

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1796 Session of
2017

INTRODUCED BY KORTZ, BURNS, WARNER, READSHAW, BARBIN, DeLUCA AND
D. COSTA, SEPTEMBER 19, 2017

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, SEPTEMBER 19, 2017

AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated
2 Statutes, providing for video gaming; and establishing the
3 Video Gaming Account and the City of the First Class Nuisance
4 Bar Enforcement Tax Force Account.

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

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

9 CHAPTER 11A

10 VIDEO GAMING

11 Sec.

12 11A01. Definitions.

13 11A02. Powers and duties of board.

14 11A03. Authority of department.

15 11A04 Licensing of manufacturers, suppliers, terminal operators
16 and service technicians.

17 11A05. Video gaming license.

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19 11A07. Multiple types of licenses prohibited.

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6 11A13. Enforcement.
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8 11A15. Taxes and assessments.
9 11A16. Municipal share assessment.
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11 11A18. Transfers from Video Gaming Account.
12 11A19. Initial funding.
13 11A20. Preemption of local taxes and license fees.
14 11A21. Exemption from State gaming laws.
15 11A22. Exemption from Federal regulation.
16 11A23. Preemption.
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18 11A25. Provisional licenses.
19 11A26. Temporary video gaming regulations.
20 11A27. City of the First Class Nuisance Bar Enforcement Task
21 Force Account.
22 11A28. Report.
23 11A29. Expiration.
24 § 11A01. Definitions.

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

28 "Central computer system." A central site computer system
29 controlled by the department and accessible by the board that at
30 all times is connected to video gaming terminals at licensed

establishments and that, at a minimum, is capable of monitoring,
communicating, auditing, retrieving information, generating
games, activating and disabling each video gaming terminal.

"Club." A club as defined under section 102 of the act of
April 12, 1951 (P.L.90, No.21), known as the Liquor Code, which:

(1) is a nonprofit organization under section 501(c)(3)
of the Internal Revenue Code of 1986 (Public Law 99-514, 26
U.S.C. § 501(c)(3)); and

(2) operates under a valid liquor or malt or brewed
beverage license under Article IV of the Liquor Code.

"Coin-operated amusement game." A machine that requires the
insertion of a coin, currency or token to play or activate a
game, the outcome of which is predominantly and primarily
determined by the skill of the player. The term does not include
a video gaming terminal.

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

"Gaming machine." A device or game that has the outcome of
play primarily determined by chance. The term includes an
antique slot machine under 18 Pa.C.S. § 5513(c) (relating to
gambling devices, gambling, etc.) when used for profit. The term
shall not include any of the following:

(1) A coin-operated amusement game.

(2) A video gaming terminal that has all of its seals or
identification plates.

(3) A slot machine as defined under section 1103
(relating to definitions).

(4) A game of chance under the act of December 19, 1988
(P.L.1262, No.156), known as the Local Option Small Games of
Chance Act.

(5) A lottery terminal used under the act of August 26,

1 1971 (P.L.351, No.91), known as the State Lottery Law.

2 "Gross revenue." The total of cash or cash equivalents used
3 for the play of a video gaming terminal minus cash or cash
4 equivalent paid to players as a result of playing a video gaming
5 terminal.

6 "Incentive." Any consideration, including a promotion or
7 prize, provided from a licensee under this chapter or an
8 employee of a licensee to a patron of a licensed establishment
9 as an enticement to play a video gaming terminal.

10 "Inducement." Any consideration paid directly or indirectly,
11 from a terminal operator, employee of the terminal operator or
12 any other person on behalf of the terminal operator, to a
13 licensed establishment owner or an employee of the licensed
14 establishment, directly or indirectly as an enticement to
15 solicit or maintain the licensed establishment owner's business.
16 The term includes cash, a gift, a loan and prepayment of gross
17 revenue.

18 "Licensed establishment." A club with a video gaming license
19 granted under section 11A06 (relating to license prohibitions).

20 "Manufacturer." A person that manufactures, builds,
21 fabricates, designs, produces, assembles or otherwise modifies
22 video gaming terminals or major parts and components of video
23 gaming terminals.

24 "Redemption terminal." The collective hardware, software,
25 communications technology and other ancillary equipment used to
26 facilitate the payment of cash or cash equivalent to a player as
27 a result of playing a video gaming terminal.

28 "Service technician." A person that services, maintains or
29 repairs video gaming terminals.

30 "State Lottery." The lottery established and operated under

1 the act of August 26, 1971 (P.L.351, No.91), known as the State
2 Lottery Law.

3 "Supplier." A person that sells, leases, offers or otherwise
4 provides, distributes or services any video gaming terminal,
5 redemption terminal or associated equipment to a licensed
6 terminal operator for use or play in this Commonwealth.

7 "Terminal operator." A person that owns, services or
8 maintains video gaming terminals for placement and operation in
9 licensed establishments.

10 "Video gaming license." A license issued by the board
11 authorizing the placement and operation of video gaming
12 terminals at the licensed establishment specified in the
13 application for licensure.

14 "Video gaming terminal." A device or terminal:

15 (1) that, upon insertion of a coin or currency, will
16 play or simulate the play of a video poker, bingo, keno, slot
17 machine, blackjack or any other game authorized by the board;

18 (2) that utilizes a video display and microprocessor;
19 and

20 (3) in which, by the skill of the player or by chance,
21 the player may receive a free game or credit that may be
22 redeemed for cash at a redemption terminal.

23 "Video gaming terminal area." The area of a licensed
24 establishment's premises where video gaming terminals are
25 installed for operation and play.

26 § 11A02. Powers and duties of board.

27 (a) General powers.--The board shall regulate and adopt
28 standards for video gaming as authorized under this chapter.

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

1 (1) To require background investigations on applicants
2 and licensees under the jurisdiction of the board.

3 (2) To issue, approve, renew, revoke, suspend, condition
4 or deny issuance or renewal of all licenses or permits that
5 may be required by the board under this chapter.

6 (3) To suspend, condition or deny the issuance or
7 renewal of a license or permit or levy a fine or other
8 sanction for a violation of this chapter.

9 (4) To authorize acceptable forms of identification that
10 each video gaming terminal must utilize to establish a
11 person's identity and age prior to play of a video gaming
12 terminal.

13 (5) To determine the adequacy of a licensed
14 establishment's site plans for identifying the proposed video
15 gaming terminal area and security and surveillance measures
16 related to the operation of video gaming terminals.

17 (6) In addition to the power of the board relating to
18 license and permit applicants, to determine the suitability
19 of an individual who furnishes or seeks to furnish to a
20 licensed terminal operator directly or indirectly goods,
21 services or property related to video gaming terminals,
22 redemption terminals or equipment.

23 (7) To levy and collect fees and fines from applicants,
24 licensees and permittees. Fees and fines shall be deposited
25 into the Video Gaming Account.

26 (8) To publish each January in the Pennsylvania Bulletin
27 and on the board's publicly accessible Internet website a
28 complete list of individuals or entities who applied for or
29 held a terminal operator license, video gaming license,
30 manufacturer license or supplier license at any time during

1 the preceding calendar year and affiliates, intermediaries,
2 subsidiaries and holding companies thereof and the status of
3 the application or license.

4 (9) To prepare and, through the Governor, submit
5 annually to the General Assembly an itemized budget
6 consistent with Article VI of the act of April 9, 1929
7 (P.L.177, No.175), known as The Administrative Code of 1929,
8 consisting of the amounts necessary to be appropriated by the
9 General Assembly out of the accounts established under
10 section 11A17 (relating to regulatory assessments) required
11 to meet the obligations under this chapter accruing during
12 the fiscal year beginning July 1 of the following year. The
13 budget shall include itemized recommendations for the
14 department, the Bureau of Liquor Control Enforcement and the
15 Pennsylvania State Police as to the amount needed to meet
16 their obligations under this chapter.

