUNSEL, SECRETARY OR TREASURER OF A CITY COMMITTEE OF A CITY IN WHICH A LICENSED FACILITY IS LOCATED.

"PUBLIC OFFICIAL." THE TERM SHALL INCLUDE THE FOLLOWING:

(1) THE GOVERNOR, LIEUTENANT GOVERNOR, A MEMBER OF THE GOVERNOR'S CABINET, STATE TREASURER, AUDITOR GENERAL AND ATTORNEY GENERAL OF THE COMMONWEALTH.

(2) A MEMBER OF THE SENATE OR HOUSE OF REPRESENTATIVES OF THE COMMONWEALTH.

(3) AN INDIVIDUAL ELECTED OR APPOINTED TO AN OFFICE OF A COUNTY OR MUNICIPALITY THAT DIRECTLY RECEIVES A DISTRIBUTION OF REVENUE UNDER THIS PART.

(4) AN INDIVIDUAL ELECTED OR APPOINTED TO A DEPARTMENT, AGENCY, BOARD, COMMISSION, AUTHORITY OR OTHER GOVERNMENTAL BODY NOT INCLUDED IN PARAGRAPH (1), (2) OR (3) THAT DIRECTLY RECEIVES A DISTRIBUTION OF REVENUE UNDER THIS PART.

(5) AN INDIVIDUAL ELECTED OR APPOINTED TO A DEPARTMENT, AGENCY, BOARD, COMMISSION, AUTHORITY, COUNTY, MUNICIPALITY OR OTHER GOVERNMENTAL BODY NOT INCLUDED IN PARAGRAPH (1), (2) OR (3) WITH DISCRETIONARY POWER THAT MAY INFLUENCE OR AFFECT THE OUTCOME OF AN ACTION OR DECISION AND WHO IS INVOLVED IN THE DEVELOPMENT OF REGULATION OR POLICY RELATING TO A LICENSED ENTITY OR IS INVOLVED IN OTHER MATTERS UNDER THIS PART.

§ 4304. ADDITIONAL RESTRICTIONS.

(A) RESTRICTIONS.--

(1) NO INDIVIDUAL TROOPER OR EMPLOYEE OF THE PENNSYLVANIA STATE POLICE OR EMPLOYEE OF THE OFFICE OF ATTORNEY GENERAL OR THE DEPARTMENT WHOSE DUTIES SUBSTANTIALLY INVOLVE LICENSING OR ENFORCEMENT, THE DEVELOPMENT OF LAWS OR...
THE DEVELOPMENT OR ADOPTION OF REGULATIONS OR POLICY RELATED TO GAMING UNDER THIS PART OR WHO HAS OTHER DISCRETIONARY AUTHORITY THAT MAY AFFECT OR INFLUENCE THE OUTCOME OF AN ACTION, PROCEEDING OR DECISION UNDER THIS PART MAY DO ANY OF THE FOLLOWING:

(I) ACCEPT EMPLOYMENT WITH OR BE RETAINED BY AN APPLICANT OR LICENSED ENTITY, OR AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF AN APPLICANT OR LICENSED ENTITY, FOR A PERIOD OF TWO YEARS AFTER THE TERMINATION OF EMPLOYMENT.

(II) (A) APPEAR BEFORE THE BOARD IN A HEARING OR PROCEEDING OR PARTICIPATE IN OTHER ACTIVITY ON BEHALF OF AN APPLICANT, LICENSEE OR LICENSED ENTITY, OR AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF AN APPLICANT, LICENSEE OR LICENSED ENTITY, FOR A PERIOD OF TWO YEARS AFTER TERMINATION OF EMPLOYMENT.

(B) NOTHING IN THIS PARAGRAPH SHALL BE CONSTRUED TO PREVENT A CURRENT OR FORMER TROOPER OR EMPLOYEE OF THE PENNSYLVANIA STATE POLICE, THE OFFICE OF ATTORNEY GENERAL OR THE DEPARTMENT FROM APPEARING BEFORE THE BOARD IN A PROCEEDING OR HEARING AS A WITNESS OR TESTIFYING AS TO A FACT OR INFORMATION.

