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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 570      Session of  
1999

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INTRODUCED BY SALVATORE, KASUNIC AND HART, MARCH 12, 1999

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REFERRED TO STATE GOVERNMENT, MARCH 12, 1999

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AN ACT

1 Providing for the licensing and regulation of limited electronic  
2 gaming machines in this Commonwealth; providing for the  
3 creation and preservation of the Limited Electronic Gaming  
4 Fund; and creating the Gaming Addiction Fund.

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

9 Section 1. Short title.

10 This act shall be known and may be cited as the Limited  
11 Electronic Gaming Act.

12 Section 2. Legislative intent.

13 It is the intent of the General Assembly to use a portion of  
14 the proceeds from the licensing and regulation of limited  
15 electronic gaming to create the Limited Electronic Gaming Fund  
16 for the purpose of providing pharmaceutical assistance for the  
17 elderly.

18 Section 3. Definitions.

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

22 "Clubs." Nonprofit establishments which have a valid State  
23 club liquor license.

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

25 "Distributor." An individual, partnership or corporation  
26 that buys, sells or leases limited electronic gaming machines.  
27 The term excludes machine owners and manufacturers.

28 "Fund." The Limited Electronic Gaming Fund created under  
29 this act.

30 "Incentives." Any consideration, including any premium or

1 bonus in cash of advance commission or merchandise, offered from  
2 a licensed machine owner to a licensed establishment owner in  
3 order to solicit his business.

4 "Licensed establishment." A restaurant, bar, tavern, hotel  
5 or club which has a valid State liquor license.

6 "Limited electronic gaming machines" or "machine." A device  
7 or machine which, upon insertion of a coin or cash, is available  
8 to play or simulate the play of the games of poker, bingo, keno  
9 and blackjack, which utilizes a video display and  
10 microprocessors and from which, whether by the skill of the  
11 player or by chance, the player may receive free games or  
12 credits which can be redeemed for cash or legal goods or  
13 commodities.

14 "Machine owner." An individual, partnership or corporation  
15 that owns, services and maintains limited electronic gaming  
16 machines for placement in licensed establishments.

17 "Manufacturer." An individual, partnership or corporation  
18 that manufactures or assembles limited electronic gaming  
19 machines.

20 "Net machine revenues." The money put into limited  
21 electronic gaming machines minus credits paid out in cash.

22 "Participating political subdivision." A city, incorporated  
23 town, township or borough where limited electronic gaming  
24 machines are in use under this act.

25 Section 4. Powers and duties of department.

26 (a) General powers and duties.--The department shall have  
27 the power to promulgate regulations and its duty shall be to:

28 (1) Provide for licensing procedures under this act.

29 (2) Prescribe necessary application and reporting forms  
30 to be used under this act.

1           (3) Prescribe electronic accounting devices necessary to  
2 verify reports required under this act.

3           (4) Examine prototypes of limited electronic gaming  
4 machines of manufacturers seeking a license under this act.

5 The department shall require a manufacturer seeking the  
6 examination and approval of a limited electronic gaming  
7 machine to pay the anticipated actual costs of the  
8 examination in advance and, after the completion of the  
9 examination, shall refund any overpayment or charge and  
10 collect amounts sufficient to reimburse the department for  
11 underpayment of actual costs. The department may contract for  
12 the required examination of limited electronic gaming.

13           (5) Grant or deny license applications.

14       (b) License approval.--The department may not deny an  
15 application or limit, condition or restrict a license except for  
16 reasonable cause. An applicant shall not be granted a license  
17 unless the following conditions are met:

18           (1) If the applicant is an individual:

19               (i) The applicant is an honest person of good  
20 character and integrity and is qualified and has adequate  
21 financing from suitable sources.

22               (ii) The applicant is a citizen of the United States  
23 and has been a resident of this Commonwealth for at least  
24 two years previous to the application.

25           (2) If the applicant is a partnership, the partners,  
26 general and limited, qualify as individuals under paragraph  
27 (1).

28           (3) If the applicant is a corporation:

29               (i) It is a registered Pennsylvania corporation for  
30 at least two years.

(ii) At least 50% of its directors have been Commonwealth residents for at least two years.

(iii) All officers qualify as individuals under paragraph (1).

(iv) Its stockholders are individuals.

(v) Every stockholder owning 5% or more of the stock of the corporation qualifies as an individual under paragraph (1).

