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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 862      Session of  
2005

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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

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SENATE AMENDMENTS TO HOUSE AMENDMENTS, SEPTEMBER 19, 2006

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AN ACT

1 Amending Titles 4 (Amusements) and 18 (Crimes and Offenses) of  
2 the Pennsylvania Consolidated Statutes, further providing for  
3 definitions and for the Pennsylvania Gaming Control Board;  
4 providing for applicability of other statutes; further  
5 providing for powers and duties of board; providing for code  
6 of conduct; further providing for temporary regulations, for  
7 licensed entity application appeals from board, for license  
8 or permit application hearing process, for board minutes and  
9 records, for collection of fees and fines, FOR SLOT MACHINE      <—  
10 LICENSE FEE, for Category 2 slot machine licenses, for  
11 Category 3 slot machine licenses, for order of initial  
12 license issuance, for slot machine license application and  
13 for slot machine license application business entity  
14 requirements; providing for licensing of principals, for      <—  
15 ~~licensing of key employees and for recusal and~~  
16 ~~disqualification of members; further providing for supplier~~  
17 ~~and manufacturer licenses; providing for manufacturer~~  
18 ~~licenses; further providing for occupation permit~~  
19 ~~application, for nontransferability of licenses, for gross~~  
20 ~~terminal revenue deductions, for establishment of State~~  
21 ~~Gaming Fund and net slot machine revenue distribution, for~~  
22 ~~the Pennsylvania Gaming Economic Development and Tourism~~  
23 ~~Fund, for transfers from the State Gaming Fund, for the~~  
24 ~~compulsive and problem gambling program, for public official~~  
25 ~~financial interest, for political influence and for~~  
26 ~~enforcement; providing for procedures, for hearing officers~~  
27 PRINCIPALS AND FOR LICENSING OF KEY EMPLOYEES; FURTHER      <—  
28 PROVIDING FOR SLOT MACHINE LICENSE APPLICATION FINANCIAL  
29 FITNESS REQUIREMENTS AND FOR SUPPLIER AND MANUFACTURER  
30 LICENSES; PROVIDING FOR MANUFACTURER LICENSES; FURTHER

1 PROVIDING FOR OCCUPATION PERMIT APPLICATION, FOR  
2 NONTRANSFERABILITY OF LICENSES AND FOR GROSS TERMINAL REVENUE  
3 DEDUCTIONS; PROVIDING FOR ITEMIZED BUDGET REPORTING; FURTHER  
4 PROVIDING FOR ESTABLISHMENT OF STATE GAMING FUND AND NET SLOT  
5 MACHINE REVENUE DISTRIBUTION, FOR DISTRIBUTIONS FROM  
6 PENNSYLVANIA RACE HORSE DEVELOPMENT FUND, FOR LOCAL LAND USE  
7 PREEMPTION AND FOR THE COMPULSIVE AND PROBLEM GAMBLING  
8 PROGRAM; PROVIDING FOR LAND USE PREEMPTION AND CONVEYANCES  
9 WITHIN CITIES OF THE FIRST CLASS, FOR RIPARIAN RIGHTS AND FOR  
10 CLEAN INDOOR AIR; PROVIDING FOR PUBLIC OFFICIAL FINANCIAL  
11 INTEREST, FOR POLITICAL INFLUENCE AND FOR ENFORCEMENT;  
12 PROVIDING FOR PROCEDURES and for conduct of public officials  
13 and employees; further providing for prohibited acts and  
14 penalties; providing for detention and for interception of  
15 oral communications; further providing for duty to provide  
16 and for submission of fingerprints; ~~providing for preemption~~ <—  
17 ~~in cities of the first class;~~ FINGERPRINTS AND PHOTOGRAPHS; <—  
18 PROVIDING FOR REPAYMENTS TO STATE GAMING FUND; AND further  
19 providing for corrupt organizations; ~~and making a related~~ <—  
20 ~~repeal.~~

21 The General Assembly of the Commonwealth of Pennsylvania  
22 hereby enacts as follows:

23 Section 1. The definitions of "affiliate" or "affiliated  
24 company," "applicant," "controlling interest" and "gross  
25 terminal revenue" in section 1103 of Title 4 of the Pennsylvania  
26 Consolidated Statutes are amended and the section is amended by  
27 adding definitions to read:

28 § 1103. Definitions.

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

32 "ACCESSORY GAMING USES." USES COMMONLY ASSOCIATED WITH THE <—  
33 OPERATION OR MANAGEMENT OF A LICENSED FACILITY OR WITH THE  
34 ENTERTAINMENT OR CONVENIENCE OF PATRONS OF A LICENSED FACILITY,  
35 INCLUDING THE FOLLOWING:

36 (1) HOTEL, HOSPITALITY, CONVENTION AND CONFERENCE  
37 FACILITIES.

38 (2) RESIDENTIAL UNITS, INCLUDING OWNER-OCCUPIED OR  
39 RENTAL UNITS.

- 1           (3) RETAIL, COMMERCIAL OR OFFICE SPACE.  
2           (4) RESTAURANT, PERFORMANCE AREA, THEATER OR NIGHTCLUB.  
3           (5) A LICENSEE UNDER THE ACT OF APRIL 12, 1951 (P.L.90,  
4           NO.21), KNOWN AS THE LIQUOR CODE.  
5           (6) PARKING AREAS OR MARINAS.  
6           (7) OUTDOOR ADVERTISING.  
7           (8) WAREHOUSES.  
8           (9) ATHLETIC OR SPORTS FACILITIES.

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

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

24          \* \* \*

25          ~~"Associated area." All parcels of land owned by the licensed~~ <—  
26 ~~gaming entity or its affiliate, intermediary, subsidiary or~~  
27 ~~holding company contiguous to the licensed facility.~~

28          "ASSOCIATED AREA." ALL PARCELS OF LAND AND IMPROVEMENTS, <—  
29 INCLUDING A LICENSED RACETRACK AND BACKSIDE AREA, OWNED BY THE  
30 LICENSED GAMING ENTITY OR ITS AFFILIATE, INTERMEDIARY,

1 SUBSIDIARY OR HOLDING COMPANY THAT IS CONTIGUOUS OR ADJOINING,  
2 INCLUDING CONNECTION BY A PEDESTRIAN WALKWAY, BRIDGE OR  
3 EASEMENT, TO THE LAND-BASED LOCATION OF THE LICENSED FACILITY.

4 \* \* \*

5 "Compensation." Includes salary and benefits.

6 "Complimentary service." Any lodging, service or item which  
7 is provided to an individual at no cost and OR AT A REDUCED COST <—  
8 which is not generally available to the public under similar  
9 circumstances. GROUP RATES, INCLUDING CONVENTION AND GOVERNMENT <—  
10 RATES, SHALL BE DEEMED TO BE GENERALLY AVAILABLE TO THE PUBLIC.

11 "CONDUCT OF GAMING." THE LICENSED PLACEMENT AND OPERATION OF  
12 GAMES OF CHANCE UNDER THIS PART AND APPROVED BY THE PENNSYLVANIA  
13 GAMING CONTROL BOARD AT A LICENSED FACILITY.

14 "Controlling interest." [A person shall be deemed to have  
15 the ability to control a publicly traded corporation, or to  
16 elect] An interest in an entity if a A PERSON IF THE person's <—  
17 sole voting rights, as provided by applicable State law or  
18 corporate articles or bylaws, entitle the person to elect or  
19 appoint one or more of the members of [its] the entity's board <—  
20 of directors[, if such holder] or other governing body or if the  
21 person owns or beneficially holds 5% or more of the securities  
22 of [such] a publicly traded domestic or foreign corporation[,] <—  
23 or holds 5% or more ownership or voting interest in a  
24 partnership, limited liability company or any other form of  
25 PUBLICLY TRADED legal entity, unless such presumption of control <—  
26 or ability to elect is rebutted by clear and convincing  
27 evidence. A person who is a holder of securities of a privately  
28 held domestic or foreign corporation, partnership, limited  
29 liability company or any other form of legal entity shall be  
30 deemed to possess a controlling interest unless such presumption

1 of control is rebutted by clear and convincing evidence.

2 \* \* \*

3 "Corporation." Includes a publicly traded corporation.

4 \* \* \*

5 "Gross terminal revenue." The total of cash or cash  
6 equivalent wagers received by a slot machine minus the total of:

7 (1) Cash or cash equivalents paid out to patrons as a  
8 result of playing a slot machine which are paid to patrons  
9 either manually or paid out by the slot machine.

10 (2) Cash paid to purchase annuities to fund prizes  
11 payable to patrons over a period of time as a result of  
12 playing a slot machine.

13 (3) Any personal property distributed to a patron as the  
14 result of playing a slot machine. This does not include  
15 travel expenses, food, refreshments, lodging or services.

16 The term does not include counterfeit money or tokens, coins or  
17 currency of other countries which are received in slot machines,  
18 except to the extent that they are readily convertible to United  
19 States currency, cash taken in fraudulent acts perpetrated  
20 against a slot machine licensee for which the licensee is not  
21 reimbursed or cash received as entry fees for contests or  
22 tournaments in which the patrons compete for prizes.

23 "Holding company." ~~An entity~~ A PERSON, other than an ←  
24 individual, which, directly or indirectly, owns, has the power  
25 or right to control or to vote any significant part of the  
26 outstanding voting securities of a corporation or other form of  
27 business organization. A holding company indirectly has, holds  
28 or owns any such power, right or security if it does so through  
29 an interest in a subsidiary or successive subsidiaries.

30 \* \* \*

1 "Independent contractor." A person who performs  
2 professional, scientific, technical advisory or consulting  
3 services to the Pennsylvania Gaming Control Board for a fee,  
4 honorarium or similar compensation pursuant to a contract.

5 \* \* \*

6 "Intermediary." ~~An entity~~ A PERSON, other than an ←  
7 individual, which:

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

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

12 \* \* \*

13 "Member." An individual appointed to and sworn in as a  
14 member of the board in accordance with section 1201(b) (relating  
15 to 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 ~~amount equal to 5% or more of~~ the securities of an applicant or  
20 licensee; person who has a controlling interest in an applicant  
21 or licensee, or has the ability to elect a majority of the board  
22 of directors of a licensee or to otherwise control a licensee;  
23 lender or other licensed financial institution of an applicant  
24 or licensee, other than a bank or lending institution which  
25 makes a loan or holds a mortgage or other lien acquired in the  
26 ordinary course of business; underwriter of an applicant or  
27 licensee; or other person or employee of ~~a~~ AN APPLICANT, slot ←  
28 machine licensee, manufacturer licensee or supplier licensee  
29 deemed to be a principal by the Pennsylvania Gaming Control  
30 Board.

1 \* \* \*

2 "Publicly traded corporation." An entity A PERSON which: <—

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

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

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

14 \* \* \*

15 ~~"Registrant." A person issued a registration pursuant to~~ <—  
16 ~~this part.~~

17 \* \* \*

18 "Subsidiary." An entity A PERSON other than an individual. <—

19 The term includes:

20 (1) a corporation, any significant part of whose  
21 outstanding equity securities are owned, subject to a power  
22 or right of control, or held with power to vote, by a holding  
23 company or an intermediary company; or

24 (2) a significant interest in a person, other than an  
25 individual, which is owned, subject to a power or right of  
26 control, or held with power to vote, by a holding company or  
27 an intermediary company.

28 \* \* \*

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

1 1972.

2 Section 2. Section 1201 of Title 4 is amended to read:

3 § 1201. Pennsylvania Gaming Control Board established.

4 (a) Board established.--There is established an independent  
5 [administrative] board which shall be a body corporate and  
6 politic to be known as the Pennsylvania Gaming Control Board[,  
7 which shall be implemented as set forth in this section].

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

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

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

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

17 (ii) The Minority Leader of the Senate.

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

19 (iv) The Minority Leader of the House of  
20 Representatives.

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

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

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

28 (c) Initial appointments to board.--

29 (1) Gubernatorial [appointee members] appointees  
30 initially appointed under subsection (b)(1) shall serve an

1 initial term of one, two and three years respectively as  
2 designated by the Governor at the time of appointment and  
3 until their successors are appointed and qualified.

4 (2) Legislative [appointee members] appointees initially  
5 appointed under subsection (b)(2) shall serve until the third  
6 Tuesday in January 2007 and until their successors are  
7 appointed and qualified.

8 (3) [Any] An appointment to fill a vacancy created by a  
9 member appointed in accordance with paragraph (1) or (2)  
10 shall be for the remainder of the unexpired term. [Members so  
11 appointed to fill the unexpired term of an initial appointee  
12 shall be subject to the provisions of subsection (d).]

13 (d) [Appointments after expiration of initial term or upon  
14 vacancy] Terms of office.--Upon the expiration of a term of a  
15 member appointed under [this subsection or upon the existence of  
16 a vacancy of a member appointed pursuant to subsection (c) or  
17 this] subsection (c), [the appointing authority shall appoint a  
18 member subject to the following:

19 (1) For a gubernatorial appointment under subsection  
20 (b)(1), the term shall be for three years and until a  
21 successor is appointed and qualified.] the following shall  
22 apply:

23 (1) The term of office of a gubernatorial appointee  
24 shall be three years and until a successor is appointed and  
25 qualified.

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

1 of a legislative appointee shall be two years and until a  
2 successor is appointed and qualified.

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

5 (4) [No] A gubernatorial appointee [member] shall serve  
6 no more than two full [successive] consecutive terms.

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

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

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

15 (e) Ex officio members.--The Secretary of Revenue, the  
16 Secretary of Agriculture and the State Treasurer, or their  
17 designees, shall serve on the board as nonvoting ex officio  
18 members of the board. The designee shall be a deputy secretary  
19 or an equivalent position within the agency.

20 (f) Qualified majority vote.--

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

29 (2) Any action to suspend or revoke, not renew, void or  
30 require forfeiture of a license or permit issued under this

1 part, to impose any administrative fine or penalty under this  
2 part or to issue cease and desist orders or similar  
3 enforcement actions shall require a majority vote of all the  
4 members appointed to the board.

5 (3) Notwithstanding any other provision [to the  
6 contrary] of this part or 65 Pa.C.S. § 1103(j) (relating to  
7 restricted activities), a member shall disclose [the nature  
8 of his disqualifying interest], disqualify himself and  
9 abstain from voting in a proceeding under this part in which  
10 ~~his [or her] impartiality may be reasonably questioned,~~ <—  
11 ~~including, but not limited to, instances where he [or she]~~  
12 ~~knows that [they possess] he or a member of his immediate~~  
13 ~~family possesses a [substantial] financial interest in the~~  
14 ~~subject matter of the proceeding or any other interest that~~  
15 ~~could be substantially affected by the outcome of the~~  
16 ~~proceeding. [In such circumstances in which it is] If a HIS <—  
17 [OR HER IMPARTIALITY] OBJECTIVITY, IMPARTIALITY, INTEGRITY OR  
18 INDEPENDENCE OF JUDGMENT MAY BE REASONABLY QUESTIONED,  
19 [INCLUDING, BUT NOT LIMITED TO, INSTANCES WHERE HE OR SHE  
20 KNOWS THAT THEY POSSESS A SUBSTANTIAL FINANCIAL INTEREST IN  
21 THE SUBJECT MATTER OF THE PROCEEDING OR ANY OTHER INTEREST  
22 THAT COULD BE SUBSTANTIALLY AFFECTED BY THE OUTCOME OF THE  
23 PROCEEDING. IN SUCH CIRCUMSTANCES IN WHICH IT IS] AS PROVIDED  
24 IN SUBSECTION (H)(6). IF A legislative appointee [member that  
25 has disqualified himself or herself] ~~and his alternate have~~ <—  
26 ~~both disqualified themselves~~ HAS DISQUALIFIED HIMSELF, the <—  
27 qualified majority shall consist of all of the remaining  
28 [three] legislative appointees and at least two gubernatorial  
29 appointees. For purposes of this paragraph, the term  
30 "immediate family" shall mean spouse, parent, brother, sister~~

1 or child.

2 ~~(4) If a member discloses a disqualifying interest and~~ <—  
3 ~~abstains from voting on any matter, the provisions of~~  
4 ~~subsection (f.1) shall apply.~~

5 ~~(5) In the case of a collective vote on all initial~~  
6 ~~applications for slot machine licenses under section 1301~~  
7 ~~(relating to authorized slot machine licenses), if a member~~  
8 ~~disqualifies himself and abstains from voting on a particular~~  
9 ~~license, a collective vote for that category of license may~~  
10 ~~not be taken and each license must be voted upon~~  
11 ~~individually.~~

12 ~~(6) Prior to the commencement of any proceeding under~~  
13 ~~this part, the board shall conduct a conflict review to~~  
14 ~~determine if a member has a conflict pursuant to paragraph~~  
15 ~~(3) or section 1202.1 (relating to code of conduct) that~~  
16 ~~requires disqualification from voting. The determination~~  
17 ~~shall be in writing and shall be available to the public. If~~  
18 ~~the board determines that there is a conflict requiring a~~  
19 ~~member's disqualification, that member's alternate member~~  
20 ~~shall be eligible to cast a vote. The Attorney General or a~~  
21 ~~party to the proceeding may appeal a determination by the~~  
22 ~~board that does not require disqualification of a member.~~

23 ~~(f.1) Alternate member. Each appointing authority under~~  
24 ~~subsection (b) shall appoint one alternate member who shall vote~~  
25 ~~in any proceeding to approve, issue, deny or condition a license~~  
26 ~~in which the member appointed by that authority has disqualified~~  
27 ~~himself and abstained from voting pursuant to subsection (f)(3)~~  
28 ~~or section 1202.1. The following shall apply to an alternate~~  
29 ~~member:~~

30 ~~(1) The Executive Board shall establish a per diem~~

1 ~~amount to be paid to alternate members, to include payment~~  
2 ~~for time to review all materials necessary to make a~~  
3 ~~decision.~~

4 ~~(2) Alternate members shall be appointed within 30 days~~  
5 ~~of the effective date of this subsection in order to enable a~~  
6 ~~background investigation to occur prior to any vote to issue~~  
7 ~~or deny a slot machine license, manufacturer license or~~  
8 ~~supplier license.~~

9 ~~(3) All other requirements and restrictions under this~~  
10 ~~title which are applicable to members shall apply to~~  
11 ~~alternate members.~~

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

15 (h) Qualifications and restrictions.--

16 (1) Each member at the time of appointment shall be at  
17 least 25 years of age and shall have been a resident of this  
18 Commonwealth for a period of at least one year immediately  
19 preceding appointment. Each member shall continue to remain a  
20 resident of this Commonwealth during the term of membership  
21 on the board.

22 (2) Except for ex officio members, no person shall be  
23 appointed a member of the board or [hold any place, position  
24 or office under the board if that person holds any other  
25 elected office or party office] be employed by or be an  
26 independent contractor of the board if that person is a  
27 public official or party officer as defined in section 1512  
28 (relating to [public official financial interest] financial  
29 interests, employment and complimentary services and ←  
30 discounts) in this Commonwealth or any of its political

1 subdivisions.

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

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

11 (3) Each member, employee and independent contractor of  
12 the board shall sign an agreement not to disclose  
13 confidential information.

14 (4) No member, employee or independent contractor of the  
15 board or other agency having regulatory authority over the  
16 board or over forms of gaming regulated by this part shall be  
17 employed, hold any office or position or be engaged in any  
18 activity which is incompatible with the position, employment  
19 or contract.

20 (5) No member shall be paid or [accept for any service  
21 connected with the office any fee other than the salary and  
22 expenses provided by law.] receive any fee or other  
23 compensation other than salary and expenses provided by law  
24 for any activity related to the duties or authority of the  
25 board. Nothing in this part shall prohibit a member from  
26 engaging in any employment [or vocation] or receiving any  
27 compensation for such employment [or vocation] that is not  
28 [otherwise] connected to or incompatible with his [or her]  
29 service as a member of the board.

30 (6) No member, employee[, appointee or official shall

1 participate in any hearing or proceeding in which that person  
2 has any direct or indirect pecuniary interest.] or  
3 independent contractor of the board shall participate in a  
4 hearing, proceeding or other matter in which the member,  
5 employee or independent contractor, or the immediate family  
6 thereof, has a financial interest in the subject matter of  
7 the hearing or proceeding or other interest that could be  
8 substantially affected by the outcome of the hearing or  
9 proceeding, without first fully disclosing the nature of the  
10 interest to the board and other persons participating in the  
11 hearing or proceeding. The board shall determine if the  
12 interest is a disqualifying interest that requires the  
13 disqualification of the member or nonparticipation of the  
14 employee OR INDEPENDENT CONTRACTOR. For purposes of this ←  
15 paragraph, the term "immediate family" shall mean spouse,  
16 parent, brother, sister or child.

17 (7) At the time of appointment and annually thereafter,  
18 each member shall disclose the existence of [all ownership  
19 interests in licensed facilities and all securities in any  
20 licensed entity or applicant, its affiliates or subsidiaries  
21 held by the member, the member's spouse and any minor or  
22 unemancipated children and must divest such ownership  
23 interests in licensed facilities or securities prior to an  
24 appointment becoming final. A member may not acquire any  
25 security in any licensed entity, its affiliates or  
26 subsidiaries during the member's tenure.] any financial  
27 interest in any applicant, licensed entity or licensed  
28 facility and in an affiliate, intermediary, subsidiary or  
29 holding company thereof held by the member or known to be  
30 held by the member's immediate family. The disclosure

1 statement shall be filed with the executive director of the  
2 board and with the appointing authority for such member and  
3 shall be open to inspection by the public at the office of  
4 the board during the normal business hours of the board  
5 [during the tenure of the member] for the duration of the  
6 member's term and for two years after the member leaves  
7 office. For purposes of this paragraph, the term "immediate  
8 family" shall mean spouse, parent, brother, sister or child.

9 (7.1) Prior to being sworn as a member, a member and his  
10 immediate family shall divest any financial 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 member or known to be held by  
14 the member's immediate family. For the duration of the  
15 member's term, and for one year thereafter, the member and  
16 his THE MEMBER'S immediate family may not acquire a financial ←  
17 interest in any applicant, licensed facility or licensed  
18 entity or in an affiliate, intermediary, subsidiary or  
19 holding company thereof. For purposes of this paragraph, the  
20 term "immediate family" shall mean spouse and any minor or  
21 unemancipated child.

22 (7.2) Prior to entering into employment or a contract  
23 with the board and annually thereafter, an employee or  
24 independent contractor shall disclose the existence of any  
25 financial interest in any applicant, licensed facility or  
26 licensed entity and in an affiliate, intermediary, subsidiary  
27 or holding company thereof owned or held by the employee or  
28 independent contractor or known to be held by the immediate  
29 family of the employee or independent contractor. The  
30 disclosure statement shall be filed with the board and shall

1 be open to inspection by the public at the office of the  
2 board during the normal business hours of the board and for  
3 two years after termination of employment or a contract with  
4 the board. For purposes of this paragraph, the term  
5 "immediate family" shall mean spouse, parent, brother, sister  
6 or child.

7 (7.3) Prior to entering into employment or contracting  
8 with the board, an employee or independent contractor and his <—  
9 THE EMPLOYEE'S OR INDEPENDENT CONTRACTOR'S immediate family <—  
10 shall divest any financial interest in any applicant,  
11 licensed facility or licensed entity, and in an affiliate, <—  
12 intermediary, subsidiary or holding company thereof, owned or <—  
13 held by the employee or independent contractor or known to be  
14 held by the immediate family of the employee or independent  
15 contractor. For the duration of the employee's employment  
16 with the board or the independent contractor's contract with  
17 the board, and for one year thereafter, the employee or  
18 independent contractor and the immediate family thereof shall  
19 not acquire, by purchase, gift, exchange or otherwise, any  
20 financial interest in any applicant, licensed facility or  
21 licensed entity and in any affiliate, intermediary,  
22 subsidiary or holding company thereof. For purposes of this  
23 paragraph, the term "immediate family" shall mean spouse and  
24 any minor or unemancipated child.

25 (8) [Every member, employee, appointee or official of  
26 the board, in the service of or in connection with the work  
27 of the board, is forbidden, directly or indirectly, to  
28 solicit or request from or to suggest or recommend to any  
29 applicant, licensed entity, its] No member, employee or  
30 independent contractor of the board may directly or

1 indirectly solicit, request, suggest or recommend to any  
2 applicant, licensed entity, ~~licensed facility,~~ or an ←  
3 affiliate, intermediary, subsidiary[, ] or holding company  
4 thereof or to any [officer, attorney, agent or employee]  
5 principal, employee, independent contractor or agent thereof,  
6 the appointment or employment of any [individual to any  
7 office, place or position in or the employment of any  
8 individual] person in any capacity by the applicant, licensed  
9 entity, [its] licensed facility, or OR AN affiliate, ←  
10 intermediary, subsidiary or holding company thereof for a  
11 period of ~~one year~~ TWO YEARS from the termination of term of ←  
12 office, employment or contract with the board.

13 [(9) Every member, executive-level employee, appointee  
14 or official appointed to office in the service of or in  
15 connection with the work of the board is prohibited from  
16 accepting employment with any applicant, licensed gaming  
17 entity, its affiliate, intermediary, subsidiary or holding  
18 company for a period of one year from the termination of  
19 employment or service with the board. Every member,  
20 executive-level employee, appointee or official appointed to  
21 office in the service of or in connection with the work of  
22 the board is prohibited from appearing before the board on  
23 behalf of any applicant, licensed gaming entity, its  
24 affiliate, intermediary, subsidiary or holding company or  
25 other licensee or permittee of the board for a period of two  
26 years after terminating employment or service with the board.

27 (10) If any person employed or appointed in the service  
28 of the board violates any provision of this section, the  
29 appointing authority or the board shall forthwith remove the  
30 person from the office or employment and the person shall be

1 ineligible for future employment or service with the board  
2 and shall be ineligible to be approved for any license or  
3 permit under this part for a period of two years thereafter.]

4 (9) No member may accept employment with any applicant,  
5 licensed entity, ~~licensed facility~~ or an affiliate, <—  
6 intermediary, subsidiary or holding company thereof, for a <—  
7 period of ~~one year~~ TWO YEARS from the termination of term of <—  
8 office.

9 (10) No member may appear before the board on behalf of  
10 any applicant, licensed entity, ~~licensed facility~~ or an <—  
11 affiliate, intermediary, subsidiary or holding company  
12 thereof, or any other licensee or permittee for a period of <—  
13 two years from the termination of term of office.

14 (11) No member [or], employee or independent contractor  
15 of the board shall wager or be paid any prize from any wager  
16 at any licensed facility within this Commonwealth or at any  
17 other facility outside this Commonwealth which is owned or  
18 operated by a licensed gaming entity or any of its  
19 [affiliates or subsidiaries.] affiliates, intermediaries,  
20 subsidiaries or holding companies thereof for the duration of  
21 their term of office, employment or contract with the board,  
22 and for a period of one year from the termination of term of  
23 office, employment or contract with the board. The provisions  
24 of this paragraph shall apply to an employee of the executive  
25 branch of the Commonwealth, OTHER THAN THE BOARD, whose <—  
26 duties substantially involve the development or adoption of  
27 regulations or policy, licensing or enforcement, under this  
28 part. The provisions of this paragraph shall not apply to  
29 employees who utilize slot machines for testing purposes or  
30 to verify the performance of a machine as part of an

1 enforcement investigation.

2 (12) A member [of the board] who has been convicted  
3 during his term in any domestic or foreign jurisdiction of a  
4 felony, infamous crime [of moral turpitude] or gambling  
5 offense shall, upon conviction, be automatically removed from  
6 the board and shall be ineligible to become a [board] member  
7 in the future. If an ex officio member is convicted during  
8 his term in any domestic or foreign jurisdiction of a felony,  
9 infamous crime or gambling offense, the ex officio member  
10 shall, upon conviction, be automatically removed from the  
11 board, and a designee shall be designated pursuant to  
12 subsection (e) to serve the remainder of the ex officio  
13 member's term.

