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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 862      Session of  
2005

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

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SENATE AMENDMENTS TO HOUSE AMENDMENTS, SEPTEMBER 26, 2006

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AN ACT

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

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

24 The General Assembly of the Commonwealth of Pennsylvania  
25 hereby enacts as follows:

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

31 § 1103. Definitions.

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

35 "ACCESSORY GAMING USES." ~~USES USE."~~ A USE COMMONLY <—  
36 ASSOCIATED WITH THE OPERATION OR MANAGEMENT OF A LICENSED  
37 FACILITY OR WITH THE ENTERTAINMENT OR CONVENIENCE OF PATRONS OF  
38 A LICENSED FACILITY, INCLUDING THE FOLLOWING:

39 (1) HOTEL, HOSPITALITY, CONVENTION AND CONFERENCE  
40 FACILITIES.

41 (2) RESIDENTIAL UNITS, INCLUDING OWNER-OCCUPIED OR

1     RENTAL UNITS.

2             (3) RETAIL, COMMERCIAL OR OFFICE SPACE.

3             (4) RESTAURANT, PERFORMANCE AREA, THEATER OR NIGHTCLUB.

4             ~~(5) A LICENSEE UNDER THE ACT OF APRIL 12, 1951 (P.L.90,~~ <—  
5             ~~NO.21), KNOWN AS THE LIQUOR CODE.~~

6             ~~(6) (5) PARKING AREAS OR MARINAS.~~ <—

7             ~~(7) (6) OUTDOOR ADVERTISING.~~ <—

8             ~~(8) (7) WAREHOUSES.~~ <—

9             ~~(9) (8) ATHLETIC OR SPORTS FACILITIES.~~ <—

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

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

25            \* \* \*

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

29            "ASSOCIATED AREA." ALL PARCELS OF LAND AND IMPROVEMENTS, <—  
30            INCLUDING A LICENSED RACETRACK AND BACKSIDE AREA, OWNED BY THE

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

5 \* \* \*

6 "Compensation." ~~Includes salary and benefits.~~ ANY THING OF <—  
7 VALUE, MONEY OR A FINANCIAL BENEFIT CONFERRED ON OR RECEIVED BY  
8 A PERSON IN RETURN FOR SERVICES RENDERED, OR TO BE RENDERED,  
9 WHETHER BY THAT PERSON OR ANOTHER.

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

15 "CONDUCT OF GAMING." THE LICENSED PLACEMENT AND OPERATION OF  
16 GAMES OF CHANCE UNDER THIS PART AND APPROVED BY THE PENNSYLVANIA  
17 GAMING CONTROL BOARD AT A LICENSED FACILITY.

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

~~evidence. A person who is a holder of securities of a privately held domestic or foreign corporation, partnership, limited liability company or any other form of legal entity shall be deemed to possess a controlling interest unless such presumption of control is rebutted by clear and convincing evidence.~~

"CONTROLLING INTEREST." [A PERSON SHALL BE DEEMED TO HAVE THE ABILITY TO CONTROL A PUBLICLY TRADED CORPORATION, OR TO ELECT ONE OR MORE OF THE MEMBERS OF ITS BOARD OF DIRECTORS, IF SUCH HOLDER OWNS OR BENEFICIALLY HOLDS 5% OR MORE OF THE SECURITIES OF SUCH PUBLICLY TRADED DOMESTIC OR FOREIGN CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR ANY OTHER FORM OF LEGAL ENTITY, UNLESS SUCH PRESUMPTION OF CONTROL OR ABILITY TO ELECT IS REBUTTED BY CLEAR AND CONVINCING EVIDENCE. A PERSON WHO IS A HOLDER OF SECURITIES OF A PRIVATELY HELD DOMESTIC OR FOREIGN CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR ANY OTHER FORM OF LEGAL ENTITY SHALL BE DEEMED TO POSSESS A CONTROLLING INTEREST UNLESS SUCH PRESUMPTION OF CONTROL IS REBUTTED BY CLEAR AND CONVINCING EVIDENCE.] FOR A PUBLICLY TRADED DOMESTIC OR FOREIGN CORPORATION, A CONTROLLING INTEREST IS AN INTEREST IN A LEGAL ENTITY, APPLICANT OR LICENSEE IF A PERSON'S SOLE VOTING RIGHTS UNDER STATE LAW OR CORPORATE ARTICLES OR BYLAWS ENTITLE THE PERSON TO VOTE TO ELECT OR APPOINT ONE OR MORE OF THE MEMBERS OF THE BOARD OF DIRECTORS OR OTHER GOVERNING BOARD OR THE OWNERSHIP OR BENEFICIAL HOLDING OF 5% OR MORE OF THE SECURITIES OF THE PUBLICLY TRADED CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER FORM OF PUBLICLY TRADED LEGAL ENTITY, UNLESS THIS PRESUMPTION OF CONTROL OR ABILITY TO ELECT IS REBUTTED BY CLEAR AND CONVINCING EVIDENCE. FOR A PRIVATELY HELD DOMESTIC OR FOREIGN CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER FORM OF

1 PRIVATELY HELD LEGAL ENTITY, A CONTROLLING INTEREST IS THE  
2 HOLDING OF ANY SECURITIES IN THE LEGAL ENTITY, UNLESS THIS  
3 PRESUMPTION OF CONTROL IS REBUTTED BY CLEAR AND CONVINCING  
4 EVIDENCE.

5 \* \* \*

6 "Corporation." Includes a publicly traded corporation.

7 \* \* \*

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

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

13 (2) Cash paid to purchase annuities to fund prizes  
14 payable to patrons over a period of time as a result of  
15 playing a slot machine.

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

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

26 "Holding company." ~~An entity~~ A PERSON, other than an  
27 individual, which, directly or indirectly, owns, has the power  
28 or right to control or to vote any significant part of the  
29 outstanding voting securities of a corporation or other form of  
30 business organization. A holding company indirectly has, holds

<—

1 or owns any such power, right or security if it does so through  
2 an interest in a subsidiary or successive subsidiaries.

3 \* \* \*

4 "Independent contractor." A person who performs  
5 professional, scientific, technical, advisory or consulting <—  
6 services to the Pennsylvania Gaming Control Board for a fee,  
7 honorarium or similar compensation pursuant to a contract.

8 \* \* \*

9 "Intermediary." ~~An entity~~ A PERSON, other than an <—  
10 individual, which:

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

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

15 \* \* \*

16 "Member." An individual appointed to and sworn in as a  
17 member of the board in accordance with section 1201(b) (relating  
18 to Pennsylvania Gaming Control Board established).

19 \* \* \*

20 "Principal." An officer; director; person who directly ~~or~~ <—  
21 ~~indirectly~~ holds a beneficial interest in or ownership of an <—  
22 ~~amount equal to 5% or more of the securities of an applicant or~~  
23 ~~licensee; person who has a controlling interest in an applicant~~  
24 ~~or licensee, or has the ability to elect a majority of the board~~  
25 ~~of directors of a licensee or to otherwise control a licensee;~~  
26 ~~lender or other licensed financial institution of an applicant~~  
27 ~~or licensee, other than a bank or lending institution which~~  
28 ~~makes a loan or holds a mortgage or other lien acquired in the~~  
29 ~~ordinary course of business; underwriter of an applicant or~~  
30 ~~licensee; or other person or employee of a~~ AN APPLICANT, slot <—

1 machine licensee, manufacturer licensee or supplier licensee  
2 deemed to be a principal by the Pennsylvania Gaming Control  
3 Board.

4 \* \* \*

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

6 (1) has a class or series of securities registered under  
7 the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.  
8 § 78a et seq.);

9 (2) is a registered management company under the  
10 Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. §  
11 80a-1 et seq.); or

12 (3) is subject to the reporting obligations imposed by  
13 section 15(d) of the Securities Exchange Act of 1934 by  
14 reason of having filed a registration statement which has  
15 become effective under the Securities Act of 1933 (48 Stat.  
16 74, 15 U.S.C. § 77a et seq.).

17 \* \* \*

18 ~~"Registrant." A person issued a registration pursuant to~~ <—  
19 ~~this part.~~

20 \* \* \*

21 "Subsidiary." ~~An entity~~ A PERSON other than an individual. <—  
22 The term includes:

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

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



1 \* \* \*

2 "Underwriter." As defined in the act of December 5, 1972  
3 (P.L.1280, No.284), known as the Pennsylvania Securities Act of  
4 1972.

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

6 § 1201. Pennsylvania Gaming Control Board established.

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

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

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

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

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

20 (ii) The Minority Leader of the Senate.

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

22 (iv) The Minority Leader of the House of

23 Representatives.

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

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

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

(c) Initial appointments to board.--

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

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

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

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

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

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

(2) [Terms for legislative appointee members appointed under subsection (b)(2) shall be for a two-year term and

1 shall expire on the third Tuesday of January of such year,  
2 but such members shall continue to serve until their  
3 successors are appointed and qualified.] The term of office  
4 of a legislative appointee shall be two years and until a  
5 successor is appointed and qualified.

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

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

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

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

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

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

23 (f) Qualified majority vote.--

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

1 the four legislative appointees.

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

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

1 [three] legislative appointees and at least two gubernatorial  
2 appointees. For purposes of this paragraph, the term  
3 "immediate family" shall mean spouse, parent, brother, sister  
4 or child.

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

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

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

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

~~or section 1202.1. The following shall apply to an alternate member:~~

~~(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.~~

~~(4) A MEMBER WHO DISQUALIFIES HIMSELF FROM VOTING ON A PARTICULAR LICENSE APPLICATION SHALL BE DISQUALIFIED FROM VOTING ON ANY APPLICATION FOR THAT LICENSE IN A PROCEEDING. MULTIPLE LICENSE APPLICATIONS SEEKING THE SAME SLOT MACHINE LICENSE SHALL BE CONSIDERED A SINGLE PROCEEDING.~~

(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

1 appointed a member of the board or [hold any place, position  
2 or office under the board if that person holds any other  
3 elected office or party office] be employed by or be an  
4 independent contractor of the board if that person is a  
5 public official or party officer as defined in section 1512  
6 (relating to [public official financial interest] financial  
7 interests, employment and complimentary services and <—  
8 discounts AND EMPLOYMENT INTERESTS) in this Commonwealth or <—  
9 any of its political subdivisions.

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

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

19 (3) Each member, employee and independent contractor of  
20 the board shall sign an agreement not to disclose  
21 confidential information.

22 (4) No member, employee or independent contractor of the  
23 board or other agency having regulatory authority over the  
24 board or over forms of gaming regulated by this part shall be  
25 employed, hold any office or position or be engaged in any  
26 activity which is incompatible with the position, employment  
27 or contract.

28 (5) No member shall be paid or [accept for any service  
29 connected with the office any fee other than the salary and  
30 expenses provided by law.] receive any fee or other

1 compensation other than salary and expenses provided by law  
2 for any activity related to the duties or authority of the  
3 board. Nothing in this part shall prohibit a member from  
4 engaging in any employment [or vocation] or receiving any  
5 compensation for such employment [or vocation] that is not  
6 [otherwise] connected to or incompatible with his [or her]  
7 service as a member of the board.

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

25 (7) At the time of appointment and annually thereafter,  
26 each member shall disclose the existence of [all ownership  
27 interests in licensed facilities and all securities in any  
28 licensed entity or applicant, its affiliates or subsidiaries  
29 held by the member, the member's spouse and any minor or  
30 unemancipated children and must divest such ownership



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

17 (7.1) Prior to being sworn as a member, ~~a member~~ AN <—  
18 APPOINTEE and his immediate family shall divest any financial  
19 interest in any applicant, licensed facility or licensed  
20 entity and in an affiliate, intermediary, subsidiary or  
21 holding company thereof owned or held by the ~~member~~ APPOINTEE <—  
22 or known to be held by the ~~member's~~ APPOINTEE'S immediate <—  
23 family. For the duration of the member's term, and for one  
24 year thereafter, the member and ~~his~~ THE MEMBER'S immediate <—  
25 family may not acquire a financial interest in any applicant,  
26 licensed facility or licensed entity or in an affiliate,  
27 intermediary, subsidiary or holding company thereof. For  
28 purposes of this paragraph, the term "immediate family" shall  
29 mean spouse and any minor or unemancipated child.

30 (7.2) Prior to entering into employment or a contract

1 with the board and annually thereafter, an employee or  
2 independent contractor shall disclose the existence of any  
3 financial interest in any applicant, licensed facility or  
4 licensed entity and in an affiliate, intermediary, subsidiary  
5 or holding company thereof owned or held by the employee or  
6 independent contractor or known to be held by the immediate  
7 family of the employee or independent contractor. The  
8 disclosure statement shall be filed with the board and shall  
9 be open to inspection by the public at the office of the  
10 board during the normal business hours of the board and for  
11 two years after termination of employment or a contract with  
12 the board. For purposes of this paragraph, the term  
13 "immediate family" shall mean spouse, parent, brother, sister  
14 or child.

15 (7.3) Prior to entering into employment or contracting  
16 with the board, an employee or independent contractor and his <—  
17 THE EMPLOYEE'S OR INDEPENDENT CONTRACTOR'S immediate family <—  
18 shall divest any financial interest in any applicant,  
19 licensed facility or licensed entity, and in an affiliate, <—  
20 intermediary, subsidiary or holding company thereof, owned or <—  
21 held by the employee or independent contractor or known to be  
22 held by the immediate family of the employee or independent  
23 contractor. For the duration of the employee's employment  
24 with the board or the independent contractor's contract with  
25 the board, and for one year thereafter, the employee or  
26 independent contractor and the immediate family thereof shall  
27 not acquire, by purchase, gift, exchange or otherwise, any  
28 financial interest in any applicant, licensed facility or  
29 licensed entity and in any affiliate, intermediary,  
30 subsidiary or holding company thereof. For purposes of this

1 paragraph, the term "immediate family" shall mean spouse and  
2 any minor or unemancipated child.

3 (8) [Every member, employee, appointee or official of  
4 the board, in the service of or in connection with the work  
5 of the board, is forbidden, directly or indirectly, to  
6 solicit or request from or to suggest or recommend to any  
7 applicant, licensed entity, its] No member, employee or  
8 independent contractor of the board may directly or  
9 indirectly solicit, request, suggest or recommend to any  
10 applicant, licensed entity, ~~licensed facility,~~ or an <—  
11 affiliate, intermediary, subsidiary[,] or holding company  
12 thereof or to any [officer, attorney, agent or employee]  
13 principal, employee, independent contractor or agent thereof,  
14 the appointment or employment of any [individual to any  
15 office, place or position in or the employment of any  
16 individual] person in any capacity by the applicant, licensed  
17 entity, [its] ~~licensed facility,~~ or OR AN affiliate, <—  
18 intermediary, subsidiary or holding company thereof for a  
19 period of ~~one year~~ TWO YEARS from the termination of term of <—  
20 office, employment or contract with the board.

21 [(9) Every member, executive-level employee, appointee  
22 or official appointed to office in the service of or in  
23 connection with the work of the board is prohibited from  
24 accepting employment with any applicant, licensed gaming  
25 entity, its affiliate, intermediary, subsidiary or holding  
26 company for a period of one year from the termination of  
27 employment or service with the board. Every member,  
28 executive-level employee, appointee or official appointed to  
29 office in the service of or in connection with the work of  
30 the board is prohibited from appearing before the board on

1       behalf of any applicant, licensed gaming entity, its  
2       affiliate, intermediary, subsidiary or holding company or  
3       other licensee or permittee of the board for a period of two  
4       years after terminating employment or service with the board.

5       (10) If any person employed or appointed in the service  
6       of the board violates any provision of this section, the  
7       appointing authority or the board shall forthwith remove the  
8       person from the office or employment and the person shall be  
9       ineligible for future employment or service with the board  
10      and shall be ineligible to be approved for any license or  
11      permit under this part for a period of two years thereafter.]

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

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

22      (11) No member [or], employee or independent contractor  
23      of the board shall wage or be paid any prize from any wage  
24      at any licensed facility within this Commonwealth or at any  
25      other facility outside this Commonwealth which is owned or  
26      operated by a licensed gaming entity or any of its  
27      [affiliates or subsidiaries.] affiliates, intermediaries,  
28      subsidiaries or holding companies thereof for the duration of  
29      their term of office, employment or contract with the board,  
30      and for a period of one year from the termination of term of

1 office, employment or contract with the board. The provisions  
2 of this paragraph shall ALSO apply to an employee of the <—  
3 executive branch of the Commonwealth, OTHER THAN THE BOARD, <—  
4 whose duties substantially involve the development or  
5 adoption of regulations or policy, licensing or enforcement,  
6 under this part. The provisions of this paragraph shall not  
7 apply to employees who utilize slot machines for testing  
8 purposes or to verify the performance of a machine as part of  
9 an enforcement investigation.

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

22 (13) No employee OF THE BOARD, INDEPENDENT CONTRACTOR or <—  
23 individual employed by an independent contractor of the board  
24 or other employee of the executive branch of the Commonwealth <—  
25 or of a political subdivision whose duties substantially  
26 involve the development or adoption of regulations or policy,  
27 licensing or enforcement, under this part, shall:

28 (i) accept employment with an applicant, licensed  
29 entity, ~~licensed facility~~ or an affiliate, intermediary, <—  
30 subsidiary or holding company thereof, for a period of <—

1       one year after the termination of the employment RELATING <—  
2       TO THE CONDUCT OF GAMING or contract with the board; or  
3       (ii) appear before the board in any hearing or  
4       proceeding or participate in any other activity on behalf  
5       of any applicant, licensee, permittee, licensed entity,  
6       licensed facility or an affiliate, intermediary, <—  
7       subsidiary or holding company thereof, for a period of <—  
8       two years after termination of the employment or contract  
9       with the board.

10       (III) SUBPARAGRAPH (I) SHALL NOT PROHIBIT AN <—  
11       EMPLOYEE, INDEPENDENT CONTRACTOR OR INDIVIDUAL EMPLOYED  
12       BY AN INDEPENDENT CONTRACTOR FROM ACCEPTING EMPLOYMENT OR  
13       A CONTRACT WITH AN ACCESSORY GAMING USE OWNED OR OPERATED  
14       BY AN APPLICANT, LICENSED ENTITY OR AN AFFILIATE,  
15       INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY THEREOF IF  
16       THE EMPLOYMENT OR CONTRACT IS NOT RELATED TO THE CONDUCT  
17       OF GAMING.

18       (14) Upon the written request of an employee of the  
19       BOARD, THE executive branch of the Commonwealth or a <—  
20       political subdivision or of the agency or political  
21       subdivision employing an employee, the State Ethics  
22       Commission shall determine whether the individual's duties  
23       substantially involve the development or adoption of  
24       regulations or policy, licensing or enforcement, under this  
25       part, and shall provide a written determination to the  
26       employee to include any prohibition under this paragraph. An  
27       individual who relies in good faith on a determination under  
28       this paragraph shall not be subject to any penalty for an  
29       action taken, provided that all material facts set forth in  
30       the request for a determination are correct.

1       (15) If a member, employee or independent contractor of  
2       the board violates any provision of this section, the  
3       appointing authority or the board may, upon notice and  
4       hearing, remove the person from the board, withdraw the  
5       appointment or terminate the employment or contract and the  
6       person shall be ineligible for future appointment, employment  
7       or contract with the board and for approval of a license or  
8       permit under this part for a period of two years thereafter.

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

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

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

17              (1) Obligations of the board.

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

20      (i) Compensation.--

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

25              (2) Members shall be reimbursed for all necessary and  
26              actual expenses.

27              (3) Members shall be eligible for retirement under the  
28              State Employees' Retirement Code and shall, if the member  
29              elects to participate, be considered a State employee for the  
30              purposes of 71 Pa.C.S. Pt. XXV (relating to retirement for

1     State employees and officers).

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

4     (k) Appointments.--The appointing authorities shall make  
5 their initial appointments within 60 days of the effective date  
6 of this part. No appointment shall be final until receipt by the  
7 appointing authority of the required background investigation of  
8 the appointee by the Pennsylvania State Police which shall be  
9 completed within 30 days. No person who has been convicted in  
10 any domestic or foreign jurisdiction of a felony [or gambling],  
11 infamous crime or gaming offense shall be appointed to the  
12 board.

