

AMUSEMENTS (4 PA.C.S.) - OMNIBUS AMENDMENTS

Act of Jan. 7, 2010, P.L. 1, No. 1

Cl. 04

Session of 2010

No. 2010-1

SB 711

AN ACT

Amending Title 4 (Amusements) of the Pennsylvania Consolidated Statutes, making extensive revisions to provisions on gaming, in the areas of legislative intent, definitions, the Pennsylvania Gaming Control Board, applicability of other statutes, powers of the board, code of conduct, expenses of regulatory agencies, licensed gaming entity application appeals from board, license or permit application hearing process and public hearings, board minutes and records, regulatory authority, collection of fees and fines, slot machine license fee, number of slot machines, reports of board, diversity goals of board, license or permit prohibition, specific authority to suspend slot machine license, Category 2 slot machine license, Category 3 slot machine license, number of slot machine licenses, applications for license or permit, slot machine license application, slot machine license application character requirements, supplier licenses, manufacturer licenses, gaming service provider, occupation permit application, alternative manufacturer licensing standards, alternative supplier licensing standards, additional licenses and permits and approval of agreements, license renewals, change in ownership or control of slot machine licensee, nonportability of slot machine license, appointment of trustee, table games, slot machine licensee deposits, gross terminal revenue deductions, itemized budget reporting, establishment of State Gaming Fund and net slot machine revenue distribution, distributions from Pennsylvania Race Horse Development Fund, Pennsylvania Gaming Economic Development and Tourism Fund, transfers from State Gaming Fund, responsibility and authority of Department of Revenue, wagering on credit, eminent domain authority, compulsive and problem gambling program, drug and alcohol treatment, labor hiring preferences, declaration of exemption from Federal laws prohibiting slot machines, financial and employment interests, additional restrictions, political influence, regulation requiring exclusion of certain persons, prosecutorial and adjudicative functions, investigations and enforcement, conduct of public officials and employees, prohibited acts and penalties, report of suspicious transactions, additional authority, applicability of Clean Indoor Air Act, liquor licenses at licensed facilities, interception of oral communications, electronic funds transfer terminals, junkets, gaming schools, appropriations and Commonwealth Financing Authority; and making related repeals.

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

Section 1. Section 1102(11) of Title 4 of the Pennsylvania Consolidated Statutes is amended and the section is amended by adding paragraphs to read:

§ 1102. Legislative intent.

The General Assembly recognizes the following public policy purposes and declares that the following objectives of the Commonwealth are to be served by this part:

* * *

(2.1) The authorization of table games in this part is intended to supplement slot machine gaming by increasing revenues to the Commonwealth and providing new employment opportunities by creating skilled jobs for individuals related to the conduct of table games at licensed facilities in this Commonwealth.

* * *

(10.1) The General Assembly has a compelling interest in protecting the integrity of both the electoral process and the legislative process by preventing corruption and the appearance of corruption which may arise through permitting any type of political campaign contributions by certain persons involved in the gaming industry and regulated under this part.

(10.2) Banning all types of political campaign contributions by certain persons subject to this part is necessary to prevent corruption and the appearance of corruption that may arise when political campaign contributions and gaming regulated under this part are intermingled.

(11) It is necessary to maintain the integrity of the regulatory control and legislative oversight over the operation and play of slot machines and table games in this Commonwealth; to [prevent the actual or appearance of corruption that may result from large campaign contributions;] ensure the bipartisan administration of this part; and avoid actions that may erode public confidence in the system of representative government.

(12) It is the intent of the General Assembly to authorize the operation and play of slot machines and table games under a single slot machine license issued to a slot machine licensee under this part.

(13) The authorization of limited gaming in this Commonwealth requires the Commonwealth to take steps to increase awareness of compulsive and problem gambling and to develop and implement effective strategies for prevention, assessment and treatment of this behavioral disorder.

(14) Research indicates that for some individuals compulsive and problem gambling and drug and alcohol addiction are related. Therefore, the General Assembly intends to establish an approach to compulsive and problem gambling prevention, assessment and treatment that will ensure the provision of adequate resources to identify, assess and treat both compulsive and problem gambling and drug and alcohol addiction.

Section 2. The definitions of "associated equipment," "cheat," "conduct of gaming," "conviction," "gaming employee," "gross terminal revenue," "key employee," "licensed facility," "manufacturer," "manufacturer license," "slot machine," "supplier" and "supplier license" in section 1103 of Title 4 are amended and the section is amended by adding definitions to read:

§ 1103. Definitions.

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

* * *

"Associated equipment." Any equipment or mechanical, electromechanical or electronic contrivance, component or machine used in connection with [gaming] **slot machines or table games**, including linking devices which connect to progressive slot machines or slot machines, replacement parts, equipment which affects the proper reporting **and counting** of gross **terminal revenue and gross table game revenue**, computerized systems for controlling and monitoring slot machines **or table games**, including, but not limited to, the central control computer to which all slot machines communicate and devices for weighing or counting money.

* * *

"Banking game." Any table game in which a player competes against a certificate holder rather than against another player.

* * *

"Cash." United States currency and coin.

"Cash equivalent." An asset that is readily convertible to cash, including, but not limited to, any of the following:

- (1) Chips or tokens.
- (2) Travelers checks.
- (3) Foreign currency and coin.
- (4) Certified checks, cashier's checks and money orders.
- (5) Personal checks or drafts.
- (6) A negotiable instrument applied against credit extended by a certificate holder or a financial institution.
- (7) Any other instrument or representation of value that the Pennsylvania Gaming Control Board deems a cash equivalent.

* * *

"Certificate holder." A slot machine licensee that holds a table game operation certificate awarded by the Pennsylvania Gaming Control Board in accordance with Chapter 13A (relating to table games).

"Cheat." To [alter without authorization] defraud or steal from any player, slot machine licensee or the Commonwealth while operating or playing a slot machine or table game, including causing, aiding, abetting or conspiring with another person to do so. The term shall also mean to alter or causing, aiding, abetting or conspiring with another person to alter the elements of chance, method of selection or criteria which determine:

- (1) The result of a slot machine game **or table game**.
- (2) The amount or frequency of payment in a slot machine game **or table game**.
- (3) The value of a wagering instrument.
- (4) The value of a wagering credit.

The term does not include altering a slot machine, table game device or associated equipment for [required] maintenance [and] or repair with the approval of a slot machine licensee.

"Cheating or thieving device." A device used or possessed with the intent to be used to cheat during the operation or play of any slot machine or table game. The term shall also include any device used to alter a slot machine or a table game device without the slot machine licensee's approval.

"Chip." A representation of value, including a plaque, issued by a certificate holder for use in playing a table game at the certificate holder's licensed facility and redeemable with the issuing certificate holder for cash or cash equivalent.

* * *

"Conduct of gaming." The licensed placement [and], operation and play of [games of chance] **slot machines and table games**

under this part, **as authorized** and approved by the Pennsylvania Gaming Control Board [at a licensed facility].

"Contest." A table game competition among players for cash, cash equivalents or prizes.

* * *

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

* * *

"Count room." A secured room at a licensed facility designated for the counting, wrapping and recording of slot machine and table game receipts.

"Counterfeit chip." Any object that is:

- (1) used or intended to be used to play a table game at a certificate holder's licensed facility and which was not issued by that certificate holder for such use; or
- (2) presented to a certificate holder for redemption if the object was not issued by the certificate holder.

* * *

"Electronic gaming table." A gaming table approved by the Pennsylvania Gaming Control Board that is a mechanical, electrical or computerized contrivance, terminal, machine or other device which, upon insertion or placement of cash or cash equivalents therein or thereon, or upon a wager or payment of any consideration whatsoever, is available for play or operation by one or more players as a table game. The term shall include any gaming table where a wager or payment is made using an electronic or computerized wagering or payment system. The term shall not include a slot machine.

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

- (1) Deputy Secretaries of the Commonwealth and the Governor's Office executive staff.
- (2) An employee of the executive branch whose duties substantially involve licensing or enforcement under this part, who has discretionary power which may affect or influence the outcome of a Commonwealth agency's action or decision or who is involved in the development of regulations or policies relating to a licensed entity. The term shall include an employee with law enforcement authority.
- (3) An employee of a county or municipality with discretionary powers which may affect or influence the outcome of the county's or municipality's action or decision related to this part or who is involved in the development of law, regulation or policy relating to matters regulated under this part. The term shall include an employee with law enforcement authority.
- (4) An employee of a department, agency, board, commission, authority or other governmental body not included in paragraph (1), (2) or (3) with discretionary power which may affect or influence the outcome of the governmental body's action or decision related to this part or who is involved in the development of regulation or policy relating to matters regulated under this part. The term shall include an employee with law enforcement authority.

* * *

"Fully automated electronic gaming table." An electronic gaming table determined by the Pennsylvania Gaming Control Board

to be playable or operable as a table game without the assistance or participation of a person acting on behalf of a certificate holder.

* * *

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

- (1) Cashiers.
- (2) Change personnel.
- (3) [Counting] **Count** room personnel.
- (4) Slot attendants.
- (5) Hosts or other [persons] **individuals** authorized to extend complimentary services, **including employees performing functions similar to those performed by a gaming junket representative.**
- (6) Machine mechanics [or], computer machine technicians **or table game device technicians.**
- (7) Security personnel.
- (8) Surveillance personnel.
- (9) [Supervisors] **Promotional play supervisors, credit supervisors, pit supervisors, cashier supervisors, shift supervisors, table game managers and assistant managers and other supervisors** and managers, **except for those specifically identified in this part as key employees.**
- (10) **Boxmen.**
- (11) **Dealers or croupiers.**
- (12) **Floormen.**
- (13) **Personnel authorized to issue promotional play.**
- (14) **Personnel authorized to issue credit.**

The term [includes] **shall include** employees of a person holding a supplier's license whose duties are directly involved with the repair or distribution of slot machines [and], **table game devices or** associated equipment sold or provided to [the] a licensed facility within this Commonwealth as determined by the Pennsylvania Gaming Control Board. The term does not include bartenders, cocktail servers or other persons engaged solely in preparing or serving food or beverages, clerical or secretarial personnel, parking attendants, janitorial, stage, sound and light technicians and other nongaming personnel as determined by the board.

"Gaming junket." A gaming arrangement made by a gaming junket enterprise or a gaming junket representative for an individual who:

- (1) Is selected or approved for participation in the arrangement based on the individual's ability to satisfy specific financial qualifications and the likelihood that the individual will participate in playing slot machines or table games and patronize a licensed facility for the purpose of gaming.
- (2) Receives complimentary services or gifts from a slot machine licensee for participation in the arrangement, including the costs of transportation, food, lodging or entertainment.

"Gaming junket enterprise." A person, other than a slot machine licensee, who employs or otherwise engages the services of a gaming junket representative to arrange gaming junkets to a licensed facility, regardless of whether the activities of the person or the gaming junket representative occur within this Commonwealth.

"Gaming junket representative." An individual, other than an employee of a slot machine licensee, who arranges and negotiates the terms of a gaming junket or selects individuals to participate in a gaming junket to a licensed facility,

regardless of whether the activities of the individual occur within this Commonwealth.

"Gaming school." Any educational institution approved by the Department of Education as an accredited college or university, community college, Pennsylvania private licensed school or its equivalent and whose curriculum guidelines are approved by the Department of Labor and Industry to provide education and job training related to employment opportunities associated with slot machines or table games, including slot machine, table game device and associated equipment maintenance and repair.

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

(1) provides goods or services to a slot machine licensee or an applicant for a slot machine license for use in the operation of a licensed facility; or

(2) provides goods or services at a licensed facility.

"Gross table game revenue." The total of:

(1) Cash or cash equivalents received in the playing of a table game minus the total of:

(i) Cash or cash equivalents paid to players as a result of playing a table game.

(ii) Cash or cash equivalents paid to purchase annuities to fund prizes payable to players over a period of time as a result of playing a table game.

(iii) The actual cost paid by the certificate holder for any personal property distributed to a player as a result of playing a table game. This does not include travel expenses, food, refreshments, lodging or services.

(2) Contest or tournament fees or payments, including entry fees, buy-ins, re-buys and administrative fees, imposed by a certificate holder to participate in a table game contest or tournament, less cash paid or actual cost paid by a certificate holder for prizes awarded to the contest or tournament winners.

(3) The total amount of the rake collected by a certificate holder.

The term does not include counterfeit cash or chips; coins or currency of other countries received in the playing of a table game, except to the extent that the coins or currency are readily convertible to cash; or cash taken in a fraudulent act perpetrated against a certificate holder for which the certificate holder is not reimbursed.

"Gross terminal revenue." The total of:

(1) cash or cash equivalent wagers received by a slot machine minus the total of:

[(1)] (i) Cash or cash equivalents paid out to [patrons] **players** as a result of playing a slot machine [which are paid to patrons either manually], **whether paid manually** or paid out by the slot machine.

[(2)] (ii) Cash or cash equivalents paid to purchase annuities to fund prizes payable to [patrons] **players** over a period of time as a result of playing a slot machine.

[(3)] (iii) Any personal property distributed to a [patron as the] **player as a** result of playing a slot machine. This does not include travel expenses, food, refreshments, lodging or services.

(2) cash received as entry fees for slot machine contests or slot machine tournaments .

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

* * *

"Hotel." As follows:

(1) Except as provided under paragraph (2), one or more buildings owned or operated by a certificate holder which are attached to, physically connected to or adjacent to the certificate holder's licensed facility in which members of the public may, for a consideration, obtain sleeping accommodations.

(2) When the term is used in section 1305 (relating to Category 3 slot machine license) or 1407(d) (relating to Pennsylvania Gaming Economic Development and Tourism Fund), a building or buildings in which members of the public may, for a consideration, obtain sleeping accommodations.

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"Key employee." Any individual who is employed in a director or department head capacity and who is empowered to make discretionary decisions that regulate slot machine **or table game** operations, including the general manager and assistant manager of the licensed facility, director of slot operations, **director of table game operations**, director of cage and/or credit operations, director of surveillance, director of marketing, director of management information systems, director of security, comptroller and any employee **who is not otherwise designated as a gaming employee and** who supervises the operations of these departments or to whom these department directors or department heads report and such other positions **not otherwise designated or defined under this part** which the Pennsylvania Gaming Control Board shall determine based on detailed analyses of job descriptions as provided in the internal controls of the licensee as approved by the [board] **Pennsylvania Gaming Control Board**. All other gaming employees unless otherwise designated by the [board] **Pennsylvania Gaming Control Board** shall be classified as non-key employees.

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

* * *

"Licensed entity representative." A person, including an attorney, agent or lobbyist, acting on behalf of or authorized to represent the interest of any applicant, licensee, permittee or other person authorized by the Pennsylvania Gaming Control Board to engage in any act or activity which is regulated under the provisions of this part regarding any matter before, or which may reasonably be expected to come before, the Pennsylvania Gaming Control Board.

"Licensed facility." The physical land-based location at which a licensed gaming entity is authorized to place and operate slot machines **and, if authorized by the Pennsylvania Gaming Control Board** under Chapter 13A (relating to table games), to conduct table games. The term includes any:

(1) area of a licensed racetrack at which a slot machine licensee was previously authorized pursuant to section 1207(17) (relating to regulatory authority of board) to

operate slot machines prior to the effective date of this paragraph;

(2) board-approved interim facility or temporary facility; and

(3) area of a hotel which the Pennsylvania Gaming Control Board determines is suitable to conduct table games.

* * *

"Manufacturer." A person who manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to any slot machine, **table game device** or associated equipment for use or play of slot machines or **table games** in this Commonwealth for gaming purposes.

"Manufacturer license." A license issued by the Pennsylvania Gaming Control Board authorizing a manufacturer to manufacture or produce slot machines, **table game devices** or associated equipment for use in this Commonwealth for gaming purposes.

* * *

"Municipal authority." A body politic and corporate created under the former act of June 28, 1935 (P.L.463, No.191), known as the Municipality Authorities Act of one thousand nine hundred and thirty-five, the former act of May 2, 1945 (P.L.382, No.164), known as the Municipality Authorities Act of 1945, the act of July 29, 1953 (P.L.1034, No.270), known as the Public Auditorium Authorities Law, or 53 Pa.C.S. Ch. 56 (relating to municipal authorities).

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"Nonbanking game." Any table game in which a player competes against another player and in which the certificate holder collects a rake.

* * *

"Party." The Bureau of Investigations and Enforcement of the Pennsylvania Gaming Control Board or any applicant, licensee, permittee, registrant or other person appearing of record in any proceeding before the Pennsylvania Gaming Control Board.

* * *

"Player." An individual wagering cash, a cash equivalent or other thing of value in the play or operation of a slot machine or table game, including during a contest or tournament, the play or operation of which may deliver or entitle the individual playing or operating the slot machine or table game to receive cash, a cash equivalent or other thing of value from another player or a slot machine licensee.

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"Rake." A set fee or percentage assessed by a certificate holder for providing the services of a dealer, gaming table or location, to allow the play or operation of any nonbanking game.

* * *

"Slot machine." Any mechanical [or], electrical or **computerized** contrivance, terminal, machine or other device approved by the Pennsylvania Gaming Control Board which, upon insertion of a coin, bill, ticket, token or similar object therein or upon payment of any consideration whatsoever, including the use of any electronic payment system except a credit card or debit card, is available to play or operate, the play or operation of which, whether by reason of skill or application of the element of chance or both, may deliver or entitle the person or persons playing or operating the contrivance, terminal, machine or other device to receive cash, billets, tickets, tokens or electronic credits to be exchanged for cash or to receive merchandise or anything of value

whatsoever, whether the payoff is made automatically from the machine or manually. A slot machine:

(1) May utilize spinning reels or video displays or both.

(2) May or may not dispense coins, tickets or tokens to winning patrons.

(3) May use an electronic credit system for receiving wagers and making payouts.

The term shall include associated equipment necessary to conduct the operation of the contrivance, terminal, machine or other device.

"Slot machine contest." A slot machine competition among players for cash, cash equivalents or prizes.

* * *

"Slot machine tournament." An organized series of slot machine contests approved by the Pennsylvania Gaming Control Board in which an overall winner is ultimately determined.

* * *

"Supplier." A person that sells, leases, offers or otherwise provides, distributes or services any slot machine, **table game device** or associated equipment for use or play of slot machines or **table games** in this Commonwealth.

"Supplier license." A license issued by the Pennsylvania Gaming Control Board authorizing a supplier to provide products or services related to slot machines, **table game devices** or associated equipment to slot machine licensees for use in this Commonwealth for gaming purposes.

* * *

"Suspicious transaction." A transaction between a slot machine licensee or an employee of a slot machine licensee and an individual that involves the acceptance or redemption by a person of cash or a cash equivalent involving or aggregating \$5,000 or more which a slot machine licensee or employee of a slot machine licensee knows, suspects or has reason to believe:

(1) involves funds derived from illegal activities or is intended or conducted in order to conceal or disguise funds or assets derived from illegal activities;

(2) is part of a plan to violate or evade any law or regulation or to avoid any transaction reporting requirement under the laws or regulations of this Commonwealth or the United States, including a plan to structure a series of transactions to avoid any transaction reporting requirement under the laws or regulations of this Commonwealth or the United States; or

(3) has no apparent lawful purpose or is not the type of transaction in which a person would normally be expected to engage and the slot machine licensee or employee knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction.

"Table game." Any banking or nonbanking game approved by the Pennsylvania Gaming Control Board. The term includes roulette, baccarat, blackjack, poker, craps, big six wheel, mini-baccarat, red dog, pai gow, twenty-one, casino war, acey-ducey, sic bo, chuck-a-luck, Panguingue, Fan-tan, Asia poker, Boston 5 stud poker, Caribbean stud poker, Colorado hold'em poker, double attack blackjack, double cross poker, double down stud poker, fast action hold'em, flop poker, four card poker, let it ride poker, mini-craps, mini-dice, pai gow poker, pokette, Spanish 21, Texas hold'em bonus poker, three card poker, two card joker poker, ultimate Texas hold'em,

winner's pot poker and any other banking or nonbanking game. The term shall not include:

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

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

(3) Pari-mutuel betting on the outcome of thoroughbred or harness horse racing as authorized under the act of December 17, 1981 (P.L.435, No.135), known as the Race Horse Industry Reform Act.

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

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

(6) Keno.

"Table game device." Includes gaming tables, cards, dice, chips, shufflers, tiles, dominoes, wheels, drop boxes or any mechanical, electrical or computerized contrivance, terminal, machine or other device, apparatus, equipment or supplies approved by the Pennsylvania Gaming Control Board and used to conduct a table game.

"Table game operation certificate." A certificate awarded by the Pennsylvania Gaming Control Board under Chapter 13A (relating to table games) that authorizes a slot machine licensee to conduct table games in accordance with this part.

"Tournament." An organized series of contests approved by the Pennsylvania Gaming Control Board in which an overall winner is ultimately determined.

"Trustee." A person appointed by the Pennsylvania Gaming Control Board under section 1332 (relating to appointment of trustee) to manage and control the operations of a licensed facility and who has the fiduciary responsibility to make decisions to preserve the viability of a licensed facility and the integrity of gaming in this Commonwealth.

* * *

Section 3. Section 1201(f)(3), (h)(5), (7.1), (10), (11), (13), (14) and (15) and (k) of Title 4 are amended, subsection (h) is amended by adding paragraphs and the section is amended by adding a subsection to read:

§ 1201. Pennsylvania Gaming Control Board established.

* * *

(f) Qualified majority vote.--

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(3) Notwithstanding any other provision of this part or 65 Pa.C.S. § 1103(j) (relating to restricted activities), a member shall disclose the nature of his disqualifying interest, disqualify himself and abstain from voting in a **hearing or** proceeding under this part in which his objectivity, impartiality, integrity or independence of judgment may be reasonably questioned, as provided in subsection (h)(6) **or section 1202.1(c)(3) (relating to code of conduct)**. If a legislative appointee has disqualified himself, the qualified majority shall consist of all of the remaining legislative appointees and at least two gubernatorial appointees.

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(h) Qualifications and restrictions.--

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(4.1) No member shall engage in any business, employment or vocation for which the member receives a salary,

compensation or fee for services rendered which is in excess of 15% of the member's gross annual salary as a member of the board. For purposes of this paragraph, the terms "salary," "compensation" and "fee" do not include any of the following:

(i) Passive or unearned income, including interest, dividends or capital gains from the sale of assets or securities held for investment purposes.

(ii) Health care benefits or retirement, pension or annuity payments.

(iii) Amounts received from a family-controlled trade or business in which both personal services and capital are income-producing factors, provided that the personal services actually rendered by the member do not generate a significant amount of income.

(iv) Director's fees attributable to board membership of a corporate or nonprofit body or board or reimbursement for expenses incurred in connection with board membership.

(5) No member shall be paid or receive any fee or other compensation **for any activity related to the duties or authority of the board** other than salary and expenses provided by law [for any activity related to the duties or authority of the board. Nothing in this part shall prohibit a member from engaging in any employment or receiving any compensation for such employment that is not connected to or incompatible with his service as a member of the board].

* * *

(7.1) Prior to being sworn as a member, an appointee and his immediate family shall divest any financial interest in any applicant, licensed facility or licensed entity and in an affiliate, intermediary, subsidiary or holding company thereof owned or held by the appointee or known to be held by the appointee's immediate family. For the duration of the member's term and for [one year] **two years** thereafter, the member and the member's immediate family may not acquire a financial interest in any applicant, licensed facility or licensed entity or in an affiliate, intermediary, subsidiary or holding company [thereof] **of an applicant, licensed facility or licensed entity**. For purposes of this paragraph, the term "immediate family" shall mean spouse and any minor or unemancipated child.

* * *

(10) No **former** member may appear before the board **in any hearing or proceeding or participate in any other activity** on behalf of any applicant, licensed entity, or an affiliate, intermediary, subsidiary or holding company [thereof] **of an applicant or licensed entity**, or any other licensee or permittee, for a period of two years from the termination of term of office.

(11) No member, employee **of the board** or independent contractor [of the board] shall accept a complimentary service, wager or be paid any prize from any wager at any licensed facility within this Commonwealth or at any other facility outside this Commonwealth which is owned or operated by a licensed gaming entity or any of its affiliates, intermediaries, subsidiaries or holding companies [thereof] for the duration of their term of office, employment or contract with the board and for a period of [one year] **two years** from the termination of term of office, employment or contract with the board. The provisions of this paragraph **prohibiting wagering during the term of employment** shall not

apply to employees [who utilize] **or independent contractors while utilizing** slot machines **or table game devices** for testing purposes or [to verify] **while verifying** the performance of a **slot machine or table game** as part of an enforcement investigation.

* * *

[(13) No employee of the board or individual employed by an independent contractor of the board whose duties substantially involve licensing, enforcement or the development or adoption of regulations or policy under this part shall:

(i) accept employment with an applicant or licensed entity, or an affiliate, intermediary, subsidiary or holding company thereof, for a period of one year after the termination of the employment relating to the conduct of gaming or contract with the board; or

(ii) appear before the board in any hearing or proceeding or participate in any other activity on behalf of any applicant, licensee, permittee or licensed entity, or an affiliate, intermediary, subsidiary or holding company thereof, for a period of two years after termination of the employment or contract with the board.]

(13) The following shall apply to an employee of the board whose duties substantially involve licensing, enforcement, development of law, promulgation of regulations or development of policy, relating to gaming under this part or who has other discretionary authority which may affect or influence the outcome of an action, proceeding or decision under this part, including the executive director, bureau directors and attorneys:

(i) The individual may not, for a period of two years following termination of employment, accept employment with or be retained by an applicant or a licensed entity or by an affiliate, intermediary, subsidiary or holding company of an applicant or a licensed entity.

(ii) The individual may not, for a period of two years following termination of employment, appear before the board in a hearing or proceeding or participate in activity on behalf of any applicant, licensee, permittee or licensed entity or on behalf of an affiliate, intermediary, subsidiary or holding company of any applicant, licensee, permittee or licensed entity.

(iii) An applicant or a licensed entity or an affiliate, intermediary, subsidiary or holding company of an applicant or a licensed entity may not, until the expiration of two years following termination of employment, employ or retain the individual. Violation of this subparagraph shall result in termination of the individual's employment and subject the violator to section 1518(c) (relating to prohibited acts; penalties).

(iv) A prospective employee who, upon employment, would be subject to this paragraph must, as a condition of employment, sign an affidavit that the prospective employee will not violate subparagraph (i) or (ii). If the prospective employee fails to sign the affidavit, the board shall rescind any offer of employment and shall not employ the individual.

(13.1) The following shall apply to an independent contractor and to an employee of an independent contractor whose duties substantially involve consultation relating to

licensing, enforcement, development of law, promulgation of regulations or development of policy, relating to gaming under this part:

(i) The person may not, for a period of one year following termination of the contract with the board, be retained by an applicant or a licensed entity or by an affiliate, intermediary, subsidiary or holding company of an applicant or a licensed entity.

(ii) The person may not, for a period of two years following termination of the contract with the board, appear before the board in a hearing or proceeding or participate in activity on behalf of any applicant, licensee, permittee or licensed entity or on behalf of an affiliate, intermediary, subsidiary or holding company of any applicant, licensee, permittee or licensed entity.

(iii) An applicant or a licensed entity or an affiliate, intermediary, subsidiary or holding company of an applicant or a licensee may not, until the expiration of one year following termination of the contract with the board, employ or retain the person. A knowing violation of this subparagraph shall result in termination of the person's employment and subject the violator to section 1518(c).

(iv) Each contract between the board and an independent contractor which involves the duties set forth in this paragraph shall contain a provision requiring the independent contractor to sign an affidavit that the independent contractor will not violate subparagraph (i) or (ii). If the independent contractor fails to sign the affidavit, the board shall not enter into the contract.

(v) An independent contractor shall require a prospective employee whose employment would involve the duties set forth in this paragraph to sign an affidavit that the prospective employee will not violate subparagraph (i) or (ii). If the prospective employee fails to sign the affidavit, the independent contractor shall rescind any offer of employment and shall not employ the individual.

(13.2) Nothing under paragraph (13) or (13.1) shall prevent a current or former employee of the board, a current or former independent contractor or a current or former employee of an independent contractor from appearing before the board in any hearing or proceeding as a witness or testifying as to any fact or information.

(14) [Upon the written request of an employee of the board, the executive branch of the Commonwealth or a political subdivision or of the agency or political subdivision employing an employee, the State Ethics Commission shall determine whether the individual's duties substantially involve the development or adoption of regulations or policy, licensing or enforcement under this part and shall provide a written determination to the employee to include any prohibition under this paragraph. An individual who] **The State Ethics Commission shall issue a written determination of whether a person is subject to paragraph (13) or (13.1) upon the written request of the person or the person's employer or potential employer. A person that** relies in good faith on a determination issued under this paragraph shall not be subject to any penalty for an action taken, provided that all material facts set forth in the request for [a] **the** determination are correct.

(14.1) The State Ethics Commission shall publish a list of all employment positions within the board and employment positions within independent contractors whose duties would subject the individuals in those positions to the provisions of paragraphs (13) and (13.1). The board and each independent contractor shall assist the State Ethics Commission in the development of the list, which shall be published by the State Ethics Commission in the Pennsylvania Bulletin biennially and posted by the board on the board's Internet website. Upon request, employees of the board and each independent contractor shall have a duty to provide the State Ethics Commission with adequate information to accurately develop and maintain the list. The State Ethics Commission may impose a civil penalty under 65 Pa.C.S. § 1109(f) (relating to penalties) upon an individual who fails to cooperate with the State Ethics Commission under this paragraph. An individual who relies in good faith on the list published by the State Ethics Commission shall not be subject to any penalty for a violation of paragraph (13) or (13.1).

