

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, ROBBINS, LEMMOND AND JUBELIRER, SEPTEMBER 14, 2005

AS AMENDED ON THIRD CONSIDERATION, NOVEMBER 2, 2005

AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated
2 Statutes, further providing for definitions and for the
3 Pennsylvania Gaming Control Board; providing for
4 applicability of other statutes; further providing for powers
5 and duties of board; providing for code of conduct; further
6 providing for licensed entity application appeals from board,
7 for license or permit application hearing process, for board
8 minutes and records, for collection of fees and fines, for
9 order of initial license issuance, for slot machine license
10 application and for slot machine license application business
11 entity requirements; providing for licensing of principals,
12 for licensing of key employees, for recusal and
13 disqualification of members, for alternate members, for
14 initial applications and for code of conduct; and further
15 providing for occupation permit application, for gross
16 terminal revenue deductions, FOR TRANSFERS FROM THE STATE
17 GAMING FUND, for public official financial interests, for
18 political influence and for enforcement.

<—

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

21 Section 1. The definitions of "affiliate" or "affiliated
22 company," "applicant," "controlling interest" and "licensed
23 facility" in section 1103 of Title 4 of the Pennsylvania
24 Consolidated Statutes are amended and the section is amended by

1 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 ["Affiliate" or "affiliated company."] "Affiliate of, or a
7 person affiliated with, a specified person." A person that
8 directly or indirectly, through one or more intermediaries,
9 controls, is controlled by or is under common control with a
10 specified person.

11 "Applicant." Any person[, officer, director or key
12 employee], who on his own behalf or on behalf of another, is
13 applying for permission to engage in any act or activity which
14 is regulated under the provisions of this part. In cases in
15 which the applicant is a [corporation, foundation, organization,
16 business trust, estate, limited liability company, trust,
17 partnership, limited partnership, association or any other form
18 of legal business entity,] person other than an individual, the
19 Pennsylvania Gaming Control Board shall determine the associated
20 persons whose qualifications are necessary as a precondition to
21 the licensing of the applicant.

22 * * *

23 "Complimentary service or item." Any lodging, service or
24 item provided to an individual at no cost or at a reduced cost
25 not generally available to the public under similar
26 circumstances.

27 "Controlling interest." A person shall be deemed to have
28 [the ability to control a publicly traded corporation, or to
29 elect] a controlling interest in an entity if the person's sole
30 voting rights, as provided by applicable State law or corporate

1 articles or bylaws, entitle the person to elect or appoint one
2 or more of the members of its board of directors[, if such
3 holder] or other governing body or if the person owns or
4 beneficially holds 5% or more of the securities of [such] a
5 publicly traded domestic or foreign corporation[,] or holds 5%
6 or more ownership or voting interest in a partnership, limited
7 liability company or any other form of legal entity, unless such
8 presumption of control or ability to elect is rebutted by clear
9 and convincing evidence. A person who is a holder of securities
10 of a privately held domestic or foreign corporation,
11 partnership, limited liability company or any other form of
12 legal entity shall be deemed to possess a controlling interest
13 unless such presumption of control is rebutted by clear and
14 convincing evidence.

15 * * *

16 "Holding company." A person, other than a natural person,
17 which, directly or indirectly, owns, has the power or right to
18 control or to vote any significant part of the outstanding
19 voting securities of a corporation or other form of business
20 organization. A holding company indirectly has, holds or owns
21 any such power, right or security if it does so through an
22 interest in a subsidiary or successive subsidiaries.

23 * * *

24 "Independent contractor." A person who performs
25 professional, scientific, technical advisory or consulting
26 services to the Pennsylvania Gaming Control Board for a fee,
27 honorarium or similar compensation pursuant to a contract.

28 * * *

29 "Intermediary." A person, other than a natural person,
30 which:

1 (1) is a holding company with respect to a corporation
2 or other form of business organization which holds or applies
3 for a license under this part; and

4 (2) is a subsidiary with respect to any holding company.

5 * * *

6 "Licensed facility." The physical land-based location and
7 associated areas at which a licensed gaming entity is authorized
8 to place and operate slot machines. An associated area shall
9 include all parcels of land owned by the licensed gaming entity
10 or its affiliate, intermediary, subsidiary or holding company
11 contiguous to the licensed facility.

12 * * *

13 "Member." An individual appointed to or sworn in as a member
14 of the board in accordance with section 1201(b) (relating to
15 Pennsylvania Gaming Control Board established).

16 * * *

17 "Principal." An officer; director; person who directly or
18 indirectly holds a beneficial interest in or ownership of an
19 applicant or licensee; person who has a controlling interest in
20 an applicant or licensee, or has the ability to elect a majority
21 of the board of directors of the licensee or to otherwise
22 control the licensee; lender or other licensed financial
23 institution, other than a bank or lending institution which
24 makes a loan or holds a mortgage or other lien acquired in the
25 ordinary course of business; underwriter; or other person or
26 employee of a slot machine licensee, manufacturer licensee or
27 supplier licensee deemed to be a principal by the Pennsylvania
28 Gaming Control Board.

29 * * *

30 "Publicly traded corporation." An entity that:

1 (1) has a class or series of securities registered under
2 the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.
3 § 78a et seq.);

4 (2) is a registered management company under the
5 Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. §
6 80a-1 et seq.); or

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

12 * * *

13 "Subsidiary." The term shall include:

14 (1) a corporation, any significant part of whose
15 outstanding equity securities are owned, subject to a power
16 or right of control, or held with power to vote, by a holding
17 company or an intermediary company; or

18 (2) a significant interest in a person, other than a
19 natural person, which is owned, subject to a power or right
20 of control, or held with power to vote, by a holding company
21 or an intermediary company.

22 * * *

23 "Underwriter." As defined in the act of December 5, 1972
24 (P.L.1280, No.284), known as the Pennsylvania Securities Act of
25 1972.

26 Section 2. Section 1201(a), (b), (c), (d), (e), (f), (h) and
27 (k) of Title 4 are amended and the section is amended by adding
28 subsections to read:

29 § 1201. Pennsylvania Gaming Control Board established.

30 (a) Board established.--There is established an independent

1 [administrative] board which shall be a body corporate and
2 politic to be known as the Pennsylvania Gaming Control Board[,
3 which shall be implemented as set forth in this section].

4 (b) Membership.--The board shall consist of the following
5 members[, who shall serve a set term and may not be removed
6 except for good cause]:

7 (1) Three members appointed by the Governor.[, each
8 being referred to as a "gubernatorial appointee."]

9 (2) One member appointed by each of the following
10 [legislative caucus leaders, each being referred to as a
11 "legislative appointee"]:

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

13 (ii) The Minority Leader of the Senate.

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

15 (iv) The Minority Leader of the House of
16 Representatives.

17 (b.1) Removal.--A member of the board shall be removed from
18 office by the appointing authority:

19 (1) for misconduct in office, willful neglect of duty or
20 conduct evidencing unfitness for office or incompetence; or

21 (2) upon conviction of an offense graded as a felony, an
22 infamous crime, an offense under this part or an equivalent
23 offense under Federal law or the law of another jurisdiction.

24 (c) Initial appointments to board.--

25 (1) Gubernatorial [appointee members] appointees
26 initially appointed under subsection (b)(1) shall serve an
27 initial term of one, two and three years respectively as
28 designated by the Governor at the time of appointment and
29 until their successors are appointed and qualified.

30 (2) Legislative [appointee members] appointees initially

1 appointed under subsection (b)(2) shall serve until the third
2 Tuesday in January 2007 and until their successors are
3 appointed and qualified.

4 (3) [Any] An appointment to fill a vacancy created by a
5 member appointed under paragraph (1) or (2) shall be for the
6 remainder of the unexpired term. [Members so appointed to
7 fill the unexpired term of an initial appointee shall be
8 subject to the provisions of subsection (d).]

9 (d) [Appointments after expiration of initial term or upon
10 vacancy] Terms of office.--Upon the expiration of a term of a
11 [member] gubernatorial or legislative appointee appointed under
12 [this subsection or upon the existence of a vacancy of a member
13 appointed pursuant to subsection (c) or this] subsection (b) or
14 (c), the appointing authority shall appoint a member subject to
15 the following:

16 (1) [For a gubernatorial appointment under subsection
17 (b)(1), the term shall be for three years and until a
18 successor is appointed and qualified.] The term of office of
19 a gubernatorial appointee shall be three years and until a
20 successor is appointed and qualified.

21 (2) [Terms for legislative appointee members appointed
22 under subsection (b)(2) shall be for a two-year term and
23 shall expire on the third Tuesday of January of such year,
24 but such members shall continue to serve until their
25 successors are appointed and qualified.] The term of office
26 of a legislative appointee shall be two years and until a
27 successor is appointed and qualified.

28 (3) [No] A legislative appointee [member] shall serve no
29 more than three full [successive] consecutive terms.

30 (4) [No] A gubernatorial appointee [member] shall serve

1 no more than two full [successive] consecutive terms.