13     [(1) Disclosure statements.--Members and employees of the  
14 board are subject to the provisions of 65 Pa.C.S. Ch. 11  
15 (relating to ethics standards and financial disclosure) and the  
16 act of July 19, 1957 (P.L.1017, No.451), known as the State  
17 Adverse Interest Act.]

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

25     (M) EMPLOYMENT REQUIREMENTS.--

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

30         (2) PROSPECTIVE EMPLOYEES SHALL BE REQUIRED TO UNDERGO



1 TESTING WHICH DETECTS THE PRESENCE OF ILLEGAL SUBSTANCES IN  
2 THE BODY.

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

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

8 (I) LEGAL NAME, INCLUDING ANY ALIAS.

9 (II) ALL EDUCATIONAL INSTITUTIONS ATTENDED  
10 REGARDLESS OF GRADUATION STATUS.

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

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

13 (5) THE BOARD SHALL NOT APPROVE AN APPLICANT IF THE  
14 APPLICANT:

15 (I) HAS BEEN CONVICTED OF A CRIME THAT BEARS A CLOSE  
16 RELATIONSHIP TO THE DUTIES AND RESPONSIBILITIES OF THE  
17 POSITION FOR WHICH EMPLOYMENT IS SOUGHT;

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

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

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

27 (7) THE BOARD SHALL:

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

30 (II) DEVELOP A DISCIPLINARY PROCESS FOR AN EMPLOYEE

1           CHARGED WITH A CRIME OR WITH GROSS MISCONDUCT.

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

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

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

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

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

16               ~~(1) A blind trust over which the individual or an~~ <—  
17               ~~immediate family member does not exercise managerial or~~  
18               ~~investment control or receive income therefrom.~~

19               ~~(2)~~ (1) Securities that are held in a pension plan, <—  
20               profit-sharing plan, individual retirement account, tax  
21               sheltered annuity, a plan established pursuant to section 457  
22               of the Internal Revenue Code of 1986 (Public Law 99-514, 26  
23               U.S.C. § 1 et seq.), or any successor provision, deferred  
24               compensation plan whether qualified or not qualified under  
25               the Internal Revenue Code of 1986, or any successor  
26               provision, or other retirement plan that:

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

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

1           plans.

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

6           ~~(4)~~ (3) A mutual fund where the interest owned by the <—  
7 mutual fund in a licensed entity does not constitute a  
8 controlling interest as defined in this part.

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

11           "Ownership interest." Owning or holding or being deemed to  
12 hold, debt or equity securities or other ownership interest or  
13 profit interest.

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

15           § 1201.1. Applicability of other statutes.

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

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

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

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

25           (b) Status of board.--

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

28                   (i) 62 Pa.C.S. Pt. I (relating to Commonwealth  
29 Procurement Code). The expediting of the remittance <—  
30 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) The board shall have general [jurisdiction] AND SOLE  
regulatory authority over [all gaming activities] THE CONDUCT  
OF GAMING or related activities as described in this part.

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

(2) The board shall employ [an executive director, chief  
counsel, deputies, secretaries, officers, hearing officers  
and agents as it may deem necessary] individuals as necessary  
to carry out the powers and duties of the board, who shall  
serve at the board's pleasure. [The board shall also employ  
other employees as it deems appropriate whose duties shall be

1 determined by the board. In order to ensure the ability of  
2 the board to recruit and retain individuals necessary to  
3 execute its responsibilities under this part, the board shall  
4 set the] An employee of the board shall be considered a State  
5 employee for purposes of 71 Pa.C.S. Pt. XXV (relating to  
6 retirement for State employees and officers). For the  
7 purposes of this paragraph, the board shall not be considered  
8 an executive or independent agency under the act of October  
9 15, 1980 (P.L.950, No.164), known as the Commonwealth  
10 Attorneys Act.

11 (3) In addition to employees authorized by the board,  
12 each member may employ ~~two special assistants~~ ONE SPECIAL <—  
13 ASSISTANT whose classification and compensation shall be  
14 established by the board. A special assistant shall be a  
15 State employee for purposes of 71 Pa.C.S. Pt. XXV, shall  
16 serve at the pleasure of the member and may only be removed  
17 by the board for cause.

18 (4) The board shall establish a system of classification  
19 and compensation of its employees and shall not be subject to  
20 the provisions of the act of April 9, 1929 (P.L.177, No.175),  
21 known as The Administrative Code of 1929, as to  
22 classification and compensation for its employees and conduct  
23 its activities consistent with the practices and procedures  
24 of Commonwealth agencies. [For the purposes of the act of  
25 October 15, 1980 (P.L.950, No.164), known as the Commonwealth  
26 Attorneys Act, the board shall not be considered an executive  
27 or independent agency. The board shall have such other powers  
28 and authority necessary to carry out its duties and the  
29 objectives of this part.]

30 (5) Within 90 days of the effective date of this

1 paragraph, the board shall publish in the Pennsylvania  
2 Bulletin, and on its Internet website, the classification  
3 system for all employees of the board.

4 (6) A REQUEST FOR PROPOSAL TO CONDUCT INVESTIGATIONS OF <—  
5 EMPLOYEES AND APPLICANTS UNDER THIS PART SHALL INCLUDE A  
6 REQUIREMENT THAT AN OFFEROR PROVIDE THE NUMBER OF EMPLOYEES  
7 OF THE OFFEROR WHO WILL BE ENGAGED IN THE CONDUCT OF  
8 INVESTIGATIONS AND WHO ARE RESIDENTS OF THIS COMMONWEALTH AND  
9 ANNUITANTS OF A FEDERAL, STATE OR LOCAL LAW ENFORCEMENT  
10 AGENCY. PREFERENCE SHALL BE GIVEN TO AN OFFEROR WITH A  
11 SUBSTANTIAL NUMBER OF EMPLOYEES WHO WILL BE ENGAGED IN THE  
12 CONDUCT OF INVESTIGATIONS AND WHO ARE RESIDENTS OF THIS  
13 COMMONWEALTH AND ANNUITANTS OF A FEDERAL, STATE OR LOCAL LAW  
14 ENFORCEMENT AGENCY.

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

17 (1) To adopt, use and alter a corporate seal.

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

19 (3) To sue or be sued, implead and be impleaded, or  
20 interplead.

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

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

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

29 (7) To administer oaths, examine witnesses and issue  
30 subpoenas compelling the attendance of witnesses or the

1 production of documents and records or other evidence. THE <—  
2 PROVISIONS OF THIS PARAGRAPH SHALL APPLY TO DESIGNATED  
3 OFFICERS AND EMPLOYEES.

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

6 (8.1) Retain attorneys, accountants, auditors and  
7 financial experts, to render services and engage the services <—  
8 of other advisors, consultants and agents FINANCIAL AND OTHER <—  
9 EXPERTS, TO RENDER SERVICES as necessary. For the purposes of  
10 this paragraph, the board shall be considered an independent  
11 agency for purposes of the Commonwealth Attorneys Act.

12 (9) To require background investigations on [prospective  
13 or existing] applicants, licensees, principals, key  
14 employees, EMPLOYEES OR permittees [or persons holding a <—  
15 controlling interest in any prospective or existing licensee  
16 or permittee] ~~or registrants~~ under the jurisdiction of the <—  
17 board.

18 [(2)] (10) To enter into an agreement with the  
19 Pennsylvania State Police for the reimbursement of actual  
20 costs as approved by the board to the Pennsylvania State  
21 Police for the investigations. Investigations shall include  
22 information in the possession of the Attorney General.

23 [(3)] (11) For purposes of LICENSING AND enforcement and <—  
24 for purposes of the background investigation, [the board may]  
25 to receive information otherwise protected by 18 Pa.C.S. Ch.  
26 91 (relating to criminal history record information).

27 [(4)] (12) At its discretion, to issue, approve, renew,  
28 revoke, suspend, condition or deny issuance or renewal of  
29 slot machine licenses.

30 [(5)] (13) At its discretion, to issue, approve, renew,

1 revoke, suspend, condition or deny issuance or renewal of  
2 supplier and manufacturer licenses.

3 [(6)] (14) At its discretion, to issue, approve, renew,  
4 revoke, suspend, condition or deny issuance or renewal of  
5 [occupation permits] a license, ~~permit or registration~~ OR <—  
6 PERMIT for various classes of employees as required under  
7 this part.

8 [(7)] (15) At its discretion, to issue, approve, renew,  
9 revoke, suspend, condition or deny issuance or renewal of any  
10 additional licenses for permits], ~~permits or registrations~~ <—  
11 which may be required by the board under this part. [or by  
12 regulation, including, but not limited to, violations of  
13 sections 1328 (relating to change in ownership or control of  
14 slot machine licensee) and 1330 (relating to multiple slot  
15 machine license prohibition).]

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

19 (16.1) TO SUSPEND OR REVOKE THE LICENSE OF A LICENSED <—  
20 ENTITY IF A FINAL, NONAPPEALABLE ORDER ISSUED BY A FEDERAL  
21 COURT FINDS THAT THE LICENSED ENTITY IS IN VIOLATION OF  
22 FEDERAL ANTITRUST OR UNFAIR TRADE PRACTICE LAWS IN CONNECTION  
23 WITH THE PROVISION OF GOODS OR SERVICES UNDER THIS PART.

24 [(9)] (17) To require prospective and existing  
25 employees, independent contractors, applicants [for licenses  
26 and permits], ~~licensees, permittees and registrants~~ AND <—  
27 PERMITTEES to submit to fingerprinting by the Pennsylvania  
28 State Police. The Pennsylvania State Police shall submit the  
29 fingerprints to the Federal Bureau of Investigation for  
30 purposes of verifying the identity of the [applicants]



1     individual and obtaining records of criminal arrests and  
2     convictions.

3             [10] (18) To require prospective and existing employees,  
4     applicants, licensees, ~~permittees and registrants~~ AND     <—  
5     PERMITTEES to submit photographs consistent with the  
6     standards of the Commonwealth Photo Imaging Network.

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

13            (20) In addition to the power of the board regarding  
14    license ~~and~~, ~~permit and registration~~ AND PERMIT applicants,     <—  
15    to determine at its discretion the suitability of any person  
16    who furnishes or seeks to furnish to a slot machine licensee  
17    directly or indirectly any services or property related to  
18    slot machines or associated equipment or through any  
19    arrangements under which that person receives payment based  
20    directly or indirectly on earnings, profits or receipts from  
21    the slot machines and associated equipment. The board may  
22    require any such person to comply with the requirements of  
23    this part and the regulations of the board and may prohibit  
24    the person from furnishing the services or property.

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

30            (12)] (21) Within six months after the effective date of

1 this part, in a manner that does not impede the immediate  
2 implementation of the duties and responsibilities of the  
3 board under this part during the immediate two years after  
4 the effective date of this part, to develop and implement an  
5 affirmative action plan to assure that all persons are  
6 accorded equality of opportunity in employment and  
7 contracting by the board, its contractors, subcontractors,  
8 assignees, lessees, agents, vendors and suppliers.

9 [(13)] (22) Except for contracts related to the central  
10 control computer [and such other contracts as the board, in  
11 consultation with the Secretary of General Services,  
12 determines would result in substantial savings to the board  
13 if entered into for a longer period than provided in this  
14 paragraph], all contracts entered into by the board during  
15 the two-year period following the effective date of this part  
16 shall not exceed a term of two years.

17 [(14)] To promulgate rules and regulations the board  
18 deems necessary to carry out the policy and purposes of this  
19 part and to enhance the credibility and the integrity of the  
20 licensed operation of slot machines and associated equipment  
21 in this Commonwealth.

22 (15)] (23) The board shall not issue or renew a license  
23 ~~for permit], permit, registration or other authorization~~ OR <—  
24 PERMIT unless it is satisfied that the applicant is a person  
25 of good character, honesty and integrity and is a person  
26 whose prior activities, criminal record, if any, reputation,  
27 habits and associations do not pose a threat to the public  
28 interest or the effective regulation and control of slot  
29 machine operations or create or enhance the danger of  
30 unsuitable, unfair or illegal practices, methods and

1 activities in the conduct of slot machine operations or the  
2 carrying on of the business and financial arrangements  
3 incidental thereto.

4 [(16)] (24) Notwithstanding any other provision of law,  
5 [the board is authorized] to sell, in whole or in part, the  
6 Commonwealth's right, title and interest in State gaming  
7 receipts to [an] the authority [created by the Commonwealth].  
8 The sale shall be subject to the terms and conditions  
9 contained in agreements between the board and the authority.  
10 Proceeds from the sale of State gaming receipts shall be  
11 allocated and used in the manner otherwise provided by this  
12 part for the distribution of State gaming receipts. The  
13 authority [created by the Commonwealth] is authorized to  
14 purchase State gaming receipts upon terms and conditions  
15 agreed to by the board and to issue bonds to fund the  
16 purchase of State gaming receipts in the manner provided for  
17 the issuance of authority indebtedness in the law  
18 establishing the authority. The State Treasurer is authorized  
19 and directed to enter into any agreements with the board and  
20 the authority and establish accounts and funds, that shall  
21 not be in the State Treasury, as the authority may direct as  
22 being necessary or appropriate to effect the sale of State  
23 gaming receipts to the authority and the collection and  
24 transfer of the State gaming receipts sold to the authority.  
25 State gaming receipts sold to the authority shall be the  
26 property of the authority and shall not be the property of  
27 the Commonwealth.

28 [(17)] (25) To [create a Bureau of Investigations and  
29 Enforcement within the board. The board shall] promulgate  
30 regulations pertaining to the operation of the bureau [which

1 shall] to insure separation of functions between the bureau  
2 and the board. The board shall provide the employees  
3 necessary to the bureau for enforcement of this part.

4 [(18)] (26) To enter into an agreement with the district  
5 attorneys of the counties wherein licensed facilities are  
6 located and the Office of Attorney General for the  
7 reimbursement of actual costs for prosecutions of criminal  
8 violations [of this part.] and for investigating a person  
9 applying for a determination that an individual has been  
10 rehabilitated under this part.

11 (27) To publish each January in the Pennsylvania  
12 Bulletin and on the board's Internet website a complete list  
13 of all persons or entities who applied for or held a slot  
14 machine license, manufacturer license, supplier license or  
15 racetrack license at any time during the preceding calendar  
16 year and all affiliates, intermediaries, subsidiaries and  
17 holding companies thereof and the status of the application  
18 or license.

19 (28) To prepare and, through the Governor, submit  
20 annually to the General Assembly an itemized budget  
21 CONSISTENT WITH ARTICLE VI OF THE ACT OF APRIL 9, 1929 <—  
22 (P.L.177, NO.175), KNOWN AS THE ADMINISTRATIVE CODE OF 1929,  
23 consisting of the amounts necessary to be appropriated by the  
24 ~~Commonwealth~~ GENERAL ASSEMBLY out of the fund required to <—  
25 meet the obligations accruing during the fiscal period  
26 beginning July 1 of the following year. THE BUDGET SHALL <—  
27 INCLUDE ITEMIZED RECOMMENDATIONS FROM THE ATTORNEY GENERAL,  
28 THE DEPARTMENT AND THE PENNSYLVANIA STATE POLICE AS TO THE  
29 AMOUNT NEEDED TO MEET THEIR OBLIGATIONS UNDER THIS PART.

30 (29) IN THE EVENT THAT IN ANY YEAR, APPROPRIATIONS FOR <—

1     THE ADMINISTRATION OF THIS PART ARE NOT ENACTED BY JUNE 30,  
2     ANY FUNDS APPROPRIATED FOR THE ADMINISTRATION OF THIS PART  
3     WHICH ARE UNEXPENDED, UNCOMMITTED, AND UNENCUMBERED AT THE  
4     END OF A FISCAL YEAR SHALL REMAIN AVAILABLE FOR EXPENDITURE  
5     BY THE BOARD OR OTHER AGENCY TO WHICH THEY WERE APPROPRIATED  
6     UNTIL THE ENACTMENT OF APPROPRIATION FOR THE ENSUING FISCAL  
7     YEAR.

8         ~~(29)~~ (30) To promulgate rules and regulations necessary     <—  
9     for the administration and enforcement of this part,     <—  
10    ~~including regulations relating to the number of slot machines~~  
11    ~~a single manufacturer may supply to a licensed facility and~~  
12    ~~including, in cooperation with the Liquor Control Board,~~  
13    ~~regulations relating to the sale and service of liquor and~~  
14    ~~malt and brewed beverages by licensees.~~ PART. Except as     <—  
15    provided in section 1203 (relating to temporary regulations),  
16    regulations shall be adopted pursuant to the act of July 31,  
17    1968 (P.L.769, No.240), referred to as the Commonwealth  
18    Documents Law, and the act of June 25, 1982 (P.L.633,  
19    No.181), known as the Regulatory Review Act.

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

21    § 1202.1. Code of conduct.

22         (a) Scope.--The board shall adopt a comprehensive code of  
23    conduct prior to the consideration of any license, permit or  
24    registration application. The code of conduct shall supplement  
25    all other requirements under this part and 65 Pa.C.S. Pt. II  
26    (relating to accountability) and shall provide guidelines  
27    applicable to members, employees, independent contractors of the  
28    board, and the immediate families of the members, employees and  
29    independent contractors, to enable them to avoid any perceived  
30    or actual conflict of interest and to promote public confidence

1 in the integrity and impartiality of the board. At a minimum,  
2 the code of conduct adopted under this section shall include  
3 registration under subsection (b) and the restrictions in  
4 subsection (c).

5 (b) Registration.--

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

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

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

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

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

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

25 (3) ~~Disqualify~~ DISCLOSE AND DISQUALIFY himself from any <—  
26 proceeding in which the member's objectivity, impartiality, <—  
27 INTEGRITY or independence of judgment may be reasonably  
28 questioned due to the member's relationship or association  
29 with a party connected to any proceeding or a person  
30 appearing before the board.

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

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

9       (6) NOT SOLICIT FUNDS FOR ANY CHARITABLE, EDUCATIONAL,       <—  
10       RELIGIOUS, HEALTH, FRATERNAL, CIVIC OR OTHER NONPROFIT ENTITY  
11       FROM AN APPLICANT, LICENSED ENTITY OR AFFILIATE, SUBSIDIARY,  
12       INTERMEDIARY OR HOLDING COMPANY OF A LICENSED ENTITY,  
13       INTERESTED PARTY OR LICENSED ENTITY REPRESENTATIVE. A BOARD  
14       MEMBER MAY SERVE AS AN OFFICER, EMPLOYEE OR MEMBER OF THE  
15       GOVERNING BODY OF A NONPROFIT ENTITY AND MAY ATTEND, MAKE  
16       PERSONAL CONTRIBUTIONS TO AND PLAN OR PRESIDE OVER THE  
17       ENTITY'S FUNDRAISING EVENTS. A BOARD MEMBER MAY PERMIT HIS  
18       NAME TO APPEAR ON THE LETTERHEAD USED FOR FUNDRAISING EVENTS  
19       IF THE LETTERHEAD CONTAINS ONLY THE BOARD MEMBER'S NAME AND  
20       POSITION WITH THE NONPROFIT ENTITY.

21       ~~(6)~~ (7) Not meet or engage in discussions with any       <—  
22       applicant, person licensed under this part, or a licensed  
23       entity representative unless the meeting or discussion occurs  
24       on the business premises of the board and is recorded in a  
25       log maintained for this purpose. The log shall be available  
26       for public inspection during the regular business hours of  
27       the board. The provisions of this paragraph shall not apply  
28       to meetings of the board to consider matters requiring the  
29       physical inspection of the equipment or premises of an  
30       applicant or a licensed entity at their location.

1           (8) AVOID IMPROPRIETY AND THE APPEARANCE OF IMPROPRIETY <—  
2           AT ALL TIMES AND OBSERVE STANDARDS AND CONDUCT THAT PROMOTE  
3           PUBLIC CONFIDENCE IN THE OVERSIGHT OF GAMING.