(2) AS A CONDITION OF EMPLOYMENT, A POTENTIAL EMPLOYEE WHO WOULD BE SUBJECT TO THIS SUBSECTION SHALL SIGN AN AFFIDAVIT THAT THE INDIVIDUAL WILL NOT ACCEPT EMPLOYMENT WITH OR BE RETAINED BY AN APPLICANT OR LICENSED ENTITY, OR AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF AN APPLICANT OR LICENSED ENTITY, FOR A PERIOD OF TWO YEARS AFTER THE TERMINATION OF EMPLOYMENT.
(B) EMPLOYMENT OR RETENTION.--

(1) No applicant or licensed entity or an affiliate, intermediary, subsidiary or holding company of an applicant or licensed entity may employ or retain an individual subject to subsection (A) until the expiration of the period required in subsection (A)(1)(i).

(2) An applicant or licensed entity, or an affiliate, intermediary, subsidiary or holding company of an applicant or licensed entity, that knowingly employs or retains an individual in violation of this subsection shall terminate the employment of the individual and be subject to penalty under section 1518(c) (relating to prohibited acts; penalties).

(C) VIOLATION.--If an individual subject to subsection (A) refuses or otherwise fails to sign an affidavit, the individual's potential employer shall rescind the offer of employment.

(D) CODE OF CONDUCT.--

(1) The Pennsylvania State Police, Office of Attorney General and Department each shall adopt a comprehensive code of conduct that supplements all other requirements under this part and 65 Pa.C.S. pt. II (relating to accountability), as applicable, and shall provide guidelines applicable to troopers, employees, independent contractors of the agency whose duties substantially involve licensing or enforcement, the development of laws or the development or adoption of regulations or policy related to video gaming under this part or who have other discretionary authority that may affect the outcome of an action, proceeding or decision under this part, and the immediate families of these individuals to enable
(2) At a minimum, the code of conduct adopted under this section shall apply the types of restrictions applicable to members under Section 1202.1(C) (relating to code of conduct), except that the restrictions under Section 1202.1(C)(5) shall not apply to an elected attorney general.

(E) State ethics commission.--The State Ethics Commission shall do all of the following:

(1) (I) Issue a written determination of whether an individual is subject to subsection (a) upon the written request of the individual or the individual's employer or potential employer.

(II) A person that relies in good faith on a determination made under this paragraph shall not be subject to penalty for an action taken, provided that all material facts specified in the request for the determination are correct.

(2) (I) Publish a list of all positions within the Pennsylvania State Police, the Office of Attorney General and the Department the duties of which would subject the individuals in those positions to the provisions of subsection (a).

(II) Each agency subject to this subsection shall assist the State Ethics Commission in the development of the list, which list shall be published by the State Ethics Commission in the Pennsylvania Bulletin biennially, shall be posted by the Board on the Board's publicly accessible Internet website and shall be posted...
BY EACH AGENCY ON THE AGENCY'S PUBLICLY ACCESSIBLE
INTERNET WEBSITE.

(III) UPON REQUEST BY THE STATE ETHICS COMMISSION,
MEMBERS AND EMPLOYEES OF EACH AGENCY SUBJECT TO THIS
SUBSECTION SHALL PROVIDE THE STATE ETHICS COMMISSION WITH
ADEQUATE INFORMATION TO ACCURATELY DEVELOP AND MAINTAIN
THE LIST.

(IV) THE STATE ETHICS COMMISSION MAY IMPOSE A CIVIL
PENALTY UNDER 65 PA.C.S. § 1109(F) (RELATING TO
PENALTIES) UPON AN INDIVIDUAL WHO FAILS TO COOPERATE WITH
THE STATE ETHICS COMMISSION UNDER THIS SUBSECTION.

(V) A PERSON WHO RELIES IN GOOD FAITH ON THE LIST
PUBLISHED BY THE STATE ETHICS COMMISSION SHALL NOT BE
SUBJECT TO PENALTY FOR A VIOLATION OF SUBSECTION (A).

§ 4305. POLITICAL INFLUENCE.