17 (10) To prescribe and require periodic financial
18 reporting and internal control requirements for terminal
19 operator licensees.

20 (11) To require that each terminal operator licensee
21 provide to the board its annual financial statements, with
22 additional detail as the board requires, which shall be
23 submitted not later than 90 days after the end of the
24 licensee's fiscal year.

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

28 (13) To establish procedures for the inspection and
29 certification of compliance of video gaming terminals,
30 redemption terminals and associated equipment prior to being

1 placed into use by a terminal operator licensee.

2 (14) To require that no video gaming terminal may be set
3 to pay out less than 85%, as specifically approved by the
4 board.

5 (15) To maintain a list of municipalities in this
6 Commonwealth that have approved a municipal referendum under
7 section 11A14 (relating to local option).

8 § 11A03. Authority of department.

9 (a) General rule.--The department shall administer and
10 collect taxes imposed under this chapter and interest imposed
11 under section 806 of the act of April 9, 1929 (P.L.343, No.176),
12 known as The Fiscal Code, and promulgate and enforce rules and
13 regulations to carry out the department's prescribed duties in
14 accordance with this chapter, including the collection of taxes,
15 penalties and interest imposed by this chapter.

16 (b) Application of rules and regulations.--The department
17 may prescribe the extent, if any, to which any rules and
18 regulations shall be applied without retroactive effect. The
19 department shall prescribe the forms and the system of
20 accounting and recordkeeping to be employed and through the
21 department's representatives shall, at all times, have power of
22 access to and examination and audit of any equipment and records
23 relating to all aspects of the operation of video gaming
24 terminals and redemption terminals under this chapter.

25 (c) Procedure.--For purposes of implementing this chapter,
26 the department may promulgate regulations in the same manner in
27 which the board is authorized under section 11A26 (relating to
28 temporary video gaming regulations).

29 (d) Additional penalty.--A person who fails to timely remit
30 to the department or the State Treasurer amounts required under

1 this chapter shall be liable, in addition to liability imposed
2 elsewhere in this chapter, for a penalty of 5% per month up to a
3 maximum of 25% of the amounts ultimately found to be due, to be
4 recovered by the department.

5 (e) Liens and suits for taxes.--The provisions of this
6 chapter shall be subject to the provisions of sections 242 and
7 243 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax
8 Reform Code of 1971.

9 § 11A04. Licensing of manufacturers, suppliers, terminal
10 operators and service technicians.

11 (a) Application.--A person that applies to the board for a
12 manufacturer, supplier, terminal operator or service technician
13 license related to video gaming under this section shall do so
14 on a form prescribed by the board.

15 (b) Application fee.--

16 (1) An applicant for a manufacturer or supplier license
17 must pay a nonrefundable application fee of \$50,000.

18 (2) An applicant for a terminal operator license must
19 pay a nonrefundable application fee of \$10,000.

20 (3) An applicant for a service technician license must
21 pay a nonrefundable application fee of \$100.

22 (c) Production of information.--An applicant must produce
23 information, documentation and assurances as required by the
24 board, including:

25 (1) Written consent by the applicant to provide for the
26 examination of financial and business accounts, bank
27 accounts, tax returns and related records in the applicant's
28 possession or under the applicant's control that establish
29 the financial stability, integrity and responsibility of the
30 license applicant.

1 (2) Written authorization by the applicant for third
2 parties in possession or control of accounts or records under
3 paragraph (1) to allow for examination of such documents as
4 deemed necessary by the board or the Pennsylvania State
5 Police in conducting background investigations.

6 (3) If the applicant has conducted a gaming operation in
7 a jurisdiction that permits such activity, a letter of
8 reference from the gaming or casino enforcement or control
9 agency that specifies the experience of the agency with the
10 applicant, the applicant's associates and the applicant's
11 gaming operations. If the applicant is unable to obtain the
12 letter within 60 days of the request, the applicant may
13 submit a copy of the letter requesting the information,
14 together with a statement under oath or affirmation that,
15 during the period activities were conducted, the applicant
16 was in good standing with the appropriate gambling or casino
17 enforcement control agency.

18 (4) Information, documentation and assurances as
19 required by the board to establish the applicant's good
20 character, honesty and integrity. Information under this
21 paragraph may relate to family, habits, character,
22 reputation, business affairs, financial affairs, business
23 associates, professional associates and personal associates
24 covering the 10-year period immediately preceding the filing
25 of the application.

26 (d) Background investigation.--The Pennsylvania State Police
27 shall conduct, at the request of the board, a background
28 investigation of an applicant for a manufacturer, supplier or
29 terminal operator license as follows:

30 (1) The applicant shall consent to a background

1 investigation and provide any and all information requested
2 by the Pennsylvania State Police and consent to a release of
3 any and all information necessary for the completion of the
4 background investigation, which information shall include
5 fingerprints.

6 (2) The background investigation shall include a
7 security, criminal and credit investigation by the
8 Pennsylvania State Police, which shall include records of
9 criminal arrests and convictions, in any jurisdiction,
10 including Federal criminal history record information. The
11 investigation may utilize information about the applicant
12 compiled by the Pennsylvania Liquor Control Board. The
13 Pennsylvania State Police may share investigation information
14 with the board to the extent permitted by Federal and State
15 law as determined by the Pennsylvania State Police. None of
16 the information obtained by the Pennsylvania State Police may
17 be disclosed publicly nor be subject to disclosure under the
18 act of February 14, 2008 (P.L.6, No.3), known as the Right-
19 to-Know Law.

20 (3) The background investigation shall include an
21 examination of personal, financial or business records,
22 including tax returns, bank accounts, business accounts,
23 mortgages and contracts to which the applicant is a party or
24 has an interest.

25 (4) The background investigation shall include an
26 examination of personal or business relationships that:

27 (i) Include a partial ownership or voting interest
28 in a partnership, association or corporation.

29 (ii) Bear on the fitness of the applicant for
30 licensure.

1 (5) The applicant shall reimburse the Pennsylvania State
2 Police for the actual costs of conducting the background
3 investigation. The board may not approve an applicant that
4 has not fully reimbursed the Pennsylvania State Police for
5 the investigation.

6 (e) Eligibility.--To be eligible for a license under this
7 section, an applicant for a manufacturer, supplier, terminal
8 operator or service technician license must comply with all of
9 the following:

10 (1) Be of good moral character and reputation in the
11 community.

12 (2) Be 18 years of age or older.

13 (3) Be current in the payment of all taxes, interest and
14 penalties owed to the Commonwealth and political subdivisions
15 of the Commonwealth. This paragraph excludes taxes subject to
16 a timely administrative or judicial appeal or subject to a
17 duly authorized deferred payment plan.

18 (4) An applicant for a manufacturer, supplier or
19 terminal operator license must also demonstrate sufficient
20 financial resources to support the activities required of,
21 respectively, a manufacturer, supplier or terminal operator
22 related to video gaming terminals.

23 (f) Review and approval.--The board shall review the
24 information submitted by the applicant and the investigation
25 information provided by the Pennsylvania State Police. If being
26 satisfied that the requirements of subsection (e) have been met,
27 the board may approve the application and grant the applicant a
28 manufacturer, supplier, terminal operator or service technician
29 license consistent with all of the following:

30 (1) The license shall be valid for a period of four

1 years. Nothing in this paragraph shall be construed to
2 relieve the licensee of the affirmative duty to notify the
3 board of any change relating to the status of its license or
4 to any other information contained in application materials
5 on file with the board.

6 (2) The license shall be nontransferable.

