

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 519 Session of 2017

INTRODUCED BY MATZIE, DEASY, DeLUCA, D. COSTA, READSHAW, MILLARD, CALTAGIRONE, DUNBAR, WARNER, DAVIS, SANKEY, MULLERY, NEILSON AND KORTZ, FEBRUARY 15, 2017

AS REPORTED FROM COMMITTEE ON GAMING OVERSIGHT, HOUSE OF REPRESENTATIVES, AS AMENDED, APRIL 25, 2017

AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated
2 Statutes, providing for sports wagering and for powers and
3 duties of the Pennsylvania Gaming Control Board; imposing
4 penalties; and providing for sports wagering tax and local
5 fee assessment.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Title 4 of the Pennsylvania Consolidated Statutes
9 is amended by adding a chapter to read:

10 CHAPTER 13B

11 SPORTS WAGERING

12 Subchapter

13 A. General Provisions

14 B. Sports Wagering Authorized

15 C. Conduct of Sports Wagering

16 D. Sports Wagering Taxes and Fees

17 E. Miscellaneous Provisions

18 SUBCHAPTER A

1 GENERAL PROVISIONS

2 Sec.

3 13B01. Definitions.

4 13B02. Regulatory authority.

5 13B03. Temporary sports wagering regulations.

6 13B04. Unauthorized sports wagering.

7 § 13B01. Definitions.

8 The following words and phrases when used in this chapter
9 shall have the meanings given to them in this section unless the
10 context clearly indicates otherwise:

11 "Certificate holder." A person to whom the board has awarded
12 a sports wagering certificate.

13 "Gross sports wagering revenue."

14 (1) The total of cash or cash equivalents received from
15 sports wagering minus the total of:

16 (i) Cash or cash equivalents paid to players as a
17 result of sports wagering.

18 (ii) Cash or cash equivalents paid to purchase
19 annuities to fund prizes payable to players over a period
20 of time as a result of sports wagering.

21 (iii) The actual cost paid by the certificate holder
22 for any personal property distributed to a player as a
23 result of sports wagering. This subparagraph does not
24 include travel expenses, food, refreshments, lodging or
25 services.

26 (2) The term does not include any of the following:

27 (i) Counterfeit cash or chips.

28 (ii) Coins or currency of other countries received
29 as a result of sports wagering, except to the extent that
30 the coins or currency are readily convertible to cash.

1 (iii) Cash taken in a fraudulent act perpetrated
2 against a certificate holder for which the certificate
3 holder is not reimbursed.

4 "Sporting event." A professional or collegiate sports or
5 athletic event or a motor race event.

6 "Sports wagering." The business of accepting wagers on
7 sporting events or on the individual performance statistics of
8 athletes in a sporting event or combination of sporting events
9 by any system or method of wagering, including, but not limited
10 to, exchange wagering, parlays, over-under, moneyline, pools and
11 straight bets. The term does not include:

12 (1) Pari-mutuel betting on the outcome of thoroughbred
13 or harness horse racing as authorized under 3 Pa.C.S. Ch. 93
14 (relating to race horse industry reform).

15 (2) Lottery games of the Pennsylvania State Lottery as
16 authorized under the act of August 26, 1971 (P.L.351, No.91),
17 known as the State Lottery Law.

18 (3) Bingo as authorized under the act of July 10, 1981
19 (P.L.214, No.67), known as the Bingo Law.

20 (4) Small games of chance as authorized under the act of
21 December 19, 1988 (P.L.1262, No.156), known as the Local
22 Option Small Games of Chance Act.

23 (5) Slot machine gaming and progressive slot machine
24 gaming as defined and authorized under this part.

25 (6) Keno.

26 (7) Fantasy sports contests.

27 "Sports wagering certificate." A certificate awarded by the
28 board under this chapter that authorizes a slot machine licensee
29 to conduct sports wagering in accordance with this chapter.

30 "Sports wagering device." The term includes any mechanical,

1 electrical or computerized contrivance, terminal, machine or
2 other device, apparatus, equipment or supplies approved by the
3 board and used to conduct sports wagering.

4 § 13B02. Regulatory authority.