(15) If a member[, employee or independent contractor] of the board violates any provision of this section, the appointing authority [or the board may, upon notice and hearing,] **may** remove the person from the board[, withdraw the appointment or terminate the employment or contract, and the person shall be ineligible for future appointment, employment or contract with the board and for approval of a license or permit under this part for a period of two years thereafter]. **A member removed under this paragraph shall, for a period of five years following removal, be prohibited from future appointment to the board and shall be prohibited from applying for a license, permit or other authorization under this part and from becoming an independent contractor or registering as a licensed entity representative .**

* * *

(k) Appointments.--The appointing authorities shall make their initial appointments within 60 days of the effective date of this part. **Appointments to fill a vacancy shall be made within 60 days of the creation of the vacancy.** No appointment shall be final until receipt by the appointing authority of the required background investigation of the appointee by the Pennsylvania State Police which shall be completed within 30 days. No person who has been convicted in any domestic or foreign jurisdiction of a felony, infamous crime or gaming offense shall be appointed to the board.

* * *

(m.1) **Budgetary impasse.--If, in the event of a budgetary or other fiscal crisis, the Governor orders the furlough of Commonwealth employees, the board and its employees and all employees of the department and the Pennsylvania State Police whose duties involve the regulation and oversight of gaming under this part shall not be subject to furlough and shall continue to perform their duties of employment.**

* * *

Section 3.1. Section 1201.1(a)(1) of Title 4 is amended to read:

§ 1201.1. Applicability of other statutes.

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

(1) The act of [June 21, 1957 (P.L.390, No.212), referred to] **February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.**

* * *

Section 4. Section 1202(a)(1) and (2) and (b)(7), (20) and (23) of Title 4 are amended and subsection (b) is amended by adding paragraphs to read:

§ 1202. General and specific powers.

(a) General powers.--

(1) The board shall have general and sole regulatory authority over the conduct of gaming or related activities as described in this part. The board shall ensure the integrity of the acquisition and operation of slot machines, **table games, table game devices** and associated equipment and shall have sole regulatory authority over every aspect of the authorization [and], operation **and play** of slot machines **and table games.**

(2) The board shall employ individuals as necessary to carry out the powers and duties of the board, who shall serve at the board's pleasure. An employee of the board shall be considered a State employee for purposes of 71 Pa.C.S. Pt. XXV (relating to retirement for State employees and officers). For the purposes of this paragraph, the board shall not be considered an executive or independent agency under the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act. **The board shall not take final action to fill any vacancy in the position of executive director of the board, director of the bureau, chief counsel of the board or director of the Office of Enforcement Counsel until receipt and review of the results of the individual's background investigation under section 1517(c)(1.1) (relating to investigations and enforcement).**

* * *

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

* * *

(7) To administer oaths, examine witnesses and issue subpoenas compelling the attendance of witnesses or the production of documents and records or other evidence[. The provisions of this paragraph shall apply to designated officers and employees.], **or to designate officers or employees to perform these duties.**

* * *

(12.1) At its discretion, to award, revoke, suspend, condition or deny a table game operation certificate to a slot machine licensee in accordance with Chapter 13A (relating to table games).

* * *

(20) In addition to the power of the board regarding license and permit applicants, to determine at its discretion the suitability of any person who furnishes or seeks to furnish to a slot machine licensee directly or indirectly any **goods, services or property** related to slot machines, **table games, table game devices** or associated equipment or through any arrangements under which that person receives payment based directly or indirectly on earnings, profits or receipts from the slot machines, **table games, table game devices** and associated equipment. The board may require any such person to comply with the requirements of this part and the regulations of the board and may prohibit the person from furnishing the **goods, services or property.**

* * *

(23) The board shall not **approve an application for or issue or renew a license, certificate, registration or permit**

unless it is satisfied that the applicant **has demonstrated by clear and convincing evidence that the applicant** is a person of good character, honesty and integrity and is a person whose prior activities, criminal record, if any, reputation, habits and associations do not pose a threat to the public interest or the effective regulation and control of slot machine **or table game** operations or create or enhance the danger of unsuitable, unfair or illegal practices, methods and activities in the conduct of slot machine **or table game** operations or the carrying on of the business and financial arrangements incidental thereto.

* * *

(27.1) To publish each January in the Pennsylvania Bulletin and on the Pennsylvania Gaming Control Board's Internet website a complete list of all slot machine licensees who filed a petition seeking authorization to conduct table games and the status of each petition or table game operation certificate.

* * *

(31) To collect and post information on its Internet website with sufficient detail to inform the public of each person with a controlling interest or ownership interest in an applicant for a slot machine license or a licensed gaming entity, or affiliate, intermediary, subsidiary or holding company of an applicant or licensed gaming entity. The posting shall include:

(i) If the applicant or licensed gaming entity, or any affiliate, intermediary, subsidiary or holding company of the applicant or licensed gaming entity, is a publicly traded domestic or foreign corporation, partnership, limited liability company or other legal entity, the names of all persons with a controlling interest.

(ii) If the applicant or licensed gaming entity, or any affiliate, intermediary, subsidiary or holding company of the applicant or licensed gaming entity, is a privately held domestic or foreign corporation, partnership, limited liability company or other legal entity, the names of all persons with an ownership interest equal to or greater than 1%.

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

(iv) The names of all officers, directors and principals of the applicant or licensed gaming entity.

(32) To appoint a trustee as prescribed in section 1332 (relating to appointment of trustee).

(33) To adopt regulations governing the postemployment limitations and restrictions applicable to members and to employees of the board subject to section 1201(h)(13) (relating to Pennsylvania Gaming Control Board established). In developing these regulations, the board may consult with the State Ethics Commission, other governmental agencies and the disciplinary board of the Supreme Court of Pennsylvania regarding postemployment limitations and restrictions on members and employees of the board who are members of the Pennsylvania Bar.

(34) To review detailed site plans identifying a petitioner's proposed table game area within a licensed facility to determine the adequacy of the proposed internal and external security and proposed surveillance measures.

Section 5. Section 1202.1 of Title 4 is amended to read:
§ 1202.1. Code of conduct.

(a) Scope.--The board shall adopt a comprehensive code of conduct prior to the consideration of any license, permit or registration application. The code of conduct shall supplement all other requirements under this part and 65 Pa.C.S. Pt. II (relating to accountability) and shall provide guidelines applicable to members, employees **of the board**, independent contractors [of the board] and the immediate [families] **family** of the members, employees and independent contractors to enable them to avoid any perceived or actual conflict of interest and to promote public confidence in the integrity and impartiality of the board. At a minimum, the code of conduct adopted under this section shall include registration **of licensed entity representatives** under subsection (b) and the restrictions under [subsection (c)] **subsections (c) and (c.1)**.

(b) Registration.--

(1) A licensed entity representative shall register with the board in a manner prescribed by the board, which shall include the name, employer or firm, **business** address[,], **and business** telephone number **of both the licensed entity representative** and [the] **any** licensed entity, **applicant for licensure or other person** being represented.

(2) A licensed entity representative shall have an [ongoing] **affirmative** duty to update its registration information on an ongoing basis, **and failure to do so shall be punishable by the board**.

(3) The [registration list] **board shall maintain a registration list which shall contain the information required under paragraph (1) and which** shall be available for public inspection at the offices of the board and on the board's Internet website.

(c) Restrictions.--[A] **In addition to the other prohibitions contained in this part, a member** [of the board] shall:

(1) [Not engage in any ex parte communication with any person.] **(Reserved)**.

(2) Not accept any discount, gift, gratuity, compensation, travel, lodging or other thing of value, directly or indirectly, from any applicant[, licensee,], **licensed entity, affiliate, subsidiary or intermediary of an applicant or a licensed entity**, permittee[,], registrant or licensed entity representative [thereof].

(3) Disclose and [disqualify] **recuse** himself from any **hearing or other** proceeding in which the member's objectivity, impartiality, integrity or independence of judgment may be reasonably questioned due to the member's relationship or association with a party connected to any **hearing or** proceeding or a person appearing before the board.

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

(5) Not hold or campaign for public office, hold an office in any political party or political committee, **as defined in section 1513(d) (relating to political influence)**, contribute to or solicit contributions to a political campaign, [party,] **political party, political** committee or candidate, publicly endorse a candidate or actively participate in a political campaign.

(6) Not solicit funds for any charitable, educational, religious, health, fraternal, civic or other nonprofit entity from [an] **any** applicant, licensed entity, **party, permittee, registrant or licensed entity representative**, or from any affiliate, subsidiary, intermediary or holding company of

[a] **any applicant, licensed entity, [interested] party or licensed entity representative. [A board] Subject to the provisions of section 1201(h) (4.1) (relating to Pennsylvania Gaming Control Board established),** a member may serve as an officer, employee or member of the governing body of a nonprofit entity and may attend, make personal contributions to and plan or preside over the entity's fundraising events. A [board] member may permit his name to appear on the letterhead used for fundraising events if the letterhead contains only the [board] member's name and position with the nonprofit entity.

(7) Not meet or engage in discussions with any applicant, [person licensed under this part or a] **licensed entity, permittee, registrant, licensed entity representative, person who provides goods, property or services to a slot machine licensee or any other person or entity under the jurisdiction of the board** unless the meeting or discussion occurs on the business premises of the board and is recorded in a log [maintained for this purpose]. The log shall be available for public inspection during the regular business hours of the board **and shall be posted on the board's Internet website. The log shall include the date and time of the meeting or discussion, the names of the participants and the subject discussed.** The provisions of this paragraph shall not apply to meetings [of the board] to consider matters requiring the physical inspection of the equipment or premises of an applicant or a licensed entity [at their location] **provided the meeting is entered in the log.**

(8) Avoid impropriety and the appearance of impropriety at all times and observe standards and conduct that promote public confidence in the oversight of gaming.

(9) Comply with any other laws, rules or regulations relating to the conduct of a member.

(c.1) Ex parte communications.--

(1) No member or hearing officer of the board shall engage in any ex parte communication with any person. No attorney of the Office of Chief Counsel advising the board on a particular licensing issue or proceeding shall engage in any ex parte communication with any person.

(2) No attorney representing the bureau or the Office of Enforcement Counsel or an applicant, licensee or permittee in any proceeding shall engage in an ex parte communication with a member, an attorney of the Office of Chief Counsel who is advising the board on a proceeding or a hearing officer of the board.

(3) No employee of the bureau or the Office of Enforcement Counsel shall engage in an ex parte communication with a member, an attorney of the Office of Chief Counsel who is advising the board on a proceeding or a hearing officer of the board.

(c.2) Procedures relating to ex parte communications.--

(1) An ex parte communication received or engaged in by a member or hearing officer shall be recorded in a log. The log shall be available for public inspection during the regular business hours of the board and shall be posted on the board's Internet website. The log shall include:

(i) The name of the individual documenting the ex parte communication.

(ii) The date and time of the ex parte communication.

(iii) The names of all individuals involved in the ex parte communication.

(iv) The subject discussed.

(2) In addition to documenting an ex parte communication under paragraph (1), notification of the substance of the communication and an opportunity to respond shall be provided to all parties to a hearing or other proceeding directly affected by the anticipated vote or action of the hearing officer or board related to the ex parte communication.

(3) (i) A member or hearing officer who engaged in or received an ex parte communication shall recuse himself from any hearing or other proceeding related to the ex parte communication if the context and substance of the ex parte communication creates substantial reasonable doubt as to the individual's ability to act objectively, independently or impartially.

(ii) A member or hearing officer who engaged in or received an ex parte communication who elects not to recuse himself from a hearing or other proceeding shall state his reasons for not recusing himself on the record prior to the commencement of the hearing or proceeding.

(iii) If a legislative appointee recuses himself from any hearing or other proceeding under this section, any qualified majority vote required under this part shall consist of all of the remaining legislative appointees and at least two gubernatorial appointees.

(iv) Failure of a hearing officer who engaged in or received an ex parte communication to recuse himself from a hearing or other proceeding when required under subparagraph (i) shall be grounds for appeal to the board.

(v) Failure of a member who engaged in or received an ex parte communication to recuse himself from a hearing or other proceeding when required under subparagraph (i) shall be grounds for appeal to a court of competent jurisdiction if the board action being appealed could not have occurred without the participation of the member.

(4) This subsection shall not preclude a member from consulting with other members individually if the consultation complies with 65 Pa.C.S. Ch. 7 (relating to open meetings) or with employees or independent contractors whose functions are to assist the board in carrying out its adjudicative functions.

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

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

"Ex parte communication." An off-the-record communication **engaged in or received** by a member or [employee] **hearing officer** of the board regarding the merits of or any fact in issue relating to a pending matter before the board **or hearing officer** or which may reasonably be expected to come before the board **or hearing officer** in a contested on-the-record proceeding. The term shall not include off-the-record communications by or between a member or [employee] **hearing officer** of the board, [Department of Revenue] **department**, Pennsylvania State Police, Attorney General or other law enforcement official prior to the beginning of the proceeding solely for the purpose of seeking clarification or correction to evidentiary materials intended for use in the proceedings. **The term shall also not**

include communications between the board or a member and the office of chief counsel.

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

Section 6. Title 4 is amended by adding a section to read:
§ 1202.2. Expenses of regulatory agencies.

(a) Reimbursement.--Members and employees of the board, employees of the department and the Office of Attorney General, and troopers and employees of the Pennsylvania State Police, whose duties involve the regulation or enforcement of gaming under this part who are seeking reimbursement from funds which are or will be paid by an applicant for a slot machine license or a slot machine licensee or from the assessments made by the department under section 1402(a) (relating to gross terminal revenue deductions) may be reimbursed only for actual and reasonable expenses incurred during the performance of their duties under this part.

(b) Receipts.--In order to receive reimbursement for an expense under subsection (a), the individual seeking reimbursement must submit a receipt to the appropriate agency documenting the expense incurred. Receipts and requests for reimbursement shall be financial records for purposes of, and subject to redaction under, the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

Section 7. Section 1204 of Title 4 is amended to read:
§ 1204. Licensed gaming entity application appeals from board.

The Supreme Court of Pennsylvania shall be vested with exclusive appellate jurisdiction to consider appeals of any final order, determination or decision of the board involving the approval, issuance, denial or conditioning of a slot machine license **or the award, denial or conditioning of a table game operation certificate.** Notwithstanding the provisions of 2 Pa.C.S. Ch. 7 Subch. A (relating to judicial review of Commonwealth agency action) and 42 Pa.C.S. § 763 (relating to direct appeals from government agencies), the Supreme Court shall affirm all final orders, determinations or decisions of the board involving the approval, issuance, denial or conditioning of a slot machine license **or the award, denial or conditioning of a table game operation certificate** unless it shall find that the board committed an error of law or that the order, determination or decision of the board was arbitrary and there was a capricious disregard of the evidence.

Section 7.1. Section 1205(b)(1) and (2) of Title 4 are amended and the subsection is amended by adding a paragraph to read:

§ 1205. License or permit application hearing process; public input hearings.

* * *

(b) Public input hearing requirement.--

(1) [Prior to licensing a facility under this part, the board shall hold at least one public input hearing on the matter.] The board shall hold at least one public input hearing prior to:

(i) Approving a slot machine license application or renewing a slot machine license.

(ii) Approving the structural redesign of a licensed facility located in a city of the first class.

(2) All public input hearings [relating to an application for a slot machine license] under paragraph

(1) shall be held in the municipality where the **licensed** facility will be , **or is,** located and shall be organized in cooperation with the municipality.

* * *

(4) In addition to any witnesses scheduled to testify under paragraph (3), the board shall establish a public comment period during which time members of the public may address the board regarding the application, license or proposed structural redesign. The board, in its discretion, may place reasonable time limits on an individual's comments.

Section 8. Section 1206(f) of Title 4 is amended to read:

§ 1206. Board minutes and records.

* * *

(f) Confidentiality of information.--[All]

(1) **The following** information submitted by an applicant , **permittee or licensee** pursuant to section 1310(a) (relating to slot machine license application character requirements) **or 1308(a.1) (relating to applications for license or permit)** or obtained by the board or the bureau as part of a background **or other** investigation from any source shall be [considered] confidential[.] **and withheld from public disclosure:**

(i) All information relating to character, honesty and integrity, including family, habits, reputation, history of criminal activity, business activities, financial affairs and business, professional and personal associations submitted under section 1310(a) or 1308(a.1) or otherwise obtained by the board or the bureau.

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

(iii) Information relating to proprietary information, trade secrets, patents or exclusive licenses, architectural and engineering plans and information relating to competitive marketing materials and strategies, which may include customer-identifying information or customer prospects for services subject to competition.

(iv) Security information, including risk prevention plans, detection and countermeasures, location of count rooms, emergency management plans, security and surveillance plans, equipment and usage protocols and theft and fraud prevention plans and countermeasures.

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

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

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

(viii) Any financial information deemed confidential by the board upon a showing of good cause by the applicant or licensee.

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

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

(3.1) Notwithstanding paragraph (1)(iii), for purposes of a public input hearing under this part, the board may release architectural renderings or models depicting a proposed structural design or redesign of the licensed facility that is the subject of the hearing.

(4) Except as provided in section 1517(f) (relating to [investigation] investigations and enforcement), the information made confidential pursuant to this section shall be withheld from public disclosure in whole or in part, except that any confidential information shall be released upon the [lawful] order of a court of competent jurisdiction or, with the approval of the Attorney General, to a duly authorized law enforcement agency or shall be released to the public, in whole or in part, to the extent that such release is requested by an applicant or licensee and does not otherwise contain confidential information about another person.

(5) The board may seek a voluntary waiver of confidentiality from an applicant or licensee but may not require any applicant or licensee to waive any confidentiality provided for in this subsection as a condition for the approval of an application, renewal of a license or any other action of the board. [Any person who violates this subsection shall]

(6) No current or former member and no current or former employee, agent or independent contractor of the board, the department, the Pennsylvania State Police, the Office of Attorney General or any other executive branch office who has obtained confidential information in the performance of duties under this part shall intentionally and publicly disclose the information to any person, knowing that the information being disclosed is confidential under this subsection, unless the person is authorized by law to receive it. A violation of this subsection constitutes a misdemeanor of the third degree. In addition, an employee, agent or independent contractor who violates this subsection shall be administratively disciplined by discharge, suspension, termination of contract or other formal disciplinary action as [the board deems] appropriate. If a current member violates this paragraph, the other members shall refer the matter to the current member's appointing authority.

* * *

Section 8.1. Section 1207(4), (5), (8), (9), (14) and (17) of Title 4 are amended and the section is amended by adding paragraphs to read:

§ 1207. Regulatory authority of board.

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

* * *

(4) Require that each licensed entity provide to the board its audited annual financial statements, with such additional detail as the board from time to time shall require, which information shall be submitted not later than [60] **90** days after the end of the licensee's fiscal year.

(5) Prescribe the procedures to be followed by slot machine licensees for any financial event that occurs in the operation **and play** of slot machines **or table games**.

* * *

(7.1) Enforce prescribed hours for the operation of table games so that a certificate holder may conduct table games on any day during the year in order to meet the needs of patrons or to meet competition.

(8) Require that each licensed gaming entity prohibit persons under 21 years of age from operating or using slot machines **or playing table games**.

(9) Establish procedures for the inspection and certification of compliance of each slot machine, **table game, table game device** and associated equipment prior to being placed into use by a slot machine licensee.

* * *

(14) Consult with members of the Pennsylvania State Police, the Office of Attorney General, the department and such other persons it deems necessary for advice regarding the various aspects of the powers and duties imposed on it under this part and its jurisdiction over the authorization, [and] operation **and play** of slot machines , **table games** and licensed facilities.

* * *

(17) Permit, in its discretion and upon application **or petition**, the use of a temporary facility within which slot machines **and table games** may be available for play or operation at a licensed [gaming] facility, for a period not to exceed 24 months, provided that, upon good cause shown, the board may extend permission to operate a temporary facility for an additional [12-month] **24-month** period.

(18) (Reserved).

(19) Authorize an employee of the board to approve, deny or condition a request to decrease the number of slot machines in operation at a licensed facility. An employee may not approve a requested decrease in the number of slot machines under this paragraph if the requested decrease exceeds 2% of the total number of slot machines in operation at a licensed facility. Except as provided under paragraph (20), at no time shall the number of slot machines in operation at a Category 1 or Category 2 licensed facility be less than 1,500 or less than 250 slot machines at a Category 3 licensed facility.

(20) Approve or authorize an employee of the board to approve a temporary reduction in the number of slot machines in operation at a licensed facility under the following circumstances:

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

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

(21) Authorize, in its discretion, a slot machine licensee to conduct slot machine tournaments and adopt regulations governing the conduct of such tournaments.

Section 8.2. Sections 1208(1), 1209(b) and (f) and 1210 of Title 4 are amended to read:

§ 1208. Collection of fees and fines.

The board has the following powers and duties:

(1) To levy and collect fees from the various applicants, licensees and permittees to fund the operations of the board. [The] **Unless otherwise provided in this part, the** fees shall be deposited into the State Gaming Fund as established in section 1403 (relating to establishment of State Gaming Fund and net slot machine revenue distribution) and distributed to the board upon appropriation by the General Assembly. In addition to the fees set forth in sections 1209 (relating to slot machine license fee) and 1305 (relating to Category 3 slot machine license), the board shall assess and collect fees as follows:

(i) Supplier licensees shall pay [a]:

(A) A fee of \$25,000 upon the issuance of a license [and \$10,000 for the annual renewal of a supplier license.] **to supply slot machines or associated equipment used in connection with slot machines.**

(B) A fee of \$25,000 upon the issuance of a license to supply table game devices or associated equipment used in connection with table games or table game devices.

(C) A fee of \$15,000 for the annual renewal of the appropriate supplier license. Upon the extension of the renewal period under section 1317(c)(1) (relating to supplier licenses), the fee shall be \$45,000 for the renewal.

(D) Notwithstanding the fees established under clauses (B) and (C), the board may modify the fees upon the board's determination that the fees will unreasonably limit the availability of table game devices or associated equipment used in connection with table games or table game devices in this Commonwealth.

(ii) Manufacturer licensees shall pay [a]:

(A) A fee of \$50,000 upon the issuance of a license [and \$25,000 for the annual renewal of a manufacturer license.] **to manufacture slot machines and associated equipment used in connection with slot machines.**

(B) A fee of \$50,000 upon the issuance of a license to manufacture table game devices or associated equipment used in connection with table games or table game devices.

(C) A fee of \$30,000 for the annual renewal of the appropriate manufacturer license. Upon the extension of the renewal period under section 1317.1(c)(1) (relating to manufacturer licenses), the fee shall be \$90,000 for the renewal.

(D) Notwithstanding the fees established under clauses (B) and (C), the board may modify the fees upon the board's determination that the fees will unreasonably limit the availability of table game devices or associated equipment used in connection with table games or table game devices in this Commonwealth.

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

* * *

§ 1209. Slot machine license fee.

* * *

(b) Term.--A slot machine license, after payment of the fee, shall be in effect unless suspended, revoked or not renewed by the board upon good cause consistent with the license requirements as provided for in this part. Slot machine licensees shall be required to update the information in their initial applications annually, and the license of a licensee in good standing shall be [updated and] renewed [annually] **every three years**. **Nothing in this subsection shall relieve a licensee of the affirmative duty to notify the board of any changes relating to the status of its license or to any other information contained in the application materials on file with the board.** As to the renewal of a license, **except as required in subsection (f) (3)**, no additional license fee pursuant to subsection (a) shall be required.

* * *

(f) Return of slot machine license fee.--

(1) The entire one-time slot machine license fee of \$50,000,000 for each Category 1 and Category 2 slot machine license shall be returned to each licensee in the event section 1201 (relating to Pennsylvania Gaming Control Board established), 1202 (relating to general and specific powers) or 1307 (relating to number of slot machine licenses) is amended or otherwise altered by an act of the General Assembly, within five years following the [initial issuance of any slot machine licenses pursuant to section 1301 (relating to authorized slot machine licenses)] **date established by the board as the deadline for the initial submission of Category 1 and Category 2 slot machine license applications**, to change:

(i) the composition of the board;

(ii) the number or voting powers of members of the board;

(iii) the manner in which members are nominated or appointed to the board;

(iv) the length of term for which each member serves;

(v) the general jurisdiction of the board in a manner that impairs or otherwise reduces the board's licensing authority; or

(vi) section 1307 to increase the statutory maximum number of permissible **Category 1 or Category 2** licensed facilities.

(2) In the event that [this part is amended or otherwise altered by an act of] the General Assembly [as] **acts in the manner** described [pursuant to] **in** paragraph (1):

(i) In the sixth year following the [initial issuance of any slot machine licenses pursuant to section 1301] **date established by the board as the deadline for the initial submission of Category 1 and Category 2 slot**

machine license applications, a Category 1 and **Category 2** slot machine licensee shall be entitled to a partial return of the one-time slot machine license fee in the amount of \$41,666,667.

(ii) In the seventh year, [the] **each Category 1 and Category 2 slot machine** licensee shall be entitled to a partial return of the one-time slot machine license fee in the amount of \$33,333,334.

(iii) In the eighth year, [the] **each Category 1 and Category 2 slot machine** licensee shall be entitled to a partial return of the one-time slot machine license fee in the amount of \$25,000,000.

(iv) In the ninth year, [the] **each Category 1 and Category 2 slot machine** licensee shall be entitled to a partial return of the one-time slot machine license fee in the amount of \$16,666,668.

(v) In the tenth year, [the] **each Category 1 and Category 2 slot machine** licensee shall be entitled to a partial return of the one-time machine license fee in the amount of \$8,333,334.

(2.1) In the event that the [action] **General Assembly acts in the manner** described in paragraph (1) [occurs] after the expiration of ten years, [the licensee] **Category 1 and Category 2 slot machine licensees** shall not be entitled to a return of any portion of the one-time slot machine license fee. Notwithstanding the foregoing, no slot machine licensee shall be entitled to the return of any portion of the fee as a result of any act of the General Assembly insofar as it implements a recommendation made by the board pursuant to a qualified majority vote. In the event a full or partial return of the slot machine license fee imposed pursuant to subsection (a) becomes due pursuant to this subsection, the amount to be returned to any slot machine licensee shall be reduced on a dollar-for-dollar basis by the total accumulated tax credits granted to such licensee pursuant to subsection (c). In no event shall the total amount of the slot machine license fee returned **to a Category 1 or Category 2 licensee**, combined with the total tax credits granted, exceed the amounts set forth in this subsection for any licensee. The total or partial return of the slot machine license fee shall extinguish a licensee's right to claim any further tax credits pursuant to subsection (c) **and to make any future claim for the return of the slot machine license fee.**

(3) Within ten days following a determination that a slot machine licensee is entitled to the return of any portion of the slot machine license fee paid by the slot machine licensee based on the provisions of this section or based on the contract executed by the slot machine licensee and the department under subsection (c), the board shall immediately assess a one-time slot machine license renewal fee on the slot machine licensee in an amount equal to the amount of the fee returned to the slot machine licensee. The renewal fee shall be paid by the slot machine licensee within two business days following the return of the initial fee.

§ 1210. Number of slot machines.

(a) Initial complement.--Except as provided for Category 3 slot machine licensees under section 1305 (relating to Category 3 slot machine license), [all] **the following apply:**

(1) All slot machine licensees shall be permitted to operate up to 3,000 slot machines at any one licensed facility [and].

(2) **Each slot machine licensee** shall be required to operate and make available to play a minimum of 1,500 slot machines at [any one] **its** licensed facility within one year of the issuance by the board of a slot machine license [unless otherwise extended by the] **to the slot machine licensee. The board, upon application and for good cause shown, may grant an extension for an additional period [not to exceed 24 months] ending on the later of 36 months from the end of the initial one-year period or December 31, 2012.**

(b) Additional slot machines.--Except as provided for Category 3 slot machine licensees under section 1305, six months following the date of commencement of slot machine operations, the board may permit a slot machine licensee to install and operate up to 2,000 additional slot machines at its licensed facility, beyond those machines [authorized] **permitted** under subsection (a), upon application by the slot machine licensee. The board, in considering such an application, shall take into account the appropriateness of the physical space where the additional slot machines will be located and the convenience of the public attending the facility. The board may also take into account the potential benefit to economic development, employment and tourism, enhanced revenues to the Commonwealth and other economic indicators it deems applicable in making its decision.

[(c) Limitation.--For the two and one-half years following the beginning of slot machine operations at the licensed facility, no licensed gaming entity may make available for play by its patrons at its licensed facility more than 50% of slot machines from the same manufacturer or its affiliate, intermediary, subsidiary or holding company. The provisions of this subsection shall not apply to machines purchased pursuant to a contract or order executed by a conditional Category 1 or Category 1 slot machine licensee prior to October 20, 2006.]

Section 9. Section 1211(a) of Title 4 is amended and the section is amended by adding subsections to read:
§ 1211. Reports of board.

(a) Report of board.--Eighteen months after the effective date of this part and every year on that date thereafter, the board shall issue a report to the Governor and each member of the General Assembly on the general operation of the board and each slot machine licensee's performance, including, but not limited to, number and win per slot machine **and total gross terminal revenue at each** licensed [facilities] **facility** during the previous year, all taxes, fees, fines and other revenues collected and, where appropriate, disbursed, the costs of operation of the board, all hearings conducted and the results of the hearings and other information that the board deems necessary and appropriate.

(a.1) **Additional reporting requirements.--No later than 12 months after the effective date of Chapter 13A (relating to table games) and every year thereafter, the annual report submitted by the board shall include information on the conduct of table games as follows:**

(1) Total gross table game revenue.

(2) The number and win by type of table game at each licensed facility during the previous year.

(3) All taxes, fees, fines and other revenue collected and where appropriate revenue disbursed during the previous

year. The department shall collaborate with the board to carry out the requirements of this paragraph.

(4) Other information related to the conduct of table games.

The board may require certificate holders to provide information to the board to assist in the preparation of the report.

(a.2) Facility responsibility.--Each Category 1 licensed facility shall provide:

(1) An annual report to the board and to the respective racing commission summarizing how the introduction and expansion of gaming has fulfilled the intent of this part to enhance live racing at the licensed racetrack.