14 (13) No employee OF THE BOARD or individual employed by <—  
15 an independent contractor of the board ~~or other employee of~~ <—  
16 ~~the executive branch of the Commonwealth or of a political~~  
17 ~~subdivision~~ whose duties substantially involve the  
18 development or adoption of regulations or policy, licensing  
19 or enforcement, under this part, shall:

20 (i) accept employment with an applicant, licensed  
21 entity, ~~licensed facility~~ or an affiliate, intermediary, <—  
22 subsidiary or holding company thereof, for a period of <—  
23 one year after the termination of the employment or  
24 contract with the board; or

25 (ii) appear before the board in any hearing or  
26 proceeding or participate in any other activity on behalf  
27 of any applicant, licensee, permittee, licensed entity,  
28 ~~licensed facility~~ or an affiliate, intermediary, <—  
29 subsidiary or holding company thereof, for a period of <—  
30 two years after termination of the employment or contract

1 with the board.

2 (14) Upon the written request of an employee of the  
3 BOARD, THE executive branch of the Commonwealth or a ←  
4 political subdivision or of the agency or political  
5 subdivision employing an employee, the State Ethics  
6 Commission shall determine whether the individual's duties  
7 substantially involve the development or adoption of  
8 regulations or policy, licensing or enforcement, under this  
9 part, and shall provide a written determination to the  
10 employee to include any prohibition under this paragraph. An  
11 individual who relies in good faith on a determination under  
12 this paragraph shall not be subject to any penalty for an  
13 action taken, provided that all material facts set forth in  
14 the request for a determination are correct.

15 (15) If a member, employee or independent contractor of  
16 the board violates any provision of this section, the  
17 appointing authority or the board may, upon notice and  
18 hearing, remove the person from the board, withdraw the  
19 appointment or terminate the employment or contract and the  
20 person shall be ineligible for future appointment, employment  
21 or contract with the board and for approval of a license or  
22 permit under this part for a period of two years thereafter.

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

25 (h.2) Standard of care.--Members shall exercise the standard  
26 of care required by 20 Pa.C.S. Ch. 73 (relating to  
27 municipalities investments) in the performance of their duties  
28 under this part.

29 (h.3) Liability.--Members shall not be personally liable for  
30 any of the following:

1           (1) Obligations of the board.

2           (2) Actions which were within the scope of their office  
3           and made in good faith.

4           (i) Compensation.--

5           (1) The Executive Board as established in the act of  
6           April 9, 1929 (P.L.177, No.175), known as The Administrative  
7           Code of 1929, shall establish the compensation of the members  
8           [appointed pursuant to this section].

9           (2) Members shall be reimbursed for all necessary and  
10           actual expenses.

11           (3) Members shall be eligible for retirement under the  
12           State Employees' Retirement Code and shall, if the member  
13           elects to participate, be considered a State employee for the  
14           purposes of 71 Pa.C.S. Pt. XXV (relating to retirement for  
15           State employees and officers).

16           (j) Chairman.--The chairman of the board shall be selected  
17 by the Governor.

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

27           [(1) Disclosure statements.--Members and employees of the  
28 board are subject to the provisions of 65 Pa.C.S. Ch. 11  
29 (relating to ethics standards and financial disclosure) and the  
30 act of July 19, 1957 (P.L.1017, No.451), known as the State

1 Adverse Interest Act.]

2 (1) Prohibition against nepotism.--No member may directly or <—  
3 indirectly solicit, request, suggest or recommend the employment  
4 by the board of any individual related within the third degree <—  
5 of consanguinity, affinity or adoption to the member. SECOND <—  
6 DEGREE OF CONSANGUINITY AS SET FORTH IN 23 PA.C.S. § 1304(E)  
7 (RELATING TO RESTRICTIONS ON ISSUANCE OF LICENSE) OR THE SPOUSE  
8 OF THE INDIVIDUAL.

9 (M) EMPLOYMENT REQUIREMENTS.--

10 (1) PROSPECTIVE EMPLOYEES SHALL SUBMIT AN APPLICATION  
11 AND A PERSONAL DISCLOSURE FORM TO THE BOARD WHICH SHALL  
12 INCLUDE A COMPLETE CRIMINAL HISTORY, INCLUDING CONVICTIONS  
13 AND CURRENT CHARGES FOR ALL FELONIES AND MISDEMEANORS.

14 (2) PROSPECTIVE EMPLOYEES SHALL BE REQUIRED TO UNDERGO  
15 TESTING WHICH DETECTS THE PRESENCE OF ILLEGAL SUBSTANCES IN  
16 THE BODY.

17 (3) THE BOARD SHALL OBTAIN FINGERPRINTS AND PHOTOGRAPHS  
18 FOR EACH EMPLOYEE CONSISTENT WITH THE STANDARDS ADOPTED BY  
19 THE PENNSYLVANIA STATE POLICE.

20 (4) THE BOARD SHALL VERIFY THE IDENTIFICATION,  
21 EMPLOYMENT AND EDUCATION OF EACH EMPLOYEE, INCLUDING:

22 (I) LEGAL NAME, INCLUDING ANY ALIAS.

23 (II) ALL EDUCATIONAL INSTITUTIONS ATTENDED  
24 REGARDLESS OF GRADUATION STATUS.

25 (III) PLACES OF RESIDENCE FOR THE PAST TEN YEARS.

26 (IV) EMPLOYMENT HISTORY FOR THE PAST 15 YEARS.

27 (5) THE BOARD SHALL NOT APPROVE AN APPLICANT IF THE  
28 APPLICANT:

29 (I) HAS BEEN CONVICTED OF A CRIME THAT BEARS A CLOSE  
30 RELATIONSHIP TO THE DUTIES AND RESPONSIBILITIES OF THE

1           POSITION FOR WHICH EMPLOYMENT IS SOUGHT;

2           (II) HAS BEEN DISMISSED FROM OTHER EMPLOYMENT FOR  
3           GROSS MISCONDUCT; OR

4           (III) HAS INTENTIONALLY MADE A FALSE STATEMENT  
5           CONCERNING A MATERIAL FACT IN CONNECTION WITH THE  
6           APPLICATION TO THE BOARD.

7           (6) THE BOARD SHALL NOT EMPLOY A PERSON WHOSE BACKGROUND  
8           CHECK HAS NOT BEEN COMPLETED UNDER PARAGRAPH (1). THIS  
9           PARAGRAPH SHALL APPLY ONLY TO PERSONS EMPLOYED AFTER THE  
10          EFFECTIVE DATE OF THIS SUBSECTION.

11          (7) THE BOARD SHALL:

12           (I) IMMEDIATELY REFER ANY CRIMINAL MATTER INVOLVING  
13           AN EMPLOYEE TO LAW ENFORCEMENT.

14           (II) DEVELOP A DISCIPLINARY PROCESS FOR AN EMPLOYEE  
15           CHARGED WITH A CRIME OR WITH GROSS MISCONDUCT.

16           (III) IMMEDIATELY SUSPEND FROM EMPLOYMENT ANY  
17           EMPLOYEE CHARGED WITH A FELONY.

18           (IV) DEVELOP A PROCESS TO DISCIPLINE ALL OTHER  
19           INSTANCES OF MISCONDUCT.

20          (8) DISCIPLINARY ACTION SHALL BE INSTITUTED PROMPTLY  
21          AGAINST AN EMPLOYEE WHO, WHILE ON OR OFF DUTY, ENGAGES IN  
22          SERIOUS MISCONDUCT WHICH MAY BRING THE BOARD INTO DISREPUTE.

23          ~~(m)~~ (N) Definitions.--As used in this section, the following ←  
24          words and phrases shall have the meanings given to them in this  
25          subsection:

26           "Financial interest." An ownership, property, leasehold or  
27           other beneficial interest in an entity. The term shall not  
28           include an interest which is held or deemed to be held in any of  
29           the following:

30           ~~(1) A blind trust over which the individual or an~~ ←

~~immediate family member does not exercise managerial or investment control or receive income therefrom.~~

~~(2) (1) 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:~~

~~(i) is not self-directed by the individual; and~~

~~(ii) is advised by an independent investment adviser who has sole authority to make investment decisions with respect to contributions made by the individual to these plans.~~

~~(3) (2) A tuition account plan organized and operated pursuant to section 529 of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 529) that is not self-directed by the individual.~~

~~(4) (3) A mutual fund where the interest owned by the mutual fund in a licensed entity does not constitute a controlling interest as defined in this part.~~

~~(5) Any other investment over which the individual does not exercise managerial or investment control.~~

"Ownership interest." Owing or holding or being deemed to hold, debt or equity securities or other ownership interest or profit interest.

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

(a) General rule.--The following acts shall apply to the

1 board:

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

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

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

9 (b) Status of board.--

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

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

17 (ii) The act of October 15, 1980 (P.L.950, No.164),  
18 known as the Commonwealth Attorneys Act. THE ATTORNEY <—  
19 GENERAL SHALL REVIEW PERMANENT REGULATIONS PROMULGATED BY  
20 THE BOARD AS PROVIDED IN THE ACT OF JUNE 25, 1982  
21 (P.L.633, NO.181), KNOWN AS THE REGULATORY REVIEW ACT.

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

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

26 (ii) ~~The act of June 25, 1982 (P.L.633, No.181),~~ <—  
27 ~~known as the Regulatory Review Act.~~

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

29 § 1202. General and specific powers.

30 (a) General powers.--

1           (1) The board shall have general [jurisdiction] AND SOLE <—  
2           regulatory authority over [all gaming activities] THE CONDUCT <—  
3           OF GAMING or related activities as described in this part.

4           The board shall [be responsible to] ensure the integrity of  
5           the acquisition and operation of slot machines and associated  
6           equipment and shall have [jurisdiction] SOLE regulatory <—  
7           authority over every aspect of the authorization and  
8           operation of slot machines.

9           (2) The board shall employ [an executive director, chief  
10          counsel, deputies, secretaries, officers, hearing officers  
11          and agents as it may deem necessary] individuals as necessary  
12          to carry out the powers and duties of the board, who shall  
13          serve at the board's pleasure. [The board shall also employ  
14          other employees as it deems appropriate whose duties shall be  
15          determined by the board. In order to ensure the ability of  
16          the board to recruit and retain individuals necessary to  
17          execute its responsibilities under this part, the board shall  
18          set the] An employee of the board shall be considered a State  
19          employee for purposes of 71 Pa.C.S. Pt. XXV (relating to  
20          retirement for State employees and officers). For the  
21          purposes of this paragraph, the board shall not be considered  
22          an executive or independent agency under the act of October  
23          15, 1980 (P.L.950, No.164), known as the Commonwealth  
24          Attorneys Act.

25          (3) In addition to employees authorized by the board,  
26          each member may employ ~~two special assistants~~ ONE SPECIAL <—  
27          ASSISTANT whose classification and compensation shall be  
28          established by the board. A special assistant shall be a  
29          State employee for purposes of 71 Pa.C.S. Pt. XXV, shall  
30          serve at the pleasure of the member and may only be removed

1 by the board for cause.

2 (4) The board shall establish a system of classification  
3 and compensation of its employees and shall not be subject to  
4 the provisions of the act of April 9, 1929 (P.L.177, No.175),  
5 known as The Administrative Code of 1929, as to  
6 classification and compensation for its employees and conduct  
7 its activities consistent with the practices and procedures  
8 of Commonwealth agencies. [For the purposes of the act of  
9 October 15, 1980 (P.L.950, No.164), known as the Commonwealth  
10 Attorneys Act, the board shall not be considered an executive  
11 or independent agency. The board shall have such other powers  
12 and authority necessary to carry out its duties and the  
13 objectives of this part.]

14 (5) Within 90 days of the effective date of this  
15 paragraph, the board shall publish in the Pennsylvania  
16 Bulletin, and on its Internet website, the classification  
17 system for all employees of the board.

18 (6) A REQUEST FOR PROPOSAL TO CONDUCT INVESTIGATIONS OF ←  
19 EMPLOYEES AND APPLICANTS UNDER THIS PART SHALL INCLUDE A  
20 REQUIREMENT THAT AN OFFEROR PROVIDE THE NUMBER OF EMPLOYEES  
21 OF THE OFFEROR WHO WILL BE ENGAGED IN THE CONDUCT OF  
22 INVESTIGATIONS AND WHO ARE RESIDENTS OF THIS COMMONWEALTH AND  
23 ANNUITANTS OF A FEDERAL, STATE OR LOCAL LAW ENFORCEMENT  
24 AGENCY. PREFERENCE SHALL BE GIVEN TO AN OFFEROR WITH A  
25 SUBSTANTIAL NUMBER OF EMPLOYEES WHO WILL BE ENGAGED IN THE  
26 CONDUCT OF INVESTIGATIONS AND WHO ARE RESIDENTS OF THIS  
27 COMMONWEALTH AND ANNUITANTS OF A FEDERAL, STATE OR LOCAL LAW  
28 ENFORCEMENT AGENCY.

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

- 1           (1) To adopt, use and alter a corporate seal.
- 2           (2) To pay or satisfy obligations of the board.
- 3           (3) To sue or be sued, implead and be impleaded, or  
4 interplead.
- 5           (4) To contract and execute instruments as necessary to  
6 carry out the powers and duties of the board. Contracts for  
7 the purchase of supplies, services and construction shall be  
8 for a term not to exceed two years.
- 9           (5) To sell, transfer, convey and dispose of tangible or  
10 intangible property owned by the board.
- 11           (6) To establish, charge and collect fees and fines as  
12 authorized by this part.
- 13           (7) To administer oaths, examine witnesses and issue  
14 subpoenas compelling the attendance of witnesses or the  
15 production of documents and records or other evidence. THE <—  
16 PROVISIONS OF THIS PARAGRAPH SHALL APPLY TO DESIGNATED  
17 OFFICERS AND EMPLOYEES.
- 18           (8) To purchase insurance against a loss related to the  
19 board's property or assets.
- 20           (8.1) Retain attorneys, accountants, auditors and  
21 financial experts, to render services and engage the services <—  
22 of other advisors, consultants and agents FINANCIAL AND OTHER <—  
23 EXPERTS, TO RENDER SERVICES as necessary. For the purposes of  
24 this paragraph, the board shall be considered an independent  
25 agency for purposes of the Commonwealth Attorneys Act.
- 26           (9) To require background investigations on [prospective  
27 or existing] applicants, licensees, principals, key  
28 employees, EMPLOYEES OR permittees [or persons holding a <—  
29 controlling interest in any prospective or existing licensee  
30 or permittee] ~~or registrants~~ under the jurisdiction of the <—

1 board.

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

7 [(3)] (11) For purposes of LICENSING AND enforcement and <—  
8 for purposes of the background investigation, [the board may]  
9 to receive information otherwise protected by 18 Pa.C.S. Ch.  
10 91 (relating to criminal history record information).

11 [(4)] (12) At its discretion, to issue, approve, renew,  
12 revoke, suspend, condition or deny issuance or renewal of  
13 slot machine licenses.

14 [(5)] (13) At its discretion, to issue, approve, renew,  
15 revoke, suspend, condition or deny issuance or renewal of  
16 supplier and manufacturer licenses.

17 [(6)] (14) At its discretion, to issue, approve, renew,  
18 revoke, suspend, condition or deny issuance or renewal of  
19 [occupation permits] a license, permit or registration OR <—  
20 PERMIT for various classes of employees as required under  
21 this part.

22 [(7)] (15) At its discretion, to issue, approve, renew,  
23 revoke, suspend, condition or deny issuance or renewal of any  
24 additional licenses for permits], permits or registrations <—  
25 which may be required by the board under this part. [or by  
26 regulation, including, but not limited to, violations of  
27 sections 1328 (relating to change in ownership or control of  
28 slot machine licensee) and 1330 (relating to multiple slot  
29 machine license prohibition).]

30 [(8)] (16) At its discretion, to suspend, condition or

1 deny the issuance or renewal of any license or permit or levy  
2 fines or other sanctions for any violation of this part.

3 (16.1) TO SUSPEND OR REVOKE THE LICENSE OF A LICENSED ←  
4 ENTITY IF A FINAL, NONAPPEALABLE ORDER ISSUED BY A FEDERAL  
5 COURT FINDS THAT THE LICENSED ENTITY IS IN VIOLATION OF  
6 FEDERAL ANTITRUST OR UNFAIR TRADE PRACTICE LAWS IN CONNECTION  
7 WITH THE PROVISION OF GOODS OR SERVICES UNDER THIS PART.

8 [(9)] (17) To require prospective and existing  
9 employees, independent contractors, applicants [for licenses  
10 and permits], licensees, ~~permittees and registrants~~ AND ←  
11 PERMITTEES to submit to fingerprinting by the Pennsylvania  
12 State Police. The Pennsylvania State Police shall submit the  
13 fingerprints to the Federal Bureau of Investigation for  
14 purposes of verifying the identity of the [applicants]  
15 individual and obtaining records of criminal arrests and  
16 convictions.

17 [10] (18) To require prospective and existing employees,  
18 applicants, licensees, ~~permittees and registrants~~ AND ←  
19 PERMITTEES to submit photographs consistent with the  
20 standards of the Commonwealth Photo Imaging Network.

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

27 (20) In addition to the power of the board regarding  
28 license ~~and~~, ~~permit and registration~~ AND PERMIT applicants, ←  
29 to determine at its discretion the suitability of any person  
30 who furnishes or seeks to furnish to a slot machine licensee

1 directly or indirectly any services or property related to  
2 slot machines or associated equipment or through any  
3 arrangements under which that person receives payment based  
4 directly or indirectly on earnings, profits or receipts from  
5 the slot machines and associated equipment. The board may  
6 require any such person to comply with the requirements of  
7 this part and the regulations of the board and may prohibit  
8 the person from furnishing the services or property.

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

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

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

1            [(14) To promulgate rules and regulations the board  
2            deems necessary to carry out the policy and purposes of this  
3            part and to enhance the credibility and the integrity of the  
4            licensed operation of slot machines and associated equipment  
5            in this Commonwealth.

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

18           [(16)] (24) Notwithstanding any other provision of law,  
19           [the board is authorized] to sell, in whole or in part, the  
20           Commonwealth's right, title and interest in State gaming  
21           receipts to [an] the authority [created by the Commonwealth].  
22           The sale shall be subject to the terms and conditions  
23           contained in agreements between the board and the authority.  
24           Proceeds from the sale of State gaming receipts shall be  
25           allocated and used in the manner otherwise provided by this  
26           part for the distribution of State gaming receipts. The  
27           authority [created by the Commonwealth] is authorized to  
28           purchase State gaming receipts upon terms and conditions  
29           agreed to by the board and to issue bonds to fund the  
30           purchase of State gaming receipts in the manner provided for

1 the issuance of authority indebtedness in the law  
2 establishing the authority. The State Treasurer is authorized  
3 and directed to enter into any agreements with the board and  
4 the authority and establish accounts and funds, that shall  
5 not be in the State Treasury, as the authority may direct as  
6 being necessary or appropriate to effect the sale of State  
7 gaming receipts to the authority and the collection and  
8 transfer of the State gaming receipts sold to the authority.  
9 State gaming receipts sold to the authority shall be the  
10 property of the authority and shall not be the property of  
11 the Commonwealth.

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

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

25 (27) To publish each January in the Pennsylvania  
26 Bulletin and on the board's Internet website a complete list  
27 of all persons or entities who applied for or held a slot  
28 machine license, manufacturer license, supplier license or  
29 racetrack license at any time during the preceding calendar  
30 year and all affiliates, intermediaries, subsidiaries and

1 holding companies thereof and the status of the application  
2 or license.

3 (28) To prepare and, through the Governor, submit  
4 annually to the General Assembly an itemized budget  
5 consisting of the amounts necessary to be appropriated by the  
6 Commonwealth out of the fund required to meet the obligations  
7 accruing during the fiscal period beginning July 1 of the  
8 following year. THE BUDGET SHALL INCLUDE ITEMIZED <—  
9 RECOMMENDATIONS FROM THE ATTORNEY GENERAL, THE DEPARTMENT AND  
10 THE PENNSYLVANIA STATE POLICE AS TO THE AMOUNT NEEDED TO MEET  
11 THEIR OBLIGATIONS UNDER THIS PART.

12 (29) To promulgate rules and regulations necessary for  
13 the administration and enforcement of this part, <—  
14 including  
15 regulations relating to the number of slot machines a single  
16 manufacturer may supply to a licensed facility and including,  
17 in cooperation with the Liquor Control Board, regulations  
18 relating to the sale and service of liquor and malt and  
19 brewed beverages by licensees. PART. Except as provided in <—  
20 section 1203 (relating to temporary regulations), regulations  
21 shall be adopted pursuant to the act of July 31, 1968  
22 (P.L.769, No.240), referred to as the Commonwealth Documents  
23 Law, and the act of June 25, 1982 (P.L.633, No.181), known as  
24 the Regulatory Review Act.

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

26 § 1202.1. Code of conduct.

27 (a) Scope.--The board shall adopt a comprehensive code of  
28 conduct prior to the consideration of any license, permit or  
29 registration application. The code of conduct shall supplement  
30 all other requirements under this part and 65 Pa.C.S. Pt. II  
(relating to accountability) and shall provide guidelines

1 applicable to members, employees, independent contractors of the  
2 board, and the immediate families of the members, employees and  
3 independent contractors, to enable them to avoid any perceived  
4 or actual conflict of interest and to promote public confidence  
5 in the integrity and impartiality of the board. At a minimum,  
6 the code of conduct adopted under this section shall include  
7 registration under subsection (b) and the restrictions in  
8 subsection (c).

9 (b) Registration.--

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

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

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

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

21 (1) ~~Except as set forth in paragraph (6), not~~ NOT engage <—  
22 in any ex parte communication with an interested party.

23 (2) Not accept any discount, gift, gratuity,  
24 compensation, travel, lodging or other thing of value,  
25 directly or indirectly, from any applicant, licensee,  
26 permittee, registrant or licensed entity representative  
27 thereof.

28 (3) ~~Disqualify~~ DISCLOSE AND DISQUALIFY himself from any <—  
29 proceeding in which the member's objectivity, impartiality, <—  
30 INTEGRITY or independence of judgment may be reasonably

1 questioned due to the member's relationship or association  
2 with a party connected to any proceeding or a person  
3 appearing before the board.

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

7 (5) Not hold or campaign for public office, hold an  
8 office in any political party or political committee,  
9 contribute to or solicit contributions to a political  
10 campaign, party, committee or candidate, publicly endorse a  
11 candidate or actively participate in a political campaign.

12 (6) Not meet or engage in discussions with any  
13 applicant, person licensed under this part, or a licensed  
14 entity representative unless the meeting or discussion occurs  
15 on the business premises of the board and is recorded in a  
16 log maintained for this purpose. The log shall be available  
17 for public inspection during the regular business hours of  
18 the board. The provisions of this paragraph shall not apply  
19 to meetings of the board to consider matters requiring the  
20 physical inspection of the equipment or premises of an  
21 applicant or a licensed entity at their location.

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

24 (d) Ex officio members.--The restrictions under subsection  
25 (c)(5) shall not apply to ex officio members.

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

29 "Compensation." Any thing of value, money or a financial  
30 benefit conferred on or received by a person in return for

1 services rendered, or to be rendered, whether by that person or  
2 another.

3 "Licensed entity representative." A person acting on behalf  
4 of or representing the interest of any applicant, licensee,  
5 permittee or registrant, including an attorney, agent or  
6 lobbyist regarding any matter which may reasonably be expected  
7 to come before the board.

8 Section 6. Sections 1203, 1204, 1205, 1206(a), (c), (d) and  
9 (f), 1208(1), ~~1304(b), 1305(a) and (b)~~, 1209(A), 1304, 1305, <—  
10 1306, 1309(a)(1) and 1311 of Title 4 are amended to read:

11 § 1203. Temporary regulations.

12 (a) Promulgation.--[Notwithstanding any other provision of  
13 law to the contrary and in] In order to facilitate the prompt  
14 implementation of this part, ~~regulations promulgated by the~~ <—  
15 board [during the two years following the effective date of this <—  
16 part] shall be deemed temporary regulations which shall expire <—  
17 no later than three years following the effective date of this  
18 part or upon promulgation of regulations as generally provided  
19 by law. [The temporary regulations shall not be] The board may <—  
20 promulgate regulations not subject to:

21 (1) Sections 201 [through 205], 202 and 203 of the act  
22 of July 31, 1968 (P.L.769, No.240), referred to as the  
23 Commonwealth Documents Law.

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

26 ~~(b) Expiration. [The authority provided to the board to~~ <—  
27 ~~adopt temporary regulations in] Regulations promulgated in~~  
28 ~~accordance with subsection (a) shall expire [two] three years~~  
29 ~~from the effective date of this section. [Regulations adopted~~  
30 ~~after the two year period shall be promulgated as provided by~~

1 law.]

2 (B) EXPIRATION.--THE AUTHORITY PROVIDED TO THE BOARD TO <—  
3 ADOPT TEMPORARY REGULATIONS IN SUBSECTION (A) SHALL EXPIRE [TWO  
4 YEARS FROM THE EFFECTIVE DATE OF THIS SECTION] APRIL 15, 2007.  
5 REGULATIONS ADOPTED AFTER [THE TWO-YEAR] THIS PERIOD SHALL BE  
6 PROMULGATED AS PROVIDED BY LAW.

7 § 1204. Licensed gaming entity application appeals from board.

8 The Supreme Court of Pennsylvania shall be vested with  
9 exclusive appellate jurisdiction to consider appeals of any  
10 final order, determination or decision of the board involving  
11 the approval, issuance, denial or conditioning of [all licensed  
12 entity applications] a slot machine license. Notwithstanding the  
13 provisions of 2 Pa.C.S. Ch. 7 Subch. A (relating to judicial  
14 review of Commonwealth agency action) and 42 Pa.C.S. § 763  
15 (relating to direct appeals from government agencies), the  
16 Supreme Court shall affirm all final orders, determinations or  
17 decisions of the board involving the approval, issuance, denial  
18 or conditioning of [all licensed entity applications] a slot  
19 machine license unless it shall find that the board committed an  
20 error of law or that the order, determination or decision of the  
21 board was arbitrary and there was a capricious disregard of the  
22 evidence.

23 ~~§ 1205. License [or], permit or registration application <—  
24 hearing process.~~

25 ~~The board's consideration and resolution of all license [or],  
26 permit or registration applications shall be conducted in  
27 accordance with 2 Pa.C.S. (relating to administrative law and  
28 procedure) and with procedures adopted by order of the board.  
29 [Notwithstanding the mandates of 2 Pa.C.S. §§ 504 (relating to  
30 hearing and record) and 505 (relating to evidence and cross-~~

1 ~~examination), said procedures adopted by order of the board~~  
2 ~~shall provide parties before it with a documentary hearing, but~~  
3 ~~the board may, at its discretion, resolve disputed material~~  
4 ~~facts without conducting an oral hearing where constitutionally~~  
5 ~~permissible.]~~

6 § 1205. LICENSE OR PERMIT APPLICATION HEARING PROCESS[.];

←

7 PUBLIC INPUT HEARINGS.

8 (A) GENERAL RULE.--THE BOARD'S CONSIDERATION AND RESOLUTION  
9 OF ALL LICENSE OR PERMIT APPLICATIONS SHALL BE CONDUCTED IN  
10 ACCORDANCE WITH 2 PA.C.S. (RELATING TO ADMINISTRATIVE LAW AND  
11 PROCEDURE) AND WITH PROCEDURES ADOPTED BY ORDER OF THE BOARD.  
12 NOTWITHSTANDING THE [MANDATES] REQUIREMENTS OF 2 PA.C.S. §§ 504  
13 (RELATING TO HEARING AND RECORD) AND 505 (RELATING TO EVIDENCE  
14 AND CROSS-EXAMINATION)[, SAID PROCEDURES ADOPTED BY ORDER OF THE  
15 BOARD SHALL] AS THEY RELATE TO THE CONDUCT OF ORAL HEARINGS, THE  
16 BOARD MAY ADOPT PROCEDURES TO PROVIDE PARTIES BEFORE IT WITH A  
17 DOCUMENTARY HEARING, [BUT] AND THE BOARD MAY[, AT ITS  
18 DISCRETION,] RESOLVE DISPUTED MATERIAL FACTS WITHOUT CONDUCTING  
19 AN ORAL HEARING WHERE CONSTITUTIONALLY PERMISSIBLE.

