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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 862      Session of  
2005

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INTRODUCED BY PIPPY, BRIGHTBILL, RHOADES, LAVALLE, CORMAN,  
RAFFERTY, EARLL, GORDNER, WONDERLING, KASUNIC, MADIGAN, PUNT,  
C. WILLIAMS, WENGER, PILEGGI, ORIE, THOMPSON, O'PAKE,  
ERICKSON, BOSCOLA, SCARNATI, D. WHITE, M. WHITE, WAUGH,  
REGOLA, ROBBINS, LEMMOND AND JUBELIRER, SEPTEMBER 14, 2005

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SENATE AMENDMENTS TO HOUSE AMENDMENTS, OCTOBER 23, 2006

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AN ACT

1 Amending Titles 4 (Amusements) and 18 (Crimes and Offenses) of  
2 the Pennsylvania Consolidated Statutes, further providing for <—  
3 definitions and for the Pennsylvania Gaming Control Board;  
4 providing for applicability of other statutes; further  
5 providing for powers and duties of board; providing for code  
6 of conduct; further providing for temporary regulations, for  
7 licensed entity application appeals from board, for license  
8 or permit application hearing process, for board minutes and  
9 records, for collection of fees and fines, for reports of  
10 board, for license or permit prohibition, for Category 2 slot  
11 machine licenses, for Category 3 slot machine licenses, for  
12 order of initial license issuance, for number of slot machine  
13 licenses, for applications for license or permit, for slot  
14 machine license application and for slot machine license  
15 application business entity requirements; providing for  
16 licensing of principals and for licensing of key employees;  
17 further providing for slot machine license application  
18 financial fitness requirements and for supplier and  
19 manufacturer licenses; providing for manufacturer licenses;  
20 further providing for occupation permit application, for  
21 central control computer system, for license or permit  
22 issuance, for nontransferability of licenses, for gross  
23 terminal revenue deductions, for establishment of State  
24 Gaming Fund and net slot machine revenue distribution, for  
25 distributions from Pennsylvania Race Horse Development Fund,  
26 for local land use preemption and for transfers from State  
27 Gaming Fund; providing for clean indoor air; further  
28 providing for compulsive and problem gambling program, for  
29 public official financial interest, for political influence  
30 and for enforcement; providing for conduct of public

~~officials and employees; further providing for prohibited  
acts and penalties; providing for detention and for  
interception of oral communications; further providing for  
duty to provide and for submission of fingerprints; providing  
for repayments to State Gaming Fund; further providing for  
corrupt organizations; and making related repeals. FURTHER~~ <—  
PROVIDING FOR DEFINITIONS AND FOR THE PENNSYLVANIA GAMING  
CONTROL BOARD; PROVIDING FOR APPLICABILITY OF OTHER STATUTES;  
FURTHER PROVIDING FOR POWERS AND DUTIES OF BOARD; PROVIDING  
FOR CODE OF CONDUCT; FURTHER PROVIDING FOR TEMPORARY  
REGULATIONS, FOR LICENSED ENTITY APPLICATION APPEALS FROM  
BOARD, FOR LICENSE OR PERMIT APPLICATION HEARING PROCESS, FOR  
BOARD MINUTES AND RECORDS, FOR COLLECTION OF FEES AND FINES,  
FOR REGULATORY AUTHORITY OF BOARD, FOR SLOT MACHINE LICENSE  
FEE, FOR NUMBER OF SLOT MACHINES, FOR REPORTS OF BOARD, FOR  
LICENSE OR PERMIT PROHIBITION, FOR CATEGORY 2 SLOT MACHINE  
LICENSES, FOR CATEGORY 3 SLOT MACHINE LICENSES, FOR ORDER OF  
INITIAL LICENSE ISSUANCE, FOR SLOT MACHINE LICENSE  
APPLICATION AND FOR SLOT MACHINE LICENSE APPLICATION BUSINESS  
ENTITY REQUIREMENTS; PROVIDING FOR LICENSING OF PRINCIPALS  
AND FOR LICENSING OF KEY EMPLOYEES; FURTHER PROVIDING FOR  
SLOT MACHINE LICENSE APPLICATION FINANCIAL FITNESS  
REQUIREMENTS AND FOR SUPPLIER AND MANUFACTURER LICENSES;  
PROVIDING FOR MANUFACTURER LICENSES; FURTHER PROVIDING FOR  
OCCUPATION PERMIT APPLICATION, FOR CENTRAL CONTROL COMPUTER  
SYSTEM, FOR LICENSE OR PERMIT ISSUANCE, FOR  
NONTRANSFERABILITY OF LICENSES AND FOR GROSS TERMINAL REVENUE  
DEDUCTIONS; PROVIDING FOR ITEMIZED BUDGET REPORTING; FURTHER  
PROVIDING FOR ESTABLISHMENT OF STATE GAMING FUND AND NET SLOT  
MACHINE REVENUE DISTRIBUTION, FOR DISTRIBUTIONS FROM  
PENNSYLVANIA RACE HORSE DEVELOPMENT FUND, FOR THE COMPULSIVE  
AND PROBLEM GAMBLING PROGRAM; PROVIDING FOR LAND USE  
PREEMPTION AND CONVEYANCES WITHIN CITIES OF THE FIRST CLASS,  
AND FOR CLEAN INDOOR AIR; PROVIDING FOR PUBLIC OFFICIAL  
FINANCIAL INTEREST, FOR POLITICAL INFLUENCE AND FOR  
ENFORCEMENT; PROVIDING FOR PROCEDURES AND FOR CONDUCT OF  
PUBLIC OFFICIALS AND EMPLOYEES; FURTHER PROVIDING FOR  
PROHIBITED ACTS AND PENALTIES; PROVIDING FOR DETENTION AND  
FOR INTERCEPTION OF ORAL COMMUNICATIONS; FURTHER PROVIDING  
FOR DUTY TO PROVIDE AND FOR SUBMISSION OF FINGERPRINTS AND  
PHOTOGRAPHS; PROVIDING FOR REPAYMENTS TO STATE GAMING FUND;  
AND FURTHER PROVIDING FOR CORRUPT ORGANIZATIONS.

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

~~Section 1. The definitions of "affiliate" or "affiliated~~ <—  
~~company," "applicant," "controlling interest" and "gross~~  
~~terminal revenue" in section 1103 of Title 4 of the Pennsylvania~~  
~~Consolidated Statutes 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:~~

~~"Accessory gaming use." A use commonly associated with the operation or management of a licensed facility or with the entertainment or convenience of patrons of a licensed facility which is conducted at the licensed facility, including the following:~~

~~(1) Hotel, hospitality, convention and conference facilities.~~

~~(2) Residential units, including owner occupied or rental units.~~

~~(3) Retail, commercial or office space.~~

~~(4) Restaurant, performance area, theater or nightclub.~~

~~(5) Parking areas or marinas.~~

~~(6) Outdoor advertising.~~

~~(7) Warehouses.~~

~~(8) Athletic or sports facilities.~~

~~"Affiliate[" or "affiliated company]," "affiliate of" or "person affiliated with." A person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with a specified person.~~

~~"Applicant." Any person[, officer, director or key employee], who on his own behalf or on behalf of another, is applying for permission to engage in any act or activity which is regulated under the provisions of this part. In cases in which the applicant is a [corporation, foundation, organization, business trust, estate, limited liability company, trust, partnership, limited partnership, association or any other form of legal business entity,] person other than an individual, the~~

~~Pennsylvania Gaming Control Board shall determine the associated persons whose qualifications are necessary as a precondition to the licensing of the applicant.~~

~~\* \* \*~~

~~"Associated area." All parcels of land and improvements, including a licensed racetrack and backside area, owned by the licensed gaming entity or its affiliate, intermediary, subsidiary or holding company which is contiguous or is adjoined directly, by a pedestrian walkway, bridge or easement to the land based location of the licensed facility.~~

~~\* \* \*~~

~~"Compensation." Any thing of value, money or a financial benefit conferred on or received by a person in return for services rendered, or to be rendered, whether by that person or another.~~

~~"Complimentary service." Any lodging, service or item which is provided to an individual at no cost or at a reduced cost which is not generally available to the public under similar circumstances. Group rates, including convention and government rates, shall be deemed to be generally available to the public.~~

~~"Conduct of gaming." The licensed placement and operation of gaming under this part.~~

~~"Controlling interest." [A person shall be deemed to have the ability to control a publicly traded corporation, or to elect one or more of the members of its board of directors, if such holder owns or beneficially holds 5% or more of the securities of such publicly traded domestic or foreign corporation, partnership, limited liability company or any other form of legal entity, unless such presumption of control or ability to elect is rebutted by clear and convincing evidence. A~~

~~person who is a holder of securities of a privately held domestic or foreign corporation, partnership, limited liability company or any other form of legal entity shall be deemed to possess a controlling interest unless such presumption of control is rebutted by clear and convincing evidence.] For a publicly traded domestic or foreign corporation, a controlling interest is an interest in a legal entity if a person's sole voting rights under State law or corporate articles or bylaws entitle the person to elect or appoint one or more of the members of the board of directors or other governing board or the ownership or beneficial holding of 5% or more of the securities of the publicly traded corporation, partnership, limited liability company or other form of publicly traded legal entity, unless this presumption of control or ability to elect is rebutted by clear and convincing evidence. For a privately held domestic or foreign corporation, partnership, limited liability company or other form of privately held legal entity, a controlling interest is the holding of any securities in the legal entity, unless this presumption of control is rebutted by clear and convincing evidence.~~

~~\* \* \*~~

~~"Corporation." Includes a publicly traded corporation.~~

~~\* \* \*~~

~~"Gross terminal revenue." The total of cash or cash equivalent wagers received by a slot machine minus the total of:~~

~~(1) Cash or cash equivalents paid out to patrons as a result of playing a slot machine which are paid to patrons either manually or paid out by the slot machine.~~

~~(2) Cash paid to purchase annuities to fund prizes payable to patrons over a period of time as a result of~~

1       ~~playing a slot machine.~~

2           ~~(3) Any personal property distributed to a patron as the~~  
3       ~~result of playing a slot machine. This does not include~~  
4       ~~travel expenses, food, refreshments, lodging or services.~~

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

12       ~~"Holding company." A person, other than an individual,~~  
13       ~~which, directly or indirectly, owns, has the power or right to~~  
14       ~~control or to vote any significant part of the outstanding~~  
15       ~~voting securities of a corporation or other form of business~~  
16       ~~organization. A holding company indirectly has, holds or owns~~  
17       ~~any such power, right or security if it does so through an~~  
18       ~~interest in a subsidiary or successive subsidiaries.~~

19       ~~\* \* \*~~

20       ~~"Independent contractor." A person who performs~~  
21       ~~professional, scientific, technical, advisory or consulting~~  
22       ~~services to the Pennsylvania Gaming Control Board for a fee,~~  
23       ~~honorarium or similar compensation pursuant to a contract. The~~  
24       ~~term includes subcontractors.~~

25       ~~\* \* \*~~

26       ~~"Intermediary." A person, other than an individual, which:~~

27           ~~(1) is a holding company with respect to a corporation~~  
28       ~~or other form of business organization, which holds or~~  
29       ~~applies for a license under this part; and~~

30           ~~(2) is a subsidiary with respect to any holding company.~~

~~\* \* \*~~

~~"Member." An individual appointed to and sworn in as a member of the board in accordance with section 1201(b) (relating to Pennsylvania Gaming Control Board established).~~

~~\* \* \*~~

~~"Principal." An officer; director; person who directly holds a controlling beneficial interest in or ownership of the securities of an applicant or licensee; person who has a controlling interest in an applicant or licensee, or has the ability to elect a majority of the board of directors of an applicant or licensee or to otherwise control an applicant or licensee; lender or other licensed financial institution of an applicant or licensee, other than a bank or lending institution which makes a loan or holds a mortgage or other lien acquired in the ordinary course of business; underwriter of an applicant or licensee; or other person or employee of an applicant, slot machine licensee, manufacturer licensee or supplier licensee deemed to be a principal by the Pennsylvania Gaming Control Board.~~

~~\* \* \*~~

~~"Publicly traded corporation." A person, other than an individual, which:~~

~~(1) has a class or series of securities registered under the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. § 78a et seq.);~~

~~(2) is a registered management company under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1 et seq.); or~~

~~(3) is subject to the reporting obligations imposed by section 15(d) of the Securities Exchange Act of 1934 by~~

~~reason of having filed a registration statement which has become effective under the Securities Act of 1933 (48 Stat. 74, 15 U.S.C. § 77a et seq.).~~

~~\* \* \*~~

~~"Subsidiary." A person, other than an individual, which is:~~

~~(1) a corporation, any significant part of whose outstanding equity securities are owned, subject to a power or right of control, or held with power to vote, by a holding company or an intermediary company;~~

~~(2) a significant interest in a person, other than an individual, which is owned, subject to a power or right of control, or held with power to vote, by a holding company or an intermediary company; or~~

~~(3) a person deemed to be a subsidiary by the Pennsylvania Gaming Control Board.~~

~~\* \* \*~~

~~"Underwriter." As defined in the act of December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania Securities Act of 1972.~~

~~Section 2. Section 1201 of Title 4 is amended to read:~~

~~§ 1201. Pennsylvania Gaming Control Board established.~~

~~(a) Board established. There is established an independent [administrative] board which shall be a body corporate and politic to be known as the Pennsylvania Gaming Control Board[, which shall be implemented as set forth in this section].~~

~~(b) Membership. The board shall consist of the following members[, who shall serve a set term and may not be removed except for good cause]:~~

~~(1) Three members appointed by the Governor[, each being referred to as a "gubernatorial appointee."]~~



1           ~~(2) One member appointed by each of the following~~  
2           ~~{legislative caucus leaders, each being referred to as a~~  
3           ~~"legislative appointee"}:~~

4                     ~~(i) The President pro tempore of the Senate.~~

5                     ~~(ii) The Minority Leader of the Senate.~~

6                     ~~(iii) The Speaker of the House of Representatives.~~

7                     ~~(iv) The Minority Leader of the House of~~

8                     ~~Representatives.~~

9           ~~(b.1) Removal. A member of the board shall be removed from~~  
10           ~~office by the appointing authority:~~

11                    ~~(1) for misconduct in office, willful neglect of duty or~~  
12                    ~~conduct evidencing unfitness for office or incompetence; or~~

13                    ~~(2) upon conviction of an offense graded as a felony, an~~  
14                    ~~infamous crime, an offense under this part or an equivalent~~  
15                    ~~offense under Federal law or the law of another jurisdiction.~~

16           ~~(c) Initial appointments to board.~~

17                    ~~(1) Gubernatorial [appointee members] appointees~~  
18                    ~~initially appointed under subsection (b)(1) shall serve an~~  
19                    ~~initial term of one, two and three years respectively as~~  
20                    ~~designated by the Governor at the time of appointment and~~  
21                    ~~until their successors are appointed and qualified.~~

22                    ~~(2) Legislative [appointee members] appointees initially~~  
23                    ~~appointed under subsection (b)(2) shall serve until the third~~  
24                    ~~Tuesday in January 2007 and until their successors are~~  
25                    ~~appointed and qualified.~~

26                    ~~(3) [Any] An appointment to fill a vacancy created by a~~  
27                    ~~member appointed in accordance with paragraph (1) or (2)~~  
28                    ~~shall be for the remainder of the unexpired term. [Members so~~  
29                    ~~appointed to fill the unexpired term of an initial appointee~~  
30                    ~~shall be subject to the provisions of subsection (d).]~~

1       ~~(d) [Appointments after expiration of initial term or upon~~  
2 ~~vacancy] Terms of office.~~ Upon the expiration of a term of a  
3 member appointed under ~~[this subsection or upon the existence of~~  
4 ~~a vacancy of a member appointed pursuant to subsection (c) or~~  
5 ~~this] subsection (c), [the appointing authority shall appoint a~~  
6 member subject to the following:

7           ~~(1) For a gubernatorial appointment under subsection~~  
8 ~~(b)(1), the term shall be for three years and until a~~  
9 ~~successor is appointed and qualified.] the following shall~~  
10 ~~apply:~~

11           ~~(1) The term of office of a gubernatorial appointee~~  
12 ~~shall be three years and until a successor is appointed and~~  
13 ~~qualified.~~

14           ~~(2) [Terms for legislative appointee members appointed~~  
15 ~~under subsection (b)(2) shall be for a two year term and~~  
16 ~~shall expire on the third Tuesday of January of such year,~~  
17 ~~but such members shall continue to serve until their~~  
18 ~~successors are appointed and qualified.] The term of office~~  
19 ~~of a legislative appointee shall be two years and until a~~  
20 ~~successor is appointed and qualified.~~

21           ~~(3) [No] A legislative appointee [member] shall serve no~~  
22 ~~more than three full [successive] consecutive terms.~~

23           ~~(4) [No] A gubernatorial appointee [member] shall serve~~  
24 ~~no more than two full [successive] consecutive terms.~~

25           ~~(5) An appointment to fill a vacancy shall be for the~~  
26 ~~remainder of the unexpired term.~~

27           ~~(6) A member appointed to fill a vacancy under paragraph~~  
28 ~~(3) may serve three full terms following the expiration of~~  
29 ~~the term related to the vacancy.~~

30           ~~(7) A member appointed to fill a vacancy under paragraph~~

~~(4) may serve two full terms following the expiration of the term related to the vacancy.~~

~~(c) Ex officio members. The Secretary of Revenue, the Secretary of Agriculture and the State Treasurer, or their designees, shall serve on the board as nonvoting ex officio members of the board. The designee shall be a deputy secretary or an equivalent position within the agency.~~

~~(f) Qualified majority vote.—~~

~~(1) Except as permitted in paragraphs (2) and (3), any action, including, but not limited to, the approval, issuance, denial or conditioning of any license by the board under this part or the making of any order or the ratification of any permissible act done or order made by one or more of the members, shall require a qualified majority vote consisting of at least one gubernatorial appointee and the four legislative appointees.~~

~~(2) Any action to suspend or revoke, not renew, void or require forfeiture of a license or permit issued under this part, to impose any administrative fine or penalty under this part or to issue cease and desist orders or similar enforcement actions shall require a majority vote of all the members appointed to the board.~~

~~(3) Notwithstanding any other provision [to the contrary] of this part or 65 Pa.C.S. § 1103(j) (relating to restricted activities), and in accordance with subsection (h)(6), a member shall disclose the nature of his disqualifying interest, disqualify himself and abstain from voting in a proceeding under this part in which his [or her impartiality] objectivity, impartiality, integrity or independence of judgment may be reasonably questioned[,~~

1 including, but not limited to, instances where he or she  
2 knows that they possess a substantial financial interest in  
3 the subject matter of the proceeding or any other interest  
4 that could be substantially affected by the outcome of the  
5 proceeding. In such circumstances in which it is]. If a  
6 legislative appointee [member that has disqualified himself  
7 or herself] ~~has disqualified himself~~, the qualified majority  
8 shall consist of the remaining [three] legislative appointees  
9 and at least two gubernatorial appointees.

10 ~~(g) Background investigation. Appointees shall be subject~~  
11 ~~to a background investigation conducted by the Pennsylvania~~  
12 ~~State Police in accordance with this part.~~

13 ~~(h) Qualifications and restrictions.~~

14 ~~(1) Each member at the time of appointment shall be at~~  
15 ~~least 25 years of age and shall have been a resident of this~~  
16 ~~Commonwealth for a period of at least one year immediately~~  
17 ~~preceding appointment. Each member shall continue to remain a~~  
18 ~~resident of this Commonwealth during the term of membership~~  
19 ~~on the board.~~

20 ~~(2) Except for ex officio members, no person shall be~~  
21 ~~appointed a member of the board or [hold any place, position~~  
22 ~~or office under the board if that person holds any other~~  
23 ~~elected office or party office] be employed by or be an~~  
24 ~~independent contractor of the board if that person is a~~  
25 ~~public official or party officer as defined in section 1512~~  
26 ~~(relating to [public official financial interest] financial~~  
27 ~~and employment interests) in this Commonwealth or any of its~~  
28 ~~political subdivisions.~~

29 ~~[(3) No member, appointee, employee or official shall~~  
30 ~~hold any office or employment position, the duties of which~~

1 ~~are incompatible with the duties of the office.~~

2 ~~(4) No member, employee, appointee or official engaged~~  
3 ~~in the service of or in any manner connected with the board~~  
4 ~~shall hold any office or position, or be engaged in any~~  
5 ~~employment or vocation, the duties of which are incompatible~~  
6 ~~with employment in the service of or in connection with the~~  
7 ~~work of the board.]~~

8 ~~(3) Each member, employee and independent contractor of~~  
9 ~~the board shall sign an agreement not to disclose~~  
10 ~~confidential information.~~

11 ~~(4) No member, employee or independent contractor of the~~  
12 ~~board or other agency having regulatory authority over the~~  
13 ~~board or over forms of gaming regulated by this part shall be~~  
14 ~~employed, hold any office or position or be engaged in any~~  
15 ~~activity which is incompatible with the position, employment~~  
16 ~~or contract.~~

17 ~~(5) No member shall be paid or [accept for any service~~  
18 ~~connected with the office any fee other than the salary and~~  
19 ~~expenses provided by law.] receive any fee or other~~  
20 ~~compensation other than salary and expenses provided by law~~  
21 ~~for any activity related to the duties or authority of the~~  
22 ~~board. Nothing in this part shall prohibit a member from~~  
23 ~~engaging in any employment [or vocation] or receiving any~~  
24 ~~compensation for such employment [or vocation] that is not~~  
25 ~~[otherwise] connected to or incompatible with his [or her]~~  
26 ~~service as a member of the board.~~

27 ~~(6) No member, employee[, appointee or official shall~~  
28 ~~participate in any hearing or proceeding in which that person~~  
29 ~~has any direct or indirect pecuniary interest.] or~~  
30 ~~independent contractor of the board shall participate in a~~

~~hearing, proceeding or other matter in which the member, employee or independent contractor, or the immediate family thereof, has a financial interest in the subject matter of the hearing or proceeding or other interest that could be substantially affected by the outcome of the hearing or proceeding, without first fully disclosing the nature of the interest to the board and other persons participating in the hearing or proceeding. The board shall determine if the interest is a disqualifying interest that requires the disqualification or nonparticipation of an employee or independent contractor. For purposes of this paragraph, the term "immediate family" shall mean spouse, parent, brother, sister or child.~~

~~(7) At the time of appointment and annually thereafter, each member shall disclose the existence of [all ownership interests in licensed facilities and all securities in any licensed entity or applicant, its affiliates or subsidiaries held by the member, the member's spouse and any minor or unemancipated children and must divest such ownership interests in licensed facilities or securities prior to an appointment becoming final. A member may not acquire any security in any licensed entity, its affiliates or subsidiaries during the member's tenure.] any financial interest in any applicant, licensed entity or licensed facility and in an affiliate, intermediary, subsidiary or holding company thereof held by the member or known to be held by the member's immediate family. The disclosure statement shall be filed with the executive director of the board and with the appointing authority for such member and shall be open to inspection by the public at the office of~~

1 the board during the normal business hours of the board  
2 ~~[during the tenure of the member] for the duration of the~~  
3 ~~member's term and for two years after the member leaves~~  
4 ~~office. For purposes of this paragraph, the term "immediate~~  
5 ~~family" shall mean spouse, parent, brother, sister or child.~~

6 ~~(7.1) Prior to being sworn as a member, an appointee and~~  
7 ~~his immediate family shall divest any financial interest in~~  
8 ~~any applicant, licensed facility or licensed entity and in an~~  
9 ~~affiliate, intermediary, subsidiary or holding company~~  
10 ~~thereof owned or held by the appointee or known to be held by~~  
11 ~~the appointee's immediate family. For the duration of the~~  
12 ~~member's term, and for one year thereafter, the member and~~  
13 ~~the member's immediate family may not acquire a financial~~  
14 ~~interest in any applicant, licensed facility or licensed~~  
15 ~~entity or in an affiliate, intermediary, subsidiary or~~  
16 ~~holding company thereof. For purposes of this paragraph, the~~  
17 ~~term "immediate family" shall mean spouse and any minor or~~  
18 ~~unemancipated child.~~

19 ~~(7.2) Prior to entering into employment or a contract~~  
20 ~~with the board and annually thereafter, an employee or~~  
21 ~~independent contractor shall disclose the existence of any~~  
22 ~~financial interest in any applicant, licensed facility or~~  
23 ~~licensed entity and in an affiliate, intermediary, subsidiary~~  
24 ~~or holding company thereof owned or held by the employee or~~  
25 ~~independent contractor or known to be held by the immediate~~  
26 ~~family of the employee or independent contractor. The~~  
27 ~~disclosure statement shall be filed with the board and shall~~  
28 ~~be open to inspection by the public at the office of the~~  
29 ~~board during the normal business hours of the board and for~~  
30 ~~two years after termination of employment or a contract with~~

1 ~~the board. For purposes of this paragraph, the term~~  
2 ~~"immediate family" shall mean spouse, parent, brother, sister~~  
3 ~~or child.~~

4 ~~(7.3) Prior to entering into employment or contracting~~  
5 ~~with the board, an employee or independent contractor and the~~  
6 ~~employee's or independent contractor's immediate family shall~~  
7 ~~divest any financial interest in any applicant, licensed~~  
8 ~~facility or licensed entity, and in an affiliate,~~  
9 ~~intermediary, subsidiary or holding company thereof, owned or~~  
10 ~~held by the employee or independent contractor or known to be~~  
11 ~~held by the immediate family of the employee or independent~~  
12 ~~contractor. For the duration of the employee's employment~~  
13 ~~with the board or the independent contractor's contract with~~  
14 ~~the board, and for one year thereafter, the employee or~~  
15 ~~independent contractor and the immediate family thereof shall~~  
16 ~~not acquire, by purchase, gift, exchange or otherwise, any~~  
17 ~~financial interest in any applicant, licensed facility or~~  
18 ~~licensed entity and in any affiliate, intermediary,~~  
19 ~~subsidiary or holding company thereof. For purposes of this~~  
20 ~~paragraph, the term "immediate family" shall mean spouse and~~  
21 ~~any minor or unemancipated child.~~

22 ~~(8) [Every member, employee, appointee or official of~~  
23 ~~the board, in the service of or in connection with the work~~  
24 ~~of the board, is forbidden, directly or indirectly, to~~  
25 ~~solicit or request from or to suggest or recommend to any~~  
26 ~~applicant, licensed entity, its] No member, employee or~~  
27 ~~independent contractor of the board may directly or~~  
28 ~~indirectly solicit, request, suggest or recommend to any~~  
29 ~~applicant, licensed entity, or an affiliate, intermediary,~~  
30 ~~subsidiary[, ] or holding company thereof or to any [officer,~~



~~attorney, agent or employee] principal, employee, independent contractor or agent thereof, the appointment or employment of any [individual to any office, place or position in or the employment of any individual] person in any capacity by the applicant, licensed entity, [its] or an affiliate, intermediary, subsidiary or holding company thereof for a period of two years from the termination of term of office, employment or contract with the board.~~

~~[(9) Every member, executive level employee, appointee or official appointed to office in the service of or in connection with the work of the board is prohibited from accepting employment with any applicant, licensed gaming entity, its affiliate, intermediary, subsidiary or holding company for a period of one year from the termination of employment or service with the board. Every member, executive level employee, appointee or official appointed to office in the service of or in connection with the work of the board is prohibited from appearing before the board on behalf of any applicant, licensed gaming entity, its affiliate, intermediary, subsidiary or holding company or other licensee or permittee of the board for a period of two years after terminating employment or service with the board.~~

~~[(10) If any person employed or appointed in the service of the board violates any provision of this section, the appointing authority or the board shall forthwith remove the person from the office or employment and the person shall be ineligible for future employment or service with the board and shall be ineligible to be approved for any license or permit under this part for a period of two years thereafter.]~~

~~(9) No member may accept employment with any applicant,~~

~~licensed entity, or an affiliate, intermediary, subsidiary or holding company thereof, for a period of two years from the termination of term of office.~~

~~(10) No member may appear before the board on behalf of any applicant, licensed entity, or an affiliate, intermediary, subsidiary or holding company thereof, or any other licensee or permittee for a period of two years from the termination of term of office.~~

~~(11) No member [or], employee or independent contractor of the board shall accept a complimentary service or 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 or subsidiaries.] 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 from the termination of term of office, employment or contract with the board. The provisions of this paragraph shall also apply to an employee of the executive branch of the Commonwealth, other than the board, whose duties substantially involve the development or adoption of regulations or policy, licensing or enforcement, under this part. The provisions of this paragraph shall not apply to employees who utilize slot machines for testing purposes or to verify the performance of a machine as part of an enforcement investigation.~~

~~(12) A member [of the board] who has been convicted during his term in any domestic or foreign jurisdiction of a felony, infamous crime [of moral turpitude] or gambling~~

1 ~~offense shall, upon conviction, be automatically removed from~~  
2 ~~the board and shall be ineligible to become a [board] member~~  
3 ~~in the future. If an ex officio member is convicted during~~  
4 ~~his term in any domestic or foreign jurisdiction of a felony,~~  
5 ~~infamous crime or gambling offense, the ex officio member~~  
6 ~~shall, upon conviction, be automatically removed from the~~  
7 ~~board, and a designee shall be designated pursuant to~~  
8 ~~subsection (c) to serve the remainder of the ex officio~~  
9 ~~member's term.~~

10 ~~(13) Neither an employee of the board, nor an~~  
11 ~~independent contractor, nor an individual employed by an~~  
12 ~~independent contractor whose duties substantially involve the~~  
13 ~~development or adoption of regulations or policy, licensing~~  
14 ~~or enforcement under this part, nor any other employee of the~~  
15 ~~executive branch of the Commonwealth or of a political~~  
16 ~~subdivision whose duties substantially involve the~~  
17 ~~development or adoption of regulations or policy, licensing~~  
18 ~~or enforcement under this part, shall:~~

19 ~~(i) accept employment with an applicant, licensed~~  
20 ~~entity, or an affiliate, intermediary, subsidiary or~~  
21 ~~holding company thereof, for a period of one year after~~  
22 ~~the termination of the employment or contract with the~~  
23 ~~board; or~~

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

30 ~~(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 relies in good faith on a determination 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 determination are correct.~~

~~(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, 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.~~

~~(h.1) Fiduciary relationship. A member or employee of the board shall serve as a fiduciary of the Commonwealth.~~

~~(h.2) Standard of care. Members shall exercise the standard of care required by 20 Pa.C.S. Ch. 73 (relating to municipalities investments) in the performance of their duties under this part.~~

~~(h.3) Liability. Members shall not be personally liable for any of the following:~~

~~(1) Obligations of the board.~~

~~(2) Actions which were within the scope of their office~~

~~and made in good faith.~~

~~(i) Compensation.~~

~~(1) The Executive Board as established in the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, shall establish the compensation of the members [appointed pursuant to this section].~~