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

8 (g) Annual fees.--

9 (1) The annual fee for a terminal operator license shall
10 be \$10,000 for a terminal operator that has placed 50 or
11 fewer video gaming terminals at licensed establishments in
12 this Commonwealth. The annual fee shall be \$25,000 for a
13 terminal operator that has placed more than 50 video gaming
14 terminals at licensed establishments in this Commonwealth.

15 (1.1) A terminal operator shall pay an additional fee of
16 \$250 per video gaming terminal located at licensed
17 establishments in a city of the first class. The funds
18 collected from this additional fee shall be deposited in the
19 City of the First Class Nuisance Bar Enforcement Task Force
20 Account.

21 (2) The annual fee for a manufacturer or supplier
22 license shall be \$10,000.

23 (3) The annual fee for a service technician license
24 shall be \$100.

25 (h) Renewal and late filing fees.--

26 (1) Ninety days prior to expiration of the license, the
27 licensee seeking renewal of the license shall submit a
28 renewal application accompanied by the annual fee or the
29 license shall be subject to appropriate late filing fees.

30 (2) If the renewal application satisfies the

1 requirements of subsection (e), the board may renew the
2 license.

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

8 (4) The board may accept renewal applications filed less
9 than 90 days before the effective date of renewal upon the
10 payment of the requisite annual fees and an additional late
11 filing fee of \$100. A renewal application filed on or after
12 the effective date of renewal shall be accompanied by the
13 requisite annual fee and an additional late filing fee of
14 \$250. A renewal application may not be considered for
15 approval unless accompanied by the requisite annual and late
16 filing fees, tax clearance and any other information required
17 by the board.

18 (i) Third-party disclosure.--An applicant must accept any
19 risk of adverse public notice, embarrassment, criticism, damages
20 or financial loss, which may result from disclosure or
21 publication by a third party of material or information
22 requested by the board pursuant to action on an application. The
23 applicant expressly must waive a claim against the board or the
24 Commonwealth and the applicant's employees from damages as a
25 result of disclosure or publication by a third party.

26 (j) Hearing upon denial.--A person that is denied a license
27 or the renewal of a license under this section has the right to
28 a hearing before the board in accordance with the provisions of
29 2 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of
30 Commonwealth agencies) and 7 Subch. A (relating to judicial

review of Commonwealth agency action).

(k) Deposit of fees.--All fees imposed and collected by the board under this section shall be deposited in the Video Gaming Account.

§ 11A05. Video gaming license.

(a) Application.--A person that applies to the board for a video gaming license under this section shall do so on a form prescribed by the board. The form shall be accompanied by:

(1) detailed site plans of the proposed video gaming terminal area; and

(2) a description of the proposed security and surveillance measures for ensuring the integrity of video gaming and preventing underage video gaming within the proposed licensed establishment.

(b) Issuance.--Subject to section 11A06 (relating to license prohibitions) and section 11A14 (relating to local option), the board shall issue a video gaming license to a club upon a showing that the club's liquor or retail dispenser license is valid and is in good standing with the Pennsylvania Liquor Control Board.

(c) Application fee.--An applicant for a video gaming license shall pay an application fee of \$100.

(d) License fee.--Upon approval for a video gaming license, a licensed establishment shall pay a licensing fee equal to \$5,000 per video gaming terminal that will be operated at the licensed establishment. Subject to the limitation contained in section 11A08(a)(1) (relating to video gaming limitations), if a licensed establishment increases the number of video gaming terminals in operation at the licensed establishment's premises after the payment of the licensing fee, the licensed

establishment shall pay a licensing fee of \$5,000 for each additional video gaming terminal. The fees under this subsection shall not apply to a licensed establishment that is a volunteer fire company.

(e) Annual fees.--Except for a year in which the licensed establishment pays the license fee under subsection (d), a licensed establishment shall pay an annual fee of \$1,000 and an annual fee of \$500 per video gaming terminal.

(e.1) Additional annual fee in cities of the first class.--A licensed establishment in a city of the first class shall pay an additional annual fee of \$500 per video gaming terminal. The funds generated from the additional fee shall be deposited in the City of the First Class Nuisance Bar Enforcement Task Force Account.

(f) Review and approval.--The board shall review the information submitted by the applicant. If satisfied that the requirements for a video gaming license have been met, the board shall approve the application and grant the applicant a video gaming license consistent with all of the following:

(1) The license shall be valid for a period of four years. Nothing in this paragraph shall be construed to relieve the licensee of the affirmative duty to notify the board of any change relating to the status of its license or to any other information contained in application materials on file with the board.

(2) The license shall be nontransferable.

(3) Any other condition established by the board.

(g) Renewal and late filing fees.--

(1) Ninety days prior to expiration of the license, the licensee seeking renewal of the license shall submit a

1 renewal application accompanied by the annual fee or the
2 license shall be subject to appropriate late filing fees.

3 (2) If the renewal application satisfies the
4 requirements for the video gaming license, the board may
5 renew the license.

6 (3) If the board receives a complete renewal application
7 but fails to act upon the renewal application prior to the
8 expiration of the license, the license shall continue in
9 effect for an additional six-month period or until acted upon
10 by the board, whichever occurs first.

11 (4) The board may accept a renewal application filed
12 less than 90 days before the effective date of renewal upon
13 the payment of the requisite license and filing fee and an
14 additional late filing fee of \$100. A renewal application
15 filed on or after the effective date of renewal shall be
16 accompanied by the requisite license and filing fee and an
17 additional late filing fee of \$250. A renewal application may
18 not be considered for approval unless accompanied by the
19 requisite annual and late filing fees, tax clearance and any
20 other information required by the board.

21 (h) Third-party disclosure.--An applicant must accept any
22 risk of adverse public notice, embarrassment, criticism, damages
23 or financial loss, which may result from disclosure or
24 publication by a third party of material or information
25 requested by the board pursuant to action on an application. The
26 applicant expressly must waive a claim against the board or the
27 Commonwealth and the applicant's employees from damages as a
28 result of disclosure or publication by a third party.

29 (i) Hearing upon denial.--A person who is denied a license
30 or the renewal of a license under this section has the right to

1 a hearing before the board in accordance with the provisions of
2 2 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of
3 Commonwealth agencies) and 7 Subch. A (relating to judicial
4 review of Commonwealth agency action).

5 (j) Prerequisite.--Notwithstanding any other provision of
6 this chapter, the board may not issue a video gaming license to
7 an applicant for a video gaming license:

8 (1) unless the applicant's proposed licensed
9 establishment is located in a municipality that has approved
10 a municipal referendum under section 11A14 (relating to local
11 option); and

12 (2) until the board has determined the adequacy of the
13 applicant's proposed site plans for identifying the proposed
14 video gaming terminal area and proposed security and
15 surveillance measures relating to the operation of video
16 gaming terminals.

17 (k) Deposit of fees.--All fees imposed and collected by the
18 board under this section shall be deposited in the Video Gaming
19 Account.

20 § 11A06. License prohibitions.

21 (a) Felony conviction prohibition.--A person that has been
22 convicted of a felony in any jurisdiction may not be issued a
23 license under this chapter.

24 (b) Gambling offense prohibition.--A person that has been
25 convicted in any jurisdiction of a gambling offense, including a
26 violation of 18 Pa.C.S. § 5513 (relating to gambling devices,
27 gambling, etc.), unless 15 years have elapsed from the date of
28 conviction for the offense, may not be issued a license under
29 this chapter.

30 (c) Factors to be considered.--Following the expiration of

any prohibition period applicable to an applicant under
subsection (b), in determining whether to issue a license, the
board shall consider the following factors:

(1) The nature and seriousness of the offense or
conduct.

(2) The circumstances under which the offense or conduct
occurred.

(3) The age of the applicant when the offense or conduct
was committed.