(2) Plans to promote live racing and increase live handle and daily attendance at the licensed racetrack in the upcoming year.

(a.3) Expenses.--Beginning 30 days after the effective date of this subsection, the board shall post, within 45 days after the end of each month on its Internet website, a list of all the itemized expenses of employees and members for that month that were or are to be reimbursed from the assessments made by the department under section 1402(a) (relating to gross terminal revenue deductions) and all itemized expenses of employees of the department and the Office of Attorney General and troopers and employees of the Pennsylvania State Police for the preceding month that were or are to be reimbursed from such assessments. The list shall identify the nature of the expense, the employee, member or the agency and employee of the agency to which an expense is attributable. If the expense is directly attributable to or paid by a licensed gaming entity, the list shall identify the licensed gaming entity and if the expense was charged to the licensed gaming entity. By October 1 of each year, a final report of all expenses described in this subsection for the preceding fiscal year shall be posted on the board's Internet website and shall be submitted to the Appropriations Committee of the Senate, the Community, Economic and Recreational Development Committee of the Senate, the Appropriations Committee of the House of Representatives and the Gaming Oversight Committee of the House of Representatives. Information posted on the Internet website pursuant to this subsection shall be financial records for the purposes of and subject to redaction under the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law. The board, the department, the Office of Attorney General and the Pennsylvania State Police shall collaborate to develop a uniform system that will enable the board to carry out the requirements of this subsection.

* * *

(e) Submission of reports.--Notwithstanding any other provision of this part, all annual reports or studies of the board required to be submitted to the General Assembly under this part after the effective date of this subsection shall be submitted by October 1, 2010, and by October 1 of each year thereafter.

Section 10. Sections 1212 and 1213 of Title 4 are amended to read:

§ 1212. Diversity goals of board.

(a) Intent.--It is the intent and goal of the General Assembly that the board promote and ensure diversity in all aspects of the gaming activities authorized under this part. The board shall work to enhance the representation of diverse groups in [the]:

(1) **The** ownership[, participation and operation] of licensed entities [and licensed facilities] in this Commonwealth [and through the].

(2) **The** ownership[, participation and operation] of business enterprises associated with or utilized by licensed entities [and licensed facilities] and through the provision of goods and services utilized by slot machine licensees under this part.

(3) **The** operation of licensed entities and the conduct of gaming in this Commonwealth by ensuring licensed entities promote the participation of diverse groups by affording equal access to employment opportunities, including key employee, gaming employee and nongaming employee positions.

(4) **The** operation of business enterprises associated with or utilized by licensed entities, including business enterprises that provide goods, property and services utilized by slot machine licensees in this Commonwealth, by ensuring these business enterprises promote the participation of diverse groups by affording equal access to employment opportunities.

(5) **The** construction, renovation or reconstruction of a licensed facility by ensuring that all contracts and subcontracts to be awarded relating to the construction, renovation or reconstruction of a licensed facility contain adequate provisions ensuring all contractors or subcontractors and assignees will promote the participation of diverse groups in any proposed construction, renovation or reconstruction project by affording equal access to employment opportunities.

(6) **The** rendering of professional services to licensed entities by ensuring licensed entities promote the participation of diverse groups by affording equal access to professional service contractual opportunities.

(a.1) **Reports by licensees.**--Each slot machine licensee shall submit a quarterly report to the board describing activities undertaken at its licensed facility related to the development and implementation of its diversity plan in accordance with section 1325 (relating to license or permit issuance) during the prior quarter. At a minimum, the quarterly reports shall contain a summary of:

(1) All employee recruitment and retention efforts undertaken to ensure the participation of diverse groups in employment with the slot machine licensee.

(2) The total number of hires and employment offers made, including data relating to the race, gender and residence of those hired or offered employment.

(3) All contracting and subcontracting data involving the slot machine licensee and minority-owned business enterprises and women-owned business enterprises.

(4) Any other information deemed relevant or necessary by the board to assess the slot machine licensee's diversity plan.

(b) [Investigations] **Annual review.**--The board [is authorized to investigate and] shall conduct an annual [study to ascertain] review of each slot machine licensee's activities related to the implementation of its diversity plan in order to evaluate whether the slot machine licensee has taken effective and meaningful action [has been taken or will be taken to enhance the] to implement a diversity plan and whether the licensee's plan and any other actions taken have achieved or will achieve the Commonwealth's goal of enhanced representation of diverse groups in the [ownership, participation and operation

of licensed facilities in this Commonwealth, through the ownership and operation of business enterprises associated with or utilized by slot machine licensees, through the provision of goods and services utilized by slot machine licensees and through employment opportunities] **gaming industry as set forth in subsection (a).**

(c) Completion of investigation.--The [first study] **review required under subsection (b)** shall be completed six months following the effective date of this [part] **section**, if practically possible, and annually thereafter and shall contain recommendations which the board determines appropriate. **Each review shall contain, at a minimum, a descriptive summary of the following relating to each slot machine licensee's licensed facility:**

(1) Employee recruitment and retention programs designed to ensure the participation of diverse groups.

(2) The total number of hires and employment offers made, including data relating to the race, gender and residence of individuals hired or offered employment.

(3) Minority-owned business enterprise and women-owned business enterprise contracting and subcontracting data.

(d) Facility responsibility.--Each slot machine licensee shall provide information as required by the board to enable the board to complete the reviews required under subsection (b).

(e) Definition.--As used in this section, the term "professional services" means those services rendered to a slot machine licensee which relate to a licensed facility in this Commonwealth, including, but not limited to:

(1) Legal services.

(2) Advertising or public relations services.

(3) Engineering services.

(4) Architectural, landscaping or surveying services.

(5) Accounting, auditing or actuarial services.

(6) Security consultant services.

(7) Computer and information technology services, except telephone service.

(8) Insurance underwriting services.

§ 1213. License or permit prohibition.

[No applicant for a license or permit under this part, including principals and key employees,] **The following apply:**

(1) **The board shall be prohibited from granting a principal license or a key employee license to an individual who has been convicted of a felony [or gambling] offense in any jurisdiction [shall be issued a license or permit unless 15 years has elapsed from the date of expiration of the sentence for the offense].**

(2) [When determining whether to issue a license or permit to an applicant who has been convicted in any jurisdiction of a felony or gambling offense,] **In addition to the prohibition under paragraph (1), the board shall be prohibited from granting the following:**

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

(ii) **A gaming employee permit or a license other than a principal license or key employee license to an individual who has been convicted in any jurisdiction of a felony offense or of a misdemeanor gambling offense,**

unless 15 years have elapsed from the date of conviction for the offense.

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

[(1)] (i) The nature and duties of the applicant's position with the licensed entity.

[(2)] (ii) The nature and seriousness of the offense or conduct.

[(3)] (iii) The circumstances under which the offense or conduct occurred.

[(4)] (iv) The age of the applicant when the offense or conduct was committed.

[(5)] (v) Whether the offense or conduct was an isolated or a repeated incident.

[(6)] (vi) 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.

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

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

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

(A) classified as a felony; or

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

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

Section 10.1. Title 4 is amended by adding a section to read:

§ 1214. Specific authority to suspend slot machine license.

(a) Conditions.--Any slot machine licensee that is required as a condition of licensure to make payments to a municipality, municipal authority or other entity for an economic development project, including any project enumerated in the act of July 25, 2007 (P.L.342, No.53), known as Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007, shall, within 30 days of the effective date of this section or within 30 days following licensure, whichever is later, enter into a written agreement with the municipality, municipal authority or other entity. The written agreement shall establish and govern the terms of the required payments, including the amounts of each payment, the date on which each payment shall be made and the duration of the payments.

(b) Failure to meet conditions.--If a slot machine licensee fails to enter into a written agreement as required by subsection (a), the board may take any action it deems necessary. An action taken by the board shall remain in effect until the slot machine licensee satisfies the board that it has entered into the written agreement required by subsection (a).

(c) Failure to comply with written agreement.--If a slot machine licensee is in default with respect to a payment obligation contained in a written agreement required by subsection (a), the board may take any action it deems necessary. An action taken by the board shall remain in effect until the slot machine licensee satisfies the board that it is in compliance with the terms of the written agreement.

(d) **Other remedies applicable.--Nothing in this section shall prohibit the board from taking any additional action, including suspension or revocation of the slot machine licensee's license, appointing a trustee under section 1332 (relating to appointment of trustee), or imposing any other sanction permitted by this part against a slot machine licensee who violates the provisions of this section.**

Section 10.2. Sections 1304(b), 1305 and 1307 of Title 4 are amended to read:

§ 1304. Category 2 slot machine license.

* * *

(b) Location.--

(1) Two Category 2 licensed facilities and no more shall be located by the board within a city of the first class, and one Category 2 licensed facility and no more shall be located by the board within a city of the second class. No Category 2 licensed facility located by the board within a city of the first class shall be within ten linear miles of a Category 1 licensed facility regardless of the municipality where the Category 1 licensed facility is located. Except for any Category 2 licensed facility located by the board within a city of the first class or a city of the second class, no Category 2 licensed facility shall be located within 30 linear miles of any Category 1 licensed facility that has conducted over 200 racing days per year for the two calendar years immediately preceding the effective date of this part and not within 20 linear miles of any other Category 1 licensed facility. Except for any Category 2 licensed facility located by the board within a city of the first class, no Category 2 licensed facility shall be located within 20 linear miles of another Category 2 licensed facility.

(2) Within five days of approving a license for an applicant with a proposed licensed facility consisting of land designated a subzone, an expansion subzone or an improvement subzone under the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act for a slot machine license under this section, the board shall notify the Department of Community and Economic Development. The notice shall include a description of the land of the proposed licensed facility which is designated a subzone, an expansion subzone or an improvement subzone. Within five days of receiving the notice required by this paragraph, the Secretary of Community and Economic Development shall decertify the land of the proposed licensed facility as being a subzone, an expansion subzone or an improvement subzone. Upon decertification in accordance with this paragraph and notwithstanding Chapter 3 of the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act, a political subdivision may amend the ordinance, resolution or other required action which granted the exemptions, deductions, abatements or credits required by the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act to repeal the exemptions, deductions, abatements or credits for the land decertified.

(3) **Notwithstanding any other provision of law, the governing body of a city of the first class shall not exempt from real property taxation or provide any real property tax abatement under the act of December 1, 1977 (P.L.237, No.76), known as the Local Economic Revitalization Tax**

Assistance Act, to a Category 2 licensed facility located within the city, or any improvements to such facility, unless the owner of the licensed facility enters into or has entered into a tax settlement agreement or payment in lieu of taxes agreement with the city, including any amendments, supplements or modifications of such agreements.

§ 1305. Category 3 slot machine license.

(a) Eligibility.--

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

(i) A registered overnight guest of the well-established resort hotel.

(ii) A patron of one or more of the amenities provided by the well-established resort hotel.

(iii) An authorized employee of the slot machine licensee, of a gaming service provider, of the board or of any regulatory, emergency response or law enforcement agency while engaged in the performance of the employee's duties .

(iv) An individual holding a valid membership approved in accordance with paragraph (1.1) or a guest of such individual .

(1.1) The board may approve a seasonal or year-round membership that allows an individual to use one or more of the amenities provided by the well-established resort hotel holding a Category 3 slot machine license. The membership shall allow the member and one guest to enter the gaming floor at any time as long as the guest is accompanied by the individual owning or holding the membership . The board shall base its approval of a membership on all of the following:

(i) The duration of the membership.

(ii) The amenity covered by the membership.

(iii) Whether the fee charged for the membership represents the fair market value for the use of the amenity.

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

paragraph shall not constitute a violation of section 1512(a) or (a.1).

(3) If the person seeking a slot machine license proposes to place the licensed facility upon land designated a subzone, an expansion subzone or an improvement subzone under the act of October 6, 1998 (P.L.705, No.92), known as the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act, the person shall, at any time prior to the application being approved, submit a statement waiving the exemptions, deductions, abatements or credits granted under the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act if the board approves the application.

(b) Location.--**The following shall apply:**

(1) [No] **Except as provided in paragraph (1.1), no** Category 3 license shall be located by the board within 15 linear miles of another licensed facility.

(1.1) A Category 3 license established on or after July 20, 2017, shall not be located by the board within 30 linear miles of another licensed facility.

(2) Within five days of approving a license for an applicant with a proposed licensed facility consisting of land designated a subzone, an expansion subzone or an improvement subzone under the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act for a slot machine license under this section, the board shall notify the Department of Community and Economic Development. The notice shall include a description of the land of the proposed licensed facility which is designated a subzone, an expansion subzone or an improvement subzone. Within five days of receiving the notice required by this paragraph, the Secretary of Community and Economic Development shall decertify the land of the proposed license facility as being a subzone, an expansion subzone or an improvement subzone. Upon decertification in accordance with this paragraph and notwithstanding Chapter 3 of the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act, a political subdivision may amend the ordinance, resolution or other required action which granted the exemptions, deductions, abatements or credits required by the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act to repeal the exemptions, deductions, abatements or credits for the land decertified.

(c) Number of slot machines.--Notwithstanding the number of permissible slot machines as set forth in section 1210 (relating to number of slot machines), a Category 3 license granted under the provisions of this section shall entitle the licensed entity to operate no more than 500 slot machines at the licensed facility, **provided, however, a Category 3 slot machine licensee holding a table game operation certificate shall be entitled to operate no more than 600 slot machines at its licensed facility.**

(d) Category 3 license fee.--[Notwithstanding the one-time slot machine license fee as set forth in section 1209 (relating to slot machine license fee), the] **The** board shall impose a one-time Category 3 license fee to be paid by each successful applicant in the amount of \$5,000,000 to be deposited in the State Gaming Fund. The provisions of section [1209 relating to term, credit against tax for slot machine licensees, deposit

of license fee and change of ownership or control of a license shall be applicable] **1209(b), (c), (d) and (e) shall apply** to a Category 3 [license fee] **licensee**.

(e) Definitions.--For the purpose of subsection (a), the following words and phrases shall have the meaning given to them in this subsection:

"Amenities." Any ancillary activities, services or facilities in which a registered guest or the transient public, in return for non-de minimis consideration as defined by board regulation, may participate at a **well-established** resort hotel, including, but not limited to, sports and recreational activities and facilities such as a golf course or golf driving range, tennis courts or swimming pool; health spa; convention, meeting and banquet facilities; entertainment facilities; and restaurant facilities.

"Patron of the amenities." Any individual who is a registered attendee of a convention, meeting or banquet event or a participant in a sport or recreational event or any other social, cultural or business event held at a resort hotel or who participates in one or more of the amenities provided to registered guests of the **well-established** resort hotel.

§ 1307. Number of slot machine licenses.

The board may license no more than seven Category 1 licensed facilities and no more than five Category 2 licensed facilities, as it may deem appropriate, as long as two, and not more, Category 2 [licenses] **licensed facilities** are located by the board within the city of the first class and that one, and not more, Category 2 licensed facility is located by the board within the city of the second class. The board may at its discretion increase the total number of Category 2 licensed facilities permitted to be licensed by the board by an amount not to exceed the total number of Category 1 licenses not applied for within five years following the effective date of this part. Except as permitted by section 1328 (relating to change in ownership or control of slot machine licensee), any Category 1 license may be reissued by the board at its discretion as a Category 2 license if an application for issuance of such license has not been made to the board. The board may license no more than [two] **three** Category 3 licensed facilities.

Section 10.3. Sections 1308 and 1309 of Title 4 are amended by adding subsections to read:

§ 1308. Applications for license or permit.

* * *

(a.1) Submission of information.--An applicant for a license or permit under this part shall disclose in the application all arrests of the applicant and all citations issued to the applicant for nontraffic summary offenses. The information shall include:

(1) A brief description of the circumstances surrounding the arrest or issuance of the citation.

(2) The specific offense charged.

(3) The ultimate disposition of the charge, including the details of any dismissal, plea bargain, conviction, sentence, pardon, expungement or order of Accelerated Rehabilitative Disposition.

No applicant shall be required to provide documentation relating to any summary offense. Failure of the bureau to recover records of a summary offense shall not be grounds for denying an application.

* * *

§ 1309. Slot machine license application.

* * *

(a.1) Table games information.--

(1) An applicant for a slot machine license may submit with its application all information required under Chapter 13A (relating to table games) and request that the board consider its application for a slot machine license and a table game operation certificate concurrently. All fees for a table game operation certificate shall be paid by the applicant in accordance with section 13A61 (relating to table game authorization fee).

(2) The board shall permit any applicant for a slot machine license that has an application pending before the board on the effective date of this subsection to supplement its application with all information required under Chapter 13A and to request that the board consider its application for a slot machine license and a table game operation certificate concurrently. All fees for a table game operation certificate shall be paid by the applicant in accordance with section 13A61.

* * *

Section 10.4. Section 1310 of Title 4 is amended to read:
§ 1310. Slot machine license application character requirements.

(a) Application.--

(1) Every application for a slot machine license shall include such information, documentation and assurances as may be required to establish by clear and convincing evidence the applicant's **suitability, including** good character, honesty and integrity. Information shall include, without limitation, information pertaining to family, habits, character, reputation, criminal history background, business activities, financial affairs and business, professional and personal associates, covering at least the ten-year period immediately preceding the filing date of the application.

(2) **Notwithstanding 18 Pa.C.S. § 9124(b) (relating to use of records by licensing agencies), in addition to the information submitted under section 1308(a.1) (relating to applications for license or permit), a conviction that has been expunged or overturned or for which a person has been pardoned or an order of Accelerated Rehabilitative Disposition has been issued shall be included with an application and considered by the board as part of the review of the applicant 's suitability under paragraph (1).**

(b) Civil judgments and law enforcement agency information.--Each applicant shall notify the board of any civil judgments obtained against the applicant pertaining to antitrust or security regulation laws of the Federal Government, this Commonwealth or any other state, jurisdiction, province or country. In addition, each applicant shall produce a letter of reference from law enforcement agencies having jurisdiction in the applicant's place of residence and principal place of business, which letter of reference shall indicate that the law enforcement agencies do not have any pertinent information concerning the applicant or, if the law enforcement agency does have information pertaining to the applicant, shall specify the nature and content of that information. If no letters are received within 30 days of the request, the applicant may submit a statement under oath which is subject to the penalty for false swearing under 18 Pa.C.S. § 4903 (relating to false swearing) that the applicant is or was during the period the activities were conducted in good standing with the gaming or casino enforcement or control agency.

(c) Gaming or casino enforcement agency information.--If the applicant has held a gaming license in a jurisdiction where gaming activities are permitted, the applicant shall produce a letter of reference from the gaming or casino enforcement or control agency which shall specify the experiences of that agency with the applicant, the applicant's associates and the applicant's gaming operation. If no letters are received within 30 days of the request, the applicant may submit a statement under oath which is subject to the penalty for false swearing under 18 Pa.C.S. § 4903 that the applicant is or was during the period the activities were conducted in good standing with the gaming or casino enforcement or control agency.

(d) Agency records.--Each applicant for a slot machine license, principal license or key employee license shall be required to apply to each Federal agency deemed appropriate by the board or bureau for agency records under the Freedom of Information Act (Public Law 89-554, 5 U.S.C. § 552) pertaining to the applicant and provide the bureau with the complete record received from the Federal agency. The board may issue a license to the applicant prior to the receipt of information under this subsection.

Section 10.5. Sections 1317(a) and (c)(1) and 1317.1(a), (b)(5), (c), (d), (d.1) and (e) of Title 4 are amended and the sections are amended by adding subsections to read:
§ 1317. Supplier licenses.

(a) Application.--A manufacturer that elects to contract with a supplier under section 1317.1(d.1) (relating to manufacturer licenses) shall ensure that the supplier is **appropriately** licensed under this section. A person seeking to provide slot machines, **table game devices** or associated equipment to a slot machine licensee within this Commonwealth through a contract with a licensed manufacturer shall apply to the board for [a] **the appropriate** supplier license.

* * *

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

(1) [The license shall be for a period of one year. Upon expiration, the license may be renewed in accordance with subsection (d)] **The initial license shall be for a period of one year, and, if renewed under subsection (d), the license shall be for a period of three years. Nothing in this paragraph shall relieve a licensee of the affirmative duty to notify the board of any changes relating to the status of its license or to any information contained in the application materials on file with the board .**

* * *

(c.1) Abbreviated process.--In the event an applicant for a supplier license to supply table game devices or associated equipment used in connection with table games is licensed by the board under this section to supply slot machines or associated equipment used in connection with slot machines, the board may determine to use an abbreviated process requiring only that information determined by the board to be necessary to consider the issuance of a license to supply table game devices or associated equipment used in connection with table games, including financial viability of the applicant. Nothing in this section shall be construed to waive any fees associated with obtaining a license through the normal application process.

The board may only use the abbreviated process if all of the following apply:

(1) The supplier license was issued by the board within a 36-month period immediately preceding the date the supplier licensee files an initial application to supply table game devices or associated equipment.

(2) The person to whom the supplier license was issued affirms there has been no material change in circumstances relating to the license.

(3) The board determines, in its sole discretion, that there has been no material change in circumstances relating to the licensee that necessitates that the abbreviated process not be used.

* * *

§ 1317.1. Manufacturer licenses.

(a) Application.--A person seeking to manufacture slot machines, **table game devices** and associated equipment for use in this Commonwealth shall apply to the board for a manufacturer license.

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

* * *

(5) The type of slot machines, **table game devices** or associated equipment to be manufactured or repaired.

* * *

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

(1) [The license shall be for a period of one year. Upon expiration, a license may be renewed in accordance with subsection (d)] **The initial license shall be for a period of one year, and, if renewed under subsection (d), the license shall be for a period of three years. Nothing in this paragraph shall relieve the licensee of the affirmative duty to notify the board of any changes 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.

(c.1) **Abbreviated process.--In the event an applicant for a manufacturer license to manufacture table game devices or associated equipment used in connection with table games is licensed by the board under this section to manufacture slot machines or associated equipment used in connection with slot machines, the board may determine to use an abbreviated process requiring only that information determined by the board to be necessary to consider the issuance of a license to manufacture table game devices or associated equipment used in connection with table games, including financial viability of the applicant. Nothing in this section shall be construed to waive any fees associated with obtaining a license through the normal application process. The board may only use the abbreviated process if all of the following apply:**

(1) The manufacturer license was issued by the board within a 36-month period immediately preceding the date the manufacturer licensee files an application to manufacture table game devices or associated equipment.

(2) The person to whom the manufacturer license was issued affirms there has been no material change in circumstances relating to the license.

(3) The board determines, in its sole discretion, that there has been no material change in circumstances relating to the licensee that necessitates that the abbreviated process not be used.

(d) Renewal.--

(1) [Six] **Two** months prior to expiration of a manufacturer license, the manufacturer licensee seeking renewal of its license shall submit a renewal application accompanied by the renewal fee to the board.

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

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

(d.1) Authority.--The following shall apply to a licensed manufacturer:

(1) A [licensed] manufacturer or its designee, as licensed by the board, may supply or repair any slot machine, **table game device** or associated equipment manufactured by the [licensed] manufacturer, **provided the manufacturer holds the appropriate manufacturer license.**

(2) A manufacturer of slot machines may contract with a supplier under section 1317 (relating to supplier licenses) to provide slot machines or associated equipment to a slot machine licensee within this Commonwealth, **provided the supplier is licensed to supply slot machines or associated equipment used in connection with slot machines.**

(3) A manufacturer may contract with a supplier under section 1317 to provide table game devices or associated equipment to a certificate holder, **provided the supplier is licensed to supply table game devices or associated equipment used in connection with table games.**

(e) Prohibitions.--

(1) No person may manufacture slot machines, **table game devices** or associated equipment for use within this Commonwealth by a slot machine licensee unless the person has been issued [a] **the appropriate** manufacturer license under this section.

(2) [No] **Except as permitted in section 13A23.1 (relating to training equipment),** no slot machine licensee may use slot machines, **table game devices** or associated equipment unless the slot machines, **table game devices** or associated equipment were manufactured by a person that has been issued [a] **the appropriate** manufacturer license under this section.

(3) No person issued a license under this section shall apply for or be issued a license under section 1317.

(4) No limitation shall be placed on the number of manufacturer licenses issued or the time period to submit applications for licensure, except as required to comply with section 1306 (relating to order of initial license issuance).

Section 10.6. Title 4 is amended by adding a section to read:

§ 1317.2. Gaming service provider.

(a) **Development of classification system.--The board shall develop a classification system governing the certification,**

registration and regulation of gaming service providers and individuals and entities associated with them. The classification system shall be based upon the following:

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

(2) Whether the employees of the gaming service provider will have access to the gaming floor or any gaming-related restricted area of a licensed facility.

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

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

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

(2) the regulation of the person or type of business is determined not to be necessary in order to protect the public interest or the integrity of gaming.

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

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

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

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

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

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

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

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

(2) The slot machine applicant or slot machine licensee contracting or doing business with the gaming service provider certifies that it has performed due diligence on the gaming service provider and believes that the applicant meets the qualification to be a gaming service provider pursuant to this section.

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

(f) Construction.--Nothing in this section shall be construed to prohibit the board from rescinding a grant of interim authorization if, at any time, the suitability of the person subject to interim authorization is at issue or if the

person fails to cooperate with the board, the bureau or an agent of the board or bureau.

(g) Gaming service provider lists.--The board shall:

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

(2) Develop and maintain a list of prohibited gaming service providers. An applicant for a slot machine license or a slot machine licensee may not enter into an agreement or engage in business with a gaming service provider listed on the prohibited gaming service provider list.

(h) Emergency authorization.--A slot machine licensee may utilize a gaming service provider that has not been approved by the board when a threat to public health, welfare or safety exists or circumstances outside the control of the slot machine licensee require immediate action to mitigate damage or loss to the licensee's licensed facility or to the Commonwealth. The board shall promulgate regulations to govern the use of gaming service providers under emergency circumstances. The regulations shall include a requirement that the slot machine licensee contact the board immediately upon utilizing a gaming service provider that has not been approved by the board.

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

Section 10.7. Sections 1318(c) and 1319 of Title 4 are amended to read:

§ 1318. Occupation permit application.

* * *

(c) Prohibition.--No slot machine licensee may employ or permit any person under 18 years of age to render any service whatsoever in any area of its licensed facility [at which] **where** slot machines **or table games** are physically located.

§ 1319. Alternative manufacturer licensing standards.

(a) General rule.--The board may determine whether the licensing standards of another jurisdiction within the United States in which an applicant for a manufacturer license is similarly licensed are comprehensive and thorough and provide similar adequate safeguards as those required by this part. If the board makes that determination, it may issue a manufacturer license to an applicant who holds a similar manufacturer license in such other jurisdiction after conducting an evaluation of the information relating to the applicant from such other jurisdictions, as updated by the board, and evaluating other information related to the applicant received from that jurisdiction and other jurisdictions where the applicant may be licensed, the board may incorporate such information in whole or in part into its evaluation of the applicant.

(b) Abbreviated process.--In the event an applicant for a [slot machine] manufacturer license is licensed in another jurisdiction, the board may determine to use an [alternate] **abbreviated** process requiring only that information determined by the board to be necessary to consider the issuance of a license, including financial viability of the [licensee, to

such an] applicant. Nothing in this section shall be construed to waive any fees associated with obtaining a license through the normal application process.

Section 10.8. Title 4 is amended by adding a section to read:

§ 1319.1. Alternative supplier licensing standards.

(a) **General rule.**--The board may determine whether the licensing standards of another jurisdiction within the United States in which an applicant for a supplier's license is similarly licensed are comprehensive and thorough and provide similar adequate safeguards as required by this part. If the board makes that determination, it may issue a supplier license to an applicant who holds a similar supplier license in another jurisdiction after conducting an evaluation of the information relating to the applicant from the other jurisdictions, as updated by the board, and evaluating other information related to the applicant received from that jurisdiction and other jurisdictions where the applicant may be licensed; the board may incorporate the information in whole or in part into its evaluation of the applicant.

(b) **Abbreviated process.**--In the event an applicant for a supplier license is licensed in another jurisdiction, the board may determine to use an abbreviated process requiring only that information determined by the board to be necessary to consider the issuance of a license, including financial viability of the applicant. Nothing in this section shall be construed to waive any fees associated with obtaining a license through the normal application process.

Section 10.9. Sections 1321, 1326(a), 1328(a)(1) and (b) and 1329 of Title 4 are amended to read:

§ 1321. Additional licenses and permits and approval of agreements.

(a) **Requirements.**--In addition to the requirements for a license or permit specifically set forth in this part, the board may require a license [or], permit **or other authorization**, and set a fee for the same, for any key **employee** or gaming employee or any person who satisfies any of the following criteria:

(1) The person transacts business within this Commonwealth with a slot machine licensee as a ticket purveyor, tour operator, operator of a bus trip program or operator of any other type of travel program or promotional business related to slot machines **or table games**. The board may also review, deny, order modification or approve, at its discretion, proposed tours, bus routes and travel programs.

(2) The person is presently not [otherwise] required to be licensed **or permitted** under this part and provides any goods, property or services, including, but not limited to, management [contracts] **services** for compensation to a slot machine licensee at the licensed facility.

(b) **Agreement.**--Any agreement to conduct business within this Commonwealth between a person and a slot machine licensee relating to slot machines, **table games, table game devices** or associated equipment is subject to the approval of the board in accordance with rules and regulations promulgated by the board. Every agreement shall be in writing and shall include a provision for its termination without liability on the part of the slot machine licensee upon a finding by the board that the agreement is not approved or that it is terminated. Failure to expressly include this condition in the agreement is not a defense in any action brought under this section relating to the termination of the agreement.

§ 1326. License renewals.

