

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1010 Session of
2017

INTRODUCED BY MUSTIO, STURLA, SAYLOR, P. COSTA, OBERLANDER,
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JOZWIAK, SNYDER, DeLUCA, SANTORA, PYLE, MULLERY, KORTZ,
ROTHMAN, MATZIE, HELM AND JAMES, MARCH 28, 2017

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, MARCH 28, 2017

AN ACT

1 Amending Titles 4 (Amusements) and 18 (Crimes and Offenses) of
2 the Pennsylvania Consolidated Statutes, in Pennsylvania
3 Gaming Control Board, further providing for general and
4 specific powers; in licensees, further providing for Category
5 1 slot machine license, for number of slot machine licenses
6 and for change in ownership or control of slot machine
7 licensee, repealing provisions related to multiple slot
8 machine license prohibition and prohibiting undue economic
9 concentration; in revenues, further providing for gross
10 terminal revenue deductions and for establishment of State
11 Gaming Fund and net slot machine revenue distribution; in
12 administration and enforcement, further providing for
13 investigations and enforcement; providing for video gaming;
14 establishing the Video Gaming Fund, the Slot Machine Licensee
15 Loss Mitigation Fund and the Fire Company and Emergency
16 Responder Grant Fund; and, in riot, disorderly conduct and
17 related offenses, further providing for the offense of
18 gambling devices, gambling, etc.

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

21 Section 1. Section 1202(b) of Title 4 of the Pennsylvania
22 Consolidated Statutes is amended by adding a paragraph to read:
23 § 1202. General and specific powers.

1 * * *

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

4 * * *

5 (35) At the board's discretion, to periodically require
6 a licensed gaming entity to submit to the board its security
7 and surveillance measures and ensure the adequacy of such
8 measures as the Pennsylvania State Police reduce and
9 eliminate permanent onsite personnel and offices from
10 licensed facilities as required under section 1517(g).

11 Section 2. Sections 1302(a) and 1307 of Title 4 are amended
12 to read:

13 § 1302. Category 1 slot machine license.

14 (a) Eligibility.--A person may be eligible to apply for a
15 Category 1 license to place and operate slot machines at a
16 licensed racetrack facility if the person:

17 (1) has been issued a license from either the State
18 Horse Racing Commission or the State Harness Racing
19 Commission to conduct thoroughbred or harness race meetings
20 respectively with pari-mutuel wagering and has conducted live
21 horse races for not less than two years immediately preceding
22 the effective date of this part;

23 (2) has been approved or issued a license from either
24 the State Horse Racing Commission or the State Harness Racing
25 Commission to conduct thoroughbred or harness race meetings
26 respectively with pari-mutuel wagering within 18 months
27 immediately preceding the effective date of this part and
28 will successfully conduct live racing pursuant to the
29 requirements of section 1303 (relating to additional Category
30 1 slot machine license requirements);

1 (3) has been approved by the State Harness Racing
2 Commission, after the effective date of this part, to conduct
3 harness race meetings with pari-mutuel wagering and will
4 conduct live racing pursuant to the requirements of section
5 1303; or

6 (4) is a successor in interest to persons eligible under
7 paragraph (1), (2) or (3) who comply with the requirements of
8 section 1328 (relating to change in ownership or control of
9 slot machine licensee) or is a successor in interest to
10 persons otherwise eligible under paragraph (1), (2) or (3)
11 but precluded from eligibility under the provisions of
12 section [1330] 1330.1 (relating to undue economic
13 concentration prohibited).

14 Nothing in this part shall be construed to permit the approval
15 or issuance of more than one slot machine license at a licensed
16 racetrack facility.

17 * * *

18 § 1307. Number of slot machine licenses.

19 (a) Limitation.--The board may license no more than seven
20 Category 1 licensed facilities and no more than five Category 2
21 licensed facilities, as it may deem appropriate, as long as two,
22 and not more, Category 2 licensed facilities are located by the
23 board within the city of the first class and that one, and not
24 more, Category 2 licensed facility is located by the board
25 within the city of the second class. The board may at its
26 discretion increase the total number of Category 2 licensed
27 facilities permitted to be licensed by the board by an amount
28 not to exceed the total number of Category 1 licenses not
29 applied for within five years following the effective date of
30 this part. Except as permitted by section 1328 (relating to

1 change in ownership or control of slot machine licensee), any
2 Category 1 license may be reissued by the board at its
3 discretion as a Category 2 license if an application for
4 issuance of such license has not been made to the board. The
5 board may license no more than [three] two Category 3 licensed
6 facilities.

7 (b) Delay of issuance.--Notwithstanding subsection (a) or
8 any other provisions of this part, the board may not:

9 (1) Accept an application for a Category 1 slot machine
10 license for a period starting on the effective date of this
11 subsection through July 1, 2020.

12 (2) Issue a Category 1 slot machine license for a period
13 starting on the effective date of this subsection through
14 July 1, 2020.

15 (c) Applicability.--Subsection (b) shall not apply to a
16 change of ownership or control of a Category 1 slot machine
17 license as permitted by section 1328.

18 Section 3. Section 1328 of Title 4 is amended by adding a
19 subsection to read:

20 § 1328. Change in ownership or control of slot machine
21 licensee.

22 * * *

23 (f) Undue economic concentration prohibited.--A change in
24 ownership or control of a slot machine licensee shall comply
25 with section 1330.1 (relating to undue economic concentration
26 prohibited).

27 Section 4. Section 1330 of Title 4 is repealed:

28 [§ 1330. Multiple slot machine license prohibition.

29 No slot machine licensee, its affiliate, intermediary,
30 subsidiary or holding company may possess an ownership or

1 financial interest that is greater than 33.3% of another slot
2 machine licensee or person eligible to apply for a Category 1
3 license, its affiliate, intermediary, subsidiary or holding
4 company. The board shall approve the terms and conditions of any
5 divestiture under this section. Under no circumstances shall any
6 such divestiture be approved by the board if the compensation
7 for the divested interest in a person eligible to apply for a
8 Category 1 license exceeds the greater of the original cost of
9 the interest, the book value of the interest or an independently
10 assessed value of the interest one month prior to the effective
11 date of this part and, in the case of a person eligible to apply
12 for a Category 1 license, unless the person acquiring the
13 divested interest is required to continue conducting live racing
14 at the location where live racing is currently being conducted
15 in accordance with section 1303 (relating to additional Category
16 1 slot machine license requirements) and be approved for a
17 Category 1 slot machine license. No such slot machine license
18 applicant shall be issued a slot machine license until the
19 applicant has completely divested its ownership or financial
20 interest that is in excess of 33.3% in another slot machine
21 licensee or person eligible to apply for a Category 1 license,
22 its affiliate, intermediary, subsidiary or holding company.]

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

24 § 1330.1. Undue economic concentration prohibited.

25 (a) General rule.--No slot machine licensee, its affiliate,
26 intermediary, subsidiary or holding company may possess an
27 ownership or financial interest of another slot machine licensee
28 or person eligible to apply for a Category 1 license, its
29 affiliate, intermediary, subsidiary or holding company if the
30 ownership or financial interest would result in undue economic

1 concentration in this Commonwealth.

2 (b) Board to establish criteria.--The board shall establish
3 through regulation criteria for determining whether the issuance
4 of a slot machine license or a change in ownership or control of
5 a slot machine licensee occurring under section 1328 (relating
6 to change in ownership or control of slot machine licensee)
7 constitutes undue economic concentration. The criteria shall
8 include:

9 (1) The percentage share of the market presently
10 controlled by the applicant.

11 (2) The estimated increase in the market share if the
12 applicant is issued the slot machine license.

13 (3) The relative position of other slot machine
14 licensees.

15 (4) The current and projected financial condition of the
16 gaming industry in this Commonwealth.

17 (5) Current market conditions, including level of
18 competition, consumer demand, market concentration, any
19 consolidation trends in the industry and any other relevant
20 characteristics of the market.

21 (6) Whether the applicant has separate organizational
22 structures or other independent obligations.

23 (7) Potential impact on the projected future growth and
24 development of the gaming industry in this Commonwealth.

25 (8) Whether the issuance or holding of the slot machine
26 license by the applicant will adversely impact consumer
27 interests.

28 (9) Any other criteria the board may require.

29 (c) Divestiture.--No applicant shall be issued a slot
30 machine license or approved for a change in ownership or control

1 until the applicant has completely divested a portion of
2 ownership or financial interest of another slot machine licensee
3 or person eligible to apply for a Category 1 license, its
4 affiliate, intermediary, subsidiary or holding company
5 determined by the board to be necessary to meet the requirements
6 of this section. The board shall approve the terms and
7 conditions of any divestiture that may be required under this
8 section.

9 (d) Definition.--For the purpose of this section, "undue
10 economic concentration" means that a slot machine licensee, its
11 affiliate, intermediary, subsidiary or holding company would
12 have such actual or potential domination of the gaming market in
13 this Commonwealth as to substantially impede or suppress
14 competition among slot machine licensees or adversely impact the
15 economic stability of the gaming industry in this Commonwealth.

16 Section 6. Sections 1402(b) and 1403(b) of Title 4 are
17 amended to read:

18 § 1402. Gross terminal revenue deductions.

19 * * *

20 (b) [(Reserved).] Assessment limitation.--

21 (1) Beginning July 1, 2017, the assessment rate
22 determined by the department under subsection (a) shall not
23 exceed an amount equal to 1.7% of the slot machine licensee's
24 gross terminal revenue.

25 (2) Beginning July 1, 2018, and each year thereafter,
26 the assessment rate determined by the department under
27 subsection (a) shall not exceed an amount equal to 1.5% of
28 the slot machine licensee's gross terminal revenue.

29 § 1403. Establishment of State Gaming Fund and net slot machine
30 revenue distribution.

1 * * *

2 (b) Slot machine tax.--

3 (1) (i) The department shall determine and each slot
4 machine licensee shall pay a daily tax of 34% from its
5 daily gross terminal revenue from the slot machines in
6 operation at its facility and a local share assessment as
7 provided in subsection (c).

8 (ii) This paragraph shall expire June 30, 2018.

9 (2) Beginning July 1, 2018, the department shall
10 determine and each slot machine licensee shall pay a daily
11 tax of 29% from its daily gross terminal revenue from the
12 slot machines in operation at its facility and a local share
13 assessment as provided in subsection (c).

14 (3) All funds owed to the Commonwealth, a county or a
15 municipality under this section shall be held in trust by the
16 licensed gaming entity for the Commonwealth, the county and
17 the municipality until the funds are paid or transferred to
18 the fund.

19 (4) Unless otherwise agreed to by the board, a licensed
20 gaming entity shall establish a separate bank account to
21 maintain gross terminal revenue until such time as the funds
22 are paid or transferred under this section.

23 (5) Moneys in the fund are hereby appropriated to the
24 department on a continuing basis for the purposes set forth
25 in subsection (c).

26 * * *

27 Section 7. Section 1517 of Title 4 is amended by adding a
28 subsection to read:

29 § 1517. Investigations and enforcement.

30 * * *

1 (g) Permanent Pennsylvania State Police presence.--

2 (1) The Pennsylvania State Police shall:

3 (i) Incrementally reduce and eliminate permanent
4 onsite personnel and any offices located within all
5 licensed facilities no later than July 1, 2018.

6 (ii) Submit a plan to the board detailing the
7 incremental reduction and elimination of permanent
8 Pennsylvania State Police personnel and offices from all
9 licensed facilities by the date contained in subparagraph
10 (i) no later than January 1, 2018.

11 (2) Nothing contained in subsection (c) shall be
12 construed as to require the Pennsylvania State Police to have
13 permanent onsite personnel or an office within a licensed
14 facility.

15 (3) Submit to each licensed gaming entity an
16 individualized plan detailing the incremental reduction and
17 elimination of permanent onsite Pennsylvania State Police
18 personnel and offices from the licensed gaming entity's
19 licensed facility by the date contained in subparagraph (i)
20 no later than January 1, 2018.

21 Section 8. Title 4 is amended by adding a part to read:

22 PART III

23 VIDEO GAMING

24 Chapter

25 31. General Provisions

26 33. Administration

27 35. Application and Licensure

28 37. Operation

29 39. Enforcement

30 41. Revenues

1 43. Ethics

2 45. Miscellaneous Provisions

3 CHAPTER 31

4 GENERAL PROVISIONS

5 Sec.

6 3101. Scope of part.

7 3102. Definitions.

8 § 3101. Scope of part.

9 This part relates to video gaming terminals.

10 § 3102. Definitions.

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

14 "Affiliate," "affiliate of" or "person affiliated with." A
15 person who directly or indirectly, through one or more
16 intermediaries, controls, is controlled by or is under common
17 control with a specified person.

18 "Applicant." A person who, on his own behalf or on behalf of
19 another, applies for permission to engage in an act or activity
20 that is regulated under the provisions of this part.

21 "Associated equipment." Equipment or a mechanical,
22 electromechanical or electronic contrivance, component or
23 machine used in connection with video gaming terminals or
24 redemption terminals, including replacement parts, hardware and
25 software.

26 "Background investigation." A security, criminal, credit and
27 suitability investigation of a person as provided for in this
28 part that includes the status of taxes owed to the United
29 States, the Commonwealth and its political subdivisions.

30 "Board." The Pennsylvania Gaming Control Board established

1 under section 1201 (relating to Pennsylvania Gaming Control
2 Board established).

3 "Bureau." The Bureau of Investigations and Enforcement of
4 the board.

5 "Cash." United States currency and coin.

6 "Cash equivalent." A ticket, token, chip, card or other
7 similar instrument or representation of value that the board
8 deems a cash equivalent in accordance with this part.

9 "Central control computer." A central site computer
10 controlled by the department and accessible by the board to
11 which all video gaming terminals communicate for the purpose of
12 auditing capacity, real-time information retrieval of the
13 details of any financial event that occurs in the operation of a
14 video gaming terminal or redemption terminal, including, but not
15 limited to, coin in, coin out, ticket in, ticket out, jackpots,
16 video gaming terminal and redemption terminal door openings and
17 power failure and remote video gaming terminal or redemption
18 terminal activation and disabling of video gaming terminals or
19 redemption terminals.

20 "Cheat."

21 (1) Any of the following:

22 (i) To defraud or steal from a player, terminal
23 operator licensee, establishment licensee or the
24 Commonwealth while operating or playing a video gaming
25 terminal, including causing, aiding, abetting or
26 conspiring with another person to do so.

27 (ii) To alter or causing, aiding, abetting or
28 conspiring with another person to alter the elements of
29 chance, method of selection or criteria that determine:

30 (A) The result of a video gaming terminal game.

1 (B) The amount or frequency of payment in a
2 video gaming terminal game.

3 (C) The value of a wagering instrument.

4 (D) The value of a wagering credit.

5 (iii) The term does not include altering a video
6 gaming terminal or associated equipment for maintenance
7 or repair with the approval of a terminal operator
8 licensee.

9 "Cheating or thieving device." A device:

10 (1) used or possessed with the intent to be used to
11 cheat during the operation or play of a video gaming
12 terminal; or

13 (2) used to alter a video gaming terminal without the
14 terminal operator licensee's approval.

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

19 "Complimentary service." A lodging, service or item that is
20 provided to an individual at no cost or at a reduced cost that
21 is not generally available to the public under similar
22 circumstances. Group rates, including convention and government
23 rates, shall be deemed to be generally available to the public.

24 "Conduct of video gaming." The licensed placement, operation
25 and play of video gaming terminals under this part, as
26 authorized and approved by the board.

27 "Controlling interest." Any of the following:

28 (1) For a publicly traded domestic or foreign
29 corporation, the term means a person has a controlling
30 interest in a legal entity, applicant or licensee if a

1 person's sole voting rights under State law or corporate
2 articles or bylaws entitle the person to elect or appoint one
3 or more of the members of the board of directors or other
4 governing board or the person holds an ownership or
5 beneficial holding of 5% or more of the securities of the
6 publicly traded corporation, partnership, limited liability
7 company or other form of publicly traded legal entity, unless
8 this presumption of control or ability to elect is rebutted
9 by clear and convincing evidence.

10 (2) For a privately held domestic or foreign
11 corporation, partnership, limited liability company or other
12 form of privately held legal entity, the term means the
13 holding of any securities in the legal entity, unless this
14 presumption of control is rebutted by clear and convincing
15 evidence.

16 "Conviction." A finding of guilt or a plea of guilty or nolo
17 contendere, whether or not a judgment of sentence has been
18 imposed as determined by the law of the jurisdiction in which
19 the prosecution was held. The term does not include a conviction
20 that has been expunged or overturned or for which an individual
21 has been pardoned or had an order of Accelerated Rehabilitative
22 Disposition entered.

23 "Corporation." The term includes a publicly traded
24 corporation.

25 "Department." The Department of Revenue of the Commonwealth.

26 "Establishment." A liquor establishment, nonprimary location
27 or truck stop establishment.

28 "Establishment license." A license issued by the board
29 authorizing an establishment to permit a terminal operator
30 licensee to place and operate video gaming terminals on the

1 establishment's premises pursuant to this part and the rules and
2 regulations promulgated under this part.

3 "Establishment licensee." An establishment that holds an
4 establishment license.

5 "Executive-level public employee." The term shall include
6 the following:

7 (1) A deputy secretary of the Commonwealth and the
8 Governor's Office executive staff.

9 (2) An employee of the executive branch whose duties
10 substantially involve licensing or enforcement under this
11 part, who has discretionary power that may affect or
12 influence the outcome of a Commonwealth agency's action or
13 decision or who is involved in the development of regulations
14 or policies relating to a licensed entity. The term includes
15 an employee with law enforcement authority.

16 (3) An employee of a county or municipality with
17 discretionary powers that may affect or influence the outcome
18 of the county's or municipality's action or decision related
19 to this part or who is involved in the development of law,
20 regulation or policy relating to matters regulated under this
21 part. The term includes an employee with law enforcement
22 authority.

23 (4) An employee of a department, agency, board,
24 commission, authority or other governmental body not included
25 in paragraph (1), (2) or (3) with discretionary power that
26 may affect or influence the outcome of the governmental
27 body's action or decision related to this part or who is
28 involved in the development of regulation or policy relating
29 to matters regulated under this part. The term includes an
30 employee with law enforcement authority.

1 "Financial backer." An investor, mortgagee, bondholder,
2 noteholder or other sources of equity or capital provided to an
3 applicant or licensed entity.

4 "Fire Company and Emergency Responder Grant Fund." The fund
5 established in section 4106 (relating to Fire Company and
6 Emergency Responder Grant Fund).

7 "Gambling game." A game that plays or simulates the play of
8 video poker, bingo, keno, reel games, blackjack or other similar
9 game authorized by the board.

10 "Gaming employee."

11 (1) Any of the following:

12 (i) An employee of a terminal operator licensee or
13 supplier licensee that is not a key employee but has
14 direct contact with establishment licensees or is
15 otherwise involved in the conduct of video gaming.

16 (ii) An employee of a supplier licensee whose duties
17 are directly involved with the repair or distribution of
18 video gaming terminals or associated equipment sold or
19 provided to a terminal operator licensee within this
20 Commonwealth as determined by the board.

21 (2) The term does not include nongaming personnel as
22 determined by the board or an employee of an establishment
23 licensee.

24 "Gaming school." An educational institution approved by the
25 Department of Education as an accredited college or university,
26 community college, Pennsylvania private licensed school or its
27 equivalent and whose curriculum guidelines are approved by the
28 Department of Labor and Industry to provide education and job
29 training related to employment opportunities associated with
30 video gaming terminals and associated equipment maintenance and

1 repair.

2 "Gaming service provider." A person that is not required to
3 be licensed as a terminal operator, manufacturer, supplier or
4 establishment licensee and provides goods or services to a
5 terminal operator licensee that directly relates to the
6 operation and security of a video gaming terminal or redemption
7 terminal. The term shall not include a person that supplies
8 goods or services that, at the discretion of the board, does not
9 impact the integrity of video gaming, video gaming terminals or
10 the connection of video gaming terminals to the central control
11 computer system, including:

12 (1) Seating to accompany video gaming terminals.

13 (2) Structural or cosmetic renovations, improvements or
14 other alterations to a video gaming area.

15 "Grocery store." Any of the following:

16 (1) A retail establishment, commonly known as a grocery
17 store, supermarket or delicatessen, where food, food products
18 and supplies are sold for human consumption on or off the
19 premises.

20 (2) A restaurant with an interior connection to, and the
21 separate and segregated portion of, another retail
22 establishment that is dedicated solely to the sale of food,
23 food products and supplies for the table for human
24 consumption on or off the premises.

25 "Gross terminal revenue." The total of cash or cash
26 equivalents received by a video gaming terminal minus the total
27 of cash or cash equivalents paid out to players as a result of
28 playing a video gaming terminal. The term does not include
29 counterfeit cash or cash taken in a fraudulent act perpetrated
30 against a terminal operator licensee for which the terminal

1 operator licensee is not reimbursed.

2 "Holding company." A person, other than an individual,
3 which, directly or indirectly, owns or has the power or right to
4 control or to vote a significant part of the outstanding voting
5 securities of a corporation or other form of business
6 organization. A holding company indirectly has, holds or owns
7 any such power, right or security if it does so through an
8 interest in a subsidiary or successive subsidiaries.

9 "Incentive." Consideration, including a promotion or prize,
10 provided to a player or potential player as an enticement to
11 play a video gaming terminal. The term shall not include
12 consideration, promotions, prizes or complimentary play provided
13 to a player or potential player through a customer loyalty or
14 rewards card program approved by the board.

15 "Inducement."

16 (1) Any of the following:

17 (i) Consideration paid directly or indirectly, from
18 a manufacturer, supplier, terminal operator, procurement
19 agent, gaming employee, nongaming employee or another
20 person on behalf of an applicant or licensee, to an
21 establishment licensee, establishment licensee owner or
22 an employee of the establishment licensee, directly or
23 indirectly as an enticement to solicit or maintain the
24 establishment licensee or establishment licensee owner's
25 business.

26 (ii) Cash, incentive, marketing and advertising
27 cost, gift, food, beverage, loan, prepayment of gross
28 terminal revenue and other contribution or payment that
29 offsets an establishment licensee's operational costs, or
30 as otherwise determined by the board.

1 (2) The term shall not include costs paid by a terminal
2 operator applicant or licensee related to:

3 (i) Structural changes necessary to segregate the
4 video gaming area or maintain the security of video
5 gaming terminals and redemption terminals as required by
6 the board that do not exceed \$2,500, provided, however
7 that any changes in excess of \$2,500 may be shared
8 equally between the terminal applicant or licensee and
9 the establishment applicant or licensee.

10 (ii) Surveillance technology to monitor only the
11 video gaming area.

12 (iii) Making video gaming terminals operate at a
13 licensed establishment, including wiring and rewiring,
14 software updates, ongoing video gaming terminal
15 maintenance, redemption terminals, network connections,
16 site controllers and costs associated with communicating
17 with the central control computer system.

18 (iv) Installation of security and alarm system at an
19 establishment licensee's premises that are reasonably
20 necessary to protect video gaming terminals and
21 redemption terminals outside normal business hours,
22 provided that the cost does not exceed \$1,000.

23 (v) Any requirement established by the board
24 regarding minimum standards for a video gaming area.

25 (vi) Any cosmetic renovations or improvements within
26 a video gaming area that are reasonably necessary, as
27 determined by the board, to provide a suitable
28 environment for players.

29 (vii) Fees established by the board to cover costs
30 associated with the mandatory employee training program

1 established under section 3706 (relating to compulsive
2 and problem gambling).

3 "Institutional investor." A retirement fund administered by
4 a public agency for the exclusive benefit of Federal, State or
5 local public employees, investment company registered under the
6 Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1
7 et seq.), collective investment trust organized by banks under
8 Part Nine of the Rules of the Comptroller of the Currency,
9 closed-end investment trust, chartered or licensed life
10 insurance company or property and casualty insurance company,
11 banking and other chartered or licensed lending institution,
12 investment advisor registered under The Investment Advisers Act
13 of 1940 (54 Stat. 847, 15 U.S.C. § 80b-1 et seq.) and such other
14 person as the board may determine consistent with this part.

15 "Intermediary." A person, other than an individual, that:

16 (1) is a holding company with respect to a corporation
17 or other form of business organization, that holds or applies
18 for a license under this part; and

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

20 "Key employee." An individual employed by a manufacturer
21 licensee, supplier licensee, terminal operator licensee or
22 establishment licensee that is determined by the board to be a
23 director or department head or otherwise empowered to make
24 discretionary decisions that regulate the conduct of video
25 gaming.

26 "Law enforcement authority." The power to conduct
27 investigations of or to make arrests for criminal offenses.

28 "Licensed entity." A terminal operator licensee,
29 establishment licensee, manufacturer licensee or supplier
30 licensee.

1 "Licensed entity representative." A person, including an
2 attorney, agent or lobbyist, acting on behalf of or authorized
3 to represent the interest of an applicant, licensee or other
4 person authorized by the board to engage in an act or activity
5 that is regulated under this part regarding a matter before or
6 that may reasonably be expected to come before the board.

7 "Licensed facility." As defined in section 1103 (relating to
8 definitions).

9 "Licensed gaming entity." As defined in section 1103.

10 "Licensed racing entity." As defined in 3 Pa.C.S. § 9301
11 (relating to definitions).

12 "Liquor establishment." A person that operates under a valid
13 liquor or malt or brewed beverage license under Article IV of
14 the act of April 12, 1951 (P.L.90, No.21), known as the Liquor
15 Code. The term does not include a grocery store, hotel,
16 nonprimary location or restaurant whose place of business is
17 located in a licensed facility.

18 "Manufacturer." A person that manufactures, builds,
19 rebuilt, fabricates, assembles, produces, programs, designs or
20 otherwise makes modifications to a video gaming terminal,
21 redemption terminal or associated equipment for use or play in
22 this Commonwealth for gaming purposes and provides such products
23 to a supplier.

24 "Manufacturer license." A license issued by the board
25 authorizing a manufacturer to manufacture or produce video
26 gaming terminals, redemption terminals or associated equipment
27 for use in this Commonwealth for gaming purposes.

28 "Manufacturer licensee." A manufacturer that obtains a
29 manufacturer license.

30 "Municipality." A city, township, borough or incorporated

1 town.

2 "Non-key employee." An individual employed by a terminal
3 operator licensee who, unless otherwise designated by the board,
4 is not a key employee.

5 "Nonprimary location." As defined in 3 Pa.C.S. § 9301.

6 "Occupation license." A license authorizing an individual to
7 be employed or to work as a gaming employee.

8 "Party." The bureau or an applicant, licensee, registrant or
9 other person appearing of record in any proceeding before the
10 board.

