HOUSE BILL
No. 1235 Session of 2013

INTRODUCED BY DAVIS, CALTAGIRONE, YOUNGBLOOD, D. COSTA, KORTZ, V. BROWN, SWANGER, COHEN, NEILSON, DUNBAR, GALLOWAY AND SABATINA, APRIL 22, 2013

REFERRED TO COMMITEE ON GAMING OVERSIGHT, APRIL 22, 2013

AN ACT

Amending Title 4 (Amusements) of the Pennsylvania Consolidated Statutes, in general provisions, further providing for definitions, in Pennsylvania Gaming Control Board, further providing for general and specific powers, for slot machine licensee application appeals from board, for board minutes and records, for regulatory authority of board, for reports of board, for diversity goals of board, for Category 3 slot machine license, for supplier licenses and for manufacturer licenses; providing for Internet gaming; 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 interest, for regulation requiring exclusion or ejection of certain persons, for repeat offenders excludable from licensed gaming facility, for list of persons self excluded from gaming activities, for investigations and enforcement and for prohibited acts and penalties; in miscellaneous provisions, further providing for appropriations; and making an editorial change.

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

of Title 4 of the Pennsylvania Consolidated Statutes are amended and the section is amended by adding definitions to read:

§ 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:

* * *

"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 or slot machines, replacement parts, equipment which affects the proper reporting and counting of gross terminal revenue [and], gross table game revenue and gross Internet gaming revenue, computerized systems for controlling and monitoring slot machines [or] table games or Internet games, including, but not limited to, the central control computer to which all slot machines communicate [and], devices for weighing or counting money and Internet gaming devices necessary for the operation of Internet games as approved by the Pennsylvania Gaming Control Board.

* * *

"Authorized Internet game." A table game, slot machine or any other game approved by regulation of the Pennsylvania Gaming Control Board to be suitable for use for Internet gaming activities offered by a slot machine licensee in accordance with the requirements of Chapter 13B (relating to Internet gaming).

* * *

"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 Internet gaming certificate holder or a financial institution.
(7) Any other instrument or representation of value that the Pennsylvania Gaming Control Board deems a cash equivalent.

* * *

"Certificate." An Internet gaming certificate issued to a slot machine licensee in accordance with section 13B13 (relating to issuance of Internet gaming certificate).

"Cheat." To defraud or steal from any player, slot machine licensee or the Commonwealth while operating or playing a slot machine [or] table game[,] or Internet 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 Internet game.

(2) The amount or frequency of payment in a slot machine game [or] table game or Internet 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 Internet gaming device or
associated equipment for maintenance or repair with the approval of a slot machine licensee.

"Cheating or thieving device." A device or software used or possessed with the intent to be used to cheat during the operation or play of any slot machine or table game or Internet game. The term shall also include any device used to alter a slot machine or a table game device, an Internet game or Internet gaming device or associated equipment without the slot machine licensee's approval.

* * *

"Conduct of gaming." The licensed placement, operation and play of slot machines and table games and Internet games under this part, as authorized and approved by the Pennsylvania Gaming Control Board.

"Contest." A table game or Internet game competition among players for cash, cash equivalents or prizes.

* * *

"Counterfeit chip." Any object 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 Internet game offered online by a slot machine licensee and which was not approved by the slot machine licensee for such use; or
4. presented online to a slot machine licensee during play of an Internet game for redemption, if the object was not issued by the slot machine licensee.

* * *
"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.
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.
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 Internet gaming devices or associated equipment sold or provided to a licensed facility within this Commonwealth as determined by the Pennsylvania Gaming Control

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Board. The term shall further include employees of a person authorized by the board to supply goods and services related to Internet gaming or any subcontractor or an employee of a subcontractor that supplies Internet gaming devices or associated equipment to a holder of an Internet gaming certificate. 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 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 Internet games, including slot machine, table game device and associated equipment maintenance and repair and Internet gaming devices and associated equipment maintenance and repair.

* * *

"Internet game." Any variation or composite of an authorized Internet game that is offered through the Internet, provided that such games, or variations or composites, are found suitable for use by the Pennsylvania Gaming Control Board after an appropriate test or experimental period and any other game which is determined by the board to be compatible with the public interest and to be suitable for Internet gaming after such appropriate test or experimental period. The term shall include
contests or tournaments conducted via the Internet in which registered players compete against one another in one or more of the Internet games authorized by the board or in approved variations or composites thereof, if the contests or tournaments are authorized by the board.

"Internet gaming." The placing of bets or wagers with a slot machine licensee located in this Commonwealth using a computer network of both Federal and non-Federal interoperable packet switched data networks through which a slot machine licensee may offer authorized Internet games to individuals who have registered and established an Internet gaming account with the slot machine licensee.

"Internet gaming account." The formal, electronic system implemented by a slot machine licensee to record the balance of a registered player's debits, credits and other activity relating to Internet gaming.

"Internet gaming account agreement." The agreement entered into between a slot machine licensee and an individual which governs the terms and conditions of the individual's Internet gaming account and the use of the Internet for purposes of placing wagers on Internet games operated by a slot machine licensee in this Commonwealth. The Internet gaming account agreement shall be executed in person.

"Internet gaming device." The technology, including software, system programs, hardware or any other gaming equipment as approved by the Pennsylvania Gaming Control Board that is used to manage, administer or control Internet gaming or the wagers associated with Internet gaming to facilitate the offering of authorized Internet games to registered players.

"Internet gaming gross revenue." As follows:
(1) For all Internet games, with the exception of
Internet poker, the total of all sums received by a slot
machine licensee from Internet gaming, less the total of all
sums actually paid out as winnings to registered players. The
cash equivalent value of any merchandise or thing of value
included in a jackpot or payout shall not be included in the
total of all sums paid out as winnings to registered players
for purposes of determining Internet gaming gross revenue.

(2) For Internet poker, the total of all sums received
by a slot machine licensee from Internet poker, or the
aggregate, during the relevant period, of the rake, contests
or tournament fees and all other fees or charges required or
received from registered players directly as a result of
Internet poker, from deposits into any Internet gaming
account maintained by the slot machine licensee or on behalf
of the slot machine licensee, less the total of all sums
actually paid out as winnings to registered players. The cash
equivalent value of any merchandise or thing of value
included in a jackpot or payout shall not be included in the
total of all sums paid out as winnings to registered players
for purposes of determining Internet gaming gross revenue.

(3) For all Internet games, including Internet poker,
the term shall not include registered player deposits nor
deposits that reflect promotional credits, incentives from
loyalty or similar programs, bonuses or complimentary
services provided by or on behalf of the slot machine
licensee attendant to Internet gaming or returns of funds by
or on behalf of a slot machine licensee to an Internet gaming
account or bad debt incurred by the slot machine licensee
with respect to an Internet gaming account.
"Internet gaming certificate." The authorization issued to a slot machine licensee by the Pennsylvania Gaming Control Board authorizing the operation and conduct of Internet gaming.

"Internet gaming certificate holder." A slot machine licensee that has been granted authorization by the Pennsylvania Gaming Control Board to conduct Internet gaming.

"Internet gaming restricted area." Any room or area within the premises of a licensed facility or other location within this Commonwealth as approved by the Pennsylvania Gaming Control Board to conduct Internet gaming, including, where approved by the board, redundancy facilities.

"Internet token." A representation of value issued by an Internet gaming certificate holder for use in playing an Internet game and redeemable with the issuing Internet gaming certificate holder for cash or cash equivalent.

