AMENDMENTS TO HOUSE BILL NO. 271

Sponsor: REPRESENTATIVE PETRI

Printer's No. 229

- Amend Bill, page 1, line 2, by inserting after "Statutes," 1 2 in general provisions, further providing for definitions; in 3 Pennsylvania Gaming Control Board, further providing for 4 general and specific powers, for regulatory authority of 5 board and for reports to board; in licensees, further providing for supplier licenses and for manufacturer 6 7 licenses; providing for airport gaming; and, Amend Bill, page 1, line 4, by inserting after "program" 8 9 and for prohibited acts and penalties Amend Bill, page 1, lines 7 and 8, by striking out all of 10 11 said lines and inserting Section 1. The definitions of "cheat," "cheating or thieving 12 device, " "conduct of gaming, " "counterfeit chip, " 13 "manufacturer," "player," "supplier" and "supplier license" in 14 15 Title 4 of the Pennsylvania Consolidated Statutes are amended 16 and the section is amended by adding definitions to read: 17 § 1103. Definitions. The following words and phrases when used in this part shall 18 have the meanings given to them in this section unless the 19 20 context clearly indicates otherwise: 2.1 22 "Airport authority." The governing body of a municipal authority organized and incorporated to oversee the operations 23 of a qualified airport under 53 Pa.C.S. Ch. 56 (relating to 24 municipal authorities) or the governing body of a city of the 25
 - first class that regulates the use and control of a qualified airport.

"Airport game." A gambling game and associated software or application offered through the use of a multi-use computing 29 30 device that allows a person, utilizing money, checks, electronic checks, electronic transfers of money, credit cards or any other 31 instrumentality, to transmit electronic information to assist in the placement of a bet or wager and corresponding information

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- related to the display of the game, game outcomes or other 34
- similar information. The term shall not include: 35

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(1) A lottery game or Internet instant game as defined in section 302 of the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law.
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(2) Nongambling games that do not otherwise require a license under the laws of this Commonwealth.

"Airport gaming." The placing of bets or wagers with a slot machine licensee through the use of a multi-use computing device to play an authorized airport game.

"Airport gaming area." A location or locations within a qualified airport approved for the conduct of authorized airport games through the use of multi-use computing devices by eligible passengers as approved by the airport authority or, in the case of a qualified airport located in a city of the first class, as approved by the governing body of the city of the first class and the Pennsylvania Gaming Control Board.

"Airport gaming certificate." The authorization issued to a slot machine licensee by the Pennsylvania Gaming Control Board authorizing the operation and conduct of airport gaming by a slot machine licensee in accordance with Chapter 13B (relating to airport gaming).

"Airport gaming certificate holder." A slot machine licensee that has been granted authorization by the Pennsylvania Gaming Control Board to operate authorized airport games in accordance with Chapter 13B.

"Authorized Airport game." An airport game approved by regulation of the Pennsylvania Gaming Control Board to be suitable for use through a multi-use computing device offered by an airport gaming certificate holder.

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"Cheat." To defraud or steal from any player, slot machine licensee or the Commonwealth while operating or playing a slot machine [or], table game[,] or authorized airport 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 or authorized airport game.
- (2) The amount or frequency of payment in a slot machine game [or], table game or authorized airport 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 <u>or multiuse computing device</u> for maintenance or repair with the approval of a slot machine licensee.

"Cheating or thieving device." A device, software or hardware used or possessed with the intent to be used to cheat during the operation or play of any slot machine [or], table game or authorized airport game. The term shall also include any

device used to alter a slot machine [or] a table game device an authorized airport game or a multi-use computing device without the slot machine licensee's approval.

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 "Concession operator." A person engaged in the sale or offering for sale of consumer goods or services to the public at a qualified airport or authorized to conduct other commercial activities related to passenger services at a qualified airport in accordance with the terms and conditions of an agreement or contract with an airport authority, government entity or other person.