(4) Whether the offense or conduct was an isolated or
repeated incident.

(5) Any evidence of rehabilitation, including good
conduct in the community, counseling or psychiatric treatment
received and the recommendation of persons who have
substantial contact with the applicant.

(d) Felony offenses.--For purposes of this section, a felony
offense is any of the following:

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

(2) An offense which, under the laws of another
jurisdiction, is:

(i) classified as a felony; or

(ii) punishable by imprisonment for more than five
years.

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

§ 11A07. Multiple types of licenses prohibited.

(a) Manufacturer restriction.--A manufacturer may not be
licensed as a terminal operator or own, manage or control a

1 licensed establishment, but may be licensed as a supplier.

2 (b) Terminal operator restriction.--A terminal operator may
3 not be licensed as a manufacturer or supplier or own, manage or
4 control a licensed establishment or own, manage or control
5 premises used by a licensed establishment. A slot machine
6 licensee may be licensed as a terminal operator.

7 (c) Licensed establishment restriction.--An owner of a
8 licensed establishment may not be licensed as a manufacturer,
9 supplier, service technician or terminal operator.

10 § 11A08. Video gaming limitations.

11 (a) Licensed establishment limitations.--A licensed
12 establishment shall be subject to the following limitations:

13 (1) No more than three video gaming terminals may be
14 placed on the premises of the licensed establishment.

15 (2) With the exception of tickets indicating amounts
16 won, which are redeemable for cash, or which can be
17 reinserted into video gaming machines for play of games
18 authorized by the board, no video gaming terminal may
19 directly dispense a coin, cash, token or anything else of
20 value. The winning ticket may, however, be used in other
21 video gaming terminals in the same licensed establishment.

22 (3) Video gaming terminals may only be placed in a
23 licensed establishment by a licensed terminal operator
24 pursuant to a written placement agreement.

25 (4) (i) All video gaming terminals shall be located in
26 the video gaming terminal area.

27 (ii) It shall be unlawful for an individual under 21
28 years of age to enter and remain in any video gaming
29 area, except that an individual at least 18 years of age
30 employed by a terminal operator licensee, a gaming

1 service provider, a licensed establishment, the board or
2 another regulatory or emergency response agency may enter
3 and remain in the area while engaged in the performance
4 of the individual's employment duties.

5 (iii) The video gaming terminal area shall be in a
6 secure and visibly segregated area of the licensed
7 establishment's premises. A floor-to-ceiling wall is not
8 required.

9 (iv) A visible sign shall be posted at the entrance
10 to the video gaming terminal area stating that any
11 individual under 21 years of age is prohibited from
12 entering the area.

13 (v) The video gaming area shall, at all times, be
14 monitored by an employee of the licensed establishment,
15 who is at least 18 years of age, either directly or
16 through video surveillance.

17 (5) Except as may be approved by the board, no licensed
18 establishment may generally advertise video gaming to the
19 general public. A customer of a licensed establishment may
20 opt-in to receive written advertising materials from a
21 licensed establishment.

22 (6) No licensed establishment or employee of a licensed
23 establishment may offer an incentive to a patron of the
24 licensed establishment related to the play of a video gaming
25 terminal.

26 (7) No licensed establishment may make structural
27 alterations or significant renovations to a video gaming area
28 unless the licensed establishment has notified the licensed
29 terminal operator and obtained prior approval from the board.

30 (8) No licensed establishment may move a video gaming

1 terminal or redemption terminal after installation by a
2 licensed terminal operator, unless the licensed establishment
3 has notified the licensed terminal operator and obtained
4 prior approval from the board.

5 (9) No visibly intoxicated individual shall be permitted
6 to play a video gaming terminal.

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

10 (b) Licensed terminal operator limitations.--A licensed
11 terminal operator may place and operate video gaming terminals
12 on the premises of a licensed establishment, subject to the
13 following:

14 (1) No more than three video gaming terminals may be
15 placed on the premises of the licensed establishment.

16 (2) Redemption tickets shall only be exchanged for cash
17 through a redemption terminal located within the same video
18 gaming area or reinserted into another video gaming terminal
19 located in the same video gaming area as the video gaming
20 terminal.

21 (3) Video gaming terminals located on the premises of a
22 licensed establishment shall be placed and operated pursuant
23 to a terminal placement agreement.

24 (4) No licensed terminal operator may generally
25 advertise video gaming terminals to the general public.

26 (5) No licensed terminal operator may provide an
27 incentive.

28 (6) No licensed terminal operator may place and operate
29 video gaming terminals within a licensed facility.

30 (7) No licensed terminal operator may extend credit or

1 accept a credit card or debit card for play of a video gaming
2 terminal.

3 (8) No licensed terminal operator may give or offer to
4 give, directly or indirectly, any type of inducement to a
5 licensed establishment to secure or maintain a terminal
6 placement agreement.

7 (9) No licensed terminal operator may give a licensed
8 establishment a percentage of gross terminal revenue that is
9 less than 25% of the gross terminal revenue of the video
10 gaming terminals operating in the licensed establishment's
11 premises.

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

17 (11) No licensed terminal operator may move a video
18 gaming terminal or redemption terminal after installation
19 unless prior approval is obtained from the board.

20 (c) Penalties.--

21 (1) A person found in violation of the limitations under
22 subsection (a) or (b) shall be subject to the following
23 finer:

24 (i) A fine of not less than \$300, nor more than
25 \$1,000, for a first violation.

26 (ii) For a second or subsequent violation, a fine of
27 not less than \$1,000, nor more than \$5,000.

28 (2) The right to suspend and revoke licenses granted
29 under this chapter shall be in addition to the fines
30 enumerated in this subsection.

1 § 11A09. Video gaming terminal placement agreements.

2 (a) Intent.--It is the intent of the General Assembly that
3 the board have exclusive jurisdiction to determine the
4 enforceability and validity of terminal placement agreements as
5 is necessary and appropriate to protect the integrity of video
6 gaming in this Commonwealth.

7 (b) General rule.--Video gaming terminals may only be placed
8 in a licensed establishment by a terminal operator pursuant to a
9 written terminal placement agreement.

10 (c) Form of agreement.--The form of a terminal placement
11 agreement shall be approved by the board and kept on file and
12 available for inspection at the licensed establishment.

13 (d) Length of agreement.--A terminal placement agreement
14 shall be valid for a maximum of a 60-month term.

15 (e) Disclosure.--Any person soliciting the execution of a
16 terminal placement agreement on behalf of an applicant or
17 licensee shall be disclosed to the board. No payment may be made
18 to an individual or entity for or with respect to the
19 procurement of terminal placement agreement to an individual or
20 entity which or whom is not licensed by or disclosed to the
21 board.

22 (f) Transferability of agreements.--No terminal placement
23 agreement may be transferred or assigned unless the individual
24 or entity making the assignment and the individual or entity
25 receiving the assignment of the terminal placement agreement are
26 both applicants or licensees under this chapter.

27 (g) Provisions required.--A terminal placement agreement
28 shall include a provision that provides the licensed
29 establishment no less than 25% of gross terminal revenue from
30 each video gaming terminal located on the premises of the

1 licensed establishment.

2 (h) Void agreements.--The following apply:

3 (1) If an application for a terminal operator license is
4 denied, not renewed, revoked, surrendered or withdrawn, the
5 video gaming terminal placement agreement shall be null and
6 void.

7 (2) A terminal placement agreement not in compliance
8 with this section is void.

9 (3) Any agreement entered into by a club, prior to the
10 effective date of this section, with any person for the
11 placement, operation, service or maintenance of video gaming
12 terminals, including any agreement granting a person the
13 right to enter into an agreement or match any offer made
14 after the effective date of this section, is void.

15 § 11A10. Central computer system.