* * *

"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 table game operations or Internet gaming operations, including the general manager and assistant manager of the licensed facility, director of slot operations, director of table game operations, director of Internet gaming, director of cage and/or credit operations, director of surveillance, director of marketing, director of management information systems, director of Internet gaming system programs or other similar job classifications associated with Internet gaming, persons who manage, control or administer Internet games or the bets and wagers associated with Internet games, 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." 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 under Chapter 13B (relating
to Internet gaming) to conduct Internet gaming. The term
includes any:

(1) 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) board-approved interim facility or temporary
facility; and

(3) area of a hotel which the Pennsylvania Gaming
Control Board determines is suitable to conduct table games.
The term shall not include a redundancy facility or
restricted area which is not located on the premises of a
licensed facility as approved by the board and which is
maintained and operated by a slot machine licensee in...
connection with Internet gaming.

"Rake." A set fee or percentage assessed by a certificate holder or a holder of an Internet gaming certificate for providing the services of a dealer, gaming table or location, to allow the play or operation of any nonbanking game, including any nonbanking Internet game.

"Redundancy facilities." Any and all rooms or areas within this Commonwealth used by a slot machine licensee for emergency back-up, redundancy or secondary operations attendant to Internet gaming as approved by the Pennsylvania Gaming Control Board.

"Registered player." An individual who has entered into an Internet gaming account agreement with a slot machine licensee.

"Supplier." A person that sells, leases, offers or otherwise provides, distributes or services any slot machine, table game device or associated equipment or Internet gaming device or associated equipment for use or play of slot machines or table games or Internet games in this Commonwealth.

"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 or Internet gaming 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, 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:

(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.]
* * *
Section 2. Section 1202(a)(1) and (b)(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, including Internet gaming, or 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 Internet games, Internet 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 Internet games.

* * *

(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 Internet gaming certificate in accordance with Chapter 13B (relating to Internet gaming).

* * *

(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, Internet games, Internet gaming devices and associated 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 or Internet games, Internet gaming devices and associated 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 table game operations or Internet gaming operations or create or enhance the danger of unsuitable, unfair or illegal practices, methods and activities in the conduct of slot machine or table game operations, Internet gaming operations or the carrying on of the business and financial arrangements incidental thereto.

* * *

(27.2) To publish each January in the Pennsylvania Bulletin and on the board's Internet website a complete list of all slot machine licensees who filed a petition seeking authorization to conduct Internet gaming and the status of each petition or Internet gaming certificate.

* * *

(35) To review detailed site plans identifying the restricted area or room where a slot machine licensee proposes to manage, administer or control Internet gaming operations within a licensed facility 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 Internet gaming certificate to provide on a quarterly basis the following information with respect to Internet 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, 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 made; and

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

Section 3. 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 Internet gaming 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 Internet gaming 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 [or] licensee or certificate holder pursuant to section 1310(a) (relating to slot machine license application character requirements) [or] 1308(a.1) (relating to applications for license or permit) or 13B12(b) (relating to Internet gaming certificate required and content of petition) 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 or 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 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 4.  Section 1207(5), (8), (9) 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:

* * *

(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 or
Internet games.

* * *

(7.2)  Enforce prescribed hours for the operation of
Internet games so that a slot machine licensee may conduct
Internet games on any day during the year in order to meet
the needs of registered players or to meet competition.

(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 Internet
gaming.

(9)  Establish procedures for the inspection and
certification of compliance of each slot machine, table game,
table game device and associated equipment and Internet game,
Internet gaming device and associated equipment prior to
being placed into use by a slot machine licensee.

* * *
(21) Authorize, in its discretion, a slot machine licensee to conduct slot machine tournaments or Internet gaming tournaments and adopt regulations governing the conduct of such tournaments.

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

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

(24) Require that all wagering offered through Internet gaming display online the permissible minimum and maximum wagers associated with each Internet game.

Section 5. Section 1211 of Title 4 is amended by adding subsections to read:

§ 1211. Reports of board.

* * *

(a.4) Internet gaming reporting requirements.--

(1) No later than 12 months after the effective date of Chapter 13B (relating to Internet gaming) and every year thereafter, the annual report submitted by the board in accordance with subsection (a) shall include information on the conduct of Internet games as follows:

(i) Total gross Internet gaming revenue.

(ii) The number and win by type of Internet game at each licensed facility conducting Internet 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.

(iv) Other information, data and recommendations related to the conduct of Internet games and recommendations regarding the operation of Internet gaming by licensed gaming entities.

(2) The board may also report periodically to the Governor and the General Assembly on the effectiveness of the statutory and regulatory control in place to ensure the integrity of Internet gaming.

(3) The board may require the Internet gaming certificate holders to provide information to the board to assist in the preparation of the report.

* * *

(d.1) Impact of Internet gaming, annual report.--One year after the commencement of Internet gaming in this Commonwealth, an annual report shall be prepared and distributed to the Governor, and the standing committees of the General Assembly with jurisdiction over this part, on the impact of Internet 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 under the supervision of, and in coordination with, the board. Any costs associated with the preparation and distribution of the report shall be borne by slot machine licensees who have been authorized by the board to conduct...
Internet gaming. The board shall be authorized to assess a fee against each slot machine licensee for these purposes.

Section 6. Section 1212(e) of Title 4 is amended by adding a paragraph 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 Internet games, Internet gaming devices and associated equipment.

Section 6.1. Section 1305 of Title 4 is amended by adding a subsection to read:

§ 1305. Category 3 slot machine license.

(c.1) Internet gaming.—Notwithstanding any provision of Chapter 13B (relating to Internet gaming), the operation of Internet gaming by a Category 3 slot machine licensee shall be subject to the patron of the amenities requirements of this section. The board shall, through regulation, determine the criteria and conditions under which Internet games may be operated by a Category 3 slot machine licensee. Such regulations shall require that individuals seeking to participate in Internet gaming operated by a Category 3 slot machine licensee shall only be individuals who hold a valid seasonal or year-round membership, as approved by the board, which entitles the individuals to use one or more of the amenities available at the
Category 3 licensed facility and a valid Internet gaming account with the Category 3 slot machine licensee.

* * *

Section 7. Sections 1309(a.1), 1317(a) and (c.1), 1317.1 and 13A27(c) of Title 4 are amended to read:

§ 1309. Slot machine license application.

* * *

(a.1) Table games and Internet gaming information.--

(1) An applicant for a slot machine license may submit with its application all information required under Chapter 13A (relating to table games) or under Chapter 13B (relating to Internet gaming) and request that the board consider its application for a slot machine license [and] a table game operation certificate or an Internet gaming certificate concurrently. All fees for a table game operation certificate shall be paid by the applicant in accordance with section 13A61 (relating to table game authorization fee) or section 13B51 (relating to Internet gaming authorization fee).

(2) The board shall permit any applicant for a slot machine license that has an application pending before the board on the effective date of this subsection to supplement its application with all information required under Chapter 13A and to request that the board consider its application for a slot machine license and a table game operation certificate concurrently. All fees for a table game operation certificate shall be paid by the applicant in accordance with section 13A61.

(3) Notwithstanding paragraph (2), the board may permit an applicant for a slot machine license that has an application pending before the board to supplement its
application with all information required under Chapter 13B
and to request that the board consider its application for a
slot machine license, a table game operation certificate or
an Internet gaming certificate concurrently. All fees for an
Internet gaming certificate shall be paid by the applicant in
accordance with section 13B51.