~~(2) Members shall be reimbursed for all necessary and actual expenses.~~

~~(3) Members shall be eligible for retirement under the State Employees' Retirement Code and shall, if the member elects to participate, be considered a State employee for the purposes of 71 Pa.C.S. Pt. XXV (relating to retirement for State employees and officers).~~

~~(j) Chairman. The chairman of the board shall be selected by the Governor.~~

~~(k) Appointments. The appointing authorities shall make their initial appointments within 60 days of the effective date of this part. 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 [or gambling], infamous crime or gaming offense shall be appointed to the board.~~

~~[(1) Disclosure statements. Members and employees of the board are subject to the provisions of 65 Pa.C.S. Ch. 11 (relating to ethics standards and financial disclosure) and the act of July 19, 1957 (P.L.1017, No.451), known as the State Adverse Interest Act.]~~

~~(l) Prohibition against nepotism. No member may solicit,~~

~~request, suggest or recommend the employment by the board of any individual related within the second degree of consanguinity to the member as set forth in 23 Pa.C.S. § 1304(e) (relating to restrictions on issuance of license) or the spouse of the individual.~~

~~(m) Employment requirements. The board shall establish employment requirements consistent with the following:~~

~~(1) Prospective employees shall submit an application and a personal disclosure form to the board which shall include a complete criminal history, including convictions and current charges for all felonies and misdemeanors.~~

~~(2) Prospective employees shall be required to undergo testing which detects the presence of illegal substances in the body.~~

~~(3) The board shall obtain fingerprints and photographs for each prospective employee consistent with the standards adopted by the Pennsylvania State Police.~~

~~(4) The board shall verify the identification, employment and education of each prospective employee, including:~~

~~(i) Legal name, including any alias.~~

~~(ii) All educational institutions attended regardless of graduation status.~~

~~(iii) Places of residence for the past ten years.~~

~~(iv) Employment history for the past 15 years.~~

~~(5) The board shall not hire a prospective employee if the prospective employee:~~

~~(i) has been convicted of a crime that bears a close relationship to the duties and responsibilities of the position for which employment is sought;~~

~~(ii) has been dismissed from other employment for gross misconduct; or~~

~~(iii) has intentionally made a false statement concerning a material fact in connection with the application to the board.~~

~~(iv) Has not been completely investigated under paragraphs (1), (2), (3) and (4). This subparagraph shall apply only to persons employed after the effective date of this subsection.~~

~~(6) The board shall:~~

~~(i) Immediately refer any criminal matter involving an employee to law enforcement.~~

~~(ii) Develop a disciplinary process for an employee charged with a crime or with gross misconduct.~~

~~(iii) Immediately suspend from employment any employee charged with a felony.~~

~~(iv) Develop a process to discipline all other instances of misconduct.~~

~~(7) Disciplinary action shall be instituted promptly against an employee who, while on or off duty, engages in serious misconduct which may bring the board into disrepute.~~

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

~~"Financial interest." An ownership, property, leasehold or other beneficial interest in an entity. The term shall not include an interest which is held or deemed to be held in any of the following:~~

~~(1) 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.~~

~~(2) 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.~~

~~(3) 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.~~

~~"Ownership interest." Owning or holding or being deemed to hold, debt or equity securities or other ownership interest or profit interest.~~

~~Section 3. Title 4 is amended by adding a section 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 as the Right to Know Law.~~

~~(2) The act of July 19, 1957 (P.L.1017, No.451), known as the State Adverse Interest Act.~~

~~(3) The provisions of 65 Pa.C.S. Chs. 7 (relating to~~



~~open meetings) and 11 (relating to ethics standards and financial disclosure).~~

~~(b) Status of board.~~

~~(1) The board shall be considered an independent agency for the purposes of the following:~~

~~(i) 62 Pa.C.S. Pt. I (relating to Commonwealth Procurement Code). The expediting of the payment of revenue to the Commonwealth shall not be grounds for an emergency procurement by the board.~~

~~(ii) The act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act.~~

~~(2) The board shall be considered an agency for the purposes of the following:~~

~~(i) The act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law.~~

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

~~(3) The board shall be considered a Commonwealth party for the purposes of 42 Pa.C.S. Ch. 85 (relating to matters affecting government units).~~

~~Section 4. Section 1202 of Title 4 is amended to read:~~

~~§ 1202. General and specific powers.~~

~~(a) General powers.~~

~~(1) The board shall have general [jurisdiction] and sole regulatory authority over [all gaming activities or related activities] the conduct of gaming and regulatory authority over accessory gaming uses as described in this part. The board shall [be responsible to] ensure the integrity of the acquisition and operation of slot machines and associated equipment and shall have [jurisdiction] sole regulatory~~

1 ~~authority over every aspect of the authorization and~~  
2 ~~operation of slot machines.~~

3 ~~(2) The board shall employ [an executive director, chief~~  
4 ~~counsel, deputies, secretaries, officers, hearing officers~~  
5 ~~and agents as it may deem necessary] individuals as necessary~~  
6 ~~to carry out the powers and duties of the board, who shall~~  
7 ~~serve at the board's pleasure. [The board shall also employ~~  
8 ~~other employees as it deems appropriate whose duties shall be~~  
9 ~~determined by the board. In order to ensure the ability of~~  
10 ~~the board to recruit and retain individuals necessary to~~  
11 ~~execute its responsibilities under this part, the board shall~~  
12 ~~set the] An employee of the board shall be considered a State~~  
13 ~~employee for purposes of 71 Pa.C.S. Pt. XXV (relating to~~  
14 ~~retirement for State employees and officers). For the~~  
15 ~~purposes of this paragraph, the board shall not be considered~~  
16 ~~an executive or independent agency under the act of October~~  
17 ~~15, 1980 (P.L.950, No.164), known as the Commonwealth~~  
18 ~~Attorneys Act.~~

19 ~~(3) In addition to employees authorized by the board,~~  
20 ~~each member may employ one special assistant whose~~  
21 ~~classification and compensation shall be established by the~~  
22 ~~board. A special assistant shall be a State employee for~~  
23 ~~purposes of 71 Pa.C.S. Pt. XXV, shall serve at the pleasure~~  
24 ~~of the member and may only be removed by the board for cause.~~

25 ~~(4) The board shall establish a system of classification~~  
26 ~~and compensation of its employees and shall not be subject to~~  
27 ~~the provisions of the act of April 9, 1929 (P.L.177, No.175),~~  
28 ~~known as The Administrative Code of 1929, as to~~  
29 ~~classification and compensation for its employees and conduct~~  
30 ~~its activities consistent with the practices and procedures~~

1 ~~of Commonwealth agencies. [For the purposes of the act of~~  
2 ~~October 15, 1980 (P.L.950, No.164), known as the Commonwealth~~  
3 ~~Attorneys Act, the board shall not be considered an executive~~  
4 ~~or independent agency. The board shall have such other powers~~  
5 ~~and authority necessary to carry out its duties and the~~  
6 ~~objectives of this part.]~~

7 ~~(5) Within 90 days of the effective date of this~~  
8 ~~paragraph, the board shall publish in the Pennsylvania~~  
9 ~~Bulletin, and on its Internet website, the classification~~  
10 ~~system for all employees of the board.~~

11 ~~(6) A request for proposal to conduct investigations of~~  
12 ~~employees and applicants under this part shall include a~~  
13 ~~requirement that an offeror provide the number of employees~~  
14 ~~of the offeror who will be engaged in the conduct of~~  
15 ~~investigations and who are residents of this Commonwealth and~~  
16 ~~annuitants of a Federal, State or local law enforcement~~  
17 ~~agency. Preference shall be given to an offeror with a~~  
18 ~~substantial number of employees who will be engaged in the~~  
19 ~~conduct of investigations and who are residents of this~~  
20 ~~Commonwealth and annuitants of a Federal, State or local law~~  
21 ~~enforcement agency.~~

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

24 ~~(1) To adopt, use and alter a corporate seal.~~

25 ~~(2) To pay or satisfy obligations of the board.~~

26 ~~(3) To sue or be sued, implead and be impleaded, or~~  
27 ~~interplead.~~

28 ~~(4) To contract and execute instruments as necessary to~~  
29 ~~carry out the powers and duties of the board. Contracts for~~  
30 ~~the purchase of supplies, services and construction shall be~~

~~for a term not to exceed two years.~~

~~(5) To sell, transfer, convey and dispose of tangible or intangible property owned by the board.~~

~~(6) To establish, charge and collect fees and fines as authorized by this part.~~

~~(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 officers and employees designated by the board.~~

~~(8) To purchase insurance against a loss related to the board's property or assets.~~

~~(8.1) Retain attorneys, accountants, auditors and financial and other experts, to render services as necessary. For the purposes of this paragraph, the board shall be considered an independent agency for purposes of the Commonwealth Attorneys Act.~~

~~(9) To require background investigations on [prospective or existing] applicants, licensees, principals, key employees or permittees [or persons holding a controlling interest in any prospective or existing licensee or permittee] under the jurisdiction of the board.~~

~~[(2)] (10) To enter into an agreement with the Pennsylvania State Police for the reimbursement of actual costs as approved by the board to the Pennsylvania State Police for the investigations. Investigations shall include information in the possession of the Attorney General.~~

~~[(3)] (11) For purposes of licensing and enforcement and for purposes of the background investigation, [the board may] to receive information otherwise protected by 18 Pa.C.S. Ch.~~

91 ~~(relating to criminal history record information).~~

~~[(4)] (12) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of slot machine licenses.~~

~~[(5)] (13) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of supplier and manufacturer licenses.~~

~~[(6)] (14) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of [occupation permits] a license or permit for various classes of employees as required under this part.~~

~~[(7)] (15) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of any additional licenses or permits which may be required by the board under this part. [or by regulation, including, but not limited to, violations of sections 1328 (relating to change in ownership or control of slot machine licensee) and 1330 (relating to multiple slot machine license prohibition).]~~

~~[(8)] (16) At its discretion, to suspend, condition or deny the issuance or renewal of any license or permit or levy fines or other sanctions for any violation of this part.~~

~~(16.1) At its discretion, to suspend or revoke the license of a licensed entity if a final, nonappealable order issued by a Federal court finds that the licensed entity is in violation of Federal antitrust or unfair trade practice laws in connection with the provision of goods or services under this part.~~

~~[(9)] (17) To require prospective and existing employees, independent contractors, applicants [for licenses and permits], licensees and permittees to submit to~~

1     ~~fingerprinting by the Pennsylvania State Police. The~~  
2     ~~Pennsylvania State Police shall submit the fingerprints to~~  
3     ~~the Federal Bureau of Investigation for purposes of verifying~~  
4     ~~the identity of the [applicants] individual and obtaining~~  
5     ~~records of criminal arrests and convictions.~~

6         ~~{10} (18) To require prospective and existing employees,~~  
7     ~~independent contractors, applicants, licensees and permittees~~  
8     ~~to submit photographs consistent with the standards of the~~  
9     ~~Commonwealth Photo Imaging Network.~~

10        ~~(19) To levy fines or other sanctions against an~~  
11     ~~applicant, licensed entity or other licensee, permittee or~~  
12     ~~employee of the board who possesses, uses, sells or offers~~  
13     ~~for sale any device, equipment or material subject to this~~  
14     ~~part in a manner which constitutes a violation of this part.~~

15        ~~(20) In addition to the power of the board regarding~~  
16     ~~license and permit applicants, to determine at its discretion~~  
17     ~~the suitability of any person who furnishes or seeks to~~  
18     ~~furnish to a slot machine licensee directly or indirectly any~~  
19     ~~services or property related to slot machines or associated~~  
20     ~~equipment or through any arrangements under which that person~~  
21     ~~receives payment based directly or indirectly on earnings,~~  
22     ~~profits or receipts from the slot machines and associated~~  
23     ~~equipment. The board may require any such person to comply~~  
24     ~~with the requirements of this part and the regulations of the~~  
25     ~~board and may prohibit the person from furnishing the~~  
26     ~~services or property.~~

27        ~~{(11) As a board and through its designated officers,~~  
28     ~~employees or agents, to administer oaths, examine witnesses~~  
29     ~~and issue subpoenas to compel attendance of witnesses and~~  
30     ~~production of all relevant and material reports, books,~~

1 ~~papers, documents and other evidence.~~

2 ~~(12)] (21) Within six months after the effective date of~~  
3 ~~this part, in a manner that does not impede the immediate~~  
4 ~~implementation of the duties and responsibilities of the~~  
5 ~~board under this part during the immediate two years after~~  
6 ~~the effective date of this part, to develop and implement an~~  
7 ~~affirmative action plan to assure that all persons are~~  
8 ~~accorded equality of opportunity in employment and~~  
9 ~~contracting by the board, its contractors, subcontractors,~~  
10 ~~assignees, lessees, agents, vendors and suppliers.~~

11 ~~[(13)] (22) Except for contracts related to the central~~  
12 ~~control computer [and such other contracts as the board, in~~  
13 ~~consultation with the Secretary of General Services,~~  
14 ~~determines would result in substantial savings to the board~~  
15 ~~if entered into for a longer period than provided in this~~  
16 ~~paragraph], all contracts entered into by the board during~~  
17 ~~the two year period following the effective date of this part~~  
18 ~~shall not exceed a term of two years.~~

19 ~~[(14) To promulgate rules and regulations the board~~  
20 ~~deems necessary to carry out the policy and purposes of this~~  
21 ~~part and to enhance the credibility and the integrity of the~~  
22 ~~licensed operation of slot machines and associated equipment~~  
23 ~~in this Commonwealth.~~

24 ~~(15)] (23) The board shall not issue or renew a license~~  
25 ~~or permit unless it is satisfied that the applicant is a~~  
26 ~~person of good character, honesty and integrity and is a~~  
27 ~~person whose prior activities, criminal record, if any,~~  
28 ~~reputation, habits and associations do not pose a threat to~~  
29 ~~the public interest or the effective regulation and control~~  
30 ~~of slot machine operations or create or enhance the danger of~~

1     ~~unsuitable, unfair or illegal practices, methods and~~  
2     ~~activities in the conduct of slot machine operations or the~~  
3     ~~carrying on of the business and financial arrangements~~  
4     ~~incidental thereto.~~

5             ~~[(16)] (24) Notwithstanding any other provision of law,~~  
6     ~~[the board is authorized] to sell, in whole or in part, the~~  
7     ~~Commonwealth's right, title and interest in State gaming~~  
8     ~~receipts to [an] the authority [created by the Commonwealth].~~  
9     ~~The sale shall be subject to the terms and conditions~~  
10    ~~contained in agreements between the board and the authority.~~  
11    ~~Proceeds from the sale of State gaming receipts shall be~~  
12    ~~allocated and used in the manner otherwise provided by this~~  
13    ~~part for the distribution of State gaming receipts. The~~  
14    ~~authority [created by the Commonwealth] is authorized to~~  
15    ~~purchase State gaming receipts upon terms and conditions~~  
16    ~~agreed to by the board and to issue bonds to fund the~~  
17    ~~purchase of State gaming receipts in the manner provided for~~  
18    ~~the issuance of authority indebtedness in the law~~  
19    ~~establishing the authority. The State Treasurer is authorized~~  
20    ~~and directed to enter into any agreements with the board and~~  
21    ~~the authority and establish accounts and funds, that shall~~  
22    ~~not be in the State Treasury, as the authority may direct as~~  
23    ~~being necessary or appropriate to effect the sale of State~~  
24    ~~gaming receipts to the authority and the collection and~~  
25    ~~transfer of the State gaming receipts sold to the authority.~~  
26    ~~State gaming receipts sold to the authority shall be the~~  
27    ~~property of the authority and shall not be the property of~~  
28    ~~the Commonwealth.~~

29             ~~[(17)] (25) To [create a Bureau of Investigations and~~  
30    ~~Enforcement within the board. The board shall] promulgate~~



1 ~~regulations pertaining to the operation of the bureau [which~~  
2 ~~shall] to insure separation of functions between the bureau~~  
3 ~~and the board. The board shall provide the employees~~  
4 ~~necessary to the bureau for enforcement of this part.~~

5 ~~[(18)] (26) To enter into an agreement with the district~~  
6 ~~attorneys of the counties wherein licensed facilities are~~  
7 ~~located and the Office of Attorney General for the~~  
8 ~~reimbursement of actual costs for prosecutions of criminal~~  
9 ~~violations [of this part.] and for investigating a person~~  
10 ~~applying for a determination that an individual has been~~  
11 ~~rehabilitated under this part.~~

12 ~~(27) To publish each January in the Pennsylvania~~  
13 ~~Bulletin and on the board's Internet website a complete list~~  
14 ~~of all persons or entities who applied for or held a slot~~  
15 ~~machine license, manufacturer license, supplier license or~~  
16 ~~racetrack license at any time during the preceding calendar~~  
17 ~~year and all affiliates, intermediaries, subsidiaries and~~  
18 ~~holding companies thereof and the status of the application~~  
19 ~~or license.~~

20 ~~(28) To prepare and, through the Governor, submit~~  
21 ~~annually to the General Assembly an itemized budget~~  
22 ~~consistent with Article VI of the act of April 9, 1929~~  
23 ~~(P.L.177, No.175), known as The Administrative Code of 1929,~~  
24 ~~consisting of the amounts necessary to be appropriated by the~~  
25 ~~General Assembly out of the accounts established under~~  
26 ~~section 1401 (relating to slot machine licensee deposits)~~  
27 ~~required to meet the obligations accruing during the fiscal~~  
28 ~~period beginning July 1 of the following year. The budget~~  
29 ~~shall include itemized recommendations for the Attorney~~  
30 ~~General, the department and the Pennsylvania State Police as~~

~~to the amount needed to meet their obligations under this part.~~

~~In the event that in any year, appropriations for the administration of this part are not enacted by June 30, any funds appropriated for the administration of this part which are unexpended, uncommitted, and unencumbered at the end of a fiscal year shall remain available for expenditure by the board or other agency to which they were appropriated until the enactment of appropriation for the ensuing fiscal year.~~

~~(29) To promulgate rules and regulations necessary for the administration and enforcement of this part.~~

~~(30) To cooperate with the Liquor Control Board in its promulgation of regulations relating to the sale and service of liquor and malt and brewed beverages by licensees.~~

~~Section 5. Title 4 is amended by adding a section 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, independent contractors of the board, and the immediate families 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 under subsection (b) and the restrictions in subsection (c).~~

~~(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, address, telephone number and the licensed entity being represented.~~

~~(2) A licensed entity representative shall have an ongoing duty to update its registration information on an ongoing basis.~~

~~(3) The registration list shall be available for public inspection at the offices of the board and on the board's Internet website.~~

~~(c) Restrictions. A member of the board shall:~~

~~(1) Not engage in any ex parte communication with any person.~~

~~(2) Not accept any discount, gift, gratuity, compensation, travel, lodging or other thing of value, directly or indirectly, from any applicant, licensee, permittee, registrant or licensed entity representative thereof.~~

~~(3) Disclose and disqualify himself from any 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 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, contribute to or solicit contributions to a political~~

~~campaign, party, 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 applicant, licensed entity or affiliate, subsidiary, intermediary or holding company of a licensed entity, interested party or licensed entity representative. A board 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 representative 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. 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.~~

~~(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.~~

~~(d) Ex officio members. The restrictions under subsection~~

~~(c)(5) shall not apply to ex officio members.~~

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

~~"Ex parte communication." Any off the record communications regarding a pending matter before the board or which may reasonably be expected to come before the board in an on the record proceeding. The term shall not include off the record communications by and between members, employees of the board, Department of Revenue, Pennsylvania State Police, Attorney General or other law enforcement official necessary for their official duties under this part.~~

~~"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. Sections 1203, 1204, 1205, 1206(a), (b), (c), (d) and (f), 1208(1), 1209(a), 1211, 1213, 1304, 1305, 1306, 1307, 1308, 1309(a)(1) and 1311 of Title 4 are amended to read:~~

~~§ 1203. Temporary regulations.~~

~~(a) Promulgation. [Notwithstanding any other provision of law to the contrary and in] In order to facilitate the prompt implementation of this part, regulations promulgated by the board [during the two years following the effective date of this part] shall be deemed temporary regulations which shall expire no later than three years following the effective date of this part or upon promulgation of regulations as generally provided by law. [The temporary regulations shall not be] The board may promulgate temporary regulations not subject to:~~

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

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

6           ~~(b) Expiration. The authority provided to the board to~~  
7           ~~adopt temporary regulations in subsection (a) shall expire [two~~  
8           ~~years from the effective date of this section] April 15, 2007.~~  
9           ~~Regulations adopted after [the two year] this period shall be~~  
10          ~~promulgated as provided by law.~~

11          ~~§ 1204. Licensed gaming entity application appeals from board.~~

12          ~~The Supreme Court of Pennsylvania shall be vested with~~  
13          ~~exclusive appellate jurisdiction to consider appeals of any~~  
14          ~~final order, determination or decision of the board involving~~  
15          ~~the approval, issuance, denial or conditioning of [all licensed~~  
16          ~~entity applications] a slot machine license. Notwithstanding the~~  
17          ~~provisions of 2 Pa.C.S. Ch. 7 Subch. A (relating to judicial~~  
18          ~~review of Commonwealth agency action) and 42 Pa.C.S. § 763~~  
19          ~~(relating to direct appeals from government agencies), the~~  
20          ~~Supreme Court shall affirm all final orders, determinations or~~  
21          ~~decisions of the board involving the approval, issuance, denial~~  
22          ~~or conditioning of [all licensed entity applications] a slot~~  
23          ~~machine license unless it shall find that the board committed an~~  
24          ~~error of law or that the order, determination or decision of the~~  
25          ~~board was arbitrary and there was a capricious disregard of the~~  
26          ~~evidence.~~

27          ~~§ 1205. License or permit application hearing process[.];~~  
28                               ~~public input hearings.~~

29          ~~(a) General rule. The board's consideration and resolution~~  
30          ~~of all license or permit applications shall be conducted in~~

1 ~~accordance with 2 Pa.C.S. (relating to administrative law and~~  
2 ~~procedure) or with procedures adopted by order of the board.~~  
3 ~~Notwithstanding the [mandates] requirements of 2 Pa.C.S. §§ 504~~  
4 ~~(relating to hearing and record) and 505 (relating to evidence~~  
5 ~~and cross examination)[, said procedures adopted by order of the~~  
6 ~~board shall] as they relate to the conduct of oral hearings, the~~  
7 ~~board may adopt procedures to provide parties before it with a~~  
8 ~~documentary hearing, [but] and the board may[, at its~~  
9 ~~discretion,] resolve disputed material facts without conducting~~  
10 ~~an oral hearing where constitutionally permissible.~~

11 ~~(b) Public input hearing requirement.~~

12 ~~(1) Prior to licensing a facility under this part, the~~  
13 ~~board shall hold at least one public input hearing on the~~  
14 ~~matter.~~

15 ~~(2) At least one of the public input hearings relating~~  
16 ~~to an application for a slot machine license shall be held in~~  
17 ~~the municipality where the facility will be located and shall~~  
18 ~~be organized in cooperation with the municipality.~~

19 ~~(3) A list of all witnesses scheduled to testify at a~~  
20 ~~public input hearing shall be made public at least seven days~~  
21 ~~prior to the hearing. The list shall be updated at least~~  
22 ~~three days prior to the hearing. Additional witnesses shall~~  
23 ~~be posted on the board's Internet website as they are added~~  
24 ~~to the list.~~

25 ~~§ 1206. Board minutes and records.~~

26 ~~[(a) Open proceedings and records. The proceedings of the~~  
27 ~~board shall be conducted in accordance with the provisions of 65~~  
28 ~~Pa.C.S. Ch. 7 (relating to open meetings). The board shall be an~~  
29 ~~agency for purposes of the act of June 21, 1957 (P.L.390,~~  
30 ~~No.212), referred to as the Right to Know Law. Notwithstanding~~

1 ~~any provision of law to the contrary, confidential documents~~  
2 ~~relative to personal background information provided to the~~  
3 ~~board pursuant to this part and any closed deliberations of the~~  
4 ~~board, including disciplinary proceedings, shall be confidential~~  
5 ~~and considered in closed executive session pursuant to~~  
6 ~~subsection (f).]~~

7 ~~(b) Record of proceedings. The board shall cause to be made~~  
8 ~~and kept a record of all proceedings held at public meetings of~~  
9 ~~the board. [A] The verbatim transcript of those proceedings~~  
10 ~~shall be the property of the board and shall be prepared by the~~  
11 ~~board upon the request of any board member or upon the request~~  
12 ~~of any other person and the payment by that person of the costs~~  
13 ~~of preparation.~~

14 ~~[(c) Information delivered to Governor and General~~  
15 ~~Assembly. A true copy of the minutes of every meeting of the~~  
16 ~~board and of any regulations finally adopted by the board may be~~  
17 ~~forthwith delivered, by and under the certification of the~~  
18 ~~executive director, to the Governor, the Secretary of the Senate~~  
19 ~~and the Chief Clerk of the House of Representatives.]~~

20 ~~(d) Applicant information.—~~

21 ~~(1) The board shall [keep and] maintain a list of all~~  
22 ~~applicants for licenses and permits. [under this part~~  
23 ~~together with] The list shall include a record of all actions~~  
24 ~~taken with respect to [the applicants, which file and record]~~  
25 ~~each applicant. The list shall be open to public inspection~~  
26 ~~during the normal business hours of the board.~~

27 ~~(2) Information under paragraph (1) regarding any~~  
28 ~~applicant whose license or permit has been denied, revoked or~~  
29 ~~not renewed shall be removed from such list after seven years~~  
30 ~~from the date of the action.~~



1       \* \* \*

2       ~~(f) Confidentiality of information. All information~~  
3 ~~{contained in the application process} submitted by an applicant~~  
4 ~~pursuant to section 1310(a) (relating to slot machine license~~  
5 ~~application character requirements) [and the report of an~~  
6 ~~applicant's background investigation furnished to] or obtained~~  
7 ~~by the board or the bureau as part of a background investigation~~  
8 ~~from any source shall be considered confidential [and]. Except~~  
9 ~~as provided in section 1517(f) (relating to investigation and~~  
10 ~~enforcement), the information shall be withheld from public~~  
11 ~~disclosure in whole or in part, except that any information~~  
12 ~~shall be released upon the lawful order of a court of competent~~  
13 ~~jurisdiction or, with the approval of the Attorney General, to a~~  
14 ~~duly authorized law enforcement agency or shall be released to~~  
15 ~~the public, in whole or in part, to the extent that such release~~  
16 ~~is requested by an applicant and does not otherwise contain~~  
17 ~~confidential information about another person. The board may not~~  
18 ~~require any applicant to waive any confidentiality provided for~~  
19 ~~in this subsection as a condition for the approval of a license~~  
20 ~~or any other action of the board. Any person who violates this~~  
21 ~~subsection shall be administratively disciplined by discharge,~~  
22 ~~suspension or other formal disciplinary action as the board~~  
23 ~~deems appropriate.~~

24       \* \* \*

25       ~~§ 1208. Collection of fees and fines.~~

26       ~~The board has the following powers and duties:~~

27               ~~(1) To levy and collect fees from the various~~  
28       ~~applicants, licensees and permittees to fund the operations~~  
29       ~~of the board. The fees shall be deposited into the State~~  
30       ~~Gaming Fund as established in section 1403 (relating to~~

1 ~~establishment of State Gaming Fund and net slot machine~~  
2 ~~revenue distribution) and distributed to the board upon~~  
3 ~~appropriation by the General Assembly.~~ In addition to the  
4 ~~fees set forth in sections 1209 (relating to slot machine~~  
5 ~~license fee) and 1305 (relating to Category 3 slot machine~~  
6 ~~license), the board shall assess and collect fees as follows:~~

7 (i) ~~Supplier licensees shall pay a fee of \$25,000~~  
8 ~~upon the issuance of a license and \$10,000 for the annual~~  
9 ~~renewal of a supplier license.~~

10 (ii) ~~Manufacturer licensees shall pay a fee of~~  
11 ~~\$50,000 upon the issuance of a license and \$25,000 for~~  
12 ~~the annual renewal of a manufacturer license.~~

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

22 \* \* \*

23 ~~§ 1209. Slot machine license fee.~~

24 (a) ~~Imposition. Except as provided for a Category 3~~  
25 ~~licensed gaming entity under section 1305 (relating to Category~~  
26 ~~3 slot machine license) and subject to the requirements of this~~  
27 ~~section, at the time of license issuance the board shall impose~~  
28 ~~a one time slot machine license fee to be paid by each~~  
29 ~~successful applicant for a conditional Category 1, a Category 1~~  
30 ~~or a Category 2 license in the amount of \$50,000,000 [for each~~

~~category of slot machine license.] and deposited in the State gaming fund. No fee shall be imposed by the board for a Category 1 license if the applicant has paid a \$50,000,000 fee for a conditional Category 1 license.~~

~~\* \* \*~~

~~§ 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 at licensed facilities 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.~~

~~(b) Report of the Legislative Budget and Finance Committee. No later than March 15 of the year following the effective date of this part and each March 15 thereafter, the Legislative Budget and Finance Committee shall issue a report to the General Assembly analyzing the impact, if any, of this part on the State Lottery.~~

~~(c) Interception of gaming winnings. The board shall conduct a study to determine the feasibility of implementing methods for the interception of the gaming winnings of individuals who are delinquent support obligors or tax delinquent. The study shall be completed by December 31, 2006, and shall contain recommendations which the board determines appropriate.~~

~~(d) Reports to General Assembly. The board shall conduct an ongoing review of the operation of this part and the impact of gaming in this Commonwealth, including review of other jurisdictions, Federal laws, academic research and public input. The board shall submit an annual report to the General Assembly by December 30. The report shall include recommendations for changes to this part or in the operation or regulation of licensed entities. The report shall be submitted to the Majority and Minority Leader of the Senate and the Majority and Minority Leader of the House of Representatives and the chair and minority chair of the standing committees in the Senate and the chair and minority chair of the standing committees in the House of Representatives with jurisdiction over the board. The report shall be posted by the board on its Internet website.~~

~~§ 1213. License or permit prohibition.~~

~~[No applicant for a license or permit under this part, including directors, owners and key employees, that has been convicted in any jurisdiction of a felony or gambling offense within the past 15 years shall be issued a license or permit under this part or be found qualified to serve in a position as a director, owner or key employee of or associated with any licensee or permittee.] No applicant for a license or permit under this part, including principals and key employees, who have 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. 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, the board shall consider the following factors:~~

~~(1) The nature and duties of the applicant relating to a licensed entity.~~

~~(2) The nature and seriousness of the offense or conduct.~~

~~(3) The circumstances under which the offense or conduct occurred.~~

~~(4) The age of the applicant when the offense or conduct was committed.~~

~~(5) Whether the offense or conduct was an isolated or a repeated incident.~~

~~(6) 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.~~

~~§ 1304. Category 2 slot machine license.~~

~~(a) Eligibility.—~~

~~(1) A person may be eligible to apply for a Category 2 license if the applicant, its affiliate, intermediary, subsidiary or holding company is not otherwise eligible to apply for a Category 1 license and the person is seeking to locate a licensed facility in a city of the first class, a city of the second class or a revenue or tourism enhanced location. It shall not be a condition of eligibility to apply for a Category 2 license to obtain a license from either the State Horse Racing Commission or the State Harness Racing Commission to conduct thoroughbred or harness race meetings respectively with pari mutuel wagering.~~

~~(2) 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 waving 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.—~~

~~(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.~~

~~§ 1305. Category 3 slot machine license.~~

~~(a) Eligibility.—~~

~~(1) A person may be eligible to apply for a Category 3 license if the applicant, its affiliate, intermediary, subsidiary or holding company has not applied for or been~~

1 ~~approved or issued a Category 1 or 2 license and the person~~  
2 ~~is seeking to locate a Category 3 licensed facility in a~~  
3 ~~well established resort hotel having no fewer than 275 guest~~  
4 ~~rooms under common ownership and having substantial year-~~  
5 ~~round recreational guest amenities. The applicant for a~~  
6 ~~Category 3 license shall be the owner or be a wholly owned~~  
7 ~~subsidiary of the owner of the established resort hotel. A~~  
8 ~~Category 3 license may only be granted upon the express~~  
9 ~~condition that an individual may not enter a gaming area of~~  
10 ~~the licensee if the individual is not a registered overnight~~  
11 ~~guest of the established resort hotel or if the individual is~~  
12 ~~not a patron of one or more of the amenities provided by the~~  
13 ~~established resort hotel.~~

14 ~~(2) Notwithstanding section 1512(a) and (a.1) (relating~~  
15 ~~to public official financial interest), if at the time of~~  
16 ~~application, an applicant has terminated public office or~~  
17 ~~employment as an executive level public employee within the~~  
18 ~~last calendar year, the applicant shall be eligible to apply~~  
19 ~~for a slot machine license under this section but may not be~~  
20 ~~issued a license until one year following the date of~~  
21 ~~termination as a public official or executive level public~~  
22 ~~employee. An application submitted in accordance with this~~  
23 ~~paragraph shall not constitute a violation of section 1512(a)~~  
24 ~~or (a.1).~~

25 ~~(3) If the person seeking a slot machine license~~  
26 ~~proposes to place the licensed facility upon land designated~~  
27 ~~a subzone, an expansion subzone or an improvement subzone~~  
28 ~~under the act of October 6, 1998 (P.L.705, No.92), known as~~  
29 ~~the Keystone Opportunity Zone, Keystone Opportunity Expansion~~  
30 ~~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.~~

~~(1) No Category 3 license shall be located by the board within 15 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 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.~~

~~(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.~~

~~(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 board shall impose a one time  
Category 3 license fee to be paid by each successful applicant  
in [an] 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 to a Category 3 license fee.~~

~~(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 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~~

1 facilities.]

