
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1609 Session of
2005

INTRODUCED BY DENLINGER, ARGALL, ARMSTRONG, BAKER, BALDWIN,
BARRAR, BASTIAN, BENNINGHOFF, BOYD, CALTAGIRONE, CAUSER,
CIVERA, CLYMER, CRAHALLA, CREIGHTON, DALLY, FAIRCHILD,
FLEAGLE, FREEMAN, GEIST, GEORGE, GINGRICH, GOODMAN, GRELL,
GRUCELA, HARRIS, HASAY, HENNESSEY, HERMAN, HERSHEY,
HICKERNELL, HUTCHINSON, KAUFFMAN, LEH, MACKERETH, MANN,
McILHATTAN, METCALFE, R. MILLER, S. MILLER, MUSTIO, NAILOR,
PHILLIPS, PICKETT, PISTELLA, PYLE, RAPP, READSHAW, REED,
REICHLEY, ROHRER, ROSS, RUBLEY, SATHER, SCAVELLO, SHAPIRO,
SOLOBAY, STERN, R. STEVENSON, T. STEVENSON, TIGUE, TRUE,
TURZAI, WHEATLEY AND WILT, JUNE 3, 2005

REFERRED TO COMMITTEE ON TOURISM AND RECREATIONAL DEVELOPMENT,
JUNE 3, 2005

AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated
2 Statutes, further providing for definitions, for Pennsylvania
3 Gaming Control Board established, for general and specific
4 powers, for collection of fees and fines, for slot machine
5 license fee, for Category 2 slot machine license, for
6 Category 3 slot machine license, for slot machine license
7 application, for slot machine license application business
8 entity requirements, for divestiture of disqualifying
9 applicant, for slot machine license application financial
10 fitness requirements, for alternative Category 1 licensing
11 standards, for conditional Category 1 licenses, for bond for
12 issuance of slot machine license, for supplier and
13 manufacturer licenses application, for alternative
14 manufacturer licensing standards, for public official
15 financial interest, for prohibited acts and penalties, for
16 duty to provide and for submission of fingerprints.

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

19 Section 1. The definition of "applicant" in section 1103 of
20 Title 4 of the Pennsylvania Consolidated Statutes is amended and

1 the section is amended by adding definitions to read:

2 § 1103. Definitions.

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

6 * * *

7 "Applicant." Any person, officer, director or key employee,
8 who on his own behalf or on behalf of another, is applying for
9 permission to engage in any act or activity which is regulated
10 under the provisions of this part. In cases in which the
11 applicant is a corporation, foundation, organization, business
12 trust, estate, limited liability company, trust, partnership,
13 limited partnership, association or any other form of legal
14 business entity, the Pennsylvania Gaming Control Board shall
15 determine the associated persons whose qualifications are
16 [necessary] required to be considered by the board as a
17 precondition to the licensing of the applicant. Unless otherwise
18 indicated, the term shall not include a person seeking an
19 occupation permit from the board.

20 * * *

21 "Bank" or "banking institution." A bank, savings bank,
22 savings institution, savings and loan association, thrift
23 institution, trust company or similar organization which is
24 organized or chartered under the laws of a state or of the
25 United States, is authorized to and receives deposits and is
26 supervised and examined by an official or agency of a state or
27 by the United States if its deposits are insured by the Federal
28 Deposit Insurance Corporation or a successor authorized by
29 Federal law.

30 * * *

1 "Licensee." A holder of a license pursuant to this part.

2 * * *

3 "Publicly traded corporation." A person that:

4 (1) has a class or series of securities registered under
5 the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.
6 § 78a et seq.);

7 (2) is a registered management company under the
8 Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. §
9 80a-1 et seq.); or

10 (3) is subject to the reporting obligations imposed by
11 section 15(d) of the Securities Exchange Act of 1934 by
12 reason of having filed a registration statement which has
13 become effective under the Securities Act of 1933 (48 Stat.
14 74, 15 U.S.C. § 77a et seq.).

15 * * *

16 "Underwriter." As defined in the act of December 5, 1972
17 (P.L.1280, No.284), known as the Pennsylvania Securities Act of
18 1972.

19 Section 2. Sections 1201, 1202, 1208, 1209(e), 1304(a),
20 1305(a), 1309, 1311, 1312, 1313, 1314, 1315, 1316, 1317, 1319,
21 1512, 1518, 1801 and 1802 of Title 4 are amended to read:

22 § 1201. Pennsylvania Gaming Control Board established.

23 (a) Board established.--There is established an independent
24 administrative board to be known as the Pennsylvania Gaming
25 Control Board, which shall be implemented as set forth in this
26 section.

27 (b) Membership.--The board shall consist of the following
28 members, who shall serve a set term and may not be removed
29 except for good cause:

30 (1) Three members appointed by the Governor, each being

1 referred to as a "gubernatorial appointee."

2 (2) One member appointed by each of the following
3 legislative caucus leaders, each being referred to as a
4 "legislative appointee":

5 (i) The President pro tempore of the Senate.

6 (ii) The Minority Leader of the Senate.

7 (iii) The Speaker of the House of Representatives.

8 (iv) The Minority Leader of the House of
9 Representatives.

10 (c) Initial appointments to board.--

11 (1) Gubernatorial appointee members initially appointed
12 under subsection (b)(1) shall serve an initial term of one,
13 two and three years respectively as designated by the
14 Governor at the time of appointment and until their
15 successors are appointed and qualified.

16 (2) Legislative appointee members initially appointed
17 under subsection (b)(2) shall serve until the third Tuesday
18 in January 2007 and until their successors are appointed and
19 qualified.

20 (3) Any appointment to fill a vacancy shall be for the
21 unexpired term. Members so appointed to fill the unexpired
22 term of an initial appointee shall be subject to the
23 provisions of subsection (d).

24 (d) Appointments after expiration of initial term or upon
25 vacancy.--Upon the expiration of a term of a member appointed
26 under this subsection or upon the existence of a vacancy of a
27 member appointed pursuant to subsection (c) or this subsection,
28 the appointing authority shall appoint a member subject to the
29 following:

30 (1) For a gubernatorial appointment under subsection

1 (b)(1), the term shall be for three years and until a
2 successor is appointed and qualified.

3 (2) Terms for legislative appointee members appointed
4 under subsection (b)(2) shall be for a two-year term and
5 shall expire on the third Tuesday of January of such year,
6 but such members shall continue to serve until their
7 successors are appointed and qualified.

8 (3) No legislative appointee member shall serve more
9 than three full successive terms.

10 (4) No gubernatorial appointee member shall serve more
11 than two full successive terms.

12 (5) An appointment to fill a vacancy shall be for the
13 remainder of the unexpired term.

14 (e) Ex officio members.--The Secretary of Revenue, the
15 Secretary of Agriculture and the State Treasurer shall serve on
16 the board as nonvoting ex officio members of the board.

17 (f) Qualified majority vote.--

18 (1) Except as permitted in paragraphs (2) and (3), any
19 action, including, but not limited to, the approval,
20 issuance, denial or conditioning of any license by the board
21 under this part or the making of any order or the
22 ratification of any permissible act done or order made by one
23 or more of the members, shall require a qualified majority
24 vote consisting of at least one gubernatorial appointee and
25 the four legislative appointees.

26 (2) Any action to suspend or revoke, not renew, void or
27 require forfeiture of a license or permit issued under this
28 part, to impose any administrative fine or penalty under this
29 part or to issue cease and desist orders or similar
30 enforcement actions shall require a majority vote of all the

1 members appointed to the board.

2 (3) Notwithstanding any other provision to the contrary,
3 a member shall disclose the nature of his disqualifying
4 interest, disqualify himself and abstain from voting in a
5 proceeding in which his or her impartiality may be reasonably
6 questioned, including, but not limited to, instances where he
7 or she knows that they or a member of their immediate family
8 possess a [substantial financial] direct or indirect
9 financial, property, leasehold, ownership or other beneficial
10 interest in the subject matter of the proceeding or any other
11 interest that could be substantially affected by the outcome
12 of the proceeding. In such circumstances in which it is a
13 legislative appointee member that has disqualified himself or
14 herself, the qualified majority shall consist of the
15 remaining three legislative appointees and at least two
16 gubernatorial appointees. For purposes of this paragraph, the
17 term "immediate family" shall mean spouse, parent, brother,
18 sister or child.

19 (g) Background investigation.--Appointees shall be subject
20 to a background investigation conducted by the Pennsylvania
21 State Police in accordance with this part.

22 (h) Qualifications and restrictions.--

23 (1) Each member at the time of appointment shall be at
24 least 25 years of age and shall have been a resident of this
25 Commonwealth for a period of at least one year immediately
26 preceding appointment. Each member shall continue to remain a
27 resident of this Commonwealth during the term of membership
28 on the board.

29 (2) Except for ex officio members, no person shall be
30 appointed a member of the board or hold any place, position

1 or office under the board if that person [holds any other
2 elected office or party office] is a public official or party
3 officer as defined in section 1512 (relating to public
4 official financial interest) in this Commonwealth or any of
5 its political subdivisions.

6 [(3) No member, appointee, employee or official shall
7 hold any office or employment position, the duties of which
8 are incompatible with the duties of the office.]

9 (4) No member, [employee,] appointee or [official]
10 employee engaged in the service of [or in any manner
11 connected with] the board shall hold any office or employment
12 position, [or be engaged in any employment or vocation,] the
13 duties of which are incompatible with employment in the
14 service [of or in connection with the work] of the board.

15 (5) No member shall be paid or accept for any service
16 connected with the office any fee other than the salary and
17 expenses provided by law. Nothing in this part shall prohibit
18 a member from engaging in any employment or vocation or
19 receiving any compensation for such employment or vocation
20 that is not [otherwise] connected to or incompatible with his
21 or her service as a member of the board.