4           ~~(7)~~ (9) Comply with any other laws, rules or regulations <—  
5           relating to the conduct of a member.

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

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

11          ~~"Compensation." Any thing of value, money or a financial~~ <—  
12          ~~benefit conferred on or received by a person in return for~~  
13          ~~services rendered, or to be rendered, whether by that person or~~  
14          ~~another.~~

15          "EX PARTE COMMUNICATION." ANY OFF-THE-RECORD COMMUNICATIONS <—  
16          REGARDING ANY PENDING MATTER BEFORE THE BOARD OR WHICH MAY  
17          REASONABLY BE EXPECTED TO COME BEFORE THE BOARD IN AN ON-THE-  
18          RECORD PROCEEDING TO BE DECIDED ON THE RECORD. THE TERM SHALL  
19          NOT INCLUDE OFF-THE-RECORD COMMUNICATIONS BY ANY EMPLOYEE OF THE  
20          BOARD, DEPARTMENT OF REVENUE, PENNSYLVANIA STATE POLICE,  
21          ATTORNEY GENERAL OR OTHER LAW ENFORCEMENT OFFICIAL PRIOR TO THE  
22          BEGINNING OF THE PROCEEDING SOLELY FOR THE PURPOSE OF SEEKING  
23          CLARIFICATION OR CORRECTION TO EVIDENTIARY MATERIALS INTENDED  
24          FOR USE IN THE HEARINGS.

25          "Licensed entity representative." A person acting on behalf  
26          of or representing the interest of any applicant, licensee,  
27          permittee or registrant, including an attorney, agent or  
28          lobbyist regarding any matter which may reasonably be expected  
29          to come before the board.

30          Section 6. Sections 1203, 1204, 1205, 1206(a), (B), (c), (d) <—



1 and (f), 1207(6), 1208(1), ~~1304(b), 1305(a) and (b)~~, 1209(A), <—  
2 1210, 1211, 1213, 1304, 1305, 1306, 1309(a)(1) and 1311 of Title <—  
3 4 are amended to read:

4 § 1203. Temporary regulations.

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

14 (1) Sections 201 ~~[through 205], 202 and 203~~ THROUGH 205 <—  
15 of the act of July 31, 1968 (P.L.769, No.240), referred to as  
16 the Commonwealth Documents Law.

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

19 ~~(b) Expiration. [The authority provided to the board to~~ <—  
20 ~~adopt temporary regulations in] Regulations promulgated in~~  
21 ~~accordance with subsection (a) shall expire [two] three years~~  
22 ~~from the effective date of this section. [Regulations adopted~~  
23 ~~after the two year period shall be promulgated as provided by~~  
24 ~~law.]~~

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

30 § 1204. Licensed gaming entity application appeals from board.

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

16 ~~§ 1205. License [or], permit or registration application~~ <—  
17 ~~hearing process.~~

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

29 § 1205. LICENSE OR PERMIT APPLICATION HEARING PROCESS[.]; <—

30 PUBLIC INPUT HEARINGS.

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

13       (B) PUBLIC INPUT HEARING REQUIREMENT.--

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

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

21           (3) A LIST OF ALL WITNESSES SCHEDULED TO TESTIFY AT A  
22        PUBLIC INPUT HEARING SHALL BE MADE PUBLIC AT LEAST SEVEN DAYS  
23        PRIOR TO THE HEARING. THE LIST SHALL BE UPDATED AT LEAST  
24        THREE DAYS PRIOR TO THE HEARING. ADDITIONAL WITNESSES SHALL  
25        BE POSTED ON THE BOARD'S INTERNET WEBSITE AS THEY ARE ADDED  
26        TO THE LIST.

27       § 1206. Board minutes and records.

28       [(a) Open proceedings and records.--The proceedings of the  
29 board shall be conducted in accordance with the provisions of 65  
30 Pa.C.S. Ch. 7 (relating to open meetings). The board shall be an

1 agency for purposes of the act of June 21, 1957 (P.L.390,  
2 No.212), referred to as the Right-to-Know Law. Notwithstanding  
3 any provision of law to the contrary, confidential documents  
4 relative to personal background information provided to the  
5 board pursuant to this part and any closed deliberations of the  
6 board, including disciplinary proceedings, shall be confidential  
7 and considered in closed executive session pursuant to  
8 subsection (f).]

9 \* \* \*

<—

10 (B) RECORD OF PROCEEDINGS.--THE BOARD SHALL CAUSE TO BE MADE <—  
11 AND KEPT A RECORD OF ALL PROCEEDINGS HELD AT PUBLIC MEETINGS OF  
12 THE BOARD. [A] THE VERBATIM TRANSCRIPT OF THOSE PROCEEDINGS  
13 SHALL BE THE PROPERTY OF THE BOARD AND SHALL BE PREPARED BY THE  
14 BOARD UPON THE REQUEST OF ANY BOARD MEMBER OR UPON THE REQUEST  
15 OF ANY OTHER PERSON AND THE PAYMENT BY THAT PERSON OF THE COSTS  
16 OF PREPARATION.

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 INVESTIGATION AND <—  
15 enforcement), the information shall be withheld from public  
16 disclosure in whole or in part, except that any information  
17 shall be released upon the lawful order of a court of competent  
18 jurisdiction or, with the approval of the Attorney General, to a  
19 duly authorized law enforcement agency or shall be released to  
20 the public, in whole or in part, to the extent that such release  
21 is requested by an applicant and does not otherwise contain  
22 confidential information about another person. The board may not  
23 require any applicant to waive any confidentiality provided for  
24 in this subsection as a condition for the approval of a license  
25 or any 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 § 1207. REGULATORY AUTHORITY OF BOARD. <—

1 THE BOARD SHALL HAVE THE POWER AND ITS DUTIES SHALL BE TO:

2 \* \* \*

3 (6) PRESCRIBE CRITERIA AND CONDITIONS FOR THE OPERATION  
4 OF SLOT MACHINE PROGRESSIVE SYSTEMS. A WIDE AREA PROGRESSIVE  
5 SLOT SYSTEM SHALL BE PURCHASED, LEASED, OPERATED AND  
6 ADMINISTERED COLLECTIVELY BY PARTICIPATING SLOT MACHINE  
7 LICENSEES IN ACCORDANCE WITH THE TERMS OF A WRITTEN AGREEMENT  
8 EXECUTED BY EACH PARTICIPATING SLOT MACHINE LICENSEE AND  
9 APPROVED BY THE BOARD. NOTHING IN THIS PARAGRAPH SHALL  
10 PREVENT A SLOT MACHINE LICENSEE PARTICIPATING IN AN AGREEMENT  
11 TO PROVIDE A WIDE AREA PROGRESSIVE SLOT SYSTEM FROM  
12 DELEGATING, IN WHOLE OR IN PART, THE OPERATION AND  
13 ADMINISTRATION OF THE WIDE AREA PROGRESSIVE SLOT SYSTEM TO A  
14 PERSON OTHER THAN A MANUFACTURER OR SUPPLIER IF THE  
15 DELEGATION IS APPROVED BY THE BOARD.

16 \* \* \*

17 § 1208. Collection of fees and fines.

18 The board has the following powers and duties:

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

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

upon the issuance of a license and \$10,000 for the annual renewal of a supplier license.

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

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

\* \* \*

§ 1209. SLOT MACHINE LICENSE FEE. <—

(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. <—

\* \* \*

§ 1210. NUMBER OF SLOT MACHINES. <—

(A) INITIAL COMPLEMENT.--EXCEPT AS PROVIDED FOR CATEGORY 3 SLOT MACHINE LICENSEES UNDER SECTION 1305 (RELATING TO CATEGORY 3 SLOT MACHINE LICENSE), ALL SLOT MACHINE LICENSEES SHALL BE

1 PERMITTED TO OPERATE UP TO 3,000 SLOT MACHINES AT ANY ONE  
2 LICENSED FACILITY AND SHALL BE REQUIRED TO OPERATE AND MAKE  
3 AVAILABLE TO PLAY A MINIMUM OF 1,500 MACHINES AT ANY ONE  
4 LICENSED FACILITY WITHIN ONE YEAR OF THE ISSUANCE BY THE BOARD  
5 OF A SLOT MACHINE LICENSE UNLESS OTHERWISE EXTENDED BY THE  
6 BOARD, UPON APPLICATION AND FOR GOOD CAUSE SHOWN, FOR AN  
7 ADDITIONAL PERIOD NOT TO EXCEED 24 MONTHS.

8 (B) ADDITIONAL SLOT MACHINES.--EXCEPT AS PROVIDED FOR  
9 CATEGORY 3 SLOT MACHINE LICENSEES UNDER SECTION 1305, SIX MONTHS  
10 FOLLOWING THE DATE OF COMMENCEMENT OF SLOT MACHINE OPERATIONS,  
11 THE BOARD MAY PERMIT A SLOT MACHINE LICENSEE TO INSTALL AND  
12 OPERATE UP TO 2,000 ADDITIONAL SLOT MACHINES AT ITS LICENSED  
13 FACILITY, BEYOND THOSE MACHINES AUTHORIZED UNDER SUBSECTION (A),  
14 UPON APPLICATION BY THE SLOT MACHINE LICENSEE. THE BOARD, IN  
15 CONSIDERING SUCH AN APPLICATION, SHALL TAKE INTO ACCOUNT THE  
16 APPROPRIATENESS OF THE PHYSICAL SPACE WHERE THE ADDITIONAL SLOT  
17 MACHINES WILL BE LOCATED AND THE CONVENIENCE OF THE PUBLIC  
18 ATTENDING THE FACILITY. THE BOARD MAY ALSO TAKE INTO ACCOUNT THE  
19 POTENTIAL BENEFIT TO ECONOMIC DEVELOPMENT, EMPLOYMENT AND  
20 TOURISM, ENHANCED REVENUES TO THE COMMONWEALTH AND OTHER  
21 ECONOMIC INDICATORS IT DEEMS APPLICABLE IN MAKING ITS DECISION.

22 (C) LIMITATION.--FOR THE THREE YEARS FOLLOWING THE BEGINNING  
23 OF SLOT MACHINE OPERATIONS AT THE LICENSED FACILITY, NO LICENSED  
24 GAMING ENTITY MAY MAKE AVAILABLE FOR PLAY BY ITS PATRONS AT ITS  
25 LICENSED FACILITY MORE THAN 50% OF SLOT MACHINES FROM THE SAME  
26 MANUFACTURER OR ITS AFFILIATE, INTERMEDIARY, SUBSIDIARY OR  
27 HOLDING COMPANY. THE PROVISIONS OF THIS SUBSECTION SHALL NOT  
28 APPLY TO MACHINES PURCHASED PURSUANT TO A CONTRACT OR ORDER  
29 EXECUTED BY A CONDITIONAL CATEGORY 1 OR CATEGORY 1 SLOT MACHINE  
30 LICENSEE PRIOR TO SEPTEMBER 1, 2006.



1 § 1211. REPORTS OF BOARD.

2 (A) REPORT OF BOARD.--EIGHTEEN MONTHS AFTER THE EFFECTIVE  
3 DATE OF THIS PART AND EVERY YEAR ON THAT DATE THEREAFTER, THE  
4 BOARD SHALL ISSUE A REPORT TO THE GOVERNOR AND EACH MEMBER OF  
5 THE GENERAL ASSEMBLY ON THE GENERAL OPERATION OF THE BOARD AND  
6 EACH SLOT MACHINE LICENSEE'S PERFORMANCE, INCLUDING, BUT NOT  
7 LIMITED TO, NUMBER AND WIN PER SLOT MACHINE AT LICENSED  
8 FACILITIES DURING THE PREVIOUS YEAR, ALL TAXES, FEES, FINES AND  
9 OTHER REVENUES COLLECTED AND, WHERE APPROPRIATE, DISBURSED, THE  
10 COSTS OF OPERATION OF THE BOARD, ALL HEARINGS CONDUCTED AND THE  
11 RESULTS OF THE HEARINGS AND OTHER INFORMATION THAT THE BOARD  
12 DEEMS NECESSARY AND APPROPRIATE.

13 (B) REPORT OF THE LEGISLATIVE BUDGET AND FINANCE  
14 COMMITTEE.--NO LATER THAN MARCH 15 OF THE YEAR FOLLOWING THE  
15 EFFECTIVE DATE OF THIS PART AND EACH MARCH 15 THEREAFTER, THE  
16 LEGISLATIVE BUDGET AND FINANCE COMMITTEE SHALL ISSUE A REPORT TO  
17 THE GENERAL ASSEMBLY ANALYZING THE IMPACT, IF ANY, OF THIS PART  
18 ON THE STATE LOTTERY.

19 (C) INTERCEPTION OF GAMING WINNINGS.--THE BOARD SHALL  
20 CONDUCT A STUDY TO DETERMINE THE FEASIBILITY OF IMPLEMENTING  
21 METHODS FOR THE INTERCEPTION OF THE GAMING WINNINGS OF  
22 INDIVIDUALS WHO ARE DELINQUENT SUPPORT OBLIGORS OR TAX  
23 DELINQUENT. THE STUDY SHALL BE COMPLETED BY DECEMBER 31, 2006,  
24 AND SHALL CONTAIN RECOMMENDATIONS WHICH THE BOARD DETERMINES  
25 APPROPRIATE.

26 (D) REPORTS TO GENERAL ASSEMBLY.--THE BOARD SHALL CONDUCT AN  
27 ONGOING REVIEW OF THE OPERATION OF THIS PART AND THE IMPACT OF  
28 GAMING IN THIS COMMONWEALTH, INCLUDING REVIEW OF OTHER  
29 JURISDICTIONS, FEDERAL LAWS, ACADEMIC RESEARCH AND PUBLIC INPUT.  
30 THE BOARD SHALL SUBMIT AN ANNUAL REPORT TO THE GENERAL ASSEMBLY

1 BY DECEMBER 30. THE REPORT SHALL INCLUDE RECOMMENDATIONS FOR  
2 CHANGES TO THIS PART OR IN THE OPERATION OR REGULATION OF  
3 LICENSED ENTITIES. THE REPORT SHALL BE SUBMITTED TO THE MAJORITY  
4 AND MINORITY LEADER OF THE SENATE AND THE MAJORITY AND MINORITY  
5 LEADER OF THE HOUSE OF REPRESENTATIVES AND THE CHAIR AND  
6 MINORITY CHAIR OF THE STANDING COMMITTEES IN THE SENATE AND THE  
7 CHAIR AND MINORITY CHAIR OF THE STANDING COMMITTEES IN THE HOUSE  
8 OF REPRESENTATIVES WITH JURISDICTION OVER THE BOARD. THE REPORT  
9 SHALL BE POSTED BY THE BOARD ON ITS INTERNET WEBSITE.

10 § 1213. LICENSE OR PERMIT PROHIBITION.

11 [NO APPLICANT FOR A LICENSE OR PERMIT UNDER THIS PART,  
12 INCLUDING DIRECTORS, OWNERS AND KEY EMPLOYEES, THAT HAS BEEN  
13 CONVICTED IN ANY JURISDICTION OF A FELONY OR GAMBLING OFFENSE  
14 WITHIN THE PAST 15 YEARS SHALL BE ISSUED A LICENSE OR PERMIT  
15 UNDER THIS PART OR BE FOUND QUALIFIED TO SERVE IN A POSITION AS  
16 A DIRECTOR, OWNER OR KEY EMPLOYEE OF OR ASSOCIATED WITH ANY  
17 LICENSEE OR PERMITTEE.] NO APPLICANT FOR A LICENSE OR PERMIT  
18 UNDER THIS PART, INCLUDING PRINCIPALS AND KEY EMPLOYEES, WHO  
19 HAVE BEEN CONVICTED OF A FELONY OR GAMBLING OFFENSE IN ANY  
20 JURISDICTION SHALL BE ISSUED A LICENSE OR PERMIT UNLESS 15 YEARS  
21 HAS ELAPSED FROM THE DATE OF EXPIRATION OF THE SENTENCE FOR THE  
22 OFFENSE. WHEN DETERMINING WHETHER TO ISSUE A LICENSE OR PERMIT  
23 TO AN APPLICANT WHO HAS BEEN CONVICTED IN ANY JURISDICTION OF A  
24 FELONY OR GAMBLING OFFENSE, THE BOARD SHALL CONSIDER THE  
25 FOLLOWING FACTORS:

26 (1) THE NATURE AND DUTIES OF THE APPLICANT'S POSITION  
27 WITH THE LICENSED ENTITY.

28 (2) THE NATURE AND SERIOUSNESS OF THE OFFENSE OR  
29 CONDUCT.

30 (3) THE CIRCUMSTANCES UNDER WHICH THE OFFENSE OR CONDUCT

1 OCCURRED.

2 (4) THE AGE OF THE APPLICANT WHEN THE OFFENSE OR CONDUCT  
3 WAS COMMITTED.

4 (5) WHETHER THE OFFENSE OR CONDUCT WAS AN ISOLATED OR A  
5 REPEATED INCIDENT.

6 (6) ANY EVIDENCE OF REHABILITATION, INCLUDING GOOD  
7 CONDUCT IN THE COMMUNITY, COUNSELING OR PSYCHIATRIC TREATMENT  
8 RECEIVED AND THE RECOMMENDATION OF PERSONS WHO HAVE  
9 SUBSTANTIAL CONTACT WITH THE INDIVIDUAL.

10 § 1304. Category 2 slot machine license.

11 \* \* \*

12 (A) ELIGIBILITY.--

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

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

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

6 (b) Location.--

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

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

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

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

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

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

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

§ 1305. Category 3 slot machine license.

(a) Eligibility.--

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

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

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

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

26 (b) Location.--

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

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

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

~~\* \* \*~~

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



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

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

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

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

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

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

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

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

18 § 1306. Order of initial license issuance.

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

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

9 § 1309. Slot machine license application.

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

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

19 \* \* \*

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

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

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

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

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

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

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

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

27 Additional slot machine license requirements.

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

<—

~~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

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

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

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

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

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

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

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

§ 1311.1. ~~Permitting~~ LICENSING of principals.

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

(b) Application.--A principal ~~permit~~ LICENSE application 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 MANUFACTURER THAT ELECTS TO <—  
17 CONTRACT WITH A SUPPLIER UNDER SECTION 1317.1(D.1) (RELATING TO  
18 MANUFACTURER LICENSES) SHALL ENSURE THAT THE SUPPLIER IS  
19 LICENSED UNDER THIS SECTION. A person seeking to provide slot  
20 machines or associated equipment to a slot machine licensee  
21 within this Commonwealth [or to manufacture slot machines for  
22 use in this Commonwealth] THROUGH A CONTRACT WITH A LICENSED <—  
23 MANUFACTURER shall apply to the board for [either] a supplier  
24 [or manufacturer] license. [No person, its affiliate,  
25 intermediary, subsidiary or holding company who has applied for  
26 or is a holder of a manufacturer or slot machine license shall  
27 be eligible to apply for or hold a supplier license. A supplier  
28 licensee shall establish a principle place of business in this  
29 Commonwealth within one year of issuance of its supplier license  
30 and maintain such during the period in which the license is

1 held. No slot machine licensee shall enter into any sale, lease,  
2 contract or any other type of agreement providing slot machines,  
3 progressive slot machines, parts or associated equipment for use  
4 or play with any person other than a supplier licensed pursuant  
5 to this section. Slot monitoring systems, casino management  
6 systems, player tracking systems and wide-area progressive  
7 systems are excluded from any requirements that they be provided  
8 through a licensed supplier as set forth in this part.]

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

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

21 (1.1) A statement that the applicant and each affiliate,  
22 intermediary, subsidiary or holding company of the applicant  
23 are not slot machine licensees.

24 (1.2) PROOF THAT THE APPLICANT HAS OR WILL ESTABLISH A <—  
25 PRINCIPAL PLACE OF BUSINESS IN THIS COMMONWEALTH. A SUPPLIER  
26 LICENSEE SHALL MAINTAIN ITS PRINCIPAL PLACE OF BUSINESS IN  
27 THIS COMMONWEALTH TO REMAIN ELIGIBLE FOR LICENSURE.