11 "Permittee." A holder of a permit issued under this part.

12 "Person." A natural person, corporation, foundation,
13 organization, business trust, estate, limited liability company,
14 licensed corporation, trust, partnership, limited liability
15 partnership, association or other form of legal business entity.

16 "Player." An individual who wagers cash or a cash equivalent
17 in the play or operation of a video gaming terminal and the play
18 or operation of which may deliver or entitle the individual
19 playing or operating the video gaming terminal to receive cash
20 or a cash equivalent from a terminal operator licensee.

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

1 operator licensee, manufacturer licensee or supplier licensee
2 deemed to be a principal by the board.

3 "Procurement agent." A person that shares in the gross
4 terminal revenue or is otherwise compensated for the purpose of
5 soliciting or procuring a terminal placement agreement.

6 "Property Tax Relief Fund." The fund established in section
7 1409 (relating to Property Tax Relief Fund).

8 "Publicly traded corporation." A person, other than an
9 individual, that:

10 (1) has a class or series of securities registered under
11 the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.
12 § 78a et seq.);

13 (2) is a registered management company under the
14 Investment Company Act of 1940; or

15 (3) is subject to the reporting obligations imposed by
16 section 15(d) of the Securities Exchange Act of 1934 by
17 reason of having filed a registration statement that has
18 become effective under the Securities Act of 1933 (48 Stat.
19 74, 15 U.S.C. § 77a et seq.).

20 "Redemption terminal." The collective hardware, software,
21 communications technology and other ancillary equipment used to
22 facilitate the payment of cash or a cash equivalent to a player
23 as a result of playing a video gaming terminal.

24 "Security." As defined in the act of December 5, 1972
25 (P.L.1280, No.284), known as the Pennsylvania Securities Act of
26 1972.

27 "Slot machine." As defined in section 1103.

28 "State Treasurer." The State Treasurer of the Commonwealth.

29 "Subsidiary." A person other than an individual. The term
30 includes:

1 (1) a corporation, a significant part of whose
2 outstanding equity securities are owned, subject to a power
3 or right of control or held with power to vote by a holding
4 company or an intermediary company;

5 (2) a significant interest in a person, other than an
6 individual, that is owned, subject to a power or right of
7 control or held with power to vote by a holding company or an
8 intermediary company; or

9 (3) a person deemed to be a subsidiary by the board.

10 "Supplier." A person that sells, leases, offers or otherwise
11 provides, distributes or services any video gaming terminal,
12 redemption terminal or associated equipment to a terminal
13 operator licensee for use or play in this Commonwealth.

14 "Supplier license." A license issued by the board
15 authorizing a supplier to provide products or services related
16 to video gaming terminals, redemption terminals or associated
17 equipment to terminal operator licensees for use in this
18 Commonwealth for gaming purposes.

19 "Supplier licensee." A supplier that holds a supplier
20 license.

21 "Terminal operator." A person that owns, services or
22 maintains video gaming terminals for placement and operation in
23 an establishment licensee.

24 "Terminal operator license." A license issued by the board
25 authorizing a terminal operator to place and operate video
26 gaming terminals in an establishment licensee's premises
27 pursuant to this part and the rules and regulations promulgated
28 under this part.

29 "Terminal operator licensee." A terminal operator that holds
30 a terminal operator license.

1 "Terminal placement agreement." The formal written agreement
2 or contract between a terminal operator applicant or licensee
3 and an establishment applicant or licensee that establishes the
4 terms and conditions regarding the conduct of video gaming.

5 "Truck stop establishment." A premises that:

6 (1) Is equipped with diesel islands used for fueling
7 commercial motor vehicles.

8 (2) Has sold on average 50,000 gallons of diesel or
9 biodiesel fuel each month for the previous 12 months or is
10 projected to sell an average of 50,000 gallons of diesel or
11 biodiesel fuel each month for the next 12 months.

12 (3) Has parking spaces dedicated for commercial motor
13 vehicles.

14 (4) Has a convenience store.

15 (5) Is situated on a parcel of land of not less than
16 three acres that the truck stop establishment owns or leases.

17 "Video gaming area." The area of an establishment licensee's
18 premises where video gaming terminals are installed for
19 operation and play.

20 "Video gaming employees." The term includes key employees
21 and non-key employees.

22 "Video Gaming Fund." The fund established in section 4102
23 (relating to taxes and assessments).

24 "Video gaming terminal."

25 (1) A mechanical or electrical contrivance, terminal,
26 machine or other device approved by the board that, upon
27 insertion of cash or cash equivalents, is available to play
28 or operate one or more gambling games, the play of which is
29 primarily based on chance and:

30 (i) May award a winning player either a free game or

1 credit that shall only be redeemable for cash or cash
2 equivalents at a redemption terminal.

3 (ii) May utilize video displays.

4 (iii) May use an electronic credit system for
5 receiving wagers and making payouts that are only
6 redeemable at a redemption terminal.

7 (2) Associated equipment necessary to conduct the
8 operation of the contrivance, terminal, machine or other
9 device.

10 (3) The term does not include a slot machine operated at
11 a licensed facility in accordance with Part II (relating to
12 gaming) or a coin-operated amusement game.

13 CHAPTER 33

14 ADMINISTRATION

15 Sec.

16 3301. Powers of board.

17 3302. Regulatory authority of board.

18 3303. Temporary regulations.

19 3304. Appeals.

20 3305. Records and confidentiality of information.

21 3306. Reporting.

22 3307. Diversity goals of board.

23 3308. Authority of department.

24 3309. Central control computer system.

25 3310. Department of Drug and Alcohol Programs.

26 § 3301. Powers of board.

27 (a) General powers.--

28 (1) The board shall have general and sole regulatory
29 authority over the conduct of video gaming terminal or
30 related activities as described in this part. The board shall

1 ensure the integrity of the acquisition and operation of
2 video gaming terminals, redemption terminals and associated
3 equipment and shall have sole regulatory authority over every
4 aspect of the authorization, operation and play of video
5 gaming terminals.

6 (2) The board may employ individuals as necessary to
7 carry out the requirements of this part who shall serve at
8 the board's pleasure.

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

11 (1) To require background investigations on applicants,
12 licensees, principals, key employees, procurement agents or
13 gaming employees under the jurisdiction of the board.

14 (2) At its discretion, to issue, approve, renew, revoke,
15 suspend, condition or deny issuance or renewal of terminal
16 operator licenses.

17 (3) At its discretion, to award, revoke, suspend,
18 condition or deny issuance or renewal of establishment
19 licenses.

20 (4) At its discretion, to issue, approve, renew, revoke,
21 suspend, condition or deny issuance or renewal of supplier
22 and manufacturer licenses.

23 (5) At its discretion, to issue, approve, renew, revoke,
24 suspend, condition or deny issuance or renewal of a license
25 or permit for various classes of employees as required under
26 this part.

27 (6) At its discretion, to issue, approve, renew, revoke,
28 suspend, condition or deny issuance or renewal of additional
29 licenses or permits that may be required by the board under
30 this part.

1 (7) At its discretion, to suspend, condition or deny the
2 issuance or renewal of a license or permit or levy a fine or
3 other sanction for a violation of this part.

4 (8) To require prospective and existing video gaming
5 employees, independent contractors, applicants and licensees
6 to submit to fingerprinting by the Pennsylvania State Police.
7 The Pennsylvania State Police shall submit the fingerprints
8 to the Federal Bureau of Investigation for purposes of
9 verifying the identity of the individual and obtaining
10 records of criminal arrests and convictions.

11 (9) To require prospective and existing video gaming
12 employees, independent contractors, applicants and licensees
13 to submit photographs consistent with the standards of the
14 Commonwealth Photo Imaging Network.

15 (10) In addition to the power of the board relating to
16 license and permit applicants, to determine at its discretion
17 the suitability of a person who furnishes or seeks to furnish
18 to a terminal operator licensee directly or indirectly goods,
19 services or property related to video gaming terminals,
20 redemption terminals or associated equipment.

21 (11) To approve an application for or issue or renew a
22 license, certificate, registration or permit if the board is
23 satisfied that the applicant or licensee has demonstrated by
24 clear and convincing evidence that the applicant is a person
25 of good character, honesty and integrity whose prior
26 activities, criminal record, if any, reputation, habits and
27 associations do not pose a threat to the public interest or
28 the effective regulation and control of video gaming terminal
29 operations or create or enhance the danger of unsuitable,
30 unfair or illegal practices, methods and activities in the

1 conduct of video gaming or the carrying on of the business
2 and financial arrangements incidental thereto.

3 (12) To publish each January in the Pennsylvania
4 Bulletin and on the board's publicly accessible Internet
5 website a complete list of persons or entities who applied
6 for or held a terminal operator license, establishment
7 license, manufacturer license or supplier license at any time
8 during the preceding calendar year and affiliates,
9 intermediaries, subsidiaries and holding companies thereof
10 and the status of the application or license.

11 (13) To prepare and, through the Governor, submit
12 annually to the General Assembly an itemized budget
13 consistent with Article VI of the act of April 9, 1929
14 (P.L.177, No.175), known as The Administrative Code of 1929,
15 consisting of the amounts necessary to be appropriated by the
16 General Assembly out of the accounts established under
17 section 4104 (relating to regulatory assessments) required to
18 meet the obligations under this part accruing during the
19 fiscal period beginning July 1 of the following year. The
20 budget shall include itemized recommendations for the
21 Attorney General, the department and the Pennsylvania State
22 Police as to the amount needed to meet their obligations
23 under this part.

24 (14) In the event that appropriations for the
25 administration of this part are not enacted by June 30 of any
26 year, funds appropriated for the administration of this part
27 which are unexpended, uncommitted and unencumbered at the end
28 of a fiscal year shall remain available for expenditure by
29 the board or other agency to which they were appropriated
30 until the enactment of an appropriation for the ensuing

1 fiscal year.

2 (15) To collect and post information on the board's
3 publicly accessible Internet website with sufficient detail
4 to inform the public of persons with a controlling interest
5 or ownership interest in an applicant for a terminal operator
6 license or terminal operator licensee or affiliate,
7 intermediary, subsidiary or holding company of an applicant
8 for a terminal operator license. The posting shall include:

9 (i) If the applicant for a terminal operator license
10 or terminal operator licensee or an affiliate,
11 intermediary, subsidiary or holding company of the
12 applicant for a terminal operator license or terminal
13 operator licensee is a publicly traded domestic or
14 foreign corporation, partnership, limited liability
15 company or other legal entity, the names of persons with
16 a controlling interest.

17 (ii) If the applicant for a terminal operator
18 license or terminal operator licensee or an affiliate,
19 intermediary, subsidiary or holding company of the
20 applicant for a terminal operator license or terminal
21 operator licensee is a privately held domestic or foreign
22 corporation, partnership, limited liability company or
23 other legal entity, the names of all persons with an
24 ownership interest equal to or greater than 1%.

25 (iii) The name of a person entitled to cast the vote
26 of a person named under subparagraph (i) or (ii).

27 (iv) The names of officers, directors and principals
28 of the applicant for a terminal operator license or
29 terminal operator licensee.

30 (16) Determine, designate and classify employees of a

1 terminal operator licensee as key employees and non-key
2 employees.

3 § 3302. Regulatory authority of board.

4 (a) General rule.--The board shall have the power and duty:

5 (1) To deny, deny the renewal, revoke, condition or
6 suspend a license provided for in this part if the board
7 finds in its sole discretion that a licensee under this part
8 or its officers, employees or agents have intentionally
9 furnished false or misleading information to the board or
10 failed to comply with the provisions of this part or the
11 rules and regulations of the board and that it would be in
12 the public interest to deny, deny the renewal, revoke,
13 condition or suspend the license.

14 (2) To restrict access to confidential information in
15 the possession of the board that has been obtained under this
16 part and ensure that the confidentiality of information is
17 maintained and protected. The board shall retain records for
18 seven years.

19 (3) To prescribe and require periodic financial
20 reporting and internal control requirements for terminal
21 operator licensees.

22 (4) To require that each terminal operator licensee
23 provide to the board its annual financial statements, with
24 such additional detail as the board from time to time shall
25 require, which information shall be submitted not later than
26 90 days after the end of the licensee's fiscal year.

27 (5) To prescribe the procedures to be followed by
28 terminal operator licensees for a financial event that occurs
29 in the operation and play of video gaming terminals.

30 (6) To require that each establishment licensee

1 prohibits minors from operating or using video gaming
2 terminals or redemption terminals.

3 (7) To establish procedures for the inspection and
4 certification of compliance of video gaming terminals,
5 redemption terminals and associated equipment prior to being
6 placed into use by a terminal operator licensee.

7 (8) To require that no video gaming terminal may be set
8 to pay out less than the theoretical payout percentage, which
9 percentage shall be no less than 85%, as specifically
10 approved by the board. The board shall adopt regulations that
11 define the theoretical payout percentage of a video gaming
12 terminal game based on the total value of the jackpots
13 expected to be paid by a play on a video gaming terminal game
14 divided by the total value of video gaming terminals wagers
15 expected to be made on that play or video gaming terminal
16 game during the same portion of the game cycle. In so doing,
17 the board shall specify whether the calculation includes a
18 portion of or the entire cycle of a video gaming terminal
19 game.

20 (9) To require that an establishment license applicant
21 provide detailed site plans of its proposed video gaming area
22 for review and approval by the board for the purpose of
23 determining the adequacy of the proposed security and
24 surveillance measures. The applicant shall cooperate with the
25 board in making changes to the plans suggested by the board
26 and shall ensure that the plans as modified and approved are
27 implemented. The board may not require a floor-to-ceiling
28 wall to segregate the video gaming area, but may adopt rules
29 to establish segregation requirements.

30 (10) To consult with members of the Pennsylvania State

1 Police, the Office of Attorney General, the department and
2 other persons the board deems necessary for advice regarding
3 the various aspects of the powers and duties imposed on the
4 board under this part and the board's jurisdiction over the
5 authorization, operation and play of video gaming terminals.

6 (11) To enter into contracts with persons for the
7 purposes of carrying out the powers and duties of the board
8 under this part.

9 (12) To adopt regulations governing the postemployment
10 limitations and restrictions applicable to members and
11 employees of the board subject to section 4302 (relating to
12 additional board restrictions). In developing the
13 regulations, the board may consult with the State Ethics
14 Commission, governmental agencies and the disciplinary board
15 of the Supreme Court regarding postemployment limitations and
16 restrictions on members and employees of the board who are
17 members of the Pennsylvania Bar.

18 (13) To review and approve all cash handling policies
19 and procedures employed by terminal operator licensees.

20 (14) To establish the minimum amount of insurance
21 coverage for:

22 (i) each terminal operator licensee for a video
23 gaming terminal placed in a video gaming area; and

24 (ii) each establishment licensee for a video gaming
25 terminal located on the establishment licensee's
26 premises.

27 (15) To promulgate rules and regulations governing the
28 placement of automated teller machines within video gaming
29 areas.

30 (16) To establish reasonable age-verification procedures

1 for establishment licensees and their employees to ensure
2 minors do not access a video gaming area or terminal,
3 provided that the board may not require video gaming
4 terminals to be equipped with identification card-reading
5 devices or require establishment licensees to purchase
6 identification card-reading devices.

7 (17) To promulgate rules and regulations governing
8 customer loyalty or rewards card programs operated by
9 terminal operator licensees.

10 (18) To promulgate rules and regulations governing the
11 interconnection of video gaming terminals with a single
12 establishment for progressive payouts.

13 (19) To promulgate rules and regulations necessary for
14 the administration and enforcement of this part.

15 (b) Applicable law.--Except as provided in section 3303
16 (relating to temporary regulations), regulations shall be
17 adopted the act of July 31, 1968 (P.L.769, No.240), referred to
18 as the Commonwealth Documents Law, and the act of June 25, 1982
19 (P.L.633, No.181), known as the Regulatory Review Act.
20 § 3303. Temporary regulations.

21 (a) Promulgation.--In order to facilitate the prompt
22 implementation of this part, regulations promulgated by the
23 board shall be deemed temporary regulations which shall expire
24 no later than three years following the effective date of this
25 section. The board may promulgate temporary regulations not
26 subject to:

27 (1) Sections 201, 202 and 203 of the act of July 31,
28 1968 (P.L.769, No.240), referred to as the Commonwealth
29 Documents Law.

30 (2) The act of June 25, 1982 (P.L.633, No.181), known as

1 the Regulatory Review Act.

2 (b) Expiration.--The authority provided to the board to
3 adopt temporary regulations in subsection (a) shall expire July
4 1, 2020. Regulations adopted after that date shall be
5 promulgated as provided by law.

6 (c) Special consideration.--When promulgating temporary
7 regulations regarding the application, background investigation
8 and renewal process for an establishment license or regulations
9 regarding an establishment licensee's duties and
10 responsibilities regarding the conduct of video gaming under
11 this part, the board shall consider promulgating regulations
12 that minimize the regulatory burden on establishment licensees
13 and establishment license applicants to the extent that:

14 (1) All requirements, duties and responsibilities are
15 fulfilled under this part.

16 (2) The temporary regulations adequately protect the
17 public interest and integrity of video gaming.

18 § 3304. Appeals.

19 An applicant or licensee may appeal a final order,
20 determination or decision of the board involving the approval,
21 issuance, denial, revocation, nonrenewal, suspension or
22 conditioning, including any disciplinary actions, of a license,
23 permit or authorization under this part in accordance with 2
24 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of
25 Commonwealth agencies) and 7 Subch. A (relating to judicial
26 review of Commonwealth agency action).

27 § 3305. Records and confidentiality of information.

28 (a) Records.--The board shall maintain files and records
29 deemed necessary for the administration and enforcement of this
30 part.

1 (b) Confidentiality of information.--

2 (1) The following information submitted by an applicant
3 or licensee under Chapter 35 (relating to application and
4 licensure) or obtained by the board or the bureau as part of
5 a background or other investigation from any source shall be
6 confidential and withheld from public disclosure:

7 (i) Information relating to character, honesty and
8 integrity, including family, habits, reputation, history
9 of criminal activity, business activities, financial
10 affairs and business, professional and personal
11 associations submitted to or otherwise obtained by the
12 board or the bureau.

13 (ii) Nonpublic personal information, including home
14 addresses, telephone numbers and other personal contact
15 information, Social Security numbers, educational
16 records, memberships, medical records, tax returns and
17 declarations, actual or proposed compensation, financial
18 account records, creditworthiness or financial condition
19 relating to an applicant or licensee or the immediate
20 family thereof.

21 (iii) Information relating to proprietary
22 information, trade secrets, patents or exclusive
23 licenses, architectural and engineering plans and
24 information relating to competitive marketing materials
25 and strategies, including customer-identifying
26 information or customer prospects for services subject to
27 competition.

28 (iv) Security information, including risk prevention
29 plans, detection and countermeasures, location of count
30 rooms, emergency management plans, security and

1 surveillance plans, equipment and usage protocols and
2 theft and fraud prevention plans and countermeasures.

3 (v) Information with respect to which there is a
4 reasonable possibility that public release or inspection
5 of the information would constitute an unwarranted
6 invasion into personal privacy of an individual as
7 determined by the board.

8 (vi) Records of an applicant or licensee not
9 required to be filed with the Securities and Exchange
10 Commission by issuers that either have securities
11 registered under section 12 of the Securities Exchange
12 Act of 1934 (48 Stat. 881, 15 U.S.C. § 781) or are
13 required to file reports under section 15(d) of the
14 Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.
15 § 78o).

16 (vii) Records considered nonpublic matters or
17 information by the Securities and Exchange Commission as
18 provided by 17 CFR 200.80 (relating to commission records
19 and information).

20 (viii) Financial information provided to the board
21 by an applicant or licensee.

22 (2) No claim of confidentiality may be made regarding
23 criminal history record information that is available to the
24 public under 18 Pa.C.S. § 9121(b) (relating to general
25 regulations).

26 (3) No claim of confidentiality may be made regarding a
27 record in possession of the board that is otherwise publicly
28 available from a Commonwealth agency, local agency or another
29 jurisdiction.

30 (4) Except as provided in section 3904(h) (relating to

1 investigations and enforcement), the information made
2 confidential under this section shall be withheld from public
3 disclosure in whole or in part, except that confidential
4 information shall be released upon the order of a court of
5 competent jurisdiction or, with the approval of the Attorney
6 General, to a duly authorized law enforcement agency or shall
7 be released to the public, in whole or in part, to the extent
8 that the release is requested by an applicant or licensee and
9 does not otherwise contain confidential information about
10 another person.

11 (5) The board may seek a voluntary waiver of
12 confidentiality from an applicant or licensee but may not
13 require an applicant or licensee to waive the confidentiality
14 provided under this subsection as a condition for the
15 approval of an application, renewal of a license or other
16 action of the board.

17 (6) (i) No current or former member and no current or
18 former employee, agent or independent contractor of the
19 board, the department, the Pennsylvania State Police, the
20 Office of Attorney General or other executive branch
21 office who has obtained confidential information in the
22 performance of duties under this part shall intentionally
23 and publicly disclose the information to a person,
24 knowing that the information being disclosed is
25 confidential under this subsection, unless the person is
26 authorized by law to receive it.

27 (ii) A violation of this subsection shall constitute
28 a misdemeanor of the third degree.

29 (iii) In addition to any penalty under subparagraph
30 (ii), an employee, agent or independent contractor who

1 violates this subsection shall be administratively
2 disciplined by discharge, suspension, termination of
3 contract or other formal disciplinary action as
4 appropriate. If a current member violates this paragraph,
5 the other members shall refer the matter to the current
6 member's appointing authority.

7 (c) Notice.--Notice of the contents of information, except
8 to a duly authorized law enforcement agency pursuant to this
9 section, shall be given to an applicant or licensee in a manner
10 prescribed by the rules and regulations adopted by the board.

11 (d) Information held by other agencies.--Files, records,
12 reports and other information in the possession of the
13 department or the Pennsylvania Liquor Control Board pertaining
14 to a licensee shall be made available to the board as may be
15 necessary to the effective administration of this part.

16 § 3306. Reporting.

17 (a) Report required.--Beginning October 1, 2018, and every
18 year thereafter, the annual report submitted to the Governor and
19 the General Assembly by the board under section 1211 (relating
20 to reports of board) shall include information on the conduct of
21 video gaming terminals for the previous calendar year:

22 (1) Total gross terminal revenue.

23 (2) Total number of terminal operator licensees and
24 establishment licensees.

25 (3) All taxes, fees, fines and other revenue collected
26 and, where appropriate, revenue disbursed. The department
27 shall collaborate with the board to carry out the
28 requirements of this paragraph.

29 (4) Other information related to the conduct of video
30 gaming terminals that the board deems appropriate.

1 (b) Participation.--The board may require terminal operator
2 licensees to provide information to the board to assist in the
3 preparation of the report.

4 § 3307. Diversity goals of board.

5 (a) Intent.--It is the intent and goal of the General
6 Assembly that the board promote and ensure diversity in all
7 aspects of the gaming activities authorized under this part.

8 (b) Reports by applicants.--An applicant for a terminal
9 operator license shall submit a diversity plan to the board. At
10 a minimum, the diversity plan shall contain a summary of:

11 (1) All employee recruitment and retention efforts
12 undertaken to promote the participation of diverse groups in
13 employment with the applicant if issued a terminal operator
14 license.

15 (2) Other information deemed necessary by the board to
16 assess the diversity plan.

17 (c) Review.--The board shall conduct a review of a diversity
18 plan. When reviewing the adequacy of a diversity plan, the board
19 shall take into consideration the total number of video gaming
20 terminals the applicant proposes to operate within the
21 Commonwealth.

22 (d) Periodic review.--Upon an applicant receiving a terminal
23 operator license, the board, in its discretion, may periodically
24 review the terminal operator licensee's diversity plan and
25 recommend changes to the diversity plan.

26 (e) Terminal operator responsibility.--An applicant for a
27 terminal operator license or a terminal operator licensee shall
28 provide information as required by the board to enable the board
29 to complete the reviews required under subsections (c) and (d).

30 § 3308. Authority of department.

1 (a) General rule.--The department shall administer and
2 collect taxes imposed under this part and interest imposed under
3 section 806 of the act of April 9, 1929 (P.L.343, No.176), known
4 as The Fiscal Code, and promulgate and enforce rules and
5 regulations to carry out its prescribed duties in accordance
6 with this part, including the collection of taxes, penalties and
7 interest imposed by this part.

8 (b) Application of rules and regulations.--The department
9 may prescribe the extent, if any, to which any rules and
10 regulations shall be applied without retroactive effect. The
11 department shall prescribe the forms and the system of
12 accounting and recordkeeping to be employed and through its
13 representative shall at all times have power of access to and
14 examination and audit of any equipment and records relating to
15 all aspects of the operation of video gaming terminals and
16 redemption terminals under this part.

17 (c) Procedure.--For purposes of implementing this part, the
18 department may promulgate regulations in the same manner in
19 which the board is authorized as provided in section 3303
20 (relating to temporary regulations).

21 (d) Additional penalty.--A person who fails to timely remit
22 to the department or the State Treasurer amounts required under
23 this part shall be liable, in addition to liability imposed
24 elsewhere in this part, to a penalty of 5% per month up to a
25 maximum of 25% of the amounts ultimately found to be due, to be
26 recovered by the department.

27 (e) Liens and suits for taxes.--The provisions of this part
28 shall be subject to the provisions of sections 242 and 243 of
29 the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform
30 Code of 1971.

1 § 3309. Central control computer system.

2 (a) General rule.--To facilitate the auditing and security
3 programs critical to the integrity of video gaming terminals in
4 this Commonwealth, the department shall have overall control of
5 video gaming terminals and all video gaming terminals:

6 (1) Shall be linked, at an appropriate time to be
7 determined by the department, to a central control computer
8 under the control of the department and accessible by the
9 board to provide auditing program capacity and individual
10 terminal information as approved by the department.

11 (2) Shall include real-time information retrieval and
12 terminal activation and disabling programs.

13 (b) System requirements.--The central control computer
14 employed by the department shall provide:

15 (1) A fully operational Statewide video gaming terminal
16 control system that has the capability of supporting up to
17 the maximum number of video gaming terminals that is
18 permitted to be in operation under this part.

19 (2) The employment of a widely accepted gaming industry
20 protocol to facilitate a video gaming terminal manufacturers'
21 ability to communicate with the Statewide system.

22 (3) The delivery of a system that has the ability to
23 verify software, detect alterations in payout and detect
24 other methods of fraud in all aspects of the operation of
25 video gaming terminals.

26 (4) The delivery of a system that has the capability to
27 support progressive video gaming terminals as approved by the
28 board.