2 ~~"Amenity." An ancillary activity, service or facility in~~  
3 ~~which a registered guest or the transient public, in return for~~  
4 ~~non de minimis consideration as defined by board regulations,~~  
5 ~~may participate at a resort hotel, including a sports or~~  
6 ~~recreational activity or facility such as a golf course, golf~~  
7 ~~driving range, tennis court, swimming pool or health spa;~~  
8 ~~convention, meeting or banquet facility; entertainment facility~~  
9 ~~or restaurant facility.~~

10 ~~"Patron of the amenities." Any individual who is a~~  
11 ~~registered attendee of a convention, meeting or banquet event or~~  
12 ~~a participant in a sport or recreational event or any other~~  
13 ~~social, cultural or business event held at a resort hotel or who~~  
14 ~~participates in one or more of the amenities provided to~~  
15 ~~registered guests of the resort hotel.~~

16 ~~§ 1306. Order of initial license issuance.~~

17 ~~In order to facilitate the timely and orderly deployment of~~  
18 ~~licensed gaming operations in this Commonwealth, the board shall~~  
19 ~~adopt a schedule by which applicants for slot machine,~~  
20 ~~manufacturer and supplier licenses shall be filed, considered~~  
21 ~~and resolved in accordance with the provisions of this part. In~~  
22 ~~so doing, the board shall consider, approve, condition or deny~~  
23 ~~the approval of all filed applications for manufacturer and~~  
24 ~~supplier licenses as soon as administratively possible and at~~  
25 ~~least three months prior to the board's approval, conditioning~~  
26 ~~or denial of the approval of any Category 1 license application~~  
27 ~~pursuant to section 1315 (relating to conditional Category 1~~  
28 ~~licenses) or any other category of slot machine license pursuant~~  
29 ~~to section 1301 (relating to authorized slot machine licenses).~~  
30 ~~The board shall ensure that an adequate number of suppliers have~~

~~been licensed pursuant to section 1301 to meet market demand.~~

~~The board shall approve, approve with condition or deny all initial applications for conditional Category 1 licenses under section 1315 (relating to conditional Category 1 licenses) prior to considering applications for Category 1, Category 2 or Category 3 slot machine licenses.~~

~~§ 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 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] by July 3, 2008. 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 Category 3 licensed facilities.~~

~~§ 1308. Applications for license or permit.~~

~~(a) Applications. An application for a license or permit to be issued by the board shall be submitted on a form and in a manner as shall be required by the board. In reviewing applications, the board shall confirm that all the applicable license or permit fees have been paid in accordance with this~~

1 part.

2 ~~(b) Completeness of applications. The board shall not~~  
3 ~~consider an incomplete application and shall notify the~~  
4 ~~applicant in writing if an application is incomplete. An~~  
5 ~~application shall be considered incomplete if it does not~~  
6 ~~include all applicable fees and all information and accompanying~~  
7 ~~documentation required by the board, including, but not limited~~  
8 ~~to, a current tax lien certificate issued by the department at~~  
9 ~~the time of filing the application. Any unpaid taxes identified~~  
10 ~~on the tax lien certificate shall be paid before the application~~  
11 ~~is considered complete. A notification of incompleteness shall~~  
12 ~~state the deficiencies in the application that must be corrected~~  
13 ~~prior to consideration of the merits of the application.~~

14 ~~(c) Adverse litigation. Notwithstanding any law to the~~  
15 ~~contrary, the board and the commissions shall not consider any~~  
16 ~~application for a license if the applicant or any person~~  
17 ~~affiliated with or directly related to the applicant is a party~~  
18 ~~in any ongoing civil proceeding in which the party is seeking to~~  
19 ~~overturn or otherwise challenge a decision or order of the board~~  
20 ~~[or commissions] pertaining to the approval, denial or~~  
21 ~~conditioning of a license [to conduct thoroughbred or harness~~  
22 ~~horse race meetings respectively with pari mutuel wagering or]~~  
23 ~~to operate slot machines. This subsection shall not be~~  
24 ~~interpreted to affect the rights of applicants to seek judicial~~  
25 ~~enforcement of mandatory obligations of the board as may be~~  
26 ~~required by this part.~~

27 ~~§ 1309. Slot machine license application.~~

28 ~~(a) General requirements. In addition to any other~~  
29 ~~information required under this part or as may be required by~~  
30 ~~the board, the application for any category of slot machine~~

1 ~~license shall include at a minimum:~~

2       ~~(1) The name, address[, ] and photograph [and handwriting~~  
3       ~~exemplar] of the applicant and of all directors and owners~~  
4       ~~and key employees and their positions within the corporation~~  
5       ~~or organization, as well as any additional financial~~  
6       ~~information required by the board.~~

7       ~~\* \* \*~~

8       ~~§ 1311. [Slot machine license application business entity~~  
9       ~~requirements.~~

10       ~~(a) Key employee requirement qualification. No corporation~~  
11       ~~or any other legal business entity shall be eligible to hold a~~  
12       ~~slot machine license unless the following would individually be~~  
13       ~~qualified for licensure as a key employee: each officer; each~~  
14       ~~director; each person who directly or indirectly holds any~~  
15       ~~beneficial interest or ownership of the securities in the~~  
16       ~~entity; each person who in the opinion of the board has the~~  
17       ~~ability to control the entity, has a controlling interest or~~  
18       ~~elects a majority of the board of directors of that corporation~~  
19       ~~or business entity, other than a banking or other licensed~~  
20       ~~lending institution which makes a loan or holds a mortgage or~~  
21       ~~other lien acquired in the ordinary course of business; each key~~  
22       ~~employee; each lender, other than a banking or other licensed~~  
23       ~~lending institution which makes a loan or holds a mortgage or~~  
24       ~~other lien acquired in the ordinary course of business; each~~  
25       ~~underwriter; each agent; each employee of the corporation or~~  
26       ~~entity and each other person whom the board may consider~~  
27       ~~appropriate for approval or qualification. The board may waive~~  
28       ~~compliance with the provisions of this subsection on the part of~~  
29       ~~a publicly traded corporation as to a person directly or~~  
30       ~~indirectly holding ownership of securities of such corporation~~

~~where the board is satisfied that the security holder is not significantly involved in the activities of the corporation and does not have the ability to control the corporation or elect one or more directors thereof.~~

~~(b) Slot machine license qualification requirement. No corporation or any other legal business entity or other form of business organization which is a subsidiary shall be eligible to receive or hold a slot machine license unless each holding and intermediary company with respect thereto:~~

~~(1) if it is a corporation or other legal business entity, shall comply with the provisions of subsection (a) as if said holding or intermediary company were itself applying for a slot machine license. The board may waive compliance with the provisions of subsection (a) on the part of a publicly traded corporation which is a holding company as to any officer, director, lender, underwriter, agent or employee thereof, or person directly or indirectly holding a beneficial interest or ownership of the securities of such corporation, where the board is satisfied that such officer, director, lender, underwriter, agent or employee is not significantly involved in the activities of the corporate licensee and in the case of the security holder does not have the ability to control or possess a controlling interest in the holding company or elect one or more directors thereof;~~

~~or~~

~~(2) if it is not a corporation, shall comply with the provisions of subsection (c) as if said company were itself applying for a slot machine license. The board may waive compliance with the provisions of subsection (c) on the part of a noncorporate business organization which is a holding~~

~~company as to any person who directly or indirectly holds any beneficial interest or ownership in such company when the board is satisfied that such person does not have the ability to control the company.~~

~~(c) Noncorporate applicant requirement. Any noncorporate applicant for a slot machine license shall provide the information required in this section in such form as may be required by the board. No such applicant shall be eligible to hold a slot machine license unless each person who directly or indirectly holds any beneficial interest or ownership in the applicant, or has the ability to control the applicant or whom the board may consider appropriate for approval or qualification, would individually be qualified for approval as a key employee pursuant to the provisions of this part.]~~

~~Additional slot machine license requirements.~~

~~(a) Additional eligibility requirements. In order to be eligible for a slot machine license under this part, the principals of the applicant shall be licensed and key employees of the applicant shall be permitted to meet the character requirements of section 1310 (relating to slot machine license application character requirements) or other eligibility requirements established by the board.~~

~~(b) Classification system. The board shall develop a classification system for other agents, employees or persons who directly or indirectly hold or are deemed to be holding debt or equity securities or other financial interest in the applicant, and other persons which the board considers appropriate for review under section 1310.~~

~~(c) Related entities.~~

~~(1) Except as provided in paragraph (2), no person shall~~



~~be eligible to receive a slot machine license unless the principals and key employees of each intermediary, subsidiary or holding company of the person meet the requirements of subsection (a).~~

~~(2) The board may require that lenders and underwriters of intermediaries, subsidiaries or holding companies of a slot machine license applicant meet the requirements of subsection (a) if the board determines that the suitability of a lender or underwriter is at issue and is necessary to consider a pending application for a slot machine license.~~

~~(d) Revocable privilege. The issuance or renewal of a license or permit by the board under this section shall be a revocable privilege.~~

~~(e) Waiver for publicly traded corporations. The board may waive the requirements of subsection (a) for a person directly or indirectly holding ownership of securities in a publicly traded corporation if the board determines that the holder of the securities is not significantly involved in the activities of the corporation and does not have the ability to control the corporation or elect one or more directors thereof.~~

~~(f) Waiver for subsidiaries. If the applicant is a subsidiary, the board may waive the requirements of subsection (a) for a holding company or intermediary as follows:~~

~~(1) If the applicant is a publicly traded corporation, the board may issue a waiver under this subsection if it determines that the principal or key employee does not have the ability to control, have a controlling interest in or elect one or more directors of the holding company or intermediary and is not actively involved in the activities of the applicant.~~

~~(2) If the applicant is a noncorporate organization, the board may issue a waiver under this subsection for a person who directly or indirectly holds a beneficial or ownership interest in the applicant if it determines that the person does not have the ability to control the applicant.~~

~~(g) Ongoing duty. A person applying for a license, permit or other approval under this part shall have the continuing duty to provide information required by the board or the bureau and to cooperate in any inquiry or investigation.~~

~~(h) Criminal history record check. The board shall conduct a criminal history record check on any person for whom a waiver is granted under this section.~~

~~Section 7. Title 4 is amended by adding sections to read:~~  
~~§ 1311.1. Licensing of principals.~~

~~(a) License required. All principals shall obtain a principal license from the board.~~

~~(b) Application. A principal license application shall be in a form prescribed by the board and shall include the following:~~

~~(1) Verification of status as a principal from a slot machine licensee, manufacturer licensee or supplier licensee.~~

~~(2) A description of responsibilities as a principal.~~

~~(3) All releases necessary to obtain information from governmental agencies, employers and other organizations.~~

~~(4) Fingerprints, which shall be submitted to the Pennsylvania State Police.~~

~~(5) A photograph that meets the standards of the Commonwealth Photo Imaging Network.~~

~~(6) Details relating to a similar license, permit or other authorization obtained in another jurisdiction.~~

~~(7) Any additional information required by the board.~~

~~(c) Issuance. Following review of the application and the background investigation, the board may issue a principal license 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 be licensed as a principal.~~

~~(d) Nontransferability. A license issued under this section shall be nontransferable.~~

~~(e) Principals. An individual who receives a principal license need not obtain a key employee permit.~~

~~§ 1311.2. Permitting of key employees.~~

~~(a) Permit required. All key employees shall obtain a key employee permit from the board.~~

~~(b) Application. A key employee permit application shall be in a form prescribed by the board and shall include the following:~~

~~(1) Verification of status as a key employee from a slot machine licensee, manufacturer licensee or supplier licensee.~~

~~(2) A description of employment responsibilities.~~

~~(3) All releases necessary to obtain information from governmental agencies, employers and other organizations.~~

~~(4) Fingerprints, which shall be submitted to the Pennsylvania State Police.~~

~~(5) A photograph that meets the standards of the Commonwealth Photo Imaging Network.~~

~~(6) Details relating to a similar license, permit or other authorization obtained in another jurisdiction.~~

~~(7) Any additional information required by the board.~~

~~(c) Issuance. Following review of the application and the~~

~~background investigation, the board may issue a key employee 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 be permitted as a key employee.~~

~~(d) Nontransferability. A permit issued under this section shall be nontransferable.~~

~~Section 7.1. Sections 1313(e) and 1317 of Title 4 are amended to read:~~

~~§ 1313. Slot machine license application financial fitness requirements.~~

~~\* \* \*~~

~~(e) Applicant's operational viability. In assessing the financial viability of the proposed licensed facility, the board shall make a finding, after review of the application, that the applicant is likely to maintain a financially successful, viable and efficient business operation and will likely be able to maintain a steady level [and] of growth of revenue to the Commonwealth pursuant to section 1403 (relating to establishment of State Gaming Fund and net slot machine revenue distribution). Notwithstanding any provision of this part to the contrary, an applicant that includes a commitment or promise to pay a slot machine license fee in excess of the amount provided in section 1209 or a distribution of terminal revenue in excess of the amounts provided in sections 1403, 1405 (relating to Pennsylvania Race Horse Development Fund) and 1407 (relating to Pennsylvania Gaming Economic Development and Tourism Fund) shall not be deemed a financially successful, viable or efficient business operation and shall not be approved for a slot machine license.~~

1       \* \* \*

2   ~~§ 1317. Supplier [and manufacturer] licenses [application].~~

3       ~~(a) Application. [Any] A person seeking to provide slot~~  
4 ~~machines or associated equipment to a slot machine licensee~~  
5 ~~within this Commonwealth [or to manufacture slot machines for~~  
6 ~~use in this Commonwealth] through a contract with a licensed~~  
7 ~~manufacturer shall apply to the board for [either] a supplier~~  
8 ~~[or manufacturer] license. [No person, its affiliate,~~  
9 ~~intermediary, subsidiary or holding company who has applied for~~  
10 ~~or is a holder of a manufacturer or slot machine license shall~~  
11 ~~be eligible to apply for or hold a supplier license. A supplier~~  
12 ~~licensee shall establish a principle place of business in this~~  
13 ~~Commonwealth within one year of issuance of its supplier license~~  
14 ~~and maintain such during the period in which the license is~~  
15 ~~held. No slot machine licensee shall enter into any sale, lease,~~  
16 ~~contract or any other type of agreement providing slot machines,~~  
17 ~~progressive slot machines, parts or associated equipment for use~~  
18 ~~or play with any person other than a supplier licensed pursuant~~  
19 ~~to this section. Slot monitoring systems, casino management~~  
20 ~~systems, player tracking systems and wide area progressive~~  
21 ~~systems are excluded from any requirements that they be provided~~  
22 ~~through a licensed supplier as set forth in this part.]~~

23       ~~(b) Requirements. [The] An application for a supplier [or~~  
24 ~~manufacturer license shall include, at a minimum:] license shall~~  
25 ~~be on the form required by the board, accompanied by the~~  
26 ~~application fee and shall include all of the following:~~

27           ~~(1) The name and business address of the applicant[,]~~  
28           ~~and the applicant's affiliates, intermediaries, subsidiaries~~  
29           ~~and holding companies; the [directors and owners of the~~  
30           ~~applicant] principals and key employees of each business; and~~

~~a list of employees and their positions within [the] each business, as well as any financial information required by the board.~~

~~(1.1) A statement that the applicant and each affiliate, intermediary, subsidiary or holding company of the applicant are not slot machine licensees.~~

~~(1.2) Proof that the applicant has or will establish a principal place of business in this Commonwealth within one year of issuance of its license. A supplier licensee shall maintain its principal place of business in this Commonwealth to remain eligible for licensure.~~

~~(2) The consent to a background investigation of the applicant, its [officers, directors, owners,] principals and key employees or other persons required by the board and a release to obtain any and all information necessary for the completion of the background investigation.~~

~~(3) The details of any equivalent license granted or denied by other jurisdictions where gaming activities as authorized by this part are permitted and consent for the board to acquire copies of applications submitted or licenses issued in connection therewith.~~

~~(4) The type of goods and services to be supplied [or manufactured] and whether those goods and services will be provided through purchase, lease, contract or otherwise.~~

~~(5) Any other information determined by the board to be appropriate.~~

~~(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).~~

~~(2) The license shall be nontransferable.~~

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

~~(d) Renewal.~~

~~(1) Two months prior to expiration of a supplier license, the supplier 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 supplier license.~~

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

~~(e) Prohibitions.~~

~~(1) No person may provide slot machines or associated equipment to a slot machine licensee within this Commonwealth unless the person has been issued a supplier or manufacturer license under this part.~~

~~(2) No limitation shall be placed on the number of supplier 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 7.2. Title 4 is amended by adding a section to read:~~

~~§ 1317.1. Manufacturer licenses.~~

~~(a) Application. A person seeking to manufacture, repair~~

~~and supply slot machines 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:~~

~~(1) The name and business address of the applicant and the applicant's affiliates, intermediaries, subsidiaries and holding companies; the principals and key employees of each business; and a list of employees and their positions within each business, as well as any financial information required by the board.~~

~~(2) A statement that the applicant and each affiliate, intermediary, subsidiary or holding company of the applicant are not slot machine licensees.~~

~~(3) The consent to a background investigation of the applicant, its principals and key employees or other persons required by the board and a release to obtain any and all information necessary for the completion of the background investigation.~~

~~(4) The details of any equivalent license granted or denied by other jurisdictions where gaming activities as authorized by this part are permitted and consent for the board to acquire copies of applications submitted or licenses issued in connection therewith.~~

~~(5) The type of slot machines or associated equipment to be manufactured or repaired.~~

~~(6) Any other information determined by the board to be appropriate.~~

~~(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 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).~~

~~(2) The license shall be nontransferable.~~

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

~~(d) Renewal.~~

~~(1) Six 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.~~

~~(e) Prohibitions.~~

~~(1) No person may manufacture or repair slot machines or  
associated equipment for use within this Commonwealth by a  
slot machine licensee unless the person has been issued a  
manufacturer license under this section or is a designee of  
the manufacturer under subsection (f).~~

~~(2) No slot machine licensee may use slot machines or  
associated equipment unless the slot machines or associated~~

~~equipment were manufactured or repaired by a person that has  
been issued a manufacturer license under this section or is a  
designee of the manufacturer under subsection (f).~~

~~(3) No person issued a license under this section shall  
apply for or be issued a license under section 1317 (relating  
to supplier licenses).~~

~~(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).~~

~~(f) Limitations.~~

~~(1) A manufacturer licensed under this section or its  
designee may repair slot machines or associated equipment  
manufactured by the manufacturer.~~

~~(2) A manufacturer and a slot machine licensee may agree  
by contract to allow technicians employed by the slot machine  
licensee to repair slot machines which are manufactured by  
the manufacturer and which are located at the slot machine  
licensee's licensed facility.~~

~~(3) A manufacturer may contract with a person licensed  
as a supplier under section 1317 (relating to supplier  
licensee) to provide slot machines or associated equipment to  
a slot machine licensee located within this Commonwealth.~~

~~Section 8. Sections 1318(b)(4) and 1323(a) of Title 4 are  
amended to read:~~

~~§ 1318. Occupation permit application.~~

~~\* \* \*~~

~~(b) Requirements. The application for an occupation permit  
shall include, at a minimum:~~

~~\* \* \*~~

1           ~~(4) A photograph [and handwriting exemplar] of the~~  
2           ~~person.~~

3           ~~\* \* \*~~

4   ~~§ 1323. Central control computer system.~~

5       ~~(a) General rule. To facilitate the auditing and security~~  
6       ~~programs critical to the integrity of slot machine gaming in~~  
7       ~~this Commonwealth, the department shall have overall control of~~  
8       ~~slot machines, and all slot machine terminals shall be linked,~~  
9       ~~at an appropriate time to be determined by the department, to a~~  
10       ~~central control computer under the control of the department and~~  
11       ~~accessible by the board to provide auditing program capacity and~~  
12       ~~individual terminal information as approved by the department~~  
13       ~~and shall include real time information retrieval and terminal~~  
14       ~~activation and disabling programs. The central control computer~~  
15       ~~selected and employed by the department shall not unduly limit~~  
16       ~~or favor the participation of a vendor or manufacturer of a slot~~  
17       ~~machine as a result of the cost or difficulty of implementing~~  
18       ~~the necessary program modifications to communicate with and link~~  
19       ~~to the central control computer. The central control computer~~  
20       ~~employed by the department shall provide:~~

21           ~~(1) A fully operational Statewide slot machine control~~  
22           ~~system that has the capability of supporting up to the~~  
23           ~~maximum number of slot machines that could be permitted to be~~  
24           ~~in operation under this part.~~

25           ~~(2) The employment of a widely accepted gaming industry~~  
26           ~~protocol to facilitate slot machine manufacturers' ability to~~  
27           ~~communicate with the Statewide system.~~

28           ~~(2.1) The delivery of a system that has the ability to~~  
29           ~~verify software, detect alterations in payout and detect~~  
30           ~~other methods of fraud in all aspects of the operation of~~

1 ~~slot machines.~~

2 ~~(3) The delivery of a system that has the capability to~~  
3 ~~support in house and wide area progressive slot machines as~~  
4 ~~approved by the board.~~

5 ~~(4) The delivery of a system that allows the slot~~  
6 ~~machine licensee to install independent player tracking~~  
7 ~~systems and cashless technology as approved by the board.~~

8 ~~(5) The delivery of a system that does not alter the~~  
9 ~~statistical awards of slot machine games as designed by the~~  
10 ~~slot machine manufacturer and approved by the board.~~

11 ~~(6) The delivery of a system that provides redundancy so~~  
12 ~~that each component of the network will be capable of~~  
13 ~~operating independently by the department if any component of~~  
14 ~~the network, including the central control computer, fails or~~  
15 ~~cannot be operated for any reason as determined by the~~  
16 ~~department, and to assure that all transactional data is~~  
17 ~~captured and secured. Costs associated with any computer~~  
18 ~~system required by the department to operate at a licensed~~  
19 ~~facility, whether independent or as part of the central~~  
20 ~~control computer, shall be paid by the slot machine licensee.~~  
21 ~~The computer system will be controlled by the department and~~  
22 ~~accessible to the board.~~

23 ~~(7) The ability to meet all reporting and control~~  
24 ~~requirements as prescribed by the board and department.~~

25 ~~(8) Any other capabilities as determined by the~~  
26 ~~department in consultation with the board.~~

27 ~~\*\*\*~~

28 ~~Section 8.1. Section 1325 of Title 4 is amended by adding a~~  
29 ~~subsection to read:~~

30 ~~§ 1325. License or permit issuance.~~

1       \* \* \*

2       ~~(d) Trusts and similar business entities. The board shall~~  
3 ~~determine the eligibility of a trust or similar business entity~~  
4 ~~to be a licensed entity in accordance with the following:~~

5           ~~(1) No trust or similar business entity shall be~~  
6 ~~eligible to hold any beneficial interest in a licensed entity~~  
7 ~~under this part unless each trustee, grantor and beneficiary~~  
8 ~~of the trust, including a minor child beneficiary, qualifies~~  
9 ~~for and is granted a license as a principal. The board may~~  
10 ~~waive compliance with this paragraph if the trustee is a~~  
11 ~~banking or lending institution and the board is satisfied~~  
12 ~~that the trustee is not significantly involved in the~~  
13 ~~activities of the licensed entity. In addition to other~~  
14 ~~information required by the board, a banking or lending~~  
15 ~~institution acting as a trustee shall produce at the request~~  
16 ~~of the board any documentation or information relating to the~~  
17 ~~trust.~~

18           ~~(2) No beneficiary of a trust or similar business entity~~  
19 ~~who is a minor child shall control or be significantly~~  
20 ~~involved in the activities of a licensed entity or its~~  
21 ~~holding company or intermediary. No beneficiary of a trust or~~  
22 ~~similar business entity who is a minor child shall be~~  
23 ~~permitted to vote to elect directors of a licensed entity or~~  
24 ~~its holding company or intermediary.~~

25           ~~(3) No trust or similar business entity may hold any~~  
26 ~~beneficial interest in a licensed entity unless the board~~  
27 ~~determines that the trust or similar business entity is not~~  
28 ~~engaged in any activity or otherwise being used to evade the~~  
29 ~~public protections under this part, including sections 1512~~  
30 ~~(relating to financial and employment interests) and 1513~~

~~(relating to political influence).~~

~~Section 8.2. Sections 1327 and 1402 of Title 4 are amended to read:~~

~~§ 1327. Nontransferability of licenses.~~

~~A license or permit issued by the board is a grant of the privilege to conduct a business in this Commonwealth. Except as permitted by section 1328 (relating to change in ownership or control of slot machine licensee), a license or permit granted or renewed pursuant to this part shall not be sold, transferred or assigned to any other person[,]; nor shall a licensee or permittee pledge or otherwise grant a security interest in or lien on the license or permit. Nothing contained in this part is intended or shall be construed to create in any person an entitlement to a license. The board has the sole discretion to issue, renew, condition or deny the issuance of a slot machine license based upon the purposes and requirements of this part.~~

~~§ 1402. Gross terminal revenue deductions.~~

~~(a) Deductions. After determining the appropriate assessments for each slot machine licensee, the department shall [deduct the following] 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.~~

~~(2) The other costs and expenses to be incurred by the department in administering this part based upon a budget~~

1 ~~submitted by the department to and approved by the board.~~

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

7 ~~(4) The costs and expenses to be incurred by the~~  
8 ~~Pennsylvania State Police and the Office of Attorney General~~  
9 ~~and not otherwise reimbursed under this part in carrying out~~  
10 ~~their respective responsibilities under this part based upon~~  
11 ~~a budget submitted by the Pennsylvania State Police and the~~  
12 ~~Attorney General to and approved by the board.~~

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

16 ~~(6) The costs and expenses to be incurred by the board~~  
17 ~~in carrying out its responsibilities under this part based~~  
18 ~~upon a budget approved by the board.~~

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

22 ~~(b) [Deferral of assessment. Notwithstanding any other~~  
23 ~~provision of law to the contrary, the board may defer assessing~~  
24 ~~slot machine licensees for repayment of loans from the General~~  
25 ~~Fund under this section until all slot machine licenses have~~  
26 ~~been issued and all licensed gaming entities have commenced the~~  
27 ~~operation of slot machines.] (Reserved).~~

28 ~~Section 9. Section 1403(b), (c)(2)(i)(D) and (E), (ii)(E),~~  
29 ~~(F) and (G), (iii)(A) and (E), (iv), (vii) and (ix), (3)(i),~~  
30 ~~(ii), (iii), (iv), (v), (vi), (vii) and (viii) of Title 4 are~~

1 ~~amended, subsection (c)(2)(iii) is amended by adding a clause,~~  
2 ~~subsection (c)(3) is amended by adding a subparagraph and the~~  
3 ~~section is amended by adding a subsection to read:~~

4 ~~§ 1403. Establishment of State Gaming Fund and net slot machine~~  
5 ~~revenue distribution.~~

6 ~~\* \* \*~~

7 ~~(b) Slot machine tax. [The department shall determine and~~  
8 ~~each slot machine licensee shall pay a daily tax of 34% and a~~  
9 ~~local share assessment of 4% of its daily gross terminal revenue~~  
10 ~~from the slot machines in operation at its facility into the~~  
11 ~~fund.] The department shall determine and each slot machine~~  
12 ~~licensee shall pay a daily tax of 34% from its daily gross~~  
13 ~~terminal revenue from the slot machines in operation at its~~  
14 ~~facility and a local share assessment as provided in subsection~~  
15 ~~(c) into the fund. All funds owed to the Commonwealth or a~~  
16 ~~municipality under this section shall be held in trust by the~~  
17 ~~licensed gaming entity until the funds are paid or transferred~~  
18 ~~and distributed. Unless otherwise agreed to by the Gaming Board,~~  
19 ~~a licensed gaming entity shall establish a separate bank account~~  
20 ~~to maintain gaming proceeds until such time as they are paid or~~  
21 ~~transferred under this section.~~

