

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,
REGOLA AND ROBBINS, SEPTEMBER 14, 2005

SENATOR LEMMOND, STATE GOVERNMENT, AS AMENDED, OCTOBER 19, 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 AMENDING TITLE 4 (AMUSEMENTS) OF THE PENNSYLVANIA CONSOLIDATED <—
6 STATUTES, FURTHER PROVIDING FOR DEFINITIONS AND FOR THE
7 PENNSYLVANIA GAMING CONTROL BOARD; PROVIDING FOR
8 APPLICABILITY OF OTHER STATUTES; AND FURTHER PROVIDING FOR
9 POWERS AND DUTIES OF BOARD, FOR LICENSED ENTITY APPLICATION
10 APPEALS FROM BOARD, FOR LICENSE OR PERMIT APPLICATION HEARING
11 PROCESS, FOR BOARD MINUTES AND RECORDS, FOR COLLECTION OF
12 FEES AND FINES, FOR GROSS TERMINAL REVENUE DEDUCTIONS, FOR
13 PUBLIC OFFICIAL FINANCIAL INTERESTS AND FOR POLITICAL
14 INFLUENCE.

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

17 ~~Section 1. Sections 1201(h)(2) and 1512 of Title 4 of the~~ <—
18 ~~Pennsylvania Consolidated Statutes, added July 5, 2004 (P.L.572,~~
19 ~~No.71), is amended to read:~~

20 ~~§ 1201. Pennsylvania Gaming Control Board established.~~

21 * * *

22 ~~(h) Qualifications and restrictions.~~

1 * * *

2 ~~(2) Except for ex officio members, no person shall be~~
3 ~~appointed a member of the board or hold any place, position~~
4 ~~or office under the board if that person holds any other~~
5 ~~elected office or party office as defined in section 1512~~
6 ~~(relating to [public official] financial [interest]~~
7 ~~interests) in this Commonwealth or any of its political~~
8 ~~subdivisions.~~

9 * * *

10 ~~§ 1512. [Public official financial interest] Financial~~
11 ~~interests.~~

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

29 ~~(a.1) Financial interests. An executive level State~~
30 ~~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 the individual is an executive level State employee, public official or party officer and for one year following termination of the individual's status as an executive level State employee, public official or party officer.~~

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

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

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

~~(b) Definitions. As used in this section, the following words and phrases shall have the meanings given to them in this~~

1 subsection:

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

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

21 ~~(1) An interest held through a defined benefit pension~~
22 ~~plan.~~

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

27 ~~(3) An interest held in a mutual fund where the interest~~
28 ~~owned by the individual fund in the licensed gaming entity~~
29 ~~does not amount to control of the licensed gaming entity as~~
30 ~~defined by the Investment Company Act of 1940 (54 Stat. 789,~~

~~15 U.S.C. § 80a 1 et seq.).~~

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

~~"Party officer." A member of a national committee; a chairman, vice chairman, secretary, treasurer or counsel of a State committee or member of the executive committee of a State committee; a county chairman, vice chairman, counsel, secretary or treasurer of a county committee; or a city chairman, vice chairman, counsel, secretary or treasurer of a city committee.~~

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

~~Section 2. This act shall take effect immediately.~~

SECTION 1. THE DEFINITIONS OF "AFFILIATE" OR "AFFILIATED COMPANY," "APPLICANT," "CONTROLLING INTEREST" AND "LICENSED FACILITY" IN SECTION 1103 OF TITLE 4 OF THE PENNSYLVANIA CONSOLIDATED STATUTES ARE AMENDED AND THE SECTION IS AMENDED BY ADDING DEFINITIONS TO READ:

§ 1103. DEFINITIONS.

THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS PART SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

["AFFILIATE" OR "AFFILIATED COMPANY."] "AFFILIATE OF, OR A PERSON AFFILIATED WITH, A SPECIFIED PERSON." A PERSON THAT

1 DIRECTLY OR INDIRECTLY, THROUGH ONE OR MORE INTERMEDIARIES,
2 CONTROLS, IS CONTROLLED BY OR IS UNDER COMMON CONTROL WITH A
3 SPECIFIED PERSON.

4 "APPLICANT." ANY PERSON[, OFFICER, DIRECTOR OR KEY
5 EMPLOYEE], WHO ON HIS OWN BEHALF OR ON BEHALF OF ANOTHER, IS
6 APPLYING FOR PERMISSION TO ENGAGE IN ANY ACT OR ACTIVITY WHICH
7 IS REGULATED UNDER THE PROVISIONS OF THIS PART. IN CASES IN
8 WHICH THE APPLICANT IS A [CORPORATION, FOUNDATION, ORGANIZATION,
9 BUSINESS TRUST, ESTATE, LIMITED LIABILITY COMPANY, TRUST,
10 PARTNERSHIP, LIMITED PARTNERSHIP, ASSOCIATION OR ANY OTHER FORM
11 OF LEGAL BUSINESS ENTITY,] PERSON OTHER THAN AN INDIVIDUAL, THE
12 PENNSYLVANIA GAMING CONTROL BOARD SHALL DETERMINE THE ASSOCIATED
13 PERSONS WHOSE QUALIFICATIONS ARE NECESSARY AS A PRECONDITION TO
14 THE LICENSING OF THE APPLICANT.

15 * * *

16 "COMPLIMENTARY ACCOMMODATION, SERVICE OR ITEM." A GUEST
17 ROOM, SERVICE OR ITEM PROVIDED TO AN INDIVIDUAL AT NO COST OR AT
18 A REDUCED COST NOT GENERALLY AVAILABLE TO THE PUBLIC UNDER
19 SIMILAR CIRCUMSTANCES. THE TERM SHALL INCLUDE ANY GUEST ROOM,
20 SERVICE OR ITEM PROVIDED DUE TO THE ANTICIPATED OR ACTUAL GAMING
21 ACTIVITIES OF THAT INDIVIDUAL.

22 "CONTROLLING INTEREST." A PERSON SHALL BE DEEMED TO HAVE
23 [THE ABILITY TO CONTROL A PUBLICLY TRADED CORPORATION, OR TO
24 ELECT] A CONTROLLING INTEREST IN AN ENTITY IF THE PERSON'S SOLE
25 VOTING RIGHTS, AS PROVIDED BY APPLICABLE STATE LAW OR CORPORATE
26 ARTICLES OR BYLAWS, ENTITLE THE PERSON TO ELECT OR APPOINT ONE
27 OR MORE OF THE MEMBERS OF ITS BOARD OF DIRECTORS[, IF SUCH
28 HOLDER] OR OTHER GOVERNING BODY OR IF THE PERSON OWNS OR
29 BENEFICIALLY HOLDS 5% OR MORE OF THE SECURITIES OF [SUCH] A
30 PUBLICLY TRADED DOMESTIC OR FOREIGN CORPORATION[,] OR HOLDS 5%

1 OR MORE OWNERSHIP OR VOTING INTEREST IN A PARTNERSHIP, LIMITED
2 LIABILITY COMPANY OR ANY OTHER FORM OF LEGAL ENTITY, UNLESS SUCH
3 PRESUMPTION OF CONTROL OR ABILITY TO ELECT IS REBUTTED BY CLEAR
4 AND CONVINCING EVIDENCE. A PERSON WHO IS A HOLDER OF SECURITIES
5 OF A PRIVATELY HELD DOMESTIC OR FOREIGN CORPORATION,
6 PARTNERSHIP, LIMITED LIABILITY COMPANY OR ANY OTHER FORM OF
7 LEGAL ENTITY SHALL BE DEEMED TO POSSESS A CONTROLLING INTEREST
8 UNLESS SUCH PRESUMPTION OF CONTROL IS REBUTTED BY CLEAR AND
9 CONVINCING EVIDENCE.

10 * * *

11 "HOLDING COMPANY." A PERSON, OTHER THAN A NATURAL PERSON,
12 WHICH, DIRECTLY OR INDIRECTLY, OWNS, HAS THE POWER OR RIGHT TO
13 CONTROL OR TO VOTE ANY SIGNIFICANT PART OF THE OUTSTANDING
14 VOTING SECURITIES OF A CORPORATION OR OTHER FORM OF BUSINESS
15 ORGANIZATION. A HOLDING COMPANY INDIRECTLY HAS, HOLDS OR OWNS
16 ANY SUCH POWER, RIGHT OR SECURITY IF IT DOES SO THROUGH AN
17 INTEREST IN A SUBSIDIARY OR SUCCESSIVE SUBSIDIARIES.

18 * * *

19 "INDEPENDENT CONTRACTOR." A PERSON WHO PERFORMS
20 PROFESSIONAL, SCIENTIFIC, TECHNICAL OR ADVISORY SERVICES TO THE
21 PENNSYLVANIA GAMING CONTROL BOARD FOR A FEE, HONORARIUM OR
22 SIMILAR COMPENSATION PURSUANT TO A CONTRACT.

23 * * *

24 "INTERMEDIARY." A PERSON, OTHER THAN A NATURAL PERSON,
25 WHICH:

26 (1) IS A HOLDING COMPANY WITH RESPECT TO A CORPORATION
27 OR OTHER FORM OF BUSINESS ORGANIZATION WHICH HOLDS OR APPLIES
28 FOR A LICENSE UNDER THIS PART; AND

29 (2) IS A SUBSIDIARY WITH RESPECT TO ANY HOLDING COMPANY.

30 * * *

1 "LICENSED FACILITY." THE PHYSICAL LAND-BASED LOCATION AND
2 ASSOCIATED AREAS AT WHICH A LICENSED GAMING ENTITY IS AUTHORIZED
3 TO PLACE AND OPERATE SLOT MACHINES. AN ASSOCIATED AREA SHALL
4 INCLUDE ALL PARCELS OF LAND OWNED BY THE LICENSED GAMING ENTITY
5 OR ITS AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY
6 CONTIGUOUS TO THE LICENSED FACILITY.

7 * * *

8 "MEMBER." AN INDIVIDUAL APPOINTED TO OR SWORN IN AS A MEMBER
9 OF THE BOARD IN ACCORDANCE WITH SECTION 1201(B) (RELATING TO
10 PENNSYLVANIA GAMING CONTROL BOARD ESTABLISHED).

11 * * *

12 "PRINCIPAL." AN OFFICER; DIRECTOR; PERSON WHO DIRECTLY OR
13 INDIRECTLY HOLDS A BENEFICIAL INTEREST IN OR OWNERSHIP OF AN
14 APPLICANT OR LICENSEE; PERSON WHO HAS A CONTROLLING INTEREST IN
15 AN APPLICANT OR LICENSEE, OR HAS THE ABILITY TO ELECT A MAJORITY
16 OF THE BOARD OF DIRECTORS OF THE LICENSEE OR TO OTHERWISE
17 CONTROL THE LICENSEE; LENDER OR OTHER LICENSED FINANCIAL
18 INSTITUTION, OTHER THAN A BANK OR LENDING INSTITUTION WHICH
19 MAKES A LOAN OR HOLDS A MORTGAGE OR OTHER LIEN ACQUIRED IN THE
20 ORDINARY COURSE OF BUSINESS; UNDERWRITER; OTHER EMPLOYEE OF A
21 SLOT MACHINE LICENSEE, MANUFACTURER LICENSEE OR SUPPLIER
22 LICENSEE DEEMED TO BE A PRINCIPAL BY THE PENNSYLVANIA GAMING
23 CONTROL BOARD.

24 * * *

25 "PUBLICLY TRADED CORPORATION." AN ENTITY THAT:

26 (1) HAS A CLASS OR SERIES OF SECURITIES REGISTERED UNDER
27 THE SECURITIES EXCHANGE ACT OF 1934 (48 STAT. 881, 15 U.S.C.
28 § 78A ET SEQ.);

29 (2) IS A REGISTERED MANAGEMENT COMPANY UNDER THE
30 INVESTMENT COMPANY ACT OF 1940 (54 STAT. 789, 15 U.S.C. §

1 80A-1 ET SEQ.) ; OR

2 (3) IS SUBJECT TO THE REPORTING OBLIGATIONS IMPOSED BY
3 SECTION 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 BY
4 REASON OF HAVING FILED A REGISTRATION STATEMENT WHICH HAS
5 BECOME EFFECTIVE UNDER THE SECURITIES ACT OF 1933 (48 STAT.
6 74, 15 U.S.C. § 77A ET SEQ.).

7 * * *

8 "SUBSIDIARY." THE TERM SHALL INCLUDE:

9 (1) A CORPORATION, ANY SIGNIFICANT PART OF WHOSE
10 OUTSTANDING EQUITY SECURITIES ARE OWNED, SUBJECT TO A POWER
11 OR RIGHT OF CONTROL, OR HELD WITH POWER TO VOTE, BY A HOLDING
12 COMPANY OR AN INTERMEDIARY COMPANY; OR

13 (2) A SIGNIFICANT INTEREST IN A PERSON, OTHER THAN A
14 NATURAL PERSON, WHICH IS OWNED, SUBJECT TO A POWER OR RIGHT
15 OF CONTROL, OR HELD WITH POWER TO VOTE, BY A HOLDING COMPANY
16 OR AN INTERMEDIARY COMPANY.

17 * * *

18 "UNDERWRITER." AS DEFINED IN THE ACT OF DECEMBER 5, 1972
19 (P.L.1280, NO.284), KNOWN AS THE PENNSYLVANIA SECURITIES ACT OF
20 1972.

21 SECTION 2. SECTION 1201(A), (B), (C), (D), (E), (F)(3), (H)
22 AND (K) OF TITLE 4 ARE AMENDED AND THE SECTION IS AMENDED BY
23 ADDING SUBSECTIONS TO READ:

24 § 1201. PENNSYLVANIA GAMING CONTROL BOARD ESTABLISHED.