28 (2) The consent to a background investigation of the  
29 applicant, its [officers, directors, owners,] PRINCIPALS AND <—  
30 key employees or other persons required by the board and a

1 release to obtain any and all information necessary for the  
2 completion of the background investigation.

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

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

11 (5) Any other information determined by the board to be  
12 appropriate.

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

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

20 (2) The license shall be nontransferable.

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

22 (d) Renewal.--

23 (1) ~~Six~~ TWO months prior to expiration of a supplier <—  
24 license, the supplier licensee seeking renewal of its license  
25 shall submit a renewal application accompanied by the renewal  
26 fee to the board.

27 (2) If the renewal application satisfies the  
28 requirements of subsection (b), the board may renew the  
29 licensee's supplier license.

30 (3) If the board receives a complete renewal application

1 but fails to act upon the renewal application prior to the  
2 expiration of the supplier license, the supplier license  
3 shall continue in effect for an additional six-month period  
4 or until acted upon by the board, whichever occurs first.

5 ~~(c) Prohibitions.~~ <—

6 ~~(1) No person may provide slot machines or associated~~  
7 ~~equipment to a slot machine licensee within this Commonwealth~~  
8 ~~unless the person has been issued a supplier license under~~  
9 ~~this section.~~

10 ~~(2) No slot machine licensee may acquire, purchase or~~  
11 ~~lease slot machines or associated equipment from a person~~  
12 ~~unless the person has been issued a supplier license under~~  
13 ~~this section.~~

14 ~~(3) NO LIMITATION SHALL BE PLACED ON THE NUMBER OF~~ <—

15 ~~(E) PROHIBITIONS.--NO LIMITATION SHALL BE PLACED ON THE~~ <—  
16 ~~NUMBER OF SUPPLIER LICENSES ISSUED OR THE TIME PERIOD TO SUBMIT~~  
17 ~~APPLICATIONS FOR LICENSURE EXCEPT AS REQUIRED TO COMPLY WITH~~  
18 ~~SECTION 1306 (RELATING TO ORDER OF INITIAL LICENSE ISSUANCE).~~

19 ~~(F) EXCEPTION. THE PROVISIONS OF SUBSECTION (E)(2) SHALL~~ <—  
20 ~~NOT APPLY TO THE ACQUISITION, PURCHASE OR LEASE OF A SLOT~~  
21 ~~MONITORING SYSTEM, CASINO MANAGEMENT SYSTEM, PLAYER TRACKING~~  
22 ~~SYSTEM OR WIDE AREA PROGRESSIVE SYSTEM.~~

23 ~~(F) REIMBURSEMENT FUND.--~~ <—

24 ~~(1) EACH MANUFACTURER SHALL PAY A FEE OF \$500 FOR EACH~~  
25 ~~SLOT MACHINE MANUFACTURED, BUILT, REBUILT, FABRICATED,~~  
26 ~~ASSEMBLED, PRODUCED, PROGRAMMED OR DESIGNED BY THE~~  
27 ~~MANUFACTURER FOR USE OR PLAY IN THIS COMMONWEALTH. THE FEE~~  
28 ~~SHALL BE COLLECTED BY THE BOARD AND TRANSFERRED TO THE~~  
29 ~~ACCOUNT ESTABLISHED UNDER PARAGRAPH (3).~~

30 ~~(2) THE BOARD SHALL DEVELOP AND ADOPT REGULATIONS TO~~

1 PROVIDE FOR REIMBURSEMENT TO SUPPLIERS WHO RECEIVED A LICENSE  
2 PRIOR TO THE EFFECTIVE DATE OF THIS SUBSECTION IF THE  
3 SUPPLIER'S CONTRACT WITH A MANUFACTURER WAS CANCELED OR THE  
4 SUPPLIER WAS UNABLE TO OBTAIN A CONTRACT WITH A MANUFACTURER  
5 DUE TO CHANGES ADOPTED PURSUANT TO SUBSECTIONS (A) AND (E)  
6 BETWEEN JUNE 1 AND THE EFFECTIVE DATE OF THIS SUBSECTION.  
7 REIMBURSEMENT SHALL ONLY BE FOR FILING FEES AND THE ACTUAL  
8 COST OF CREATING THE LICENSE APPLICATION.

9 (3) THERE IS HEREBY ESTABLISHED IN THE STATE TREASURY AN  
10 ACCOUNT FOR THE FEES COLLECTED UNDER PARAGRAPH (1). FUNDS  
11 REMAINING IN THE ACCOUNT FOLLOWING COMPLETION OF ALL  
12 REIMBURSEMENTS UNDER PARAGRAPH (2) SHALL BE DEPOSITED INTO  
13 THE COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND  
14 ESTABLISHED UNDER SECTION 1509 (RELATING TO COMPULSIVE AND  
15 PROBLEM GAMBLING PROGRAM).

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

17 § 1317.1. Manufacturer licenses.

18 ~~(a) Application.~~

<—

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

20 (A) APPLICATION.--A PERSON SEEKING TO MANUFACTURE SLOT

<—

21 MACHINES AND associated equipment for use in this Commonwealth  
22 shall apply to the board for a manufacturer license.

23 ~~(2) A person seeking to repair slot machines or~~

<—

24 ~~associated equipment which the person manufactured shall~~  
25 ~~apply to the board for a manufacturer license.~~

26 (b) Requirements.--The AN application for a manufacturer

<—

27 license shall be on the form required by the board, accompanied  
28 by the application fee and shall include all of the following:

29 (1) The name and business address of the applicant and

30 the applicant's affiliates, intermediaries, subsidiaries and

1 holding companies; the ~~directors, key employees and owners~~ <—  
2 PRINCIPALS AND KEY EMPLOYEES of each business; and a list of <—  
3 employees and their positions within each business, as well  
4 as any financial information required by the board.

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

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

13 (4) The details of any equivalent license granted or  
14 denied by other jurisdictions where gaming activities as  
15 authorized by this part are permitted and consent for the  
16 board to acquire copies of applications submitted or licenses  
17 issued in connection therewith. A MANUFACTURER MAY CONTRACT <—  
18 WITH A SUPPLIER UNDER SECTION 1317 (RELATING TO SUPPLIER  
19 LICENSE) TO PROVIDE SLOT MACHINES OR ASSOCIATED EQUIPMENT TO  
20 A SLOT MACHINE LICENSEE WITHIN THIS COMMONWEALTH. A  
21 MANUFACTURER AND A SLOT MACHINE LICENSEE MAY AGREE TO ALLOW  
22 TECHNICIANS EMPLOYED BY A SLOT MACHINE LICENSEE TO REPAIR  
23 MACHINES.

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

26 (6) Any other information determined by the board to be  
27 appropriate.

28 (c) Review and approval.--Upon being satisfied that the  
29 requirements of subsection (b) have been met, the board may  
30 approve the application and grant the applicant a manufacturer

1 license consistent with all of the following:

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

5 (2) The license shall be nontransferable.

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

7 (d) Renewal.--

8 (1) Six months prior to expiration of a manufacturer  
9 license, the manufacturer licensee seeking renewal of its  
10 license shall submit a renewal application accompanied by the  
11 renewal fee to the board.

12 (2) If the renewal application satisfies the  
13 requirements of subsection (b), the board may renew the  
14 licensee's manufacturer license.

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

21 (D.1) SCOPE.--A LICENSED MANUFACTURER OR ITS DESIGNEE, AS <—  
22 LICENSED BY THE BOARD, MAY REPAIR ANY SLOT MACHINE OR ASSOCIATED  
23 EQUIPMENT MANUFACTURED BY THE LICENSED MANUFACTURER. A <—  
24 MANUFACTURER MAY CONTRACT WITH A SUPPLIER UNDER SECTION 1317  
25 (RELATING TO SUPPLIER LICENSES) TO PROVIDE SLOT MACHINES OR  
26 ASSOCIATED EQUIPMENT TO A SLOT MACHINE LICENSEE WITHIN THIS  
27 COMMONWEALTH.

28 (e) Prohibitions.--

29 (1) No person may manufacture ~~or repair~~ slot machines or <—  
30 associated equipment for use within this Commonwealth by a



1 slot machine licensee unless the person has been issued a  
2 manufacturer license under this section.

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

7 (3) No person issued a license under this section shall  
8 apply for or be issued a license under section 1317 (relating  
9 to supplier licenses).

10 (4) NO LIMITATION SHALL BE PLACED ON THE NUMBER OF <—  
11 MANUFACTURER 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 ~~Section 8. Sections 1318(b)(4), 1327 and 1402(a) 1402 of~~ <—  
15 ~~Title 4 are amended to read:~~

16 SECTION 8. SECTIONS 1318(B)(4) AND 1323(A) OF TITLE 4 ARE <—  
17 AMENDED TO READ:

18 § 1318. Occupation permit application.

19 \* \* \*

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

22 \* \* \*

23 (4) A photograph [and handwriting exemplar] of the  
24 person.

25 \* \* \*

26 § 1323. CENTRAL CONTROL COMPUTER SYSTEM. <—

27 (A) GENERAL RULE.--TO FACILITATE THE AUDITING AND SECURITY  
28 PROGRAMS CRITICAL TO THE INTEGRITY OF SLOT MACHINE GAMING IN  
29 THIS COMMONWEALTH, THE DEPARTMENT SHALL HAVE OVERALL CONTROL OF  
30 SLOT MACHINES, AND ALL SLOT MACHINE TERMINALS SHALL BE LINKED,

1 AT AN APPROPRIATE TIME TO BE DETERMINED BY THE DEPARTMENT, TO A  
2 CENTRAL CONTROL COMPUTER UNDER THE CONTROL OF THE DEPARTMENT AND  
3 ACCESSIBLE BY THE BOARD TO PROVIDE AUDITING PROGRAM CAPACITY AND  
4 INDIVIDUAL TERMINAL INFORMATION AS APPROVED BY THE DEPARTMENT  
5 AND SHALL INCLUDE REAL-TIME INFORMATION RETRIEVAL AND TERMINAL  
6 ACTIVATION AND DISABLING PROGRAMS. THE CENTRAL CONTROL COMPUTER  
7 SELECTED AND EMPLOYED BY THE DEPARTMENT SHALL NOT UNDULY LIMIT  
8 OR FAVOR THE PARTICIPATION OF A VENDOR OR MANUFACTURER OF A SLOT  
9 MACHINE AS A RESULT OF THE COST OR DIFFICULTY OF IMPLEMENTING  
10 THE NECESSARY PROGRAM MODIFICATIONS TO COMMUNICATE WITH AND LINK  
11 TO THE CENTRAL CONTROL COMPUTER. THE CENTRAL CONTROL COMPUTER  
12 EMPLOYED BY THE DEPARTMENT SHALL PROVIDE:

13 (1) A FULLY OPERATIONAL STATEWIDE SLOT MACHINE CONTROL  
14 SYSTEM THAT HAS THE CAPABILITY OF SUPPORTING UP TO THE  
15 MAXIMUM NUMBER OF SLOT MACHINES THAT COULD BE PERMITTED TO BE  
16 IN OPERATION UNDER THIS PART.

17 (2) THE EMPLOYMENT OF A WIDELY ACCEPTED GAMING INDUSTRY  
18 PROTOCOL TO FACILITATE SLOT MACHINE MANUFACTURERS' ABILITY TO  
19 COMMUNICATE WITH THE STATEWIDE SYSTEM.

20 (2.1) THE DELIVERY OF A SYSTEM THAT HAS THE ABILITY TO  
21 VERIFY SOFTWARE, DETECT ALTERATIONS IN PAYOUT AND DETECT  
22 OTHER METHODS OF FRAUD IN ALL ASPECTS OF THE OPERATION OF  
23 SLOT MACHINES.

24 (3) THE DELIVERY OF A SYSTEM THAT HAS THE CAPABILITY TO  
25 SUPPORT IN-HOUSE AND WIDE-AREA PROGRESSIVE SLOT MACHINES AS  
26 APPROVED BY THE BOARD.

27 (4) THE DELIVERY OF A SYSTEM THAT ALLOWS THE SLOT  
28 MACHINE LICENSEE TO INSTALL INDEPENDENT PLAYER TRACKING  
29 SYSTEMS AND CASHLESS TECHNOLOGY AS APPROVED BY THE BOARD.

30 (5) THE DELIVERY OF A SYSTEM THAT DOES NOT ALTER THE

1 STATISTICAL AWARDS OF SLOT MACHINE GAMES AS DESIGNED BY THE  
2 SLOT MACHINE MANUFACTURER AND APPROVED BY THE BOARD.

3 (6) THE DELIVERY OF A SYSTEM THAT PROVIDES REDUNDANCY SO  
4 THAT EACH COMPONENT OF THE NETWORK WILL BE CAPABLE OF  
5 OPERATING INDEPENDENTLY BY THE DEPARTMENT IF ANY COMPONENT OF  
6 THE NETWORK, INCLUDING THE CENTRAL CONTROL COMPUTER, FAILS OR  
7 CANNOT BE OPERATED FOR ANY REASON AS DETERMINED BY THE  
8 DEPARTMENT, AND TO ASSURE THAT ALL TRANSACTIONAL DATA IS  
9 CAPTURED AND SECURED. COSTS ASSOCIATED WITH ANY COMPUTER  
10 SYSTEM REQUIRED BY THE DEPARTMENT TO OPERATE AT A LICENSED  
11 FACILITY, WHETHER INDEPENDENT OR AS PART OF THE CENTRAL  
12 CONTROL COMPUTER, SHALL BE PAID BY THE SLOT MACHINE LICENSEE.  
13 THE COMPUTER SYSTEM WILL BE CONTROLLED BY THE DEPARTMENT AND  
14 ACCESSIBLE TO THE BOARD.

15 (7) THE ABILITY TO MEET ALL REPORTING AND CONTROL  
16 REQUIREMENTS AS PRESCRIBED BY THE BOARD AND DEPARTMENT.

17 (8) ANY OTHER CAPABILITIES AS DETERMINED BY THE  
18 DEPARTMENT IN CONSULTATION WITH THE BOARD.

19 \* \* \*

20 SECTION 8.1. SECTION 1325 OF TITLE 4 IS AMENDED BY ADDING A  
21 SUBSECTION TO READ:

22 § 1325. LICENSE OR PERMIT ISSUANCE.

23 \* \* \*

24 (D) TRUSTS AND SIMILAR BUSINESS ENTITIES.--THE BOARD SHALL  
25 DETERMINE THE ELIGIBILITY OF A TRUST OR SIMILAR BUSINESS ENTITY  
26 TO BE A LICENSED ENTITY IN ACCORDANCE WITH THE FOLLOWING:

27 (1) NO TRUST OR SIMILAR BUSINESS ENTITY SHALL BE  
28 ELIGIBLE TO HOLD ANY BENEFICIAL INTEREST IN A LICENSED ENTITY  
29 UNDER THIS PART UNLESS EACH TRUSTEE, GRANTOR AND BENEFICIARY  
30 OF THE TRUST, INCLUDING A MINOR CHILD BENEFICIARY, QUALIFIES

1 FOR AND IS GRANTED A LICENSE AS A PRINCIPAL. THE BOARD MAY  
2 WAIVE COMPLIANCE WITH THIS PARAGRAPH IF THE TRUSTEE IS A  
3 BANKING OR LENDING INSTITUTION AND THE BOARD IS SATISFIED  
4 THAT THE TRUSTEE IS NOT SIGNIFICANTLY INVOLVED IN THE  
5 ACTIVITIES OF THE LICENSED ENTITY. IN ADDITION TO OTHER  
6 INFORMATION REQUIRED BY THE BOARD, A BANKING OR LENDING  
7 INSTITUTION ACTING AS A TRUSTEE SHALL PRODUCE AT THE REQUEST  
8 OF THE BOARD ANY DOCUMENTATION OR INFORMATION RELATING TO THE  
9 TRUST.

10 (2) NO BENEFICIARY OF A TRUST OR SIMILAR BUSINESS ENTITY  
11 WHO IS A MINOR CHILD SHALL CONTROL OR BE SIGNIFICANTLY  
12 INVOLVED IN THE ACTIVITIES OF A LICENSED ENTITY OR ITS  
13 HOLDING COMPANY OR INTERMEDIARY. NO BENEFICIARY OF A TRUST OR  
14 SIMILAR BUSINESS ENTITY WHO IS A MINOR CHILD SHALL BE  
15 PERMITTED TO VOTE TO ELECT DIRECTORS OF A LICENSED ENTITY OR  
16 ITS HOLDING COMPANY OR INTERMEDIARY.

17 (3) NO TRUST OR SIMILAR BUSINESS ENTITY MAY HOLD ANY  
18 BENEFICIAL INTEREST IN A LICENSED ENTITY UNLESS THE BOARD  
19 DETERMINES THAT THE TRUST OR SIMILAR BUSINESS ENTITY IS NOT  
20 ENGAGED IN ANY ACTIVITY OR OTHERWISE BEING USED TO EVADE THE  
21 PUBLIC PROTECTIONS UNDER THIS PART, INCLUDING SECTIONS 1512  
22 (RELATING TO FINANCIAL AND EMPLOYMENT INTERESTS) AND 1513  
23 (RELATING TO POLITICAL INFLUENCE).

24 SECTION 8.2. SECTIONS 1327 AND 1402 OF TITLE 4 ARE AMENDED  
25 TO READ:

26 § 1327. Nontransferability of licenses.

27 A license ~~for~~, ~~permit or registration~~ OR PERMIT issued by  
28 the board is a grant of the privilege to conduct a business in  
29 this Commonwealth. Except as permitted by section 1328 (relating  
30 to change in ownership or control of slot machine licensee), a

<—

1 license ~~for~~, ~~permit or registration~~ OR PERMIT granted or <—  
2 renewed pursuant to this part shall not be sold, transferred or  
3 assigned to any other person[,]; nor shall a licensee ~~for~~, <—  
4 ~~permittee or registrant~~ OR PERMITTEE pledge or otherwise grant a <—  
5 security interest in or lien on the license ~~for~~, ~~permit or~~ <—  
6 ~~registration~~ OR PERMIT. Nothing contained in this part is <—  
7 intended or shall be construed to create in any person an  
8 entitlement to a license, ~~permit or registration~~. The board has <—  
9 the sole discretion to issue, renew, condition or deny the  
10 issuance of a slot machine license based upon the purposes and  
11 requirements of this part.

12 § 1402. Gross terminal revenue deductions.

13 (a) Deductions.--After determining the appropriate  
14 assessments for each slot machine licensee, the department shall  
15 [deduct the following] determine costs, expenses or payments  
16 from each account established under section 1401 (relating to  
17 slot machine licensee deposits). The following costs and  
18 expenses shall be transferred to the appropriate agency upon  
19 appropriation by the General Assembly:

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

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

27 (3) Sums necessary to repay any loans made by the  
28 General Fund to the department in connection with carrying  
29 out its responsibilities under this part, including the costs  
30 of the initial acquisition of the central control computer

1 and any accessories or associated equipment.

2 (4) The costs and expenses to be incurred by the  
3 Pennsylvania State Police and the Office of Attorney General  
4 and not otherwise reimbursed under this part in carrying out  
5 their respective responsibilities under this part based upon  
6 a budget submitted by the Pennsylvania State Police and the  
7 Attorney General to and approved by the board.

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

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

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

17 \* \* \*

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

24 SECTION ~~8.1~~ 8.3. TITLE 4 IS AMENDED BY ADDING A SECTION TO  
25 READ:

26 § 1402.1. ITEMIZED BUDGET REPORTING.

