

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2925 Session of
2004

INTRODUCED BY LEVDANSKY, MELIO, VEON, GRUCELA, EACHUS, YUDICHAK,
TIGUE, STURLA, MANDERINO, McCALL, HARHAI, SANTONI, KOTIK,
DeLUCA, CAWLEY, REICHLEY, PISTELLA, PETRONE, PETRARCA, MYERS,
JOSEPHS, SAINATO AND WALKO, NOVEMBER 12, 2004

REFERRED TO COMMITTEE ON TOURISM AND RECREATIONAL DEVELOPMENT,
NOVEMBER 12, 2004

AN ACT

1 Amending Title 65 (Public Officers) of the Pennsylvania
2 Consolidated Statutes, further providing for restricted
3 activities of public officials and certain public employees
4 relating to prohibited interests relating to horse racing and
5 gaming and for penalties; and making a related repeal.

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

8 Section 1. Section 1103 of Title 65 of the Pennsylvania
9 Consolidated Statutes is amended by adding a subsection to read:

10 § 1103. Restricted activities.

11 * * *

12 (k) Prohibited interest related to horse racing and
13 gaming.--

14 (1) No executive-level State employee, public official,
15 party officer nor an immediate family member of such an
16 individual may hold or own any interest in, or be employed
17 by, either directly or indirectly, any:

18 (i) applicant;

1 (ii) licensed entity;

2 (iii) licensed racing entity;

3 (iv) licensed facility; or

4 (v) person doing business with any applicant,

5 licensed entity, licensed racing entity or licensed
6 facility.

7 (2) An individual subject to paragraph (1) shall, within
8 30 days of the effective date of this subsection:

9 (i) divest the interest or terminate the employment;
10 and

11 (ii) notify the commission in writing of the action
12 under subparagraph (i).

13 (3) The prohibition in paragraph (1) shall continue for
14 one year following termination of the individual's status as
15 an executive-level State employee, public official or party
16 officer.

17 (4) As used in this subsection, the following words and
18 phrases shall have the meanings given to them in this
19 paragraph:

20 "Applicant." Any person who applies for any license
21 required under 4 Pa.C.S. Pt. II (relating to gaming) or
22 required under the act of December 17, 1981 (P.L.435,
23 No.135), known as the Race Horse Industry Reform Act.

24 "Executive-level State employee." The Governor,
25 Lieutenant Governor, cabinet members, deputy secretaries, the
26 Governor's office executive staff, any State employee with
27 discretionary powers which may affect the outcome of a State
28 agency's decision in relation to the private corporation or
29 business, with respect to any matter covered by 4 Pa.C.S. Pt.
30 II (relating to gaming) or any executive employee who by

1 virtue of his job function could influence the outcome of
2 such a decision.

3 "Interest." As follows:

4 (i) The term includes any security, equity,
5 indebtedness, assets or other form of ownership of any:

6 (A) applicant;

7 (B) licensed entity;

8 (C) licensed racing entity;

9 (D) licensed facility; or

10 (E) person doing business with any applicant,
11 licensed entity, licensed racing entity or licensed
12 facility.

13 (ii) The term does not include:

14 (A) an investment made by a retirement system
15 established pursuant to 71 Pa.C.S. Pt. XXV (relating
16 to retirement for State employees and officers) or by
17 a pension plan or system governed by the act of
18 December 18, 1984 (P.L.1005, No.205), known as the
19 Municipal Pension Plan Funding Standard and Recovery
20 Act;

21 (B) an investment in a mutual fund, as defined
22 in 20 Pa.C.S. § 7201 (relating to definitions); or

23 (C) a security held in a blind trust over which
24 the holder may not exercise any control or receive
25 income during the holder's tenure of office and for
26 one year following termination of the holder's status
27 as an executive-level State employee, public official
28 or party officer.

29 "Licensed entity." As defined in 4 Pa.C.S. Pt. II
30 (relating to gaming). The term includes any holding,

1 affiliate, intermediary or subsidiary company of the licensed
2 entity.

3 "Licensed facility." As defined in 4 Pa.C.S. Pt. II
4 (relating to gaming). The term includes any holding,
5 affiliate, intermediary or subsidiary company of the licensed
6 facility.

7 "Licensed racing entity." As defined in 4 Pa.C.S. Pt. II
8 (relating to gaming). The term includes any holding,
9 affiliate, intermediary or subsidiary company of the licensed
10 racing entity.

11 "Party officer." A member of a national committee; a
12 chairman, vice chairman, secretary, treasurer or counsel of a
13 State committee or member of the executive committee of a
14 State committee; a county chairman, vice chairman, counsel,
15 secretary or treasurer of a county committee; or a city
16 chairman, vice chairman, counsel, secretary or treasurer of a
17 city committee.

18 "Person." As defined under 4 Pa.C.S. Pt. II (relating to
19 gaming). The term includes any holding, affiliate,
20 intermediary or subsidiary company of the person.

21 "Security." As defined in section 102 of the act of
22 December 5, 1972 (P.L.1280, No.284), known as the
23 Pennsylvania Securities Act of 1972.

24 Section 2. Section 1109(a) of Title 65 is amended to read:

25 § 1109. Penalties.

26 (a) Restricted activities violation.--Any person who
27 violates the provisions of section 1103(a), (b) [and (c)], (c)
28 and (k) (relating to restricted activities) commits a felony and
29 shall, upon conviction, be sentenced to pay a fine of not more
30 than \$10,000 or to imprisonment for not more than five years, or

1 both.

2 * * *

3 Section 3. The provisions of 4 Pa.C.S. § 1512 are repealed
4 insofar as they are inconsistent with this act.

5 Section 4. This act shall take effect immediately.