25 (A) BOARD ESTABLISHED.--THERE IS ESTABLISHED AN INDEPENDENT
26 [ADMINISTRATIVE] BOARD WHICH SHALL BE A BODY CORPORATE AND
27 POLITIC TO BE KNOWN AS THE PENNSYLVANIA GAMING CONTROL BOARD[,
28 WHICH SHALL BE IMPLEMENTED AS SET FORTH IN THIS SECTION].

29 (B) MEMBERSHIP.--THE BOARD SHALL CONSIST OF THE FOLLOWING
30 MEMBERS[, WHO SHALL SERVE A SET TERM AND MAY NOT BE REMOVED

EXCEPT FOR GOOD CAUSE]:

(1) THREE MEMBERS APPOINTED BY THE GOVERNOR[, EACH
BEING REFERRED TO AS A "GUBERNATORIAL APPOINTEE."]

(2) ONE MEMBER APPOINTED BY EACH OF THE FOLLOWING
[LEGISLATIVE CAUCUS LEADERS, EACH BEING REFERRED TO AS A
"LEGISLATIVE APPOINTEE"]:

(I) THE PRESIDENT PRO TEMPORE OF THE SENATE.

(II) THE MINORITY LEADER OF THE SENATE.

(III) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

(IV) THE MINORITY LEADER OF THE HOUSE OF
REPRESENTATIVES.

(B.1) REMOVAL.--A MEMBER OF THE BOARD SHALL BE REMOVED FROM
OFFICE BY THE APPOINTING AUTHORITY:

(1) FOR MISCONDUCT IN OFFICE, WILLFUL NEGLECT OF DUTY OR
CONDUCT EVIDENCING UNFITNESS FOR OFFICE OR INCOMPETENCE; OR

(2) UPON CONVICTION OF AN OFFENSE GRADED AS A FELONY, AN
INFAMOUS CRIME, AN OFFENSE UNDER THIS PART OR AN EQUIVALENT
OFFENSE UNDER FEDERAL LAW OR THE LAW OF ANOTHER JURISDICTION.

(C) INITIAL APPOINTMENTS TO BOARD.--

(1) GUBERNATORIAL [APPOINTEE MEMBERS] APPOINTEES
INITIALLY APPOINTED UNDER SUBSECTION (B)(1) SHALL SERVE AN
INITIAL TERM OF ONE, TWO AND THREE YEARS RESPECTIVELY AS
DESIGNATED BY THE GOVERNOR AT THE TIME OF APPOINTMENT AND
UNTIL THEIR SUCCESSORS ARE APPOINTED AND QUALIFIED.

(2) LEGISLATIVE [APPOINTEE MEMBERS] APPOINTEES INITIALLY
APPOINTED UNDER SUBSECTION (B)(2) SHALL SERVE UNTIL THE THIRD
TUESDAY IN JANUARY 2007 AND UNTIL THEIR SUCCESSORS ARE
APPOINTED AND QUALIFIED.

(3) [ANY] AN APPOINTMENT TO FILL A VACANCY CREATED BY A
MEMBER APPOINTED UNDER PARAGRAPH (1) OR (2) SHALL BE FOR THE

1 REMAINDER OF THE UNEXPIRED TERM. [MEMBERS SO APPOINTED TO
2 FILL THE UNEXPIRED TERM OF AN INITIAL APPOINTEE SHALL BE
3 SUBJECT TO THE PROVISIONS OF SUBSECTION (D).]

4 (D) [APPOINTMENTS AFTER EXPIRATION OF INITIAL TERM OR UPON
5 VACANCY] TERMS OF OFFICE.--UPON THE EXPIRATION OF A TERM OF A
6 [MEMBER] GUBERNATORIAL OR LEGISLATIVE APPOINTEE APPOINTED UNDER
7 [THIS SUBSECTION OR UPON THE EXISTENCE OF A VACANCY OF A MEMBER
8 APPOINTED PURSUANT TO SUBSECTION (C) OR THIS] SUBSECTION (B) OR
9 (C), THE APPOINTING AUTHORITY SHALL APPOINT A MEMBER SUBJECT TO
10 THE FOLLOWING:

11 (1) [FOR A GUBERNATORIAL APPOINTMENT UNDER SUBSECTION
12 (B)(1), THE TERM SHALL BE FOR THREE YEARS AND UNTIL A
13 SUCCESSOR IS APPOINTED AND QUALIFIED.] THE TERM OF OFFICE OF
14 A GUBERNATORIAL APPOINTEE SHALL BE THREE YEARS AND UNTIL A
15 SUCCESSOR IS APPOINTED AND QUALIFIED.

16 (2) [TERMS FOR LEGISLATIVE APPOINTEE MEMBERS APPOINTED
17 UNDER SUBSECTION (B)(2) SHALL BE FOR A TWO-YEAR TERM AND
18 SHALL EXPIRE ON THE THIRD TUESDAY OF JANUARY OF SUCH YEAR,
19 BUT SUCH MEMBERS SHALL CONTINUE TO SERVE UNTIL THEIR
20 SUCCESSORS ARE APPOINTED AND QUALIFIED.] THE TERM OF OFFICE
21 OF A LEGISLATIVE APPOINTEE SHALL BE TWO YEARS AND UNTIL A
22 SUCCESSOR IS APPOINTED AND QUALIFIED.

23 (3) [NO] A LEGISLATIVE APPOINTEE [MEMBER] SHALL SERVE NO
24 MORE THAN THREE FULL [SUCCESSIVE] CONSECUTIVE TERMS.

25 (4) [NO] A GUBERNATORIAL APPOINTEE [MEMBER] SHALL SERVE
26 NO MORE THAN TWO FULL [SUCCESSIVE] CONSECUTIVE TERMS.

27 (5) AN APPOINTMENT TO FILL A VACANCY SHALL BE FOR THE
28 REMAINDER OF THE UNEXPIRED TERM.

29 (6) A MEMBER APPOINTED TO FILL A VACANCY UNDER
30 SUBSECTION (C) OR UNDER PARAGRAPH (5) MAY SERVE TWO FULL

1 TERMS FOLLOWING THE EXPIRATION OF THE INITIAL TERM.

2 (E) EX OFFICIO MEMBERS.--THE SECRETARY OF REVENUE, THE
3 SECRETARY OF AGRICULTURE AND THE STATE TREASURER, OR THEIR
4 DESIGNEES, SHALL SERVE ON THE BOARD AS NONVOTING EX OFFICIO
5 MEMBERS OF THE BOARD. THE DESIGNEE SHALL BE A DEPUTY SECRETARY
6 OR AN EQUIVALENT POSITION WITHIN THE AGENCY.

7 (F) QUALIFIED MAJORITY VOTE.--

8 * * *

9 (3) NOTWITHSTANDING ANY OTHER PROVISION [TO THE
10 CONTRARY] OF THIS PART OR 65 PA.C.S. § 1103(J) (RELATING TO
11 RESTRICTED ACTIVITIES), A MEMBER SHALL DISCLOSE [THE NATURE
12 OF HIS] A DISQUALIFYING INTEREST, DISQUALIFY HIMSELF AND
13 ABSTAIN FROM VOTING IN A PROCEEDING IN WHICH HIS [OR HER]
14 IMPARTIALITY MAY BE REASONABLY QUESTIONED, INCLUDING, BUT NOT
15 LIMITED TO, INSTANCES WHERE HE [OR SHE] KNOWS THAT [THEY
16 POSSESS] HE OR A MEMBER OF HIS IMMEDIATE FAMILY POSSESSES A
17 [SUBSTANTIAL FINANCIAL] DIRECT OR INDIRECT FINANCIAL,
18 PROPERTY, LEASEHOLD, OWNERSHIP OR OTHER BENEFICIAL INTEREST
19 IN THE SUBJECT MATTER OF THE PROCEEDING OR ANY OTHER INTEREST
20 THAT COULD BE SUBSTANTIALLY AFFECTED BY THE OUTCOME OF THE
21 PROCEEDING. [IN SUCH CIRCUMSTANCES IN WHICH IT IS] IF A
22 LEGISLATIVE APPOINTEE [MEMBER THAT] HAS DISQUALIFIED HIMSELF
23 [OR HERSELF], THE QUALIFIED MAJORITY SHALL CONSIST OF ALL OF
24 THE REMAINING [THREE] LEGISLATIVE APPOINTEES AND AT LEAST TWO
25 GUBERNATORIAL APPOINTEES. FOR PURPOSES OF THIS PARAGRAPH, THE
26 TERM "IMMEDIATE FAMILY" SHALL MEAN SPOUSE, PARENT, BROTHER,
27 SISTER OR CHILD.

28 * * *

29 (H) QUALIFICATIONS AND RESTRICTIONS.--

30 (1) EACH MEMBER AT THE TIME OF APPOINTMENT SHALL BE AT

1 LEAST 25 YEARS OF AGE AND SHALL HAVE BEEN A RESIDENT OF THIS
2 COMMONWEALTH FOR A PERIOD OF AT LEAST ONE YEAR IMMEDIATELY
3 PRECEDING APPOINTMENT. EACH MEMBER SHALL CONTINUE TO REMAIN A
4 RESIDENT OF THIS COMMONWEALTH DURING THE TERM OF MEMBERSHIP
5 ON THE BOARD.

6 (2) EXCEPT FOR EX OFFICIO MEMBERS, NO PERSON SHALL BE
7 APPOINTED A MEMBER OF THE BOARD OR [HOLD ANY PLACE, POSITION
8 OR OFFICE UNDER THE BOARD IF THAT PERSON HOLDS ANY OTHER
9 ELECTED OFFICE OR PARTY OFFICE] BE EMPLOYED BY THE BOARD IF
10 THAT PERSON IS A PUBLIC OFFICIAL OR PARTY OFFICER AS DEFINED
11 IN SECTION 1512 (RELATING TO [PUBLIC OFFICIAL FINANCIAL
12 INTEREST] FINANCIAL INTERESTS, COMPLIMENTARY SERVICES AND
13 DISCOUNTS) IN THIS COMMONWEALTH OR ANY OF ITS POLITICAL
14 SUBDIVISIONS.

15 [(3) NO MEMBER, APPOINTEE, EMPLOYEE OR OFFICIAL SHALL
16 HOLD ANY OFFICE OR EMPLOYMENT POSITION, THE DUTIES OF WHICH
17 ARE INCOMPATIBLE WITH THE DUTIES OF THE OFFICE.

18 (4) NO MEMBER, EMPLOYEE, APPOINTEE OR OFFICIAL ENGAGED
19 IN THE SERVICE OF OR IN ANY MANNER CONNECTED WITH THE BOARD
20 SHALL HOLD ANY OFFICE OR POSITION, OR BE ENGAGED IN ANY
21 EMPLOYMENT OR VOCATION, THE DUTIES OF WHICH ARE INCOMPATIBLE
22 WITH EMPLOYMENT IN THE SERVICE OF OR IN CONNECTION WITH THE
23 WORK OF THE BOARD.]

24 (3) EACH MEMBER, EMPLOYEE AND INDEPENDENT CONTRACTOR OF
25 THE BOARD SHALL SIGN AN AGREEMENT NOT TO DISCLOSE
26 CONFIDENTIAL INFORMATION.

27 (4) NO MEMBER, EMPLOYEE OR INDEPENDENT CONTRACTOR OF THE
28 BOARD OR OTHER AGENCY WITH REGULATORY AUTHORITY OVER THE
29 BOARD OR GAMING SHALL BE EMPLOYED, HOLD ANY OFFICE OR
30 POSITION OR BE ENGAGED IN ANY ACTIVITY WHICH IS INCOMPATIBLE

1 WITH THE POSITION OR EMPLOYMENT.

2 (5) NO MEMBER SHALL BE PAID OR [ACCEPT FOR ANY SERVICE
3 CONNECTED WITH THE OFFICE ANY FEE OTHER THAN THE SALARY AND
4 EXPENSES PROVIDED BY LAW.] RECEIVE ANY FEE OR OTHER
5 COMPENSATION OTHER THAN SALARY AND EXPENSES PROVIDED BY LAW
6 FOR ANY ACTIVITY RELATED TO THE DUTIES OR AUTHORITY OF THE
7 BOARD. NOTHING IN THIS PART SHALL PROHIBIT A MEMBER FROM
8 ENGAGING IN ANY EMPLOYMENT [OR VOCATION] OR RECEIVING ANY
9 COMPENSATION FOR SUCH EMPLOYMENT [OR VOCATION] THAT IS NOT
10 [OTHERWISE] CONNECTED TO OR INCOMPATIBLE WITH HIS [OR HER]
11 SERVICE AS A MEMBER OF THE BOARD.

12 (6) NO MEMBER, EMPLOYEE[, APPOINTEE OR OFFICIAL SHALL
13 PARTICIPATE IN ANY HEARING OR PROCEEDING IN WHICH THAT PERSON
14 HAS ANY DIRECT OR INDIRECT PECUNIARY INTEREST.] OR
15 INDEPENDENT CONTRACTOR OF THE BOARD SHALL PARTICIPATE IN A
16 HEARING, PROCEEDING OR OTHER MATTER IN WHICH THE MEMBER OR
17 EMPLOYEE OR THE MEMBER'S OR EMPLOYEE'S IMMEDIATE FAMILY HAS
18 ANY DIRECT OR INDIRECT FINANCIAL, PROPERTY, LEASEHOLD,
19 OWNERSHIP OR OTHER BENEFICIAL INTEREST IN THE SUBJECT MATTER
20 OF THE HEARING OR PROCEEDING OR OTHER INTEREST THAT COULD BE
21 SUBSTANTIALLY AFFECTED BY THE OUTCOME OF THE HEARING OR
22 PROCEEDING, WITHOUT FIRST FULLY DISCLOSING THE NATURE OF THE
23 INTEREST TO THE BOARD AND OTHER PERSONS PARTICIPATING IN THE
24 HEARING OR PROCEEDING. FOR PURPOSES OF THIS PARAGRAPH, THE
25 TERM "IMMEDIATE FAMILY" SHALL MEAN SPOUSE, PARENT, BROTHER,
26 SISTER OR CHILD.