16 (a) General rule.--The department shall have overall control
17 of video gaming terminals and shall establish and procure a
18 central computer system capable of monitoring and communicating
19 with each video gaming terminal. The following shall apply:

20 (1) All video gaming terminals shall be linked to the
21 central computer system under the control of the department
22 and accessible by the board.

23 (2) All video gaming terminals shall include real-time
24 information retrieval and terminal activation and disabling
25 programs.

26 (3) The department may utilize the central control
27 computer system employed by the department to monitor slot
28 machine gaming or the State Lottery.

29 (4) All communications data collected by the central
30 computer system may be provided to the terminal operator.

1 (5) Interconnection of jackpots, pursuant to a wide area
2 progressive system, shall be allowed.

3 § 11A11. Video gaming terminal and redemption terminal.

4 (a) Specifications.--

5 (1) The board shall approve one or more video gaming
6 terminals and redemption terminals that include hardware and
7 software specifications. All video gaming terminals and
8 redemption terminals offered for play or use in this
9 Commonwealth shall conform to the approved specifications.

10 (2) The board may utilize the standards and models
11 approved by other states and may contract for the services of
12 the board's testing laboratory.

13 (b) Service contracts authorized.--The board may also
14 contract for services of one or more independent outside testing
15 laboratories that have been accredited by a national
16 accreditation body and that, in the judgment of the board, are
17 qualified to perform such examinations and tests.

18 (c) Contents of specifications.--The specifications shall
19 include:

20 (1) All video gaming terminals shall have the ability to
21 interact with the central communications system.

22 (2) Unremovable identification plates shall appear on
23 the exterior of the video gaming terminal containing the name
24 of the manufacturer and the serial and model number of the
25 video gaming terminal.

26 (3) Rules of play shall be displayed on the video gaming
27 terminal face or screen as promulgated by the board.

28 (4) A video gaming terminal may not directly dispense
29 coins, cash, tokens or any other article of exchange or value
30 except for tickets. Tickets shall be dispensed by pressing

1 the ticket dispensing button on the video gaming terminal at
2 the end of one's turn or play. The ticket shall indicate the
3 total amount of the cash award. The player shall be permitted
4 to insert the ticket into another terminal in the same
5 licensed establishment or turn in the ticket for redemption.
6 Redemption shall be made by giving the ticket to the
7 responsible person in charge who is over 18 years of age at
8 the licensed establishment or through the use of an approved
9 redemption machine. A redemption machine is required at the
10 licensed establishment if the licensed establishment has
11 three or more terminals.

12 (5) The cost of a credit shall be 1¢, 5¢, 10¢ or 25¢ and
13 the maximum wager played per game shall not exceed \$2.50. A
14 game may result in one or more prizes.

15 (6) No cash award for any individual game may exceed
16 \$1,000.

17 (7) All video gaming terminals must be designed and
18 manufactured with total accountability to include gross
19 proceeds, net profits, winning percentages and any other
20 information the board requires.

21 (8) Each video gaming terminal shall pay out a minimum
22 of 85% of the amount wagered.

23 (9) Each video gaming terminal shall be designed to
24 verify a person's identity and age prior to play of the video
25 gaming terminal. The board shall approve acceptable forms of
26 identification a video gaming terminal may utilize to verify
27 identity and age.

28 § 11A12. Unlawful acts.

29 (a) General rule.--It shall be unlawful for any person to do
30 any of the following:

1 (1) To operate or attempt to operate a video gaming
2 terminal or to receive or attempt to receive payment from a
3 redemption terminal if the person is under 21 years of age.

4 (2) To permit a person under 21 years of age to play a
5 video gaming terminal or to provide payment as a result of
6 playing video gaming to a person under 21 years of age.

7 (3) To permit a visibly intoxicated person to play a
8 video gaming terminal.

9 (4) To possess a gaming machine.

10 (5) To install or operate more video gaming terminals in
11 a licensed establishment than permitted by this chapter or
12 the board.

13 (6) To tamper with the connection of a video gaming
14 terminal to the central communications system.

15 (7) To sell, distribute, service, own, operate or place
16 on location a video gaming terminal unless the person holds
17 the appropriate license under this chapter and is in
18 compliance with all requirements of this chapter.

19 (8) As a terminal operator, to give, or offer to give,
20 directly or indirectly, any type of inducement to a club to
21 secure a video gaming terminal placement agreement.

22 (9) As a club, to accept any inducement from a terminal
23 operator or any other third party, directly or indirectly,
24 associated with a terminal operator.

25 (b) Penalties and fines.--In addition to any other penalty
26 provided by law, the following shall apply:

27 (1) Except as set forth in paragraphs (2) and (3):

28 (i) A person who violates subsection (a) commits a
29 misdemeanor of the third degree and shall, upon
30 conviction, be sentenced to pay a fine of not less than

1 \$5,000.

2 (ii) For a second or subsequent violation of
3 subsection (a), a person commits a misdemeanor of the
4 second degree and shall, upon conviction, be sentenced to
5 pay a fine of not less than \$15,000.

6 (2) A person who violates subsection (a)(1) or (3)
7 commits a summary offense. For a second or subsequent
8 violation of subsection (a)(1), a person commits a
9 misdemeanor of the third degree and shall, upon conviction,
10 be sentenced to pay a fine of not less than \$5,000.

11 (3) A person who violates subsection (a)(4) commits a
12 felony of the third degree and shall, upon conviction, be
13 subject to additional penalties as provided in subsection
14 (c).

15 (c) Seizure, forfeiture and destruction of gaming machines
16 and fines.--

17 (1) A licensee under this chapter shall consent to
18 seizure of its gaming machines. Gaming machines and the
19 proceeds of gaming machines shall be subject to seizure under
20 sections 1517(e) (relating to investigations and enforcement)
21 and 1518(f) (relating to prohibited acts; penalties).

22 (2) In the case of a gaming machine seized from a
23 licensed establishment:

24 (i) For a first violation, the penalty shall be a
25 fine of at least \$10,000 and not more than \$25,000 and a
26 suspension of the licensed establishment's liquor license
27 for not less than seven consecutive days.

28 (ii) For a second or subsequent violation, the
29 penalty shall be a fine of \$50,000 and a suspension of
30 the licensed establishment's liquor license for not less

1 than 60 consecutive days or a revocation of the
2 establishment's license.

3 (3) In the case of a gaming machine seized from a place
4 of business other than a licensed establishment:

5 (i) For a first violation, the penalty shall be a
6 fine of at least \$10,000 and not more than \$25,000
7 against the owner of the business from which the gaming
8 machine was seized and a suspension of the licensed
9 establishment's liquor license for not less than 30
10 consecutive days.

11 (ii) For a second or subsequent violation, the
12 penalty shall be a fine of \$50,000 and a suspension of
13 the licensed establishment's liquor license for not less
14 than 60 consecutive days.

15 (d) Enforcing void agreements.--In addition to any other
16 penalty authorized by law, if a person attempts to enforce an
17 agreement entered into prior to the effective date of this
18 section related to the placement, operation, service or
19 maintenance of video gaming terminals, including any agreement
20 granting a person or entity the right to enter into an agreement
21 or match any offer made after the effective date of this
22 section, the board shall assess an administrative penalty on the
23 applicant and, if applicable, revoke any license issued to the
24 applicant by the board under this chapter.

25 § 11A13. Enforcement.

26 In addition to any other law enforcement agency with
27 jurisdiction, the Bureau of Liquor Control Enforcement shall
28 have the jurisdiction and the authority to enter a business in
29 order to enforce the provisions of this chapter.

30 § 11A14. Local option.