22 (6) No member, [employee,] appointee or [official]
23 employee engaged in the service of the board shall
24 participate in any hearing or proceeding in which that person
25 or an immediate family member thereof has any direct or
26 indirect [pecuniary interest.] financial, property,
27 leasehold, ownership or other beneficial interest in the
28 subject matter of the hearing or proceeding or any other
29 interest that could be substantially affected by the subject
30 matter of the hearing or proceeding, without first fully

1 disclosing the nature of the interest to the board and to all
2 other persons participating in the hearing or proceeding. For
3 purposes of this paragraph, the term "immediate family
4 member" shall mean spouse, parent, stepparent, brother,
5 sister, child or stepchild.

6 (7) At the time of appointment and annually thereafter,
7 each member shall disclose the existence of all [ownership
8 interests in licensed facilities and all securities in any
9 licensed entity or applicant, its affiliates or subsidiaries
10 held by the member, the member's spouse and any minor or
11 unemancipated children and must divest such ownership
12 interests in licensed facilities or securities prior to an
13 appointment becoming final. A member may not acquire any
14 security in any licensed entity, its affiliates or
15 subsidiaries during the member's tenure.] financial,
16 property, leasehold, ownership or other beneficial interest
17 in any slot machine license applicant, manufacturer license
18 applicant, supplier license applicant, licensed entity or
19 licensed facility and in any holding companies, affiliates,
20 intermediaries or subsidiary businesses thereof which are
21 held by the member or the member's immediate family. The
22 disclosure statement shall be filed with the executive
23 director of the board and with the appointing authority for
24 such member and shall be open to inspection by the public at
25 the office of the board during the normal business hours of
26 the board [during the tenure of the member] for the duration
27 of the member's tenure on the board and for two years after
28 the member leaves office. Prior to the member's appointment
29 becoming final, any financial, property, leasehold, ownership
30 or other beneficial interest in any slot machine license

1 applicant, manufacturer license applicant, supplier license
2 applicant, licensed entity or licensed facility and in any
3 holding companies, affiliates, intermediaries or subsidiary
4 businesses thereof owned or held by the member or the
5 member's immediate family must be divested. For the duration
6 of the member's tenure and for one year thereafter, the
7 member and the member's immediate family may not acquire by
8 purchase, gift, exchange or otherwise any financial,
9 property, leasehold, ownership or other beneficial interest
10 in any slot machine license applicant, manufacturer license
11 applicant, supplier license applicant, licensed entity,
12 licensed facility or in any holding companies, affiliates,
13 intermediaries or subsidiary businesses thereof. As used in
14 this paragraph, the term "financial interest" shall mean
15 owning or holding or being deemed to hold debt or equity
16 securities or any other ownership interest or profits
17 interest in a slot machine license applicant, manufacturer
18 license applicant, supplier license applicant, licensed
19 entity, licensed facility or any holding company, affiliate,
20 intermediary or subsidiary business thereof, and the terms
21 "equity" and "immediate family" shall have the same meanings
22 given to them in section 1512.

23 (8) Every member, [employee,] appointee or [official]
24 employee engaged in the service of [or in connection with the
25 work of] the board, is forbidden, directly or indirectly, to
26 solicit or request from or to suggest or recommend to any
27 applicant, licensed entity, [its] licensed facility, or
28 affiliate, intermediary[,] subsidiary[,] or holding company
29 or to any officer, attorney, agent or employee thereof the
30 appointment of any individual to any office, place or

1 position [in] with or the employment of any individual in any
2 capacity by the applicant, licensed entity, [its] licensed
3 facility, or holding company, affiliate, intermediary[,] or
4 subsidiary [or holding company.] business thereof.

5 (9) Every member[,] or executive-level employee[,]
6 appointee or official appointed to office in the service of
7 or in connection with the work] engaged in the service of the
8 board is prohibited from accepting employment with any
9 applicant, licensed [gaming entity, its affiliate,
10 intermediary, subsidiary or holding company] entity, licensed
11 facility or holding company, affiliate, intermediary or
12 subsidiary business thereof for a period of one year from the
13 termination of employment or service with the board. [Every
14 member, executive-level employee, appointee or official
15 appointed to office in the service of or in connection with
16 the work of the board]

17 (9.1) Every member, appointee or executive-level
18 employee engaged in the service of the board is prohibited
19 from appearing before the board on behalf of any applicant,
20 licensed [gaming entity, its affiliate, intermediary,
21 subsidiary or holding company or] entity, licensed facility
22 or holding company, affiliate, intermediary or subsidiary
23 business thereof or any other licensee or permittee [of the
24 board] for a period of two years after terminating employment
25 or service with the board.

26 (10) If any [person employed or appointed] member,
27 appointee or employee engaged in the service of the board
28 violates any provision of this section, the appointing
29 authority or the board shall, upon notice of said violation,
30 forthwith remove the person from the board, withdraw the

1 person's appointment or terminate the person's employment or
2 office [or employment], and the person shall be ineligible
3 for future appointment, employment or service with the board
4 [and], and any such person shall be ineligible to be approved
5 for any license or permit under this part for a period of two
6 years thereafter.

7 (11) No member [or employee], appointee or employee
8 engaged in the service of the board shall wager or be paid
9 any prize from any wager at any licensed facility within this
10 Commonwealth or at any other facility outside this
11 Commonwealth which is owned or operated by a licensed gaming
12 entity or any of its [affiliates or subsidiaries.] holding
13 companies, affiliates, intermediaries or subsidiary
14 businesses for the duration of their employment or service
15 with the board and for a period of one year from the
16 termination of employment or service with the board.

17 (12) A member of the board who during his term has been
18 convicted [during his term] in any domestic or foreign
19 jurisdiction of a felony, crime of moral turpitude or
20 gambling offense shall, upon conviction, be automatically
21 removed from the board and shall be ineligible to become a
22 board member in the future. If an ex officio member of the
23 board is convicted during his term in any domestic or foreign
24 jurisdiction of a felony, crime of moral turpitude or
25 gambling offense, the ex officio member shall, upon
26 conviction, be automatically removed from the board, and the
27 person holding the next-highest ranking position in the
28 office or department shall serve the remainder of the ex
29 officio member's term on the board.

30 (13) In addition to any other prohibition or restriction

1 contained in this part, no employee of the Commonwealth or
2 any of its political subdivisions, including an employee of
3 the Pennsylvania State Police, the Department of Revenue and
4 the Office of Attorney General, who has been designated by
5 their employer as an employee whose duties substantially
6 involve the investigation or enforcement of this part shall:

7 (i) accept employment with any applicant, licensed
8 entity, licensed facility or holding company, affiliate,
9 intermediary or subsidiary business thereof for a period
10 of one year from the termination of employment or
11 reassignment; or

12 (ii) wager or be paid any prize from any wager at
13 any licensed facility within this Commonwealth or at any
14 other facility outside this Commonwealth which is owned
15 or operated by a licensed gaming entity or any of its
16 holding companies, affiliates, intermediaries or
17 subsidiary businesses for a period of one year from the
18 termination of employment or reassignment.

19 Each department or agency of this Commonwealth or any of its
20 political subdivisions shall determine whether the duties of
21 any of its positions substantially involve the enforcement or
22 investigation of this part and shall so notify each employee
23 holding or taking such a position of this determination and
24 of the resultant prohibition contained in this paragraph.

25 (i) Compensation.--The Executive Board as established in the
26 act of April 9, 1929 (P.L.177, No.175), known as The
27 Administrative Code of 1929, shall establish the compensation of
28 the members appointed pursuant to this section. Members shall be
29 reimbursed for all necessary and actual expenses.

30 (j) Chairman.--The chairman of the board shall be selected

1 by the Governor.

2 (k) Appointments.--The appointing authorities shall make
3 their initial appointments within 60 days of the effective date
4 of this part. No appointment shall be final until receipt by the
5 appointing authority of the required background investigation of
6 the appointee by the Pennsylvania State Police which shall be
7 completed within 30 days. No person who has been convicted in
8 any domestic or foreign jurisdiction of a felony or gambling
9 offense shall be appointed to the board.

10 (l) [Disclosure statements] Conflict of interest.--Members
11 and employees of the board are subject to the provisions of 65
12 Pa.C.S. Ch. 11 (relating to ethics standards and financial
13 disclosure) and the act of July 19, 1957 (P.L.1017, No.451),
14 known as the State Adverse Interest Act.

15 (m) Liability.--Members of the board shall not be liable
16 personally on any obligations of the board.

17 § 1202. General and specific powers.

18 (a) General powers.--The board shall have general
19 jurisdiction over all gaming activities or related activities as
20 described in this part. The board shall be responsible to ensure
21 the integrity of the acquisition and operation of slot machines
22 and associated equipment and shall have jurisdiction over every
23 aspect of the authorization and operation of slot machines. The
24 board shall employ an executive director, chief counsel,
25 deputies, secretaries, officers, hearing officers and agents as
26 it may deem necessary, who shall serve at the board's pleasure.
27 One such secretary hired by the board shall be designated by the
28 board to certify all actions of the board and shall make and
29 keep all files and records of proceedings before it. The board
30 shall also employ other employees as it deems appropriate whose

1 duties shall be determined by the board. In order to ensure the
2 ability of the board to recruit and retain individuals necessary
3 to execute its responsibilities under this part, the board shall
4 set the classification and compensation of its employees and
5 shall not be subject to the provisions of the act of April 9,
6 1929 (P.L.177, No.175), known as The Administrative Code of
7 1929, as to classification and compensation for its employees
8 and conduct its activities consistent with the practices and
9 procedures of Commonwealth agencies. For the purposes of the act
10 of October 15, 1980 (P.L.950, No.164), known as the Commonwealth
11 Attorneys Act, the board shall not be considered an executive or
12 independent agency. The board shall have such other powers and
13 authority necessary to carry out its duties and the objectives
14 of this part.

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

17 (1) To require background investigations on prospective
18 or existing employees engaged in the service of the board and
19 on applicants, licensees, permittees or persons holding a
20 controlling interest in any [prospective or existing]
21 applicant, licensee or permittee [under] within the
22 jurisdiction of the board pursuant to this part.