29 (5) The delivery of a system that does not alter the
30 statistical awards of video gaming terminal games as designed

1 by the manufacturer and approved by the board.

2 (6) The delivery of a system that provides redundancy so
3 that each component of the network is capable of operating
4 independently by the department if any component of the
5 network, including the central control computer, fails or
6 cannot be operated for any reason as determined by the
7 department, and to assure that all transactional data is
8 captured and secured. Costs associated with a computer system
9 required by the department to operate within a video gaming
10 area, whether independent or as part of the central control
11 computer, shall be paid by the terminal operator licensee.
12 The computer system shall be controlled by the department and
13 accessible to the board.

14 (7) The ability to meet all reporting and control
15 requirements as prescribed by the board and department.

16 (8) The delivery of a system that provides centralized
17 issuance of cash redemption tickets and facilitates the
18 acceptance of the tickets by video gaming terminals and
19 redemption terminals.

20 (9) Other capabilities as determined by the department
21 in consultation with the board.

22 (c) Personal information.--The central control computer may
23 not provide for the monitoring or reading of personal or
24 financial information concerning a patron of a terminal operator
25 licensee.

26 (d) Initial acquisition of central control computer.--

27 (1) Notwithstanding any other provision of law to the
28 contrary and in order to facilitate the prompt implementation
29 of this part, initial contracts entered into by the
30 department for a central control computer, including

1 necessary computer hardware, software, licenses or related
2 services shall not be subject to the provisions of 62 Pa.C.S.
3 (relating to procurement).

4 (2) Contracts made pursuant to the provisions of this
5 section may not exceed five years.

6 (e) Resolution of contract disputes.--The process specified
7 in 62 Pa.C.S. Ch. 17 Subch. B (relating to prelitigation
8 resolution of controversies) shall be the sole means of
9 resolution for controversies arising with respect to contracts
10 executed under this section.

11 (f) Existing central control computer system.--The
12 department, in its discretion, may alter or utilize the central
13 control computer system controlled by the department under
14 section 1323 (relating to central control computer system) to
15 fulfill the requirements of this section.

16 § 3310. Department of Drug and Alcohol Programs.

17 (a) Program update.--

18 (1) The Department of Drug and Alcohol Programs shall
19 update the compulsive and problem gambling program
20 established in section 1509 (relating to compulsive and
21 problem gambling program) to address public education,
22 awareness and training regarding compulsive and problem
23 gambling and the treatment and prevention of compulsive and
24 problem gambling related to video gaming terminals.

25 (2) The updated guidelines shall include strategies for
26 the prevention of compulsive and problem gambling related to
27 video gaming terminals.

28 (3) The Department of Drug and Alcohol Programs may
29 consult with the board and terminal operator licensee to
30 develop the strategies.

1 (b) Duties of Department of Drug and Alcohol Programs.--From
2 funds available in the Compulsive and Problem Gambling Treatment
3 Fund, the Department of Drug and Alcohol Programs shall with
4 respect to video gaming terminals:

5 (1) Maintain one compulsive gamblers assistance
6 organization's toll-free problem gambling telephone number,
7 which number shall be 1-800-GAMBLER, to provide crisis
8 counseling and referral services to individuals and families
9 experiencing difficulty as a result of problem or compulsive
10 gambling. If the Department of Drug and Alcohol Programs
11 determines that it is unable to adopt the number 1-800-
12 GAMBLER, the Department of Drug and Alcohol Programs shall
13 maintain another number.

14 (2) Maintain one compulsive gambler's assistance
15 organization's telephone number, which shall be accessible
16 via a free text message service, to provide crisis counseling
17 and referral services to individuals and families
18 experiencing difficulty as a result of problem or compulsive
19 gambling.

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

24 (4) At its discretion, conduct studies to identify
25 individuals in this Commonwealth who are or are at risk of
26 becoming problem or compulsive gamblers.

27 (5) Provide grants to and contract with single county
28 authorities and other organizations that provide services
29 specified in this section.

30 (6) Reimburse organizations for reasonable expenses

1 incurred assisting the Department of Drug and Alcohol
2 Programs with implementing this section.

3 (c) Additional duties.--Within 60 days following the
4 effective date of this section, the Department of Drug and
5 Alcohol Programs and the board's Office of Compulsive and
6 Problem Gambling shall jointly collaborate with other
7 appropriate offices and agencies of State or local government,
8 including single county authorities and providers and other
9 persons, public or private, with expertise in compulsive and
10 problem gambling treatment with respect to video gaming
11 terminals:

12 (1) Implement a strategic plan for the prevention and
13 treatment of compulsive and problem gambling.

14 (2) Adopt compulsive and problem gambling treatment
15 standards to be integrated with the Department of Drug and
16 Alcohol Programs' uniform Statewide guidelines that govern
17 the provision of addiction treatment services.

18 (3) Develop a method to coordinate compulsive and
19 problem gambling data collection and referral information to
20 crisis response hotlines, child welfare and domestic violence
21 programs and providers and other appropriate programs and
22 providers.

23 (4) Develop and disseminate educational materials to
24 provide public awareness related to the prevention,
25 recognition and treatment of compulsive and problem gambling.

26 (5) Develop demographic-specific compulsive and problem
27 gambling prevention, intervention and treatment programs.

28 (6) Prepare an itemized budget outlining how funds will
29 be allocated to fulfill the responsibilities under this
30 section.

1 (d) Report.--The Department of Drug and Alcohol Programs
2 shall include in the report required under section 1509
3 information involving video gaming terminals.

4 CHAPTER 35

5 APPLICATION AND LICENSURE

6 Sec.

7 3501. General prohibition.

8 3502. Terminal operator licenses.

9 3503. (Reserved).

10 3504. Principal licenses.

11 3505. Key employee licenses.

12 3505.1. Procurement agent licenses.

13 3506. Divestiture of disqualifying applicant.

14 3507. Supplier licenses.

15 3508. Manufacturer licenses.

16 3509. Gaming service provider.

17 3510. Occupation license.

18 3511. Alternative terminal operator licensing standards.

19 3512. Alternative manufacturer licensing standards.

20 3513. Alternative supplier licensing standards.

21 3514. Establishment licenses.

22 3515. License or permit prohibition.

23 3516. Issuance and renewal.

24 3517. Change in ownership or control of terminal operator
25 licensee.

26 3518. Video gaming accounting controls and audits.

27 3519. Multiple licenses prohibited.

28 3520. Conditional licenses.

29 § 3501. General prohibition.

30 No person may offer or otherwise make available for play in

1 this Commonwealth a video gaming terminal unless the person is
2 licensed under this part and according to regulations
3 promulgated by the board under this part.

4 § 3502. Terminal operator licenses.

5 (a) General requirements.--An application for a terminal
6 operator license shall be on the form required by the board and
7 shall include, at a minimum, all of the following:

8 (1) The name, address and photograph of the applicant
9 and of all directors and owners and key employees and their
10 positions within the corporation or organization, as well as
11 additional financial information required by the board.

12 (2) A current tax lien certificate issued by the
13 department.

14 (3) The details of any gaming license applied for,
15 granted to or denied to the applicant by another jurisdiction
16 where the form of gaming is legal and the consent for the
17 board to acquire copies of the application submitted or
18 license issued in connection with the application.

19 (4) The details of any loan obtained from a financial
20 institution or not obtained from a financial institution.

21 (5) The consent to conduct a background investigation by
22 the board, the scope of which investigation shall be
23 determined by the board in its discretion consistent with the
24 provisions of this part, and a release signed by all persons
25 subject to the investigation of all information required to
26 complete the investigation.

27 (6) The details of the applicant's diversity plan to
28 assure that all persons are accorded equality of opportunity
29 in employment and contracting by the applicant, its
30 contractors, subcontractors, assignees, lessees, agents,

1 vendors and suppliers.

2 (7) Any other information determined to be appropriate
3 by the board.

4 (b) Character requirements.--

5 (1) An application for a terminal operator license shall
6 include such information, documentation and assurances as may
7 be required to establish by clear and convincing evidence of
8 the applicant's suitability, including good character,
9 honesty and integrity. The application shall include, without
10 limitation, information pertaining to family, habits,
11 character, reputation, criminal history background, business
12 activities, financial affairs and business, professional and
13 personal associates, covering at least the 10-year period
14 immediately preceding the filing date of the application.

15 (2) Notwithstanding 18 Pa.C.S. § 9124(b) (relating to
16 use of records by licensing agencies), in addition to the
17 information submitted under section 1308(a.1) (relating to
18 applications for license or permit), a conviction that has
19 been expunged or overturned or for which a person has been
20 pardoned or an order of Accelerated Rehabilitative
21 Disposition has been issued shall be included with an
22 application.

23 (c) Civil judgments and law enforcement agency
24 information.--

25 (1) An applicant shall notify the board of any civil
26 judgment obtained against the applicant pertaining to
27 antitrust or security regulation laws of the Federal
28 Government, this Commonwealth or another state, jurisdiction,
29 province or country.

30 (2) An applicant shall produce a letter of reference

1 from law enforcement agencies having jurisdiction in the
2 applicant's place of residence and principal place of
3 business, which letter of reference shall indicate that the
4 law enforcement agencies do not have any pertinent
5 information concerning the applicant or, if the law
6 enforcement agency does have information pertaining to the
7 applicant, shall specify the nature and content of that
8 information.

9 (3) If no letter of reference is received within 30 days
10 of the request, the applicant may submit a statement under
11 oath which is subject to the penalty for false swearing under
12 18 Pa.C.S. § 4903 (relating to false swearing) that the
13 applicant is or was during the period the activities were
14 conducted in good standing with the gaming or casino
15 enforcement or control agency.

16 (d) Gaming enforcement agency information.--

17 (1) If the applicant has held a gaming license in a
18 jurisdiction where gaming activities are permitted, the
19 applicant shall produce a letter of reference from the gaming
20 or casino enforcement or control agency specifying the
21 experiences of that agency with the applicant, the
22 applicant's associates and the applicant's gaming operation.

23 (2) If no letter of reference is received within 30 days
24 of the request, the applicant may submit a statement under
25 oath which is subject to the penalty for false swearing under
26 18 Pa.C.S. § 4903 that the applicant is or was during the
27 period the activities were conducted in good standing with
28 the gaming or casino enforcement or control agency.

29 (e) Agency records.--

30 (1) An applicant for a terminal operator license,

1 principal license or key employee license shall be required
2 to apply to each Federal agency deemed appropriate by the
3 board or bureau for agency records under the Freedom of
4 Information Act (Public Law 89-554, 5 U.S.C. § 552)
5 pertaining to the applicant and provide the bureau with the
6 complete record received from the Federal agency.

7 (2) The board may issue a license to the applicant prior
8 to the receipt of information under this subsection.

9 (f) Additional eligibility requirements.--In order to be
10 eligible for a terminal operator license under this part, the
11 principals and key employees of the applicant must obtain a
12 license to meet the character requirements of this section or
13 other eligibility requirements established by the board.

14 (g) Classification system.--The board shall develop a
15 classification system for other agents, employees or persons who
16 directly or indirectly hold or are deemed to be holding debt or
17 equity securities or other financial interest in the applicant
18 and for other persons that the board considers appropriate for
19 review under this section.

20 (h) Related entities.--

21 (1) Except as provided in paragraph (2), no person shall
22 be eligible to receive a terminal operator license unless the
23 principals and key employees of each intermediary, subsidiary
24 or holding company of the person meet the requirements of
25 subsection (f).

26 (2) The board may require that lenders and underwriters
27 of intermediaries, subsidiaries or holding companies of a
28 terminal operator license applicant meet the requirements of
29 subsection (f) if the board determines that the suitability
30 of a lender or underwriter is at issue and necessary to

1 consider a pending application for a terminal operator
2 license.

3 (i) Revocable privilege.--The issuance or renewal of a
4 license or other authorization by the board under this section
5 shall be a revocable privilege.

6 (j) Waiver for publicly traded corporations.--The board may
7 waive the requirements of subsection (f) for a person directly
8 or indirectly holding ownership of securities in a publicly
9 traded corporation if the board determines that the holder of
10 the securities:

11 (1) Is not significantly involved in the activities of
12 the corporation.

13 (2) Does not have the ability to control the corporation
14 or elect one or more directors thereof.

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

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

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

30 (l) Ongoing duty.--A person applying for a license or other

1 authorization under this part shall continue to provide
2 information required by the board or the bureau and cooperate in
3 any inquiry or investigation.

4 (m) Criminal history record check.--The board may conduct a
5 criminal history record check on a person for whom a waiver is
6 granted under this section.

7 (n) Applicant financial information.--

8 (1) The board shall require an applicant for a terminal
9 operator license to produce the information, documentation
10 and assurances concerning financial background and resources
11 as the board deems necessary to establish by clear and
12 convincing evidence the financial stability, integrity and
13 responsibility of the applicant, its affiliate, intermediary,
14 subsidiary or holding company, including, but not limited to,
15 bank references, business and personal income and
16 disbursement schedules, tax returns and other reports filed
17 with governmental agencies and business and personal
18 accounting and check records and ledgers.

19 (2) An applicant shall in writing authorize the
20 examination of all bank accounts and records as may be deemed
21 necessary by the board.

22 (o) Financial backer information.--

23 (1) The board shall require an applicant for a terminal
24 operator license to produce the information, documentation
25 and assurances as may be necessary to establish by clear and
26 convincing evidence the integrity of all financial backers,
27 investors, mortgagees, bondholders and holders of indentures,
28 notes or other evidences of indebtedness, either in effect or
29 proposed.

30 (2) The board may waive the qualification requirements

1 for banking or lending institution and institutional
2 investors.

3 (3) A banking or lending institution or institutional
4 investor shall produce for the board upon request any
5 document or information that bears relation to the proposal
6 submitted by the applicant or applicants.

7 (4) The integrity of the financial sources shall be
8 judged upon the same standards as the applicant. Any such
9 person or entity shall produce for the board upon request any
10 document or information which bears any relation to the
11 application.

12 (5) The applicant shall produce whatever information,
13 documentation or assurances the board requires to establish
14 by clear and convincing evidence the adequacy of financial
15 resources.

16 (p) Applicant's business experience.--

17 (1) The board shall require an applicant for a terminal
18 operator license to produce the information, documentation
19 and assurances as the board may require to establish by clear
20 and convincing evidence that the applicant has sufficient
21 business ability and experience to create and maintain a
22 successful, efficient operation.

23 (2) An applicant shall produce the names of all proposed
24 key employees and a description of their respective or
25 proposed responsibilities as they become known.

26 (g) Additional information.--In addition to other
27 information required by this part, a person applying for a
28 terminal operator license shall provide the following
29 information:

30 (1) The organization, financial structure and nature of

1 all businesses operated by the person, including any
2 affiliate, intermediary, subsidiary or holding companies, the
3 names and personal employment and criminal histories of all
4 officers, directors and key employees of the corporation; the
5 names of all holding, intermediary, affiliate and subsidiary
6 companies of the corporation; and the organization, financial
7 structure and nature of all businesses operated by such
8 holding, intermediary and subsidiary companies as the board
9 may require, including names and personal employment and
10 criminal histories of such officers, directors and principal
11 employees of such corporations and companies as the board may
12 require.

13 (2) The extent of securities held in the corporation by
14 all officers, directors and underwriters and their
15 remuneration in the form of salary, wages, fees or otherwise.

16 (3) Copies of all management and service contracts.

17 (r) Review and approval.--Upon being satisfied that the
18 requirements of subsections (a), (b), (c), (d), (e), (f), (g),
19 (h), (i), (j), (k), (l), (m), (n), (o), (p) and (q) have been
20 met, the board may approve the application and issue the
21 applicant a terminal operator license consistent with all of the
22 following:

23 (1) (i) The initial license shall be for a period of
24 one year, and, if renewed under subsection (s), the board
25 shall have discretion to renew the license for a period
26 of up to three years.

27 (ii) Nothing in this paragraph shall be construed to
28 relieve a licensee of the affirmative duty to notify the
29 board of any changes relating to the status of its
30 license or to any information contained in the

1 application materials on file with the board.

2 (2) The license shall be nontransferable.

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

4 (s) Renewal.--

5 (1) At least two months prior to expiration of a
6 terminal operator license, the terminal operator licensee
7 seeking renewal of its license shall submit a renewal
8 application to the board.

9 (2) If the renewal application satisfies the
10 requirements of subsections (a), (b), (c), (d), (e), (f),
11 (g), (h), (i), (j), (k), (l), (m), (n), (o), (p) and (q), the
12 board may renew the licensee's terminal operator license.

13 (3) If the board receives a complete renewal application
14 but fails to act upon the renewal application prior to the
15 expiration of the terminal operator license, the terminal
16 operator license shall continue in effect until acted upon by
17 the board.

18 § 3503. (Reserved).

19 § 3504. Principal licenses.

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

22 (b) Application.--A principal license application shall be
23 in a form prescribed by the board and shall include the
24 following:

25 (1) Verification of status as a principal from a
26 terminal operator licensee, manufacturer licensee or supplier
27 licensee.

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

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

1 (4) Fingerprints, which shall be submitted to the
2 Pennsylvania State Police.

3 (5) A photograph that meets the standards of the
4 Commonwealth Photo Imaging Network.

5 (6) Details relating to a similar license, permit or
6 other authorization obtained in another jurisdiction.

7 (7) Additional information required by the board.

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

14 (d) Nontransferability.--A license issued under this section
15 shall be nontransferable.

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

18 § 3505. Key employee licenses.

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

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

24 (1) Verification of status as a key employee from a
25 terminal operator licensee, manufacturer licensee or supplier
26 licensee.

27 (2) A description of employment responsibilities.

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

30 (4) Fingerprints, which shall be submitted to the

1 Pennsylvania State Police.

2 (5) A photograph that meets the standards of the
3 Commonwealth Photo Imaging Network.

4 (6) Details relating to a similar license or other
5 authorization obtained in another jurisdiction.

6 (7) Additional information required by the board.

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

13 (d) Nontransferability.--A license issued under this section
14 shall be nontransferable.

15 § 3505.1. Procurement agent licenses.

16 (a) License required.--All procurement agents shall obtain a
17 procurement agent license from the board.

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

21 (1) Verification of status as a procurement agent from a
22 terminal operator licensee.

23 (2) A description of responsibilities.

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

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

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

30 (6) Details relating to a similar license or other

1 authorization obtained in another jurisdiction.

2 (7) Additional information required by the board.

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

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

11 § 3506. Divestiture of disqualifying applicant.

12 (a) Board power to require.--

13 (1) In the event that any establishment license
14 application, terminal operator license application, supplier
15 license application or manufacturer license application is
16 not approved by the board based on a finding that an
17 individual who is a principal or has an interest in the
18 person applying for the license does not meet the character
19 requirements of this part or any of the eligibility
20 requirements under this part or a person who purchases a
21 controlling interest in the applicant in violation of section
22 3517 (relating to change in ownership or control of terminal
23 operator licensee), the board may afford the individual the
24 opportunity to completely divest his interest in the person,
25 its affiliate, intermediary, subsidiary or holding company
26 seeking the license and, after such divestiture, reconsider
27 the person's or applicant's suitability for licensure in an
28 expedited proceeding and may, after such proceeding, issue
29 the person or applicant a terminal operator license.

30 (2) The board shall approve the terms and conditions of

1 any divestiture under this section.

2 (b) Limitation.--Under no circumstances shall any
3 divestiture be approved by the board if the compensation for the
4 divested interest exceeds the cost of the interest.

5 § 3507. Supplier licenses.

6 (a) Application.--

7 (1) A manufacturer that elects to contract with a
8 supplier under section 3508 (relating to manufacturer
9 licenses) shall ensure that the supplier is appropriately
10 licensed under this section.

11 (2) A person seeking to provide video gaming terminals,
12 redemption terminals or associated equipment to a terminal
13 operator licensee within this Commonwealth through a contract
14 with a licensed manufacturer must apply to the board for the
15 appropriate supplier license.

16 (b) Requirements.--An application for a supplier license
17 shall be on the form required by the board and shall include all
18 of the following:

19 (1) The name and business address of the applicant and
20 the applicant's affiliates, intermediaries, subsidiaries and
21 holding companies; the principals and key employees of each
22 business; and a list of employees and their positions within
23 each business, as well as financial information required by
24 the board.

25 (2) A statement that the applicant and each affiliate,
26 intermediary, subsidiary or holding company of the applicant
27 are not terminal operator licensees.

28 (3) Proof that the applicant has or will establish a
29 place of business in this Commonwealth. A supplier licensee
30 shall maintain its place of business in this Commonwealth to

1 remain eligible for licensure.

2 (4) The consent to a background investigation of the
3 applicant, its principals and key employees or other persons
4 required by the board and a release to obtain the information
5 necessary for the completion of the background investigation.

6 (5) The details of any supplier license issued by the
7 board to the applicant under section 1317 (relating to
8 supplier licenses), if applicable.

9 (6) The details of any equivalent license granted or
10 denied by other jurisdictions where gaming activities as
11 authorized by this part are permitted.

12 (7) The type of goods and services to be supplied and
13 whether those goods and services will be provided through
14 purchase, lease, contract or otherwise.

15 (8) Other information determined by the board to be
16 appropriate.

17 (c) Review and approval.--Upon being satisfied that the
18 requirements of subsection (b) have been met, the board may
19 approve the application and issue the applicant a supplier
20 license consistent with all of the following:

21 (1) (i) The initial license shall be for a period of
22 one year, and, if renewed under subsection (d), the board
23 shall have discretion to renew the license for a period
24 up to three years.

25 (ii) Nothing in this paragraph shall be construed to
26 relieve a licensee of the affirmative duty to notify the
27 board of a change relating to the status of its license
28 or to information contained in the application materials
29 on file with the board.

30 (2) The license shall be nontransferable.

1 (3) Other conditions established by the board.

2 (d) Renewal.--

3 (1) At least two months prior to expiration of a
4 supplier license, the supplier licensee seeking renewal of
5 its license shall submit a renewal application to the board.

6 (2) If the renewal application satisfies the
7 requirements of subsection (b), the board may renew the
8 licensee's supplier license.

9 (3) If the board receives a complete renewal application
10 but fails to act upon the renewal application prior to the
11 expiration of the supplier license, the supplier license
12 shall continue in effect until acted upon by the board.

13 § 3508. Manufacturer licenses.

14 (a) Application.--A person seeking to manufacture video
15 gaming terminals, redemption terminals and associated equipment
16 for use in this Commonwealth must apply to the board for a
17 manufacturer license.

18 (b) Requirements.--An application for a manufacturer license
19 shall be on the form required by the board and shall include all
20 of the following:

21 (1) The name and business address of the applicant and
22 the applicant's affiliates, intermediaries, subsidiaries and
23 holding companies; the principals and key employees of each
24 business; and a list of employees and their positions within
25 each business, as well as financial information required by
26 the board.

27 (2) A statement that the applicant and each affiliate,
28 intermediary, subsidiary or holding company of the applicant
29 are not terminal operator licensees.

30 (3) The consent to a background investigation of the

1 applicant, its principals, its key employees, its
2 intermediaries, its subsidiaries or other persons required by
3 the board and a release to obtain the information necessary
4 for the completion of the background investigation.

5 (4) The details of any equivalent license granted or
6 denied by other jurisdictions where gaming activities as
7 authorized by this part are permitted.

8 (5) The details of any manufacturer license issued by
9 the board to the applicant under section 1317.1 (relating to
10 manufacturer licenses), if applicable.

11 (6) The type of video gaming terminals, redemption
12 terminals or associated equipment to be manufactured or
13 repaired.

14 (7) Other information determined by the board to be
15 appropriate.

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

20 (1) (i) The initial license shall be for a period of
21 one year, and, if renewed under subsection (d), the board
22 shall have discretion to renew the license for a period
23 up to three years.

24 (ii) Nothing in this paragraph shall be construed to
25 relieve the licensee of the affirmative duty to notify
26 the board of a change relating to the status of its
27 license or to other information contained in application
28 materials on file with the board.

29 (2) The license shall be nontransferable.

30 (3) Other conditions established by the board.

1 (d) Renewal.--

2 (1) At least two months prior to expiration of a
3 manufacturer license, the manufacturer licensee seeking
4 renewal of its license shall submit a renewal application
5 accompanied by the renewal fee to the board.

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

9 (3) If the board receives a complete renewal application
10 but fails to act upon the renewal application prior to the
11 expiration of the manufacturer license, the manufacturer
12 license shall continue in effect until acted upon by the
13 board.

14 (e) Authority.--The following shall apply to a licensed
15 manufacturer:

16 (1) A manufacturer or its designee, as licensed by the
17 board, may supply or repair a video gaming terminal,
18 redemption terminal or associated equipment manufactured by
19 the manufacturer, provided the manufacturer holds the
20 appropriate manufacturer license.

21 (2) A manufacturer of video gaming terminals or
22 redemption terminals may contract with a supplier under
23 section 3507 (relating to supplier licenses) to provide video
24 gaming terminals, redemption terminals or associated
25 equipment to a terminal operator licensee within this
26 Commonwealth, provided the supplier is licensed to supply
27 video gaming terminals, redemption terminals or associated
28 equipment.

29 (f) Prohibitions.--

30 (1) No person may manufacture video gaming terminals,

1 redemption terminals or associated equipment for use within
2 this Commonwealth by a terminal operator licensee unless the
3 person has been issued the appropriate manufacturer license
4 under this section.

5 (2) No person issued a license under this section may
6 apply for or be issued a terminal operator license or
7 establishment license under section 1317 (relating to
8 supplier licenses).

9 § 3509. Gaming service provider.

10 (a) Development of classification system.--The board shall
11 develop a classification system governing the certification,
12 registration and regulation of gaming service providers and
13 individuals and entities associated with them. The
14 classification system shall be based upon the following:

15 (1) Whether the employees of the gaming service provider
16 will have access to the video gaming area of an establishment
17 or the video gaming terminals or redemption terminals prior
18 to or after installation.

19 (2) Whether the goods or services provided or to be
20 provided by the gaming service provider would impact the
21 integrity of video gaming terminals, redemption terminals or
22 the conduct of video gaming.

23 (b) Authority to exempt.--The board may exempt a person or
24 type of business from the requirements of this section if the
25 board determines:

26 (1) the person or type of business is regulated by an
27 agency of the Federal Government, an agency of the
28 Commonwealth or the Pennsylvania Supreme Court; or

29 (2) the regulation of the person or type of business is
30 determined not to be necessary in order to protect the public

1 interest or the integrity of gaming.

2 (c) Duties of gaming service providers.--A gaming service
3 provider shall have a continuing duty to:

4 (1) Provide all information, documentation and
5 assurances as the board may require.