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

4 (6) A member appointed to fill a vacancy under paragraph
5 (3) may serve three full terms following the expiration of
6 the term related to the vacancy.

7 (7) A member appointed to fill a vacancy under paragraph
8 (4) may serve two full terms following the expiration of the
9 term related to the vacancy.

10 (e) Ex officio members.--The Secretary of Revenue, the
11 Secretary of Agriculture and the State Treasurer, or their
12 designees, shall serve on the board as nonvoting ex officio
13 members of the board. The designee shall be a deputy secretary
14 or an equivalent position within the agency.

15 (f) Qualified majority vote.--

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

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

30 (3) Notwithstanding any other provision [to the

contrary] of this part or 65 Pa.C.S. § 1103(j) (relating to restricted activities), a member shall disclose [the nature of his] a disqualifying interest, disqualify himself and abstain from voting in a proceeding under this part in which his [or her] impartiality may be reasonably questioned, including, but not limited to, instances where he [or she] knows that [they possess] he or a member of his immediate family possesses a [substantial financial] direct or indirect financial, property, leasehold, ownership or other beneficial interest in the subject matter of the proceeding or any other interest that could be substantially affected by the outcome of the proceeding. [In such circumstances in which it is] If a legislative appointee [member that has disqualified himself or herself] and his alternate have both disqualified themselves, the qualified majority shall consist of all of the remaining [three] legislative appointees and at least two gubernatorial appointees. For purposes of this paragraph, the term "immediate family" shall mean spouse, parent, brother, sister or child.

(4) If a member is disqualified from voting on any matter, the provisions of subsection (f.1) shall apply.

(5) In the case of a collective vote on all initial applications for slot machine licenses under section 1301 (relating to authorized slot machine licenses), a member who disqualifies himself from voting on a particular license shall be disqualified from voting on any other application for that category of license.

(6) Prior to the commencement of any proceeding under this part, the board shall conduct a conflict review to determine if a member has a conflict pursuant to paragraph

1 (3) or section 1202.1 (relating to code of conduct) that
2 requires disqualification from voting. The determination
3 shall be in writing and shall be available to the public. If
4 the board determines that there is a conflict requiring
5 disqualification, an alternate member shall be appointed
6 pursuant to subsection (f.1). The Attorney General or a party
7 to the proceeding may appeal a determination by the board
8 that does not require disqualification of a member.

9 (f.1) Alternate member.--Each appointing authority under
10 subsection (b) shall appoint an alternate member who shall vote
11 in any proceeding in which the member appointed by that
12 authority has disqualified himself from voting pursuant to
13 subsection (f)(3) or section 1202.1. The following shall apply
14 to an alternate member:

15 (1) The Executive Board shall establish a per diem
16 amount to be paid to alternate members, to include payment
17 for time to review all materials necessary to make a
18 decision.

19 (2) Alternate members shall be appointed within 30 days
20 of the effective date of this subsection in order to enable a
21 background investigation to occur prior to any vote to issue
22 or deny a slot machine license, manufacturer license or
23 supplier license.

24 (3) All other requirements and restrictions under this
25 title which are applicable to board members shall apply to
26 alternate members.

27 * * *

28 (h) Qualifications and restrictions.--

29 (1) Each member at the time of appointment shall be at
30 least 25 years of age and shall have been a resident of this

1 Commonwealth for a period of at least one year immediately
2 preceding appointment. Each member shall continue to remain a
3 resident of this Commonwealth during the term of membership
4 on the board.

5 (2) Except for ex officio members, no person shall be
6 appointed a member of the board or [hold any place, position
7 or office under the board if that person holds any other
8 elected office or party office] be employed by or be an
9 independent contractor of the board if that person is a
10 public official or party officer as defined in section 1512
11 (relating to [public official financial interest] financial
12 interests, complimentary services and discounts) in this
13 Commonwealth or any of its political subdivisions.

14 [(3) No member, appointee, employee or official shall
15 hold any office or employment position, the duties of which
16 are incompatible with the duties of the office.

17 (4) No member, employee, appointee or official engaged
18 in the service of or in any manner connected with the board
19 shall hold any office or position, or be engaged in any
20 employment or vocation, the duties of which are incompatible
21 with employment in the service of or in connection with the
22 work of the board.]

23 (3) Each member, employee and independent contractor of
24 the board shall sign an agreement not to disclose
25 confidential information.

26 (4) No member, employee or independent contractor of the
27 board or other agency with regulatory authority over the
28 board or gaming shall be employed, hold any office or
29 position or be engaged in any activity which is incompatible
30 with the position or employment.

1 (5) No member shall be paid or [accept for any service
2 connected with the office any fee other than the salary and
3 expenses provided by law.] receive any fee or other
4 compensation other than salary and expenses provided by law
5 for any activity related to the duties or authority of the
6 board. Nothing in this part shall prohibit a member from
7 engaging in any employment [or vocation] or receiving any
8 compensation for such employment [or vocation] that is not
9 [otherwise] connected to or incompatible with his [or her]
10 service as a member of the board.

11 (6) No member, employee[, appointee or official shall
12 participate in any hearing or proceeding in which that person
13 has any direct or indirect pecuniary interest.] or
14 independent contractor of the board shall participate in a
15 hearing, proceeding or other matter in which the member,
16 employee or independent contractor of the board or the
17 immediate family thereof has any direct or indirect
18 financial, property, leasehold, ownership or other beneficial
19 interest in the subject matter of the hearing or proceeding
20 or other interest that could be substantially affected by the
21 outcome of the hearing or proceeding, without first fully
22 disclosing the nature of the interest to the board and other
23 persons participating in the hearing or proceeding. The board
24 shall determine if the interest is a disqualifying interest
25 that requires the disqualification of the member or
26 nonparticipation of the employee. For purposes of this
27 paragraph, the term "immediate family" shall mean spouse,
28 parent, brother, sister or child.

29 (7) At the time of appointment and annually thereafter,
30 each member shall disclose the existence of [all ownership

1 interests in licensed facilities and all securities in any
2 licensed entity or applicant, its affiliates or subsidiaries
3 held by the member, the member's spouse and any minor or
4 unemancipated children and must divest such ownership
5 interests in licensed facilities or securities prior to an
6 appointment becoming final. A member may not acquire any
7 security in any licensed entity, its affiliates or
8 subsidiaries during the member's tenure.] any financial,
9 property, leasehold, ownership or other beneficial interest
10 in any applicant, licensed entity or licensed facility and in
11 an affiliate, intermediary, subsidiary or holding company
12 thereof held by the member or known to be held by the
13 member's immediate family. The disclosure statement shall be
14 filed with the executive director of the board and with the
15 appointing authority for such member and shall be open to
16 inspection by the public at the office of the board during
17 the normal business hours of the board [during the tenure of
18 the member] for the duration of the member's term and for two
19 years after the member leaves office. For purposes of this
20 paragraph, the term "immediate family" shall mean spouse,
21 parent, brother, sister or child.

22 (7.1) Prior to being sworn as a member of the board, a
23 member and his immediate family shall divest any financial,
24 property, leasehold, ownership or other beneficial interest
25 in any applicant, licensed facility or licensed entity and in
26 an affiliate, intermediary, subsidiary or holding company
27 owned or held by the member or known to be held by the
28 member's immediate family. For the duration of the member's
29 term, and for one year thereafter, the member and his
30 immediate family may not acquire a financial, property,

1 leasehold, ownership or other beneficial interest in any
2 applicant, licensed facility or licensed entity or in an
3 affiliate, intermediary, subsidiary or holding company
4 thereof. For purposes of this paragraph, the term "immediate
5 family" shall mean spouse and any minor or unemancipated
6 child. For purposes of this paragraph, a "financial,
7 property, leasehold, ownership or other beneficial interest"
8 shall not include securities that are held in a pension plan,
9 profit-sharing plan, individual retirement account, tax
10 sheltered annuity, a plan established pursuant to section 457
11 of the Internal Revenue Code of 1986 (Public Law 99-514, 26
12 U.S.C. § 1 et seq.), or any successor provision, deferred
13 compensation plan whether qualified or not qualified under
14 the Internal Revenue Code of 1986, or any successor
15 provision, or other retirement plan that is not self-directed
16 by the individual and that is advised by an independent
17 investment adviser who has sole authority to make investment
18 decisions with respect to contributions made by the
19 individual to these plans. For purposes of this paragraph, a
20 "financial, property, leasehold, ownership or other
21 beneficial interest" shall not include a tuition account plan
22 organized and operated pursuant to section 529 of the
23 Internal Revenue Code of 1986 (Public Law 99-514 26 U.S.C. §
24 529) that is not self-directed by the individual.

25 (7.2) Prior to employment by the board and annually
26 thereafter, an employee shall disclose the existence of any
27 financial, property, leasehold, ownership or other beneficial
28 interest in any applicant, licensed facility or licensed
29 entity and in an affiliate, intermediary, subsidiary or
30 holding company thereof owned or held by the employee or

1 known to be held by the employee's immediate family. The
2 disclosure statement shall be filed with the board and shall
3 be open to inspection by the public at the office of the
4 board during the normal business hours of the board and for
5 two years after the individual terminates employment with the
6 board. For purposes of this paragraph, the term "immediate
7 family" shall mean spouse, parent, brother, sister or child.

