
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 862 Session of
2005

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

SENATE AMENDMENTS TO HOUSE AMENDMENTS, SEPTEMBER 19, 2006

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~~

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

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

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

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

(h) Qualifications and restrictions.--

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

(2) Except for ex officio members, no person shall be appointed a member of the board or [hold any place, position or office under the board if that person holds any other elected office or party office] be employed by or be an independent contractor of the board if that person is a public official or party officer as defined in section 1512 (relating to [public official financial interest] financial interests, employment and complimentary services and 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

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

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

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

(11) No member [or], employee or independent contractor of the board shall wager or be paid any prize from any wager at any licensed facility within this Commonwealth or at any other facility outside this Commonwealth which is owned or operated by a licensed gaming entity or any of its [affiliates or subsidiaries.] affiliates, intermediaries, subsidiaries or holding companies thereof for the duration of their term of office, employment or contract with the board, and for a period of one year from the termination of term of office, employment or contract with the board. The provisions of this paragraph shall apply to an employee of the executive branch of the Commonwealth, OTHER THAN THE BOARD, whose duties substantially involve the development or adoption of regulations or policy, licensing or enforcement, under this part. The provisions of this paragraph shall not apply to employees who utilize slot machines for testing purposes or 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

POSITION FOR WHICH EMPLOYMENT IS SOUGHT;

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

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

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

(7) THE BOARD SHALL:

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

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

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

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

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

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

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

~~(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." Owning 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

board:

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

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

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

(b) Status of board.--

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

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

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

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

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

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

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

§ 1202. General and specific powers.

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

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

25 § 1202.1. Code of conduct.

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

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

(b) Registration.--

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

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

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

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

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

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

(3) ~~Disqualify~~ DISCLOSE AND DISQUALIFY himself from any proceeding in which the member's objectivity, impartiality, 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-~~

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

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

PUBLIC INPUT HEARINGS.

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

(B) PUBLIC INPUT HEARING REQUIREMENT.--

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

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

(3) A LIST OF ALL WITNESSES SCHEDULED TO TESTIFY AT A PUBLIC INPUT HEARING SHALL BE MADE PUBLIC AT LEAST SEVEN DAYS 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

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

* * *

§ 1304. Category 2 slot machine license.

* * *

(A) ELIGIBILITY.--

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

(2) IF THE PERSON SEEKING A SLOT MACHINE LICENSE
PROPOSES TO PLACE THE LICENSED FACILITY UPON 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, THE
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

<—

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

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

(c) Related entities.--

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

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

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

(e) Waiver for publicly traded corporations.--The board may waive the requirements of subsection (a) for a person directly or indirectly holding ownership of securities in a publicly traded corporation if the board determines that the holder of 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.

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

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

~~***~~

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

SECTION 8.1. TITLE 4 IS AMENDED BY ADDING A SECTION TO READ:

§ 1402.1. ITEMIZED BUDGET REPORTING.

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

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

SECTION 9. SECTION 1403(B), (C)(2)(I)(D) AND (E), (II)(E), (III)(A) AND (E), (IV) AND (IX) AND (3)(I), (II), (III), (IV), (V), (VI), (VII) AND (VIII) OF TITLE 4 ARE AMENDED, PARAGRAPHS (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

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

(II) IF A LICENSED FACILITY IS LOCATED IN
ONE OF TWO COUNTIES OF THE THIRD CLASS WHERE A
CITY OF THE THIRD CLASS IS LOCATED IN BOTH
COUNTIES OF THE THIRD CLASS, THE COUNTY IN WHICH
THE LICENSED FACILITY IS LOCATED SHALL RECEIVE
1.2% OF THE GROSS TERMINAL REVENUE TO BE
DISTRIBUTED AS FOLLOWS: 20% TO THE HOST CITY,
40% TO THE HOST COUNTY AND 40% TO THE HOST COUNTY
FOR THE PURPOSE OF MAKING MUNICIPAL GRANTS WITHIN
THE COUNTY. THE COUNTY OF THE THIRD CLASS, WHICH
INCLUDES A CITY OF THE THIRD CLASS THAT IS
LOCATED IN TWO COUNTIES OF THE THIRD CLASS AND IS
NOT THE HOST COUNTY FOR THE LICENSED FACILITY,
SHALL RECEIVE .8% OF THE GROSS TERMINAL REVENUE
TO BE DISTRIBUTED AS FOLLOWS: 60% TO A NONHOST
CITY OF THE THIRD CLASS LOCATED SOLELY IN THE
NONHOST COUNTY IN WHICH THE HOST CITY OF THE
THIRD CLASS IS ALSO LOCATED OR 60% TO THE NONHOST
CITY OF THE THIRD CLASS LOCATED BOTH IN THE HOST
AND NONHOST COUNTIES OF THE THIRD CLASS, 35% TO
THE NONHOST COUNTY AND 5% TO THE NONHOST COUNTY
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