6 (2) Cooperate with the board in investigations, hearings
7 and enforcement and disciplinary actions.

8 (3) Comply with all conditions, restrictions,
9 requirements, orders and rulings of the board in accordance
10 with this part.

11 (4) Report a change in circumstances that may render the
12 gaming service provider ineligible, unqualified or unsuitable
13 for continued registration or certification.

14 (d) Requirement for permit.--The board may require employees
15 of a gaming service provider to obtain a permit or other
16 authorization if, after an analysis of duties, responsibilities
17 and functions, the board determines that a permit or other
18 authorization is necessary to protect the integrity of gaming.

19 (e) Interim authorization.--The board or a designated
20 employee of the board may permit a gaming service provider
21 applicant to engage in business with an applicant for a terminal
22 operator license or a terminal operator licensee prior to
23 approval of the gaming service provider application if the
24 following criteria have been satisfied:

25 (1) A completed application has been filed with the
26 board by the gaming service provider.

27 (2) The terminal operator license applicant or terminal
28 operator licensee contracting or doing business with the
29 gaming service provider certifies that it has performed due
30 diligence on the gaming service provider and believes that

1 the applicant meets the qualification to be a gaming service
2 provider pursuant to this section.

3 (3) The gaming service provider applicant agrees in
4 writing that the grant of interim authorization to conduct
5 business prior to board approval of the application does not
6 create a right to continue to engage in business if the board
7 determines that the applicant is not suitable or continued
8 authorization is not in the public interest.

9 (f) Construction.--Nothing in this section shall be
10 construed to prohibit the board from rescinding a grant of
11 interim authorization if, at any time, the suitability of the
12 person subject to interim authorization is at issue or if the
13 person fails to cooperate with the board, the bureau or an agent
14 of the board or bureau.

15 (g) Gaming service provider lists.--

16 (1) The board shall:

17 (i) Develop and maintain a list of approved gaming
18 service providers who are authorized to provide goods or
19 services whether under a grant of interim or continued
20 authorization.

21 (ii) Develop and maintain a list of prohibited
22 gaming service providers.

23 (2) An applicant for a terminal operator license or a
24 terminal operator licensee may not enter into an agreement or
25 engage in business with a gaming service provider listed on
26 the prohibited gaming service provider list.

27 (h) Emergency authorization.--

28 (1) A terminal operator licensee may utilize a gaming
29 service provider that has not been approved by the board when
30 a threat to public health, welfare or safety exists or

1 circumstances outside the control of the terminal operator
2 licensee require immediate action to mitigate damage or loss
3 to the licensee's video gaming terminals.

4 (2) The board shall promulgate regulations to govern the
5 use of gaming service providers under emergency
6 circumstances. The regulations shall include a requirement
7 that the slot machine licensee contact the board immediately
8 upon utilizing a gaming service provider that has not been
9 approved by the board.

10 (i) Criminal history record information.--If the
11 classification system developed by the board in accordance with
12 subsection (a) requires a gaming service provider or an
13 individual or entity associated with the gaming service provider
14 to submit to or provide the bureau with criminal history record
15 information under 18 Pa.C.S. Ch. 91 (relating to criminal
16 history record information), the bureau shall notify a slot
17 machine licensee that submitted a certification under subsection
18 (e)(2) whether the applicant has been convicted of a felony or
19 misdemeanor gambling offense.

20 § 3510. Occupation license.

21 (a) Application.--

22 (1) A person who desires to be a gaming employee and has
23 a bona fide offer of employment from a terminal operator
24 licensee shall apply to the board for an occupation license.

25 (2) A person may not be employed as a gaming employee
26 unless and until that person holds an appropriate occupation
27 license issued under this section.

28 (3) The board may promulgate regulations to reclassify a
29 category of nongaming employees or gaming employees upon a
30 finding that the reclassification is in the public interest

1 and consistent with the objectives of this part.

2 (b) Requirements.--The application for an occupation license
3 shall include, at a minimum:

4 (1) The name and home address of the person.

5 (2) The previous employment history of the person.

6 (3) The criminal history record of the person, as well
7 as the person's consent for the Pennsylvania State Police to
8 conduct a background investigation.

9 (4) A photograph of the person.

10 (5) Evidence of the offer of employment and the nature
11 and scope of the proposed duties of the person, if known.

12 (6) The details of an occupation license or similar
13 license granted or denied to the applicant in other
14 jurisdictions.

15 (7) Other information determined by the board to be
16 appropriate.

17 (c) Prohibition.--No terminal operator licensee may employ
18 or permit a person under 18 years of age to render service in a
19 video gaming area.

20 § 3511. Alternative terminal operator licensing standards.

21 (a) Determination.--

22 (1) The board may determine whether the licensing
23 standards of another jurisdiction within the United States or
24 Canada in which an applicant, its affiliate, intermediary,
25 subsidiary or holding company for a terminal operator license
26 is similarly licensed are comprehensive and thorough and
27 provide similar adequate safeguards as those required by this
28 part.

29 (2) If the board makes that determination, it may issue
30 a terminal operator license to an applicant who holds a

1 terminal operator license in the other jurisdiction after
2 conducting an evaluation of the information relating to the
3 applicant from the other jurisdictions, as updated by the
4 board, and evaluating other information related to the
5 applicant received from that jurisdiction and other
6 jurisdictions where the applicant may be licensed, the board
7 may incorporate such information in whole or in part into the
8 board's evaluation of the applicant.

9 (b) Abbreviated process.--

10 (1) In the event an applicant for a terminal operator
11 license is licensed in another jurisdiction, the board may
12 determine to use an alternate process requiring only that
13 information determined by the board to be necessary to
14 consider the issuance of a license, including financial
15 viability of the licensee, to such an applicant.

16 (2) Nothing in this section shall be construed to waive
17 fees associated with obtaining a license through the normal
18 application process.

19 (c) Current license holders.--In the event an applicant for
20 a terminal operator license under this part holds a slot machine
21 license under Part II (relating to gaming), the board may
22 determine to use an abbreviated process requiring only that
23 information determined by the board to be necessary to consider
24 the issuance of a license, including financial viability of the
25 applicant.

26 § 3512. Alternative manufacturer licensing standards.

27 (a) Determination.--

28 (1) The board may determine whether the licensing
29 standards of another jurisdiction within the United States in
30 which an applicant for a manufacturer license is similarly

1 licensed are comprehensive and thorough and provide similar
2 adequate safeguards as those required by this part.

3 (2) If the board makes that determination, it may issue
4 a manufacturer license to an applicant who holds a similar
5 manufacturer license in the other jurisdiction after
6 conducting an evaluation of the information relating to the
7 applicant from the other jurisdictions, as updated by the
8 board, and evaluating other information related to the
9 applicant received from that jurisdiction and other
10 jurisdictions where the applicant may be licensed, the board
11 may incorporate such information in whole or in part into the
12 board's evaluation of the applicant.

13 (b) Abbreviated process.--

14 (1) In the event an applicant for a manufacturer license
15 is licensed in another jurisdiction, the board may determine
16 to use an abbreviated process requiring only that information
17 determined by the board to be necessary to consider the
18 issuance of a license, including financial viability of the
19 applicant.

20 (2) Nothing in this section shall be construed to waive
21 fees associated with obtaining a license through the normal
22 application process.

23 (c) Current license holders.--In the event an applicant for
24 a manufacturer license under this part holds a manufacturer
25 license under section 1317.1 (relating to manufacturer
26 licenses), the board may determine to use an abbreviated process
27 requiring only that information determined by the board to be
28 necessary to consider the issuance of a license, including
29 financial viability of the applicant.

30 § 3513. Alternative supplier licensing standards.

1 (a) Determination.--

2 (1) The board may determine whether the licensing
3 standards of another jurisdiction within the United States in
4 which an applicant for a supplier's license is similarly
5 licensed are comprehensive and thorough and provide similar
6 adequate safeguards as required by this part.

7 (2) If the board makes that determination, it may issue
8 a supplier license to an applicant who holds a similar
9 supplier license in another jurisdiction after conducting an
10 evaluation of the information relating to the applicant from
11 the other jurisdictions, as updated by the board, and
12 evaluating other information related to the applicant
13 received from that jurisdiction and other jurisdictions where
14 the applicant may be licensed. The board may incorporate the
15 information in whole or in part into its evaluation of the
16 applicant.

17 (b) Abbreviated process.--

18 (1) In the event an applicant for a supplier license is
19 licensed in another jurisdiction, the board may determine to
20 use an abbreviated process requiring only that information
21 determined by the board to be necessary to consider the
22 issuance of a license, including financial viability of the
23 applicant.

24 (2) Nothing in this section shall be construed to waive
25 any fees associated with obtaining a license through the
26 normal application process.

27 (c) Current license holders.--In the event an applicant for
28 a supplier license under this part holds a supplier license
29 under section 1317 (relating to supplier licenses), the board
30 may determine to use an abbreviated process requiring only that

1 information determined by the board to be necessary to consider
2 the issuance of a license, including financial viability of the
3 applicant.

4 § 3514. Establishment licenses.

5 (a) General requirements.--An establishment that submits an
6 application for an establishment license shall include at a
7 minimum:

8 (1) The name, address and photograph of the applicant
9 and additional financial information required by the board.

10 (2) A description of the proposed surveillance and
11 security measures to ensure the security of the proposed
12 video gaming area.

13 (3) A current tax lien certificate issued by the
14 department.

15 (4) The criminal history record of the applicant,
16 principal and key employees and a consent for the
17 Pennsylvania State Police to conduct a background
18 investigation on the applicant, principals and key employees.

19 (5) If the applicant is a liquor establishment,
20 documentation showing that the establishment's liquor or
21 retail dispenser license is valid and is in good standing
22 with the Pennsylvania Liquor Control Board.

23 (6) If the applicant is a liquor establishment,
24 disclosure of conditional license agreements entered into
25 under the act of April 12, 1951 (P.L.90, No.21), known as the
26 Liquor Code.

27 (7) Other information determined to be appropriate by
28 the board.

29 (b) Nontransferability.--A license issued under this section
30 shall be nontransferable.

1 (c) Ongoing duty.--An establishment applying for a license
2 under this section shall continue to provide information
3 required by the board or the bureau and cooperate in any inquiry
4 or investigation.

5 (d) Review and approval.--Upon being satisfied that the
6 requirements of subsection (a) have been met, the board may
7 approve the application and issue the applicant an establishment
8 license consistent with all of the following:

9 (1) (i) The initial license shall be for a period of
10 one year, and, if renewed under subsection (d), the
11 license shall be for a period of one year.

12 (ii) Nothing in this paragraph shall be construed to
13 relieve a licensee of the affirmative duty to notify the
14 board of a change relating to the status of its license
15 or to information contained in application materials on
16 file with the board.

17 (2) The license shall be nontransferable.

18 (3) Other conditions established by the board.

19 (e) Renewal.--

20 (1) At least two months prior to expiration of an
21 establishment license, the establishment licensee seeking
22 renewal of its license shall submit a renewal application
23 accompanied by the renewal fee to the board.

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

27 (3) If the board receives a complete renewal application
28 but fails to act upon the renewal application prior to the
29 expiration of the manufacturer license, the establishment
30 license shall continue in effect until acted upon by the

1 board.

2 § 3515. License or permit prohibition.

3 The following apply:

4 (1) The board shall be prohibited from granting a
5 license or permit under this part to any applicant who has
6 been convicted of a felony offense in any jurisdiction.

7 (2) In addition to the prohibition under paragraph (1),
8 the board shall be prohibited from granting the following:

9 (i) A principal license or key employee license to
10 an individual who has been convicted in a jurisdiction of
11 a misdemeanor gambling offense, unless 15 years have
12 elapsed from the date of conviction for the offense.

13 (ii) A gaming employee permit or a license other
14 than a principal license or key employee license to an
15 individual who has been convicted in a jurisdiction of a
16 felony offense or of a misdemeanor gambling offense,
17 unless 15 years have elapsed from the date of conviction
18 for the offense.

19 (iii) An establishment license to an applicant who
20 has been convicted in a jurisdiction of a misdemeanor
21 gambling offense, unless three years have elapsed from
22 the date of conviction for the offense.

23 (iv) An establishment license to an applicant that
24 is a liquor establishment whose liquor or retail
25 dispenser license is not in good standing with the
26 Pennsylvania Liquor Control Board.

27 (v) An establishment license to an applicant that is
28 a liquor establishment that has been declared a nuisance
29 under section 611 of the act of April 12, 1951 (P.L.90,
30 No.21), known as the Liquor Code.

1 (vi) An establishment license to an applicant that
2 is a liquor establishment with a conditional license
3 agreement entered into under the Liquor Code unless the
4 agreement has been amended to allow for video gaming.

5 (3) Following the expiration of any prohibition period
6 applicable to an applicant under paragraph (2), in
7 determining whether to issue a license or permit, the board
8 shall consider the following factors:

9 (i) The nature and duties of the applicant's
10 position with the licensed entity.

11 (ii) The nature and seriousness of the offense or
12 conduct.

13 (iii) The circumstances under which the offense or
14 conduct occurred.

15 (iv) The age of the applicant when the offense or
16 conduct was committed.

17 (v) Whether the offense or conduct was an isolated
18 or a repeated incident.

19 (vi) Evidence of rehabilitation, including good
20 conduct in the community, counseling or psychiatric
21 treatment received and the recommendation of persons who
22 have substantial contact with the applicant.

23 (4) For purposes of this section, a felony offense is
24 any of the following:

25 (i) An offense punishable under the laws of this
26 Commonwealth by imprisonment for more than five years.

27 (ii) An offense which, under the laws of another
28 jurisdiction, is:

29 (A) classified as a felony; or

30 (B) punishable by imprisonment for more than

1 five years.

2 (iii) An offense under the laws of another
3 jurisdiction which, if committed in this Commonwealth,
4 would be subject to imprisonment for more than five
5 years.

6 § 3516. Issuance and renewal.

7 (a) Issuance.--

8 (1) In addition to any other criteria provided under
9 this part, any terminal operator, establishment, supplier,
10 manufacturer, gaming employee or other person that the board
11 approves as qualified to receive a license or a permit under
12 this part shall be issued a license or permit upon the
13 payment of a fee required in section 4101 (relating to fees)
14 and upon the fulfillment of conditions required by the board
15 or provided for in this part.

16 (2) Nothing contained in this part is intended or shall
17 be construed to create an entitlement to a license or permit
18 by a person.

19 (b) Renewal.--

20 (1) All permits and licenses issued under this part
21 unless otherwise provided shall be subject to renewal every
22 year.

23 (2) The application for renewal shall be submitted at
24 least 60 days prior to the expiration of the permit or
25 license and shall include an update of the information
26 contained in the initial and any prior renewal applications
27 and the payment of any renewal fee required by section 4101.

28 (3) Nothing in this subsection shall be construed to
29 relieve a licensee of the affirmative duty to notify the
30 board of a change relating to the status of its license or to

1 other information contained in the application materials on
2 file with the board.

3 (c) Revocation or failure to renew.--

4 (1) In addition to other sanctions the board may impose
5 under this part, the board may at its discretion suspend,
6 revoke or deny renewal of a permit or license issued under
7 this part if it receives information from any source that the
8 applicant or any of its officers, directors, owners or key
9 employees is in violation of any provision of this part, that
10 the applicant has furnished the board with false or
11 misleading information or that the information contained in
12 the applicant's initial application or renewal application is
13 no longer true and correct such that the applicant is no
14 longer eligible.

15 (2) In the event of a revocation or failure to renew,
16 the applicant's authorization to conduct the previously
17 approved activity shall immediately cease upon receipt of a
18 final adjudication under 2 Pa.C.S. Chs. 5 Subch. A (relating
19 to practice and procedure of Commonwealth agencies) and 7
20 Subch. A (relating to judicial review of Commonwealth agency
21 action), and all fees paid in connection with the application
22 shall be deemed to be forfeited.

23 (3) In the event of a suspension, the applicant's
24 authorization to conduct the previously approved activity
25 shall immediately cease until the board has notified the
26 applicant that the suspension is no longer in effect.

27 (d) Nontransferability of licenses.--

28 (1) A license issued by the board is a grant of the
29 privilege to conduct a business in this Commonwealth.

30 (2) Except as permitted by section 3517 (relating to

1 change in ownership or control of terminal operator
2 licensee), no license granted or renewed pursuant to this
3 part may be sold, transferred or assigned to another person.

4 (3) No licensee may pledge or otherwise grant a security
5 interest in or lien on the license.

6 (4) The board has the sole discretion to issue, renew,
7 condition or deny the issuance of a terminal operator license
8 based upon the requirements of this part.

9 (5) Nothing contained in this part is intended or shall
10 be construed to create in any person an entitlement to a
11 license.

12 § 3517. Change in ownership or control of terminal operator
13 licensee.

14 (a) Notification and approval.--

15 (1) A terminal operator licensee shall promptly notify
16 the board of a proposed or contemplated change of ownership
17 of the terminal operator licensee by a person or group of
18 persons acting in concert which involves any of the
19 following:

20 (i) More than 5% of a terminal operator licensee's
21 securities or other ownership interests.

22 (ii) More than 5% of the securities or other
23 ownership interests of a corporation or other form of
24 business entity that owns directly or indirectly at least
25 20% of the voting or other securities or other ownership
26 interests of the licensee.

27 (iii) The sale of all or substantially all of a
28 licensee's assets.

29 (iv) Other transaction or occurrence deemed by the
30 board to be relevant to license qualifications.

1 (2) (i) Notwithstanding the provisions of paragraph
2 (1), no terminal operator licensee may be required to
3 notify the board of an acquisition by an institutional
4 investor under paragraph (1)(i) or (ii) if the
5 institutional investor holds less than 10% of the
6 securities or other ownership interests referred to in
7 paragraph (1)(i) or (ii), the securities or interests are
8 publicly traded securities and its holdings of the
9 securities were purchased for investment purposes only
10 and the institutional investor files with the board a
11 certified statement to the effect that it has no
12 intention of influencing or affecting, directly or
13 indirectly, the affairs of the licensee, provided,
14 however, that it shall be permitted to vote on matters
15 put to the vote of the outstanding security holders.

16 (ii) Notice to the board and board approval shall be
17 required prior to completion of any proposed or
18 contemplated change of ownership of a terminal operator
19 licensee that meets the criteria of this section.

20 (b) Qualification of purchaser of terminal operator
21 licensee; change of control.--

22 (1) The purchaser of all or substantially all of the
23 assets of a terminal operator licensee shall, if not already
24 a terminal operator licensee, independently qualify for a
25 license in accordance with this part and shall pay the
26 license fee as required by section 4101 (relating to fees).

27 (2) A change in control of a terminal operator licensee
28 shall require that the terminal operator licensee
29 independently qualify for a license in accordance with this
30 part, and the terminal operator licensee shall pay a new

1 license fee as required by section 4101, except as otherwise
2 required by the board pursuant to this section.

3 (3) The new license fee shall be paid upon the
4 assignment and actual change of control or ownership of the
5 terminal operator license.

6 (c) Change in control defined.--For purposes of this
7 section, a change in control of a terminal operator licensee
8 shall mean the acquisition by a person or group of persons
9 acting in concert of more than 20% of a terminal operator
10 licensee's securities or other ownership interests, with the
11 exception of any ownership interest of the person that existed
12 at the time of initial licensing and payment of the initial slot
13 machine license fee, or more than 20% of the securities or other
14 ownership interests of a corporation or other form of business
15 entity that owns directly or indirectly at least 20% of the
16 voting or other securities or other ownership interests of the
17 licensee.

18 (d) Fee reduction.--The board may in its discretion
19 eliminate the need for qualification or proportionately reduce,
20 but not eliminate, the new license fee otherwise required
21 pursuant to this section in connection with a change of control
22 of a licensee, depending upon the type of transaction, the
23 relevant ownership interests and changes to the interests
24 resulting from the transaction and other considerations deemed
25 relevant by the board.

26 (e) License revocation.--Failure to comply with this section
27 may cause the license issued under this part to be revoked or
28 suspended by the board unless the purchase of the assets or the
29 change in control that meets the criteria of this section has
30 been independently qualified in advance by the board and any

1 required license fee has been paid.

2 § 3518. Video gaming accounting controls and audits.

3 (a) Approval.--Except as otherwise provided by this part, a
4 terminal operator license applicant shall, in addition to
5 obtaining a terminal operator license, obtain approval from the
6 board in consultation with the department of its internal
7 control systems and audit protocols prior to the installation
8 and operation of video gaming terminals at licensed
9 establishments.

10 (b) Minimum requirements.--At a minimum, the applicant's or
11 person's proposed internal controls and audit protocols shall:

12 (1) Safeguard its assets and revenues, including, but
13 not limited to, the recording of cash and evidences of
14 indebtedness related to the video gaming terminals.

15 (2) Provide for reliable records, accounts and reports
16 of a financial event that occurs in the operation of a video
17 gaming terminal, including reports to the board related to
18 the video gaming terminals.

19 (3) Ensure that each video gaming terminal directly
20 provides or communicates all required activities and
21 financial details to the central control computer system as
22 set by the board.

23 (4) Provide for accurate and reliable financial records.

24 (5) Ensure a financial event that occurs in the
25 operation of a video gaming terminal is performed only in
26 accordance with the management's general or specific
27 authorization, as approved by the board.

28 (6) Ensure that a financial event that occurs in the
29 operation of a video gaming terminal is recorded adequately
30 to permit proper and timely reporting of gross revenue and

1 the calculation thereof and of fees and taxes and to maintain
2 accountability for assets.

3 (7) Ensure that access to assets is permitted only in
4 accordance with management's specific authorization, as
5 approved by the board.

6 (8) Ensure that recorded accountability for assets is
7 compared with actual assets at reasonable intervals and
8 appropriate action is taken with respect to discrepancies.

9 (9) Ensure that all functions, duties and
10 responsibilities are appropriately segregated and performed
11 in accordance with sound financial practices by competent,
12 qualified personnel.

13 (c) Internal control.--A terminal operator license applicant
14 shall submit to the board and department, in such manner as the
15 board requires, a description of its administrative and
16 accounting procedures in detail, including its written system of
17 internal control. The written system of internal control shall
18 include:

19 (1) Records of direct and indirect ownership in the
20 proposed terminal operator licensee, its affiliate,
21 intermediary, subsidiary or holding company.

22 (2) An organizational chart depicting appropriate
23 segregation of functions and responsibilities.

24 (3) A description of the duties and responsibilities of
25 each position shown on the organizational chart.

26 (4) A detailed narrative description of the
27 administrative and accounting procedures designed to satisfy
28 the requirements of this section.

29 (5) Record retention policy.

30 (6) Procedure to ensure that assets are safeguarded,

1 including mandatory count procedures.

2 (7) A statement signed by the chief financial officer of
3 the terminal operator license applicant or other competent
4 person and the chief executive officer of the terminal
5 operator license applicant or other competent person
6 attesting that the officer believes, in good faith, that the
7 system satisfies the requirements of this section.

8 (8) Other items that the board may require in its
9 discretion.

10 § 3519. Multiple licenses prohibited.

11 (a) Manufacturer restriction.--A manufacturer may not be
12 licensed as a terminal operator or own, manage or control an
13 establishment licensee, but may also be licensed as a supplier.

14 (b) Supplier restriction.--A supplier may not be licensed as
15 a terminal operator or own, manage or control an establishment
16 licensee or terminal operator licensee.

17 (c) Terminal operator restriction.--A terminal operator may
18 not be licensed as a manufacturer or supplier or own, manage or
19 control an establishment licensee or own, manage or control
20 premises used by an establishment licensee.

21 (d) Establishment restriction.--An establishment licensee
22 may not be licensed as a manufacturer, supplier, terminal
23 operator or procurement agent.

24 (e) Exception.--Notwithstanding subsections (c) and (d), a
25 terminal operator that is also a licensed racing entity may be
26 issued an establishment license for an establishment that is
27 also a nonprimary location.

28 § 3520. Conditional licenses.

29 (a) Findings.--The General Assembly finds that:

30 (1) Prompt and expedited implementation of video gaming

1 in this Commonwealth is desirable, to the extent that such
2 expedited implementation can be accomplished without
3 compromising the integrity of gaming.

4 (2) The conditional licensing provisions of this section
5 strike the correct balance between assuring that licensees
6 meet the licensing criteria without causing an undue delay in
7 implementation of this part.

8 (b) Conditional establishment licenses.--

9 (1) Within 60 days after the effective date of this
10 section, the board shall make applications for establishment
11 licenses available to applicants.

12 (2) The board shall issue a conditional license to an
13 applicant for an establishment license if the applicant
14 satisfies, as determined by the board, all of the following
15 criteria:

16 (i) The applicant has never been convicted of a
17 felony.

18 (ii) The applicant is current on all State taxes.

19 (iii) The applicant has submitted a completed
20 application for an establishment license in accordance
21 with this part, which may be submitted concurrently with
22 the applicant's request for a conditional license.

23 (iv) For liquor establishment applicants, the
24 applicant held a valid liquor license under Article IV of
25 the act of April 12, 1951 (P.L.90, No.21), known as the
26 Liquor Code, on the date of application and such license
27 is in good standing.

28 (v) The applicant has never been convicted of a
29 gambling law violation in any jurisdiction.

30 (3) (i) The board shall issue a conditional license to

1 an applicant for an establishment license, within 60 days
2 after the application has been received by the board,
3 provided that the board determines that the criteria
4 contained in paragraph (2) has been satisfied.

5 (ii) If the board determines that the criteria
6 contained in paragraph (2) has not been satisfied, the
7 board shall give a written explanation to the applicant
8 as to why it has determined the criteria has not been
9 satisfied.

10 (4) A conditional license shall be valid until:

11 (i) the board either approves or denies the
12 applicant's application for licensure;

13 (ii) the conditional license is terminated for a
14 violation of this part; or

15 (iii) one calendar year has passed since the
16 conditional license was issued.

17 (5) If the board fails to act upon the application for a
18 licensed establishment within 60 days after the expiration of
19 a conditional license, the applicant may apply for a renewal
20 of the conditional license.

21 (6) An applicant shall attest by way of affidavit under
22 penalty of perjury that the applicant is not otherwise
23 prohibited from licensure according to the requirements of
24 this section or any other provision of this part.

25 (7) A request for conditional licensure under this
26 subsection shall include payment of a \$100 fee, which fee
27 shall be in addition to the applicable fee required under
28 section 4101 (relating to fees).

29 (c) Conditional terminal operator licenses.--

30 (1) Within 60 days after the effective date of this

1 section, the board shall make applications for terminal
2 operator licenses available to applicants.