(4) If the license applicant has conducted a gaming operation in a jurisdiction which permits gaming, the license applicant must produce letters of reference from the gaming or casino enforcement or control agency which specify the experiences of the agency with the license applicant, the license applicant's associates and the license applicant's gaming operations. If the license applicant is unable to obtain these letters within 60 days of the request, the license applicant may submit a copy of the letter requesting the information, together with a statement under oath that during the period gaming activities were conducted the license applicant was in good standing with the appropriate gambling or casino enforcement or control agency. The department may utilize the investigations and findings of other states in evaluating an applicant or licensee.

(5) Each license applicant must provide such other information, documentation and assurances as may be required by the Director of the Division of the State Lottery to establish by clear and convincing evidence the license applicant's good character, honesty and integrity. Information under this paragraph may relate to family, habits, character, reputation, business affairs, financial

1       affairs, business associates, professional associates and  
2       personal associates covering the ten-year period immediately  
3       preceding the filing of the application.

4           (6) Each license applicant must accept any risk of  
5       adverse public notice, embarrassment, criticism, damages or  
6       financial loss which may result from any disclosure or  
7       publication by a third party of any material or information  
8       requested by the Director of the Division of the State  
9       Lottery pursuant to action on an application. The license  
10      applicant expressly waives any claim against the Director of  
11      the Division of the State Lottery and the Commonwealth and  
12      its employees from damages as a result of a disclosure or  
13      publication described under this paragraph.

14      (c) Hearing.--A person who is denied a license shall have  
15      the right to a hearing before the department. The hearing shall  
16      be conducted in accordance with the provisions of 2 Pa.C.S.  
17      (relating to administrative law and procedure).

18      (d) Winning percentage.--The department shall prescribe  
19      winning percentage and necessary machine accounting information.  
20      Limited electronic gaming machines shall be set to award players  
21      minimum winnings of 80%. Limited electronic gaming machines  
22      shall have electronic accounting devices that the department may  
23      use to verify revenue due and winning percentages.

24      (e) Violations.--The department shall investigate, suspend  
25      or revoke licenses for violations of this act and shall hold  
26      hearings to consider these matters. A license may not be  
27      suspended or revoked until a hearing is completed. Any person  
28      who with intent to manipulate the outcome, payoff or operation  
29      of a limited electronic gaming machine manipulates the outcome,  
30      payoff or operation of a limited electronic gaming machine by

1 physical tampering or any other means commits a misdemeanor and  
2 shall, upon conviction, be sentenced to pay the costs of  
3 prosecution and a fine of not less than \$5,000 nor more than  
4 \$15,000 or to imprisonment of not less than one year nor more  
5 than five years, or both, at the discretion of the court.

6 (f) Standards of conduct.--The department shall promulgate  
7 regulations for the conduct of the officers, employees and  
8 agents of the department.

9 Section 5. Requirements for limited electronic gaming machines.

10 (a) Machine characteristics.--The Director of the Division  
11 of the State Lottery shall establish and procure a central  
12 communications system capable of monitoring and communicating  
13 with each licensed video gaming machine.

14 (b) Requirements.--Each limited electronic gaming machine  
15 licensed under this act:

16 (1) Shall offer only limited electronic games authorized  
17 under this act and licensed by the department.

18 (2) May not have any means of manipulation that affect  
19 the random probabilities of winning a limited electronic  
20 game.

21 (3) Shall have one or more mechanisms that accept coins  
22 or cash in the form of bills. The mechanisms shall be  
23 designed to prevent obtaining credits without paying by  
24 stringing, slamming, drilling or other means. If an attempt  
25 to obtain credit involves physical tampering, the machine  
26 shall suspend itself from operation until reset.

27 (4) Shall have nonresettable meters housed in any  
28 readily accessible locked machine area that keep a permanent  
29 record of all coins and cash inserted into the machine, all  
30 refunds of winnings made by the machine's printer, credits

1 played for limited electronic games and credits won by  
2 limited electronic gaming players.

3 (5) Shall be capable of printing a ticket voucher  
4 stating the value of the prize for the player at the  
5 completion of each limited electronic game, the time of day  
6 in 24-hour format showing hours and minutes, the date, the  
7 machine serial number, the sequential number of the ticket  
8 vouchers and an encrypted validation number from which the  
9 validity of the prize may be determined.