5 The board shall promulgate regulations:

6 (1) Establishing standards and procedures for sports
7 wagering. The standards and procedures shall provide for the
8 conduct and implementation of sports wagering within licensed
9 facilities, including any new sports wagering or variations
10 or composites of approved sports wagering, provided that the
11 board determines that the new sports wagering or any
12 variations or composites or other approved sports wagering
13 are suitable for use after a test or experimental period
14 under the terms and conditions as the board may deem
15 appropriate.

16 (2) Establishing standards and rules to govern the
17 conduct of sports wagering and the system of wagering,
18 including the manner in which wagers are received, payouts
19 are remitted and point spreads, lines and odds are
20 determined. The board may also establish standards and rules
21 to govern the conduct of sports wagering and the system of
22 wagering as a form of interactive gaming authorized by the
23 Commonwealth.

24 (3) Establishing the method for calculating gross sports
25 wagering revenue and standards for the daily counting and
26 recording of cash and cash equivalents received in the
27 conduct of sports wagering, including ensuring that internal
28 controls are followed and how financial books and records are
29 maintained and audits are conducted. The board shall consult
30 with the department in establishing the regulations under

1 this paragraph.

2 (4) Establishing notice requirements pertaining to
3 minimum and maximum wagers on sports wagering.

4 (5) Establishing compulsive and problem gambling
5 standards pertaining to sports wagering consistent with this
6 part.

7 (6) Establishing standards prohibiting persons under 21
8 years of age from participating in sports wagering.

9 (7) Providing information pertaining to sports wagering
10 in the board's annual report required under section 1211(a.1)
11 (relating to reports of board).

12 (8) Requiring each certificate holder to:

13 (i) Provide written information about sports
14 wagering rules, payouts or winning wagers and other
15 information as the board may require.

16 (ii) Provide specifications approved by the board
17 under section 1207(11) (relating to regulatory authority
18 of board) to integrate and update the licensed facility's
19 surveillance system to cover all areas where sports
20 wagering is conducted. The specifications shall include
21 provisions providing the board and other persons
22 authorized by the board with onsite access to the system
23 or its signal.

24 (iii) Designate one or more locations within the
25 licensed facility of the certificate holder to conduct
26 sports wagering.

27 (iv) Ensure that visibility in the licensed facility
28 of the certificate holder is not obstructed in any way
29 that could interfere with the ability of the certificate
30 holder, the board and other persons authorized under this

1 part or by the board to oversee the surveillance of the
2 conduct of sports wagering.

3 (v) Integrate the licensed facility's count room to
4 ensure maximum security of the counting and storage of
5 cash and cash equivalents.

6 (vi) Equip each designated location within the
7 licensed facility providing sports wagering with a sign
8 indicating the permissible sports wagering minimum and
9 maximum wagers.

10 (vii) Ensure that no person under 21 years of age
11 participates in sports wagering.

12 § 13B03. Temporary sports wagering regulations.

13 (a) Promulgation.--In order to facilitate the prompt
14 implementation of this chapter, regulations promulgated by the
15 board shall be deemed temporary regulations which shall expire
16 not later than two years following the publication of the
17 temporary regulations. The board may promulgate temporary
18 regulations not subject to:

19 (1) Sections 201, 202, 203, 204 and 205 of the act of
20 July 31, 1968 (P.L.769, No.240), referred to as the
21 Commonwealth Documents Law.

22 (2) Sections 204(b) and 301(10) of the act of October
23 15, 1980 (P.L.950, No.164), known as the Commonwealth
24 Attorneys Act.

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

27 (b) Expiration.--Except for temporary regulations governing
28 the rules of new sports wagering approved by the board, the
29 board's authority to adopt temporary regulations under
30 subsection (a) shall expire two years after the effective date

1 of this section. Regulations adopted after this period shall be
2 promulgated as provided by law.

3 § 13B04. Unauthorized sports wagering.

4 (a) Offense defined.--

5 (1) It shall be unlawful for any person to willfully and
6 knowingly operate, carry on, offer or expose for play any
7 sports wagering or to accept a bet or wager associated with
8 sports wagering from any person physically located in this
9 Commonwealth at the time of play that is not within the scope
10 of a valid and current sports wagering certificate issued by
11 the board under this chapter or by another state, territory
12 or possession of the United States with which the
13 Commonwealth has a sports wagering agreement.