22 ~~(c) Transfers and distributions. The department shall:~~

23 ~~\* \* \*~~

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

28 ~~(i) If the licensed facility is a Category 1~~  
29 ~~licensed facility that is located at a harness racetrack~~  
30 ~~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 account established in the Department of Community and Economic Development to be used exclusively for grants for health, safety and economic development projects 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.~~

~~(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 deposited into a restricted account established in the Department of Community and Economic Development to be used exclusively for grants to the county, to economic development authorities [or organizations within the county] or redevelopment authorities within the county for grants for economic development projects, job training, community improvement projects, other projects in the public interest 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.~~

~~\* \* \*~~

~~(ii) If the licensed facility is a Category 1 licensed facility and is located at a thoroughbred~~

1 ~~racetrack and the county in which the licensed facility~~  
2 ~~is located is:~~

3 ~~\* \* \*~~

4 ~~(E) A county of the fourth class: 2% of the~~  
5 ~~gross terminal revenue from each such licensed~~  
6 ~~facility shall be deposited into a restricted account~~  
7 ~~established in the Department of Community and~~  
8 ~~Economic Development to be used exclusively for~~  
9 ~~grants to the county, to economic development~~  
10 ~~authorities [or organizations within the county] or~~  
11 ~~redevelopment authorities within the county for~~  
12 ~~grants for economic development projects, community~~  
13 ~~improvement projects, job training, other projects in~~  
14 ~~the public interest and reasonable administrative~~  
15 ~~costs. Notwithstanding the Capital Facilities Debt~~  
16 ~~Enabling Act, grants made under this clause may be~~  
17 ~~utilized as local matching funds for other grants or~~  
18 ~~loans from the Commonwealth.~~

19 ~~[(F) Counties of the fifth through eighth~~  
20 ~~classes: 2% of the gross terminal revenue from each~~  
21 ~~such licensed facility shall be deposited into a~~  
22 ~~restricted account established in the Department of~~  
23 ~~Community and Economic Development to be used~~  
24 ~~exclusively for grants to the county.]~~

25 ~~(G) Any county not specifically enumerated in~~  
26 ~~clauses (A) through [(F),] (E), 2% of the gross~~  
27 ~~terminal revenue to the county hosting the licensed~~  
28 ~~facility from each such licensed facility.~~

29 ~~\* \* \*~~

30 ~~(iii) If the facility is a Category 2 licensed~~

1 ~~facility and if the county in which the licensed facility~~  
2 ~~is located is:~~

3 ~~(A) A county of the first class: 4% of the~~  
4 ~~gross terminal revenue to the county hosting the~~  
5 ~~licensed facility from each such licensed facility.~~  
6 ~~Notwithstanding any other provision to the contrary,~~  
7 ~~funds from licensed gaming entities located within a~~  
8 ~~county of the first class shall not be distributed~~  
9 ~~outside of a county of the first class. The first~~  
10 ~~\$5,000,000 of the total amount distributed annually~~  
11 ~~to the county of the first class shall be distributed~~  
12 ~~to the Philadelphia School District.~~

13 ~~\* \* \*~~

14 ~~(D.1) If a licensed facility is located in one~~  
15 ~~of two counties of the third class where a city of~~  
16 ~~the third class is located in both counties of the~~  
17 ~~third class, the county in which the licensed~~  
18 ~~facility is located shall receive 1.2% of the gross~~  
19 ~~terminal revenue to be distributed as follows: 20%~~  
20 ~~to the host city, 30% to the host county and 50% to~~  
21 ~~the host county for the purpose of making municipal~~  
22 ~~grants within the county, with priority given to~~  
23 ~~municipalities contiguous to the host city. The~~  
24 ~~county of the third class, which includes a city of~~  
25 ~~the third class that is located in two counties of~~  
26 ~~the third class and is not the host county for the~~  
27 ~~licensed facility, shall receive .8% of the gross~~  
28 ~~terminal revenue to be distributed as follows: 60%~~  
29 ~~to a nonhost city of the third class located solely~~  
30 ~~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 deposited into a restricted account established in the Department of Community and Economic Development to be used exclusively for grants to the county, to economic development authorities [or organizations within the county] or redevelopment authorities within the county for grants for economic development projects, community improvement projects, job training, other projects in the public interest and reasonable administrative costs. 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 the facility is a Category 3 licensed facility, [2%] 1% 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, to economic development authorities [or organizations within the county] or redevelopment authorities within the county for grants for economic development projects and community~~

1 ~~improvement projects[.]; and 1% shall be used exclusively~~  
2 ~~for grants to any county of the sixth class which has a~~  
3 ~~population of less than 41,000 based upon the 2000 United~~  
4 ~~States decennial census and which shares a boundary at~~  
5 ~~more than a single point with two counties of the fourth~~  
6 ~~class each of which hosts a licensed facility, to~~  
7 ~~economic development authorities or organizations within~~  
8 ~~any such county or to redevelopment authorities in any~~  
9 ~~such county for economic development projects and~~  
10 ~~community improvement projects or for municipal grants~~  
11 ~~within such county. If no county of the sixth class~~  
12 ~~shares a boundary with two counties of the fourth class~~  
13 ~~each of which hosts a licensed facility, the local share~~  
14 ~~distribution provided in this subparagraph for a sixth~~  
15 ~~class county shall be used exclusively for additional~~  
16 ~~grants to the host county, to economic development~~  
17 ~~authorities or organizations within the host county or to~~  
18 ~~redevelopment authorities within the host county for the~~  
19 ~~purposes enumerated in this subparagraph.~~

20 \* \* \*

21 ~~[(vii) The distributions provided in this paragraph~~  
22 ~~shall be based upon county classifications in effect on~~  
23 ~~the effective date of this section. Any reclassification~~  
24 ~~of counties as a result of a Federal decennial census or~~  
25 ~~of a State statute shall not apply to this subparagraph.]~~

26 \* \* \*

27 ~~(ix) Nothing in this paragraph shall prevent any of~~  
28 ~~the above counties which directly receive a distribution~~  
29 ~~under this section from entering into intergovernmental~~  
30 ~~cooperative agreements with other jurisdictions for~~

1       ~~sharing this money.~~

2       ~~(3) From the local share assessment established in~~  
3       ~~subsection (b), make quarterly distributions among the~~  
4       ~~municipalities, including home rule municipalities, hosting a~~  
5       ~~licensed facility in accordance with the following schedule:~~

6           ~~(i) To a city of the second class hosting a licensed~~  
7           ~~facility [or facilities], other than a Category 3~~  
8           ~~licensed facility, 2% of the gross terminal revenue or~~  
9           ~~\$10,000,000 annually, whichever is greater, [of all~~  
10          ~~licensed facilities] shall be paid by each licensed~~  
11          ~~gaming entity operating a facility located in that city.~~

12          ~~In the event that the revenues generated by the 2% do not~~  
13          ~~meet the \$10,000,000 minimum specified in this~~  
14          ~~[paragraph, the licensed gaming entity operating the~~  
15          ~~licensed facility or facilities in the city shall remit~~  
16          ~~the difference to the municipality.] subparagraph, the~~  
17          ~~department shall collect the remainder of the minimum~~  
18          ~~amount of \$10,000,000 from each licensed gaming entity~~  
19          ~~operating a facility in the city and deposit that amount~~  
20          ~~in the city treasury.~~

21          ~~(ii) To a city of the second class A hosting a~~  
22          ~~licensed facility [or facilities], other than a Category~~  
23          ~~3 licensed facility, 2% of the gross terminal revenue or~~  
24          ~~\$10,000,000 annually, whichever is greater, [of all~~  
25          ~~licensed facilities] shall be paid by each licensed~~  
26          ~~gaming entity operating a licensed facility located in~~  
27          ~~that city subject, however, to the budgetary limitation~~  
28          ~~in this subparagraph. The amount allocated to the~~  
29          ~~designated municipalities shall not exceed 50% of their~~  
30          ~~total budget for fiscal year 2003-2004, adjusted for~~

1 ~~inflation in subsequent years by an amount not to exceed~~  
2 ~~an annual cost of living adjustment calculated by~~  
3 ~~applying the percentage change in the Consumer Price~~  
4 ~~Index [for All Urban Consumers for the Pennsylvania, New~~  
5 ~~Jersey, Delaware and Maryland area, for the most recent~~  
6 ~~12-month period for which figures have been officially~~  
7 ~~reported by the United States Department of Labor, Bureau~~  
8 ~~of Labor Statistics,] immediately prior to the date the~~  
9 ~~adjustment is due to take effect. Any remaining moneys~~  
10 ~~shall be collected by the department from each licensed~~  
11 ~~gaming entity and distributed in accordance with~~  
12 ~~paragraph (2) based upon the classification of county~~  
13 ~~where the licensed facility [or facilities] is located.~~  
14 ~~In the event that the revenues generated by the 2% do not~~  
15 ~~meet the \$10,000,000 minimum specified in this~~  
16 ~~subparagraph, [the licensed gaming entity operating the~~  
17 ~~licensed facility or facilities in the city shall remit~~  
18 ~~the difference to the municipality.] the department shall~~  
19 ~~collect the remainder of the minimum amount of~~  
20 ~~\$10,000,000 from each licensed gaming entity operating a~~  
21 ~~facility in the city, pay any balance due to the city and~~  
22 ~~transfer any remainder in accordance with paragraph (2).~~

23 ~~(iii) To a city of the third class hosting a~~  
24 ~~licensed facility [or facilities], other than a Category~~  
25 ~~3 licensed facility, 2% of the gross terminal revenue or~~  
26 ~~\$10,000,000 annually, whichever is greater, [of all~~  
27 ~~licensed facilities] shall be paid by each licensed~~  
28 ~~gaming entity operating a licensed facility located in~~  
29 ~~that city subject, however, to the budgetary limitation~~  
30 ~~in this subparagraph. [However, the foregoing limitations~~



~~shall not apply, notwithstanding any provision to the contrary, if the licensed facility or facilities have executed a written agreement with the city prior to the effective date of this part to provide additional compensation to the city in excess of the difference between 2% of the gross terminal revenue and \$10,000,000.] In the event that the city has a written agreement with a licensed gaming entity executed prior to the effective date of this part, the amount paid under the agreement to the city shall be applied and credited to the difference between 2% of the gross terminal revenue and the \$10,000,000 owed under this subparagraph if the 2% of the gross terminal revenue is less than \$10,000,000. If 2% of the gross terminal revenue is greater than the \$10,000,000 required to be paid under this subparagraph, the credit shall not apply. The amount of gross terminal revenue required to be paid pursuant to the agreement shall be deemed to be gross terminal revenue for purposes of 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 [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,] immediately prior to the date the adjustment is due to take effect. Any~~

1 ~~remaining moneys shall be collected by the department~~  
2 ~~from each licensed gaming entity and distributed in~~  
3 ~~accordance with paragraph (2) based upon the~~  
4 ~~classification of county where the licensed facility [or~~  
5 ~~facilities] is located. In the event that the revenues~~  
6 ~~generated by the 2% do not meet the \$10,000,000 minimum~~  
7 ~~specified in this subparagraph, [the licensed gaming~~  
8 ~~entity operating the licensed facility or facilities in~~  
9 ~~the city shall remit the difference to the municipality.]~~  
10 ~~the department shall collect the remainder of the minimum~~  
11 ~~amount of \$10,000,000 from each licensed gaming entity~~  
12 ~~operating a facility, pay any balance due to the city of~~  
13 ~~the third class and transfer any remainder in accordance~~  
14 ~~with paragraph (2).~~

15 ~~(iii.1) If a licensed facility is located in a city~~  
16 ~~of the third class and the city is located in more than~~  
17 ~~one county of the third class, 2% of the gross terminal~~  
18 ~~revenue or \$10,000,000 annually, whichever is greater,~~  
19 ~~shall be distributed as follows: 80% to the host city and~~  
20 ~~20% to the city of the third class located solely in a~~  
21 ~~nonhost county in which the host city of the third class~~  
22 ~~is also located. If a licensed facility is located in a~~  
23 ~~city of the third class and that city is located solely~~  
24 ~~in a host county of the third class in which a nonhost~~  
25 ~~city of the third class is also located, 2% of gross~~  
26 ~~terminal revenue or \$10,000,000 annually, whichever is~~  
27 ~~greater, shall be distributed as follows: 80% to the~~  
28 ~~host city and 20% to a city of the third class located~~  
29 ~~both in a nonhost county of the third class and in a host~~  
30 ~~county of the third class in which the host city of the~~

~~third class is located.~~

~~(iv) To a township of the first class hosting a licensed facility [or facilities], other than a Category 3 licensed facility, 2% of the gross terminal revenue or \$10,000,000 annually, whichever is greater, [of all licensed facilities] shall be paid by each licensed gaming entity operating a licensed facility located in the township 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 [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,] 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 [or facilities] is located. In the event that the revenues generated by the 2% do not meet the \$10,000,000 minimum specified in this subparagraph, [the licensed gaming entity operating the licensed facility or facilities in the township shall remit the difference to the municipality.] 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).~~

~~(v) To a township of the second class hosting a licensed facility [or facilities], other than a Category 3 licensed facility, 2% of the gross terminal revenue or \$10,000,000 annually, whichever is greater, [of all licensed facilities] shall be paid by each licensed entity operating a licensed gaming facility located in the township 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 [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,] 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 [or facilities] is located. Where the licensed facility is other than a Category 3 and is located in more than one second class township the county commissioners of the county of the third class in~~

~~which the 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. In the event that the revenues generated by the 2% do not meet the \$10,000,000 minimum specified in this subparagraph, [the licensed gaming entity operating the licensed facility or facilities in the township shall remit the difference to the municipality.] 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).~~

~~(vi) To a borough hosting a licensed facility [or facilities], other than a Category 3 licensed facility, 2% of the gross terminal revenue or \$10,000,000 annually, whichever is greater, [of all licensed facilities] shall be paid by each licensed gaming entity operating a licensed facility located in that borough 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 [for All~~

1 ~~Urban Consumers for the Pennsylvania, New Jersey,~~  
2 ~~Delaware and Maryland area, for the most recent 12 month~~  
3 ~~period for which figures have been officially reported by~~  
4 ~~the United States Department of Labor, Bureau of Labor~~  
5 ~~Statistics,] immediately prior to the date the adjustment~~  
6 ~~is due to take effect. Any remaining money shall be~~  
7 ~~collected by the department from each licensed gaming~~  
8 ~~entity and distributed in accordance with paragraph (2)~~  
9 ~~based upon the classification of county where the~~  
10 ~~licensed facility [or facilities] is located. In the~~  
11 ~~event that the revenues generated by the 2% do not meet~~  
12 ~~the \$10,000,000 minimum specified in this subparagraph,~~  
13 ~~[the licensed gaming entity operating the licensed~~  
14 ~~facility or facilities in the borough shall remit the~~  
15 ~~difference to the municipality.] the department shall~~  
16 ~~collect the remainder of the minimum amount of~~  
17 ~~\$10,000,000 from each licensed gaming entity operating a~~  
18 ~~licensed facility in the borough, pay any balance due to~~  
19 ~~the borough and transfer any remainder in accordance with~~  
20 ~~paragraph (2).~~

21 ~~(vii) To an incorporated town hosting a licensed~~  
22 ~~facility [or facilities], other than a Category 3~~  
23 ~~licensed facility, 2% of the gross terminal revenue or~~  
24 ~~\$10,000,000 annually, whichever is greater, [of all~~  
25 ~~licensed facilities] shall be paid by each licensed~~  
26 ~~entity operating a licensed gaming entity located in the~~  
27 ~~town subject, however, to the budgetary limitation in~~  
28 ~~this subparagraph. The amount allocated to the designated~~  
29 ~~municipalities shall not exceed 50% of their total budget~~  
30 ~~for fiscal year 2003-2004, adjusted for inflation in~~

1       ~~subsequent years by an amount not to exceed an annual~~  
2       ~~cost of living adjustment calculated by applying the~~  
3       ~~percentage change in the Consumer Price Index [for All~~  
4       ~~Urban Consumers for the Pennsylvania, New Jersey,~~  
5       ~~Delaware and Maryland area, for the most recent 12 month~~  
6       ~~period for which figures have been officially reported by~~  
7       ~~the United States Department of Labor, Bureau of Labor~~  
8       ~~Statistics,] immediately prior to the date the adjustment~~  
9       ~~is due to take effect. Any remaining money shall be~~  
10       ~~collected by the department from each licensed gaming~~  
11       ~~entity and distributed in accordance with paragraph (2)~~  
12       ~~based upon the classification of county where the~~  
13       ~~licensed facility [or facilities] is located. In the~~  
14       ~~event that the revenues generated by the 2% do not meet~~  
15       ~~the \$10,000,000 minimum specified in this subparagraph,~~  
16       ~~[the licensed gaming entity operating the licensed~~  
17       ~~facility or facilities in the town shall remit the~~  
18       ~~difference to the municipality.] the department shall~~  
19       ~~collect the remainder of the minimum amount of~~  
20       ~~\$10,000,000 from each licensed gaming entity operating a~~  
21       ~~licensed facility in the incorporated town, pay any~~  
22       ~~balance due to the town and transfer any remainder in~~  
23       ~~accordance with paragraph (2).~~

24       ~~(viii) To a municipality of any class hosting a~~  
25       ~~Category 3 facility, 2% of the gross terminal revenue~~  
26       ~~from the Category 3 licensed facility located in the~~  
27       ~~municipality, subject, however, to the budgetary~~  
28       ~~limitation in this subparagraph. The amount allocated to~~  
29       ~~the designated municipalities shall not exceed 50% of~~  
30       ~~their total budget for fiscal year 2003-2004, adjusted~~

1       ~~for inflation in subsequent years by an amount not to~~  
2       ~~exceed an annual cost of living adjustment calculated by~~  
3       ~~applying the percentage change in the Consumer Price~~  
4       ~~Index [for All Urban Consumers for the Pennsylvania, New~~  
5       ~~Jersey, Delaware and Maryland area, for the most recent~~  
6       ~~12-month period for which figures have been officially~~  
7       ~~reported by the United States Department of Labor, Bureau~~  
8       ~~of Labor Statistics,] immediately prior to the date the~~  
9       ~~adjustment is due to take effect. Any remaining money~~  
10       ~~shall be collected by the department from each licensed~~  
11       ~~gaming entity and distributed in accordance with~~  
12       ~~paragraph (2) based upon the classification of county~~  
13       ~~where the licensed facility [or facilities] is located.~~

14               ~~\* \* \*~~

15       ~~(d) Consumer Price Index. For purposes of subsection (c),~~  
16       ~~references to the Consumer Price Index shall mean the Consumer~~  
17       ~~Price Index for All Urban Consumers for the Pennsylvania, New~~  
18       ~~Jersey, Delaware and Maryland area, for the most recent 12 month~~  
19       ~~period for which figures have been officially reported by the~~  
20       ~~United States Department of Labor, Bureau of Labor Statistics.~~

21       ~~Section 9.1. Sections 1406(a), 1408(a) and 1506 of Title 4~~  
22       ~~are amended to read:~~

23       ~~§ 1406. Distributions from Pennsylvania Race Horse Development~~  
24       ~~Fund.~~

25       ~~(a) Distributions. Funds from the Pennsylvania Race Horse~~  
26       ~~Development Fund shall be distributed to each active and~~  
27       ~~operating Category 1 licensee conducting live racing in the~~  
28       ~~following manner:~~

29               ~~(1) An amount equal to 18% of the daily gross terminal~~  
30       ~~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 distributions to licensed racing entities from the Pennsylvania Race Horse Development Fund shall be allocated as follows:~~

~~(i) Eighty percent [to] 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) [From licensees that operate at] For thoroughbred tracks, 16% [to] shall be deposited on a monthly basis into the Pennsylvania Breeding Fund as defined in section 223 of the Race Horse Industry Reform Act. [From licensees that operate at] For standardbred tracks, 8% [to] shall be deposited on a monthly basis in~~

1 the Pennsylvania Sire Stakes Fund as defined in section  
2 224 of the Race Horse Industry Reform Act and 8% [to]  
3 shall be deposited on a monthly basis into a restricted  
4 account in the State Racing Fund to be known as the  
5 Pennsylvania Standardbred Breeders Development Fund. The  
6 State Harness Racing Commission shall, in consultation  
7 with the Secretary of Agriculture by rule or by  
8 regulation, adopt a standardbred breeders program that  
9 will include the administration of Pennsylvania Stallion  
10 Award, Pennsylvania Bred Award and a Pennsylvania Sired  
11 and Bred Award.

12 (iii) Four percent [to] shall be used to fund health  
13 and pension benefits for the members of the horsemen's  
14 organizations representing the owners and trainers at the  
15 racetrack at which the licensed racing entity operates  
16 for the benefit of the organization's members, their  
17 families, employees and others in accordance with the  
18 rules and eligibility requirements of the organization,  
19 as approved by the State Horse Racing Commission or the  
20 State Harness Racing Commission. This amount shall be  
21 deposited within five business days of the end of each  
22 month into a separate account to be established by each  
23 respective horsemen's organization at a banking  
24 institution of its choice. Of this amount, \$250,000 shall  
25 be paid annually by the horsemen's organization to the  
26 thoroughbred jockeys or standardbred drivers organization  
27 at the racetrack at which the licensed racing entity  
28 operates for health insurance, life insurance or other  
29 benefits to active and disabled thoroughbred jockeys or  
30 standardbred drivers in accordance with the rules and

1 ~~eligibility requirements of that organization.~~

2 ~~(2) (Reserved).~~

3 \* \* \*

4 ~~§ 1408. Transfers from State Gaming Fund.~~

5 ~~(a) Transfer for compulsive problem gambling treatment.~~

6 ~~Each year, the sum of [\$1,500,000] \$4,000,000 or an amount equal~~  
7 ~~to [.001] .003 multiplied by the total gross terminal revenue of~~  
8 ~~all active and operating licensed gaming entities, whichever is~~  
9 ~~greater, shall be transferred into the Compulsive and Problem~~  
10 ~~Gambling Treatment Fund established in section 1509 (relating to~~  
11 ~~compulsive and problem gambling program).~~

12 \* \* \*

13 ~~§ 1506. Local land use [preemption].~~

14 ~~The conduct of gaming in cities of the first and second~~  
15 ~~class, as permitted under this part, including the physical~~  
16 ~~location of any licensed facility, shall not be prohibited or~~  
17 ~~otherwise regulated by any ordinance, home rule charter~~  
18 ~~provision, resolution, rule or regulation of any political~~  
19 ~~subdivision or any local or State instrumentality or authority~~  
20 ~~that relates to zoning or land use to the extent that the~~  
21 ~~licensed facility has been approved by the board. The board [may~~  
22 ~~in its discretion consider such local zoning ordinances when~~  
23 ~~considering an application for a slot machine license.] shall~~  
24 ~~determine issues involving zoning in accordance with local~~  
25 ~~zoning ordinances in effect on July 5, 2004. The board shall~~  
26 ~~provide [the] any affected political subdivision, within which~~  
27 ~~an applicant for a slot machine license has proposed to locate a~~  
28 ~~licensed gaming facility, a 60 day comment period prior to the~~  
29 ~~board's final approval, condition or denial of approval of its~~  
30 ~~application for a slot machine license. The political~~

~~subdivision may make recommendations to the board for improvements to the applicant's proposed site plans that take into account the impact on the local community, including, but not limited to, land use and transportation impact. [This section shall also apply to any proposed racetrack or licensed racetrack.]~~

~~Section 9.2. Title 4 is amended by adding a section to read:~~  
~~tf § 1506.1. Clean indoor air.~~

~~Licensed facilities shall only be subject to public smoking rules or regulations as may be imposed by the Commonwealth and applied in a comprehensive Statewide manner.~~

~~Section 10. Sections 1509(a), (b) and (d) and 1512 of Title 4 are amended 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.~~

~~(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 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. The fund shall consist of money annually allocated to it from the annual payment established under section 1408 (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.~~

~~\* \* \*~~

~~(d) Single county authorities. The Department of Health may make grants from the fund established under subsection (b) to a~~

1 ~~single county authority created pursuant to the act of April 14,~~  
2 ~~1972 (P.L.221, No.63), known as the Pennsylvania Drug and~~  
3 ~~Alcohol Abuse Control Act, for the purpose of providing~~  
4 ~~compulsive gambling and gambling [addition] addiction~~  
5 ~~prevention, treatment and education programs. It is the~~  
6 ~~intention of the General Assembly that any grants that the~~  
7 ~~Department of Health may make to any single county authority in~~  
8 ~~accordance with the provisions of this subsection be used~~  
9 ~~exclusively for the development and implementation of compulsive~~  
10 ~~and problem gambling programs authorized under subsection (a).~~

11       ~~\* \* \*~~

12 ~~§ 1512. [Public official financial interest.] Financial and~~  
13 ~~employment interests.~~

14 ~~{(a) General rule. Except as may be provided by rule or~~  
15 ~~order of the Pennsylvania Supreme Court, no executive level~~  
16 ~~State employee, public official, party officer or immediate~~  
17 ~~family member thereof shall have, at or following the effective~~  
18 ~~date of this part, a financial interest in or be employed,~~  
19 ~~directly or indirectly, by any licensed racing entity or~~  
20 ~~licensed gaming entity, or any holding, affiliate, intermediary~~  
21 ~~or subsidiary company, thereof, or any such applicant, nor~~  
22 ~~solicit or accept, directly or indirectly, any complimentary~~  
23 ~~service or discount from any licensed racing entity or licensed~~  
24 ~~gaming entity which he or she knows or has reason to know is~~  
25 ~~other than a service or discount that is offered to members of~~  
26 ~~the general public in like circumstances during his or her~~  
27 ~~status as an executive level State employee, public official or~~  
28 ~~party officer and for one year following termination of the~~  
29 ~~person's status as an executive level State employee, public~~  
30 ~~official or party officer.]~~

~~(a) Financial interests. Except as may be provided by rule or order of the Pennsylvania Supreme Court, an executive level public employee, public official or party officer, or an immediate family member thereof, shall not intentionally or knowingly hold a financial interest in an applicant or a slot machine licensee, manufacturer licensee, supplier licensee or licensed racing entity, or in a 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.1) Employment. Except as may be provided by rule or order of the Pennsylvania Supreme Court, 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.2) Complimentary services.~~

~~(1) No executive level public employee, public official or party officer, or an immediate family member thereof, shall solicit or accept, any complimentary service from an applicant or a slot machine licensee, manufacturer licensee, supplier licensee or licensed racing entity, or from any affiliate, intermediary, subsidiary or holding company~~

1 ~~thereof, which the executive level public employee, public~~  
2 ~~official or party officer, or an immediate family member~~  
3 ~~thereof, knows or has reason to know is other than a service~~  
4 ~~or discount which is offered to members of the general public~~  
5 ~~in like circumstances.~~

6 ~~(2) No applicant, slot machine licensee, manufacturer~~  
7 ~~licensee, supplier licensee or licensed racing entity, or any~~  
8 ~~affiliate, intermediary, subsidiary or holding company~~  
9 ~~thereof, shall offer or deliver to an executive level public~~  
10 ~~employee, public official or party officer, or an immediate~~  
11 ~~family member thereof, any complimentary service from the~~  
12 ~~applicant or slot machine licensee, manufacturer licensee,~~  
13 ~~supplier licensee or licensed racing entity, or an affiliate,~~  
14 ~~intermediary, subsidiary or holding company thereof, that the~~  
15 ~~applicant or slot machine licensee, manufacturer licensee,~~  
16 ~~supplier licensee or licensed racing entity, or any~~  
17 ~~affiliate, intermediary, subsidiary or holding company~~  
18 ~~thereof, knows or has reason to know is other than a service~~  
19 ~~or discount that is offered to members of the general public~~  
20 ~~in like circumstances.~~

21 ~~(a.3) Grading. An individual who violates this section~~  
22 ~~commits a misdemeanor and shall, upon conviction, be sentenced~~  
23 ~~to pay a fine of not more than \$1,000 or to imprisonment for not~~  
24 ~~more than one year, or both.~~

25 ~~(a.4) Divestiture. An executive level public employee,~~  
26 ~~public official or party officer, or an immediate family member~~  
27 ~~thereof, who holds a financial interest prohibited by this~~  
28 ~~section shall divest the financial interest within three months~~  
29 ~~of the effective date of the restrictions set forth in~~  
30 ~~subsection (a), as applicable. Thereafter, any executive level~~



~~public employee, public official, party officer or immediate family member shall be divested of the financial interest within 30 days of the earlier of:~~

~~(1) the date the individual knew or had reason to know of the violation; or~~

~~(2) the date of annual publication in the Pennsylvania Bulletin under § 1202(b)(27) (relating to General and specific powers ).~~

~~(a.5) Ethics Commission. The Ethics Commission shall publish a list of all State, county, municipal and other government positions that meet the definitions of "public official" or "executive level public employee" under subsection (b). The Office of Administration shall assist the Ethics Commission in the development of the list, which shall be published in the Pennsylvania Bulletin biennially and on the board's website. Upon request, each public official shall have a duty to provide the Ethics Commission with adequate information to accurately develop and maintain the list. The Ethics Commission may impose a civil penalty under 65 Pa.C.S. § 1109(f) (relating to penalties) upon any public official or executive level public employee who fails to cooperate with the Ethics Commission under this subsection.~~

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

~~"Executive level [State] public employee." [The Governor, Lieutenant Governor, cabinet members, deputy secretaries, the Governor's office executive staff, any State employee with discretionary powers which may affect the outcome of a State agency's decision in relation to a private corporation or~~

~~business, with respect to any matter covered by this part or any executive employee who by virtue of his job function could influence the outcome of such a decision.] The term shall include the following:~~

~~(1) Deputy Secretaries of the Commonwealth and the Governor's office executive staff.~~

~~(2) Employees of the Executive Branch with discretionary powers which may affect or influence the outcome of a State agency's action or decision relating to a matter under this part.~~

~~(3) An executive level employee of a county which received a distribution of money or revenue under section 1403(c)(2) (relating to establishment of State Gaming Fund and net slot machine revenue distribution).~~

~~(4) An executive level employee of a municipality which received a distribution of money or revenue under section 1403(c)(2).~~

~~(5) An employee of a department, agency, board, commission, authority or other governmental body which directly receives a distribution of money or revenue under this part.~~

~~(6) An employee of a department, agency, board, commission, authority or other governmental body which possesses regulatory or law enforcement authority over a licensed entity.~~

~~(7) Any other employee of a county, municipality, authority, commission or other local governmental entity with discretionary powers which may affect or influence the outcome of an action or decision relating to a matter under this part.~~