8 (7.3) Prior to employment by the board, an employee and
9 his immediate family shall divest any financial, property,
10 leasehold, ownership or other beneficial interest in any
11 applicant, licensed facility or licensed entity and in an
12 affiliate, intermediary, subsidiary or holding company
13 thereof owned or held by the employee or known to be held by
14 the employee's immediate family. For the duration of the
15 employee's employment and for one year thereafter, the
16 employee and his immediate family shall not acquire, by
17 purchase, gift, exchange or otherwise, any financial,
18 property, leasehold, ownership or other beneficial interest
19 in any applicant, licensed facility or licensed entity and in
20 any affiliate, intermediary, subsidiary or holding company
21 thereof. For purposes of this paragraph, the term "immediate
22 family" shall mean spouse and any minor or unemancipated
23 child. For purposes of this paragraph, a "financial,
24 property, leasehold, ownership or other beneficial interest"
25 shall not include securities that are held in a pension plan,
26 profit-sharing plan, individual retirement account, tax
27 sheltered annuity, a plan established pursuant to section 457
28 of the Internal Revenue Code of 1986 (Public Law 99-514, 26
29 U.S.C. § 1 et seq.), or any successor provision, deferred
30 compensation plan whether qualified or not qualified under

1 the Internal Revenue Code of 1986, or any successor
2 provision, or other retirement plan that is not self-directed
3 by the individual and that is advised by an independent
4 investment adviser who has sole authority to make investment
5 decisions with respect to contributions made by the
6 individual to these plans. For purposes of this paragraph, a
7 "financial, property, leasehold, ownership or other
8 beneficial interest" shall not include a tuition account plan
9 organized and operated pursuant to section 529 of the
10 Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §
11 529) that is not self-directed by the individual.

12 (8) [Every member, employee, appointee or official of
13 the board, in the service of or in connection with the work
14 of the board, is forbidden, directly or indirectly, to
15 solicit or request from or to suggest or recommend to any
16 applicant, licensed entity, its] No member, employee or
17 independent contractor of the board may, directly or
18 indirectly, solicit, request, suggest or recommend to any
19 applicant, licensed entity, licensed facility, or an
20 affiliate, intermediary, subsidiary[,] or holding company
21 thereof or to any [officer, attorney, agent or employee]
22 principal, employee, attorney or agent thereof the
23 appointment or employment of any individual [to any office,
24 place or position in or the employment of any individual] in
25 any capacity by the applicant, licensed entity, [its]
26 licensed facility, or affiliate, intermediary, subsidiary or
27 holding company thereof.

28 [(9) Every member, executive-level employee, appointee
29 or official appointed to office in the service of or in
30 connection with the work of the board is prohibited from

1 accepting employment with any applicant, licensed gaming
2 entity, its affiliate, intermediary, subsidiary or holding
3 company for a period of one year from the termination of
4 employment or service with the board. Every member,
5 executive-level employee, appointee or official appointed to
6 office in the service of or in connection with the work of
7 the board is prohibited from appearing before the board on
8 behalf of any applicant, licensed gaming entity, its
9 affiliate, intermediary, subsidiary or holding company or
10 other licensee or permittee of the board for a period of two
11 years after terminating employment or service with the board.

12 (10) If any person employed or appointed in the service
13 of the board violates any provision of this section, the
14 appointing authority or the board shall forthwith remove the
15 person from the office or employment and the person shall be
16 ineligible for future employment or service with the board
17 and shall be ineligible to be approved for any license or
18 permit under this part for a period of two years thereafter.]

19 (9) No member of the board may accept employment with
20 any applicant, licensed entity, licensed facility or an
21 affiliate, intermediary, subsidiary or holding company
22 thereof for a period of one year from the termination of
23 membership.

24 (10) No member of the board may appear before the board
25 on behalf of any applicant, licensed entity, licensed
26 facility or an affiliate, intermediary, subsidiary or holding
27 company thereof or any other licensee or permittee for a
28 period of two years from the termination of membership.

29 (11) No member or employee of the board shall wager or
30 be paid any prize from any wager at any licensed facility

1 within this Commonwealth or at any other facility outside
2 this Commonwealth which is owned or operated by a licensed
3 gaming entity or any of its [affiliates or subsidiaries.]
4 affiliates, intermediaries, subsidiaries or holding companies
5 for the duration of their employment or term of office and
6 for a period of one year from the termination of employment
7 with the board. The provisions of this paragraph shall apply
8 to an employee of the executive branch of the Commonwealth
9 whose duties substantially involve the development or
10 adoption of regulations or policy, licensing or enforcement,
11 under this part. The provisions of this paragraph shall not
12 apply to employees who utilize slot machines for testing
13 purposes or to verify the performance of a machine as part of
14 an enforcement investigation.

15 (12) A member of the board who has been convicted during
16 his term in any domestic or foreign jurisdiction of a felony,
17 infamous crime [of moral turpitude] or gambling offense
18 shall, upon conviction, be automatically removed from the
19 board and shall be ineligible to become a board member in the
20 future. If an ex officio member of the board is convicted
21 during his term in any domestic or foreign jurisdiction of a
22 felony, infamous crime or gambling offense, the ex officio
23 member shall, upon conviction, be automatically removed from
24 the board, and a designee shall be designated pursuant to
25 subsection (e) to serve the remainder of the ex officio
26 member's term.

27 (13) No employee or independent contractor of the board
28 or other employee of the executive branch of the Commonwealth
29 or of a political subdivision whose duties substantially
30 involve the development or adoption of regulations or policy,

1 licensing or enforcement, under this part, shall:

2 (i) accept employment with an applicant, licensed
3 entity, licensed facility or an affiliate, intermediary,
4 subsidiary or holding company thereof for a period of one
5 year after the termination of the employment or contract;
6 or

7 (ii) 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 of the Commonwealth or a political
15 subdivision or of the agency or political subdivision
16 employing the employee, the State Ethics Commission shall
17 determine whether the individual's duties substantially
18 involve the development or adoption of regulations or policy,
19 licensing or enforcement, under this part, and shall provide
20 a written determination to the employee to include any
21 prohibition under this paragraph. An individual who relies in
22 good faith on a determination under this paragraph shall not
23 be subject to any penalty for an action taken, provided that
24 all material facts set forth in the request for a
25 determination 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

1 person shall be ineligible for future appointment or
2 employment with the board and for approval of a license or
3 permit under this part for a period of two years thereafter.

4 (16) As used in this subsection, the term "financial
5 interest" shall mean owning or holding or being deemed to
6 hold debt or equity securities or other ownership interest or
7 profits interest in an applicant, licensed facility or
8 licensed entity or an affiliate, intermediary, subsidiary or
9 holding company thereof.

10 (h.1) Fiduciary relationship.--A member or employee of the
11 board shall serve as a fiduciary of the Commonwealth.

12 (h.2) Standard of care.--The members of the board shall
13 exercise the standard of care required by 20 Pa.C.S. Ch. 73
14 (relating to municipalities investments) in the performance of
15 their duties under this part.

16 (h.3) Liability.--Members of the board shall not be
17 personally liable for any obligations of the board.

18 * * *

19 (k) Appointments.--The appointing authorities shall make
20 their initial appointments within 60 days of the effective date
21 of this part. No appointment shall be final until receipt by the
22 appointing authority of the required background investigation of
23 the appointee by the Pennsylvania State Police which shall be
24 completed within 30 days. No person who has been convicted in
25 any domestic or foreign jurisdiction of a felony [or gambling],
26 infamous crime or gaming offense shall be appointed to the
27 board.

28 * * *

29 Section 3. Title 4 is amended by adding a section to read:
30 § 1201.1. Applicability of other statutes.

1 (a) General rule.--The following acts shall apply to the
2 board:

3 (1) The act of June 21, 1957 (P.L.390, No.212), referred
4 to as the Right-to-Know Law.

5 (2) The act of July 19, 1957 (P.L.1017, No.451), known
6 as the State Adverse Interest Act.

7 (3) The provisions of 65 Pa.C.S. Chs. 7 (relating to
8 open meetings) and 11 (relating to ethics standards and
9 financial disclosure).

10 (b) Status of board.--

11 (1) The board shall be considered an independent agency
12 for the purposes of the following:

13 (i) 62 Pa.C.S. Pt. I (relating to Commonwealth
14 Procurement Code). The expediting of the remittance of
15 revenue from licensed facilities to the Commonwealth
16 shall not be grounds for an emergency procurement by the
17 board.

18 (ii) The act of October 15, 1980 (P.L.950, No.164),
19 known as the Commonwealth Attorneys Act.

20 (2) The board shall be considered an agency for the
21 purposes of the following:

22 (i) The act of July 31, 1968 (P.L.769, No.240),
23 referred to as the Commonwealth Documents Law.

24 (ii) The act of June 25, 1982 (P.L.633, No.181),
25 known as the Regulatory Review Act.