20 (B) PUBLIC INPUT HEARING REQUIREMENT.--

21 (1) PRIOR TO LICENSING A FACILITY UNDER THIS PART, THE  
22 BOARD SHALL HOLD AT LEAST ONE PUBLIC INPUT HEARING ON THE  
23 MATTER.

24 (2) ALL PUBLIC INPUT HEARINGS RELATING TO AN APPLICATION  
25 FOR A SLOT MACHINE LICENSE SHALL BE HELD IN THE MUNICIPALITY  
26 WHERE THE FACILITY WILL BE LOCATED AND SHALL BE ORGANIZED IN  
27 COOPERATION WITH THE MUNICIPALITY.

28 (3) A LIST OF ALL WITNESSES SCHEDULED TO TESTIFY AT A  
29 PUBLIC INPUT HEARING SHALL BE MADE PUBLIC AT LEAST SEVEN DAYS  
30 PRIOR TO THE HEARING. THE LIST SHALL BE UPDATED AT LEAST

1 THREE DAYS PRIOR TO THE HEARING. ADDITIONAL WITNESSES SHALL  
2 BE POSTED ON THE BOARD'S INTERNET WEBSITE AS THEY ARE ADDED  
3 TO THE LIST.

4 § 1206. Board minutes and records.

5 [(a) Open proceedings and records.--The proceedings of the  
6 board shall be conducted in accordance with the provisions of 65  
7 Pa.C.S. Ch. 7 (relating to open meetings). The board shall be an  
8 agency for purposes of the act of June 21, 1957 (P.L.390,  
9 No.212), referred to as the Right-to-Know Law. Notwithstanding  
10 any provision of law to the contrary, confidential documents  
11 relative to personal background information provided to the  
12 board pursuant to this part and any closed deliberations of the  
13 board, including disciplinary proceedings, shall be confidential  
14 and considered in closed executive session pursuant to  
15 subsection (f).]

16 \* \* \*

17 [(c) Information delivered to Governor and General  
18 Assembly.--A true copy of the minutes of every meeting of the  
19 board and of any regulations finally adopted by the board may be  
20 forthwith delivered, by and under the certification of the  
21 executive director, to the Governor, the Secretary of the Senate  
22 and the Chief Clerk of the House of Representatives.]

23 (d) Applicant information.--

24 (1) The board shall [keep and] maintain a list of all  
25 applicants for licenses ~~and permits.~~ [under this part <—  
26 together with], ~~permits and registrations.~~ The list shall <—  
27 include a record of all actions taken with respect to [the  
28 applicants, which file and record] each applicant. The list  
29 shall be open to public inspection during the normal business  
30 hours of the board.

1           (2) Information under paragraph (1) regarding any  
2 applicant whose license ~~for~~, ~~permit~~ ~~or~~ ~~registration~~ OR           <—  
3 PERMIT has been denied, revoked or not renewed shall be  
4 removed from such list after seven years from the date of the  
5 action.

6           \* \* \*

7           (f) Confidentiality of information.--All information  
8 [contained in the application process] submitted by an applicant  
9 pursuant to section 1310(a) (relating to slot machine license  
10 application character requirements) [and the report of an  
11 applicant's background investigation furnished to] or obtained  
12 by the board or the bureau as part of a background investigation  
13 from any source shall be considered confidential [and]. Except  
14 as provided in section 1517(f) (relating to enforcement), the  
15 information shall be withheld from public disclosure in whole or  
16 in part, except that any information shall be released upon the  
17 lawful order of a court of competent jurisdiction or, with the  
18 approval of the Attorney General, to a duly authorized law  
19 enforcement agency or shall be released to the public, in whole  
20 or in part, to the extent that such release is requested by an  
21 applicant and does not otherwise contain confidential  
22 information about another person. The board may not require any  
23 applicant to waive any confidentiality provided for in this  
24 subsection as a condition for the approval of a license or any  
25 other action of the board. Any person who violates this  
26 subsection shall be administratively disciplined by discharge,  
27 suspension or other formal disciplinary action as the board  
28 deems appropriate.

29           \* \* \*

30 § 1208. Collection of fees and fines.

1 The board has the following powers and duties:

2 (1) To levy and collect fees from the various  
3 applicants, licensees ~~[and], permittees and registrants~~ AND ←  
4 PERMITTEES to fund the operations of the board. The fees  
5 shall be deposited into the State Gaming Fund as established  
6 in section 1403 (relating to establishment of State Gaming  
7 Fund and net slot machine revenue distribution) and  
8 distributed to the board upon appropriation by the General  
9 Assembly. In addition to the fees set forth in sections 1209  
10 (relating to slot machine license fee) and 1305 (relating to  
11 Category 3 slot machine license), the board shall assess and  
12 collect fees as follows:

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

16 (ii) Manufacturer licensees shall pay a fee of  
17 \$50,000 upon the issuance of a license and \$25,000 for  
18 the annual renewal of a manufacturer license.

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

28 \* \* \*

29 § 1209. SLOT MACHINE LICENSE FEE. ←

30 (A) IMPOSITION.--EXCEPT AS PROVIDED FOR A CATEGORY 3

1 LICENSED GAMING ENTITY UNDER SECTION 1305 (RELATING TO CATEGORY  
2 3 SLOT MACHINE LICENSE) AND SUBJECT TO THE REQUIREMENTS OF THIS  
3 SECTION, AT THE TIME OF LICENSE ISSUANCE THE BOARD SHALL IMPOSE  
4 A ONE-TIME SLOT MACHINE LICENSE FEE TO BE PAID BY EACH  
5 SUCCESSFUL APPLICANT FOR A CONDITIONAL CATEGORY 1, A CATEGORY 1  
6 OR A CATEGORY 2 LICENSE IN THE AMOUNT OF \$50,000,000 FOR EACH  
7 CATEGORY OF SLOT MACHINE LICENSE AND DEPOSITED IN THE STATE  
8 GAMING FUND.

9 \* \* \*

10 § 1304. Category 2 slot machine license.

11 \* \* \*

12 (A) ELIGIBILITY.--

13 (1) A PERSON MAY BE ELIGIBLE TO APPLY FOR A CATEGORY 2  
14 LICENSE IF THE APPLICANT, ITS AFFILIATE, INTERMEDIARY,  
15 SUBSIDIARY OR HOLDING COMPANY IS NOT OTHERWISE ELIGIBLE TO  
16 APPLY FOR A CATEGORY 1 LICENSE AND THE PERSON IS SEEKING TO  
17 LOCATE A LICENSED FACILITY IN A CITY OF THE FIRST CLASS, A  
18 CITY OF THE SECOND CLASS OR A REVENUE- OR TOURISM-ENHANCED  
19 LOCATION. IT SHALL NOT BE A CONDITION OF ELIGIBILITY TO APPLY  
20 FOR A CATEGORY 2 LICENSE TO OBTAIN A LICENSE FROM EITHER THE  
21 STATE HORSE RACING COMMISSION OR THE STATE HARNESS RACING  
22 COMMISSION TO CONDUCT THOROUGHBRED OR HARNESS RACE MEETINGS  
23 RESPECTIVELY WITH PARI-MUTUEL WAGERING.

24 (2) IF THE PERSON SEEKING A SLOT MACHINE LICENSE  
25 PROPOSES TO PLACE THE LICENSED FACILITY UPON LAND DESIGNATED  
26 A SUBZONE, AN EXPANSION SUBZONE OR AN IMPROVEMENT SUBZONE  
27 UNDER THE ACT OF OCTOBER 6, 1998 (P.L.705, NO.92), KNOWN AS  
28 THE KEYSTONE OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION  
29 ZONE AND KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ACT, THE  
30 PERSON SHALL, AT ANY TIME PRIOR TO THE APPLICATION BEING

1 APPROVED, SUBMIT A STATEMENT WAVING THE EXEMPTIONS,  
2 DEDUCTIONS, ABATEMENTS OR CREDITS GRANTED UNDER THE KEYSTONE  
3 OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION ZONE AND  
4 KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ACT IF THE BOARD  
5 APPROVES THE APPLICATION.

6 (b) Location.--

7 (1) Two Category 2 licensed facilities and no more shall  
8 be located by the board within a city of the first class, and  
9 one Category 2 licensed facility and no more shall be located  
10 by the board within a city of the second class. No Category 2  
11 licensed facility located by the board within a city of the  
12 first class shall be within ten linear miles of a Category 1  
13 licensed facility regardless of the municipality where the  
14 Category 1 licensed facility is located. Except for any  
15 Category 2 licensed facility located by the board within a  
16 city of the first class or a city of the second class, no  
17 Category 2 licensed facility shall be located within 30  
18 linear miles of any Category 1 licensed facility that has  
19 conducted over 200 racing days per year for the two calendar  
20 years immediately preceding the effective date of this part  
21 and not within 20 linear miles of any other Category 1  
22 licensed facility. Except for any Category 2 licensed  
23 facility located by the board within a city of the first  
24 class, no Category 2 licensed facility shall be located  
25 within 20 linear miles of another Category 2 licensed  
26 facility.

27 ~~(2) An applicant with a proposed licensed facility~~ <—  
28 ~~consisting of land designated a subzone, an expansion subzone~~  
29 ~~or an improvement subzone under the act of October 6, 1998~~  
30 ~~(P.L. 705, No. 92), known as the Keystone Opportunity Zone,~~

~~Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act, may apply and may be approved for a license under this section. The board shall not issue the license to the applicant while the proposed licensed facility consists of land designated a subzone, an expansion subzone or an improvement subzone. If the Department of Community and Economic Development decertifies the land as a subzone, an expansion subzone or an improvement subzone, the board shall issue the applicant the license.~~

(2) WITHIN FIVE DAYS OF APPROVING A LICENSE FOR AN APPLICANT WITH A PROPOSED LICENSED FACILITY CONSISTING OF LAND DESIGNATED A SUBZONE, AN EXPANSION SUBZONE OR AN IMPROVEMENT SUBZONE UNDER THE KEYSTONE OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION ZONE AND KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ACT FOR A SLOT MACHINE LICENSE UNDER THIS SECTION, THE BOARD SHALL NOTIFY THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT. THE NOTICE SHALL INCLUDE A DESCRIPTION OF THE LAND OF THE PROPOSED LICENSED FACILITY WHICH IS DESIGNATED A SUBZONE, AN EXPANSION SUBZONE OR AN IMPROVEMENT SUBZONE. WITHIN FIVE DAYS OF RECEIVING THE NOTICE REQUIRED BY THIS PARAGRAPH, THE SECRETARY OF COMMUNITY AND ECONOMIC DEVELOPMENT SHALL DECERTIFY THE LAND AS BEING A SUBZONE, AN EXPANSION SUBZONE OR AN IMPROVEMENT SUBZONE. UPON DECERTIFICATION IN ACCORDANCE WITH THIS PARAGRAPH AND NOTWITHSTANDING CHAPTER 3 OF THE KEYSTONE OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION ZONE AND KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ACT, A POLITICAL SUBDIVISION MAY AMEND THE ORDINANCE, RESOLUTION OR OTHER REQUIRED ACTION WHICH GRANTED THE EXEMPTIONS, DEDUCTIONS, ABATEMENTS OR CREDITS REQUIRED BY THE KEYSTONE OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION

ZONE AND KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ACT TO REPEAL  
THE EXEMPTIONS, DEDUCTIONS, ABATEMENTS OR CREDITS FOR THE  
LAND DECERTIFIED.

(3) Notwithstanding the provisions of paragraph (1), no  
Category 2 licensed facility shall be located by the board  
within a county of the sixth class having a population under  
the 2000 census in excess of 91,000 residents but fewer than  
92,000 residents.

(4) An applicant for a Category 2 licensed facility  
subject to the provisions of paragraph (3) with an  
application received by the board before January 1, 2006,  
shall, upon written application to the board, be reimbursed  
by the board from available funds for any fees paid and 90%  
of actual costs of creating the application.

§ 1305. Category 3 slot machine license.

(a) Eligibility.--

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

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

3 (2) Notwithstanding section 1512(a) and (a.1) (relating  
4 to public official financial interest), if at the time of  
5 application, an applicant has terminated public office or  
6 employment as an executive-level public employee within the  
7 last calendar year, the applicant shall be eligible to apply  
8 for a slot machine license under this section but may not be  
9 issued a license until one year following the date of  
10 termination as a public official or executive-level public  
11 employee. An application submitted in accordance with this  
12 paragraph shall not constitute a violation of section 1512(a)  
13 or (a.1).

14 (3) IF THE PERSON SEEKING A SLOT MACHINE LICENSE ←  
15 PROPOSES TO PLACE THE LICENSED FACILITY UPON LAND DESIGNATED  
16 A SUBZONE, AN EXPANSION SUBZONE OR AN IMPROVEMENT SUBZONE  
17 UNDER THE ACT OF OCTOBER 6, 1998 (P.L.705, NO.92), KNOWN AS  
18 THE KEYSTONE OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION  
19 ZONE AND KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ACT, THE  
20 PERSON SHALL, AT ANY TIME PRIOR TO THE APPLICATION BEING  
21 APPROVED, SUBMIT A STATEMENT WAIVING THE EXEMPTIONS,  
22 DEDUCTIONS, ABATEMENTS OR CREDITS GRANTED UNDER THE KEYSTONE  
23 OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION ZONE AND  
24 KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ACT IF THE BOARD  
25 APPROVES THE APPLICATION.

26 (b) Location.--

27 (1) No Category 3 license shall be located by the board  
28 within 15 linear miles of another licensed facility.

29 ~~(2) An applicant with a proposed licensed facility~~ ←  
30 ~~consisting of land designated a subzone, an expansion subzone~~

~~or an improvement subzone under the act of October 6, 1998  
(P.L.705, No.92), known as the Keystone Opportunity Zone,  
Keystone Opportunity Expansion Zone and Keystone Opportunity  
Improvement Zone Act, may apply and may be approved for a  
license under this section. The board shall not issue the  
license to the applicant while the proposed licensed facility  
consists of land designated a subzone, an expansion subzone  
or an improvement subzone. If the Department of Community and  
Economic Development decertifies the land as a subzone, an  
expansion subzone or an improvement subzone, the board shall  
issue the applicant the license.~~

~~\* \* \*~~

(2) WITHIN FIVE DAYS OF APPROVING A LICENSE FOR AN  
APPLICANT WITH A PROPOSED LICENSED FACILITY CONSISTING OF  
LAND DESIGNATED A SUBZONE, AN EXPANSION SUBZONE OR AN  
IMPROVEMENT SUBZONE UNDER THE KEYSTONE OPPORTUNITY ZONE,  
KEYSTONE OPPORTUNITY EXPANSION ZONE AND KEYSTONE OPPORTUNITY  
IMPROVEMENT ZONE ACT FOR A SLOT MACHINE LICENSE UNDER THIS  
SECTION, THE BOARD SHALL NOTIFY THE DEPARTMENT OF COMMUNITY  
AND ECONOMIC DEVELOPMENT. THE NOTICE SHALL INCLUDE A  
DESCRIPTION OF THE LAND OF THE PROPOSED LICENSED FACILITY  
WHICH IS DESIGNATED A SUBZONE, AN EXPANSION SUBZONE OR AN  
IMPROVEMENT SUBZONE. WITHIN FIVE DAYS OF RECEIVING THE NOTICE  
REQUIRED BY THIS PARAGRAPH, THE SECRETARY OF COMMUNITY AND  
ECONOMIC DEVELOPMENT SHALL DECERTIFY THE LAND AS BEING A  
SUBZONE, AN EXPANSION SUBZONE OR AN IMPROVEMENT SUBZONE. UPON  
DECERTIFICATION IN ACCORDANCE WITH THIS PARAGRAPH AND  
NOTWITHSTANDING CHAPTER 3 OF THE KEYSTONE OPPORTUNITY ZONE,  
KEYSTONE OPPORTUNITY EXPANSION ZONE AND KEYSTONE OPPORTUNITY  
IMPROVEMENT ZONE ACT, A POLITICAL SUBDIVISION MAY AMEND THE

1       ORDINANCE, RESOLUTION OR OTHER REQUIRED ACTION WHICH GRANTED  
2       THE EXEMPTIONS, DEDUCTIONS, ABATEMENTS OR CREDITS REQUIRED BY  
3       THE KEYSTONE OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION  
4       ZONE AND KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ACT TO REPEAL  
5       THE EXEMPTIONS, DEDUCTIONS, ABATEMENTS OR CREDITS FOR THE  
6       LAND DECERTIFIED.

7       (C) NUMBER OF SLOT MACHINES.--NOTWITHSTANDING THE NUMBER OF  
8 PERMISSIBLE SLOT MACHINES AS SET FORTH IN SECTION 1210 (RELATING  
9 TO NUMBER OF SLOT MACHINES), A CATEGORY 3 LICENSE GRANTED UNDER  
10 THE PROVISIONS OF THIS SECTION SHALL ENTITLE THE LICENSED ENTITY  
11 TO OPERATE NO MORE THAN 500 SLOT MACHINES AT THE LICENSED  
12 FACILITY.

13       (D) CATEGORY 3 LICENSE FEE.--NOTWITHSTANDING THE ONE-TIME  
14 SLOT MACHINE LICENSE FEE AS SET FORTH IN SECTION 1209 (RELATING  
15 TO SLOT MACHINE LICENSE FEE), THE BOARD SHALL IMPOSE A ONE-TIME  
16 CATEGORY 3 LICENSE FEE TO BE PAID BY EACH SUCCESSFUL APPLICANT  
17 IN [AN] THE AMOUNT OF \$5,000,000 TO BE DEPOSITED IN THE STATE  
18 GAMING FUND. THE PROVISIONS OF SECTION 1209 RELATING TO TERM,  
19 CREDIT AGAINST TAX FOR SLOT MACHINE LICENSEES, DEPOSIT OF  
20 LICENSE FEE AND CHANGE OF OWNERSHIP OR CONTROL OF A LICENSE  
21 SHALL BE APPLICABLE TO A CATEGORY 3 LICENSE FEE.

22       (E) DEFINITIONS.--FOR THE PURPOSE OF SUBSECTION (A), THE  
23 FOLLOWING WORDS AND PHRASES SHALL HAVE THE MEANING GIVEN TO THEM  
24 IN THIS SUBSECTION:

25       ["AMENITIES." ANY ANCILLARY ACTIVITIES, SERVICES OR  
26 FACILITIES IN WHICH A REGISTERED GUEST OR THE TRANSIENT PUBLIC,  
27 IN RETURN FOR NON-DE MINIMIS CONSIDERATION AS DEFINED BY BOARD  
28 REGULATION, MAY PARTICIPATE AT A RESORT HOTEL, INCLUDING, BUT  
29 NOT LIMITED TO, SPORTS AND RECREATIONAL ACTIVITIES AND  
30 FACILITIES SUCH AS A GOLF COURSE OR GOLF DRIVING RANGE, TENNIS

1 COURTS OR SWIMMING POOL; HEALTH SPA; CONVENTION, MEETING AND  
2 BANQUET FACILITIES; ENTERTAINMENT FACILITIES; AND RESTAURANT  
3 FACILITIES.]

4 "AMENITY." AN ANCILLARY ACTIVITY, SERVICE OR FACILITY IN  
5 WHICH A REGISTERED GUEST OR THE TRANSIENT PUBLIC, IN RETURN FOR  
6 NON-DE MINIMIS CONSIDERATION AS DEFINED BY BOARD REGULATIONS,  
7 MAY PARTICIPATE AT A RESORT HOTEL, INCLUDING A SPORTS OR  
8 RECREATIONAL ACTIVITY OR FACILITY SUCH AS A GOLF COURSE, GOLF  
9 DRIVING RANGE, TENNIS COURT, SWIMMING POOL OR HEALTH SPA;  
10 CONVENTION, MEETING OR BANQUET FACILITY; ENTERTAINMENT FACILITY  
11 OR RESTAURANT FACILITY.

12 "PATRON OF THE AMENITIES." ANY INDIVIDUAL WHO IS A  
13 REGISTERED ATTENDEE OF A CONVENTION, MEETING OR BANQUET EVENT OR  
14 A PARTICIPANT IN A SPORT OR RECREATIONAL EVENT OR ANY OTHER  
15 SOCIAL, CULTURAL OR BUSINESS EVENT HELD AT A RESORT HOTEL OR WHO  
16 PARTICIPATES IN ONE OR MORE OF THE AMENITIES PROVIDED TO  
17 REGISTERED GUESTS OF THE RESORT HOTEL.

18 § 1306. Order of initial license issuance.

19 In order to facilitate the timely and orderly deployment of  
20 licensed gaming operations in this Commonwealth, the board shall  
21 adopt a schedule by which applicants for slot machine,  
22 manufacturer and supplier licenses shall be filed, considered  
23 and resolved in accordance with the provisions of this part. In  
24 so doing, the board shall consider, approve, condition or deny  
25 the approval of all filed applications for manufacturer and  
26 supplier licenses as soon as administratively possible and at  
27 least three months prior to the board's approval, conditioning  
28 or denial of the approval of any Category 1 license application  
29 pursuant to section 1315 (relating to conditional Category 1  
30 licenses) or any other category of slot machine license pursuant

1 to section 1301 (relating to authorized slot machine licenses).  
2 The board shall ensure that an adequate number of suppliers have  
3 been licensed pursuant to section 1301 to meet market demand.  
4 The board shall approve, approve with condition or deny all  
5 initial applications for conditional Category 1 licenses under  
6 section 1315 (relating to conditional Category 1 licenses) prior  
7 to considering ~~any~~ applications for Category 1, Category 2 or ←  
8 Category 3 slot machine licenses.

9 § 1309. Slot machine license application.

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

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

19 \* \* \*

20 § 1311. [Slot machine license application business entity  
21 requirements.

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

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

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

22 (1) if it is a corporation or other legal business  
23 entity, shall comply with the provisions of subsection (a) as  
24 if said holding or intermediary company were itself applying  
25 for a slot machine license. The board may waive compliance  
26 with the provisions of subsection (a) on the part of a  
27 publicly traded corporation which is a holding company as to  
28 any officer, director, lender, underwriter, agent or employee  
29 thereof, or person directly or indirectly holding a  
30 beneficial interest or ownership of the securities of such

1 corporation, where the board is satisfied that such officer,  
2 director, lender, underwriter, agent or employee is not  
3 significantly involved in the activities of the corporate  
4 licensee and in the case of the security holder does not have  
5 the ability to control or possess a controlling interest in  
6 the holding company or elect one or more directors thereof;  
7 or

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

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

27 Additional slot machine license requirements.

28 (a) Additional eligibility requirements.--In order to be  
29 eligible for a slot machine license under this part, the  
30 principals and key employees of the applicant shall be required <—

1 ~~to be permitted and~~ OBTAIN A LICENSE to meet the character  
2 requirements of section 1310 (relating to slot machine license  
3 application character requirements) or other eligibility  
4 requirements established by the board.

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

11 (c) Related entities.--

12 (1) Except as provided in paragraph (2), no person shall  
13 be eligible to receive a slot machine license unless the  
14 principals and key employees of each intermediary, subsidiary  
15 or holding company of the person meet the requirements of  
16 subsection (a).

17 (2) The board may require that lenders and underwriters  
18 of intermediaries, subsidiaries or holding companies of a  
19 slot machine license applicant meet the requirements of  
20 subsection (a) if the board determines that the suitability  
21 of a lender or underwriter is at issue and is necessary to  
22 consider a pending application for a slot machine license.

23 (d) Revocable privilege.--The issuance or renewal of a  
24 license, permit or registration by the board under this section  
25 shall be a revocable privilege.

26 (e) Waiver for publicly traded corporations.--The board may  
27 waive the requirements of subsection (a) for a person directly  
28 or indirectly holding ownership of securities in a publicly  
29 traded corporation if the board determines that the holder of  
30 the securities is not significantly involved in the activities

1 of the corporation and does not have the ability to control the  
2 corporation or elect one or more directors thereof.

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

6 (1) If the applicant is a publicly traded corporation,  
7 the board may issue a waiver under this subsection if it  
8 determines that the principal or key employee does not have  
9 the ability to control, have a controlling interest in or  
10 elect one or more directors of the holding company or  
11 intermediary and is not actively involved in the activities  
12 of the applicant.

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

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

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

25 Section 7. Title 4 is amended by adding sections to read:

26 § 1311.1. ~~Permitting~~ LICENSING of principals. <—

27 (a) ~~Permit~~ LICENSE required.--All principals shall obtain a <—  
28 principal ~~permit~~ LICENSE from the board. <—

29 (b) Application.--A principal ~~permit~~ LICENSE application <—  
30 shall be in a form prescribed by the board and shall include the

1 following:

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

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

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

7 (4) Fingerprints, which shall be submitted to the  
8 Pennsylvania State Police.

9 (5) A photograph that meets the standards of the  
10 Commonwealth Photo Imaging Network.

11 (6) Details relating to a similar license or permit  
12 obtained in another jurisdiction.

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

14 (c) Issuance.--Following review of the application and the  
15 background investigation, the board may issue a principal ~~permit~~ <—  
16 LICENSE if the applicant has proven by clear and convincing <—  
17 evidence that the applicant is a person of good character,  
18 honesty and integrity and is eligible and suitable to be  
19 ~~permitted~~ LICENSED as a principal. <—

20 (d) Nontransferability.--A ~~permit~~ LICENSE issued under this <—  
21 section shall be nontransferable.

22 (e) Principals.--An individual who receives a principal  
23 ~~permit~~ need not obtain a key employee ~~permit~~ LICENSE. <—

24 § 1311.2. ~~Permitting~~ LICENSING of key employees. <—

25 (a) ~~Permit~~ LICENSE required.--All key employees shall obtain <—  
26 a key employee ~~permit~~ LICENSE from the board. <—

27 (b) Application.--A key employee ~~permit~~ LICENSE application <—  
28 shall be in a form prescribed by the board and shall include the  
29 following:

30 (1) Verification of status as a key employee from a slot

1 machine licensee, manufacturer licensee or supplier licensee.

2 (2) A description of employment responsibilities.

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

5 (4) Fingerprints, which shall be submitted to the  
6 Pennsylvania State Police.

7 (5) A photograph that meets the standards of the  
8 Commonwealth Photo Imaging Network.

9 (6) Details relating to a similar license or ~~permit~~ <—  
10 OTHER AUTHORIZATION obtained in another jurisdiction. <—

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

12 (c) Issuance.--Following review of the application and the

13 background investigation, the board may issue a key employee

14 ~~permit~~ LICENSE if the applicant has proven by clear and <—

15 convincing evidence that the applicant is a person of good

16 character, honesty and integrity and is eligible and suitable to

17 be ~~permitted~~ LICENSED as a key employee. <—

18 (d) Nontransferability.--A ~~permit~~ LICENSE issued under this <—

19 section shall be nontransferable.