27 THE BOARD, DEPARTMENT, PENNSYLVANIA STATE POLICE AND THE  
28 ATTORNEY GENERAL SHALL PREPARE AND ANNUALLY SUBMIT TO THE  
29 CHAIRMAN OF THE APPROPRIATIONS COMMITTEE OF THE SENATE AND THE  
30 CHAIRMAN OF THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF

1 REPRESENTATIVES AN ITEMIZED BUDGET CONSISTING OF AMOUNTS TO BE  
2 APPROPRIATED OUT OF THE ACCOUNTS ESTABLISHED UNDER SECTION 1401  
3 (RELATING TO SLOT MACHINE LICENSEE DEPOSITS) NECESSARY TO  
4 ADMINISTER THIS PART.

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

8 ~~SECTION 9. SECTION 1403(B), (C)(2)(I)(D) AND (E), (II)(E),~~ <—  
9 ~~(III)(A) AND (E), (IV) AND (IX) AND (3)(I), (II), (III), (IV),~~  
10 ~~(V), (VI), (VII) AND (VIII) OF TITLE 4 ARE AMENDED, PARAGRAPHS~~  
11 ~~(2) AND (3) ARE AMENDED BY ADDING SUBPARAGRAPHS AND THE SECTION~~  
12 ~~IS AMENDED BY ADDING A SUBSECTION TO READ:~~

13 SECTION 9. SECTION 1403(B), (C)(2)(I)(D) AND (E), (II)(E), <—  
14 (III)(A) AND (E), (IV) AND (IX), (3)(I), (II), (III), (IV), (V),  
15 (VI), (VII) AND (VIII) OF TITLE 4 ARE AMENDED, SUBSECTION  
16 (C)(2)(III) IS AMENDED BY ADDING A CLAUSE, SUBSECTION (C)(3) IS  
17 AMENDED BY ADDING A SUBPARAGRAPH AND THE SECTION IS AMENDED BY  
18 ADDING A SUBSECTION TO READ:

19 § 1403. Establishment of State Gaming Fund and net slot machine  
20 revenue distribution.

21 \* \* \*

22 (B) SLOT MACHINE TAX.--[THE DEPARTMENT SHALL DETERMINE AND <—  
23 EACH SLOT MACHINE LICENSEE SHALL PAY A DAILY TAX OF 34% AND A  
24 LOCAL SHARE ASSESSMENT OF 4% OF ITS DAILY GROSS TERMINAL REVENUE  
25 FROM THE SLOT MACHINES IN OPERATION AT ITS FACILITY INTO THE  
26 FUND.] THE DEPARTMENT SHALL DETERMINE AND EACH SLOT MACHINE  
27 LICENSEE SHALL PAY A DAILY TAX OF 34% FROM ITS DAILY GROSS  
28 TERMINAL REVENUE FROM THE SLOT MACHINES IN OPERATION AT ITS  
29 FACILITY AND A LOCAL SHARE ASSESSMENT AS PROVIDED IN SUBSECTION  
30 (C) INTO THE FUND. ALL FUNDS OWED TO THE COMMONWEALTH OR A <—

1 MUNICIPALITY UNDER THIS SECTION SHALL BE HELD IN TRUST BY THE  
2 LICENSED GAMING ENTITY UNTIL THE FUNDS ARE PAID OR TRANSFERRED  
3 AND DISTRIBUTED. UNLESS OTHERWISE AGREED TO BY THE GAMING BOARD,  
4 A LICENSED GAMING ENTITY SHALL ESTABLISH A SEPARATE BANK ACCOUNT  
5 TO MAINTAIN GAMING PROCEEDS UNTIL SUCH TIME AS THEY ARE PAID OR  
6 TRANSFERRED UNDER THIS SECTION.

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

8 \* \* \*

9 (2) From the local share assessment established in  
10 subsection (b), make quarterly distributions among the  
11 counties hosting a licensed facility in accordance with the  
12 following schedule:

13 (i) If the licensed facility is a Category 1  
14 licensed facility that is located at a harness racetrack  
15 and the county, including a home rule county, in which  
16 the licensed facility is located is:

17 \* \* \*

18 (D) (I) A COUNTY OF THE THIRD CLASS: EXCEPT AS <—  
19 PROVIDED IN SUBCLAUSE (II), 2% OF THE GROSS  
20 TERMINAL REVENUE FROM EACH SUCH LICENSED FACILITY  
21 SHALL BE DEPOSITED INTO A RESTRICTED ACCOUNT  
22 ESTABLISHED IN THE DEPARTMENT OF COMMUNITY AND  
23 ECONOMIC DEVELOPMENT TO BE USED EXCLUSIVELY FOR  
24 GRANTS FOR HEALTH, SAFETY AND ECONOMIC  
25 DEVELOPMENT PROJECTS TO MUNICIPALITIES WITHIN THE  
26 COUNTY WHERE THE LICENSED FACILITY IS LOCATED.  
27 MUNICIPALITIES THAT ARE CONTIGUOUS TO THE  
28 MUNICIPALITY HOSTING SUCH LICENSED FACILITY SHALL  
29 BE GIVEN PRIORITY BY THE DEPARTMENT OF COMMUNITY  
30 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%~~ 30% TO THE HOST COUNTY AND ~~40%~~ 50% TO THE HOST COUNTY FOR THE PURPOSE OF MAKING MUNICIPAL GRANTS WITHIN THE COUNTY, WITH PRIORITY GIVEN TO MUNICIPALITIES CONTIGUOUS TO THE HOST CITY. 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 established in the Department of Community and

1 Economic Development to be used exclusively for  
2 grants to the county, to economic development  
3 authorities [or organizations within the county] or  
4 redevelopment authorities within the county for  
5 grants for economic development projects, job  
6 training, community improvement projects, other  
7 projects in the public interest and reasonable  
8 administrative costs. Notwithstanding the provisions  
9 of the act of February 9, 1999 (P.L.1, No.1), known  
10 as the Capital Facilities Debt Enabling Act, grants  
11 made under this clause may be utilized as local  
12 matching funds for other grants or loans from the  
13 Commonwealth.

14 \* \* \*

15 (ii) If the licensed facility is a Category 1  
16 licensed facility and is located at a thoroughbred  
17 racetrack and the county in which the licensed facility  
18 is located is:

19 \* \* \*

20 (E) A county of the fourth class: 2% of the  
21 gross terminal revenue from each such licensed  
22 facility shall be deposited into a restricted account  
23 established in the Department of Community and  
24 Economic Development to be used exclusively for  
25 grants to the county, to economic development  
26 authorities [or organizations within the county] or  
27 redevelopment authorities within the county for  
28 grants for economic development projects, community  
29 improvement projects, job training, other projects in  
30 the public interest and reasonable administrative

costs. Notwithstanding the Capital Facilities Debt Enabling Act, grants made under this clause may be utilized as local matching funds for other grants or loans from the Commonwealth.

~~[(F) Counties of the fifth through eighth classes: 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.]~~ <—

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

\* \* \*

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

\* \* \* <—

(A) A COUNTY OF THE FIRST CLASS: 4% OF THE GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY. NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY, 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%~~ 30% TO THE HOST COUNTY AND ~~40%~~  
50% TO THE HOST COUNTY FOR THE PURPOSE OF MAKING  
MUNICIPAL GRANTS WITHIN THE COUNTY, WITH PRIORITY  
GIVEN TO MUNICIPALITIES CONTIGUOUS TO THE HOST CITY.  
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  
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

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

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

26 \* \* \*

27 (iv) If the facility is a Category 3 licensed  
28 facility, 2% of the gross terminal revenue from each such  
29 licensed facility shall be deposited into a restricted  
30 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 THE REMAINDER OF THE MINIMUM AMOUNT OF \$10,000,000 FROM EACH LICENSED ENTITY OPERATING A FACILITY IN THE CITY AND DEPOSIT THAT AMOUNT IN THE CITY TREASURY.

(II) TO A CITY OF THE SECOND CLASS A 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 LICENSED FACILITY LOCATED IN THAT CITY  
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,  
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 MONEYS 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. 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 CITY SHALL REMIT THE DIFFERENCE TO THE  
MUNICIPALITY.] THE DEPARTMENT SHALL COLLECT THE REMAINDER  
OF THE MINIMUM AMOUNT OF \$10,000,000 FROM EACH LICENSED  
ENTITY OPERATING A FACILITY IN THE CITY, PAY ANY BALANCE  
DUE TO THE CITY AND TRANSFER ANY REMAINDER IN ACCORDANCE

1 WITH PARAGRAPH (2).

2 (III) TO A CITY OF THE THIRD CLASS HOSTING A  
3 LICENSED FACILITY [OR FACILITIES], OTHER THAN A CATEGORY  
4 3 LICENSED FACILITY, 2% OF THE GROSS TERMINAL REVENUE OR  
5 \$10,000,000 ANNUALLY, WHICHEVER IS GREATER, [OF ALL  
6 LICENSED FACILITIES] SHALL BE PAID BY EACH LICENSED  
7 ENTITY OPERATING A LICENSED FACILITY LOCATED IN THAT CITY  
8 SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION IN THIS  
9 SUBPARAGRAPH. [HOWEVER, THE FOREGOING LIMITATIONS] ~~THE~~ <—  
10 ~~BUDGETARY LIMITATIONS IN THIS SUBPARAGRAPH SHALL NOT~~  
11 ~~APPLY, NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, IF~~  
12 ~~THE LICENSED FACILITY [OR FACILITIES HAVE] HAS EXECUTED A~~  
13 ~~WRITTEN AGREEMENT WITH THE CITY PRIOR TO THE [EFFECTIVE~~  
14 ~~DATE OF THIS PART] ISSUANCE OF A LICENSE TO THE FACILITY~~  
15 ~~TO PROVIDE ADDITIONAL COMPENSATION TO THE CITY IN EXCESS~~  
16 ~~OF THE DIFFERENCE BETWEEN 2% OF THE GROSS TERMINAL~~  
17 ~~REVENUE AND \$10,000,000.~~ SHALL NOT APPLY, NOTWITHSTANDING <—  
18 ANY PROVISION TO THE CONTRARY, IF THE LICENSED FACILITY  
19 OR FACILITIES HAVE EXECUTED A WRITTEN AGREEMENT WITH THE  
20 CITY PRIOR TO THE EFFECTIVE DATE OF THIS PART TO PROVIDE  
21 ADDITIONAL COMPENSATION TO THE CITY IN EXCESS OF THE  
22 DIFFERENCE BETWEEN 2% OF THE GROSS TERMINAL REVENUE AND  
23 \$10,000,000.] IN THE EVENT THAT THE CITY HAS A WRITTEN  
24 AGREEMENT WITH A LICENSED FACILITY EXECUTED PRIOR TO THE  
25 EFFECTIVE DATE OF THIS PART, THE AMOUNT PAID UNDER THE  
26 AGREEMENT TO THE CITY SHALL BE APPLIED AND CREDITED TO  
27 THE DIFFERENCE BETWEEN 2% OF THE GROSS TERMINAL REVENUE  
28 AND THE \$10,000,000 OWED UNDER THIS SUBPARAGRAPH IF THE  
29 2% OF THE GROSS TERMINAL REVENUE IS LESS THAN  
30 \$10,000,000. IF 2% OF THE GROSS TERMINAL REVENUE IS



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

1           (III.1) IF A LICENSED FACILITY IS LOCATED IN A CITY  
2           OF THE THIRD CLASS AND THE CITY IS LOCATED IN MORE THAN  
3           ONE COUNTY OF THE THIRD CLASS, 2% OF THE GROSS TERMINAL  
4           REVENUE OR \$10,000,000 ANNUALLY, WHICHEVER IS GREATER,  
5           SHALL BE DISTRIBUTED AS FOLLOWS: 80% TO THE HOST CITY AND  
6           20% TO THE CITY OF THE THIRD CLASS LOCATED SOLELY IN A  
7           NONHOST COUNTY IN WHICH THE HOST CITY OF THE THIRD CLASS  
8           IS ALSO LOCATED. IF A LICENSED FACILITY IS LOCATED IN A  
9           CITY OF THE THIRD CLASS AND THAT CITY IS LOCATED SOLELY  
10           IN A HOST COUNTY OF THE THIRD CLASS IN WHICH A NONHOST  
11           CITY OF THE THIRD CLASS IS ALSO LOCATED, 2% OF GROSS  
12           TERMINAL REVENUE OR \$10,000,000 ANNUALLY, WHICHEVER IS  
13           GREATER, SHALL BE DISTRIBUTED AS FOLLOWS: 80% TO THE  
14           HOST CITY AND 20% TO A CITY OF THE THIRD CLASS LOCATED  
15           BOTH IN A NONHOST COUNTY OF THE THIRD CLASS AND IN A HOST  
16           COUNTY OF THE THIRD CLASS IN WHICH THE HOST CITY OF THE  
17           THIRD CLASS IS LOCATED.

18           (IV) TO A TOWNSHIP OF THE FIRST CLASS HOSTING A  
19           LICENSED FACILITY [OR FACILITIES], OTHER THAN A CATEGORY  
20           3 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  
24           TOWNSHIP SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION IN  
25           THIS 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 TOWNSHIP SHALL REMIT THE DIFFERENCE TO  
15 THE MUNICIPALITY.] THE DEPARTMENT SHALL COLLECT THE  
16 REMAINDER OF THE MINIMUM AMOUNT OF \$10,000,000 FROM EACH  
17 LICENSED ENTITY OPERATING A LICENSED FACILITY IN THE  
18 TOWNSHIP, PAY ANY BALANCE DUE TO THE TOWNSHIP AND  
19 TRANSFER ANY REMAINDER IN ACCORDANCE WITH PARAGRAPH (2).

20 (V) TO A TOWNSHIP OF THE SECOND CLASS HOSTING A  
21 LICENSED FACILITY [OR FACILITIES], OTHER THAN A CATEGORY  
22 3 LICENSED FACILITY, 2% OF THE GROSS TERMINAL REVENUE OR  
23 \$10,000,000 ANNUALLY, WHICHEVER IS GREATER, [OF ALL  
24 LICENSED FACILITIES] SHALL BE PAID BY EACH LICENSED  
25 ENTITY OPERATING A LICENSED FACILITY LOCATED IN THE  
26 TOWNSHIP SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION IN  
27 THIS SUBPARAGRAPH. THE AMOUNT ALLOCATED TO THE DESIGNATED  
28 MUNICIPALITIES SHALL NOT EXCEED 50% OF THEIR TOTAL BUDGET  
29 FOR FISCAL YEAR 2003-2004, ADJUSTED FOR INFLATION IN  
30 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,  
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. ~~FOR THE PURPOSES OF~~ <—  
~~THE DISTRIBUTION TO A COUNTY IN ACCORDANCE WITH PARAGRAPH~~  
~~(2)(II)(D), WHERE~~ WHERE THE LICENSED FACILITY IS OTHER <—  
THAN A CATEGORY 3 AND IS LOCATED IN MORE THAN ONE SECOND  
CLASS ~~TOWNSHIP THE COUNTY COMMISSIONERS SHALL APPOINT AN~~ <—  
~~ADVISORY COMMITTEE COMPOSED OF FIVE INDIVIDUALS. THE~~  
~~ADVISORY COMMITTEE SHALL BE COMPOSED OF TWO INDIVIDUALS~~  
~~FROM THE HOST MUNICIPALITY, TWO FROM THE CONTIGUOUS~~  
~~MUNICIPALITIES AND ONE FROM THE HOST COUNTY. TOWNSHIP THE~~ <—  
COUNTY COMMISSIONERS OF THE COUNTY OF THE THIRD CLASS IN  
WHICH THE FACILITY IS LOCATED SHALL APPOINT AN ADVISORY  
COMMITTEE FOR THE PURPOSE OF ADVISING THE COUNTY AS TO  
THE NEED FOR MUNICIPAL GRANTS FOR HEALTH, SAFETY,  
TRANSPORTATION AND OTHER PROJECTS IN THE PUBLIC INTEREST  
TO BE COMPRISED OF TWO INDIVIDUALS FROM THE HOST  
MUNICIPALITY, TWO FROM CONTIGUOUS MUNICIPALITIES WITHIN  
THE COUNTY OF THE THIRD CLASS AND ONE FROM THE HOST  
COUNTY. IN THE EVENT THAT THE REVENUES GENERATED BY THE  
2% DO NOT MEET THE \$10,000,000 MINIMUM SPECIFIED IN THIS

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

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

1 IN THE EVENT THAT THE REVENUES GENERATED BY THE 2% DO NOT  
2 MEET THE \$10,000,000 MINIMUM SPECIFIED IN THIS  
3 SUBPARAGRAPH, [THE LICENSED GAMING ENTITY OPERATING THE  
4 LICENSED FACILITY OR FACILITIES IN THE BOROUGH SHALL  
5 REMIT THE DIFFERENCE TO THE MUNICIPALITY.] THE DEPARTMENT  
6 SHALL COLLECT THE REMAINDER OF THE MINIMUM AMOUNT OF  
7 \$10,000,000 FROM EACH LICENSED ENTITY OPERATING A  
8 LICENSED FACILITY IN THE BOROUGH, PAY ANY BALANCE DUE TO  
9 THE BOROUGH AND TRANSFER ANY REMAINDER IN ACCORDANCE WITH  
10 PARAGRAPH (2).

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

1        AND DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2) BASED  
2        UPON THE CLASSIFICATION OF COUNTY WHERE THE LICENSED  
3        FACILITY [OR FACILITIES] IS LOCATED. IN THE EVENT THAT  
4        THE REVENUES GENERATED BY THE 2% DO NOT MEET THE  
5        \$10,000,000 MINIMUM SPECIFIED IN THIS SUBPARAGRAPH, [THE  
6        LICENSED GAMING ENTITY OPERATING THE LICENSED FACILITY OR  
7        FACILITIES IN THE TOWN SHALL REMIT THE DIFFERENCE TO THE  
8        MUNICIPALITY.] THE DEPARTMENT SHALL COLLECT THE REMAINDER  
9        OF THE MINIMUM AMOUNT OF \$10,000,000 FROM EACH LICENSED  
10       ENTITY OPERATING A LICENSED FACILITY IN THE INCORPORATED  
11       TOWN, PAY ANY BALANCE DUE TO THE TOWN AND TRANSFER ANY  
12       REMAINDER IN ACCORDANCE WITH PARAGRAPH (2).

13                (VIII) TO A MUNICIPALITY OF ANY CLASS HOSTING A  
14        CATEGORY 3 FACILITY, 2% OF THE GROSS TERMINAL REVENUE  
15        FROM THE CATEGORY 3 LICENSED FACILITY LOCATED IN THE  
16        MUNICIPALITY, SUBJECT, HOWEVER, TO THE BUDGETARY  
17        LIMITATION IN THIS SUBPARAGRAPH. THE AMOUNT ALLOCATED TO  
18        THE DESIGNATED MUNICIPALITIES SHALL NOT EXCEED 50% OF  
19        THEIR TOTAL BUDGET FOR FISCAL YEAR 2003-2004, ADJUSTED  
20        FOR INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO  
21        EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY  
22        APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE  
23        INDEX [FOR ALL URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW  
24        JERSEY, DELAWARE AND MARYLAND AREA, FOR THE MOST RECENT  
25        12-MONTH PERIOD FOR WHICH FIGURES HAVE BEEN OFFICIALLY  
26        REPORTED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU  
27        OF LABOR STATISTICS,] IMMEDIATELY PRIOR TO THE DATE THE  
28        ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING MONEY  
29        SHALL BE COLLECTED BY THE DEPARTMENT FROM EACH LICENSED  
30        FACILITY AND DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2)

1           BASED UPON THE CLASSIFICATION OF COUNTY WHERE THE  
2           LICENSED FACILITY [OR FACILITIES] IS LOCATED.

