
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1023 Session of
2019

INTRODUCED BY KORTZ, MILLARD, DeLUCA, READSHAW AND HILL-EVANS,
APRIL 2, 2019

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, APRIL 2, 2019

AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated
2 Statutes, in general provisions relating to gaming, further
3 providing for definitions; in Pennsylvania Gaming Control
4 Board, further providing for board minutes and records, for
5 regulatory authority of the board and for number of slot
6 machines; and in licensees, further providing for gaming
7 service provider and for nongaming service provider and
8 providing for slot machines in qualified airports.

9 The General Assembly of the Commonwealth of Pennsylvania
10 hereby enacts as follows:

11 Section 1. The definitions of "gaming employee," "gaming-
12 related restricted area," "gaming service provider," "key
13 employee," "nongaming service provider," "occupation permit,"
14 and "progressive system" in section 1103 of Title 4 of the
15 Pennsylvania Consolidated Statutes are amended and the section is
16 amended by adding definitions to read:

17 Section 1103 of Title 4 of the Pennsylvania Consolidated
18 Statutes is amended and the section is amended by adding
19 definitions to read:

20 § 1103. Definitions.

21 The following words and phrases when used in this part shall

1 have the meanings given to them in this section unless the
2 context clearly indicates otherwise:

3 * * *

4 "Airport slot machine area." A location or locations within
5 a qualified airport approved by the airport authority and the
6 Pennsylvania Gaming Control Board where an airport slot machine
7 certificate holder is authorized to install and operate slot
8 machines for use and play by eligible passengers.

9 "Airport slot machine certificate." A certificate awarded by
10 the Pennsylvania Gaming Control Board under Chapter 13D that
11 authorizes a Category 1 or Category 2 slot machine licensee to
12 install and operate slot machines within an airport slot machine
13 area of a qualified airport in accordance with this part.

14 * * *

15 "Gaming employee." Any employee of a slot machine licensee,
16 including, but not limited to:

- 17 (1) Cashiers.
- 18 (2) Change personnel.
- 19 (3) Count room personnel.
- 20 (4) Slot attendants.
- 21 (5) Hosts or other individuals authorized to extend
22 complimentary services, including employees performing
23 functions similar to those performed by a gaming junket
24 representative.
- 25 (6) Machine mechanics, computer machine technicians or
26 table game device technicians.
- 27 (7) Security personnel.
- 28 (8) Surveillance personnel.
- 29 (9) Promotional play supervisors, credit supervisors,
30 pit supervisors, cashier supervisors, shift supervisors,

1 table game managers and assistant managers and other
2 supervisors and managers, except for those specifically
3 identified in this part as key employees.

4 (10) Boxmen.

5 (11) Dealers or croupiers.

6 (12) Floormen.

7 (13) Personnel authorized to issue promotional play.

8 (14) Personnel authorized to issue credit.

9 The term shall include employees of a person holding a
10 supplier's license whose duties are directly involved with the
11 repair or distribution of slot machines, table game devices or
12 associated equipment or interactive gaming devices or associated
13 equipment sold or provided to an airport slot machine
14 certificate holder, an airport slot machine area or a licensed
15 facility within this Commonwealth as determined by the
16 Pennsylvania Gaming Control Board. The term shall further
17 include employees of a person authorized by the board to supply
18 goods and services related to interactive gaming or any
19 subcontractor or an employee of a subcontractor that supplies
20 interactive gaming devices, including multi-use computing
21 devices, or associated equipment to an interactive gaming
22 certificate holder or interactive gaming operator who are
23 directly involved in the operations of interactive gaming. The
24 term does not include bartenders, cocktail servers or other
25 persons engaged solely in preparing or serving food or
26 beverages, clerical or secretarial personnel, parking
27 attendants, janitorial, stage, sound and light technicians and
28 other nongaming personnel as determined by the board.

29 * * *

30 "Gaming-related restricted area." Any room or area of a

1 licensed facility or any room or area adjacent to an airport
2 slot machine area within a qualified airport which is
3 specifically designated by the Pennsylvania Gaming Control Board
4 as restricted or by the slot machine licensee as restricted in
5 its board-approved internal controls.