(A) CONTRIBUTION RESTRICTION.--THE FOLLOWING PERSONS SHALL
BE PROHIBITED FROM CONTRIBUTING MONEY OR AN IN-KIND CONTRIBUTION
TO A CANDIDATE FOR NOMINATION OR ELECTION TO A PUBLIC OFFICE IN
THIS COMMONWEALTH, TO A POLITICAL PARTY COMMITTEE OR OTHER
POLITICAL COMMITTEE IN THIS COMMONWEALTH OR TO A GROUP,
COMMITTEE OR ASSOCIATION ORGANIZED IN SUPPORT OF A CANDIDATE,
POLITICAL PARTY COMMITTEE OR OTHER POLITICAL COMMITTEE IN THIS
COMMONWEALTH:

(1) AN APPLICANT FOR A TERMINAL OPERATOR LICENSE,
MANUFACTURER LICENSE, SUPPLIER LICENSE, PRINCIPAL LICENSE OR
A KEY EMPLOYEE LICENSE.

(2) A TERMINAL OPERATOR LICENSEE, MANUFACTURER LICENSEE
OR SUPPLIER LICENSEE.

(3) A LICENSED PRINCIPAL OR LICENSED KEY EMPLOYEE OF A
TERMINAL OPERATOR LICENSEE, MANUFACTURER LICENSEE OR SUPPLIER
LICENSEE.

(4) AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF A TERMINAL OPERATOR LICENSEE, MANUFACTURER LICENSEE OR SUPPLIER LICENSEE.

(5) A LICENSED PRINCIPAL OR LICENSED KEY EMPLOYEE OF AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF A TERMINAL OPERATOR LICENSEE, MANUFACTURER LICENSEE OR SUPPLIER LICENSEE.

(6) A PERSON WHO HOLDS A SIMILAR VIDEO GAMING LICENSE IN ANOTHER JURISDICTION AND THE AFFILIATES, INTERMEDIARIES, SUBSIDIARIES, HOLDING COMPANIES, PRINCIPALS OR KEY EMPLOYEES THEREOF.

(B) CONTRIBUTIONS TO CERTAIN ASSOCIATIONS AND ORGANIZATIONS BARRED.--NO INDIVIDUAL PROHIBITED FROM MAKING POLITICAL CONTRIBUTIONS UNDER SUBSECTION (A) MAY MAKE A POLITICAL CONTRIBUTION OF MONEY OR AN IN-KIND CONTRIBUTION TO AN ASSOCIATION OR ORGANIZATION, INCLUDING A NONPROFIT ORGANIZATION, THAT HAS BEEN SOLICITED BY, OR KNOWING THAT THE CONTRIBUTION OR A PORTION THEREOF WILL BE CONTRIBUTED TO, THE ELECTED OFFICIAL, EXECUTIVE-LEVEL PUBLIC EMPLOYEE OR CANDIDATE FOR NOMINATION OR ELECTION TO A PUBLIC OFFICE IN THIS COMMONWEALTH.

(C) INTERNET WEBSITE.--

(1) THE BOARD SHALL ESTABLISH A PUBLICLY ACCESSIBLE INTERNET WEBSITE THAT INCLUDES A LIST OF ALL APPLICANTS FOR AND HOLDERS OF A TERMINAL OPERATOR LICENSE, MANUFACTURER LICENSE OR SUPPLIER LICENSE AND THE AFFILIATES, INTERMEDIARIES, HOLDING COMPANIES, PRINCIPALS AND KEY EMPLOYEES THEREOF, ALL PERSONS HOLDING A SIMILAR VIDEO GAMING LICENSE IN ANOTHER JURISDICTION, AND THE AFFILIATES, INTERMEDIARIES, HOLDING COMPANIES, PRINCIPALS AND KEY EMPLOYEES THEREOF.
EMPLOYEES THEREOF, AND OTHER ENTITY IN WHICH THE APPLICANT OR LICENSEE HAS A DEBT OR AN EQUITY SECURITY OR OTHER OWNERSHIP OR PROFITS INTEREST. AN APPLICANT OR LICENSEE SHALL NOTIFY THE BOARD WITHIN SEVEN DAYS OF THE DISCOVERY OF A CHANGE IN OR ADDITION TO THE INFORMATION.