3           \* \* \*

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

10          \* \* \*

<—

11           ~~{(v) To a township of the second class hosting a~~  
12           ~~licensed facility or facilities, other than a Category 3~~  
13           ~~licensed facility, 2% of the gross terminal revenue or~~  
14           ~~\$10,000,000 annually, whichever is greater, of all~~  
15           ~~licensed facilities located in the township subject,~~  
16           ~~however, to the budgetary limitation in this~~  
17           ~~subparagraph. The amount allocated to the designated~~  
18           ~~municipalities shall not exceed 50% of their total budget~~  
19           ~~for fiscal year 2003-2004, adjusted for inflation in~~  
20           ~~subsequent years by an amount not to exceed an annual~~  
21           ~~cost of living adjustment calculated by applying the~~  
22           ~~percentage change in the Consumer Price Index for All~~  
23           ~~Urban Consumers for the Pennsylvania, New Jersey,~~  
24           ~~Delaware and Maryland area, for the most recent 12 month~~  
25           ~~period for which figures have been officially reported by~~  
26           ~~the United States Department of Labor, Bureau of Labor~~  
27           ~~Statistics, immediately prior to the date the adjustment~~  
28           ~~is due to take effect. Any remaining money shall be~~  
29           ~~distributed in accordance with paragraph (2) based upon~~  
30           ~~the county where the licensed facility or facilities is~~



1        ~~located. In the event that the revenues generated by the~~  
2        ~~2% do not meet the \$10,000,000 minimum specified in this~~  
3        ~~subparagraph, the licensed gaming entity operating the~~  
4        ~~licensed facility or facilities in the township shall~~  
5        ~~remit the difference to the municipality.}~~

6        ~~(v.1) To a township of the second class hosting a~~  
7        ~~licensed facility or facilities, other than a Category 3~~  
8        ~~licensed facility, 2% of the gross terminal revenue or~~  
9        ~~\$10,000,000 annually, whichever is greater, of all~~  
10       ~~licensed facilities located in the township. In the event~~  
11       ~~that 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 township shall remit the difference to~~  
15       ~~the municipality.~~

16        ~~\* \* \*~~

17       ~~(xvi) Notwithstanding subparagraphs (v.1) and (x),~~  
18       ~~if a licensed facility or facilities, other than a~~  
19       ~~Category 3 licensed facility, is located in the more than~~  
20       ~~one second class township, 2% of gross terminal revenue~~  
21       ~~of the licensed facilities or \$10,000,000, whichever is~~  
22       ~~greater, shall be distributed to the second class~~  
23       ~~townships. The amount available shall be distributed on a~~  
24       ~~pro rata basis determined by the percentage of acreage~~  
25       ~~located in each township to the total acreage occupied by~~  
26       ~~the licensed facilities. In the event that the revenues~~  
27       ~~generated by the 2% do not meet the \$10,000,000 minimum~~  
28       ~~specified in this subparagraph, the licensed gaming~~  
29       ~~entity operating the licensed facility or facilities in~~  
30       ~~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~~

1 ~~and the section is amended by adding subsections to read:~~

2 ~~§ 1408. Transfers from State Gaming Fund.~~

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

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

10 ~~\* \* \*~~

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

15 ~~(c.2) Transfer for autism research and outreach. The sum of~~  
16 ~~\$3,500,000 shall be transferred from the fund to the Department~~  
17 ~~of Public Welfare for services and programs regarding autism and~~  
18 ~~other pervasive developmental disorders.~~

19 ~~(c.3) Transfer for special education services. Each year an~~  
20 ~~amount equal to the unreimbursed expenses for special education~~  
21 ~~services provided by a school district shall be transferred from~~  
22 ~~the fund to the Department of Education for reimbursement to the~~  
23 ~~school district. The total transfer under this subsection in any~~  
24 ~~fiscal year shall not exceed the amount received by Pennsylvania~~  
25 ~~school districts from the School Based Access Program for the~~  
26 ~~2003-2004 fiscal year.~~

27 ~~\* \* \*~~

28 ~~(e) Transfer to Property Tax Relief Fund. Monthly, the~~  
29 ~~State Treasurer shall transfer the remaining balance in the~~  
30 ~~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  
LICENSEE CONDUCTING LIVE RACING FOR THAT DAY DIVIDED BY THE  
TOTAL GROSS TERMINAL REVENUE OF ALL ACTIVE AND OPERATING  
CATEGORY 1 LICENSEES CONDUCTING LIVE RACING FOR THAT DAY. THE  
DISTRIBUTIONS TO LICENSED RACING ENTITIES FROM THE  
PENNSYLVANIA RACE HORSE DEVELOPMENT FUND SHALL BE ALLOCATED  
AS FOLLOWS:

(I) EIGHTY PERCENT [TO] SHALL BE DEPOSITED WEEKLY

1 INTO A SEPARATE, INTEREST-BEARING PURSE ACCOUNT TO BE  
2 ESTABLISHED BY AND FOR THE BENEFIT OF THE HORSEMEN. THE  
3 EARNED INTEREST ON THE ACCOUNT SHALL BE CREDITED TO THE  
4 PURSE ACCOUNT. LICENSEES SHALL COMBINE THESE FUNDS WITH  
5 REVENUES FROM EXISTING PURSE AGREEMENTS TO FUND PURSES  
6 FOR LIVE RACES CONSISTENT WITH THOSE AGREEMENTS WITH THE  
7 ADVICE AND CONSENT OF THE HORSEMEN.

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

25 (III) FOUR PERCENT [TO] SHALL BE USED TO FUND HEALTH  
26 AND PENSION BENEFITS FOR THE MEMBERS OF THE HORSEMEN'S  
27 ORGANIZATIONS REPRESENTING THE OWNERS AND TRAINERS AT THE  
28 RACETRACK AT WHICH THE LICENSED RACING ENTITY OPERATES  
29 FOR THE BENEFIT OF THE ORGANIZATION'S MEMBERS, THEIR  
30 FAMILIES, EMPLOYEES AND OTHERS IN ACCORDANCE WITH THE

1 RULES AND ELIGIBILITY REQUIREMENTS OF THE ORGANIZATION,  
2 AS APPROVED BY THE STATE HORSE RACING COMMISSION OR THE  
3 STATE HARNESS RACING COMMISSION. THIS AMOUNT SHALL BE  
4 DEPOSITED WITHIN FIVE BUSINESS DAYS OF THE END OF EACH  
5 MONTH INTO A SEPARATE ACCOUNT TO BE ESTABLISHED BY EACH  
6 RESPECTIVE HORSEMEN'S ORGANIZATION AT A BANKING  
7 INSTITUTION OF ITS CHOICE. OF THIS AMOUNT, \$250,000 SHALL  
8 BE PAID ANNUALLY BY THE HORSEMEN'S ORGANIZATION TO THE  
9 THOROUGHBRED JOCKEYS OR STANDARD BRED DRIVERS ORGANIZATION  
10 AT THE RACETRACK AT WHICH THE LICENSED RACING ENTITY  
11 OPERATES FOR HEALTH INSURANCE, LIFE INSURANCE OR OTHER  
12 BENEFITS TO ACTIVE AND DISABLED THOROUGHBRED JOCKEYS OR  
13 STANDARD BRED DRIVERS IN ACCORDANCE WITH THE RULES AND  
14 ELIGIBILITY REQUIREMENTS OF THAT ORGANIZATION.

15 (2) (RESERVED).

16 \* \* \*

17 [§ 1506. LOCAL LAND USE PREEMPTION.

18 THE CONDUCT OF GAMING AS PERMITTED UNDER THIS PART, INCLUDING  
19 THE PHYSICAL LOCATION OF ANY LICENSED FACILITY, SHALL NOT BE  
20 PROHIBITED OR OTHERWISE REGULATED BY ANY ORDINANCE, HOME RULE  
21 CHARTER PROVISION, RESOLUTION, RULE OR REGULATION OF ANY  
22 POLITICAL SUBDIVISION OR ANY LOCAL OR STATE INSTRUMENTALITY OR  
23 AUTHORITY THAT RELATES TO ZONING OR LAND USE TO THE EXTENT THAT  
24 THE LICENSED FACILITY HAS BEEN APPROVED BY THE BOARD. THE BOARD  
25 MAY IN ITS DISCRETION CONSIDER SUCH LOCAL ZONING ORDINANCES WHEN  
26 CONSIDERING AN APPLICATION FOR A SLOT MACHINE LICENSE. THE BOARD  
27 SHALL PROVIDE THE POLITICAL SUBDIVISION, WITHIN WHICH AN  
28 APPLICANT FOR A SLOT MACHINE LICENSE HAS PROPOSED TO LOCATE A  
29 LICENSED GAMING FACILITY, A 60-DAY COMMENT PERIOD PRIOR TO THE  
30 BOARD'S FINAL APPROVAL, CONDITION OR DENIAL OF APPROVAL OF ITS

1 APPLICATION FOR A SLOT MACHINE LICENSE. THE POLITICAL  
2 SUBDIVISION MAY MAKE RECOMMENDATIONS TO THE BOARD FOR  
3 IMPROVEMENTS TO THE APPLICANT'S PROPOSED SITE PLANS THAT TAKE  
4 INTO ACCOUNT THE IMPACT ON THE LOCAL COMMUNITY, INCLUDING, BUT  
5 NOT LIMITED TO, LAND USE AND TRANSPORTATION IMPACT. THIS SECTION  
6 SHALL ALSO APPLY TO ANY PROPOSED RACETRACK OR LICENSED  
7 RACETRACK.]

8 SECTION 9.2. TITLE 4 IS AMENDED BY ADDING SECTIONS TO READ:  
9 § 1506.1. LAND USE PREEMPTION WITHIN CITIES OF THE FIRST CLASS.

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

25 (B) USAGE AND LAYOUT.--THE FOLLOWING USE AND DIMENSIONAL  
26 STANDARDS SHALL APPLY TO THE PHYSICAL SITING AND LAYOUT OF  
27 LICENSED FACILITIES:

28 (1) SPECIFIC USES PERMITTED AT LICENSED FACILITIES SHALL  
29 BE THE ERECTION, OCCUPANCY, CONSTRUCTION, ALTERATION AND USE  
30 OF BUILDINGS OR LAND FOR GAMING AND ACCESSORY GAMING USES. <—

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

2           (I) STRUCTURES, EXCLUDING PARKING AREAS AND GARAGES,     <—  
3       LOCATED AT A LICENSED FACILITY AND ASSOCIATED AREAS,  
4       INCLUDING THOSE WHICH HOUSE ACCESSORY GAMING USES MAY  
5       OCCUPY UP TO ~~100%~~ 80% OF THE TOTAL LOT AREA.                     <—

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

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

19           (B) THE UPKEEP AND COST OF MAINTENANCE OF  
20       ~~RIGHTS-OF-WAY~~ THE PUBLIC WALKWAY SHALL BE BORNE                     <—  
21       SOLELY BY THE LICENSED FACILITY WITHOUT CHARGE TO THE  
22       PUBLIC.

23           (III) EACH LICENSED FACILITY, EXCLUDING PARKING  
24       AREAS AND GARAGES, SHALL BE ALLOWED A TOTAL GROSS FLOOR  
25       AREA UP TO ~~12~~ SIX TIMES THE TOTAL AREA OF THE LICENSED                     <—  
26       FACILITY, MEASURED IN SQUARE FEET. TOTAL ~~FLOOR~~ AREA SHALL                     <—  
27       INCLUDE ALL LAND AND WATER AREAS OF THE LICENSED FACILITY  
28       UP TO THE PIERHEAD LINE, AS WELL AS ANY RAILROAD RIGHT-  
29       OF-WAY AREA WITHIN THE CONFINES OF THE LICENSED FACILITY.  
30       PARKING AND GARAGE AREAS SHALL NOT BE SUBJECT TO ANY



GROSS FLOOR AREA LIMITATION.

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

(IV) LANDSCAPED FRONT SETBACKS SHALL BE REQUIRED AT  
A MINIMUM WIDTH AND AVERAGE OF 20 FEET.

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

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

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

(B) ONE SPACE FOR EVERY 1,000 SQUARE FEET OF  
BUILDING OR FOR EVERY 10 SEATS, FOUR SPACES FOR EVERY  
FIVE SLOT MACHINES, WHICHEVER TOTAL NUMBER OF SPACES  
IS GREATER.

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

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

~~(4) THE FOLLOWING SHALL APPLY TO SIGNAGE:~~

~~(I) EACH LICENSED FACILITY SHALL BE PERMITTED A  
TOTAL SIGN AREA OF FIVE SQUARE FEET FOR EACH LINEAL FOOT  
OF STREET LINE OF THE LICENSED FACILITY, INCLUDING  
ASSOCIATED AREAS, AND EACH LINEAL FOOT OF WATERFRONT LINE~~

~~ALONG A NAVIGABLE WATERWAY OF THE LICENSED FACILITY.~~

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

(4) THE FOLLOWING SHALL APPLY TO SIGNAGE:

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

(II) SIGNS MAY BE REVOLVING, ANIMATED OR  
ILLUMINATED. SIGNS CONTAINING FLASHING OR INTERMITTENT  
ILLUMINATION SHALL NOT BE ERECTED WITHIN 150 FEET OF A  
RESIDENTIAL ZONING DISTRICT UNDER THE PRESENT LOCAL  
ZONING CODE.

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

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

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

1           (III) DECISIONS OF HEARING OFFICERS MAY BE APPEALED  
2           TO THE BOARD WITHIN 30 DAYS OF DATE OF DECISION. WITH  
3           RESPECT TO ANY DECISION MADE UNDER SUBPARAGRAPH (I), A  
4           CITY OF THE FIRST CLASS THAT HAS SUBMITTED WRITTEN  
5           COMMENTS MAY BE GRANTED PARTY STATUS IN THE PROCEEDING.  
6           THE BOARD MAY GRANT A VARIANCE IN ACCORDANCE WITH THE  
7           STANDARDS FOR GRANTING A VARIANCE AS PROVIDED IN  
8           SUBSECTION (B.1).

9           (B.1) VARIANCES.--THE BOARD SHALL HEAR REQUESTS FOR  
10          VARIANCES WHERE IT IS ALLEGED THAT THE PROVISIONS OF THE ZONING  
11          STANDARDS OF THIS PART INFLICT UNNECESSARY HARDSHIP UPON THE  
12          APPLICANT. THE BOARD MAY GRANT A VARIANCE IF ALL OF THE  
13          FOLLOWING FINDINGS ARE MADE, AS RELEVANT IN A PARTICULAR CASE:

14           (1) THAT THERE ARE UNIQUE PHYSICAL CIRCUMSTANCES OR  
15           CONDITIONS, INCLUDING IRREGULARITY, NARROWNESS, OR  
16           SHALLOWNESS OF LOT SIZE OR SHAPE, OR EXCEPTIONAL  
17           TOPOGRAPHICAL OR OTHER PHYSICAL CONDITIONS PECULIAR TO THE  
18           PARTICULAR PROPERTY AND THAT THE UNNECESSARY HARDSHIP IS DUE  
19           TO SUCH CONDITIONS.

20           (2) THAT BECAUSE OF SUCH PHYSICAL CIRCUMSTANCES OR  
21           CONDITIONS, THERE IS NO POSSIBILITY THAT THE PROPERTY CAN BE  
22           DEVELOPED IN STRICT CONFORMITY WITH THE PROVISIONS OF THE  
23           ZONING STANDARDS OF THIS PART AND THAT THE AUTHORIZATION OF A  
24           VARIANCE IS THEREFORE NECESSARY TO ENABLE THE REASONABLE USE  
25           OF THE PROPERTY.

26           (3) THAT SUCH UNNECESSARY HARDSHIP HAS NOT BEEN CREATED  
27           BY THE APPELLANT.

28           (4) THAT THE VARIANCE, IF AUTHORIZED, WILL REPRESENT THE  
29           MINIMUM VARIANCE THAT WILL AFFORD RELIEF AND WILL REPRESENT  
30           THE LEAST MODIFICATION POSSIBLE OF THE REGULATION IN ISSUE.

1 IN GRANTING ANY VARIANCE, THE BOARD MAY ATTACH SUCH REASONABLE  
2 CONDITIONS AND SAFEGUARDS AS IT MAY DEEM NECESSARY TO IMPLEMENT  
3 THE PURPOSES OF THIS PART. ~~AN APPEAL OF A FINAL BOARD DECISION~~ <—  
4 ~~UNDER THIS SECTION SHALL BE TAKEN IN ACCORDANCE WITH SECTION~~  
5 ~~1204 (RELATING TO LICENSED ENTITY APPLICATION APPEALS FROM~~  
6 ~~BOARD).~~

7 (C) CONNECTIONS TO PUBLIC WATER, SEWER AND UTILITIES.-- ALL  
8 OCCUPANTS AT EACH LICENSED FACILITY LOCATED WITHIN A CITY OF THE  
9 FIRST CLASS SHALL BE ALLOWED TO CONNECT TO AND USE UTILITIES  
10 WITH NO CONNECTION OR RESERVATION CHARGE, SUBJECT TO  
11 NONDISCRIMINATORY CHARGES FOR ACTUAL COSTS OF EXTENDING SERVICE  
12 TO THE SITE AND TO ACTUAL USAGE CHARGES IMPOSED UNDER  
13 NONDISCRIMINATORY TARIFFS.

14 (D) CONSTRUCTION AND OCCUPANCY STANDARDS.--THE DEPARTMENT OF  
15 LABOR AND INDUSTRY SHALL REGULATE AND ENFORCE THE CONSTRUCTION  
16 AND OCCUPANCY OF LICENSED FACILITIES WITHIN A CITY OF THE FIRST  
17 CLASS. ALL LICENSED FACILITIES SHALL BE SUBJECT TO THE ACT OF  
18 NOVEMBER 10, 1999 (P.L.491, NO.45), KNOWN AS THE PENNSYLVANIA  
19 CONSTRUCTION CODE ACT. IN ADDITION TO THE POWERS CONVEYED TO THE  
20 DEPARTMENT OF LABOR AND INDUSTRY UNDER SECTION 2202 OF THE ACT  
21 OF APRIL 9, 1929 (P.L.177, NO.175), KNOWN AS THE ADMINISTRATIVE  
22 CODE OF 1929, THE DEPARTMENT OF LABOR AND INDUSTRY SHALL HAVE  
23 ALL OF THE FOLLOWING POWERS AND DUTIES:

24 (1) TO RECEIVE AND EXAMINE PLANS FOR ALL BUILDINGS AND  
25 PLACES OF ASSEMBLY COMPRISING LICENSED FACILITIES WITHIN A  
26 CITY OF THE FIRST CLASS AND TO CONSIDER, REVIEW AND APPROVE  
27 THE PLANS CONSISTENT WITH THE PROVISIONS OF THE PENNSYLVANIA  
28 CONSTRUCTION CODE ACT.

29 (2) TO RECEIVE AND CHECK PLANS FOR ELEVATOR  
30 INSTALLATIONS FOR ALL BUILDINGS AND PLACES OF ASSEMBLY

1 COMPRISING LICENSED FACILITIES WITHIN A CITY OF THE FIRST  
2 CLASS AND TO ISSUE PERMITS FOR THE ERECTION AND REPAIR OF  
3 ELEVATOR INSTALLATIONS CONSISTENT WITH THE PROVISIONS OF THE  
4 PENNSYLVANIA CONSTRUCTION CODE ACT.

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

9 (4) TO MAINTAIN PLAN AND SPECIFICATION REVIEW AND  
10 INSPECTION AUTHORITY OF ALL BUILDINGS AND PLACES OF ASSEMBLY  
11 COMPRISING LICENSED FACILITIES WITHIN A CITY OF THE FIRST  
12 CLASS. THE DEPARTMENT OF LABOR AND INDUSTRY SHALL NOTIFY THE  
13 APPROPRIATE DEPARTMENT OF THE CITY OF THE FIRST CLASS OF ALL  
14 INSPECTIONS OF THE BUILDINGS AND PROVIDE THE CITY WITH THE  
15 OPPORTUNITY TO OBSERVE THE INSPECTION OF THE LICENSED  
16 FACILITIES.

17 (5) ~~TO~~ WITHIN 14 DAYS OF RECEIPT, TO MAKE AVAILABLE TO <—  
18 THE APPROPRIATE DEPARTMENT OF THE CITY OF THE FIRST CLASS,  
19 UPON REQUEST, COPIES OF ALL BUILDING PLANS AND PLAN REVIEW  
20 DOCUMENTS IN THE CUSTODY OF THE DEPARTMENT OF LABOR AND  
21 INDUSTRY. THE CITY OF THE FIRST CLASS MAY SUBMIT WRITTEN <—  
22 COMMENTS TO THE DEPARTMENT IN REFERENCE TO THE BUILDING PLANS  
23 AND PUBLIC SAFETY CONCERNS WITHIN 30 DAYS OF RECEIPT.