23 (2) To enter into an agreement with the Pennsylvania
24 State Police for the reimbursement of actual costs as
25 approved by the board to the Pennsylvania State Police for
26 the investigations. Investigations shall include information
27 in the possession of the Attorney General.

28 (3) For purposes of [the] background [investigation]
29 investigations, the board may receive information otherwise
30 protected by 18 Pa.C.S. Ch. 91 (relating to criminal history

1 record information).

2 (4) At its discretion, to issue, approve, renew, revoke,
3 suspend, condition or deny issuance or renewal of slot
4 machine licenses[.], including, but not limited to,
5 violations of sections 1328 (relating to change in ownership
6 or control of slot machine licensee) and 1330 (relating to
7 multiple slot machine license prohibition).

8 (5) At its discretion, to issue, approve, renew, revoke,
9 suspend, condition or deny issuance or renewal of supplier
10 and manufacturer licenses.

11 (6) At its discretion, to issue, approve, renew, revoke,
12 suspend, condition or deny issuance or renewal of occupation
13 permits.

14 (7) At its discretion, to issue, approve, renew, revoke,
15 suspend, condition or deny issuance or renewal of any
16 additional licenses or permits which may be required by the
17 board under this part or by [regulation, including, but not
18 limited to, violations of sections 1328 (relating to change
19 in ownership or control of slot machine licensee) and 1330
20 (relating to multiple slot machine license prohibition).]
21 regulations adopted by the board.

22 (8) At its discretion, to suspend, condition or deny the
23 issuance or renewal of any license or permit or levy fines or
24 other sanctions against an applicant, licensee or permittee
25 for any violation of this part.

26 (9) To require prospective and existing employees
27 engaged in the service of the board and applicants for
28 licenses and permits to submit to fingerprinting by the
29 Pennsylvania State Police. The Pennsylvania State Police
30 shall submit the fingerprints to the Federal Bureau of

1 Investigation for purposes of verifying the identity of the
2 employees or applicants and obtaining records of criminal
3 arrests and convictions.

4 (10) In addition to the power of the board regarding
5 [license and permit] applicants for licenses and permits, to
6 determine at its discretion the suitability of any person who
7 furnishes or seeks to furnish to a slot machine licensee
8 directly or indirectly any services or property related to
9 slot machines or associated equipment or through any
10 arrangements under which that person receives payment based
11 directly or indirectly on earnings, profits or receipts from
12 the slot machines and associated equipment. The board may
13 require any such person to comply with the requirements of
14 this part and the regulations of the board, including
15 fingerprinting and background investigations, and may
16 prohibit the person from furnishing the services or
17 property[.] and if the person is an applicant, licensee or
18 permittee, may levy fines or other sanctions upon the person
19 for any act which the board deems inconsistent with a
20 decision or order of the board pursuant to this paragraph or
21 with any regulations of the board adopted in furtherance
22 thereof.

23 (10.1) In its discretion, to levy fines or other
24 sanctions against any applicant, licensee or permittee who
25 possesses, uses, sells or offers for sale any device,
26 equipment or material subject to this part in any manner
27 which constitutes a violation of this part or regulations
28 adopted by the board.

29 (11) As a board and through its designated officers,
30 employees or agents, to administer oaths, examine witnesses

1 and issue subpoenas to compel attendance of witnesses and
2 production of all relevant and material reports, books,
3 papers, documents and other evidence.

4 (12) Within six months after the effective date of this
5 part, in a manner that does not impede the immediate
6 implementation of the duties and responsibilities of the
7 board under this part during the immediate two years after
8 the effective date of this part, to develop and implement an
9 affirmative action plan to assure that all persons are
10 accorded equality of opportunity in employment and
11 contracting by the board, its contractors, subcontractors,
12 assignees, lessees, agents, vendors and suppliers.

13 (13) Except for contracts related to the central control
14 computer and such other contracts as the board, in
15 consultation with the Secretary of General Services,
16 determines would result in substantial savings to the board
17 if entered into for a longer period than provided in this
18 paragraph, all contracts entered into by the board during the
19 two-year period following the effective date of this part
20 shall not exceed a term of two years.

21 (14) To promulgate rules and regulations the board deems
22 necessary to carry out the policy and purposes of this part
23 and to enhance the credibility and the integrity of the
24 licensed operation of slot machines and associated equipment
25 in this Commonwealth.

26 (15) The board shall not issue or renew a license or
27 permit unless it is satisfied that the applicant, licensee or
28 permittee is a person of good character, honesty and
29 integrity and is a person whose prior activities, criminal
30 record, if any, reputation, habits and associations do not

1 pose a threat to the public interest or the effective
2 regulation and control of slot machine operations or create
3 or enhance the danger of unsuitable, unfair or illegal
4 practices, methods and activities in the conduct of slot
5 machine operations or the carrying on of the business and
6 financial arrangements incidental thereto.

7 (16) Notwithstanding any other provision of law, the
8 board is authorized to sell, in whole or in part, the
9 Commonwealth's right, title and interest in State gaming
10 receipts to an authority created by the Commonwealth. The
11 sale shall be subject to the terms and conditions contained
12 in agreements between the board and the authority. Proceeds
13 from the sale of State gaming receipts shall be allocated and
14 used in the manner otherwise provided by this part for the
15 distribution of State gaming receipts. The authority created
16 by the Commonwealth is authorized to purchase State gaming
17 receipts upon terms and conditions agreed to by the board and
18 to issue bonds to fund the purchase of State gaming receipts
19 in the manner provided for the issuance of authority
20 indebtedness in the law establishing the authority. The State
21 Treasurer is authorized and directed to enter into any
22 agreements with the board and the authority and establish
23 accounts and funds, that shall not be in the State Treasury,
24 as the authority may direct as being necessary or appropriate
25 to effect the sale of State gaming receipts to the authority
26 and the collection and transfer of the State gaming receipts
27 sold to the authority. State gaming receipts sold to the
28 authority shall be the property of the authority and shall
29 not be the property of the Commonwealth.

30 (17) To create a Bureau of Investigations and

1 Enforcement within the board. The board shall promulgate
2 regulations pertaining to the operation of the bureau which
3 shall insure separation of functions between the bureau and
4 the board. The board shall provide the employees necessary to
5 the bureau for enforcement of this part.

6 (18) To enter into an agreement with the district
7 attorneys of the counties wherein licensed facilities are
8 located and the Office of Attorney General for the
9 reimbursement of actual costs for prosecutions of criminal
10 violations of this part.

11 (19) To publish each January in the Pennsylvania
12 Bulletin a complete list of all persons or entities who
13 applied for or held a slot machine license, manufacturer
14 license or supplier license at any time during the preceding
15 calendar year and all holding companies, affiliates,
16 intermediaries and subsidiary companies thereof and a
17 complete list of all licensed facilities at which an
18 applicant proposed to operate slot machines or at which a
19 licensee operated slot machines in the preceding calendar
20 year and all holding companies, affiliates, intermediaries
21 and subsidiary companies thereof.

22 (20) To issue to any individual upon such individual's
23 request an advisory opinion with respect to whether the
24 individual is an executive-level public employee or whether
25 the individual's duties substantially involve the
26 investigation or enforcement of this part. No individual who
27 acts in good faith on an opinion issued to such individual
28 shall be subject to any penalties for so acting, provided
29 that the material facts are as stated in the individual's
30 request for an opinion.

1 (21) To adopt a seal bearing the inscription:
2 "Pennsylvania Gaming Control Board." The seal shall be
3 affixed to or imprinted on all orders, licenses and permits
4 issued by it and such other instruments as the board directs.
5 All courts shall take judicial notice of the seal.

6 § 1208. Collection of fees and fines.

7 The board has the following powers and duties:

8 (1) To levy and collect fees from the various
9 applicants, licensees and permittees to fund the operations
10 of the board. The fees shall be deposited into the State
11 Gaming Fund as established in section 1403 (relating to
12 establishment of State Gaming Fund and net slot machine
13 revenue distribution). In addition to the fees set forth in
14 sections 1209 (relating to slot machine license fee) and 1305
15 (relating to Category 3 slot machine license), the board
16 shall assess and collect fees as follows:

17 (i) Supplier licensees shall pay a fee of \$25,000
18 upon the issuance of a license and \$10,000 for the annual
19 renewal of a supplier license.

20 (ii) Manufacturer licensees shall pay a fee of
21 \$50,000 upon the issuance of a license and \$25,000 for
22 the annual renewal of a manufacturer license.

23 (iii) Each application for a slot machine license,
24 supplier license or manufacturer license must be
25 accompanied by a nonrefundable fee set by the board for
26 the cost of each individual requiring a background
27 investigation. The reasonable and necessary costs and
28 expenses incurred in any background investigation or
29 other investigation or proceeding concerning any
30 applicant, licensee or permittee shall be reimbursed to

the board by [those persons.] the respective applicant,
licensee or permittee.

(2) [To] Except as otherwise provided in this part, to
provide for the assessment and collection of fines and
penalties for violations of this part. All fines and
penalties shall be credited for deposit to the General Fund.
Two years following enactment of this part, the board shall
have the authority to increase each year any fee, charge[,
cost or administrative penalty] or cost, but not any criminal
fine or penalty, provided in this part by an amount not to
exceed an annual cost-of-living adjustment calculated by
applying the percentage change in the Consumer Price Index
for All Urban Consumers (CPI-U) for the Pennsylvania, New
Jersey, Delaware and Maryland area for the most recent 12-
month period for which figures have been officially reported
by the United States Department of Labor, Bureau of Labor
Statistics, immediately prior to the date the adjustment is
due to take effect.

§ 1209. Slot machine license fee.