20 ~~Section 7.1. Section 1317 of Title 4 is amended to read:~~ <—

21 SECTION 7.1. SECTIONS 1313(E) AND 1317 OF TITLE 4 ARE <—

22 AMENDED TO READ:

23 § 1313. SLOT MACHINE LICENSE APPLICATION FINANCIAL FITNESS

24 REQUIREMENTS.

25 \* \* \*

26 (E) APPLICANT'S OPERATIONAL VIABILITY.--IN ASSESSING THE

27 FINANCIAL VIABILITY OF THE PROPOSED LICENSED FACILITY, THE BOARD

28 SHALL MAKE A FINDING, AFTER REVIEW OF THE APPLICATION, THAT THE

29 APPLICANT IS LIKELY TO MAINTAIN A FINANCIALLY SUCCESSFUL, VIABLE

30 AND EFFICIENT BUSINESS OPERATION AND WILL LIKELY BE ABLE TO

1 MAINTAIN STEADY LEVEL [AND] OF GROWTH OF REVENUE TO THE  
2 COMMONWEALTH PURSUANT TO SECTION 1403 (RELATING TO ESTABLISHMENT  
3 OF STATE GAMING FUND AND NET SLOT MACHINE REVENUE DISTRIBUTION).  
4 NOTWITHSTANDING ANY PROVISION OF THIS PART TO THE CONTRARY, AN  
5 APPLICANT THAT INCLUDES A COMMITMENT OR PROMISE TO PAY A SLOT  
6 MACHINE LICENSE FEE IN EXCESS OF THE AMOUNT PROVIDED IN SECTION  
7 1209 OR A DISTRIBUTION OF TERMINAL REVENUE IN EXCESS OF THE  
8 AMOUNTS PROVIDED IN SECTIONS 1403, 1405 (RELATING TO  
9 PENNSYLVANIA RACE HORSE DEVELOPMENT FUND) AND 1407 (RELATING TO  
10 PENNSYLVANIA GAMING ECONOMIC DEVELOPMENT AND TOURISM FUND) SHALL  
11 NOT BE DEEMED A FINANCIALLY SUCCESSFUL, VIABLE OR EFFICIENT  
12 BUSINESS OPERATION AND SHALL NOT BE APPROVED FOR A SLOT MACHINE  
13 LICENSE.

14 \* \* \*

15 § 1317. Supplier [and manufacturer] licenses [application].

16 (a) Application.--[Any] A person seeking to provide slot  
17 machines or associated equipment to a slot machine licensee  
18 within this Commonwealth [or to manufacture slot machines for  
19 use in this Commonwealth] shall apply to the board for [either]  
20 a supplier [or manufacturer] license. [No person, its affiliate,  
21 intermediary, subsidiary or holding company who has applied for  
22 or is a holder of a manufacturer or slot machine license shall  
23 be eligible to apply for or hold a supplier license. A supplier  
24 licensee shall establish a principle place of business in this  
25 Commonwealth within one year of issuance of its supplier license  
26 and maintain such during the period in which the license is  
27 held. No slot machine licensee shall enter into any sale, lease,  
28 contract or any other type of agreement providing slot machines,  
29 progressive slot machines, parts or associated equipment for use  
30 or play with any person other than a supplier licensed pursuant

1 to this section. Slot monitoring systems, casino management  
2 systems, player tracking systems and wide-area progressive  
3 systems are excluded from any requirements that they be provided  
4 through a licensed supplier as set forth in this part.]

5 (b) Requirements.--[The] AN application for a supplier [or <—  
6 manufacturer license shall include, at a minimum:] license shall  
7 be on the form required by the board, accompanied by the  
8 application fee and shall include all of the following:

9 (1) The name and business address of the applicant[,]  
10 and the applicant's affiliates, intermediaries, subsidiaries  
11 and holding companies; the directors, key employees and <—  
12 owners of [the applicant] [DIRECTORS AND OWNERS OF THE <—  
13 APPLICANT] PRINCIPALS AND KEY EMPLOYEES OF each business; and  
14 a list of employees and their positions within [the] each  
15 business, as well as any financial information required by  
16 the board.

17 (1.1) A statement that the applicant and each affiliate,  
18 intermediary, subsidiary or holding company of the applicant  
19 are not slot machine licensees.

20 (1.2) PROOF THAT THE APPLICANT HAS OR WILL ESTABLISH A <—  
21 PRINCIPAL PLACE OF BUSINESS IN THIS COMMONWEALTH. A SUPPLIER  
22 LICENSEE SHALL MAINTAIN ITS PRINCIPAL PLACE OF BUSINESS IN  
23 THIS COMMONWEALTH TO REMAIN ELIGIBLE FOR LICENSURE.

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

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

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

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

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

9 (c) Review and approval.--Upon being satisfied that the  
10 requirements of subsection (b) have been met, the board may  
11 approve the application and grant the applicant a supplier  
12 license consistent with all of the following:

13 (1) The license shall be for a period of one year. Upon  
14 expiration, the license may be renewed in accordance with  
15 subsection (d).

16 (2) The license shall be nontransferable.

17 (3) Any other condition established by the board.

18 (d) Renewal.--

19 (1) ~~Six~~ TWO months prior to expiration of a supplier ←  
20 license, the supplier licensee seeking renewal of its license  
21 shall submit a renewal application accompanied by the renewal  
22 fee to the board.

23 (2) If the renewal application satisfies the  
24 requirements of subsection (b), the board may renew the  
25 licensee's supplier license.

26 (3) If the board receives a complete renewal application  
27 but fails to act upon the renewal application prior to the  
28 expiration of the supplier license, the supplier license  
29 shall continue in effect for an additional six-month period  
30 or until acted upon by the board, whichever occurs first.

1 (e) Prohibitions.--

2 (1) No person may provide slot machines or associated  
3 equipment to a slot machine licensee within this Commonwealth  
4 unless the person has been issued a supplier license under  
5 this section.

6 (2) No slot machine licensee may acquire, purchase or  
7 lease slot machines or associated equipment from a person  
8 unless the person has been issued a supplier license under  
9 this section.

10 (3) NO LIMITATION SHALL BE PLACED ON THE NUMBER OF <—  
11 SUPPLIER LICENSES ISSUED OR THE TIME PERIOD TO SUBMIT  
12 APPLICATIONS FOR LICENSURE EXCEPT AS REQUIRED TO COMPLY WITH  
13 SECTION 1306 (RELATING TO ORDER OF INITIAL LICENSE ISSUANCE).

14 (F) EXCEPTION.--THE PROVISIONS OF SUBSECTION (E)(2) SHALL  
15 NOT APPLY TO THE ACQUISITION, PURCHASE OR LEASE OF A SLOT  
16 MONITORING SYSTEM, CASINO MANAGEMENT SYSTEM, PLAYER TRACKING  
17 SYSTEM OR WIDE-AREA PROGRESSIVE SYSTEM.

18 Section 7.2. Title 4 is amended by adding a section to read:

19 § 1317.1. Manufacturer licenses.

20 ~~(a) Application.--~~ <—

21 ~~(1) A person seeking to manufacture slot machines and~~

22 (A) APPLICATION.--A PERSON SEEKING TO MANUFACTURE SLOT <—  
23 MACHINES AND associated equipment for use in this Commonwealth  
24 shall apply to the board for a manufacturer license.

25 ~~(2) A person seeking to repair slot machines or~~ <—  
26 ~~associated equipment which the person manufactured shall~~  
27 ~~apply to the board for a manufacturer license.~~

28 (b) Requirements.--The AN application for a manufacturer <—  
29 license shall be on the form required by the board, accompanied  
30 by the application fee and shall include all of the following:

1           (1) The name and business address of the applicant and  
2 the applicant's affiliates, intermediaries, subsidiaries and  
3 holding companies; the directors, key employees and owners      <—  
4 PRINCIPALS AND KEY EMPLOYEES of each business; and a list of      <—  
5 employees and their positions within each business, as well  
6 as any financial information required by the board.

7           (2) A statement that the applicant and each affiliate,  
8 intermediary, subsidiary or holding company of the applicant  
9 are not slot machine licensees.

10           (3) The consent to a background investigation of the  
11 applicant, its officers, directors, owners, PRINCIPALS AND      <—  
12 key employees or other persons required by the board and a  
13 release to obtain any and all information necessary for the  
14 completion of the background investigation.

15           (4) The details of any equivalent license granted or  
16 denied by other jurisdictions where gaming activities as  
17 authorized by this part are permitted and consent for the  
18 board to acquire copies of applications submitted or licenses  
19 issued in connection therewith.

20           (5) The type of slot machines or associated equipment to  
21 be manufactured or repaired.

22           (6) Any other information determined by the board to be  
23 appropriate.

24           (c) Review and approval.--Upon being satisfied that the  
25 requirements of subsection (b) have been met, the board may  
26 approve the application and grant the applicant a manufacturer  
27 license consistent with all of the following:

28           (1) The license shall be for a period of one year. Upon  
29 expiration, a license may be renewed in accordance with  
30 subsection (d).

1           (2) The license shall be nontransferable.

2           (3) Any other condition established by the board.

3           (d) Renewal.--

4           (1) Six months prior to expiration of a manufacturer  
5           license, the manufacturer licensee seeking renewal of its  
6           license shall submit a renewal application accompanied by the  
7           renewal fee to the board.

8           (2) If the renewal application satisfies the  
9           requirements of subsection (b), the board may renew the  
10           licensee's manufacturer license.

11           (3) If the board receives a complete renewal application  
12           but fails to act upon the renewal application prior to the  
13           expiration of the manufacturer license, the manufacturer  
14           license shall continue in effect for an additional six-month  
15           period or until acted upon by the board, whichever occurs  
16           first.

17           (D.1) SCOPE.--A LICENSED MANUFACTURER OR ITS DESIGNEE, AS           <—  
18           LICENSED BY THE BOARD, MAY REPAIR ANY SLOT MACHINE OR ASSOCIATED  
19           EQUIPMENT MANUFACTURED BY THE LICENSED MANUFACTURER.

20           (e) Prohibitions.--

21           (1) No person may manufacture or repair slot machines or  
22           associated equipment for use within this Commonwealth by a  
23           slot machine licensee unless the person has been issued a  
24           manufacturer license under this section.

25           (2) No slot machine licensee may use slot machines or  
26           associated equipment unless the slot machines or associated  
27           equipment were manufactured ~~or repaired~~ by a person that has           <—  
28           been issued a manufacturer license under this section.

29           (3) No person issued a license under this section shall  
30           apply for or be issued a license under section 1317 (relating

1 to supplier licenses).

2 (4) NO LIMITATION SHALL BE PLACED ON THE NUMBER OF <—  
3 MANUFACTURER LICENSES ISSUED OR THE TIME PERIOD TO SUBMIT  
4 APPLICATIONS FOR LICENSURE, EXCEPT AS REQUIRED TO COMPLY WITH  
5 SECTION 1306 (RELATING TO ORDER OF INITIAL LICENSE ISSUANCE).

6 Section 8. Sections 1318(b)(4), 1327 and ~~1402(a)~~ 1402 of <—  
7 Title 4 are amended to read:

8 § 1318. Occupation permit application.

9 \* \* \*

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

12 \* \* \*

13 (4) A photograph [and handwriting exemplar] of the  
14 person.

15 \* \* \*

16 § 1327. Nontransferability of licenses.

17 A license ~~for~~, ~~permit or registration~~ OR PERMIT issued by <—  
18 the board is a grant of the privilege to conduct a business in  
19 this Commonwealth. Except as permitted by section 1328 (relating  
20 to change in ownership or control of slot machine licensee), a  
21 license ~~for~~, ~~permit or registration~~ OR PERMIT granted or <—  
22 renewed pursuant to this part shall not be sold, transferred or  
23 assigned to any other person[,]; nor shall a licensee ~~for~~, <—  
24 ~~permittee or registrant~~ OR PERMITTEE pledge or otherwise grant a <—  
25 security interest in or lien on the license ~~for~~, ~~permit or~~ <—  
26 ~~registration~~ OR PERMIT. Nothing contained in this part is <—  
27 intended or shall be construed to create in any person an  
28 entitlement to a license, ~~permit or registration~~. The board has <—  
29 the sole discretion to issue, renew, condition or deny the  
30 issuance of a slot machine license based upon the purposes and

1 requirements of this part.

2 § 1402. Gross terminal revenue deductions.

3 (a) Deductions.--After determining the appropriate  
4 assessments for each slot machine licensee, the department shall  
5 [deduct the following] determine costs, expenses or payments  
6 from each account established under section 1401 (relating to  
7 slot machine licensee deposits). The following costs and  
8 expenses shall be transferred to the appropriate agency upon  
9 appropriation by the General Assembly:

10 (1) The costs and expenses to be incurred by the  
11 department in administering this part at each slot machine  
12 licensee's licensed facility based upon a budget submitted by  
13 the department to and approved by the board.

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

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

22 (4) The costs and expenses to be incurred by the  
23 Pennsylvania State Police and the Office of Attorney General  
24 and not otherwise reimbursed under this part in carrying out  
25 their respective responsibilities under this part based upon  
26 a budget submitted by the Pennsylvania State Police and the  
27 Attorney General to and approved by the board.

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

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

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

7 \* \* \*

<—

8 (B) [DEFERRAL OF ASSESSMENT.--NOTWITHSTANDING ANY OTHER <—  
9 PROVISION OF LAW TO THE CONTRARY, THE BOARD MAY DEFER ASSESSING  
10 SLOT MACHINE LICENSEES FOR REPAYMENT OF LOANS FROM THE GENERAL  
11 FUND UNDER THIS SECTION UNTIL ALL SLOT MACHINE LICENSES HAVE  
12 BEEN ISSUED AND ALL LICENSED GAMING ENTITIES HAVE COMMENCED THE  
13 OPERATION OF SLOT MACHINES.] (RESERVED).

14 SECTION 8.1. TITLE 4 IS AMENDED BY ADDING A SECTION TO READ:  
15 § 1402.1. ITEMIZED BUDGET REPORTING.

16 THE BOARD, DEPARTMENT, PENNSYLVANIA STATE POLICE AND THE  
17 ATTORNEY GENERAL SHALL PREPARE AND ANNUALLY SUBMIT TO THE  
18 CHAIRMAN OF THE APPROPRIATIONS COMMITTEE OF THE SENATE AND THE  
19 CHAIRMAN OF THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF  
20 REPRESENTATIVES AN ITEMIZED BUDGET CONSISTING OF AMOUNTS TO BE  
21 APPROPRIATED OUT OF THE ACCOUNTS ESTABLISHED UNDER SECTION 1401  
22 (RELATING TO SLOT MACHINE LICENSEE DEPOSITS) NECESSARY TO  
23 ADMINISTER THIS PART.

24 ~~Section 8.1. Section 1403(c)(2)(i)(E), (ii)(E), (F) and (G), <—~~  
25 ~~(iii)(E) and (F) and (iv) and (3)(v) of Title 4 are amended and~~  
26 ~~paragraph (3) is amended by adding subparagraphs to read:~~

27 SECTION 9. SECTION 1403(B), (C)(2)(I)(D) AND (E), (II)(E), <—  
28 (III)(A) AND (E), (IV) AND (IX) AND (3)(I), (II), (III), (IV),  
29 (V), (VI), (VII) AND (VIII) OF TITLE 4 ARE AMENDED, PARAGRAPHS  
30 (2) AND (3) ARE AMENDED BY ADDING SUBPARAGRAPHS AND THE SECTION

1 IS AMENDED BY ADDING A SUBSECTION TO READ:

2 § 1403. Establishment of State Gaming Fund and net slot machine  
3 revenue distribution.

4 \* \* \*

5 (B) SLOT MACHINE TAX.--[THE DEPARTMENT SHALL DETERMINE AND <—  
6 EACH SLOT MACHINE LICENSEE SHALL PAY A DAILY TAX OF 34% AND A  
7 LOCAL SHARE ASSESSMENT OF 4% OF ITS DAILY GROSS TERMINAL REVENUE  
8 FROM THE SLOT MACHINES IN OPERATION AT ITS FACILITY INTO THE  
9 FUND.] THE DEPARTMENT SHALL DETERMINE AND EACH SLOT MACHINE  
10 LICENSEE SHALL PAY A DAILY TAX OF 34% FROM ITS DAILY GROSS  
11 TERMINAL REVENUE FROM THE SLOT MACHINES IN OPERATION AT ITS  
12 FACILITY AND A LOCAL SHARE ASSESSMENT AS PROVIDED IN SUBSECTION  
13 (C) INTO THE FUND.

14 (c) Transfers and distributions.--The department shall:

15 \* \* \*

16 (2) From the local share assessment established in  
17 subsection (b), make quarterly distributions among the  
18 counties hosting a licensed facility in accordance with the  
19 following schedule:

20 (i) If the licensed facility is a Category 1  
21 licensed facility that is located at a harness racetrack  
22 and the county, including a home rule county, in which  
23 the licensed facility is located is:

24 \* \* \*

25 (D) (I) A COUNTY OF THE THIRD CLASS: EXCEPT AS <—  
26 PROVIDED IN SUBCLAUSE (II), 2% OF THE GROSS  
27 TERMINAL REVENUE FROM EACH SUCH LICENSED FACILITY  
28 SHALL BE DEPOSITED INTO A RESTRICTED ACCOUNT  
29 ESTABLISHED IN THE DEPARTMENT OF COMMUNITY AND  
30 ECONOMIC DEVELOPMENT TO BE USED EXCLUSIVELY FOR

1 GRANTS FOR HEALTH, SAFETY AND ECONOMIC  
2 DEVELOPMENT PROJECTS TO MUNICIPALITIES WITHIN THE  
3 COUNTY WHERE THE LICENSED FACILITY IS LOCATED.  
4 MUNICIPALITIES THAT ARE CONTIGUOUS TO THE  
5 MUNICIPALITY HOSTING SUCH LICENSED FACILITY SHALL  
6 BE GIVEN PRIORITY BY THE DEPARTMENT OF COMMUNITY  
7 AND ECONOMIC DEVELOPMENT IN THE AWARD OF SUCH  
8 GRANTS.

9 (II) IF A LICENSED FACILITY IS LOCATED IN  
10 ONE OF TWO COUNTIES OF THE THIRD CLASS WHERE A  
11 CITY OF THE THIRD CLASS IS LOCATED IN BOTH  
12 COUNTIES OF THE THIRD CLASS, THE COUNTY IN WHICH  
13 THE LICENSED FACILITY IS LOCATED SHALL RECEIVE  
14 1.2% OF THE GROSS TERMINAL REVENUE TO BE  
15 DISTRIBUTED AS FOLLOWS: 20% TO THE HOST CITY,  
16 40% TO THE HOST COUNTY AND 40% TO THE HOST COUNTY  
17 FOR THE PURPOSE OF MAKING MUNICIPAL GRANTS WITHIN  
18 THE COUNTY. THE COUNTY OF THE THIRD CLASS, WHICH  
19 INCLUDES A CITY OF THE THIRD CLASS THAT IS  
20 LOCATED IN TWO COUNTIES OF THE THIRD CLASS AND IS  
21 NOT THE HOST COUNTY FOR THE LICENSED FACILITY,  
22 SHALL RECEIVE .8% OF THE GROSS TERMINAL REVENUE  
23 TO BE DISTRIBUTED AS FOLLOWS: 60% TO A NONHOST  
24 CITY OF THE THIRD CLASS LOCATED SOLELY IN THE  
25 NONHOST COUNTY IN WHICH THE HOST CITY OF THE  
26 THIRD CLASS IS ALSO LOCATED OR 60% TO THE NONHOST  
27 CITY OF THE THIRD CLASS LOCATED BOTH IN THE HOST  
28 AND NONHOST COUNTIES OF THE THIRD CLASS, 35% TO  
29 THE NONHOST COUNTY AND 5% TO THE NONHOST COUNTY  
30 FOR THE PURPOSE OF MAKING MUNICIPAL GRANTS WITHIN

1                   THE COUNTY.

2                   (E) A county of the fourth class: 2% of the  
3 gross terminal revenue from each such licensed  
4 facility shall be deposited into a restricted account  
5 established in the Department of Community and  
6 Economic Development to be used exclusively for  
7 grants to the county, to economic development  
8 authorities [or organizations within the county] or  
9 redevelopment authorities within the county for  
10 grants for economic development projects, job  
11 training, community improvement projects, other  
12 projects in the public interest and reasonable  
13 administrative costs. Notwithstanding the provisions  
14 of the act of February 9, 1999 (P.L.1, No.1), known  
15 as the Capital Facilities Debt Enabling Act, grants  
16 made under this clause may be utilized as local  
17 matching funds for other grants or loans from the  
18 Commonwealth.

19                   \* \* \*

20                   (ii) If the licensed facility is a Category 1  
21 licensed facility and is located at a thoroughbred  
22 racetrack and the county in which the licensed facility  
23 is located is:

24                   \* \* \*

25                   (E) A county of the fourth class: 2% of the  
26 gross terminal revenue from each such licensed  
27 facility shall be deposited into a restricted account  
28 established in the Department of Community and  
29 Economic Development to be used exclusively for  
30 grants to the county, to economic development

1 authorities [or organizations within the county] or  
2 redevelopment authorities within the county for  
3 grants for economic development projects, community  
4 improvement projects, job training, other projects in  
5 the public interest and reasonable administrative  
6 costs. Notwithstanding the Capital Facilities Debt  
7 Enabling Act, grants made under this clause may be  
8 utilized as local matching funds for other grants or  
9 loans from the Commonwealth.

10 ~~[(F) Counties of the fifth through eighth~~ <—  
11 ~~classes: 2% of the gross terminal revenue from each~~  
12 ~~such licensed facility shall be deposited into a~~  
13 ~~restricted account established in the Department of~~  
14 ~~Community and Economic Development to be used~~  
15 ~~exclusively for grants to the county.]~~

16 ~~(G) Any county not specifically enumerated in~~  
17 ~~clauses (A) through [(F),] (E), 2% of the gross~~  
18 ~~terminal revenue or \$10,000,000, whichever is~~  
19 ~~greater, to the county hosting the licensed facility~~  
20 ~~from each such licensed facility.~~

21 \* \* \*

22 (iii) If the facility is a Category 2 licensed  
23 facility and if the county in which the licensed facility  
24 is located is:

25 \* \* \* <—

26 (A) A COUNTY OF THE FIRST CLASS: 4% OF THE <—  
27 GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE  
28 LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY.  
29 NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY,  
30 FUNDS FROM LICENSED GAMING ENTITIES LOCATED WITHIN A

1 COUNTY OF THE FIRST CLASS SHALL NOT BE DISTRIBUTED  
2 OUTSIDE OF A COUNTY OF THE FIRST CLASS. THE FIRST  
3 \$5,000,000 OF THE TOTAL AMOUNT DISTRIBUTED ANNUALLY  
4 TO THE COUNTY OF THE FIRST CLASS SHALL BE DISTRIBUTED  
5 TO THE PHILADELPHIA SCHOOL DISTRICT.

6 \* \* \*

7 (D.1) IF A LICENSED FACILITY IS LOCATED IN ONE  
8 OF TWO COUNTIES OF THE THIRD CLASS WHERE A CITY OF  
9 THE THIRD CLASS IS LOCATED IN BOTH COUNTIES OF THE  
10 THIRD CLASS, THE COUNTY IN WHICH THE LICENSED  
11 FACILITY IS LOCATED SHALL RECEIVE 1.2% OF THE GROSS  
12 TERMINAL REVENUE TO BE DISTRIBUTED AS FOLLOWS: 20%  
13 TO THE HOST CITY, 40% TO THE HOST COUNTY AND 40% TO  
14 THE HOST COUNTY FOR THE PURPOSE OF MAKING MUNICIPAL  
15 GRANTS WITHIN THE COUNTY. THE COUNTY OF THE THIRD  
16 CLASS, WHICH INCLUDES A CITY OF THE THIRD CLASS THAT  
17 IS LOCATED IN TWO COUNTIES OF THE THIRD CLASS AND IS  
18 NOT THE HOST COUNTY FOR THE LICENSED FACILITY, SHALL  
19 RECEIVE .8% OF THE GROSS TERMINAL REVENUE TO BE  
20 DISTRIBUTED AS FOLLOWS: 60% TO A NONHOST CITY OF THE  
21 THIRD CLASS LOCATED SOLELY IN THE NONHOST COUNTY IN  
22 WHICH THE HOST CITY OF THE THIRD CLASS IS ALSO  
23 LOCATED OR 60% TO THE NONHOST CITY OF THE THIRD CLASS  
24 LOCATED BOTH IN THE HOST AND NONHOST COUNTIES OF THE  
25 THIRD CLASS, 35% TO THE NONHOST COUNTY AND 5% TO THE  
26 NONHOST COUNTY FOR THE PURPOSE OF MAKING MUNICIPAL  
27 GRANTS WITHIN THE COUNTY.

28 (E) A county of the fourth class: 2% of the  
29 gross terminal revenue from each such licensed  
30 facility shall be deposited into a restricted account

1 established in the Department of Community and  
2 Economic Development to be used exclusively for  
3 grants to the county, to economic development  
4 authorities [or organizations within the county] or  
5 redevelopment authorities within the county for  
6 grants for economic development projects, community  
7 improvement projects, job training, other projects in  
8 the public interest and reasonable administrative  
9 costs. Notwithstanding the Capital Facilities Debt  
10 Enabling Act, grants made under this clause may be  
11 utilized as local matching funds for other grants or  
12 loans from the Commonwealth.

13 ~~(F) Counties of the fifth through eighth~~ <—  
14 ~~classes: 2% of the gross terminal revenue from each~~  
15 ~~such licensed facility shall be deposited into a~~  
16 ~~restricted account established in the Department of~~  
17 ~~Community and Economic Development to be used~~  
18 ~~exclusively for grants to the county, [to contiguous~~  
19 ~~counties,] to economic development authorities [or~~  
20 ~~organizations within the county or contiguous~~  
21 ~~counties] or redevelopment authorities within the~~  
22 ~~county [or contiguous counties] for grants for~~  
23 ~~economic development projects, community improvement~~  
24 ~~projects, other projects in the public interest and~~  
25 ~~reasonable administrative costs. Notwithstanding the~~  
26 ~~Capital Facilities Debt Enabling Act, grants made~~  
27 ~~under this clause may be utilized as local matching~~  
28 ~~funds for other grants or loans from the~~  
29 ~~Commonwealth.~~

30 \* \* \*

1 (iv) If the facility is a Category 3 licensed  
2 facility, 2% of the gross terminal revenue from each such  
3 licensed facility shall be deposited into a restricted  
4 account established in the Department of Community and  
5 Economic Development to be used exclusively for grants to  
6 the county, to economic development authorities [or  
7 organizations within the county] or redevelopment  
8 authorities within the county for grants for economic  
9 development projects and community improvement projects.

10 \* \* \*

11 (IX) NOTHING IN THIS PARAGRAPH SHALL PREVENT ANY OF ←  
12 THE ABOVE COUNTIES WHICH DIRECTLY RECEIVE A DISTRIBUTION  
13 UNDER THIS SECTION FROM ENTERING INTO INTERGOVERNMENTAL  
14 COOPERATIVE AGREEMENTS WITH OTHER JURISDICTIONS FOR  
15 SHARING THIS MONEY.