27 (7) AT THE TIME OF APPOINTMENT AND ANNUALLY THEREAFTER,
28 EACH MEMBER SHALL DISCLOSE THE EXISTENCE OF [ALL OWNERSHIP
29 INTERESTS IN LICENSED FACILITIES AND ALL SECURITIES IN ANY
30 LICENSED ENTITY OR APPLICANT, ITS AFFILIATES OR SUBSIDIARIES

1 HELD BY THE MEMBER, THE MEMBER'S SPOUSE AND ANY MINOR OR
2 UNEMANCIPATED CHILDREN AND MUST DIVEST SUCH OWNERSHIP
3 INTERESTS IN LICENSED FACILITIES OR SECURITIES PRIOR TO AN
4 APPOINTMENT BECOMING FINAL. A MEMBER MAY NOT ACQUIRE ANY
5 SECURITY IN ANY LICENSED ENTITY, ITS AFFILIATES OR
6 SUBSIDIARIES DURING THE MEMBER'S TENURE.] ANY FINANCIAL,
7 PROPERTY, LEASEHOLD, OWNERSHIP OR OTHER BENEFICIAL INTEREST
8 IN ANY APPLICANT, LICENSED ENTITY OR LICENSED FACILITY AND IN
9 AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY
10 THEREOF HELD BY THE MEMBER OR KNOWN TO BE HELD BY THE
11 MEMBER'S IMMEDIATE FAMILY. THE DISCLOSURE STATEMENT SHALL BE
12 FILED WITH THE EXECUTIVE DIRECTOR OF THE BOARD AND WITH THE
13 APPOINTING AUTHORITY FOR SUCH MEMBER AND SHALL BE OPEN TO
14 INSPECTION BY THE PUBLIC AT THE OFFICE OF THE BOARD DURING
15 THE NORMAL BUSINESS HOURS OF THE BOARD [DURING THE TENURE OF
16 THE MEMBER] FOR THE DURATION OF THE MEMBER'S TERM AND FOR TWO
17 YEARS AFTER THE MEMBER LEAVES OFFICE. FOR PURPOSES OF THIS
18 PARAGRAPH, THE TERM "IMMEDIATE FAMILY" SHALL MEAN SPOUSE,
19 PARENT, BROTHER, SISTER OR CHILD.

20 (7.1) PRIOR TO BEING SWORN AS A MEMBER OF THE BOARD, A
21 MEMBER SHALL DIVEST ANY FINANCIAL, PROPERTY, LEASEHOLD,
22 OWNERSHIP OR OTHER BENEFICIAL INTEREST IN ANY APPLICANT,
23 LICENSED FACILITY OR LICENSED ENTITY AND IN AN AFFILIATE,
24 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OWNED OR HELD BY
25 THE MEMBER OR KNOWN TO BE HELD BY THE MEMBER'S IMMEDIATE
26 FAMILY. FOR THE DURATION OF THE MEMBER'S TERM, AND FOR ONE
27 YEAR THEREAFTER, THE MEMBER AND HIS IMMEDIATE FAMILY MAY NOT
28 ACQUIRE A FINANCIAL, PROPERTY, LEASEHOLD, OWNERSHIP OR OTHER
29 BENEFICIAL INTEREST IN ANY APPLICANT, LICENSED FACILITY OR
30 LICENSED ENTITY OR IN AN AFFILIATE, INTERMEDIARY, SUBSIDIARY

1 OR HOLDING COMPANY THEREOF. FOR PURPOSES OF THIS PARAGRAPH,
2 THE TERM "IMMEDIATE FAMILY" SHALL MEAN SPOUSE AND ANY MINOR
3 OR UNEMANCIPATED CHILD. FOR PURPOSES OF THIS PARAGRAPH, A
4 "FINANCIAL, PROPERTY, LEASEHOLD, OWNERSHIP OR OTHER
5 BENEFICIAL INTEREST" SHALL NOT INCLUDE SECURITIES THAT ARE
6 HELD IN A PENSION PLAN, PROFIT-SHARING PLAN, INDIVIDUAL
7 RETIREMENT ACCOUNT, TAX SHELTERED ANNUITY, A PLAN ESTABLISHED
8 PURSUANT TO SECTION 457 OF THE INTERNAL REVENUE CODE OF 1986
9 (PUBLIC LAW 99-514, 26 U.S.C. § 1 ET SEQ.), OR ANY SUCCESSOR
10 PROVISION, DEFERRED COMPENSATION PLAN WHETHER QUALIFIED OR
11 NOT QUALIFIED UNDER THE INTERNAL REVENUE CODE OF 1986, OR ANY
12 SUCCESSOR PROVISION, OR OTHER RETIREMENT PLAN THAT IS NOT
13 SELF-DIRECTED BY THE INDIVIDUAL AND THAT IS ADVISED BY AN
14 INDEPENDENT INVESTMENT ADVISER WHO HAS SOLE AUTHORITY TO MAKE
15 INVESTMENT DECISIONS WITH RESPECT TO CONTRIBUTIONS MADE BY
16 THE INDIVIDUAL TO THESE PLANS. FOR PURPOSES OF THIS
17 PARAGRAPH, A "FINANCIAL, PROPERTY, LEASEHOLD, OWNERSHIP OR
18 OTHER BENEFICIAL INTEREST" SHALL NOT INCLUDE A TUITION
19 ACCOUNT PLAN ORGANIZED AND OPERATED PURSUANT TO SECTION 529
20 OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514 26
21 U.S.C. § 529) THAT IS NOT SELF-DIRECTED BY THE INDIVIDUAL.

22 (7.2) PRIOR TO EMPLOYMENT BY THE BOARD AND ANNUALLY
23 THEREAFTER, AN INDIVIDUAL SHALL DISCLOSE THE EXISTENCE OF ANY
24 FINANCIAL, PROPERTY, LEASEHOLD, OWNERSHIP OR OTHER BENEFICIAL
25 INTEREST IN ANY APPLICANT, LICENSED FACILITY OR LICENSED
26 ENTITY AND IN AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR
27 HOLDING COMPANY THEREOF OWNED OR HELD BY THE EMPLOYEE OR
28 KNOWN TO BE HELD BY THE EMPLOYEE'S IMMEDIATE FAMILY. THE
29 DISCLOSURE STATEMENT SHALL BE FILED WITH THE BOARD AND SHALL
30 BE OPEN TO INSPECTION BY THE PUBLIC AT THE OFFICE OF THE

1 BOARD DURING THE NORMAL BUSINESS HOURS OF THE BOARD AND FOR
2 TWO YEARS AFTER THE INDIVIDUAL TERMINATES EMPLOYMENT WITH THE
3 BOARD. FOR PURPOSES OF THIS PARAGRAPH, THE TERM "IMMEDIATE
4 FAMILY" SHALL MEAN SPOUSE, PARENT, BROTHER, SISTER OR CHILD.

5 (7.3) PRIOR TO EMPLOYMENT BY THE BOARD, AN INDIVIDUAL
6 SHALL DIVEST ANY FINANCIAL, PROPERTY, LEASEHOLD, OWNERSHIP OR
7 OTHER BENEFICIAL INTEREST IN ANY APPLICANT, LICENSED FACILITY
8 OR LICENSED ENTITY AND IN AN AFFILIATE, INTERMEDIARY,
9 SUBSIDIARY OR HOLDING COMPANY THEREOF OWNED OR HELD BY THE
10 EMPLOYEE OR KNOWN TO BE HELD BY THE EMPLOYEE'S IMMEDIATE
11 FAMILY. FOR THE DURATION OF THE EMPLOYEE'S EMPLOYMENT AND FOR
12 ONE YEAR THEREAFTER, THE EMPLOYEE AND HIS IMMEDIATE FAMILY
13 SHALL NOT ACQUIRE, BY PURCHASE, GIFT, EXCHANGE OR OTHERWISE,
14 ANY FINANCIAL, PROPERTY, LEASEHOLD, OWNERSHIP OR OTHER
15 BENEFICIAL INTEREST IN ANY APPLICANT, LICENSED FACILITY OR
16 LICENSED ENTITY AND IN ANY AFFILIATE, INTERMEDIARY,
17 SUBSIDIARY OR HOLDING COMPANY THEREOF. FOR PURPOSES OF THIS
18 PARAGRAPH, THE TERM "IMMEDIATE FAMILY" SHALL MEAN SPOUSE AND
19 ANY MINOR OR UNEMANCIPATED CHILD. FOR PURPOSES OF THIS
20 PARAGRAPH, A "FINANCIAL, PROPERTY, LEASEHOLD, OWNERSHIP OR
21 OTHER BENEFICIAL INTEREST" SHALL NOT INCLUDE SECURITIES THAT
22 ARE HELD IN A PENSION PLAN, PROFIT-SHARING PLAN, INDIVIDUAL
23 RETIREMENT ACCOUNT, TAX SHELTERED ANNUITY, A PLAN ESTABLISHED
24 PURSUANT TO SECTION 457 OF THE INTERNAL REVENUE CODE OF 1986
25 (PUBLIC LAW 99-514, 26 U.S.C. § 1 ET SEQ.), OR ANY SUCCESSOR
26 PROVISION, DEFERRED COMPENSATION PLAN WHETHER QUALIFIED OR
27 NOT QUALIFIED UNDER THE INTERNAL REVENUE CODE OF 1986, OR ANY
28 SUCCESSOR PROVISION, OR OTHER RETIREMENT PLAN THAT IS NOT
29 SELF-DIRECTED BY THE INDIVIDUAL AND THAT IS ADVISED BY AN
30 INDEPENDENT INVESTMENT ADVISER WHO HAS SOLE AUTHORITY TO MAKE

1 INVESTMENT DECISIONS WITH RESPECT TO CONTRIBUTIONS MADE BY
2 THE INDIVIDUAL TO THESE PLANS. FOR PURPOSES OF THIS
3 PARAGRAPH, A "FINANCIAL, PROPERTY, LEASEHOLD, OWNERSHIP OR
4 OTHER BENEFICIAL INTEREST" SHALL NOT INCLUDE A TUITION
5 ACCOUNT PLAN ORGANIZED AND OPERATED PURSUANT TO SECTION 529
6 OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26
7 U.S.C. § 529) THAT IS NOT SELF-DIRECTED BY THE INDIVIDUAL.

8 (8) [EVERY MEMBER, EMPLOYEE, APPOINTEE OR OFFICIAL OF
9 THE BOARD, IN THE SERVICE OF OR IN CONNECTION WITH THE WORK
10 OF THE BOARD, IS FORBIDDEN, DIRECTLY OR INDIRECTLY, TO
11 SOLICIT OR REQUEST FROM OR TO SUGGEST OR RECOMMEND TO ANY
12 APPLICANT, LICENSED ENTITY, ITS] NO MEMBER, EMPLOYEE OR
13 INDEPENDENT CONTRACTOR OF THE BOARD MAY, DIRECTLY OR
14 INDIRECTLY, SOLICIT, REQUEST, SUGGEST OR RECOMMEND TO ANY
15 APPLICANT, LICENSED ENTITY, LICENSED FACILITY, OR AN
16 AFFILIATE, INTERMEDIARY, SUBSIDIARY[,] OR HOLDING COMPANY
17 THEREOF OR TO ANY [OFFICER, ATTORNEY, AGENT OR EMPLOYEE]
18 PRINCIPAL, EMPLOYEE, ATTORNEY OR AGENT THEREOF THE
19 APPOINTMENT OR EMPLOYMENT OF ANY INDIVIDUAL [TO ANY OFFICE,
20 PLACE OR POSITION IN OR THE EMPLOYMENT OF ANY INDIVIDUAL] IN
21 ANY CAPACITY BY THE APPLICANT, LICENSED ENTITY, [ITS]
22 LICENSED FACILITY, OR AFFILIATE, INTERMEDIARY, SUBSIDIARY OR
23 HOLDING COMPANY THEREOF.

24 [(9) EVERY MEMBER, EXECUTIVE-LEVEL EMPLOYEE, APPOINTEE
25 OR OFFICIAL APPOINTED TO OFFICE IN THE SERVICE OF OR IN
26 CONNECTION WITH THE WORK OF THE BOARD IS PROHIBITED FROM
27 ACCEPTING EMPLOYMENT WITH ANY APPLICANT, LICENSED GAMING
28 ENTITY, ITS AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING
29 COMPANY FOR A PERIOD OF ONE YEAR FROM THE TERMINATION OF
30 EMPLOYMENT OR SERVICE WITH THE BOARD. EVERY MEMBER,

1 EXECUTIVE-LEVEL EMPLOYEE, APPOINTEE OR OFFICIAL APPOINTED TO
2 OFFICE IN THE SERVICE OF OR IN CONNECTION WITH THE WORK OF
3 THE BOARD IS PROHIBITED FROM APPEARING BEFORE THE BOARD ON
4 BEHALF OF ANY APPLICANT, LICENSED GAMING ENTITY, ITS
5 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OR
6 OTHER LICENSEE OR PERMITTEE OF THE BOARD FOR A PERIOD OF TWO
7 YEARS AFTER TERMINATING EMPLOYMENT OR SERVICE WITH THE BOARD.

8 (10) IF ANY PERSON EMPLOYED OR APPOINTED IN THE SERVICE
9 OF THE BOARD VIOLATES ANY PROVISION OF THIS SECTION, THE
10 APPOINTING AUTHORITY OR THE BOARD SHALL FORTHWITH REMOVE THE
11 PERSON FROM THE OFFICE OR EMPLOYMENT AND THE PERSON SHALL BE
12 INELIGIBLE FOR FUTURE EMPLOYMENT OR SERVICE WITH THE BOARD
13 AND SHALL BE INELIGIBLE TO BE APPROVED FOR ANY LICENSE OR
14 PERMIT UNDER THIS PART FOR A PERIOD OF TWO YEARS THEREAFTER.]