(a) Renewal.--All permits and licenses issued under this part unless otherwise provided shall be subject to renewal [on an annual basis upon the application of the holder of the permit or license submitted to the board at least 60 days prior to the expiration of the permit or license] **every three years. Nothing in this subsection shall relieve a licensee of the affirmative duty to notify the board of any changes relating to the status of its license or to any other information contained in the application materials on file with the board .** The application for renewal shall be submitted at least 60 days prior to the expiration of the permit or license and shall include an update of the information contained in the initial and any prior renewal applications and the payment of any renewal fee required by this part. **Unless otherwise specifically provided in this part, the amount of any renewal fee shall be calculated by the board to reflect the longer renewal period.** A permit or license for which a completed renewal application and fee, if required, has been received by the board will continue in effect unless and until the board sends written notification to the holder of the permit or license that the board has denied the renewal of such permit or license.

* * *

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

(a) Notification and approval.--

(1) A slot machine licensee shall notify the board [prior to or] immediately upon becoming aware of any proposed or contemplated change of ownership of the slot machine licensee by a person or group of persons acting in concert which involves any of the following:

(i) More than 5% of a slot machine licensee's securities or other ownership interests.

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

(iii) The sale other than in the ordinary course of business of a licensee's assets.

(iv) Any other transaction or occurrence deemed by the board to be relevant to license qualifications.

* * *

(b) Qualification of purchaser of slot machine licensee; change of control.--The purchaser of the assets, other than in the ordinary course of business, of any slot machine licensee shall independently qualify for a license in accordance with this part and shall pay the license fee as required by section 1209 (relating to slot machine license fee). A change in control of any slot machine licensee shall require that the slot machine licensee independently qualify for a license in accordance with this part, and the slot machine licensee shall pay a new license fee as required by section 1209, except as otherwise required by the board pursuant to this section. **The new license fee shall be paid upon the assignment and actual change of control or ownership of the slot machine license.**

* * *

§ 1329. [Nonportability] **Portability and relocation** of slot machine license.

(a) **General rule.--** [Each] **Except as otherwise provided in this section, each** slot machine license shall only be valid for

the specific physical location within the municipality and county for which it was originally granted. [No]

(b) **Petition.**--An applicant for a slot machine license or a slot machine licensee may petition the board to relocate its facility. In determining whether to grant a petition to relocate, the board shall:

(1) Evaluate the proposed new location and the reason for the relocation.

(2) Conduct an analysis comparing estimated gross terminal revenues and estimated gross table game revenues at the proposed new location with estimated or actual gross terminal revenues and estimated or actual gross table game revenues at the approved current location.

(3) Conduct an analysis comparing the economic impact of the licensed facility at the proposed new location with the estimated or actual economic impact at the approved current location. The comparative analysis shall include the total cost of the project and projected direct and indirect employment figures.

(4) Commission a comprehensive traffic study for the proposed new location.

(5) Evaluate community support or opposition.

(6) Consider any other information submitted by the petitioner or requested by the board.

(c) **Relocation.**--A slot machine licensee [shall be permitted to] may move or relocate [the physical location of] the licensed facility [without] with board approval [for] upon good cause shown if the relocation of the licensed facility:

(1) remains within the same county as when it was originally licensed;

(2) will facilitate the timely commencement or the continued conduct of gaming operations;

(3) complies with all other provisions of this part related to the siting and location of a licensed facility; and

(4) is in the best interests of the Commonwealth.

(d) **Public input hearing.**--The board shall hold at least one public input hearing in the municipality where the licensed facility will be located prior to ruling on the petition.

(e) **Restriction.**--No grant or loan from the Commonwealth may be awarded for the purpose of relocating or developing the relocated licensed facility to comply with any conditions of approval of the relocation.

Section 11. Title 4 is amended by adding a section to read: § 1332. **Appointment of trustee.**

(a) **Appointment.**--Upon petition of the Office of Enforcement Counsel, the board may appoint a trustee from the list required under subsection (j) to act on behalf of the interests of the Commonwealth and the board to ensure compliance with this part and any conditions imposed upon the slot machine license. A trustee may be appointed only in the following circumstances:

(1) Upon the revocation, suspension or nonrenewal of a slot machine license or a principal license if the principal licensee is the only principal who exercises operational control of the licensed facility.

(2) Upon the failure to renew a slot machine license or a principal license if the principal licensee is the only principal who exercises operational control of the licensed facility.

(3) If necessary to protect the best interests of the Commonwealth.

(b) **Qualifications.**--The following shall apply:

(1) A trustee shall be required to qualify as a principal and obtain a principal license. The board may appoint a trustee and award the trustee a temporary principal license as prescribed in board regulations.

(2) Before assuming duties, a trustee shall execute and file a bond for the faithful performance of the trustee's duties. The bond shall be payable to the board with sureties and in the amount and form as required by board order. The cost of the bond shall be paid by the former or suspended licensee.

(3) A trustee shall be a resident of this Commonwealth.

(c) Powers.--A trustee appointed under this section shall exercise only those powers, duties and responsibilities expressly conferred upon the trustee by the board. The board's order appointing the trustee shall set forth the powers, duties and responsibilities of the trustee which may include:

(1) Maintaining and operating the licensed facility in a manner that complies with this part and any conditions imposed by the board.

(2) Maintaining and operating the licensed facility consistent with the measures generally taken in the ordinary course of business including:

(i) Entering into contracts.

(ii) Borrowing money.

(iii) Pledging, mortgaging or otherwise encumbering the licensed facility or property thereof as security for the repayment of loans subject to any provisions and restrictions in any existing credit documents.

(iv) Hiring, firing and disciplining employees.

(3) Exercising the rights and obligations of the former or suspended licensee.

(4) Taking possession of all of the assets of the slot machine licensee, including its books, records and papers.

(5) Establishing accounts with financial institutions. An account may not be established with a financial institution in which the licensee, an affiliate of the former or suspended licensee, the trustee or an immediate family member of the trustee has a controlling interest.

(6) Meeting with the former or suspended licensee.

(7) Meeting with principals and key employees at the licensed facility.

(8) Meeting with the independent audit committee.

(9) Meeting with the board's executive director and keeping the board's executive director apprised of actions taken and the trustee's plans and goals for the future.

(10) Hiring legal counsel, accountants or other consultants or assistants, with prior approval of the board, as necessary to carry out the trustee's duties and responsibilities.

(11) Settling or compromising with any debtor or creditor of the former or suspended licensee, including any taxing authority.

(12) Reviewing outstanding agreements to which the former or suspended licensee is a party and advising the board as to which, if any, of the agreements should be the subject of scrutiny, examination or investigation by the board.

(13) Obtaining board approval prior to any sale, change of ownership, change of control, change of financial status, restructuring, transfer of assets or execution of a contract or any other action taken outside of the ordinary course of business.

(14) Obtaining board approval for any payments outside of those made in the ordinary course of business. Notwithstanding any provision contained in this subsection to the contrary, the trustee shall have the duty to conserve and preserve the assets of the licensed gaming entity.

(d) Compensation.--The board shall establish the compensation of a trustee and shall review and approve actual and reasonable costs and expenses of the trustee, legal counsel, accountants or other consultants or assistants hired by the trustee. The compensation, costs and expenses shall be paid by the former or suspended licensee. Total compensation for the trustee and all persons hired or retained by the trustee under subsection (c) (10) shall not exceed \$600 per hour in the aggregate unless otherwise increased by the board pursuant to subsection (d.2).

(d.1) Calculation of compensation.--In determining the aggregate hourly rate of compensation to be paid to the trustee and all other persons hired or retained by the trustee, the board shall consider:

(1) The time and labor required, the difficulty of the questions involved and the skill required to properly perform the required services.

(2) Whether the acceptance of the position by the trustee or other person will preclude the trustee or other person from other employment.

(3) The fee customarily charged for similar services.

(4) The nature and potential length of the duties.

(5) The experience, reputation and ability of the trustee or other person selected to perform the services.

(d.2) Compensation exceptions.--

(1) On January 1 of each year, the board may adjust the aggregate hourly rate of compensation authorized under subsection (d) for inflation. The adjustment shall not exceed the percentage change in the Consumer Price Index for All Urban Consumers for the Pennsylvania, New Jersey, Delaware and Maryland area for the most recent 12-month period for which figures have been officially reported by the United States Department of Labor, Bureau of Labor Statistics. When adjusted, the board shall publish the adjusted aggregate hourly rate of compensation in the Pennsylvania Bulletin.

(2) Upon petition by the Director of the Office of Enforcement Counsel, the board may increase the total hourly rate of compensation above the limitation contained in subsection (d) for good cause shown. The board shall consider the factors under subsection (d.1) when calculating any increase requested by the office.

(e) Reports.--A trustee shall file reports relating to the administration of the trusteeship with the board in the form and at intervals as the board orders. The board may direct that copies or portions of the trustee's reports be mailed to creditors or other parties in interest and make summaries of the reports available to the public and shall post them on the board's Internet website.

(f) Review of actions.--A creditor or other party in interest aggrieved by any alleged breach of a delegated power or duty or responsibility of a trustee in the discharge of the trustee's duties may request a review of the trustee's action or inaction by filing a petition in accordance with board regulations. The petition must set forth in detail the pertinent facts and the reasons why the facts constitute the alleged breach. The board shall review any petition filed under this section and take whatever action, if any, it deems appropriate.

(g) Effect of the trusteeship.--After issuance of an order to appoint a trustee, the former or suspended principal or slot machine licensee may not exercise any of its privileges, collect or receive any debts or pay out, sell, assign or transfer any of its assets to anyone without prior approval of the appointed trustee and the board.

(h) Disposition of net income.--During the period of trusteeship, net income from the licensed facility shall be deposited in an escrow account maintained for that purpose. Payments from the escrow account during the period of trusteeship may not be made without the prior approval of the board. A suspended or former principal or slot machine licensee may request distribution of all or a portion of the funds in the escrow account during the period of trusteeship by filing a petition in accordance with board regulation. The suspended or former principal or slot machine licensee shall have the burden of demonstrating good cause for the distribution of the funds requested.

(i) Discontinuation.--The board may issue an order to discontinue a trusteeship when:

(1) the board determines that circumstances requiring the appointment of the trustee no longer exist; or

(2) the trustee has, with the prior approval of the board, consummated the sale, assignment, conveyance or other disposition of all the assets or interest of the former principal or slot machine licensee relating to the slot machine license.

(j) List of approved trustees.--The board shall promulgate regulations governing establishment of a list of persons approved by the board and qualified to serve as a trustee. At a minimum, the regulations shall provide for the following:

(1) The minimum qualifications a person must possess to be approved as a trustee, which shall include the qualifications set forth in subsection (b).

(2) The procedure for placement on or removal from the approved trustee list.

(3) Any other information the board deems necessary to carry out the intent of this section.

Section 11.1. Title 4 is amended by adding a chapter to read:

CHAPTER 13A
TABLE GAMES

Subchapter

- A. General Provisions
- B. Table Games Authorized
- C. Conduct of Table Games
- D. (Reserved)
- E. Table Game Testing and Certification
- F. (Reserved)
- G. Table Game Taxes and Fees

SUBCHAPTER A
GENERAL PROVISIONS

Sec.

13A01. (Reserved).

13A02. Regulatory authority.

13A03. Temporary table game regulations.

13A04. Commonwealth resident employment goals.

§ 13A01. (Reserved).

§ 13A02. Regulatory authority.

The board shall promulgate regulations:

(1) Establishing standards and procedures for table games and table game devices or associated equipment,

including standards distinguishing electronic gaming tables, fully automated electronic gaming tables and traditional gaming tables. The standards and procedures shall provide for any new table games or gaming tables and variations or composites of approved table games or gaming tables, provided the board determines that the new table game, gaming table or any variations or composites or other approved table games or gaming tables are suitable for use after a test or experimental period under the terms and conditions as the board may deem appropriate.

(2) Establishing standards and rules to govern the conduct of table games and the system of wagering associated with table games, including the conduct of table games and the system of wagering on electronic gaming tables and fully automated electronic gaming tables.

(2.1) Establishing the method for calculating gross table game revenue and standards for the daily counting and recording of cash and cash equivalents received in the conduct of table games, including the conduct of table games on electronic gaming tables and fully automated electronic gaming tables, and ensuring that internal controls are followed, including observation by employees of the board of that process, the maintenance of financial books and records and the conduct of audits. The board shall consult with the department in establishing these regulations.

(3) Establishing notice requirements pertaining to minimum and maximum wagers on table games. Minimum and maximum wagers may be adjusted by the certificate holder in the normal course of conducting table games, except that changes in minimum wagers at any given gaming table shall not apply to players already engaged in wagering at that gaming table when the minimum wager is changed, unless 30 minutes' notice is provided at that gaming table.

(4) Requiring each certificate holder to:

(i) Provide written information at each operational gaming table about table game rules, payoffs or winning wagers and other information as the board may require.

(ii) Provide specifications approved by the board under section 1207(11) (relating to regulatory authority of board) to integrate and update the licensed facility's surveillance system to cover all areas where table games are conducted. The specifications shall include provisions providing the board and other persons authorized by the board with onsite access to the system or its signal.

(iii) Designate one or more locations within the licensed facility to conduct table games.

(iv) Ensure that visibility in a licensed facility is not obstructed in any way that could interfere with the ability of the certificate holder, the board and other persons authorized under this part or by the board to oversee the surveillance of the conduct of table games.

(v) Integrate the licensed facility's count room for slot machine and table game operations to ensure maximum security of the counting and storage of cash and cash equivalents.

(vi) Equip each operational gaming table with a sign indicating the permissible minimum and maximum wagers at the gaming table.

(vii) Adopt policies or procedures to prohibit any table game device or associated equipment from being

possessed, maintained or exhibited by any person on the premises of a licensed facility except in the areas of a licensed facility where the conduct of table games is authorized or in a restricted area designated to be used for the inspection, service, repair or storage of table game devices or associated equipment by the certificate holder or in an area used for employee training and instruction by the certificate holder.

(viii) Equip all drop boxes in which cash, cash equivalents, fill slips, credit slips or inventory slips are deposited at the gaming tables, and all areas where drop boxes are kept while in use, with two locking devices or keys, of which one locking device or key shall be under the exclusive control of the board, and the second locking device or key shall be under the exclusive control of the certificate holder's designated employees. The drop boxes shall be brought into or removed from an area where table games are conducted or locked or unlocked in accordance with procedures established by the board.

(ix) Designate secure locations for the inspection and storage of table game devices and associated equipment as may be approved by the board.

(5) Establishing the size and uniform color by denomination of all chips used in the conduct of table games, including tournaments, and a policy for the use of promotional or commemorative chips used in the conduct of table games. All types of chips shall be approved by the board prior to being used for play at a table game at a licensed facility.

(5.1) Establishing the procedure to be used by a certificate holder to determine and extract a rake for the purposes of generating gross table game revenue from nonbanking games. The rake may be calculated using a percentage or a flat fee methodology.

(6) Establishing minimum standards relating to the acceptance of tips or gratuities by dealers and croupiers at a table game, which shall include:

(i) The requirement that tips or gratuities accepted by dealers and croupiers at banking games be placed in a common pool for complete distribution pro rata among all dealers and croupiers.

(ii) The right of the certificate holder to establish policies under which tips or gratuities accepted by dealers and croupiers at nonbanking games are not required to be pooled and may be retained by the dealers and croupiers.

Nothing in this paragraph shall prohibit a certificate holder from adopting a formal policy relating to acceptance of tips and gratuities, provided that the policy meets the minimum standards established by the board under this paragraph.

(7) Establishing the minimal proficiency requirements for individuals to successfully complete a course of training at a gaming school. The regulations shall not prohibit a slot machine licensee from establishing a course of training for its employees or potential employees or prohibit a certificate holder from offering employment to an individual who has not attended or completed a course of instruction at a gaming school and shall require a slot machine licensee that elects to train its gaming employees or potential table game employees to submit a detailed summary of the training program to the board and to demonstrate the adequacy of the

training. The regulations shall prohibit a slot machine licensee from charging its employees or potential employees a fee to complete a course of training.

(8) Establishing the practices and procedures governing the conduct of tournaments under this chapter.

(9) Establishing minimum standards relating to the extension of credit to a player by a certificate holder.

Prior to extending credit, the certificate holder shall consider an individual's financial fitness, including annual income, debt-to-income ratio, prior credit history, average monthly bank balance or level of play.

§ 13A03. Temporary table game regulations.

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

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

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

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

(b) Expiration.--Except for temporary regulations governing the rules of new table games approved by the board, the board's authority to adopt temporary regulations under subsection (a) shall expire two years after the effective date of this section. Regulations adopted after this period shall be promulgated as provided by law.

(c) Temporary regulations.--The board shall begin publishing temporary regulations governing table game rules, licensing of manufacturers and suppliers and surveillance standards in the Pennsylvania Bulletin no later than February 1, 2010.

§ 13A04. Commonwealth resident employment goals.

(a) Employment opportunities.--It is the goal of the General Assembly that the board promote and ensure the availability of employment opportunities for Commonwealth residents in table games and table game-related operations as authorized in this chapter. The board shall work with each certificate holder to ensure that a significant number of Commonwealth residents are employed by a certificate holder relating to table games. It is also the goal of the General Assembly that Commonwealth residents comprise at least 85% of each certificate holder's table game-related employees by the end of the third year following commencement of the conduct of table games at each certificate holder's licensed facility.

(b) Review.--The board shall conduct an annual review to ascertain each certificate holder's progress in achieving the goals of this section and whether each certificate holder has taken effective and meaningful action to employ Commonwealth residents in table game-related positions at licensed facilities. The first review shall be completed one year following the award of the first table game operation certificate. Each annual review shall contain recommendations which the board determines appropriate and may be combined with any other review or study required by the board under this part. The review shall be submitted to the chairman and minority chairman of the standing committees of the Senate and of the House of Representatives with jurisdiction over this part.

SUBCHAPTER B
TABLE GAMES AUTHORIZED

Sec.

- 13A11. Authorization to conduct table games.
 - 13A12. Petition requirements.
 - 13A13. Prohibitions.
 - 13A14. Table game authorization hearing process; public input hearings.
 - 13A15. Standard for review of petitions.
 - 13A16. Award of certificate.
 - 13A16.1. Amendment of statement of conditions.
 - 13A17. Table game operation certificate.
 - 13A18. Timing of initial table game authorizations.
- § 13A11. Authorization to conduct table games.

(a) Authorization.--The board may authorize a slot machine licensee to conduct table games, including table game contests and tournaments, and to operate a system of wagering associated with the conduct of table games at the slot machine licensee's licensed facility. Authorization shall be contingent upon the slot machine licensee's agreement to ensure that slot machine and table game operations will be conducted in accordance with this part and any other conditions established by the board. Nothing in this part shall be construed to create a separate license governing the conduct of table games by slot machine licensees within this Commonwealth.

(b) Number of authorized gaming tables.--

(1) A Category 1 and Category 2 slot machine licensee awarded a table game operation certificate may operate up to 250 gaming tables at any one time at its licensed facility. No more than 30% of these gaming tables may be used to play nonbanking games at any one time. Six months following the date of commencement of table game operations, the board may permit a Category 1 or Category 2 certificate holder to increase the number of gaming tables above the number authorized under this paragraph. The certificate holder shall petition the board for the increase at its licensed facility. The board, in considering the petition, shall take into account the appropriateness of the physical space where the gaming tables will be located and the convenience of the public attending the facility. The board may also take into account the potential benefit to the Commonwealth.

(2) A Category 3 slot machine licensee awarded a table game operation certificate may operate up to 50 gaming tables at any one time at its licensed facility. No more than 30% of these gaming tables may be used to play nonbanking games at any one time.

(3) Nonbanking gaming tables shall seat a maximum of ten players.

§ 13A12. Petition requirements.

(a) General rule.--Unless otherwise prohibited under section 13A13 (relating to prohibitions), a slot machine licensee may seek approval to conduct table games by filing a petition with the board.

(b) Petition contents.--A petition seeking authorization to conduct table games shall include the following:

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

(2) The name and business address, job title and a photograph of each principal and key employee of the

petitioner who will be involved in the conduct of table games and who is not currently licensed by the board, if known.

(3) An itemized list of the number of gaming tables and types of table games for which authorization is being sought.

(4) The estimated number of full-time and part-time employment positions that will be created at the licensed facility if table games are authorized and an updated hiring plan pursuant to section 1510(a) (relating to labor hiring preferences) which outlines the petitioner's plan to promote the representation of diverse groups and Commonwealth residents in the employment positions.

(5) A brief description of the economic benefits expected to be realized by the Commonwealth, its municipalities and its residents if table games are authorized at the petitioner's licensed facility.

(6) The details of any financing obtained or that will be obtained to fund an expansion or modification of the licensed facility to accommodate table games and to otherwise fund the cost of commencing table game operations.

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

(8) Information and documentation, as the board may require, to establish by clear and convincing evidence that the petitioner has sufficient business ability and experience to create and maintain a successful table game operation. In making this determination, the board may consider the results of the petitioner's slot machine operation, including financial information, employment data and capital investment.

(9) Information and documentation, as the board may require, to establish by clear and convincing evidence that the petitioner has or will have the financial ability to pay the authorization fee under section 13A61 (relating to table game authorization fee).

(10) Detailed site plans identifying the petitioner's proposed table game area within the licensed facility.

(11) If the petitioner is a Category 1 or Category 2 slot machine licensee, a waiver, on a form prescribed by the board which is signed by the petitioner and acknowledged by each of the petitioner's principals, of the following rights arising as a result of an amendment or addition to this part that took effect at the same time as the effective date of this section:

(i) the petitioner's right under section 1209(f) (relating to slot machine license fee) or under any contract executed by the applicant and the department under section 1209(c) to receive the return of any portion of the slot machine license fee paid by the petitioner for its slot machine license; and

(ii) the petitioner's right, if any, to sue for the return of any portion of the slot machine license fee paid by the petitioner for its slot machine license.

(12) Other information as the board may require.

(c) Confidentiality.--Information submitted to the board under subsection (b) (6), (7), (9), (10) and (12) may be considered confidential by the board if the information would be confidential under section 1206(f) (relating to board minutes and records).

§ 13A13. Prohibitions.

(a) Slot machine licensee.--No slot machine licensee that is required as a condition of slot machine licensure to make payments to a municipality, municipal authority or other entity for an economic development project, including any project enumerated in the act of July 25, 2007 (P.L.342, No.53), known as Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007, may submit a petition under section 13A12 (relating to petition requirements) until the requirements of section 1214(a) (relating to specific authority to suspend slot machine license) are met.

(b) Duties of board.--The board shall not accept or approve a petition submitted by any slot machine licensee subject to subsection (a) until the written agreement required by section 1214(a) is submitted by the slot machine licensee to the board, which shall ensure the written agreement meets the requirements of section 1214(a) and all conditions relating to the economic development project imposed by the board when awarding the slot machine license to the licensee are satisfied.

(c) Construction.--Nothing in this section shall be construed to relieve a slot machine licensee of its legal obligation to make any required payments referenced under this section if the slot machine licensee elects not to petition the board for authorization to conduct table games.

§ 13A14. Table game authorization hearing process; public input hearings.

(a) General rule.--The board's consideration and resolution of all petitions to conduct table games shall be conducted in accordance with 2 Pa.C.S. (relating to administrative law and procedure) or with procedures adopted by order of the board. Notwithstanding the requirements of 2 Pa.C.S. §§ 504 (relating to hearing and record) and 505 (relating to evidence and cross-examination) as they relate to the conduct of oral hearings, the board may adopt procedures to provide parties before it with a documentary hearing, and the board may resolve disputed material facts without conducting an oral hearing where constitutionally permissible.

(b) Public input hearing requirement.--

(1) Prior to granting a petition for a slot machine licensee to conduct table games under this chapter, the board shall hold at least one public input hearing on the matter in the municipality where the petitioner's licensed facility is located.

(2) A list of all witnesses scheduled to testify at a public input hearing shall be posted on the board's Internet website at least seven days prior to the hearing. The list shall be updated at least three days prior to the hearing. Additional witnesses shall be posted on the board's Internet website as they are added to the list.

§ 13A15. Standard for review of petitions.

The board shall approve a petition if the petitioner establishes, by clear and convincing evidence, all of the following:

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

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

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

(i) Fund any necessary expansion or modification of the petitioner's licensed facility to accommodate the conduct of table games.

(ii) Pay the authorization fee in accordance with section 13A61 (relating to table game authorization fee).

(iii) Commence table game operations at its licensed facility.

(4) The petitioner has the financial stability, integrity and responsibility to conduct table games.

(5) The petitioner has sufficient business ability and experience to create and maintain a successful table game operation.

(6) The petitioner's proposed internal and external security and proposed surveillance measures within the area of the licensed facility where the petitioner seeks to conduct table games are adequate.

(7) The petitioner agrees that the number of slot machines in operation at its licensed facility on October 1, 2009, will not be permanently reduced in order to install gaming tables.

(8) The petitioner has executed the waiver required under section 13A12(b)(11) (relating to petition requirements) and provided any other information required by section 13A12(b).

§ 13A16. Award of certificate.

Upon approval of a petition, the board shall award a table games operation certificate to the petitioner. Awarding of a table game operation certificate prior to the payment in full of the authorization fee required by section 13A61 (relating to table game authorization fee) shall not relieve the petitioner from complying with the provisions of section 13A61.

§ 13A16.1. Amendment of statement of conditions.

(a) Amendment.--Upon awarding a table game operation certificate, the board shall amend the slot machine licensee's statement of conditions governing the slot machine license to include conditions pertaining to the requirements of this part. If the slot machine licensee is a Category 1 or Category 2 slot machine licensee, amendments to the statement of conditions shall include a requirement that the slot machine licensee acknowledge and honor the waiver of rights required to be filed under section 13A12(b)(11) (relating to petition requirements).

(b) Sanctions.--A certificate holder that fails to abide by this part or any condition contained in the licensee's statement of conditions in the conduct of table games shall be subject to board-imposed administrative sanctions or other penalties authorized under this part.

§ 13A17. Table game operation certificate.

The following shall apply:

(1) A table game operation certificate shall be in effect unless:

(i) Suspended or revoked by the board consistent with the requirements of this part.

(ii) The slot machine license held by the certificate holder is suspended, revoked or not renewed by the board consistent with the requirements of this part.

(iii) The certificate holder relinquishes or does not seek renewal of its slot machine license.

(2) The table game operation certificate shall include an itemized list by type of table game and the number of gaming tables approved by the board and permitted in the certificate holder's licensed facility. The certificate

holder may increase or decrease the number of gaming tables permitted at the licensed facility, change the type of table games played at a particular gaming table or change the configuration of gaming tables upon notice to the board and approval by a designated employee of the board. Unless approved by the board, the total number of gaming tables in operation at the licensed facility may not exceed the number authorized in the table games operation certificate.

(3) A certificate holder shall be required to update the information in its initial table games petition at times prescribed by the board.

§ 13A18. Timing of initial table game authorizations.

The board shall approve or deny a petition within 60 days following receipt of the petition.

SUBCHAPTER C CONDUCT OF TABLE GAMES

Sec.

13A21. Authorized locations for operation.

13A22. Commencement of table game operations.

13A22.1. Table game tournaments.

13A23. Training of employees and potential employees.

13A23.1. Training equipment.

13A24. Condition of continued operation.

13A25. Table game accounting controls and audit protocols.

13A26. Cash equivalents.

13A27. Other financial transactions.

13A28. Key employees and occupation permits.

13A29. Application of Clean Indoor Air Act.

13A29.1. Application of Liquor Code.

§ 13A21. Authorized locations for operation.

(a) Restriction.--A certificate holder shall only be permitted to operate table games at the licensed facility, a temporary facility authorized under subsection (a.1) or an area authorized under subsection (b).

(a.1) Temporary facilities.--The board may permit a certificate holder to conduct table games at a temporary facility which is physically connected to, attached to or adjacent to a licensed facility for a period not to exceed 24 months.

(b) Powers and duties of board.--Upon request made by a certificate holder, the board may determine the suitability of a hotel for the conduct of table games. The board may authorize the executive director to designate specific areas of a licensed facility, other than the gaming floor, or specific areas of a hotel, including conference rooms, ballrooms or other rooms, in which the certificate holder may conduct contests or tournaments. No certificate holder may be approved to conduct table games in a licensed facility or a hotel unless the areas to be designated are equipped with adequate security and surveillance equipment to ensure the integrity of the conduct of a table game contest or tournament. The certificate holder shall notify the board of the number of gaming tables that the certificate holder intends to operate during a contest or tournament, and the board shall designate an employee of the board to approve or deny the request. An authorization granted under this section may not:

(1) Impose any criteria or requirements regarding the contents or structure of a hotel which are unrelated to the conduct of table games.

(2) Authorize the placement or operation of slot machines in a hotel.

§ 13A22. Commencement of table game operations.

A certificate holder may not operate or offer table games for play at a licensed facility until the board determines that:

- (1) The certificate holder is in compliance with the requirements of this part.
- (2) The certificate holder's internal controls and audit protocols are sufficient to meet the requirements of section 13A25 (relating to table game accounting controls and audit protocols).
- (3) The certificate holder's table game employees, where applicable, are licensed, permitted or otherwise authorized by the board to perform their respective duties.
- (4) The certificate holder is prepared in all respects to offer table game play to the public at the licensed facility.
- (5) The certificate holder has implemented necessary internal and management controls and security arrangements and surveillance systems for the conduct of table games.
- (6) The certificate holder is in compliance with or has complied with section 13A61 (relating to table game authorization fee).

§ 13A22.1. Table game tournaments.

(a) Authorization.--A certificate holder may conduct tournaments at its licensed facility.

(b) Submission of schedule.--The following shall apply:

(1) A certificate holder that elects to conduct tournaments shall submit to the executive director of the board for approval a proposed schedule of tournaments to be conducted at the licensed facility.

(2) The proposed schedule may be a weekly, monthly or annual schedule and shall include information identifying all of the following:

- (i) The type of table game or table games to be played at each tournament.
- (ii) The proposed date and time of each tournament.
- (iii) The proposed entry fee and any other fees associated with the tournament.
- (iv) The maximum number of participants.
- (v) Any other information as the board may require.