* * *

§ 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 or Internet gaming devices or associated equipment to
a slot machine licensee within this Commonwealth through a
contract with a licensed manufacturer shall apply to the board
for the appropriate supplier license.

* * *

(c.1) Abbreviated process.--In the event an applicant for a
supplier license to supply table game devices or associated
equipment used in connection with table games or Internet gaming
devices or associated equipment used in connection with Internet
games is licensed by the board under this section to supply 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 supply table
game devices or associated equipment used in connection with
table games or Internet gaming devices or associated equipment
used in connection with Internet games, including financial
viability of the applicant. Nothing in this section shall be
construed to waive any fees associated with obtaining a license
through the normal application process. The board may only use
the abbreviated process if all of the following apply:

(1) The supplier license was issued by the board within
a 36-month period immediately preceding the date the supplier
licensee files an initial application to supply table game
devices or associated equipment.

(2) The person to whom the supplier 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.

* * *

§ 1317.1. Manufacturer licenses.

(a) Application.--A person seeking to manufacture slot
machines, table game devices and associated equipment or
Internet gaming devices or 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 Internet 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 for a period of three years. 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 or Internet games, Internet gaming devices or associated equipment used in connection with Internet games is licensed by the board under this section to manufacture slot machines, table game devices or associated equipment used in connection with slot machines or table games, 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 or Internet games, Internet gaming devices or associated equipment used in connection with Internet gaming, including financial viability of the applicant. Nothing in this section shall be construed to waive any fees associated with obtaining a license 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[.] or the manufacturer license was issued by the board within a 36-month period preceding the date the manufacturer licensee filed an application to manufacture Internet gaming 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.

(d) Renewal.--

(1) Two 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 Internet 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 Internet gaming devices or associated
equipment to an Internet gaming certificate holder, provided
the supplier is licensed to supply Internet gaming devices or
associated equipment used in connection with Internet games.

e) Prohibitions.--

(1) No person may manufacture slot machines, table game
devices or associated equipment or Internet 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) or, in the case of Internet gaming,
authorized by the board, no slot machine licensee may use
slot machines, table game devices or associated equipment or
Internet gaming devices or associated equipment unless the
slot machines, table game devices or associated equipment or
Internet 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).

§ 13A27. Other financial transactions.

* * *

(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 8. Title 4 is amended by adding a chapter to read:

CHAPTER 13B
INTERNET GAMING

Subchapter
A. General Provisions
B. Internet Gaming Authorized
C. Conduct of Internet Gaming
D. Facilities and Equipment
E. Testing and Certification
F. Taxes and Fees
G. Miscellaneous Provisions

SUBCHAPTER A
GENERAL PROVISIONS

Sec.

13B01. Legislative finding.

13B02. Regulatory authority.

13B03. Temporary Internet gaming regulations.

§ 13B01. Legislative finding.

The General Assembly finds and declares that:

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

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

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

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

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

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

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

(8) Although the Unlawful Internet Gambling Enforcement Act of 2006 prohibits interstate Internet gambling by United States citizens, it included an exception that permits individual states to create a regulatory framework to govern intrastate Internet gambling, provided that the bets or wagers would be made exclusively within a single state under certain circumstances.

(9) Internet gaming is illegal in this Commonwealth and without legislative authorization and strict regulation, the public's trust and confidence in gaming is impacted.

(10) Internet gambling is conducted without oversight, regulation or enforcement, all of which raises significant concerns for the protection of the health, welfare and safety
of the citizens of this Commonwealth.

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

(12) By legalizing intrastate Internet gambling and subjecting it to the regulatory oversight of the board, the General Assembly is assuring the citizens of this Commonwealth that only those persons licensed by the board to conduct slot machine gaming and table games in accordance with the requirements of this title have been determined to be suitable to facilitate and conduct online gaming activities in this Commonwealth.

(13) By legalizing intrastate Internet gambling, the General Assembly will provide the board with the tools necessary to restrict and stop illegal gambling conducted over the Internet through persons in foreign jurisdictions and authorize strict controls over how licensed facilities in this Commonwealth may accept wagers placed over the Internet.

(14) An effective regulatory, licensing and enforcement system to govern Internet gambling in this Commonwealth is consistent with the original objectives and intent of the Pennsylvania Race Horse Development and Gaming Act and will provide the citizens of this Commonwealth with assurance that access to and the conduct of Internet gambling activities
will not occur in locations adjacent or in close proximity to historic sights, battlefields, churches and schools, thereby ensuring the public trust and confidence in legalized gambling in this Commonwealth.

(15) The Commonwealth has a legitimate State interest in protecting the integrity of State-authorized intrastate Internet gaming by licensing those entities already engaged in the conduct of gaming in this Commonwealth, which are subject to the scrutiny and discipline of the board and other regulatory agencies and which are in good standing with those agencies.

§ 13B02. Regulatory authority.

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

(1) Ensuring that Internet games are 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 Internet games and Internet gaming devices and associated equipment, and any variations or composites of authorized Internet games, provided that the board determines that the Internet games and any new Internet 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 Internet games, Internet gaming devices and associated equipment or other gaming equipment which a slot
machine licensee has certified that it will use to conduct Internet gaming in this Commonwealth.

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

(4) Establishing the method for calculating Internet gaming gross revenue and standards for the daily counting and recording of cash and cash equivalents received in the conduct of Internet 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 Internet games. Minimum and maximum wagers may be adjusted by the slot machine licensee in the normal course of conducting an Internet game, except that changes in the minimum wagers of any Internet game shall not apply to players already engaged in wagering on an Internet game when the minimum wager is changed, unless 30 minutes' notice is provided electronically in a form and manner approved by the board.

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

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

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

(i) That Internet gaming accounts shall be possessed
by a natural person and not in the name of any
beneficiary, custodian, joint trust, corporation,
partnership or other organization or entity.

(ii) That Internet gaming accounts shall not be
assignable or otherwise transferable.

(iii) That no account shall be established for an
individual under 21 years of age.

(iv) That all Internet gaming accounts shall be
established in person at a licensed facility.

(9) Establishing procedures for Internet gaming account
holders to log into their gaming accounts, authenticate
identities, agree to terms, conditions and rules applicable
to Internet games and log out of gaming accounts, including
procedures for automatically logging off persons from an
Internet game after a specified period of inactivity.

(10) Establishing procedures for:

(i) Acquiring funds in an Internet gaming account by
cash, transfer or other means.

(ii) The withdrawal of funds from Internet gaming
accounts.

(iii) The suspension of Internet gaming account
activity for security reasons.
(iv) The termination of Internet gaming accounts and disposition of proceeds in accounts.
(v) The disposition of unclaimed amounts in dormant Internet gaming accounts.

(11) Establishing mechanisms by which registered players may place limits on the amount of money being wagered per Internet game or during any specified time period or the amount of losses incurred during any specified time period.

(12) Establishing mechanisms to exclude from Internet gaming persons not eligible to play by reason of age, location or inclusion on a list of persons denied access to Internet 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 Internet gaming accounts, Internet games, Internet gaming devices and associated equipment and mechanisms to prevent tampering or utilization by unauthorized persons.

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

(15) Requiring each slot machine licensee to:

(i) Provide written information on its Internet gaming website, which explains the rules for each Internet game, payoffs or winning wagers and other information as the board may require.
(ii) Provide specifications approved by the board to integrate and update the licensed facility's surveillance system to cover all areas in the licensed facility where Internet gaming will be managed, administered or controlled. 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 restricted areas within the licensed facility where Internet gaming activity will be managed, administered or controlled.