6 * * *

7 "Gaming service provider." A person that is not required to
8 be licensed as a manufacturer, supplier, management company or
9 gaming junket enterprise under this part and:

10 (1) provides goods or services, including, but not
11 limited to, count room equipment, to a slot machine licensee
12 or an applicant for a slot machine license for use in the
13 operation of a licensed facility or an airport slot machine
14 area; and

15 (2) provides goods or services to a slot machine
16 licensee or an applicant for a slot machine license that
17 requires access to the gaming floor, an airport slot machine
18 area or a gaming-related restricted area [of a licensed
19 facility].

20 * * *

21 "Key employee." Any individual who is employed in a director
22 or department head capacity and who is empowered to make
23 discretionary decisions that regulate slot machine operations,
24 table game operations, interactive gaming operations or casino
25 simulcasting, including the general manager and assistant
26 manager of the licensed facility or airport slot machine area,
27 director of slot operations, director of table game operations,
28 director of interactive gaming, director of cage and/or credit
29 operations, director of surveillance, director of marketing,
30 director of management information systems, director of

1 interactive gaming system programs or other similar job
2 classifications associated with interactive gaming and casino
3 simulcasting, persons who manage, control or administer
4 interactive gaming and casino simulcasting or the bets and
5 wagers associated with authorized interactive games and casino
6 simulcasting, director of security, comptroller and any employee
7 who is not otherwise designated as a gaming employee and who
8 supervises the operations of these departments or to whom these
9 department directors or department heads report and such other
10 positions not otherwise designated or defined under this part
11 which the Pennsylvania Gaming Control Board shall determine
12 based on detailed analyses of job descriptions as provided in
13 the internal controls of the licensee as approved by the
14 Pennsylvania Gaming Control Board. All other gaming employees
15 unless otherwise designated by the Pennsylvania Gaming Control
16 Board shall be classified as non-key employees.

17 * * *

18 "Nongaming service provider." A person that is not a gaming
19 service provider or required to be licensed as a manufacturer,
20 supplier, management company or gaming junket enterprise under
21 this part and that provides goods or services:

22 (1) to a slot machine licensee or applicant for a slot
23 machine license for use in the operation of a licensed
24 facility or an airport slot machine area; and

25 (2) that does not require access to the gaming floor
26 [or], a gaming-related restricted area or to the slot
27 machines located in an airport slot machine area.

28 * * *

29 "Occupation permit." A permit authorizing an individual to
30 be employed or work as a gaming employee at a licensed facility

1 or an airport slot machine area.

2 * * *

3 "Progressive system." A computerized system linking slot
4 machines in one or more licensed facilities or airport slot
5 machine areas within this Commonwealth and offering one or more
6 common progressive payouts based on the amounts wagered. The
7 term shall include a multistate wide-area progressive system.

8 * * *

9 Section 2. Sections 1206(f)(1) introductory paragraph,
10 1207(20), (21.1), (21.2), and (22), 1210(a) introductory
11 paragraph, 1317.2(a) and 1317.3(a), (b) and (d) of Title 4 are
12 amended to read:

13 § 1206. Board minutes and records.

14 * * *

15 (f) Confidentiality of information.--

16 (1) The following information submitted by an applicant,
17 permittee, certificate holder, interactive gaming certificate
18 holder or licensee pursuant to section 1310(a) (relating to
19 slot machine license application character requirements),
20 1308(a.1) (relating to applications for license or permit),
21 13B12 (relating to interactive gaming certificate required
22 and content of petition), 13B14 (relating to interactive
23 gaming operators), 13C12 (relating to petition requirements),
24 13D12 (relating to petition requirements) or 13F12 (relating
25 to casino simulcasting permit) or obtained by the board or
26 the bureau as part of a background or other investigation
27 from any source shall be confidential and withheld from
28 public disclosure:

29 * * *

30 § 1207. Regulatory authority of the board.

1 The board shall have the power and its duties shall be to:

2 * * *

3 (20) Approve or authorize an employee of the board to
4 approve a temporary reduction in the number of slot machines
5 in operation at a licensed facility or located in an airport
6 slot machine area under the following circumstances:

7 (i) For the duration of any renovation, remodeling
8 or modification of an airport slot machine area or an
9 area of a licensed facility where slot machines are
10 located.

11 (ii) To enable the licensed facility to respond to
12 an emergency.

13 (iii) To enable an airport slot machine certificate
14 holder to respond to an emergency affecting an airport
15 slot machine area.

16 * * *

17 (21.1) Authorize, at its discretion, a slot machine
18 licensee to place slot machines that are used in a multistate
19 wide-area progressive slot machine system, skill slot
20 machines or hybrid slot machines and make them available for
21 play at licensed facilities or within airport slot machine
22 areas.