(3) Submission of a proposed schedule shall not require the certificate holder to conduct all tournaments contained in the schedule. A certificate holder may not conduct a tournament at a date or time not contained in the schedule submitted to the executive director.

(4) A certificate holder may seek to amend or modify the schedule at any time by filing a written request with the executive director.

(c) Exemptions and additional tables.--The following shall apply:

(1) For a Category 1 or Category 2 licensed facility, gaming tables used in tournaments shall be exempt from section 13A11 (b)(1) (relating to authorization to conduct table games) and shall not be used in any calculation of the total number of gaming tables authorized in the table game authorization certificate.

(2) For a Category 3 licensed facility, the executive director may authorize the licensed facility to operate up to 15 additional gaming tables for use in tournaments. The executive director may grant the use of the additional gaming tables for tournaments authorized under this paragraph only one day per month.

(d) Seating.--A gaming table used in tournament play shall seat a maximum of ten players per table.

§ 13A23. Training of employees and potential employees.

(a) Adequacy.--A slot machine licensee that elects to offer table game training to its employees or potential employees shall submit to the board a detailed summary of the training program demonstrating the adequacy of the training.

(b) Authorization.--Notwithstanding any provision of this part to the contrary, the executive director of the board may authorize a slot machine licensee to conduct table game training and instruction for the slot machine licensee's employees and potential employees.

(c) Effect.--Authorization granted under subsection (b) shall do all of the following:

(1) Permit a slot machine licensee to conduct training at a location within the licensed facility or at another location.

(2) Require any training authorized on the gaming floor to be conducted in a specified area of the gaming floor that is clearly identified as a training area and not accessible to the public.

(3) Designate a secure area at the location where the training will take place for the storage of table game devices and associated equipment used for training.

(4) Limit the number of table game devices and associated equipment to that necessary to conduct training.

(5) Prohibit the payment of any cash, cash equivalent or other prize to an individual as a result of play conducted during training or play conducted utilizing table game devices or associated equipment obtained under section 13A23.1 (relating to training equipment).

(6) Prohibit a slot machine licensee from charging its employees or potential employees a fee to participate in the training.

(c.1) Rescission or revocation.--An authorization granted by the executive director under subsection (b) may be rescinded or revoked by the executive director or the board without cause.

The slot machine licensee shall be given notice that the authorization has been rescinded or revoked and afforded a reasonable time to take all necessary actions required by the executive director or the board.

(d) Prohibition.--The board shall be prohibited from charging a fee as a condition of receiving authorization under subsection (b).

§ 13A23.1. Training equipment.

(a) Acquisition.--Notwithstanding section 1317 (relating to supplier licenses) or section 1317.1 (relating to manufacturer licenses), for a one-year period following the effective date of this section, a slot machine licensee may purchase, lease or otherwise obtain table game devices or associated equipment that will be used for the sole purpose of conducting table game training authorized under section 13A23 (relating to training of employees and potential employees) from a manufacturer or supplier, whether or not licensed or otherwise approved by the board under this part, or from an affiliate of the slot machine licensee or a gaming facility in another jurisdiction.

(b) Identification.--Table game devices or associated equipment obtained by a slot machine licensee pursuant to subsection (a) shall have an identification number which shall be kept on file with the board, and the table game devices or

associated equipment shall be clearly identified as being used for training purposes only.

(c) Prohibition.--

(1) Table game devices and associated equipment obtained pursuant to this section shall be prohibited from being used on the gaming floor unless being used for training purposes pursuant to section 13A23(c)(2).

(2) The payment of any cash, cash equivalent or other prize to an individual from the play of a table game on table game devices or associated equipment obtained pursuant to this section is prohibited.

§ 13A24. Condition of continued operation.

As a condition of continued operation, a certificate holder shall agree to maintain all books, records and documents pertaining to table games in a manner and location within this Commonwealth as approved by the board. All books, records and documents related to table games shall:

(1) be segregated by separate accounts within the slot machine licensee's books, records and documents, except for any books, records or documents that are common to both slot machine and table game operations;

(2) be immediately available for inspection upon request of the board, the bureau, the department, the Pennsylvania State Police or the Attorney General, or agents thereof, during all hours of operation of the licensed facility in accordance with regulations promulgated by the board; and

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

§ 13A25. Table game accounting controls and audit protocols.

(a) Approval.--Prior to the commencement of table game operations, a certificate holder shall submit to the board for approval all proposed site plans, internal control systems and audit protocols for the certificate holder's table game operations.

(b) Minimum requirements.--A certificate holder's internal controls and audit protocols shall:

(1) Safeguard its assets and revenues, including the recording of cash, cash equivalents and evidences of indebtedness related to table games.

(2) Provide for reliable records, accounts and reports of any financial event that occurs in the conduct of table games, including reports to the board related to table games.

(3) Provide for accurate and reliable financial records related to table games.

(4) Establish procedures for all the following:

(i) The receipt, storage and disbursal of chips, cash and cash equivalents used in table games.

(ii) Conversion of cash equivalents to cash.

(iii) The redemption of chips and other representations of value used in table games and the payment of winnings and prizes.

(iv) The recording of financial transactions pertaining to table games.

(5) Establish procedures for the collection and security of cash and cash equivalents at the gaming tables.

(6) Establish procedures for the recording of and transfer of chips and cash equivalents between the gaming tables and the cashier's cage.

(7) Establish procedures for the transfer of drop boxes from the gaming tables to the count room.

(8) Establish procedures and security for the counting and recording of gross table game revenue.

(9) Establish procedures for the security, storage and recording of cash and cash equivalents utilized in table games.

(10) Establish procedures and security standards for the handling and storage of table game devices and associated equipment used in connection with table games.

(11) Establish procedures and rules governing the conduct of each table game and the responsibility of employees related to table games.

(12) Establish procedures for the collection and recording of revenue from poker and other table games when played as nonbanking games, including the type of rake utilized and the methodology for calculating the amount of permissible rake.

(13) Ensure that any wagering permitted in the play of a table game is implemented only in accordance with the certificate holder's general or specific authorization, as approved by the board.

(14) Ensure the proper and timely accounting of gross table game revenue and the calculation of gross table game revenue, fees, taxes and assessments based on the gross table game revenue.

(15) Maintain accountability for assets, ensure that recorded accountability for assets is compared with actual assets at reasonable intervals and ensure that appropriate action is taken with respect to any discrepancies.

(16) Ensure that all functions, duties and responsibilities related to table game operations are appropriately segregated and performed in accordance with sound financial practices by qualified employees.

(17) Permit use of its licensed facility by the board, the bureau and other persons authorized under this part or by the board to facilitate their ability to perform regulatory and oversight functions under this chapter.

(c) Submission to board.--The submission required under subsection (a) shall include a detailed description of the certificate holder's administrative and accounting procedures related to table games, including its written system of internal controls. Each written system of internal controls shall include:

(1) An organizational chart depicting appropriate functions and responsibilities of employees involved in both slot machine operations and table game operations.

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

(3) The record retention policy of the certificate holder.

(4) The procedure to be utilized to ensure that assets are safeguarded, including mandatory count procedures.

(5) A detailed narrative description of the administrative and accounting procedures in place to ensure compliance with the requirements of section 13A26 (relating to cash equivalents).

(6) A statement signed by the certificate holder's chief financial officer or other competent person attesting that the signatory believes, in good faith, that the system satisfies the requirements of this section.

(d) Review.--Prior to authorizing a certificate holder to conduct table games, the board shall review the system of internal controls submitted under subsection (c) to determine whether it conforms to the requirements of this part and whether

it provides adequate and effective controls for the conduct of table games.

§ 13A26. Cash equivalents.

(a) Checks.--

(1) A certificate holder may accept a check from a patron in exchange for cash or chips. The certificate holder shall present each check for payment to the financial institution upon which the check is drawn within ten days of receipt by the certificate holder. No third party checks shall be permitted.

(2) Notwithstanding any law to the contrary, checks cashed in conformity with the requirements of this section or 13 Pa.C.S. Div. 3 (relating to negotiable instruments) shall be valid instruments, enforceable at law in the courts of this Commonwealth. Any check cashed, transferred, conveyed, given or accepted in violation of this section shall be invalid and unenforceable for the purposes of collection by a certificate holder but shall be included in the calculation of gross table game revenue.

(b) Notice of fees.--All fees charged for the conversion of cash equivalents shall be disclosed.

(c) Payment of cash equivalents.--Other than credit extended by a certificate holder, an instrument that constitutes a cash equivalent shall be made payable to the slot machine licensee, to the bearer or to cash. An instrument made payable to a third party shall not be considered a cash equivalent and shall be prohibited.

§ 13A27. Other financial transactions.

(a) Credit.--Notwithstanding section 1504 (relating to wagering on credit), a certificate holder may extend interest-free, unsecured credit to patrons for the purpose of playing slot machines or table games in accordance with this section; however, a certificate holder shall not accept credit cards, charge cards or debit cards from a patron or player for the exchange or purchase or chips, slot machine or table game credits or for an advance of coins or currency to be utilized by a player to play slot machine or table games. No credit card advance machine may be placed on the gaming floor.

(b) Credit applications.--Each application for credit submitted by a patron to a certificate holder shall be maintained in a confidential credit file. The application shall include the patron's name, address, telephone number and comprehensive bank account information, the requested credit limit, the patron's approximate amount of current indebtedness, the amount and source of income in support of the application, the patron's signature on the application, a certification of truthfulness and any other information deemed relevant by the certificate holder. The certificate holder shall notify each applicant that, as a condition of receiving credit, the certificate holder will verify identity and indebtedness information through a credit bureau or casino credit bureau and, if appropriate, through direct contact with other slot machine licensees.

(c) Credit application verification.--Prior to approving an application for credit, a certificate holder shall verify:

(1) The identity, creditworthiness and indebtedness information of the applicant by conducting a comprehensive review of the information submitted with the application and any information regarding the applicant's credit activity at other licensed facilities which the certificate holder may obtain through a casino credit bureau and, if

appropriate, through direct contact with other slot machine licensees.

(2) That the applicant's name is not included on an exclusion list under section 1514 (relating to regulation requiring exclusion or ejection of certain persons) or 1516 (relating to list of persons self excluded from gaming activities) or the voluntary credit suspension list under subsection (h).

(d) Establishment of credit.--Upon completion of the verification required under subsection (c), a certificate holder may grant a patron credit. The certificate holder shall establish a credit limit for each patron to whom the certificate holder grants credit. Each applicant's credit limit shall be approved by two or more employees of the certificate holder holding the job positions of credit manager, assistant credit manager, credit shift manager, credit executive or a key employee in a direct reporting line above the manager or credit manager. The approval shall be recorded in the applicant's credit file and shall include the reasons and information relied on for the approval of credit and verification by the employees approving the applicant's credit limit. Increases to an individual's credit limit may be approved following a written request from the individual and reverification of an individual's credit information.

(e) Recordkeeping.--Detailed information pertaining to all transactions affecting an individual's outstanding indebtedness to a certificate holder shall be recorded in chronological order in the individual's credit file.

(f) Reduction or suspension of credit.--A certificate holder may reduce an individual's credit limit or suspend credit to an individual for any reason.

(g) Voluntary credit suspension.--An individual may request a certificate holder to suspend the individual's credit. Each certificate holder shall inform the board when an individual requests a suspension of credit and shall provide the board with all information necessary to maintain the voluntary credit suspension list under subsection (h).

(h) Voluntary credit suspension list.--The board shall maintain a voluntary credit suspension list of all individuals who have requested suspension of credit privileges and shall provide the list on a continuous basis to the credit department of each certificate holder. An individual may request placement on the voluntary credit suspension list by submitting to the board the individual's name, address and date of birth. The individual does not need to provide a reason for the request. Notwithstanding any other provision of law to the contrary, the board's list of individuals who have had credit privileges voluntarily suspended shall be confidential, and neither the board nor the credit department of a certificate holder shall divulge the name of any individual on this list to any person or entity other than those provided for in this subsection. To be removed from the list, the individual shall submit a request to the board. The board shall remove the individual from the list and inform the credit department of each certificate holder not later than three business days after the board's receipt of the request.

(i) Liability.--A certificate holder or employee thereof shall not be liable to any individual on the voluntary credit suspension list or to any other party in any judicial proceeding for any harm, monetary or otherwise, which may arise as a result of:

(1) the failure of a certificate holder to restore credit privileges to an individual on the voluntary credit suspension list; or

(2) otherwise permitting an individual on the voluntary credit suspension list to engage in gaming activity in the licensed facility while on the voluntary credit suspension list.

(j) Tax liability.--Draws against unsecured credit extended to patrons pursuant to this section which become uncollectible may not be claimed by a certificate holder as a deduction, credit or any other type of reduction or offset against any tax imposed by this part or the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

§ 13A28. Key employees and occupation permits.

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

§ 13A29. Application of Clean Indoor Air Act.

For the purpose of section 3(b)(11) of the act of June 13, 2008 (P.L.182, No.27), known as the Clean Indoor Air Act, the term "gaming floor" shall include the areas of any licensed facility where the slot machine licensee is authorized to place and operate slot machines or conduct table games, except such areas off the gaming floor where contests or tournaments are conducted unless smoking is otherwise permitted in such areas.

§ 13A29.1. Application of Liquor Code.

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

SUBCHAPTER D

(RESERVED)

SUBCHAPTER E

TABLE GAME TESTING AND CERTIFICATION

Sec.

13A41. Table game device and associated equipment testing and certification standards.

§ 13A41. Table game device and associated equipment testing and certification standards.

(a) Expansion of independent testing and certification facility.--Within one year of the effective date of this section, the board shall expand the independent testing and certification facility created under section 1320(b) (relating to slot machine testing and certification standards) to include the testing and certification of table game devices and associated equipment. Costs associated with the expansion of the facility shall be assessed on manufacturers licensed to manufacture table game devices or associated equipment under this part in accordance with a schedule adopted by the board. The expanded facility shall be made available to each table game device manufacturer and supplier as determined by the board.

(b) Use of other state standards.--The board may determine whether the table game device testing and certification standards of another jurisdiction within the United States in which a manufacturer licensed pursuant to section 1317.1 (relating to manufacturer licenses) to manufacture table game devices or associated equipment used in connection with table games is licensed are comprehensive and thorough and provide similar adequate safeguards as those required by this part. If

the board makes that determination, it may permit the manufacturer appropriately licensed pursuant to section 1317.1 to deploy table game devices or associated equipment it manufactures which have met the table game device testing and certification standards in another jurisdiction without undergoing the full testing and certification process by the board's independent testing and certification facility.

SUBCHAPTER F
(RESERVED)

SUBCHAPTER G
TABLE GAME TAXES AND FEES

Sec.

13A61. Table game authorization fee.

13A62. Table game taxes.

13A63. Local share assessment.

§ 13A61. Table game authorization fee.

(a) Amount of authorization fee.--

(1) A Category 1 or a Category 2 slot machine licensee that submits a petition for a table game operation certificate under section 13A12 (relating to petition requirements) on or before June 1, 2010, shall pay a one-time nonrefundable authorization fee in the amount of \$16,500,000. A Category 1 or a Category 2 slot machine licensee that submits a petition for a table game operation certificate under section 13A12 after June 1, 2010, shall pay a one-time nonrefundable authorization fee in the amount of \$24,750,000.

(2) A Category 3 slot machine licensee that submits a petition for a table game operation certificate under section 13A12 on or before June 1, 2010, shall pay a one-time nonrefundable authorization fee in the amount of \$7,500,000. A Category 3 slot machine licensee that submits a petition for a table game operation certificate under section 13A12 after June 1, 2010, shall pay a one-time nonrefundable authorization fee in the amount of \$11,250,000.

(3) Notwithstanding paragraphs (1) and (2), the holder of a Category 1 or Category 3 slot machine license issued after June 1, 2010, that submits a petition for a table game operation certificate shall pay a one-time nonrefundable authorization fee in the amount of \$16,500,000 or \$7,500,000, respectively.

(4) A table game operation certificate shall not be subject to renewal or payment of an additional authorization fee.

(b) Payment of fee.--A slot machine licensee that submits a petition on or before June 1, 2010, shall pay the required authorization fee on or before June 1, 2010. The board may allow the fee to be paid in installments, provided all installments are paid on or before June 1, 2010. In that event, the board and the slot machine licensee shall enter into a written agreement setting forth the terms of payment.

(c) Failure to pay by deadline.--If a petitioner or certificate holder fails to pay the required authorization fee in full by June 1, 2010, the board shall impose a penalty and may grant the petitioner or certificate holder up to a six-month extension to pay the authorization fee or any remaining portion of the authorization fee and the penalty. The board shall require the petitioner or certificate holder to make weekly payments until the fee and penalty are paid in full.

(d) Suspension of certificate.--The board shall suspend the table game operation certificate if the certificate holder fails to pay the total authorization fee and the penalty prior to the expiration of an extension period granted under subsection (c).

The suspension shall remain in effect until final payment is made.

(e) (Reserved).

(f) Deposit of fees.--Notwithstanding section 1208 (relating to collection of fees and fines), all table game authorization fees or penalties received by the board under this subchapter, all table game device and associated equipment manufacturer and supplier license fees, all table game device or associated equipment manufacturer and supplier renewal fees and fees for licenses issued under Chapter 16 (relating to junkets) shall be deposited in the General Fund.

§ 13A62. Table game taxes.

(a) Imposition.--

(1) Except as provided in paragraphs (2) and (3), each certificate holder shall report to the department and pay from its daily gross table game revenue, on a form and in the manner prescribed by the department, a tax of 12% of its daily gross table game revenue.

(2) In addition to the tax payable under paragraph (1), each certificate holder shall report to the department and pay from its daily gross table game revenue, on a form and in the manner prescribed by the department, a tax of 34% of its daily gross table game revenue from each table game played on a fully automated electronic gaming table.

(3) The tax reported and payable under paragraph (1) by each certificate holder shall be 14% of daily gross table game revenue for a period of two years following commencement of table games operations at its licensed facility.

(b) Deposits and distributions.--

(1) The tax imposed under subsection (a) shall be payable to the department on a weekly basis and shall be based upon gross table game revenue derived during the previous week.

(2) All funds owed to the Commonwealth under this section shall be held in trust for the Commonwealth by the certificate holder until the funds are paid to the department. Unless otherwise agreed to by the board, a certificate holder shall establish a separate bank account into which gross table game revenue shall be deposited and maintained until such time as the funds are paid to the department under this section or paid into the fund under section 13A63(a) (relating to local share assessment).

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

(c) Deposits for property tax relief.--If, on the last day of a fiscal year the balance of the Budget Stabilization Reserve Fund established pursuant to section 1701-A of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, exceeds \$750,000,000, as certified by the Secretary of the Budget, the deposits made into the General Fund pursuant to subsection

(b)(3) shall cease and thereafter be deposited into the Property Tax Relief Fund established pursuant to section 1409 (relating to Property Tax Relief Fund).

§ 13A63. Local share assessment.

(a) Required payment.--In addition to the tax imposed under section 13A62 (relating to table game taxes), each certificate holder shall pay on a weekly basis and on a form and in a manner prescribed by the department a local share assessment into a restricted receipts account established within the fund. All funds owed under this section shall be held in trust by the certificate holder until the funds are paid into the account.

Funds in the account are hereby appropriated to the department on a continuing basis for the purposes set forth in this section.

(b) Distributions to counties.--The department shall make quarterly distributions from the local share assessments deposited into the fund under subsection (a) to counties, including home rule counties, hosting a licensed facility authorized to conduct table games under this chapter in accordance with the following:

(1) If the licensed facility is a Category 1 licensed facility located at a harness racetrack and the county, including a home rule county, in which the licensed facility is located is:

(i) A county of the third class: 50% of the licensed facility's local share assessment shall be added to and distributed with the funds distributed under section 1403(c)(2)(i)(D) (relating to establishment of State Gaming Fund and net slot machine revenue distribution).

(ii) A county of the second class A: 50% of the licensed facility's local share assessment shall be distributed to the county.

(iii) A county of the fourth class: 50% of the licensed facility's local share assessment shall be added to the funds in the restricted receipts account established pursuant to section 1403(c)(2)(i)(E) for distribution with those funds.

(iv) A county of the fifth class: 50% of the licensed facility's local share assessment shall be added to the funds in the restricted receipts account established pursuant to section 1403(c)(2)(i)(F) for distribution with those funds.

(2) If the facility is a Category 1 licensed facility that is located at a thoroughbred racetrack and the county in which the licensed facility is located is:

(i) A county of the second class A: 50% of the licensed facility's local share assessment shall be distributed to the county to be further distributed as grants to a nonprofit hospital in a first class township that is contiguous to the municipality in which the licensed facility is located. If the nonprofit hospital ceases to exist, 50% of the licensed facility's local share assessment shall be distributed to the county in which the licensed facility is located.

(ii) Except as set forth in subparagraph (iii), a county of the third class: 50% of the licensed facility's local share assessment shall be distributed to the county to be used solely to fund the establishment of a county violent crime task force to reduce gang violence, gun trafficking and violence and drug-related crimes in the county. The district attorney shall appoint, direct and coordinate the operations and personnel of the task force.

(iii) A county of the third class which is also a home rule county: 100% of the licensed facility's local share assessment shall be distributed to a community college that is established in the county after the effective date of this subparagraph and prior to January 1, 2014, to be used by the community college for organizational, administrative, operating and capital expenditures and the payment of principal, interest and

expenses related to indebtedness, subject to the following:

(A) Until January 1, 2014, or until a community college is established after the effective date of this subparagraph prior to January 1, 2014, whichever occurs first, 100% of the licensed facility's local share assessment shall be distributed to the county redevelopment authority to be deposited and maintained by the county redevelopment authority in a restricted receipts account. The funds may be invested by the county redevelopment authority as permitted by law, and any interest earned on the funds and investment income derived from the funds shall be deposited into the restricted receipts account. The funds in the restricted receipts account shall be distributed as provided in clause (B) or used as provided in clause (C), as applicable.

(B) If a community college is established in the county following the effective date of this subparagraph and prior to January 1, 2014, the funds in the restricted receipts account established under clause (A) shall be distributed in their entirety by the county redevelopment authority to the community college no later than 60 days following the date of the establishment of the community college.

(C) If a community college is not established in the county following the effective date of this subparagraph and prior to January 1, 2014, beginning January 1, 2014, 100% of the licensed facility's local share assessment shall be distributed to the county redevelopment authority to be deposited into the restricted receipts account established under clause (A), and all funds in the restricted receipts account shall be used by the county redevelopment authority for a revolving loan program available to municipalities within the county for infrastructure projects, including, but not limited to, water, sewer, storm water management, flood control, roads, broadband Internet access, site remediation and public utility infrastructure in areas other than a public utility's own facilities. The county redevelopment authority may use funds from the revolving loan program for expenses related to the cost to administer the revolving loan program in an amount not in excess of 0.5% of the revolving loan program portfolio in a given calendar year. A municipality may not use funds received under the revolving loan program for general budget or operating expenses. The county redevelopment authority shall develop loan program criteria and guidelines consistent with the provisions of this clause.

(D) For purposes of this subparagraph, a community college shall be considered to be established on the date on which the proposed community college plan is approved by the State Board of Education within the meaning of section 1903-A(c) of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, notwithstanding the fact that a board of trustees of the community college may not have yet been appointed by the

governing bodies of the local sponsor of the community college.

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

(i) A county of the first class: 100% of the licensed facility's local share assessment shall be added to and distributed with the funds distributed under section 1403(c)(2)(iii)(A).

(ii) A county of the second class: 50% of the licensed facility's local share assessment shall be distributed as follows:

(A) Eighty-five percent shall be deposited into a restricted receipts account to be established in the Department of Education for distribution pursuant to the act of June 14, 1961 (P.L.324, No.188), known as The Library Code, for grants to an established library system in the county but outside a city of the second class. Funds made available under this clause shall be in addition to any funding provided to such libraries pursuant to the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, the Public School Code of 1949 and The Library Code. Notwithstanding The Library Code, in making distributions from funds made available under this clause, the library system shall distribute the funds as follows:

(I) At least 80% shall be distributed to libraries in the library system in the county but outside a city of the second class on a per capita basis of the population of the county based on the most recent decennial census excluding a city of the second class.

(II) At least 15%, but not more than 20%, shall be distributed to libraries in the library system in each city, borough, town or township in the county outside a city of the second class, which has a market value per capita below the fifth percentile of all cities, boroughs, towns or townships, with comparable classifications. The market value per capita and percentiles under this subclause shall be as determined annually by the State Tax Equalization Board.

(III) Not more than 5% may be used to defray the reasonable and necessary administrative costs of the library system in administering the funds, as determined by the Department of Education.

(IV) If, after the distribution and use under subclauses (I), (II) and (III), funds are still available for distribution under this clause, those funds shall be distributed to libraries in the library system in the county but outside a city of the second class on a per capita basis of the population of the county based on the most recent decennial census excluding a city of the second class.

(B) Fifteen percent to a recognized tourist promotion agency that is established by a home rule municipality that was formerly a township or borough located in the county pursuant to the act of July 4, 2008 (P.L.621, No.50), known as the Tourist Promotion Act, and recognized by the Department of

Community and Economic Development and the home rule municipality.

(iii) A county of the third class where a city of the third class hosting the licensed facility is located in two counties of the third class: 50% of the licensed facility's local share assessment shall be distributed as follows:

(A) Sixty percent to the county in which the licensed facility is located for economic development projects, community improvement projects and other projects in the public interest within the county.

(B) Twenty percent to the nonhost city of the third class in the county in which the licensed facility is located.

(C) Twenty percent to the nonhost county in which the host city is located, of which 50% shall be used solely for grants to municipalities that are contiguous to the host city for economic development projects, community improvement projects and other projects in the public interest.

(iv) A county of the fifth class: 50% of the licensed facility's local share assessment shall be distributed as follows:

(A) Fifty percent shall be added to the funds in the restricted receipts account established pursuant to section 1403(c)(2)(iii)(F)(I) for distribution with those funds.

(B) Fifty percent shall be transferred to the Pennsylvania Higher Education Assistance Agency for deposit into a restricted receipts account to be used exclusively for grants to a school of medicine located in a city of the second class A within a county of the third class for operating costs associated with the school of medicine.

(4) The following apply:

(i) If the facility is a Category 3 licensed facility located in a county of the second class A: 50% of the licensed facility's local share assessment shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants or guarantees for projects in the county that qualify under 64 Pa.C.S. §§ 1551 (relating to Business in Our Sites Program), 1556 (relating to Tax Increment Financing Guarantee Program) and 1558 (relating to Water Supply and Waste Water Infrastructure Program).

(ii) Except as provided in subparagraph (i), if the facility is a Category 3 licensed facility in a county of any class: 50% of the licensed facility's local share assessment shall be added to the funds in the restricted receipts account established under section 1403(c)(2)(iv) for distribution with those funds.

(5) Except as otherwise provided in this subsection, if the facility is a Category 1 or a Category 2 licensed facility in a county of any class: 50% of the licensed facility's local share assessment shall be distributed in accordance with section 1403(c) based upon the category and type of licensed facility and the classification of the county where the licensed facility is located.

(c) Distributions to municipalities.--The department shall make quarterly distributions from the local share assessments deposited into the fund under subsection (a) to municipalities,

including home rule municipalities, hosting a licensed facility authorized to conduct table games under this chapter in accordance with the following:

(1) If the licensed facility is a Category 2 licensed facility and is located in a city of the second class, 50% of the licensed facility's local share assessment shall be deposited into a restricted receipts account to be established in the Department of Education for distribution pursuant to The Library Code for grants to an established local library in the city for the purpose of maintaining the library branch system . Funds made available under this clause shall be in addition to any funding provided to such libraries pursuant to The Fiscal Code, the Public School Code of 1949 and The Library Code. Beginning July 1, 2011, if the established local library fails to maintain the number of library branches operating within its system on June 30, 2011, 50% of the licensed facility's local share assessment shall be distributed to the city to be used solely to fund the accrued liability of all pension plans maintained by the city.

(2) If the licensed facility is a Category 1 licensed facility located at a harness racetrack in a city of the third class, 50% of the licensed facility's local share assessment shall be distributed to the city for the purpose of making payments to enable the city and other municipalities in the school district in which the city is located to become and remain local sponsors or members of a community college. Payments may include initial buy-in costs, including payment of debt service to fund the initial buy-in, and annual local sponsor share payments to the community college. Any funds remaining following the payment of all local sponsorship, membership and other costs authorized under this paragraph may be retained by the city and used for any lawful purpose.

(3) If a licensed facility is a Category 2 facility and is located in a city of the third class and the city is located in more than one county of the third class, 50% of the licensed facility's local share assessment shall be distributed as follows:

- (i) 50% to the host city;
- (ii) 20% to a city of the third class located solely in the nonhost county in which the host city of the third class is also located; and
- (iii) 30% to a nonhost city of the third class located solely in the host county.

(4) If the licensed facility is a Category 1 licensed facility located at a harness racetrack in a township of the first class, 50% of the licensed facility's local share assessment shall be distributed to the township, subject, however, to the budgetary limitation in this paragraph. The amount distributed to the township shall not exceed 50% of the township's total budget for fiscal year 2009, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any funds not distributed to the township because of the budgetary limitation shall be distributed in accordance with subsection (b) based upon the classification of the county where the licensed facility is located.

(5) The following apply:

(i) Except as provided in subparagraphs (ii) and (iii), if the licensed facility is a Category 1 or Category 2 licensed facility and is located in a township of the second class, 50% of the licensed facility's local share assessment shall be distributed to the township, subject, however, to the budgetary limitation in this subparagraph. The amount distributed to the township shall not exceed 50% of the township's total budget for fiscal year 2009, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any funds not distributed to the township because of the budgetary limitation shall be distributed in accordance with subsection (b) based upon the classification of county where the licensed facility is located. No funds shall be distributed under this subparagraph to a township of the second class located in a county of the third class receiving any funds under subsection (b) (2) (iii).