~~"Financial interest." Owning or holding, or being deemed to hold, debt or equity securities [exceeding 1% of the equity or fair market value of the licensed racing entity or licensed gaming entity, its holding company, affiliate, intermediary or subsidiary business.] or other ownership interest or profits interest. A financial interest shall not include any [such stock that is held in a blind trust over which the executive level State 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).] 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 [parent,] spouse, minor child or unemancipated child[, brother or sister].~~

~~"Law enforcement authority." The term shall include the authority of a State or local police force, the Attorney General or a district attorney.~~

~~"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." Any person elected by the public or elected or appointed by a governmental body or an appointed official in the executive, legislative or judicial branch of this Commonwealth or any political subdivision thereof, provided that it shall not include members of advisory boards that have no authority to expend public funds other than reimbursement for personal expense or to otherwise exercise the power of the~~

~~Commonwealth or any political subdivision or commissioner of any authority or joint state commission.}]~~

~~"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 to any office of a county that receives a distribution of money or revenue under this part.~~

~~(4) An individual elected or appointed to a governmental body that receives a distribution of money or revenue under this part.~~

~~(5) An individual elected or appointed to a department, agency, board, commission, authority or other governmental body that directly receives a distribution of money or revenue 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 11. Section 1513(a) of Title 4 is amended and the section is amended by adding subsections to read:~~

~~§ 1513. Political influence.~~

~~{(a) Contribution restriction. An applicant for a slot machine license, manufacturer license or supplier license, licensed racing entity licensee, licensed manufacturer, licensed supplier or licensed gaming entity, or a person that holds a~~

1 ~~similar gaming license or permit or a controlling interest in a~~  
2 ~~gaming license or permit in another jurisdiction, or any~~  
3 ~~holding, affiliate, intermediary or subsidiary company thereof,~~  
4 ~~or any officer, director or key employee of such applicant~~  
5 ~~licensed manufacturer or licensed supplier, licensed racing~~  
6 ~~entity or licensed gaming entity or any holding, affiliate,~~  
7 ~~intermediary or subsidiary company thereof, shall be prohibited~~  
8 ~~from contributing any money or in kind contribution to a~~  
9 ~~candidate for nomination or election to any public office in~~  
10 ~~this Commonwealth, or to any political committee or State party~~  
11 ~~in this Commonwealth or to any group, committee or association~~  
12 ~~organized in support of any such candidate, political committee~~  
13 ~~or State party.}~~

14 ~~(a) Contribution restriction. The following persons shall~~  
15 ~~be prohibited from contributing any money or in kind~~  
16 ~~contribution to a candidate for nomination or election to any~~  
17 ~~public office in this Commonwealth, or to any political party~~  
18 ~~committee or other political committee in this Commonwealth or~~  
19 ~~to any group, committee or association organized in support of a~~  
20 ~~candidate, political party committee or other political~~  
21 ~~committee in this Commonwealth:~~

22 ~~(1) An applicant for a slot machine license,~~  
23 ~~manufacturer license, supplier license, racing license,~~  
24 ~~principal license or key employee permit.~~

25 ~~(2) A slot machine licensee, licensed manufacturer,~~  
26 ~~licensed supplier or licensed racing entity.~~

27 ~~(3) A licensed principal or permitted key employee of a~~  
28 ~~slot machine licensee, licensed manufacturer, licensed~~  
29 ~~supplier or licensed racing entity.~~

30 ~~(4) An affiliate, intermediary, subsidiary or holding~~

~~company of a slot machine licensee, licensed manufacturer,  
licensed supplier or licensed racing entity.~~

~~(5) A licensed principal or permitted key employee of an  
affiliate, intermediary, subsidiary or holding company of a  
slot machine licensee, licensed manufacturer, licensed  
supplier or licensed racing entity.~~

~~(6) A person who holds a similar gaming license in  
another jurisdiction and the affiliates, intermediaries,  
subsidiaries, holding companies, principals or key employees  
thereof.~~

~~(a.1) Contributions to certain associations and  
organizations barred. The individuals prohibited from making  
political contributions under subsection (a) shall not make a  
political contribution of money or an in kind contribution to  
any association or organization, including a nonprofit  
organization, that has been solicited by, or knowing that the  
contribution or a portion thereof will be contributed to the  
elected official, executive level public employee or candidate  
for nomination or election to a public office in this  
Commonwealth.~~

~~(a.2) Internet website.~~

~~(1) The board shall establish an Internet website that  
includes a list of all applicants for and holders of a slot  
machine license, manufacturer license, supplier license or  
racing entity license, and the affiliates, intermediaries,  
subsidiaries, holding companies, principals and key employees  
thereof, all persons holding a similar gaming license in  
another jurisdiction and the affiliates, intermediaries,  
subsidiaries, holding companies, principals and key employees  
thereof, and any other entity in which the applicant or~~

~~licensee has any debt or equity security or other ownership or profits interest. An applicant or licensee shall notify the board within seven days of the discovery of any change in or addition to the information. The list shall be published semiannually in the Pennsylvania Bulletin.~~

~~(2) An individual who acts in good faith and in reliance on the information on the Internet website shall not be subject to any penalties or liability imposed for a violation of this section.~~

~~(3) The board shall request the information required under paragraph (1) from persons licensed in another jurisdiction who do not hold a license in this Commonwealth and from regulatory agencies in the other jurisdiction. If a licensee in another jurisdiction refuses to provide the information required under paragraph (1), the person and its officers, directors or persons with a controlling interest shall be ineligible to receive any license under this part.~~

~~\* \* \*~~

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

~~"Contribution." Any payment, gift, subscription, assessment, contract, payment for services, dues, loan, forbearance, advance or deposit of money or any valuable thing, made to a candidate or political committee for the purpose of influencing any election to a public office in this Commonwealth or for paying debts incurred by or for a candidate or committee before or after any election. The term shall include the purchase of tickets for events including dinners, luncheons, rallies and other fund raising events; the granting of discounts or rebates~~



1 ~~not available to the general public; or the granting of~~  
2 ~~discounts or rebates by television and radio stations and~~  
3 ~~newspapers not extended on an equal basis to all candidates for~~  
4 ~~the same office; and any payments provided for the benefit of~~  
5 ~~any candidate, including payments for the services of a person~~  
6 ~~serving as an agent of a candidate or committee by a person~~  
7 ~~other than the candidate or committee or person whose~~  
8 ~~expenditures the candidate or committee must report. The term~~  
9 ~~also includes any receipt or use of anything of value received~~  
10 ~~by a political committee from another political committee and~~  
11 ~~also includes any return on investments by a political~~  
12 ~~committee.~~

13 ~~"Political committee." Any committee, club, association or~~  
14 ~~other group of persons which receives contributions or makes~~  
15 ~~expenditures.~~

16 ~~Section 12. Section 1517(a), (b), (c) and (d) of Title 4 are~~  
17 ~~amended and the section is amended by adding subsections to~~  
18 ~~read:~~

19 ~~§ 1517. [Enforcement.] Investigations and enforcement.~~

20 ~~{(a) Powers and duties. The Bureau of Investigations and~~  
21 ~~Enforcement shall have the following powers and duties:~~

22 ~~(1) Promptly investigate all licensees, permittees and~~  
23 ~~applicants as directed by the board in accordance with the~~  
24 ~~provisions of section 1202 (relating to general and specific~~  
25 ~~powers).~~

26 ~~(2) Enforce the rules and regulations promulgated under~~  
27 ~~this part.~~

28 ~~(3) Initiate proceedings for administrative violations~~  
29 ~~of this part or regulations promulgated under this part.~~

30 ~~(4) Provide the board with all information necessary for~~

1 ~~all action under this part and for all proceedings involving~~  
2 ~~enforcement of this part or regulations promulgated under~~  
3 ~~this part.~~

4 ~~(5) Investigate the circumstances surrounding any act or~~  
5 ~~transaction for which board approval is required.~~

6 ~~(6) Conduct administrative inspections on the premises~~  
7 ~~of a licensed racetrack or nonprimary location or licensed~~  
8 ~~facility to ensure compliance with this part and the~~  
9 ~~regulations of the board and, in the course of inspections,~~  
10 ~~review and make copies of all documents and records that may~~  
11 ~~be required through onsite observation and other reasonable~~  
12 ~~means to assure compliance with this part and regulations~~  
13 ~~promulgated under this part.~~

14 ~~(7) Receive and take appropriate action on any referral~~  
15 ~~from the board relating to any evidence of a violation.~~

16 ~~(8) Conduct audits of slot machine operations at such~~  
17 ~~times, under such circumstances and to such extent as the~~  
18 ~~bureau determines. This paragraph includes reviews of~~  
19 ~~accounting, administrative and financial records and~~  
20 ~~management control systems, procedures and records utilized~~  
21 ~~by a slot machine licensee.~~

22 ~~(9) Request and receive information, materials and other~~  
23 ~~data from any licensee, permittee or applicant.~~

24 ~~(10) Refer for investigation all possible criminal~~  
25 ~~violations to the Pennsylvania State Police and cooperate~~  
26 ~~fully in the investigation and prosecution of a criminal~~  
27 ~~violation arising under this part.]~~

28 ~~(a) Establishment. There is hereby established within the~~  
29 ~~board a Bureau of Investigations and Enforcement which shall be~~  
30 ~~independent of the board in matters relating to the enforcement~~

~~of this part. The bureau shall have the powers and duties set forth in subsection (a.1).~~

~~(a.1) Powers and duties of bureau. The Bureau of Investigations and Enforcement shall have the following powers and duties:~~

~~(1) Enforce the provisions of this part.~~

~~(2) Investigate and review all applicants and applications for a license, permit or registration.~~

~~(3) Investigate licensees, permittees, registrants and other persons regulated by the board for noncriminal violations of this part, including potential violations referred to the bureau by the board or other person.~~

~~(4) Monitor gaming operations to ensure all of the following:~~

~~(i) Compliance with this part, the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, and the other laws of this Commonwealth.~~

~~(ii) The implementation of adequate security measures by a licensed entity.~~

~~(5) Inspect and examine licensed entities as provided in subsection (e). Inspections may include the review and reproduction of any document or record.~~

~~(6) Conduct audits of a licensed entity as necessary to ensure compliance with this part. An audit may include the review of accounting, administrative and financial records, management control systems, procedures and other records utilized by a licensed entity.~~

~~(7) Refer possible criminal violations to the Pennsylvania State Police. The bureau shall not have the power of arrest.~~

~~(8) Cooperate in the investigation and prosecution of criminal violations related to this part.~~

~~(9) Be a criminal justice agency under 18 Pa.C.S. Ch. 91 (relating to criminal history record information).~~

~~(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:~~

~~(i) Advise the bureau on all matters, including the granting of licenses, permits or registrations, the conduct of background investigations, audits and inspections and the investigation of potential violations of this part.~~

~~(ii) File recommendations and objections relating to the issuance of licenses, permits and registrations on behalf of the bureau.~~

~~(iii) Initiate, in its sole discretion, proceedings for noncriminal violations of this part by filing a complaint or other pleading with the board.~~

~~(2) The director of the Office of Enforcement Counsel shall report to the executive director of the board on administrative matters. The director shall be selected by the board and shall be an attorney admitted to practice before the Pennsylvania Supreme Court.~~

~~(b) Powers and duties of department.~~

~~(1) The department shall at all times have the power of access to examination and audit of any equipment and records relating to all aspects of the operation of slot machines under this part.~~

~~(2) Notwithstanding the provisions of section 353(f) of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, the department shall supply the board, the bureau, the Pennsylvania State Police and the Office of Attorney General with information concerning the status of delinquent taxes owned by the applicant, licensee or permittee.~~

~~(3) Prepare and submit annually to the Appropriations Committee of the Senate and the Appropriations Committee of the House of Representatives an itemized budget request consisting of the amounts necessary to fund the duties of the department under this part which shall be appropriated by the General Assembly out of the accounts established under section 1401 (relating to slot machine licensee deposits).~~

~~(c) Powers and duties of the Pennsylvania State Police. The Pennsylvania State Police shall have the following powers and duties:~~

~~(1) Promptly [investigate all licensees, permittees and applicants] conduct background investigations on persons as directed by the board in accordance with the provisions of section 1202 (relating to general and specific powers). The Pennsylvania State Police may contract with other law enforcement annuitants to assist in the conduct of investigations under this paragraph.~~

~~[(2) Enforce the rules and regulations promulgated under this part.]~~

~~(3) Initiate proceedings for [any] criminal violations of this part [or regulations promulgated under this part].~~

~~(4) Provide the board with all information necessary for all actions under this part for all proceedings involving~~

~~criminal enforcement of this part [or regulations promulgated under this part].~~

~~(5) Inspect, when appropriate, a licensee's or permittee's person and personal effects present in a licensed facility under this part while that licensee or permittee is present at a licensed facility.~~

~~(6) Enforce the criminal provisions of this part and all other criminal laws of the Commonwealth.~~

~~(7) Fingerprint applicants for licenses and permits.~~

~~(8) Exchange fingerprint data with and receive national criminal history record information from the FBI for use in investigating applications for any license or permit under this part.~~

~~(9) Receive and take appropriate action on any referral from the board relating to criminal conduct.~~

~~(10) Require the production of any information, material and other data from any licensee, permittee, registrant or applicant.~~

~~(11) Conduct administrative inspections on the premises of licensed racetrack or nonprimary location or licensed facility at such times, under such circumstances and to such extent as the bureau determines to ensure compliance with this part and the regulations of the board and, in the course of inspections, review and make copies of all documents and records required by the inspection through onsite observation and other reasonable means to assure compliance with this part and regulations promulgated under this part.~~

~~(12) Conduct audits or verification of information of slot machine operations at such times, under such circumstances and to such extent as the bureau determines.~~

1     ~~This paragraph includes reviews of accounting, administrative~~  
2     ~~and financial records and management control systems,~~  
3     ~~procedures and records utilized by a slot machine licensee.~~

4         ~~(13) A member of the Pennsylvania State Police assigned~~  
5     ~~to duties of enforcement under this part shall not be counted~~  
6     ~~toward the complement as defined in the act of December 13,~~  
7     ~~2001 (P.L.903, No.100), entitled "An act repealing in part a~~  
8     ~~limitation on the complement of the Pennsylvania State~~  
9     ~~Police."~~

10        ~~(14) Prepare and submit annually to the Appropriations~~  
11     ~~Committee of the Senate and the Appropriations Committee of~~  
12     ~~the House of Representatives an itemized budget request~~  
13     ~~consisting of the amounts necessary to fund the duties of the~~  
14     ~~Pennsylvania State Police under this part, which shall be~~  
15     ~~appropriated by the General Assembly out of the accounts~~  
16     ~~established in section 1401.~~

17     ~~(c.1) Powers and duties of the Attorney General.~~

18        ~~(1) Within the Office of Attorney General, the Attorney~~  
19     ~~General shall establish a gaming unit.~~

20        ~~(2) The Attorney General shall investigate and institute~~  
21     ~~criminal proceedings as authorized by subsection (d).~~

22        ~~(3) The Attorney General shall prepare and submit~~  
23     ~~annually to the Appropriations Committee of the Senate and~~  
24     ~~the Appropriations Committee of the House of Representatives~~  
25     ~~an itemized budget request consisting of the amounts~~  
26     ~~necessary to fund the duties of the Attorney General under~~  
27     ~~this part, which shall be appropriated by the General~~  
28     ~~Assembly out of the accounts established in section 1401.~~

29     ~~(c.2) Powers and duties of Pennsylvania Liquor Control~~  
30     ~~Board. The Pennsylvania Liquor Control Board shall promulgate~~

~~emergency regulations relating to the sale and service of liquor and malt and brewed beverages by slot machine licensees under this part. The board shall provide comments to the Pennsylvania Liquor Control Board regarding the regulations within 30 days of the effective date of this section. Regulations promulgated under this section shall expire December 31, 2007.~~

~~(d) Criminal action.~~

~~(1) The district attorneys of the several counties shall have authority to investigate and to institute criminal proceedings for [any] a violation of this part.~~

~~(2) In addition to the authority conferred upon the Attorney General [by] under the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act, the Attorney General shall have the authority to investigate and, following consultation with the appropriate district attorney, to institute criminal proceedings for [any] a violation of this part, [or any series of such violations involving any county of this Commonwealth and another state. No] A person charged with a violation of this part by the Attorney General shall not have standing to challenge the authority of the Attorney General to investigate or prosecute the case, and, if any such challenge is made, the challenge shall be dismissed and no relief shall be available in the courts of this Commonwealth to the person making the challenge.~~

~~(d.1) Regulatory action. Nothing contained in subsection (d) shall be construed to limit the existing regulatory or investigative authority of an agency or the Commonwealth whose functions relate to persons or matters within the scope of this part.~~



1       \* \* \*

2       Section 13. ~~Title 4 is amended by adding sections to read:~~

3       ~~§ 1517.1. (Reserved).~~

4       ~~§ 1517.2. Conduct of public officials and employees.~~

5       ~~(a) Ex parte discussion prohibited. An attorney~~  
6 ~~representing the bureau or the Office of Enforcement Counsel, or~~  
7 ~~an employee of the bureau or office involved in the hearing~~  
8 ~~process, shall not discuss the case ex parte with a hearing~~  
9 ~~officer, chief counsel or member.~~

10      ~~(b) Other prohibitions. A hearing officer, the chief~~  
11 ~~counsel or a member shall not discuss or exercise any~~  
12 ~~supervisory responsibility over any employee with respect to an~~  
13 ~~enforcement hearing with which the employee is involved.~~

14      ~~(c) Disqualification. If it becomes necessary for the chief~~  
15 ~~counsel or member to become involved on behalf of the board in~~  
16 ~~any enforcement proceeding, the chief counsel or member shall be~~  
17 ~~prohibited from participating in the adjudication of that matter~~  
18 ~~and shall designate appropriate individuals to exercise~~  
19 ~~adjudicatory functions.~~

20      Section 14. ~~Section 1518 of Title 4 is amended to read:~~

21      ~~§ 1518. Prohibited acts; penalties.~~

22      ~~(a) Criminal offenses.—~~

23          ~~(1) The provisions of 18 Pa.C.S. § 4902 (relating to~~  
24 ~~perjury), 4903 (relating to false swearing) or 4904 (relating~~  
25 ~~to unsworn falsification to authorities) shall apply to any~~  
26 ~~person providing information or making any statement, whether~~  
27 ~~written or oral, to the board, the bureau, the department,~~  
28 ~~the Pennsylvania State Police or the Office of Attorney~~  
29 ~~General, as required by this part.~~

30          ~~(2) It [is] shall be unlawful for a person to willfully:~~

1           ~~(i) fail to report, pay or truthfully account for~~  
2           ~~and pay over any license fee, tax or assessment imposed~~  
3           ~~under this part; or~~

4           ~~(ii) attempt in any manner to evade or defeat any~~  
5           ~~license fee, tax or assessment imposed under this [party]~~  
6           ~~part.~~

7           ~~(3) It [is] shall be unlawful for any licensed entity,~~  
8           ~~gaming employee, key employee or any other person to permit a~~  
9           ~~slot machine to be operated, transported, repaired or opened~~  
10           ~~on the premises of a licensed facility by a person other than~~  
11           ~~a person licensed or permitted by the board pursuant to this~~  
12           ~~part.~~

13           ~~(4) It [is] shall be unlawful for any licensed entity or~~  
14           ~~other person to manufacture, supply or place slot machines~~  
15           ~~into play or display slot machines on the premise of a~~  
16           ~~licensed facility without the authority of the board.~~

17           ~~(5) Except as provided for in section 1326 (relating to~~  
18           ~~license renewals), it [is] shall be unlawful for a licensed~~  
19           ~~entity or other person to manufacture, supply, operate, carry~~  
20           ~~on or expose for play any slot machine after the person's~~  
21           ~~license has expired and prior to the actual renewal of the~~  
22           ~~license.~~

23           ~~(6) (i) Except as set forth in subparagraph (ii), it~~  
24           ~~[is] shall be unlawful for an individual while on the~~  
25           ~~premises of a licensed facility to knowingly use currency~~  
26           ~~other than lawful coin or legal tender of the United~~  
27           ~~States or a coin not of the same denomination as the coin~~  
28           ~~intended to be used in the slot machine[.] with the~~  
29           ~~intent to cheat or defraud a licensed gaming entity or~~  
30           ~~the Commonwealth or damage the slot machine.~~

1           ~~(ii) In the playing of a slot machine, it [is] shall~~  
2 ~~be lawful for an individual to use gaming billets, tokens~~  
3 ~~or similar objects issued by the licensed gaming entity~~  
4 ~~which are approved by the board.~~

5           ~~(7) (i) Except as set forth in subparagraph (ii), it~~  
6 ~~[is] shall be unlawful for an individual [on the premises~~  
7 ~~of a licensed facility] to use or possess a cheating or~~  
8 ~~thieving device, counterfeit or altered billet, ticket,~~  
9 ~~token or similar objects accepted by a slot machine or~~  
10 ~~counterfeit or altered slot machine issued tickets or~~  
11 ~~vouchers at a licensed facility.~~

12           ~~(ii) An authorized employee of a licensee or an~~  
13 ~~employee of the board may possess and use a cheating or~~  
14 ~~thieving device, counterfeit or altered billet, ticket,~~  
15 ~~token or similar objects accepted by a slot machine or~~  
16 ~~counterfeit or altered slot machine issued tickets or~~  
17 ~~vouchers [only] in performance of the duties of~~  
18 ~~employment.~~

19           ~~(iii) As used in this paragraph, the term "cheating~~  
20 ~~or thieving device" includes, but is not limited to, a~~  
21 ~~device to facilitate the alignment of any winning~~  
22 ~~combination or to remove from any slot machine money or~~  
23 ~~other contents. The term includes, but is not limited to,~~  
24 ~~a tool, drill, wire, coin or token attached to a string~~  
25 ~~or wire and any electronic or magnetic device.~~

26           ~~(8) (i) Except as set forth in subparagraph (ii), it~~  
27 ~~[is] shall be unlawful for an individual to knowingly~~  
28 ~~possess or use while on the premises of a licensed~~  
29 ~~facility a key or device designed for the purpose of and~~  
30 ~~suitable for opening or entering any slot machine 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) [only] in the performance of the duties of employment.~~

~~(9) It [is] shall be unlawful for a person or licensed entity to possess any device, equipment or material which the person or licensed entity knows has been manufactured, distributed, sold, tampered with or serviced in violation of the provisions of this part[.] with the intent to use the device, equipment or material as though it had been manufactured, distributed, sold, tampered with or serviced pursuant to this part.~~

~~(9.1) It shall be unlawful for a person to sell, offer for sale, represent or pass off as lawful any device, equipment or material which the person or licensed entity knows has been manufactured, distributed, sold, tampered with or serviced in violation of this part.~~

~~(10) It [is] shall be unlawful for an individual to work or be employed in a position the duties of which would require licensing or permitting under the provisions of this part without first obtaining the requisite license or permit [as provided for in] issued under the provisions of this part.~~

~~(11) It [is] 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~~

1 ~~suspended to operate slot machines at the racetrack for which~~  
2 ~~its slot machine license was issued unless the license issued~~  
3 ~~to it by either the State Horse Racing Commission or the~~  
4 ~~State Harness Racing Commission will be subsequently reissued~~  
5 ~~or reinstated within 30 days after the loss or suspension.~~

6 ~~(12) It [is] shall be unlawful for a licensed entity to~~  
7 ~~employ or continue to employ an individual in a position the~~  
8 ~~duties of which require a license or permit under the~~  
9 ~~provisions of this part if the individual:~~

10 ~~(i) [An individual] Is not licensed or permitted~~  
11 ~~under the provisions of this part.~~

12 ~~(ii) [An individual who is] Is prohibited from~~  
13 ~~accepting employment from a licensee.~~

14 ~~(13) It [is] shall be unlawful for any person under 18~~  
15 ~~years of age to be permitted in the area of a licensed~~  
16 ~~facility where slot machines are operated.~~

17 ~~(b) Criminal penalties and fines.—~~

18 ~~(1) (i) A person [that violates subsection (a)(1)~~  
19 ~~commits an offense to be graded in accordance with 18~~  
20 ~~Pa.C.S. § 4902, 4903 or 4904, as applicable, for a first~~  
21 ~~conviction.] who commits a first offense in violation of~~  
22 ~~18 Pa.C.S. § 4902, 4903 or 4904 in connection with~~  
23 ~~providing information or making any statement, whether~~  
24 ~~written or oral, to the board, the bureau, the~~  
25 ~~department, the Pennsylvania State Police, the Office of~~  
26 ~~Attorney General or a district attorney as required by~~  
27 ~~this part commits an offense to be graded in accordance~~  
28 ~~with the applicable section violated. A person that is~~  
29 ~~convicted of a second or subsequent violation of~~  
30 ~~[subsection (a)(1)] 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) commits a misdemeanor of the first degree. A person that is convicted of a second or subsequent violation of subsection (a)(2) through (12) commits a felony of the second degree.~~

~~(2) (i) For a first violation of subsection (a)(1) through (12), 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), 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.~~

~~(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:~~

~~(i) Revoke the license or permit of any person  
convicted of a criminal offense under this part or  
regulations promulgated under this part or committing any  
other offense or violation of this part or applicable law  
which would otherwise disqualify such person from holding  
the license or permit.~~

~~(ii) Revoke the license or permit of any person  
determined to have violated a provision of this part or  
regulations promulgated under this part which would  
otherwise disqualify such person from holding the license  
or permit.~~

~~(iii) Revoke the license or permit of any person for  
willfully and knowingly violating or attempting to  
violate an order of the board directed to such person.~~

~~(iv) Suspend the license or permit of any person  
pending the outcome of a hearing in any case in which  
license or permit revocation could result.~~

~~(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 operations.~~

~~(vi) Assess administrative penalties as necessary to  
punish misconduct and to deter future violations.~~

1           ~~(vii) Order restitution of any moneys or property~~  
2           ~~unlawfully obtained or retained by a licensee or~~  
3           ~~permittee.~~

4           ~~(viii) Enter cease and desist orders which specify~~  
5           ~~the conduct which is to be discontinued, altered or~~  
6           ~~implemented by the licensee or permittee.~~

7           ~~(ix) Issue letters of reprimand or censure, which~~  
8           ~~letters shall be made a permanent part of the file of~~  
9           ~~each licensee or permittee so sanctioned.~~

10          ~~(2) If the board refuses to issue or renew a license or~~  
11          ~~permit, suspends or revokes a license or permit, assesses~~  
12          ~~civil penalties, orders restitution, enters a cease and~~  
13          ~~desist order or issues a letter of reprimand or censure, it~~  
14          ~~shall provide the applicant or licensee or permittee with~~  
15          ~~written notification of its decision, including a statement~~  
16          ~~of the reasons for its decision by certified mail within five~~  
17          ~~business days of the decision[. Any applicant or licensee or~~  
18          ~~permittee who has received notice of a refusal, suspension or~~  
19          ~~revocation of a license or permit, the assessment of civil~~  
20          ~~penalties, an order of restitution, the entrance of a cease~~  
21          ~~and desist order or the issuance of a letter of reprimand or~~  
22          ~~censure from] of the board. The applicant, licensee or~~  
23          ~~permittee shall have the right to [an administrative hearing~~  
24          ~~before the board] appeal the decision in accordance with 2~~  
25          ~~Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure~~  
26          ~~of Commonwealth agencies) and 7 Subch. A (relating to~~  
27          ~~judicial review of Commonwealth agency action).~~

28          ~~(3) In addition to any other fines or penalties that the~~  
29          ~~board may impose under this part or regulation, if a person~~  
30          ~~violates subsection (a)(2), the board shall impose an~~



~~administrative penalty of three times the amount of the  
license 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.~~

~~Section 15. Title 4 is amended by adding sections to read:~~

~~§ 1519. [(Reserved).] Detention.~~

~~A peace officer, licensee or licensee's security employee or  
an agent under contract with the licensee who has probable cause  
to believe that criminal violation of this part has occurred or  
is occurring on or about a licensed facility and who has  
probable cause to believe that a specific individual has  
committed or is committing the criminal violation may detain the  
suspect in a reasonable manner for a reasonable time on the  
premises of the licensed facility for all or any of the  
following purposes: to require the suspect to identify himself;  
to verify such identification; or to inform a peace officer.  
Such detention shall not impose civil or criminal liability upon  
the peace officer, licensee, licensee's employee or agent so  
detaining.~~

~~§ 1522. Interception of oral communications.~~

~~The interception and recording of oral communications made in  
a counting 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 room.~~

~~Section 16. Sections 1801 and 1802 of Title 4 are amended to  
read:~~

~~§ 1801. Duty to provide.~~

~~Notwithstanding the provisions of the Race Horse Industry~~

1 ~~Reform Act or this part, the Pennsylvania State Police shall, at~~  
2 ~~the request of the commissions or the board, provide criminal~~  
3 ~~history background investigations, which shall include records~~  
4 ~~of criminal arrests [or] and convictions, no matter where~~  
5 ~~occurring, including Federal criminal history record~~  
6 ~~information, on applicants for licensure and permit applicants~~  
7 ~~by the respective agencies pursuant to the Race Horse Industry~~  
8 ~~Reform Act or this part. Requests for criminal history~~  
9 ~~background investigations may, at the direction of the~~  
10 ~~commissions or the board, include, but not be limited to,~~  
11 ~~officers, directors and stockholders of licensed corporations,~~  
12 ~~key employees, financial backers, principals, gaming employees,~~  
13 ~~horse owners, trainers, jockeys, drivers and other persons~~  
14 ~~participating in thoroughbred or harness horse meetings and~~  
15 ~~other persons and vendors who exercise their occupation or~~  
16 ~~employment at such meetings, licensed facilities or licensed~~  
17 ~~[racetrack] racetracks. For the purposes of this [chapter] part,~~  
18 ~~the board and commissions may receive and retain information~~  
19 ~~otherwise protected by 18 Pa.C.S. Ch. 91 (relating to criminal~~  
20 ~~history record information).~~

21 ~~§ 1802. Submission of fingerprints and photographs.~~

22 ~~[Applicants] Appointees, employees and prospective employees~~  
23 ~~engaged in the service of the commissions or the board, and~~  
24 ~~applicants under this part shall submit to fingerprinting and~~  
25 ~~photographing by the Pennsylvania State Police[.] or by a local~~  
26 ~~law enforcement agency capable of submitting fingerprints and~~  
27 ~~photographs electronically to the Pennsylvania State Police~~  
28 ~~utilizing the Integrated Automated Fingerprint Identification~~  
29 ~~System and the Commonwealth Photo Imaging Network or in a manner~~  
30 ~~and in such form as may be provided by the Pennsylvania State~~