(2) NO INDIVIDUAL WHO ACTS IN GOOD FAITH AND IN RELIANCE ON THE INFORMATION ON THE BOARD'S PUBLICLY ACCESSIBLE INTERNET WEBSITE SHALL BE SUBJECT TO PENALTY OR LIABILITY IMPOSED FOR A VIOLATION OF THIS SECTION.

(3) THE BOARD SHALL REQUEST THE INFORMATION REQUIRED UNDER PARAGRAPH (1) FROM A PERSON LICENSED IN ANOTHER JURISDICTION WHO DOES NOT HOLD A LICENSE IN THIS COMMONWEALTH AND FROM REGULATORY AGENCIES IN THE OTHER JURISDICTION. IF A PERSON WHO IS A LICENSEE IN ANOTHER JURISDICTION REFUSES TO PROVIDE THE INFORMATION REQUIRED UNDER PARAGRAPH (1), THE PERSON AND ITS OFFICERS, DIRECTORS OR PERSONS WITH A CONTROLLING INTEREST SHALL BE INELIGIBLE TO RECEIVE A LICENSE UNDER THIS PART.

(D) ANNUAL CERTIFICATION.—THE CHIEF EXECUTIVE OFFICER, OR OTHER APPROPRIATE INDIVIDUAL, OF EACH APPLICANT FOR A TERMINAL OPERATOR LICENSE, MANUFACTURER LICENSE OR SUPPLIER LICENSE, OR MANUFACTURER LICENSEE, SUPPLIER LICENSEE OR TERMINAL OPERATOR LICENSEE, SHALL ANNUALLY CERTIFY UNDER OATH TO THE BOARD AND THE DEPARTMENT OF STATE THAT THE APPLICANT OR SUPPLIER LICENSEE, MANUFACTURER LICENSEE OR TERMINAL OPERATOR LICENSEE HAS DEVELOPED AND IMPLEMENTED INTERNAL SAFEGUARDS AND POLICIES INTENDED TO PREVENT A VIOLATION OF THIS PROVISION AND THAT THE APPLICANT OR SUPPLIER LICENSEE, MANUFACTURER LICENSEE OR TERMINAL OPERATOR LICENSEE HAS CONDUCTED A GOOD FAITH INVESTIGATION THAT HAS NOT REVEALED A VIOLATION OF THIS
SUBSECTION DURING THE PAST YEAR.

(E) PENALTIES.--

(1) A VIOLATION OF THIS SECTION BY A TERMINAL OPERATOR LICENSEE OR A PERSON THAT HOLDS A CONTROLLING INTEREST IN THE LICENSEE, OR A SUBSIDIARY COMPANY THEREOF, OR AN OFFICER, DIRECTOR OR MANAGEMENT-LEVEL EMPLOYEE OF THE LICENSEE SHALL BE PUNISHABLE AS FOLLOWS:

(I) A FIRST VIOLATION OF THIS SECTION SHALL BE PUNISHABLE BY A FINE EQUAL TO AN AMOUNT NOT LESS THAN THE AVERAGE SINGLE-DAY GROSS TERMINAL REVENUE OF THE TERMINAL OPERATOR LICENSEE.

(II) A SECOND VIOLATION OF THIS SECTION, WITHIN FIVE YEARS OF THE FIRST VIOLATION, SHALL BE PUNISHABLE BY AT LEAST A ONE-DAY SUSPENSION OF THE LICENSE HELD BY THE TERMINAL OPERATOR LICENSEE AND A FINE EQUAL TO AN AMOUNT NOT LESS THAN TWO TIMES THE AVERAGE SINGLE-DAY GROSS TERMINAL REVENUE OF THE TERMINAL OPERATOR LICENSEE.

(III) A THIRD VIOLATION OF THIS SECTION WITHIN FIVE YEARS OF THE SECOND VIOLATION SHALL BE PUNISHABLE BY THE IMMEDIATE REVOCATION OF THE LICENSE HELD BY THE TERMINAL OPERATOR LICENSEE.