(ii) If the licensed facility is a Category 1 licensed facility located at a thoroughbred racetrack in a township of the second class in a county of the second class A, 50% of the licensed facility's local share assessment shall be distributed to the township of the second class, subject, however, to the budgetary limitation in this subparagraph. The amount distributed shall not exceed 50% of the department's total budget for fiscal year 2009, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any funds not distributed to the recreation department because of the budgetary limitation shall be distributed in accordance with subsection (b) based upon the classification of county where the licensed facility is located.

(iii) If the licensed facility is a Category 1 licensed facility located at a thoroughbred racetrack in a township of the second class in a county of the third class with a population of not less than 200,000 but not more than 260,000 where the licensed facility and all attached or contiguous acreage owned by the licensed facility is located in more than one township of the second class, 50% of the licensed facility's local share assessment shall be distributed as follows:

(A) \$120,000 of the licensed facility's local share assessment shall be distributed annually to each such township of the second class; and

(B) remaining funds shall be added to and distributed with the funds distributed to the county under subsection (b) (2) (ii).

(6) The following apply:

(i) If the licensed facility is a Category 3 licensed facility and is located in a borough in a county of the third class and the borough is contiguous to a city of the third class:

(A) Twenty-five percent of the licensed facility's local share assessment shall be

distributed to the host borough, subject to clause (C).

(B) Twenty-five percent of the licensed facility's local share assessment shall be distributed to the city of the third class that is contiguous to the host borough, subject to clause (C).

(C) The amount distributed to the borough or the city shall not exceed 50% of the borough's or the city's total budget for fiscal year 2009, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any funds not distributed to the borough or the city because of the budgetary limitation shall be distributed in accordance with subsection (b) based upon the classification of the county where the licensed facility is located.

(ii) Except as provided in subparagraph (i), if the licensed facility is a Category 3 licensed facility and is located in a municipality of any class, 50% of the licensed facility's local share assessment shall be distributed to the municipality, subject, however, to the budgetary limitation in this subparagraph. The amount distributed to the municipality shall not exceed 50% of the municipality's total budget for fiscal year 2009, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any funds not distributed to the municipality because of the budgetary limitation shall be distributed in accordance with subsection (b) based upon the classification of county where the licensed facility is located.

(7) Except as otherwise provided in this subsection, if the facility is a Category 1 or a Category 2 licensed facility in a municipality of any class, 50% of the licensed facility's local share assessment shall be distributed to the municipality, subject, however, to the budgetary limitation in this paragraph. The amount distributed to the municipality shall not exceed 50% of the municipality's total budget for fiscal year 2009 adjusted for inflation in subsequent years by an amount not to exceed the annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any funds not distributed to the municipality because of the budgetary limitation shall be distributed in accordance with subsection (b) based upon the classification of county where the licensed facility is located.

(d) Construction.--The following shall apply to distributions provided for in this section:

(1) Distributions to counties shall be based upon county classifications in effect on the effective date of this section, and any reclassification of a county as a result of a Federal decennial census or pursuant to an act of the General Assembly shall not apply to this section unless the act of the General Assembly specifically provides otherwise.

(2) Distributions to municipalities shall be based upon municipal classifications in effect on the effective date of this section, and any reclassification of a municipality as a result of a Federal decennial census or pursuant to an act of the General Assembly shall not apply to this section unless the act of the General Assembly specifically provides otherwise.

(e) Miscellaneous provisions.--

(1) If any provision of this section is found to be unenforceable for any reason, the distribution provided for in such unenforceable provision shall be made to the municipality in which the licensed facility is located.

(2) References to the Consumer Price Index shall mean the Consumer Price Index for All Urban Consumers for the Pennsylvania, New Jersey, Delaware and Maryland area for the most recent 12-month period for which figures have been officially reported by the United States Department of Labor, Bureau of Labor Statistics.

(3) A person or its affiliated entity or a political subdivision may not compensate or incur an obligation to compensate a person to engage in lobbying for compensation contingent in whole or in part upon the approval, award, receipt or denial of funds under this section. A person or its affiliated entity may not engage in or agree to engage in lobbying for compensation contingent in whole or in part upon the approval, award, receipt or denial of funds under this section. A violation of this paragraph shall be considered an intentional violation of 65 Pa.C.S. § 13A09(e) (relating to penalties). This paragraph shall not apply to a county or municipality that compensates a person to prepare a grant application for funds under this section if all of the following requirements are met:

(i) The person is not identified in the application.

(ii) The person has no direct contact with the agency, county or municipality providing the funding.

(iii) The person is paid a fixed fee or percentage of the amount of any funds approved, awarded or received of up to 0.5%.

(4) In cooperation with the department, the Office of the Budget and the Commonwealth Financing Authority, the Department of Community and Economic Development shall submit an annual report on all distributions of local share assessments to counties and municipalities under this section to the chairman and minority chairman of the Appropriations Committee of the Senate, the chairman and the minority chairman of the Community, Economic and Recreational Development Committee of the Senate, the chairman and the minority chairman of the Appropriations Committee of the House of Representatives and the chairman and minority chairman of the Gaming Oversight Committee of the House of Representatives.

(5) All counties and municipalities receiving distributions of local share assessments under this section shall submit an annual report to the Department of Community and Economic Development on a form prepared by the Department of Community and Economic Development that sets forth the amount and use of the funds received for the prior calendar year. The report shall set forth whether the funds received were deposited into the county's or municipality's general fund or committed to a specific project or use. The report

shall be submitted by August 31, 2010, and by August 31 of each year thereafter.

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

"Community college." The term shall have the meaning ascribed to it in section 1901-A(4) of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949.

"Local share assessment." Two percent of a certificate holder's daily gross table game revenue.

Section 11.2. Sections 1401(b), 1402(a) and 1402.1 of Title 4 are amended to read:

§ 1401. Slot machine licensee deposits.

* * *

(b) Initial deposit of funds.--Not later than two business days prior to the commencement of slot machine operations by a slot machine licensee, [the] a slot machine licensee shall deposit and maintain the [sum of \$5,000,000] **following sums** in its account to guarantee the payment of funds to the Commonwealth under this part and as security for its obligations under section 1405 (relating to Pennsylvania Race Horse Development Fund)[.]:

(1) For a Category 1 or Category 2 slot machine licensee, \$1,500,000.

(2) For a Category 3 slot machine licensee, \$1,000,000. No additional minimum deposit shall be required from a slot machine licensee if a slot machine licensee is granted a table game operation certificate under Chapter 13A (relating to table games).

* * *

§ 1402. Gross terminal revenue deductions.

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

(1) The costs and expenses to be incurred by the department in administering this part at each slot machine licensee's licensed facility based upon a budget submitted by the department [to and approved by the board] **under section 1402.1 (relating to itemized budget reporting).**

(2) The other costs and expenses to be incurred by the department in administering this part based upon a budget submitted by the department [to and approved by the board] **under section 1402.1.**

(3) Sums necessary to repay any loans made by the General Fund to the department in connection with carrying out its responsibilities under this part, including the costs of the initial acquisition of the central control computer and any accessories or associated equipment.

(4) The costs and expenses to be incurred by the Pennsylvania State Police and the Office of Attorney General and not otherwise reimbursed under this part in carrying out their respective responsibilities under this part based upon [a budget] **budgets** submitted by the Pennsylvania State Police and the Attorney General [to and approved by the board] **under section 1402.1.**

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

(6) The costs and expenses to be incurred by the board in carrying out its responsibilities under this part based upon a budget [approved] **submitted** by the board **under section 1402.1.**

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

* * *

§ 1402.1. Itemized budget reporting.

(a) Submission.--The board, department, Pennsylvania State Police and [the] **Office of Attorney General** shall prepare and annually submit to the chairman of the Appropriations Committee of the Senate and the chairman of the Appropriations Committee of the House of Representatives an itemized budget consisting of amounts to be appropriated out of the accounts established under section 1401 (relating to slot machine licensee deposits) necessary to administer this part. **The department, Pennsylvania State Police and Office of Attorney General shall provide copies of their itemized budgets to the board at the same time they are submitted to the chairmen of the committees.**

(b) Analyses and recommendations.--As soon as practicable after receiving copies of the itemized budgets submitted under subsection (a), the board shall prepare and submit to the chairmen of the committees analyses of and make recommendations regarding the itemized budgets.

Section 11.3. Section 1403(b), (c)(2)(i)(D), (E) and (F), (iii)(F) and (iv) and (3)(v) and (viii) of Title 4 are amended and the section is amended by adding subsections to read:

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

* * *

(b) Slot machine tax.--The department shall determine and each slot machine licensee shall pay a daily tax of 34% from its daily gross terminal revenue from the slot machines in operation at its facility and a local share assessment as provided in subsection (c) [into the fund]. All funds owed to the Commonwealth, **a county** or a municipality under this section shall be held in trust by the licensed gaming entity **for the Commonwealth, the county and the municipality** until the funds are paid or transferred [and distributed] **to the fund.** Unless otherwise agreed to by the [Gaming Board] **board,** a licensed gaming entity shall establish a separate bank account to maintain [gaming proceeds] **gross terminal revenue** until such time as [they] **the funds** are paid or transferred under this section. **Moneys in the fund are hereby appropriated to the department on a continuing basis for the purposes set forth in subsection (c).**

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

* * *

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

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

* * *

(D) (I) A county of the third class: Except as provided in subclause (II), 2% of the gross terminal revenue from each such licensed facility

shall be deposited into a restricted **receipts** account **to be** established in the [Department of Community and Economic Development] **Commonwealth Financing Authority** to be used exclusively for grants for [health, safety and economic development projects] **projects in the public interest** to municipalities within the county where the licensed facility is located. [Municipalities that are contiguous to the municipality hosting such licensed facility shall be given priority by the Department of Community and Economic Development in the award of such grants.]

(I.1) Priority shall be given to multiyear projects approved or awarded by the Department of Community and Economic Development under subclause (I) on or before the effective date of this subclause.

(II) If a licensed facility is located in one of two counties of the third class where a city of the third class is located in both counties of the third class, the county in which the licensed facility is located shall receive 1.2% of the gross terminal revenue to be distributed as follows: 20% to the host city, 30% to the host county and 50% to the host county for the purpose of making municipal grants within the county, with priority given to municipalities contiguous to the host city. The county of the third class, which includes a city of the third class that is located in two counties of the third class and is not the host county for the licensed facility, shall receive .8% of the gross terminal revenue to be distributed as follows:

60% to a nonhost city of the third class located solely in the nonhost county in which the host city of the third class is also located or 60% to the nonhost city of the third class located both in the host and nonhost counties of the third class, 35% to the nonhost county and 5% to the nonhost county for the purpose of making municipal grants within the county.

(E) A county of the fourth class: 2% of the gross terminal revenue from each such licensed facility shall be **distributed as follows:**

(I) The department shall make distributions directly to each municipality within the county, except the host municipality, by using a formula equal to the sum of \$25,000 plus \$10 per resident of the municipality using the most recent population figures provided by the Department of Community and Economic Development, provided, however, that the amount so distributed to any municipality shall not exceed 50% of its total budget for fiscal year 2009, adjusted for inflation in subsequent fiscal years by an amount not to exceed an annual cost-of-living adjustment calculated by applying any upward percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Distributions to a municipality in accordance with this subclause shall be deposited

into a special fund which shall be established by the municipality. The governing body of the municipality shall have the right to draw upon the special fund for any lawful purpose provided that the municipality identifies the fund as the source of the expenditure. Each municipality shall annually submit a report to the Department of Community and Economic Development detailing the amount and purpose of each expenditure made from the special fund during the prior fiscal year.

(II) Any funds not distributed under subclause (I) shall be deposited into a restricted receipts account established in the Department of Community and Economic Development to be used exclusively for grants to the county, to economic development authorities or redevelopment authorities within the county for grants for economic development projects, **infrastructure projects**, job training, community improvement projects, other projects in the public interest, and **necessary and** reasonable administrative costs. Notwithstanding the provisions of the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act, grants made under this clause may be utilized as local matching funds for other grants or loans from the Commonwealth.

(F) Counties of the fifth through eighth classes:

(I) **Except as set forth in subclause (II)**, 2% of the gross terminal revenue from each such licensed facility shall be deposited into a restricted account established in the Department of Community and Economic Development to be used exclusively for grants to the county.

(II) **If the licensed facility is located in a second class township in a county of the fifth class, 2% of the gross terminal revenue from the licensed facility shall be distributed as follows:**

(a) 1% shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants for projects in the public interest to municipalities within the county where the licensed facility is located.

(b) 1% shall be distributed to the county for projects in the public interest in the county.

* * *

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

* * *

(F) Counties of the fifth class: 2% of the gross terminal revenue from each such licensed facility shall be deposited and distributed as follows:

(I) One percent **to be distributed as follows:**

(a) Beginning in 2010, the sum of \$2,400,000 annually for a period of 20 years to the county for purposes of funding debt service related to the construction of a community college campus located within the county.

(b) Any funds not distributed under subclause (a) shall be deposited into a restricted receipts account **to be established** in the [Department of Community and Economic Development] **Commonwealth Financing Authority** to be used exclusively for grants within the county for economic development projects, **road projects located within a 20-mile radius of the licensed facility and located within the county**, community improvement projects and other projects in the public interest within the county. The amount under this subclause includes reasonable administrative costs.

(II) One percent shall be deposited into a restricted receipts account **to be established** in the [Department of Community and Economic Development] **Commonwealth Financing Authority** to be used exclusively for grants within contiguous counties for economic development projects, community improvement projects and other projects in the public interest within contiguous counties. The amount under this subclause includes reasonable administrative costs. **A contiguous county that hosts a Category 1 licensed facility shall be ineligible to receive grants under this subclause.**

(II.1) Priority shall be given to multiyear projects approved or awarded by the Department of Community and Economic Development under subclause (I)(b) or (II) on or before the effective date of this subclause.

(III) Fifty percent of any revenue required to be transferred under paragraph (3)(v) shall be deposited into the restricted receipts account established under subclause (I)(b), and 50% shall be deposited into the restricted [receipt] **receipts** account established under subclause (II). Notwithstanding the Capital Facilities Debt Enabling Act, grants made under this clause may be utilized as local matching funds for other grants or loans from the Commonwealth.

* * *

(iv) [If] **(A) Except as provided in clause (B) or (C), if** the facility is a Category 3 licensed facility, 2% of the gross terminal revenue from [each such] **the** licensed facility shall be deposited into a restricted **receipts** account established in the Department of Community and Economic Development to be used exclusively for grants to the county, to economic development authorities or redevelopment authorities within the county for grants for economic development projects [and], community improvement projects **and other projects in the public interest.**

(B) If the facility is a Category 3 licensed facility located in a county of the second class A, 2% of the gross terminal revenue from the licensed facility shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants or guarantees for projects in the host county that qualify under 64 Pa.C.S. §§ 1551 (relating to Business in Our Sites Program), 1556 (relating to Tax Increment Financing Guarantee Program) and 1558 (relating to Water Supply and Wastewater Infrastructure Program).

(C) If the facility is a Category 3 licensed facility located in a county of the fifth class that is contiguous to a county of the seventh class, 2% of the gross terminal revenue from the licensed facility shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants within the county for economic development projects, infrastructure projects, community improvement projects and other projects in the public interest within the county and for infrastructure projects within a 20-mile radius of the licensed facility in a contiguous county of the seventh class.

* * *

(3) From the local share assessment established in subsection (b), make quarterly distributions among the municipalities, including home rule municipalities, hosting a licensed facility in accordance with the following schedule:

* * *

(v) To a township of the second class hosting a licensed facility[, other than a Category 3 licensed facility,]:

(A) 2% of the gross terminal revenue or \$10,000,000 annually, whichever is greater, shall be paid by each licensed gaming entity operating a licensed facility [located in the township], **other than a Category 3 licensed facility or a licensed facility owning land adjacent to the licensed facility located in more than one township of the second class, to the township of the second class hosting the licensed facility,** subject, however, to the budgetary limitation in this subparagraph. The amount allocated to the designated municipalities shall not exceed 50% of their total budget for fiscal year 2003-2004, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any remaining money shall be collected by the department from each licensed gaming entity and distributed in accordance with paragraph (2) based upon the classification of county where the licensed facility is located. [Where the licensed facility is other than a Category 3 and is located in more than one second class township, the] **If revenues generated by the 2% do not meet the \$10,000,000 minimum specified in this subparagraph,**

the department shall collect the remainder of the minimum amount of \$10,000,000 from each licensed gaming entity operating a licensed facility in the township, pay any balance due to the township and transfer any remainder in accordance with paragraph (2).

(B) 2% of the gross terminal revenue or \$10,000,000 annually, whichever is greater, less the amount paid under clause (C), shall be paid by each licensed gaming entity operating a licensed facility and owning land adjacent to the licensed facility located in more than one township of the second class, other than a Category 3 licensed facility, to the township of the second class hosting the licensed facility, subject, however, to the budgetary limitation in this subparagraph. The amount allocated to the designated municipalities may not exceed 50% of their total budget for the fiscal year 2003-2004, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any remaining money shall be collected by the department from each licensed gaming entity and distributed in accordance with paragraph (2) based upon the classification of the county where the licensed facility is located. The county commissioners of [the] a county of the third class in which the licensed facility is located shall appoint an advisory committee for the purpose of advising the county as to the need for municipal grants for health, safety, transportation and other projects in the public interest to be comprised of two individuals from the host municipality, two from contiguous municipalities within the county of the third class and one from the host county. [A county other than a county of the third class in which the licensed facility is located is not required to appoint an advisory committee and may use funds received under this subparagraph for purposes other than municipal grants.] In the event that the revenues generated by the 2% do not meet the \$10,000,000 minimum specified in this subparagraph, the department shall collect the remainder of the minimum amount of \$10,000,000 from each licensed gaming entity operating a licensed facility in the township, pay any balance due to the township and transfer any remainder in accordance with paragraph (2).

(C) \$160,000 annually shall be paid by each licensed gaming entity operating a licensed facility and owning land adjacent to the licensed facility located in more than one township of the second class, other than a Category 3 licensed facility, to the township of the second class that is located in a county of the fifth class in which the adjacent land is located, including racetracks, grazing fields or any other adjoining real property.

* * *

(viii) [To] **(A) Except as provided in clause (B) or (C), to** a municipality of any class hosting a Category 3 facility, 2% of the gross terminal revenue from the Category 3 licensed facility located in the municipality, subject, however, to the budgetary limitation in this [subparagraph] **clause**. The amount allocated to the designated municipalities shall not exceed 50% of their total budget for fiscal year [2003-2004] **2009**, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any remaining money shall be collected by the department from each licensed gaming entity and distributed in accordance with paragraph (2) based upon the classification of county where the licensed facility is located.

(B) If the municipality hosting a Category 3 licensed facility is a borough located in a county of the third class and the borough is contiguous to a city of the third class, 1% of gross terminal revenue shall be distributed to the host borough and 1% of gross terminal revenue shall be distributed to the city of the third class that is contiguous to the host borough, subject, however, to the budgetary limitation in this clause. The amount allocated to each designated municipality shall not exceed 50% of its total budget for fiscal year 2009, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage increase, if any, in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any remaining money shall be collected by the department from each licensed gaming entity and distributed in accordance with paragraph (2) based upon the classification of county where the licensed facility is located.

(C) If the municipality hosting a Category 3 licensed facility is a township of the second class in a county of the fifth class which is contiguous to a county of the seventh class, 2% of the gross terminal revenue from the Category 3 licensed facility located in the municipality shall be distributed to the municipality, subject, however, to the budgetary limitation in this clause. The amount allocated to the designated municipalities shall not exceed the lesser of \$1,000,000 or 50% of their total budget for fiscal year 2009, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any remaining money shall be collected by the department from each licensed gaming entity and distributed in equal amounts to each municipality contiguous to the host municipality. However, the amount to be allocated to any contiguous municipality shall not exceed the lesser of \$1,000,000 or 50% of the

municipality's total budget for fiscal year 2009, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any money remaining following distribution to contiguous municipalities shall be collected by the department and distributed in accordance with paragraph (2) based upon the classification of county where the licensed facility is located.

* * *

(e) Reporting.--

(1) In cooperation with the department and the Commonwealth Financing Authority, the Department of Community and Economic Development shall submit an annual report on all distributions of local share assessments to counties and municipalities under this section to the chairman and minority chairman of the Appropriations Committee of the Senate, the chairman and minority chairman of the Community, Economic and Recreational Development Committee of the Senate, the chairman and minority chairman of the Appropriations Committee of the House of Representatives and the chairman and minority chairman of the Gaming Oversight Committee of the House of Representatives. The report shall be submitted by August 31, 2010, and by August 31 of each year thereafter.

(2) All counties and municipalities receiving distributions of local share assessments under this section shall submit information to the Department of Community and Economic Development on a form prepared by the Department of Community and Economic Development that sets forth the amount and use of the funds received in the prior calendar year. The form shall set forth whether the funds received were deposited in the county's or municipality's General Fund or committed to a specific project or use.

(f) Prohibited activities.--

(1) A person or its affiliated entity or a political subdivision shall not compensate or incur an obligation to compensate a person to engage in lobbying for compensation contingent in whole or in part upon the approval, award, receipt or denial of funds under this section. A person or its affiliated entity shall not engage in or agree to engage in lobbying for compensation contingent in whole or in part upon the approval, award, receipt or denial of funds under this section. This subsection shall not apply to a county or municipality that compensates a person to prepare a grant application for funds under this section if the following requirements are met:

(i) The person is not identified in the application.

(ii) The person has no direct contact with the agency, county or municipality providing the funding.

(iii) The person is paid a fixed fee or percentage of the amount of any funds approved, awarded or received up to .5%.

(2) A violation of this section shall be considered an intentional violation of 65 Pa.C.S. § 13A09(e) (relating to penalties).

Section 11.4. Section 1406(a) of Title 4 is amended to read:
§ 1406. Distributions from Pennsylvania Race Horse Development Fund.

(a) Distributions.--Funds [from] **in** the Pennsylvania Race Horse Development Fund **are hereby appropriated to the department on a continuing basis for the purposes set forth in this subsection and** shall be distributed to each active and operating Category 1 licensee conducting live racing [in the following manner] **as follows:**

(1) An amount equal to 18% of the daily gross terminal revenue of each Category 1 licensee shall be distributed to each active and operating Category 1 licensee conducting live racing unless the daily assessments are affected by the daily assessment cap provided for in section 1405(c) (relating to Pennsylvania Race Horse Development Fund). In cases in which the daily assessment cap affects daily assessments, the distribution to each active and operating Category 1 licensee conducting live racing for that day shall be a percentage of the total daily assessments paid into the Pennsylvania Race Horse Development Fund for that day equal to the gross terminal revenue of each active and operating Category 1 licensee conducting live racing for that day divided by the total gross terminal revenue of all active and operating Category 1 licensees conducting live racing for that day. [The] **Except as provided in paragraphs (2) and (2.1),** the distributions to licensed racing entities from the Pennsylvania Race Horse Development Fund shall be allocated as follows:

(i) Eighty percent shall be deposited weekly into a separate, interest-bearing purse account to be established by and for the benefit of the horsemen. The earned interest on the account shall be credited to the purse account. Licensees shall combine these funds with revenues from existing purse agreements to fund purses for live races consistent with those agreements with the advice and consent of the horsemen.

(ii) For thoroughbred tracks, 16% shall be deposited on a monthly basis into the Pennsylvania Breeding Fund as defined in section 223 of the Race Horse Industry Reform Act. For standardbred tracks, 8% shall be deposited on a monthly basis in the Pennsylvania Sire Stakes Fund as defined in section 224 of the Race Horse Industry Reform Act, and 8% shall be deposited on a monthly basis into a restricted account in the State Racing Fund to be known as the Pennsylvania Standardbred Breeders Development Fund. The State Harness Racing Commission shall, in consultation with the Secretary of Agriculture by rule or by regulation, adopt a standardbred breeders program that will include the administration of Pennsylvania Stallion Award, Pennsylvania Bred Award and a Pennsylvania Sired and Bred Award.

(iii) Four percent shall be used to fund health and pension benefits for the members of the horsemen's organizations representing the owners and trainers at the racetrack at which the licensed racing entity operates for the benefit of the organization's members, their families, employees and others in accordance with the rules and eligibility requirements of the organization, as approved by the State Horse Racing Commission or the State Harness Racing Commission. This amount shall be deposited within five business days of the end of each month into a separate account to be established by each respective horsemen's organization at a banking institution of its choice. Of this amount,

\$250,000 shall be paid annually by the horsemen's organization to the thoroughbred jockeys or standardbred drivers organization at the racetrack at which the licensed racing entity operates for health insurance, life insurance or other benefits to active and disabled thoroughbred jockeys or standardbred drivers in accordance with the rules and eligibility requirements of that organization.

(2) [(Reserved).] **Beginning January 1, 2010, and for the remainder of fiscal year 2009-2010, distributions from the Pennsylvania Race Horse Development Fund shall be allocated as follows:**

(i) Each week, 34% of the money in the Pennsylvania Race Horse Development Fund shall be transferred to the General Fund.

(ii) Each week, 66% of the money in the Pennsylvania Race Horse Development Fund shall be distributed to each active and operating Category 1 licensee conducting live racing in accordance with the following formula:

(A) Divide:

(I) the total daily assessments paid by each active and operating Category 1 licensee conducting live racing into the Pennsylvania Race Horse Development Fund for that week; by

(II) the total daily assessments paid by all active and operating Category 1 licensees conducting live racing into the Pennsylvania Race Horse Development Fund for that week.

(B) Multiply the quotient under clause (A) by the amount to be distributed under this subparagraph.

(iii) The distribution under subparagraph (ii) shall be allocated as follows:

(A) The greater of 4% of the amount to be distributed under subparagraph (ii) or \$275,000 shall be used to fund health and pension benefits for the members of the horsemen's organizations representing the owners and trainers at the racetrack at which the licensed racing entity operates for the benefit of the organization's members, their families, employees and others in accordance with the rules and eligibility requirements of the organization, as approved by the State Horse Racing Commission or the State Harness Racing Commission. This amount shall be deposited within five business days of the end of each week into a separate account to be established by each respective horsemen's organization at a banking institution of its choice. Of this amount, a minimum of \$250,000 shall be paid annually by the horsemen's organization to the thoroughbred jockeys or standardbred drivers organization at the racetrack at which the licensed racing entity operates for health insurance, life insurance or other benefits to active and disabled thoroughbred jockeys or standardbred drivers in accordance with the rules and eligibility requirements of that organization. The total distributions for health and pension benefits for fiscal year 2009-2010 shall not exceed \$11,400,000.

(B) Of the money remaining to be distributed under subparagraph (ii) after application of clause (A), the following disbursements shall be made:

(I) Eighty-three and one-third percent of the money to be distributed under this clause shall be deposited on a weekly basis into a separate, interest-bearing purse account to be established by and for the benefit of the horsemen. The earned interest on the account shall be credited to the purse account. Licensees shall combine these funds with revenues from existing purse agreements to fund purses for live races consistent with those agreements with the advice and consent of the horsemen.

(II) For thoroughbred tracks, 16 and 2/3% of the money to be distributed under this clause shall be deposited on a weekly basis into the Pennsylvania Breeding Fund established in section 223 of the Race Horse Industry Reform Act. For standardbred tracks, 8 and 1/3% of the money to be distributed under this clause shall be deposited on a weekly basis into the Pennsylvania Sire Stakes Fund as defined in section 224 of the Race Horse Industry Reform Act; and 8 and 1/3% of the money to be distributed under this clause shall be deposited on a weekly basis into a restricted account in the State Racing Fund to be known as the Pennsylvania Standardbred Breeders Development Fund. The State Harness Racing Commission shall, in consultation with the Secretary of Agriculture, promulgate regulations adopting a standardbred breeders program that will include the administration of the Pennsylvania Stallion Award, the Pennsylvania Bred Award and the Pennsylvania Sired and Bred Award.

(2.1) For fiscal years 2010-2011 through 2012-2013, distributions from the Pennsylvania Race Horse Development Fund shall be allocated as follows:

(i) Each week, 17% of the money in the Pennsylvania Race Horse Development Fund shall be transferred to the General Fund.

(ii) Each week, 83% of the money in the Pennsylvania Race Horse Development Fund shall be distributed to each active and operating Category 1 licensee conducting live racing in accordance with the following formula:

(A) Divide:

(I) the total daily assessments paid, by each active and operating Category 1 licensee conducting live racing, into the Pennsylvania Race Horse Development Fund for that week; by

(II) the total daily assessments paid, by all active and operating Category 1 licensees conducting live racing, into the Pennsylvania Race Horse Development Fund for that week.

(B) Multiply the quotient under clause (A) by the amount to be distributed under this subparagraph.

(iii) The distribution under subparagraph (ii) shall be allocated as follows:

(A) The greater of 4% of the amount to be distributed under subparagraph (ii) or \$220,000 shall be used to fund health and pension benefits for the members of the horsemen's organizations representing the owners and trainers at the racetrack at which the licensed racing entity operates for the benefit

of the organization's members, their families, employees and others in accordance with the rules and eligibility requirements of the organization, as approved by the State Horse Racing Commission or the State Harness Racing Commission. This amount shall be deposited within five business days of the end of each week into a separate account to be established by each respective horsemen's organization at a banking institution of its choice. Of this amount, a minimum of \$250,000 shall be paid annually by the horsemen's organization to the thoroughbred jockeys or standardbred drivers organization at the racetrack at which the licensed racing entity operates for health insurance, life insurance or other benefits to active and disabled thoroughbred jockeys or standardbred drivers in accordance with the rules and eligibility requirements of that organization. The total distribution under this clause in any fiscal year shall not exceed \$11,400,000.