14 (2) It shall be unlawful for any person to willfully and
15 knowingly provide services with respect to any sports
16 wagering or bet or wager specified in paragraph (1).

17 (b) Grading of offense.--A person who violates subsection
18 (a) commits a misdemeanor of the first degree. For a second or
19 subsequent violation of subsection (a), a person commits a
20 felony of the second degree.

21 (c) Penalties.--

22 (1) For a first violation of subsection (a), a person
23 shall be sentenced to pay a fine of:

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

26 (ii) not less than \$150,000 nor more than \$300,000,
27 if the person is a licensed manufacturer or supplier; or

28 (iii) not less than \$300,000 nor more than \$600,000,
29 if the person is a licensed gaming entity.

30 (2) For a second or subsequent violation of subsection

1 (a), a person shall be sentenced to pay a fine of:

2 (i) not less than \$150,000 nor more than \$300,000,

3 if the person is an individual;

4 (ii) not less than \$300,000 nor more than \$600,000,

5 if the person is a licensed manufacturer or supplier; or

6 (iii) not less than \$600,000 nor more than

7 \$1,200,000, if the person is a licensed gaming entity.

8 (d) Forfeiture.--If a person engages in sports wagering from
9 a location in which the activity is unauthorized, the person
10 shall forfeit all entitlement to any winnings and the money
11 associated with any forfeited winnings shall be deposited into
12 the Compulsive and Problem Gambling Treatment Fund established
13 under section 1509(b) (relating to compulsive and problem
14 gambling program).

15 (e) Tax liability.--

16 (1) An unlicensed person who offers sports wagering to
17 persons in this Commonwealth shall be liable for all taxes
18 required by this chapter in the same manner and amounts as if
19 the person were a licensee.

20 (2) Timely payment of the taxes may not constitute a
21 defense to any prosecution or other proceeding in connection
22 with unauthorized sports wagering, except for a prosecution
23 or proceeding alleging failure to make such payment.

24 SUBCHAPTER B

25 SPORTS WAGERING AUTHORIZED

26 Sec.

27 13B11. Authorization to conduct sports wagering.

28 13B12. Petition requirements.

29 13B13. Standard for review of petitions.

30 13B14. Award of certificate.

1 13B15. Sports wagering certificate.

2 13B16. Sports wagering by suppliers and manufacturers.

3 § 13B11. Authorization to conduct sports wagering.

4 (a) Persons who may be authorized.--

5 (1) (i) The board may authorize a slot machine licensee
6 to conduct sports wagering and to operate a system of
7 wagering associated with the conduct of sports wagering
8 at the slot machine licensee's licensed facility, a
9 temporary facility authorized under section 13B21(b)
10 (relating to authorized locations for operation) or an
11 area authorized under section 13B21(c).

12 (ii) Authorization shall be contingent upon the slot
13 machine licensee's agreement to ensure that sports
14 wagering will be conducted in accordance with this part
15 and any other conditions established by the board.

16 (iii) Nothing in this part shall be construed to
17 create a separate license governing the conduct of sports
18 wagering by slot machine licensees within this
19 Commonwealth.

20 (2) The board may authorize a sports wagering
21 certificate holder to conduct sports wagering and to operate
22 a system of wagering associated with the conduct of sports
23 wagering as a form of interactive gaming authorized by the
24 Commonwealth.

25 (3) (i) Except as provided in this part, all
26 individuals wagering on sporting events through
27 authorized sports wagering must be physically located
28 within this Commonwealth or within a state or
29 jurisdiction with which the board has entered a sports
30 wagering agreement.

1 (ii) No individual under 21 years of age may make a
2 wager or bet on sporting events through authorized sports
3 wagering or have access to the designated area of the
4 licensed facility authorized to host sports wagering.

5 (b) Federal authorization.--

6 (1) The Secretary of the Commonwealth shall, when
7 Federal law is enacted or repealed or a Federal court
8 decision is filed that affirms the authority of a state to
9 regulate sports wagering, publish a notice in the
10 Pennsylvania Bulletin certifying the enactment or repeal or
11 the filing of the decision.

12 (2) The board may not authorize the conduct of sports
13 wagering in this Commonwealth until the notice is published
14 as prescribed in paragraph (1).