(2) A VIOLATION OF THIS SECTION BY A MANUFACTURER OR SUPPLIER LICENSED UNDER THIS PART OR BY A PERSON THAT HOLDS A CONTROLLING INTEREST IN SUCH MANUFACTURER OR SUPPLIER, OR A SUBSIDIARY COMPANY THEREOF, OR AN OFFICER, A DIRECTOR OR MANAGEMENT-LEVEL EMPLOYEE OF SUCH A LICENSEE SHALL BE PUNISHABLE AS FOLLOWS:

(I) A FIRST VIOLATION OF THIS SECTION SHALL BE PUNISHABLE BY A FINE EQUAL TO AN AMOUNT NOT LESS THAN A SINGLE-DAY AVERAGE OF THE GROSS PROFIT FROM SALES MADE BY
THE MANUFACTURER OR SUPPLIER IN THIS COMMONWEALTH DURING
THE PRECEDING 12-MONTH PERIOD OR PORTION THEREOF IN THE
EVENT THE MANUFACTURER OR SUPPLIER HAS NOT OPERATED IN
THIS COMMONWEALTH FOR 12 MONTHS.

(II) A SECOND OR SUBSEQUENT VIOLATION OF THIS
SECTION WITHIN FIVE YEARS OF A PRIOR VIOLATION SHALL BE
PUNISHABLE BY A ONE-MONTH SUSPENSION OF THE LICENSE HELD
BY THE MANUFACTURER OR SUPPLIER AND A FINE EQUAL TO AN
AMOUNT NOT LESS THAN TWO TIMES A SINGLE-DAY AVERAGE OF
THE GROSS PROFIT FROM SALES MADE BY THE MANUFACTURER OR
SUPPLIER IN THIS COMMONWEALTH DURING THE PRECEDING 12-
MONTH PERIOD OR PORTION THEREOF IN THE EVENT THE
MANUFACTURER OR SUPPLIER HAS NOT OPERATED IN THIS
COMMONWEALTH FOR 12 MONTHS.

(3) IN NO EVENT SHALL THE FINE IMPOSED UNDER THIS
SECTION BE AN AMOUNT LESS THAN $100,000 FOR EACH VIOLATION.
IN ADDITION TO A FINE OR SANCTION THAT MAY BE IMPOSED BY THE
BOARD UNDER THIS SUBSECTION, AN INDIVIDUAL WHO MAKES A
CONTRIBUTION IN VIOLATION OF THIS SECTION COMMITS A
MISDEMEANOR OF THE THIRD DEGREE.

(D) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING
WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS
SUBSECTION:

"CONTRIBUTION." A PAYMENT, GIFT, SUBSCRIPTION, ASSESSMENT,
CONTRACT, PAYMENT FOR SERVICES, DUES, LOAN, FORBEARANCE, ADVANCE
OR DEPOSIT OF MONEY OR A VALUABLE THING MADE TO A CANDIDATE OR
POLITICAL COMMITTEE FOR THE PURPOSE OF INFLUENCING AN ELECTION
IN THIS COMMONWEALTH OR FOR PAYING DEBTS INCURRED BY OR FOR A
CANDIDATE OR COMMITTEE BEFORE OR AFTER AN ELECTION. THE TERM
INCLUDES:
(1) The purchase of tickets for events, including dinners, luncheons, rallies and other fundraising events.

(2) The granting of discounts or rebates not available to the general public.

(3) The granting of discounts or rebates by television and radio stations and newspapers not extended on an equal basis to all candidates for the same office.

(4) A payment provided for the benefit of a candidate, including payment for the services of a person serving as an agent of a candidate or committee by a person other than the candidate or committee or person whose expenditures the candidate or committee must report.

(5) The receipt or use of anything of value by a political committee from another political committee and a return on investments by a political committee.

"political committee." A committee, club, association or other group of persons that receives contributions or makes expenditures.

CHAPTER 45

MISCELLANEOUS PROVISIONS

SEC.

4501. (RESERVED).