(iv) Provide the board with access to the Internet website, signal or transmission used in connection with Internet gaming.

(v) Ensure that visibility in the designated restricted area in the licensed facility where Internet gaming will be managed, administered or controlled is not obstructed in any way that could interfere with the ability of the slot machine licensee, the board and other persons authorized by the board or other persons authorized under this part to oversee the surveillance of the conduct of Internet gaming operations.

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

(vii) Provide statements on its Internet gaming website about the permissible minimum and maximum wagers for each Internet game, as applicable.

(viii) Adopt policies or procedures to prohibit any unauthorized person from having access to Internet gaming
devices and associated equipment, including software, system programs, hardware and any other gaming equipment which is used to manage, administer or control Internet gaming.

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

(x) Adopt standards to protect the privacy and security of persons engaged in Internet gaming activity.

(xi) Collect, report and pay any and all applicable taxes and fees and maintain all books, records and documents related to the slot machine licensee's Internet 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 and any other goods or services related to Internet gaming as the board may determine shall be required to obtain a license, permit or other authorization:

(i) Payment processing and related money transmitting and services.
(ii) Customer identity or age verification and geospatial technology services.

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

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

(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 Internet gaming:

(i) Persons that provide Internet games and Internet gaming devices and associated equipment.

(ii) Persons that manage, control or administer the Internet games or the wagers associated with Internet games.

(iii) Providers of customer lists comprised of persons identified or selected, in whole or in part, because they placed wagers on Internet gaming.

§ 13B03. Temporary Internet gaming regulations.

(a) Promulgation.--

(1) 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 in the Pennsylvania Bulletin and on the board's 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.
   
   
   (iii) 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) Temporary regulations.--The board shall begin publishing temporary regulations governing the rules for Internet gaming, the issuance of Internet gaming certificates, standards for approving licensing of providers of Internet games, Internet gaming devices and associated equipment, including age and location verification software or system programs and security and surveillance standards in the Pennsylvania Bulletin not later than February 1, 2015.

(c) Expiration of temporary regulations.--Except for temporary regulations governing the rules for new Internet games, for approving Internet games, Internet gaming devices and associated equipment and for approving providers of Internet games, Internet 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

INTERNET GAMING AUTHORIZED

Sec.

13B11. Authorization to conduct Internet gaming.

13B12. Internet gaming certificate required and content of petition.

13B13. Issuance of Internet gaming certificate.


13B15. Timing of initial Internet gaming authorizations.

§ 13B11. Authorization to conduct Internet gaming.

(a) Authority of board.--

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

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

(ii) To deploy an Internet gaming website to facilitate the conduct of Internet gaming activities.

(2) All individuals playing Internet games must be physically located within this Commonwealth. No individual under 21 years of age shall open, maintain, use or have access to an Internet gaming account.

(b) Authority to play Internet games.--Notwithstanding any other provision of law, a person in this Commonwealth who is 21 years of age or older is hereby permitted to participate as a registered player in Internet gaming activities and wagering associated with playing an Internet game offered by a slot machine licensee in this Commonwealth in accordance with regulations of the board.

§ 13B12. Internet gaming certificate required and content of petition.
(a) Certificate required.--No slot machine licensee or any other person associated with or representing a slot machine licensee shall operate or attempt to conduct Internet gaming, except for test purposes, at a licensed facility or open Internet gaming to the public in this Commonwealth without first obtaining an Internet gaming certificate from the board. A slot machine licensee may seek approval to conduct Internet gaming by filing a petition for an Internet gaming certificate with the board. The board shall prescribe the form and manner to govern the submission of a petition for an Internet gaming certificate. Not more than one Internet gaming certificate shall be issued to operate Internet gaming within a licensed facility in this Commonwealth.

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

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

(2) 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 Internet gaming and who is not currently licensed by the board, if known.

(3) The name and business address, job title and a photograph of each principal or key employee of the slot machine licensee who will be involved in the conduct of Internet gaming and who is currently licensed by the board.
(4) An itemized list of the Internet 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 any changes in the number of authorized games offered through Internet gaming with the board.

(5) The estimated number of full-time and part-time employment positions that will be created at the licensed facility if Internet gaming operations are authorized and an updated hiring plan pursuant to 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.

(6) A brief description of the economic benefits expected to be realized by the Commonwealth, its municipalities and its residents if Internet gaming operations are authorized.

(7) The details of any financing obtained or that will be obtained to fund an expansion or modification of the licensed facility to accommodate Internet gaming activities and to otherwise fund the cost of commencing Internet gaming operations.

(8) 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.

(9) 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 create and maintain a successful Internet
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.

(10) 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 Internet gaming authorization fee.

(11) Detailed site plans identifying the slot machine
licensee's proposed restricted area where Internet gaming
operations will be managed, administered or controlled within
the licensed facility as approved by the board.

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

(i) The slot machine licensee's initial system of
internal and accounting controls applicable to Internet
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 and location verification requirements
designed to block access to individuals under 21
(B) Appropriate data security standards to prevent unauthorized access by any person whose age and location have not been verified or whose age and location cannot be verified in accordance with this chapter and applicable regulations of the board.

(C) The requirement that all Internet gaming be initiated and received or otherwise made exclusively within this Commonwealth.

(iv) The slot machine licensee's proposed age and location verification standards designed to block access to persons under 21 years of age, persons located outside this Commonwealth and persons excluded or prohibited from participating in Internet gaming activities under this part.

(v) The procedures the slot machine licensee will use to register individuals who wish to participate in Internet gaming activities.

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

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

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

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

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

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

(13) The Internet gaming devices and associated equipment, including the computer system or systems, that the slot machine licensee plans to or will utilize to manage, administer or control its Internet gaming operations, including, but not limited to:

(i) Connectivity.

(ii) Software and hardware.

(iii) Antifraud systems.

(iv) Virus and hacker protection.

(v) Data protection.

(vi) Access controls.

(vii) Firewalls.

(viii) Emergency and disaster recovery.

(ix) Redundancy.

(x) Internet gaming devices and associated equipment, including, but not limited to, hardware and software that ensure all of the following:

(A) The Internet games are authorized Internet games.

(B) The Internet games are independent and fair and played by natural persons.
Internet game and wagering rules are available to all registered players.

All data used for the operation of each Internet game is randomly generated.

(14) Compliance certification of its Internet gaming devices and associated equipment, including Internet gaming software, by a board-approved gaming laboratory to ensure that the gaming software complies with the requirements of this chapter, if required by the board.

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

(i) Registered Internet 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.

(16) Detailed information on security systems at the licensed facility to protect the Internet gaming website from internal and external breaches and threats.

(17) Any other information as 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.--
(1) The board may approve a petition under section 13B12
(relating to Internet gaming certificate required and content
of petition) upon finding, upon clear and convincing
evidence, all of the following:

   (i) The slot machine licensee's Internet gaming
operations comply in all respects with the requirements
of this chapter and regulations promulgated by the board.

   (ii) Age and location verification requirements
designed to block access to individuals under 21 years of
age, persons located outside of this Commonwealth and
those persons excluded, denied access or prohibited from
Internet 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 and
location has not been verified or cannot be verified in
accordance with the regulations promulgated and adopted
by the board.