"Conduct of gaming." The licensed placement, operation and play of slot machines [and], table games <u>and authorized airport games</u> under this part, as authorized and approved by the Pennsylvania Gaming Control Board.

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"Counterfeit chip." Any object or thing 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[.];
- (3) used or intended to be used to play an authorized airport game that was not approved by the slot machine licensee for such use; or
- (4) presented during play of an authorized airport game for redemption, if the object or thing was not issued by the slot machine licensee.

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"Eligible passenger" or "passenger." An individual who is at least 21 years of age and has cleared security check points with a valid airline boarding pass for travel from one destination to another by airplane.

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"Gross airport gaming revenue." The total of all cash or cash equivalent wagers paid by players to an airport gaming certificate holder in consideration for the play of authorized airport games, minus:

- (1) the total of cash or cash equivalents paid out to players as winnings; and
- (2) the cash equivalent value of any personal property or other noncash items or things of value included in a drawing, contest or tournament and distributed to players as a result of playing authorized airport games.

Amounts deposited with an airport gaming certificate holder for purposes of airport gaming and amounts taken in fraudulent acts perpetrated against an airport gaming certificate holder for which the airport gaming certificate holder is not reimbursed may not be considered to have been paid to the airport gaming

50 certificate holder for purposes of calculating gross airport

51 gaming revenue.

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 "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 or authorized airport games in this Commonwealth for gaming purposes. The term does not include a person who manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to multi-use computing devices used in connection with the conduct of airport gaming at a qualified airport.

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"Multi-use computing device." A computing device, including, but not limited to, a tablet computer, that:

- (1) Allows a player to access an authorized airport game.
- (2) Is located and accessible to eligible passengers only in an airport gaming area.
- (3) Communicates with a server that is in a location approved by the Pennsylvania Gaming Control Board.
- (4) Is approved by the Pennsylvania Gaming Control Board.
- (5) Has the capability of being linked to and monitored by the department's central control computer system, as applicable for an authorized airport game in accordance with section 1323 (relating to central control computer system).
- (6) Offers a player additional functions that include Internet browsing, the capability of checking flight status and ordering food or beverages.

The term does not include a tablet or computing device that restricts, prohibits or is incapable of providing access to authorized airport games.

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"Player." An individual wagering cash, a cash equivalent or other thing of value in the play or operation of a slot machine [or], an authorized airport game or a 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], authorized airport game 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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"Qualified airport." A publicly owned commercial service airport that is designated by the Federal Government as an international airport.

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"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. The term shall include a person that sells, leases, offers or otherwise provides,

distributes or services any multi-use computing device as approved by the Pennsylvania Gaming Control Board.

"Supplier license." A license issued by the Pennsylvania 4 Gaming Control Board authorizing a supplier to provide products or services related to slot machines, table game devices, multiuse computing devices or associated equipment to slot machine licensees for use in this Commonwealth for gaming purposes.

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- Section 2. Section 1202(a)(1) of Title 4 is amended and subsection (b) is amended by adding a paragraph to read: § 1202. General and specific powers.
 - (a) General powers.--
 - The board shall have general and sole regulatory authority over the conduct of gaming [or] and 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, authorized airport games and multi-use computing devices and associated equipment and shall have sole regulatory authority over every aspect of the authorization, operation and play of slot machines [and], table games and the implementation and regulation of airport gaming.

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

(12.2) At its discretion, to award, revoke, suspend, condition or deny an airport gaming certificate in accordance with Chapter 13B (relating to airport gaming).

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- Section 3. Section 1207(1), (8), (9) and (10) of Title 4 are amended and the section is amended by adding a paragraph to read:
- § 1207. Regulatory authority of board.