1 (a) Election to be held.--An election may be held in a
2 municipality on the date of the primary election immediately
3 preceding any municipal election, but not more than once in four
4 years, to determine the will of the electors with respect to the
5 issuance of licenses within the limits of the municipality under
6 the provisions of this chapter. If an election was held at the
7 primary election preceding a municipal election in any year,
8 another election may be held under the provisions of this
9 chapter at the primary election occurring the fourth year after
10 the prior election. Whenever the governing body of the
11 municipality adopts, by a majority vote, a resolution to place a
12 question on the ballot and a copy of the resolution is filed
13 with the board of elections of the county, for a referendum on
14 the question of issuing licenses, the county board of elections
15 shall cause a question to be placed on the ballot or on the
16 voting machine board and submitted at the primary election
17 immediately preceding the municipal election. The question shall
18 be in the following form:

19 Do you favor the issuance of licenses to allow nonprofit
20 clubs with a valid liquor license located in the _____ of
21 _____ to place up to three video gaming terminals
22 within their establishment?

23 (b) Vote.--If a majority of the electors voting on the
24 question vote "yes," then licenses shall be issued by the board
25 in the municipality, but if a majority of the electors voting on
26 any question vote "no," then the board shall have no power to
27 issue any licenses in the municipality, unless and until, at a
28 later election, a majority of the voting electors vote "yes" on
29 the question.

30 (c) Voting proceedings.--Proceedings under this section

1 shall be in accordance with the provisions of the act of June 3,
2 1937 (P.L.1333, No.320), known as the Pennsylvania Election
3 Code.

4 (d) Applicability.--Only clubs located in municipalities
5 which have adopted the provisions of this chapter by an
6 affirmative vote in a municipal referendum in accordance with
7 the provisions of this section are eligible to apply for and be
8 issued a video gaming license under this chapter.

9 (e) Withdrawal of approval.--The referendum procedure
10 contained in this section shall also be available to withdraw
11 the approval of the issuance of licenses within a municipality
12 which was granted through a prior referendum.

13 § 11A15. Taxes and assessments.

14 (a) Video Gaming Account.--The Video Gaming Account is
15 established as a separate account in the State Treasury. Except
16 as otherwise provided in this chapter, fees, fines and taxes
17 collected under this chapter shall be deposited in the Video
18 Gaming Account. Money in the fund shall be appropriated on a
19 continuing basis for the purposes under subsection (c).

20 (b) Video gaming terminal tax and assessments.--

21 (1) The department shall determine and each licensed
22 terminal operator shall pay on a bimonthly basis:

23 (i) A tax of 50% of its gross terminal revenue from
24 all video gaming terminals operated by the licensed
25 terminal operator within this Commonwealth.

26 (ii) A municipal share assessment of an amount equal
27 to \$1,000 per video gaming terminal located within this
28 Commonwealth, divided by 24.

29 (iii) A regulatory assessment established in section
30 11A17 (relating to regulatory assessments) from the

1 licensed terminal operator's weekly gross terminal
2 revenue.

3 (2) All money owed under this section shall be held in
4 trust by the licensed terminal operator until the money is
5 paid or transferred to the Video Gaming Fund.

6 (3) Unless otherwise agreed to by the board, a licensed
7 terminal operator shall establish a separate bank account to
8 maintain gross terminal revenue until such time as the money
9 is paid or transferred under this section.

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

11 (1) Transfer the tax imposed under subsection (b) to the
12 Video Gaming Account.

13 (2) From the municipal share assessment established
14 under subsection (b)(ii), make distributions among the
15 municipalities that host licensed establishments in
16 accordance with section 11A16 (relating to municipal share
17 assessment).

18 (3) Transfer the regulatory assessment imposed under
19 subsection (b)(iii) in accordance with section 11A17.

20 (d) Duty of terminal operator.--A licensed terminal operator
21 shall continuously provide the department with records,
22 documents or other information necessary to effectuate the
23 requirements of this section.

24 § 11A16. Municipal share assessment.

25 (a) Account established.--A restricted receipts account
26 shall be established within the Video Gaming Account for the
27 deposit of a municipal share assessment amount required under
28 section 11A15 (relating to taxes and assessments). All money
29 owed under this section shall be appropriated to the department
30 for the purposes set forth in this section.

1 (b) Distribution of municipal share.--The department shall
2 distribute, in a manner and according to a schedule adopted by
3 the department, to each municipality that has one or more
4 licensed establishments an amount equal to \$1,000 per video
5 gaming terminal located in the municipality.

6 (c) Duty of terminal operator.--A licensed terminal operator
7 shall continuously provide the department with records,
8 documents or other information necessary to effectuate the
9 requirements of this section.

10 (d) Use of municipal shares.--A municipality that receives a
11 municipal share distribution from the department under
12 subsection (a) may use the funds for any purpose and as local
13 matching funds for other grants or loans from the Commonwealth.

14 (e) Reporting.--A municipality that receives a local share
15 distribution under this section shall submit information to the
16 Department of Community and Economic Development on a form
17 prepared by the Department of Community and Economic Development
18 that states the amount and use of the money received in the
19 prior fiscal year. The form shall specify whether the money
20 received was deposited in the municipality's General Fund or
21 committed to a specific project or use.

22 § 11A17. Regulatory assessments.

23 (a) Account 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 Bureau of Liquor
28 Control Enforcement and the Pennsylvania State Police in
29 carrying out their powers and duties under this chapter based
30 upon a budget submitted by the department under subsection (c).

1 (b) Bimonthly deposits.--

2 (1) The department shall determine the appropriate
3 regulatory assessment amount for each licensed terminal
4 operator, which shall be a percentage assessed on the
5 licensed terminal operator's 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 Bureau of Liquor Control Enforcement and
10 the Pennsylvania State Police in carrying out their
11 powers and duties under this chapter based upon a budget
12 submitted by the department under subsection (c); or

13 (ii) two percent of the licensed terminal operator's
14 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 chapter.

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.--

29 (1) Costs and expenses may be paid from the accounts
30 established under subsection (a) only upon appropriation by

1 the General Assembly.

2 (2) In the event that appropriations for the
3 administration of this chapter are not enacted by June 30 of
4 any year, funds appropriated for the administration of this
5 chapter which are unexpended, uncommitted and unencumbered at
6 the end of a fiscal year shall remain available for
7 expenditure by the board or other agency to which they were
8 appropriated until the enactment of an appropriation for the
9 following fiscal year.

10 § 11A18. Transfers from Video Gaming Account.

11 (a) Transfer for compulsive and problem gambling
12 treatment.--On June 30, 2018, and on the last day of each fiscal
13 year thereafter, the State Treasurer shall transfer from the
14 Video Gaming Account the sum of \$1,000,000 to the Compulsive and
15 Problem Gambling Treatment Fund established in section 1509
16 (relating to compulsive and problem gambling program).

17 (b) General Fund transfer.--On June 30, 2018, and on June 30
18 of each fiscal year thereafter, the State Treasurer shall
19 transfer the remaining balance in the Video Gaming Account that
20 is not transferred under subsection (a) to the General Fund.

21 § 11A19. Initial funding.

22 (a) Appropriation.--The General Assembly appropriates the
23 following:

24 (1) The sum of \$5,000,000 is appropriated to the board
25 for the fiscal year July 1, 2017, to June 30, 2018, to
26 implement and administer the provisions of this part.

27 (2) The sum of \$3,000,000 is appropriated from the
28 General Fund to the department for the fiscal year July 1,
29 2017, to June 30, 2018, to prepare for, implement and
30 administer the provisions of this chapter.

1 (b) Repayment required.--The money appropriated under this
2 section shall be repaid to the General Fund from the Video
3 Gaming Fund according to a schedule adopted by the board under
4 subsection (c).