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

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

   (vi) The slot machine licensee is in good standing
(vii) The conduct of Internet gaming activities will have a positive economic impact on this Commonwealth, its municipalities and residents through increased revenue and employment opportunities.

(viii) 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 permanently reduced as a result of the authorization and commencement of Internet gaming.

(2) It shall be an express condition of any Internet 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 Internet 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 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 Internet gaming certificate.--

(1) Upon approval of a petition for an Internet gaming certificate, the board shall issue an Internet gaming certificate to the slot machine licensee. The issuance of an Internet gaming certificate prior to the full payment of the authorization fee required under section 13B51 (relating to Internet 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 Internet gaming certificate, the board shall amend the slot machine licensee's statement of conditions to require the slot machine license to include conditions pertaining to the requirements of this chapter.

(c) Term of Internet gaming certificate.--Subject to the power of the board to deny, revoke or suspend an Internet gaming certificate issued in accordance with the requirements of this section, an Internet gaming certificate shall be renewed every three years and shall be subject to the requirements of section 1326 (relating to license renewals).

(d) Sanctions.--A slot machine licensee that fails to abide by the requirements of this chapter or any condition contained in the slot machine licensee's statement of conditions governing the operation of Internet gaming shall be subject to board-imposed administrative sanctions or other penalties authorized under this part.

(e) Background investigations.--Each petition for an Internet 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 involved, directly or indirectly, in a slot machine licensee's Internet gaming operations who shall be subject to background investigation. The reasonable and necessary costs and expenses incurred in any background investigation or other investigation or proceeding under this chapter shall be reimbursed to the board.


The following shall apply:

(1) An Internet gaming certificate shall be in effect unless:
(i) The certificate is 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.

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

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

(2) The Internet gaming certificate shall include an itemized list by type and of Internet games approved by the board and authorized for Internet gaming conducted by the slot machine licensee. The slot machine licensee may increase or decrease the number of Internet games authorized for play on its Internet website or change the type of Internet games played on its Internet gaming website upon notice 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 Internet games offered for play by a slot machine licensee may not differ from the number and type approved by the board and authorized in the Internet gaming certificate.

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

§ 13B15. Timing of initial Internet gaming authorizations. The board shall prescribe the date on which petitions for an Internet gaming certificate must be filed with the board and shall approve or deny a petition within 90 days following
§ 13B21. Situs of Internet gaming operations.

All wagers made through Internet gaming shall be deemed to be initiated, received or otherwise made within the geographic boundaries of this Commonwealth. Internet gaming must be conducted by a slot machine licensee that has been issued an Internet gaming certificate by the board in accordance with the requirements of this chapter and regulations of the board, provided, however, that the intermediate routing of electronic data associated or in connection with Internet gaming shall not determine the location or locations in which a bet or wager is initiated, received or otherwise made.

§ 13B22. Establishment of Internet gaming accounts.

(a) Registration restrictions.——Only a natural person who has first established an Internet gaming account with a slot machine licensee shall be permitted to play an Internet game offered by or place any bet or wager associated with an Internet game offered by the slot machine licensee. An Internet gaming...
account shall be in the name of a natural person and may not be in the name of any beneficiary, custodian, joint trust, corporation, partnership or other organization or entity. A slot machine licensee shall not:

(1) Permit an individual to establish an Internet gaming account unless the person is 21 years of age or older.

(2) Permit an individual to establish an Internet gaming account unless the individual holds an active players' club membership which was applied for and issued at the slot machine licensee's licensed facility.

(b) Establishment of Internet gaming accounts.--

(1) An Internet gaming account shall be executed in person. Each Internet gaming account shall comply with the internal controls of the slot machine licensee that, at a minimum, require the following:

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

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

(iii) Physical address of the principal residence of the prospective account holder in this Commonwealth, electronic mail address of the prospective account holder and other contact information, as the board or slot machine licensee may require.

(iv) Password or other secured identification provided by the slot machine licensee to access the Internet gaming account or some other mechanism approved by the board to authenticate the player as the holder to...
the Internet gaming account.

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

(2) The slot machine licensee may accept or reject an application after receipt and review of the application and proof of age for compliance with the provisions of this chapter. The slot machine licensee shall have the right, at any time with or without cause, to suspend or close any Internet gaming account at its sole discretion.

(3) The address provided by the applicant in the application for an Internet gaming account shall be deemed the proper address for the purposes of mailing checks, account withdrawals, notices and other materials.

(4) An Internet gaming account shall not be assignable or otherwise transferable, and a slot machine licensee may, at any time, declare all or any part of an Internet gaming account to be closed for wagering.

(c) Password required.--As part of the application process, the slot machine licensee shall provide the prospective Internet gaming account holder with a password to access the gaming account or shall establish some other mechanism approved by the board to authenticate the individual as the holder of the Internet gaming account and allow the individual access to the Internet gaming account.

(d) Grounds for rejection.--Any prospective Internet gaming account holder who provides false or misleading information on the application for an Internet gaming account is subject to rejection of the application or cancellation of the account by
the slot machine licensee.

(e) Suspension of Internet gaming account.--The slot machine licensee shall have the right to suspend or close any Internet gaming account at its discretion.

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

(1) Any person under 21 years of age and persons located outside the geographic boundaries of this Commonwealth.

(2) Any person on the list of persons who are to be excluded or ejected from any licensed facility pursuant to 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) Any gaming employee or key employee of a slot machine licensee.

§ 13B23. Internet gaming account credits and payment.

(a) Credits to Internet gaming accounts.--Notwithstanding any provision of this part to the contrary, credits to an Internet gaming account shall not be made except as provided by this section. The following shall apply:

(1) A deposit to an Internet gaming account by an account holder may be submitted by the account holder to the slot machine licensee in one of the following forms:

   (i) Cash given to the slot machine licensee.

   (ii) Check, money order, negotiable order of withdrawal or wire or electronic transfer, payable and remitted to the slot machine licensee.
(iii) Notwithstanding section 1504 (relating to wagering on credit), charges made to an account holder's credit card upon the account holder's direct and personal authorization, which authorization may be given to the slot machine licensee in a form and manner prescribed by regulation of the board, if the use of the credit card has been approved by the slot machine licensee.

(iv) Any other method approved by the board.

(b) Payment of winnings.--When an Internet gaming account holder wins an Internet game, the slot machine licensee shall credit the holder's Internet gaming account the appropriate amount pursuant to the rules of the particular game. When the account holder logs off or cashes out, the slot machine licensee shall credit the holder's gaming account in the amount of tokens or other cash equivalents cashed in.

(c) Rights of slot machine licensee.--A slot machine licensee shall have the right to:

(1) Credit an Internet gaming account as part of a promotion.

(2) Refuse, for any valid reason, all or part of any wager or deposit to the account of an account holder.

(d) Interest prohibited.--Funds deposited in a registered player's Internet gaming account shall not bear interest to the account holder.

(e) Debits to Internet gaming accounts.--Debits to an Internet gaming account shall not be made except as follows:

(1) When an account holder logs onto a gaming account and exchanges account funds for Internet tokens or other cash equivalents, the slot machine licensee shall debit the holder's account in the amount of funds exchanged. Upon
receipt by a slot machine licensee of an account wager or an account purchase order, the slot machine licensee shall debit the account holder's Internet tokens or other cash equivalents in the amount of the wager or purchase.

(2) A slot machine licensee may authorize a withdrawal from an Internet gaming account when the account holder submits to the slot machine licensee all of the following:

(i) Proper identification.

(ii) The correct password or other authentication information for accessing the gaming account.