10 (6) Shall have accounting software that keeps an  
11 electronic record which includes, but is not limited to, the  
12 following: total coins and cash inserted into the machine,  
13 the value of winning tickets claimed by players, the total  
14 limited electronic gaming credits awarded by a limited  
15 electronic game, the payback percentage credited players of  
16 each limited electronic game and the net revenue of each  
17 machine.

18 Each approved licensed establishment under this act shall  
19 operate video gaming machines insuring the integrity and  
20 security of each machine as a condition of license.

21 Section 6. Use of enforcement agents.

22 (a) Powers.--Employees of the department designated as  
23 enforcement agents are empowered to investigate the background  
24 and associates of license applicants to whatever extent is  
25 judged necessary by the department. No investigation may be  
26 undertaken prior to the submission of an application for a  
27 license. No investigation may continue subsequent to the  
28 granting of a license, the denial of a license or the withdrawal  
29 of a license application.

30 (b) Authority.--Enforcement agents are empowered to be peace



1 officers and shall have police power and authority throughout  
2 this Commonwealth to arrest, on view or under warrant, a person  
3 tampering with limited electronic gaming machines, attempting or  
4 conspiring to manipulate the outcome or the payoff of a limited  
5 electronic gaming machine or manipulating the outcome or payoff  
6 of a limited electronic gaming machine by physical tampering or  
7 through interference with the lawful and proper functioning of  
8 the mechanism.

9 (c) Investigation and report.--Enforcement agents may  
10 investigate alleged illegal activities concerning limited  
11 electronic gaming machines and their operation, maintenance and  
12 placement. Findings shall be reported in writing to the  
13 department, which shall refer suspected criminal activity or  
14 violations of law to the appropriate district attorney for  
15 prosecution.

16 (d) State and local police.--In addition to any other person  
17 authorized to enforce the provisions of this act, the  
18 Pennsylvania State Police and police of any municipality shall  
19 be empowered to enforce the provisions of this act. Additional  
20 moneys may be appropriated from the fund for enhanced  
21 enforcement.

22 Section 7. Unlawful use by minors.

23 (a) Minors.--No person under 21 years of age may use or play  
24 limited electronic gaming machines. A minor using or playing or  
25 attempting to use or play a limited electronic gaming machine  
26 commits a summary offense and shall, upon conviction, pay a fine  
27 of not more than \$1,000.

28 (b) Licensees.--A licensed establishment which permits a  
29 person under 21 years of age to play or use the limited  
30 electronic gaming machines, whether or not that licensed

1 establishment is actually aware of the minor's age, commits a  
2 summary offense and shall, upon conviction, pay a fine of not  
3 more than \$5,000. The establishment of the following facts by a  
4 person allowing a minor to operate the limited electronic gaming  
5 machines shall constitute a defense to prosecution under this  
6 subsection:

7 (1) The minor falsely represented in writing that the  
8 minor was 21 years of age or older.

9 (2) The appearance of the minor was such that an  
10 ordinary person of prudent judgment would believe the minor  
11 to be 21 years of age or older.

12 (3) Permission to operate the limited electronic gaming  
13 machines was given in good faith, relying upon written  
14 representation and appearance and in the reasonable belief  
15 that the minor was actually 21 years of age or older.

16 Section 8. Limitations.

17 (a) Limit on amount played and awards given.--A limited  
18 electronic gaming machine may not allow more than \$2 to be  
19 played on a game or award free games or credits that may be  
20 redeemed for cash in excess of \$500 per game or an equivalent  
21 value of legal goods or commodities.

22 (b) Hours of operation.--No limited electronic gaming  
23 machine licensed under this act may be played except during the  
24 legal hours of operation for the on-premises consumption of  
25 alcoholic beverages. A person who violates this subsection  
26 commits a misdemeanor and shall, upon conviction, be sentenced  
27 to pay a fine of not less than \$100 nor more than \$500 and, on  
28 failure to pay the fine, to imprisonment for not less than one  
29 month nor more than three months. For a second or subsequent  
30 conviction, a person shall be sentenced to pay a fine of not

1 less than \$300 nor more than \$500 or to imprisonment for not  
2 less than three months nor more than one year, or both.

3 (c) Posting odds.--The odds of winning each limited  
4 electronic game shall be posted on or near each limited  
5 electronic gaming machine. The manner in which the odds are  
6 calculated and how they are posted shall be established by the  
7 department by rule promulgated under this act.