15 § 13B12. Petition requirements.

16 (a) General rule.--Unless otherwise prohibited under section
17 13A13 (relating to prohibitions), a slot machine licensee may
18 seek approval to conduct sports wagering by filing a petition
19 with the board.

20 (b) Petition contents.--A petition seeking authorization to
21 conduct sports wagering shall include the following:

22 (1) The name, business address and contact information
23 of the petitioner.

24 (2) The name, business address, job title and a
25 photograph of each principal and key employee of the
26 petitioner who will be involved in the conduct of sports
27 wagering and who is not currently licensed by the board, if
28 known.

29 (3) A brief description of the economic benefits
30 expected to be realized by the Commonwealth, its

1 municipalities and its residents if sports wagering is
2 authorized at the petitioner's licensed facility.

3 (4) The details of any financing obtained or that will
4 be obtained to fund an expansion or modification of the
5 licensed facility to accommodate sports wagering and to
6 otherwise fund the cost of commencing sports wagering.

7 (5) Information and documentation concerning financial
8 background and resources, as the board may require, to
9 establish by clear and convincing evidence the financial
10 stability, integrity and responsibility of the petitioner.

11 (6) Information and documentation, as the board may
12 require, to establish by clear and convincing evidence that
13 the petitioner has sufficient business ability and experience
14 to create and maintain a successful sports wagering
15 operation. In making this determination, the board may
16 consider the performance of the petitioner's slot machine and
17 table game operation, including financial information,
18 employment data and capital investment.

19 (7) Information and documentation, as the board may
20 require, to establish by clear and convincing evidence that
21 the petitioner has or will have the financial ability to pay
22 the authorization fee under section 13B61 (relating to sports
23 wagering authorization fee).

24 (8) Detailed site plans identifying the petitioner's
25 proposed sports wagering area within the licensed facility.

26 (9) Other information as the board may require.

27 (c) Confidentiality.--Information submitted to the board
28 under subsection (b) (4), (5), (6), (7) and (8) may be considered
29 confidential by the board if the information would be
30 confidential under section 1206(f) (relating to board minutes

1 and records).

2 § 13B13. Standard for review of petitions.

3 (a) General rule.--The board shall approve a petition if the
4 petitioner establishes, by clear and convincing evidence, all of
5 the following:

6 (1) The petitioner's slot machine license is in good
7 standing with the board.

8 (2) The conduct of sports wagering at the petitioner's
9 licensed facility will have a positive economic impact on the
10 Commonwealth, its municipalities and residents through
11 increased revenues and employment opportunities.

12 (3) The petitioner possesses adequate funds or has
13 secured adequate financing to:

14 (i) Fund any necessary expansion or modification of
15 the petitioner's licensed facility to accommodate the
16 conduct of sports wagering.

17 (ii) Pay the authorization fee in accordance with
18 section 13B61 (relating to sports wagering authorization
19 fee).

20 (iii) Commence sports wagering operations at its
21 licensed facility.

22 (4) The petitioner has the financial stability,
23 integrity and responsibility to conduct sports wagering.

24 (5) The petitioner has sufficient business ability and
25 experience to create and maintain a successful sports
26 wagering operation.

27 (6) The petitioner's proposed internal and external
28 security and proposed surveillance measures within the area
29 of the licensed facility where the petitioner seeks to
30 conduct sports wagering are adequate.

1 (7) The petitioner has satisfied the petition
2 application requirements and provided any other information
3 required by section 13B12(b) (relating to petition
4 requirements).

5 (b) Timing of approval.--The board shall approve or deny a
6 petition within 90 days following receipt of the petition.
7 § 13B14. Award of certificate.

8 (a) General rule.--Upon approval of a petition, the board
9 shall award a sports wagering certificate to the petitioner. The
10 award of a sports wagering certificate prior to the payment in
11 full of the authorization fee required by section 13B61
12 (relating to sports wagering authorization fee) shall not
13 relieve the petitioner from complying with the provisions of
14 section 13B61.

15 (b) Statement of conditions.--Upon awarding a sports
16 wagering operation certificate, the board shall amend the slot
17 machine licensee's statement of conditions pertaining to the
18 requirements of this chapter.