(iii) A properly completed and executed withdrawal form in a form and manner approved by the board through regulation.

(3) Upon receipt of a properly completed and executed withdrawal form, and, if there are sufficient funds in the gaming account to cover the withdrawal, the slot machine licensee shall send, within three business days of receipt of the withdrawal form, a check payable in the amount requested to the account holder at the address specified in the application for the Internet gaming account or shall transmit payment to the account holder electronically as approved by the board by regulation.


(a) Acceptance.--A slot machine licensee may accept Internet gaming account wagers or bets only as follows:

(1) The account wager shall be placed directly with the slot machine licensee by the account holder, after the slot machine licensee has verified the account holder's physical presence in this Commonwealth and that the individual seeking to place a wager or bet is the registered account holder.
The account holder provides the slot machine
licensee with the correct password or other authentication
information for access to his Internet gaming account.

(b) Nonacceptance.--A slot machine licensee may not accept
an account wager in an amount in excess of funds on deposit in
an Internet gaming account of the account holder placing the bet
or wager. Funds on deposit include amounts credited to an
account holder's Internet gaming account in accordance with this
chapter and any funds in the account at the time the wager is
placed.

§ 13B25. Dormant Internet gaming accounts.

(a) Dormant Internet gaming accounts.--Any funds remaining
in Internet gaming accounts inactive or dormant for the period
and under the conditions as established by regulation of the
board shall be paid 50% to the slot machine licensee and 50% to
the State Gaming Fund established under section 1509(c)
(relating to compulsive and problem gambling program).

(b) Closure of dormant accounts.--Before closing a dormant
Internet gaming account, the slot machine licensee shall attempt
to contact the account holder by mail, phone or electronic mail
to inform the account holder that the Internet gaming account is
inactive and may be subject to termination at such time and
manner as determined by regulation of the board.


(a) Establishment of log-in procedure.--Each slot machine
licensee shall establish a log-in procedure for Internet gaming
account holders to access Internet gaming. The log-in procedure
shall include the provision of the appropriate authentication
information by the Internet gaming account holder for access to
the Internet gaming account. The slot machine licensee shall not
allow an account holder to log-in and access the Internet gaming
account holder's Internet gaming account unless the Internet
gaming account holder provides the correct password or other
authentication information.

(b) Exchange of funds.--Upon log-in, the Internet gaming
account holder shall have the option to exchange any amount of
funds in the Internet gaming account for Internet tokens or
other cash equivalents to be used for Internet gaming.

(c) Credits to account.--Upon logging off, the current
amount of the Internet gaming account holder's Internet tokens
or other cash equivalents shall be credited to the Internet
gaming account holder's Internet gaming account.

§ 13B27. Information provided at log-in.
The slot machine licensee shall configure its Internet gaming
website to include a link that, upon log-in, will allow an
Internet gaming account holder to access all of the following
information:

(1) The current amount of money in the Internet gaming
account holder's Internet gaming account, including the
current amount of the Internet gaming holder's Internet
tokens or other cash equivalents.

(2) The Internet gaming account holder's wins and losses
since the Internet gaming account was established.

(3) The Internet gaming account holder's win 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 Internet game offered by the slot machine licensee
and any other information as the board may require.

Except as provided in this section, no slot machine licensee or any person licensed under this part and no person acting on behalf of, or under any arrangement with, a slot machine licensee or other person licensed under this part shall:

(1) Make any loan to any person for the purpose of crediting an Internet 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 Internet gaming account holder while playing Internet games without maintaining a written record thereof in accordance with regulations of the board.

§ 13B29. Commencement of Internet gaming operations.

A slot machine licensee may not operate or offer Internet games for play on its Internet gaming website until the board determines that:

(1) The slot machine licensee is in compliance with the requirements of this part.

(2) The slot machine licensee's internal, administrative and accounting controls are sufficient to meet the requirements of section 13B32 (relating to internal, administrative and accounting controls).

(3) The slot machine licensee's Internet gaming employees, where applicable, are licensed, permitted or otherwise authorized by the board to perform their respective duties.

(4) The slot machine licensee is prepared in all respects to offer Internet gaming to the public over its Internet gaming website.

(5) The slot machine licensee has implemented necessary internal, administrative, accounting controls, security
arrangements and surveillance systems for the operation of
Internet gaming.

(6) The slot machine licensee is in compliance with or
has complied with section 13B51 (relating to Internet gaming
authorization fee).

SUBCHAPTER D
FACILITIES AND EQUIPMENT

Sec.
13B32. Internal, administrative and accounting controls.
(a) Facilities and equipment.--All facilities and Internet
gaming devices and associated equipment shall:
(1) Be arranged in a manner promoting appropriate
security for Internet gaming.
(2) Include a closed-circuit visual monitoring system
according to rules or specifications approved by the board,
with board access to the slot machine licensee's Internet
gaming website, signal or transmission used in connection
with Internet gaming.
(3) Not be designed in any way that might interfere with
or impede the board in its regulation of Internet gaming.
(4) Comply in all respects with regulations of the
board.
(b) Location of equipment and restricted areas.--All
Internet gaming devices and associated equipment used by a slot
machine licensee to conduct Internet gaming may be located, with
the prior approval of the board, in a restricted area on the
premises of the licensed facility within the geographic limits
of the county in this Commonwealth where the licensed facility
is situated. Any Internet gaming equipment used on a temporary basis may, in accordance with regulations and approval of the board, be located outside the geographic boundaries of the county where the licensed facility is located. However, no Internet gaming shall occur unless a wager is accepted by a slot machine licensee within the geographic boundaries of this Commonwealth. All wagers associated with Internet gaming shall be deemed to be placed when received at the licensed facility of the slot machine licensee. Any intermediate routing of electronic data in connection with a wager shall not affect the fact that the wager is placed in a licensed facility in this Commonwealth.

(c) Verification of registered players.--No Internet game shall be used in Internet gaming unless it is able to verify that a player placing a wager is physically present in this Commonwealth. The board shall require by regulation that Internet games used by each slot machine licensee are verifying each registered player's physical presence in this Commonwealth each time the player logs onto a new playing session.

§ 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 Internet gaming certificate to conduct Internet gaming in accordance with this chapter shall submit a description of its system of internal procedures and administrative and accounting controls for Internet gaming to the board, including provisions that provide for real-time monitoring, recordation or storage of all Internet games and a description of any changes to its procedures and controls. The submission shall be made at least 90 days before Internet gaming operations are 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 a slot machine licensee 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 with regard to Internet gaming, including, but not limited to:

(1) Accounting controls, including the standardization of forms and definition of terms to be utilized in the Internet 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 Internet gaming operations 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 Internet gaming accounts, including a procedure for authenticating the age of applicants for gaming accounts.

(5) Procedures for the termination of a registered player's Internet gaming account by the account holder and
the return of any funds remaining in the gaming account to
the account holder.

(6) Procedures for the suspension or termination of a
dormant gaming account.

(7) Procedures for the logging in and authentication of
a registered player in order to enable the player to commence
Internet 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
Internet gaming account after a specified period of
inactivity.

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

(9) Procedures for:

(i) the cashing of checks to establish credit in an
Internet gaming account;

(ii) the receipt and security of cash to establish
credit in an Internet gaming account, whether the cash is
received by wire transfer or by other means as approved
by the board; and

(iii) receipt of other electronic negotiable
instruments approved by the board to establish credit in
an Internet gaming account.