16 (3) From the local share assessment established in  
17 subsection (b), make quarterly distributions among the  
18 municipalities, including home rule municipalities, hosting a  
19 licensed facility in accordance with the following schedule:

20 (I) TO A CITY OF THE SECOND CLASS HOSTING A LICENSED ←  
21 FACILITY [OR FACILITIES], OTHER THAN A CATEGORY 3  
22 LICENSED FACILITY, 2% OF THE GROSS TERMINAL REVENUE OR  
23 \$10,000,000 ANNUALLY, WHICHEVER IS GREATER, [OF ALL  
24 LICENSED FACILITIES] SHALL BE PAID BY EACH LICENSED  
25 ENTITY OPERATING A FACILITY LOCATED IN THAT CITY. IN THE  
26 EVENT THAT THE REVENUES GENERATED BY THE 2% DO NOT MEET  
27 THE \$10,000,000 MINIMUM SPECIFIED IN THIS [PARAGRAPH, THE  
28 LICENSED GAMING ENTITY OPERATING THE LICENSED FACILITY OR  
29 FACILITIES IN THE CITY SHALL REMIT THE DIFFERENCE TO THE  
30 MUNICIPALITY.] SUBPARAGRAPH, THE DEPARTMENT SHALL COLLECT

1           THE REMAINDER OF THE MINIMUM AMOUNT OF \$10,000,000 FROM  
2           EACH LICENSED ENTITY OPERATING A FACILITY IN THE CITY AND  
3           DEPOSIT THAT AMOUNT IN THE CITY TREASURY.

4           (II) TO A CITY OF THE SECOND CLASS A HOSTING A  
5           LICENSED FACILITY [OR FACILITIES], OTHER THAN A CATEGORY  
6           3 LICENSED FACILITY, 2% OF THE GROSS TERMINAL REVENUE OR  
7           \$10,000,000 ANNUALLY, WHICHEVER IS GREATER, [OF ALL  
8           LICENSED FACILITIES] SHALL BE PAID BY EACH LICENSED  
9           ENTITY OPERATING A LICENSED FACILITY LOCATED IN THAT CITY  
10          SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION IN THIS  
11          SUBPARAGRAPH. THE AMOUNT ALLOCATED TO THE DESIGNATED  
12          MUNICIPALITIES SHALL NOT EXCEED 50% OF THEIR TOTAL BUDGET  
13          FOR FISCAL YEAR 2003-2004, ADJUSTED FOR INFLATION IN  
14          SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL  
15          COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING THE  
16          PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX [FOR ALL  
17          URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW JERSEY,  
18          DELAWARE AND MARYLAND AREA, FOR THE MOST RECENT 12-MONTH  
19          PERIOD FOR WHICH FIGURES HAVE BEEN OFFICIALLY REPORTED BY  
20          THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR  
21          STATISTICS,] IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT  
22          IS DUE TO TAKE EFFECT. ANY REMAINING MONEYS SHALL BE  
23          COLLECTED BY THE DEPARTMENT FROM EACH LICENSED FACILITY  
24          AND DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2) BASED  
25          UPON THE CLASSIFICATION OF COUNTY WHERE THE LICENSED  
26          FACILITY [OR FACILITIES] IS LOCATED. IN THE EVENT THAT  
27          THE REVENUES GENERATED BY THE 2% DO NOT MEET THE  
28          \$10,000,000 MINIMUM SPECIFIED IN THIS SUBPARAGRAPH, [THE  
29          LICENSED GAMING ENTITY OPERATING THE LICENSED FACILITY OR  
30          FACILITIES IN THE CITY SHALL REMIT THE DIFFERENCE TO THE

1           MUNICIPALITY.] THE DEPARTMENT SHALL COLLECT THE REMAINDER  
2           OF THE MINIMUM AMOUNT OF \$10,000,000 FROM EACH LICENSED  
3           ENTITY OPERATING A FACILITY IN THE CITY, PAY ANY BALANCE  
4           DUE TO THE CITY AND TRANSFER ANY REMAINDER IN ACCORDANCE  
5           WITH PARAGRAPH (2).

6           (III) TO A CITY OF THE THIRD CLASS HOSTING A  
7           LICENSED FACILITY [OR FACILITIES], OTHER THAN A CATEGORY  
8           3 LICENSED FACILITY, 2% OF THE GROSS TERMINAL REVENUE OR  
9           \$10,000,000 ANNUALLY, WHICHEVER IS GREATER, [OF ALL  
10          LICENSED FACILITIES] SHALL BE PAID BY EACH LICENSED  
11          ENTITY OPERATING A LICENSED FACILITY LOCATED IN THAT CITY  
12          SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION IN THIS  
13          SUBPARAGRAPH. [HOWEVER, THE FOREGOING LIMITATIONS] THE  
14          BUDGETARY LIMITATIONS IN THIS SUBPARAGRAPH SHALL NOT  
15          APPLY, NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, IF  
16          THE LICENSED FACILITY [OR FACILITIES HAVE] HAS EXECUTED A  
17          WRITTEN AGREEMENT WITH THE CITY PRIOR TO THE [EFFECTIVE  
18          DATE OF THIS PART] ISSUANCE OF A LICENSE TO THE FACILITY  
19          TO PROVIDE ADDITIONAL COMPENSATION TO THE CITY IN EXCESS  
20          OF THE DIFFERENCE BETWEEN 2% OF THE GROSS TERMINAL  
21          REVENUE AND \$10,000,000. THE AMOUNT ALLOCATED TO THE  
22          DESIGNATED MUNICIPALITIES SHALL NOT EXCEED 50% OF THEIR  
23          TOTAL BUDGET FOR FISCAL YEAR 2003-2004, ADJUSTED FOR  
24          INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED  
25          AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY  
26          APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE  
27          INDEX [FOR ALL URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW  
28          JERSEY, DELAWARE AND MARYLAND AREA, FOR THE MOST RECENT  
29          12-MONTH PERIOD FOR WHICH FIGURES HAVE BEEN OFFICIALLY  
30          REPORTED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU

1 OF LABOR STATISTICS, ] IMMEDIATELY PRIOR TO THE DATE THE  
2 ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING MONEYS  
3 SHALL BE COLLECTED BY THE DEPARTMENT FROM EACH LICENSED  
4 FACILITY AND DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2)  
5 BASED UPON THE CLASSIFICATION OF COUNTY WHERE THE  
6 LICENSED FACILITY [OR FACILITIES] IS LOCATED. IN THE  
7 EVENT THAT THE REVENUES GENERATED BY THE 2% DO NOT MEET  
8 THE \$10,000,000 MINIMUM SPECIFIED IN THIS SUBPARAGRAPH,  
9 [THE LICENSED GAMING ENTITY OPERATING THE LICENSED  
10 FACILITY OR FACILITIES IN THE CITY SHALL REMIT THE  
11 DIFFERENCE TO THE MUNICIPALITY.] THE DEPARTMENT SHALL  
12 COLLECT THE REMAINDER OF THE MINIMUM AMOUNT OF  
13 \$10,000,000 FROM EACH LICENSED ENTITY OPERATING A  
14 FACILITY, PAY ANY BALANCE DUE TO THE CITY OF THE THIRD  
15 CLASS AND TRANSFER ANY REMAINDER IN ACCORDANCE WITH  
16 PARAGRAPH (2).

17 (III.1) IF A LICENSED FACILITY IS LOCATED IN A CITY  
18 OF THE THIRD CLASS AND THE CITY IS LOCATED IN MORE THAN  
19 ONE COUNTY OF THE THIRD CLASS, 2% OF THE GROSS TERMINAL  
20 REVENUE OR \$10,000,000 ANNUALLY, WHICHEVER IS GREATER,  
21 SHALL BE DISTRIBUTED AS FOLLOWS: 80% TO THE HOST CITY AND  
22 20% TO THE CITY OF THE THIRD CLASS LOCATED SOLELY IN A  
23 NONHOST COUNTY IN WHICH THE HOST CITY OF THE THIRD CLASS  
24 IS ALSO LOCATED. IF A LICENSED FACILITY IS LOCATED IN A  
25 CITY OF THE THIRD CLASS AND THAT CITY IS LOCATED SOLELY  
26 IN A HOST COUNTY OF THE THIRD CLASS IN WHICH A NONHOST  
27 CITY OF THE THIRD CLASS IS ALSO LOCATED, 2% OF GROSS  
28 TERMINAL REVENUE OR \$10,000,000 ANNUALLY, WHICHEVER IS  
29 GREATER, SHALL BE DISTRIBUTED AS FOLLOWS: 80% TO THE  
30 HOST CITY AND 20% TO A CITY OF THE THIRD CLASS LOCATED

1 BOTH IN A NONHOST COUNTY OF THE THIRD CLASS AND IN A HOST  
2 COUNTY OF THE THIRD CLASS IN WHICH THE HOST CITY OF THE  
3 THIRD CLASS IS LOCATED.

4 (IV) TO A TOWNSHIP OF THE FIRST CLASS HOSTING A  
5 LICENSED FACILITY [OR FACILITIES], OTHER THAN A CATEGORY  
6 3 LICENSED FACILITY, 2% OF THE GROSS TERMINAL REVENUE OR  
7 \$10,000,000 ANNUALLY, WHICHEVER IS GREATER, [OF ALL  
8 LICENSED FACILITIES] SHALL BE PAID BY EACH LICENSED  
9 ENTITY OPERATING A LICENSED FACILITY LOCATED IN THE  
10 TOWNSHIP SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION IN  
11 THIS SUBPARAGRAPH. THE AMOUNT ALLOCATED TO THE DESIGNATED  
12 MUNICIPALITIES SHALL NOT EXCEED 50% OF THEIR TOTAL BUDGET  
13 FOR FISCAL YEAR 2003-2004, ADJUSTED FOR INFLATION IN  
14 SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL  
15 COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING THE  
16 PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX [FOR ALL  
17 URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW JERSEY,  
18 DELAWARE AND MARYLAND AREA, FOR THE MOST RECENT 12-MONTH  
19 PERIOD FOR WHICH FIGURES HAVE BEEN OFFICIALLY REPORTED BY  
20 THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR  
21 STATISTICS,] IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT  
22 IS DUE TO TAKE EFFECT. ANY REMAINING MONEY SHALL BE  
23 COLLECTED BY THE DEPARTMENT FROM EACH LICENSED FACILITY  
24 AND DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2) BASED  
25 UPON THE CLASSIFICATION OF COUNTY WHERE THE LICENSED  
26 FACILITY [OR FACILITIES] IS LOCATED. IN THE EVENT THAT  
27 THE REVENUES GENERATED BY THE 2% DO NOT MEET THE  
28 \$10,000,000 MINIMUM SPECIFIED IN THIS SUBPARAGRAPH, [THE  
29 LICENSED GAMING ENTITY OPERATING THE LICENSED FACILITY OR  
30 FACILITIES IN THE TOWNSHIP SHALL REMIT THE DIFFERENCE TO

1 THE MUNICIPALITY.] THE DEPARTMENT SHALL COLLECT THE  
2 REMAINDER OF THE MINIMUM AMOUNT OF \$10,000,000 FROM EACH  
3 LICENSED ENTITY OPERATING A LICENSED FACILITY IN THE  
4 TOWNSHIP, PAY ANY BALANCE DUE TO THE TOWNSHIP AND  
5 TRANSFER ANY REMAINDER IN ACCORDANCE WITH PARAGRAPH (2).

6 (V) TO A TOWNSHIP OF THE SECOND CLASS HOSTING A  
7 LICENSED FACILITY [OR FACILITIES], OTHER THAN A CATEGORY  
8 3 LICENSED FACILITY, 2% OF THE GROSS TERMINAL REVENUE OR  
9 \$10,000,000 ANNUALLY, WHICHEVER IS GREATER, [OF ALL  
10 LICENSED FACILITIES] SHALL BE PAID BY EACH LICENSED  
11 ENTITY OPERATING A LICENSED FACILITY LOCATED IN THE  
12 TOWNSHIP SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION IN  
13 THIS SUBPARAGRAPH. THE AMOUNT ALLOCATED TO THE DESIGNATED  
14 MUNICIPALITIES SHALL NOT EXCEED 50% OF THEIR TOTAL BUDGET  
15 FOR FISCAL YEAR 2003-2004, ADJUSTED FOR INFLATION IN  
16 SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL  
17 COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING THE  
18 PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX [FOR ALL  
19 URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW JERSEY,  
20 DELAWARE AND MARYLAND AREA, FOR THE MOST RECENT 12-MONTH  
21 PERIOD FOR WHICH FIGURES HAVE BEEN OFFICIALLY REPORTED BY  
22 THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR  
23 STATISTICS,] IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT  
24 IS DUE TO TAKE EFFECT. ANY REMAINING MONEY SHALL BE  
25 COLLECTED BY THE DEPARTMENT FROM EACH LICENSED FACILITY  
26 AND DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2) BASED  
27 UPON THE CLASSIFICATION OF COUNTY WHERE THE LICENSED  
28 FACILITY [OR FACILITIES] IS LOCATED. FOR THE PURPOSES OF  
29 THE DISTRIBUTION TO A COUNTY IN ACCORDANCE WITH PARAGRAPH  
30 (2)(II)(D), WHERE THE LICENSED FACILITY IS OTHER THAN A

1           CATEGORY 3 AND IS LOCATED IN MORE THAN ONE SECOND CLASS  
2           TOWNSHIP THE COUNTY COMMISSIONERS SHALL APPOINT AN  
3           ADVISORY COMMITTEE COMPOSED OF FIVE INDIVIDUALS. THE  
4           ADVISORY COMMITTEE SHALL BE COMPOSED OF TWO INDIVIDUALS  
5           FROM THE HOST MUNICIPALITY, TWO FROM THE CONTIGUOUS  
6           MUNICIPALITIES AND ONE FROM THE HOST COUNTY. IN THE EVENT  
7           THAT THE REVENUES GENERATED BY THE 2% DO NOT MEET THE  
8           \$10,000,000 MINIMUM SPECIFIED IN THIS SUBPARAGRAPH, [THE  
9           LICENSED GAMING ENTITY OPERATING THE LICENSED FACILITY OR  
10           FACILITIES IN THE TOWNSHIP SHALL REMIT THE DIFFERENCE TO  
11           THE MUNICIPALITY.] THE DEPARTMENT SHALL COLLECT THE  
12           REMAINDER OF THE MINIMUM AMOUNT OF \$10,000,000 FROM EACH  
13           LICENSED ENTITY OPERATING A LICENSED FACILITY IN THE  
14           TOWNSHIP, PAY ANY BALANCE DUE TO THE TOWNSHIP AND  
15           TRANSFER ANY REMAINDER IN ACCORDANCE WITH PARAGRAPH (2).

16           (VI) TO A BOROUGH HOSTING A LICENSED FACILITY [OR  
17           FACILITIES], OTHER THAN A CATEGORY 3 LICENSED FACILITY,  
18           2% OF THE GROSS TERMINAL REVENUE OR \$10,000,000 ANNUALLY,  
19           WHICHEVER IS GREATER, [OF ALL LICENSED FACILITIES] SHALL  
20           BE PAID BY EACH LICENSED ENTITY OPERATING A LICENSED  
21           FACILITY LOCATED IN THAT BOROUGH SUBJECT, HOWEVER, TO THE  
22           BUDGETARY LIMITATION IN THIS SUBPARAGRAPH. THE AMOUNT  
23           ALLOCATED TO THE DESIGNATED MUNICIPALITIES SHALL NOT  
24           EXCEED 50% OF THEIR TOTAL BUDGET FOR FISCAL YEAR 2003-  
25           2004, ADJUSTED FOR INFLATION IN SUBSEQUENT YEARS BY AN  
26           AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT  
27           CALCULATED BY APPLYING THE PERCENTAGE CHANGE IN THE  
28           CONSUMER PRICE INDEX [FOR ALL URBAN CONSUMERS FOR THE  
29           PENNSYLVANIA, NEW JERSEY, DELAWARE AND MARYLAND AREA, FOR  
30           THE MOST RECENT 12-MONTH PERIOD FOR WHICH FIGURES HAVE

1 BEEN OFFICIALLY REPORTED BY THE UNITED STATES DEPARTMENT  
2 OF LABOR, BUREAU OF LABOR STATISTICS,] IMMEDIATELY PRIOR  
3 TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT. ANY  
4 REMAINING MONEY SHALL BE COLLECTED BY THE DEPARTMENT FROM  
5 EACH LICENSED FACILITY AND DISTRIBUTED IN ACCORDANCE WITH  
6 PARAGRAPH (2) BASED UPON THE CLASSIFICATION OF COUNTY  
7 WHERE THE LICENSED FACILITY [OR FACILITIES] IS LOCATED.  
8 IN THE EVENT THAT THE REVENUES GENERATED BY THE 2% DO NOT  
9 MEET THE \$10,000,000 MINIMUM SPECIFIED IN THIS  
10 SUBPARAGRAPH, [THE LICENSED GAMING ENTITY OPERATING THE  
11 LICENSED FACILITY OR FACILITIES IN THE BOROUGH SHALL  
12 REMIT THE DIFFERENCE TO THE MUNICIPALITY.] THE DEPARTMENT  
13 SHALL COLLECT THE REMAINDER OF THE MINIMUM AMOUNT OF  
14 \$10,000,000 FROM EACH LICENSED ENTITY OPERATING A  
15 LICENSED FACILITY IN THE BOROUGH, PAY ANY BALANCE DUE TO  
16 THE BOROUGH AND TRANSFER ANY REMAINDER IN ACCORDANCE WITH  
17 PARAGRAPH (2).

18 (VII) TO AN INCORPORATED TOWN HOSTING A LICENSED  
19 FACILITY [OR FACILITIES], OTHER THAN A CATEGORY 3  
20 LICENSED FACILITY, 2% OF THE GROSS TERMINAL REVENUE OR  
21 \$10,000,000 ANNUALLY, WHICHEVER IS GREATER, [OF ALL  
22 LICENSED FACILITIES] SHALL BE PAID BY EACH LICENSED  
23 ENTITY OPERATING A LICENSED FACILITY LOCATED IN THE TOWN  
24 SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION IN THIS  
25 SUBPARAGRAPH. THE AMOUNT ALLOCATED TO THE DESIGNATED  
26 MUNICIPALITIES SHALL NOT EXCEED 50% OF THEIR TOTAL BUDGET  
27 FOR FISCAL YEAR 2003-2004, ADJUSTED FOR INFLATION IN  
28 SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL  
29 COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING THE  
30 PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX [FOR ALL

1 URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW JERSEY,  
2 DELAWARE AND MARYLAND AREA, FOR THE MOST RECENT 12-MONTH  
3 PERIOD FOR WHICH FIGURES HAVE BEEN OFFICIALLY REPORTED BY  
4 THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR  
5 STATISTICS,] IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT  
6 IS DUE TO TAKE EFFECT. ANY REMAINING MONEY SHALL BE  
7 COLLECTED BY THE DEPARTMENT FROM EACH LICENSED FACILITY  
8 AND DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2) BASED  
9 UPON THE CLASSIFICATION OF COUNTY WHERE THE LICENSED  
10 FACILITY [OR FACILITIES] IS LOCATED. IN THE EVENT THAT  
11 THE REVENUES GENERATED BY THE 2% DO NOT MEET THE  
12 \$10,000,000 MINIMUM SPECIFIED IN THIS SUBPARAGRAPH, [THE  
13 LICENSED GAMING ENTITY OPERATING THE LICENSED FACILITY OR  
14 FACILITIES IN THE TOWN SHALL REMIT THE DIFFERENCE TO THE  
15 MUNICIPALITY.] THE DEPARTMENT SHALL COLLECT THE REMAINDER  
16 OF THE MINIMUM AMOUNT OF \$10,000,000 FROM EACH LICENSED  
17 ENTITY OPERATING A LICENSED FACILITY IN THE INCORPORATED  
18 TOWN, PAY ANY BALANCE DUE TO THE TOWN AND TRANSFER ANY  
19 REMAINDER IN ACCORDANCE WITH PARAGRAPH (2).

20 (VIII) TO A MUNICIPALITY OF ANY CLASS HOSTING A  
21 CATEGORY 3 FACILITY, 2% OF THE GROSS TERMINAL REVENUE  
22 FROM THE CATEGORY 3 LICENSED FACILITY LOCATED IN THE  
23 MUNICIPALITY, SUBJECT, HOWEVER, TO THE BUDGETARY  
24 LIMITATION IN THIS SUBPARAGRAPH. THE AMOUNT ALLOCATED TO  
25 THE DESIGNATED MUNICIPALITIES SHALL NOT EXCEED 50% OF  
26 THEIR TOTAL BUDGET FOR FISCAL YEAR 2003-2004, ADJUSTED  
27 FOR INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO  
28 EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY  
29 APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE  
30 INDEX [FOR ALL URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW

1 JERSEY, DELAWARE AND MARYLAND AREA, FOR THE MOST RECENT  
2 12-MONTH PERIOD FOR WHICH FIGURES HAVE BEEN OFFICIALLY  
3 REPORTED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU  
4 OF LABOR STATISTICS,] IMMEDIATELY PRIOR TO THE DATE THE  
5 ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING MONEY  
6 SHALL BE COLLECTED BY THE DEPARTMENT FROM EACH LICENSED  
7 FACILITY AND DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2)  
8 BASED UPON THE CLASSIFICATION OF COUNTY WHERE THE  
9 LICENSED FACILITY [OR FACILITIES] IS LOCATED.

10 \* \* \*

11 (D) CONSUMER PRICE INDEX.--FOR PURPOSES OF SUBSECTION (C),  
12 REFERENCES TO THE CONSUMER PRICE INDEX SHALL MEAN THE CONSUMER  
13 PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW  
14 JERSEY, DELAWARE AND MARYLAND AREA, FOR THE MOST RECENT 12-MONTH  
15 PERIOD FOR WHICH FIGURES HAVE BEEN OFFICIALLY REPORTED BY THE  
16 UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.

17 \* \* \*

18 ~~[(v) To a township of the second class hosting a~~  
19 ~~licensed facility or facilities, other than a Category 3~~  
20 ~~licensed facility, 2% of the gross terminal revenue or~~  
21 ~~\$10,000,000 annually, whichever is greater, of all~~  
22 ~~licensed facilities located in the township subject,~~  
23 ~~however, to the budgetary limitation in this~~  
24 ~~subparagraph. The amount allocated to the designated~~  
25 ~~municipalities shall not exceed 50% of their total budget~~  
26 ~~for fiscal year 2003-2004, adjusted for inflation in~~  
27 ~~subsequent years by an amount not to exceed an annual~~  
28 ~~cost of living adjustment calculated by applying the~~  
29 ~~percentage change in the Consumer Price Index for All~~  
30 ~~Urban Consumers for the Pennsylvania, New Jersey,~~

1 Delaware and Maryland area, for the most recent 12 month  
2 period for which figures have been officially reported by  
3 the United States Department of Labor, Bureau of Labor  
4 Statistics, immediately prior to the date the adjustment  
5 is due to take effect. Any remaining money shall be  
6 distributed in accordance with paragraph (2) based upon  
7 the county where the licensed facility or facilities is  
8 located. In the event that the revenues generated by the  
9 2% do not meet the \$10,000,000 minimum specified in this  
10 subparagraph, the licensed gaming entity operating the  
11 licensed facility or facilities in the township shall  
12 remit the difference to the municipality.}]

13 ~~(v.1) To a township of the second class hosting a~~  
14 ~~licensed facility or facilities, other than a Category 3~~  
15 ~~licensed facility, 2% of the gross terminal revenue or~~  
16 ~~\$10,000,000 annually, whichever is greater, of all~~  
17 ~~licensed facilities located in the township. In the event~~  
18 ~~that the revenues generated by the 2% do not meet the~~  
19 ~~\$10,000,000 minimum specified in this subparagraph, the~~  
20 ~~licensed gaming entity operating the licensed facility or~~  
21 ~~facilities in the township shall remit the difference to~~  
22 ~~the municipality.~~

23 \* \* \*

24 ~~(xvi) Notwithstanding subparagraphs (v.1) and (x),~~  
25 ~~if a licensed facility or facilities, other than a~~  
26 ~~Category 3 licensed facility, is located in the more than~~  
27 ~~one second class township, 2% of gross terminal revenue~~  
28 ~~of the licensed facilities or \$10,000,000, whichever is~~  
29 ~~greater, shall be distributed to the second class~~  
30 ~~townships. The amount available shall be distributed on a~~

1 ~~pro rata basis determined by the percentage of acreage~~  
2 ~~located in each township to the total acreage occupied by~~  
3 ~~the licensed facilities. In the event that the revenues~~  
4 ~~generated by the 2% do not meet the \$10,000,000 minimum~~  
5 ~~specified in this subparagraph, the licensed gaming~~  
6 ~~entity operating the licensed facility or facilities in~~  
7 ~~the townships shall remit the difference to the~~  
8 ~~townships.~~

9 Section 8.2. Section 1407 of Title 4 is amended by adding a  
10 subsection to read:

11 § 1407. Pennsylvania Gaming Economic Development and Tourism  
12 Fund.

13 \* \* \*

14 ~~(c.1) County fairs.~~

15 ~~(1) Within the Pennsylvania Gaming and Economic~~  
16 ~~Development and Tourism Fund there is established a~~  
17 ~~restricted revenue account to be known as the County Fair~~  
18 ~~Capital Improvement and Harness Racing Account. Money~~  
19 ~~deposited into the account shall be nonlapsing and are~~  
20 ~~appropriated on a continuing basis, with the approval of the~~  
21 ~~Governor, to the Department of Agriculture. Any income~~  
22 ~~derived from investment of money in the account shall be~~  
23 ~~credited to the account.~~

24 ~~(2) The sum of \$1,500,000 shall be annually transferred~~  
25 ~~from the Pennsylvania Gaming and Economic Development and~~  
26 ~~Tourism Fund into the County Fair Capital Improvement and~~  
27 ~~Harness Racing Account.~~

28 ~~(3) Money in the County Fair Capital Improvement and~~  
29 ~~Harness Racing Account shall be used by the Department of~~  
30 ~~Agriculture to make matching grants for capital improvements~~

~~to facilities at county fairgrounds, including harness racing tracks located at county fairgrounds. Grants for capital improvements shall not exceed 50% of the costs of the project and shall be made by the Secretary of Agriculture, in consultation with the State Association of County Fairs.~~

~~\* \* \*~~

~~Section 9. Section 1408(a) and (c) of Title 4 are amended and the section is amended by adding subsections to read:~~

~~§ 1408. Transfers from State Gaming Fund.~~

~~(a) Transfer for compulsive problem gambling treatment.~~

~~Each year, the sum of [\$1,500,000] \$4,000,000 or an amount equal to [.001] .003 multiplied by the total gross terminal revenue of all active and operating licensed gaming entities, whichever is greater, shall be transferred into the Compulsive and Problem Gambling Treatment Fund established in section 1509 (relating to compulsive and problem gambling program).~~

~~\* \* \*~~

~~(c.1) Transfer for victims of domestic violence. Each year the sum of \$3,500,000 shall be transferred from the fund to the Department of Public Welfare to be used for domestic violence programs.~~

~~(c.2) Transfer for autism research and outreach. The sum of \$3,500,000 shall be transferred from the fund to the Department of Public Welfare for services and programs regarding autism and other pervasive developmental disorders.~~

~~(c.3) Transfer for special education services. Each year an amount equal to the unreimbursed expenses for special education services provided by a school district shall be transferred from the fund to the Department of Education for reimbursement to the school district. The total transfer under this subsection in any~~

1 ~~fiscal year shall not exceed the amount received by Pennsylvania~~  
2 ~~school districts from the School Based Access Program for the~~  
3 ~~2003-2004 fiscal year.~~

4 \* \* \*

5 ~~(c) Transfer to Property Tax Relief Fund. Monthly, the~~  
6 ~~State Treasurer shall transfer the remaining balance in the~~  
7 ~~State Gaming Fund which is not allocated in subsections (a),~~  
8 ~~(b), (c), (c.1), (c.2), (c.3) and (d) to the Property Tax Relief~~  
9 ~~Fund established in section 1409 (relating to Property Tax~~  
10 ~~Relief Fund).~~

11 SECTION 9.1. SECTIONS 1406(A) AND 1506 OF TITLE 4 ARE  
12 AMENDED TO READ:

<—

13 § 1406. DISTRIBUTIONS FROM PENNSYLVANIA RACE HORSE DEVELOPMENT  
14 FUND.