3 (2) The board shall accept applications for conditional
4 terminal operator licenses beginning 14 days after
5 applications become available.

6 (3) The board shall issue a conditional license to an
7 applicant for a terminal operator license if the applicant
8 satisfies, as determined by the board, all of the following
9 criteria:

10 (i) The applicant has never been convicted of a
11 felony.

12 (ii) The applicant is current on all State taxes.

13 (iii) The applicant has submitted a completed
14 application for a terminal operator license which may be
15 submitted concurrently with the applicant's request for a
16 conditional license.

17 (iv) The applicant has never had its terminal
18 operator license or similar gaming license denied or
19 revoked in another jurisdiction.

20 (v) The applicant has never been convicted of a
21 gambling law violation in any jurisdiction.

22 (4) (i) The board shall issue a conditional license to
23 an applicant for a terminal operator license, within 60
24 days after the application has been received by the
25 board, provided that the board determines that the
26 criteria contained in paragraph (3) has been satisfied.

27 (ii) If the board determines that the criteria
28 contained in paragraph (3) has not been satisfied, the
29 board shall give a written explanation to the applicant
30 as to why it has determined the criteria has not been

1 satisfied.

2 (5) A conditional license shall be valid until:

3 (i) the board either approves or denies the
4 applicant's application for licensure;

5 (ii) the conditional license is terminated for a
6 violation of this chapter; or

7 (iii) one calendar year has passed since the
8 conditional license was issued.

9 (6) If the board fails to act upon the application,
10 within 60 days after the expiration of a conditional license,
11 the applicant may apply for a renewal of the conditional
12 license.

13 (7) An applicant shall attest by way of affidavit under
14 penalty of perjury that the applicant is not otherwise
15 prohibited from licensure according to the requirements of
16 this subsection or any other provision of this part.

17 (8) A request for conditional licensure under this
18 subsection shall include payment of a \$5,000 fee, which fee
19 shall be in addition to the applicable fee required under
20 section 4101.

21 (d) Conditional manufacturer and supplier licenses.--

22 (1) Within 60 days after the effective date of this
23 section, the board shall make applications available for
24 manufacturer and supplier license.

25 (2) The board shall issue a conditional license to an
26 applicant for a manufacturer or supplier license if the
27 applicant satisfies, as determined by the board, all of the
28 following criteria:

29 (i) The applicant has never been convicted of a
30 felony.

1 (ii) The applicant is current on all State taxes.

2 (iii) The applicant has submitted a completed
3 application a manufacturer or supplier license, which may
4 be submitted concurrently with the applicant's request
5 for a conditional license.

6 (iv) The applicant has never had its manufacturer,
7 supplier or similar gaming license denied or revoked in
8 another jurisdiction.

9 (v) The applicant has never been convicted of a
10 gambling law violation in any jurisdiction.

11 (3) (i) The board shall issue a conditional license to
12 an applicant for a manufacturer or supplier license
13 within 60 days after such application has been received
14 by the board, provided that the board determines that the
15 criteria contained in paragraph (2) has been satisfied.

16 (ii) If the board determines that the criteria
17 contained in paragraph (2) has not been satisfied, the
18 board shall give a written explanation to the applicant
19 as to why it has determined the criteria has not been
20 satisfied.

21 (4) A conditional license shall be valid until:

22 (i) the board either approves or denies the
23 applicant's application for licensure;

24 (ii) the conditional license is terminated for a
25 violation of this part; or

26 (iii) one calendar year has passed since the
27 conditional license was issued.

28 (5) If the board fails to act upon the application for a
29 manufacturer or supplier license, within 60 days after the
30 expiration of a conditional license, the applicant may apply

1 for a renewal of the conditional license.

2 (6) An applicant shall attest by way of affidavit under
3 penalty of perjury that the applicant is not otherwise
4 prohibited from licensure according to the requirements of
5 this subsection or any other provision of this part.

6 (7) A request for a conditional license under this
7 subsection shall include payment of a \$1,000 fee, which fee
8 shall be in addition to the applicable fee required under
9 section 4101.

10 (e) Other conditional licenses.--

11 (1) Within 60 days after the effective date of this
12 section, the board shall make applications available for any
13 other license required under this part.

14 (2) The board shall issue a conditional license to an
15 applicant if the applicant satisfies, as determined by the
16 board, all of the following criteria:

17 (i) The applicant has never been convicted of a
18 felony.

19 (ii) The applicant is current on all State taxes.

20 (iii) The applicant has submitted a completed
21 application for licensure, which may be submitted
22 concurrently with the applicant's request for a
23 conditional license.

24 (iv) The applicant has never been convicted of a
25 gambling law violation in any jurisdiction.

26 (3) (i) The board shall issue a conditional license to
27 an applicant within 60 days after the application has
28 been received by the board, provided that the board
29 determines that the criteria contained in paragraph (2)
30 has been satisfied.

1 (ii) If the board determines that the criteria
2 contained in paragraph (2) has not been satisfied, the
3 board shall give a written explanation to the applicant
4 as to why it has determined the criteria has not been
5 satisfied.

6 (4) A conditional license shall be valid until:

7 (i) the board either approves or denies the
8 applicant's application for licensure;

9 (ii) the conditional license is terminated for a
10 violation of this part; or

11 (iii) one calendar year has passed since the
12 conditional license was issued.

13 (5) If the board fails to act upon the application for
14 licensure within 60 days after the expiration of a
15 conditional license, the applicant may apply for a renewal of
16 the conditional license.

17 (6) An applicant shall attest by way of affidavit under
18 penalty of perjury that the applicant is not otherwise
19 prohibited from licensure according to the requirements of
20 this subsection or any other provision of this part.

21 (7) A request for conditional licensure under this
22 subsection shall include payment of a \$100 fee, which fee
23 shall be in addition to the applicable fee required under
24 section 4101.

25 (f) Prioritization prohibited.--

26 (1) The board may not utilize the alternative licensing
27 standards for a terminal operator license, manufacturer
28 license or a supplier license under sections 3511 (relating
29 to alternative terminal operator licensing standards), 3512
30 (relating to alternative manufacturer licensing standards)

1 and 3513 (relating to alternative supplier licensing
2 standards) to prioritize the issuance of a terminal operator,
3 manufacturer or supplier license under this chapter.

4 (2) The board shall ensure that applications made to the
5 board according to the alternative standards under sections
6 3511, 3512 and 3513 are not approved or denied in a time
7 period that is less than the time period in which an
8 application for a conditional license is approved or denied
9 under this section.

10 CHAPTER 37

11 OPERATION

12 3701. Testing and certification of terminals.

13 3702. Video gaming limitations.

14 3703. Hours of operation.

15 3704. Terminal placement agreements.

16 3705. Duties of licensees.

17 3706. Compulsive and problem gambling.

18 § 3701. Testing and certification of terminals.

19 (a) General rule.--No video gaming terminal or redemption
20 terminal may be made available for use in this Commonwealth
21 prior to that model of video gaming terminal or redemption
22 terminal being tested and certified by the board in accordance
23 with this section.

24 (b) Video gaming terminal specifications.--Video gaming
25 terminal models shall be tested and certified to meet the
26 following specifications:

27 (1) The video gaming terminal shall have the ability to
28 be linked to the central control computer.

29 (2) The video gaming terminal shall be marked with an
30 irremovable identification plate that is placed in a

1 conspicuous location on the exterior of the video gaming
2 terminal. The identification plate shall contain the name of
3 the manufacturer and the serial and model numbers of the
4 video gaming terminal.

5 (3) The video gaming terminal shall prominently display
6 the rules of play either on the video gaming terminal face or
7 screen.

8 (4) The video gaming terminal may not have the ability
9 to dispense cash, tokens or anything of value, except
10 redemption tickets which shall only be exchangeable for cash
11 at a redemption terminal or reinserted into another video
12 gaming terminal located in the same video gaming area as the
13 video gaming terminal.

14 (5) The cost of a credit shall only be 1¢, 5¢, 10¢ or
15 25¢.

16 (6) The maximum wager per individual game shall not
17 exceed \$5.

18 (7) The maximum prize per individual game shall not
19 exceed \$1,000.

20 (8) The video gaming terminal shall be designed and
21 manufactured with total accountability to include gross
22 proceeds, net profits, winning percentages and other
23 information the board requires.

24 (9) The video gaming terminal shall pay out a minimum of
25 85% of the amount wagered.

26 (10) Other specifications the board requires.

27 (c) Redemption terminal specifications.--Redemption terminal
28 models shall be tested and certified to meet the following
29 specifications:

30 (1) The redemption terminal shall be marked with an

1 irremovable identification plate that is placed in a
2 conspicuous location on the exterior of the redemption
3 terminal. The identification plate shall contain the name of
4 the manufacturer and the serial and model numbers of the
5 redemption terminal.

6 (2) The redemption terminal shall only accept redemption
7 tickets from video gaming terminals located in the same video
8 gaming area.

9 (3) The redemption terminal shall be designed and
10 manufactured with total accountability to record information
11 the board requires.

12 (4) Other specifications the board requires.

13 (d) Use of other state standards.--

14 (1) The board may determine, in its discretion, whether
15 the video gaming terminal or redemption terminal testing and
16 certification standards of another jurisdiction within the
17 United States in which a manufacturer licensee is licensed
18 are comprehensive and thorough and provide similar adequate
19 safeguards as those required by this part.

20 (2) If the board makes that determination, the board may
21 permit a manufacturer licensee through a licensed supplier to
22 deploy those video gaming terminals or redemption terminals
23 which have met the video gaming terminal or redemption
24 terminal testing and certification standards in such other
25 jurisdictions without undergoing the full testing and
26 certification process by the board's testing facility.

27 (3) In the event video gaming terminals or redemption
28 terminals of a manufacturer licensee are licensed in the
29 other jurisdiction, the board may determine to use an
30 abbreviated process requiring only that information

1 determined by the board to be necessary to consider the
2 issuance of a video gaming terminal or redemption terminal
3 certification to such an applicant.

4 (e) Private testing.--The board may, in its discretion, rely
5 upon the certification of a video gaming terminal or redemption
6 terminal that has met the testing and certification standards of
7 one or more board-approved independent private testing and
8 certification facilities.

9 (f) Testing and certification fee.--

10 (1) A fee for the testing and certification of a video
11 gaming terminal or redemption terminal shall be paid by the
12 manufacturer licensee submitting the terminal, which fee
13 shall be an amount established by the board according to a
14 schedule adopted by the board.

15 (2) Fees established by the board shall be exempt from
16 any fee limitation contained in section 4101 (relating to
17 fees).

18 (g) Central control computer compatibility.--The board shall
19 ensure that all video gaming terminals certified and approved
20 for use in this Commonwealth are compatible and comply with the
21 central control computer and protocol specifications approved by
22 the department.

23 § 3702. Video gaming limitations.

24 (a) Establishment licensee limitations.--An establishment
25 licensee may offer video gaming terminals for play within its
26 premises, subject to the following:

27 (1) No more than the following number of video gaming
28 terminals may be placed on the premises of the establishment
29 licensee:

30 (i) For an establishment licensee that is a truck

1 stop establishment, no more than 10 video gaming
2 terminals.

3 (ii) For an establishment licensee that is a
4 nonprimary location, no more than 10 video gaming
5 terminals.

6 (iii) For an establishment licensee that is not a
7 truck stop establishment or nonprimary location, no more
8 than five video gaming terminals.

9 (2) Redemption tickets shall only be exchanged for cash
10 through a redemption terminal or reinserted into another
11 video gaming terminal in the same video gaming area or as
12 otherwise authorized by the board in the event of a failure
13 or malfunction in a redemption terminal, and at least one
14 redemption terminal shall be located in the video gaming
15 area.

16 (3) Video gaming terminals located on the premises of
17 the establishment licensee shall be placed and operated by a
18 terminal operator licensee pursuant to a terminal placement
19 agreement.

20 (4) No video gaming area may be located in an area that
21 is not properly segregated from minors.

22 (5) The entrance to the video gaming area shall be
23 secure and easily seen and observed by at least one employee.

24 (6) The video gaming area shall at all times be
25 monitored by an employee of the establishment licensee either
26 directly or through live monitoring of video surveillance.
27 The employee must be at least 18 years of age and have
28 completed the mandatory training program required in section
29 3706 (relating to compulsive and problem gambling).

30 (7) No establishment licensee may generally advertise

1 video gaming terminals to the general public, unless
2 otherwise authorized by the board.

3 (8) No establishment licensee may provide an incentive,
4 unless otherwise authorized by the board.

5 (9) No minor shall be permitted to play a video gaming
6 terminal or enter the video gaming area.

7 (10) No visibly intoxicated person shall be permitted to
8 play a video gaming terminal.

9 (11) No establishment licensee may extend credit or
10 accept a credit card or debit card for play of a video gaming
11 terminal.

12 (12) No establishment licensee may make structural
13 alterations or significant renovations to a video gaming area
14 unless the establishment licensee has notified the terminal
15 operator licensee and obtained prior approval from the board.

16 (13) No establishment licensee may move a video gaming
17 terminal or redemption terminal after installation by a
18 terminal operator licensee.

19 (b) Terminal operator licensee limitations.--A terminal
20 operator licensee may place and operate video gaming terminals
21 on the premises of an establishment licensee, subject to the
22 following:

23 (1) No more than the following number of video gaming
24 terminals may be placed on the premises of the establishment
25 licensee:

26 (i) For an establishment licensee that is a truck
27 stop establishment, no more than 10 video gaming
28 terminals.

29 (ii) For an establishment licensee that is a
30 nonprimary location, no more than 10 video gaming

1 terminals.

2 (iii) For an establishment licensee that is not a
3 truck stop establishment or nonprimary location, no more
4 than five video gaming terminals.

5 (2) Redemption tickets shall only be exchanged for cash
6 through a redemption terminal located within the same video
7 gaming area or reinserted into another video gaming terminal
8 located in the same video gaming area as the video gaming
9 terminal.

10 (3) Video gaming terminals located on the premises of
11 the establishment licensee shall be placed and operated
12 pursuant to a terminal placement agreement.

13 (4) No terminal operator licensee may generally
14 advertise video gaming terminals to the general public,
15 unless otherwise authorized by the board, but may advertise
16 to a person enrolled in the terminal operator licensee's
17 customer loyalty or rewards card program.

18 (5) No terminal operator licensee may provide an
19 incentive.

20 (6) No terminal operator licensee may place and operate
21 video gaming terminals within a licensed facility.

22 (7) No terminal operator licensee may extend credit or
23 accept a credit card or debit card for play of a video gaming
24 terminal.

25 (8) No terminal operator licensee may give or offer to
26 give, directly or indirectly, any type of inducement to an
27 establishment to secure or maintain a terminal placement
28 agreement.

29 (9) No terminal operator licensee may give an
30 establishment licensee a percentage of gross terminal revenue

1 that is more than 25% of the gross terminal revenue of the
2 video gaming terminals operating in the establishment
3 licensee's premises.

4 (10) A terminal operator licensee shall only operate,
5 install or otherwise make available for public use a video
6 gaming terminal or redemption terminal that has been obtained
7 from a supplier licensee.

8 (11) No terminal operator licensee may make structural
9 alterations or significant renovations to a video gaming area
10 unless the terminal operator licensee has notified the
11 establishment licensee and obtained prior approval from the
12 board.

13 (12) No terminal operator licensee may move a video
14 gaming terminal or redemption terminal after installation
15 unless prior approval is obtained from the board.

16 (13) Only a terminal operator licensee that is also a
17 licensed racing entity may operate a video gaming terminal at
18 a nonprimary location.

19 § 3703. Hours of operation.

20 (a) Liquor establishments.--An establishment licensee that
21 is also a liquor establishment may only permit the play of video
22 gaming terminals during the hours in which the liquor
23 establishment is authorized by the Pennsylvania Liquor Control
24 Board to sell alcoholic beverages.

25 (b) Other establishments.--An establishment licensee that is
26 also a nonprimary location or a truck stop establishment may
27 permit play of video gaming terminals during normal business
28 hours.

29 § 3704. Terminal placement agreements.

30 (a) Intent.--It is the intent and goal of the General

1 Assembly that the board shall have exclusive jurisdiction to
2 determine the enforceability and validity of a terminal
3 placement agreement as is necessary and appropriate to protect
4 the integrity of the industry.

5 (b) General rule.--Except as provided for in subsection (j),
6 no terminal operator licensee may place and operate video gaming
7 terminals on the premises of an establishment licensee unless
8 pursuant to a terminal placement agreement approved by the
9 board. Approval shall be presented upon connection of one or
10 more video gaming terminals at the establishment licensee to the
11 central control computer.

12 (c) Form of agreement.--The board shall establish through
13 regulation minimum standards for terminal placement agreements.

14 (d) Length of agreement.--Terminal placement agreements
15 shall be valid for a minimum 60-month term but shall not exceed
16 a 120-month term.

17 (e) Provisions required.--A terminal placement agreement
18 shall include a provision that:

19 (1) Renders the agreement invalid if either the terminal
20 operator license or terminal operator application or the
21 establishment license or establishment licensee application
22 is denied, revoked, not renewed, withdrawn or surrendered.

23 (2) Provides the establishment licensee no more than 25%
24 of gross terminal revenue from each video gaming terminal
25 located on the premises of the establishment licensee.

26 (3) Identifies who solicited the terminal placement
27 agreement on behalf of a terminal operator licensee or
28 applicant.

29 (f) Procurement agent.--No person may be compensated for the
30 solicitation or procurement of a terminal placement agreement on

1 behalf of a terminal operator licensee or applicant until the
2 person is licensed as a procurement agent under section 3505.1
3 (relating to procurement agent licenses) or is otherwise
4 authorized under this part.

5 (g) Parties to agreement.--Only an establishment licensee or
6 applicant may sign or agree to sign a terminal placement
7 agreement with an applicant for a terminal operator license or a
8 terminal operator licensee.

9 (h) Void agreements.--An agreement entered into by an
10 establishment prior to the effective date of this section with a
11 person or entity for the placement, operation, service or
12 maintenance of video gaming terminals, including an agreement
13 granting a person or entity the right to enter into an agreement
14 or match any offer made after the effective date of this section
15 shall be void and may not be approved by the board.

16 (i) Transferability of agreements.--No terminal placement
17 agreement may be transferred or assigned unless the individual
18 or entity making the assignment is either a terminal operator
19 applicant or licensee and the individual or entity receiving the
20 assignment of the terminal placement agreement is either a
21 terminal operator applicant or licensee under this chapter.

22 (j) Exception.--A terminal placement agreement may not
23 require operation of video gaming terminals on the premises of a
24 nonprimary location.

25 § 3705. Duties of licensees.

26 A person issued a license under this part shall:

27 (1) Provide assistance or information required by the
28 board or the Pennsylvania State Police and to cooperate in
29 inquiries, investigations and hearings.

30 (2) Consent to inspections, searches and seizures.

1 (3) Inform the board of actions that the person believes
2 would constitute a violation of this part.

3 (4) Inform the board of arrests for violations of
4 offenses enumerated under 18 Pa.C.S. (relating to crimes and
5 offenses).

6 § 3706. Compulsive and problem gambling.

7 (a) Required posting.--

8 (1) An establishment licensee shall conspicuously post
9 signs similar to the following statement:

10 If you or someone you know has a gambling problem,
11 help is available. Call (Toll-free telephone number)
12 or Text (Toll-free telephone number).

13 (2) At least one sign shall be posted within the video
14 gaming area and at least one sign shall be posted within five
15 feet of each automated teller machine located within the
16 establishment licensee's premises, if applicable.

17 (b) Toll-free telephone number.--The toll-free telephone
18 number required to be posted in subsection (a) shall be the same
19 number maintained by the Department of Drug and Alcohol Programs
20 under section 3310 (relating to Department of Drug and Alcohol
21 Programs).

22 (c) Problem gambling information.--

23 (1) An establishment licensee shall have available in
24 its establishment access to materials regarding compulsive
25 and problem gambling assistance.

26 (2) The available materials required by paragraph (1)
27 shall be a uniform, Statewide handout developed by the board
28 in consultation with the Department of Drug and Alcohol
29 Programs.

30 (3) The available materials required by paragraph (1)

1 shall be displayed conspicuously at least within the video
2 gaming area.

3 (d) Mandatory training.--

4 (1) The board's Office of Compulsive and Problem
5 Gambling, in consultation with the Department of Drug and
6 Alcohol Programs, shall develop a mandatory training program
7 for employees and management of an establishment licensee who
8 oversee the licensee's video gaming area. The training
9 program shall address responsible gaming and other compulsive
10 and problem gambling issues related to video gaming
11 terminals.

12 (2) The board shall establish a fee to cover the cost of
13 the mandatory training program.

14 (3) At least one employee of the establishment licensee
15 who has successfully completed the training program shall be
16 located on the premises and supervising the video gaming area
17 during all times video gaming terminals are available for
18 play.

19 (e) Penalty.--An establishment licensee that fails to
20 fulfill the requirements of subsection (a), (b) or (c) shall be
21 assessed by the board an administrative penalty and may have its
22 establishment license suspended. When determining the penalty
23 and number of suspension days, the board shall consider the
24 length of time in which the materials were not available or a
25 trained employee was not located on the premises as required by
26 subsection (d) (3).

27 CHAPTER 39

28 ENFORCEMENT

29 Sec.

30 3901. Exclusion or ejection of certain persons.

1 3902. Repeat offenders.

2 3903. Self-exclusion.

3 3904. Investigations and enforcement.

4 3905. Prohibited acts and penalties.

5 3906. Report of suspicious transactions.

6 3907. Additional authority.

7 3908. Detention.

8 § 3901. Exclusion or ejection of certain persons.

9 (a) General rule.--The board shall by regulation provide for
10 the establishment of a list of persons who are to be excluded or
11 ejected from the video gaming area of an establishment licensee.
12 The provisions shall define the standards for exclusion and
13 shall include standards relating to persons who are career or
14 professional offenders as defined by regulations of the board or
15 whose presence in a video gaming area would, in the opinion of
16 the board, be inimical to the interest of the Commonwealth or of
17 licensed video gaming in this Commonwealth, or both.

18 (b) Categories to be defined.--The board shall promulgate
19 definitions establishing categories of persons who shall be
20 excluded or ejected pursuant to this section, including cheats
21 and persons whose privileges for licensure, certification,
22 permit or registration have been revoked.

23 (c) Discrimination prohibited.--Race, color, creed, national
24 origin or ancestry or sex shall not be a reason for placing the
25 name of a person upon a list under this section.

26 (d) Prevention of access.--The board shall, in consultation
27 with terminal operator licensees and establishment licensees,
28 develop policies and procedures to reasonably prevent persons on
29 the list required by this section from entering a video gaming
30 area.

1 (e) Sanctions.--The board may impose sanctions upon an
2 establishment licensee in accordance with this part if the
3 establishment licensee knowingly fails to implement the policies
4 and procedures established by the board under paragraph (d).

5 (f) List not all-inclusive.--A list compiled by the board
6 under this section shall not be deemed an all-inclusive list,
7 and an establishment licensee shall keep from the video gaming
8 area persons known to the establishment licensee to be within
9 the classifications declared in this section and the regulations
10 promulgated under this section whose presence in a video gaming
11 area would be inimical to the interest of the Commonwealth or of
12 licensed video gaming in this Commonwealth, or both, as defined
13 in standards established by the board.

14 (g) Notice.--If the bureau decides to place the name of a
15 person on a list pursuant to this section, the bureau shall
16 serve notice of the decision to the person by personal service
17 or certified mail at the last known address of the person. The
18 notice shall inform the person of the right to request a hearing
19 under subsection (h).

20 (h) Hearing.--

21 (1) Within 30 days after receipt of notice in accordance
22 with subsection (g), the person named for exclusion or
23 ejection may demand a hearing before the board, at which
24 hearing the bureau must demonstrate that the person named for
25 exclusion or ejection satisfies the criteria for exclusion or
26 ejection established by this section and the board's
27 regulations.

28 (2) Failure of the person to demand a hearing within 30
29 days after service shall be deemed an admission of all
30 matters and facts alleged in the bureau's notice and shall

1 preclude the person from having an administrative hearing,
2 but shall in no way affect the right to judicial review as
3 provided in this section.

4 (i) Review.--

5 (1) If, upon completion of a hearing on the notice of
6 exclusion or ejection, the board determines that placement of
7 the name of the person on the exclusion or ejection list is
8 appropriate, the board shall make and enter an order to that
9 effect, which order shall be served on all licensed gaming
10 entities.

11 (2) The order shall be subject to review by the
12 Commonwealth Court in accordance with the rules of court.

13 § 3902. Repeat offenders.

14 (a) Discretion to exclude or eject.--An establishment
15 licensee may exclude or eject from the establishment licensee's
16 video gaming area or premises a person who is known to it to
17 have been convicted of a misdemeanor or felony committed in or
18 on the premises of a licensed establishment.

19 (b) Construction.--Nothing in this section or in any other
20 law of this Commonwealth shall be construed to limit the right
21 of an establishment licensee to exercise its common law right to
22 exclude or eject permanently from its video gaming area or
23 premises a person who:

24 (1) disrupts the operations of its premises;

25 (2) threatens the security of its premises or its
26 occupants; or

27 (3) is disorderly or intoxicated.

28 § 3903. Self-exclusion.

29 (a) Establishment of list.--

30 (1) The board shall provide by regulation for the

1 establishment of a list of persons self-excluded from video
2 gaming activities within specific establishment licensees or
3 establishment licensees in geographic areas of the
4 Commonwealth.

5 (2) A person may request placement on the list of self-
6 excluded persons by:

7 (i) acknowledging in a manner to be established by
8 the board that the person is a problem gambler; and

9 (ii) agreeing that, during any period of voluntary
10 exclusion, the person may not collect any winnings or
11 recover any losses resulting from any video gaming
12 activity within establishment licensees.

13 (b) Regulations.--The regulations of the board shall
14 establish:

15 (1) Procedures for placement on and removal from the
16 list of a self-excluded person.

17 (2) Procedures for the transmittal to establishment
18 licensees of identifying information concerning a self-
19 excluded person and shall require establishment licensees to
20 establish reasonable procedures designed at a minimum to
21 prevent entry of a self-excluded person into the video gaming
22 area of an establishment licensee, provided that the board
23 may not require video gaming terminals to be equipped with
24 identification card-reading devices or require establishment
25 licensees to purchase identification card-reading devices.

26 (3) Procedures for the transmittal to terminal operator
27 licensees of identifying information concerning a self-
28 excluded person and shall require terminal operator licensees
29 to establish procedures to remove self-excluded persons from
30 customer loyalty or reward card programs and all advertising

1 related to these programs; provided that the board may not
2 require video gaming terminals to be equipped with
3 identification card-reading devices or require establishment
4 licensees to purchase identification card-reading devices.