* * *

(e) Change of ownership or control of a license.--In the
event that the ownership or control of a slot machine licensee
or [its affiliate, intermediary, subsidiary or holding company]
a holding company, affiliate, intermediary or subsidiary
business thereof, is changed as described in section 1328
(relating to change in ownership or control of slot machine
licensee), the new owner shall be entitled to the full remaining
amount of the credit set forth in subsection (c) or the return
of the license fee in accordance with subsection (f) as if the
new owner or controlling interest was the original licensee.

1 * * *

2 § 1304. Category 2 slot machine license.

3 (a) Eligibility.--A person may be eligible to apply for a
4 Category 2 license if the applicant[, its affiliate,
5 intermediary, subsidiary or holding company] or a holding
6 company, affiliate, intermediary or subsidiary thereof is not
7 otherwise eligible to apply for a Category 1 license and the
8 person is seeking to locate a licensed facility in a city of the
9 first class, a city of the second class or a revenue- or
10 tourism-enhanced location. It shall not be a condition of
11 eligibility to apply for a Category 2 license to obtain a
12 license from either the State Horse Racing Commission or the
13 State Harness Racing Commission to conduct thoroughbred or
14 harness race meetings respectively with pari-mutuel wagering.

15 * * *

16 § 1305. Category 3 slot machine license.

17 (a) Eligibility.--A person may be eligible to apply for a
18 Category 3 license if the applicant[, its affiliate,
19 intermediary, subsidiary or holding company] or a holding
20 company, affiliate, intermediary or subsidiary business thereof
21 has not applied for or been approved or issued a Category 1 or 2
22 license and the person is seeking to locate a Category 3
23 licensed facility in a well-established resort hotel having no
24 fewer than 275 guest rooms under common ownership and having
25 substantial year-round recreational guest amenities. The
26 applicant for a Category 3 license shall be the owner or be a
27 wholly owned subsidiary of the owner of the established resort
28 hotel. A Category 3 license may only be granted upon the express
29 condition that an individual may not enter a gaming area of the
30 licensee if the individual is not a registered overnight guest

1 of the established resort hotel or if the individual is not a
2 patron of one or more of the amenities provided by the
3 established resort hotel.

4 * * *

5 § 1309. Slot machine license application.

6 (a) General requirements.--In addition to any other
7 information required under this part or as may be required by
8 the board, the application for any category of slot machine
9 license shall include at a minimum:

10 (1) The name, address, photograph and handwriting
11 exemplar of the applicant and of all directors and owners and
12 key employees and their positions within the corporation or
13 organization, as well as any additional financial information
14 required by the board.

15 (1.1) A specific description of the site of the proposed
16 licensed facility, including the names and addresses of any
17 person or entity holding a financial, property, leasehold,
18 ownership or other beneficial interest in the licensed
19 facility and any holding company, affiliate, intermediary or
20 subsidiary business thereof.

21 (2) The proposed location of the slot machine areas, if
22 known.

23 (3) The number of slot machines requested.

24 (4) A current tax lien certificate issued by the
25 department.

26 (5) In those instances where additional slot machines
27 are being requested, the justification and explanation for
28 the number and proposed location of the slot machine areas
29 within the confines of the licensed facility.

30 (6) The current status of the horse or harness racing

1 license issued pursuant to the Race Horse Industry Reform
2 Act, if any.

3 (7) The details of any gaming, slot machine or casino
4 license applied for, granted to or denied to the applicant by
5 other jurisdictions where such form of gaming is legal, and
6 the consent for the board to acquire copies of applications
7 submitted or licenses issued in connection therewith.

8 (8) The details of any loans obtained from a financial
9 institution or not obtained from a financial institution.

10 (9) The consent to conduct a background investigation by
11 the board, the scope of which shall be determined by the
12 board in its discretion consistent with the provisions of
13 this part, and a release signed by all persons subject to the
14 investigation of all information required to complete the
15 investigation.

16 (10) Any other information determined to be appropriate
17 by the board.

18 (b) Refusal to cooperate.--Any refusal to provide the
19 information required under this section or to consent to a
20 background investigation shall result in the immediate denial of
21 a license or permit.

22 § 1311. Slot machine license application business entity
23 requirements.

24 (a) Key employee requirement qualification.--No corporation
25 or any other legal business entity shall be eligible to hold a
26 slot machine license unless the following would individually be
27 qualified for licensure as a key employee: each officer; each
28 director; each person who [directly or indirectly] holds any
29 direct or indirect financial, property, leasehold, ownership or
30 other beneficial interest [or ownership of the securities] in

1 the entity[;], other than a bank which makes a loan or holds a
2 mortgage or other lien acquired in the ordinary course of
3 business; each person who in the opinion of the board has the
4 ability to control the entity, has a controlling interest or
5 elects a majority of the board of directors of that corporation
6 or business entity, other than a [banking or other licensed
7 lending institution] bank which makes a loan or holds a mortgage
8 or other lien acquired in the ordinary course of business; each
9 key employee; each lender, other than a [banking or other
10 licensed lending institution] bank which makes a loan or holds a
11 mortgage or other lien acquired in the ordinary course of
12 business; each underwriter; each agent; each employee of the
13 corporation or entity and each other person whom the board may
14 consider appropriate for approval or qualification. The board
15 may waive compliance with the provisions of this subsection on
16 the part of a publicly traded corporation as to a person
17 directly or indirectly holding [ownership of securities of] or
18 being deemed to be holding debt or equity securities of or other
19 financial interest in such corporation where the board is
20 satisfied that the security holder is not significantly involved
21 in the activities of the corporation and does not have the
22 ability to control the corporation or elect one or more
23 directors thereof.

24 (b) Slot machine license qualification requirement.--No
25 corporation or any other legal business entity [or other form of
26 business organization which is a subsidiary] shall be eligible
27 to receive or hold a slot machine license unless each [holding
28 and intermediary company with respect thereto:] holding company,
29 affiliate, intermediary or subsidiary business thereof:

30 (1) if it is a corporation [or other legal business

entity, shall comply], complies with the provisions of subsection (a) as if said holding [or intermediary company] company, affiliate, intermediary or subsidiary business thereof were itself applying for a slot machine license. The board may waive compliance with the provisions of subsection (a) on the part of a publicly traded corporation which is a holding company as to any officer, director, lender, underwriter, agent or employee thereof, or person directly or indirectly holding a financial, property, leasehold, ownership or other beneficial interest [or ownership of the securities of] in such corporation, where the board is satisfied that such officer, director, lender, underwriter, agent or employee is not significantly involved in the activities of the corporate licensee and in the case of the security holder does not have the ability to control or possess a controlling interest in the holding company or elect one or more directors thereof; or

(2) if it is not a corporation, [shall comply] complies with the provisions of subsection (c) as if said [company] holding company, affiliate, intermediary or subsidiary business thereof were itself applying for a slot machine license. The board may waive compliance with the provisions of subsection (c) on the part of a noncorporate business organization which is a holding company as to any person who directly or indirectly holds any financial, property, leasehold or other beneficial interest or ownership in such company when the board is satisfied that such person does not have the ability to control the company.

(c) Noncorporate applicant requirement.--Any noncorporate applicant for a slot machine license shall provide the

1 information required in this section in such form as may be
2 required by the board. No such applicant shall be eligible to
3 hold a slot machine license unless each person who [directly or
4 indirectly] holds any direct or indirect financial, property,
5 leasehold or other beneficial interest [or ownership] in the
6 applicant, [or] other than a bank which makes a loan or holds a
7 mortgage or other lien acquired in the ordinary course of
8 business, or who has the ability to control the applicant or
9 whom the board may consider appropriate for approval or
10 qualification, would individually be qualified for approval as a
11 key employee pursuant to the provisions of this part.

12 (d) Definition.--As used in this section, the term
13 "financial interest" shall mean owning or holding or being
14 deemed to hold debt or equity securities or any other ownership
15 interest or profits interest in an applicant or any holding
16 company, affiliate, intermediary or subsidiary business thereof;
17 and the term "equity" shall have the same meaning given to it in
18 section 1512 (relating to public official financial interest).
19 § 1312. Divestiture of disqualifying [applicant] person.

20 [In the event that any slot machine license application is
21 not approved by the board based on a finding that an individual
22 who is a principal or has an interest in the person applying for
23 the license does not meet the character requirements of section
24 1310 (relating to slot machine license application character
25 requirements) or any of the eligibility requirements under this
26 part, or a person who purchases a controlling interest in a
27 licensed gaming entity in violation of section 1328 (relating to
28 change in ownership or control of slot machine licensee), the
29 board may afford the individual the opportunity to completely
30 divest his interest in the person, its affiliate, intermediary,

1 subsidiary or holding company seeking the license and, after
2 such divestiture, reconsider the person's or applicant's
3 suitability for licensure in an expedited proceeding and may,
4 after such proceeding, issue the person or applicant a slot
5 machine license. The board shall approve the terms and
6 conditions of any divestiture under this section. Under no
7 circumstances shall any divestiture be approved by the board if
8 the compensation for the divested interest exceeds the cost of
9 the interest.]

10 In the event that the board:

11 (1) does not approve a slot machine license application
12 based on a finding that an individual who is a principal or
13 has an interest in the applicant does not meet the character
14 requirements of section 1310 (relating to slot machine
15 license application character requirements) or any of the
16 other eligibility requirements under this part; or

17 (2) determines that a person who purchases a controlling
18 interest in a licensed gaming entity does so in violation of
19 section 1328 (relating to change in ownership or control of
20 slot machine licensee) or fails to meet the other eligibility
21 requirements under this part;

22 the board may afford the individual or person the opportunity to
23 completely divest his interest in the applicant seeking the
24 license or slot machine license or licensed gaming entity or
25 holding company, affiliate, intermediary or subsidiary business
26 thereof and, after such divestiture, reconsider the person's or
27 applicant's suitability for licensure in an expedited proceeding
28 and may, after such proceeding, issue the person or applicant a
29 slot machine license. The board shall determine whether the
30 terms and conditions of any proposed divestiture pursuant to

1 this section satisfies the concerns raised by the board with
2 respect to the applicant and whether to approve the terms and
3 conditions of the divestiture. Under no circumstances shall any
4 divestiture be approved by the board if the compensation to the
5 individual for the divested interest exceeds the cost of the
6 interest.