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

(1) Deny, deny the renewal, revoke, condition or suspend any license [or], permit, airport gaming certificate or other authorization provided for in this part if the board finds in its sole discretion that a licensee [or], permittee, registrant or certificate holder, under this part, or its officers, employees or agents, have furnished false or misleading information to the board or failed to comply with the provisions of this part or the rules and regulations of the board and that it would be in the public interest to deny, deny the renewal, revoke, condition or suspend the license [or], permit, certificate, registration or other authorization.

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(8) Require that each licensed gaming entity prohibit persons under 21 years of age from operating or using slot machines [or] _ playing table games or using multi-use

- (9) Establish procedures for the inspection and certification of compliance of each slot machine, table game, table game device, airport game and multiuse computing device and associated equipment prior to being placed into use by a slot machine licensee.
- (10) Require that no slot machine or authorized airport game that replicates the play of a slot machine may be set to pay out less than the theoretical payout percentage, which shall be no less than 85%, as specifically approved by the board. The board shall adopt regulations that define the theoretical payout percentage of a slot machine game based on the total value of the jackpots expected to be paid by a play or a slot machine game divided by the total value of slot machine wagers expected to be made on that play or slot machine game during the same portion of the game cycle. In so doing, the board shall decide whether the calculation shall include the entire cycle of a slot machine game or any portion thereof.

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(22) License, regulate, investigate and take any other action determined necessary regarding all aspects of airport gaming.

Section 4. Section 1211 of Title 4 is amended by adding a subsection to read:

§ 1211. Reports of board.

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(a.4) Airport gaming reporting requirements. --

- (1) The annual report submitted by the board in accordance with subsection (a) shall include information on the conduct of airport games as follows:
 - (i) Total gross airport gaming revenue.
 - (ii) All taxes, fees, fines and other revenue collected and, where appropriate, revenue disbursed during the previous year.
- (2) The department shall collaborate with the board to carry out paragraph (1)(ii).

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Section 5. Sections 1317(a) and 1317.1(a) and (e)(1) and (2) of Title 4 are amended to read:

41 § 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, multi-use computing device or associated equipment to a slot machine licensee within this Commonwealth through a contract with a licensed manufacturer shall apply to the board for the appropriate supplier license.

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- § 1317.1. Manufacturer licenses.
 - (a) Application.—A person seeking to manufacture slot machines, table game devices, airport games and associated equipment for use in this Commonwealth shall apply to the board for a manufacturer license.

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(e) Prohibitions.--

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

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AIRPORT GAMING

24 Sec.

25 13B01. Authorization.

26 <u>13B02</u>. <u>Board authorization required</u>.

- 27 <u>13B03</u>. Standard for review of petitions.
- 28 <u>13B04. Fees.</u>
- 29 <u>13B05</u>. Multi-use gaming device tax.
- 30 <u>13B06</u>. <u>Local share assessment</u>.
- 31 13B07. Regulations.
- 32 13B08. Construction.
- 33 <u>§ 13B01</u>. Authorization.

(a) Authority.--

- (1) Notwithstanding any provision of this part or regulation of the board, an airport gaming certificate holder may provide authorized airport games at a qualified airport through the use of multi-use computing devices.
- (2) A slot machine licenseee seeking to make authorized games available for play through the use of multi-use computing devices at a qualified airport shall file a petition for an airport gaming certificate with the board in a form and manner that the board, through regulations, shall require.
- (b) Place of conduct.--The board, at its discretion, may authorize an airport gaming certificate holder to place and make authorized airport games available for play at a qualified airport through the use of multi-use computing devices in one or more airport gaming areas in accordance with the requirements of this chapter and regulations of the board.
- 50 <u>this chapter and regulations of the board.</u>
 51 <u>(c) Satisfaction of contingencies.--Authorization for a slot</u>

1 machine licensee to conduct airport gaming at a qualified
2 airport in accordance with subsection (a) shall be contingent
3 upon the following:

- (1) The slot machine licensee has submitted a petition to the board seeking authorization to manage the conduct of airport gaming at the qualified airport and the board has approved the petition.
- (2) The slot machine licensee has entered into an agreement with the concession operator at the qualified airport for the conduct of airport gaming through the use of multi-use computing devices within the airport gaming area.
- (3) The slot machine licensee has provided adequate assurances that the conduct of airport gaming at the qualified airport will be conducted and operated in accordance with this part and regulations promulgated by the board.
- (4) The slot machine licensee has paid or will pay all applicable taxes and fees.
- (5) In the case of a qualified airport that is governed by a municipal authority or joint municipal authority organized and incorporated to oversee the operations of an airport in accordance with 53 Pa.C.S. Ch. 56 (relating to municipal authorities), the slot machine licensee has entered into an agreement with the municipal authority or joint municipal authority for the conduct of airport gaming through the use of multi-use computing devices within the gaming area of the qualified airport and the board has approved the agreement.
- (6) The slot machine licensee is issued an airport gaming certificate.
- § 13B02. Board authorization required.
- (a) Contents of petition. -- A slot machine licensee seeking authorization to conduct airport gaming at a qualified airport through the use of a multi-use computing device shall petition the board for an airport gaming certificate. The petition shall include:
 - (1) The name, business address and contact information of the slot machine licensee.
 - (2) The name and business address, job title and a photograph of each principal and key employee of the slot machine licensee who will be directly involved in the conduct of authorized airport games at the qualified airport and who is not currently licensed by the board, if known.
 - (3) The name and business address of the airport authority, the location of the qualified airport and the names of the governing body of the airport authority, if the airport authority is incorporated in accordance with 53 Pa.C.S. Ch. 56 (relating to municipal authorities).
 - (4) If the use and control of a qualified airport is regulated by a city of the first class, an identification of the municipal agency and primary officials of a city of the

- (5) The name and job title of the person or persons who will be responsible for ensuring the operation and integrity of the conduct of airport gaming at the qualified airport and reviewing reports of suspicious transactions.
- (6) The brand name of the multi-use computing devices that will be placed in operation at the qualified airport. The board, at its discretion, may require any additional information related to the conduct of airport gaming at the qualified airport through the use of multi-use computing devices or persons that manufacture or supply multi-use computing devices that the board determines necessary and appropriate to ensure the integrity of airport gaming at the qualified airport and to protect the public interest.
- (7) An itemized list of the airport games for which authorization is being sought.
- (8) Information, as the board may require, on computer applications or applications that may be accessed on the multi-use computing devices.
- (9) Detailed site plans illustrating the location of the proposed airport gaming area at the qualified airport.
- (10) 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.
 - (11) Other information as the board may require.
- (b) Confidentiality.--Information submitted to the board under subsection (a) may be considered confidential by the board if the information would be confidential under section 1206(f) (relating to board minutes and records).
- (c) Approval of petition.--(1) Upon approval of a petition required under this section, the board shall issue the slot machine licensee an airport gaming certificate and authorize the airport gaming certificate holder to conduct airport gaming at a qualified airport through the use of multi-use computing devices.
- (2) The issuance of an airport gaming certificate in accordance with this chapter prior to the full payment of the authorization fee under section 13B04 (relating to fees) shall not be construed to relieve the airport gaming certificate holder from the obligation to pay the fee in accordance with section 13B04.
- 44 § 13B03. Standard for review of petitions.
 - The board shall approve a petition under section 13B02 (relating to board authorization required) and issue an airport gaming certificate to a slot machine licensee if the petitioner establishes, by clear and convincing evidence, all of the following:
 - (1) The slot machine licensee has entered into an agreement that has been approved by the board with a

concession operator for the conduct of airport gaming through the use of multi-use computing devices within the airport gaming area of the qualified airport.