4502. DECLARATION OF EXEMPTION FROM FEDERAL LAWS PROHIBITING VIDEO GAMING TERMINALS.

4503. PREEMPTION OF LOCAL TAXES AND LICENSE FEES.

4504. EXCLUSIVE JURISDICTION OF SUPREME COURT.

4505. COMMONWEALTH FINANCING AUTHORITY.

4506. HOST COUNTY OPTION.

§ 4501. (RESERVED).

§ 4502. DECLARATION OF EXEMPTION FROM FEDERAL LAWS PROHIBITING
VIDEO GAMING TERMINALS.

(A) DECLARATION.--UNDER THE GAMBLING DEVICES TRANSPORTATION ACT (64 STAT. 1134, 15 U.S.C. § 1171 ET SEQ.), THE COMMONWEALTH DECLARES THAT IT IS EXEMPT FROM SECTION 2 OF THAT ACT.

(B) LEGAL SHIPMENTS.--ALL SHIPMENTS OF GAMBLING DEVICES, AS DEFINED IN SECTION 1 OF THE GAMBLING DEVICES TRANSPORTATION ACT, INTO THIS COMMONWEALTH, THE REGISTERING, RECORDING AND LABELING OF WHICH HAS BEEN EFFECTED BY THE MANUFACTURER AND SUPPLIER OF THOSE DEVICES IN ACCORDANCE WITH SECTIONS 3 AND 4 OF THE GAMBLING DEVICES TRANSPORTATION ACT, SHALL BE DEEMED LEGAL SHIPMENTS OF GAMBLING DEVICES INTO THIS COMMONWEALTH.

§ 4503. PREEMPTION OF LOCAL TAXES AND LICENSE FEES.

(A) STATUTES.--VIDEO GAMING TERMINALS SHALL BE EXEMPT FROM TAXES LEVIED UNDER THE FOLLOWING:

(1) THE ACT OF AUGUST 5, 1932 (SP.SESSION., P.L.45, NO.45), REFERRED TO AS THE STERLING ACT.

(2) THE ACT OF DECEMBER 31, 1965 (P.L.1257, NO.511), KNOWN AS THE LOCAL TAX ENABLING ACT.

(3) 53 PA.C.S. PT. III SUBPT. E (RELATING TO HOME RULE AND OPTIONAL PLAN GOVERNMENT).

(4) ANY STATUTE THAT CONFRS TAXING AUTHORITY TO A POLITICAL SUBDIVISION.

(B) LICENSING FEES.--VIDEO GAMING TERMINALS ARE EXEMPT FROM LOCAL LICENSING FEES.

§ 4504. EXCLUSIVE JURISDICTION OF SUPREME COURT.

THE PENNSYLVANIA SUPREME COURT SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR A CHALLENGE TO OR TO RENDER A DECLARATORY JUDGMENT CONCERNING THE CONSTITUTIONALITY OF THIS PART. THE PENNSYLVANIA SUPREME COURT MAY TAKE SUCH ACTION AS IT DEEMS APPROPRIATE, CONSISTENT WITH THE PENNSYLVANIA SUPREME COURT
RETAINING JURISDICTION OVER THE MATTER, TO FIND FACTS OR TO
EXPEDITE A FINAL JUDGMENT IN CONNECTION WITH A CHALLENGE OR
REQUEST FOR DECLARATORY RELIEF.

§ 4505. COMMONWEALTH FINANCING AUTHORITY.

THE COMMONWEALTH FINANCING AUTHORITY SHALL ESTABLISH
ACCOUNTS, ADMINISTER AND DISTRIBUTE THE FUNDS DEPOSITED INTO THE
ACCOUNTS AND PERFORM ALL OTHER DUTIES REQUIRED OF IT UNDER THIS
PART.

§ 4506. HOST COUNTY OPTION.