5 (c) Liability.--An establishment licensee or employee
6 thereof shall not be liable to a self-excluded person or to
7 another party in a judicial proceeding for harm, monetary or
8 otherwise, which may arise as a result of:

9 (1) the failure of the establishment licensee to
10 withhold video gaming privileges from or restore video gaming
11 privileges to the self-excluded person; or

12 (2) otherwise permitting or not permitting the self-
13 excluded person to engage in video gaming activity within the
14 establishment licensee's premises while on the list of self-
15 excluded persons.

16 (d) Nondisclosure.--Notwithstanding any other law to the
17 contrary, the board's list of self-excluded persons shall not be
18 open to public inspection.

19 § 3904. Investigations and enforcement.

20 (a) Powers and duties of bureau.--The bureau shall have the
21 following powers and duties:

22 (1) Enforce the provisions of this part.

23 (2) Investigate and review applicants and applications
24 for a license or registration. The bureau shall be prohibited
25 from disclosing any portion of a background investigation
26 report to a member of the board prior to the submission of
27 the bureau's final background investigation report relating
28 to the applicant's suitability for licensure to the board.
29 The Office of Enforcement Counsel, on behalf of the bureau,
30 shall prepare the final background investigation report for

1 inclusion in a final report relating to the applicant's
2 suitability for licensure.

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

7 (4) Monitor video gaming operations to ensure compliance
8 with this part.

9 (5) Inspect and examine licensed entities. Inspections
10 may include the review and reproduction of documents or
11 records.

12 (6) Conduct reviews of a licensed entity as necessary to
13 ensure compliance with this part. A review may include the
14 review of accounting, administrative and financial records,
15 management control systems, procedures and other records
16 utilized by a licensed entity.

17 (7) Refer possible criminal violations to the
18 Pennsylvania State Police. The bureau shall not have the
19 power of arrest.

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

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

24 (b) Office of Enforcement Counsel.--The board's Office of
25 Enforcement Counsel shall act as the prosecutor in all
26 noncriminal enforcement actions initiated by the bureau under
27 this part and shall have the following powers and duties:

28 (1) Advise the bureau on all matters, including the
29 granting of licenses or registrations, the conduct of
30 background investigations, audits and inspections and the

1 investigation of potential violations of this part.

2 (2) File on behalf of the bureau recommendations and
3 objections relating to the issuance of licenses and
4 registrations.

5 (3) Initiate, in its sole discretion, proceedings for
6 noncriminal violations of this part by filing a complaint or
7 other pleading with the board.

8 (c) Powers and duties of department.--

9 (1) The department shall at all times have the power of
10 access to examine and audit equipment and records relating to
11 all aspects of the operation of video gaming terminals and
12 redemption terminals under this part.

13 (2) Notwithstanding the provisions of section 353(f) of
14 the act of March 4, 1971 (P.L.6, No.2), known as the Tax
15 Reform Code of 1971, the department shall supply the board,
16 the bureau, the Pennsylvania State Police and the Office of
17 Attorney General with information concerning the status of
18 delinquent taxes owned by applicants or licensees.

19 (d) Powers and duties of the Pennsylvania State Police.--The
20 Pennsylvania State Police shall have the following powers and
21 duties:

22 (1) Promptly conduct background investigations on
23 persons as directed by the board under this part. The
24 Pennsylvania State Police may contract with other law
25 enforcement annuitants to assist in the conduct of
26 investigations under this paragraph.

27 (2) Initiate proceedings for criminal violations of this
28 part.

29 (3) Provide the board with all information necessary for
30 all actions under this part for all proceedings involving

1 criminal enforcement of this part.

2 (4) Inspect, when appropriate, a licensee's person and
3 personal effects present within an establishment licensee's
4 premises under this part while that licensee is present.

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

7 (6) Fingerprint applicants for licenses.

8 (7) Exchange fingerprint data with and receive national
9 criminal history record information from the Federal Bureau
10 of Investigation for use in investigating applications for
11 any license under this part.

12 (8) Receive and take appropriate action on any referral
13 from the board relating to criminal conduct.

14 (9) Require the production of information, material and
15 other data from a licensee or other applicant seeking
16 approval from the board.

17 (10) Conduct administrative inspections on the premises
18 of an establishment licensee at such times, under such
19 circumstances and to such extent as the bureau determines to
20 ensure compliance with this part and the regulations of the
21 board and, in the course of inspections, review and make
22 copies of all documents and records required by the
23 inspection through onsite observation and other reasonable
24 means to assure compliance with this part and regulations
25 promulgated under this part.

26 (11) Conduct audits or verification of information of
27 video gaming terminal operations at such times, under such
28 circumstances and to such extent as the bureau determines.
29 This paragraph includes the review of accounting,
30 administrative and financial records and management control

1 systems, procedures and records utilized by a terminal
2 operator licensee.

3 (12) Assign members of the Pennsylvania State Police to
4 duties of enforcement under this part. Those members shall
5 not be counted toward the complement as provided in section
6 205 of the act of April 9, 1929 (P.L.177, No.175), known as
7 The Administrative Code of 1929.

8 (13) Report to the General Assembly. By March 1 of each
9 year, the Commissioner of the Pennsylvania State Police shall
10 submit a report to the Appropriations Committee of the
11 Senate, the Community, Economic and Recreational Development
12 Committee of the Senate, the Appropriations Committee of the
13 House of Representatives and the Gaming Oversight Committee
14 of the House of Representatives. The report shall summarize
15 all law enforcement activities at each establishment licensee
16 during the previous calendar year and shall include all of
17 the following:

18 (i) The number of arrests made and citations issued
19 at each establishment licensee and the name of the law
20 enforcement agency making the arrests or issuing the
21 citations.

22 (ii) A list of specific offenses charged for each
23 arrest made or citation issued.

24 (iii) The number of criminal prosecutions resulting
25 from arrests made or citations issued.

26 (iv) The number of convictions resulting from
27 prosecutions reported under subparagraph (iii).

28 (14) Report violations of this part to the bureau that
29 are found during the normal course of duties required under
30 any law of this Commonwealth.

1 (15) Require the Bureau of Liquor Control Enforcement to
2 report violations of this part to the bureau that are found
3 during the normal course of duties required under any law of
4 this Commonwealth.

5 (e) Powers and duties of Attorney General.--The Gaming Unit
6 within the Office of Attorney General shall investigate and
7 institute criminal proceedings as authorized under subsection
8 (f).

9 (f) Criminal action.--

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

13 (2) In addition to the authority conferred upon the
14 Attorney General under the act of October 15, 1980 (P.L.950,
15 No.164), known as the Commonwealth Attorneys Act, the
16 Attorney General shall have the authority to investigate and,
17 following consultation with the appropriate district
18 attorney, to institute criminal proceedings for a violation
19 of this part.

20 (3) A person charged with a violation of this part by
21 the Attorney General shall not have standing to challenge the
22 authority of the Attorney General to investigate or prosecute
23 the case, and, if any such challenge is made, the challenge
24 shall be dismissed and no relief shall be available in the
25 courts of this Commonwealth to the person making the
26 challenge.

27 (g) Regulatory action.--Nothing contained in subsection (e)
28 shall be construed to limit the existing regulatory or
29 investigative authority of an agency or the Commonwealth whose
30 functions relate to persons or matters within the scope of this

1 part.

2 (h) Inspection, seizure and warrants.--

3 (1) The bureau, the department and the Pennsylvania
4 State Police shall have the authority without notice and
5 without warrant to do all of the following in the performance
6 of their duties under this part:

7 (i) Inspect and examine all premises where video
8 gaming operations are conducted; where video gaming
9 terminals, redemption terminals and associated equipment
10 are manufactured, sold, distributed or serviced; or where
11 records of these activities are prepared or maintained.

12 (ii) Inspect all equipment and supplies in, about,
13 upon or around premises referred to in subparagraph (i).

14 (iii) Seize, summarily remove and impound equipment
15 and supplies from premises referred to in subparagraph
16 (i) for the purposes of examination and inspection.

17 (iv) Inspect, examine and audit all books, records
18 and documents pertaining to a terminal operator
19 licensee's video gaming operation.

20 (v) Seize, impound or assume physical control of any
21 book, record, ledger or device related to video gaming
22 operations or the video gaming terminals or redemption
23 terminals.

24 (2) The provisions of paragraph (1) shall not be
25 construed to limit warrantless inspections except in
26 accordance with constitutional requirements.

27 (3) To further effectuate the purposes of this part, the
28 bureau and the Pennsylvania State Police may obtain
29 administrative warrants for the inspection and seizure of
30 property possessed, controlled, bailed or otherwise held by

1 an applicant, licensee, intermediary, subsidiary, affiliate
2 or holding company.

3 (i) Information sharing and enforcement referral.--With
4 respect to the administration, supervision and enforcement of
5 this part, the bureau, the department, the Pennsylvania State
6 Police or the Office of Attorney General may obtain or provide
7 pertinent information regarding applicants or licensees from or
8 to law enforcement entities or gaming authorities of the
9 Commonwealth and other domestic, foreign or federally approved
10 jurisdictions, including the Federal Bureau of Investigation,
11 and may transmit the information to each other electronically.

12 (j) Liquor control board.--Nothing in this part shall be
13 construed as conferring on the Pennsylvania Liquor Control Board
14 the authority to assess penalties under the act of April 12,
15 1951 (P.L.90, No.21), known as the Liquor Code, against a liquor
16 establishment that holds an establishment license for violations
17 of this part that are not a criminal offense.

18 (k) Information sharing and enforcement referral.--With
19 respect to the administration, supervision and enforcement of
20 this part, the bureau, the department, the Pennsylvania State
21 Police or the Office of Attorney General may obtain or provide
22 pertinent information regarding applicants or licensees from or
23 to law enforcement entities or gaming authorities of the
24 Commonwealth and other domestic, foreign or federally approved
25 jurisdictions, including the Federal Bureau of Investigation,
26 and may transmit such information to each other electronically.

27 § 3905. Prohibited acts and penalties.

28 (a) Criminal offenses.--

29 (1) The provisions of 18 Pa.C.S. § 4902 (relating to
30 perjury), 4903 (relating to false swearing) or 4904 (relating

1 to unsworn falsification to authorities) shall apply to a
2 person providing information or making a statement, whether
3 written or oral, to the board, the bureau, the department,
4 the Pennsylvania State Police or the Office of Attorney
5 General, as required by this part.

6 (2) It shall be unlawful for a person to willfully:

7 (i) fail to report, pay or truthfully account for
8 and pay over a license fee, authorization fee, tax or
9 assessment imposed under this part; or

10 (ii) attempt in any manner to evade or defeat a
11 license fee, authorization fee, tax or assessment imposed
12 under this part.

13 (3) It shall be unlawful for a licensed entity, gaming
14 employee, key employee or any other person to permit a video
15 gaming terminal to be operated, transported, repaired or
16 opened on the premises of an establishment licensee by a
17 person other than a person licensed or permitted by the board
18 pursuant to this part.

19 (4) It shall be unlawful for a licensed entity or other
20 person to manufacture, supply or place video gaming
21 terminals, redemption terminals or associated equipment into
22 play or display video gaming terminals, redemption terminals
23 or associated equipment on the premises of an establishment
24 licensee without the authority of the board.

25 (5) It shall be unlawful for a licensed entity or other
26 person to manufacture, supply, operate, carry on or expose
27 for play a video gaming terminal or associated equipment
28 after the person's license has expired or failed to be
29 renewed in accordance with this part.

30 (6) It shall be unlawful for an individual while on the

1 premises of an establishment licensee to knowingly use
2 currency other than lawful coin or legal tender of the United
3 States or a coin not of the same denomination as the coin
4 intended to be used in the video gaming terminal or use a
5 counterfeit or altered redemption tickets with the intent to
6 cheat or defraud a terminal operator licensee or the
7 Commonwealth or damage the video gaming terminal or
8 redemption terminal.

9 (7) (i) Except as set forth in subparagraph (ii), it
10 shall be unlawful for an individual to use or possess a
11 cheating or thieving device, counterfeit or altered
12 billet, ticket, token or similar object accepted by a
13 video gaming terminal or counterfeit or altered
14 redemption ticket on the premises of an establishment
15 licensee.

16 (ii) An authorized employee of a licensee or an
17 employee of the board may possess and use a cheating or
18 thieving device, counterfeit or altered billet, ticket,
19 token or similar object accepted by a video gaming
20 terminal or counterfeit or altered redemption ticket in
21 performance of the duties of employment.

22 (8) (i) Except as set forth in subparagraph (ii), it
23 shall be unlawful for an individual to knowingly possess
24 or use while on the premises of an establishment licensee
25 a key or device designed for the purpose of and suitable
26 for opening or entering a video gaming terminal or
27 redemption terminal that is located on the premises of
28 the establishment licensee.

29 (ii) An authorized employee of a licensee or a
30 member of the board may possess and use a device referred

1 to in subparagraph (i) in the performance of the duties
2 of employment.

3 (9) It shall be unlawful for a person or licensed entity
4 to possess a device, equipment or material which the person
5 or licensed entity knows has been manufactured, distributed,
6 sold, tampered with or serviced in violation of this part
7 with the intent to use the device, equipment or material as
8 though it had been manufactured, distributed, sold, tampered
9 with or serviced pursuant to this part.

10 (10) It shall be unlawful for a person to sell, offer
11 for sale, represent or pass off as lawful any device,
12 equipment or material that the person or licensed entity
13 knows has been manufactured, distributed, sold, tampered with
14 or serviced in violation of this part.

15 (11) It shall be unlawful for an individual to work or
16 be employed in a position the duties of which would require
17 licensing under this part without first obtaining the
18 requisite license issued under this part.

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

23 (i) Is not licensed under this part.

24 (ii) Is prohibited from accepting employment from a
25 licensee.

26 (13) It shall be unlawful for a minor to enter and
27 remain in any video gaming area, except that an individual at
28 least 18 years of age employed by a terminal operator
29 licensee, a gaming service provider, an establishment
30 licensee, the board or another regulatory or emergency

1 response agency may enter and remain in the area while
2 engaged in the performance of the individual's employment
3 duties.

4 (14) It shall be unlawful for a minor to wager, play or
5 attempt to play a video gaming terminal or submit a
6 redemption ticket into a redemption terminal.

7 (15) It shall be unlawful for a terminal operator
8 licensee to require a video gaming terminal wager to be
9 greater than the stated minimum wager or greater than the
10 stated maximum wager.

11 (16) An individual who engages in conduct prohibited by
12 18 Pa.C.S. § 6308 (relating to purchase, consumption,
13 possession or transportation of liquor or malt or brewed
14 beverages) on the premises of an establishment licensee
15 commits a nongambling offense.

16 (17) It shall be unlawful for an individual to claim,
17 collect or take, or attempt to claim, collect or take, money
18 or anything of value in or from a video gaming terminal or
19 redemption terminal with the intent to defraud, or to claim,
20 collect or take an amount greater than the amount won, or to
21 manipulate with the intent to cheat, a component of a video
22 gaming terminal or redemption terminal in a manner contrary
23 to the designed and normal operational purpose.

24 (b) Criminal penalties and fines.--

25 (1) (i) A person that commits a first offense in
26 violation of 18 Pa.C.S. § 4902, 4903 or 4904 in
27 connection with providing information or making any
28 statement, whether written or oral, to the board, the
29 bureau, the department, the Pennsylvania State Police,
30 the Office of Attorney General or a district attorney as

1 required by this part commits an offense to be graded in
2 accordance with the applicable section violated. A person
3 that is convicted of a second or subsequent violation of
4 18 Pa.C.S. § 4902, 4903 or 4904 in connection with
5 providing information or making any statement, whether
6 written or oral, to the board, the bureau, the
7 department, the Pennsylvania State Police, the Office of
8 Attorney General or a district attorney as required by
9 this part commits a felony of the second degree.

10 (ii) A person that violates subsection (a) (2), (3),
11 (4), (5), (6), (7), (8), (9), (10), (11), (12) or (17)
12 commits a misdemeanor of the first degree. A person that
13 is convicted of a second or subsequent violation of
14 subsection (a) (2), (3), (4), (5), (6), (7), (8), (9),
15 (10), (11), (12) or (17) commits a felony of the second
16 degree.

17 (2) (i) For a first violation of subsection (a) (1),
18 (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12)
19 or (17), a person shall be sentenced to pay a fine of:

20 (A) not less than \$75,000 nor more than \$150,000
21 if the person is an individual or establishment
22 licensee;

23 (B) not less than \$300,000 nor more than
24 \$600,000 if the person is a terminal operator
25 licensee; or

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

29 (ii) For a second or subsequent violation of
30 subsection (a) (1), (2), (3), (4), (5), (6), (7), (8),

1 (9), (10), (11), (12) or (17), a person shall be
2 sentenced to pay a fine of:

3 (A) not less than \$150,000 nor more than
4 \$300,000 if the person is an individual or
5 establishment licensee;

6 (B) not less than \$600,000 nor more than
7 \$1,200,000 if the person is a terminal operator
8 licensee; or

9 (C) not less than \$300,000 nor more than
10 \$600,000 if the person is a licensed manufacturer or
11 supplier.

12 (3) An individual who commits an offense in violation of
13 subsection (a) (13) or (14) commits a nongambling summary
14 offense and upon conviction of a first offense shall be
15 sentenced to pay a fine of not less than \$200 nor more than
16 \$1,000. An individual who is convicted of a second or
17 subsequent offense under subsection (a) (13) or (14) shall be
18 sentenced to pay a fine of not less than \$500 nor more than
19 \$1,500. In addition to the fine imposed, an individual
20 convicted of an offense under subsection (a) (13) or (14) may
21 be sentenced to perform a period of community service not to
22 exceed 40 hours.

23 (4) An individual who commits an offense in violation of
24 subsection (a) (16) commits a nongambling offense to be graded
25 in accordance with 18 Pa.C.S. § 6308 and shall be subject to
26 the same penalties imposed pursuant to 18 Pa.C.S. §§ 6308 and
27 6310.4 (relating to restriction of operating privileges)
28 except that the fine imposed for a violation of subsection
29 (a) (16) shall be not less than \$350 nor more than \$1,000.

30 (c) Board-imposed administrative sanctions.--

1 (1) In addition to any other penalty authorized by law,
2 the board may impose without limitation the following
3 sanctions:

4 (i) Revoke the license of a person convicted of a
5 criminal offense under this part or regulations
6 promulgated under this part or committing any other
7 offense or violation of this part or applicable law that
8 would otherwise disqualify the person from holding the
9 license.

10 (ii) Revoke the license of a person determined to
11 have violated a provision of this part or regulations
12 promulgated under this part that would otherwise
13 disqualify the person from holding the license.

14 (iii) Revoke the license of a person for willfully
15 and knowingly violating or attempting to violate an order
16 of the board directed to the person.

17 (iv) Subject to subsection (g), assess
18 administrative penalties as necessary to punish
19 violations of this part.

20 (v) Order restitution of money or property
21 unlawfully obtained or retained by a licensee.

22 (vi) Enter cease and desist orders which specify the
23 conduct which is to be discontinued, altered or
24 implemented by a licensee.

25 (vii) Issue letters of reprimand or censure, which
26 letters shall be made a permanent part of the file of the
27 licensee so sanctioned.

28 (2) (i) If the board refuses to issue or renew a
29 license, suspends or revokes a license, assesses civil
30 penalties, orders restitution, enters a cease and desist

1 order or issues a letter of reprimand or censure, the
2 board shall provide the applicant or licensee with
3 written notification of its decision, including a
4 statement of the reasons for its decision, by certified
5 mail within five business days of the decision of the
6 board.

7 (ii) The applicant or licensee shall have the right
8 to appeal the decision in accordance with 2 Pa.C.S. Chs.
9 5 Subch. A (relating to practice and procedure of
10 Commonwealth agencies) and 7 Subch. A (relating to
11 judicial review of Commonwealth agency action).

12 (d) Aiding and abetting.--A person who aids, abets,
13 counsels, commands, induces, procures or causes another person
14 to violate this part shall be subject to all sanctions and
15 penalties, both civil and criminal, provided under this part.

16 (e) Continuing offenses.--A violation of this part that is
17 determined to be an offense of a continuing nature shall be
18 deemed to be a separate offense on each event or day during
19 which the violation occurs.

20 (f) Property subject to seizure, confiscation, destruction
21 or forfeiture.--Any equipment, device or apparatus, money,
22 material, gaming proceeds or substituted proceeds or real or
23 personal property used, obtained or received or an attempt to
24 use, obtain or receive the device, apparatus, money, material,
25 proceeds or real or personal property in violation of this part
26 shall be subject to seizure, confiscation, destruction or
27 forfeiture.

28 (g) Penalty limitation.--

29 (1) Administrative penalties assessed by the board on an
30 establishment licensee shall not exceed \$5,000 for each

1 noncriminal violation of this part.

2 (2) When imposing an administrative penalty on an
3 establishment licensee for a noncriminal violation of this
4 part, the board shall take into consideration the
5 establishment licensee's annual taxable income and whether
6 the penalty amount would cause the establishment licensee to
7 cease non-video gaming operations.

8 (h) Deposit of fines.--Fines imposed and collected by the
9 board under subsection (c) shall be deposited into the General
10 Fund.

11 § 3906. Report of suspicious transactions.

12 (a) Duty.--An establishment licensee or a person acting on
13 behalf of an establishment licensee shall, on a form and in a
14 manner as required by the bureau, notify the bureau of a
15 suspicious transaction.

16 (b) Failure to report.--

17 (1) A person that is required to file a report of a
18 suspicious transaction under this section and knowingly fails
19 to file the report or that knowingly causes another person
20 having that responsibility to fail to file the report commits
21 a misdemeanor of the third degree.

22 (2) A person required to file a report of a suspicious
23 transaction under this section and fails to file the report
24 or a person that causes another person required under this
25 section to file the report to fail to file the report shall
26 be strictly liable for the person's actions and may be
27 subject to sanction under section 3905(c) (relating to
28 prohibited acts and penalties).

29 (c) Bureau.--The bureau shall maintain a record of all
30 reports made under this section for a period of five years. The

1 bureau shall make the reports available to any Federal or State
2 law enforcement agency upon written request and without
3 necessity of subpoena.

4 (d) Notice prohibited.--

5 (1) A person that is required to file a report of a
6 suspicious transaction under this section may not notify an
7 individual suspected of committing the suspicious transaction
8 that the transaction has been reported.

9 (2) A person that violates this subsection commits a
10 misdemeanor of the third degree and may be subject to
11 sanction under section 3905(c).

12 (e) Immunity.--A person that is required to file a report of
13 a suspicious transaction under this section and in good faith
14 makes the report shall not be liable in any civil action brought
15 by a person for making the report, regardless of whether the
16 transaction is later determined to be a suspicious transaction.

17 (f) Sanctions.--

18 (1) In considering appropriate administrative sanctions
19 against a person for violating this section, the board shall
20 consider all of the following:

21 (i) The risk to the public and to the integrity of
22 gaming operations created by the conduct of the person.

23 (ii) The seriousness of the conduct of the person
24 and whether the conduct was purposeful and with knowledge
25 that it was in contravention of the provisions of this
26 part or regulations promulgated under this part.

27 (iii) Justification or excuse for the conduct by the
28 person.

29 (iv) The prior history of the particular licensee or
30 person involved with respect to video gaming terminal

1 activity.

2 (v) The corrective action taken by the establishment
3 licensee to prevent future misconduct of a like nature
4 from occurring.

5 (vi) In the case of a monetary penalty, the amount
6 of the penalty in relation to the severity of the
7 misconduct and the financial means of the licensee or
8 person. The board may impose any schedule or terms of
9 payment of such penalty as it may deem appropriate.

10 (2) It shall be no defense to disciplinary action before
11 the board that a person inadvertently, unintentionally or
12 unknowingly violated this section. The factors enumerated
13 under paragraph (1) shall only apply to the degree of the
14 penalty to be imposed by the board and not to a finding of a
15 violation itself.

16 (g) Regulations.--The board shall promulgate regulations to
17 effectuate the purposes of this section.

18 § 3907. Additional authority.

19 (a) Petition for access to agency information.--

20 (1) The director of the Office of Enforcement Counsel
21 within the bureau may petition a court of record having
22 jurisdiction over information in the possession of an agency
23 in this Commonwealth or, if there is no such court, then the
24 Commonwealth Court for authorization to review or obtain
25 information in the possession of an agency in this
26 Commonwealth by averring specific facts demonstrating that:

27 (i) The agency has in its possession information
28 material to a pending investigation or inquiry being
29 conducted by the bureau pursuant to this part.

30 (ii) Disclosure or release of the information is in

1 the best interest of the Commonwealth.

2 (2) The petition shall request that the court enter a
3 rule upon the agency to show cause why the agency should not
4 be directed to disclose to the bureau, or identified agents
5 thereof, information in the agency's possession about any
6 pending matter under the jurisdiction of the bureau pursuant
7 to this part.

8 (3) If the respondent is a local agency, a copy of a
9 rule issued pursuant to this section shall be provided to the
10 district attorney of the county in which the local agency is
11 located and the Office of Attorney General.

12 (4) Upon request of a local agency, the district
13 attorney or the Attorney General may elect to enter an
14 appearance to represent the local agency in the proceedings.

15 (b) Procedure.--

16 (1) The filing of a petition pursuant to this section
17 and related proceedings shall be in accordance with court
18 rule, including issuance as of course.

19 (2) A party to the proceeding may not disclose the
20 filing of a petition or answer or the receipt, content or
21 disposition of a rule or order issued pursuant to this
22 section, without leave of court.

23 (3) A party to the proceedings may request that the
24 record be sealed and proceedings be closed. The court shall
25 grant the request if it is in the best interest of a person
26 or the Commonwealth to do so.

27 (c) Court determination.--

28 (1) Following review of the record, the court shall
29 grant the relief sought by the director of the Office of
30 Enforcement Counsel if the court determines that:

1 (i) The agency has in its possession information
2 material to the investigation or inquiry.

3 (ii) Disclosure or release of the information is in
4 the best interest of the Commonwealth.

5 (iii) The disclosure or release of the information
6 is not otherwise prohibited by statute or regulation.

7 (iv) The disclosure or release of the information
8 would not inhibit an agency in the performance of the
9 agency's duties.

10 (2) If the court so determines, the court shall enter an
11 order authorizing and directing the information be made
12 available for review in camera.