- (2) The proposed internal and external security and surveillance measures within the airport gaming area of the qualified airport are adequate.
- (3) Multi-use computing devicese will only be accessible to eligible passengers.
- (4) The slot machine licensee will comply with all regulations promulgated by the board under this chapter. § 13B04. Fees.
- (a) Required fees.--A slot machine licensee issued an airport gaming certificate shall pay a one-time, nonrefundable fee of \$1,000,000 within 30 days of being issued an airport gaming certificate
- (b) Deposit of fees.--Notwithstanding section 1208 (relating to collection of fees and fines), all fees or penalties received by the board under this chapter shall be deposited in the General Fund.
- § 13B05. Multi-use gaming device tax.
 - (a) Imposition.--

- (1) Each airport gaming certificate holder shall report to the department and pay from its daily gross airport gaming revenue, on a form and in the manner prescribed by the department, a tax of 14% of its daily gross airport gaming revenue generated from multi-use computing devices at the qualified airport and a local share assessment.
- (2) The tax imposed under paragraph (1) shall be payable to the department on a daily basis and shall be based upon the gross airport gaming revenue generated from multi-use computing devices at the qualified airport derived during the previous week.
- (3) All funds owed to the Commonwealth under this section shall be held in trust for the Commonwealth by the airport gaming certificate holder until the funds are paid to the department. An airport gaming certificate holder shall establish a separate bank account into which gross airport gaming revenue from multi-use computing devices shall be deposited and maintained until such time as the funds are paid to the department under this section.
- (4) The department shall transfer the tax revenues collected under this section to the General Fund.
- § 13B06. Local share assessment.
- (a) Required payment.--In addition to the tax imposed under section 13B05 (relating to multi-use gaming device tax), each airport gaming 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 in the fund. All funds owed under this section shall be held in trust by the airport gaming certificate holder until the funds are paid into the account. Funds in the account are

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1 <u>hereby appropriated to the department on a continuing basis for</u>
2 <u>the purposes specified in this section.</u>
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- (b) Distributions to qualified airports. -- The department shall make quarterly distributions from the local share assessments deposited into the fund under subsection (a) to each qualified airport in proportion to the multi-use computing device local share assessment derived from each qualified airport.
- (c) Definition.--As used in this section, the term "multi-use computing device local share assessment" means 20% of an airport gaming certificate holder's gross airport gaming revenue from multi-use computing devices at qualified airports. § 13B07. Regulations.
- (a) Regulations. -- The board shall promulgate regulations related to the operation of authorized airport games through the use of multi-use computing devices at qualified airports.
- (b) Temporary regulations. -- In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board in accordance with subsection (a) shall be deemed temporary regulations. The board and the commission 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) Sections 204(b) and 301(10) of the act of October
 15, 1980 (P.L.950, No.164), known as the Commonwealth
 Attorneys Act.
 - (3) The act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.
- § 13B08. Construction.

Nothing in this chapter shall be construed to limit the board's authority to determine the suitability of any person who may be directly or indirectly involved in or associated with the operation of airport gaming at a qualified airport to ensure the integrity of authorized airport games and multi-use computing devices and to protect the public interest.

Section 7. Section 1509 of Title 4 is amended to read:

Amend Bill, page 6, by inserting between lines 28 and 29

Section 8. Section 1518(b)(3) of Title 4 is amended and subsection (a) is amended by adding paragraphs to read: \$ 1518. Prohibited acts; penalties.

(a) Criminal offenses.--

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(13.2) It shall be unlawful for an individual who is under 21 years of age to enter and remain in an airport gaming area, except that an individual who is 18 years of age and 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 the area while

engaged in the performance of the individual's employment
duties.

(13.3) It shall be unlawful for an individual who is under 21 years of age to wager, play or attempt to play an authorized airport game.

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- (b) Criminal penalties and fines.- * * *
- (3) An individual who commits an offense in violation of subsection (a) (13) [or], (13.1), (13.2) or (13.3) 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), (13.2) or (13.3) 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), (13.2) or (13.3) may be sentenced to perform a period of community service not to exceed 40 hours.

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- 22 Amend Bill, page 6, line 29, by striking out "2" and
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