(10) Procedures for the withdrawal of funds from an
Internet gaming account by the registered player.

(11) The redemption of chips, tokens or other cash
equivalents used in Internet gaming and the payout of
jackpots.

(12) The recording of transactions pertaining to
Internet gaming.
(13) Procedures for the security of personal identifying information of registered players and other information as required by the board and funds in Internet gaming accounts.

(14) Procedures for the transfer of Internet gaming revenue from Internet gaming accounts to the counting process.

(15) Procedures and security for the counting and recordation of revenue.

(16) Procedures for the security of Internet gaming devices and associated equipment within a restricted area on the premises of the licensed facility or in a secure facility inaccessible to the public and specifically designed for that purpose off the premises of a licensed facility but within the geographic boundaries of this Commonwealth as approved by the board.

(17) Procedures and security standards as to receipt of and the handling and storage of Internet gaming devices and associated equipment.

(18) Procedures and security standards to protect the slot machine licensee's Internet gaming website and Internet gaming devices and associated equipment from tampering by any person.

(19) Procedures for responding to suspected or actual tampering with a slot machine licensee's Internet gaming website and Internet gaming devices and associated equipment, including partial or complete suspension of Internet gaming or the suspension of any or all player Internet gaming accounts when warranted.

(20) Procedures to verify each registered player's physical presence in this Commonwealth each time a wager is
placed on an Internet game.

(21) Procedures to assist problem and compulsive
gamblers, including procedures reasonably intended to prevent
a person from participating in Internet 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).

(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
Internet gaming operations of the particular slot machine
licensee.

(2) If the board determines that insufficiencies exist,
it shall specify the insufficiencies in writing to the slot
machine licensee, 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 slot machine licensee.

(3) Except as otherwise provided in subsection (a), no
slot machine licensee shall commence or alter Internet gaming
operations unless and until the system of procedures,
controls and alternations is approved by the board.

(d) Marketing permitted.--It shall be lawful for a slot
machine licensee to provide marketing information by means of
the Internet to players engaged in Internet gaming and to offer
the players incentives to visit the slot machine licensee's
licensed facility.

SUBCHAPTER E
TESTING AND CERTIFICATION

Sec.

13B41. Internet games and Internet gaming devices and
associated equipment testing and certification
standards.

§ 13B41. Internet games and Internet gaming devices and
associated equipment testing and certification
standards.

(a) Testing required.--

(1) No Internet game or Internet gaming device or
associated equipment shall be used to conduct Internet gaming
unless it has been tested 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 Internet games and Internet gaming
devices and associated equipment, including mechanical,
electrical or program reliability, security against tampering
and threats, the comprehensibility of wagering and noise and
light levels, as it may deem necessary to protect the
registered player from fraud or deception and to ensure the
integrity of Internet gaming.

(b) Independent testing and certification facility.--Any
costs associated with the board's testing and certification
facility shall be assessed on persons authorized by the board to

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distribute or otherwise provide Internet games and Internet
gaming devices and associated equipment to slot machine
licensees 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 Internet
games and Internet gaming devices and associated equipment as
adopted by another jurisdiction within the United States or any
of the testing and certification standards used by a slot
machine licensee are comprehensive and thorough and provide
similar and adequate safeguards as those required by this
chapter. If the board makes that determination, it may permit
the person authorized to distribute or otherwise provide
Internet games and Internet gaming devices and associated
equipment to furnish Internet games and Internet gaming devices
and associated equipment to slot machine licensees in this
Commonwealth without undergoing the full testing and
certification process by the board's independent testing and
certification facility.

SUBCHAPTER F

TAXES AND FEES

Sec.

13B51. Internet gaming authorization fee.

13B52. Internet gaming tax.

§ 13B51. Internet gaming authorization fee.

(a) Amount of authorization fee.--Each slot machine licensee
that is issued a an Internet gaming certificate to conduct
Internet gaming in accordance with section 13B11 (relating to
authorization to conduct Internet gaming) shall pay a one-time
nonrefundable authorization fee in the amount of $5,000,000.
(b) Payment of fee.--A slot machine licensee that is
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 to conduct Internet gaming. The board
may allow the fee to be paid in installments, provided that all
such installments are paid within the 60-day time period and
that the installment payments are made in accordance with the
terms of an agreement between the board and the slot machine
licensee that sets forth the terms of the installment payment.

(c) Renewal fee.--Notwithstanding any other provision of
this chapter, a slot machine licensee that has been issued an
Internet gaming certificate in accordance with the requirements
of this chapter shall pay a renewal fee in the amount of
$500,000 upon the renewal of its Internet gaming certificate in
accordance with sections 13B13(c) (relating to issuance of
Internet gaming certificate) and 1326 (relating to license
renewals).

§ 13B52. Internet gaming tax.

(a) Imposition of tax.--Each slot machine licensee that
operates Internet gaming shall report to the department and pay
from its daily Internet gaming gross revenue, on a form and in
the manner prescribed by the department, a tax of 28% of its
daily Internet gaming gross 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 Internet gaming gross 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
slot machine licensee until the funds are paid to the
department for deposit in the appropriate fund. A slot
machine licensee shall establish a separate bank account into
which Internet gaming gross revenue shall be deposited and
maintained until such time as the funds are paid to the
department under this section.

(c) Use of funds.--The tax imposed under subsection (a)
shall be deposited as follows:

(1) Fifty-five percent shall be deposited into the State
Lottery Fund and shall be allocated solely for the purpose of
providing property tax relief for the elderly pursuant to
Chapter 13 of the act of June 27, 2006 (1st Sp.Sess.,
P.L.1873, No.1), known as the Taxpayer Relief Act.

(2) Thirty percent shall be deposited in the State
Lottery Fund for the purpose of providing free or reduced
fare transit service for the elderly pursuant to Chapter 9 of
the act of August 26, 1971 (P.L.351, No.91), known as the
State Lottery Law, and the act of February 11, 1976 (P.L.14,
No.10), known as the Pennsylvania Rural and Intercity Common
Carrier Surface Transportation Assistance Act.

(3) Moneys deposited under paragraphs (1) and (2) are
hereby appropriated for the purposes enumerated in paragraphs
(1) and (2).

(4) Fifteen percent shall be deposited into the fund
established in accordance with section 1405 (relating to
Pennsylvania Race Horse Development Fund). All moneys
deposited into the Pennsylvania Race Horse Development Fund
shall be distributed in accordance with section 1406
(relating to distributions from Pennsylvania Race Horse
Development Fund) and shall be distributed and used solely
for the purposes enumerated in section 1406 and for no other purpose whatsoever.

SUBCHAPTER G
MISCELLANEOUS PROVISIONS

Sec.
13B61. Participation in Internet gaming by persons outside Commonwealth.

13B62. Construction.
§ 13B61. Participation in Internet gaming by persons outside Commonwealth.

Notwithstanding any other provision of this chapter to the contrary, a slot machine licensee may accept Internet gaming wagers from a person who is not physically present in this Commonwealth, if the board determines the following:

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

(2) Participation in Internet gaming is conducted pursuant to an interstate compact or reciprocal agreement between the Commonwealth and another jurisdiction, including a foreign jurisdiction, to which the Commonwealth is a party and the interstate compact or reciprocal agreement is not inconsistent with Federal law or regulation.

The following apply:

(1) Internet gaming in this Commonwealth shall be subject to and preempted and superseded by the provisions of
the Unlawful Internet Gambling Enforcement Act of 2006
(Public Law 109-347, 31 U.S.C. § 5361 et seq.) and any other
applicable Federal law.