~~Police. Fingerprinting pursuant to this part shall require, at a minimum, the submission of a full set of fingerprints. Photographing pursuant to this part shall require submission to photographs of the face and any scars, marks or tattoos for purposes of comparison utilizing an automated biometric imaging system. The Pennsylvania State Police shall submit [the] fingerprints [if necessary] when requested by the commissions or the board to the Federal Bureau of Investigation for purposes of verifying the identity of the applicants and obtaining records of criminal arrests and convictions in order to prepare criminal history background investigations under section 1801 (relating to duty to provide). [The] Fingerprints and photographs obtained pursuant to this part may be maintained by the commissions, the board and the Pennsylvania State Police for use pursuant to this part and for general law enforcement purposes. In addition to any other fee or cost assessed by the commissions or the board, an applicant shall pay for the cost of fingerprinting and photographing.~~

~~Section 17. Title 4 is amended by adding a section to read: § 1901.1. Repayments to the State Gaming Fund.~~

~~The board shall defer assessing slot machine licensees for payments to the State Gaming Fund for any loans made to the State Gaming Fund until such time as all slot machine licenses have been issued and all licensed gaming entities have commenced the operation of slot machines. The board shall adopt a repayment schedule that assesses to each slot machine licensee costs for the repayment of any such loans in an amount that is proportional to each slot machine licensee's gross terminal revenue.~~

~~Section 18. Section 911(h)(1) of Title 18 is amended to~~

1 read:

2 ~~§ 911. Corrupt organizations.~~

3 ~~\* \* \*~~

4 ~~(h) Definitions. As used in this section:~~

5 ~~(1) "Racketeering activity" means all of the following:~~

6 ~~(i) [any] An act which is indictable under any of~~  
7 ~~the following provisions of this title:~~

8 ~~Chapter 25 (relating to criminal homicide)~~

9 ~~Section 2706 (relating to terroristic threats)~~

10 ~~Chapter 29 (relating to kidnapping)~~

11 ~~Chapter 33 (relating to arson, etc.)~~

12 ~~Chapter 37 (relating to robbery)~~

13 ~~Chapter 39 (relating to theft and related~~  
14 ~~offenses)~~

15 ~~Section 4108 (relating to commercial bribery and~~  
16 ~~breach of duty to act disinterestedly)~~

17 ~~Section 4109 (relating to rigging publicly~~  
18 ~~exhibited contest)~~

19 ~~Section 4117 (relating to insurance fraud)~~

20 ~~Chapter 47 (relating to bribery and corrupt~~  
21 ~~influence)~~

22 ~~Chapter 49 (relating to falsification and~~  
23 ~~intimidation)~~

24 ~~Section 5111 (relating to dealing in proceeds of~~  
25 ~~unlawful activities)~~

26 ~~Section 5512 through 5514 (relating to gambling)~~

27 ~~Chapter 59 (relating to public indecency).~~

28 ~~(ii) [any] An offense indictable under section 13 of~~  
29 ~~the act of April 14, 1972 (P.L.233, No.64), known as The~~  
30 ~~Controlled Substance, Drug, Device and Cosmetic Act~~

~~(relating to the sale and dispensing of narcotic drugs)[;].~~

~~(iii) [any] A conspiracy to commit any of the offenses set forth in subparagraphs (i) [and (ii) of this paragraph; or], (ii) or (v).~~

~~(iv) [the] The collection of any money or other property in full or partial satisfaction of a debt which arose as the result of the lending of money or other property at a rate of interest exceeding 25% per annum or the equivalent rate for a longer or shorter period, where not otherwise authorized by law.~~

~~(v) An offense indictable under 4 Pa.C.S. Pt. II (relating to gaming).~~

~~[Any] An act which otherwise would be considered racketeering activity by reason of the application of this paragraph, shall not be excluded from its application solely because the operative acts took place outside the jurisdiction of this Commonwealth, if such acts would have been in violation of the law of the jurisdiction in which they occurred.~~

~~\* \* \*~~

~~Section 19. Repeals are as follows:~~

~~(1) The General Assembly declares that the repeal under paragraph (2) is necessary to effectuate the addition of 4 Pa.C.S. §§ 1202(b)(30) and 1517(c.2).~~

~~(2) Section 493(29) of the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, is repealed.~~

~~Section 20. This act shall apply as follows:~~

~~(1) The amendment of 4 Pa.C.S. § 1205(b) shall apply to any slot machine license application filed on or after the effective date of this section.~~

~~(2) The following provisions shall not apply to a  
license issued or renewed before the effective date of this  
section:~~

~~(i) The amendment of 4 Pa.C.S. § 1317.~~

~~(ii) The addition of 4 Pa.C.S. § 1317.1.~~

~~Section 21. This act shall take effect immediately.~~

SECTION 1. THE DEFINITIONS OF "AFFILIATE" OR "AFFILIATED  
COMPANY," "APPLICANT," "CONTROLLING INTEREST" AND "GROSS  
TERMINAL REVENUE" IN SECTION 1103 OF TITLE 4 OF THE PENNSYLVANIA  
CONSOLIDATED STATUTES 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:

"AFFILIATE[" OR "AFFILIATED COMPANY"], "AFFILIATE OF" OR  
"PERSON AFFILIATED WITH." A PERSON THAT DIRECTLY OR INDIRECTLY,  
THROUGH ONE OR MORE INTERMEDIARIES, CONTROLS, IS CONTROLLED BY  
OR IS UNDER COMMON CONTROL WITH A SPECIFIED PERSON.

"APPLICANT." ANY PERSON[, OFFICER, DIRECTOR OR KEY  
EMPLOYEE], WHO ON HIS OWN BEHALF OR ON BEHALF OF ANOTHER, IS  
APPLYING FOR PERMISSION TO ENGAGE IN ANY ACT OR ACTIVITY WHICH  
IS REGULATED UNDER THE PROVISIONS OF THIS PART. IN CASES IN  
WHICH THE APPLICANT IS A [CORPORATION, FOUNDATION, ORGANIZATION,  
BUSINESS TRUST, ESTATE, LIMITED LIABILITY COMPANY, TRUST,  
PARTNERSHIP, LIMITED PARTNERSHIP, ASSOCIATION OR ANY OTHER FORM  
OF LEGAL BUSINESS ENTITY,] PERSON OTHER THAN AN INDIVIDUAL, THE  
PENNSYLVANIA GAMING CONTROL BOARD SHALL DETERMINE THE ASSOCIATED  
PERSONS WHOSE QUALIFICATIONS ARE NECESSARY AS A PRECONDITION TO  
THE LICENSING OF THE APPLICANT.

1       \* \* \*

2       "ASSOCIATED AREA." ALL PARCELS OF LAND AND IMPROVEMENTS,  
3       INCLUDING A LICENSED RACETRACK AND BACKSIDE AREA, OWNED BY THE  
4       LICENSED GAMING ENTITY OR ITS AFFILIATE, INTERMEDIARY,  
5       SUBSIDIARY OR HOLDING COMPANY WHICH IS CONTIGUOUS WITH OR  
6       ADJOINED DIRECTLY BY A PEDESTRIAN WALKWAY, BRIDGE OR EASEMENT,  
7       TO THE LAND-BASED LOCATION OF THE LICENSED FACILITY.

8       \* \* \*

9       "COMPENSATION." ANY THING OF VALUE, MONEY OR A FINANCIAL  
10      BENEFIT CONFERRED ON OR RECEIVED BY A PERSON IN RETURN FOR  
11      SERVICES RENDERED, OR TO BE RENDERED, WHETHER BY THAT PERSON OR  
12      ANOTHER.

13      "COMPLIMENTARY SERVICE." ANY LODGING, SERVICE OR ITEM WHICH  
14      IS PROVIDED TO AN INDIVIDUAL AT NO COST OR AT A REDUCED COST  
15      WHICH IS NOT GENERALLY AVAILABLE TO THE PUBLIC UNDER SIMILAR  
16      CIRCUMSTANCES. GROUP RATES, INCLUDING CONVENTION AND GOVERNMENT  
17      RATES, SHALL BE DEEMED TO BE GENERALLY AVAILABLE TO THE PUBLIC.

18      "CONDUCT OF GAMING." THE LICENSED PLACEMENT AND OPERATION OF  
19      GAMES OF CHANCE UNDER THIS PART AND APPROVED BY THE PENNSYLVANIA  
20      GAMING CONTROL BOARD AT A LICENSED FACILITY.

21      "CONTROLLING INTEREST." [A PERSON SHALL BE DEEMED TO HAVE  
22      THE ABILITY TO CONTROL A PUBLICLY TRADED CORPORATION, OR TO  
23      ELECT ONE OR MORE OF THE MEMBERS OF ITS BOARD OF DIRECTORS, IF  
24      SUCH HOLDER OWNS OR BENEFICIALLY HOLDS 5% OR MORE OF THE  
25      SECURITIES OF SUCH PUBLICLY TRADED DOMESTIC OR FOREIGN  
26      CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR ANY OTHER  
27      FORM OF LEGAL ENTITY, UNLESS SUCH PRESUMPTION OF CONTROL OR  
28      ABILITY TO ELECT IS REBUTTED BY CLEAR AND CONVINCING EVIDENCE. A  
29      PERSON WHO IS A HOLDER OF SECURITIES OF A PRIVATELY HELD  
30      DOMESTIC OR FOREIGN CORPORATION, PARTNERSHIP, LIMITED LIABILITY

1 COMPANY OR ANY OTHER FORM OF LEGAL ENTITY SHALL BE DEEMED TO  
2 POSSESS A CONTROLLING INTEREST UNLESS SUCH PRESUMPTION OF  
3 CONTROL IS REBUTTED BY CLEAR AND CONVINCING EVIDENCE.] FOR A  
4 PUBLICLY TRADED DOMESTIC OR FOREIGN CORPORATION, A CONTROLLING  
5 INTEREST IS AN INTEREST IN A LEGAL ENTITY, APPLICANT OR LICENSEE  
6 IF A PERSON'S SOLE VOTING RIGHTS UNDER STATE LAW OR CORPORATE  
7 ARTICLES OR BYLAWS ENTITLE THE PERSON TO ELECT OR APPOINT ONE OR  
8 MORE OF THE MEMBERS OF THE BOARD OF DIRECTORS OR OTHER GOVERNING  
9 BOARD OR THE OWNERSHIP OR BENEFICIAL HOLDING OF 5% OR MORE OF  
10 THE SECURITIES OF THE PUBLICLY TRADED CORPORATION, PARTNERSHIP,  
11 LIMITED LIABILITY COMPANY OR OTHER FORM OF PUBLICLY TRADED LEGAL  
12 ENTITY, UNLESS THIS PRESUMPTION OF CONTROL OR ABILITY TO ELECT  
13 IS REBUTTED BY CLEAR AND CONVINCING EVIDENCE. FOR A PRIVATELY  
14 HELD DOMESTIC OR FOREIGN CORPORATION, PARTNERSHIP, LIMITED  
15 LIABILITY COMPANY OR OTHER FORM OF PRIVATELY HELD LEGAL ENTITY,  
16 A CONTROLLING INTEREST IS THE HOLDING OF ANY SECURITIES IN THE  
17 LEGAL ENTITY, UNLESS THIS PRESUMPTION OF CONTROL IS REBUTTED BY  
18 CLEAR AND CONVINCING EVIDENCE.

19 \* \* \*

20 "CORPORATION." INCLUDES A PUBLICLY TRADED CORPORATION.

21 \* \* \*

22 "GROSS TERMINAL REVENUE." THE TOTAL OF CASH OR CASH  
23 EQUIVALENT WAGERS RECEIVED BY A SLOT MACHINE MINUS THE TOTAL OF:

24 (1) CASH OR CASH EQUIVALENTS PAID OUT TO PATRONS AS A  
25 RESULT OF PLAYING A SLOT MACHINE WHICH ARE PAID TO PATRONS  
26 EITHER MANUALLY OR PAID OUT BY THE SLOT MACHINE.

27 (2) CASH PAID TO PURCHASE ANNUITIES TO FUND PRIZES  
28 PAYABLE TO PATRONS OVER A PERIOD OF TIME AS A RESULT OF  
29 PLAYING A SLOT MACHINE.

30 (3) ANY PERSONAL PROPERTY DISTRIBUTED TO A PATRON AS THE



1       RESULT OF PLAYING A SLOT MACHINE. THIS DOES NOT INCLUDE  
2       TRAVEL EXPENSES, FOOD, REFRESHMENTS, LODGING OR SERVICES.  
3       THE TERM DOES NOT INCLUDE COUNTERFEIT MONEY OR TOKENS, COINS OR  
4       CURRENCY OF OTHER COUNTRIES WHICH ARE RECEIVED IN SLOT MACHINES,  
5       EXCEPT TO THE EXTENT THAT THEY ARE READILY CONVERTIBLE TO UNITED  
6       STATES CURRENCY, CASH TAKEN IN FRAUDULENT ACTS PERPETRATED  
7       AGAINST A SLOT MACHINE LICENSEE FOR WHICH THE LICENSEE IS NOT  
8       REIMBURSED OR CASH RECEIVED AS ENTRY FEES FOR CONTESTS OR  
9       TOURNAMENTS IN WHICH THE PATRONS COMPETE FOR PRIZES.

10      "HOLDING COMPANY." A PERSON, OTHER THAN AN INDIVIDUAL,  
11      WHICH, DIRECTLY OR INDIRECTLY, OWNS, HAS THE POWER OR RIGHT TO  
12      CONTROL OR TO VOTE ANY SIGNIFICANT PART OF THE OUTSTANDING  
13      VOTING SECURITIES OF A CORPORATION OR OTHER FORM OF BUSINESS  
14      ORGANIZATION. A HOLDING COMPANY INDIRECTLY HAS, HOLDS OR OWNS  
15      ANY SUCH POWER, RIGHT OR SECURITY IF IT DOES SO THROUGH AN  
16      INTEREST IN A SUBSIDIARY OR SUCCESSIVE SUBSIDIARIES.

17      \* \* \*

18      "INDEPENDENT CONTRACTOR." A PERSON WHO PERFORMS  
19      PROFESSIONAL, SCIENTIFIC, TECHNICAL, ADVISORY OR CONSULTING  
20      SERVICES TO THE PENNSYLVANIA GAMING CONTROL BOARD FOR A FEE,  
21      HONORARIUM OR SIMILAR COMPENSATION PURSUANT TO A CONTRACT.

22      \* \* \*

23      "INTERMEDIARY." A PERSON, OTHER THAN AN INDIVIDUAL, WHICH:

24              (1) IS A HOLDING COMPANY WITH RESPECT TO A CORPORATION  
25              OR OTHER FORM OF BUSINESS ORGANIZATION, WHICH HOLDS OR  
26              APPLIES FOR A LICENSE UNDER THIS PART; AND

27              (2) IS A SUBSIDIARY WITH RESPECT TO ANY HOLDING COMPANY.

28      \* \* \*

29      "MEMBER." AN INDIVIDUAL APPOINTED TO AND SWORN IN AS A  
30      MEMBER OF THE BOARD IN ACCORDANCE WITH SECTION 1201(B) (RELATING

1 TO PENNSYLVANIA GAMING CONTROL BOARD ESTABLISHED).

2 \* \* \*

3 "PRINCIPAL." AN OFFICER; DIRECTOR; PERSON WHO DIRECTLY HOLDS  
4 A BENEFICIAL INTEREST IN OR OWNERSHIP OF THE SECURITIES OF AN  
5 APPLICANT OR LICENSEE; PERSON WHO HAS A CONTROLLING INTEREST IN  
6 AN APPLICANT OR LICENSEE, OR HAS THE ABILITY TO ELECT A MAJORITY  
7 OF THE BOARD OF DIRECTORS OF A LICENSEE OR TO OTHERWISE CONTROL  
8 A LICENSEE; LENDER OR OTHER LICENSED FINANCIAL INSTITUTION OF AN  
9 APPLICANT OR LICENSEE, OTHER THAN A BANK OR LENDING INSTITUTION  
10 WHICH MAKES A LOAN OR HOLDS A MORTGAGE OR OTHER LIEN ACQUIRED IN  
11 THE ORDINARY COURSE OF BUSINESS; UNDERWRITER OF AN APPLICANT OR  
12 LICENSEE; OR OTHER PERSON OR EMPLOYEE OF AN APPLICANT, SLOT  
13 MACHINE LICENSEE, MANUFACTURER LICENSEE OR SUPPLIER LICENSEE  
14 DEEMED TO BE A PRINCIPAL BY THE PENNSYLVANIA GAMING CONTROL  
15 BOARD.

16 \* \* \*

17 "PUBLICLY TRADED CORPORATION." A PERSON OTHER THAN AN  
18 INDIVIDUAL WHICH:

19 (1) HAS A CLASS OR SERIES OF SECURITIES REGISTERED UNDER  
20 THE SECURITIES EXCHANGE ACT OF 1934 (48 STAT. 881, 15 U.S.C.  
21 § 78A ET SEQ.);

22 (2) IS A REGISTERED MANAGEMENT COMPANY UNDER THE  
23 INVESTMENT COMPANY ACT OF 1940 (54 STAT. 789, 15 U.S.C. §  
24 80A-1 ET SEQ.); OR

25 (3) IS SUBJECT TO THE REPORTING OBLIGATIONS IMPOSED BY  
26 SECTION 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 BY  
27 REASON OF HAVING FILED A REGISTRATION STATEMENT WHICH HAS  
28 BECOME EFFECTIVE UNDER THE SECURITIES ACT OF 1933 (48 STAT.  
29 74, 15 U.S.C. § 77A ET SEQ.).

30 \* \* \*

1       "SUBSIDIARY." A PERSON OTHER THAN AN INDIVIDUAL. THE TERM  
2 INCLUDES:

3           (1) A CORPORATION, ANY SIGNIFICANT PART OF WHOSE  
4 OUTSTANDING EQUITY SECURITIES ARE OWNED, SUBJECT TO A POWER  
5 OR RIGHT OF CONTROL, OR HELD WITH POWER TO VOTE, BY A HOLDING  
6 COMPANY OR AN INTERMEDIARY COMPANY;

7           (2) A SIGNIFICANT INTEREST IN A PERSON, OTHER THAN AN  
8 INDIVIDUAL, WHICH IS OWNED, SUBJECT TO A POWER OR RIGHT OF  
9 CONTROL, OR HELD WITH POWER TO VOTE, BY A HOLDING COMPANY OR  
10 AN INTERMEDIARY COMPANY; OR

11           (3) A PERSON DEEMED TO BE A SUBSIDIARY BY THE  
12 PENNSYLVANIA GAMING CONTROL BOARD.

13       \* \* \*

14       "UNDERWRITER." AS DEFINED IN THE ACT OF DECEMBER 5, 1972  
15 (P.L.1280, NO.284), KNOWN AS THE PENNSYLVANIA SECURITIES ACT OF  
16 1972.

17       SECTION 2. SECTION 1201 OF TITLE 4 IS AMENDED TO READ:

18   § 1201. PENNSYLVANIA GAMING CONTROL BOARD ESTABLISHED.

19       (A) BOARD ESTABLISHED.--THERE IS ESTABLISHED AN INDEPENDENT  
20 [ADMINISTRATIVE] BOARD WHICH SHALL BE A BODY CORPORATE AND  
21 POLITIC TO BE KNOWN AS THE PENNSYLVANIA GAMING CONTROL BOARD[,  
22 WHICH SHALL BE IMPLEMENTED AS SET FORTH IN THIS SECTION].

23       (B) MEMBERSHIP.--THE BOARD SHALL CONSIST OF THE FOLLOWING  
24 MEMBERS[, WHO SHALL SERVE A SET TERM AND MAY NOT BE REMOVED  
25 EXCEPT FOR GOOD CAUSE]:

26           (1) THREE MEMBERS APPOINTED BY THE GOVERNOR\_[, EACH  
27 BEING REFERRED TO AS A "GUBERNATORIAL APPOINTEE." ]

28           (2) ONE MEMBER APPOINTED BY EACH OF THE FOLLOWING  
29 [LEGISLATIVE CAUCUS LEADERS, EACH BEING REFERRED TO AS A  
30 "LEGISLATIVE APPOINTEE"]:

(I) THE PRESIDENT PRO TEMPORE OF THE SENATE.

(II) THE MINORITY LEADER OF THE SENATE.

(III) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

(IV) THE MINORITY LEADER OF THE HOUSE OF  
REPRESENTATIVES.

(B.1) REMOVAL.--A MEMBER OF THE BOARD SHALL BE REMOVED FROM  
OFFICE BY THE APPOINTING AUTHORITY:

(1) FOR MISCONDUCT IN OFFICE, WILLFUL NEGLECT OF DUTY OR  
CONDUCT EVIDENCING UNFITNESS FOR OFFICE OR INCOMPETENCE; OR

(2) UPON CONVICTION OF AN OFFENSE GRADED AS A FELONY, AN  
INFAMOUS CRIME, AN OFFENSE UNDER THIS PART OR AN EQUIVALENT  
OFFENSE UNDER FEDERAL LAW OR THE LAW OF ANOTHER JURISDICTION.

(C) INITIAL APPOINTMENTS TO BOARD.--

(1) GUBERNATORIAL [APPOINTEE MEMBERS] APPOINTEES  
INITIALLY APPOINTED UNDER SUBSECTION (B)(1) SHALL SERVE AN  
INITIAL TERM OF ONE, TWO AND THREE YEARS RESPECTIVELY AS  
DESIGNATED BY THE GOVERNOR AT THE TIME OF APPOINTMENT AND  
UNTIL THEIR SUCCESSORS ARE APPOINTED AND QUALIFIED.

(2) LEGISLATIVE [APPOINTEE MEMBERS] APPOINTEES INITIALLY  
APPOINTED UNDER SUBSECTION (B)(2) SHALL SERVE UNTIL THE THIRD  
TUESDAY IN JANUARY 2007 AND UNTIL THEIR SUCCESSORS ARE  
APPOINTED AND QUALIFIED.

(3) [ANY] AN APPOINTMENT TO FILL A VACANCY CREATED BY A  
MEMBER APPOINTED IN ACCORDANCE WITH PARAGRAPH (1) OR (2)  
SHALL BE FOR THE REMAINDER OF THE UNEXPIRED TERM. [MEMBERS SO  
APPOINTED TO FILL THE UNEXPIRED TERM OF AN INITIAL APPOINTEE  
SHALL BE SUBJECT TO THE PROVISIONS OF SUBSECTION (D).]

(D) [APPOINTMENTS AFTER EXPIRATION OF INITIAL TERM OR UPON  
VACANCY] TERMS OF OFFICE.--UPON THE EXPIRATION OF A TERM OF A  
MEMBER APPOINTED UNDER [THIS SUBSECTION OR UPON THE EXISTENCE OF

1 A VACANCY OF A MEMBER APPOINTED PURSUANT TO SUBSECTION (C) OR  
2 THIS] SUBSECTION (C), [THE APPOINTING AUTHORITY SHALL APPOINT A  
3 MEMBER SUBJECT TO THE FOLLOWING:

4 (1) FOR A GUBERNATORIAL APPOINTMENT UNDER SUBSECTION  
5 (B)(1), THE TERM SHALL BE FOR THREE YEARS AND UNTIL A  
6 SUCCESSOR IS APPOINTED AND QUALIFIED.] THE FOLLOWING SHALL  
7 APPLY:

8 (1) THE TERM OF OFFICE OF A GUBERNATORIAL APPOINTEE  
9 SHALL BE THREE YEARS AND UNTIL A SUCCESSOR IS APPOINTED AND  
10 QUALIFIED.

11 (2) [TERMS FOR LEGISLATIVE APPOINTEE MEMBERS APPOINTED  
12 UNDER SUBSECTION (B)(2) SHALL BE FOR A TWO-YEAR TERM AND  
13 SHALL EXPIRE ON THE THIRD TUESDAY OF JANUARY OF SUCH YEAR,  
14 BUT SUCH MEMBERS SHALL CONTINUE TO SERVE UNTIL THEIR  
15 SUCCESSORS ARE APPOINTED AND QUALIFIED.] THE TERM OF OFFICE  
16 OF A LEGISLATIVE APPOINTEE SHALL BE TWO YEARS AND UNTIL A  
17 SUCCESSOR IS APPOINTED AND QUALIFIED.

18 (3) [NO] A LEGISLATIVE APPOINTEE [MEMBER] SHALL SERVE NO  
19 MORE THAN THREE FULL [SUCCESSIVE] CONSECUTIVE TERMS.

20 (4) [NO] A GUBERNATORIAL APPOINTEE [MEMBER] SHALL SERVE  
21 NO MORE THAN TWO FULL [SUCCESSIVE] CONSECUTIVE TERMS.

22 (5) AN APPOINTMENT TO FILL A VACANCY SHALL BE FOR THE  
23 REMAINDER OF THE UNEXPIRED TERM.

24 (6) A MEMBER APPOINTED TO FILL A VACANCY UNDER PARAGRAPH  
25 (3) MAY SERVE THREE FULL TERMS FOLLOWING THE EXPIRATION OF  
26 THE TERM RELATED TO THE VACANCY.

27 (7) A MEMBER APPOINTED TO FILL A VACANCY UNDER PARAGRAPH  
28 (4) MAY SERVE TWO FULL TERMS FOLLOWING THE EXPIRATION OF THE  
29 TERM RELATED TO THE VACANCY.

30 (E) EX OFFICIO MEMBERS.--THE SECRETARY OF REVENUE, THE

1 SECRETARY OF AGRICULTURE AND THE STATE TREASURER, OR THEIR  
2 DESIGNEES, SHALL SERVE ON THE BOARD AS NONVOTING EX OFFICIO  
3 MEMBERS OF THE BOARD. THE DESIGNEE SHALL BE A DEPUTY SECRETARY  
4 OR AN EQUIVALENT POSITION WITHIN THE AGENCY.

5 (F) QUALIFIED MAJORITY VOTE.--

6 (1) EXCEPT AS PERMITTED IN PARAGRAPHS (2) AND (3), ANY  
7 ACTION, INCLUDING, BUT NOT LIMITED TO, THE APPROVAL,  
8 ISSUANCE, DENIAL OR CONDITIONING OF ANY LICENSE BY THE BOARD  
9 UNDER THIS PART OR THE MAKING OF ANY ORDER OR THE  
10 RATIFICATION OF ANY PERMISSIBLE ACT DONE OR ORDER MADE BY ONE  
11 OR MORE OF THE MEMBERS, SHALL REQUIRE A QUALIFIED MAJORITY  
12 VOTE CONSISTING OF AT LEAST ONE GUBERNATORIAL APPOINTEE AND  
13 THE FOUR LEGISLATIVE APPOINTEES.

14 (2) ANY ACTION TO SUSPEND OR REVOKE, NOT RENEW, VOID OR  
15 REQUIRE FORFEITURE OF A LICENSE OR PERMIT ISSUED UNDER THIS  
16 PART, TO IMPOSE ANY ADMINISTRATIVE FINE OR PENALTY UNDER THIS  
17 PART OR TO ISSUE CEASE AND DESIST ORDERS OR SIMILAR  
18 ENFORCEMENT ACTIONS SHALL REQUIRE A MAJORITY VOTE OF ALL THE  
19 MEMBERS APPOINTED TO THE BOARD.

20 (3) NOTWITHSTANDING ANY OTHER PROVISION [TO THE  
21 CONTRARY] OF THIS PART OR 65 PA.C.S. § 1103(J) (RELATING TO  
22 RESTRICTED ACTIVITIES), A MEMBER SHALL DISCLOSE THE NATURE OF  
23 HIS DISQUALIFYING INTEREST, DISQUALIFY HIMSELF AND ABSTAIN  
24 FROM VOTING IN A PROCEEDING UNDER THIS PART IN WHICH HIS [OR  
25 HER IMPARTIALITY] OBJECTIVITY, IMPARTIALITY, INTEGRITY OR  
26 INDEPENDENCE OF JUDGMENT MAY BE REASONABLY QUESTIONED,  
27 [INCLUDING, BUT NOT LIMITED TO, INSTANCES WHERE HE OR SHE  
28 KNOWS THAT THEY POSSESS A SUBSTANTIAL FINANCIAL INTEREST IN  
29 THE SUBJECT MATTER OF THE PROCEEDING OR ANY OTHER INTEREST  
30 THAT COULD BE SUBSTANTIALLY AFFECTED BY THE OUTCOME OF THE

1 PROCEEDING. IN SUCH CIRCUMSTANCES IN WHICH IT IS] AS PROVIDED  
2 IN SUBSECTION (H)(6). IF A LEGISLATIVE APPOINTEE [MEMBER THAT  
3 HAS DISQUALIFIED HIMSELF OR HERSELF] HAS DISQUALIFIED  
4 HIMSELF, THE QUALIFIED MAJORITY SHALL CONSIST OF ALL OF THE  
5 REMAINING [THREE] LEGISLATIVE APPOINTEES AND AT LEAST TWO  
6 GUBERNATORIAL APPOINTEES.

7 (G) BACKGROUND INVESTIGATION.--APPOINTEES SHALL BE SUBJECT  
8 TO A BACKGROUND INVESTIGATION CONDUCTED BY THE PENNSYLVANIA  
9 STATE POLICE IN ACCORDANCE WITH THIS PART.

10 (H) QUALIFICATIONS AND RESTRICTIONS.--

11 (1) EACH MEMBER AT THE TIME OF APPOINTMENT SHALL BE AT  
12 LEAST 25 YEARS OF AGE AND SHALL HAVE BEEN A RESIDENT OF THIS  
13 COMMONWEALTH FOR A PERIOD OF AT LEAST ONE YEAR IMMEDIATELY  
14 PRECEDING APPOINTMENT. EACH MEMBER SHALL CONTINUE TO REMAIN A  
15 RESIDENT OF THIS COMMONWEALTH DURING THE TERM OF MEMBERSHIP  
16 ON THE BOARD.

17 (2) EXCEPT FOR EX OFFICIO MEMBERS, NO PERSON SHALL BE  
18 APPOINTED A MEMBER OF THE BOARD OR [HOLD ANY PLACE, POSITION  
19 OR OFFICE UNDER THE BOARD IF THAT PERSON HOLDS ANY OTHER  
20 ELECTED OFFICE OR PARTY OFFICE] BE EMPLOYED BY OR BE AN  
21 INDEPENDENT CONTRACTOR OF THE BOARD IF THAT PERSON IS A  
22 PUBLIC OFFICIAL OR PARTY OFFICER AS DEFINED IN SECTION 1512  
23 (RELATING TO [PUBLIC OFFICIAL FINANCIAL INTEREST] FINANCIAL  
24 AND EMPLOYMENT INTERESTS) IN THIS COMMONWEALTH OR ANY OF ITS  
25 POLITICAL SUBDIVISIONS.

26 [(3) NO MEMBER, APPOINTEE, EMPLOYEE OR OFFICIAL SHALL  
27 HOLD ANY OFFICE OR EMPLOYMENT POSITION, THE DUTIES OF WHICH  
28 ARE INCOMPATIBLE WITH THE DUTIES OF THE OFFICE.