23 (21.2) Adopt and promulgate regulations to govern the
24 operation and placement of skill slot machines and hybrid
25 slot machines by slot machine licensees at licensed
26 facilities or within airport slot machine areas in the same
27 manner as provided in section 13B03 (relating to
28 regulations).

29 (22) License, regulate, investigate and take any other
30 action determined necessary regarding all aspects of

1 interactive gaming, casino simulcasting, slot machines in
2 qualified airports and sports wagering.

3 * * *

4 § 1210. Number of slot machines.

5 (a) Initial complement.--Except as provided for Category 3
6 slot machine licensees under section 1305 (relating to Category
7 3 slot machine license) [or], a Category 4 slot machine licensee
8 under section 1305.1 (relating to Category 4 slot machine
9 license) or slot machines in qualified airports under Chapter
10 13D, the following apply:

11 * * *

12 § 1317.2. Gaming service provider.

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

18 (1) The monetary value or amount of business conducted
19 or expected to be conducted by the gaming service provider
20 with an applicant for a slot machine license or a slot
21 machine licensee in any consecutive 12-month period.

22 (2) Whether the employees of the gaming service provider
23 will have access to the gaming floor, an airport slot machine
24 area or any gaming-related restricted area [of a licensed
25 facility].

26 (3) The board's analysis of the goods or services
27 provided or to be provided by the gaming service provider.

28 * * *

29 § 1317.3. Nongaming service provider.

30 (a) Notification required.--

1 (1) A slot machine licensee or applicant for a slot
2 machine license that contracts with or otherwise engages in
3 business with a nongaming service provider shall provide
4 notification to the board prior to:

5 (i) the nongaming service provider's provision of
6 goods or services at the slot machine licensee's licensed
7 facility or at an airport slot machine area; or

8 (ii) the provision of goods or services for use in
9 the operation of the slot machine licensee's licensed
10 facility or at an airport slot machine area.

11 (2) Notification under this section shall be on a form
12 and in a manner as determined by the board. The board may
13 impose a fee, not to exceed \$100, in connection with the
14 notification.

15 (b) Contents of notification.--Notification under this
16 section shall include:

17 (1) The name and business address of the nongaming
18 service provider.

19 (2) A description of the type or nature of the goods or
20 services to be provided.

21 (3) An affirmation from the slot machine licensee or
22 applicant for a slot machine license that the goods or
23 services to be provided by the nongaming service provider
24 will not require access to the gaming floor [or] a gaming-
25 related restricted area or to the slot machines located in an
26 airport slot machine area.

27 (4) An affirmation from the slot machine licensee or
28 applicant for a slot machine license certifying that the
29 licensee or applicant has performed due diligence regarding
30 the nongaming service provider and believes that neither the

1 nongaming service provider nor its employees will adversely
2 affect the public interest or integrity of gaming.

3 (5) Any other information that the board deems
4 necessary.

5 * * *

6 (d) Conditions.--A slot machine licensee or applicant for a
7 slot machine license that contracts or otherwise engages in
8 business with a nongaming service provider shall be subject to
9 the following conditions:

10 (1) The nongaming service provider and its employees
11 shall only provide the goods and services described in the
12 notification under this section.

13 (2) The slot machine licensee or applicant for a slot
14 machine license shall notify the board of any material change
15 in the information provided in the notification under this
16 section. No fee shall be required for a subsequent change
17 during the time for which the notification remains valid
18 under subsection (c).

19 (3) The slot machine licensee or applicant for a slot
20 machine license shall ensure that employees of the nongaming
21 service provider do not enter the gaming floor or a gaming-
22 related restricted area or have access to the slot machines
23 located in an airport slot machine area while providing the
24 goods or services described in subsection (b) (2).

25 (4) The slot machine licensee or applicant for a slot
26 machine license shall report to the board an employee of a
27 nongaming service provider that does any of the following:

28 (i) Enters the gaming floor or a gaming-related
29 restricted area [of the licensed facility] or accesses
30 the slot machines located in an airport slot machine

1 (2) To establish standards and procedures to require
2 that a slot machine licensee who files a petition for an
3 airport slot machine certificate provide detailed site plans
4 of the proposed airport slot machine area for review and
5 approval by the board for the purpose of determining the
6 adequacy of the proposed security and surveillance measures.
7 The petitioner shall cooperate with the board in making
8 changes to the site plans suggested by the board and shall
9 ensure that the site plans as modified and approved are
10 implemented. The board shall require a separate room with
11 floor-to-ceiling walls to segregate the airport slot machine
12 area from other areas of the qualified airport and from
13 individuals under 21 years of age.