26 Section 4. Section 1202 of Title 4 is amended to read:

27 § 1202. [General and specific powers] Powers and duties.

28 (a) General powers.--

29 (1) The board shall have general jurisdiction over all
30 gaming activities or related activities as described in this

1 part. The board shall [be responsible to] ensure the
2 integrity of the acquisition and operation of slot machines
3 and associated equipment and shall have jurisdiction over
4 [every aspect of] the authorization and operation of slot
5 machines.

6 (2) The board shall employ [an executive director, chief
7 counsel, deputies, secretaries, officers, hearing officers
8 and agents as it may deem necessary] individuals as necessary
9 to carry out the powers and duties of the board, who shall
10 serve at the board's pleasure. [The board shall also employ
11 other employees as it deems appropriate whose duties shall be
12 determined by the board. In order to ensure the ability of
13 the board to recruit and retain individuals necessary to
14 execute its responsibilities under this part, the board shall
15 set the] An employee of the board shall be considered a State
16 employee for purposes of 71 Pa.C.S. Pt. XXV (relating to
17 retirement for State employees and officers).

18 (3) In addition to employees authorized by the board,
19 each member of the board may employ two special assistants
20 whose classification and compensation shall be established by
21 the board. A special assistant shall be a State employee for
22 purposes of 71 Pa.C.S. Pt. XXV, shall serve at the pleasure
23 of the member and may only be removed by the board for cause.

24 (4) The board shall establish a system of classification
25 and compensation of its employees and shall not be subject to
26 the provisions of the act of April 9, 1929 (P.L.177, No.175),
27 known as The Administrative Code of 1929, as to
28 classification and compensation for its employees and conduct
29 its activities consistent with the practices and procedures
30 of Commonwealth agencies. [For the purposes of the act of

1 October 15, 1980 (P.L.950, No.164), known as the Commonwealth
2 Attorneys Act, the board shall not be considered an executive
3 or independent agency. The board shall have such other powers
4 and authority necessary to carry out its duties and the
5 objectives of this part.]

6 (5) Within 90 days of the effective date of this
7 paragraph, the board shall publish in the Pennsylvania
8 Bulletin, and on its Internet website, the classification
9 system for all employees.

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

12 (1) To retain consultants and providers of professional
13 services.

14 (2) To pay or satisfy obligations of the board.

15 (3) To sue or be sued, implead and be impleaded, or
16 interplead.

17 (4) To contract and execute instruments as necessary to
18 carry out the powers and duties of the board. Contracts for
19 the purchase of supplies, services and construction shall be
20 for a term not to exceed two years.

21 (5) To sell, transfer, convey and dispose of tangible or
22 intangible property owned by the board.

23 (6) To establish, charge and collect fees and fines as
24 authorized by this part.

25 (7) To administer oaths, examine witnesses and issue
26 subpoenas compelling the attendance of witnesses or the
27 production of documents and records or other evidence.

28 (8) To purchase insurance against a loss related to the
29 board's property or assets.

30 (9) To require background investigations on [prospective

1 or existing] applicants, licensees, including principals and
2 key employees, or permittees [or persons holding a
3 controlling interest in any prospective or existing licensee
4 or permittee] under the jurisdiction of the board.

5 [(2)] (10) To enter into an agreement with the
6 Pennsylvania State Police for the reimbursement of actual
7 costs as approved by the board to the Pennsylvania State
8 Police for the investigations. Investigations shall include
9 information in the possession of the Attorney General.

10 [(3)] (11) For purposes of enforcement and for purposes of
11 the background investigation, the board may receive
12 information otherwise protected by 18 Pa.C.S. Ch. 91
13 (relating to criminal history record information).

14 [(4)] (12) At its discretion, to issue, approve, renew,
15 revoke, suspend, condition or deny issuance or renewal of
16 slot machine licenses.

17 [(5)] (13) At its discretion, to issue, approve, renew,
18 revoke, suspend, condition or deny issuance or renewal of
19 supplier and manufacturer licenses.

20 [(6)] (14) At its discretion, to issue, approve, renew,
21 revoke, suspend, condition or deny issuance or renewal of
22 [occupation permits] a license, permit or registration for
23 various classes of employees as required under this part.

24 [(7)] (15) At its discretion, to issue, approve, renew,
25 revoke, suspend, condition or deny issuance or renewal of any
26 additional licenses [or permits], permits or registration
27 certificates which may be required by the board under this
28 part. [or by regulation, including, but not limited to,
29 violations of sections 1328 (relating to change in ownership
30 or control of slot machine licensee) and 1330 (relating to

multiple slot machine license prohibition).]

[(8)] (16) At its discretion, to suspend, condition or deny the issuance or renewal of any license or permit or levy fines or other sanctions for any violation of this part.

[(9)] (17) To require prospective and existing employees, independent contractors, applicants [for licenses and permits], licensees, permittees and registrants to submit to fingerprinting by the Pennsylvania State Police. The Pennsylvania State Police shall submit the fingerprints to the Federal Bureau of Investigation for purposes of verifying the identity of the [applicants] individual and obtaining records of criminal arrests and convictions.

[10] (18) To require prospective and existing employees, applicants, licensees, permittees and registrants to submit photographs consistent with the standards of the Commonwealth Photo Imaging Network.

(19) To levy fines or other sanctions against an applicant, licensed entity or other licensee, permittee, registrant or employee of the board who possesses, uses, sells or offers for sale any device, equipment or material subject to this part in a manner which constitutes a violation of this part.

(20) In addition to the power of the board regarding license and permit applicants, to determine at its discretion the suitability of any person who furnishes or seeks to furnish to a slot machine licensee directly or indirectly any 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

1 equipment. The board may require any such person to comply
2 with the requirements of this part and the regulations of the
3 board and may prohibit the person from furnishing the
4 services or property.

5 [(11) As a board and through its designated officers,
6 employees or agents, to administer oaths, examine witnesses
7 and issue subpoenas to compel attendance of witnesses and
8 production of all relevant and material reports, books,
9 papers, documents and other evidence.

10 (12)] (21) Within six months after the effective date of
11 this part, in a manner that does not impede the immediate
12 implementation of the duties and responsibilities of the
13 board under this part during the immediate two years after
14 the effective date of this part, to develop and implement an
15 affirmative action plan to assure that all persons are
16 accorded equality of opportunity in employment and
17 contracting by the board, its contractors, subcontractors,
18 assignees, lessees, agents, vendors and suppliers.

19 [(13)] (22) Except for contracts related to the central
20 control computer [and such other contracts as the board, in
21 consultation with the Secretary of General Services,
22 determines would result in substantial savings to the board
23 if entered into for a longer period than provided in this
24 paragraph], all contracts entered into by the board during
25 the two-year period following the effective date of this part
26 shall not exceed a term of two years.

27 [(14) To promulgate rules and regulations the board
28 deems necessary to carry out the policy and purposes of this
29 part and to enhance the credibility and the integrity of the
30 licensed operation of slot machines and associated equipment

1 in this Commonwealth.

2 (15)] (23) The board shall not issue or renew a license
3 [or permit], permit, registration certificate or other
4 authorization unless it is satisfied that the applicant is a
5 person of good character, honesty and integrity and is a
6 person whose prior activities, criminal record, if any,
7 reputation, habits and associations do not pose a threat to
8 the public interest or the effective regulation and control
9 of slot machine operations or create or enhance the danger of
10 unsuitable, unfair or illegal practices, methods and
11 activities in the conduct of slot machine operations or the
12 carrying on of the business and financial arrangements
13 incidental thereto.

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

1 as the authority may direct as being necessary or appropriate
2 to effect the sale of State gaming receipts to the authority
3 and the collection and transfer of the State gaming receipts
4 sold to the authority. State gaming receipts sold to the
5 authority shall be the property of the authority and shall
6 not be the property of the Commonwealth.

7 [(17)] (25) To create a Bureau of Investigations and
8 Enforcement within the board. The board shall promulgate
9 regulations pertaining to the operation of the bureau which
10 shall insure separation of functions between the bureau and
11 the board. The board shall provide the employees necessary to
12 the bureau for enforcement of this part.

13 [(18)] (26) To enter into an agreement with the district
14 attorneys of the counties wherein licensed facilities are
15 located and the Office of Attorney General for the
16 reimbursement of actual costs for prosecutions of criminal
17 violations [of this part.] and for investigating a person
18 applying for a determination that an individual has been
19 rehabilitated under this part.

20 (27) To publish each January in the Pennsylvania
21 Bulletin and on the board's Internet website a complete list
22 of all persons or entities who applied for or held a slot
23 machine license, manufacturer license, supplier license or
24 racetrack license at any time during the preceding calendar
25 year and all affiliates, intermediaries, subsidiaries and
26 holding companies thereof and the status of the application
27 or license.

28 (28) To promulgate rules and regulations necessary for
29 the administration and enforcement of this part. Except as
30 provided in section 1203 (relating to temporary regulations),

regulations shall be adopted pursuant to the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law, and the act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.