7 § 1313. Slot machine license application financial fitness
8 requirements.

9 (a) Applicant financial information.--The board shall
10 require each applicant for a slot machine license to produce the
11 information, documentation and assurances concerning financial
12 background and resources as the board deems necessary to
13 establish to the board by clear and convincing evidence the
14 financial stability, integrity and responsibility of the
15 applicant[, its affiliate, intermediary, subsidiary or holding
16 company,] and any holding company, affiliate, intermediary or
17 subsidiary business thereof, including, but not limited to, bank
18 references, business and personal income and disbursement
19 schedules, tax returns and other reports filed with governmental
20 agencies, and business and personal accounting and check records
21 and ledgers. In addition, each applicant shall in writing
22 authorize the examination of all bank accounts and records as
23 may be deemed necessary by the board.

24 (b) Financial backer information.--The board shall require
25 [each] an applicant for a slot machine license to produce [the]
26 all information, documentation and assurances as may be
27 necessary to establish to the board by clear and convincing
28 evidence the integrity of all financial backers, investors,
29 mortgagees, bondholders and holders of [indentures] debentures,
30 notes or other evidences of indebtedness, [either] whether in

1 effect or proposed. [Any such banking or lending institution and
2 institutional investors may be waived from the qualification
3 requirements. A banking or lending institution or institutional
4 investor shall, however, produce for the board upon request any
5 document or information which bears any relation to the proposal
6 submitted by the applicant or applicants. Upon request of the
7 board, any such person or entity shall produce all documents and
8 information which the board determines bear any relation to the
9 application. The integrity of the financial sources shall be
10 judged upon the same standards as the applicant. [Any such
11 person or entity shall produce for the board upon request any
12 document or information which bears any relation to the
13 application.] In addition, the applicant shall produce whatever
14 information, documentation or assurances the board requires in
15 order to establish to the board by clear and convincing evidence
16 the adequacy of its own financial resources.

17 (c) Applicant's ability to pay license fee.--The board shall
18 require each applicant for a Category 1 or 2 slot machine
19 license at the time of application to post a letter of credit or
20 bond in the amount of \$50,000,000 to demonstrate the financial
21 ability to pay the slot machine license fee as required in
22 section 1209 (relating to slot machine license fee) if issued a
23 slot machine license by the board. Each applicant for a Category
24 3 slot machine license at the time of application shall be
25 required to post a letter of credit or bond in the amount of
26 \$5,000,000 to demonstrate the financial ability to pay the
27 Category 3 slot machine license fee as required in section 1305
28 (relating to Category 3 slot machine license) if issued a slot
29 machine license by the board.

30 (d) Applicant's business experience.--The board shall

1 require each applicant for a slot machine license to produce the
2 information, documentation and assurances as the board may
3 require to establish by clear and convincing evidence that the
4 applicant has sufficient business ability and experience to
5 create and maintain a successful, efficient operation.

6 [Applicants] An applicant shall produce the names of all
7 proposed key employees and a description of their respective or
8 proposed responsibilities as they become known.

9 (e) Applicant's operational viability.--In assessing the
10 financial viability of [the] an applicant's proposed licensed
11 facility, the board shall make a finding, after review of the
12 application, that the applicant is likely to maintain a
13 financially successful, viable and efficient business operation
14 at the proposed licensed facility and will likely be able to
15 maintain a steady level and growth of revenue to the
16 Commonwealth pursuant to section 1403 (relating to establishment
17 of State Gaming Fund and net slot machine revenue distribution).
18 Notwithstanding any provision of this part to the contrary, an
19 applicant that includes a commitment or promise to pay a slot
20 machine license fee in excess of the amount provided in section
21 1209 or a distribution of terminal revenue in excess of the
22 amounts provided in sections 1403, 1405 (relating to
23 Pennsylvania Race Horse Development Fund) and 1407 (relating to
24 Pennsylvania Gaming Economic Development and Tourism Fund) shall
25 not be deemed a financially successful, viable or efficient
26 business operation and shall not be approved for a slot machine
27 license.

28 (f) Additional information.--In addition to other
29 information required by this part, [a person applying] an
30 applicant for a slot machine license shall provide the following

1 information:

2 (1) The names, organization, financial structure and
3 nature of all businesses operated by the [person, including
4 any] applicant, including any holding company, affiliate,
5 intermediary, [subsidiary or holding companies,] or
6 subsidiary businesses thereof, and the names and personal
7 employment and criminal histories of all of their officers,
8 directors and key employees [of the corporation; the names of
9 all holding, intermediary, affiliate and subsidiary companies
10 of the corporation;] and the organization, financial
11 structure and nature of all businesses operated by such
12 [holding, intermediary and subsidiary companies as the board
13 may require] holding companies, affiliates, intermediaries
14 and subsidiary businesses, including names and personal
15 employment and criminal histories of such officers, directors
16 and [principal employees of such corporations and companies
17 as the board may require] key employees.

18 (2) The extent of debt and equity securities [held in
19 the corporation by] or other direct or indirect financial,
20 property, leasehold or other beneficial interest held in the
21 applicant by all officers, directors, key employees and
22 underwriters and their remuneration in the form of salary,
23 wages, fees or otherwise.

24 (3) Copies of all management and service contracts.

25 § 1314. Alternative Category 1 licensing standards.

26 (a) Determination.--[The board may determine whether the
27 licensing standards of another jurisdiction within the United
28 States or Canada in which an applicant, its affiliate,
29 intermediary, subsidiary or holding company for a Category 1
30 slot machine license is similarly licensed are comprehensive and

1 thorough and provide similar adequate safeguards as those
2 required by this part. If the board makes that determination, it
3 may issue a slot machine license to an applicant who holds a
4 slot machine license in such other jurisdiction after conducting
5 an evaluation of the information relating to the applicant from
6 such other jurisdictions, as updated by the board, and
7 evaluating other information related to the applicant received
8 from that jurisdiction and other jurisdictions where the
9 applicant may be licensed, the board may incorporate such
10 information in whole or in part into its evaluation of the
11 applicant.] If an applicant for a Category 1 slot machine
12 license or a holding company, affiliate, intermediary or
13 subsidiary business thereof is similarly licensed in another
14 jurisdiction and the board determines that the licensing
15 standards of the other jurisdiction are thorough and
16 comprehensive and provide safeguards in the public interest
17 similar to those provided by this part, the board may evaluate
18 the applicant based upon information obtained from that
19 jurisdiction, as updated by the applicant or the board, and
20 information obtained from any other jurisdictions where the
21 applicant may be licensed. The board may incorporate such
22 information in whole or in part into its evaluation of the
23 applicant and may require the applicant to provide any other
24 information consistent with this part. Upon review of said
25 information, the board may issue a slot machine license to the
26 applicant.

27 (b) Abbreviated process.--In the event an applicant for a
28 slot machine license is licensed in another jurisdiction and the
29 board determines that the licensing standards of the other
30 jurisdiction are thorough and comprehensive and provide

1 safeguards in the public interest similar to those provided by
2 this part, the board may determine to use an alternate process
3 requiring only that information determined by the board to be
4 necessary to [consider the issuance of a license, including
5 financial viability of the licensee, to such an applicant.]
6 determine whether to issue a license to the applicant. In no
7 event shall the board issue a license pursuant to this section
8 without requiring, at a minimum, clear and convincing
9 information of the applicant's suitability and financial
10 capability for the issuance of a license as set forth in
11 sections 1310 (relating to slot machine license application
12 character requirements) and 1313 (relating to slot machine
13 license application financial fitness requirements). Nothing in
14 this section shall be construed to waive any fees associated
15 with obtaining a license through the normal application process.
16 § 1315. Conditional Category 1 licenses.

17 (a) Issuance.--Notwithstanding any provisions of this part
18 to the contrary, upon a finding that it is in the public
19 interest, the board may issue a conditional slot machine license
20 to [a person] an applicant who qualifies as a Category 1 license
21 applicant upon payment of the fee pursuant to section 1209
22 (relating to slot machine license fee). [This license may be
23 issued after the completion of] A conditional Category 1 license
24 may only be issued to such an applicant prior to the applicant's
25 full compliance with section 1325 (relating to license or permit
26 issuance) if the board completes a background investigation [of]
27 on the applicant and each key employee and [prior to full
28 compliance by the applicant with section 1325 (relating to
29 license or permit issuance).] the applicant complies with
30 subsections (b) and (c) to the satisfaction of the board and

1 posts the bond required by section 1316 (relating to bond for
2 issuance of slot machine license).

3 (b) Suitability; financial capability.--An applicant shall
4 provide the board with satisfactory evidence of suitability and
5 financial capability of the applicant to be a slot machine
6 licensee prior to the board granting the conditional license.
7 Satisfactory evidence shall include, at a minimum, information
8 sufficient for the board to make a preliminary determination of
9 the applicant's suitability and financial capability for the
10 issuance of a license as set forth in sections 1310 (relating to
11 slot machine license application character requirements) and
12 1313 (relating to slot machine license application financial
13 fitness requirements).

14 (c) Complete application.--No later than upon issuance of a
15 conditional license, the applicant shall submit a complete
16 application for a Category 1 license pursuant to section 1302
17 (relating to Category 1 slot machine license) as set forth by
18 this part.

19 (d) Expiration.--If the holder of a conditional license does
20 not receive board approval for the issuance of a Category 1 slot
21 machine license under the standards set forth in this part
22 within 18 months from the time set by the board pursuant to
23 section 1301 (relating to authorized slot machine licenses) at
24 which all applications are to be filed and deemed complete, the
25 conditional license shall expire. Failure to meet the
26 requirements of this part for licensure shall cause immediate
27 forfeiture of the conditional slot machine license and
28 revocation of authorization to operate slot machines at the
29 licensed facility.