15 (9) NO MEMBER OF THE BOARD MAY ACCEPT EMPLOYMENT WITH
16 ANY APPLICANT, LICENSED ENTITY, LICENSED FACILITY OR AN
17 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY
18 THEREOF FOR A PERIOD OF ONE YEAR FROM THE TERMINATION OF
19 MEMBERSHIP.

20 (10) NO MEMBER OF THE BOARD MAY APPEAR BEFORE THE BOARD
21 ON BEHALF OF ANY APPLICANT, LICENSED ENTITY, LICENSED
22 FACILITY OR AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING
23 COMPANY THEREOF OR ANY OTHER LICENSEE OR PERMITTEE FOR A
24 PERIOD OF TWO YEARS FROM THE TERMINATION OF MEMBERSHIP.

25 (11) NO MEMBER OR EMPLOYEE OF THE BOARD SHALL WAGER OR
26 BE PAID ANY PRIZE FROM ANY WAGER AT ANY LICENSED FACILITY
27 WITHIN THIS COMMONWEALTH OR AT ANY OTHER FACILITY OUTSIDE
28 THIS COMMONWEALTH [WHICH], WHETHER OR NOT IT IS OWNED OR
29 OPERATED BY A LICENSED GAMING ENTITY OR ANY OF ITS
30 [AFFILIATES OR SUBSIDIARIES.] AFFILIATES, INTERMEDIARIES,

1 SUBSIDIARIES OR HOLDING COMPANIES FOR THE DURATION OF THEIR
2 EMPLOYMENT OR TERM OF OFFICE AND FOR A PERIOD OF ONE YEAR
3 FROM THE TERMINATION OF EMPLOYMENT WITH THE BOARD. THE
4 PROVISIONS OF THIS PARAGRAPH SHALL APPLY TO AN EMPLOYEE OF
5 THE COMMONWEALTH SUBSTANTIALLY INVOLVED IN THE DEVELOPMENT OR
6 ADOPTION OF REGULATORY POLICY, THE LICENSING OF AN APPLICANT
7 OR ENFORCEMENT UNDER THIS PART.

8 (12) A MEMBER OF THE BOARD WHO HAS BEEN CONVICTED DURING
9 HIS TERM IN ANY DOMESTIC OR FOREIGN JURISDICTION OF A FELONY,
10 INFAMOUS CRIME [OF MORAL TURPITUDE] OR GAMBLING OFFENSE
11 SHALL, UPON CONVICTION, BE AUTOMATICALLY REMOVED FROM THE
12 BOARD AND SHALL BE INELIGIBLE TO BECOME A BOARD MEMBER IN THE
13 FUTURE. IF AN EX OFFICIO MEMBER OF THE BOARD IS CONVICTED
14 DURING HIS TERM IN ANY DOMESTIC OR FOREIGN JURISDICTION OF A
15 FELONY, INFAMOUS CRIME OR GAMBLING OFFENSE, THE EX OFFICIO
16 MEMBER SHALL, UPON CONVICTION, BE AUTOMATICALLY REMOVED FROM
17 THE BOARD, AND THE PERSON HOLDING THE NEXT HIGHEST RANKING
18 POSITION IN THE OFFICE OR DEPARTMENT SHALL SERVE THE
19 REMAINDER OF THE EX OFFICIO MEMBER'S TERM.

20 (13) NO EMPLOYEE OR INDEPENDENT CONTRACTOR OF THE BOARD
21 OR OTHER EMPLOYEE OF THE EXECUTIVE BRANCH OF THE COMMONWEALTH
22 OR OF A POLITICAL SUBDIVISION WHOSE DUTIES SUBSTANTIALLY
23 INVOLVE THE DEVELOPMENT OR ADOPTION OF REGULATIONS OR POLICY,
24 LICENSING OR ENFORCEMENT UNDER THIS PART SHALL:

25 (I) ACCEPT EMPLOYMENT WITH AN APPLICANT, LICENSED
26 ENTITY, LICENSED FACILITY OR AN AFFILIATE, INTERMEDIARY,
27 SUBSIDIARY OR HOLDING COMPANY THEREOF FOR A PERIOD OF ONE
28 YEAR AFTER THE TERMINATION OF THE EMPLOYMENT OR CONTRACT;

29 (II) DIRECTLY OR INDIRECTLY SOLICIT, REQUEST OR
30 RECOMMEND TO ANY APPLICANT, LICENSED ENTITY, LICENSED

1 FACILITY OR AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR
2 HOLDING COMPANY THEREOF OR TO ANY PRINCIPAL, EMPLOYEE,
3 ATTORNEY OR AGENT THEREOF, THE APPOINTMENT OR EMPLOYMENT
4 OF AN INDIVIDUAL IN ANY CAPACITY BY THE APPLICANT,
5 LICENSED ENTITY, LICENSED FACILITY OR AN AFFILIATE,
6 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY THEREOF; OR
7 (III) APPEAR BEFORE THE BOARD IN ANY HEARING OR
8 PROCEEDING OR PARTICIPATE IN ANY OTHER ACTIVITY ON BEHALF
9 OF ANY APPLICANT, LICENSEE, PERMITTEE, LICENSED ENTITY,
10 LICENSED FACILITY OR AN AFFILIATE, INTERMEDIARY,
11 SUBSIDIARY OR HOLDING COMPANY THEREOF FOR A PERIOD OF TWO
12 YEARS AFTER TERMINATION OF THE EMPLOYMENT OR CONTRACT.

13 (14) UPON THE WRITTEN REQUEST OF AN EMPLOYEE OF THE
14 EXECUTIVE BRANCH, THE COMMONWEALTH OR A POLITICAL SUBDIVISION
15 OR OF THE AGENCY OR POLITICAL SUBDIVISION EMPLOYING THE
16 EMPLOYEE, THE STATE ETHICS COMMISSION SHALL DETERMINE WHETHER
17 THE INDIVIDUAL'S DUTIES SUBSTANTIALLY INVOLVE THE DEVELOPMENT
18 OR ADOPTION OF REGULATIONS OR POLICY, LICENSING OR
19 ENFORCEMENT UNDER THIS PART AND SHALL PROVIDE A WRITTEN
20 DETERMINATION TO THE EMPLOYEE TO INCLUDE ANY PROHIBITION
21 UNDER THIS PARAGRAPH. AN INDIVIDUAL WHO RELIES IN GOOD FAITH
22 ON A DETERMINATION UNDER THIS PARAGRAPH SHALL NOT BE SUBJECT
23 TO ANY PENALTY FOR AN ACTION TAKEN, PROVIDED THAT ALL
24 MATERIAL FACTS SET FORTH IN THE REQUEST FOR A DETERMINATION
25 ARE CORRECT.

26 (15) IF A MEMBER, EMPLOYEE OR INDEPENDENT CONTRACTOR OF
27 THE BOARD VIOLATES ANY PROVISION OF THIS SECTION, THE
28 APPOINTING AUTHORITY OR THE BOARD MAY, UPON NOTICE AND
29 HEARING, REMOVE THE PERSON FROM THE BOARD, WITHDRAW THE
30 APPOINTMENT OR TERMINATE THE EMPLOYMENT OR CONTRACT AND THE

PERSON SHALL BE INELIGIBLE FOR FUTURE APPOINTMENT OR
EMPLOYMENT WITH THE BOARD AND FOR APPROVAL OF A LICENSE OR
PERMIT UNDER THIS PART FOR A PERIOD OF TWO YEARS THEREAFTER.

(16) AS USED IN THIS SUBSECTION, THE TERM "FINANCIAL
INTEREST" SHALL MEAN OWNING OR HOLDING OR BEING DEEMED TO
HOLD DEBT OR EQUITY SECURITIES OR OTHER OWNERSHIP INTEREST OR
PROFITS INTEREST IN AN APPLICANT, LICENSED FACILITY OR
LICENSED ENTITY OR AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR
HOLDING COMPANY THEREOF.

(H.1) FIDUCIARY RELATIONSHIP.--A MEMBER OR EMPLOYEE OF THE
BOARD SHALL SERVE AS A FIDUCIARY OF THE COMMONWEALTH.

(H.2) STANDARD OF CARE.--THE MEMBERS OF THE BOARD SHALL
EXERCISE THE STANDARD OF CARE REQUIRED BY 20 PA.C.S. CH. 73
(RELATING TO MUNICIPALITIES INVESTMENTS) IN THE PERFORMANCE OF
THEIR DUTIES UNDER THIS PART.

(H.3) LIABILITY.--MEMBERS OF THE BOARD SHALL NOT BE
PERSONALLY LIABLE FOR ANY OBLIGATIONS OF THE BOARD.

* * *

(K) APPOINTMENTS.--THE APPOINTING AUTHORITIES SHALL MAKE
THEIR INITIAL APPOINTMENTS WITHIN 60 DAYS OF THE EFFECTIVE DATE
OF THIS PART. NO APPOINTMENT SHALL BE FINAL UNTIL RECEIPT BY THE
APPOINTING AUTHORITY OF THE REQUIRED BACKGROUND INVESTIGATION OF
THE APPOINTEE BY THE PENNSYLVANIA STATE POLICE WHICH SHALL BE
COMPLETED WITHIN 30 DAYS. NO PERSON WHO HAS BEEN CONVICTED IN
ANY DOMESTIC OR FOREIGN JURISDICTION OF A FELONY [OR GAMBLING],
INFAMOUS CRIME OR GAMING OFFENSE SHALL BE APPOINTED TO THE
BOARD.

* * *

(M) DISSOLUTION.--THE BOARD SHALL EXIST UNTIL TERMINATED BY
LAW.

SECTION 3. TITLE 4 IS AMENDED BY ADDING A SECTION TO READ:

§ 1201.1. APPLICABILITY OF OTHER STATUTES.

(A) GENERAL RULE.--THE FOLLOWING ACTS SHALL APPLY TO THE BOARD:

(1) THE ACT OF JUNE 21, 1957 (P.L.390, NO.212), REFERRED TO AS THE RIGHT-TO-KNOW LAW.

(2) THE ACT OF JULY 19, 1957 (P.L.1017, NO.451), KNOWN AS THE STATE ADVERSE INTEREST ACT.

(3) THE PROVISIONS OF 65 PA.C.S. CHS. 7 (RELATING TO OPEN MEETINGS) AND 11 (RELATING TO ETHICS STANDARDS AND FINANCIAL DISCLOSURE).

(B) STATUS OF BOARD.--

(1) THE BOARD SHALL BE CONSIDERED AN INDEPENDENT AGENCY FOR THE PURPOSES OF THE FOLLOWING:

(I) 62 PA.C.S. PT. I (RELATING TO COMMONWEALTH PROCUREMENT CODE). THE EXPEDITING OF THE REMITTANCE OF REVENUE FROM LICENSED FACILITIES TO THE COMMONWEALTH SHALL NOT BE GROUNDS FOR AN EMERGENCY PROCUREMENT BY THE BOARD.

(II) THE ACT OF OCTOBER 15, 1980 (P.L.950, NO.164), KNOWN AS THE COMMONWEALTH ATTORNEYS ACT.

(2) THE BOARD SHALL BE CONSIDERED AN AGENCY FOR THE PURPOSES OF THE FOLLOWING:

(I) THE ACT OF JULY 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE COMMONWEALTH DOCUMENTS LAW.

(II) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS THE REGULATORY REVIEW ACT.

SECTION 4. SECTIONS 1202, 1204, 1205, 1206(A), (C), (D) AND (F), 1208(1), 1402(A) AND 1512 OF TITLE 4 ARE AMENDED TO READ:

§ 1202. [GENERAL AND SPECIFIC POWERS] POWERS AND DUTIES.

(A) GENERAL POWERS.--

(1) THE BOARD SHALL HAVE GENERAL JURISDICTION OVER ALL GAMING ACTIVITIES OR RELATED ACTIVITIES AS DESCRIBED IN THIS PART. THE BOARD SHALL [BE RESPONSIBLE TO] ENSURE THE INTEGRITY OF THE ACQUISITION AND OPERATION OF SLOT MACHINES AND ASSOCIATED EQUIPMENT AND SHALL HAVE JURISDICTION OVER [EVERY ASPECT OF] THE AUTHORIZATION AND OPERATION OF SLOT MACHINES.

(2) THE BOARD SHALL EMPLOY [AN EXECUTIVE DIRECTOR, CHIEF COUNSEL, DEPUTIES, SECRETARIES, OFFICERS, HEARING OFFICERS AND AGENTS AS IT MAY DEEM NECESSARY] INDIVIDUALS AS NECESSARY TO CARRY OUT THE POWERS AND DUTIES OF THE BOARD, WHO SHALL SERVE AT THE BOARD'S PLEASURE. [THE BOARD SHALL ALSO EMPLOY OTHER EMPLOYEES AS IT DEEMS APPROPRIATE WHOSE DUTIES SHALL BE DETERMINED BY THE BOARD. IN ORDER TO ENSURE THE ABILITY OF THE BOARD TO RECRUIT AND RETAIN INDIVIDUALS NECESSARY TO EXECUTE ITS RESPONSIBILITIES UNDER THIS PART, THE BOARD SHALL SET THE] AN EMPLOYEE OF THE BOARD SHALL BE CONSIDERED A STATE EMPLOYEE FOR PURPOSES OF 71 PA.C.S. PT. XXV (RELATING TO RETIREMENT FOR STATE EMPLOYEES AND OFFICERS).