8 (d) Direct dispensing.--A machine may not directly dispense  
9 coins, cash, tokens or any other article of exchange or value,  
10 except for a ticket voucher stating the value of the prize for  
11 the player at the completion of each limited electronic game.

12 Section 9. Local referenda; implementation.

13 In any municipality, a question may be placed before the  
14 electorate with respect to issuance of licenses within the  
15 limits of the municipality under the provisions of this section.  
16 Whenever electors equal to at least 25% of the highest vote cast  
17 for any office in the municipality at the preceding general  
18 election file a petition with the county board of elections or  
19 when the governing board of the municipality adopts by a  
20 majority vote a resolution to place the question of issuing  
21 licenses, the county board shall cause a question to be placed  
22 on the ballot and submitted at the following primary, municipal  
23 or general election. The question shall be in the following  
24 form:

25 Do you favor the licensing and regulation of  
26 electronically monitored video gaming machines in certain  
27 liquor-licensed establishment in (name of municipality)  
28 in order to provide additional funding for senior  
29 citizens' programs, local schools, colleges and  
30 universities, local government operations?

1 The local referendum shall be held in accordance with the  
2 provisions of the Pennsylvania Election Code. If a majority of  
3 electors voting on the question vote "yes," licenses shall be  
4 issued by the secretary in the municipality; if a majority of  
5 the electors voting on the question vote "no," the secretary  
6 shall have no power to issue any licenses in that municipality  
7 unless and until at a later election a majority votes "yes" on  
8 the question.

9 Section 10. Authority to license.

10 (a) Types of license.--After approving the proper  
11 application, the department may issue the following licenses:

12 (1) A manufacturer's license may be issued to a person  
13 who manufactures or assembles limited electronic gaming  
14 machines for use in this Commonwealth. The annual fee shall  
15 be \$25,000. It shall be lawful for any person or company  
16 licensed as a manufacturer under this act to sell or offer to  
17 sell limited electronic gaming machines in this Commonwealth.

18 (2) A distributor's license may be issued to a person  
19 who buys or sells limited electronic gaming machines in this  
20 Commonwealth. The annual fee shall be \$25,000.

21 (3) A machine owner's license may be issued to a person  
22 who owns, services and maintains limited electronic gaming  
23 machines for placement in licensed establishments. The annual  
24 fee shall be \$500 for a vendor and \$10,000 for the first 50  
25 individual limited electronic gaming machine licenses. For  
26 each additional limited electronic gaming machine, the annual  
27 fee shall be \$250 per machine. Every limited electronic  
28 gaming machine in use in this Commonwealth shall have a  
29 current year's license displayed. Every limited electronic  
30 gaming machine licensed under this act must be manufactured

1 by a person or company licensed under this act. The  
2 department may require a surety bond from a licensed machine  
3 owner in an amount it determines to be consistent with its  
4 conclusion of financial stability of the machine owner, so as  
5 to avoid any monetary loss to the Commonwealth because of the  
6 activities of a licensed machine owner in the collection,  
7 distribution and deposit of limited electronic gaming  
8 revenues. The requirement for bonding may be requested of any  
9 person who may become a licensed machine owner. The  
10 department may also require a financial statement with  
11 respect to the financial character of a person who is the  
12 machine owner. In lieu of any surety bond which the  
13 department may require, it may also seek any other guarantee  
14 or surety consistent with the provisions of this act,  
15 including a blanket bond.

16 (4) No licensee shall be permitted to advertise gambling  
17 or use the word "gambling" in any promotional way, including  
18 flyers or other forms of advertisement.

19 (5) A licensed establishment shall also be required to  
20 obtain a licensed establishment limited electronic gaming  
21 license in order to have limited electronic gaming machines  
22 on its premises. This fee shall be in addition to any other  
23 license fee imposed by this act. The annual fee for the  
24 license shall be \$100 for each limited electronic gaming  
25 machine.

26 (b) Requirements.--The following requirements pertain to the  
27 issuance of limited electronic gaming licenses to licensed  
28 establishments:

29 (1) The maximum number of licensed establishment limited  
30 electronic gaming licenses authorized under this act shall be

1 equal to four licenses multiplied by the number of licensed  
2 establishments certified by the Pennsylvania Liquor Control  
3 Board on the effective date of this act.