30 (e) Return of fee.--In the event of the expiration of a

1 conditional license or the denial of an application for a slot
2 machine license pursuant to section 1302, the applicant shall be
3 entitled to a return of 85% of the conditional slot machine
4 license fee it submitted with its application.

5 § 1316. Bond for issuance of slot machine license.

6 Before any category of slot machine license is issued,
7 including a conditional license issued pursuant to section 1315
8 (relating to conditional Category 1 licenses), the licensee
9 shall post a bond in an amount not less than the sum of
10 \$1,000,000, as set by the board, payable to the Commonwealth.
11 The bond shall be used to guarantee that the slot machine
12 licensee faithfully makes the payments, keeps books and records,
13 makes reports and conducts operations in conformity with this
14 part and rules, regulations and orders promulgated by the board.
15 The bond shall not be canceled by a surety on less than 30 days'
16 notice in writing to the board. If a bond is canceled and the
17 slot machine licensee fails to file a new bond with the board in
18 the required amount on or before the effective date of
19 cancellation, the licensee's license shall be revoked or
20 suspended. The total and aggregate liability of the surety on
21 the bond is limited to the amount specified in the bond.

22 § 1317. Supplier and manufacturer licenses application.

23 (a) Application.--Any person seeking to provide slot
24 machines or associated equipment to a slot machine licensee
25 within this Commonwealth or to manufacture slot machines for use
26 in this Commonwealth shall apply to the board for either a
27 supplier or manufacturer license. No person, its affiliate,
28 intermediary, subsidiary or holding company who has [applied] an
29 application pending for or is a holder of a manufacturer or slot
30 machine license shall be eligible to apply for or hold a

1 supplier license. A supplier licensee shall establish a
2 principle place of business in this Commonwealth within one year
3 of issuance of its supplier license and maintain such during the
4 period in which the license is held. No slot machine licensee
5 shall enter into any sale, lease, contract or any other type of
6 agreement providing slot machines, progressive slot machines,
7 parts or associated equipment for use or play within this
8 Commonwealth with any person other than a supplier licensed
9 pursuant to this section. Slot monitoring systems, casino
10 management systems, player tracking systems and wide-area
11 progressive systems are excluded from any requirements that they
12 be provided through a licensed supplier as set forth in this
13 part.

14 (b) Requirements.--The application for a supplier or
15 manufacturer license shall include, at a minimum:

16 (1) The name and business address of the applicant, the
17 directors and owners of the applicant and a list of employees
18 and their positions within the business, as well as any
19 financial information required by the board.

20 (1.1) The names of the applicant's holding companies,
21 affiliates, intermediaries and subsidiary businesses and the
22 names of all officers, directors, owners and key employees
23 thereof.

24 (2) The consent to a background investigation of the
25 applicant, its officers, directors, owners, key employees or
26 other persons required by the board and a release to obtain
27 any and all information necessary for the completion of the
28 background investigation.

29 (3) The details of any equivalent license granted or
30 denied by other jurisdictions where gaming activities are

1 permitted and consent for the board to acquire copies of
2 applications submitted or licenses issued in connection
3 therewith.

4 (4) The type of goods and services to be supplied or
5 manufactured and whether those goods and services will be
6 provided through purchase, lease, contract or otherwise.

7 (5) Any other information determined by the board to be
8 appropriate.

9 § 1319. Alternative manufacturer licensing standards.

10 (a) General rule.--[The board may determine whether the
11 licensing standards of another jurisdiction within the United
12 States in which an applicant for a manufacturer license is
13 similarly licensed are comprehensive and thorough and provide
14 similar adequate safeguards as those required by this part. If
15 the board makes that determination, it may issue a manufacturer
16 license to an applicant who holds a similar manufacturer license
17 in such other jurisdiction after conducting an evaluation of the
18 information relating to the applicant from such other
19 jurisdictions, as updated by the board, and evaluating other
20 information related to the applicant received from that
21 jurisdiction and other jurisdictions where the applicant may be
22 licensed, the board may incorporate such information in whole or
23 in part into its evaluation of the applicant.] If an applicant
24 for a manufacturer license or a holding company, affiliate,
25 intermediary or subsidiary business thereof is similarly
26 licensed in another jurisdiction and the board determines that
27 the licensing standards of the other jurisdiction are thorough
28 and comprehensive and provide safeguards in the public interest
29 similar to those provided by this part, the board may evaluate
30 the applicant based upon information obtained from that

jurisdiction, as updated by the applicant or the board, and information obtained from any other jurisdictions where the applicant may be licensed. The board may incorporate such information in whole or in part into its evaluation of the applicant and may require the applicant to provide any other information consistent with this part. Upon review of said information, the board may issue a manufacturer license to the applicant.

(b) Abbreviated process.--In the event an applicant for a slot machine manufacturer license is licensed in another jurisdiction within the United States and the board determines that the licensing standards of the other jurisdiction are thorough and comprehensive and provide safeguards in the public interest similar to those provided in this part, the board may determine to use an alternate process requiring only that information determined by the board to be necessary to [consider the issuance of a license, including financial viability of the licensee, to such an applicant.] determine whether to issue a license to the applicant. In no event shall the board issue a license pursuant to this section without requiring, at a minimum, clear and convincing information of the applicant's suitability and financial capability for the issuance of a license. The standard for determining the applicant's suitability and financial capability for the issuance of a license shall be substantially similar to the standard used for the issuance of a slot machine license. Nothing in this section shall be construed to waive any fees associated with obtaining a license through the normal application process.

§ 1512. Public official financial interest.

(a) General rule.--Except as may be provided by rule or

1 order of the Pennsylvania Supreme Court, no [executive-level
2 State] person who is an executive-level public employee, public
3 official, party officer or immediate family member thereof shall
4 have[, at or following the effective date of this part,] a
5 financial interest in or be employed, directly or indirectly, by
6 any [licensed racing entity or licensed gaming entity, or any
7 holding, affiliate, intermediary or subsidiary company, thereof,
8 or any such applicant, nor] slot machine license applicant,
9 supplier license applicant, manufacturer license applicant,
10 licensed entity, licensed facility, licensed racing entity or
11 any holding company, affiliate, intermediary or subsidiary
12 business thereof. No slot machine license applicant, supplier
13 license applicant, manufacturer license applicant, licensed
14 entity, licensed facility, licensed racing entity or any holding
15 company, affiliate, intermediary or subsidiary business thereof
16 shall give to any person who is an executive-level public
17 employee, public official, party officer or immediate family
18 member thereof, directly or indirectly, for or without
19 consideration, any financial interest in said applicant,
20 licensed entity, licensed facility, licensed racing entity or
21 any holding company, affiliate, intermediary or subsidiary
22 business thereof.

23 (b) Complimentary services and discounts.--

24 (1) No person who is an executive-level public employee,
25 public official, party officer or immediate family member
26 thereof shall solicit or accept, directly or indirectly, any
27 complimentary service or discount from any [licensed racing
28 entity or licensed gaming entity which he or she] slot
29 machine license applicant, manufacturer license applicant,
30 supplier license applicant, licensed entity, licensed

1 facility, licensed racing entity or any holding company,
2 affiliate, intermediary or subsidiary business thereof which
3 the person knows or has reason to know is other than a
4 service or discount that is offered to members of the general
5 public in like circumstances during [his or her] the person's
6 status as an executive-level [State] public employee, public
7 official or party officer and for one year following
8 termination of the person's status as an executive-level
9 [State] public employee, public official or party officer.

10 (2) No slot machine license applicant, manufacturer
11 license applicant, supplier license applicant, licensed
12 entity, licensed facility, licensed racing entity or any
13 holding company, affiliate, intermediary or subsidiary
14 business thereof shall offer or deliver, directly or
15 indirectly, to any person who is an executive-level public
16 employee, public official, party officer or immediate family
17 member thereof any complimentary service or discount from
18 which the applicant, licensed entity, licensed facility,
19 licensed racing entity or any holding company, affiliate,
20 intermediary or subsidiary business thereof knows or has
21 reason to know is other than a service or discount that is
22 offered to members of the general public in like
23 circumstances during the person's status as an executive-
24 level public employee, public official or party officer and
25 for one year following termination of the person's status as
26 an executive-level public employee, public official or party
27 officer.

28 (c) Time for compliance.--Except as provided in subsection

29 (d):

30 (1) A person who is an executive-level public employee,

1 public official, party officer or immediate family member
2 thereof shall have 30 days from the date on which the person
3 knows or has reason to know of the violation or 30 days from
4 the date on which the annual listing of applicants, licensed
5 entities, licensed facilities and holding companies,
6 affiliates, intermediaries or subsidiary businesses thereof
7 is published in the Pennsylvania Bulletin pursuant to section
8 1202(b)(19) (relating to general and specific powers)
9 identifying them as such to comply with the prohibitions
10 contained in subsection (a), whichever occurs earlier.

11 (2) A person who is an appointee, candidate or nominee
12 for a position as an executive-level public employee, public
13 official, party officer or an immediate family member thereof
14 shall have 30 days from the date on which said appointee,
15 candidate or nominee assumes the duties of the position being
16 sought to comply with the prohibitions contained in
17 subsection (a).