14 (3) To promulgate rules and regulations necessary for
15 the administration and enforcement of this chapter.

16 § 13D03. Temporary regulations.

17 (a) Promulgation.--In order to facilitate the prompt
18 implementation of this chapter, regulations promulgated by the
19 board shall be deemed temporary regulations which shall expire
20 no later than two years following the publication of the
21 temporary regulations. The board may promulgate temporary
22 regulations not subject to:

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

26 (2) Section 204(b) of the act of October 15, 1980
27 (P.L.950, No.164), known as the Commonwealth Attorneys Act.

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

30 (b) Expiration.--Except for temporary regulations governing

1 the rules of sports wagering approved by the board, the board's
2 authority to adopt temporary regulations under subsection (a)
3 shall expire two years after publication of the temporary
4 regulations. Regulations adopted after this period shall be
5 promulgated as provided by law.

6 § 13D04. Pennsylvania State Police office.

7 Notwithstanding section 1517 (relating to investigations and
8 enforcement), the board may not require the Pennsylvania State
9 Police to have an office located in an airport slot machine
10 area.

11 SUBCHAPTER B

12 SLOT MACHINES IN QUALIFIED AIRPORTS AUTHORIZED

13 Sec.

14 13D11. Authorization to install and operate slot machines in
15 qualified airports.

16 13D12. Petition requirements.

17 13D13. Standard for review of petitions.

18 13D14. Award of airport slot machine certificate.

19 13D15. Airport slot machine certificate.

20 § 13D11. Authorization to install and operate slot machines in
21 qualified airports.

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

23 (1) The board may authorize a Category 1 or Category 2
24 slot machine licensee to install and operate slot machines
25 within an airport slot machine area of a qualified airport
26 for use by eligible passengers.

27 (2) Authorization shall be contingent upon the Category
28 1 or Category 2 slot machine licensee's agreement to ensure
29 that the operation of slot machines located in an airport
30 gaming area of a qualified airport will be conducted in

1 accordance with this chapter.

2 (3) Nothing in this chapter shall be construed to create
3 a separate license governing the conduct of slot machine
4 operations located in an airport gaming area of a qualified
5 airport.

6 (4) No individual under 21 years of age may have access
7 to the airport slot machine area or make a wager in the play
8 or operation of a slot machine located in an airport slot
9 machine area.

10 § 13D12. Petition requirements.

11 (a) General rule.--

12 (1) A Category 1 or Category 2 slot machine licensee may
13 submit a petition for an airport slot machine certificate if:

14 (i) The slot machine licensee's license and table
15 game operation certificate are in good standing with the
16 board.

17 (ii) The slot machine licensee has met the
18 requirements of section 1214(a) (relating to specific
19 authority to suspend slot machine license).

20 (iii) The slot machine licensee has entered into a
21 written agreement with the airport authority or its
22 designee for the installation and operation of slot
23 machines by the slot machine licensee within the
24 qualified airport.

25 (2) The petition shall be in the form and submitted in
26 the manner prescribed by the board.

27 (b) Petition contents.--A petition for an airport slot
28 machine certificate shall include the following:

29 (1) The name, business address and contact information
30 of the petitioner.

1 (2) The name and business address, job title and a
2 photograph of each principal and key employee of the
3 petitioner who will be involved in the operation of slot
4 machines located in an airport slot machine area and who is
5 not currently licensed by the board, if known.

6 (3) The number of slot machines for which authorization
7 is being sought.

8 (4) The details of any financing obtained or that will
9 be obtained to fund the construction of an airport slot
10 machine area or modification of the qualified airport to
11 accommodate an airport slot machine area and to otherwise
12 fund the cost of commencing operations of slot machines in
13 qualified airports.

14 (5) Information and documentation concerning financial
15 background and resources, as the board may require, to
16 establish by clear and convincing evidence the financial
17 stability, integrity and responsibility of the petitioner.

18 (6) Information and documentation, as the board may
19 require, to establish by clear and convincing evidence that
20 the petitioner has sufficient business ability and experience
21 to create and maintain a successful operation of slot
22 machines in qualified airports. In making this determination,
23 the board may consider the results of the petitioner's slot
24 machine operation at its licensed facility, including
25 financial information, employment data and capital
26 investment.