29 (4) NO MEMBER, EMPLOYEE, APPOINTEE OR OFFICIAL ENGAGED  
30 IN THE SERVICE OF OR IN ANY MANNER CONNECTED WITH THE BOARD

1 SHALL HOLD ANY OFFICE OR POSITION, OR BE ENGAGED IN ANY  
2 EMPLOYMENT OR VOCATION, THE DUTIES OF WHICH ARE INCOMPATIBLE  
3 WITH EMPLOYMENT IN THE SERVICE OF OR IN CONNECTION WITH THE  
4 WORK OF THE BOARD.]

5 (3) EACH MEMBER, EMPLOYEE AND INDEPENDENT CONTRACTOR OF  
6 THE BOARD SHALL SIGN AN AGREEMENT NOT TO DISCLOSE  
7 CONFIDENTIAL INFORMATION.

8 (4) NO MEMBER, EMPLOYEE OR INDEPENDENT CONTRACTOR OF THE  
9 BOARD OR OTHER AGENCY HAVING REGULATORY AUTHORITY OVER THE  
10 BOARD OR OVER FORMS OF GAMING REGULATED BY THIS PART SHALL BE  
11 EMPLOYED, HOLD ANY OFFICE OR POSITION OR BE ENGAGED IN ANY  
12 ACTIVITY WHICH IS INCOMPATIBLE WITH THE POSITION, EMPLOYMENT  
13 OR CONTRACT.

14 (5) NO MEMBER SHALL BE PAID OR [ACCEPT FOR ANY SERVICE  
15 CONNECTED WITH THE OFFICE ANY FEE OTHER THAN THE SALARY AND  
16 EXPENSES PROVIDED BY LAW.] RECEIVE ANY FEE OR OTHER  
17 COMPENSATION OTHER THAN SALARY AND EXPENSES PROVIDED BY LAW  
18 FOR ANY ACTIVITY RELATED TO THE DUTIES OR AUTHORITY OF THE  
19 BOARD. NOTHING IN THIS PART SHALL PROHIBIT A MEMBER FROM  
20 ENGAGING IN ANY EMPLOYMENT [OR VOCATION] OR RECEIVING ANY  
21 COMPENSATION FOR SUCH EMPLOYMENT [OR VOCATION] THAT IS NOT  
22 [OTHERWISE] CONNECTED TO OR INCOMPATIBLE WITH HIS [OR HER]  
23 SERVICE AS A MEMBER OF THE BOARD.

24 (6) NO MEMBER, EMPLOYEE[, APPOINTEE OR OFFICIAL SHALL  
25 PARTICIPATE IN ANY HEARING OR PROCEEDING IN WHICH THAT PERSON  
26 HAS ANY DIRECT OR INDIRECT PECUNIARY INTEREST.] OR  
27 INDEPENDENT CONTRACTOR OF THE BOARD SHALL PARTICIPATE IN A  
28 HEARING, PROCEEDING OR OTHER MATTER IN WHICH THE MEMBER,  
29 EMPLOYEE OR INDEPENDENT CONTRACTOR, OR THE IMMEDIATE FAMILY  
30 THEREOF, HAS A FINANCIAL INTEREST IN THE SUBJECT MATTER OF



1 THE HEARING OR PROCEEDING OR OTHER INTEREST THAT COULD BE  
2 SUBSTANTIALLY AFFECTED BY THE OUTCOME OF THE HEARING OR  
3 PROCEEDING, WITHOUT FIRST FULLY DISCLOSING THE NATURE OF THE  
4 INTEREST TO THE BOARD AND OTHER PERSONS PARTICIPATING IN THE  
5 HEARING OR PROCEEDING. THE BOARD SHALL DETERMINE IF THE  
6 INTEREST IS A DISQUALIFYING INTEREST THAT REQUIRES THE  
7 DISQUALIFICATION OR NONPARTICIPATION OF AN EMPLOYEE OR  
8 INDEPENDENT CONTRACTOR. FOR PURPOSES OF THIS PARAGRAPH, THE  
9 TERM "IMMEDIATE FAMILY" SHALL MEAN SPOUSE, PARENT, BROTHER,  
10 SISTER OR CHILD.

11 (7) AT THE TIME OF APPOINTMENT AND ANNUALLY THEREAFTER,  
12 EACH MEMBER SHALL DISCLOSE THE EXISTENCE OF [ALL OWNERSHIP  
13 INTERESTS IN LICENSED FACILITIES AND ALL SECURITIES IN ANY  
14 LICENSED ENTITY OR APPLICANT, ITS AFFILIATES OR SUBSIDIARIES  
15 HELD BY THE MEMBER, THE MEMBER'S SPOUSE AND ANY MINOR OR  
16 UNEMANCIPATED CHILDREN AND MUST DIVEST SUCH OWNERSHIP  
17 INTERESTS IN LICENSED FACILITIES OR SECURITIES PRIOR TO AN  
18 APPOINTMENT BECOMING FINAL. A MEMBER MAY NOT ACQUIRE ANY  
19 SECURITY IN ANY LICENSED ENTITY, ITS AFFILIATES OR  
20 SUBSIDIARIES DURING THE MEMBER'S TENURE.] ANY FINANCIAL  
21 INTEREST IN ANY APPLICANT, LICENSED ENTITY OR LICENSED  
22 FACILITY AND IN AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR  
23 HOLDING COMPANY THEREOF HELD BY THE MEMBER OR KNOWN TO BE  
24 HELD BY THE MEMBER'S IMMEDIATE FAMILY. THE DISCLOSURE  
25 STATEMENT SHALL BE FILED WITH THE EXECUTIVE DIRECTOR OF THE  
26 BOARD AND WITH THE APPOINTING AUTHORITY FOR SUCH MEMBER AND  
27 SHALL BE OPEN TO INSPECTION BY THE PUBLIC AT THE OFFICE OF  
28 THE BOARD DURING THE NORMAL BUSINESS HOURS OF THE BOARD  
29 [DURING THE TENURE OF THE MEMBER] FOR THE DURATION OF THE  
30 MEMBER'S TERM AND FOR TWO YEARS AFTER THE MEMBER LEAVES

1 OFFICE. FOR PURPOSES OF THIS PARAGRAPH, THE TERM "IMMEDIATE  
2 FAMILY" SHALL MEAN SPOUSE, PARENT, BROTHER, SISTER OR CHILD.

3 (7.1) PRIOR TO BEING SWORN AS A MEMBER, AN APPOINTEE AND  
4 HIS IMMEDIATE FAMILY SHALL DIVEST ANY FINANCIAL INTEREST IN  
5 ANY APPLICANT, LICENSED FACILITY OR LICENSED ENTITY AND IN AN  
6 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY  
7 THEREOF OWNED OR HELD BY THE APPOINTEE OR KNOWN TO BE HELD BY  
8 THE APPOINTEE'S IMMEDIATE FAMILY. FOR THE DURATION OF THE  
9 MEMBER'S TERM, AND FOR ONE YEAR THEREAFTER, THE MEMBER AND  
10 THE MEMBER'S IMMEDIATE FAMILY MAY NOT ACQUIRE A FINANCIAL  
11 INTEREST IN ANY APPLICANT, LICENSED FACILITY OR LICENSED  
12 ENTITY OR IN AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR  
13 HOLDING COMPANY THEREOF. FOR PURPOSES OF THIS PARAGRAPH, THE  
14 TERM "IMMEDIATE FAMILY" SHALL MEAN SPOUSE AND ANY MINOR OR  
15 UNEMANCIPATED CHILD.

16 (7.2) PRIOR TO ENTERING INTO EMPLOYMENT OR A CONTRACT  
17 WITH THE BOARD AND ANNUALLY THEREAFTER, AN EMPLOYEE OR  
18 INDEPENDENT CONTRACTOR SHALL DISCLOSE THE EXISTENCE OF ANY  
19 FINANCIAL INTEREST IN ANY APPLICANT, LICENSED FACILITY OR  
20 LICENSED ENTITY AND IN AN AFFILIATE, INTERMEDIARY, SUBSIDIARY  
21 OR HOLDING COMPANY THEREOF OWNED OR HELD BY THE EMPLOYEE OR  
22 INDEPENDENT CONTRACTOR OR KNOWN TO BE HELD BY THE IMMEDIATE  
23 FAMILY OF THE EMPLOYEE OR INDEPENDENT CONTRACTOR. THE  
24 DISCLOSURE STATEMENT SHALL BE FILED WITH THE BOARD AND SHALL  
25 BE OPEN TO INSPECTION BY THE PUBLIC AT THE OFFICE OF THE  
26 BOARD DURING THE NORMAL BUSINESS HOURS OF THE BOARD AND FOR  
27 TWO YEARS AFTER TERMINATION OF EMPLOYMENT OR A CONTRACT WITH  
28 THE BOARD. FOR PURPOSES OF THIS PARAGRAPH, THE TERM  
29 "IMMEDIATE FAMILY" SHALL MEAN SPOUSE, PARENT, BROTHER, SISTER  
30 OR CHILD.

1           (7.3) PRIOR TO ENTERING INTO EMPLOYMENT OR CONTRACTING  
2           WITH THE BOARD, AN EMPLOYEE OR INDEPENDENT CONTRACTOR AND THE  
3           EMPLOYEE'S OR INDEPENDENT CONTRACTOR'S IMMEDIATE FAMILY SHALL  
4           DIVEST ANY FINANCIAL INTEREST IN ANY APPLICANT, LICENSED  
5           FACILITY OR LICENSED ENTITY, AND IN AN AFFILIATE,  
6           INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY THEREOF, OWNED OR  
7           HELD BY THE EMPLOYEE OR INDEPENDENT CONTRACTOR OR KNOWN TO BE  
8           HELD BY THE IMMEDIATE FAMILY OF THE EMPLOYEE OR INDEPENDENT  
9           CONTRACTOR. FOR THE DURATION OF THE EMPLOYEE'S EMPLOYMENT  
10           WITH THE BOARD OR THE INDEPENDENT CONTRACTOR'S CONTRACT WITH  
11           THE BOARD, AND FOR ONE YEAR THEREAFTER, THE EMPLOYEE OR  
12           INDEPENDENT CONTRACTOR AND THE IMMEDIATE FAMILY THEREOF SHALL  
13           NOT ACQUIRE, BY PURCHASE, GIFT, EXCHANGE OR OTHERWISE, ANY  
14           FINANCIAL INTEREST IN ANY APPLICANT, LICENSED FACILITY OR  
15           LICENSED ENTITY AND IN ANY AFFILIATE, INTERMEDIARY,  
16           SUBSIDIARY OR HOLDING COMPANY THEREOF. FOR PURPOSES OF THIS  
17           PARAGRAPH, THE TERM "IMMEDIATE FAMILY" SHALL MEAN SPOUSE AND  
18           ANY MINOR OR UNEMANCIPATED CHILD.

19           (8) [EVERY MEMBER, EMPLOYEE, APPOINTEE OR OFFICIAL OF  
20           THE BOARD, IN THE SERVICE OF OR IN CONNECTION WITH THE WORK  
21           OF THE BOARD, IS FORBIDDEN, DIRECTLY OR INDIRECTLY, TO  
22           SOLICIT OR REQUEST FROM OR TO SUGGEST OR RECOMMEND TO ANY  
23           APPLICANT, LICENSED ENTITY, ITS] NO MEMBER, EMPLOYEE OR  
24           INDEPENDENT CONTRACTOR OF THE BOARD MAY DIRECTLY OR  
25           INDIRECTLY SOLICIT, REQUEST, SUGGEST OR RECOMMEND TO ANY  
26           APPLICANT, LICENSED ENTITY, OR AN AFFILIATE, INTERMEDIARY,  
27           SUBSIDIARY[, ] OR HOLDING COMPANY THEREOF OR TO ANY [OFFICER,  
28           ATTORNEY, AGENT OR EMPLOYEE] PRINCIPAL, EMPLOYEE, INDEPENDENT  
29           CONTRACTOR OR AGENT THEREOF, THE APPOINTMENT OR EMPLOYMENT OF  
30           ANY [INDIVIDUAL TO ANY OFFICE, PLACE OR POSITION IN OR THE

1 EMPLOYMENT OF ANY INDIVIDUAL] PERSON IN ANY CAPACITY BY THE  
2 APPLICANT, LICENSED ENTITY, [ITS] OR AN AFFILIATE,  
3 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY THEREOF FOR A  
4 PERIOD OF TWO YEARS FROM THE TERMINATION OF TERM OF OFFICE,  
5 EMPLOYMENT OR CONTRACT WITH THE BOARD.

6 [(9) EVERY MEMBER, EXECUTIVE-LEVEL EMPLOYEE, APPOINTEE  
7 OR OFFICIAL APPOINTED TO OFFICE IN THE SERVICE OF OR IN  
8 CONNECTION WITH THE WORK OF THE BOARD IS PROHIBITED FROM  
9 ACCEPTING EMPLOYMENT WITH ANY APPLICANT, LICENSED GAMING  
10 ENTITY, ITS AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING  
11 COMPANY FOR A PERIOD OF ONE YEAR FROM THE TERMINATION OF  
12 EMPLOYMENT OR SERVICE WITH THE BOARD. EVERY MEMBER,  
13 EXECUTIVE-LEVEL EMPLOYEE, APPOINTEE OR OFFICIAL APPOINTED TO  
14 OFFICE IN THE SERVICE OF OR IN CONNECTION WITH THE WORK OF  
15 THE BOARD IS PROHIBITED FROM APPEARING BEFORE THE BOARD ON  
16 BEHALF OF ANY APPLICANT, LICENSED GAMING ENTITY, ITS  
17 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OR  
18 OTHER LICENSEE OR PERMITTEE OF THE BOARD FOR A PERIOD OF TWO  
19 YEARS AFTER TERMINATING EMPLOYMENT OR SERVICE WITH THE BOARD.

20 (10) IF ANY PERSON EMPLOYED OR APPOINTED IN THE SERVICE  
21 OF THE BOARD VIOLATES ANY PROVISION OF THIS SECTION, THE  
22 APPOINTING AUTHORITY OR THE BOARD SHALL FORTHWITH REMOVE THE  
23 PERSON FROM THE OFFICE OR EMPLOYMENT AND THE PERSON SHALL BE  
24 INELIGIBLE FOR FUTURE EMPLOYMENT OR SERVICE WITH THE BOARD  
25 AND SHALL BE INELIGIBLE TO BE APPROVED FOR ANY LICENSE OR  
26 PERMIT UNDER THIS PART FOR A PERIOD OF TWO YEARS THEREAFTER.]

27 (9) NO MEMBER MAY ACCEPT EMPLOYMENT WITH ANY APPLICANT,  
28 LICENSED ENTITY, OR AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR  
29 HOLDING COMPANY THEREOF, FOR A PERIOD OF TWO YEARS FROM THE  
30 TERMINATION OF TERM OF OFFICE.

1           (10) NO MEMBER MAY APPEAR BEFORE THE BOARD ON BEHALF OF  
2           ANY APPLICANT, LICENSED ENTITY, OR AN AFFILIATE,  
3           INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY THEREOF, OR ANY  
4           OTHER LICENSEE OR PERMITTEE FOR A PERIOD OF TWO YEARS FROM  
5           THE TERMINATION OF TERM OF OFFICE.

6           (11) NO MEMBER [OR], EMPLOYEE OR INDEPENDENT CONTRACTOR  
7           OF THE BOARD SHALL ACCEPT A COMPLIMENTARY SERVICE, WAGER OR  
8           BE PAID ANY PRIZE FROM ANY WAGER AT ANY LICENSED FACILITY  
9           WITHIN THIS COMMONWEALTH OR AT ANY OTHER FACILITY OUTSIDE  
10          THIS COMMONWEALTH WHICH IS OWNED OR OPERATED BY A LICENSED  
11          GAMING ENTITY OR ANY OF ITS [AFFILIATES OR SUBSIDIARIES.]  
12          AFFILIATES, INTERMEDIARIES, SUBSIDIARIES OR HOLDING COMPANIES  
13          THEREOF FOR THE DURATION OF THEIR TERM OF OFFICE, EMPLOYMENT  
14          OR CONTRACT WITH THE BOARD, AND FOR A PERIOD OF ONE YEAR FROM  
15          THE TERMINATION OF TERM OF OFFICE, EMPLOYMENT OR CONTRACT  
16          WITH THE BOARD. THE PROVISIONS OF THIS PARAGRAPH SHALL NOT  
17          APPLY TO EMPLOYEES WHO UTILIZE SLOT MACHINES FOR TESTING  
18          PURPOSES OR TO VERIFY THE PERFORMANCE OF A MACHINE AS PART OF  
19          AN ENFORCEMENT INVESTIGATION.

20          (12) A MEMBER [OF THE BOARD] WHO HAS BEEN CONVICTED  
21          DURING HIS TERM IN ANY DOMESTIC OR FOREIGN JURISDICTION OF A  
22          FELONY, INFAMOUS CRIME [OF MORAL TURPITUDE] OR GAMBLING  
23          OFFENSE SHALL, UPON CONVICTION, BE AUTOMATICALLY REMOVED FROM  
24          THE BOARD AND SHALL BE INELIGIBLE TO BECOME A [BOARD] MEMBER  
25          IN THE FUTURE. IF AN EX OFFICIO MEMBER IS CONVICTED DURING  
26          HIS TERM IN ANY DOMESTIC OR FOREIGN JURISDICTION OF A FELONY,  
27          INFAMOUS CRIME OR GAMBLING OFFENSE, THE EX OFFICIO MEMBER  
28          SHALL, UPON CONVICTION, BE AUTOMATICALLY REMOVED FROM THE  
29          BOARD, AND A DESIGNEE SHALL BE DESIGNATED PURSUANT TO  
30          SUBSECTION (E) TO SERVE THE REMAINDER OF THE EX OFFICIO

1 MEMBER'S TERM.

2 (13) NO EMPLOYEE OF THE BOARD OR INDIVIDUAL EMPLOYED BY  
3 AN INDEPENDENT CONTRACTOR OF THE BOARD WHOSE DUTIES  
4 SUBSTANTIALLY INVOLVE LICENSING, ENFORCEMENT OR THE  
5 DEVELOPMENT OR ADOPTION OF REGULATIONS OR POLICY UNDER THIS  
6 PART SHALL:

7 (I) ACCEPT EMPLOYMENT WITH AN APPLICANT, LICENSED  
8 ENTITY, OR AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR  
9 HOLDING COMPANY THEREOF, FOR A PERIOD OF ONE YEAR AFTER  
10 THE TERMINATION OF THE EMPLOYMENT RELATING TO THE CONDUCT  
11 OF GAMING OR CONTRACT WITH THE BOARD; OR

12 (II) APPEAR BEFORE THE BOARD IN ANY HEARING OR  
13 PROCEEDING OR PARTICIPATE IN ANY OTHER ACTIVITY ON BEHALF  
14 OF ANY APPLICANT, LICENSEE, PERMITTEE, LICENSED ENTITY,  
15 OR AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING  
16 COMPANY THEREOF, FOR A PERIOD OF TWO YEARS AFTER  
17 TERMINATION OF THE EMPLOYMENT OR CONTRACT WITH THE BOARD.

18 (14) UPON THE WRITTEN REQUEST OF AN EMPLOYEE OF THE  
19 BOARD, THE EXECUTIVE BRANCH OF THE COMMONWEALTH OR A  
20 POLITICAL SUBDIVISION OR OF THE AGENCY OR POLITICAL  
21 SUBDIVISION EMPLOYING AN EMPLOYEE, THE STATE ETHICS  
22 COMMISSION SHALL DETERMINE WHETHER THE INDIVIDUAL'S DUTIES  
23 SUBSTANTIALLY INVOLVE THE DEVELOPMENT OR ADOPTION OF  
24 REGULATIONS OR POLICY, LICENSING OR ENFORCEMENT, UNDER THIS  
25 PART, AND SHALL PROVIDE A WRITTEN DETERMINATION TO THE  
26 EMPLOYEE TO INCLUDE ANY PROHIBITION UNDER THIS PARAGRAPH. AN  
27 INDIVIDUAL WHO RELIES IN GOOD FAITH ON A DETERMINATION UNDER  
28 THIS PARAGRAPH SHALL NOT BE SUBJECT TO ANY PENALTY FOR AN  
29 ACTION TAKEN, PROVIDED THAT ALL MATERIAL FACTS SET FORTH IN  
30 THE REQUEST FOR A DETERMINATION ARE CORRECT.

1           (15) IF A MEMBER, EMPLOYEE OR INDEPENDENT CONTRACTOR OF  
2           THE BOARD VIOLATES ANY PROVISION OF THIS SECTION, THE  
3           APPOINTING AUTHORITY OR THE BOARD MAY, UPON NOTICE AND  
4           HEARING, REMOVE THE PERSON FROM THE BOARD, WITHDRAW THE  
5           APPOINTMENT OR TERMINATE THE EMPLOYMENT OR CONTRACT AND THE  
6           PERSON SHALL BE INELIGIBLE FOR FUTURE APPOINTMENT, EMPLOYMENT  
7           OR CONTRACT WITH THE BOARD AND FOR APPROVAL OF A LICENSE OR  
8           PERMIT UNDER THIS PART FOR A PERIOD OF TWO YEARS THEREAFTER.

9           (H.1) FIDUCIARY RELATIONSHIP.--A MEMBER OR EMPLOYEE OF THE  
10          BOARD SHALL SERVE AS A FIDUCIARY OF THE COMMONWEALTH.

11          (H.2) STANDARD OF CARE.--MEMBERS SHALL EXERCISE THE STANDARD  
12          OF CARE REQUIRED BY 20 PA.C.S. CH. 73 (RELATING TO  
13          MUNICIPALITIES INVESTMENTS) IN THE PERFORMANCE OF THEIR DUTIES  
14          UNDER THIS PART.

15          (H.3) LIABILITY.--MEMBERS SHALL NOT BE PERSONALLY LIABLE FOR  
16          ANY OF THE FOLLOWING:

17               (1) OBLIGATIONS OF THE BOARD.

18               (2) ACTIONS WHICH WERE WITHIN THE SCOPE OF THEIR OFFICE  
19               AND MADE IN GOOD FAITH.

20          (I)    COMPENSATION.--

21               (1) THE EXECUTIVE BOARD AS ESTABLISHED IN THE ACT OF  
22               APRIL 9, 1929 (P.L.177, NO.175), KNOWN AS THE ADMINISTRATIVE  
23               CODE OF 1929, SHALL ESTABLISH THE COMPENSATION OF THE MEMBERS  
24               [APPOINTED PURSUANT TO THIS SECTION].

25               (2) MEMBERS SHALL BE REIMBURSED FOR ALL NECESSARY AND  
26               ACTUAL EXPENSES.

27               (3) MEMBERS SHALL BE ELIGIBLE FOR RETIREMENT UNDER THE  
28               STATE EMPLOYEES' RETIREMENT CODE AND SHALL, IF THE MEMBER  
29               ELECTS TO PARTICIPATE, BE CONSIDERED A STATE EMPLOYEE FOR THE  
30               PURPOSES OF 71 PA.C.S. PT. XXV (RELATING TO RETIREMENT FOR

1       STATE EMPLOYEES AND OFFICERS).

2       (J) CHAIRMAN.--THE CHAIRMAN OF THE BOARD SHALL BE SELECTED  
3 BY THE GOVERNOR.

4       (K) APPOINTMENTS.--THE APPOINTING AUTHORITIES SHALL MAKE  
5 THEIR INITIAL APPOINTMENTS WITHIN 60 DAYS OF THE EFFECTIVE DATE  
6 OF THIS PART. NO APPOINTMENT SHALL BE FINAL UNTIL RECEIPT BY THE  
7 APPOINTING AUTHORITY OF THE REQUIRED BACKGROUND INVESTIGATION OF  
8 THE APPOINTEE BY THE PENNSYLVANIA STATE POLICE WHICH SHALL BE  
9 COMPLETED WITHIN 30 DAYS. NO PERSON WHO HAS BEEN CONVICTED IN  
10 ANY DOMESTIC OR FOREIGN JURISDICTION OF A FELONY [OR GAMBLING],  
11 INFAMOUS CRIME OR GAMING OFFENSE SHALL BE APPOINTED TO THE  
12 BOARD.

13       [(L) DISCLOSURE STATEMENTS.--MEMBERS AND EMPLOYEES OF THE  
14 BOARD ARE SUBJECT TO THE PROVISIONS OF 65 PA.C.S. CH. 11  
15 (RELATING TO ETHICS STANDARDS AND FINANCIAL DISCLOSURE) AND THE  
16 ACT OF JULY 19, 1957 (P.L.1017, NO.451), KNOWN AS THE STATE  
17 ADVERSE INTEREST ACT.]

18       (L) PROHIBITION AGAINST NEPOTISM.--NO MEMBER MAY SOLICIT,  
19 REQUEST, SUGGEST OR RECOMMEND THE EMPLOYMENT BY THE BOARD OF ANY  
20 INDIVIDUAL RELATED WITHIN THE SECOND DEGREE OF CONSANGUINITY TO  
21 THE MEMBER AS SET FORTH IN 23 PA.C.S. § 1304(E) (RELATING TO  
22 RESTRICTIONS ON ISSUANCE OF LICENSE) OR THE SPOUSE OF THE  
23 INDIVIDUAL.

24       (M) EMPLOYMENT REQUIREMENTS.--

25               (1) PROSPECTIVE EMPLOYEES SHALL SUBMIT AN APPLICATION  
26 AND A PERSONAL DISCLOSURE FORM TO THE BOARD WHICH SHALL  
27 INCLUDE A COMPLETE CRIMINAL HISTORY, INCLUDING CONVICTIONS  
28 AND CURRENT CHARGES FOR ALL FELONIES AND MISDEMEANORS.

29               (2) PROSPECTIVE EMPLOYEES SHALL BE REQUIRED TO UNDERGO  
30 TESTING WHICH DETECTS THE PRESENCE OF ILLEGAL SUBSTANCES IN



1     THE BODY.

2             (3) THE BOARD SHALL OBTAIN FINGERPRINTS AND PHOTOGRAPHS  
3     FOR EACH PROSPECTIVE EMPLOYEE CONSISTENT WITH THE STANDARDS  
4     ADOPTED BY THE PENNSYLVANIA STATE POLICE.

5             (4) THE BOARD SHALL VERIFY THE IDENTIFICATION,  
6     EMPLOYMENT AND EDUCATION OF EACH PROSPECTIVE EMPLOYEE,  
7     INCLUDING:

8                 (I) LEGAL NAME, INCLUDING ANY ALIAS.

9                 (II) ALL EDUCATIONAL INSTITUTIONS ATTENDED  
10     REGARDLESS OF GRADUATION STATUS.

11                (III) PLACES OF RESIDENCE FOR THE PAST TEN YEARS.

12                (IV) EMPLOYMENT HISTORY FOR THE PAST 15 YEARS.

13             (5) THE BOARD SHALL NOT HIRE A PROSPECTIVE EMPLOYEE IF  
14     THE PROSPECTIVE EMPLOYEE:

15                (I) HAS BEEN CONVICTED OF A CRIME THAT BEARS A CLOSE  
16     RELATIONSHIP TO THE DUTIES AND RESPONSIBILITIES OF THE  
17     POSITION FOR WHICH EMPLOYMENT IS SOUGHT;

18                (II) HAS BEEN DISMISSED FROM OTHER EMPLOYMENT FOR  
19     GROSS MISCONDUCT; OR

20                (III) HAS INTENTIONALLY MADE A FALSE STATEMENT  
21     CONCERNING A MATERIAL FACT IN CONNECTION WITH THE  
22     APPLICATION TO THE BOARD.

23             (6) THE BOARD SHALL NOT EMPLOY A PERSON UNLESS THE  
24     REQUIREMENTS OF PARAGRAPHS (1), (2), (3) AND (4) HAVE BEEN  
25     MET. THIS PARAGRAPH SHALL APPLY ONLY TO PERSONS EMPLOYED  
26     AFTER THE EFFECTIVE DATE OF THIS SUBSECTION.

27             (7) THE BOARD SHALL:

28                (I) IMMEDIATELY REFER ANY CRIMINAL MATTER INVOLVING  
29     AN EMPLOYEE TO LAW ENFORCEMENT.

30                (II) DEVELOP A DISCIPLINARY PROCESS FOR AN EMPLOYEE

1           CHARGED WITH A CRIME OR WITH GROSS MISCONDUCT.

2           (III) IMMEDIATELY SUSPEND FROM EMPLOYMENT ANY  
3           EMPLOYEE CHARGED WITH A FELONY.

4           (IV) DEVELOP A PROCESS TO DISCIPLINE ALL OTHER  
5           INSTANCES OF MISCONDUCT.

6           (8) DISCIPLINARY ACTION SHALL BE INSTITUTED PROMPTLY  
7           AGAINST AN EMPLOYEE WHO, WHILE ON OR OFF DUTY, ENGAGES IN  
8           SERIOUS MISCONDUCT WHICH MAY BRING THE BOARD INTO DISREPUTE.

9           (N) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING  
10          WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS  
11          SUBSECTION:

12          "FINANCIAL INTEREST." AN OWNERSHIP, PROPERTY, LEASEHOLD OR  
13          OTHER BENEFICIAL INTEREST IN AN ENTITY. THE TERM SHALL NOT  
14          INCLUDE AN INTEREST WHICH IS HELD OR DEEMED TO BE HELD IN ANY OF  
15          THE FOLLOWING:

16           (1) SECURITIES THAT ARE HELD IN A PENSION PLAN, PROFIT-  
17           SHARING PLAN, INDIVIDUAL RETIREMENT ACCOUNT, TAX SHELTERED  
18           ANNUITY, A PLAN ESTABLISHED PURSUANT TO SECTION 457 OF THE  
19           INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. §  
20           1 ET SEQ.), OR ANY SUCCESSOR PROVISION, DEFERRED COMPENSATION  
21           PLAN WHETHER QUALIFIED OR NOT QUALIFIED UNDER THE INTERNAL  
22           REVENUE CODE OF 1986, OR ANY SUCCESSOR PROVISION, OR OTHER  
23           RETIREMENT PLAN THAT:

24           (I) IS NOT SELF-DIRECTED BY THE INDIVIDUAL; AND

25           (II) IS ADVISED BY AN INDEPENDENT INVESTMENT ADVISER  
26           WHO HAS SOLE AUTHORITY TO MAKE INVESTMENT DECISIONS WITH  
27           RESPECT TO CONTRIBUTIONS MADE BY THE INDIVIDUAL TO THESE  
28           PLANS.