18 (d) Notice of duty to divest.--Any person who is subject to
19 subsection (a) or section 1201(h) (relating to Pennsylvania
20 Gaming Control Board established) may exercise a voluntary
21 option to submit a list containing all or a portion of that
22 person's financial interests to the legal office of the board
23 and shall only be required to divest any such financial interest
24 within 30 days after receiving a written notice from the legal
25 office that such person possesses a financial interest that may
26 have to be divested pursuant to the requirements of subsection
27 (a) or section 1201(h), whichever is applicable. The legal
28 office shall conduct a continuing review of each slot machine
29 license applicant, manufacturer license applicant, supplier
30 license applicant, licensed entity, licensed facility, licensed

1 racing entity and of any holding company, affiliate,
2 intermediary or subsidiary business thereof for the purposes of
3 determining whether any person that has submitted a list of
4 financial interests pursuant to this subsection possesses a
5 financial interest that may require divestment. Whenever the
6 legal office of the board finds that any financial interest
7 submitted by any person for its review may require divestment,
8 it shall immediately notify such person in writing and that
9 person shall not be deemed to be in violation of subsection (a)
10 or section 1201(h) if he or she divests such financial interest
11 within 30 days after receiving the notice. The protection
12 accorded by this subsection shall be limited to financial
13 interests that are submitted to the legal office of the board.
14 Any list of financial interests provided to the legal office
15 pursuant to this subsection shall be confidential. It shall be
16 unlawful for any person in the legal office of the board to
17 disclose any financial interest submitted for its review
18 pursuant to this subsection to any person, including any member
19 or employee engaged in the service of the board, other than the
20 person submitting the list of financial interest or that
21 person's duly authorized designee. Any person in the legal
22 office of the board or any member or employee engaged in the
23 service of the board who shall disclose any financial interest
24 submitted pursuant to this subsection in any manner not
25 authorized by this subsection commits a misdemeanor and, upon
26 conviction, shall be fined not more than \$1,000 or imprisoned
27 for not more than one year, or both, together with the costs of
28 prosecution and shall automatically forfeit his or her office or
29 employment with the board.

30 (e) Notice on statement of financial interest.--The State

Ethics Commission shall place a conspicuous notice on the front page of each statement of financial interest form advising public officials, executive-level public employees and party officers of their duty to comply with subsection (a) and of the voluntary option provided for in subsection (d).

(f) Penalty.--A violation of this section by an executive-level public employee, public official or party officer shall be subject to the provisions of 65 Pa.C.S. Ch. 11 (relating to ethics standards and financial disclosure) and the act of July 19, 1957 (P.L.1017, No.451), known as the State Adverse Interest Act.

[(b)] (g) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection:

"Equity." The excess of the current and accumulated revenue over expenses of the enterprise as measured at the shareholder's, partner's, owner's or other similar ownership description level, and any profits or income interest measured on the basis of gross or net revenue, all determined on the basis of generally accepted accounting principles consistently applied from year to year from the most recent audited financial statements of the applicant, licensed entity, licensed facility, licensed racing entity or the audited financial statements of any holding company, affiliate, intermediary or subsidiary business thereof. When the determination of equity is being made at the applicant's, licensed entity's, licensed facility's or licensed racing entity's holding company, affiliate, intermediary or subsidiary level and such holding company, affiliate, intermediary or subsidiary is engaged in businesses whose aggregate gross revenue from activities other than racing

or gaming exceed 50% of such group's total revenue for the period being measured, then the amount of equity shall be zero.

["Executive-level State employee." The Governor, Lieutenant Governor, cabinet members, deputy secretaries, the Governor's office executive staff, any State employee with discretionary powers which may affect the outcome of a State agency's decision in relation to a private corporation or business, with respect to any matter covered by this part or any executive employee who by virtue of his job function could influence the outcome of such a decision.]

"Executive-level public employee." An individual employed by the Commonwealth, a host county or a host municipality who is responsible for taking or recommending official action of a nonministerial nature with regard to any activity where the official action has an economic impact of greater than a de minimis nature on the interest of any person if:

(1) such official action may affect the outcome of a Commonwealth agency's decision or the decision of any host county or host municipality in relation to any person with respect to any matter covered by this part; or

(2) such individual by virtue of his job function could influence the outcome of such a decision.

"Financial interest." Owning or holding or being deemed to hold, debt or equity securities [exceeding 1% of the equity or fair market value of the licensed racing entity or licensed gaming entity, its holding company, affiliate, intermediary or subsidiary business.] or any other ownership interest or profits interest in an applicant, licensed entity, licensed facility or any holding company, affiliate, intermediary or subsidiary business thereof. A financial interest shall not include:

1 (1) any [such stock] financial interest that is held in
2 a blind trust over which the executive-level [State] public
3 employee, public official, party officer or immediate family
4 member thereof may not exercise any managerial control or
5 receive any income therefrom during the tenure of office and
6 [the period under subsection (a).] for one year thereafter.

7 (2) Securities issued by an investment company
8 registered with the United States Securities and Exchange
9 Commission under the Investment Company Act of 1940 (54 Stat.
10 789, 15 U.S.C. § 80a-1 et seq.) which is advised by an
11 independent investment adviser, provided the registered
12 investment company does not own or hold securities that
13 exceed in the aggregate 1% of the equity of the applicant,
14 licensed entity, licensed facility, holding company,
15 affiliate, intermediary or subsidiary business thereof as of
16 its most recent audited financial statement.

17 (3) Securities that are held in the following manner:

18 (i) A pension plan, profit-sharing plan, individual
19 retirement account, tax sheltered annuity, a plan
20 established pursuant to section 457 of the Internal
21 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et
22 seq.), or any successor provision, deferred compensation
23 plan whether qualified or not qualified under the
24 Internal Revenue Code of 1986, or any successor
25 provision, or other retirement plan that:

26 (A) Is not self-directed by the individual.

27 (B) Is advised by an independent investment
28 adviser who has sole authority to make investment
29 decisions with respect to contributions made by the
30 individual to these plans.

1 (ii) A tuition account plan qualified under section
2 529 of the Internal Revenue Code of 1986 and regulations
3 adopted thereunder that:

4 (A) Is not self-directed by the individual.

5 (B) Is advised by an independent investment
6 adviser who has sole authority to make investment
7 decisions with respect to contributions made by the
8 individual to the plan.

9 "Immediate family." [A parent, spouse, minor or
10 unemancipated child, brother or sister.] A spouse, parent or
11 child.

12 "Independent investment adviser." A person registered as an
13 investment adviser with the United States Securities and
14 Exchange Commission under the Investment Advisers Act of 1940
15 (54 Stat. 789, 15 U.S.C. § 8a-1 et seq.). The term does not
16 include a person registered as an investment adviser with the
17 United States Securities and Exchange Commission who, directly
18 or indirectly, controls, is controlled by or is under common
19 control with, an executive-level public employee, public
20 official, party officer, State-level public official, State-
21 level party officer or immediate family member thereof.

22 "Party officer." A member of a national committee; a
23 chairman, vice chairman, secretary, treasurer or counsel of a
24 State committee or member of the executive committee of a State
25 committee; a county chairman, vice chairman, counsel, secretary
26 or treasurer of a county committee; or a city chairman, vice
27 chairman, counsel, secretary or treasurer of a city committee.

28 "Public official." Any person elected by the public or
29 elected or appointed by a governmental body or an appointed
30 official in the executive, legislative or judicial branch of

1 this Commonwealth or any political subdivision thereof, provided
2 that it shall not include members of advisory boards that have
3 no authority to expend public funds other than reimbursement for
4 personal expense or to otherwise exercise the power of the
5 Commonwealth or any political subdivision or commissioner of any
6 authority or joint-state commission.

7 § 1518. Prohibited acts; penalties.

8 (a) Criminal offenses.--

9 (1) The provisions of 18 Pa.C.S. § 4902 (relating to
10 perjury), 4903 (relating to false swearing) or 4904 (relating
11 to unsworn falsification to authorities) shall apply to any
12 person providing information or making any statement, whether
13 written or oral, to the board, the bureau, the department,
14 the Pennsylvania State Police or the Office of Attorney
15 General, as required by this part.

16 (2) It is unlawful for a person to willfully:

17 (i) fail to report, pay or truthfully account for
18 and pay over any license fee, tax or assessment imposed
19 under this part; or

20 (ii) attempt in any manner to evade or defeat any
21 license fee, tax or assessment imposed under this [party]
22 part.

23 (3) It is unlawful for any licensed entity, gaming
24 employee, key employee or any other person to permit a slot
25 machine to be operated, transported, repaired or opened on
26 the premises of a licensed facility by a person other than a
27 person licensed or permitted by the board pursuant to this
28 part.

29 (4) It is unlawful for any licensed entity or other
30 person to manufacture, supply or place slot machines into

1 play or display slot machines on the premise of a licensed
2 facility without the authority of the board.

3 (5) Except as provided for in section 1326 (relating to
4 license renewals), it is unlawful for a licensed entity or
5 other person to manufacture, supply, operate, carry on or
6 expose for play any slot machine after the person's license
7 has expired and prior to the actual renewal of the license.

8 (6) (i) Except as set forth in subparagraph (ii), it is
9 unlawful for an individual while on the premises of a
10 licensed facility to knowingly use currency other than
11 lawful coin or legal tender of the United States or a
12 coin not of the same denomination as the coin intended to
13 be used in the slot machine[.] with the intent to cheat
14 or defraud a licensed gaming entity or the Commonwealth
15 or damage the slot machine.

16 (ii) In the playing of a slot machine, it is lawful
17 for an individual to use gaming billets, tokens or
18 similar objects issued by the licensed gaming entity
19 which are approved by the board.

20 (7) (i) Except as set forth in subparagraph (ii), it is
21 unlawful for an individual [on the premises of a licensed
22 facility] to use or possess a cheating or thieving
23 device, counterfeit or altered billet, ticket, token or
24 similar objects accepted by a slot machine or counterfeit
25 or altered slot machine-issued tickets or vouchers at a
26 licensed facility.

27 (ii) An authorized employee of a licensee or an
28 employee of the board may possess and use a cheating or
29 thieving device, counterfeit or altered billet, ticket,
30 token or similar objects accepted by a slot machine or

1 counterfeit or altered slot machine-issued tickets or
2 vouchers [only] in performance of the duties of
3 employment.

4 (iii) As used in this paragraph, the term "cheating
5 or thieving device" includes, but is not limited to, a
6 device to facilitate the alignment of any winning
7 combination or to remove from any slot machine money or
8 other contents. The term includes, but is not limited to,
9 a tool, drill, wire, coin or token attached to a string
10 or wire and any electronic or magnetic device.