(B) Of the money remaining to be distributed under subparagraph (ii) after application of clause (A), the following disbursements shall be made:

(I) Eighty-three and one-third percent of the money to be distributed under this clause shall be deposited on a weekly basis into a separate, interest-bearing purse account to be established by and for the benefit of the horsemen. The earned interest on the account shall be credited to the purse account. Licensees shall combine these funds with revenues from existing purse agreements to fund purses for live races consistent with those agreements with the advice and consent of the horsemen.

(II) For thoroughbred tracks, 16 and 2/3% of the money to be distributed under this clause shall be deposited on a weekly basis into the Pennsylvania Breeding Fund established in section 223 of the Race Horse Industry Reform Act. For standardbred tracks, 8 and 1/3% of the money to be distributed under this clause shall be deposited on a weekly basis into the Pennsylvania Sire Stakes Fund as defined in section 224 of the Race Horse Industry Reform Act; and 8 and 1/3% of the money to be distributed under this clause shall be deposited on a weekly basis into a restricted account in the State Racing Fund to be known as the Pennsylvania Standardbred Breeders Development Fund. The State Harness Racing Commission shall, in consultation with the Secretary of Agriculture, promulgate regulations adopting a standardbred breeders program that will include the administration of the Pennsylvania Stallion Award, the Pennsylvania Bred Award and the Pennsylvania Sired and Bred Award.

* * *

Section 12. Section 1407(d) introductory paragraph and (7) of Title 4 are amended and the section is amended by adding subsections to read:

§ 1407. Pennsylvania Gaming Economic Development and Tourism Fund.

* * *

(d) Restrictions on projects for certain counties and cities.--[For] **Except as set forth in subsection (d.1)**, for a ten-year period beginning with the first fiscal year during which deposits are made into this fund, no moneys from the Pennsylvania Gaming Economic Development and Tourism Fund shall be distributed for any project located in a city or county of the first or second class except as authorized by this subsection. Moneys not used for the authorized projects in cities and counties of the first and second classes may be used throughout this Commonwealth. Moneys from the fund for projects within cities and counties of the first and second classes may only be used for the following projects during this ten-year period:

* * *

[(7) for retirement of indebtedness and for financing of a hotel or convention center in a city of the second class established pursuant to the authority of the act of July 29, 1953 (P.L.1034, No.270), known as the Public Auditorium Authorities Law;]

* * *

(d.1) Community and economic development.--

(1) Notwithstanding subsection (b) or any other provision of law to the contrary, the money authorized but not expended under former subsection (d)(7) as of the effective date of this subsection shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority exclusively for eligible applications submitted by the redevelopment authority of a county of the second class created pursuant to the act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law, for economic development, infrastructure development, job training, community improvement, public safety or other projects in the public interest located in a county of the second class. Community development corporations, political subdivisions, urban redevelopment authorities, municipal authorities, for-profit entities and nonprofit entities located in a county of the second class shall be eligible to receive funds made available under this paragraph.

(2) Notwithstanding the Capital Facilities Debt Enabling Act, funding under the paragraph (1) may be utilized as local matching funds for grants or loans from the Commonwealth.

(e) Annual report.--The Office of the Budget, in cooperation with the Department of Community and Economic Development and the Commonwealth Financing Authority, shall submit an annual report of all distribution of funds under this section to the chairman and minority chairman of the Appropriations Committee of the Senate, the chairman and minority chairman of the Community, Economic and Recreational Development Committee of the Senate, the chairman and minority chairman of the Appropriations Committee of the House of Representatives and the chairman and minority chairman of the Gaming Oversight Committee of the House of Representatives. The report shall include detailed information relating to transfers made from the Pennsylvania Gaming Economic Development and Tourism Fund and all reimbursements, distributions and payments made under subsection (b) or the act of July 25, 2007 (P.L.342, No.53), known as Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007. The report shall

be submitted by August 31, 2010, and by August 31 of each year thereafter.

(f) Local report.--A city of the first class, city of the second class, county of the second class, convention center or convention center authority, sports and exhibition authority of a county of the second class, urban redevelopment authority, airport authority or other entity that receives money from the fund pursuant to an Economic Development Capital Budget under subsection (b) or the Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007 shall submit an annual report to the Office of the Budget. The report shall include detailed information, including records of expenditures, payments and other distributions made from funds received under subsection (b). The initial report shall include information on all funds received prior to August 31, 2010. The report shall be submitted by August 31, 2010, and by August 31 of each year thereafter until all funds under this section are distributed or received. An entity that receives funds for the first time after the effective date of this section shall submit its initial report by August 31 of the year following receipt of the funds.

(g) Distribution to international airport.--Notwithstanding the provisions of section 7(d) of the Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007, following the distribution of \$42.5 million of funds allocated to a county of the second class for debt service and economic development projects for an international airport in the county under section 3(2)(i)(E) of the Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007, all remaining funds shall be distributed directly to an authority that operates an international airport in the county.

Section 13. Section 1408(a), (c) and (e) of Title 4 are amended and the section is amended by adding a subsection to read:

§ 1408. Transfers from State Gaming Fund.

(a) Transfer for compulsive **and** problem gambling treatment.--Each year, the sum of [\$1,500,000] **\$2,000,000** or an amount equal to [.001] **.002** multiplied by the total gross terminal revenue of all active and operating licensed gaming entities, whichever is greater, shall be transferred into the Compulsive **and** Problem Gambling Treatment Fund established in section 1509 (relating to compulsive and problem gambling program).

(a.1) Transfer.--Beginning on the first business day of January 2010 and annually thereafter, the sum of \$3,000,000 shall be transferred to the Department of Health to be used to provide drug and alcohol addiction treatment services, including treatment for drug and alcohol addiction related to compulsive and problem gambling, as set forth in section 1509.1 (relating to drug and alcohol treatment).

* * *

(c) Local law enforcement grants.--Annually, the sum of [\$5,000,000] **\$2,000,000** shall be transferred to the board for the purpose of issuing grants to local law enforcement agencies to [enforce and prevent the unlawful operation of slot machines] **investigate violations of and enforce laws relating to unlawful gambling in this Commonwealth. For purposes of this subsection, the term "local law enforcement agency" shall include the Pennsylvania State Police when conducting unlawful gambling enforcement and prevention activities in a municipality which does not have a municipal police department and in which the**

Pennsylvania State Police provide the municipality with primary police coverage.

* * *

(e) Transfer to Property Tax Relief Fund.--Monthly, the State Treasurer shall transfer the remaining balance in the State Gaming Fund which is not allocated in subsections (a), **(a.1)**, (b), (c) and (d) to the Property Tax Relief Fund established in section 1409 (relating to Property Tax Relief Fund).

Section 13.1. Sections 1501(b) and (c), 1504 and 1505 of Title 4 are amended to read:

§ 1501. Responsibility and authority of department.

* * *

(b) Application of rules and regulations.--The department may prescribe the extent, if any, to which any rules and regulations shall be applied without retroactive effect. The department shall have authority to prescribe the forms and the system of accounting and recordkeeping to be employed and through its representative shall at all times have power of access to and examination and audit of any equipment and records relating to all aspects of the operation of slot machines **and table games** under this part.

(c) Procedure.--For purposes of implementing this part, the department may promulgate regulations in the same manner in which the board is authorized as provided in section 1203 (relating to temporary regulations) **and section 13A03 (relating to temporary table game regulations)**.

* * *

§ 1504. Wagering on credit.

[Slot] **Except as otherwise provided in this section, slot machine licensees [may] shall not extend credit. Slot machine licensees [may] shall not accept credit cards, charge cards or debit cards from a patron or a player for the exchange or purchase of slot machine credits or for an advance of coins or currency to be utilized by a player to play slot machine games or extend credit in any manner to a player so as to enable the player to play slot machines. Slot machine licensees who hold a table game operation certificate may extend credit for slot machine gaming in accordance with section 13A26 (relating to cash equivalents).**

§ 1505. No eminent domain authority.

Neither the Commonwealth nor any political subdivision thereof shall have the right to acquire, with or without compensation, through the power of eminent domain any property, easement or land use right for the siting or construction of a **licensed** facility [for the operation of slot machines by a slot machine licensee].

Section 13.2. Section 1509(a), (b), (c) and (d) of Title 4 are amended and the section is amended by adding subsections to read:

§ 1509. Compulsive and problem gambling program.

(a) Establishment of program.--The Department of Health, in consultation with organizations similar to the Mid-Atlantic Addiction Training Institute, shall develop program guidelines for public education, awareness and training regarding compulsive and problem gambling and the treatment and prevention of compulsive and problem gambling. The guidelines shall include strategies for the prevention of compulsive and problem gambling. The Department of Health may consult with the board and licensed gaming entities to develop such strategies. [The program shall include:

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

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

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

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

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

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

(a.1) Duties of Department of Health.--From funds available in the Compulsive and Problem Gambling Treatment Fund, the Department of Health shall:

(1) Maintain a compulsive gamblers assistance organization's toll-free problem gambling telephone number to provide crisis counseling and referral services to individuals and families experiencing difficulty as a result of problem or compulsive gambling.

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

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

(4) Provide grants to and contract with single county authorities and other organizations which provide services as set forth in this section.

(5) Reimburse organizations for reasonable expenses incurred assisting the Department of Health with implementing this section.

(a.2) Duties of Department of Health and board.--Within 60 days following the effective date of this subsection, the Department of Health's Bureau of Drug and Alcohol Programs and the board's Office of Compulsive and Problem Gambling shall jointly collaborate with other appropriate offices and agencies of State or local government, including single county authorities, and providers and other persons, public or private, with expertise in compulsive and problem gambling treatment to do the following:

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

(2) Adopt compulsive and problem gambling treatment standards to be integrated with the Bureau of Drug and Alcohol Program's uniform Statewide guidelines that govern the provision of addiction treatment services.

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

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

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

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

(b) Compulsive and Problem Gambling Treatment Fund.--There is hereby established in the State Treasury a special fund to be known as the Compulsive and Problem Gambling Treatment Fund. All moneys in the fund shall be [expended] **administered by the Department of Health and expended solely** for programs for the prevention and treatment of gambling addiction and other emotional and behavioral problems associated with or related to gambling addiction and for the administration of the compulsive and problem gambling program[.], **provided that the Department of Health shall annually distribute at least 50% of the money in the fund to single county authorities under subsection (d)**. The fund shall consist of money annually allocated to it from the annual payment established under section [1408] **1408(a)** (relating to transfers from State Gaming Fund), money which may be allocated by the board, interest earnings on moneys in the fund and any other contributions, payments or deposits which may be made to the fund.

(c) Notice of availability of assistance.--

(1) Each slot machine licensee shall obtain a toll-free telephone number to be used to provide persons with information on assistance for compulsive or problem gambling. Each licensee shall conspicuously post **at least 20** signs similar to the following statement:

If you or someone you know has a gambling problem, help is available. Call (Toll-free telephone number).
The signs must be posted within 50 feet of each entrance and exit [and], within 50 feet of each automated teller machine location within the licensed facility **and in other appropriate public areas of the licensed facility as determined by the slot machine licensee**.

(2) Each racetrack where slot machines **or table games** are operated shall print a statement on daily racing programs provided to the general public that is similar to the following:

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

(3) A licensed facility which fails to post or print the warning sign in accordance with paragraph (1) or (2) shall be assessed a fine of \$1,000 a day for each day the [sign is] **minimum number of signs are not posted or the required statement is not** printed as provided in this subsection.

(d) Single county authorities.--The Department of Health [may] **shall** make grants from the fund established under subsection (b) to [a single county authority] **single county authorities** created pursuant to the act of April 14, 1972 (P.L.221, No.63), known as the Pennsylvania Drug and Alcohol Abuse Control Act, for the purpose of providing compulsive gambling and gambling addiction prevention, treatment and education programs. **Treatment may include financial counseling, irrespective of whether the financial counseling is provided by the single county authority, the treatment service provider or subcontracted to a third party.** It is the intention of the

General Assembly that any grants [that] **made by** the Department of Health [may make] to any single county authority in accordance with the provisions of this subsection be used exclusively for the development and implementation of compulsive and problem gambling programs authorized under [subsection (a)] **this section.**

(d.1) **Eligibility.--Eligibility to receive treatment services for treatment of compulsive and problem gambling under this section shall be determined using financial eligibility and other requirements of the single county authorities as approved by the Department of Health.**

(d.2) **Report.--No later than October 1, 2010, and each October 1 thereafter, the Department of Health, in consultation with the board, shall prepare and submit a report on the impact of the programs funded by the Compulsive and Problem Gambling Treatment Fund to the Governor and to the members of the General Assembly. The report shall include aggregate demographic-specific data, including race, gender, geography and income of those individuals treated.**

* * *

Section 13.3. Title 4 is amended by adding a section to read:

§ 1509.1. **Drug and alcohol treatment.**

(a) **Duties of Department of Health.--Annually, the Department of Health shall allocate and transfer all funds received by it under section 1408(a.1) (relating to transfers from State Gaming Fund) to the single county authorities.**

(b) **Duties of single county authorities.--The funds allocated and transferred to the single county authorities under subsection (a) shall be used by the single county authorities solely for drug and alcohol addiction assessments, including drug and alcohol addiction assessment associated or related to compulsive and problem gambling, and for the related addiction treatment, in nonhospital residential detoxification facilities, nonhospital residential rehabilitation facilities and halfway houses licensed by the Department of Health to provide addiction treatment services.**

(c) **Eligibility.--Eligibility to receive treatment services for treatment of drug and alcohol addiction or drug and alcohol addiction associated with or related to compulsive and problem gambling shall be determined using financial eligibility and other requirements of the single county authorities as approved by the Department of Health.**

(d) **Report.--No later than October 1, 2010, and each October 1 thereafter, the Bureau of Drug and Alcohol Programs shall prepare and submit a report to the Governor and to the members of the General Assembly on the data and progress on activities initiated under this section.**

Section 13.4. Sections 1510(a), 1511(b) and 1512(a.1), (a.5) and (b) of Title 4 are amended to read:

§ 1510. **Labor hiring preferences.**

(a) **Category 1, 2, and 3 licensed facilities, generally.--Each licensed gaming entity shall prepare a hiring plan for employees of its respective licensed facility which promotes a diverse work force, minority participation and personnel from within the surrounding geographical area. The hiring plan shall be approved by the board and shall be consistent with the goals outlined in sections 1212 (relating to diversity goals of board) and 13A04 (relating to Commonwealth resident employment goals) and shall be updated annually.**

* * *

§ 1511. Declaration of exemption from Federal laws prohibiting slot machines.

* * *

(b) Legal shipments.--All shipments of [slot machines] **gambling devices, as defined in section 1 of the Gambling Devices Transportation Act (64 Stat. 1134, 15 U.S.C. § 1171)**, into this Commonwealth, the registering, recording and labeling of which has been effected by the manufacturer and supplier of those devices, in accordance with sections [5 and 7] **3 and 4** of the Gambling Devices Transportation Act (64 Stat. 1134, 15 U.S.C. §§ [1175 and 1177] **1173 and 1174**), shall be deemed legal shipments of [slot machines] **gambling devices** into this Commonwealth.

§ 1512. Financial and employment interests.

* * *

(a.1) Employment.--Except as may be provided by rule or order of the Pennsylvania Supreme Court **and except as provided in section 1202.1 (relating to code of conduct) or 1512.1 (relating to additional restrictions)**, no executive-level public employee, public official or party officer, or an immediate family member thereof, shall be employed by an applicant or a slot machine licensee, manufacturer licensee, supplier licensee or licensed racing entity, or by any holding company, affiliate, intermediary or subsidiary thereof, while the individual is an executive-level public employee, public official or party officer and for one year following termination of the individual's status as an executive-level public employee, public official or party officer.

* * *

(a.5) **State Ethics Commission.**--The **State Ethics Commission** shall [publish] **do all of the following:**

(1) **Issue a written determination of whether a person is subject to subsections (a), (a.1) or (a.2) upon the written request of the person or any other person that may have liability for an action taken with respect to such person. A person that relies in good faith on a determination made under this paragraph shall not be subject to any penalty for an action taken, provided that all material facts set forth in the request for the determination are correct.**

(2) **Publish** a list of all State, county, municipal and other government positions that meet the definitions of "public official" **as defined under subsection (b)** or "executive-level public employee" [under subsection (b)]. The Office of Administration shall assist the **State Ethics Commission** in the development of the list, which shall be published **by the State Ethics Commission** in the Pennsylvania Bulletin biennially and **posted by the board** on the board's **Internet** website. Upon request, each public official shall have a duty to provide the **State Ethics Commission** with adequate information to accurately develop and maintain the list. The **State Ethics Commission** may impose a civil penalty under 65 Pa.C.S. § 1109(f) (relating to penalties) upon any **individual, including any** public official or executive-level public employee, who fails to cooperate with the **St ate Ethics Commission** under this subsection. **A person that relies in good faith on the list published by the State Ethics Commission shall not be subject to any penalty for a violation of this section.**

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

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

(1) Deputy Secretaries of the Commonwealth and the Governor's Office executive staff.

(2) An employee of the Executive Branch with discretionary power which may affect or influence the outcome of a State agency's action or decision and who is involved in the development of regulations or policies relating to a licensed entity or who is involved in other matters under this part. The term shall include an employee with law enforcement authority.

(3) An employee of a county or municipality with discretionary powers which may affect or influence the outcome of the county's or municipality's action or decision and who is involved in the development of law, regulation or policy relating to a licensed entity or who is involved in other matters under this part. The term shall include an employee with law enforcement authority.

(4) An employee of a department, agency, board, commission, authority or other governmental body not included in paragraph (1), (2) or (3) with discretionary power which may affect or influence the outcome of the governmental body's action or decision and who is involved in the development of regulation or policy relating to a licensed entity or who is involved in other matters under this part. The term shall include an employee with law enforcement authority.]

"Financial interest." Owning or holding, or being deemed to hold, debt or equity securities or other ownership interest or profits interest. A financial interest shall not include any debt or equity security, or other ownership interest or profits interest, which is held or deemed to be held in any of the following:

(1) A blind trust over which the executive-level public employee, public official, party officer or immediate family member thereof may not exercise any managerial control or receive income during the tenure of office and the period under subsection (a). The provisions of this paragraph shall apply only to blind trusts established prior to the effective date of this paragraph.

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

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

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

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

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

"Immediate family." A spouse, minor child or unemancipated child.

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

"Party officer." A member of a national committee; a chairman, vice chairman, secretary, treasurer or counsel of a State committee or member of the executive committee of a State committee; a county chairman, vice chairman, counsel, secretary or treasurer of a county committee in which a licensed facility is located; or a city chairman, vice chairman, counsel, secretary or treasurer of a city committee of a city in which a licensed facility is located.

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

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

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

(3) An individual elected or appointed to any office of a county or municipality that directly receives a distribution of revenue under this part.

(4) An individual elected or appointed to a department, agency, board, commission, authority or other governmental body not included in paragraph (1), (2) or (3) that directly receives a distribution of revenue under this part.

(5) An individual elected or appointed to a department, agency, board, commission, authority, county, municipality or other governmental body not included in paragraph (1), (2) or (3) with discretionary power which may influence or affect the outcome of an action or decision and who is involved in the development of regulation or policy relating to a licensed entity or who is involved in other matters under this part.

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

Section 14. Title 4 is amended by adding a section to read:
§ 1512.1. Additional restrictions.

(a) Restrictions.--No individual trooper or employee of the Pennsylvania State Police or employee of the Office of Attorney General or the department whose duties substantially involve licensing or enforcement, the development of laws or the development or adoption of regulations or policy related to gaming under this part or who has other discretionary authority which may affect or influence the outcome of an action, proceeding or decision under this part shall do any of the following:

(1) Accept employment with or be retained by an applicant or licensed entity, or an affiliate, intermediary, subsidiary or holding company of an applicant or licensed entity, for a period of two years after the termination of employment.

(2) Appear before the board in any hearing or proceeding or participate in any other activity on behalf of any applicant, licensee, permittee or licensed entity, or an affiliate, intermediary, subsidiary or holding company of an applicant, licensee or licensed entity, for a period of two years after termination of employment. Nothing in this paragraph shall prevent a current or former trooper or employee of the Pennsylvania State Police, the Office of Attorney General or the department from appearing before the

board in any proceeding or hearing as a witness or testifying as to any fact or information.

(3) As a condition of employment, a potential employee who would be subject to this subsection shall sign an affidavit that the individual will not accept employment with or be retained by any applicant or licensed entity, or an affiliate, intermediary, subsidiary or holding company of an applicant or licensed entity, for a period of two years after the termination of employment.

(b) Employment or retention.--An applicant or licensed entity or an affiliate, intermediary, subsidiary or holding company of an applicant or licensed entity shall not employ or retain an individual subject to subsection (a) until the expiration of the period required in subsection (a)(1). An applicant or licensed entity, or an affiliate, intermediary, subsidiary or holding company of an applicant or licensed entity, that knowingly employs or retains an individual in violation of this subsection shall terminate the employment of the individual and be subject to a penalty under section 1518(c) (relating to prohibited acts; penalties).

(c) Violation.--If an individual subject to subsection (a) refuses or otherwise fails to sign an affidavit, the individual's potential employer shall rescind the offer of employment.

(d) Code of conduct.--The Pennsylvania State Police, Office of Attorney General and department each shall adopt a comprehensive code of conduct which shall supplement all other requirements under this part and 65 Pa.C.S. Pt. II (relating to accountability), as applicable, and shall provide guidelines applicable to troopers, employees, independent contractors of the agency whose duties substantially involve licensing or enforcement, the development of laws or the development or adoption of regulations or policy related to gaming under this part or who have other discretionary authority which may affect the outcome of an action, proceeding or decision under this part, and the immediate families of these individuals to enable them to avoid any perceived or actual conflict of interest and to promote public confidence in the integrity and impartiality of gaming enforcement and regulation. At a minimum, the code of conduct adopted under this section shall apply the types of restrictions applicable to members under section 1202.1(c) (relating to code of conduct), except that the restrictions under section 1202.1(c)(5) shall not apply to an elected Attorney General.

(e) State Ethics Commission.--The State Ethics Commission shall do all of the following:

(1) Issue a written determination of whether an individual is subject to subsection (a) upon the written request of the individual or the individual's employer or potential employer. A person that relies in good faith on a determination made under this paragraph shall not be subject to any penalty for an action taken, provided that all material facts set forth in the request for the determination are correct.

(2) Publish a list of all positions within the Pennsylvania State Police, the Office of Attorney General and the department whose duties would subject the individuals in those positions to the provisions of subsection (a). Each agency subject to this subsection shall assist the State Ethics Commission in the development of the list, which shall be published by the State Ethics Commission in the

Pennsylvania Bulletin biennially, shall be posted by the board on the board's Internet website and shall be posted by each agency on the agency's Internet website. Upon request by the State Ethics Commission, members and employees of each agency subject to this subsection shall have a duty to provide the State Ethics Commission with adequate information to accurately develop and maintain the list. The State Ethics Commission may impose a civil penalty under 65 Pa.C.S. § 1109(f) (relating to penalties) upon any individual who fails to cooperate with the State Ethics Commission under this subsection. A person who relies in good faith on the list published by the State Ethics Commission shall not be subject to any penalty for a violation of subsection (a).

Section 14.1. Sections 1513(c) and 1514 heading, (b), (f), (g) and (h) of Title 4 are amended to read:
§ 1513. Political influence.

* * *

(c) Penalties.--

(1) The first violation of this section by a licensed gaming entity or any person that holds a controlling interest in such gaming entity, or a subsidiary company thereof, [and] **or** any officer, director or management-level employee of such licensee shall be punishable by a fine [of] **equal to an amount** not less than [an] **the average single day's gross terminal revenue and gross table game revenue** of the licensed gaming entity [derived from the operation of slot machines in this Commonwealth]; a second violation of this section, within five years of the first violation, shall be punishable by at least a one-day suspension of the license held by the licensed gaming entity and a fine **equal to an amount** not less than [an] **two times the average [two days'] single day's gross terminal revenue and gross table game revenue** of the licensed gaming entity; a third violation of this section within five years of the second violation shall be punishable by the immediate revocation of the license held by the licensed gaming entity. **Following revocation, the board shall consider appointing a trustee in accordance with section 1332 (relating to appointment of trustee).**

(2) The first violation of this section by a manufacturer or supplier licensed pursuant to this part or by any person that holds a controlling interest in such manufacturer or supplier, or a subsidiary company thereof, [and] **or** any officer, director or management-level employee of such a licensee shall be punishable by a fine [of] **equal to an amount** not less than [one] **a single day's average** of the gross profit from sales made by the manufacturer or supplier in Pennsylvania during the preceding 12-month period or portion thereof in the event the manufacturer or supplier has not operated in Pennsylvania for 12 months; a [second] **subsequent** violation of this section within five years of [the first] **a prior** violation shall be punishable by a one-month suspension of the license held by the manufacturer or supplier and a fine [of] **equal to an amount** not less than two times [one] **a single day's average** of the gross profit from sales made by the manufacturer or supplier in Pennsylvania during the preceding 12-month period or portion thereof in the event the manufacturer or supplier has not operated in Pennsylvania for 12 months.

(3) In no event shall the fine imposed under this section be [in] an amount less than [\$50,000] **\$100,000** for each violation. In addition to any fine or sanction that may

be imposed by the board **under this subsection**, any [person] **individual** who makes a contribution in violation of this section commits a misdemeanor of the third degree.

* * *

§ 1514. Regulation requiring exclusion **or ejection** of certain persons.

* * *

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

* * *

(f) Notice.--Whenever the [board places] **bureau seeks to place** the name of any person on a list pursuant to this section, the [board] **bureau** shall serve notice of this fact to such person by personal service or certified mail at the last known address of the person. **The notice shall inform the person of the right to request a hearing under subsection (g).**

(g) Hearing.--Within 30 days after **receipt** of notice in accordance with subsection (f), the person named for exclusion or ejection may demand a hearing before the board, at which hearing the [board] **bureau** shall have the affirmative obligation to demonstrate that the person named for exclusion or ejection satisfies the criteria for exclusion **or ejection** established by this section and the board's regulations. **Failure of the person** to demand a hearing within 30 days after service shall be deemed an admission of all matters and facts alleged in the [board's] **bureau's** notice and shall preclude [a] **the person** from having an administrative hearing, but shall in no way affect the right to judicial review as provided in this section.

(h) Review.--If, upon completion of a hearing on the notice of exclusion or ejection, the board determines that placement of the name of the person on the exclusion **or ejection** list is appropriate, the board shall make and enter an order to that effect, which order shall be served on all [slot machine licensees] **licensed gaming entities**. The order shall be subject to review by the Commonwealth Court in accordance with the rules of court.

Section 14.2. Title 4 is amended by adding a section to read:

§ 1516.1. **Prosecutorial and adjudicatory functions.**

The board shall promulgate regulations and adopt procedures necessary to ensure that the bureau is a distinct entity and to prevent commingling of the investigatory and prosecutorial functions of the bureau under section 1517 (relating to investigations and enforcement) and the adjudicatory functions of the board. Regulations and procedures promulgated or adopted under this section shall do all of the following:

(1) Provide that neither the executive director nor the chief counsel of the board shall direct or limit the scope of a background investigation conducted by the bureau.

(2) Incorporate section 1202.1(c.1) (relating to code of conduct) and any other applicable provisions of section 1202.1.

Section 15. Section 1517(a.1)(2) and (6), (b)(1), (c)(12) and (e)(1) of Title 4 are amended, subsection (a.2)(1) is amended by adding a subparagraph and subsection (c) is amended by adding paragraphs to read:

§ 1517. Investigations and enforcement.

* * *

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

* * *

(2) Investigate and review all applicants and applications for a license, permit or registration. **The bureau shall be prohibited from disclosing any portion of a background investigation report to any member prior to the submission of the bureau's final background investigation report relating to the applicant's suitability for licensure to the board. The Office of Enforcement Counsel, on behalf of the bureau, shall prepare the final background investigation report for inclusion in a final report relating to the applicant's suitability for licensure.**

* * *

(6) Conduct [audits] **reviews** of a licensed entity as necessary to ensure compliance with this part. [An audit] **A review** may include the review of accounting, administrative and financial records, management control systems, procedures and other records utilized by a licensed entity.

* * *

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

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

* * *

(iv) Petition the board for the appointment of a trustee under section 1332 (relating to appointment of trustee).

* * *

(b) Powers and duties of department.--

(1) The department shall at all times have the power of access to [examination] **examine** and audit [of any] equipment and records relating to all aspects of the operation of slot machines **or table games** under this part.

* * *

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

* * *

(1.1) Promptly conduct a background investigation on an individual selected by the board to fill the position of executive director of the board, director of the bureau, chief counsel of the board or the director of the Office of Enforcement Counsel and submit the results to the board.

* * *

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

* * *

(14) By March 1 of each year, the Commissioner of the Pennsylvania State Police shall submit a report to the Appropriations Committee of the Senate, the Community, Economic and Recreational Development Committee of the Senate, the Appropriations Committee of the House of Representatives and the Gaming Oversight Committee of the

House of Representatives. The report shall summarize all law enforcement activities at each licensed facility during the previous calendar year and shall include all of the following:

(i) The number of arrests made and citations issued at each licensed facility and the name of the law enforcement agency making the arrest or issuing the citation.

(ii) A list of specific offenses charged for each arrest made or citation issued.

(iii) The number of criminal prosecutions resulting from arrests made or citations issued.

(iv) The number of convictions resulting from prosecutions reported under subparagraph (iii).

(v) The number of Pennsylvania State Police troopers assigned to each licensed facility and to the gaming unit at the Pennsylvania State Police headquarters.

(vi) The number and the subject matter of complaints made against Pennsylvania State Police troopers in licensed facilities and the type of disciplinary actions taken by the Pennsylvania State Police, if any, against the Pennsylvania State Police troopers.

(vii) The closest local police station, Pennsylvania State Police station and regional Pennsylvania State Police headquarters to each licensed facility.