15 (A) DISTRIBUTIONS.--FUNDS FROM THE PENNSYLVANIA RACE HORSE  
16 DEVELOPMENT FUND SHALL BE DISTRIBUTED TO EACH ACTIVE AND  
17 OPERATING CATEGORY 1 LICENSEE CONDUCTING LIVE RACING IN THE  
18 FOLLOWING MANNER:

19 (1) AN AMOUNT EQUAL TO 18% OF THE DAILY GROSS TERMINAL  
20 REVENUE OF EACH CATEGORY 1 LICENSEE SHALL BE DISTRIBUTED TO  
21 EACH ACTIVE AND OPERATING CATEGORY 1 LICENSEE CONDUCTING LIVE  
22 RACING UNLESS THE DAILY ASSESSMENTS ARE AFFECTED BY THE DAILY  
23 ASSESSMENT CAP PROVIDED FOR IN SECTION 1405(C) (RELATING TO  
24 PENNSYLVANIA RACE HORSE DEVELOPMENT FUND). IN CASES IN WHICH  
25 THE DAILY ASSESSMENT CAP AFFECTS DAILY ASSESSMENTS, THE  
26 DISTRIBUTION TO EACH ACTIVE AND OPERATING CATEGORY 1 LICENSEE  
27 CONDUCTING LIVE RACING FOR THAT DAY SHALL BE A PERCENTAGE OF  
28 THE TOTAL DAILY ASSESSMENTS PAID INTO THE PENNSYLVANIA RACE  
29 HORSE DEVELOPMENT FUND FOR THAT DAY EQUAL TO THE GROSS  
30 TERMINAL REVENUE OF EACH ACTIVE AND OPERATING CATEGORY 1

1 LICENSEE CONDUCTING LIVE RACING FOR THAT DAY DIVIDED BY THE  
2 TOTAL GROSS TERMINAL REVENUE OF ALL ACTIVE AND OPERATING  
3 CATEGORY 1 LICENSEES CONDUCTING LIVE RACING FOR THAT DAY. THE  
4 DISTRIBUTIONS TO LICENSED RACING ENTITIES FROM THE  
5 PENNSYLVANIA RACE HORSE DEVELOPMENT FUND SHALL BE ALLOCATED  
6 AS FOLLOWS:

7 (I) EIGHTY PERCENT [TO] SHALL BE DEPOSITED WEEKLY  
8 INTO A SEPARATE, INTEREST-BEARING PURSE ACCOUNT TO BE  
9 ESTABLISHED BY AND FOR THE BENEFIT OF THE HORSEMEN. THE  
10 EARNED INTEREST ON THE ACCOUNT SHALL BE CREDITED TO THE  
11 PURSE ACCOUNT. LICENSEES SHALL COMBINE THESE FUNDS WITH  
12 REVENUES FROM EXISTING PURSE AGREEMENTS TO FUND PURSES  
13 FOR LIVE RACES CONSISTENT WITH THOSE AGREEMENTS WITH THE  
14 ADVICE AND CONSENT OF THE HORSEMEN.

15 (II) [FROM LICENSEES THAT OPERATE AT] FOR  
16 THOROUGHBRED TRACKS, 16% [TO] SHALL BE DEPOSITED ON A  
17 MONTHLY BASIS INTO THE PENNSYLVANIA BREEDING FUND AS  
18 DEFINED IN SECTION 223 OF THE RACE HORSE INDUSTRY REFORM  
19 ACT. [FROM LICENSEES THAT OPERATE AT] FOR STANDARDBRED  
20 TRACKS, 8% [TO] SHALL BE DEPOSITED ON A MONTHLY BASIS IN  
21 THE PENNSYLVANIA SIRE STAKES FUND AS DEFINED IN SECTION  
22 224 OF THE RACE HORSE INDUSTRY REFORM ACT AND 8% [TO]  
23 SHALL BE DEPOSITED ON A MONTHLY BASIS INTO A RESTRICTED  
24 ACCOUNT IN THE STATE RACING FUND TO BE KNOWN AS THE  
25 PENNSYLVANIA STANDARDBRED BREEDERS DEVELOPMENT FUND. THE  
26 STATE HARNESS RACING COMMISSION SHALL, IN CONSULTATION  
27 WITH THE SECRETARY OF AGRICULTURE BY RULE OR BY  
28 REGULATION, ADOPT A STANDARDBRED BREEDERS PROGRAM THAT  
29 WILL INCLUDE THE ADMINISTRATION OF PENNSYLVANIA STALLION  
30 AWARD, PENNSYLVANIA BRED AWARD AND A PENNSYLVANIA SIRE

1 AND BRED AWARD.

2 (III) FOUR PERCENT [TO] SHALL BE USED TO FUND HEALTH  
3 AND PENSION BENEFITS FOR THE MEMBERS OF THE HORSEMEN'S  
4 ORGANIZATIONS REPRESENTING THE OWNERS AND TRAINERS AT THE  
5 RACETRACK AT WHICH THE LICENSED RACING ENTITY OPERATES  
6 FOR THE BENEFIT OF THE ORGANIZATION'S MEMBERS, THEIR  
7 FAMILIES, EMPLOYEES AND OTHERS IN ACCORDANCE WITH THE  
8 RULES AND ELIGIBILITY REQUIREMENTS OF THE ORGANIZATION,  
9 AS APPROVED BY THE STATE HORSE RACING COMMISSION OR THE  
10 STATE HARNESS RACING COMMISSION. THIS AMOUNT SHALL BE  
11 DEPOSITED WITHIN FIVE BUSINESS DAYS OF THE END OF EACH  
12 MONTH INTO A SEPARATE ACCOUNT TO BE ESTABLISHED BY EACH  
13 RESPECTIVE HORSEMEN'S ORGANIZATION AT A BANKING  
14 INSTITUTION OF ITS CHOICE. OF THIS AMOUNT, \$250,000 SHALL  
15 BE PAID ANNUALLY BY THE HORSEMEN'S ORGANIZATION TO THE  
16 THOROUGHBRED JOCKEYS OR STANDARD BRED DRIVERS ORGANIZATION  
17 AT THE RACETRACK AT WHICH THE LICENSED RACING ENTITY  
18 OPERATES FOR HEALTH INSURANCE, LIFE INSURANCE OR OTHER  
19 BENEFITS TO ACTIVE AND DISABLED THOROUGHBRED JOCKEYS OR  
20 STANDARD BRED DRIVERS IN ACCORDANCE WITH THE RULES AND  
21 ELIGIBILITY REQUIREMENTS OF THAT ORGANIZATION.

22 (2) (RESERVED).

23 \* \* \*

24 [§ 1506. LOCAL LAND USE PREEMPTION.

25 THE CONDUCT OF GAMING AS PERMITTED UNDER THIS PART, INCLUDING  
26 THE PHYSICAL LOCATION OF ANY LICENSED FACILITY, SHALL NOT BE  
27 PROHIBITED OR OTHERWISE REGULATED BY ANY ORDINANCE, HOME RULE  
28 CHARTER PROVISION, RESOLUTION, RULE OR REGULATION OF ANY  
29 POLITICAL SUBDIVISION OR ANY LOCAL OR STATE INSTRUMENTALITY OR  
30 AUTHORITY THAT RELATES TO ZONING OR LAND USE TO THE EXTENT THAT

1 THE LICENSED FACILITY HAS BEEN APPROVED BY THE BOARD. THE BOARD  
2 MAY IN ITS DISCRETION CONSIDER SUCH LOCAL ZONING ORDINANCES WHEN  
3 CONSIDERING AN APPLICATION FOR A SLOT MACHINE LICENSE. THE BOARD  
4 SHALL PROVIDE THE POLITICAL SUBDIVISION, WITHIN WHICH AN  
5 APPLICANT FOR A SLOT MACHINE LICENSE HAS PROPOSED TO LOCATE A  
6 LICENSED GAMING FACILITY, A 60-DAY COMMENT PERIOD PRIOR TO THE  
7 BOARD'S FINAL APPROVAL, CONDITION OR DENIAL OF APPROVAL OF ITS  
8 APPLICATION FOR A SLOT MACHINE LICENSE. THE POLITICAL  
9 SUBDIVISION MAY MAKE RECOMMENDATIONS TO THE BOARD FOR  
10 IMPROVEMENTS TO THE APPLICANT'S PROPOSED SITE PLANS THAT TAKE  
11 INTO ACCOUNT THE IMPACT ON THE LOCAL COMMUNITY, INCLUDING, BUT  
12 NOT LIMITED TO, LAND USE AND TRANSPORTATION IMPACT. THIS SECTION  
13 SHALL ALSO APPLY TO ANY PROPOSED RACETRACK OR LICENSED  
14 RACETRACK.]

15 SECTION 9.2. TITLE 4 IS AMENDED BY ADDING SECTIONS TO READ:  
16 § 1506.1. LAND USE PREEMPTION WITHIN CITIES OF THE FIRST CLASS.

17 (A) GENERAL RULE.--REGULATION OF THE ZONING, USAGE, LAYOUT,  
18 CONSTRUCTION AND OCCUPANCY, INCLUDING THE LOCATION, SIZE, BULK  
19 AND USE OF BUILDINGS OF A LICENSED FACILITY AND ANY ACCESSORY  
20 GAMING USES WITHIN A CITY OF THE FIRST CLASS IS RESERVED  
21 EXCLUSIVELY TO THE COMMONWEALTH AND SHALL NOT BE PROHIBITED,  
22 INSPECTED, LICENSED OR REGULATED BY ANY ORDINANCE, HOME RULE  
23 CHARTER PROVISION, RESOLUTION, REGULATION, ENFORCEMENT ACTION OR  
24 OTHER EXERCISE OF THE POLICE POWER OR OTHER POWER OF A POLITICAL  
25 SUBDIVISION OR A STATE OR LOCAL INSTRUMENTALITY OTHER THAN THE  
26 BOARD. LOCAL POLITICAL SUBDIVISIONS SHALL PROVIDE ON A  
27 NONDISCRIMINATORY BASIS CUSTOMARY MUNICIPAL SERVICES, INCLUDING  
28 POLICE, FIRE AND SANITATION, TO LICENSED FACILITIES AS ARE  
29 PROVIDED TO OTHER COMMERCIAL ENTERPRISES.

30 (B) USAGE AND LAYOUT.--THE FOLLOWING USE AND DIMENSIONAL

1 STANDARDS SHALL APPLY TO THE PHYSICAL SITING AND LAYOUT OF  
2 LICENSED FACILITIES:

3 (1) SPECIFIC USES PERMITTED AT LICENSED FACILITIES SHALL  
4 BE THE ERECTION, OCCUPANCY, CONSTRUCTION, ALTERATION AND USE  
5 OF BUILDINGS OR LAND FOR ACCESSORY GAMING USES.

6 (2) THE FOLLOWING SHALL APPLY TO AREA REGULATIONS:

7 (I) STRUCTURES LOCATED AT A LICENSED FACILITY AND  
8 ASSOCIATED AREAS, INCLUDING THOSE WHICH HOUSE ACCESSORY  
9 GAMING USES MAY OCCUPY UP TO 100% OF THE TOTAL LOT AREA.

10 (II) CONTROLS SHALL BE ESTABLISHED TO ENHANCE THE  
11 UTILITY OF PUBLIC SPACE AND ADJACENT BODIES OF WATER AS  
12 WELL AS THE PUBLIC WALKWAYS AND RIGHTS-OF-WAY FOR BOTH  
13 PUBLIC AND PRIVATE ACCESS TO NAVIGABLE WATERS. THE  
14 FOLLOWING ACCESS RULES SHALL APPLY:

15 (A) A RIGHT-OF-WAY AT LEAST 20 FEET WIDE,  
16 INCLUDING PUBLIC WALKWAYS, SHALL BE PROVIDED AT EACH  
17 LICENSED FACILITY FOR USE BY THE GENERAL PUBLIC AS  
18 WELL AS PATRONS OF THE LICENSED FACILITY FOR WALKWAY  
19 ACCESS TO AND ALONG THE BORDERING BODY OF WATER, IF  
20 THE ACCESS DOES NOT REQUIRE PASSAGE THROUGH ANY AREA  
21 RESTRICTED TO PERSONS UNDER 21 YEARS OF AGE.

22 (B) THE UPKEEP AND COST OF MAINTENANCE OF  
23 RIGHTS-OF-WAY SHALL BE BORNE SOLELY BY THE LICENSED  
24 FACILITY WITHOUT CHARGE TO THE PUBLIC.

25 (III) EACH LICENSED FACILITY, EXCLUDING PARKING  
26 AREAS AND GARAGES, SHALL BE ALLOWED A TOTAL GROSS FLOOR  
27 AREA UP TO 12 TIMES THE TOTAL AREA OF THE LICENSED  
28 FACILITY, MEASURED IN SQUARE FEET. TOTAL FLOOR AREA SHALL  
29 INCLUDE ALL LAND AND WATER AREAS OF THE LICENSED FACILITY  
30 UP TO THE PIERHEAD LINE, AS WELL AS ANY RAILROAD RIGHT-

1 OF-WAY AREA WITHIN THE CONFINES OF THE LICENSED FACILITY.  
2 PARKING AND GARAGE AREAS SHALL NOT BE SUBJECT TO ANY  
3 GROSS FLOOR AREA LIMITATION.

4 (IV) NO FRONT, SIDE OR REAR SETBACKS SHALL BE  
5 REQUIRED. WHEN SETBACKS ARE PROVIDED, THEY SHALL HAVE A  
6 MINIMUM WIDTH AND DEPTH OF 20 FEET.

7 (3) THE FOLLOWING SHALL APPLY TO PARKING AND LOADING:

8 (I) THE NUMBER OF OFF-STREET PARKING SPACES,  
9 MEASURING A MINIMUM OF 8.5 FEET BY 18 FEET EACH, REQUIRED  
10 SHALL BE AS FOLLOWS:

11 (A) ONE SPACE FOR EVERY TWO RESIDENTIAL OR HOTEL  
12 UNITS.

13 (B) ONE SPACE FOR EVERY 1,000 SQUARE FEET OF  
14 BUILDING OR FOR EVERY 10 SEATS, WHICHEVER TOTAL  
15 NUMBER OF SPACES IS GREATER.

16 (II) THE NUMBER OF OFF-STREET LOADING SPACES,  
17 MEASURING A MINIMUM OF 11 FEET WIDE BY 60 FEET LONG BY 14  
18 FEET CLEAR HEIGHT, REQUIRED SHALL BE ONE SPACE FOR EVERY  
19 200,000 SQUARE FEET OF BUILDING OR PORTION THEREOF.

20 (III) THE NUMBER OF OFF-STREET PARKING DISABLED  
21 ACCESSIBLE SPACES, MEASURING 12 FEET BY 20 FEET EACH, FOR  
22 PERSONS WITH DISABILITIES SHALL BE 2% OF THE NUMBER OF  
23 THE GENERAL PUBLIC, 8.5 FEET BY 18 FEET OFF-STREET  
24 PARKING SPACES PROVIDED.

25 (4) THE FOLLOWING SHALL APPLY TO SIGNAGE:

26 (I) EACH LICENSED FACILITY SHALL BE PERMITTED A  
27 TOTAL SIGN AREA OF FIVE SQUARE FEET FOR EACH LINEAL FOOT  
28 OF STREET LINE OF THE LICENSED FACILITY, INCLUDING  
29 ASSOCIATED AREAS, AND EACH LINEAL FOOT OF WATERFRONT LINE  
30 ALONG A NAVIGABLE WATERWAY OF THE LICENSED FACILITY.

1           (II) SIGNS MAY BE REVOLVING, ANIMATED OR ILLUMINATED  
2           AND MAY CONTAIN FLASHING OR INTERMITTENT ILLUMINATION.  
3           ACCESSORY AND NONACCESSORY SIGNS SHALL BE PERMITTED.

4           (5) ARCHITECTURAL SITE PLANS MUST BE SUBMITTED TO THE  
5           BOARD FOR REVIEW AND APPROVAL AND DETERMINATION OF COMPLIANCE  
6           WITH THE USE, DIMENSIONAL PHYSICAL SITING AND LAYOUT  
7           STANDARDS CONTAINED IN THIS SUBSECTION. THE FOLLOWING SHALL  
8           APPLY:

9           (I) THE BOARD SHALL APPOINT HEARING OFFICERS TO  
10           REVIEW, APPROVE OR REJECT THE SUBMITTED ARCHITECTURAL  
11           SITE PLANS BASED ON THE STANDARDS SET FORTH IN PARAGRAPHS  
12           (1), (2), (3) AND (4) AND COMMENTS SUBMITTED BY A CITY OF  
13           THE FIRST CLASS UNDER SUBPARAGRAPH (II).

14           (II) A CITY OF THE FIRST CLASS MAY SUBMIT WRITTEN  
15           COMMENTS ON AN ARCHITECTURAL SITE PLAN FOR CONSIDERATION  
16           BY THE HEARING OFFICER AND THE BOARD WITHIN THREE WEEKS  
17           OF THE FILING OF AN ARCHITECTURAL SITE PLAN UNDER THIS  
18           SUBSECTION.

19           (III) DECISIONS OF HEARING OFFICERS MAY BE APPEALED  
20           TO THE BOARD WITHIN 30 DAYS OF DATE OF DECISION. WITH  
21           RESPECT TO ANY DECISION MADE UNDER SUBPARAGRAPH (I), A  
22           CITY OF THE FIRST CLASS THAT HAS SUBMITTED WRITTEN  
23           COMMENTS MAY BE GRANTED PARTY STATUS IN THE PROCEEDING.  
24           THE BOARD MAY GRANT A VARIANCE IN ACCORDANCE WITH THE  
25           STANDARDS FOR GRANTING A VARIANCE AS PROVIDED IN  
26           SUBSECTION (B.1).

27           (B.1) VARIANCES.--THE BOARD SHALL HEAR REQUESTS FOR  
28           VARIANCES WHERE IT IS ALLEGED THAT THE PROVISIONS OF THE ZONING  
29           STANDARDS OF THIS PART INFLICT UNNECESSARY HARDSHIP UPON THE  
30           APPLICANT. THE BOARD MAY GRANT A VARIANCE IF ALL OF THE

1 FOLLOWING FINDINGS ARE MADE, AS RELEVANT IN A PARTICULAR CASE:

2 (1) THAT THERE ARE UNIQUE PHYSICAL CIRCUMSTANCES OR  
3 CONDITIONS, INCLUDING IRREGULARITY, NARROWNESS, OR  
4 SHALLOWNESS OF LOT SIZE OR SHAPE, OR EXCEPTIONAL  
5 TOPOGRAPHICAL OR OTHER PHYSICAL CONDITIONS PECULIAR TO THE  
6 PARTICULAR PROPERTY AND THAT THE UNNECESSARY HARDSHIP IS DUE  
7 TO SUCH CONDITIONS.

8 (2) THAT BECAUSE OF SUCH PHYSICAL CIRCUMSTANCES OR  
9 CONDITIONS, THERE IS NO POSSIBILITY THAT THE PROPERTY CAN BE  
10 DEVELOPED IN STRICT CONFORMITY WITH THE PROVISIONS OF THE  
11 ZONING STANDARDS OF THIS PART AND THAT THE AUTHORIZATION OF A  
12 VARIANCE IS THEREFORE NECESSARY TO ENABLE THE REASONABLE USE  
13 OF THE PROPERTY.

14 (3) THAT SUCH UNNECESSARY HARDSHIP HAS NOT BEEN CREATED  
15 BY THE APPELLANT.

16 (4) THAT THE VARIANCE, IF AUTHORIZED, WILL REPRESENT THE  
17 MINIMUM VARIANCE THAT WILL AFFORD RELIEF AND WILL REPRESENT  
18 THE LEAST MODIFICATION POSSIBLE OF THE REGULATION IN ISSUE.  
19 IN GRANTING ANY VARIANCE, THE BOARD MAY ATTACH SUCH REASONABLE  
20 CONDITIONS AND SAFEGUARDS AS IT MAY DEEM NECESSARY TO IMPLEMENT  
21 THE PURPOSES OF THIS PART. AN APPEAL OF A FINAL BOARD DECISION  
22 UNDER THIS SECTION SHALL BE TAKEN IN ACCORDANCE WITH SECTION  
23 1204 (RELATING TO LICENSED ENTITY APPLICATION APPEALS FROM  
24 BOARD).

25 (C) CONNECTIONS TO PUBLIC WATER, SEWER AND UTILITIES.-- ALL  
26 OCCUPANTS AT EACH LICENSED FACILITY LOCATED WITHIN A CITY OF THE  
27 FIRST CLASS SHALL BE ALLOWED TO CONNECT TO AND USE UTILITIES  
28 WITH NO CONNECTION OR RESERVATION CHARGE, SUBJECT TO  
29 NONDISCRIMINATORY CHARGES FOR ACTUAL COSTS OF EXTENDING SERVICE  
30 TO THE SITE AND TO ACTUAL USAGE CHARGES IMPOSED UNDER

1 NONDISCRIMINATORY TARIFFS.

2 (D) CONSTRUCTION AND OCCUPANCY STANDARDS.--THE DEPARTMENT OF  
3 LABOR AND INDUSTRY SHALL REGULATE AND ENFORCE THE CONSTRUCTION  
4 AND OCCUPANCY OF LICENSED FACILITIES WITHIN A CITY OF THE FIRST  
5 CLASS. ALL LICENSED FACILITIES SHALL BE SUBJECT TO THE ACT OF  
6 NOVEMBER 10, 1999 (P.L.491, NO.45), KNOWN AS THE PENNSYLVANIA  
7 CONSTRUCTION CODE ACT. IN ADDITION TO THE POWERS CONVEYED TO THE  
8 DEPARTMENT OF LABOR AND INDUSTRY UNDER SECTION 2202 OF THE ACT  
9 OF APRIL 9, 1929 (P.L.177, NO.175), KNOWN AS THE ADMINISTRATIVE  
10 CODE OF 1929, THE DEPARTMENT OF LABOR AND INDUSTRY SHALL HAVE  
11 ALL OF THE FOLLOWING POWERS AND DUTIES:

12 (1) TO RECEIVE AND EXAMINE PLANS FOR ALL BUILDINGS AND  
13 PLACES OF ASSEMBLY COMPRISING LICENSED FACILITIES WITHIN A  
14 CITY OF THE FIRST CLASS AND TO CONSIDER, REVIEW AND APPROVE  
15 THE PLANS CONSISTENT WITH THE PROVISIONS OF THE PENNSYLVANIA  
16 CONSTRUCTION CODE ACT.

17 (2) TO RECEIVE AND CHECK PLANS FOR ELEVATOR  
18 INSTALLATIONS FOR ALL BUILDINGS AND PLACES OF ASSEMBLY  
19 COMPRISING LICENSED FACILITIES WITHIN A CITY OF THE FIRST  
20 CLASS AND TO ISSUE PERMITS FOR THE ERECTION AND REPAIR OF  
21 ELEVATOR INSTALLATIONS CONSISTENT WITH THE PROVISIONS OF THE  
22 PENNSYLVANIA CONSTRUCTION CODE ACT.

23 (3) TO ANNUALLY INSPECT EMERGENCY LIGHTING SYSTEMS,  
24 SPRINKLER SYSTEMS AND FIRE ALARMS IN ALL BUILDINGS AND PLACES  
25 OF ASSEMBLY COMPRISING LICENSED FACILITIES WITHIN A CITY OF  
26 THE FIRST CLASS AND TO ENFORCE ALL STATE LAWS.

27 (4) TO MAINTAIN PLAN AND SPECIFICATION REVIEW AND  
28 INSPECTION AUTHORITY OF ALL BUILDINGS AND PLACES OF ASSEMBLY  
29 COMPRISING LICENSED FACILITIES WITHIN A CITY OF THE FIRST  
30 CLASS. THE DEPARTMENT OF LABOR AND INDUSTRY SHALL NOTIFY THE

1 APPROPRIATE DEPARTMENT OF THE CITY OF THE FIRST CLASS OF ALL  
2 INSPECTIONS OF THE BUILDINGS AND PROVIDE THE CITY WITH THE  
3 OPPORTUNITY TO OBSERVE THE INSPECTION OF THE LICENSED  
4 FACILITIES.

5 (5) TO MAKE AVAILABLE TO THE APPROPRIATE DEPARTMENT OF  
6 THE CITY OF THE FIRST CLASS, UPON REQUEST, COPIES OF ALL  
7 BUILDING PLANS AND PLAN REVIEW DOCUMENTS IN THE CUSTODY OF  
8 THE DEPARTMENT OF LABOR AND INDUSTRY.

9 § 1506.2. CONVEYANCES IN CITIES OF THE FIRST CLASS.

10 (A) INTENTION.--IN ORDER TO MAXIMIZE THE POLICY MANDATES OF  
11 THIS PART AND TO OPTIMIZE DEVELOPMENT OPPORTUNITIES WITHIN A  
12 CITY OF THE FIRST CLASS, IT IS THE INTENTION OF THE GENERAL  
13 ASSEMBLY TO FACILITATE THE TIMELY CONVEYANCE OF RIPARIAN RIGHTS  
14 THAT THE COMMONWEALTH MAY OWN TO ANY PERSON APPROVED FOR A SLOT  
15 MACHINE LICENSE BY THE BOARD FOR A FACILITY TO BE LOCATED ON  
16 LAND CONTIGUOUS TO NAVIGABLE WATERWAYS.

17 (B) AUTHORIZATION AND DIRECTION.--THE DEPARTMENT OF GENERAL  
18 SERVICES, WITH THE APPROVAL OF THE GOVERNOR, IS HEREBY  
19 AUTHORIZED AND DIRECTED ON BEHALF OF THE COMMONWEALTH OF  
20 PENNSYLVANIA TO GRANT AND CONVEY BY QUITCLAIM DEED FOR  
21 CONSIDERATION UNDER SUBSECTION (E) TO EACH PERSON APPROVED FOR A  
22 SLOT MACHINE LICENSE BY THE BOARD FOR A LICENSED FACILITY THAT  
23 IS TO BE LOCATED WITHIN A CITY OF THE FIRST CLASS AND IS  
24 CONTIGUOUS TO NAVIGABLE WATERS, THE LAND FURTHER DESCRIBED IN  
25 SUBSECTION (C).

26 (C) DESCRIPTION.--THE LAND TO BE TRANSFERRED UNDER  
27 SUBSECTION (A) SHALL BE ALL OF THE COMMONWEALTH'S LANDS BETWEEN  
28 THE LOW-WATER LINE, OR IN CITIES OF THE FIRST CLASS, THE  
29 BULKHEAD LINE, AND THE ESTABLISHED PIERHEAD LINE, IN A CITY OF  
30 THE FIRST CLASS, CONSISTING OF ALL THE MUDS AND LAND CURRENTLY

1 OR PREVIOUSLY UNDER THE NAVIGABLE WATERS AND LYING ADJACENT TO  
2 THE PROPERTY OWNED BY A LICENSEE TO THE WEST OF THE BULKHEAD  
3 LAND, AND ALL RIPARIAN RIGHTS APPERTAINING THERETO.

4 (D) LICENSEE ELECTION OF GRANTED AREA.--UPON APPROVAL OF A  
5 SLOT MACHINE LICENSE TO A GRANTEE, THE GRANTEE SHALL DELIVER TO  
6 THE DEPARTMENT OF GENERAL SERVICES A COPY OF THE DEED OR OTHER  
7 DOCUMENTATION EVIDENCING ITS TITLE TO THE LICENSED FACILITY AND  
8 A SURVEY AND METES AND BOUNDS LEGAL DESCRIPTION OF THE LAND  
9 DESCRIBED UNDER SUBSECTION (C) TO BE INCLUDED IN ITS LICENSED  
10 FACILITY.