11 (8) (i) Except as set forth in subparagraph (ii), it is
12 unlawful for an individual to knowingly possess or use
13 while on the premises of a licensed facility a key or
14 device designed for the purpose of and suitable for
15 opening or entering any slot machine or coin box which is
16 located on the premises of the licensed facility.

17 (ii) An authorized employee of a licensee or a
18 member of the board may possess and use a device referred
19 to in subparagraph (i) [only] in the performance of the
20 duties of employment.

21 (9) It is unlawful for a person or licensed entity to
22 possess any device, equipment or material which the person or
23 licensed entity knows has been manufactured, distributed,
24 sold, tampered with or serviced in violation of the
25 provisions of this part[.] with the intent to use the device,
26 equipment or material as though it had been manufactured,
27 distributed, sold, tampered with or serviced pursuant to this
28 part.

29 (9.1) It is unlawful for a person or licensed entity to
30 sell, offer for sale, represent or pass off as lawful any

1 device, equipment or material which the person or licensed
2 entity knows has been manufactured, distributed, sold,
3 tampered with or serviced in violation of this part.

4 (10) It is unlawful for an individual to work or be
5 employed in a position the duties of which would require
6 licensing or permitting under the provisions of this part
7 without first obtaining the requisite license or permit [as
8 provided for in] issued under the provisions of this part.

9 (11) It is unlawful for a licensed gaming entity that is
10 a licensed racing entity and that has lost the license issued
11 to it by either the State Horse Racing Commission or the
12 State Harness Racing Commission under the Race Horse Industry
13 Reform Act or that has had that license suspended to operate
14 slot machines at the racetrack for which its slot machine
15 license was issued unless the license issued to it by either
16 the State Horse Racing Commission or the State Harness Racing
17 Commission will be subsequently reissued or reinstated within
18 30 days after the loss or suspension.

19 (12) It is unlawful for a licensed entity to employ or
20 continue to employ an individual in a position the duties of
21 which require a license or permit under the provisions of
22 this part if the individual:

23 (i) [An individual] Is not licensed or permitted
24 under the provisions of this part.

25 (ii) [An individual who is] Is prohibited from
26 accepting employment from a licensee.

27 (13) It is unlawful for any person under 18 years of age
28 to be permitted in the area of a licensed facility where slot
29 machines are operated.

30 (b) Criminal penalties and fines.--

1 (1) (i) A person [that violates subsection (a)(1)
2 commits an offense to be graded in accordance with 18
3 Pa.C.S. § 4902, 4903 or 4904, as applicable, for a first
4 conviction.] who commits a first offense in violation of
5 18 Pa.C.S § 4902 (relating to perjury), 4903 (relating to
6 false swearing) or 4904 (relating to unsworn
7 falsification to authorities) in connection with
8 providing information or making any statement, whether
9 written or oral, to the board, the bureau, the
10 department, the Pennsylvania State Police or the Office
11 of Attorney General as required by this part commits an
12 offense to be graded in accordance with the applicable
13 section violated. A person that is convicted of a second
14 or subsequent violation of [subsection (a)(1)] 18 Pa.C.S.
15 § 4902, 4903 or 4904 in connection with providing
16 information or making any statement, whether written or
17 oral, to the board, the bureau, the department, the
18 Pennsylvania State Police or the Office of Attorney
19 General as required by this part commits a felony of the
20 second degree.

21 (ii) A person that violates subsection (a)(2)
22 through (12) commits a misdemeanor of the first degree. A
23 person that is convicted of a second or subsequent
24 violation of subsection (a)(2) through (12) commits a
25 felony of the second degree.

26 (2) (i) For a first violation of subsection (a)(1)
27 through (12), a person shall be sentenced to pay a fine
28 of:

29 (A) not less than \$75,000 nor more than \$150,000

30 if the person is an individual;

1 (B) not less than \$300,000 nor more than
2 \$600,000 if the person is a licensed gaming entity;
3 or

4 (C) not less than \$150,000 nor more than
5 \$300,000 if the person is a licensed manufacturer or
6 supplier.

7 (ii) For a second or subsequent violation of
8 subsection (a)(1) through (12), a person shall be
9 sentenced to pay a fine of:

10 (A) not less than \$150,000 nor more than
11 \$300,000 if the person is an individual;

12 (B) not less than \$600,000 nor more than
13 \$1,200,000 if the person is a licensed gaming entity;
14 or

15 (C) not less than \$300,000 nor more than
16 \$600,000 if the person is a licensed manufacturer or
17 supplier.

18 (c) Board-imposed administrative sanctions.--

19 (1) In addition to any other penalty authorized by law,
20 the board may impose without limitation the following
21 sanctions upon any licensee or permittee:

22 (i) Revoke the license or permit of any person
23 convicted of a criminal offense under this part or
24 regulations promulgated under this part or committing any
25 other offense or violation of this part or applicable law
26 which would otherwise disqualify such person from holding
27 the license or permit.

28 (ii) Revoke the license or permit of any person
29 determined to have violated a provision of this part or
30 regulations promulgated under this part which would

1 otherwise disqualify such person from holding the license
2 or permit.

3 (iii) Revoke the license or permit of any person for
4 willfully and knowingly violating or attempting to
5 violate an order of the board directed to such person.

6 (iv) Suspend the license or permit of any person
7 pending the outcome of a hearing in any case in which
8 license or permit revocation could result.

9 (v) Suspend the license of any licensed gaming
10 entity for violation of or attempting to violate any
11 provisions of this part or regulations promulgated under
12 this part relating to its slot machine operations.

13 (vi) Assess administrative penalties as necessary to
14 punish misconduct and to deter future violations.

15 (vii) Order restitution of any moneys or property
16 unlawfully obtained or retained by a licensee or
17 permittee.

18 (viii) Enter cease and desist orders which specify
19 the conduct which is to be discontinued, altered or
20 implemented by the licensee or permittee.

21 (ix) Issue letters of reprimand or censure, which
22 letters shall be made a permanent part of the file of
23 each licensee or permittee so sanctioned.

24 (2) If the board refuses to issue or renew a license or
25 permit, suspends or revokes a license or permit, assesses
26 civil penalties, orders restitution, enters a cease and
27 desist order or issues a letter of reprimand or censure, it
28 shall provide the applicant or licensee or permittee with
29 written notification of its decision, including a statement
30 of the reasons for its decision by certified mail within five

1 business days of the decision. Any applicant or licensee or
2 permittee who has received notice of a refusal, suspension or
3 revocation of a license or permit, the assessment of civil
4 penalties, an order of restitution, the entrance of a cease
5 and desist order or the issuance of a letter of reprimand or
6 censure from the board shall have the right to an
7 administrative hearing before the board in accordance with 2
8 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure
9 of Commonwealth agencies) and 7 Subch. A (relating to
10 judicial review of Commonwealth agency action).

11 (3) In addition to any other fines or penalties that the
12 board may impose under this part or regulation, if a person
13 violates subsection (a)(2), the board shall impose an
14 administrative penalty of three times the amount of the
15 license fee, tax or other assessment evaded and not paid,
16 collected or paid over. This subsection is subject to 2
17 Pa.C.S. Chs. 5 Subch. A and 7 Subch. A.

18 § 1801. Duty to provide.

19 Notwithstanding the provisions of the Race Horse Industry
20 Reform Act or this part, the Pennsylvania State Police shall at
21 the request of the commissions or the board provide criminal
22 history background investigations, which shall include records
23 of criminal arrests [or] and convictions, no matter where
24 occurring, including Federal criminal history record
25 information, on applicants for licensure and applicants for
26 permits by the respective agencies pursuant to the Race Horse
27 Industry Reform Act or this part. Requests for criminal history
28 background investigations may, at the direction of the
29 commissions or the board, include, but not be limited to,
30 officers, directors and stockholders of licensed corporations,

1 key employees, gaming employees, horse owners, trainers,
2 jockeys, drivers and other persons participating in thoroughbred
3 or harness horse meetings and other persons and vendors who
4 exercise their occupation or employment at such meetings,
5 licensed facilities or licensed [racetrack] racetracks. For the
6 purposes of this chapter, the board and commissions may receive
7 and retain information otherwise protected by 18 Pa.C.S. Ch. 91
8 (relating to criminal history record information).

9 § 1802. Submission of fingerprints.

10 [Applicants] Appointees, employees and prospective employees
11 engaged in the service of the commissions or the board, and
12 applicants under this part shall submit to fingerprinting and
13 photographing by the Pennsylvania State Police[.] or by a local
14 law enforcement agency capable of submitting fingerprints and
15 photographs electronically to the Pennsylvania State Police
16 utilizing the Federal Automated Fingerprint Identification
17 System and the Commonwealth Photo Identification System or in a
18 manner and in such form as may be provided by the Pennsylvania
19 State Police. Fingerprinting pursuant to this part shall
20 require, at a minimum, the submission of a full set of
21 fingerprints. Photographing pursuant to this part shall require
22 submission to photographs of the face and any scars, marks or
23 tattoos for purposes of comparison utilizing an automated
24 biometric imaging system. The Pennsylvania State Police shall
25 submit [the] fingerprints [if necessary] as required by this
26 part or when requested by the commissions or the board to the
27 Federal Bureau of Investigation for purposes of verifying the
28 identity of the applicants and obtaining records of criminal
29 arrests and convictions in order to prepare criminal history
30 background investigations under section 1801 (relating to duty

1 to provide). [The] Fingerprints and photographs obtained
2 pursuant to this part may be maintained by the commissions, the
3 board and the Pennsylvania State Police for use pursuant to this
4 part and for general law enforcement purposes. In addition to
5 any other fee or cost assessed by the commissions or the board,
6 an applicant shall pay for the cost of fingerprinting and
7 photographing.

8 Section 3. This act shall take effect in 60 days.