27 (7) Information and documentation, as the board may
28 require, to establish by clear and convincing evidence that
29 the petitioner has or will have the financial ability to pay
30 the slot machines in qualified airports authorization fee

1 under section 13D51 (relating to slot machines in qualified
2 airports authorization fee).

3 (8) Detailed site plans identifying the petitioner's
4 proposed airport slot machine area within the qualified
5 airport.

6 (9) A copy of the written agreement entered into between
7 the slot machine licensee and the airport authority or its
8 designee for the installation and operation of slot machines
9 by the slot machine licensee within the qualified airport.

10 (10) Other information as the board may require.

11 (c) Confidentiality.--Information submitted to the board
12 under subsection (b) (4), (5), (6), (7), (8) and (9) may be
13 considered confidential by the board if the information would be
14 confidential under section 1206(f) (relating to board minutes
15 and records).

16 § 13D13. Standard for review of petitions.

17 (a) General rule.--The board shall approve a petition under
18 section 13D12 (relating to petition requirements) if the
19 petitioner establishes, by clear and convincing evidence, all of
20 the following:

21 (1) The petitioner's slot machine license and table game
22 operation certificate are in good standing with the board.

23 (2) The petitioner has entered into a written agreement
24 with the airport authority or its designee for the
25 installation and operation of slot machines by the petitioner
26 within the qualified airport and the written agreement has
27 been subject to the review and approval of the board.

28 (3) The petitioner possesses adequate funds or has
29 secured adequate financing to:

30 (i) Fund the construction of an airport slot machine

1 area or modification of the qualified airport to
2 accommodate an airport slot machine area and to otherwise
3 fund the cost of commencing operations of slot machines
4 in qualified airports.

5 (ii) Pay the slot machines in qualified airports
6 authorization fee in accordance with section 13D51
7 (relating to slot machines in qualified airports
8 authorization fee).

9 (4) The petitioner has the financial stability,
10 integrity and responsibility to install and operate slot
11 machines in a qualified airport.

12 (5) The petitioner has sufficient business ability and
13 experience to create and maintain a successful operation of
14 slot machines in a qualified airport.

15 (6) The petitioner's proposed internal and external
16 security and proposed surveillance measures within the
17 airport slot machine area are adequate.

18 (7) The petitioner has satisfied the petition
19 requirements and provided any other information required by
20 section 13D12 (relating to petition requirements).

21 (b) Timing of approval.--The board shall approve or deny a
22 petition for an airport slot machine certificate within 90 days
23 following receipt of the completed petition.

24 § 13D14. Award of airport slot machine certificate.

25 (a) General rule.--Upon approval of a petition, the board
26 shall award an airport slot machine certificate to the
27 petitioner. The award of an airport slot machine certificate
28 prior to the payment in full of the authorization fee required
29 by section 13D51 (relating to slot machines in qualified
30 airports authorization fee) shall not relieve the petitioner

1 from complying with the provisions of section 13D51.

2 (b) Statement of conditions.--Upon awarding an airport slot
3 machine certificate, the board shall amend the slot machine
4 licensee's statement of conditions pertaining to the
5 requirements of this chapter.

6 (c) Term of airport slot machine certificate.--Subject to
7 the power of the board to deny, revoke or suspend an airport
8 slot machine certificate issued in accordance with the
9 requirements of this section, an airport slot machine
10 certificate shall be renewed every five years and shall be
11 subject to the requirements of section 1326 (relating to
12 renewals).

13 § 13D15. Airport slot machine certificate.

14 The following shall apply:

15 (1) An airport slot machine certificate shall be in
16 effect unless:

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

19 (ii) the slot machine license held by the airport
20 slot machine certificate holder is suspended, revoked or
21 not renewed by the board consistent with the requirements
22 of this part; or

23 (iii) the airport slot machine certificate holder
24 relinquishes or does not seek renewal of its slot machine
25 license.

26 (2) An airport slot machine certificate holder that
27 fails to abide by this chapter or any condition contained in
28 the slot machine licensee's statement of conditions governing
29 the conduct of slot machines in qualified airports shall be
30 subject to board-imposed administrative sanctions or other

1 penalties authorized under this part.

2 SUBCHAPTER C

3 CONDUCT OF SLOT MACHINES IN QUALIFIED AIRPORTS

4 Sec.

5 13D31. Authorized locations for operation.

6 13D32. Commencement of slot machines in qualified airports
7 operations.