(3) IN ADDITION TO EMPLOYEES AUTHORIZED BY THE BOARD, EACH MEMBER OF THE BOARD MAY EMPLOY TWO SPECIAL ASSISTANTS WHOSE CLASSIFICATION AND COMPENSATION SHALL BE ESTABLISHED BY THE BOARD. A SPECIAL ASSISTANT SHALL BE A STATE EMPLOYEE FOR PURPOSES OF 71 PA.C.S. PT. XXV, SHALL SERVE AT THE PLEASURE OF THE MEMBER AND MAY ONLY BE REMOVED BY THE BOARD FOR CAUSE.

(4) THE BOARD SHALL ESTABLISH A SYSTEM OF CLASSIFICATION AND COMPENSATION OF ITS EMPLOYEES AND SHALL NOT BE SUBJECT TO THE PROVISIONS OF THE ACT OF APRIL 9, 1929 (P.L.177, NO.175), KNOWN AS THE ADMINISTRATIVE CODE OF 1929, AS TO

1 CLASSIFICATION AND COMPENSATION FOR ITS EMPLOYEES AND CONDUCT
2 ITS ACTIVITIES CONSISTENT WITH THE PRACTICES AND PROCEDURES
3 OF COMMONWEALTH AGENCIES. [FOR THE PURPOSES OF THE ACT OF
4 OCTOBER 15, 1980 (P.L.950, NO.164), KNOWN AS THE COMMONWEALTH
5 ATTORNEYS ACT, THE BOARD SHALL NOT BE CONSIDERED AN EXECUTIVE
6 OR INDEPENDENT AGENCY. THE BOARD SHALL HAVE SUCH OTHER POWERS
7 AND AUTHORITY NECESSARY TO CARRY OUT ITS DUTIES AND THE
8 OBJECTIVES OF THIS PART.]

9 (5) WITHIN 90 DAYS OF THE EFFECTIVE DATE OF THIS
10 PARAGRAPH, THE BOARD SHALL PUBLISH IN THE PENNSYLVANIA
11 BULLETIN, AND ON ITS INTERNET WEBSITE, THE CLASSIFICATION
12 SYSTEM FOR ALL EMPLOYEES.

13 (B) SPECIFIC POWERS.--THE BOARD SHALL HAVE THE SPECIFIC
14 POWER AND DUTY:

15 (1) TO RETAIN ATTORNEYS, ACCOUNTANTS, AUDITORS AND
16 FINANCIAL EXPERTS AND TO ENGAGE THE SERVICES OF CONSULTANTS,
17 ADVISORS AND INDEPENDENT CONTRACTORS AS NECESSARY.

18 (2) TO PAY OR SATISFY OBLIGATIONS OF THE BOARD.

19 (3) TO SUE OR BE SUED, IMPLEAD AND BE IMPLEADED, OR
20 INTERPLEAD.

21 (4) TO CONTRACT AND EXECUTE INSTRUMENTS AS NECESSARY TO
22 CARRY OUT THE POWERS AND DUTIES OF THE BOARD. CONTRACTS FOR
23 THE PURCHASE OF SUPPLIES, SERVICES AND CONSTRUCTION SHALL BE
24 FOR A TERM NOT TO EXCEED TWO YEARS.

25 (5) TO SELL, TRANSFER, CONVEY AND DISPOSE OF TANGIBLE OR
26 INTANGIBLE PROPERTY OWNED BY THE BOARD.

27 (6) TO ESTABLISH, CHARGE AND COLLECT FEES AND FINES AS
28 AUTHORIZED BY THIS PART.

29 (7) TO ADMINISTER OATHS, EXAMINE WITNESSES AND ISSUE
30 SUBPOENAS COMPELLING THE ATTENDANCE OF WITNESSES OR THE

1 PRODUCTION OF DOCUMENTS AND RECORDS OR OTHER EVIDENCE.

2 (8) TO PURCHASE INSURANCE AGAINST A LOSS RELATED TO THE
3 BOARD'S PROPERTY OR ASSETS.

4 (9) TO REQUIRE BACKGROUND INVESTIGATIONS ON PROSPECTIVE
5 OR EXISTING APPLICANTS, LICENSEES, INCLUDING PRINCIPALS AND
6 KEY EMPLOYEES, OR PERMITTEES [OR PERSONS HOLDING A
7 CONTROLLING INTEREST IN ANY PROSPECTIVE OR EXISTING LICENSEE
8 OR PERMITTEE] UNDER THE JURISDICTION OF THE BOARD.

9 [(2)] (10) TO ENTER INTO AN AGREEMENT WITH THE
10 PENNSYLVANIA STATE POLICE FOR THE REIMBURSEMENT OF ACTUAL
11 COSTS AS APPROVED BY THE BOARD TO THE PENNSYLVANIA STATE
12 POLICE FOR THE INVESTIGATIONS. INVESTIGATIONS SHALL INCLUDE
13 INFORMATION IN THE POSSESSION OF THE ATTORNEY GENERAL.

14 [(3) FOR PURPOSES OF THE BACKGROUND INVESTIGATION, THE
15 BOARD MAY]

16 (11) TO RECEIVE INFORMATION OTHERWISE PROTECTED BY 18
17 PA.C.S. CH. 91 (RELATING TO CRIMINAL HISTORY RECORD
18 INFORMATION).

19 [(4)] (12) AT ITS DISCRETION, TO ISSUE, APPROVE, RENEW,
20 REVOKE, SUSPEND, CONDITION OR DENY ISSUANCE OR RENEWAL OF
21 SLOT MACHINE LICENSES.

22 [(5)] (13) AT ITS DISCRETION, TO ISSUE, APPROVE, RENEW,
23 REVOKE, SUSPEND, CONDITION OR DENY ISSUANCE OR RENEWAL OF
24 SUPPLIER AND MANUFACTURER LICENSES.

25 [(6)] (14) AT ITS DISCRETION, TO ISSUE, APPROVE, RENEW,
26 REVOKE, SUSPEND, CONDITION OR DENY ISSUANCE OR RENEWAL OF
27 [OCCUPATION PERMITS] A LICENSE, PERMIT OR REGISTRATION FOR
28 VARIOUS CLASSES OF EMPLOYEES AS REQUIRED UNDER THIS PART.

29 [(7)] (15) AT ITS DISCRETION, TO ISSUE, APPROVE, RENEW,
30 REVOKE, SUSPEND, CONDITION OR DENY ISSUANCE OR RENEWAL OF ANY

1 ADDITIONAL LICENSES [OR PERMITS], PERMITS OR REGISTRATION
2 CERTIFICATES WHICH MAY BE REQUIRED BY THE BOARD UNDER THIS
3 PART. [OR BY REGULATION, INCLUDING, BUT NOT LIMITED TO,
4 VIOLATIONS OF SECTIONS 1328 (RELATING TO CHANGE IN OWNERSHIP
5 OR CONTROL OF SLOT MACHINE LICENSEE) AND 1330 (RELATING TO
6 MULTIPLE SLOT MACHINE LICENSE PROHIBITION).]

7 [(8)] (16) AT ITS DISCRETION, TO SUSPEND, CONDITION OR
8 DENY THE ISSUANCE OR RENEWAL OF ANY LICENSE OR PERMIT OR LEVY
9 FINES OR OTHER SANCTIONS FOR ANY VIOLATION OF THIS PART.

10 [(9)] (17) TO REQUIRE PROSPECTIVE AND EXISTING
11 EMPLOYEES, INDEPENDENT CONTRACTORS, APPLICANTS [FOR LICENSES
12 AND PERMITS], LICENSEES, PERMITTEES AND REGISTRANTS TO SUBMIT
13 TO FINGERPRINTING BY THE PENNSYLVANIA STATE POLICE. THE
14 PENNSYLVANIA STATE POLICE SHALL SUBMIT THE FINGERPRINTS TO
15 THE FEDERAL BUREAU OF INVESTIGATION FOR PURPOSES OF VERIFYING
16 THE IDENTITY OF THE [APPLICANTS] INDIVIDUAL AND OBTAINING
17 RECORDS OF CRIMINAL ARRESTS AND CONVICTIONS.

18 [10] (18) TO REQUIRE PROSPECTIVE AND EXISTING EMPLOYEES,
19 APPLICANTS, LICENSEES, PERMITTEES AND REGISTRANTS TO SUBMIT
20 PHOTOGRAPHS CONSISTENT WITH THE STANDARDS OF THE COMMONWEALTH
21 PHOTO IMAGING NETWORK.

22 (19) TO LEVY FINES OR OTHER SANCTIONS AGAINST AN
23 APPLICANT, LICENSED ENTITY OR OTHER LICENSEE, PERMITTEE OR
24 EMPLOYEE OF THE BOARD WHO POSSESSES, USES, SELLS OR OFFERS
25 FOR SALE ANY DEVICE, EQUIPMENT OR MATERIAL SUBJECT TO THIS
26 PART IN A MANNER WHICH CONSTITUTES A VIOLATION OF THIS PART.

27 (20) IN ADDITION TO THE POWER OF THE BOARD REGARDING
28 LICENSE AND PERMIT APPLICANTS, TO DETERMINE AT ITS DISCRETION
29 THE SUITABILITY OF ANY PERSON WHO FURNISHES OR SEEKS TO
30 FURNISH TO A SLOT MACHINE LICENSEE DIRECTLY OR INDIRECTLY ANY

SERVICES OR PROPERTY RELATED TO SLOT MACHINES OR ASSOCIATED EQUIPMENT OR THROUGH ANY ARRANGEMENTS UNDER WHICH THAT PERSON RECEIVES PAYMENT BASED DIRECTLY OR INDIRECTLY ON EARNINGS, PROFITS OR RECEIPTS FROM THE SLOT MACHINES AND ASSOCIATED EQUIPMENT. THE BOARD MAY REQUIRE ANY SUCH PERSON TO COMPLY WITH THE REQUIREMENTS OF THIS PART AND THE REGULATIONS OF THE BOARD AND MAY PROHIBIT THE PERSON FROM FURNISHING THE SERVICES OR PROPERTY.

[(11)] AS A BOARD AND THROUGH ITS DESIGNATED OFFICERS, EMPLOYEES OR AGENTS, TO ADMINISTER OATHS, EXAMINE WITNESSES AND ISSUE SUBPOENAS TO COMPEL ATTENDANCE OF WITNESSES AND PRODUCTION OF ALL RELEVANT AND MATERIAL REPORTS, BOOKS, PAPERS, DOCUMENTS AND OTHER EVIDENCE.

[(12)] (21) WITHIN SIX MONTHS AFTER THE EFFECTIVE DATE OF THIS PART, IN A MANNER THAT DOES NOT IMPEDE THE IMMEDIATE IMPLEMENTATION OF THE DUTIES AND RESPONSIBILITIES OF THE BOARD UNDER THIS PART DURING THE IMMEDIATE TWO YEARS AFTER THE EFFECTIVE DATE OF THIS PART, TO DEVELOP AND IMPLEMENT AN AFFIRMATIVE ACTION PLAN TO ASSURE THAT ALL PERSONS ARE ACCORDED EQUALITY OF OPPORTUNITY IN EMPLOYMENT AND CONTRACTING BY THE BOARD, ITS CONTRACTORS, SUBCONTRACTORS, ASSIGNEES, LESSEES, AGENTS, VENDORS AND SUPPLIERS.

[(13)] (22) EXCEPT FOR CONTRACTS RELATED TO THE CENTRAL CONTROL COMPUTER [AND SUCH OTHER CONTRACTS AS THE BOARD, IN CONSULTATION WITH THE SECRETARY OF GENERAL SERVICES, DETERMINES WOULD RESULT IN SUBSTANTIAL SAVINGS TO THE BOARD IF ENTERED INTO FOR A LONGER PERIOD THAN PROVIDED IN THIS PARAGRAPH], ALL CONTRACTS ENTERED INTO BY THE BOARD DURING THE TWO-YEAR PERIOD FOLLOWING THE EFFECTIVE DATE OF THIS PART SHALL NOT EXCEED A TERM OF TWO YEARS.

1 [(14)] TO PROMULGATE RULES AND REGULATIONS THE BOARD
2 DEEMS NECESSARY TO CARRY OUT THE POLICY AND PURPOSES OF THIS
3 PART AND TO ENHANCE THE CREDIBILITY AND THE INTEGRITY OF THE
4 LICENSED OPERATION OF SLOT MACHINES AND ASSOCIATED EQUIPMENT
5 IN THIS COMMONWEALTH.

6 (15)] (23) THE BOARD SHALL NOT ISSUE OR RENEW A LICENSE
7 [OR PERMIT], PERMIT, REGISTRATION CERTIFICATE OR OTHER
8 AUTHORIZATION UNLESS IT IS SATISFIED THAT THE APPLICANT IS A
9 PERSON OF GOOD CHARACTER, HONESTY AND INTEGRITY AND IS A
10 PERSON WHOSE PRIOR ACTIVITIES, CRIMINAL RECORD, IF ANY,
11 REPUTATION, HABITS AND ASSOCIATIONS DO NOT POSE A THREAT TO
12 THE PUBLIC INTEREST OR THE EFFECTIVE REGULATION AND CONTROL
13 OF SLOT MACHINE OPERATIONS OR CREATE OR ENHANCE THE DANGER OF
14 UNSUITABLE, UNFAIR OR ILLEGAL PRACTICES, METHODS AND
15 ACTIVITIES IN THE CONDUCT OF SLOT MACHINE OPERATIONS OR THE
16 CARRYING ON OF THE BUSINESS AND FINANCIAL ARRANGEMENTS
17 INCIDENTAL THERETO.