5 (c) Repayment schedule.--

6 (1) The board shall assess licensed terminal operators
7 for payment to the Video Gaming Fund in an aggregate amount
8 equal to the appropriations under subsection (a) beginning
9 one year from the date the board authorizes the first video
10 gaming terminal to be connected to the central control
11 computer system and is made available for public use.

12 (2) The board shall adopt a repayment schedule that
13 assesses licensed terminal operators the amount that is
14 proportional to each licensed terminal operator's gross
15 terminal revenue.

16 (3) The repayment schedule adopted by the board shall
17 require payments made under this section to be repaid to the
18 General Fund no later than June 30, 2022.

19 § 11A20. Preemption of local taxes and license fees.

20 (a) Statutes.--Video gaming terminals shall be exempt from
21 taxes levied under the following:

22 (1) The act of August 5, 1932 (1st Sp.Sess., P.L.45,
23 No.45), referred to as the Sterling Act.

24 (2) The act of December 31, 1965 (P.L.1257, No.511),
25 known as The Local Tax Enabling Act.

26 (3) 53 Pa.C.S. Pt. III Subpt. E (relating to home rule
27 and optional plan government).

28 (4) Any statute that confers taxing authority to a
29 political subdivision.

30 (b) Licensing fees.--

1 (1) Video gaming terminals are exempt from local
2 licensing fees.

3 (2) Local licensing fees imposed on all other coin-
4 operated amusement games shall not exceed \$100.

5 § 11A21. Exemption from State gaming laws.

6 Video gaming terminals authorized under this chapter and the
7 use of video gaming terminals as authorized under this chapter
8 are exempt from 18 Pa.C.S. § 5513 (relating to gambling devices,
9 gambling, etc.).

10 § 11A22. Exemption from Federal regulation.

11 The General Assembly declares that the Commonwealth is exempt
12 from section 2 of the Gambling Devices Transportation Act (64
13 Stat. 1134, 15 U.S.C. § 1172). Shipments of approved video
14 gaming terminals into this Commonwealth in compliance with
15 sections 3 and 4 of the Gambling Devices Transportation Act (15
16 U.S.C. §§ 1173 and 1174) shall be deemed legal shipments into
17 this Commonwealth.

18 § 11A23. Preemption.

19 This chapter shall preempt all laws of units of local
20 government to the extent they are inconsistent with this
21 chapter.

22 § 11A24. Compulsive and problem gambling.

23 (a) Establishment of program.--

24 (1) The Department of Health or the Department of Drug
25 and Alcohol Programs shall develop program guidelines for
26 public education, awareness and training regarding compulsive
27 and problem gambling and the treatment and prevention of
28 compulsive and problem gambling, specifically in the area of
29 video gaming. The program shall supplement and be
30 complimentary to the existing program under section 1509

1 (relating to compulsive and problem gambling program).

2 (2) Except as otherwise provided in this subsection, the
3 provisions of section 1509 shall be fully applicable to video
4 gaming. The guidelines shall include strategies for the
5 prevention of compulsive and problem gambling. The Department
6 of Health or the Department of Drug and Alcohol Programs may
7 consult with the board and licensed gaming entities to
8 develop such strategies.

9 (3) The program shall include the following,
10 specifically with respect to video gaming:

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

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

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

23 (iv) Studies to identify adults and juveniles in
24 this Commonwealth who are, or are at risk of becoming,
25 problem or compulsive gamblers.

26 (v) Grants to and contracting with organizations
27 which provide services as provided in this section.

28 (vi) Reimbursement for organizations for reasonable
29 expenses in assisting the Department of Health or the
30 Department of Drug and Alcohol Programs in carrying out

1 the purposes of this section.

2 (b) Notice of availability of assistance.--

3 (1) A licensed establishment shall post the toll-free 1-
4 800-GAMBLER telephone number, or if no longer in use, another
5 toll-free problem gambling telephone number maintained by the
6 Department of Health or the Department of Drug and Alcohol
7 Programs, to be used to provide persons with information on
8 assistance for compulsive or problem gambling. A licensed
9 establishment shall conspicuously post at least two signs
10 containing language similar to the following statement:

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

13 The signs shall be posted within 50 feet of each entrance and
14 exit and within 50 feet of each automated video gaming area
15 within the licensed establishment and in other appropriate
16 public areas of the licensed establishment as determined by
17 the licensed establishment.

18 (2) A licensed establishment shall have available in its
19 premises written handout materials in a format prescribed by
20 the Department of Health or the Department of Drug and
21 Alcohol Programs which contain the same information as the
22 signs referenced in paragraph (1).

23 (3) A licensed establishment that fails to post or print
24 the warning sign or provide the written materials in
25 accordance with paragraph (1) or (2) shall be assessed a fine
26 of \$1,000 per day for each day the minimum number of signs
27 are not posted as required in this subsection.

28 (c) Mandatory training.--The board's Office of Compulsive
29 and Problem Gambling shall develop mandatory training for
30 employees and management of a licensed establishment who oversee

the video gaming terminal to identify and address compulsory gambling behaviors and provide assistance to problem gamblers. The board shall establish a fee to cover the cost of the training.

§ 11A25. Provisional licenses.

(a) General rule.--The General Assembly has determined that prompt and expedited implementation of video gaming in this Commonwealth is desirable, to the extent that such expedited implementation can be accomplished without compromising the integrity of gaming. The provisional licensing provisions of this section are found to strike the correct balance between assuring that licensees meet the licensing criteria without causing an undue delay in implementation of this chapter.

(b) Provisional licensing of clubs.--

(1) Within 60 days after a municipal referendum is approved under section 11A14 (relating to local option), the board shall make applications for a video gaming license as a club available to applicants.

(2) The board shall issue a provisional license to an applicant for a video gaming license as a club if the applicant satisfies, as determined by the board, all of the following criteria:

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

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

(iii) The applicant has submitted a completed application for licensure as a licensed establishment, which may be submitted concurrently with the applicant's request for a provisional license.

(iv) The applicant held a valid liquor license under

1 Article IV of the act of April 12, 1951 (P.L.90, No.21),
2 known as the Liquor Code, on the date of application and
3 has never had the liquor license revoked.

4 (v) The applicant has never been convicted of any
5 gambling law violation in any jurisdiction.

6 (3) The board shall issue a provisional license to an
7 applicant for a video gaming license as a club, within 60
8 days after the application has been received by the board,
9 provided that the board determines that the criteria
10 contained in paragraph (2) has been satisfied. If the board
11 has determined that the criteria contained in paragraph (2)
12 has not been satisfied, the board shall give a written
13 explanation to the applicant as to why it has determined the
14 criteria has not been satisfied.

15 (4) A provisional license shall be valid until:

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

18 (ii) the provisional license is terminated for a
19 violation of this chapter; or

20 (iii) one calendar year has passed since the
21 provisional license was issued.

22 (5) If the board fails to act upon the application for a
23 video gaming license as a club, within 60 days after the
24 expiration of a provisional license, the applicant may apply
25 for a renewal of the provisional license.

26 (6) Each applicant shall attest by way of affidavit
27 under penalty of perjury that the applicant is not otherwise
28 prohibited from licensure according to the requirements of
29 this section or any other provision of this chapter.

30 (7) All requests for provisional licensure under this

1 subsection shall include payment of a \$100 fee, which is in
2 addition to the applicable fee required for an application
3 for licensure as a licensed establishment.

4 (8) If the board fails to act upon a request for
5 provisional licensure within 60 days after receipt of the
6 request, the request shall be deemed approved and the board
7 shall issue the applicant a provisional video gaming license
8 as a club.

9 (c) Provisional licensing of terminal operators.--

10 (1) Within 90 days after the effective date of this
11 section, the board shall make applications for licensure as
12 terminal operator available to applicants.

13 (2) The board shall accept applications for licensure as
14 a terminal operator beginning 14 days after applications
15 become available.