(2) Internet gaming shall be deemed to take place where
a licensed facility's server is located in this Commonwealth,
regardless of the registered player's location within this
Commonwealth.

Section 9. Sections 1501(b), 1504 and 1509(c) 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 Internet games under this part.
* * *
§ 1504. Wagering on credit.
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 or an Internet gaming certificate may extend credit for slot machine gaming, table games and Internet gaming in accordance with section 13A26 (relating to cash equivalents).

§ 1509. Compulsive and problem gambling program.

* * *

(c) Notice of availability of assistance.--

(1) Each slot machine licensee shall obtain a toll-free telephone number to be used 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).

(2.1) Each slot machine licensee shall:

(i) Cause the words "If you or someone you know has a gambling problem and wants help, call 1-800 XXXX," or some comparable language approved by the board, which language shall include the words "gambling problem" and "call 1-800 XXXX," to be prominently and continuously
displayed to any person visiting or logged onto the slot
machine licensee's Internet gaming website.

(ii) Provide a mechanism by which an Internet gaming
account holder may establish the following controls on
wagering activity through the Internet 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 Internet game.

(C) A temporary suspension of Internet gaming
through the account for any number of hours or days.

(iii) Not mail or otherwise forward any gaming-
related promotional material or electronic mail to a
registered player during any period in which Internet
gaming through the registered players Internet gaming
account has been suspended or terminated. The slot
machine licensee shall provide a mechanism by which an
account holder may change the controls, except that while
Internet gaming through the Internet gaming account is
suspended, the account holder may not change gaming
controls until the suspension expires, but the holder
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 slot machine licensee.

(iv) Establish a system by which a registered player
who sustains continuous losses at a sufficient level in
accordance with regulations of the board, will have
mailed or otherwise forwarded to his residential mailing address and electronic mail address:

\[(A)\] a list detailing all gaming winnings and losses through the Internet gaming account;

\[(B)\] contact information for assistance with identifying a potential gambling problem; and

\[(C)\] other information about compulsive and problem gambling as deemed appropriate by the board, in consultation with the Department of Drug and Alcohol Programs.

(3) A licensed facility 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.

(4) A slot machine licensee that fails to establish the mechanisms, controls and systems in accordance with paragraph (2.1)(ii), (iii) and (iv) 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 Internet gaming account holders.

* * *

Section 10. Section 1512 of Title 4 is amended by adding a subsection to read:

§ 1512. Financial and employment interests.

* * *

(a.6) Prohibition related to Internet gaming.--

(1) Except as set forth in paragraph (2), no executive-level public employee, public official or party officer or
immediate family member thereof shall hold, directly or
indirectly, an interest in, or hold employment with, 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 Internet gaming certificate, or other
authorization to conduct Internet gaming, or any holding or
intermediary company with respect thereto, or any Internet
gaming affiliate of any holder of, or applicant for, a slot
machine license, or any holding 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 Internet gaming industry generally or any
Internet gaming-related business or businesses in connection
with any cause, application or matter.

(2) 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
Internet gaming certificate or other authorization to conduct
Internet gaming, or any holding or intermediary company with
respect thereto, or any Internet gaming affiliate of any
holder of, or applicant for, a slot machine license, or any
holding 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 11. Sections 1514 heading, (a), (d), (e) and (f),
1515, 1516 and 1517(b)(1), (c)(11) and (12) and (e)(1) of Title
4 are amended to read:

§ 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 Internet gaming activity. 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 access to Internet gaming activities 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 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 Internet
gaming activity 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 Internet gaming activity 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 participation in Internet gaming activities 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 Internet gaming activities 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 Internet gaming activities any person who disrupts the operations of its premises or its operations, threatens the security of its premises or its occupants or is disorderly or intoxicated or who threatens the
security of its Internet gaming operations.

§ 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 Internet gaming activities, 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 Internet gaming activities.

(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 Internet gaming and to remove self-excluded persons from targeted mailings or other forms of advertising or promotions and deny self-excluded persons access to compliments, 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 a licensed gaming entity to
withhold Internet gaming privileges from or restore Internet
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 Internet 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.--

(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 Internet games under this part.

* * *

(c) Powers and duties of the Pennsylvania State Police.--The
Pennsylvania State Police shall have the following powers and
duties:

* * *

(11) Conduct administrative inspections on the premises
of licensed racetrack or nonprimary location or licensed
facility, including restricted areas and redundancy facilities used by a slot machine licensee in its Internet gaming operations, 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.

(12) Conduct audits or verification of information of slot machine [or] table game or Internet 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 or Internet gaming operations are conducted, slot machines, table game devices and associated equipment or Internet 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, Internet gaming devices and associated equipment or slot machine [or] Internet gaming operations.

* * *

Section 12. Section 1518(a)(3), (4), (5), (7.1), (11), (13.1), (15) and (17) and (b)(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.--

* * *

(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, Internet game or Internet 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 Internet gaming
certificate issued by the board in accordance with Chapter 13B (relating to Internet gaming) to accept any wager associated with any Internet game from any individual physically located in this Commonwealth at the time of such 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 or Internet game or Internet 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 Internet games into play or display such games on its Internet gaming 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 Internet 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, Internet game or Internet 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 Internet gaming device 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 Internet 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 Internet gaming devices or associated equipment, including software, system programs, hardware and any other device or equipment used in Internet gaming operations, in order to alter the odds or the payout of an Internet game or to disable the Internet 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 Internet game that has been altered, tampered with or manipulated in a way that
affects the odds or the payout of an Internet game, or

disables the internet game from operating according to the
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
Internet 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.

* * *

(13.1) 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 wager, play or
attempt to play an Internet 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 Internet
gaming account. Any slot machine licensee or employee of a
slot machine licensee who knowingly allows a person under 21
years of age to open, maintain or use an Internet gaming
account shall be subject to the penalty set forth in this
section, except that the establishment of all of the
following facts by a slot machine licensee or employee of a
slot machine licensee 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 he was of the permitted 21 years of age in the application for an Internet gaming account; and

(ii) the establishment of the Internet gaming account was made in good faith reliance upon such representation and in the reasonable belief that the underage person was 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 Internet 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 Internet game wager or was lower than the current table minimum wager or minimum Internet 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, or Internet game or Internet 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, Internet game or Internet 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), (2), (3) and (4) 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

(C) not less than $150,000 nor more than $300,000 if the person is a licensed manufacturer or gaming service provider or other person authorized by the board to provide Internet games and Internet gaming devices or associated equipment.

(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, or gaming service provider or other person authorized by the board to provide Internet games and Internet gaming devices or associated equipment.

(2.1) A person that commits an offense in violation of subsection (a)(3.1) commits a felony of the second degree and shall be sentenced to pay a fine of not less than $500,000 or 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 or 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) may be sentenced to perform a period of community service not to exceed 40 hours.

* * *

Section 13. Section 1901(a) of Title 4 is amended by adding a paragraph to read:

§ 1901. Appropriations.

(a) Appropriation to board.--

* * *

(3) The sum of $5,000,000 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 board for the expansion of gaming associated with Internet gaming. This appropriation shall be a supplemental appropriation for fiscal year 2012-2103 and shall be in addition to the appropriation contained in the act of June 13, 2012 (P.L., No.6A), known as the Gaming Control Appropriation Act of 2012.

* * *

Section 14. This act shall take effect immediately.