24 § 1506.2. CONVEYANCES IN CITIES OF THE FIRST CLASS.

25 (A) INTENTION.--IN ORDER TO MAXIMIZE THE POLICY MANDATES OF  
26 THIS PART AND TO OPTIMIZE DEVELOPMENT OPPORTUNITIES WITHIN A  
27 CITY OF THE FIRST CLASS, IT IS THE INTENTION OF THE GENERAL  
28 ASSEMBLY TO FACILITATE THE TIMELY CONVEYANCE OF RIPARIAN RIGHTS  
29 THAT THE COMMONWEALTH MAY OWN TO ANY PERSON APPROVED FOR A SLOT  
30 MACHINE LICENSE BY THE BOARD FOR A FACILITY TO BE LOCATED ON

1 LAND CONTIGUOUS TO NAVIGABLE WATERWAYS.

2 (B) AUTHORIZATION AND DIRECTION.--THE DEPARTMENT OF GENERAL  
3 SERVICES, WITH THE APPROVAL OF THE GOVERNOR, IS HEREBY  
4 AUTHORIZED AND DIRECTED ON BEHALF OF THE COMMONWEALTH OF  
5 PENNSYLVANIA TO GRANT AND CONVEY BY QUITCLAIM DEED FOR  
6 CONSIDERATION UNDER SUBSECTION (E) TO EACH PERSON APPROVED FOR A  
7 SLOT MACHINE LICENSE BY THE BOARD FOR A LICENSED FACILITY THAT  
8 IS TO BE LOCATED WITHIN A CITY OF THE FIRST CLASS AND IS  
9 CONTIGUOUS TO NAVIGABLE WATERS, THE LAND FURTHER DESCRIBED IN  
10 SUBSECTION (C) AND SUCH CONVEYANCE SHALL BE DEEMED AS GRANTING <—  
11 THE CONSENT OF THE COMMONWEALTH TO THE LICENSEE FOR CONSTRUCTION  
12 THEREON.

13 (C) DESCRIPTION.--THE LAND TO BE TRANSFERRED UNDER  
14 SUBSECTION (A) SHALL BE ALL OF THE COMMONWEALTH'S LANDS BETWEEN  
15 THE LOW-WATER LINE, OR IN CITIES OF THE FIRST CLASS, THE  
16 BULKHEAD LINE, AND THE ESTABLISHED PIERHEAD LINE, IN A CITY OF  
17 THE FIRST CLASS, CONSISTING OF ALL THE MUDS AND LAND CURRENTLY  
18 OR PREVIOUSLY UNDER THE NAVIGABLE WATERS AND LYING ADJACENT TO  
19 THE PROPERTY OWNED BY A LICENSEE TO THE WEST OF THE BULKHEAD  
20 LAND LINE, AND ALL RIPARIAN RIGHTS APPERTAINING THERETO. <—

21 (D) LICENSEE ELECTION OF GRANTED AREA.--UPON APPROVAL OF A  
22 SLOT MACHINE LICENSE TO A GRANTEE, THE GRANTEE SHALL DELIVER TO  
23 THE DEPARTMENT OF GENERAL SERVICES A COPY OF THE DEED OR OTHER  
24 DOCUMENTATION EVIDENCING ITS TITLE TO THE LICENSED FACILITY AND  
25 A SURVEY AND METES AND BOUNDS LEGAL DESCRIPTION OF THE LAND  
26 DESCRIBED UNDER SUBSECTION (C) TO BE INCLUDED IN ITS LICENSED  
27 FACILITY.

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

29 (1) THE CONSIDERATION TO BE PAID TO THE COMMONWEALTH BY  
30 THE GRANTEE FOR THE GRANTED AREA SHALL BE DETERMINED BY THE

1 DEPARTMENT OF GENERAL SERVICES WITH THE APPROVAL OF THE  
2 GOVERNOR BASED ON AN APPRAISAL OF FAIR MARKET VALUE OBTAINED  
3 FROM AN INDEPENDENT APPRAISER WHO IS EXPERIENCED IN  
4 APPRAISING RIPARIAN INTERESTS AND COMMERCIAL REAL ESTATE IN  
5 CITIES OF THE FIRST CLASS AND WHO IS A MEMBER OF THE  
6 APPRAISAL INSTITUTE OR SIMILAR PROFESSIONAL ORGANIZATION. THE  
7 LAND DESCRIBED IN SUBSECTION (C) SHALL BE APPRAISED ON AN  
8 "AS-IS" BASIS, TAKING INTO ACCOUNT IN THE APPRAISAL ALL OF  
9 THE FOLLOWING:

10 (I) THE ABSENCE OF THE VALUE OF THE LAND DESCRIBED  
11 IN SUBSECTION (C) TO PERSONS OTHER THAN THE ADJACENT  
12 UPLAND OWNER.

13 (II) A CREDIT TO BE TAKEN AGAINST VALUE BECAUSE OF  
14 THE LICENSED GAMING ENTITY PROVIDING FOR PUBLIC ACCESS TO  
15 THE WATER AS MANDATED BY ~~CHAPTER 19~~ THIS CHAPTER. <—

16 (III) THE LIMITED UTILITY OF THE LAND DESCRIBED  
17 UNDER SUBSECTION (C) WHICH IS, IN FACT, NOT BUILDABLE  
18 LAND DUE TO ITS BEING UNDERWATER.

19 (IV) THE LIMITATION ON VALUE IMPOSED BY THE NEED AND  
20 UNCERTAINTY IN OBTAINING GOVERNMENTAL APPROVALS AND  
21 PERMITS TO CONSTRUCT ANY IMPROVEMENTS ON THE LAND  
22 DESCRIBED UNDER SUBSECTION (C).

23 (V) A CREDIT TO BE TAKEN AGAINST VALUE FOR THE COST  
24 OF DEMOLITION AND REMOVAL OF EXTANT RIPARIAN STRUCTURES  
25 SUCH AS ~~DECREPIT~~ PIERS, PLATFORMS AND PILINGS AND ANY <—  
26 RELATED ENVIRONMENTAL OR OTHER REMEDIATION.

27 (VI) A CREDIT TO BE TAKEN AGAINST VALUE FOR THE COST  
28 OF INFILLING AND OTHER STRUCTURAL SUPPORT FOR  
29 IMPROVEMENTS TO THE LAND DESCRIBED IN SUBSECTION (C),  
30 INCLUDING THE EXTENSION OF UTILITIES.

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

3           (VIII) NO INCREASE IN THE VALUE OF THE LAND  
4           DESCRIBED IN SUBSECTION (C) SHALL BE MADE BECAUSE OF THE  
5           APPROVAL OF THE LICENSE.

6           (2) THE CONSIDERATION ESTABLISHED UNDER PARAGRAPH (1)  
7           SHALL BE PAID BY THE GRANTEE, DELIVERING TO THE COMMONWEALTH  
8           A NOTE BEARING INTEREST OF 6% PER ANNUM AT THE TIME OF  
9           TRANSFER TO IT BY THE COMMONWEALTH OF THE LAND DESCRIBED IN  
10          SUBSECTION (C). THE NOTE SHALL BE PAYABLE IN EQUAL ANNUAL  
11          INSTALLMENTS OF PRINCIPAL PLUS ACCRUED INTEREST ON THE FIRST  
12          THROUGH FIFTH ANNUAL ANNIVERSARIES OF THE CONVEYANCE OF THE  
13          LAND DESCRIBED UNDER SUBSECTION (C).

14          (F) DEED.--THE DEEDS OF CONVEYANCE SHALL BE BY QUITCLAIM  
15          DEED AND SHALL BE EXECUTED BY THE SECRETARY OF GENERAL SERVICES  
16          IN THE NAME OF THE COMMONWEALTH.

17          (G) COSTS AND FEES.--COSTS AND FEES INCIDENTAL TO EACH  
18          CONVEYANCE SHALL BE BORNE BY THE GRANTEE.  
19          SECTION 1506.3. RIPARIAN RIGHTS.

20          UPON THE ISSUANCE OF A SLOT MACHINE LICENSE UNDER THIS PART  
21          FOR A LICENSED FACILITY THAT IS TO BE LOCATED WITHIN A CITY OF  
22          THE FIRST CLASS CONTIGUOUS TO NAVIGABLE WATERS OF THE DELAWARE  
23          RIVER, IT SHALL BE DEEMED THAT THE SLOT MACHINE LICENSEE HAS  
24          COMPLETELY SATISFIED ALL STATE REQUIREMENTS SET FORTH IN THE ACT  
25          OF NOVEMBER 26, 1978 (P.L.1375, NO.325), KNOWN AS THE DAM SAFETY  
26          AND ENCROACHMENTS ACT, AND ALL REGULATIONS APPLICABLE TO  
27          ENCROACHMENT OF THE NAVIGABLE WATERS BY ANY MEANS IN AND ALONG  
28          SUBMERGED LANDS OF THE COMMONWEALTH THAT HAVE BEEN GRANTED FOR  
29          PURPOSES OF CONSTRUCTION, DEMOLITION AND ERECTION OF STRUCTURES  
30          AND FOUNDATIONS ASSOCIATED WITH A LICENSED FACILITY. THE SLOT



1 MACHINE LICENSEE SHALL NOT BE OBLIGATED TO OBTAIN OR MAINTAIN A  
2 WATER OBSTRUCTION AND ENCROACHMENT PERMIT REQUIRED BY STATE LAW.  
3 THE LICENSED FACILITY, USE OF THE LICENSED FACILITY AND ANY LAND  
4 AND FILL ON WHICH ANY PORTION OF THE LICENSED FACILITY IS  
5 SITUATED AND OPERATED SHALL BE DEEMED:

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

8 (2) NOT TO ADVERSELY AFFECT NAVIGATION; AND

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

11 § 1506.4. CLEAN INDOOR AIR.

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

15 Section 10. Sections 1509(a), (b) and (d) and 1512 of Title  
16 4 are amended to read:

17 § 1509. Compulsive and problem gambling program.

18 (a) Establishment of program.--The Department of Health, in  
19 consultation with organizations similar to the Mid-Atlantic  
20 Addiction Training Institute, shall develop program guidelines  
21 for public education, awareness and training regarding  
22 compulsive and problem gambling and the treatment and prevention  
23 of compulsive and problem gambling. The guidelines shall include  
24 strategies for the prevention of compulsive and problem  
25 gambling. The Department of Health may ~~collaborate~~ CONSULT with <—  
26 the board and licensed gaming entities to develop such  
27 strategies. The program shall include:

28 (1) Maintenance of a compulsive gamblers assistance  
29 organization's toll-free problem gambling telephone number to  
30 provide crisis counseling and referral services to families

1 experiencing difficulty as a result of problem or compulsive  
2 gambling.

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

5 (3) Facilitation, through in-service training and other  
6 means, of the availability of effective assistance programs  
7 for problem and compulsive gamblers and family members  
8 affected by problem and compulsive gambling.

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

12 (5) Providing grants to and contracting with  
13 organizations which provide services as set forth in this  
14 section.

15 (6) Providing reimbursement for organizations for  
16 reasonable expenses in assisting the Department of Health in  
17 carrying out the purposes of this section.

18 (b) Compulsive and Problem Gambling Treatment Fund.--There  
19 is hereby established in the State Treasury a special fund to be  
20 known as the Compulsive and Problem Gambling Treatment Fund. All  
21 moneys in the fund shall be expended for programs for the  
22 prevention and treatment of gambling addiction and other  
23 emotional and behavioral problems associated with or related to  
24 gambling addiction and for the administration of the compulsive  
25 and problem gambling program. The fund shall consist of money  
26 annually allocated to it from the annual payment established  
27 under section 1408 (relating to transfers from State Gaming  
28 Fund), money which may be allocated by the board, interest  
29 earnings on moneys in the fund and any other contributions,  
30 payments or deposits which may be made to the fund.

1       \* \* \*

2       (d) Single county authorities.--The Department of Health may  
3 make grants from the fund established under subsection (b) to a  
4 single county authority created pursuant to the act of April 14,  
5 1972 (P.L.221, No.63), known as the Pennsylvania Drug and  
6 Alcohol Abuse Control Act, for the purpose of providing  
7 compulsive gambling and gambling [addition] addiction  
8 prevention, treatment and education programs. It is the  
9 intention of the General Assembly that any grants that the  
10 Department of Health may make to any single county authority in  
11 accordance with the provisions of this subsection be used  
12 exclusively for the development and implementation of compulsive  
13 and problem gambling programs authorized under subsection (a).

14       \* \* \*

15   § 1512. [Public official financial interest.] Financial  
16               ~~interests, employment and complimentary services and~~ <—  
17               ~~discounts.~~ AND EMPLOYMENT INTERESTS. <—

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

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

5 (a) Financial interests.--Except as may be provided by rule  
6 or order of the Pennsylvania Supreme Court, an executive-level  
7 public employee, public official or party officer, or an  
8 immediate family member thereof, shall not intentionally or  
9 knowingly hold a financial interest in an applicant or a slot  
10 machine licensee, manufacturer licensee, supplier licensee or  
11 licensed racing entity, or in a holding company, affiliate,  
12 intermediary or subsidiary thereof, while the individual is an  
13 executive-level public employee, public official or party  
14 officer and for one year following termination of the  
15 individual's status as an executive-level public employee,  
16 public official or party officer.

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

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

<—

29 (1) No executive-level public employee, public official  
30 or party officer, or an immediate family member thereof,

1 shall solicit or accept, any complimentary service or <—  
2 discount from an applicant or a slot machine licensee,  
3 manufacturer licensee, supplier licensee or licensed racing  
4 entity, or from any affiliate, intermediary, subsidiary or  
5 holding company thereof, which the executive-level public  
6 employee, public official or party officer, or an immediate  
7 family member thereof, knows or has reason to know is other  
8 than a service or discount which is offered to members of the  
9 general public in like circumstances.

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

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

29 (a.4) Divestiture.--An executive-level public employee,  
30 public official or party officer, or an immediate family member

1 thereof, who holds a financial interest prohibited by this  
2 section shall divest the financial interest within three months  
3 of the effective date of the restrictions set forth in  
4 subsection (a), as applicable. Thereafter, any executive-level  
5 public employee, public official, party officer or immediate  
6 family member shall have 30 days from the date the individual  
7 knew or had reason to know of the violation or 30 days from the  
8 annual publication in the Pennsylvania Bulletin under §  
9 ~~1202(b)(19)~~ 1202(B)(27) (relating to GENERAL AND SPECIFIC powers <—  
10 and duties), whichever occurs earlier. <—

11 (a.5) Ethics Commission.--The Ethics Commission shall  
12 publish a list of all State, county, municipal and other  
13 government positions that meet the definitions of "public  
14 official" or "executive-level public employee" under subsection  
15 (b). The Office of Administration shall assist the Ethics  
16 Commission in the development of the list, which shall be  
17 published in the Pennsylvania Bulletin biennially and on the  
18 board's website. ~~Each~~ UPON REQUEST, EACH public official shall <—  
19 have a duty to provide the Ethics Commission with adequate  
20 information to accurately develop and maintain the list. The  
21 Ethics Commission may impose a civil penalty under 65 Pa.C.S. §  
22 1109(f) (relating to penalties) upon any public official or  
23 executive-level public employee who fails to cooperate with the  
24 Ethics Commission under this subsection.

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

28 "Executive-level [State] public employee." [The Governor,  
29 Lieutenant Governor, cabinet members, deputy secretaries, the  
30 Governor's office executive staff, any State employee with

1 discretionary powers which may affect the outcome of a State  
2 agency's decision in relation to a private corporation or  
3 business, with respect to any matter covered by this part or any  
4 executive employee who by virtue of his job function could  
5 influence the outcome of such a decision.] The term shall  
6 include the following:

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

9       (2) Employees of the Executive Branch with discretionary  
10 powers which may affect or influence the outcome of a State  
11 agency's action or decision relating to a matter under this  
12 part. <—

13       ~~(3) An executive level employee of a county which~~  
14 ~~received a distribution of money or revenue under section~~  
15 ~~1403(c)(2) (relating to establishment of State Gaming Fund~~  
16 ~~and net slot machine revenue distribution).~~

17       ~~(4) An executive level employee of a municipality which~~  
18 ~~received a distribution of money or revenue under section~~  
19 ~~1403(c)(3).~~

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

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

28       ~~(7) Any other employee of a county, municipality,~~  
29 ~~authority, commission or other local governmental entity with~~  
30 ~~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.

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



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

6       ~~(1) A BLIND TRUST FOR THE BENEFIT OF AN IMMEDIATE FAMILY~~ <—  
7       ~~MEMBER OF AN EXECUTIVE LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL~~  
8       ~~OR PARTY OFFICER, AND OVER WHICH THE EXECUTIVE LEVEL PUBLIC~~  
9       ~~EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER NEITHER EXERCISES~~  
10       ~~MANAGERIAL OR INVESTMENT CONTROL NOR RECEIVES ANY FINANCIAL~~  
11       ~~BENEFIT. THE IMMEDIATE FAMILY MEMBER SHALL NOT EXERCISE ANY~~  
12       ~~MANAGERIAL OR INVESTMENT CONTROL OR RECEIVE ANY INCOME~~  
13       ~~THEREFROM DURING THE RELATED EXECUTIVE LEVEL PUBLIC EMPLOYEE,~~  
14       ~~PUBLIC OFFICIAL OR PARTY OFFICER'S TENURE OF OFFICE AND THE~~  
15       ~~PERIOD UNDER SUBSECTION (A).~~

16       ~~(1) A BLIND TRUST OVER WHICH THE EXECUTIVE-LEVEL~~ <—  
17       ~~EMPLOYEE, PUBLIC OFFICIAL, PARTY OFFICER OR IMMEDIATE FAMILY~~  
18       ~~MEMBER THEREOF MAY NOT EXERCISE ANY MANAGERIAL CONTROL OR~~  
19       ~~RECEIVE INCOME DURING THE TENURE OF OFFICE AND THE PERIOD~~  
20       ~~UNDER SUBSECTION (A). THE PROVISIONS OF THIS PARAGRAPH SHALL~~  
21       ~~APPLY ONLY TO BLIND TRUSTS ESTABLISHED PRIOR TO THE EFFECTIVE~~  
22       ~~DATE OF THIS PARAGRAPH.~~

23       ~~(2) Securities that are held in a pension plan, profit-~~  
24       ~~sharing plan, individual retirement account, tax sheltered~~  
25       ~~annuity, a plan established pursuant to section 457 of the~~  
26       ~~Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §~~  
27       ~~1 et seq.), or any successor provision, deferred compensation~~  
28       ~~plan whether qualified or not qualified under the Internal~~  
29       ~~Revenue Code of 1986, or any successor provision, or other~~  
30       ~~retirement plan that:~~

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

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

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

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

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

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

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

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

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

11 (1) The Governor, Lieutenant Governor, a member of the  
12 Governor's cabinet, Treasurer, Auditor General and Attorney  
13 General of the Commonwealth.

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

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

19 ~~(4) An individual elected or appointed to a governmental~~  
20 ~~body that receives a distribution of money or revenue under~~  
21 ~~this part.~~

22 ~~(5) An individual elected or appointed to a department,~~  
23 ~~agency, board, commission, authority or other governmental~~  
24 ~~body that possesses regulatory or law enforcement authority~~  
25 ~~over a licensed entity.~~

26 (3) AN INDIVIDUAL ELECTED OR APPOINTED TO ANY OFFICE OF <—  
27 A COUNTY THAT RECEIVES A DISTRIBUTION OF MONEY OR REVENUE  
28 UNDER THIS PART.