13 (d) Release of materials or information.--

14 (1) If, after an in-camera review by the court, the
15 director of the Office of Enforcement Counsel seeks to obtain
16 copies of materials in the agency's possession, the court
17 may, if not otherwise prohibited by statute or regulation,
18 enter an order that the requested materials be provided.

19 (2) An order authorizing the release of materials or
20 other information shall contain direction regarding the
21 safekeeping and use of the materials or other information
22 sufficient to satisfy the court that the materials or
23 information will be sufficiently safeguarded.

24 (3) In making the determination under paragraph (2) the
25 court shall consider input of the agency in possession of the
26 information and input from any agency with which the
27 information originated concerning a pending investigation or
28 ongoing matter and the safety of person and property.

29 (e) Modification of order.--

30 (1) If subsequent investigation or inquiry by the bureau

1 warrants modification of an order entered pursuant to this
2 section, the director of the Office of Enforcement Counsel
3 may petition to request modification of the order.

4 (2) Upon the request, the court may modify the order at
5 any time and in any manner it deems necessary and
6 appropriate.

7 (3) The agency named in the original petition shall be
8 given notice and an opportunity to be heard.

9 (f) Use of information or materials.--A person who, by any
10 means authorized by this section, has obtained knowledge of
11 information or materials solely pursuant to this section may use
12 the information or materials in a manner consistent with any
13 direction imposed by the court and appropriate to the proper
14 performance of the person's duties under this part.

15 (g) Violation.--In addition to the remedies and penalties
16 provided in this part, a violation of the provisions of this
17 section may be punished as contempt of court.

18 (h) Definition.--As used in this section, the term "agency"
19 shall mean a "Commonwealth agency" or a "local agency" as those
20 terms are defined in section 102 of the act of February 14, 2008
21 (P.L.6, No.3), known as the Right-to-Know Law.

22 § 3908. Detention.

23 (a) General rule.--A peace officer who has probable cause to
24 believe that criminal violation of this part has occurred or is
25 occurring on or about an establishment licensee's premises and
26 who has probable cause to believe that a specific individual has
27 committed or is committing the criminal violation may detain the
28 individual in a reasonable manner for a reasonable time on the
29 premises of the establishment licensee to require the suspect to
30 identify himself, to verify such identification or to inform a

1 peace officer.

2 (b) Immunity.--A peace officer shall not be subject to civil
3 or criminal liability for detention of an individual in
4 accordance with subsection (a).

5 CHAPTER 41

6 REVENUES

7 Sec.

8 4101. Fees.

9 4102. Taxes and assessments.

10 4103. Distribution of local share.

11 4104. Regulatory assessments.

12 4105. Transfers from Video Gaming Fund.

13 4106. Fire Company and Emergency Responder Grant Fund.

14 4107. Club licensees.

15 § 4101. Fees.

16 (a) Application fees.--The following nonrefundable
17 application fees shall accompany an application for the
18 following licenses or permits applied for under Chapter 35
19 (relating to application and licensure):

20 (1) For a manufacturer or supplier license, \$50,000.

21 (2) For a terminal operator license, \$25,000.

22 (3) For an establishment license, \$100.

23 (4) For a key employee or principal license, \$500.

24 (5) For any other authorization or permit authorized by
25 this part, an amount established by the board, through
26 regulation, which may not exceed \$100.

27 (b) Initial license and renewal fees.--The following
28 nonrefundable fees shall be required upon issuance of an initial
29 license and shall accompany an application for renewal for the
30 following licenses or permits under Chapter 35:

1 (1) For a manufacturer or supplier license, \$10,000.

2 (2) For a terminal operator license, \$5,000.

3 (3) For an establishment license, an amount equal to
4 \$250 per each video gaming terminal in operation at the
5 premises of the establishment licensee.

6 (4) For a key employee, procurement agent license or
7 principal license, \$500.

8 (5) For any other authorization or license authorized by
9 this part, an amount established by the board, through
10 regulation, which may not exceed \$100.

11 (c) Terminal increase fee.--An establishment licensee that
12 increases the total number of video gaming terminals within the
13 establishment after submission of the renewal fee required in
14 subsection (b) shall provide the board with a \$250 renewal fee
15 for each additional video gaming terminal added to the
16 establishment within 60 days of installation of each additional
17 video gaming terminal.

18 (d) Deposit of fees.--Fees collected under this section
19 shall be deposited into the General Fund.

20 § 4102. Taxes and assessments.

21 (a) Fund established.--The Video Gaming Fund is established
22 in the State Treasury. Money in the fund is hereby appropriated
23 to the department on a continuing basis for the purposes under
24 subsection (c).

25 (b) Video gaming terminal tax and assessments.--

26 (1) The department shall determine and each terminal
27 operator licensee shall pay on a bimonthly basis:

28 (i) A tax of 34% of its gross terminal revenue from
29 all video gaming terminals operated by the terminal
30 operator licensee within this Commonwealth.

1 (ii) A 4% local share assessment from its gross
2 terminal revenue.

3 (iii) A regulatory assessment established in section
4 4104 (relating to regulatory assessments) from the
5 terminal operator licensee's weekly gross terminal
6 revenue.

7 (2) All money owed under this section shall be held in
8 trust by the terminal operator licensee until the money is
9 paid or transferred to the Video Gaming Fund.

10 (3) Unless otherwise agreed to by the board, a terminal
11 operator licensee shall establish a separate bank account to
12 maintain gross terminal revenue until such time as the money
13 is paid or transferred under this section.

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

15 (1) Transfer the tax imposed under subsection (b) to the
16 Video Gaming Fund.

17 (2) From the local share assessment established under
18 subsection (b), make distributions among the municipalities
19 that host establishment licensees in accordance with section
20 4103 (relating to distribution of local share).

21 (3) Transfer the regulatory assessment imposed under
22 subsection (b) in accordance with section 4104.

23 § 4103. Distribution of local share.

24 (a) Distribution.--

25 (1) Subject to the limitation under subsection (c), the
26 department shall distribute, in a manner and according to a
27 schedule adopted by the department, to each municipality 2%
28 of the gross terminal revenue of each video gaming terminal
29 operating within the municipality.

30 (2) The department shall distribute, in a manner and

1 according to a schedule adopted by the department, to each
2 county 2% of the gross terminal revenue of each video gaming
3 terminal operating within the county.

4 (b) Duty of terminal operator.--A terminal operator licensee
5 shall continuously provide the department with records,
6 documents or other information necessary to effectuate the
7 requirements of subsection (a).

8 (c) Limitation.--The department may not distribute a local
9 share amount to a municipality in excess of 50% of the
10 municipality's total budget for fiscal year 2017, adjusted for
11 inflation in subsequent fiscal years by an amount not to exceed
12 an annual cost-of-living adjustment calculated by applying an
13 upward percentage change in the Consumer Price Index immediately
14 prior to the date the adjustment is due to take effect.

15 (d) Transfers to fund.--Local share amounts not distributed
16 by the department to a municipality due to the limitation
17 established under subsection (c) shall be transferred to the
18 host county.

19 (e) Use of assessments.--A municipality or county that
20 receives assessments from the department under subsection (a)
21 may use the funds for any purpose and as local matching funds
22 for other grants or loans from the Commonwealth.

23 (f) Reporting.--

24 (1) In cooperation with the department, the Department
25 of Community and Economic Development shall submit an annual
26 report on all distributions of local share assessments to
27 municipalities and counties under this section to the
28 chairperson and minority chairperson of the Appropriations
29 Committee of the Senate, the chairperson and minority
30 chairperson of the Community, Economic and Recreational

1 Development Committee of the Senate, the chairperson and
2 minority chairperson of the Appropriations Committee of the
3 House of Representatives and the chairperson and minority
4 chairperson of the Gaming Oversight Committee of the House of
5 Representatives. The report shall be submitted by August 31,
6 2018, and by August 31 of each year thereafter.

7 (2) A municipality or county that receives distributions
8 of local share assessments under this section shall submit
9 information to the Department of Community and Economic
10 Development on a form prepared by the Department of Community
11 and Economic Development that states the amount and use of
12 the funds received in the prior fiscal year. The form shall
13 specify whether the funds received were deposited in the
14 municipality's or county's General Fund or committed to a
15 specific project or use.

16 (g) Definition.--As used in this section, the term "Consumer
17 Price Index" means the Consumer Price Index for All Urban
18 Consumers for the Pennsylvania, New Jersey, Delaware and
19 Maryland area for the most recent 12-month period for which
20 figures have been officially reported by the United States
21 Department of Labor, Bureau of Labor Statistics.

22 § 4104. Regulatory assessments.

23 (a) Accounts established.--The State Treasurer shall
24 establish within the State Treasury an account for each terminal
25 operator for the deposit of a regulatory assessment amount
26 required under subsection (b) to recover costs or expenses
27 incurred by the board, the department, the Pennsylvania State
28 Police and the Office of Attorney General in carrying out their
29 powers and duties under this part based upon a budget submitted
30 by the department under subsection (c).

1 (b) Weekly deposits.--

2 (1) The department shall determine the appropriate
3 assessment amount for each terminal operator licensee, which
4 shall be a percentage assessed on the terminal operator
5 licensee's weekly gross terminal revenue.

6 (2) The percentage assessed shall not exceed an amount
7 equal to the lesser of:

8 (i) the costs or expenses incurred by the board, the
9 department, the Pennsylvania State Police or the Office
10 of Attorney General in carrying out their powers and
11 duties under this part based upon a budget submitted by
12 the department under subsection (c); or

13 (ii) one and one-half percent of the terminal
14 operator licensee's weekly gross terminal revenue.

15 (c) Itemized budget reporting.--

16 (1) The department shall prepare and annually submit to
17 the chairperson of the Appropriations Committee of the Senate
18 and the chairperson of the Appropriations Committee of the
19 House of Representatives an itemized budget consisting of
20 amounts to be appropriated out of the accounts established
21 under this section necessary to administer this part.

22 (2) As soon as practicable after submitting copies of
23 the itemized budget, the department shall submit to the
24 chairperson of the Appropriations Committee of the Senate and
25 the chairperson of the Appropriations Committee of the House
26 of Representatives analyses of and recommendations regarding
27 the itemized budget.

28 (d) Appropriation.--Costs and expenses may be paid from the
29 accounts established under subsection (a) only upon
30 appropriation by the General Assembly.

1 § 4105. Transfers from Video Gaming Fund.

2 (a) Transfer to Property Tax Relief Fund.--

3 (1) On June 30, 2018, and on the last day of each fiscal
4 year thereafter, the State Treasurer shall transfer from the
5 Video Gaming Fund to the Property Tax Relief Fund an amount
6 equal to:

7 (i) The total amount of money in the Property Tax
8 Relief Fund on the last day of the prior fiscal year
9 adjusted for inflation by applying the percentage change
10 in the Consumer Price Index, minus:

11 (ii) The total amount of money in the Property Tax
12 Relief Fund on the last day of the current fiscal year.

13 (2) The transfer under this subsection shall be made
14 prior to the transfers under subsections (b), (c) and (d).

15 (b) Transfer for compulsive and problem gambling
16 treatment.--On June 30, 2018, and on the last day of each fiscal
17 year thereafter, the State Treasurer shall transfer from the
18 Video Gaming Fund the sum of \$2,500,000 or an amount equal to
19 0.002 multiplied by the total gross terminal revenue of all
20 terminal operator licensees, whichever is greater, to the
21 Compulsive and Problem Gambling Treatment Fund established in
22 section 1509 (relating to compulsive and problem gambling
23 program).

24 (c) Transfer to Fire Company and Emergency Responder Grant
25 Fund.--On June 30, 2018, and on the last day of each fiscal year
26 thereafter, the State Treasurer shall transfer from the Video
27 Gaming Fund the sum of \$2,500,000 to the Fire Company and
28 Emergency Responder Grant Fund established in section 4106
29 (relating to Fire Company and Emergency Responder Grant Fund).

30 (d) Transfer for drug and alcohol treatment.--On June 30,

1 2018, and on the last day of each fiscal year thereafter, the
2 State Treasurer shall transfer from the Video Gaming Fund the
3 sum of \$2,500,000 to the Department of Drug and Alcohol Programs
4 to be used to provide drug and alcohol addiction treatment
5 services, including treatment for drug and alcohol addiction
6 related to compulsive and problem gambling, as set forth in
7 section 1509.1 (relating to drug and alcohol treatment)

8 (e) General Fund transfer.--On June 30, 2018, and on the
9 last day of each fiscal year thereafter, the State Treasurer
10 shall transfer the remaining balance in the Video Gaming Fund
11 that is not transferred under subsections (a), (b), (c) and (d)
12 to the General Fund.

13 (f) Consumer Price Index.--For purposes of subsection (a),
14 references to the Consumer Price Index shall mean the Consumer
15 Price Index for All Urban Consumers for the Pennsylvania, New
16 Jersey, Delaware and Maryland area for the most recent 12-month
17 period for which figures have been officially reported by the
18 United States Department of Labor, Bureau of Labor Statistics.
19 § 4106. Fire Company and Emergency Responder Grant Fund.

20 (a) Establishment.--The Fire Company and Emergency Responder
21 Grant Fund is established in the State Treasury. The fund shall
22 receive money from the Video Gaming Fund in accordance with
23 section 4105 (relating to transfers from Video Gaming Fund).

24 (b) Use of money.--Money in the fund shall be used to fund
25 programs that provide grants to fire companies and other
26 emergency responders as specified through a separate act of the
27 General Assembly.

28 § 4107. Club licensees.

29 (a) Distribution.--The gross terminal revenue received by a
30 club licensee shall be distributed as follows:

1 the board as related to video gaming. At a minimum, the updated
2 code of conduct adopted under this section shall include
3 registration of licensed entity representatives under subsection
4 (b) and the restrictions under subsection (c) as they relate to
5 video gaming.

6 (b) Registration.--

7 (1) A licensed entity representative shall register with
8 the board in a manner prescribed by the board. The
9 registration shall include the name, employer or firm,
10 business address and business telephone number of both the
11 licensed entity representative and any licensed entity,
12 applicant for licensure or other person being represented.

13 (2) A licensed entity representative shall update the
14 registration information on an ongoing basis and failure to
15 do so shall be punishable by the board.

16 (3) The board shall maintain a registration list that
17 contains the information required under paragraph (1). The
18 list shall be available for public inspection at the offices
19 of the board and on the board's publicly accessible Internet
20 website.

21 (c) Restrictions.--In addition to the other prohibitions
22 contained in this part, a member of the board shall:

23 (1) Not accept a discount, gift, gratuity, compensation,
24 travel, lodging or other thing of value, directly or
25 indirectly, from an applicant, licensed entity, affiliate,
26 subsidiary or intermediary of an applicant or a licensed
27 entity, registrant or licensed entity representative.

28 (2) Disclose and recuse himself from a hearing or other
29 proceeding in which the member's objectivity, impartiality,
30 integrity or independence of judgment may be reasonably

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

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

7 (4) (i) Not solicit funds for a charitable,
8 educational, religious, health, fraternal, civic or other
9 nonprofit entity from an applicant, licensed entity,
10 party, registrant or licensed entity representative or
11 from an affiliate, subsidiary, intermediary or holding
12 company of an applicant, licensed entity, party or
13 licensed entity representative.

14 (ii) Subject to the provisions of section 1201(h)
15 (4.1) (relating to Pennsylvania Gaming Control Board
16 established), a member may serve as an officer, employee
17 or member of the governing body of a nonprofit entity and
18 may attend, make personal contributions to and plan or
19 preside over the entity's fundraising events.

20 (iii) A member may permit their name to appear on
21 the letterhead used for fundraising events if the
22 letterhead contains only the member's name and position
23 with the nonprofit entity.

24 (5) (i) Not meet or engage in discussions with an
25 applicant, licensed entity, registrant, licensed entity
26 representative, person who provides goods, property or
27 services to a terminal operator licensee or another
28 person or entity under the jurisdiction of the board
29 unless the meeting or discussion occurs on the business
30 premises of the board and is recorded in a log.

1 (ii) The log must be available for public inspection
2 during the regular business hours of the board and shall
3 be posted on the board's publicly accessible Internet
4 website.

5 (iii) The log must include the date and time of the
6 meeting or discussion, the names of the participants and
7 the subject discussed.

8 (iv) The provisions of this paragraph shall not
9 apply to a meeting that considers matters requiring the
10 physical inspection of the equipment or premises of an
11 applicant or a licensed entity, if the meeting is entered
12 in the log.

13 (6) Avoid impropriety and the appearance of impropriety
14 at all times and observe standards and conduct that promote
15 public confidence in the oversight of video gaming.

16 (7) Comply with other laws, rules or regulations
17 relating to the conduct of a member.

18 § 4302. Additional board restrictions.

19 (a) Board restrictions.--The following shall apply to a
20 board member or employee of the board whose duties substantially
21 involve licensing, enforcement, development of law, promulgation
22 of regulations or development of policy relating to gaming under
23 this part or who has other discretionary authority which may
24 affect or influence the outcome of an action, proceeding or
25 decision under this part, including the executive director,
26 bureau directors and attorneys:

27 (1) The individual may not, for a period of two years
28 following termination of employment, accept employment with
29 or be retained by an applicant or a licensed entity or by an
30 affiliate, intermediary, subsidiary or holding company of an

1 applicant or a licensed entity.

2 (2) The individual may not, for a period of two years
3 following termination of employment, appear before the board
4 in a hearing or proceeding or participate in activity on
5 behalf of an applicant, licensee or licensed entity or on
6 behalf of an affiliate, intermediary, subsidiary or holding
7 company of an applicant, licensee or licensed entity.

8 (3) (i) An applicant or a licensed entity or an
9 affiliate, intermediary, subsidiary or holding company of
10 an applicant or a licensed entity may not, until the
11 expiration of two years following termination of
12 employment, employ or retain the individual.

13 (ii) Violation of this subparagraph shall result in
14 termination of the individual's employment and subject
15 the violator to section 3905(c) (relating to prohibited
16 acts and penalties).

17 (4) (i) A prospective employee who, upon employment,
18 would be subject to this subsection must, as a condition
19 of employment, sign an affidavit that the prospective
20 employee will not violate paragraph (1) or (2).

21 (ii) If the prospective employee fails to sign the
22 affidavit, the board shall rescind an offer of employment
23 and may not employ the individual.

24 (b) Contractor restrictions.--The following shall apply to
25 an independent contractor of the board and to an employee of an
26 independent contractor whose duties substantially involve
27 consultation relating to licensing, enforcement, development of
28 law, promulgation of regulations or development of policy
29 relating to video gaming under this part:

30 (1) The person may not, for a period of one year

1 following termination of the contract with the board, be
2 retained by an applicant or a licensed entity or by an
3 affiliate, intermediary, subsidiary or holding company of an
4 applicant or a licensed entity.

5 (2) The person may not, for a period of two years
6 following termination of the contract with the board, appear
7 before the board in a hearing or proceeding or participate in
8 activity on behalf of an applicant, licensee or licensed
9 entity or on behalf of an affiliate, intermediary, subsidiary
10 or holding company of an applicant, licensee or licensed
11 entity.

12 (3) (i) An applicant or a licensed entity or an
13 affiliate, intermediary, subsidiary or holding company of
14 an applicant or a licensee may not, until the expiration
15 of one year following termination of the contract with
16 the board, employ or retain the person.

17 (ii) A knowing violation of this subparagraph shall
18 result in termination of the person's employment and
19 subject the violator to section 3905(c).

20 (4) (i) Each contract between the board and an
21 independent contractor that involves the duties specified
22 in this subsection shall contain a provision requiring
23 the independent contractor to sign an affidavit that the
24 independent contractor will not violate paragraph (1) or
25 (2).

26 (ii) If the independent contractor fails to sign the
27 affidavit, the board may not enter into the contract or
28 must terminate the contract.

29 (5) (i) An independent contractor shall require a
30 prospective employee whose employment would involve the

1 duties specified in this subsection to sign an affidavit
2 that the prospective employee will not violate paragraph
3 (1) or (2).

4 (ii) If the prospective employee fails to sign the
5 affidavit, the independent contractor shall rescind an
6 offer of employment and may not employ the individual.

7 (c) Construction.--Nothing under subsection (a) or (b) shall
8 be construed to prevent a current or former employee of the
9 board, a current or former independent contractor or a current
10 or former employee of an independent contractor from appearing
11 before the board in a hearing or proceeding as a witness or
12 testifying as to any fact or information.

13 (d) Ethics commission.-

14 (1) The State Ethics Commission shall issue a written
15 determination of whether a person is subject to subsection
16 (a) or (b) upon the written request of the person or the
17 person's employer or potential employer. A person that relies
18 in good faith on a determination issued under this paragraph
19 shall not be subject to a penalty for an action taken,
20 provided that all material facts specified in the request for
21 the determination are correct.

22 (2) (i) The State Ethics Commission shall publish a
23 list of all employment positions within the board and
24 employment positions within independent contractors whose
25 duties would subject the individuals in those positions
26 to the provisions of subsections (a) and (b).

27 (ii) The board and each independent contractor shall
28 assist the State Ethics Commission in the development of
29 the list, which shall be published by the State Ethics
30 Commission in the Pennsylvania Bulletin biennially and

1 posted by the board on the board's publicly accessible
2 Internet website.

3 (iii) Upon request, employees of the board and each
4 independent contractor shall provide the State Ethics
5 Commission with adequate information to accurately
6 develop and maintain the list.

7 (iv) The State Ethics Commission may impose a civil
8 penalty under 65 Pa.C.S. § 1109(f) (relating to
9 penalties) upon an individual who fails to cooperate with
10 the State Ethics Commission under this paragraph.

11 (v) An individual who relies in good faith on the
12 list published by the State Ethics Commission shall not
13 be subject to a penalty for a violation of subsection (a)
14 or (b).

15 § 4303. Financial and employment interests.

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

27 (b) Employment.--Except as may be provided by rule or order
28 of the Pennsylvania Supreme Court and except as provided in
29 section 1202.1 (relating to code of conduct) or 4304 (relating
30 to additional restrictions), no executive-level public employee,

1 public official or party officer, or an immediate family member
2 thereof, shall be employed by an applicant or licensee, or by a
3 holding company, affiliate, intermediary or subsidiary thereof,
4 while the individual is an executive-level public employee,
5 public official or party officer and for one year following
6 termination of the individual's status as an executive-level
7 public employee, public official or party officer.

8 (c) Complimentary services.--

9 (1) No executive-level public employee, public official
10 or party officer, or an immediate family member thereof,
11 shall solicit or accept a complimentary service from an
12 applicant or licensee, or from an affiliate, intermediary,
13 subsidiary or holding company thereof, which the executive-
14 level public employee, public official or party officer, or
15 an immediate family member thereof, knows or has reason to
16 know is other than a service or discount which is offered to
17 members of the general public in like circumstances.

18 (2) No applicant or licensee, or an affiliate,
19 intermediary, subsidiary or holding company thereof, shall
20 offer or deliver to an executive-level public employee,
21 public official or party officer, or an immediate family
22 member thereof, a complimentary service from the applicant or
23 licensee, or an affiliate, intermediary, subsidiary or
24 holding company thereof, that the applicant or licensee, or
25 an affiliate, intermediary, subsidiary or holding company
26 thereof, knows or has reason to know is other than a service
27 or discount that is offered to members of the general public
28 in like circumstances.

29 (d) Grading.--An individual who violates this section
30 commits a misdemeanor of the third degree and shall, upon

1 conviction, be sentenced to pay a fine of not more than \$1,000
2 or to imprisonment for not more than one year, or both.

3 (e) Divestiture.--

4 (1) An executive-level public employee, public official
5 or party officer, or an immediate family member thereof, who
6 holds a financial interest prohibited by this section shall
7 divest the financial interest within three months of the
8 effective date of this section, as applicable.

9 (2) An executive-level public employee, public official,
10 party officer or immediate family member shall have 30 days
11 from the date the individual knew or had reason to know of
12 the violation or 30 days from the publication in the
13 Pennsylvania Bulletin under section 3301(b)(12) (relating to
14 powers of board) of the application or licensure of the
15 executive-level public employee, public official, party
16 officer or immediate family member, whichever occurs earlier,
17 to divest the financial interest.

18 (3) The State Ethics Commission may, for good cause,
19 extend the time period under this subsection.

20 (f) State Ethics Commission.--The State Ethics Commission
21 shall do all of the following:

22 (1) (i) Issue a written determination of whether a
23 person is subject to subsection (a), (b) or (c) upon the
24 written request of the person or another person that may
25 have liability for an action taken with respect to the
26 person.

27 (ii) A person that relies in good faith on a
28 determination made under this paragraph shall not be
29 subject to penalty for an action taken, provided that all
30 material facts specified in the request for the

1 determination are correct.

2 (2) (i) Publish a list of all State, county, municipal
3 and other government positions that meet the definitions
4 of "public official" as defined under subsection (g) or
5 "executive-level public employee" as defined under
6 section 3102 (relating to definitions).

7 (ii) The Office of Administration shall assist the
8 State Ethics Commission in the development of the list,
9 which list shall be published by the State Ethics
10 Commission in the Pennsylvania Bulletin biennially and
11 posted by the board on the board's publicly accessible
12 Internet website.

13 (iii) Upon request, a public official shall provide
14 the State Ethics Commission with adequate information to
15 accurately develop and maintain the list.

16 (iv) The State Ethics Commission may impose a civil
17 penalty under 65 Pa.C.S. § 1109(f) (relating to
18 penalties) upon an individual, including a public
19 official or executive-level public employee, who fails to
20 cooperate with the State Ethics Commission under this
21 subsection.

22 (v) A person that relies in good faith on the list
23 published by the State Ethics Commission shall not be
24 subject to penalty for a violation of this section.

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

28 "Applicant." A person applying for a manufacturer license,
29 supplier license or terminal operator license under this part.

30 "Financial interest." Owning or holding, or being deemed to

1 hold, debt or equity securities or other ownership interest or
2 profits interest. A financial interest shall not include a debt
3 or equity security, or other ownership interest or profits
4 interest, which is held or deemed to be held in any of the
5 following:

6 (1) A blind trust over which the executive-level public
7 employee, public official, party officer or immediate family
8 member thereof may not exercise any managerial control or
9 receive income during the tenure of office and the period
10 under subsection (a). The provisions of this paragraph shall
11 apply only to blind trusts established prior to the effective
12 date of this section.

13 (2) Securities that are held in a pension plan, profit-
14 sharing plan, individual retirement account, tax-sheltered
15 annuity, a plan established pursuant to section 457 of the
16 Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §
17 1 et seq.) or a successor provision deferred compensation
18 plan whether qualified or not qualified under the Internal
19 Revenue Code of 1986 or any successor provision or other
20 retirement plan that:

21 (i) is not self-directed by the individual; and
22 (ii) is advised by an independent investment adviser
23 who has sole authority to make investment decisions with
24 respect to contributions made by the individual to these
25 plans.