8 13D33. Condition of continued operation.

9 13D34. Table games prohibited.

10 13D35. Number of slot machines.

11 13D36. Airport slot machine placement agreements.

12 § 13D31. Authorized locations for operation.

13 (a) Restriction.--An airport slot machine certificate holder
14 shall only be permitted to install and operate slot machines in
15 an airport slot machine area within a qualified airport.

16 (b) Temporary locations prohibited.--The board may not
17 permit an airport slot machine certificate holder to install and
18 operate slot machines in a temporary location of a qualified
19 airport.

20 § 13D32. Commencement of slot machines in qualified airport
21 operations.

22 No airport slot machine certificate holder may operate or
23 offer slot machines located in an airport slot machine area of a
24 qualified airport for play until the board determines that:

25 (1) The airport slot machine certificate holder is in
26 compliance with the requirements of this part.

27 (2) The airport slot machine certificate holder is
28 prepared in all respects to operate and offer slot machines
29 for play to eligible passengers within the airport slot
30 machine area of the qualified airport.

1 (3) The airport slot machine certificate holder has
2 implemented necessary internal and management controls and
3 security arrangements and surveillance systems for the
4 operation of slot machines within the airport slot machine
5 area of the qualified airport.

6 (4) The airport slot machine certificate holder is in
7 compliance with or has complied with section 13D51 (relating
8 to slot machines in qualified airports authorization fee).

9 (5) Other conditions as the board may require to
10 implement the operation of slot machines in qualified
11 airports.

12 § 13D33. Condition of continued operation.

13 As a condition of continued operation, an airport slot
14 machine certificate holder shall maintain all books, records and
15 documents pertaining to slot machines in qualified airports in a
16 manner and location within this Commonwealth as approved by the
17 board. All books, records and documents related to slot machines
18 in qualified airports shall be:

19 (1) Segregated by separate accounts within the airport
20 slot machine certificate holder's books, records and
21 documents, except for any books, records or documents that
22 are common to slot machine, table game and sports wagering
23 operations and approved by the board.

24 (2) Immediately available for inspection upon request of
25 the board, the bureau, the department, the Pennsylvania State
26 Police or the Attorney General, or agents thereof, during all
27 hours of operation of the airport slot machine certificate
28 holder in accordance with regulations promulgated by the
29 board.

30 (3) Maintained for a period as the board, by regulation,

1 may require.

2 § 13D34. Table games prohibited.

3 An airport slot machine certificate holder may not be
4 authorized to conduct table games at a qualified airport.

5 § 13D35. Number of slot machines.

6 (a) International qualified airports.--The following apply:

7 (1) If the qualified airport is an international airport
8 located partially in a county of the first class and
9 partially in a county contiguous to a county of the first
10 class, no more than 125 slot machines may be installed on the
11 premises of the airport.

12 (2) If the qualified airport is an international airport
13 located in a county of the second class, no more than 100
14 slot machines may be installed on the premises of the
15 airport.

16 (3) If the qualified airport is an international airport
17 located in a county other than a county of the first class or
18 second class, no more than 25 slot machines may be installed
19 on the premises of the airport.

20 (b) Other qualified airports.--If the airport is a qualified
21 airport that has not been designated as an international
22 airport, slot machines may not be installed or operated on the
23 premises.

24 § 13D36. Airport slot machine placement agreements.

25 (a) General rule.--An airport slot machine certificate
26 holder may not install and operate slot machines on the premises
27 of a qualified airport unless pursuant to an airport slot
28 machine placement agreement approved by the board.

29 (b) Form of agreement.--The board shall establish through
30 regulation the minimum standards for airport slot machine

1 placement agreements.

2 (c) Length of agreement.--Airport slot machine placement
3 agreements shall be valid for a minimum 60-month term but shall
4 not exceed a 120-month term.

5 (d) Provisions required.--An airport slot machine placement
6 agreement shall include a provision that renders the agreement
7 invalid if airport slot machine certificate holder's slot
8 machine license is denied, revoked, not renewed, withdrawn or
9 surrendered.

10 (e) Void agreements.--An agreement entered into by a
11 qualified airport prior to the effective date of this section
12 with a person or entity for the installation, operation, service
13 or maintenance of slot machines within a qualified airport,
14 including an agreement granting a person or entity the right to
15 enter into an agreement or match any offer made after the
16 effective date of this section, shall be void and may not be
17 approved by the board.