Section 5. Title 4 is amended by adding a section to read:

§ 1202.1. Code of conduct.

(a) Scope.--The board shall adopt a comprehensive code of conduct prior to the consideration of any license or permit application. The code of conduct shall supplement all other requirements under this part and 65 Pa.C.S. Pt. II (relating to accountability) and shall provide guidelines applicable to members and their immediate families, employees and independent contractors of the board to enable these individuals to avoid any perceived or actual conflict of interest and to promote public confidence in the integrity and impartiality of the board. At a minimum, the code of conduct adopted under this section shall include registration under subsection (b) and the restrictions in subsection (c).

(b) Registration.--

(1) A licensed entity representative shall register with the board in a manner prescribed by the board, which shall include the name, employer or firm, address, telephone number and person being represented.

(2) A licensed entity representative shall have an ongoing duty to update its registration information on an ongoing basis.

(3) The registration list shall be available for public inspection at the offices of the board and on the board's Internet website.

(c) Restrictions.--A member of the board shall:

1 (1) Not engage in any ex parte communication.

2 (2) Not accept any gift, gratuity, compensation, travel,
3 lodging or thing of value, directly or indirectly, from any
4 applicant, licensee, permittee or licensed entity
5 representative thereof.

6 (3) Disqualify himself from any proceeding in which the
7 member's objectivity, impartiality or independence of
8 judgment may be reasonably questioned due to the member's
9 relationship or association with a party connected to any
10 proceeding or a person appearing before the board.

11 (4) Refrain from any financial or business dealing which
12 would tend to reflect adversely on the member's objectivity,
13 impartiality or independence of judgment.

14 (5) Not hold or campaign for public office, hold an
15 office in any political party or political committee,
16 contribute to or solicit contributions to a political
17 campaign, party, committee or candidate, publicly endorse a
18 candidate or actively participate in a political campaign.

19 (6) Not solicit funds for any educational, religious,
20 charitable, fraternal or civic purposes from any person or
21 licensed entity representative regulated under this part. A
22 member may be an officer, director or trustee of an
23 educational, religious, charitable, fraternal or civic
24 organization.

25 (7) Not meet with any applicant, person licensed under
26 this part, or a licensed entity representative, or discuss
27 any pending or anticipated application or other matter which
28 may reasonably be expected to come before the board or member
29 of the board unless the meeting or discussion occurs on the
30 business premises of the board and is recorded in a log

1 maintained for this purpose. The log shall be available for
2 public inspection during the regular business hours of the
3 board. The provisions of this paragraph shall not apply to
4 meetings to consider matters requiring the physical
5 inspection of the equipment or premises of a licensed entity
6 at their location.

7 (8) Comply with any other laws, rules or regulations
8 relating to the conduct of a member of the board.

9 (d) Ex officio members.--The restrictions under subsection
10 (c)(6) shall not apply to ex officio members of the board.

11 (e) Definitions.--As used in this section, the following
12 words and phrases shall have the meanings given to them in this
13 subsection:

14 "Compensation." Any thing of value, money or a financial
15 benefit conferred on or received by a person in return for
16 services rendered, or to be rendered, whether by that person or
17 another.

18 "Licensed entity representative." A person acting on behalf
19 of or representing the interest of any applicant, licensee,
20 permittee or registrant, including an attorney, agent or
21 lobbyist regarding any matter which may reasonably be expected
22 to come before the board.

23 Section 6. Sections 1204, 1205, 1206(a), (c), (d) and (f),
24 1208(1), 1306, 1309(a)(1) and 1311 of Title 4 are amended to
25 read:

26 § 1204. Licensed gaming entity application appeals from board.

27 The Supreme Court of Pennsylvania shall be vested with
28 exclusive appellate jurisdiction to consider appeals of any
29 final order, determination or decision of the board involving
30 the approval, issuance, denial or conditioning of [all licensed

1 entity applications] a slot machine license. Notwithstanding the
2 provisions of 2 Pa.C.S. Ch. 7 Subch. A (relating to judicial
3 review of Commonwealth agency action) and 42 Pa.C.S. § 763
4 (relating to direct appeals from government agencies), the
5 Supreme Court shall affirm all final orders, determinations or
6 decisions of the board involving the approval, issuance, denial
7 or conditioning of [all licensed entity applications] a slot
8 machine license unless it shall find that the board committed an
9 error of law or that the order, determination or decision of the
10 board was arbitrary and there was a capricious disregard of the
11 evidence.

12 § 1205. License or permit application hearing process.

13 The board's consideration and resolution of all license or
14 permit applications shall be conducted in accordance with 2
15 Pa.C.S. (relating to administrative law and procedure) and with
16 procedures adopted by order of the board. Notwithstanding [the
17 mandates of] 2 Pa.C.S. §§ 504 (relating to hearing and record)
18 and 505 (relating to evidence and cross-examination), [said] the
19 procedures adopted by [order of] the board shall provide parties
20 before it with a documentary hearing, but the board may[, at its
21 discretion,] resolve disputed material facts without conducting
22 an oral hearing where constitutionally permissible.

23 § 1206. Board minutes and records.

24 [(a) Open proceedings and records.--The proceedings of the
25 board shall be conducted in accordance with the provisions of 65
26 Pa.C.S. Ch. 7 (relating to open meetings). The board shall be an
27 agency for purposes of the act of June 21, 1957 (P.L.390,
28 No.212), referred to as the Right-to-Know Law. Notwithstanding
29 any provision of law to the contrary, confidential documents
30 relative to personal background information provided to the

1 board pursuant to this part and any closed deliberations of the
2 board, including disciplinary proceedings, shall be confidential
3 and considered in closed executive session pursuant to
4 subsection (f).]

5 * * *

6 [(c) Information delivered to Governor and General
7 Assembly.--A true copy of the minutes of every meeting of the
8 board and of any regulations finally adopted by the board may be
9 forthwith delivered, by and under the certification of the
10 executive director, to the Governor, the Secretary of the Senate
11 and the Chief Clerk of the House of Representatives.]

12 (d) Applicant information.--

13 (1) The board shall [keep and] maintain a list of all
14 applicants for licenses [and permits under this part together
15 with], permits and registrations. The list shall include a
16 record of all actions taken with respect to [the applicants,
17 which file and record] each applicant. The list shall be open
18 to public inspection during the normal business hours of the
19 board.

20 (2) Information under paragraph (1) regarding any
21 applicant whose license [or], permit or registration has been
22 denied, revoked or not renewed shall be removed from such
23 list after seven years from the date of the action.

24 * * *

25 (f) Confidentiality of information.--All information
26 [contained in the application process] submitted by an applicant
27 pursuant to section 1310(a) (relating to slot machine license
28 application character requirements) [and the report of an
29 applicant's background investigation furnished to] or obtained
30 by the board or the bureau as part of a background investigation

1 from any source shall be considered confidential [and]. The
2 information shall be withheld from public disclosure in whole or
3 in part, except that any information shall be released upon the
4 lawful order of a court of competent jurisdiction or, with the
5 approval of the Attorney General, to a duly authorized law
6 enforcement agency or shall be released to the public, in whole
7 or in part, to the extent that such release is requested by an
8 applicant and does not otherwise contain confidential
9 information about another person. The board may not require any
10 applicant to waive any confidentiality provided for in this
11 subsection as a condition for the approval of a license or any
12 other action of the board. Any person who violates this
13 subsection shall be administratively disciplined by discharge,
14 suspension or other formal disciplinary action as the board
15 deems appropriate.

16 * * *

17 § 1208. Collection of fees and fines.

18 The board has the following powers and duties:

19 (1) To levy and collect fees from the various
20 applicants, licensees and permittees to fund the operations
21 of the board. The fees shall be deposited into the State
22 Gaming Fund as established in section 1403 (relating to
23 establishment of State Gaming Fund and net slot machine
24 revenue distribution) and distributed to the board upon
25 appropriation by the General Assembly. In addition to the
26 fees set forth in sections 1209 (relating to slot machine
27 license fee) and 1305 (relating to Category 3 slot machine
28 license), the board shall assess and collect fees as follows:

29 (i) Supplier licensees shall pay a fee of \$25,000

30 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.

* * *

§ 1306. Order of initial license issuance.

In order to facilitate the timely and orderly deployment of licensed gaming operations in this Commonwealth, the board shall adopt a schedule by which applicants for slot machine, manufacturer and supplier licenses shall be filed, considered and resolved in accordance with the provisions of this part. In so doing, the board shall consider, approve, condition or deny the approval of all filed applications for manufacturer and supplier licenses as soon as administratively possible and at least three months prior to the board's approval, conditioning or denial of the approval of any Category 1 license application pursuant to section 1315 (relating to conditional Category 1 licenses) or any other category of slot machine license pursuant to section 1301 (relating to authorized slot machine licenses). The board shall ensure that an adequate number of suppliers have been licensed pursuant to section 1301 to meet market demand.

1 The board shall approve, approve with condition or deny all
2 initial applications for conditional Category 1 licenses under
3 section 1315 (relating to conditional Category 1 licenses) prior
4 to accepting or considering any applications for Category 1,
5 Category 2 or Category 3 slot machine licenses.