* * *

(e) Inspection, seizure and warrants.--

(1) The bureau, the department and the Pennsylvania State Police shall have the authority without notice and without warrant to do all of the following in the performance of their duties:

(i) Inspect and examine all premises where slot machine **or table game** operations are conducted, [gaming devices or] **slot machines, table game devices and associated** equipment are manufactured, sold, distributed or serviced or where records of these activities are prepared or maintained.

(ii) Inspect all equipment and supplies in, about, upon or around premises referred to in subparagraph (i).

(iii) Seize, summarily remove and impound equipment and supplies from premises referred to in subparagraph (i) for the purposes of examination and inspection.

(iv) Inspect, examine and audit all books, records and documents pertaining to a slot machine licensee's operation.

(v) Seize, impound or assume physical control of any book, record, ledger, game, device, cash box and its contents, [counting] **count** room or its equipment or slot machine **or table game** operations.

* * *

Section 16. Section 1517.2 of Title 4 is amended to read: § 1517.2. Conduct of [public officials and] **board** employees.

(a) [Ex parte discussion prohibited.--An attorney representing the bureau or the Office of Enforcement Counsel, or an employee of the bureau or office involved in the hearing process, shall not discuss the case ex parte with a hearing officer, chief counsel or member] **(Reserved)**.

(b) [Other prohibitions.--A hearing officer, the chief counsel or a member shall not discuss or exercise any supervisory responsibility over any employee with respect to an enforcement hearing with which the employee is involved] **(Reserved)**.

(c) Disqualification.--If it becomes necessary for the chief counsel or a member to become involved on behalf of the board in any enforcement proceeding, the chief counsel or **the** member shall be prohibited from participating in the adjudication of that matter and shall designate appropriate individuals to exercise adjudicatory functions.

Section 16.1. Section 1518(a) (2), (3), (4), (5), (7), (8), (11) and (13), (b) (1) and (2) and (c) (1) (v) and (3) of Title 4 are amended, subsections (a) and (b) are amended by adding paragraphs and the section is amended by adding subsections to read:

§ 1518. Prohibited acts; penalties.

(a) Criminal offenses.--

* * *

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

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

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

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

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

(5) Except as provided for in section 1326 (relating to license renewals), it shall be unlawful for a licensed entity or other person to manufacture, supply, operate, carry on or expose for play any slot machine, **table game, table game device or associated equipment** after the person's license has expired and prior to the actual renewal of the license.

* * *

(7) (i) Except as set forth in subparagraph (ii), it shall be unlawful for an individual to use or possess a cheating or thieving device, counterfeit or altered billet, ticket, token or similar objects accepted by a slot machine or counterfeit or altered slot machine-issued tickets or vouchers at a licensed facility.

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

[(iii) As used in this paragraph, the term "cheating or thieving device" includes, but is not limited to, a device to facilitate the alignment of any winning combination or to remove from any slot machine money or other contents. The term includes, but is not limited to, a tool, drill, wire, coin or token attached to a string or wire and any electronic or magnetic device.]

(7.1) It shall be unlawful for an individual to do any of the following:

(i) Use or possess counterfeit, marked, loaded or tampered with table game devices or associated equipment, chips or other cheating devices in the conduct of gaming under this part, except that an authorized employee of a licensee or an authorized employee of the board may possess and use counterfeit chips or table game devices or associated equipment that have been marked, loaded or tampered with, or other cheating devices in performance of the duties of employment for training, investigative or testing purposes only.

(ii) Knowingly, by a trick or sleight of hand performance or by fraud or fraudulent scheme, table game device or other device, for himself or for another, win or attempt to win any cash, property or prize at a licensed facility or to reduce or attempt to reduce a losing wager.

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

(ii) An authorized employee of a licensee or a member of the board may possess and use a device referred to in subparagraph (i) in the performance of the duties of employment.

* * *

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

* * *

(13) It shall be unlawful for [any person] **an individual** under [18] **21** years of age to [be permitted in the] **enter and remain in any** area of a licensed facility where slot machines are operated **or the play of table games is conducted, except that an individual 18 years of age or older employed by a slot machine licensee, a gaming service provider, the board or any other regulatory or emergency response agency may enter and remain in any such area while engaged in the performance of the individual's employment duties .**

(13.1) It shall be unlawful for an individual under 21 years of age to wager, play or attempt to play a slot machine or table game at a licensed facility.

(14) (Reserved).

(15) It shall be unlawful for a licensed gaming entity to require a wager to be greater than the stated minimum wager or less than the stated maximum wager. However, a wager made by a player and not rejected by a licensed gaming entity prior to commencement of play shall be treated as a valid wager. A wager accepted by a dealer shall be paid or lost

in its entirety in accordance with the rules of the game, notwithstanding that the wager exceeded the current table maximum wager or was lower than the current table minimum wager.

(16) An individual that engages in conduct prohibited by 18 Pa.C.S. § 6308 (relating to purchase, consumption, possession or transfer of liquor or malt or brewed beverages) in a licensed facility commits a nongambling offense.

(17) It shall be unlawful for an individual to claim, collect or take, or attempt to claim, collect or take money or anything of value in or from a slot machine, gaming table or other table game device, with the intent to defraud, or to claim, collect or take an amount greater than the amount won, or to manipulate with the intent to cheat, any component of any slot machine, table game or table game device in a manner contrary to the designed and normal operational purpose.

(b) Criminal penalties and fines.--

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

(ii) A person that violates subsection (a)(2) through (12) **or (17)** commits a misdemeanor of the first degree. A person that is convicted of a second or subsequent violation of subsection (a)(2) through (12) **or (17)** commits a felony of the second degree.

(2) (i) For a first violation of subsection (a)(1) through (12) **or (17)**, a person shall be sentenced to pay a fine of:

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

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

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

(ii) For a second or subsequent violation of subsection (a)(1) through (12) **or (17)**, a person shall be sentenced to pay a fine of:

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

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

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

(3) An individual who commits an offense in violation of subsection (a) (13) or (13.1) commits a nongambling summary offense and upon conviction of a first offense shall be sentenced to pay a fine of not less than \$200 nor more than \$1,000. An individual that is convicted of a second or subsequent offense under subsection (a) (13) or (13.1) shall be sentenced to pay a fine of not less than \$500 nor more than \$1,500. In addition to the fine imposed, an individual convicted of an offense under subsection (a) (13) or (13.1) may be sentenced to perform a period of community service not to exceed 40 hours.

(4) An individual that commits an offense in violation of subsection (a) (16) commits a nongambling offense to be graded in accordance with 18 Pa.C.S. § 6308 and shall be subject to the same penalties imposed pursuant to 18 Pa.C.S. § 6308 and 6310.4 (relating to restriction of operating privileges) except that the fine imposed for a violation of subsection (a) (16) shall be not less than \$350 nor more than \$1,000.

(c) Board-imposed administrative sanctions.--

(1) In addition to any other penalty authorized by law, the board may impose without limitation the following sanctions upon any licensee or permittee:

* * *

(v) Suspend the license of any licensed gaming entity for violation of or attempting to violate any provisions of this part or regulations promulgated under this part relating to its slot machine **or table game** operations.

* * *

(3) In addition to any other fines or penalties that the board may impose under this part or regulation, if a person violates subsection (a) (2), the board shall impose an administrative penalty of three times the amount of the license fee, **authorization fee**, tax or other assessment evaded and not paid, collected or paid over. This subsection is subject to 2 Pa.C.S. Chs. 5 Subch. A and 7 Subch. A.

(d) **Aiding and abetting.**--A person who aids, abets, counsels, commands, induces, procures or causes another person to violate a provision of this part shall be subject to all sanctions and penalties, both civil and criminal, provided under this part.

(e) **Continuing offenses.**--A violation of this part that is determined to be an offense of a continuing nature shall be deemed to be a separate offense on each event or day during which the violation occurs. Nothing in this section shall be construed to preclude the commission of multiple violations of the provisions of this part in any one day that establish offenses consisting of separate and distinct acts or violations of the provisions of this part or regulations promulgated under this part.

(f) **Property subject to seizure, confiscation, destruction or forfeiture.**--Any equipment, device or apparatus, money, material, gaming proceeds or substituted proceeds or real or personal property used, obtained or received or any attempt to use, obtain or receive the device, apparatus, money, material, proceeds or real or personal property in violation of this part shall be subject to seizure, confiscation, destruction or forfeiture.

Section 17. Title 4 is amended by adding sections to read: § 1518.1. Report of suspicious transactions.

(a) Duty.--A slot machine licensee or a person acting on behalf of a slot machine licensee shall file a report of any suspicious transaction with the bureau. The filing with the bureau of a copy of a report made under 31 CFR 103.21 (relating to reports by casinos of suspicious transactions) shall satisfy this requirement.

(b) Failure to report.--

(1) A person required under this section to file a report of a suspicious transaction who knowingly fails to file a report of a suspicious transaction or who knowingly causes another person having that responsibility to fail to file a report commits a misdemeanor of the third degree.

(2) A person required under this section to file a report of a suspicious transaction who fails to file a report or a person who causes another person required under this section to file a report of a suspicious transaction to fail to file a report shall be strictly liable for his actions and may be subject to sanction under section 1518(c) (relating to prohibited acts; penalties).

(c) Bureau.--The bureau shall maintain a record of all reports made under this section for a period of five years. The bureau shall make the reports available to any Federal or State law enforcement agency upon written request and without necessity of subpoena.

(d) Notice prohibited.--A person who is required to file a report of a suspicious transaction under this section shall not notify any individual suspected of committing the suspicious transaction that the transaction has been reported. Any person that violates this subsection commits a misdemeanor of the third degree and may be subject to sanction under section 1518(c).

(e) Immunity.--A person who is required to file a report of a suspicious transaction under this section who in good faith makes the report shall not be liable in any civil action brought by any person for making the report, regardless of whether the transaction is later determined to be suspicious.

(f) Sanctions.--

(1) In considering appropriate administrative sanctions against any person for a violation of this section, the board shall consider all of the following:

(i) The risk to the public and to the integrity of gaming operations created by the conduct of the person.

(ii) The seriousness of the conduct of the person and whether the conduct was purposeful and with knowledge that it was in contravention of the provisions of this part or regulations promulgated under this part.

(iii) Any justification or excuse for the conduct by the person.

(iv) The prior history of the particular licensee or person involved with respect to gaming activity.

(v) The corrective action taken by the slot machine licensee to prevent future misconduct of a like nature from occurring.

(vi) In the case of a monetary penalty, the amount of the penalty in relation to the severity of the misconduct and the financial means of the licensee or person. The board may impose any schedule or terms of payment of such penalty as it may deem appropriate.

(2) It shall be no defense to disciplinary action before the board that a person inadvertently, unintentionally or unknowingly violated a provision of this section. The factors under paragraph (1) shall only go to the degree of the

penalty to be imposed by the board and not to a finding of a violation itself.

(g) Regulations.--The board shall promulgate regulations to effectuate the purposes of this section.

§ 1518.2. Additional authority.

(a) General rule.--The director of the Office of Enforcement Counsel within the bureau may petition a court of record having jurisdiction over information in the possession of an agency in this Commonwealth or, if there is no such court, then the Commonwealth Court for authorization to review or obtain information in the possession of an agency in this Commonwealth by averring specific facts demonstrating that the agency has in its possession information material to a pending investigation or inquiry being conducted by the bureau pursuant to this part and that disclosure or release is in the best interest of the Commonwealth. The petition shall request that the court enter a rule upon the agency to show cause why the agency should not be directed to disclose to the bureau, or identified agents thereof, information in its possession about any pending matter under the jurisdiction of the bureau pursuant to this part. If a respondent is a local agency, a copy of any rule issued pursuant to this section shall be provided to the district attorney of the county in which the local agency is located and the Office of Attorney General. Upon request of a local agency, the district attorney or the Attorney General may elect to enter an appearance to represent the local agency in the proceedings.

(b) Procedure.--The filing of a petition pursuant to this section and related proceedings shall be in accordance with court rule, including issuance as of course. A party to the proceeding shall not disclose the filing of a petition or answer or the receipt, content or disposition of a rule or order issued pursuant to this section without leave of court. Any party to the proceedings may request that the record be sealed and proceedings be closed. The court shall grant the request if it is in the best interest of any person or the Commonwealth to do so.

(c) Court determination.--Following review of the record, the court shall grant the relief sought by the director of the Office of Enforcement Counsel if the court determines that the agency has in its possession information material to the investigation or inquiry and that disclosure or release of the information is in the best interest of the Commonwealth, that the disclosure or release of the information is not otherwise prohibited by statute or regulation and that the disclosure or release of the information would not inhibit an agency in the performance of the agency's duties. If the court so determines, the court shall enter an order authorizing and directing the information be made available for review in camera.

(d) Release of materials or information.--If, after an in camera review by the court, the director of the Office of Enforcement Counsel seeks to obtain copies of materials in the agency's possession, the court may, if not otherwise prohibited by statute or regulation, enter an order that the requested materials be provided. Any order authorizing the release of materials or other information shall contain direction regarding the safekeeping and use of the materials or other information sufficient to satisfy the court that the materials or information will be sufficiently safeguarded. In making this determination the court shall consider the input of the agency in possession of the information and any input from any agency with which the information originated concerning any pending

investigation or ongoing matter and the safety of person and property.

(e) Modification of order.--If subsequent investigation or inquiry by the bureau warrants modification of any order entered pursuant to this section, the director of the Office of Enforcement Counsel may petition to request the modification. Upon such request, the court may modify its orders at any time and in any manner it deems necessary and appropriate. The agency named in the original petition shall be given notice and an opportunity to be heard.

(f) Use of information or materials.--Any person who, by any means authorized by this section, has obtained knowledge of information or materials solely pursuant to this section may use such information or materials in a manner consistent with any directions imposed by the court and appropriate to the proper performance of the person's official duties under this part.

(g) Violation.--In addition to any remedies and penalties provided in this part, any violation of the provisions of this section may be punished as contempt of the court.

(h) Definition.--As used in this section the term "agency" shall mean a "Commonwealth agency" or a "local agency" as those terms are defined in section 102 of the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

§ 1518.3. Applicability of Clean Indoor Air Act.

Notwithstanding section 11(b) of the act of June 13, 2008 (P.L.182, No.27), known as the Clean Indoor Air Act, the provisions of section 3(b)(11) of the Clean Indoor Air Act shall apply to all licensed facilities.

Section 17.1. Section 1521 of Title 4 is amended by adding a subsection to read:

§ 1521. Liquor licenses at licensed facilities.

* * *

(b.1) Liquor Code sanctions.--Notwithstanding any other provision of law, a person holding a slot machine license that also holds a license issued by the Pennsylvania Liquor Control Board shall not be subject to the provisions of section 471(c) of the Liquor Code. In addition, if a fine is imposed under section 471(b) of the Liquor Code, it shall be for not less than \$250 nor more than \$25,000. The prior citation history of the slot machine licensee shall be considered in determining the amount of the fine.

* * *

Section 18. Section 1522 of Title 4 is amended to read:

§ 1522. Interception of oral communications.

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

Section 18.1. Title 4 is amended by adding a section to read:

§ 1523. Electronic funds transfer terminals.

(a) Prohibition.--A slot machine licensee may not install, own or operate or allow another person to install, own or operate on the premises of the licensed facility a slot machine or table game that is played with a device that allows a player to operate the slot machine or table game by transferring funds electronically from a debit card, credit card or by means of an electronic funds transfer terminal.

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

"Electronic funds transfer terminal." An information-processing device or an automatic teller machine used for executing deposit account transactions between financial institutions and their account holders by either the direct transmission of electronic impulses or the recording of electronic impulses for delayed processing. The fact that a device is used for other purposes shall not prevent it from being considered an electronic funds transfer terminal under this definition.

Section 18.2. Title 4 is amended by adding chapters to read:

CHAPTER 16
JUNKETS

Sec.

- 1601. Gaming junkets authorized.
- 1602. Gaming junket enterprise license.
- 1603. Classification system.
- 1604. Gaming junket representatives.
- 1605. Junket agreements.
- 1606. Conduct of junket.
- 1607. Violation of terms.
- 1608. Records.
- 1609. Report.
- 1610. Gaming junket arrangement.
- 1611. Prohibitions.

§ 1601. Gaming junkets authorized.

The board may authorize the organization and conduct of gaming junkets subject to the provisions of this chapter. No gaming junket shall be organized or permitted to operate in this Commonwealth and no person shall act as a gaming junket representative or gaming junket enterprise except in accordance with this chapter. The board shall establish a reasonable application and authorization fee for any license, permit or other authorization issued under this chapter.

§ 1602. Gaming junket enterprise license.

(a) Gaming junket enterprise license required.--All gaming junket enterprises shall obtain a license from the board prior to acting as a gaming junket enterprise in this Commonwealth.

(b) Application.--A gaming junket enterprise license application shall be in a form prescribed by the board and shall include the following:

(1) The name, address and photograph of the applicant and all owners, directors, managers and supervisory employees of a gaming junket enterprise.

(2) The details of a gaming junket enterprise license or similar license applied for or granted or denied to the applicant by another jurisdiction.

(3) Consent for the bureau to conduct a background investigation, the scope of which shall be determined by the board.

(4) All releases necessary for the bureau and the board to acquire licensing documents and other information necessary to conduct a background investigation or otherwise evaluate the application.

(5) A list of all civil judgments obtained against the applicant pertaining to any gaming junket enterprise with which the applicant has been associated.

(6) A description of the operation and organization of the gaming junket enterprise.

(7) Any additional information required by the board.

(c) Enforcement information.--If the applicant has held a gaming junket license or other gaming license in another jurisdiction, the applicant may submit a letter of reference from the gaming enforcement agency in the other jurisdiction. The letter shall specify the experiences of the agency with the applicant, the applicant's associates and the applicant's gaming junket enterprise or gaming activity. If no letter is received within 30 days following the applicant's request, the applicant may submit a statement under oath, subject to the penalty for false swearing under 18 Pa.C.S. § 4903 (relating to false swearing), that the applicant is in good standing with the gaming enforcement agency in the other jurisdiction.

(d) Issuance.--Following review of the application, completion of the background investigation and payment of the license fee established by the board under section 1601(a) (relating to gaming junkets authorized), the board may issue a gaming junket enterprise license to the applicant if the applicant has proven by clear and convincing evidence that the applicant is a person of good character, honesty and integrity and that the applicant's activities, criminal record, reputation, habits and associations do not pose a threat to the public interest or suitable or legitimate operation of gaming.

(e) Failure to cooperate.--Failure to provide required information or releases under this section shall result in the immediate denial of an application for a license.

(f) Nontransferability.--A license issued under this section shall be nontransferable.

§ 1603. Classification system.

The board shall develop a classification system for the regulation of gaming junket enterprises and the individuals and entities associated with gaming junket enterprises.

§ 1604. Gaming junket representatives.

(a) Occupation permit.--Except as otherwise provided in subsection (e), a gaming junket representative shall obtain an occupation permit from the board in accordance with section 1318 (relating to occupation permit application).

(b) Application.--In addition to the requirements of section 1308 (relating to applications for license or permit), the application for a gaming junket representative occupation permit shall be in a form prescribed by the board and shall include the following:

(1) Verification of employment status as a gaming junket representative with a licensed gaming junket enterprise or an applicant for a gaming junket enterprise license.

(2) A description of employment responsibilities.

(3) A consent form to allow the bureau to conduct a background investigation, the scope of which shall be determined by the board.

(4) A release for the bureau and the board to acquire copies of information from government agencies, employers and others as necessary to complete the investigation.

(5) Fingerprints which shall be submitted to the Pennsylvania State Police.

(6) A photograph that meets the standards of the Commonwealth Photo Imaging Network.

(7) Details relating to a similar license, permit or other authorization obtained in another jurisdiction, if any.

(8) Any additional information required by the board.

(c) Issuance.--Following review of the application, background investigation and payment of the permit fee established by the board under section 1601(a) (relating to

gaming junkets authorized), the board may issue an occupation permit if the applicant has proven by clear and convincing evidence that the applicant is a person of good character, honesty and integrity and is eligible and suitable to receive an occupation permit.

(d) Nontransferability.--An occupation permit issued under this section shall be nontransferable.

(e) Holder of occupation permit.--Nothing in this section shall be construed to prohibit an individual who holds a valid occupation permit and who is employed by a slot machine licensee from acting as a junket representative. A gaming junket representative need not be a resident of this Commonwealth.

§ 1605. Junket agreements.

Agreements entered into between a slot machine licensee and a gaming junket enterprise or a gaming junket representative shall include a provision for the termination of the agreement without liability on the part of the slot machine licensee if:

(1) The board orders the suspension, limitation, conditioning, denial or revocation of the license of a gaming junket representative license or occupation permit of a gaming junket representative.

(2) The board disapproves the agreement and requires its termination.

Failure to expressly include the termination requirement under this section in the agreement shall not constitute a defense in an action brought relating to the termination of the agreement.

§ 1606. Conduct of junket.

A slot machine licensee shall be responsible for the conduct of a gaming junket representative or gaming junket enterprise with which the slot machine licensee has an agreement and for the terms and conditions of a gaming junket on its premises.

§ 1607. Violation of terms.

Notwithstanding any other provision of this part, if the board determines that the terms of an agreement to conduct a gaming junket were violated by a slot machine licensee, gaming junket enterprise or gaming junket representative, the board may do any or all of the following:

(1) Order restitution to the gaming junket participant.

(2) Assess civil penalties or sanctions under section 1518 (relating to prohibited acts; penalties) for a violation or deviation from the terms of the junket agreement.

§ 1608. Records.

The board shall prescribe procedures and forms to retain records relating to the conduct of a gaming junket by a slot machine licensee. A slot machine licensee shall:

(1) Maintain a current report of the operations of gaming junkets conducted at its licensed facility.

(2) Submit to the board and the bureau a list of all its employees who conduct business on behalf of the slot machine licensee with gaming junket representatives on a full-time, part-time or temporary basis.

(3) Maintain records of all agreements entered into with a gaming junket enterprise or gaming junket representative for a minimum of five years.

(4) Provide any other information relating to a gaming junket required by the board or bureau.

§ 1609. Report.

A slot machine licensee, gaming junket representative or gaming junket enterprise shall file a report with the bureau on each list of gaming junket participants or potential gaming junket participants purchased by the slot machine licensee,

gaming junket representative or gaming junket enterprise. The report shall include the source of the list and zip codes of participants or potential participants on a list purchased directly or indirectly by a slot machine licensee, gaming junket representative or gaming junket enterprise. Nothing in this section shall require the reporting or maintenance of personal identifying information pertaining to participants or potential participants.

§ 1610. Gaming junket arrangement.

Upon petition by a slot machine licensee, the board may grant an exemption from the permit requirements of this chapter to a gaming junket representative. The board shall consult with the bureau prior to granting an exemption under this section and shall consider the following:

- (1) The terms of the gaming junket arrangement.
- (2) The number and scope of gaming junkets.
- (3) Whether the exemption is consistent with the policies and purposes of this part.
- (4) Any other factor deemed necessary by the bureau or board.

The board may condition, limit or restrict the exemption.

§ 1611. Prohibitions.

A gaming junket enterprise or gaming junket representative shall not do any of the following:

- (1) Engage in efforts to collect on any check provided by a gaming junket participant that has been returned by a financial institution without payment.
- (2) Exercise approval authority over the authorization or issuance of credit under section 13A27 (relating to other financial transactions) .
- (3) Receive or retain a fee from an individual for the privilege of participating in a gaming junket.
- (4) Pay for any service, including transportation, or other thing of value provided to a participant participating in a gaming junket except as authorized by this part.

CHAPTER 17 GAMING SCHOOLS

Sec.

1701. Curriculum.

1701.1. (Reserved).

1702. Gaming school gaming equipment.

§ 1701. Curriculum.

The Department of Labor and Industry, in consultation with the Department of Education and the board, shall, within 60 days following the effective date of this section, develop curriculum guidelines, including minimum proficiency requirements established by the board, for gaming school instruction. The guidelines shall, at a minimum, establish courses of instruction that will provide individuals with adequate job training necessary to obtain employment as a gaming employee with a licensed gaming entity.

§ 1701.1. (Reserved).

§ 1702. Gaming school gaming equipment.

(a) Use of gaming equipment.--All gaming equipment utilized by a gaming school, including slot machines, table game devices, associated equipment and all representations of value, shall be used for training, instructional and practice purposes only. The use of any such gaming equipment for actual gaming by any person is prohibited.

(b) Chips.--Unless the board otherwise determines, all gaming chips and other representations of value utilized by a

gaming school shall be distinctly dissimilar to any chips utilized by a slot machine licensee.

(c) Possession, removal and transport of equipment.--No gaming school shall possess, remove or transport, or cause to be removed or transported, any slot machine, table game device or associated equipment except in accordance with this part.

(d) Serial numbers.--Each slot machine, table game device and associated equipment on the premises of a gaming school shall have permanently affixed on it a serial number which, together with the location of the machine or table game device, shall be filed with the board.

(e) Security.--Each gaming school shall provide adequate security for the slot machines, table games, table game devices and associated equipment on the gaming school premises.

(f) Notice to board and bureau.--No gaming school shall sell or transfer any slot machine, table game, table game device or associated equipment except upon prior written notice to the board and the bureau.

(g) Additional training.--Each individual attending gaming school shall be trained in cardiopulmonary resuscitation.

Section 18.3. Section 1901(a) of Title 4 is amended to read: § 1901. Appropriations.

(a) Appropriation to board.--

(1) The sum of \$7,500,000 is hereby appropriated to the Pennsylvania Gaming Control Board for the fiscal period July 1, 2004, to June 30, 2006, to implement and administer the provisions of this part. The money appropriated in this subsection shall be considered a loan from the General Fund and shall be repaid to the General Fund quarterly commencing with the date slot machine licensees begin operating slot machines under this part. This appropriation shall be a two-year appropriation and shall not lapse until June 30, 2006.

(2) The sum of \$2,100,000 is hereby appropriated from the State Gaming Fund to the Pennsylvania Gaming Control Board for salaries, wages and all necessary expenses for the proper operation and administration of the Pennsylvania Gaming Control Board for the expansion of gaming associated with table games. This appropriation shall be a supplemental appropriation for fiscal year 2009-2010 and shall be in addition to the appropriation contained in the act of August 19, 2009 (P.L.777, No.9A), known as the Gaming Control Appropriation Act of 2009.

* * *

Section 18.4. Title 4 is amended by adding a section to read:

§ 1901.2. Commonwealth Financing Authority.

The Commonwealth Financing Authority shall establish accounts, administer and distribute the funds deposited into the accounts and perform all other duties of the Commonwealth Financing Authority required under this part.

Section 19. No later than 90 days after the effective date of this section, the Pennsylvania Gaming Control Board shall transfer the sum of \$12,500,000 from the amounts previously appropriated to the Pennsylvania Gaming Control Board pursuant to 4 Pa.C.S. § 1408 to the General Fund.

Section 19.1. No later than ten business days after the effective date of this section, the Department of Revenue shall pay to each Category 1 and Category 2 slot machine licensee from its existing account established under 4 Pa.C.S. § 1401(a) an amount sufficient to bring the balance in the account to \$1,500,000.

Section 19.2. The Pennsylvania Gaming Control Board shall receive and accept for consideration additional applications for a Category 3 license in accordance with 4 Pa.C.S. § 1305 if the license has not been approved by the board on the effective date of this section. An applicant that filed an application for a Category 3 license prior to the effective date of this section shall not be required to resubmit the application. The additional application period shall be for 90 days from the effective date of this section. This section shall supersede any prior application period established under 4 Pa.C.S. Pt. II.

Section 19.3. The provisions of this act are severable. If any provision of this act or its application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application.

Section 19.4. The amendment of 4 Pa.C.S. § 1201(h)(13)(i) shall not apply to individuals employed on the effective date of this section by the Pennsylvania Gaming Control Board until July 1, 2010.

Section 19.5. Repeals are as follows:

(1) The General Assembly declares that the repeal under paragraph (2) is necessary to effectuate the amendment or addition of 4 Pa.C.S. § 1407(d)(7) and (d.1).

(2) The following provisions of the act of July 25, 2007 (P.L.342, No.53), known as the Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007, are repealed to the extent specified:

(i) Section 3(2)(i)(G), absolutely.

(ii) Section 4(7), absolutely.

(iii) Section 5, insofar as inconsistent with this act.

Section 19.6. The amendment of 4 Pa.C.S. § 1406(a) shall apply retroactively to January 1, 2010.

Section 20. The following shall apply:

(1) The amendment of 4 Pa.C.S. § 1213 shall not apply to any of the following:

(i) An application submitted before the effective date of this section.

(ii) Any license or permit issued prior to the effective date of this section.

(iii) The renewal of any license or permit issued or applied for prior to the effective date of this section.

(2) The amendment of 4 Pa.C.S. § 1202(a)(2) and the addition of 4 Pa.C.S. § 1517(c)(1.1) shall not apply to an individual:

(i) who, on July 1, 2009, was serving officially or acting as Executive Director of the Pennsylvania Gaming Control Board, Chief Counsel of the board or the Director of the Office of Enforcement Counsel within the Bureau of Investigations and Enforcement; and

(ii) on whom the bureau or the Pennsylvania State Police completed a background investigation as a condition of employment with the board.

(3) The amendment or addition of 4 Pa.C.S. § 1201(h)(4.1) and (5) shall not apply to:

(i) an individual appointed to the Pennsylvania Gaming Control Board before July 1, 2010; or

(ii) an individual under subparagraph (i) who is reappointed to the Pennsylvania Gaming Control Board.

Section 21. This act shall take effect as follows:

- (1) The following provisions shall take effect July 1, 2011:
 - (i) The amendment of 4 Pa.C.S. § 1407.
 - (ii) Section 19.5 of this act.
- (2) ((2) repealed Oct. 30, 2017, P.L.419, No.42)
- (3) The remainder of this act shall take effect immediately.

APPROVED--The 7th day of January, A.D. 2010.

EDWARD G. RENDELL