18 [(16)] (24) NOTWITHSTANDING ANY OTHER PROVISION OF LAW,
19 THE BOARD IS AUTHORIZED TO SELL, IN WHOLE OR IN PART, THE
20 COMMONWEALTH'S RIGHT, TITLE AND INTEREST IN STATE GAMING
21 RECEIPTS TO AN AUTHORITY CREATED BY THE COMMONWEALTH. THE
22 SALE SHALL BE SUBJECT TO THE TERMS AND CONDITIONS CONTAINED
23 IN AGREEMENTS BETWEEN THE BOARD AND THE AUTHORITY. PROCEEDS
24 FROM THE SALE OF STATE GAMING RECEIPTS SHALL BE ALLOCATED AND
25 USED IN THE MANNER OTHERWISE PROVIDED BY THIS PART FOR THE
26 DISTRIBUTION OF STATE GAMING RECEIPTS. THE AUTHORITY CREATED
27 BY THE COMMONWEALTH IS AUTHORIZED TO PURCHASE STATE GAMING
28 RECEIPTS UPON TERMS AND CONDITIONS AGREED TO BY THE BOARD AND
29 TO ISSUE BONDS TO FUND THE PURCHASE OF STATE GAMING RECEIPTS
30 IN THE MANNER PROVIDED FOR THE ISSUANCE OF AUTHORITY

1 INDEBTEDNESS IN THE LAW ESTABLISHING THE AUTHORITY. THE STATE
2 TREASURER IS AUTHORIZED AND DIRECTED TO ENTER INTO ANY
3 AGREEMENTS WITH THE BOARD AND THE AUTHORITY AND ESTABLISH
4 ACCOUNTS AND FUNDS, THAT SHALL NOT BE IN THE STATE TREASURY,
5 AS THE AUTHORITY MAY DIRECT AS BEING NECESSARY OR APPROPRIATE
6 TO EFFECT THE SALE OF STATE GAMING RECEIPTS TO THE AUTHORITY
7 AND THE COLLECTION AND TRANSFER OF THE STATE GAMING RECEIPTS
8 SOLD TO THE AUTHORITY. STATE GAMING RECEIPTS SOLD TO THE
9 AUTHORITY SHALL BE THE PROPERTY OF THE AUTHORITY AND SHALL
10 NOT BE THE PROPERTY OF THE COMMONWEALTH.

11 [(17)] (25) TO CREATE A BUREAU OF INVESTIGATIONS AND
12 ENFORCEMENT WITHIN THE BOARD. THE BOARD SHALL PROMULGATE
13 REGULATIONS PERTAINING TO THE OPERATION OF THE BUREAU WHICH
14 SHALL INSURE SEPARATION OF FUNCTIONS BETWEEN THE BUREAU AND
15 THE BOARD. THE BOARD SHALL PROVIDE THE EMPLOYEES NECESSARY TO
16 THE BUREAU FOR ENFORCEMENT OF THIS PART.

17 [(18)] (26) TO ENTER INTO AN AGREEMENT WITH THE DISTRICT
18 ATTORNEYS OF THE COUNTIES WHEREIN LICENSED FACILITIES ARE
19 LOCATED AND THE OFFICE OF ATTORNEY GENERAL FOR THE
20 REIMBURSEMENT OF ACTUAL COSTS FOR PROSECUTIONS OF CRIMINAL
21 VIOLATIONS [OF THIS PART.] AND FOR INVESTIGATING A PERSON
22 APPLYING FOR A DETERMINATION THAT AN INDIVIDUAL HAS BEEN
23 REHABILITATED UNDER THIS PART.

24 (27) TO PUBLISH EACH JANUARY IN THE PENNSYLVANIA
25 BULLETIN AND ON THE BOARD'S INTERNET WEBSITE A COMPLETE LIST
26 OF ALL PERSONS OR ENTITIES WHO APPLIED FOR OR HELD A SLOT
27 MACHINE LICENSE, MANUFACTURER LICENSE, SUPPLIER LICENSE OR
28 RACETRACK LICENSE AT ANY TIME DURING THE PRECEDING CALENDAR
29 YEAR AND ALL AFFILIATES, INTERMEDIARIES, SUBSIDIARIES AND
30 HOLDING COMPANIES THEREOF.

1 (28) TO PROMULGATE RULES AND REGULATIONS NECESSARY FOR
2 THE ADMINISTRATION AND ENFORCEMENT OF THIS PART. EXCEPT AS
3 PROVIDED IN SECTION 1203 (RELATING TO TEMPORARY REGULATIONS),
4 REGULATIONS SHALL BE ADOPTED PURSUANT TO THE ACT OF JULY 31,
5 1968 (P.L.769, NO.240), REFERRED TO AS THE COMMONWEALTH
6 DOCUMENTS LAW, AND THE ACT OF JUNE 25, 1982 (P.L.633,
7 NO.181), KNOWN AS THE REGULATORY REVIEW ACT.

8 § 1204. LICENSED GAMING ENTITY APPLICATION APPEALS FROM BOARD.

9 THE SUPREME COURT OF PENNSYLVANIA SHALL BE VESTED WITH
10 EXCLUSIVE APPELLATE JURISDICTION TO CONSIDER APPEALS OF ANY
11 FINAL ORDER, DETERMINATION OR DECISION OF THE BOARD INVOLVING
12 THE APPROVAL, ISSUANCE, DENIAL OR CONDITIONING OF [ALL LICENSED
13 ENTITY APPLICATIONS] A SLOT MACHINE LICENSE. NOTWITHSTANDING THE
14 PROVISIONS OF 2 PA.C.S. CH. 7 SUBCH. A (RELATING TO JUDICIAL
15 REVIEW OF COMMONWEALTH AGENCY ACTION) AND 42 PA.C.S. § 763
16 (RELATING TO DIRECT APPEALS FROM GOVERNMENT AGENCIES), THE
17 SUPREME COURT SHALL AFFIRM ALL FINAL ORDERS, DETERMINATIONS OR
18 DECISIONS OF THE BOARD INVOLVING THE APPROVAL, ISSUANCE, DENIAL
19 OR CONDITIONING OF [ALL LICENSED ENTITY APPLICATIONS] A SLOT
20 MACHINE LICENSE UNLESS IT SHALL FIND THAT THE BOARD COMMITTED AN
21 ERROR OF LAW OR THAT THE ORDER, DETERMINATION OR DECISION OF THE
22 BOARD WAS ARBITRARY AND THERE WAS A CAPRICIOUS DISREGARD OF THE
23 EVIDENCE.

24 § 1205. LICENSE OR PERMIT APPLICATION HEARING PROCESS.

25 THE BOARD'S CONSIDERATION AND RESOLUTION OF ALL LICENSE OR
26 PERMIT APPLICATIONS SHALL BE CONDUCTED IN ACCORDANCE WITH 2
27 PA.C.S. (RELATING TO ADMINISTRATIVE LAW AND PROCEDURE) AND WITH
28 PROCEDURES ADOPTED BY ORDER OF THE BOARD. NOTWITHSTANDING [THE
29 MANDATES OF] 2 PA.C.S. §§ 504 (RELATING TO HEARING AND RECORD)
30 AND 505 (RELATING TO EVIDENCE AND CROSS-EXAMINATION), [SAID] THE

1 PROCEDURES ADOPTED BY [ORDER OF] THE BOARD SHALL PROVIDE PARTIES
2 BEFORE IT WITH A DOCUMENTARY HEARING, BUT THE BOARD MAY[, AT ITS
3 DISCRETION,] RESOLVE DISPUTED MATERIAL FACTS WITHOUT CONDUCTING
4 AN ORAL HEARING WHERE CONSTITUTIONALLY PERMISSIBLE.

5 § 1206. BOARD MINUTES AND RECORDS.

6 [(A) OPEN PROCEEDINGS AND RECORDS.--THE PROCEEDINGS OF THE
7 BOARD SHALL BE CONDUCTED IN ACCORDANCE WITH THE PROVISIONS OF 65
8 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS). THE BOARD SHALL BE AN
9 AGENCY FOR PURPOSES OF THE ACT OF JUNE 21, 1957 (P.L.390,
10 NO.212), REFERRED TO AS THE RIGHT-TO-KNOW LAW. NOTWITHSTANDING
11 ANY PROVISION OF LAW TO THE CONTRARY, CONFIDENTIAL DOCUMENTS
12 RELATIVE TO PERSONAL BACKGROUND INFORMATION PROVIDED TO THE
13 BOARD PURSUANT TO THIS PART AND ANY CLOSED DELIBERATIONS OF THE
14 BOARD, INCLUDING DISCIPLINARY PROCEEDINGS, SHALL BE CONFIDENTIAL
15 AND CONSIDERED IN CLOSED EXECUTIVE SESSION PURSUANT TO
16 SUBSECTION (F).]

17 * * *

18 [(C) INFORMATION DELIVERED TO GOVERNOR AND GENERAL
19 ASSEMBLY.--A TRUE COPY OF THE MINUTES OF EVERY MEETING OF THE
20 BOARD AND OF ANY REGULATIONS FINALLY ADOPTED BY THE BOARD MAY BE
21 FORTHWITH DELIVERED, BY AND UNDER THE CERTIFICATION OF THE
22 EXECUTIVE DIRECTOR, TO THE GOVERNOR, THE SECRETARY OF THE SENATE
23 AND THE CHIEF CLERK OF THE HOUSE OF REPRESENTATIVES.]

24 (D) APPLICANT INFORMATION.--

25 (1) THE BOARD SHALL [KEEP AND] MAINTAIN A LIST OF ALL
26 APPLICANTS FOR LICENSES [AND PERMITS UNDER THIS PART TOGETHER
27 WITH], PERMITS AND REGISTRATIONS. THE LIST SHALL INCLUDE A
28 RECORD OF ALL ACTIONS TAKEN WITH RESPECT TO [THE APPLICANTS,
29 WHICH FILE AND RECORD] EACH APPLICANT. THE LIST SHALL BE OPEN
30 TO PUBLIC INSPECTION DURING THE NORMAL BUSINESS HOURS OF THE

1 BOARD.

2 (2) INFORMATION UNDER PARAGRAPH (1) REGARDING ANY
3 APPLICANT WHOSE LICENSE [OR] PERMIT OR REGISTRATION HAS BEEN
4 DENIED, REVOKED OR NOT RENEWED SHALL BE REMOVED FROM SUCH
5 LIST AFTER SEVEN YEARS FROM THE DATE OF THE ACTION.

6 * * *

7 (F) CONFIDENTIALITY OF INFORMATION.--ALL INFORMATION
8 [CONTAINED IN THE APPLICATION PROCESS] SUBMITTED BY AN APPLICANT
9 PURSUANT TO SECTION 1310(A) (RELATING TO SLOT MACHINE LICENSE
10 APPLICATION CHARACTER REQUIREMENTS) [AND THE REPORT OF AN
11 APPLICANT'S BACKGROUND INVESTIGATION FURNISHED TO] OR OBTAINED
12 BY THE BOARD OR THE BUREAU AS PART OF A BACKGROUND INVESTIGATION
13 FROM ANY SOURCE SHALL BE CONSIDERED CONFIDENTIAL [AND]. THE
14 INFORMATION SHALL BE WITHHELD FROM PUBLIC DISCLOSURE IN WHOLE OR
15 IN PART, EXCEPT THAT ANY INFORMATION SHALL BE RELEASED UPON THE
16 LAWFUL ORDER OF A COURT OF COMPETENT JURISDICTION OR, WITH THE
17 APPROVAL OF THE ATTORNEY GENERAL, TO A DULY AUTHORIZED LAW
18 ENFORCEMENT AGENCY OR SHALL BE RELEASED TO THE PUBLIC, IN WHOLE
19 OR IN PART, TO THE EXTENT THAT SUCH RELEASE IS REQUESTED BY AN
20 APPLICANT AND DOES NOT OTHERWISE CONTAIN CONFIDENTIAL
21 INFORMATION ABOUT ANOTHER PERSON. THE BOARD MAY NOT REQUIRE ANY
22 APPLICANT TO WAIVE ANY CONFIDENTIALITY PROVIDED FOR IN THIS
23 SUBSECTION AS A CONDITION FOR THE APPROVAL OF A LICENSE OR ANY
24 OTHER ACTION OF THE BOARD. ANY PERSON WHO VIOLATES THIS
25 SUBSECTION SHALL BE ADMINISTRATIVELY DISCIPLINED BY DISCHARGE,
26 SUSPENSION OR OTHER FORMAL DISCIPLINARY ACTION AS THE BOARD
27 DEEMS APPROPRIATE.

28 * * *

29 § 1208. COLLECTION OF FEES AND FINES.

30 THE BOARD HAS THE FOLLOWING POWERS AND DUTIES:

(1) TO LEVY AND COLLECT FEES FROM THE VARIOUS APPLICANTS, LICENSEES AND PERMITTEES TO FUND THE OPERATIONS OF THE BOARD. THE FEES SHALL BE DEPOSITED INTO THE STATE GAMING FUND AS ESTABLISHED IN SECTION 1403 (RELATING TO ESTABLISHMENT OF STATE GAMING FUND AND NET SLOT MACHINE REVENUE DISTRIBUTION) AND DISTRIBUTED TO THE BOARD UPON APPROPRIATION BY THE GENERAL ASSEMBLY. IN ADDITION TO THE FEES SET FORTH IN SECTIONS 1209 (RELATING TO SLOT MACHINE LICENSE FEE) AND 1305 (RELATING TO CATEGORY 3 SLOT MACHINE LICENSE), THE BOARD SHALL ASSESS AND COLLECT FEES AS FOLLOWS:

(I) SUPPLIER LICENSEES SHALL PAY A FEE OF \$25,000 UPON THE ISSUANCE OF A LICENSE AND \$10,000 FOR THE ANNUAL RENEWAL OF A SUPPLIER LICENSE.

(II) MANUFACTURER LICENSEES SHALL PAY A FEE OF \$50,000 UPON THE ISSUANCE OF A LICENSE AND \$25,000 FOR THE ANNUAL RENEWAL OF A MANUFACTURER LICENSE.