6 § 1309. Slot machine license application.

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

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

16 * * *

17 § 1311. [Slot machine license application business entity
18 requirements.

19 (a) Key employee requirement qualification.--No corporation
20 or any other legal business entity shall be eligible to hold a
21 slot machine license unless the following would individually be
22 qualified for licensure as a key employee: each officer; each
23 director; each person who directly or indirectly holds any
24 beneficial interest or ownership of the securities in the
25 entity; each person who in the opinion of the board has the
26 ability to control the entity, has a controlling interest or
27 elects a majority of the board of directors of that corporation
28 or business entity, other than a banking or other licensed
29 lending institution which makes a loan or holds a mortgage or
30 other lien acquired in the ordinary course of business; each key

1 employee; each lender, other than a banking or other licensed
2 lending institution which makes a loan or holds a mortgage or
3 other lien acquired in the ordinary course of business; each
4 underwriter; each agent; each employee of the corporation or
5 entity and each other person whom the board may consider
6 appropriate for approval or qualification. The board may waive
7 compliance with the provisions of this subsection on the part of
8 a publicly traded corporation as to a person directly or
9 indirectly holding ownership of securities of such corporation
10 where the board is satisfied that the security holder is not
11 significantly involved in the activities of the corporation and
12 does not have the ability to control the corporation or elect
13 one or more directors thereof.

14 (b) Slot machine license qualification requirement.--No
15 corporation or any other legal business entity or other form of
16 business organization which is a subsidiary shall be eligible to
17 receive or hold a slot machine license unless each holding and
18 intermediary company with respect thereto:

19 (1) if it is a corporation or other legal business
20 entity, shall comply with the provisions of subsection (a) as
21 if said holding or intermediary company were itself applying
22 for a slot machine license. The board may waive compliance
23 with the provisions of subsection (a) on the part of a
24 publicly traded corporation which is a holding company as to
25 any officer, director, lender, underwriter, agent or employee
26 thereof, or person directly or indirectly holding a
27 beneficial interest or ownership of the securities of such
28 corporation, where the board is satisfied that such officer,
29 director, lender, underwriter, agent or employee is not
30 significantly involved in the activities of the corporate

1 licensee and in the case of the security holder does not have
2 the ability to control or possess a controlling interest in
3 the holding company or elect one or more directors thereof;
4 or

5 (2) if it is not a corporation, shall comply with the
6 provisions of subsection (c) as if said company were itself
7 applying for a slot machine license. The board may waive
8 compliance with the provisions of subsection (c) on the part
9 of a noncorporate business organization which is a holding
10 company as to any person who directly or indirectly holds any
11 beneficial interest or ownership in such company when the
12 board is satisfied that such person does not have the ability
13 to control the company.

14 (c) Noncorporate applicant requirement.--Any noncorporate
15 applicant for a slot machine license shall provide the
16 information required in this section in such form as may be
17 required by the board. No such applicant shall be eligible to
18 hold a slot machine license unless each person who directly or
19 indirectly holds any beneficial interest or ownership in the
20 applicant, or has the ability to control the applicant or whom
21 the board may consider appropriate for approval or
22 qualification, would individually be qualified for approval as a
23 key employee pursuant to the provisions of this part.]

24 Additional slot machine license requirements.

25 (a) Additional eligibility requirements.--In order to be
26 eligible for a slot machine license under this part, the
27 principals and key employees of the applicant shall be required
28 to be licensed and to meet the character requirements of section
29 1310 (relating to slot machine license application character
30 requirements) or other eligibility requirements established by

1 the board.

2 (b) Classification system.--The board shall develop a
3 classification system for other agents, employees or persons who
4 directly or indirectly hold or are deemed to be holding debt or
5 equity securities or other financial interest in the applicant,
6 and other persons which the board considers appropriate for
7 review under section 1310.

8 (c) Related entities.--No person shall be eligible to
9 receive a slot machine license unless the principals and key
10 employees, lenders and underwriters of each intermediary,
11 subsidiary or holding company of the person meet the
12 requirements of subsection (a).

13 (d) Revocable privilege.--The issuance or renewal of a
14 license, permit or registration certificate by the board under
15 this section shall be a revocable privilege.

16 (e) Waiver for publicly traded corporations.--The board may
17 waive the requirements of subsection (a) for a person directly
18 or indirectly holding ownership of securities in a publicly
19 traded corporation if the board determines that the holder of
20 the securities is not significantly involved in the activities
21 of the corporation and does not have the ability to control the
22 corporation or elect one or more directors thereof.

23 (f) Waiver for subsidiaries.--If the applicant is a
24 subsidiary, the board may waive the requirements of subsection
25 (a) for a holding company or intermediary as follows:

26 (1) If the applicant is a publicly traded corporation,
27 the board may issue a waiver under this subsection if it
28 determines that the principal or key employee does not have
29 the ability to control, have a controlling interest in or
30 elect one or more directors of the holding company or

1 intermediary and is not actively involved in the activities
2 of the applicant.

3 (2) If the applicant is a noncorporate organization, the
4 board may issue a waiver under this subsection for a person
5 who directly or indirectly holds a beneficial or ownership
6 interest in the applicant if it determines that the person
7 does not have the ability to control the applicant.

8 (g) Ongoing duty.--A person applying for a license, permit
9 or registration certificate under this part shall have the
10 continuing duty to provide information required by the board or
11 the bureau and to cooperate in any inquiry or investigation.

12 (h) Criminal history record check.--The board shall conduct
13 a criminal history record check on any person for whom a waiver
14 is granted under this section.

15 Section 7. Title 4 is amended by adding sections to read:
16 § 1311.1. Licensing of principals.

17 (a) License required.--All principals shall obtain a
18 principal license from the board.

19 (b) Application.--A principal license application shall be
20 in a form prescribed by the board and shall include the
21 following:

22 (1) Verification of status as a principal from a slot
23 machine licensee, manufacturer licensee or supplier licensee.

24 (2) A description of responsibilities as a principal.

25 (3) All releases necessary to obtain information from
26 governmental agencies, employers and other organizations.

27 (4) Fingerprints, which shall be submitted to the
28 Pennsylvania State Police.

29 (5) A photograph that meets the standards of the
30 Commonwealth Photo Imaging Network.

1 (6) Details relating to a similar license obtained in
2 another jurisdiction.

3 (7) Any additional information required by the board.

4 (c) Issuance.--Following review of the application and the
5 background investigation, the board may issue a principal
6 license if the applicant has proven by clear and convincing
7 evidence that the applicant is a person of good character,
8 honesty and integrity and is eligible and suitable to be
9 licensed as a principal.

10 (d) Nontransferability.--A license issued under this section
11 shall be nontransferable.

12 (e) Principals.--An individual who receives a principal
13 license need not obtain a key employee license.

14 § 1311.2. Licensing of key employees.

15 (a) License required.--All key employees shall obtain a key
16 employee license from the board.

17 (b) Application.--A key employee license application shall
18 be in a form prescribed by the board and shall include the
19 following:

20 (1) Verification of status as a key employee from a slot
21 machine licensee, manufacturer licensee or supplier licensee.

22 (2) A description of employment responsibilities.

23 (3) All releases necessary to obtain information from
24 governmental agencies, employers and other organizations.

25 (4) Fingerprints, which shall be submitted to the
26 Pennsylvania State Police.

27 (5) A photograph that meets the standards of the
28 Commonwealth Photo Imaging Network.

29 (6) Details relating to a similar license obtained in
30 another jurisdiction.

1 (7) Any additional information required by the board.

2 (c) Issuance.--Following review of the application and the
3 background investigation, the board may issue a key employee
4 license if the applicant has proven by clear and convincing
5 evidence that the applicant is a person of good character,
6 honesty and integrity and is eligible and suitable to be
7 licensed as a key employee.

8 (d) Nontransferability.--A license issued under this section
9 shall be nontransferable.

10 Section 8. Sections 1318(b)(4), 1402, 1408 and 1512 of Title <—
11 4 are amended to read:

12 § 1318. Occupation permit application.

13 * * *

14 (b) Requirements.--The application for an occupation permit
15 shall include, at a minimum:

16 * * *

17 (4) A photograph [and handwriting exemplar] of the
18 person.

19 * * *

20 § 1402. Gross terminal revenue deductions.

21 (a) Deductions.--After determining the appropriate
22 assessments for each slot machine licensee, the department shall
23 [deduct the following] determine costs, expenses or payments
24 from each account established under section 1401 (relating to
25 slot machine licensee deposits). The following costs and
26 expenses shall be transferred to the appropriate agency upon
27 appropriation by the General Assembly:

28 (1) The costs and expenses to be incurred by the
29 department in administering this part at each slot machine
30 licensee's licensed facility based upon a budget submitted by

1 the department to and approved by the board.

2 (2) The other costs and expenses to be incurred by the
3 department in administering this part based upon a budget
4 submitted by the department to and approved by the board.