16 (3) The board shall issue a provisional license to an
17 applicant for licensure as a terminal operator if the
18 applicant satisfies, as determined by the board, all of the
19 following criteria:

20 (i) The applicant has never been convicted of a
21 felony.

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

23 (iii) The applicant has submitted a completed
24 application for licensure as a licensed terminal
25 operator, which may be submitted concurrently with the
26 applicant's request for a provisional license.

27 (iv) The applicant has never had its terminal
28 operator license or similar gaming license revoked in
29 another jurisdiction.

30 (v) The applicant has never been convicted of any

gambling law violation in any jurisdiction.

(4) The board shall issue a provisional license to an applicant for licensure as a licensed terminal operator, within 60 days after such application has been received by the board, provided that the board determines that the criteria contained in paragraph (3) has been satisfied. If the board has determined that the criteria contained in paragraph (3) has not been satisfied, the board shall give a written explanation to the applicant as to why it has determined the criteria has not been satisfied.

(5) A provisional license shall be valid until:

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

(ii) the provisional license is terminated for a violation of this chapter; or

(iii) one calendar year has passed since the provisional license was issued.

(6) If the board fails to act upon the application for licensure as a terminal operator, within 60 days after the expiration of a provisional license, the applicant may apply for a renewal of the provisional license.

(7) Each applicant shall attest by way of affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure according to the requirements of this subsection or any other provision of this chapter.

(8) All requests for provisional licensure under this subsection shall include payment of a \$5,000 fee, which is in addition to the applicable fee required for an application for licensure as a terminal operator.

(9) The board shall initially issue no fewer than 10

1 provisional licenses to terminal operator applicants unless
2 the board receives less than 10 applications for provisional
3 licenses.

4 (10) If the board fails to act upon a request for
5 provisional licensure within 60 days after receipt of the
6 request, the request shall be deemed approved and the board
7 shall issue the applicant a provisional license as a licensed
8 terminal operator.

9 (d) Provisional licensing of service technicians.--

10 (1) Within 90 days after the effective date of this
11 section, the board shall make applications for licensure as a
12 service technician available to applicants.

13 (2) The board shall issue a provisional license to an
14 applicant for licensure as a service technician if the
15 applicant satisfies, as determined by the board, all of the
16 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 as a service technician, which
22 may be submitted concurrently with the applicant's
23 request for a provisional license.

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

26 An individual who has a valid license issued by the
27 Commonwealth that allows the individual to serve as a service
28 technician in a Pennsylvania casino shall be exempt from the
29 requirements of this section and shall automatically be
30 eligible for a provisional license as a service technician.

1 (3) The board shall issue a provisional license to an
2 applicant for licensure as a service technician, within 60
3 days after the application has been received by the board,
4 provided that the board determines that the criteria
5 contained in paragraph (2) has been satisfied. If the board
6 has determined that the criteria contained in paragraph (2)
7 has not been satisfied, the board shall give a written
8 explanation to the applicant as to why it has determined the
9 criteria has not been satisfied.

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

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

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

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

17 (5) If the board fails to act upon the application for
18 licensure as a service technician, within 60 days after the
19 expiration of a provisional license, the applicant may apply
20 for a renewal of the provisional license.

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

25 (7) All requests for provisional licensure under this
26 subsection shall include payment of a \$100 fee, which is in
27 addition to the applicable fee required for an application
28 for licensure as a service technician.

29 (8) If the board fails to act upon a request for
30 provisional licensure within 60 days after receipt of the

1 request, the request shall be deemed approved and the board
2 shall issue the applicant a provisional license as a service
3 technician.

4 (e) Provisional licensing of manufacturers and suppliers.--

5 (1) Within 60 days after the effective date of this
6 section, the board shall make applications for licensure as
7 manufacturers and suppliers available to applicants.

8 (2) The board shall issue a provisional license to an
9 applicant for licensure as a licensed manufacturer or
10 supplier if the applicant satisfies, as determined by the
11 board, all of the following criteria:

12 (i) The applicant has never been convicted of a
13 felony.

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

15 (iii) The applicant has submitted a completed
16 application for licensure as a manufacturer or supplier,
17 which may be submitted concurrently with the applicant's
18 request for a provisional license.

19 (iv) The applicant has never been convicted of any
20 gambling law violation in any jurisdiction.

21 (3) The board shall issue a provisional license to an
22 applicant for licensure as a manufacturer or supplier, within
23 60 days after such application has been received by the
24 board, provided that the board determines that the criteria
25 contained in paragraph (2) has been satisfied. If the board
26 has determined that the criteria contained in paragraph (2)
27 has not been satisfied, the board shall give a written
28 explanation to the applicant as to why it has determined the
29 criteria has not been satisfied.

30 (4) A provisional license shall be valid until:

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

3 (ii) the provisional license is terminated for a
4 violation of this chapter; or

5 (iii) one calendar year has passed since the
6 provisional license was issued.

7 (5) If the board fails to act upon the application for
8 licensure as a manufacturer, within 60 days after the
9 expiration of a provisional license, the applicant may apply
10 for a renewal of the provisional license.

11 (6) Each applicant shall attest by way of affidavit
12 under penalty of perjury that the applicant is not otherwise
13 prohibited from licensure according to the requirements of
14 this subsection or any other provision of this chapter.

15 (7) All requests for provisional licensure under this
16 subsection shall include payment of a \$1,000 fee, which is in
17 addition to the applicable fee required for an application
18 for licensure as a manufacturer or supplier.

19 (8) If the board has not acted upon a request for
20 provisional licensure within 60 days after receipt of the
21 request, the request shall be deemed approved and the board
22 shall issue the applicant a provisional license as a licensed
23 manufacturer.

24 § 11A26. Temporary video gaming regulations.

25 (a) General rule.--Regulations promulgated by the board
26 under this chapter shall be deemed temporary regulations which
27 shall expire not later than two years following the publication
28 of the temporary regulation. The board may promulgate temporary
29 regulations not subject to:

30 (1) Sections 201, 202, 203, 204 and 205 of the act of

1 July 31, 1968 (P.L.769, No.240), referred to as the
2 Commonwealth Documents Law.

3 (2) Sections 204(b) and 301(10) of the act of October
4 15, 1980 (P.L.950, No.164), known as the Commonwealth
5 Attorneys Act.

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

8 (b) Expiration.--The board's authority to adopt temporary
9 regulations under subsection (a) shall expire two years after
10 the effective date of this section. Regulations adopted after
11 this period shall be promulgated as provided by law.

12 (c) Temporary regulations.--The board shall begin publishing
13 temporary regulations governing video gaming within 120 days
14 after the effective date of this section.

15 § 11A27. City of the First Class Nuisance Bar Enforcement Task
16 Force Account.

17 (a) Establishment.--There is established a restricted
18 receipt account in the State Treasury to be known as the City of
19 the First Class Nuisance Bar Enforcement Task Force Account.

20 (b) Use.--The money deposited in the restricted receipt
21 account is appropriated on a continuing basis to the
22 Pennsylvania State Police for the purpose established under
23 subsection (c).

24 (c) Purpose.--The Pennsylvania State Police, in consultation
25 with the Pennsylvania Liquor Control Board, shall form a
26 nuisance bar enforcement task force to operate in a city of the
27 first class. The task force shall consist of law enforcement
28 officers and personnel that are dedicated to liquor code
29 enforcement in a city of the first class.

30 § 11A28. Report.

1 The board shall submit a report to the General Assembly two
2 years after the effective date of this section on the impact of
3 video gaming on the casino industry in this Commonwealth.

4 § 11A29. Expiration.

5 This chapter shall expire June 30, 2021.

6 Section 2. This act shall take effect immediately.