19 (c) Term of sports wagering certificate.--Subject to the
20 power of the board to deny, revoke or suspend a sports wagering
21 certificate issued in accordance with the requirements of this
22 section, a sports wagering certificate shall be renewed every
23 five years and shall be subject to the requirements of section
24 1326 (relating to license renewals).

25 § 13B15. Sports wagering certificate.

26 The following shall apply:

27 (1) A sports wagering certificate shall be in effect
28 unless:

29 (i) suspended or revoked by the board consistent
30 with the requirements of this part;

1 CONDUCT OF SPORTS WAGERING

2 Sec.

3 13B21. Authorized locations for operation.

4 13B22. Commencement of sports wagering operations.

5 13B23. Condition of continued operation.

6 13B24. Key employees and occupation permits.

7 13B25. Application of Clean Indoor Air Act.

8 13B26. Application of Liquor Code.

9 § 13B21. Authorized locations for operation.

10 (a) Restriction.--A certificate holder may only be permitted
11 to conduct sports wagering at the licensed facility, a temporary
12 facility authorized under subsection (b) or an area authorized
13 under subsection (c).

14 (b) Temporary facilities.--The board may permit a
15 certificate holder to conduct sports wagering at a temporary
16 facility that is physically connected to, attached to or
17 adjacent to a licensed facility for a period not to exceed 24
18 months.

19 (c) Powers and duties of board.--

20 (1) Upon request made by a certificate holder, the board
21 may determine the suitability of a Category 1 licensed gaming
22 entity that is also a licensed racing entity authorized to
23 conduct pari-mutuel wagering at nonprimary locations under 3
24 Pa.C.S. Ch. 93 (relating to race horse industry reform) to
25 conduct sports wagering at nonprimary locations.

26 (2) No certificate holder may be approved to conduct
27 sports wagering in a nonprimary location unless the areas are
28 equipped with adequate security and surveillance equipment to
29 ensure the integrity of the conduct of sports wagering.

30 (3) An authorization granted under this subsection may

1 not:

2 (i) Impose any criteria or requirements regarding
3 the contents or structure of a nonprimary location that
4 are unrelated to the conduct of sports wagering.

5 (ii) Authorize the placement or operation of slot
6 machines or table games in a nonprimary location.

7 § 13B22. Commencement of sports wagering operations.

8 No certificate holder may operate or offer sports wagering
9 until the board determines that:

10 (1) The certificate holder is in compliance with the
11 requirements of this part.

12 (2) The certificate holder is prepared in all respects
13 to offer sports wagering play to the public at the licensed
14 facility.

15 (3) The certificate holder has implemented necessary
16 internal and management controls and security arrangements
17 and surveillance systems for the conduct of sports wagering.

18 (4) The certificate holder is in compliance with or has
19 complied with section 13B61 (relating to sports wagering
20 authorization fee).

21 (5) Other conditions as the board may require to
22 implement the conduct of sports wagering.

23 § 13B23. Condition of continued operation.

24 As a condition of continued operation, a certificate holder
25 shall agree to maintain all books, records and documents
26 pertaining to sports wagering in a manner and location within
27 this Commonwealth as approved by the board. All books, records
28 and documents related to sports wagering shall be:

29 (1) segregated by separate accounts within the
30 certificate holder's books, records and documents, except for

1 any books, records or documents that are common to slot
2 machine, table game and sports wagering operations;

3 (2) immediately available for inspection upon request of
4 the board, the bureau, the department, the Pennsylvania State
5 Police or the Attorney General, or agents thereof, during all
6 hours of operation of the certificate holder in accordance
7 with regulations promulgated by the board; and

8 (3) maintained for a period as the board, by regulation,
9 may require.

10 § 13B24. Key employees and occupation permits.

11 Nothing in this part shall be construed to require any
12 individual who holds a principal license, a key employee license
13 or a gaming employee occupation permit under Chapter 13
14 (relating to licensees) to obtain a separate license or permit
15 to be employed in a certificate holder's sports wagering
16 operation authorized under this chapter.

17 § 13B25. Application of Clean Indoor Air Act.

18 For the purpose of section 3(b)(11) of the act of June 13,
19 2008 (P.L.182, No.27), known as the Clean Indoor Air Act, the
20 term "gaming floor" shall include the areas of any facility
21 where the certificate holder is authorized to conduct sports
22 wagering, except such areas off the gaming floor where contests
23 or tournaments are conducted unless smoking is otherwise
24 permitted in such areas.

