

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 862 Session of
2005

INTRODUCED BY PIPPY, BRIGHTBILL, RHOADES, LAVALLE, CORMAN,
RAFFERTY, EARLL, GORDNER, WONDERLING, KASUNIC, MADIGAN, PUNT,
C. WILLIAMS, WENGER, PILEGGI, ORIE, THOMPSON, O'PAKE,
ERICKSON, BOSCOLA, SCARNATI, D. WHITE, M. WHITE, WAUGH AND
REGOLA, SEPTEMBER 14, 2005

REFERRED TO STATE GOVERNMENT, SEPTEMBER 14, 2005

AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated
2 Statutes, prohibiting public officials from having financial
3 interest relating to slot machines or horse racing; and
4 making a conforming amendment.

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

7 Section 1. Sections 1201(h)(2) and 1512 of Title 4 of the
8 Pennsylvania Consolidated Statutes, added July 5, 2004 (P.L.572,
9 No.71), is amended to read:

10 § 1201. Pennsylvania Gaming Control Board established.

11 * * *

12 (h) Qualifications and restrictions.--

13 * * *

14 (2) Except for ex officio members, no person shall be
15 appointed a member of the board or hold any place, position
16 or office under the board if that person holds any other
17 elected office or party office as defined in section 1512

(relating to [public official] financial [interest]
interests) in this Commonwealth or any of its political
subdivisions.

* * *

§ 1512. [Public official financial interest] Financial
interests.

[(a) General rule.--Except as may be provided by rule or
order of the Pennsylvania Supreme Court, no executive-level
State employee, public official, party officer or immediate
family member thereof shall have, at or following the effective
date of this part, a financial interest in or be employed,
directly or indirectly, by any licensed racing entity or
licensed gaming entity, or any holding, affiliate, intermediary
or subsidiary company, thereof, or any such applicant, nor
solicit or accept, directly or indirectly, any complimentary
service or discount from any licensed racing entity or licensed
gaming entity which he or she knows or has reason to know is
other than a service or discount that is offered to members of
the general public in like circumstances during his or her
status as an executive-level State employee, public official or
party officer and for one year following termination of the
person's status as an executive-level State employee, public
official or party officer.]

(a.1) Financial interests.--An executive-level State
employee, public official or party officer, or an immediate
family member thereof, shall not do any of the following:

(1) Hold, whether directly or indirectly, a financial
interest in any slot machine licensee, manufacturer licensee,
supplier licensee, licensed racing entity or in any holding,
affiliate, intermediary or subsidiary company thereof while

1 the individual is an executive-level State employee, public
2 official or party officer and for one year following
3 termination of the individual's status as an executive-level
4 State employee, public official or party officer.

5 (2) Hold, whether directly or indirectly, a financial
6 interest in any applicant for a slot machine license,
7 manufacturer license, supplier license or racetrack or in any
8 holding, affiliate, intermediary or subsidiary company of the
9 applicant while the individual is an executive-level State
10 employee, public official or party officer and for one year
11 following termination of the individual's status as an
12 executive-level State employee, public official or party
13 officer.

14 (a.2) Grading.--An individual who violates this section
15 commits a misdemeanor and shall, upon conviction, be sentenced
16 to pay a fine of not more than \$1,000 or to imprisonment for not
17 more than one year, or both.

18 (a.3) Divestiture.--An executive-level State employee,
19 public official or party officer, or an immediate family member
20 thereof, who holds a financial interest prohibited by this
21 section shall divest the financial interest within three months
22 of the effectuation of the restrictions set forth in subsection
23 (a.1), as applicable.

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

27 "Executive-level State employee." The Governor, Lieutenant
28 Governor, cabinet members, deputy secretaries, the Governor's
29 office executive staff, any State employee with discretionary
30 powers which may affect the outcome of a State agency's decision

1 in relation to a private corporation or business, with respect
2 to any matter covered by this part or any executive employee who
3 by virtue of his job function could influence the outcome of
4 such a decision.

5 "Financial interest." Owning or holding securities
6 [exceeding 1% of the equity or fair market value of the] of a
7 licensed racing entity, manufacturer licensee, supplier licensee
8 or licensed gaming entity, its holding company, affiliate,
9 intermediary or subsidiary business or an applicant for such a
10 license. A financial interest shall not include any such stock
11 that is held in a blind trust over which the executive-level
12 State employee, public official, party officer or immediate
13 family member thereof may not exercise any managerial control or
14 receive income during the tenure of office and the period under
15 subsection [(a).] (a.1) of any of the following:

16 (1) An interest held through a defined benefit pension
17 plan.

18 (2) An interest held through a tuition account plan
19 organized and operated pursuant to section 529 of the
20 Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §
21 529).

22 (3) An interest held in a mutual fund where the interest
23 owned by the individual fund in the licensed gaming entity
24 does not amount to control of the licensed gaming entity as
25 defined by the Investment Company Act of 1940 (54 Stat. 789,
26 15 U.S.C. § 80a-1 et seq.).

27 "Immediate family." A parent, spouse, minor or unemancipated
28 child, brother or sister.

29 "Party officer." A member of a national committee; a
30 chairman, vice chairman, secretary, treasurer or counsel of a

1 State committee or member of the executive committee of a State
2 committee; a county chairman, vice chairman, counsel, secretary
3 or treasurer of a county committee; or a city chairman, vice
4 chairman, counsel, secretary or treasurer of a city committee.

5 "Public official." Any person elected by the public or
6 elected or appointed by a governmental body or an appointed
7 official in the executive, legislative or judicial branch of
8 this Commonwealth or any political subdivision thereof, provided
9 that it shall not include members of advisory boards that have
10 no authority to expend public funds other than reimbursement for
11 personal expense or to otherwise exercise the power of the
12 Commonwealth or any political subdivision [or commissioner of
13 any authority or joint-state commission].

14 Section 2. This act shall take effect immediately.