5 (3) Sums necessary to repay any loans made by the
6 General Fund to the department in connection with carrying
7 out its responsibilities under this part, including the costs
8 of the initial acquisition of the central control computer
9 and any accessories or associated equipment.

10 (4) The costs and expenses to be incurred by the
11 Pennsylvania State Police and the Office of Attorney General
12 and not otherwise reimbursed under this part in carrying out
13 their respective responsibilities under this part based upon
14 a budget submitted by the Pennsylvania State Police and the
15 Attorney General to and approved by the board.

16 (5) Sums necessary to repay any loans made by the
17 General Fund to the Pennsylvania State Police in connection
18 with carrying out its responsibilities under this part.

19 (6) The costs and expenses to be incurred by the board
20 in carrying out its responsibilities under this part based
21 upon a budget approved by the board.

22 (7) Sums necessary to repay any loans made by the
23 General Fund to the board in connection with carrying out its
24 responsibilities under this part.

25 * * *

26 § 1408. TRANSFERS FROM STATE GAMING FUND.

<—

27 (A) TRANSFER FOR COMPULSIVE PROBLEM GAMBLING TREATMENT.--

28 EACH YEAR, THE SUM OF \$1,500,000 OR AN AMOUNT EQUAL TO .001

29 MULTIPLIED BY THE TOTAL GROSS TERMINAL REVENUE OF ALL ACTIVE AND
30 OPERATING LICENSED GAMING ENTITIES, WHICHEVER IS GREATER, SHALL

1 BE TRANSFERRED INTO THE COMPULSIVE PROBLEM GAMBLING TREATMENT
2 FUND ESTABLISHED IN SECTION 1509 (RELATING TO COMPULSIVE AND
3 PROBLEM GAMBLING PROGRAM).

4 (B) TRANSFER FOR VOLUNTEER FIRE COMPANY GRANT PROGRAM.--
5 ANNUALLY, THE SUM OF \$25,000,000 SHALL BE TRANSFERRED FROM THE
6 STATE GAMING FUND TO THE VOLUNTEER FIRE COMPANY GRANT PROGRAM
7 ESTABLISHED UNDER THE ACT OF JULY 31, 2003 (P.L.73, NO.17),
8 KNOWN AS THE VOLUNTEER FIRE COMPANY AND VOLUNTEER AMBULANCE
9 SERVICE GRANT ACT.

10 (C) LOCAL LAW ENFORCEMENT GRANTS.--ANNUALLY, THE SUM OF
11 \$5,000,000 SHALL BE TRANSFERRED TO THE BOARD FOR THE PURPOSE OF
12 ISSUING GRANTS TO LOCAL LAW ENFORCEMENT AGENCIES TO ENFORCE AND
13 PREVENT THE UNLAWFUL OPERATION OF SLOT MACHINES IN THIS
14 COMMONWEALTH.

15 (C.1) TRANSFER FOR VICTIMS OF DOMESTIC VIOLENCE.--EACH YEAR
16 THE SUM OF \$3,500,000 SHALL BE TRANSFERRED FROM THE FUND TO THE
17 DEPARTMENT OF PUBLIC WELFARE TO BE USED FOR DOMESTIC VIOLENCE
18 PROGRAMS.

19 (D) ANNUAL TRANSFERS.--ANNUALLY, THE FOLLOWING SUMS SHALL BE
20 TRANSFERRED FROM THE STATE GAMING FUND AS FOLLOWS:

21 (1) TO EACH COUNTY, 80¢ PER ACRE FOR EACH ACRE OF LAND
22 IN THE COUNTY FOR WHICH A PAYMENT IS MADE UNDER THE ACT OF
23 MAY 17, 1929 (P.L.1798, NO.591), REFERRED TO AS THE FOREST
24 RESERVES MUNICIPAL FINANCIAL RELIEF LAW, OR UNDER 34 PA.C.S.
25 § 708 (RELATING TO PAYMENTS IN LIEU OF TAXES).

26 (2) TO EACH SCHOOL DISTRICT, 80¢ PER ACRE FOR EACH ACRE
27 OF LAND IN THE SCHOOL DISTRICT FOR WHICH A PAYMENT IS MADE
28 UNDER THE FOREST RESERVES MUNICIPAL FINANCIAL RELIEF LAW OR
29 UNDER 34 PA.C.S. § 708.

30 (3) TO EACH TOWNSHIP, 80¢ PER ACRE FOR EACH ACRE OF LAND

1 IN THE TOWNSHIP FOR WHICH A PAYMENT IS MADE UNDER THE FOREST
2 RESERVES MUNICIPAL FINANCIAL RELIEF LAW OR UNDER 34 PA.C.S. §
3 708.

4 (E) TRANSFER TO PROPERTY TAX RELIEF FUND.--MONTHLY, THE
5 STATE TREASURER SHALL TRANSFER THE REMAINING BALANCE IN THE
6 STATE GAMING FUND WHICH IS NOT ALLOCATED IN SUBSECTIONS (A),
7 (B), (C), (C.1) AND (D) TO THE PROPERTY TAX RELIEF FUND
8 ESTABLISHED IN SECTION 1409 (RELATING TO PROPERTY TAX RELIEF
9 FUND).

10 § 1512. [Public official financial interest.] Financial
11 interests, complimentary services and discounts.

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) Financial interests.--Except as may be provided by rule
30 or order of the Pennsylvania Supreme Court, an executive-level

1 public employee, public official or party officer, or an
2 immediate family member thereof, shall not intentionally or
3 knowingly hold a financial interest in any slot machine
4 licensee, manufacturer licensee, supplier licensee, licensed
5 racing entity or in an applicant seeking to become any of the
6 foregoing, or in a holding company, affiliate, intermediary or
7 subsidiary of any of the foregoing, while the individual is an
8 executive-level public employee, public official or party
9 officer and for one year following termination of the
10 individual's status as an executive-level public employee,
11 public official or party officer.

12 (a.1) Employment.--Except as may be provided by rule or
13 order of the Pennsylvania Supreme Court, no executive-level
14 public employee, public official or party officer, or an
15 immediate family member thereof, shall be employed by an
16 applicant, a slot machine licensee, manufacturer licensee,
17 supplier licensee, racing entity licensee or by an affiliate,
18 intermediary, subsidiary or holding company thereof while the
19 individual is an executive-level public employee, public
20 official or party officer and for one year following termination
21 of the individual's status as an executive-level public
22 employee, public official or party officer.

23 (a.2) Complimentary services and discounts.--

24 (1) No executive-level public employee, public official
25 or party officer, or an immediate family member thereof,
26 shall solicit or accept, directly or indirectly, any
27 complimentary service or discount from any applicant, slot
28 machine licensee, manufacturer licensee, supplier licensee,
29 licensed racing entity or from an affiliate, intermediary,
30 subsidiary or holding company thereof which the executive-

1 level public employee, public official or party officer, or
2 an immediate family member thereof, knows or has reason to
3 know is other than a service or discount that is offered to
4 members of the general public in like circumstances.

5 (2) No applicant, slot machine licensee, manufacturer
6 licensee, supplier licensee or licensed racing entity or any
7 affiliate, intermediary, subsidiary or holding company
8 thereof shall offer or deliver, directly or indirectly, to an
9 executive-level public employee, public official, party
10 officer, or an immediate family member thereof, any
11 complimentary service or discount from the applicant or
12 licensee or an affiliate, intermediary, subsidiary or holding
13 company thereof that the applicant or licensee knows or has
14 reason to know is other than a service or discount that is
15 offered to members of the general public in like
16 circumstances.

17 (a.3) Grading.--An individual who violates this section
18 commits a misdemeanor and shall, upon conviction, be sentenced
19 to pay a fine of not more than \$1,000 or to imprisonment for not
20 more than one year, or both.

21 (a.4) Divestiture.--An executive-level public employee,
22 public official or party officer, or an immediate family member
23 thereof, who holds a financial interest prohibited by this
24 section shall divest the financial interest within three months
25 of the effective date of the restrictions set forth in
26 subsection (a), as applicable. Thereafter, an executive-level
27 public employee, public official, party officer or immediate
28 family member shall have 30 days from the date the person knew
29 or had reason to know of the violation or 30 days from the
30 annual publication in the Pennsylvania Bulletin under section

1 1202(b)(19) (relating to powers and duties), whichever occurs
2 earlier.

3 (a.5) Ethics Commission.--The Ethics Commission shall
4 publish a list of all State, county, municipal and other
5 government positions that meet the definitions of "public
6 official" or "executive-level public employee" under this
7 subsection. The Office of Administration shall assist the Ethics
8 Commission in the development of the list, which shall be
9 published in the Pennsylvania Bulletin biennially and on the
10 board's website. Each public official shall have a duty to
11 provide the Ethics Commission with adequate information to
12 accurately develop and maintain the list. The Ethics Commission
13 may impose a civil penalty under 65 Pa.C.S. section 1109(f)
14 (relating to penalties) upon any public official or executive-
15 level employee who fails to cooperate with the commission under
16 this subsection.