(A) GENERAL RULE.--A COUNTY THAT HOSTS A CATEGORY 1,
CATEGORY 2 OR CATEGORY 3 LICENSED FACILITY ON THE EFFECTIVE DATE
OF THIS SECTION SHALL HAVE THE OPTION TO PROHIBIT THE PLACEMENT
OF VIDEO GAMING TERMINALS WITHIN THE HOST COUNTY BY DELIVERING A
RESOLUTION OF THE COUNTY GOVERNING BODY TO THE BOARD WITHIN 60
DAYS OF THE EFFECTIVE DATE OF THIS SECTION. NO VIDEO GAMING
TERMINALS MAY BE OPERATED IN A HOST COUNTY THAT HAS EXERCISED
THE OPTION TO PROHIBIT VIDEO GAMING TERMINALS UNDER THIS
SECTION.

(B) RESCISSION OF PROHIBITION.--

(1) SUBJECT TO PARAGRAPH (2), A HOST COUNTY THAT
PROHIBITS VIDEO GAMING TERMINALS WITHIN THE HOST COUNTY UNDER
SUBSECTION (A) MAY RESCIND THAT PROHIBITION AT ANY TIME BY
DELIVERING A NEW RESOLUTION OF THE COUNTY GOVERNING BODY TO
THE BOARD.

(2) A HOST COUNTY THAT RESCINDS ITS PRIOR PROHIBITION
ACCORDING TO PARAGRAPH (1) MAY NOT SUBSEQUENTLY PROHIBIT
VIDEO GAMING TERMINALS IN THE HOST COUNTY UNDER THIS SECTION.

SECTION 33. SECTION 27 OF THIS ACT REENACTS AND AMENDS 4
PA.C.S. § 1403(C)(2). THE DEPARTMENT OF REVENUE SHALL IMPLEMENT
THE REENACTMENT AND AMENDMENT OF THE PROVISION AS FOLLOWS:

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(1) THE DEPARTMENT SHALL APPLY THE REENACTMENT WITHOUT
THE AMENDMENT RETROACTIVELY TO MAY 27, 2017.
(2) THE DEPARTMENT SHALL APPLY THE REENACTMENT WITH THE
AMENDMENT PROSPECTIVELY AFTER DECEMBER 31, 2017.
SECTION 34. THE FOLLOWING PROVISIONS SHALL APPLY
RETROACTIVELY TO JANUARY 1, 2017:
(1) THE ADDITION OF 4 PA.C.S. § 1326.1.
(3) EXCEPT AS SET FORTH IN SECTION 33 OF THIS ACT, THE
REENACTMENT AND AMENDMENT OF 4 PA.C.S. § 1403.
SECTION 35. REPEALS ARE AS FOLLOWS:
(1) THE GENERAL ASSEMBLY FINDS THAT THE REPEAL UNDER
PARAGRAPH (2) IS NECESSARY TO EFFECTUATE THE AMENDMENT OF 4
PA.C.S. § 1307.
(2) SECTION 21(2) OF THE ACT OF JANUARY 7, 2010 (P.L.1,
NO.1), IS REPEALED.
(3) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER
PARAGRAPH (4) IS NECESSARY TO EFFECTUATE THE ADDITION OF 4
(4) SECTION 1753-E OF THE ACT OF APRIL 9, 1929 (P.L.343,
NO.176), KNOWN AS THE FISCAL CODE, IS REPEALED.
(5) AS MUCH AS READS ", EXCEPT THAT THE SECRETARY MAY
NOT AUTHORIZE THE GAME OF KENO OR AN INTERNET INSTANT GAME
UNLESS SPECIFICALLY AUTHORIZED BY LAW" IN SECTION 303(A)(1)
OF THE ACT OF AUGUST 26, 1971 (P.L.351, NO.91), KNOWN AS THE
STATE LOTTERY LAW, IS REPEALED.
SECTION 36. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:
(1) THE AMENDMENT OR ADDITION OF 4 PA.C.S. CH. 13C AND 4
PA.C.S. § 1509 SHALL TAKE EFFECT IN 60 DAYS.
(2) THE ADDITION OF 4 PA.C.S. CH. 3 SHALL TAKE EFFECT IN
180 DAYS.

(3) The amendment or addition of 4 Pa.C.S. § 1407(B), (C), (C.1), (D) introductory paragraph, (D.2) and (D.3) shall take effect January 1, 2018.

(4) The remainder of this act shall take effect immediately.