(III) EACH APPLICATION FOR A SLOT MACHINE LICENSE, SUPPLIER LICENSE OR MANUFACTURER LICENSE MUST BE ACCOMPANIED BY A NONREFUNDABLE FEE SET BY THE BOARD FOR THE COST OF EACH INDIVIDUAL REQUIRING A BACKGROUND INVESTIGATION. THE REASONABLE AND NECESSARY COSTS AND EXPENSES INCURRED IN ANY BACKGROUND INVESTIGATION OR OTHER INVESTIGATION OR PROCEEDING CONCERNING ANY APPLICANT, LICENSEE OR PERMITTEE SHALL BE REIMBURSED TO THE BOARD BY THOSE PERSONS.

* * *

§ 1402. GROSS TERMINAL REVENUE DEDUCTIONS.

(A) DEDUCTIONS.--AFTER DETERMINING THE APPROPRIATE ASSESSMENTS FOR EACH SLOT MACHINE LICENSEE, THE DEPARTMENT SHALL [DEDUCT THE FOLLOWING] DETERMINE COSTS, EXPENSES OR PAYMENTS

1 FROM EACH ACCOUNT ESTABLISHED UNDER SECTION 1401 (RELATING TO
2 SLOT MACHINE LICENSEE DEPOSITS). THE FOLLOWING COSTS AND
3 EXPENSES SHALL BE TRANSFERRED TO THE APPROPRIATE AGENCY UPON
4 APPROPRIATION BY THE GENERAL ASSEMBLY:

5 (1) THE COSTS AND EXPENSES TO BE INCURRED BY THE
6 DEPARTMENT IN ADMINISTERING THIS PART AT EACH SLOT MACHINE
7 LICENSEE'S LICENSED FACILITY BASED UPON A BUDGET SUBMITTED BY
8 THE DEPARTMENT TO AND APPROVED BY THE BOARD.

9 (2) THE OTHER COSTS AND EXPENSES TO BE INCURRED BY THE
10 DEPARTMENT IN ADMINISTERING THIS PART BASED UPON A BUDGET
11 SUBMITTED BY THE DEPARTMENT TO AND APPROVED BY THE BOARD.

12 (3) SUMS NECESSARY TO REPAY ANY LOANS MADE BY THE
13 GENERAL FUND TO THE DEPARTMENT IN CONNECTION WITH CARRYING
14 OUT ITS RESPONSIBILITIES UNDER THIS PART, INCLUDING THE COSTS
15 OF THE INITIAL ACQUISITION OF THE CENTRAL CONTROL COMPUTER
16 AND ANY ACCESSORIES OR ASSOCIATED EQUIPMENT.

17 (4) THE COSTS AND EXPENSES TO BE INCURRED BY THE
18 PENNSYLVANIA STATE POLICE AND THE OFFICE OF ATTORNEY GENERAL
19 AND NOT OTHERWISE REIMBURSED UNDER THIS PART IN CARRYING OUT
20 THEIR RESPECTIVE RESPONSIBILITIES UNDER THIS PART BASED UPON
21 A BUDGET SUBMITTED BY THE PENNSYLVANIA STATE POLICE AND THE
22 ATTORNEY GENERAL TO AND APPROVED BY THE BOARD.

23 (5) SUMS NECESSARY TO REPAY ANY LOANS MADE BY THE
24 GENERAL FUND TO THE PENNSYLVANIA STATE POLICE IN CONNECTION
25 WITH CARRYING OUT ITS RESPONSIBILITIES UNDER THIS PART.

26 (6) THE COSTS AND EXPENSES TO BE INCURRED BY THE BOARD
27 IN CARRYING OUT ITS RESPONSIBILITIES UNDER THIS PART BASED
28 UPON A BUDGET APPROVED BY THE BOARD.

29 (7) SUMS NECESSARY TO REPAY ANY LOANS MADE BY THE
30 GENERAL FUND TO THE BOARD IN CONNECTION WITH CARRYING OUT ITS

RESPONSIBILITIES UNDER THIS PART.

* * *

§ 1512. [PUBLIC OFFICIAL FINANCIAL INTEREST.] FINANCIAL INTERESTS, COMPLIMENTARY SERVICES AND DISCOUNTS.

[(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) FINANCIAL INTERESTS.--EXCEPT AS MAY BE PROVIDED BY RULE OR ORDER OF THE PENNSYLVANIA SUPREME COURT, AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER, OR AN IMMEDIATE FAMILY MEMBER THEREOF, SHALL NOT INTENTIONALLY OR KNOWINGLY HOLD A FINANCIAL INTEREST IN ANY SLOT MACHINE LICENSEE, MANUFACTURER LICENSEE, SUPPLIER LICENSEE, LICENSED RACING ENTITY OR IN AN APPLICANT SEEKING TO BECOME ANY OF THE FOREGOING, OR IN A HOLDING COMPANY, AFFILIATE, INTERMEDIARY OR SUBSIDIARY OF ANY OF THE FOREGOING, WHILE THE INDIVIDUAL IS AN

1 EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY
2 OFFICER AND FOR ONE YEAR FOLLOWING TERMINATION OF THE
3 INDIVIDUAL'S STATUS AS AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE,
4 PUBLIC OFFICIAL OR PARTY OFFICER.

5 (A.1) EMPLOYMENT.--NO EXECUTIVE-LEVEL PUBLIC EMPLOYEE,
6 PUBLIC OFFICIAL OR PARTY OFFICER, OR AN IMMEDIATE FAMILY MEMBER
7 THEREOF, SHALL BE EMPLOYED BY AN APPLICANT, A SLOT MACHINE
8 LICENSEE, MANUFACTURER LICENSEE, SUPPLIER LICENSEE, RACING
9 ENTITY LICENSEE OR BY AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR
10 HOLDING COMPANY THEREOF WHILE THE INDIVIDUAL IS AN EXECUTIVE-
11 LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER AND FOR
12 ONE YEAR FOLLOWING TERMINATION OF THE INDIVIDUAL'S STATUS AS AN
13 EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY
14 OFFICER.

15 (A.2) COMPLIMENTARY SERVICES AND DISCOUNTS.--

16 (1) NO EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL
17 OR PARTY OFFICER, OR AN IMMEDIATE FAMILY MEMBER THEREOF,
18 SHALL SOLICIT OR ACCEPT, DIRECTLY OR INDIRECTLY, ANY
19 COMPLIMENTARY SERVICE OR DISCOUNT FROM ANY APPLICANT, SLOT
20 MACHINE LICENSEE, MANUFACTURER LICENSEE, SUPPLIER LICENSEE,
21 LICENSED RACING ENTITY OR FROM AN AFFILIATE, INTERMEDIARY,
22 SUBSIDIARY OR HOLDING COMPANY THEREOF WHICH THE EXECUTIVE-
23 LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER, OR
24 AN IMMEDIATE FAMILY MEMBER THEREOF, KNOWS OR HAS REASON TO
25 KNOW IS OTHER THAN A SERVICE OR DISCOUNT THAT IS OFFERED TO
26 MEMBERS OF THE GENERAL PUBLIC IN LIKE CIRCUMSTANCES.

27 (2) NO APPLICANT, SLOT MACHINE LICENSEE, MANUFACTURER
28 LICENSEE, SUPPLIER LICENSEE OR LICENSED RACING ENTITY OR ANY
29 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY
30 THEREOF SHALL OFFER OR DELIVER, DIRECTLY OR INDIRECTLY, TO AN

1 EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL, PARTY
2 OFFICER, OR AN IMMEDIATE FAMILY MEMBER THEREOF, ANY
3 COMPLIMENTARY SERVICE OR DISCOUNT FROM THE APPLICANT OR
4 LICENSEE OR AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING
5 COMPANY THEREOF THAT THE APPLICANT OR LICENSEE KNOWS OR HAS
6 REASON TO KNOW IS OTHER THAN A SERVICE OR DISCOUNT THAT IS
7 OFFERED TO MEMBERS OF THE GENERAL PUBLIC IN LIKE
8 CIRCUMSTANCES.

9 (A.3) GRADING.--AN INDIVIDUAL WHO VIOLATES THIS SECTION
10 COMMITTS A MISDEMEANOR AND SHALL, UPON CONVICTION, BE SENTENCED
11 TO PAY A FINE OF NOT MORE THAN \$1,000 OR TO IMPRISONMENT FOR NOT
12 MORE THAN ONE YEAR, OR BOTH.

13 (A.4) DIVESTITURE.--AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE,
14 PUBLIC OFFICIAL OR PARTY OFFICER, OR AN IMMEDIATE FAMILY MEMBER
15 THEREOF, WHO HOLDS A FINANCIAL INTEREST PROHIBITED BY THIS
16 SECTION SHALL DIVEST THE FINANCIAL INTEREST WITHIN THREE MONTHS
17 OF THE EFFECTIVE DATE OF THE RESTRICTIONS SET FORTH IN
18 SUBSECTION (A), AS APPLICABLE. THEREAFTER, AN EXECUTIVE-LEVEL
19 PUBLIC EMPLOYEE, PUBLIC OFFICIAL, PARTY OFFICER OR IMMEDIATE
20 FAMILY MEMBER SHALL HAVE 30 DAYS FROM THE DATE THE PERSON KNEW
21 OR HAD REASON TO KNOW OF THE VIOLATION OR 30 DAYS FROM THE
22 ANNUAL PUBLICATION IN THE PENNSYLVANIA BULLETIN UNDER SECTION
23 1202(B)(19) (RELATING TO POWERS AND DUTIES), WHICHEVER OCCURS
24 EARLIER.

25 (A.5) LIST OF APPLICANTS.--THE BOARD SHALL PUBLISH MONTHLY
26 IN THE PENNSYLVANIA BULLETIN AND ON ITS INTERNET WEBSITE A LIST
27 OF APPLICANTS AND LICENSEES WHO HOLD A SLOT MACHINE LICENSE,
28 SUPPLIER LICENSE, MANUFACTURER LICENSE AND OF AN AFFILIATE,
29 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY THEREOF.

30 (A.6) ETHICS COMMISSION.--WITHIN 60 DAYS OF THE EFFECTIVE

1 DATE OF THIS SUBSECTION, THE PENNSYLVANIA ETHICS COMMISSION
2 SHALL PUBLISH A LIST OF ALL STATE, COUNTY, MUNICIPAL AND OTHER
3 GOVERNMENT POSITIONS THAT MEET THE DEFINITION OF "PUBLIC
4 OFFICIAL" UNDER THIS SUBSECTION. THE LIST SHALL BE UPDATED
5 MONTHLY.

6 (B) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING
7 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS
8 SUBSECTION:

9 "EXECUTIVE-LEVEL [STATE] PUBLIC EMPLOYEE." THE GOVERNOR,
10 LIEUTENANT GOVERNOR, CABINET MEMBERS, DEPUTY SECRETARIES[,] AND
11 THE GOVERNOR'S OFFICE EXECUTIVE STAFF[, ANY STATE EMPLOYEE]. THE
12 TERM SHALL ALSO INCLUDE ANY OTHER COMMONWEALTH EMPLOYEE IN THE
13 EXECUTIVE BRANCH WITH DISCRETIONARY POWERS WHICH MAY AFFECT OR
14 INFLUENCE THE OUTCOME OF A STATE AGENCY'S [DECISION IN RELATION
15 TO A PRIVATE CORPORATION OR BUSINESS, WITH RESPECT TO ANY MATTER
16 COVERED BY THIS PART OR ANY EXECUTIVE EMPLOYEE WHO BY VIRTUE OF
17 HIS JOB FUNCTION COULD INFLUENCE THE OUTCOME OF SUCH A
18 DECISION.] ACTION OR DECISION RELATING TO ANY MATTER UNDER THIS
19 PART. THE TERM ALSO SHALL INCLUDE AN EMPLOYEE OF A COUNTY,
20 MUNICIPALITY, AUTHORITY, COMMISSION OR OTHER LOCAL GOVERNMENTAL
21 ENTITY WITH DISCRETIONARY POWERS WHICH MAY AFFECT OR INFLUENCE
22 THE OUTCOME OF AN ACTION OR DECISION RELATING TO A SLOT MACHINE
23 LICENSEE OR ANY MATTER UNDER THIS PART.

24 "FINANCIAL INTEREST." OWNING OR HOLDING, OR BEING DEEMED TO
25 HOLD, DEBT OR EQUITY SECURITIES [EXCEEDING 1% OF THE EQUITY OR
26 FAIR MARKET VALUE OF THE LICENSED RACING ENTITY OR LICENSED
27 GAMING ENTITY, ITS HOLDING COMPANY, AFFILIATE, INTERMEDIARY OR
28 SUBSIDIARY BUSINESS.] OR OTHER OWNERSHIP INTEREST OR PROFITS
29 INTEREST. A FINANCIAL INTEREST SHALL NOT INCLUDE ANY [SUCH STOCK
30 THAT IS HELD IN A BLIND TRUST OVER WHICH THE EXECUTIVE-LEVEL

1 STATE EMPLOYEE, PUBLIC OFFICIAL, PARTY OFFICER OR IMMEDIATE
2 FAMILY MEMBER THEREOF MAY NOT EXERCISE ANY MANAGERIAL CONTROL OR
3 RECEIVE INCOME DURING THE TENURE OF OFFICE AND THE PERIOD UNDER
4 SUBSECTION (A).] DEBT OR EQUITY SECURITY, OR OTHER OWNERSHIP
5 INTEREST OR PROFITS INTEREST, WHICH IS HELD OR DEEMED TO BE HELD
6 IN ANY OF THE FOLLOWING:

7 (1) A BLIND TRUST OVER WHICH THE EXECUTIVE-LEVEL PUBLIC
8 EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER, OR AN IMMEDIATE
9 FAMILY MEMBER THEREOF, DOES NOT EXERCISE MANAGERIAL OR
10 INVESTMENT CONTROL OR RECEIVE INCOME THEREFROM DURING THE
11 TENURE OF OFFICE AND THE PERIOD UNDER SUBSECTION (A).