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

20 "Executive-level [State] public employee." The Governor,
21 Lieutenant Governor, cabinet members, deputy secretaries[,] and
22 the Governor's office executive staff[, any State employee]. The
23 term shall also include any other Commonwealth employee in the
24 executive branch with discretionary powers which may affect or
25 influence the outcome of a State agency's [decision in relation
26 to a private corporation or business, with respect to any matter
27 covered by this part or any executive employee who by virtue of
28 his job function could influence the outcome of such a
29 decision.] action or decision relating to any matter under this
30 part. The term also shall include an employee of a county,

municipality, authority, commission or other local governmental entity with discretionary powers which may affect or influence the outcome of an action or decision relating to a slot machine licensee or any matter under this part.

"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 other ownership interest or profits interest. A financial interest shall not include any [such stock that is held in a blind trust over which the executive-level State employee, public official, party officer or immediate family member thereof may not exercise any managerial control or receive income during the tenure of office and the period under subsection (a).] debt or equity security, or other ownership interest or profits interest, which is held or deemed to be held in any of the following:

(1) A blind trust over which the executive-level public employee, public official or party officer, or an immediate family member thereof, does not exercise managerial or investment control or receive income therefrom during the tenure of office and the period under subsection (a).

(2) Securities that are held in a pension plan, profit-sharing plan, individual retirement account, tax sheltered annuity, a plan established pursuant to section 457 of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.), or any successor provision, deferred compensation plan whether qualified or not qualified under the Internal Revenue Code of 1986, or any successor provision, or other retirement plan that:

1 (i) is not self-directed by the individual; and
2 (ii) is advised by an independent investment adviser
3 who has sole authority to make investment decisions with
4 respect to contributions made by the individual to these
5 plans.

6 (3) A tuition account plan organized and operated
7 pursuant to section 529 of the Internal Revenue Code of 1986
8 (Public Law 99-514, 26 U.S.C. § 529) that is not self-
9 directed by the individual.

10 (4) A mutual fund where the interest owned by the mutual
11 fund in a licensed entity does not constitute a controlling
12 interest as defined in this part.

13 (5) Any other investment over which the executive-level
14 public employee, public official or party officer, or an
15 immediate family member thereof, does not exercise managerial
16 or investment control during the tenure of office and the
17 period under subsection (a).

18 "Immediate family." A [parent,] spouse, minor child or
19 unemancipated child[, brother or sister].

20 "Law enforcement authority." The term shall include the
21 authority of a State or local police force, the Attorney General
22 or a district attorney.

23 "Party officer." A member of a national committee; a
24 chairman, vice chairman, secretary, treasurer or counsel of a
25 State committee or member of the executive committee of a State
26 committee; a county chairman, vice chairman, counsel, secretary
27 or treasurer of a county committee in which a licensed facility
28 is located; or a city chairman, vice chairman, counsel,
29 secretary or treasurer of a city committee of a city in which a
30 licensed facility is located.

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

10 "Public official." The term shall include the following:

11 (1) The Governor, Lieutenant Governor, Treasurer,
12 Auditor General and Attorney General of the Commonwealth.

13 (2) A member of the Senate or House of Representatives
14 of the Commonwealth.

15 (3) An individual elected to any office of a county or
16 municipality that receives a distribution of money or revenue
17 under this part.

18 (4) An executive-level public employee of a county or
19 municipality that receives a distribution of money or revenue
20 under this part.

21 (5) An individual elected or appointed to a governmental
22 body that receives a distribution of money or revenue under
23 this part.

24 (6) An executive-level public employee of a department,
25 agency, board, commission, authority or other governmental
26 body that receives a distribution of money or revenue under
27 this part.

28 (7) An individual elected or appointed to a department,
29 agency, board, commission, authority or other governmental
30 body that possesses regulatory or law enforcement authority

1 over a licensed entity.

2 (8) An executive-level public employee of a department,
3 agency, board, commission, authority or other governmental
4 body that possesses regulatory or law enforcement authority
5 over a licensed entity.

6 The term does not include a member of a school board. The term
7 includes a member of an advisory board or commission which makes
8 recommendations relating to a licensed facility.

9 Section 9. Section 1513(a) of Title 4 is amended and the
10 section is amended by adding subsections to read:

11 § 1513. Political influence.

12 [(a) Contribution restriction.--An applicant for a slot
13 machine license, manufacturer license or supplier license,
14 licensed racing entity licensee, licensed manufacturer, licensed
15 supplier or licensed gaming entity, or a person that holds a
16 similar gaming license or permit or a controlling interest in a
17 gaming license or permit in another jurisdiction, or any
18 holding, affiliate, intermediary or subsidiary company thereof,
19 or any officer, director or key employee of such applicant
20 licensed manufacturer or licensed supplier, licensed racing
21 entity or licensed gaming entity or any holding, affiliate,
22 intermediary or subsidiary company thereof, shall be prohibited
23 from contributing any money or in-kind contribution to a
24 candidate for nomination or election to any public office in
25 this Commonwealth, or to any political committee or State party
26 in this Commonwealth or to any group, committee or association
27 organized in support of any such candidate, political committee
28 or State party.]

29 (a) Contribution restriction.--The following persons shall
30 be prohibited from contributing any money or in-kind

contribution to a candidate for nomination or election to any public office in this Commonwealth, or to any political party committee or other political committee in this Commonwealth or to any group, committee or association organized in support of a candidate, political party committee or other political committee in this Commonwealth:

(1) An applicant.

(2) A slot machine licensee, licensed manufacturer, licensed supplier or licensed racing entity.

(3) An officer, director or person with a controlling interest in or key employee of a slot machine licensee, licensed manufacturer, licensed supplier or licensed racing entity.

(4) An affiliate, intermediary, subsidiary or holding company of a slot machine licensee, licensed manufacturer, licensed supplier or licensed racing entity.

(5) An officer, director or person with a controlling interest in or key employee of an affiliate, intermediary, subsidiary or holding company of a slot machine licensee, licensed manufacturer, licensed supplier or licensed racing entity.

(6) A person who holds a similar gaming license in another jurisdiction and the affiliates, intermediaries, subsidiaries, holding companies, officers, directors or persons with a controlling interest therein or key employees thereof.

(a.1) Contributions to certain associations and organizations barred.--The individuals prohibited from making political contributions under subsection (a) shall not make a political contribution of money or an in-kind contribution to

any association or organization, including a nonprofit organization, that has been solicited by, or knowing that the contribution or a portion thereof will be contributed to the elected official, executive-level public employee or candidate for nomination or election to a public office in this Commonwealth.

(a.2) Internet website.--

(1) The board shall establish an Internet website that includes a list of all applicants for and holders of a slot machine license, manufacturer license, supplier license or racing entity license, and the affiliates, intermediaries, subsidiaries, holding companies, officers, directors or persons with a controlling interest therein and key employees thereof, all persons and officers, directors or persons with a controlling interest holding a similar gaming license in another jurisdiction and the affiliates, intermediaries, subsidiaries, holding companies, officers, directors or persons with a controlling interest therein and key employees thereof, and any other entity in which the applicant or licensee has any debt or equity security or other ownership or profits interest. An applicant or licensee shall notify the board within seven days of the discovery of any change in or addition to the information. The list shall be published semiannually in the Pennsylvania Bulletin.

(2) An individual who acts in good faith and in reliance on the information on the Internet website shall not be subject to any penalties or liability imposed for a violation of this section.

(3) The board shall request the information required under paragraph (1) from persons licensed in another

1 jurisdiction who do not hold a license in this Commonwealth
2 and from regulatory agencies in the other jurisdiction. If a
3 licensee in another jurisdiction refuses to provide the
4 information required under paragraph (1), the person and its
5 officers, directors or persons with a controlling interest
6 shall be ineligible to receive any license under this part.

7 * * *

8 Section 10. Section 1517(d) of Title 4 is amended and the
9 section is amended by adding a subsection to read:

10 § 1517. Enforcement.

11 * * *

12 (c.1) Powers and duties of Attorney General.--Within the
13 Office of Attorney General, the Attorney General shall establish
14 a gaming unit. The unit shall investigate and institute criminal
15 proceedings as authorized by subsection (d).

16 (d) Criminal action.--

17 (1) The district attorneys of the several counties shall
18 have authority to investigate and to institute criminal
19 proceedings for [any] a violation of this part.

20 (2) In addition to the authority conferred upon the
21 Attorney General [by] under the act of October 15, 1980
22 (P.L.950, No.164), known as the Commonwealth Attorneys Act,
23 the Attorney General shall have the authority to investigate
24 and, following consultation with the appropriate district
25 attorney, to institute criminal proceedings for [any] a
26 violation of this part, [or any series of such violations
27 involving any county of this Commonwealth and another state.
28 No] A person charged with a violation of this part by the
29 Attorney General shall not have standing to challenge the
30 authority of the Attorney General to investigate or prosecute

1 the case, and, if any such challenge is made, the challenge
2 shall be dismissed and no relief shall be available in the
3 courts of this Commonwealth to the person making the
4 challenge.

5 * * *

6 Section 11. This act shall take effect in 60 days.