18 (f) Transferability of agreements.--No airport slot machine
19 placement agreement may be transferred or assigned unless the
20 individual or entity receiving the assignment of the airport
21 slot machine placement agreement is a Category 1 or Category 2
22 slot machine licensee under this part.

23 (g) Number of agreements.--A qualified airport may not enter
24 into an airport slot machine placement agreement with more than
25 one airport slot machine certificate holder at a time.

26 SUBCHAPTER D

27 SLOT MACHINES IN QUALIFIED AIRPORTS TAXES AND FEES

28 Sec.

29 13D51. Slot machines in qualified airports authorization fee.

30 13D52. Slot machines in qualified airports tax.

1 13D53. Local share assessment.

2 13D54. Regulatory assessment.

3 13D55. Application of assessments.

4 § 13D51. Slot machines in qualified airports authorization fee.

5 (a) Required fee.--Each slot machine licensee that is issued
6 an airport slot machine certificate to install and operate slot
7 machines within an airport slot machine area of a qualified
8 airport shall pay a one-time, nonrefundable authorization fee as
9 follows:

10 (1) If the qualified airport is an international airport
11 located partially in a county of the first class and
12 partially in a county contiguous to a county of the first
13 class, the amount of the fee shall be \$10,000 per slot
14 machine.

15 (2) If the qualified airport is an international airport
16 located in a county of the second class, the amount of the
17 fee shall be \$7,500 per slot machine.

18 (3) If the qualified airport is an international airport
19 located in a county other than a county of the first class or
20 second class, the amount of the fee shall be \$5,000 per slot
21 machine.

22 (b) Payment of fee.--A slot machine licensee shall remit the
23 authorization fee under subsection (a) to the board within 30
24 days of the approval of a petition for an airport slot machine
25 certificate. A slot machine licensee may not make slot machines
26 located in an airport slot machine area available for play until
27 the fee under subsection (a) is paid in full.

28 (c) Renewal fee.--Notwithstanding any other provision of
29 this chapter, a slot machine licensee that applies for the
30 renewal of its airport slot machine certificate shall pay a

1 renewal fee in the amount of \$25,000 when submitting an
2 application for the renewal in accordance with sections 1326
3 (relating to renewals) and 13D14(c) (relating to award of
4 airport slot machine certificate).

5 (d) Failure to pay by deadline.--If an airport slot machine
6 certificate holder fails to pay the required authorization fee
7 under subsection (a) in full within the 30-day time period, the
8 board shall impose a penalty and suspend the airport slot
9 machine certificate for a period of 60 days. The suspension
10 shall remain in effect until full payment of the authorization
11 fee and the penalty is made or for a period of 60 days,
12 whichever is sooner.

13 (e) Revocation of airport slot machine certificate.--Failure
14 of the airport slot machine certificate holder to pay the total
15 authorization fee and the penalty prior to the expiration of the
16 suspension period under subsection (d) shall result in
17 forfeiture of the airport slot machine certificate, the slot
18 machine licensee's right to submit a petition for an airport
19 slot machine certificate and all fees and penalties paid under
20 this chapter.

21 (f) Deposit of fees.--Notwithstanding section 1208 (relating
22 to collection of fees and fines), all slot machines in qualified
23 airports authorization fees, renewal fees and money collected by
24 the board for violations of this subchapter shall be deposited
25 into the General Fund.

26 § 13D52. Slot machines in qualified airports tax.

27 (a) Imposition.--

28 (1) Notwithstanding sections 1401, 1402 or 1403, each
29 airport slot machine certificate holder authorized to install
30 and operate slot machines at a qualified airport in

1 accordance with the provisions of this chapter shall report
2 to the department and pay from its gross terminal revenue
3 generated from all slot machines in operation at qualified
4 airports within this Commonwealth, on a weekly basis and on a
5 form and in the manner prescribed by the department:

6 (i) A tax of 50%.

7 (ii) A local share assessment of 4% as established
8 under section 13D53 (relating to local share assessment).

9 (iii) A regulatory assessment established under
10 section 13D54 (relating to regulatory assessment).

11 (2) All money owed to the Commonwealth under this
12 section shall be held in trust for the Commonwealth by the
13 airport slot machine certificate holder until the money is
14 paid to the department.

15 (3) An airport slot machine certificate holder shall
16 establish a separate bank account into which gross terminal
17 revenue generated from the slot machines in operation at a
18 qualified airport shall be deposited and maintained until the
19 money is paid to the department under this section or paid
20 into the account under section 13D53.