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

* * *

(D.1) IF A LICENSED FACILITY IS LOCATED IN ONE
OF TWO COUNTIES OF THE THIRD CLASS WHERE A CITY OF
THE THIRD CLASS IS LOCATED IN BOTH COUNTIES OF THE
THIRD CLASS, THE COUNTY IN WHICH THE LICENSED
FACILITY IS LOCATED SHALL RECEIVE 1.2% OF THE GROSS
TERMINAL REVENUE TO BE DISTRIBUTED AS FOLLOWS: 20%
TO THE HOST CITY, 40% TO THE HOST COUNTY AND 40% TO
THE HOST COUNTY FOR THE PURPOSE OF MAKING MUNICIPAL
GRANTS WITHIN THE COUNTY. THE COUNTY OF THE THIRD
CLASS, WHICH INCLUDES A CITY OF THE THIRD CLASS THAT
IS LOCATED IN TWO COUNTIES OF THE THIRD CLASS AND IS
NOT THE HOST COUNTY FOR THE LICENSED FACILITY, SHALL
RECEIVE .8% OF THE GROSS TERMINAL REVENUE TO BE
DISTRIBUTED AS FOLLOWS: 60% TO A NONHOST CITY OF THE
THIRD CLASS LOCATED SOLELY IN THE NONHOST COUNTY IN
WHICH THE HOST CITY OF THE THIRD CLASS IS ALSO
LOCATED OR 60% TO THE NONHOST CITY OF THE THIRD CLASS
LOCATED BOTH IN THE HOST AND NONHOST COUNTIES OF THE
THIRD CLASS, 35% TO THE NONHOST COUNTY AND 5% TO THE
NONHOST COUNTY FOR THE PURPOSE OF MAKING MUNICIPAL
GRANTS WITHIN THE COUNTY.

(E) A county of the fourth class: 2% of the
gross terminal revenue from each such licensed
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 * * *

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

* * *

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

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

(I) TO A CITY OF THE SECOND CLASS HOSTING A LICENSED FACILITY [OR FACILITIES], OTHER THAN A CATEGORY 3 LICENSED FACILITY, 2% OF THE GROSS TERMINAL REVENUE OR \$10,000,000 ANNUALLY, WHICHEVER IS GREATER, [OF ALL LICENSED FACILITIES] SHALL BE PAID BY EACH LICENSED ENTITY OPERATING A FACILITY LOCATED IN THAT CITY. IN THE EVENT THAT THE REVENUES GENERATED BY THE 2% DO NOT MEET THE \$10,000,000 MINIMUM SPECIFIED IN THIS [PARAGRAPH, THE LICENSED GAMING ENTITY OPERATING THE LICENSED FACILITY OR FACILITIES IN THE CITY SHALL REMIT THE DIFFERENCE TO THE 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

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

* * *

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

* * *

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

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

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

~~§ 1407. Pennsylvania Gaming Economic Development and Tourism Fund.~~

~~* * *~~

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

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

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

~~(3) Money in the County Fair Capital Improvement and Harness Racing Account shall be used by the Department of 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~~

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

~~* * *~~

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

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

§ 1406. DISTRIBUTIONS FROM PENNSYLVANIA RACE HORSE DEVELOPMENT
FUND.

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

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

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

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

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

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

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

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

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

~~(6) AN EMPLOYEE OF A DEPARTMENT, AGENCY, BOARD,
COMMISSION, AUTHORITY, COUNTY, MUNICIPALITY OR OTHER
GOVERNMENTAL BODY WITH DISCRETIONARY POWER WHICH MAY AFFECT
OR INFLUENCE THE OUTCOME OF AN ACTION OR DECISION RELATING TO
A MATTER UNDER THIS PART OR WHO POSSESSES REGULATORY OR LAW
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

violation arising under this part.]

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

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

(1) Enforce the provisions of this part.

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

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

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

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

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

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

(6) Conduct audits of a licensed entity as necessary to ensure compliance with this part. An audit may include the review of accounting, administrative and financial records, 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 * * *

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

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

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

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

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

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

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

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

(7) Fingerprint applicants for licenses ~~[and]~~ permits and registrations AND PERMITS.

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

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

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

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

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

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

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

~~§ 1517.3.~~

§ 1517.1. (RESERVED).

§ 1517.2. Conduct of public officials and employees.

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

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

(c) Disqualification.--If it becomes necessary for the chief counsel or member to become involved on behalf of the board in any enforcement proceeding, the chief counsel or member shall be 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)

Chapter 33 (relating to arson, etc.)

Chapter 37 (relating to robbery)

Chapter 39 (relating to theft and related offenses)

Section 4108 (relating to commercial bribery and breach of duty to act disinterestedly)

Section 4109 (relating to rigging publicly exhibited contest)

Section 4117 (relating to insurance fraud)

Chapter 47 (relating to bribery and corrupt influence)

Chapter 49 (relating to falsification and intimidation)

Section 5111 (relating to dealing in proceeds of unlawful activities)

Section 5512 through 5514 (relating to gambling)

Chapter 59 (relating to public indecency).

(ii) [any] An offense indictable under section 13 of the act of April 14, 1972 (P.L.233, No.64), known as The Controlled Substance, Drug, Device and Cosmetic Act (relating to the sale and dispensing of narcotic drugs)[;].

(iii) [any] A conspiracy to commit any of the offenses set forth in subparagraphs (i) [and (ii) of this paragraph; or], (ii) or (v).

(iv) [the] The collection of any money or other property in full or partial satisfaction of a debt which arose as the result of the lending of money or other property at a rate of interest exceeding 25% per annum or the equivalent rate for a longer or shorter period, where

not otherwise authorized by law.

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

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

* * *

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

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

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

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

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

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