25 § 13B26. Application of Liquor Code.

26 The provisions of section 493(24)(ii) of the act of April 12,
27 1951 (P.L.90, No.21), known as the Liquor Code, shall also apply
28 to sports wagering.

29 SUBCHAPTER D

30 SPORTS WAGERING TAXES AND FEES

1 Sec.

2 13B61. Sports wagering authorization fee.

3 13B62. Sports wagering tax.

4 13B63. Local share assessment.

5 13B64. Compulsive and problem gambling.

6 § 13B61. Sports wagering authorization fee.

7 (a) Amount.--Each slot machine licensee that is issued a
8 sports wagering certificate to conduct sports wagering in
9 accordance with section 13B11 (relating to authorization to
10 conduct sports wagering) shall pay a one-time nonrefundable
11 authorization fee in the amount of \$5,000,000.

12 (b) Payment of fee.--A slot machine licensee shall remit the
13 authorization fee under subsection (a) to the board within 60
14 days of the approval of a petition to conduct sports wagering.
15 The board may allow the fee to be paid in installments, provided
16 all installments are paid within the 60-day period. In that
17 event, the board and the slot machine licensee shall enter into
18 a written agreement setting forth the terms of payment. Sports
19 wagering may not be conducted until the fee under subsection (a)
20 is paid in full.

21 (c) Renewal fee.--Notwithstanding any other provision of
22 this chapter, a slot machine licensee that is issued a sports
23 wagering certificate shall pay a renewal fee in the amount of
24 \$250,000 upon the renewal of its sports wagering certificate in
25 accordance with sections 1326 (relating to license renewals) and
26 13B14(c) (relating to award of certificate).

27 (d) Failure to pay by deadline.--If a petitioner or
28 certificate holder fails to pay the required authorization fee
29 in full within the 60-day time period, the board shall impose a
30 penalty and may grant the petitioner or certificate holder up to

1 a six-month extension to pay the authorization fee or any
2 remaining portion of the authorization fee and the penalty.

3 (e) Suspension of certificate.--The board shall suspend the
4 sports wagering certificate if the certificate holder fails to
5 pay the total authorization fee and the penalty prior to the
6 expiration of an extension period granted under subsection (d).
7 The suspension shall remain in effect until final payment is
8 made.

9 (f) Deposit of fees.--Notwithstanding section 1208 (relating
10 to collection of fees and fines), all sports wagering
11 authorization fees or penalties received by the board under this
12 subchapter, all sports wagering device and associated equipment
13 manufacturer and supplier license fees, all sports wagering
14 device or associated equipment manufacturer and supplier renewal
15 fees and all fees for licenses issued under Chapter 16 (relating
16 to junkets) shall be deposited into the General Fund.
17 § 13B62. Sports wagering tax.

18 (a) Imposition.--Each certificate holder shall report to the
19 department and pay from its daily gross sports wagering revenue,
20 on a form and in the manner prescribed by the department, a tax
21 of 16% of its daily gross sports wagering revenue.

22 (b) Deposits and distributions.--

23 (1) The tax imposed under subsection (a) shall be
24 payable to the department on a weekly basis and shall be
25 based upon gross sports wagering revenue derived during the
26 previous week.

27 (2) All funds owed to the Commonwealth under this
28 section shall be held in trust for the Commonwealth by the
29 certificate holder until the funds are paid to the
30 department. Unless otherwise agreed to by the board, a

1 certificate holder shall establish a separate bank account
2 into which gross sports wagering revenue shall be deposited
3 and maintained until such time as the funds are paid to the
4 department under this section or paid into the fund under
5 section 13B63(a) (relating to local share assessment).

6 (3) The tax imposed under subsection (a) shall be
7 deposited into the General Fund.

8 § 13B63. Local share assessment.

9 (a) Required payment.--In addition to the tax imposed under
10 section 13B62 (relating to sports wagering tax), each
11 certificate holder shall pay on a weekly basis, on a form and in
12 the manner prescribed by the department, a local share
13 assessment into a restricted receipts account established within
14 the fund. All money owed under this section shall be held in
15 trust by the certificate holder until the money is paid into the
16 restricted account. Funds in the restricted account are hereby
17 appropriated to the department on a continuing basis for the
18 purposes set forth under this section.