4 (2) The department shall issue no more than four limited  
5 electronic gaming licenses to any one licensed establishment,  
6 except that, if 12 months following the date that the  
7 licenses are first issued there remain a number of unissued  
8 licenses, the department may issue additional limited  
9 electronic gaming licenses to licensed establishments up to  
10 the maximum number of limited electronic gaming licenses  
11 authorized under paragraph (1). The department shall  
12 promulgate rules and regulations pertaining to the issuance  
13 of additional limited electronic gaming licenses to licensed  
14 establishments under this act.

15 (c) Limitation on licenses.--No person, partnership or  
16 corporation may hold more than one type of license, directly or  
17 indirectly, or have any interest therein.

18 (d) Incentives prohibited.--A licensed machine owner who  
19 gives, or a licensed establishment which receives, an incentive  
20 commits a violation of this act.

21 Section 11. Collection and deposit of revenue.

22 (a) Collections to be made weekly.--The net revenue derived  
23 from a licensed limited electronic gaming machine shall be  
24 collected weekly by the licensed machine owner. All licensed  
25 machine owners shall deposit to the credit of the fund in a  
26 designated bank all moneys received by owners from the operation  
27 of licensed limited electronic gaming machines, less the amount  
28 specified in section 12 to be distributed to machine owners and  
29 to the licensed establishment where the machine is located. The  
30 licensed machine owner shall be responsible for distribution of

1 the percentage of net revenues due under section 12 to licensed  
2 establishments.

3 (b) Banks.--For purposes of this section, a designated bank  
4 shall mean a bank or banking association and trust company  
5 organized under the authority of the United States or the  
6 Commonwealth and which has been designated by the State  
7 Treasurer as a deposit facility for net revenues from limited  
8 electronic gaming. The designated bank shall maintain usual  
9 records of deposit and shall provide the department with a  
10 weekly statement of all limited electronic gaming transactions  
11 made during the immediately preceding week. The designated bank  
12 shall provide other services prescribed by the department. The  
13 department shall compensate the bank for services performed.

14 (c) Accountings to be filed monthly.--All licensed machine  
15 owners shall file each month with the department reports of  
16 their collections and deposits of net revenue derived from  
17 licensed limited electronic gaming machines. In addition, the  
18 following information shall be provided:

19 (1) The serial number of each limited electronic gaming  
20 machine electronic accounting device.

21 (2) The name and address of the premises where the  
22 machine is located.

23 (3) A computer printout taken directly from the  
24 electronic accounting device of each machine of the total  
25 coins and cash inserted into the machine, the value of  
26 winning tickets claimed by players, the total limited  
27 electronic gaming credits awarded by a limited electronic  
28 game, the payback percentage credited players of each limited  
29 electronic game and the net revenue of the machine.

30 (4) Any additional information prescribed by the

department.

Section 12. Disposition of revenue from limited electronic gaming machines.

(a) Municipality revenue.--The sum of \$1,000 per machine shall be paid to the municipality in which the machine is operated. These funds shall be derived from application fees and fines paid into the State Lottery Fund.

(b) Net revenues.--The net revenue derived from limited electronic gaming machines shall be allocated as follows:

(1) Thirty-three percent to the licensed machine owner.

(2) Thirty-three percent to the licensed establishment which is the location of the machine or machines.

(3) Thirty-three percent to the Commonwealth to be used for purposes set forth in subsection (d).

(4) One percent to be divided by formula among participating municipalities.

(c) Creation of Limited Electronic Gaming Fund.--Except for the percentage of net revenue allocated to licensed machine owners under subsection (b)(1) and the percentage of net revenue allocated to licensed establishments under subsection (b)(2), the net revenue derived from limited electronic gaming machines and deposited in designated banks shall be paid into a special fund to be known as the Limited Electronic Gaming Fund, which is hereby created and which shall be and shall remain in the custody of the State Treasurer.

(d) Semiannual transfers to program.--On January 1 and July 1 of each year, the State Treasurer shall transfer from the Limited Electronic Gaming Fund to the Pharmaceutical Assistance Contract for the Elderly Fund the amount of revenue necessary to pay the cost of the tier two program and any costs of the tier



1 one program not paid for by the State Lottery Fund. No moneys  
2 from the State Lottery Fund shall be used to create or expand  
3 any program not already funded with revenues from the State  
4 Lottery Fund on the effective date of this act unless such  
5 programs are approved by an affirmative vote of two-thirds of  
6 the members elected to the Senate and the House of  
7 Representatives.