29 (4) AN INDIVIDUAL ELECTED OR APPOINTED TO ANY OFFICE OF  
30 A MUNICIPALITY THAT RECEIVES A DISTRIBUTION OF MONEY OR

1 REVENUE UNDER THIS PART.

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

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

14 The term does not include a member of a school board or an  
15 individual who held an uncompensated office with a governmental  
16 body prior to January 1, 2006, and who no longer holds the  
17 office as of January 1, 2006. The term includes a member of an  
18 advisory board or commission which makes recommendations  
19 relating to a licensed facility.

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

22 § 1513. Political influence.

23 [(a) Contribution restriction.--An applicant for a slot  
24 machine license, manufacturer license or supplier license,  
25 licensed racing entity licensee, licensed manufacturer, licensed  
26 supplier or licensed gaming entity, or a person that holds a  
27 similar gaming license or permit or a controlling interest in a  
28 gaming license or permit in another jurisdiction, or any  
29 holding, affiliate, intermediary or subsidiary company thereof,  
30 or any officer, director or key employee of such applicant

1 licensed manufacturer or licensed supplier, licensed racing  
2 entity or licensed gaming entity or any holding, affiliate,  
3 intermediary or subsidiary company thereof, shall be prohibited  
4 from contributing any money or in-kind contribution to a  
5 candidate for nomination or election to any public office in  
6 this Commonwealth, or to any political committee or State party  
7 in this Commonwealth or to any group, committee or association  
8 organized in support of any such candidate, political committee  
9 or State party.]

10 (a) Contribution restriction.--The following persons shall  
11 be prohibited from contributing any money or in-kind  
12 contribution to a candidate for nomination or election to any  
13 public office in this Commonwealth, or to any political party  
14 committee or other political committee in this Commonwealth or  
15 to any group, committee or association organized in support of a  
16 candidate, political party committee or other political  
17 committee in this Commonwealth:

18 (1) An applicant.

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

21 (3) ~~A principal or A LICENSED A PRINCIPAL OR LICENSED~~ <—  
22 key employee of a slot machine licensee, licensed  
23 manufacturer, licensed supplier or licensed racing entity.

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

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

29 (5) A PRINCIPAL OR KEY EMPLOYEE OF AN AFFILIATE, <—  
30 INTERMEDIARY, subsidiary or holding company of a slot machine

licensee, licensed manufacturer, licensed supplier or  
licensed racing entity.

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

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

(a.2) Internet website.--

(1) The board shall establish an Internet website that  
includes a list of all applicants for and holders of a slot  
machine license, manufacturer license, supplier license or  
racing entity license, and the affiliates, intermediaries,  
subsidiaries, holding companies, ~~officers, directors or~~ <—  
~~persons with a controlling interest therein~~ PRINCIPALS and <—  
key employees thereof, all persons and officers, directors or  
persons with a controlling interest holding a similar gaming  
license in another jurisdiction and the affiliates,  
intermediaries, subsidiaries, holding companies, ~~officers,~~ <—  
~~directors or persons with a controlling interest therein~~  
PRINCIPALS and key employees thereof, and any other entity in <—

1 which the applicant or licensee has any debt or equity  
2 security or other ownership or profits interest. An applicant  
3 or licensee shall notify the board within seven days of the  
4 discovery of any change in or addition to the information.  
5 The list shall be published semiannually in the Pennsylvania  
6 Bulletin.

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

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

19 \* \* \*

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

23 "CONTRIBUTION." ANY PAYMENT, GIFT, SUBSCRIPTION, ASSESSMENT,  
24 CONTRACT, PAYMENT FOR SERVICES, DUES, LOAN, FORBEARANCE, ADVANCE  
25 OR DEPOSIT OF MONEY OR ANY VALUABLE THING, MADE TO A CANDIDATE  
26 OR POLITICAL COMMITTEE FOR THE PURPOSE OF INFLUENCING ANY  
27 ELECTION IN THIS COMMONWEALTH OR FOR PAYING DEBTS INCURRED BY OR  
28 FOR A CANDIDATE OR COMMITTEE BEFORE OR AFTER ANY ELECTION. THE  
29 TERM SHALL INCLUDE THE PURCHASE OF TICKETS FOR EVENTS INCLUDING  
30 DINNERS, LUNCHEONS, RALLIES AND OTHER FUND-RAISING EVENTS; THE

<—

1 GRANTING OF DISCOUNTS OR REBATES NOT AVAILABLE TO THE GENERAL  
2 PUBLIC; OR THE GRANTING OF DISCOUNTS OR REBATES BY TELEVISION  
3 AND RADIO STATIONS AND NEWSPAPERS NOT EXTENDED ON AN EQUAL BASIS  
4 TO ALL CANDIDATES FOR THE SAME OFFICE; AND ANY PAYMENTS PROVIDED  
5 FOR THE BENEFIT OF ANY CANDIDATE, INCLUDING PAYMENTS FOR THE  
6 SERVICES OF A PERSON SERVING AS AN AGENT OF A CANDIDATE OR  
7 COMMITTEE BY A PERSON OTHER THAN THE CANDIDATE OR COMMITTEE OR  
8 PERSON WHOSE EXPENDITURES THE CANDIDATE OR COMMITTEE MUST  
9 REPORT. THE TERM ALSO INCLUDES ANY RECEIPT OR USE OF ANYTHING OF  
10 VALUE RECEIVED BY A POLITICAL COMMITTEE FROM ANOTHER POLITICAL  
11 COMMITTEE AND ALSO INCLUDES ANY RETURN ON INVESTMENTS BY A  
12 POLITICAL COMMITTEE.

13 "POLITICAL COMMITTEE." ANY COMMITTEE, CLUB, ASSOCIATION OR  
14 OTHER GROUP OF PERSONS WHICH RECEIVES CONTRIBUTIONS OR MAKES  
15 EXPENDITURES.

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

19 § 1517. [Enforcement.] Investigations and enforcement.

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

22 (1) Promptly investigate all licensees, permittees and  
23 applicants as directed by the board in accordance with the  
24 provisions of section 1202 (relating to general and specific  
25 powers).

26 (2) Enforce the rules and regulations promulgated under  
27 this part.

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

30 (4) Provide the board with all information necessary for



1 all action under this part and for all proceedings involving  
2 enforcement of this part or regulations promulgated under  
3 this part.

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

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

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

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

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

24 (10) Refer for investigation all possible criminal  
25 violations to the Pennsylvania State Police and cooperate  
26 fully in the investigation and prosecution of a criminal  
27 violation arising under this part.]

28 (a) Establishment.--There is hereby established within the  
29 board a Bureau of Investigations and Enforcement which shall be  
30 independent of the board in matters relating to the enforcement

1 of this part. The bureau shall have the powers and duties set  
2 forth in subsection (a.1).

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

6 (1) Enforce the provisions of this part.

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

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

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

15 (i) Compliance with this part, the act of April 12,  
16 1951 (P.L.90, No.21), known as the Liquor Code, and the  
17 other laws of this Commonwealth.

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

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

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

28 (7) Refer possible criminal violations to the  
29 Pennsylvania State Police. The bureau shall not have the  
30 power of arrest.

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

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

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

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

10       (i) Advise the bureau on all matters, including the  
11 granting of licenses, permits or registrations, the  
12 conduct of background investigations, audits and  
13 inspections and the investigation of potential violations  
14 of this part.

15       (ii) File recommendations and objections relating to  
16 the issuance of licenses, permits and registrations on  
17 behalf of the bureau.

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

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

26       \* \* \*

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

30       ~~(1) Promptly [investigate all licensees, permittees and~~ <—

1 ~~applicants] conduct background investigations on persons as~~  
2 ~~directed by the board in accordance with the provisions of~~  
3 ~~section 1202.~~

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

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

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

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

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

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

25 (7) Fingerprint applicants for licenses ~~and~~ permits <—  
26 and registrations AND PERMITS. <—

27 (8) Exchange fingerprint data with and receive national  
28 criminal history record information from the FBI for use in  
29 investigating applications for any license ~~for~~ permit or <—  
30 registration OR PERMIT under this part. <—

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

3 (10) Require the production of any information, material  
4 and other data from any licensee, permittee, registrant or  
5 applicant.

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

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

21 (13) A member of the Pennsylvania State Police assigned  
22 to duties of enforcement under this part shall not be counted  
23 toward the complement as defined in the act of December 13,  
24 2001 (P.L.903, No.100), entitled "An act repealing in part a  
25 limitation on the complement of the Pennsylvania State  
26 Police."

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

(d) Criminal action.--

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

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

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

\* \* \*

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

~~§ 1517.1. Procedures.~~

~~(a) Evidentiary record. If the bureau or the licensing bureau files an objection to any license, permit or registration, an evidentiary record shall be established in~~

~~order to allow the board to reach a decision in accordance with this part.~~

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

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

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

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

~~§ 1517.2. Hearing officers.~~

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

~~(b) Authority. A hearing officer shall have the authority 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 and shall designate appropriate individuals to exercise adjudicatory functions.

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



§ 1518. Prohibited acts; penalties.

(a) Criminal offenses.--

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

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

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

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

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

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

(5) Except as provided for in section 1326 (relating to license renewals), it [is] shall be unlawful for a licensed entity or other person to manufacture, supply, operate, carry on or expose for play any slot machine after the person's

1 license has expired and prior to the actual renewal of the  
2 license.

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

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

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

22 (ii) An authorized employee of a licensee or an  
23 employee of the board may possess and use a cheating or  
24 thieving device, counterfeit or altered billet, ticket,  
25 token or similar objects accepted by a slot machine or  
26 counterfeit or altered slot machine-issued tickets or  
27 vouchers [only] in performance of the duties of  
28 employment.

29 (iii) As used in this paragraph, the term "cheating  
30 or thieving device" includes, but is not limited to, a

1 device to facilitate the alignment of any winning  
2 combination or to remove from any slot machine money or  
3 other contents. The term includes, but is not limited to,  
4 a tool, drill, wire, coin or token attached to a string  
5 or wire and any electronic or magnetic device.

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

13 (ii) An authorized employee of a licensee or a  
14 member of the board may possess and use a device referred  
15 to in subparagraph (i) [only] in the performance of the  
16 duties of employment.

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

25 (9.1) It shall be unlawful for a person to sell, offer  
26 for sale, represent or pass off as lawful any device,  
27 equipment or material which the person or licensed entity  
28 knows has been manufactured, distributed, sold, tampered with  
29 or serviced in violation of this part.

30 (10) It [is] shall be unlawful for an individual to work

1 or be employed in a position the duties of which would  
2 require licensing or permitting under the provisions of this  
3 part without first obtaining the requisite license or permit  
4 [as provided for in] issued under the provisions of this  
5 part.

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

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

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

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

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

27 (b) Criminal penalties and fines.--

28 (1) (i) A person [that violates subsection (a)(1)]  
29 commits an offense to be graded in accordance with 18

30 Pa.C.S. § 4902, 4903 or 4904, as applicable, for a first

conviction.] who commits a first offense in violation of  
18 Pa.C.S. § 4902, 4903 or 4904 in connection with  
providing information or making any statement, whether  
written or oral, to the board, the bureau, the  
department, the Pennsylvania State Police or the Office  
of Attorney General as required by this part commits an  
offense to be graded in accordance with the applicable  
section violated. A person that is convicted of a second  
or subsequent violation of [subsection (a)(1)] 18 Pa.C.S.  
§ 4902, 4903 or 4904 in connection with providing  
information or making any statement, whether written or  
oral, to the board, the bureau, the department, the  
Pennsylvania State Police or the Office of Attorney  
General as required by this part commits a felony of the  
second degree.

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

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

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

(B) not less than \$300,000 nor more than  
\$600,000 if the person is a licensed gaming entity;  
or

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

supplier.

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

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

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

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

\* \* \*

(C) BOARD-IMPOSED ADMINISTRATIVE SANCTIONS.--

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

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

(II) REVOKE THE LICENSE OR PERMIT OF ANY PERSON DETERMINED TO HAVE VIOLATED A PROVISION OF THIS PART OR REGULATIONS PROMULGATED UNDER THIS PART WHICH WOULD OTHERWISE DISQUALIFY SUCH PERSON FROM HOLDING THE LICENSE OR PERMIT.

(III) REVOKE THE LICENSE OR PERMIT OF ANY PERSON FOR WILLFULLY AND KNOWINGLY VIOLATING OR ATTEMPTING TO

1 VIOLATE AN ORDER OF THE BOARD DIRECTED TO SUCH PERSON.

2 (IV) SUSPEND THE LICENSE OR PERMIT OF ANY PERSON  
3 PENDING THE OUTCOME OF A HEARING IN ANY CASE IN WHICH  
4 LICENSE OR PERMIT REVOCATION COULD RESULT.

5 (V) SUSPEND THE LICENSE OF ANY LICENSED GAMING  
6 ENTITY FOR VIOLATION OF OR ATTEMPTING TO VIOLATE ANY  
7 PROVISIONS OF THIS PART OR REGULATIONS PROMULGATED UNDER  
8 THIS PART RELATING TO ITS SLOT MACHINE OPERATIONS.

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

11 (VII) ORDER RESTITUTION OF ANY MONEYS OR PROPERTY  
12 UNLAWFULLY OBTAINED OR RETAINED BY A LICENSEE OR  
13 PERMITTEE.

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

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

20 (2) IF THE BOARD REFUSES TO ISSUE OR RENEW A LICENSE OR  
21 PERMIT, SUSPENDS OR REVOKES A LICENSE OR PERMIT, ASSESSES  
22 CIVIL PENALTIES, ORDERS RESTITUTION, ENTERS A CEASE AND  
23 DESIST ORDER OR ISSUES A LETTER OF REPRIMAND OR CENSURE, IT  
24 SHALL PROVIDE THE APPLICANT OR LICENSEE OR PERMITTEE WITH  
25 WRITTEN NOTIFICATION OF ITS DECISION, INCLUDING A STATEMENT  
26 OF THE REASONS FOR ITS DECISION BY CERTIFIED MAIL WITHIN FIVE  
27 BUSINESS DAYS OF THE DECISION[. ANY APPLICANT OR LICENSEE OR  
28 PERMITTEE WHO HAS RECEIVED NOTICE OF A REFUSAL, SUSPENSION OR  
29 REVOCATION OF A LICENSE OR PERMIT, THE ASSESSMENT OF CIVIL  
30 PENALTIES, AN ORDER OF RESTITUTION, THE ENTRANCE OF A CEASE

1 AND DESIST ORDER OR THE ISSUANCE OF A LETTER OF REPRIMAND OR  
2 CENSURE FROM] OF THE BOARD. THE APPLICANT, LICENSEE OR  
3 PERMITTEE SHALL HAVE THE RIGHT TO [AN ADMINISTRATIVE HEARING  
4 BEFORE THE BOARD] APPEAL THE DECISION IN ACCORDANCE WITH 2  
5 PA.C.S. CHS. 5 SUBCH. A (RELATING TO PRACTICE AND PROCEDURE  
6 OF COMMONWEALTH AGENCIES) AND 7 SUBCH. A (RELATING TO  
7 JUDICIAL REVIEW OF COMMONWEALTH AGENCY ACTION).

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

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

16 ~~§ 1519.~~ § 1519. [(RESERVED).] Detention.

←

17 A peace officer, licensee or licensee's security employee or  
18 an agent under contract with the licensee who has probable cause  
19 to believe that criminal violation of this part has occurred or  
20 is occurring on or about a licensed facility and who has  
21 probable cause to believe that a specific individual has  
22 committed or is committing the criminal violation may detain the  
23 suspect in a reasonable manner for a reasonable time on the  
24 premises of the licensed facility for all or any of the  
25 following purposes: to require the suspect to identify himself;  
26 to verify such identification; or to inform a peace officer.  
27 Such detention shall not impose civil or criminal liability upon  
28 the peace officer, licensee, licensee's employee or agent so  
29 detaining.

30 § 1522. Interception of oral communications.



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

7     Section 16. Sections 1801 and 1802 of Title 4 are amended to  
8     read:

9     § 1801. Duty to provide.

10     Notwithstanding the provisions of the Race Horse Industry  
11     Reform Act or this part, the Pennsylvania State Police shall, at  
12     the request of the commissions or the board, provide criminal  
13     history background investigations, which shall include records  
14     of criminal arrests [or] and convictions, no matter where  
15     occurring, including Federal criminal history record  
16     information, on applicants for licensure and permit applicants  
17     by the respective agencies pursuant to the Race Horse Industry  
18     Reform Act or this part. Requests for criminal history  
19     background investigations may, at the direction of the  
20     commissions or the board, include, but not be limited to,  
21     officers, directors and stockholders of licensed corporations,  
22     key employees, financial backers, principals, gaming employees,  
23     horse owners, trainers, jockeys, drivers and other persons  
24     participating in thoroughbred or harness horse meetings and  
25     other persons and vendors who exercise their occupation or  
26     employment at such meetings, licensed facilities or licensed  
27     [racetrack] racetracks. For the purposes of this [chapter] part,  
28     the board and commissions may receive and retain information  
29     otherwise protected by 18 Pa.C.S. Ch. 91 (relating to criminal  
30     history record information).

1 § 1802. Submission of fingerprints and photographs.

2 [Applicants] Appointees, employees and prospective employees  
3 engaged in the service of the commissions or the board, and  
4 applicants under this part shall submit to fingerprinting and  
5 photographing by the Pennsylvania State Police[.] or by a local  
6 law enforcement agency capable of submitting fingerprints and  
7 photographs electronically to the Pennsylvania State Police  
8 utilizing the Integrated Automated Fingerprint Identification  
9 System and the Commonwealth Photo Imaging Network or in a manner  
10 and in such form as may be provided by the Pennsylvania State  
11 Police. Fingerprinting pursuant to this part shall require, at a  
12 minimum, the submission of a full set of fingerprints.

13 Photographing pursuant to this part shall require submission to  
14 photographs of the face and any scars, marks or tattoos for  
15 purposes of comparison utilizing an automated biometric imaging  
16 system. The Pennsylvania State Police shall submit [the]  
17 fingerprints [if necessary] when requested by the commissions or  
18 the board to the Federal Bureau of Investigation for purposes of  
19 verifying the identity of the applicants and obtaining records  
20 of criminal arrests and convictions in order to prepare criminal  
21 history background investigations under section 1801 (relating  
22 to duty to provide). [The] Fingerprints and photographs obtained  
23 pursuant to this part may be maintained by the commissions, the  
24 board and the Pennsylvania State Police for use pursuant to this  
25 part and for general law enforcement purposes. In addition to  
26 any other fee or cost assessed by the commissions or the board,  
27 an applicant shall pay for the cost of fingerprinting and  
28 photographing.

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

30 ~~§ 1905. Preemption in cities of the first class.~~

<—

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

§ 1901.1. REPAYMENTS TO THE STATE GAMING FUND.

<—

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

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

§ 911. Corrupt organizations.

\* \* \*

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

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

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

Chapter 25 (relating to criminal homicide)

Section 2706 (relating to terroristic threats)

Chapter 29 (relating to kidnapping)

Chapter 33 (relating to arson, etc.)

Chapter 37 (relating to robbery)

Chapter 39 (relating to theft and related offenses)

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

3           Section 4109 (relating to rigging publicly  
4           exhibited contest)

5           Section 4117 (relating to insurance fraud)

6           Chapter 47 (relating to bribery and corrupt  
7           influence)

8           Chapter 49 (relating to falsification and  
9           intimidation)

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

12          Section 5512 through 5514 (relating to gambling)

13          Chapter 59 (relating to public indecency).

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

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

22          (iv) [the] The collection of any money or other  
23          property in full or partial satisfaction of a debt which  
24          arose as the result of the lending of money or other  
25          property at a rate of interest exceeding 25% per annum or  
26          the equivalent rate for a longer or shorter period, where  
27          not otherwise authorized by law.

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

30          [Any] An act which otherwise would be considered racketeering

1 activity by reason of the application of this paragraph,  
2 shall not be excluded from its application solely because the  
3 operative acts took place outside the jurisdiction of this  
4 Commonwealth, if such acts would have been in violation of  
5 the law of the jurisdiction in which they occurred.

6 \* \* \*

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

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

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

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

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

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