19 ~~(b) Distributions.--Except as provided under subsection (c), <--~~
20 ~~the department shall make quarterly distributions from the local~~
21 ~~share assessments deposited into the restricted account to~~
22 ~~counties, including home rule counties, and to municipalities,~~
23 ~~including home rule municipalities, hosting a licensed facility~~
24 ~~authorized to conduct sports wagering in the following manner:~~

25 ~~(1) Fifty percent of the local share assessment under~~
26 ~~subsection (a) shall be added to and distributed with the~~
27 ~~funds distributed under this subsection.~~

28 ~~(2) Fifty percent of the local share assessment under~~
29 ~~subsection (a) shall be added to and distributed with the~~
30 ~~funds distributed under subsection (c).~~

~~(c) Nonprimary locations. For sports wagering conducted at nonprimary locations, the local share assessment imposed under subsection (a) shall be distributed as follows:~~

~~(1) Fifty percent to the county in which the nonprimary location is located.~~

~~(2) Fifty percent to the municipality in which the nonprimary location is located.~~

(B) DISTRIBUTIONS.--THE DEPARTMENT SHALL MAKE QUARTERLY DISTRIBUTIONS FROM THE LOCAL SHARE ASSESSMENTS DEPOSITED INTO THE RESTRICTED ACCOUNT UNDER SUBSECTION (A) TO COUNTIES, INCLUDING HOME RULE COUNTIES, AND TO MUNICIPALITIES, INCLUDING HOME RULE MUNICIPALITIES, IN ACCORDANCE WITH THE FOLLOWING:

(1) FOR SPORTS WAGERING CONDUCTED AT LICENSED FACILITIES, THE LOCAL SHARE ASSESSMENT SHALL BE DISTRIBUTED AS FOLLOWS:

(I) FIFTY PERCENT TO THE COUNTY IN WHICH THE LICENSED FACILITY IS LOCATED.

(II) FIFTY PERCENT TO THE MUNICIPALITY IN WHICH THE LICENSED FACILITY IS LOCATED.

(2) FOR SPORTS WAGERING CONDUCTED AT NONPRIMARY LOCATIONS, THE LOCAL SHARE ASSESSMENT SHALL BE DISTRIBUTED AS FOLLOWS:

(I) FIFTY PERCENT TO THE COUNTY IN WHICH THE NONPRIMARY LOCATION IS LOCATED.

(II) FIFTY PERCENT TO THE MUNICIPALITY IN WHICH THE NONPRIMARY LOCATION IS LOCATED.

~~(d) (C) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:~~

"Local share assessment." Two percent of a certificate

1 holder's daily gross sports wagering revenue.

2 § 13B64. Compulsive and problem gambling.

3 The following shall apply:

4 (1) Each year, from the tax imposed under section 13B62
5 (relating to sports wagering tax), \$2,000,000 or an amount
6 equal to 0.002 multiplied by the total gross sports wagering
7 revenue of all active and operating sports wagering
8 certificate holders, whichever is greater, shall be
9 transferred into the Compulsive and Problem Gambling
10 Treatment Fund established under section 1509 (relating to
11 compulsive and problem gambling program).

12 (2) Each year, from the tax imposed under section 13B62,
13 \$2,000,000 or an amount equal to 0.002 multiplied by the
14 total gross sports wagering revenue of all active and
15 operating sports wagering certificate holders, whichever is
16 greater, shall be transferred to the Department of Health to
17 be used for drug and alcohol addiction treatment services,
18 including treatment for drug and alcohol addiction related to
19 compulsive and problem gambling, as set forth under section
20 1509.1 (relating to drug and alcohol treatment).

21 SUBCHAPTER E

22 MISCELLANEOUS PROVISIONS

23 Sec.

24 13B71. Criminal activity.

25 § 13B71. Criminal activity.

26 Sports wagering conducted by a certificate holder in
27 accordance with this chapter shall not constitute a criminal
28 activity under 18 Pa.C.S. § 5514 (relating to pool selling and
29 bookmaking).

30 Section 2. This act shall take effect in 60 days.