8 (e) Annual transfers.--On January 1 of each year the State  
9 Treasurer shall transfer 20% of the moneys in the Limited  
10 Electronic Gaming Fund to fund basic education and 20% of the  
11 moneys in the Limited Electronic Gaming Fund to fund higher  
12 education through the State System of Higher Education. The sum  
13 of \$40,000,000 shall be set aside annually and appropriated for  
14 the purposes of Pennsylvania stadiums and indoor arenas.

15 (f) Other appropriations not affected.--Any and all  
16 appropriations from the fund shall be in addition to any and all  
17 appropriations contained in a general appropriation act for  
18 basic education purposes and higher education purposes and shall  
19 not be used as substitutes for appropriations made in a general  
20 appropriation act for those purposes.

21 Section 13. Administrative and other expenses.

22 (a) Disposition of collected fees and fines.--Except for the  
23 percentage of revenue prescribed under subsection (b), all  
24 revenue from license fees and fines collected by the department  
25 under this act shall be paid into the General Fund. The  
26 department shall receive an annual appropriation from the  
27 General Fund for salaries and for administrative expenses  
28 associated with carrying out the duties imposed under this act,  
29 including the costs of licensing, enforcement, revenue  
30 collection, reporting and other functions prescribed under this

1 act.

2 (b) Gaming Addiction Fund.--The Gaming Addiction Fund is  
3 hereby created. Two and one-half percent of the revenue  
4 collected by the department from license fees and fines shall be  
5 transferred annually to the Gaming Addiction Fund, which shall  
6 be administered by the Department of Health. The Department of  
7 Health shall distribute moneys from this fund throughout this  
8 Commonwealth to organizations involved in the treatment and  
9 rehabilitation of persons with gaming disorders in accordance  
10 with regulations to be adopted by the Department of Health.  
11 Transfers from the department to the Gaming Addiction Fund shall  
12 continue as long as revenue from limited electronic gaming  
13 license fees and fines exceeds the department's expenditures  
14 under subsection (a).

15 Section 14. Preemption of local taxes and license fees.

16 (a) Preemption.--Limited electronic gaming machines and  
17 coin-operated amusement machines shall be exempt from taxes  
18 levied under the act of August 5, 1932 (Sp.Sess., P.L.45,  
19 No.45), referred to as the Sterling Act, the act of December 31,  
20 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, or  
21 the act of April 13, 1972 (P.L.184, No.62), known as the Home  
22 Rule Charter and Optional Plans Law.

23 (b) Fees restricted.--Coin-operated amusement games,  
24 excluding limited electronic gaming machines, may be licensed by  
25 local political subdivisions, including home rule charter and  
26 optional plan municipalities, for a total of up to, but not  
27 exceeding, \$50 per machine per year. Political subdivisions  
28 shall receive compensation under this act in lieu of a license  
29 fee or tax.

30 Section 15. Existing machines.

1       (a) Exemption.--Machines manufactured and sold to machine  
2 owners or distributors prior to the effective date of this act  
3 shall conform to the manufacturing provisions of this act as the  
4 department shall deem necessary for the security and integrity  
5 of the machines. These machines shall be considered to have been  
6 manufactured, distributed, sold and used legally in this  
7 Commonwealth.

8       (b) Regulation of existing machines.--The department shall  
9 promulgate regulations providing for the registration of  
10 existing limited electronic gaming machines and for the  
11 collection and auditing of net revenue derived from existing  
12 machines.

13 Section 16. Exemption from State gambling laws.

14       Limited electronic gaming machines and their use shall be  
15 exempt from State gambling laws, including, but not limited to,  
16 18 Pa.C.S. § 5513 (relating to gambling devices, gambling,  
17 etc.).

18 Section 17. Exemption from Federal regulation.

19       The General Assembly declares that the Commonwealth is exempt  
20 from section 2 of the Gambling Devices Transportation Act (64  
21 Stat. 1134, 15 U.S.C. § 1172). Shipments of limited electronic  
22 gaming devices into this Commonwealth in compliance with  
23 sections 3 and 4 of the Gambling Devices Transportation Act (64  
24 Stat. 1134, 15 U.S.C. §§ 1173 and 1174) shall be deemed legal  
25 shipments into this Commonwealth.

26 Section 18. Effective date.

27       This act shall take effect immediately.