21 (4) The tax imposed under subsection (a)(1)(i) shall be
22 deposited into the General Fund.

23 (b) Credit against tax imposed.--A credit against the tax
24 imposed under subsection (a)(1)(i) shall be granted in an amount
25 determined by the department with respect to an amount which is:

26 (1) Paid by an airport authority on the daily gross
27 terminal revenue generated from the slot machines in
28 operation at the qualified airport.

29 (2) Required to remain at the qualified airport pursuant
30 to Federal requirements relating to Federal Aviation

1 Administration funds.

2 § 13D53. Local share assessment.

3 (a) Required payment.--Notwithstanding sections 1401
4 (relating to slot machine licensee deposits), 1402 (relating to
5 gross terminal revenue deductions) and 1403 (relating to
6 establishment of State Gaming Fund and net slot machine revenue
7 distribution), in addition to the tax imposed under section
8 13D52 (relating to slot machines in qualified airports tax),
9 each airport slot machine certificate holder shall pay on a
10 weekly basis, on a form and in the manner prescribed by the
11 department, a local share assessment of 4% into a restricted
12 receipts account established within the State Treasury. All
13 money owed under this section shall be held in trust by the
14 airport slot machine certificate holder until the money is paid
15 into the restricted account. The money in the restricted account
16 shall be appropriated to the department on a continuing basis
17 for the purposes provided under this section.

18 (b) Distributions.--The department shall, on a quarterly
19 basis, make distributions from the local share assessments
20 deposited into the restricted account under subsection (a) into
21 a restricted receipt account to be established in the
22 Commonwealth Financing Authority to be used exclusively for
23 grants for projects in the public interest in this Commonwealth.

24 § 13D54. Regulatory assessment.

25 (a) Accounts established.--Notwithstanding sections 1401
26 (relating to slot machine licensee deposits) and 1402 (relating
27 to gross terminal revenue deductions), the State Treasurer shall
28 establish within the State Treasury an account for each terminal
29 operator for the deposit of a regulatory assessment amount
30 required under subsection (b) to recover costs or expenses

1 incurred by the board, the department, the Pennsylvania State
2 Police and the Office of Attorney General in carrying out their
3 powers and duties under this chapter based upon a budget
4 submitted by the department under subsection (c).

5 (b) Weekly deposits.--

6 (1) The department shall determine the appropriate
7 assessment amount for each airport slot machine certificate
8 holder, which shall be a percentage assessed on the airport
9 slot machine certificate holder's weekly gross terminal
10 revenue generated from all slot machines in operation at
11 qualified airports within this Commonwealth.

12 (2) The percentage assessed shall not exceed an amount
13 equal to the costs or expenses incurred by the board, the
14 department, the Pennsylvania State Police or the Office of
15 Attorney General in carrying out their powers and duties
16 under this chapter based upon a budget submitted by the
17 department under subsection (c).

18 (c) Itemized budget reporting.--

19 (1) The department shall prepare and annually submit to
20 the chairperson and minority chairperson of the
21 Appropriations Committee of the Senate and the chairperson
22 and minority chairperson of the Appropriations Committee of
23 the House of Representatives an itemized budget consisting of
24 amounts to be appropriated out of the accounts established
25 under this section necessary to administer this section.

26 (2) As soon as practicable after submitting copies of
27 the itemized budget, the department shall submit to the
28 chairperson and minority chairperson of the Appropriations
29 Committee of the Senate and the chairperson and minority
30 chairperson of the Appropriations Committee of the House of

1 Representatives analyses of and recommendations regarding the
2 itemized budget.

3 (3) The itemized budget required under paragraph (1)
4 shall be submitted in conjunction with the budget required to
5 be submitted under section 1202(b)(28) (relating to general
6 and specific powers).

7 (d) Appropriation.--Costs and expenses may be paid from the
8 accounts established under subsection (a) only upon
9 appropriation by the General Assembly.

10 § 13D55. Application of assessments.

11 Notwithstanding sections 1405 (relating to Pennsylvania Race
12 Horse Development Trust Fund) and 1407 (relating Pennsylvania
13 Gaming Economic Development and Tourism Fund), the daily gross
14 terminal revenue generated from the slot machines in operation
15 at a qualified airport by an airport slot machine certificate
16 holder may not be subject to the daily assessments established
17 under sections 1405(b) or 1407(c) or (c.1).

18 Section 5. This act shall take effect in 60 days.