12 (2) SECURITIES THAT ARE HELD IN A PENSION PLAN, PROFIT-
13 SHARING PLAN, INDIVIDUAL RETIREMENT ACCOUNT, TAX SHELTERED
14 ANNUITY, A PLAN ESTABLISHED PURSUANT TO SECTION 457 OF THE
15 INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. §
16 1 ET SEQ.), OR ANY SUCCESSOR PROVISION, DEFERRED COMPENSATION
17 PLAN WHETHER QUALIFIED OR NOT QUALIFIED UNDER THE INTERNAL
18 REVENUE CODE OF 1986, OR ANY SUCCESSOR PROVISION, OR OTHER
19 RETIREMENT PLAN THAT:

20 (I) IS NOT SELF-DIRECTED BY THE INDIVIDUAL.

21 (II) IS ADVISED BY AN INDEPENDENT INVESTMENT ADVISER
22 WHO HAS SOLE AUTHORITY TO MAKE INVESTMENT DECISIONS WITH
23 RESPECT TO CONTRIBUTIONS MADE BY THE INDIVIDUAL TO THESE
24 PLANS.

25 (3) A TUITION ACCOUNT PLAN ORGANIZED AND OPERATED
26 PURSUANT TO SECTION 529 OF THE INTERNAL REVENUE CODE OF 1986
27 (PUBLIC LAW 99-514, 26 U.S.C. § 529) THAT IS NOT SELF-
28 DIRECTED BY THE INDIVIDUAL.

29 (4) A MUTUAL FUND WHERE THE INTEREST OWNED BY THE MUTUAL
30 FUND IN A LICENSED ENTITY DOES NOT CONSTITUTE A CONTROLLING

1 INTEREST AS DEFINED IN THIS PART.

2 (5) ANY OTHER INVESTMENT OVER WHICH THE EXECUTIVE-LEVEL
3 PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER, OR AN
4 IMMEDIATE FAMILY MEMBER THEREOF, DOES NOT EXERCISE MANAGERIAL
5 OR INVESTMENT CONTROL DURING THE TENURE OF OFFICE AND THE
6 PERIOD UNDER SUBSECTION (A).

7 "IMMEDIATE FAMILY." A [PARENT,] SPOUSE, MINOR CHILD OR
8 UNEMANCIPATED CHILD[, BROTHER OR SISTER].

9 "PARTY OFFICER." A MEMBER OF A NATIONAL COMMITTEE; A
10 CHAIRMAN, VICE CHAIRMAN, SECRETARY, TREASURER OR COUNSEL OF A
11 STATE COMMITTEE OR MEMBER OF THE EXECUTIVE COMMITTEE OF A STATE
12 COMMITTEE; A COUNTY CHAIRMAN, VICE CHAIRMAN, COUNSEL, SECRETARY
13 OR TREASURER OF A COUNTY COMMITTEE IN WHICH A LICENSED FACILITY
14 IS LOCATED; OR A CITY CHAIRMAN, VICE CHAIRMAN, COUNSEL,
15 SECRETARY OR TREASURER OF A CITY COMMITTEE OF A CITY IN WHICH A
16 LICENSED FACILITY IS LOCATED.

17 ["PUBLIC OFFICIAL." ANY PERSON ELECTED BY THE PUBLIC OR
18 ELECTED OR APPOINTED BY A GOVERNMENTAL BODY OR AN APPOINTED
19 OFFICIAL IN THE EXECUTIVE, LEGISLATIVE OR JUDICIAL BRANCH OF
20 THIS COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, PROVIDED
21 THAT IT SHALL NOT INCLUDE MEMBERS OF ADVISORY BOARDS THAT HAVE
22 NO AUTHORITY TO EXPEND PUBLIC FUNDS OTHER THAN REIMBURSEMENT FOR
23 PERSONAL EXPENSE OR TO OTHERWISE EXERCISE THE POWER OF THE
24 COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR COMMISSIONER OF ANY
25 AUTHORITY OR JOINT-STATE COMMISSION.]

26 "PUBLIC OFFICIAL." THE TERM SHALL INCLUDE THE FOLLOWING:

27 (1) THE GOVERNOR, LIEUTENANT GOVERNOR, TREASURER,
28 AUDITOR GENERAL AND ATTORNEY GENERAL OF THE COMMONWEALTH.

29 (2) A MEMBER OF THE SENATE OR HOUSE OF REPRESENTATIVES
30 OF THE COMMONWEALTH.

1 (3) AN INDIVIDUAL ELECTED TO ANY OFFICE OF A COUNTY OR
2 MUNICIPALITY THAT RECEIVES A DISTRIBUTION OF MONEY OR REVENUE
3 UNDER THIS PART.

4 (4) AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE OF A COUNTY OR
5 MUNICIPALITY THAT RECEIVES A DISTRIBUTION OF MONEY OR REVENUE
6 UNDER THIS PART.

7 (5) AN INDIVIDUAL ELECTED OR APPOINTED TO A GOVERNMENTAL
8 BODY THAT RECEIVES A DISTRIBUTION OF MONEY OR REVENUE UNDER
9 THIS PART.

10 (6) AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE OF A DEPARTMENT,
11 AGENCY, BOARD, COMMISSION, AUTHORITY OR OTHER GOVERNMENTAL
12 BODY THAT RECEIVES A DISTRIBUTION OF MONEY OR REVENUE UNDER
13 THIS PART.

14 (7) AN INDIVIDUAL ELECTED OR APPOINTED TO A DEPARTMENT,
15 AGENCY, BOARD, COMMISSION, AUTHORITY OR OTHER GOVERNMENTAL
16 BODY THAT POSSESSES REGULATORY OR CRIMINAL AUTHORITY OVER A
17 LICENSED ENTITY.

18 (8) AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE OF A DEPARTMENT,
19 AGENCY, BOARD, COMMISSION, AUTHORITY OR OTHER GOVERNMENTAL
20 BODY THAT POSSESSES REGULATORY OR CRIMINAL AUTHORITY OVER A
21 LICENSED ENTITY.

22 THE TERM DOES NOT INCLUDE A MEMBER OF A SCHOOL BOARD. THE TERM
23 INCLUDES A MEMBER OF AN ADVISORY BOARD OR COMMISSION WHICH MAKES
24 RECOMMENDATIONS RELATING TO A LICENSED FACILITY.

25 SECTION 5. SECTION 1513(A) OF TITLE 4 IS AMENDED AND THE
26 SECTION IS AMENDED BY ADDING SUBSECTIONS TO READ:

27 § 1513. POLITICAL INFLUENCE.

28 [(A) CONTRIBUTION RESTRICTION.--AN APPLICANT FOR A SLOT
29 MACHINE LICENSE, MANUFACTURER LICENSE OR SUPPLIER LICENSE,
30 LICENSED RACING ENTITY LICENSEE, LICENSED MANUFACTURER, LICENSED

1 SUPPLIER OR LICENSED GAMING ENTITY, OR A PERSON THAT HOLDS A
2 SIMILAR GAMING LICENSE OR PERMIT OR A CONTROLLING INTEREST IN A
3 GAMING LICENSE OR PERMIT IN ANOTHER JURISDICTION, OR ANY
4 HOLDING, AFFILIATE, INTERMEDIARY OR SUBSIDIARY COMPANY THEREOF,
5 OR ANY OFFICER, DIRECTOR OR KEY EMPLOYEE OF SUCH APPLICANT
6 LICENSED MANUFACTURER OR LICENSED SUPPLIER, LICENSED RACING
7 ENTITY OR LICENSED GAMING ENTITY OR ANY HOLDING, AFFILIATE,
8 INTERMEDIARY OR SUBSIDIARY COMPANY THEREOF, SHALL BE PROHIBITED
9 FROM CONTRIBUTING ANY MONEY OR IN-KIND CONTRIBUTION TO A
10 CANDIDATE FOR NOMINATION OR ELECTION TO ANY PUBLIC OFFICE IN
11 THIS COMMONWEALTH, OR TO ANY POLITICAL COMMITTEE OR STATE PARTY
12 IN THIS COMMONWEALTH OR TO ANY GROUP, COMMITTEE OR ASSOCIATION
13 ORGANIZED IN SUPPORT OF ANY SUCH CANDIDATE, POLITICAL COMMITTEE
14 OR STATE PARTY.]

15 (A) CONTRIBUTION RESTRICTION.--THE FOLLOWING PERSONS SHALL
16 BE PROHIBITED FROM CONTRIBUTING ANY MONEY OR IN-KIND
17 CONTRIBUTION TO A CANDIDATE FOR NOMINATION OR ELECTION TO ANY
18 PUBLIC OFFICE IN THIS COMMONWEALTH, OR TO ANY POLITICAL
19 COMMITTEE OR STATE PARTY IN THIS COMMONWEALTH OR TO ANY GROUP,
20 COMMITTEE OR ASSOCIATION ORGANIZED IN SUPPORT OF A CANDIDATE,
21 POLITICAL COMMITTEE OR STATE PARTY:

22 (1) AN APPLICANT.

23 (2) A SLOT MACHINE LICENSEE, LICENSED MANUFACTURER,
24 LICENSED SUPPLIER OR LICENSED RACING ENTITY.

25 (3) A PRINCIPAL OR KEY EMPLOYEE OF A SLOT MACHINE
26 LICENSEE, LICENSED MANUFACTURER, LICENSED SUPPLIER OR
27 LICENSED RACING ENTITY.

28 (4) AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING
29 COMPANY OF A SLOT MACHINE LICENSEE, LICENSED MANUFACTURER,
30 LICENSED SUPPLIER OR LICENSED RACING ENTITY.

1 (5) A PRINCIPAL OR KEY EMPLOYEE OF AN AFFILIATE,
2 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF A SLOT MACHINE
3 LICENSEE, LICENSED MANUFACTURER, LICENSED SUPPLIER OR
4 LICENSED RACING ENTITY.

5 (6) A PERSON WHO HOLDS A SIMILAR GAMING LICENSE IN
6 ANOTHER JURISDICTION AND THE AFFILIATES, INTERMEDIARIES,
7 SUBSIDIARIES, HOLDING COMPANIES, PRINCIPALS OR KEY EMPLOYEES
8 THEREOF.

9 (A.1) CONTRIBUTIONS TO CERTAIN ASSOCIATIONS AND
10 ORGANIZATIONS BARRED.--THE INDIVIDUALS PROHIBITED FROM MAKING
11 POLITICAL CONTRIBUTIONS UNDER SUBSECTION (A) SHALL NOT MAKE A
12 POLITICAL CONTRIBUTION OF MONEY OR AN IN-KIND CONTRIBUTION TO
13 ANY ASSOCIATION OR ORGANIZATION, INCLUDING A NONPROFIT
14 ORGANIZATION, THAT HAS BEEN SOLICITED BY, OR KNOWING THAT THE
15 CONTRIBUTION OR A PORTION THEREOF WILL BE CONTRIBUTED TO THE
16 ELECTED OFFICIAL, EXECUTIVE-LEVEL PUBLIC EMPLOYEE OR CANDIDATE
17 FOR NOMINATION OR ELECTION TO A PUBLIC OFFICE IN THIS
18 COMMONWEALTH.

19 (A.2) INTERNET WEBSITE.--

20 (1) THE BOARD SHALL ESTABLISH AN INTERNET WEBSITE THAT
21 INCLUDES A LIST OF ALL APPLICANTS FOR AND HOLDERS OF A SLOT
22 MACHINE LICENSE, MANUFACTURER LICENSE, SUPPLIER LICENSE OR
23 RACING ENTITY LICENSE, AND THE AFFILIATES, INTERMEDIARIES,
24 SUBSIDIARIES, HOLDING COMPANIES, PRINCIPALS AND KEY EMPLOYEES
25 THEREOF, ALL PERSONS AND PRINCIPALS HOLDING A SIMILAR GAMING
26 LICENSE IN ANOTHER JURISDICTION AND THE AFFILIATES,
27 INTERMEDIARIES, SUBSIDIARIES, HOLDING COMPANIES, PRINCIPALS
28 AND KEY EMPLOYEES THEREOF, AND ANY OTHER ENTITY IN WHICH THE
29 APPLICANT OR LICENSEE HAS ANY DEBT OR EQUITY SECURITY OR
30 OTHER OWNERSHIP OR PROFITS INTEREST. AN APPLICANT OR LICENSEE

1 SHALL NOTIFY THE BOARD WITHIN SEVEN DAYS OF THE DISCOVERY OF
2 ANY CHANGE IN OR ADDITION TO THE INFORMATION. THE LIST SHALL
3 BE PUBLISHED SEMIANNUALLY IN THE PENNSYLVANIA BULLETIN.

4 (2) AN INDIVIDUAL WHO ACTS IN GOOD FAITH AND IN RELIANCE
5 ON THE INFORMATION ON THE INTERNET WEBSITE SHALL NOT BE
6 SUBJECT TO ANY PENALTIES OR LIABILITY IMPOSED FOR A VIOLATION
7 OF THIS SECTION.

8 (3) THE BOARD SHALL REQUEST THE INFORMATION REQUIRED
9 UNDER PARAGRAPH (1) FROM PERSONS LICENSED IN ANOTHER
10 JURISDICTION WHO DO NOT HOLD A LICENSE IN THIS COMMONWEALTH
11 AND FROM REGULATORY AGENCIES IN THE OTHER JURISDICTION. IF A
12 LICENSEE IN ANOTHER JURISDICTION REFUSES TO PROVIDE THE
13 INFORMATION REQUIRED UNDER PARAGRAPH (1), THE PERSON AND ITS
14 PRINCIPALS SHALL BE INELIGIBLE TO RECEIVE ANY LICENSE UNDER
15 THIS PART.

16 * * *

17 SECTION 6. THIS ACT SHALL TAKE EFFECT IN 60 DAYS.