26 (3) A tuition account plan organized and operated under
27 section 529 of the Internal Revenue Code of 1986 that is not
28 self-directed by the individual.

29 (4) A mutual fund where the interest owned by the mutual
30 fund in a licensed entity does not constitute a controlling

1 interest as defined in this part.

2 "Immediate family." A spouse, minor child or unemancipated
3 child.

4 "Licensee." A manufacturer licensee, supplier licensee or a
5 terminal operator licensee.

6 "Party officer." A member of a national committee; a
7 chairperson, vice chairperson, secretary, treasurer or counsel
8 of a State committee or member of the executive committee of a
9 State committee; a county chairperson, vice chairperson,
10 counsel, secretary or treasurer of a county committee in which a
11 licensed facility is located; or a city chairperson, vice
12 chairperson, counsel, secretary or treasurer of a city committee
13 of a city in which a licensed facility is located.

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

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

18 (2) A member of the Senate or House of Representatives
19 of the Commonwealth.

20 (3) An individual elected or appointed to an office of a
21 county or municipality that directly receives a distribution
22 of revenue under this part.

23 (4) An individual elected or appointed to a department,
24 agency, board, commission, authority or other governmental
25 body not included in paragraph (1), (2) or (3) that directly
26 receives a distribution of revenue under this part.

27 (5) An individual elected or appointed to a department,
28 agency, board, commission, authority, county, municipality or
29 other governmental body not included in paragraph (1), (2) or
30 (3) with discretionary power that may influence or affect the

1 outcome of an action or decision and who is involved in the
2 development of regulation or policy relating to a licensed
3 entity or is involved in other matters under this part.

4 § 4304. Additional restrictions.

5 (a) Restrictions.--

6 (1) No individual trooper or employee of the
7 Pennsylvania State Police or employee of the Office of
8 Attorney General or the department whose duties substantially
9 involve licensing or enforcement, the development of laws or
10 the development or adoption of regulations or policy related
11 to gaming under this part or who has other discretionary
12 authority that may affect or influence the outcome of an
13 action, proceeding or decision under this part may do any of
14 the following:

15 (i) Accept employment with or be retained by an
16 applicant or licensed entity, or an affiliate,
17 intermediary, subsidiary or holding company of an
18 applicant or licensed entity, for a period of two years
19 after the termination of employment.

20 (ii) (A) Appear before the board in a hearing or
21 proceeding or participate in other activity on behalf
22 of an applicant, licensee or licensed entity, or an
23 affiliate, intermediary, subsidiary or holding
24 company of an applicant, licensee or licensed entity,
25 for a period of two years after termination of
26 employment.

27 (B) Nothing in this paragraph shall be construed
28 to prevent a current or former trooper or employee of
29 the Pennsylvania State Police, the Office of Attorney
30 General or the department from appearing before the

1 board in a proceeding or hearing as a witness or
2 testifying as to a fact or information.

3 (2) As a condition of employment, a potential employee
4 who would be subject to this subsection shall sign an
5 affidavit that the individual will not accept employment with
6 or be retained by an applicant or licensed entity, or an
7 affiliate, intermediary, subsidiary or holding company of an
8 applicant or licensed entity, for a period of two years after
9 the termination of employment.

10 (b) Employment or retention.--

11 (1) No applicant or licensed entity or an affiliate,
12 intermediary, subsidiary or holding company of an applicant
13 or licensed entity may employ or retain an individual subject
14 to subsection (a) until the expiration of the period required
15 in subsection (a)(1)(i).

16 (2) An applicant or licensed entity, or an affiliate,
17 intermediary, subsidiary or holding company of an applicant
18 or licensed entity, that knowingly employs or retains an
19 individual in violation of this subsection shall terminate
20 the employment of the individual and be subject to penalty
21 under section 1518(c) (relating to prohibited acts;
22 penalties).

23 (c) Violation.--If an individual subject to subsection (a)
24 refuses or otherwise fails to sign an affidavit, the
25 individual's potential employer shall rescind the offer of
26 employment.

27 (d) Code of conduct.--

28 (1) The Pennsylvania State Police, Office of Attorney
29 General and department each shall adopt a comprehensive code
30 of conduct that supplements all other requirements under this

1 part and 65 Pa.C.S. Pt. II (relating to accountability), as
2 applicable, and shall provide guidelines applicable to
3 troopers, employees, independent contractors of the agency
4 whose duties substantially involve licensing or enforcement,
5 the development of laws or the development or adoption of
6 regulations or policy related to video gaming under this part
7 or who have other discretionary authority that may affect the
8 outcome of an action, proceeding or decision under this part,
9 and the immediate families of these individuals to enable
10 them to avoid a perceived or actual conflict of interest and
11 to promote public confidence in the integrity and
12 impartiality of video gaming enforcement and regulation.

13 (2) At a minimum, the code of conduct adopted under this
14 section shall apply the types of restrictions applicable to
15 members under section 1202.1(c) (relating to code of
16 conduct), except that the restrictions under section
17 1202.1(c) (5) shall not apply to an elected Attorney General.

18 (e) State Ethics Commission.--The State Ethics Commission
19 shall do all of the following:

20 (1) (i) Issue a written determination of whether an
21 individual is subject to subsection (a) upon the written
22 request of the individual or the individual's employer or
23 potential employer.

24 (ii) A person that relies in good faith on a
25 determination made under this paragraph shall not be
26 subject to penalty for an action taken, provided that all
27 material facts specified in the request for the
28 determination are correct.

29 (2) (i) Publish a list of all positions within the
30 Pennsylvania State Police, the Office of Attorney General

1 and the department the duties of which would subject the
2 individuals in those positions to the provisions of
3 subsection (a).

4 (ii) Each agency subject to this subsection shall
5 assist the State Ethics Commission in the development of
6 the list, which list shall be published by the State
7 Ethics Commission in the Pennsylvania Bulletin
8 biennially, shall be posted by the board on the board's
9 publicly accessible Internet website and shall be posted
10 by each agency on the agency's publicly accessible
11 Internet website.

12 (iii) Upon request by the State Ethics Commission,
13 members and employees of each agency subject to this
14 subsection shall provide the State Ethics Commission with
15 adequate information to accurately develop and maintain
16 the list.

17 (iv) The State Ethics Commission may impose a civil
18 penalty under 65 Pa.C.S. § 1109(f) (relating to
19 penalties) upon an individual who fails to cooperate with
20 the State Ethics Commission under this subsection.

21 (v) A person who relies in good faith on the list
22 published by the State Ethics Commission shall not be
23 subject to penalty for a violation of subsection (a).

24 § 4305. Political influence.

25 (a) Contribution restriction.--The following persons shall
26 be prohibited from contributing money or an in-kind contribution
27 to a candidate for nomination or election to a public office in
28 this Commonwealth, to a political party committee or other
29 political committee in this Commonwealth or to a group,
30 committee or association organized in support of a candidate,

1 political party committee or other political committee in this
2 Commonwealth:

3 (1) An applicant for a terminal operator license,
4 manufacturer license, supplier license, principal license or
5 a key employee license.

6 (2) A terminal operator licensee, manufacturer licensee
7 or supplier licensee.

8 (3) A licensed principal or licensed key employee of a
9 terminal operator licensee, manufacturer licensee or supplier
10 licensee.

11 (4) An affiliate, intermediary, subsidiary or holding
12 company of a terminal operator licensee, manufacturer
13 licensee or supplier licensee.

14 (5) A licensed principal or licensed key employee of an
15 affiliate, intermediary, subsidiary or holding company of a
16 terminal operator licensee, manufacturer licensee or supplier
17 licensee.

18 (6) A person who holds a similar video gaming license in
19 another jurisdiction and the affiliates, intermediaries,
20 subsidiaries, holding companies, principals or key employees
21 thereof.

22 (b) Contributions to certain associations and organizations
23 barred.--No individual prohibited from making political
24 contributions under subsection (a) may make a political
25 contribution of money or an in-kind contribution to an
26 association or organization, including a nonprofit organization,
27 that has been solicited by, or knowing that the contribution or
28 a portion thereof will be contributed to, the elected official,
29 executive-level public employee or candidate for nomination or
30 election to a public office in this Commonwealth.

1 (c) Internet website.--

2 (1) The board shall establish a publicity accessible
3 Internet website that includes a list of all applicants for
4 and holders of a terminal operator license, manufacturer
5 license or supplier license and the affiliates,
6 intermediaries, subsidiaries, holding companies, principals
7 and key employees thereof, all persons holding a similar
8 video gaming license in another jurisdiction, and the
9 affiliates, intermediaries, subsidiaries, holding companies,
10 principals and key employees thereof, and other entity in
11 which the applicant or licensee has a debt or an equity
12 security or other ownership or profits interest. An applicant
13 or licensee shall notify the board within seven days of the
14 discovery of a change in or addition to the information. The
15 list shall be published semiannually in the Pennsylvania
16 Bulletin.

17 (2) No individual who acts in good faith and in reliance
18 on the information on the board's publicly accessible
19 Internet website shall be subject to penalty or liability
20 imposed for a violation of this section.

21 (3) The board shall request the information required
22 under paragraph (1) from a person licensed in another
23 jurisdiction who does not hold a license in this Commonwealth
24 and from regulatory agencies in the other jurisdiction. If a
25 person who is a licensee in another jurisdiction refuses to
26 provide the information required under paragraph (1), the
27 person and its officers, directors or persons with a
28 controlling interest shall be ineligible to receive a license
29 under this part.

30 (d) Annual certification.--The chief executive officer, or

1 other appropriate individual, of each applicant for a terminal
2 operator license, manufacturer license or supplier license, or
3 manufacturer licensee, supplier licensee or terminal operator
4 licensee, shall annually certify under oath to the board and the
5 Department of State that the applicant or supplier licensee,
6 manufacturer licensee or terminal operator licensee has
7 developed and implemented internal safeguards and policies
8 intended to prevent a violation of this provision and that the
9 applicant or supplier licensee, manufacturer licensee or
10 terminal operator licensee has conducted a good faith
11 investigation that has not revealed a violation of this
12 subsection during the past year.

13 (e) Penalties.--

14 (1) A violation of this section by a terminal operator
15 licensee or a person that holds a controlling interest in the
16 license, or a subsidiary company thereof, or an officer,
17 director or management-level employee of the licensee shall
18 be punishable as follows:

19 (i) A first violation of this section shall be
20 punishable by a fine equal to an amount not less than the
21 average single-day gross terminal revenue of the terminal
22 operator licensee.

23 (ii) A second violation of this section, within five
24 years of the first violation, shall be punishable by at
25 least a one-day suspension of the license held by the
26 terminal operator licensee and a fine equal to an amount
27 not less than two times the average single-day gross
28 terminal revenue of the terminal operator licensee.

29 (iii) A third violation of this section within five
30 years of the second violation shall be punishable by the

1 immediate revocation of the license held by the terminal
2 operator licensee.

3 (2) A violation of this section by a manufacturer or
4 supplier licensed under this part or by a person that holds a
5 controlling interest in such manufacturer or supplier, or a
6 subsidiary company thereof, or an officer, a director or
7 management-level employee of such a licensee shall be
8 punishable as follows:

9 (i) A first violation of this section shall be
10 punishable by a fine equal to an amount not less than a
11 single-day average of the gross profit from sales made by
12 the manufacturer or supplier in this Commonwealth during
13 the preceding 12-month period or portion thereof in the
14 event the manufacturer or supplier has not operated in
15 this Commonwealth for 12 months.

16 (ii) A second or subsequent violation of this
17 section within five years of a prior violation shall be
18 punishable by a one-month suspension of the license held
19 by the manufacturer or supplier and a fine equal to an
20 amount not less than two times a single-day average of
21 the gross profit from sales made by the manufacturer or
22 supplier in this Commonwealth during the preceding 12-
23 month period or portion thereof in the event the
24 manufacturer or supplier has not operated in this
25 Commonwealth for 12 months.

26 (3) In no event shall the fine imposed under this
27 section be an amount less than \$100,000 for each violation.
28 In addition to a fine or sanction that may be imposed by the
29 board under this subsection, an individual who makes a
30 contribution in violation of this section commits a

1 misdemeanor of the third degree.

2 (d) Definitions.--As used in this section, the following
3 words and phrases shall have the meanings given to them in this
4 subsection:

5 "Contribution." A payment, gift, subscription, assessment,
6 contract, payment for services, dues, loan, forbearance, advance
7 or deposit of money or a valuable thing made to a candidate or
8 political committee for the purpose of influencing an election
9 in this Commonwealth or for paying debts incurred by or for a
10 candidate or committee before or after an election. The term
11 includes:

12 (1) The purchase of tickets for events, including
13 dinners, luncheons, rallies and other fundraising events.

14 (2) The granting of discounts or rebates not available
15 to the general public.

16 (3) The granting of discounts or rebates by television
17 and radio stations and newspapers not extended on an equal
18 basis to all candidates for the same office.

19 (4) A payment provided for the benefit of a candidate,
20 including payment for the services of a person serving as an
21 agent of a candidate or committee by a person other than the
22 candidate or committee or person whose expenditures the
23 candidate or committee must report.

24 (5) The receipt or use of anything of value by a
25 political committee from another political committee and a
26 return on investments by a political committee.

27 "Political committee." A committee, club, association or
28 other group of persons that receives contributions or makes
29 expenditures.

30 CHAPTER 45

MISCELLANEOUS PROVISIONS

2 Sec.

3 4501. Gaming schools.

4 4502. Declaration of exemption from Federal laws prohibiting
5 video gaming terminals.

6 4503. Preemption of local taxes and license fees.

7 4504. Exclusive jurisdiction of Supreme Court.

8 4505. Funding.

9 § 4501. Gaming schools.

10 (a) Curriculum.--The Department of Labor and Industry, in
11 consultation with the Department of Education and the board,
12 shall, within 60 days following the effective date of this
13 section, develop curriculum guidelines, including minimum
14 proficiency requirements established by the board, for gaming
15 school instruction related to video gaming terminals. The
16 guidelines shall, at a minimum, establish courses of instruction
17 that will provide individuals with adequate job training
18 necessary to obtain employment as video gaming employees.

19 (b) Gaming equipment.--All gaming equipment utilized by a
20 gaming school, including video gaming and associated equipment
21 and all representations of value, shall be used for training,
22 instructional and practice purposes only. The use of the gaming
23 equipment for actual gaming by a person is prohibited.

24 (c) Possession, removal and transport of equipment.--No
25 gaming school shall possess, remove or transport, or cause to be
26 removed or transported, a video gaming terminal or associated
27 equipment except in accordance with this part.

28 (d) Serial numbers.--Each video gaming terminal and
29 associated equipment on the premises of a gaming school shall
30 have permanently affixed on it a serial number that, together

1 with the location of the video gaming terminal, is filed with
2 the board.

3 (e) Security.--Each gaming school shall provide adequate
4 security for video gaming terminals and associated equipment on
5 the gaming school premises.

6 (f) Notice to board and bureau.--No gaming school shall sell
7 or transfer a video gaming terminal or associated equipment
8 except upon prior written notice to the board and the bureau.

9 § 4502. Declaration of exemption from Federal laws prohibiting
10 video gaming terminals.

11 (a) Declaration.--Under the Gambling Devices Transportation
12 Act (64 Stat. 1134, 15 U.S.C. § 1171 et seq.), the Commonwealth
13 declares that it is exempt from section 2 of that act.

14 (b) Legal shipments.--All shipments of gambling devices, as
15 defined in section 1 of the Gambling Devices Transportation Act,
16 into this Commonwealth, the registering, recording and labeling
17 of which has been effected by the manufacturer and supplier of
18 those devices in accordance with sections 3 and 4 of the
19 Gambling Devices Transportation Act, shall be deemed legal
20 shipments of gambling devices into this Commonwealth.

21 § 4503. Preemption of local taxes and license fees.

22 (a) Statutes.--Video gaming terminals shall be exempt from
23 taxes levied under the following:

24 (1) The act of August 5, 1932 (Sp.Sess., P.L.45, No.45),
25 referred to as the Sterling Act.

26 (2) The act of December 31, 1965 (P.L.1257, No.511),
27 known as The Local Tax Enabling Act.

28 (3) 53 Pa.C.S. Pt. III Subpt. E (relating to home rule
29 and optional plan government).

30 (4) Any statute that confers taxing authority to a

1 political subdivision.

2 (b) Licensing fees.--Video gaming terminals are exempt from
3 local licensing fees.

4 § 4504. Exclusive jurisdiction of Supreme Court.

5 The Pennsylvania Supreme Court shall have exclusive
6 jurisdiction to hear a challenge to or to render a declaratory
7 judgment concerning the constitutionality of this part. The
8 Pennsylvania Supreme Court may take such action as it deems
9 appropriate, consistent with the Pennsylvania Supreme Court
10 retaining jurisdiction over the matter, to find facts or to
11 expedite a final judgment in connection with a challenge or
12 request for declaratory relief.

13 § 4505. Funding.

14 (a) Appropriation.--The General Assembly appropriates the
15 following:

16 (1) The sum of \$5,000,000 is hereby appropriated to the
17 board for the fiscal period July 1, 2017, to June 30, 2018,
18 to implement and administer the provisions of this part.

19 (2) The sum of \$3,000,000 is hereby appropriated from
20 the General Fund to the department for the fiscal period July
21 1, 2017, to June 30, 2018, to prepare for, implement and
22 administer the provisions of this part.

23 (3) The sum of \$2,000,000 is hereby appropriated from
24 the General Fund to the Pennsylvania State Police for the
25 fiscal period July 1, 2017, to June 30, 2018, to prepare for,
26 implement and administer the provisions of this part.

27 (b) Repayment required.--The money appropriated under this
28 section shall be repaid to the General Fund from the Video
29 Gaming Fund according to a schedule adopted by the board under
30 subsection (c).

1 (c) Repayment schedule.--

2 (1) The board shall assess terminal operator licensees
3 for payment to the Video Gaming Fund in an aggregate amount
4 equal to the appropriations under subsection (a) beginning
5 two years from the date the board authorizes the first video
6 gaming terminal to be connected to the central control
7 computer system and is made available for public use.

8 (2) The board shall adopt a repayment schedule that
9 assesses to each terminal licensee the amount that is
10 proportional to each terminal operator licensee's gross
11 terminal revenue.

12 (3) The repayment schedule adopted by the board shall
13 require payments made under this section to be repaid to the
14 General Fund no later than July 1, 2022.

15 (d) Unused amounts.--On July 1, 2018, any portion of amounts
16 appropriated under this section that are unexpended,
17 unencumbered or uncommitted as of June 30 of the prior fiscal
18 year shall automatically be transferred to the General Fund.

19 Section 9. Section 5513 of Title 18 is amended to read:

20 § 5513. Gambling devices, gambling, etc.

21 (a) Offense defined.--[A] Except as otherwise provided for
22 in subsections (a.1) and (a.2), a person is guilty of a
23 misdemeanor of the first degree if he:

24 (1) intentionally or knowingly makes, assembles, sets
25 up, maintains, sells, lends, leases, gives away, or offers
26 for sale, loan, lease or gift, any punch board, drawing
27 card[, slot machine] or any device to be used for gambling
28 purposes, except playing cards;

29 (2) allows persons to collect and assemble for the
30 purpose of unlawful gambling at any place under his control;

1 (3) solicits or invites any person to visit any unlawful
2 gambling place for the purpose of gambling; or

3 (4) being the owner, tenant, lessee or occupant of any
4 premises, knowingly permits or suffers the same, or any part
5 thereof, to be used for the purpose of unlawful gambling.

6 (a.1) Electronic video monitor.--A person commits a
7 [misdemeanor of the first] felony of the third degree if he
8 owns, operates, maintains, places into operation or has a
9 financial interest in an electronic video monitor or business
10 that owns, operates, maintains or places into operation or has a
11 financial interest in an electronic video monitor:

12 (1) which is offered or made available to persons to
13 play or participate in a simulated gambling program for
14 direct or indirect consideration, including consideration
15 associated with a related product, service or activity; and

16 (2) for which the person playing the simulated gambling
17 program may become eligible for a cash or cash-equivalent
18 prize, whether or not the eligibility for or value of the
19 cash or cash-equivalent prize is determined by or has any
20 relationship to the outcome of or play of the simulated
21 gambling program.

22 (a.2) Gaming machine.--A person commits a felony of the
23 third degree if he owns, operates, maintains, places into
24 operation or has a financial interest in a gaming machine or
25 business that owns, operates, maintains or places into
26 operation or has a financial interest in a gaming machine.

27 (b) Confiscation of gambling devices.--Any gambling device
28 or gaming machine possessed or used in violation of the
29 provisions of [subsection (a)] subsections (a), (a.1) and (a.2)
30 of this section shall be seized and forfeited to the

1 Commonwealth. All provisions of law relating to the seizure,
2 summary and judicial forfeiture, and condemnation of
3 intoxicating liquor shall apply to seizures and forfeitures
4 under the provisions of this section.

5 (c) Antique slot machines.--

6 (1) [A slot machine shall be established as an] An
7 antique slot machine shall not be considered a gaming machine
8 or an illegal gambling device if the defendant shows by a
9 preponderance of the evidence that it was manufactured at
10 least 25 years before the current year and that it was not
11 used or attempted to be used for any unlawful purposes.
12 Notwithstanding subsection (b), no antique slot machine
13 seized from any defendant shall be destroyed or otherwise
14 altered until the defendant is given an opportunity to
15 establish that the slot machine is an antique slot machine.
16 After a final court determination that the slot machine is an
17 antique slot machine, the slot machine shall be returned
18 pursuant to the provisions of law providing for the return of
19 property; otherwise, the slot machine shall be destroyed.

20 (2) It is the purpose of this subsection to protect the
21 collection and restoration of antique slot machines not
22 presently utilized for gambling purposes.

23 (d) Shipbuilding business.--Notwithstanding any other
24 provisions of this section, a person may construct, deliver,
25 convert or repair a vessel that is equipped with gambling
26 devices if all of the following conditions are satisfied:

27 (1) The work performed on the vessel is ordered by a
28 customer who uses or possesses the vessel outside of this
29 Commonwealth in a locality where the use or possession of the
30 gambling devices on the vessel is lawful.

1 (2) The work performed on the vessel that is equipped
2 with gambling devices is performed at a shipbuilding or
3 repair yard located within a port facility under the
4 jurisdiction of any port authority organized under the act of
5 December 6, 1972 (P.L.1392, No.298), known as the Third Class
6 City Port Authority Act.

7 (3) The person provides the Office of Attorney General,
8 prior to the importation of the gambling devices into this
9 Commonwealth, records that account for the gambling devices,
10 including the identification number affixed to each gambling
11 device by the manufacturer, and that identify the location
12 where the gambling devices will be stored prior to the
13 installation of the gambling devices on the vessel.

14 (4) The person stores the gambling devices at a secured
15 location and permits any person authorized to enforce the
16 gambling laws to inspect the location where the gambling
17 devices are stored and records relating to the storage of the
18 gambling devices.

19 (5) If the person removes used gambling devices from a
20 vessel, the person shall provide the Office of Attorney
21 General of Pennsylvania with an inventory of the used
22 gambling devices prior to their removal from the vessel. The
23 inventory shall include the identification number affixed to
24 each gambling device by the manufacturer.

25 (6) The person submits documentation to the Office of
26 Attorney General of Pennsylvania no later than 30 days after
27 the date of delivery that the vessel equipped with gambling
28 devices has been delivered to the customer who ordered the
29 work performed on the vessel.

30 (7) The person does not sell a gambling device to any

1 other person except to a customer who shall use or possess
2 the gambling device outside of this Commonwealth in a
3 locality where the use or possession of the gambling device
4 is lawful. If a person sells a gambling device to such a
5 customer, the person shall submit documentation to the Office
6 of Attorney General of Pennsylvania no later than 30 days
7 after the date of delivery that the gambling device has been
8 delivered to the customer.

9 (e) Penalty.--Any person who fails to provide records as
10 provided in subsection (d) commits a summary offense.

11 (e.1) Construction.--Nothing in this section shall be
12 construed to prohibit any activity that is lawfully conducted
13 under any of the following:

14 (1) The act of August 26, 1971 (P.L.351, No.91), known
15 as the State Lottery Law.

16 (2) The act of July 10, 1981 (P.L.214, No.67), known as
17 the Bingo Law.

18 (3) The act of December 19, 1988 (P.L.1262, No.156),
19 known as the Local Option Small Games of Chance Act.

20 (4) 4 Pa.C.S. (relating to amusements).

21 (f) Definitions.--The following words and phrases when used
22 in this section shall have the meanings given to them in this
23 subsection unless the context clearly indicates otherwise:

24 "Coin-operated amusement game." A machine that requires the
25 insertion of a coin, currency or token to play or activate a
26 game, the outcome of which is predominantly and primarily
27 determined by the skill of the player.

28 "Consideration associated with a related product, service or
29 activity." Money or other value collected for a product,
30 service or activity which is offered in any direct or indirect

1 relationship to playing or participating in the simulated
2 gambling program. The term includes consideration paid for
3 computer time, Internet time, telephone calling cards and a
4 sweepstakes entry.

5 "Electronic video monitor." An electronic device capable of
6 showing moving or still images.

7 "Gaming machine." An electronic or mechanical device or game
8 that directly or indirectly requires consideration to play, has
9 the outcome of play determined primarily by chance and rewards a
10 player cash, prize or anything of value. The term includes a
11 video gaming terminal as defined in 4 Pa.C.S. § 3102 (relating
12 to definitions) that does not contain an irremovable
13 identification plate as specified in 4 Pa.C.S. § 3701 (relating
14 to testing and certification of terminals).

15 "Simulated gambling program." Any method intended to be used
16 by a person interacting with an electronic video monitor in a
17 business establishment that directly or indirectly implements
18 the predetermination of sweepstakes cash or cash-equivalent
19 prizes or otherwise connects the sweepstakes player or
20 participant with the cash or cash-equivalent prize.

21 Section 10. No person may be charged with a violation of 18
22 Pa.C.S. § 5513 involving a gambling device or gaming machine if
23 the person surrenders the gambling device or gaming machine to
24 the Pennsylvania State Police within 60 days of the effective
25 date of this section.

26 Section 11. Repeals are as follows:

27 (1) The General Assembly finds that the repeal under
28 paragraph (2) is necessary to effectuate the amendment of 4
29 Pa.C.S. § 1307(a).

30 (2) Section 21(2) of the act of January 1, 2010 (P.L.1,

1 No.1), is repealed.

2 Section 12. This act shall take effect immediately.