11 (E) CONSIDERATION.--THE FOLLOWING SHALL APPLY:

12 (1) THE CONSIDERATION TO BE PAID TO THE COMMONWEALTH BY  
13 THE GRANTEE FOR THE GRANTED AREA SHALL BE DETERMINED BY THE  
14 DEPARTMENT OF GENERAL SERVICES WITH THE APPROVAL OF THE  
15 GOVERNOR BASED ON AN APPRAISAL OF FAIR MARKET VALUE OBTAINED  
16 FROM AN INDEPENDENT APPRAISER WHO IS EXPERIENCED IN  
17 APPRAISING RIPARIAN INTERESTS AND COMMERCIAL REAL ESTATE IN  
18 CITIES OF THE FIRST CLASS AND WHO IS A MEMBER OF THE  
19 APPRAISAL INSTITUTE OR SIMILAR PROFESSIONAL ORGANIZATION. THE  
20 LAND DESCRIBED IN SUBSECTION (C) SHALL BE APPRAISED ON AN  
21 "AS-IS" BASIS, TAKING INTO ACCOUNT IN THE APPRAISAL ALL OF  
22 THE FOLLOWING:

23 (I) THE ABSENCE OF THE VALUE OF THE LAND DESCRIBED  
24 IN SUBSECTION (C) TO PERSONS OTHER THAN THE ADJACENT  
25 UPLAND OWNER.

26 (II) A CREDIT TO BE TAKEN AGAINST VALUE BECAUSE OF  
27 THE LICENSED GAMING ENTITY PROVIDING FOR PUBLIC ACCESS TO  
28 THE WATER AS MANDATED BY CHAPTER 19.

29 (III) THE LIMITED UTILITY OF THE LAND DESCRIBED  
30 UNDER SUBSECTION (C) WHICH IS, IN FACT, NOT BUILDABLE

1 LAND DUE TO ITS BEING UNDERWATER.

2 (IV) THE LIMITATION ON VALUE IMPOSED BY THE NEED AND  
3 UNCERTAINTY IN OBTAINING GOVERNMENTAL APPROVALS AND  
4 PERMITS TO CONSTRUCT ANY IMPROVEMENTS ON THE LAND  
5 DESCRIBED UNDER SUBSECTION (C).

6 (V) A CREDIT TO BE TAKEN AGAINST VALUE FOR THE COST  
7 OF DEMOLITION AND REMOVAL OF EXTANT RIPARIAN STRUCTURES  
8 SUCH AS DECREPIT PIERS, PLATFORMS AND PILINGS AND ANY  
9 RELATED ENVIRONMENTAL OR OTHER REMEDIATION.

10 (VI) A CREDIT TO BE TAKEN AGAINST VALUE FOR THE COST  
11 OF INFILLING AND OTHER STRUCTURAL SUPPORT FOR  
12 IMPROVEMENTS TO THE LAND DESCRIBED IN SUBSECTION (C),  
13 INCLUDING THE EXTENSION OF UTILITIES.

14 (VII) SALES PRICES OF FAST LAND BEHIND THE BULKHEAD  
15 LINE MAY NOT BE USED AS COMPARABLES.

16 (VIII) NO INCREASE IN THE VALUE OF THE LAND  
17 DESCRIBED IN SUBSECTION (C) SHALL BE MADE BECAUSE OF THE  
18 APPROVAL OF THE LICENSE.

19 (2) THE CONSIDERATION ESTABLISHED UNDER PARAGRAPH (1)  
20 SHALL BE PAID BY THE GRANTEE, DELIVERING TO THE COMMONWEALTH  
21 A NOTE BEARING INTEREST OF 6% PER ANNUM AT THE TIME OF  
22 TRANSFER TO IT BY THE COMMONWEALTH OF THE LAND DESCRIBED IN  
23 SUBSECTION (C). THE NOTE SHALL BE PAYABLE IN EQUAL ANNUAL  
24 INSTALLMENTS OF PRINCIPAL PLUS ACCRUED INTEREST ON THE FIRST  
25 THROUGH FIFTH ANNUAL ANNIVERSARIES OF THE CONVEYANCE OF THE  
26 LAND DESCRIBED UNDER SUBSECTION (C).

27 (F) DEED.--THE DEEDS OF CONVEYANCE SHALL BE BY QUITCLAIM  
28 DEED AND SHALL BE EXECUTED BY THE SECRETARY OF GENERAL SERVICES  
29 IN THE NAME OF THE COMMONWEALTH.

30 (G) COSTS AND FEES.--COSTS AND FEES INCIDENTAL TO EACH

1 CONVEYANCE SHALL BE BORNE BY THE GRANTEE.

2 SECTION 1506.3. RIPARIAN RIGHTS.

3 UPON THE ISSUANCE OF A SLOT MACHINE LICENSE UNDER THIS PART  
4 FOR A LICENSED FACILITY THAT IS TO BE LOCATED WITHIN A CITY OF  
5 THE FIRST CLASS CONTIGUOUS TO NAVIGABLE WATERS OF THE DELAWARE  
6 RIVER, IT SHALL BE DEEMED THAT THE SLOT MACHINE LICENSEE HAS  
7 COMPLETELY SATISFIED ALL STATE REQUIREMENTS SET FORTH IN THE ACT  
8 OF NOVEMBER 26, 1978 (P.L.1375, NO.325), KNOWN AS THE DAM SAFETY  
9 AND ENCROACHMENTS ACT, AND ALL REGULATIONS APPLICABLE TO  
10 ENCROACHMENT OF THE NAVIGABLE WATERS BY ANY MEANS IN AND ALONG  
11 SUBMERGED LANDS OF THE COMMONWEALTH THAT HAVE BEEN GRANTED FOR  
12 PURPOSES OF CONSTRUCTION, DEMOLITION AND ERECTION OF STRUCTURES  
13 AND FOUNDATIONS ASSOCIATED WITH A LICENSED FACILITY. THE SLOT  
14 MACHINE LICENSEE SHALL NOT BE OBLIGATED TO OBTAIN OR MAINTAIN A  
15 WATER OBSTRUCTION AND ENCROACHMENT PERMIT REQUIRED BY STATE LAW.  
16 THE LICENSED FACILITY, USE OF THE LICENSED FACILITY AND ANY LAND  
17 AND FILL ON WHICH ANY PORTION OF THE LICENSED FACILITY IS  
18 SITUATED AND OPERATED SHALL BE DEEMED:

19 (1) NOT TO BE DEROGATORY, INIMICAL OR INJURIOUS TO THE  
20 PUBLIC INTERESTS IN THE LAND AND WATERS;

21 (2) NOT TO ADVERSELY AFFECT NAVIGATION; AND

22 (3) NOT TO SIGNIFICANTLY IMPAIR THE PUBLIC RIGHT IN  
23 LANDS HELD IN TRUST BY THE COMMONWEALTH.

24 § 1506.4. CLEAN INDOOR AIR.

25 LICENSED FACILITIES SHALL ONLY BE SUBJECT TO PUBLIC SMOKING  
26 RULES OR REGULATIONS AS MAY BE IMPOSED BY THE COMMONWEALTH AND  
27 APPLIED IN A COMPREHENSIVE STATEWIDE MANNER.

28 Section 10. Sections 1509(a), (b) and (d) and 1512 of Title  
29 4 are amended to read:

30 § 1509. Compulsive and problem gambling program.

1 (a) Establishment of program.--The Department of Health, in  
2 consultation with organizations similar to the Mid-Atlantic  
3 Addiction Training Institute, shall develop program guidelines  
4 for public education, awareness and training regarding  
5 compulsive and problem gambling and the treatment and prevention  
6 of compulsive and problem gambling. The guidelines shall include  
7 strategies for the prevention of compulsive and problem  
8 gambling. The Department of Health may collaborate CONSULT with ←  
9 the board and licensed gaming entities to develop such  
10 strategies. The program shall include:

11 (1) Maintenance of a compulsive gamblers assistance  
12 organization's toll-free problem gambling telephone number to  
13 provide crisis counseling and referral services to families  
14 experiencing difficulty as a result of problem or compulsive  
15 gambling.

16 (2) The promotion of public awareness regarding the  
17 recognition and prevention of problem or compulsive gambling.

18 (3) Facilitation, through in-service training and other  
19 means, of the availability of effective assistance programs  
20 for problem and compulsive gamblers and family members  
21 affected by problem and compulsive gambling.

22 (4) Conducting studies to identify adults and juveniles  
23 in this Commonwealth who are or are at risk of becoming  
24 problem or compulsive gamblers.

25 (5) Providing grants to and contracting with  
26 organizations which provide services as set forth in this  
27 section.

28 (6) Providing reimbursement for organizations for  
29 reasonable expenses in assisting the Department of Health in  
30 carrying out the purposes of this section.

1 (b) Compulsive and Problem Gambling Treatment Fund.--There  
2 is hereby established in the State Treasury a special fund to be  
3 known as the Compulsive and Problem Gambling Treatment Fund. All  
4 moneys in the fund shall be expended for programs for the  
5 prevention and treatment of gambling addiction and other  
6 emotional and behavioral problems associated with or related to  
7 gambling addiction and for the administration of the compulsive  
8 and problem gambling program. The fund shall consist of money  
9 annually allocated to it from the annual payment established  
10 under section 1408 (relating to transfers from State Gaming  
11 Fund), money which may be allocated by the board, interest  
12 earnings on moneys in the fund and any other contributions,  
13 payments or deposits which may be made to the fund.

14 \* \* \*

15 (d) Single county authorities.--The Department of Health may  
16 make grants from the fund established under subsection (b) to a  
17 single county authority created pursuant to the act of April 14,  
18 1972 (P.L.221, No.63), known as the Pennsylvania Drug and  
19 Alcohol Abuse Control Act, for the purpose of providing  
20 compulsive gambling and gambling [addition] addiction  
21 prevention, treatment and education programs. It is the  
22 intention of the General Assembly that any grants that the  
23 Department of Health may make to any single county authority in  
24 accordance with the provisions of this subsection be used  
25 exclusively for the development and implementation of compulsive  
26 and problem gambling programs authorized under subsection (a).

27 \* \* \*

28 § 1512. [Public official financial interest.] Financial  
29 interests, employment and complimentary services and ←  
30 discounts.

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

18 (a) Financial interests.--Except as may be provided by rule  
19 or order of the Pennsylvania Supreme Court, an executive-level  
20 public employee, public official or party officer, or an  
21 immediate family member thereof, shall not intentionally or  
22 knowingly hold a financial interest in an applicant or a slot  
23 machine licensee, manufacturer licensee, supplier licensee or  
24 licensed racing entity, or in a holding company, affiliate,  
25 intermediary or subsidiary thereof, while the individual is an  
26 executive-level public employee, public official or party  
27 officer and for one year following termination of the  
28 individual's status as an executive-level public employee,  
29 public official or party officer.

30 (a.1) Employment.--Except as may be provided by rule or

1 order of the Pennsylvania Supreme Court, no executive-level  
2 public employee, public official or party officer, or an  
3 immediate family member thereof, shall be employed by an  
4 applicant or a slot machine licensee, manufacturer licensee,  
5 supplier licensee or licensed racing entity, or by any holding  
6 company, affiliate, intermediary or subsidiary thereof, while  
7 the individual is an executive-level public employee, public  
8 official or party officer and for one year following termination  
9 of the individual's status as an executive-level public  
10 employee, public official or party officer.

11 (a.2) Complimentary services and discounts.-- <—

12 (1) No executive-level public employee, public official  
13 or party officer, or an immediate family member thereof,  
14 shall solicit or accept, any complimentary service or <—  
15 discount from an applicant or a slot machine licensee,  
16 manufacturer licensee, supplier licensee or licensed racing  
17 entity, or from any affiliate, intermediary, subsidiary or  
18 holding company thereof, which the executive-level public  
19 employee, public official or party officer, or an immediate  
20 family member thereof, knows or has reason to know is other  
21 than a service or discount which is offered to members of the  
22 general public in like circumstances.

23 (2) No applicant, slot machine licensee, manufacturer  
24 licensee, supplier licensee or licensed racing entity, or any  
25 affiliate, intermediary, subsidiary or holding company  
26 thereof, shall offer or deliver to an executive-level public  
27 employee, public official or party officer, or an immediate  
28 family member thereof, any complimentary service or discount <—  
29 from the applicant or slot machine licensee, manufacturer  
30 licensee, supplier licensee or licensed racing entity, or an

1 affiliate, intermediary, subsidiary or holding company  
2 thereof, that the applicant or slot machine licensee,  
3 manufacturer licensee, supplier licensee or licensed racing  
4 entity, or any affiliate, intermediary, subsidiary or holding  
5 company thereof, knows or has reason to know is other than a  
6 service or discount that is offered to members of the general  
7 public in like circumstances.

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

12 (a.4) Divestiture.--An executive-level public employee,  
13 public official or party officer, or an immediate family member  
14 thereof, who holds a financial interest prohibited by this  
15 section shall divest the financial interest within three months  
16 of the effective date of the restrictions set forth in  
17 subsection (a), as applicable. Thereafter, any executive-level  
18 public employee, public official, party officer or immediate  
19 family member shall have 30 days from the date the individual  
20 knew or had reason to know of the violation or 30 days from the  
21 annual publication in the Pennsylvania Bulletin under §  
22 ~~1202(b)(19)~~ 1202(B)(27) (relating to GENERAL AND SPECIFIC powers ←  
23 and duties), whichever occurs earlier. ←

24 (a.5) Ethics Commission.--The Ethics Commission shall  
25 publish a list of all State, county, municipal and other  
26 government positions that meet the definitions of "public  
27 official" or "executive-level public employee" under subsection  
28 (b). The Office of Administration shall assist the Ethics  
29 Commission in the development of the list, which shall be  
30 published in the Pennsylvania Bulletin biennially and on the

1 board's website. Each public official shall have a duty to  
2 provide the Ethics Commission with adequate information to  
3 accurately develop and maintain the list. The Ethics Commission  
4 may impose a civil penalty under 65 Pa.C.S. § 1109(f) (relating  
5 to penalties) upon any public official or executive-level public  
6 employee who fails to cooperate with the Ethics Commission under  
7 this subsection.

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

11 "Executive-level [State] public employee." [The Governor,  
12 Lieutenant Governor, cabinet members, deputy secretaries, the  
13 Governor's office executive staff, any State employee with  
14 discretionary powers which may affect the outcome of a State  
15 agency's decision in relation to a private corporation or  
16 business, with respect to any matter covered by this part or any  
17 executive employee who by virtue of his job function could  
18 influence the outcome of such a decision.] The term shall  
19 include the following:

20 (1) Deputy Secretaries of the Commonwealth and the  
21 Governor's office executive staff.

22 (2) Employees of the Executive Branch with discretionary  
23 powers which may affect or influence the outcome of a State  
24 agency's action or decision relating to a matter under this  
25 part. ←

26 ~~(3) An executive level employee of a county which~~  
27 ~~received a distribution of money or revenue under section~~  
28 ~~1403(c)(2) (relating to establishment of State Gaming Fund~~  
29 ~~and net slot machine revenue distribution).~~

30 ~~(4) An executive level employee of a municipality which~~

1 ~~received a distribution of money or revenue under section~~  
2 ~~1403(c)(3).~~

3 ~~(5) An employee of a department, agency, board,~~  
4 ~~commission, authority or other governmental body which~~  
5 ~~directly receives a distribution of money or revenue under~~  
6 ~~this part.~~

7 ~~(6) An employee of a department, agency, board,~~  
8 ~~commission, authority or other governmental body which~~  
9 ~~possesses regulatory or law enforcement authority over a~~  
10 ~~licensed entity.~~

11 ~~(7) Any other employee of a county, municipality,~~  
12 ~~authority, commission or other local governmental entity with~~  
13 ~~discretionary powers which may affect or influence the~~  
14 ~~outcome of an action or decision relating to a matter under~~  
15 ~~this part. PART OR WHO HAS REGULATORY OR LAW ENFORCEMENT~~ ←  
16 ~~AUTHORITY OVER A LICENSED ENTITY.~~

17 ~~(3) AN EMPLOYEE OF A COUNTY WHICH RECEIVED A~~  
18 ~~DISTRIBUTION OF MONEY OR REVENUE UNDER THIS PART.~~

19 ~~(4) AN EMPLOYEE OF A MUNICIPALITY WHICH RECEIVED A~~  
20 ~~DISTRIBUTION OF MONEY OR REVENUE UNDER THIS PART.~~

21 ~~(5) AN EMPLOYEE OF A DEPARTMENT, AGENCY, BOARD,~~  
22 ~~COMMISSION, AUTHORITY OR OTHER GOVERNMENTAL BODY NOT INCLUDED~~  
23 ~~IN PARAGRAPHS (1), (2), (3) AND (4) WHICH DIRECTLY RECEIVES A~~  
24 ~~DISTRIBUTION OF MONEY OR REVENUE UNDER THIS PART.~~

25 ~~(6) AN EMPLOYEE OF A DEPARTMENT, AGENCY, BOARD,~~  
26 ~~COMMISSION, AUTHORITY, COUNTY, MUNICIPALITY OR OTHER~~  
27 ~~GOVERNMENTAL BODY WITH DISCRETIONARY POWER WHICH MAY AFFECT~~  
28 ~~OR INFLUENCE THE OUTCOME OF AN ACTION OR DECISION RELATING TO~~  
29 ~~A MATTER UNDER THIS PART OR WHO POSSESSES REGULATORY OR LAW~~  
30 ~~ENFORCEMENT AUTHORITY OVER A LICENSED ENTITY.~~

1        "Financial interest." Owning or holding, or being deemed to  
2 hold, debt or equity securities [exceeding 1% of the equity or  
3 fair market value of the licensed racing entity or licensed  
4 gaming entity, its holding company, affiliate, intermediary or  
5 subsidiary business.] or other ownership interest or profits  
6 interest. A financial interest shall not include any [such stock  
7 that is held in a blind trust over which the executive-level  
8 State employee, public official, party officer or immediate  
9 family member thereof may not exercise any managerial control or  
10 receive income during the tenure of office and the period under  
11 subsection (a).] debt or equity security, or other ownership  
12 interest or profits interest, which is held or deemed to be held  
13 in any of the following:

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

19        (1) A BLIND TRUST FOR THE BENEFIT OF AN IMMEDIATE FAMILY     <—  
20 MEMBER OF AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL  
21 OR PARTY OFFICER, AND OVER WHICH THE EXECUTIVE-LEVEL PUBLIC  
22 EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER NEITHER EXERCISES  
23 MANAGERIAL OR INVESTMENT CONTROL NOR RECEIVES ANY FINANCIAL  
24 BENEFIT. THE IMMEDIATE FAMILY MEMBER SHALL NOT EXERCISE ANY  
25 MANAGERIAL OR INVESTMENT CONTROL OR RECEIVE ANY INCOME  
26 THEREFROM DURING THE RELATED EXECUTIVE-LEVEL PUBLIC EMPLOYEE,  
27 PUBLIC OFFICIAL OR PARTY OFFICER'S TENURE OF OFFICE AND THE  
28 PERIOD UNDER SUBSECTION (A).

29        (2) Securities that are held in a pension plan, profit-  
30 sharing plan, individual retirement account, tax sheltered

1 annuity, a plan established pursuant to section 457 of the  
2 Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §  
3 1 et seq.), or any successor provision, deferred compensation  
4 plan whether qualified or not qualified under the Internal  
5 Revenue Code of 1986, or any successor provision, or other  
6 retirement plan that:

7 (i) is not self-directed by the individual; and

8 (ii) is advised by an independent investment adviser  
9 who has sole authority to make investment decisions with  
10 respect to contributions made by the individual to these  
11 plans.

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

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

19 (5) Any other investment over which the executive-level  
20 public employee, public official or party officer, or an  
21 immediate family member thereof, does not exercise managerial  
22 or investment control during the tenure of office and the  
23 period under subsection (a).

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

26 "Law enforcement authority." The term shall include the  
27 authority of a State or local police force, the Attorney General  
28 or a district attorney.

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

1 State committee or member of the executive committee of a State  
2 committee; a county chairman, vice chairman, counsel, secretary  
3 or treasurer of a county committee in which a licensed facility  
4 is located; or a city chairman, vice chairman, counsel,  
5 secretary or treasurer of a city committee of a city in which a  
6 licensed facility is located.

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

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

17 (1) The Governor, Lieutenant Governor, a member of the  
18 Governor's cabinet, Treasurer, Auditor General and Attorney  
19 General of the Commonwealth.

20 (2) A member of the Senate or House of Representatives  
21 of the Commonwealth.

22 ~~(3) An individual elected to any office of a county or~~ <—  
23 ~~municipality that receives a distribution of money or revenue~~  
24 ~~under this part.~~

25 ~~(4) An individual elected or appointed to a governmental~~  
26 ~~body that receives a distribution of money or revenue under~~  
27 ~~this part.~~

28 ~~(5) 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 (3) AN INDIVIDUAL ELECTED OR APPOINTED TO ANY OFFICE OF ←  
3 A COUNTY THAT RECEIVES A DISTRIBUTION OF MONEY OR REVENUE  
4 UNDER THIS PART.

5 (4) AN INDIVIDUAL ELECTED OR APPOINTED TO ANY OFFICE OF  
6 A MUNICIPALITY THAT RECEIVES A DISTRIBUTION OF MONEY OR  
7 REVENUE UNDER THIS PART.

8 (5) AN INDIVIDUAL ELECTED OR APPOINTED TO A DEPARTMENT,  
9 AGENCY, BOARD, COMMISSION, AUTHORITY OR OTHER GOVERNMENTAL  
10 BODY NOT INCLUDED IN PARAGRAPHS (1), (2), (3) AND (4) THAT  
11 DIRECTLY RECEIVES A DISTRIBUTION OF MONEY OR REVENUE UNDER  
12 THIS PART.

13 (6) AN INDIVIDUAL ELECTED OR APPOINTED TO A DEPARTMENT,  
14 AGENCY, BOARD, COMMISSION, AUTHORITY, COUNTY, MUNICIPALITY OR  
15 OTHER GOVERNMENTAL BODY WITH DISCRETIONARY POWER WHICH MAY  
16 AFFECT OR INFLUENCE THE OUTCOME OF AN ACTION OR DECISION  
17 RELATING TO A MATTER UNDER THIS PART OR WHO POSSESSES  
18 REGULATORY OR LAW ENFORCEMENT AUTHORITY OVER A LICENSED  
19 ENTITY.

20 The term does not include a member of a school board or an  
21 individual who held an uncompensated office with a governmental  
22 body prior to January 1, 2006, and who no longer holds the  
23 office as of January 1, 2006. The term includes a member of an  
24 advisory board or commission which makes recommendations  
25 relating to a licensed facility.

26 Section 11. Section 1513(a) of Title 4 is amended and the  
27 section is amended by adding subsections to read:

28 § 1513. Political influence.

29 [(a) Contribution restriction.--An applicant for a slot  
30 machine license, manufacturer license or supplier license,

1 licensed racing entity licensee, licensed manufacturer, licensed  
2 supplier or licensed gaming entity, or a person that holds a  
3 similar gaming license or permit or a controlling interest in a  
4 gaming license or permit in another jurisdiction, or any  
5 holding, affiliate, intermediary or subsidiary company thereof,  
6 or any officer, director or key employee of such applicant  
7 licensed manufacturer or licensed supplier, licensed racing  
8 entity or licensed gaming entity or any holding, affiliate,  
9 intermediary or subsidiary company thereof, shall be prohibited  
10 from contributing any money or in-kind contribution to a  
11 candidate for nomination or election to any public office in  
12 this Commonwealth, or to any political committee or State party  
13 in this Commonwealth or to any group, committee or association  
14 organized in support of any such candidate, political committee  
15 or State party.]

16 (a) Contribution restriction.--The following persons shall  
17 be prohibited from contributing any money or in-kind  
18 contribution to a candidate for nomination or election to any  
19 public office in this Commonwealth, or to any political party  
20 committee or other political committee in this Commonwealth or  
21 to any group, committee or association organized in support of a  
22 candidate, political party committee or other political  
23 committee in this Commonwealth:

24 (1) An applicant.

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

27 (3) ~~A principal or~~ A LICENSED PRINCIPAL OR LICENSED key ←  
28 employee of a slot machine licensee, licensed manufacturer,  
29 licensed supplier or licensed racing entity.

30 (4) An affiliate, intermediary, subsidiary or holding

1 company of a slot machine licensee, licensed manufacturer,  
2 licensed supplier or licensed racing entity.

3 ~~(5) An officer, director or person with a controlling~~ <—  
4 ~~interest in or key employee of an affiliate, intermediary,~~

5 (5) A PRINCIPAL OR KEY EMPLOYEE OF AN AFFILIATE, <—  
6 INTERMEDIARY, subsidiary or holding company of a slot machine  
7 licensee, licensed manufacturer, licensed supplier or  
8 licensed racing entity.

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

14 (a.1) Contributions to certain associations and  
15 organizations barred.--The individuals prohibited from making  
16 political contributions under subsection (a) shall not make a  
17 political contribution of money or an in-kind contribution to  
18 any association or organization, including a nonprofit  
19 organization, that has been solicited by, or knowing that the  
20 contribution or a portion thereof will be contributed to the  
21 elected official, executive-level public employee or candidate  
22 for nomination or election to a public office in this  
23 Commonwealth.

24 (a.2) Internet website.--

25 (1) The board shall establish an Internet website that  
26 includes a list of all applicants for and holders of a slot  
27 machine license, manufacturer license, supplier license or  
28 racing entity license, and the affiliates, intermediaries,  
29 subsidiaries, holding companies, officers, directors or  
30 persons with a controlling interest therein and key employees

1 thereof, all persons and officers, directors or persons with  
2 a controlling interest holding a similar gaming license in  
3 another jurisdiction and the affiliates, intermediaries,  
4 subsidiaries, holding companies, officers, directors or  
5 persons with a controlling interest therein and key employees  
6 thereof, and any other entity in which the applicant or  
7 licensee has any debt or equity security or other ownership  
8 or profits interest. An applicant or licensee shall notify  
9 the board within seven days of the discovery of any change in  
10 or addition to the information. The list shall be published  
11 semiannually in the Pennsylvania Bulletin.

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

16 (3) The board shall request the information required  
17 under paragraph (1) from persons licensed in another  
18 jurisdiction who do not hold a license in this Commonwealth  
19 and from regulatory agencies in the other jurisdiction. If a  
20 licensee in another jurisdiction refuses to provide the  
21 information required under paragraph (1), the person and its  
22 officers, directors or persons with a controlling interest  
23 shall be ineligible to receive any license under this part.

24 \* \* \*

25 (D) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING  
26 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS  
27 SUBSECTION:

28 "CONTRIBUTION." ANY PAYMENT, GIFT, SUBSCRIPTION, ASSESSMENT,  
29 CONTRACT, PAYMENT FOR SERVICES, DUES, LOAN, FORBEARANCE, ADVANCE  
30 OR DEPOSIT OF MONEY OR ANY VALUABLE THING, MADE TO A CANDIDATE

<—

1 OR POLITICAL COMMITTEE FOR THE PURPOSE OF INFLUENCING ANY  
2 ELECTION IN THIS COMMONWEALTH OR FOR PAYING DEBTS INCURRED BY OR  
3 FOR A CANDIDATE OR COMMITTEE BEFORE OR AFTER ANY ELECTION. THE  
4 TERM SHALL INCLUDE THE PURCHASE OF TICKETS FOR EVENTS INCLUDING  
5 DINNERS, LUNCHEONS, RALLIES AND OTHER FUND-RAISING EVENTS; THE  
6 GRANTING OF DISCOUNTS OR REBATES BY TELEVISION AND RADIO  
7 STATIONS AND NEWSPAPERS NOT EXTENDED ON AN EQUAL BASIS TO ALL  
8 CANDIDATES FOR THE SAME OFFICE; AND ANY PAYMENTS PROVIDED FOR  
9 THE BENEFIT OF ANY CANDIDATE, INCLUDING PAYMENTS FOR THE  
10 SERVICES OF A PERSON SERVING AS AN AGENT OF A CANDIDATE OR  
11 COMMITTEE BY A PERSON OTHER THAN THE CANDIDATE OR COMMITTEE OR  
12 PERSON WHOSE EXPENDITURES THE CANDIDATE OR COMMITTEE MUST  
13 REPORT. THE TERM ALSO INCLUDES ANY RECEIPT OR USE OF ANYTHING OF  
14 VALUE RECEIVED BY A POLITICAL COMMITTEE FROM ANOTHER POLITICAL  
15 COMMITTEE AND ALSO INCLUDES ANY RETURN ON INVESTMENTS BY A  
16 POLITICAL COMMITTEE.

17 "POLITICAL COMMITTEE." ANY COMMITTEE, CLUB, ASSOCIATION OR  
18 OTHER GROUP OF PERSONS WHICH RECEIVES CONTRIBUTIONS OR MAKES  
19 EXPENDITURES.

20 Section 12. Section 1517(a), (c) and (d) of Title 4 are  
21 amended and the section is amended by adding subsections to  
22 read:

23 § 1517. [Enforcement.] Investigations and enforcement.

24 [(a) Powers and duties.--The Bureau of Investigations and  
25 Enforcement shall have the following powers and duties:

26 (1) Promptly investigate all licensees, permittees and  
27 applicants as directed by the board in accordance with the  
28 provisions of section 1202 (relating to general and specific  
29 powers).

30 (2) Enforce the rules and regulations promulgated under

1 this part.

2 (3) Initiate proceedings for administrative violations  
3 of this part or regulations promulgated under this part.

4 (4) Provide the board with all information necessary for  
5 all action under this part and for all proceedings involving  
6 enforcement of this part or regulations promulgated under  
7 this part.

8 (5) Investigate the circumstances surrounding any act or  
9 transaction for which board approval is required.

10 (6) Conduct administrative inspections on the premises  
11 of a licensed racetrack or nonprimary location or licensed  
12 facility to ensure compliance with this part and the  
13 regulations of the board and, in the course of inspections,  
14 review and make copies of all documents and records that may  
15 be required through onsite observation and other reasonable  
16 means to assure compliance with this part and regulations  
17 promulgated under this part.

18 (7) Receive and take appropriate action on any referral  
19 from the board relating to any evidence of a violation.

20 (8) Conduct audits of slot machine operations at such  
21 times, under such circumstances and to such extent as the  
22 bureau determines. This paragraph includes reviews of  
23 accounting, administrative and financial records and  
24 management control systems, procedures and records utilized  
25 by a slot machine licensee.

26 (9) Request and receive information, materials and other  
27 data from any licensee, permittee or applicant.

28 (10) Refer for investigation all possible criminal  
29 violations to the Pennsylvania State Police and cooperate  
30 fully in the investigation and prosecution of a criminal

1 violation arising under this part.]

2 (a) Establishment.--There is hereby established within the  
3 board a Bureau of Investigations and Enforcement which shall be  
4 independent of the board in matters relating to the enforcement  
5 of this part. The bureau shall have the powers and duties set  
6 forth in subsection (a.1).

7 (a.1) Powers and duties of bureau.--The Bureau of  
8 Investigations and Enforcement shall have the following powers  
9 and duties:

10 (1) Enforce the provisions of this part.

11 (2) Investigate and review all applicants and  
12 applications for a license, permit or registration.

13 (3) Investigate licensees, permittees, registrants and  
14 other persons regulated by the board for noncriminal  
15 violations of this part, including potential violations  
16 referred to the bureau by the board or other person.

17 (4) Monitor gaming operations to ensure all of the  
18 following:

19 (i) Compliance with this part, the act of April 12,  
20 1951 (P.L.90, No.21), known as the Liquor Code, and the  
21 other laws of this Commonwealth.

22 (ii) The implementation of adequate security  
23 measures by a licensed entity.

24 (5) Inspect and examine licensed entities as provided in  
25 subsection (e). Inspections may include the review and  
26 reproduction of any document or record.

27 (6) Conduct audits of a licensed entity as necessary to  
28 ensure compliance with this part. An audit may include the  
29 review of accounting, administrative and financial records,  
30 management control systems, procedures and other records

1 utilized by a licensed entity.

2 (7) Refer possible criminal violations to the  
3 Pennsylvania State Police. The bureau shall not have the  
4 power of arrest.

5 (8) Cooperate in the investigation and prosecution of  
6 criminal violations related to this part.

7 (9) Be a criminal justice agency under 18 Pa.C.S. Ch. 91  
8 (relating to criminal history record information).

9 (a.2) Office of Enforcement Counsel.--

10 (1) There is established within the bureau an Office of  
11 Enforcement Counsel which shall act as the prosecutor in all  
12 noncriminal enforcement actions initiated by the bureau under  
13 this part and shall have the following powers and duties:

14 (i) Advise the bureau on all matters, including the  
15 granting of licenses, permits or registrations, the  
16 conduct of background investigations, audits and  
17 inspections and the investigation of potential violations  
18 of this part.

19 (ii) File recommendations and objections relating to  
20 the issuance of licenses, permits and registrations on  
21 behalf of the bureau.

22 (iii) Initiate, in its sole discretion, proceedings  
23 for noncriminal violations of this part by filing a  
24 complaint or other pleading with the board.

25 (2) The director of the Office of Enforcement Counsel  
26 shall report to the executive director of the board on  
27 administrative matters. The director shall be selected by the  
28 board and shall be an attorney admitted to practice before  
29 the Pennsylvania Supreme Court.

30 \* \* \*

1 (c) Powers and duties of the Pennsylvania State Police.--The  
2 Pennsylvania State Police shall have the following powers and  
3 duties:

4 ~~(1) Promptly [investigate all licensees, permittees and~~ <—  
5 ~~applicants] conduct background investigations on persons as~~  
6 ~~directed by the board in accordance with the provisions of~~  
7 ~~section 1202.~~

8 (1) PROMPTLY [INVESTIGATE ALL LICENSEES, PERMITTEES AND <—  
9 APPLICANTS] CONDUCT BACKGROUND INVESTIGATIONS ON PERSONS AS  
10 DIRECTED BY THE BOARD IN ACCORDANCE WITH THE PROVISIONS OF  
11 SECTION 1202 (RELATING TO GENERAL AND SPECIFIC POWERS). THE  
12 PENNSYLVANIA STATE POLICE MAY CONTRACT WITH OTHER LAW  
13 ENFORCEMENT ANNUITANTS TO ASSIST IN THE CONDUCT OF  
14 INVESTIGATIONS UNDER THIS PARAGRAPH.

15 [(2) Enforce the rules and regulations promulgated under  
16 this part.]

17 (3) Initiate proceedings for [any] criminal violations  
18 of this part [or regulations promulgated under this part].

19 (4) Provide the board with all information necessary for  
20 all actions under this part for all proceedings involving  
21 criminal enforcement of this part [or regulations promulgated  
22 under this part].

23 (5) Inspect, when appropriate, a licensee's or  
24 permittee's person and personal effects present in a licensed  
25 facility under this part while that licensee ~~for~~ OR <—  
26 permittee ~~or registrant~~ is present at a licensed facility. <—

27 (6) Enforce the criminal provisions of this part and all  
28 other criminal laws of the Commonwealth.

29 (7) Fingerprint applicants for licenses ~~and~~ PERMITS <—  
30 and registrations AND PERMITS. <—

1 (8) Exchange fingerprint data with and receive national  
2 criminal history record information from the FBI for use in  
3 investigating applications for any license ~~for~~, ~~permit~~ or ~~or~~ ←  
4 ~~registration~~ OR PERMIT under this part. ←

5 (9) Receive and take appropriate action on any referral  
6 from the board relating to criminal conduct.

7 (10) Require the production of any information, material  
8 and other data from any licensee, permittee, registrant or  
9 applicant.

10 (11) Conduct administrative inspections on the premises  
11 of licensed racetrack or nonprimary location or licensed  
12 facility at such times, under such circumstances and to such  
13 extent as the bureau determines to ensure compliance with  
14 this part and the regulations of the board and, in the course  
15 of inspections, review and make copies of all documents and  
16 records required by the inspection through onsite observation  
17 and other reasonable means to assure compliance with this  
18 part and regulations promulgated under this part.

19 (12) Conduct audits or verification of information of  
20 slot machine operations at such times, under such  
21 circumstances and to such extent as the bureau determines.  
22 This paragraph includes reviews of accounting, administrative  
23 and financial records and management control systems,  
24 procedures and records utilized by a slot machine licensee.

25 (13) A member of the Pennsylvania State Police assigned  
26 to duties of enforcement under this part shall not be counted  
27 toward the complement as defined in the act of December 13,  
28 2001 (P.L.903, No.100), entitled "An act repealing in part a  
29 limitation on the complement of the Pennsylvania State  
30 Police."

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

5     (d) Criminal action.--

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

9         (2) In addition to the authority conferred upon the  
10 Attorney General [by] under the act of October 15, 1980  
11 (P.L.950, No.164), known as the Commonwealth Attorneys Act,  
12 the Attorney General shall have the authority to investigate  
13 and, following consultation with the appropriate district  
14 attorney, to institute criminal proceedings for [any] a  
15 violation of this part, [or any series of such violations  
16 involving any county of this Commonwealth and another state.  
17 No] A person charged with a violation of this part by the  
18 Attorney General shall not have standing to challenge the  
19 authority of the Attorney General to investigate or prosecute  
20 the case, and, if any such challenge is made, the challenge  
21 shall be dismissed and no relief shall be available in the  
22 courts of this Commonwealth to the person making the  
23 challenge.

24     (d.1) Regulatory action.--Nothing contained in subsection  
25 (d) shall be construed to limit the existing regulatory or  
26 investigative authority of an agency or the Commonwealth whose  
27 functions relate to persons or matters within the scope of this  
28 part.

29     \* \* \*

30     Section 13. Title 4 is amended by adding sections to read:

1 ~~§ 1517.1. Procedures.~~

2 ~~(a) Evidentiary record. If the bureau or the licensing~~  
3 ~~bureau files an objection to any license, permit or~~  
4 ~~registration, an evidentiary record shall be established in~~  
5 ~~order to allow the board to reach a decision in accordance with~~  
6 ~~this part.~~

7 ~~(b) Participants. An interested party may file a petition~~  
8 ~~requesting to participate in a licensing, permitting or~~  
9 ~~registration proceeding if the party has an enforceable interest~~  
10 ~~in the proceeding which is substantial, direct and immediate and~~  
11 ~~if the party's interest is not adequately represented by the~~  
12 ~~bureau. Except as necessary to develop a comprehensive~~  
13 ~~evidentiary record, an interested party other than the applicant~~  
14 ~~or the bureau may present evidence through the submission of~~  
15 ~~written comments attested to under oath. The comments shall be~~  
16 ~~part of the evidentiary record.~~

17 ~~(c) Appointment of hearing officer. The board may appoint a~~  
18 ~~hearing officer to conduct a hearing to resolve or make a~~  
19 ~~recommendation regarding disputed or complex factual issues.~~

20 ~~(d) Judicial notice. The board or a presiding officer may~~  
21 ~~take judicial notice of facts introduced into the record of~~  
22 ~~another jurisdiction, taken or attested to under oath, or~~  
23 ~~factual findings and legal conclusions of another jurisdiction.~~

24 ~~(e) Duty of chief counsel. The board's chief counsel shall~~  
25 ~~advise the board in its adjudicatory capacity.~~

26 ~~§ 1517.2. Hearing officers.~~

27 ~~(a) General rule. The board shall employ and develop a code~~  
28 ~~of ethics for hearing officers.~~

29 ~~(b) Authority. A hearing officer shall have the authority~~  
30 ~~to do the following:~~

1 ~~(1) Schedule and conduct a hearing as required to~~  
2 ~~resolve a matter or to make a recommendation to the board.~~

3 ~~(2) Provide parties with proper notice of a hearing.~~

4 ~~(3) Rule on motions, objections or other matters arising~~  
5 ~~during the hearing.~~

6 ~~(4) Ensure that all parties have a full and fair~~  
7 ~~opportunity to be heard.~~

8 ~~(5) Ensure that a record of the proceedings is available~~  
9 ~~for review by the board.~~

10 ~~(6) Advise witnesses or respondents, when not~~  
11 ~~represented by counsel, of their rights as witnesses.~~

12 ~~(7) Issue subpoenas upon written request for the~~  
13 ~~production of documents, records and persons needed for the~~  
14 ~~proceeding.~~

15 ~~§ 1517.3.~~

16 ~~§ 1517.1. (RESERVED).~~

17 ~~§ 1517.2. Conduct of public officials and employees.~~

18 ~~(a) Ex parte discussion prohibited.--An attorney~~  
19 ~~representing the bureau or the Office of Enforcement Counsel, or~~  
20 ~~an employee of the bureau or office involved in the hearing~~  
21 ~~process, shall not discuss the case ex parte with a hearing~~  
22 ~~officer, chief counsel or member.~~

23 ~~(b) Other prohibitions.--A hearing officer, the chief~~  
24 ~~counsel or a member shall not discuss or exercise any~~  
25 ~~supervisory responsibility over any employee with respect to an~~  
26 ~~enforcement hearing with which the employee is involved.~~

27 ~~(c) Disqualification.--If it becomes necessary for the chief~~  
28 ~~counsel or member to become involved on behalf of the board in~~  
29 ~~any enforcement proceeding, the chief counsel or member shall be~~  
30 ~~prohibited from participating in the adjudication of that matter~~

1 and shall designate appropriate individuals to exercise  
2 adjudicatory functions.

3 Section 14. ~~Section 1518(a) and (b) of Title 4 are~~ 1518 OF ←  
4 TITLE 4 IS amended to read:

5 § 1518. Prohibited acts; penalties.

6 (a) Criminal offenses.--

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

14 (2) It [is] shall be unlawful for a person to willfully:

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

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

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

27 (4) It [is] shall be unlawful for any licensed entity or  
28 other person to manufacture, supply or place slot machines  
29 into play or display slot machines on the premise of a  
30 licensed facility without the authority of the board.

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

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

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

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

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

1 vouchers [only] in performance of the duties of  
2 employment.

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

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

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

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

29 (9.1) It shall be unlawful for a person to sell, offer  
30 for sale, represent or pass off as lawful any device,

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

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

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

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

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

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

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

1 (b) Criminal penalties and fines.--

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

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

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

28 (A) not less than \$75,000 nor more than \$150,000  
29 if the person is an individual;

30 (B) not less than \$300,000 nor more than

1           \$600,000 if the person is a licensed gaming entity;

2           or

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

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

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

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

13          or

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

17          \* \* \*

<—

18          (C) BOARD-IMPOSED ADMINISTRATIVE SANCTIONS.--

<—

19          (1) IN ADDITION TO ANY OTHER PENALTY AUTHORIZED BY LAW,  
20          THE BOARD MAY IMPOSE WITHOUT LIMITATION THE FOLLOWING  
21          SANCTIONS UPON ANY LICENSEE OR PERMITTEE:

22                (I) REVOKE THE LICENSE OR PERMIT OF ANY PERSON  
23                CONVICTED OF A CRIMINAL OFFENSE UNDER THIS PART OR  
24                REGULATIONS PROMULGATED UNDER THIS PART OR COMMITTING ANY  
25                OTHER OFFENSE OR VIOLATION OF THIS PART OR APPLICABLE LAW  
26                WHICH WOULD OTHERWISE DISQUALIFY SUCH PERSON FROM HOLDING  
27                THE LICENSE OR PERMIT.

28                (II) REVOKE THE LICENSE OR PERMIT OF ANY PERSON  
29                DETERMINED TO HAVE VIOLATED A PROVISION OF THIS PART OR  
30                REGULATIONS PROMULGATED UNDER THIS PART WHICH WOULD

1           OTHERWISE DISQUALIFY SUCH PERSON FROM HOLDING THE LICENSE  
2           OR PERMIT.

3           (III)   REVOKE THE LICENSE OR PERMIT OF ANY PERSON FOR  
4           WILLFULLY AND KNOWINGLY VIOLATING OR ATTEMPTING TO  
5           VIOLATE AN ORDER OF THE BOARD DIRECTED TO SUCH PERSON.

6           (IV)   SUSPEND THE LICENSE OR PERMIT OF ANY PERSON  
7           PENDING THE OUTCOME OF A HEARING IN ANY CASE IN WHICH  
8           LICENSE OR PERMIT REVOCATION COULD RESULT.

9           (V)    SUSPEND THE LICENSE OF ANY LICENSED GAMING  
10          ENTITY FOR VIOLATION OF OR ATTEMPTING TO VIOLATE ANY  
11          PROVISIONS OF THIS PART OR REGULATIONS PROMULGATED UNDER  
12          THIS PART RELATING TO ITS SLOT MACHINE OPERATIONS.

13          (VI)   ASSESS ADMINISTRATIVE PENALTIES AS NECESSARY TO  
14          PUNISH MISCONDUCT AND TO DETER FUTURE VIOLATIONS.

15          (VII)   ORDER RESTITUTION OF ANY MONEYS OR PROPERTY  
16          UNLAWFULLY OBTAINED OR RETAINED BY A LICENSEE OR  
17          PERMITTEE.

18          (VIII)   ENTER CEASE AND DESIST ORDERS WHICH SPECIFY  
19          THE CONDUCT WHICH IS TO BE DISCONTINUED, ALTERED OR  
20          IMPLEMENTED BY THE LICENSEE OR PERMITTEE.

21          (IX)    ISSUE LETTERS OF REPRIMAND OR CENSURE, WHICH  
22          LETTERS SHALL BE MADE A PERMANENT PART OF THE FILE OF  
23          EACH LICENSEE OR PERMITTEE SO SANCTIONED.

24          (2)    IF THE BOARD REFUSES TO ISSUE OR RENEW A LICENSE OR  
25          PERMIT, SUSPENDS OR REVOKES A LICENSE OR PERMIT, ASSESSES  
26          CIVIL PENALTIES, ORDERS RESTITUTION, ENTERS A CEASE AND  
27          DESIST ORDER OR ISSUES A LETTER OF REPRIMAND OR CENSURE, IT  
28          SHALL PROVIDE THE APPLICANT OR LICENSEE OR PERMITTEE WITH  
29          WRITTEN NOTIFICATION OF ITS DECISION, INCLUDING A STATEMENT  
30          OF THE REASONS FOR ITS DECISION BY CERTIFIED MAIL WITHIN FIVE

1 BUSINESS DAYS OF THE DECISION[. ANY APPLICANT OR LICENSEE OR  
2 PERMITTEE WHO HAS RECEIVED NOTICE OF A REFUSAL, SUSPENSION OR  
3 REVOCATION OF A LICENSE OR PERMIT, THE ASSESSMENT OF CIVIL  
4 PENALTIES, AN ORDER OF RESTITUTION, THE ENTRANCE OF A CEASE  
5 AND DESIST ORDER OR THE ISSUANCE OF A LETTER OF REPRIMAND OR  
6 CENSURE FROM] OF THE BOARD. THE APPLICANT, LICENSEE OR  
7 PERMITTEE SHALL HAVE THE RIGHT TO [AN ADMINISTRATIVE HEARING  
8 BEFORE THE BOARD] APPEAL THE DECISION IN ACCORDANCE WITH 2  
9 PA.C.S. CHS. 5 SUBCH. A (RELATING TO PRACTICE AND PROCEDURE  
10 OF COMMONWEALTH AGENCIES) AND 7 SUBCH. A (RELATING TO  
11 JUDICIAL REVIEW OF COMMONWEALTH AGENCY ACTION).

12 (3) IN ADDITION TO ANY OTHER FINES OR PENALTIES THAT THE  
13 BOARD MAY IMPOSE UNDER THIS PART OR REGULATION, IF A PERSON  
14 VIOLATES SUBSECTION (A)(2), THE BOARD SHALL IMPOSE AN  
15 ADMINISTRATIVE PENALTY OF THREE TIMES THE AMOUNT OF THE  
16 LICENSE FEE, TAX OR OTHER ASSESSMENT EVADED AND NOT PAID,  
17 COLLECTED OR PAID OVER. THIS SUBSECTION IS SUBJECT TO 2  
18 PA.C.S. CHS. 5 SUBCH. A AND 7 SUBCH. A.

19 Section 15. Title 4 is amended by adding sections to read:

20 § 1519. Detention.

21 A peace officer, licensee or licensee's security employee or  
22 an agent under contract with the licensee who has probable cause  
23 to believe that criminal violation of this part has occurred or  
24 is occurring on or about a licensed facility and who has  
25 probable cause to believe that a specific individual has  
26 committed or is committing the criminal violation may detain the  
27 suspect in a reasonable manner for a reasonable time on the  
28 premises of the licensed facility for all or any of the  
29 following purposes: to require the suspect to identify himself;  
30 to verify such identification; or to inform a peace officer.

1 Such detention shall not impose civil or criminal liability upon  
2 the peace officer, licensee, licensee's employee or agent so  
3 detaining.

4 § 1522. Interception of oral communications.

5 The interception and recording of oral communications made in  
6 a counting room of a licensed facility by a licensee shall not  
7 be subject to the provisions of 18 Pa.C.S. Ch. 57 (relating to  
8 wiretapping and electronic surveillance). Notice that oral  
9 communications are being intercepted and recorded shall be  
10 posted conspicuously in the counting room.

11 Section 16. Sections 1801 and 1802 of Title 4 are amended to  
12 read:

13 § 1801. Duty to provide.

14 Notwithstanding the provisions of the Race Horse Industry  
15 Reform Act or this part, the Pennsylvania State Police shall, at  
16 the request of the commissions or the board, provide criminal  
17 history background investigations, which shall include records  
18 of criminal arrests [or] and convictions, no matter where  
19 occurring, including Federal criminal history record  
20 information, on applicants for licensure and permit applicants  
21 by the respective agencies pursuant to the Race Horse Industry  
22 Reform Act or this part. Requests for criminal history  
23 background investigations may, at the direction of the  
24 commissions or the board, include, but not be limited to,  
25 officers, directors and stockholders of licensed corporations,  
26 key employees, financial backers, principals, gaming employees,  
27 horse owners, trainers, jockeys, drivers and other persons  
28 participating in thoroughbred or harness horse meetings and  
29 other persons and vendors who exercise their occupation or  
30 employment at such meetings, licensed facilities or licensed

1 [racetrack] racetracks. For the purposes of this [chapter] part,  
2 the board and commissions may receive and retain information  
3 otherwise protected by 18 Pa.C.S. Ch. 91 (relating to criminal  
4 history record information).

5 § 1802. Submission of fingerprints and photographs.

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

1 an applicant shall pay for the cost of fingerprinting and  
2 photographing.

3 Section 17. Title 4 is amended by adding a section to read:

4 ~~§ 1905. Preemption in cities of the first class.~~ <—

5 ~~The conduct of gaming in cities of the first class as~~  
6 ~~permitted under this part, including the physical location of~~  
7 ~~any licensed facility, shall not be prohibited or otherwise~~  
8 ~~regulated by any ordinance, home rule charter provision,~~  
9 ~~resolution, rule or regulation of a city of the first class.~~

10 § 1901.1. REPAYMENTS TO THE STATE GAMING FUND. <—

11 THE BOARD SHALL DEFER ASSESSING SLOT MACHINE LICENSEES FOR  
12 PAYMENTS TO THE STATE GAMING FUND FOR ANY LOANS MADE TO THE  
13 STATE GAMING FUND UNTIL SUCH TIME AS ALL SLOT MACHINE LICENSEES  
14 HAVE BEEN ISSUED AND ALL LICENSED GAMING ENTITIES HAVE COMMENCED  
15 THE OPERATION OF SLOT MACHINES. THE BOARD SHALL ADOPT A  
16 REPAYMENT SCHEDULE THAT ASSESSES TO EACH SLOT MACHINE LICENSEE  
17 COSTS FOR THE REPAYMENT OF ANY SUCH LOANS IN AN AMOUNT THAT IS  
18 PROPORTIONAL TO EACH SLOT MACHINE LICENSEE'S GROSS TERMINAL  
19 REVENUE.

20 Section 18. Section 911(h)(1) of Title 18 is amended to  
21 read:

22 § 911. Corrupt organizations.

23 \* \* \*

24 (h) Definitions.--As used in this section:

25 (1) "Racketeering activity" means all of the following:

26 (i) [any] An act which is indictable under any of  
27 the following provisions of this title:

28 Chapter 25 (relating to criminal homicide)

29 Section 2706 (relating to terroristic threats)

30 Chapter 29 (relating to kidnapping)

1 Chapter 33 (relating to arson, etc.)  
2 Chapter 37 (relating to robbery)  
3 Chapter 39 (relating to theft and related  
4 offenses)  
5 Section 4108 (relating to commercial bribery and  
6 breach of duty to act disinterestedly)  
7 Section 4109 (relating to rigging publicly  
8 exhibited contest)  
9 Section 4117 (relating to insurance fraud)  
10 Chapter 47 (relating to bribery and corrupt  
11 influence)  
12 Chapter 49 (relating to falsification and  
13 intimidation)  
14 Section 5111 (relating to dealing in proceeds of  
15 unlawful activities)  
16 Section 5512 through 5514 (relating to gambling)  
17 Chapter 59 (relating to public indecency).  
18 (ii) [any] An offense indictable under section 13 of  
19 the act of April 14, 1972 (P.L.233, No.64), known as The  
20 Controlled Substance, Drug, Device and Cosmetic Act  
21 (relating to the sale and dispensing of narcotic  
22 drugs)[;].  
23 (iii) [any] A conspiracy to commit any of the  
24 offenses set forth in subparagraphs (i) [and (ii) of this  
25 paragraph; or], (ii) or (v).  
26 (iv) [the] The collection of any money or other  
27 property in full or partial satisfaction of a debt which  
28 arose as the result of the lending of money or other  
29 property at a rate of interest exceeding 25% per annum or  
30 the equivalent rate for a longer or shorter period, where

1 not otherwise authorized by law.

2 (v) An offense indictable under 4 Pa.C.S. Pt. II  
3 (relating to gaming).

4 [Any] An act which otherwise would be considered racketeering  
5 activity by reason of the application of this paragraph,  
6 shall not be excluded from its application solely because the  
7 operative acts took place outside the jurisdiction of this  
8 Commonwealth, if such acts would have been in violation of  
9 the law of the jurisdiction in which they occurred.

10 \* \* \*

11 ~~Section 19. Except for the amendment of 4 Pa.C.S. § 1518,~~ <—  
12 ~~the additions and amendments to 4 Pa.C.S. contained in this act~~  
13 ~~shall be retroactive to July 1, 2005.~~

14 ~~Section 20. Repeals are as follows:~~

15 ~~(1) The General Assembly declares that the repeal under~~  
16 ~~paragraph (2) is necessary to effectuate the addition of 4~~  
17 ~~Pa.C.S. § 1202(b)(29).~~

18 ~~(2) Section 493(29) of the act of April 12, 1951~~  
19 ~~(P.L.90, No.21), known as the Liquor Code, is repealed.~~

20 SECTION 19. THE AMENDMENT OF 4 PA.C.S. § 1205(B) SHALL APPLY <—  
21 TO ANY SLOT MACHINE LICENSE APPLICATION FILED ON OR AFTER THE  
22 EFFECTIVE DATE OF THIS SECTION.

23 Section ~~21~~ 20. This act shall take effect immediately. <—