29           (2) A TUITION ACCOUNT PLAN ORGANIZED AND OPERATED  
30           PURSUANT TO SECTION 529 OF THE INTERNAL REVENUE CODE OF 1986

1 (PUBLIC LAW 99-514, 26 U.S.C. § 529) THAT IS NOT SELF-  
2 DIRECTED BY THE INDIVIDUAL.

3 (3) A MUTUAL FUND WHERE THE INTEREST OWNED BY THE MUTUAL  
4 FUND IN A LICENSED ENTITY DOES NOT CONSTITUTE A CONTROLLING  
5 INTEREST AS DEFINED IN THIS PART.

6 "OWNERSHIP INTEREST." OWNING OR HOLDING OR BEING DEEMED TO  
7 HOLD, DEBT OR EQUITY SECURITIES OR OTHER OWNERSHIP INTEREST OR  
8 PROFIT INTEREST.

9 SECTION 3. TITLE 4 IS AMENDED BY ADDING A SECTION TO READ:  
10 § 1201.1. APPLICABILITY OF OTHER STATUTES.

11 (A) GENERAL RULE.--THE FOLLOWING ACTS SHALL APPLY TO THE  
12 BOARD:

13 (1) THE ACT OF JUNE 21, 1957 (P.L.390, NO.212), REFERRED  
14 TO AS THE RIGHT-TO-KNOW LAW.

15 (2) THE ACT OF JULY 19, 1957 (P.L.1017, NO.451), KNOWN  
16 AS THE STATE ADVERSE INTEREST ACT.

17 (3) THE PROVISIONS OF 65 PA.C.S. CHS. 7 (RELATING TO  
18 OPEN MEETINGS) AND 11 (RELATING TO ETHICS STANDARDS AND  
19 FINANCIAL DISCLOSURE).

20 (B) STATUS OF BOARD.--

21 (1) THE BOARD SHALL BE CONSIDERED AN INDEPENDENT AGENCY  
22 FOR THE PURPOSES OF THE FOLLOWING:

23 (I) 62 PA.C.S. PT. I (RELATING TO COMMONWEALTH  
24 PROCUREMENT CODE). THE EXPEDITING OF THE PAYMENT OF  
25 REVENUE TO THE COMMONWEALTH SHALL NOT BE GROUNDS FOR AN  
26 EMERGENCY PROCUREMENT BY THE BOARD.

27 (II) THE ACT OF OCTOBER 15, 1980 (P.L.950, NO.164),  
28 KNOWN AS THE COMMONWEALTH ATTORNEYS ACT.

29 (2) THE BOARD SHALL BE CONSIDERED AN AGENCY FOR THE  
30 PURPOSES OF THE FOLLOWING:

(I) THE ACT OF JULY 31, 1968 (P.L.769, NO.240),  
REFERRED TO AS THE COMMONWEALTH DOCUMENTS LAW.

(II) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181),  
KNOWN AS THE REGULATORY REVIEW ACT.

SECTION 4. SECTION 1202 OF TITLE 4 IS AMENDED TO READ:

§ 1202. GENERAL AND SPECIFIC POWERS.

(A) GENERAL POWERS.--

(1) THE BOARD SHALL HAVE GENERAL [JURISDICTION] AND SOLE  
REGULATORY AUTHORITY OVER [ALL GAMING ACTIVITIES] THE CONDUCT  
OF GAMING OR RELATED ACTIVITIES AS DESCRIBED IN THIS PART.

THE BOARD SHALL [BE RESPONSIBLE TO] ENSURE THE INTEGRITY OF  
THE ACQUISITION AND OPERATION OF SLOT MACHINES AND ASSOCIATED  
EQUIPMENT AND SHALL HAVE [JURISDICTION] SOLE REGULATORY  
AUTHORITY OVER EVERY ASPECT OF THE AUTHORIZATION AND  
OPERATION OF SLOT MACHINES.

(2) THE BOARD SHALL EMPLOY [AN EXECUTIVE DIRECTOR, CHIEF  
COUNSEL, DEPUTIES, SECRETARIES, OFFICERS, HEARING OFFICERS  
AND AGENTS AS IT MAY DEEM NECESSARY] INDIVIDUALS AS NECESSARY  
TO CARRY OUT THE POWERS AND DUTIES OF THE BOARD, WHO SHALL  
SERVE AT THE BOARD'S PLEASURE. [THE BOARD SHALL ALSO EMPLOY  
OTHER EMPLOYEES AS IT DEEMS APPROPRIATE WHOSE DUTIES SHALL BE  
DETERMINED BY THE BOARD. IN ORDER TO ENSURE THE ABILITY OF  
THE BOARD TO RECRUIT AND RETAIN INDIVIDUALS NECESSARY TO  
EXECUTE ITS RESPONSIBILITIES UNDER THIS PART, THE BOARD SHALL  
SET THE] 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

1 ATTORNEYS ACT.

2 (3) IN ADDITION TO EMPLOYEES AUTHORIZED BY THE BOARD,  
3 EACH MEMBER MAY EMPLOY ONE SPECIAL ASSISTANT WHOSE  
4 CLASSIFICATION AND COMPENSATION SHALL BE ESTABLISHED BY THE  
5 BOARD. A SPECIAL ASSISTANT SHALL BE A STATE EMPLOYEE FOR  
6 PURPOSES OF 71 PA.C.S. PT. XXV, SHALL SERVE AT THE PLEASURE  
7 OF THE MEMBER AND MAY ONLY BE REMOVED BY THE BOARD FOR CAUSE.

8 (4) THE BOARD SHALL ESTABLISH A SYSTEM OF CLASSIFICATION  
9 AND COMPENSATION OF ITS EMPLOYEES AND SHALL NOT BE SUBJECT TO  
10 THE PROVISIONS OF THE ACT OF APRIL 9, 1929 (P.L.177, NO.175),  
11 KNOWN AS THE ADMINISTRATIVE CODE OF 1929, AS TO  
12 CLASSIFICATION AND COMPENSATION FOR ITS EMPLOYEES AND CONDUCT  
13 ITS ACTIVITIES CONSISTENT WITH THE PRACTICES AND PROCEDURES  
14 OF COMMONWEALTH AGENCIES. [FOR THE PURPOSES OF THE ACT OF  
15 OCTOBER 15, 1980 (P.L.950, NO.164), KNOWN AS THE COMMONWEALTH  
16 ATTORNEYS ACT, THE BOARD SHALL NOT BE CONSIDERED AN EXECUTIVE  
17 OR INDEPENDENT AGENCY. THE BOARD SHALL HAVE SUCH OTHER POWERS  
18 AND AUTHORITY NECESSARY TO CARRY OUT ITS DUTIES AND THE  
19 OBJECTIVES OF THIS PART.]

20 (5) WITHIN 90 DAYS OF THE EFFECTIVE DATE OF THIS  
21 PARAGRAPH, THE BOARD SHALL PUBLISH IN THE PENNSYLVANIA  
22 BULLETIN, AND ON ITS INTERNET WEBSITE, THE CLASSIFICATION  
23 SYSTEM FOR ALL EMPLOYEES OF THE BOARD.

24 (6) A REQUEST FOR PROPOSAL TO CONDUCT INVESTIGATIONS OF  
25 EMPLOYEES AND APPLICANTS UNDER THIS PART SHALL INCLUDE A  
26 REQUIREMENT THAT AN OFFEROR PROVIDE THE NUMBER OF EMPLOYEES  
27 OF THE OFFEROR WHO WILL BE ENGAGED IN THE CONDUCT OF  
28 INVESTIGATIONS AND WHO ARE RESIDENTS OF THIS COMMONWEALTH AND  
29 ANNUITANTS OF A FEDERAL, STATE OR LOCAL LAW ENFORCEMENT  
30 AGENCY. PREFERENCE SHALL BE GIVEN TO AN OFFEROR WITH A

1 SUBSTANTIAL NUMBER OF EMPLOYEES WHO WILL BE ENGAGED IN THE  
2 CONDUCT OF INVESTIGATIONS AND WHO ARE RESIDENTS OF THIS  
3 COMMONWEALTH AND ANNUITANTS OF A FEDERAL, STATE OR LOCAL LAW  
4 ENFORCEMENT AGENCY.

5 (B) SPECIFIC POWERS.--THE BOARD SHALL HAVE THE SPECIFIC  
6 POWER AND DUTY:

7 (1) TO ADOPT, USE AND ALTER A CORPORATE SEAL.

8 (2) TO PAY OR SATISFY OBLIGATIONS OF THE BOARD.

9 (3) TO SUE OR BE SUED, IMPEAD AND BE IMPEADED, OR  
10 INTERPLEAD.

11 (4) TO CONTRACT AND EXECUTE INSTRUMENTS AS NECESSARY TO  
12 CARRY OUT THE POWERS AND DUTIES OF THE BOARD. CONTRACTS FOR  
13 THE PURCHASE OF SUPPLIES, SERVICES AND CONSTRUCTION SHALL BE  
14 FOR A TERM NOT TO EXCEED TWO YEARS.

15 (5) TO SELL, TRANSFER, CONVEY AND DISPOSE OF TANGIBLE OR  
16 INTANGIBLE PROPERTY OWNED BY THE BOARD.

17 (6) TO ESTABLISH, CHARGE AND COLLECT FEES AND FINES AS  
18 AUTHORIZED BY THIS PART.

19 (7) TO ADMINISTER OATHS, EXAMINE WITNESSES AND ISSUE  
20 SUBPOENAS COMPELLING THE ATTENDANCE OF WITNESSES OR THE  
21 PRODUCTION OF DOCUMENTS AND RECORDS OR OTHER EVIDENCE. THE  
22 PROVISIONS OF THIS PARAGRAPH SHALL APPLY TO DESIGNATED  
23 OFFICERS AND EMPLOYEES.

24 (8) TO PURCHASE INSURANCE AGAINST A LOSS RELATED TO THE  
25 BOARD'S PROPERTY OR ASSETS.

26 (8.1) RETAIN ATTORNEYS, ACCOUNTANTS, AUDITORS AND  
27 FINANCIAL AND OTHER EXPERTS, TO RENDER SERVICES AS NECESSARY.  
28 FOR THE PURPOSES OF THIS PARAGRAPH, THE BOARD SHALL BE  
29 CONSIDERED AN INDEPENDENT AGENCY FOR PURPOSES OF THE  
30 COMMONWEALTH ATTORNEYS ACT.

1           (9) TO REQUIRE BACKGROUND INVESTIGATIONS ON [PROSPECTIVE  
2 OR EXISTING] APPLICANTS, LICENSEES, PRINCIPALS, KEY EMPLOYEES  
3 OR PERMITTEES [OR PERSONS HOLDING A CONTROLLING INTEREST IN  
4 ANY PROSPECTIVE OR EXISTING LICENSEE OR PERMITTEE] UNDER THE  
5 JURISDICTION OF THE BOARD.

6           [(2)] (10) TO ENTER INTO AN AGREEMENT WITH THE  
7 PENNSYLVANIA STATE POLICE FOR THE REIMBURSEMENT OF ACTUAL  
8 COSTS AS APPROVED BY THE BOARD TO THE PENNSYLVANIA STATE  
9 POLICE FOR THE INVESTIGATIONS. INVESTIGATIONS SHALL INCLUDE  
10 INFORMATION IN THE POSSESSION OF THE ATTORNEY GENERAL.

11           [(3)] (11) FOR PURPOSES OF LICENSING AND ENFORCEMENT AND  
12 FOR PURPOSES OF THE BACKGROUND INVESTIGATION, [THE BOARD MAY]  
13 TO RECEIVE INFORMATION OTHERWISE PROTECTED BY 18 PA.C.S. CH.  
14 91 (RELATING TO CRIMINAL HISTORY RECORD INFORMATION).

15           [(4)] (12) AT ITS DISCRETION, TO ISSUE, APPROVE, RENEW,  
16 REVOKE, SUSPEND, CONDITION OR DENY ISSUANCE OR RENEWAL OF  
17 SLOT MACHINE LICENSES.

18           [(5)] (13) AT ITS DISCRETION, TO ISSUE, APPROVE, RENEW,  
19 REVOKE, SUSPEND, CONDITION OR DENY ISSUANCE OR RENEWAL OF  
20 SUPPLIER AND MANUFACTURER LICENSES.

21           [(6)] (14) AT ITS DISCRETION, TO ISSUE, APPROVE, RENEW,  
22 REVOKE, SUSPEND, CONDITION OR DENY ISSUANCE OR RENEWAL OF  
23 [OCCUPATION PERMITS] A LICENSE OR PERMIT FOR VARIOUS CLASSES  
24 OF EMPLOYEES AS REQUIRED UNDER THIS PART.

25           [(7)] (15) AT ITS DISCRETION, TO ISSUE, APPROVE, RENEW,  
26 REVOKE, SUSPEND, CONDITION OR DENY ISSUANCE OR RENEWAL OF ANY  
27 ADDITIONAL LICENSES OR PERMITS WHICH MAY BE REQUIRED BY THE  
28 BOARD UNDER THIS PART. [OR BY REGULATION, INCLUDING, BUT NOT  
29 LIMITED TO, VIOLATIONS OF SECTIONS 1328 (RELATING TO CHANGE  
30 IN OWNERSHIP OR CONTROL OF SLOT MACHINE LICENSEE) AND 1330

1 (RELATING TO MULTIPLE SLOT MACHINE LICENSE PROHIBITION).]

2 [(8)] (16) AT ITS DISCRETION, TO SUSPEND, CONDITION OR  
3 DENY THE ISSUANCE OR RENEWAL OF ANY LICENSE OR PERMIT OR LEVY  
4 FINES OR OTHER SANCTIONS FOR ANY VIOLATION OF THIS PART.

5 [(9)] (17) TO REQUIRE PROSPECTIVE AND EXISTING  
6 EMPLOYEES, INDEPENDENT CONTRACTORS, APPLICANTS [FOR LICENSES  
7 AND PERMITS], LICENSEES AND PERMITTEES TO SUBMIT TO  
8 FINGERPRINTING BY THE PENNSYLVANIA STATE POLICE. THE  
9 PENNSYLVANIA STATE POLICE SHALL SUBMIT THE FINGERPRINTS TO  
10 THE FEDERAL BUREAU OF INVESTIGATION FOR PURPOSES OF VERIFYING  
11 THE IDENTITY OF THE [APPLICANTS] INDIVIDUAL AND OBTAINING  
12 RECORDS OF CRIMINAL ARRESTS AND CONVICTIONS.

13 [10] (18) TO REQUIRE PROSPECTIVE AND EXISTING EMPLOYEES,  
14 INDEPENDENT CONTRACTORS, APPLICANTS, LICENSEES AND PERMITTEES  
15 TO SUBMIT PHOTOGRAPHS CONSISTENT WITH THE STANDARDS OF THE  
16 COMMONWEALTH PHOTO IMAGING NETWORK.

17 (19) TO LEVY FINES OR OTHER SANCTIONS AGAINST AN  
18 APPLICANT, LICENSED ENTITY OR OTHER LICENSEE, PERMITTEE OR  
19 EMPLOYEE OF THE BOARD WHO POSSESSES, USES, SELLS OR OFFERS  
20 FOR SALE ANY DEVICE, EQUIPMENT OR MATERIAL SUBJECT TO THIS  
21 PART IN A MANNER WHICH CONSTITUTES A VIOLATION OF THIS PART.

22 (20) IN ADDITION TO THE POWER OF THE BOARD REGARDING  
23 LICENSE AND PERMIT APPLICANTS, TO DETERMINE AT ITS DISCRETION  
24 THE SUITABILITY OF ANY PERSON WHO FURNISHES OR SEEKS TO  
25 FURNISH TO A SLOT MACHINE LICENSEE DIRECTLY OR INDIRECTLY ANY  
26 SERVICES OR PROPERTY RELATED TO SLOT MACHINES OR ASSOCIATED  
27 EQUIPMENT OR THROUGH ANY ARRANGEMENTS UNDER WHICH THAT PERSON  
28 RECEIVES PAYMENT BASED DIRECTLY OR INDIRECTLY ON EARNINGS,  
29 PROFITS OR RECEIPTS FROM THE SLOT MACHINES AND ASSOCIATED  
30 EQUIPMENT. THE BOARD MAY REQUIRE ANY SUCH PERSON TO COMPLY



1 WITH THE REQUIREMENTS OF THIS PART AND THE REGULATIONS OF THE  
2 BOARD AND MAY PROHIBIT THE PERSON FROM FURNISHING THE  
3 SERVICES OR PROPERTY.

4 [(11) AS A BOARD AND THROUGH ITS DESIGNATED OFFICERS,  
5 EMPLOYEES OR AGENTS, TO ADMINISTER OATHS, EXAMINE WITNESSES  
6 AND ISSUE SUBPOENAS TO COMPEL ATTENDANCE OF WITNESSES AND  
7 PRODUCTION OF ALL RELEVANT AND MATERIAL REPORTS, BOOKS,  
8 PAPERS, DOCUMENTS AND OTHER EVIDENCE.

9 (12)] (21) WITHIN SIX MONTHS AFTER THE EFFECTIVE DATE OF  
10 THIS PART, IN A MANNER THAT DOES NOT IMPEDE THE IMMEDIATE  
11 IMPLEMENTATION OF THE DUTIES AND RESPONSIBILITIES OF THE  
12 BOARD UNDER THIS PART DURING THE IMMEDIATE TWO YEARS AFTER  
13 THE EFFECTIVE DATE OF THIS PART, TO DEVELOP AND IMPLEMENT AN  
14 AFFIRMATIVE ACTION PLAN TO ASSURE THAT ALL PERSONS ARE  
15 ACCORDED EQUALITY OF OPPORTUNITY IN EMPLOYMENT AND  
16 CONTRACTING BY THE BOARD, ITS CONTRACTORS, SUBCONTRACTORS,  
17 ASSIGNEES, LESSEES, AGENTS, VENDORS AND SUPPLIERS.

18 [(13)] (22) EXCEPT FOR CONTRACTS RELATED TO THE CENTRAL  
19 CONTROL COMPUTER [AND SUCH OTHER CONTRACTS AS THE BOARD, IN  
20 CONSULTATION WITH THE SECRETARY OF GENERAL SERVICES,  
21 DETERMINES WOULD RESULT IN SUBSTANTIAL SAVINGS TO THE BOARD  
22 IF ENTERED INTO FOR A LONGER PERIOD THAN PROVIDED IN THIS  
23 PARAGRAPH], ALL CONTRACTS ENTERED INTO BY THE BOARD DURING  
24 THE TWO-YEAR PERIOD FOLLOWING THE EFFECTIVE DATE OF THIS PART  
25 SHALL NOT EXCEED A TERM OF TWO YEARS.

26 [(14) TO PROMULGATE RULES AND REGULATIONS THE BOARD  
27 DEEMS NECESSARY TO CARRY OUT THE POLICY AND PURPOSES OF THIS  
28 PART AND TO ENHANCE THE CREDIBILITY AND THE INTEGRITY OF THE  
29 LICENSED OPERATION OF SLOT MACHINES AND ASSOCIATED EQUIPMENT  
30 IN THIS COMMONWEALTH.

1           (15)] (23) THE BOARD SHALL NOT ISSUE OR RENEW A LICENSE  
2 OR PERMIT UNLESS IT IS SATISFIED THAT THE APPLICANT IS A  
3 PERSON OF GOOD CHARACTER, HONESTY AND INTEGRITY AND IS A  
4 PERSON WHOSE PRIOR ACTIVITIES, CRIMINAL RECORD, IF ANY,  
5 REPUTATION, HABITS AND ASSOCIATIONS DO NOT POSE A THREAT TO  
6 THE PUBLIC INTEREST OR THE EFFECTIVE REGULATION AND CONTROL  
7 OF SLOT MACHINE OPERATIONS OR CREATE OR ENHANCE THE DANGER OF  
8 UNSUITABLE, UNFAIR OR ILLEGAL PRACTICES, METHODS AND  
9 ACTIVITIES IN THE CONDUCT OF SLOT MACHINE OPERATIONS OR THE  
10 CARRYING ON OF THE BUSINESS AND FINANCIAL ARRANGEMENTS  
11 INCIDENTAL THERETO.

12           [(16)] (24) NOTWITHSTANDING ANY OTHER PROVISION OF LAW,  
13 [THE BOARD IS AUTHORIZED] TO SELL, IN WHOLE OR IN PART, THE  
14 COMMONWEALTH'S RIGHT, TITLE AND INTEREST IN STATE GAMING  
15 RECEIPTS TO [AN] THE AUTHORITY [CREATED BY THE COMMONWEALTH].  
16 THE SALE SHALL BE SUBJECT TO THE TERMS AND CONDITIONS  
17 CONTAINED IN AGREEMENTS BETWEEN THE BOARD AND THE AUTHORITY.  
18 PROCEEDS FROM THE SALE OF STATE GAMING RECEIPTS SHALL BE  
19 ALLOCATED AND USED IN THE MANNER OTHERWISE PROVIDED BY THIS  
20 PART FOR THE DISTRIBUTION OF STATE GAMING RECEIPTS. THE  
21 AUTHORITY [CREATED BY THE COMMONWEALTH] IS AUTHORIZED TO  
22 PURCHASE STATE GAMING RECEIPTS UPON TERMS AND CONDITIONS  
23 AGREED TO BY THE BOARD AND TO ISSUE BONDS TO FUND THE  
24 PURCHASE OF STATE GAMING RECEIPTS IN THE MANNER PROVIDED FOR  
25 THE ISSUANCE OF AUTHORITY INDEBTEDNESS IN THE LAW  
26 ESTABLISHING THE AUTHORITY. THE STATE TREASURER IS AUTHORIZED  
27 AND DIRECTED TO ENTER INTO ANY AGREEMENTS WITH THE BOARD AND  
28 THE AUTHORITY AND ESTABLISH ACCOUNTS AND FUNDS, THAT SHALL  
29 NOT BE IN THE STATE TREASURY, AS THE AUTHORITY MAY DIRECT AS  
30 BEING NECESSARY OR APPROPRIATE TO EFFECT THE SALE OF STATE

1 GAMING RECEIPTS TO THE AUTHORITY AND THE COLLECTION AND  
2 TRANSFER OF THE STATE GAMING RECEIPTS SOLD TO THE AUTHORITY.  
3 STATE GAMING RECEIPTS SOLD TO THE AUTHORITY SHALL BE THE  
4 PROPERTY OF THE AUTHORITY AND SHALL NOT BE THE PROPERTY OF  
5 THE COMMONWEALTH.

6 [(17)] (25) TO [CREATE A BUREAU OF INVESTIGATIONS AND  
7 ENFORCEMENT WITHIN THE BOARD. THE BOARD SHALL] PROMULGATE  
8 REGULATIONS PERTAINING TO THE OPERATION OF THE BUREAU [WHICH  
9 SHALL] TO INSURE SEPARATION OF FUNCTIONS BETWEEN THE BUREAU  
10 AND THE BOARD. THE BOARD SHALL PROVIDE THE EMPLOYEES  
11 NECESSARY TO THE BUREAU FOR ENFORCEMENT OF THIS PART.

12 [(18)] (26) TO ENTER INTO AN AGREEMENT WITH THE DISTRICT  
13 ATTORNEYS OF THE COUNTIES WHEREIN LICENSED FACILITIES ARE  
14 LOCATED AND THE OFFICE OF ATTORNEY GENERAL FOR THE  
15 REIMBURSEMENT OF ACTUAL COSTS FOR PROSECUTIONS OF CRIMINAL  
16 VIOLATIONS [OF THIS PART.] AND FOR INVESTIGATING A PERSON  
17 APPLYING FOR A DETERMINATION THAT AN INDIVIDUAL HAS BEEN  
18 REHABILITATED UNDER THIS PART.

19 (27) TO PUBLISH EACH JANUARY IN THE PENNSYLVANIA  
20 BULLETIN AND ON THE BOARD'S INTERNET WEBSITE A COMPLETE LIST  
21 OF ALL PERSONS OR ENTITIES WHO APPLIED FOR OR HELD A SLOT  
22 MACHINE LICENSE, MANUFACTURER LICENSE, SUPPLIER LICENSE OR  
23 RACETRACK LICENSE AT ANY TIME DURING THE PRECEDING CALENDAR  
24 YEAR AND ALL AFFILIATES, INTERMEDIARIES, SUBSIDIARIES AND  
25 HOLDING COMPANIES THEREOF AND THE STATUS OF THE APPLICATION  
26 OR LICENSE.

27 (28) TO PREPARE AND, THROUGH THE GOVERNOR, SUBMIT  
28 ANNUALLY TO THE GENERAL ASSEMBLY AN ITEMIZED BUDGET  
29 CONSISTENT WITH ARTICLE VI OF THE ACT OF APRIL 9, 1929  
30 (P.L.177, NO.175), KNOWN AS THE ADMINISTRATIVE CODE OF 1929,

1 CONSISTING OF THE AMOUNTS NECESSARY TO BE APPROPRIATED BY THE  
2 GENERAL ASSEMBLY OUT OF THE ACCOUNTS ESTABLISHED UNDER  
3 SECTION 1401 (RELATING TO SLOT MACHINE LICENSEE DEPOSITS)  
4 REQUIRED TO MEET THE OBLIGATIONS ACCRUING DURING THE FISCAL  
5 PERIOD BEGINNING JULY 1 OF THE FOLLOWING YEAR. THE BUDGET  
6 SHALL INCLUDE ITEMIZED RECOMMENDATIONS FOR THE ATTORNEY  
7 GENERAL, THE DEPARTMENT AND THE PENNSYLVANIA STATE POLICE AS  
8 TO THE AMOUNT NEEDED TO MEET THEIR OBLIGATIONS UNDER THIS  
9 PART.

10 (29) IN THE EVENT THAT IN ANY YEAR, APPROPRIATIONS FOR  
11 THE ADMINISTRATION OF THIS PART ARE NOT ENACTED BY JUNE 30,  
12 ANY FUNDS APPROPRIATED FOR THE ADMINISTRATION OF THIS PART  
13 WHICH ARE UNEXPENDED, UNCOMMITTED, AND UNENCUMBERED AT THE  
14 END OF A FISCAL YEAR SHALL REMAIN AVAILABLE FOR EXPENDITURE  
15 BY THE BOARD OR OTHER AGENCY TO WHICH THEY WERE APPROPRIATED  
16 UNTIL THE ENACTMENT OF APPROPRIATION FOR THE ENSUING FISCAL  
17 YEAR.

18 (30) TO PROMULGATE RULES AND REGULATIONS NECESSARY FOR  
19 THE ADMINISTRATION AND ENFORCEMENT OF THIS PART, INCLUDING  
20 REGULATIONS IN COOPERATION WITH THE PENNSYLVANIA LIQUOR  
21 CONTROL BOARD, REGULATIONS RELATING TO THE SALE AND SERVICE  
22 OF LIQUOR AND MALT AND BREWED BEVERAGES BY LICENSEES. EXCEPT  
23 AS PROVIDED IN SECTION 1203 (RELATING TO TEMPORARY  
24 REGULATIONS), REGULATIONS SHALL BE ADOPTED PURSUANT TO THE  
25 ACT OF JULY 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE  
26 COMMONWEALTH DOCUMENTS LAW, AND THE ACT OF JUNE 25, 1982  
27 (P.L.633, NO.181), KNOWN AS THE REGULATORY REVIEW ACT.

28 SECTION 5. TITLE 4 IS AMENDED BY ADDING A SECTION TO READ:  
29 § 1202.1. CODE OF CONDUCT.

30 (A) SCOPE.--THE BOARD SHALL ADOPT A COMPREHENSIVE CODE OF

1 CONDUCT PRIOR TO THE CONSIDERATION OF ANY LICENSE, PERMIT OR  
2 REGISTRATION APPLICATION. THE CODE OF CONDUCT SHALL SUPPLEMENT  
3 ALL OTHER REQUIREMENTS UNDER THIS PART AND 65 PA.C.S. PT. II  
4 (RELATING TO ACCOUNTABILITY) AND SHALL PROVIDE GUIDELINES  
5 APPLICABLE TO MEMBERS, EMPLOYEES, INDEPENDENT CONTRACTORS OF THE  
6 BOARD, AND THE IMMEDIATE FAMILIES OF THE MEMBERS, EMPLOYEES AND  
7 INDEPENDENT CONTRACTORS, TO ENABLE THEM TO AVOID ANY PERCEIVED  
8 OR ACTUAL CONFLICT OF INTEREST AND TO PROMOTE PUBLIC CONFIDENCE  
9 IN THE INTEGRITY AND IMPARTIALITY OF THE BOARD. AT A MINIMUM,  
10 THE CODE OF CONDUCT ADOPTED UNDER THIS SECTION SHALL INCLUDE  
11 REGISTRATION UNDER SUBSECTION (B) AND THE RESTRICTIONS IN  
12 SUBSECTION (C).

13 (B) REGISTRATION.--

14 (1) A LICENSED ENTITY REPRESENTATIVE SHALL REGISTER WITH  
15 THE BOARD IN A MANNER PRESCRIBED BY THE BOARD, WHICH SHALL  
16 INCLUDE THE NAME, EMPLOYER OR FIRM, ADDRESS, TELEPHONE NUMBER  
17 AND THE LICENSED ENTITY BEING REPRESENTED.

18 (2) A LICENSED ENTITY REPRESENTATIVE SHALL HAVE AN  
19 ONGOING DUTY TO UPDATE ITS REGISTRATION INFORMATION ON AN  
20 ONGOING BASIS.

21 (3) THE REGISTRATION LIST SHALL BE AVAILABLE FOR PUBLIC  
22 INSPECTION AT THE OFFICES OF THE BOARD AND ON THE BOARD'S  
23 INTERNET WEBSITE.

24 (C) RESTRICTIONS.--A MEMBER OF THE BOARD SHALL:

25 (1) NOT ENGAGE IN ANY EX PARTE COMMUNICATION WITH ANY  
26 PERSON.

27 (2) NOT ACCEPT ANY DISCOUNT, GIFT, GRATUITY,  
28 COMPENSATION, TRAVEL, LODGING OR OTHER THING OF VALUE,  
29 DIRECTLY OR INDIRECTLY, FROM ANY APPLICANT, LICENSEE,  
30 PERMITTEE, REGISTRANT OR LICENSED ENTITY REPRESENTATIVE

1 THEREOF.

2 (3) DISCLOSE AND DISQUALIFY HIMSELF FROM ANY PROCEEDING  
3 IN WHICH THE MEMBER'S OBJECTIVITY, IMPARTIALITY, INTEGRITY OR  
4 INDEPENDENCE OF JUDGMENT MAY BE REASONABLY QUESTIONED DUE TO  
5 THE MEMBER'S RELATIONSHIP OR ASSOCIATION WITH A PARTY  
6 CONNECTED TO ANY PROCEEDING OR A PERSON APPEARING BEFORE THE  
7 BOARD.

8 (4) REFRAIN FROM ANY FINANCIAL OR BUSINESS DEALING WHICH  
9 WOULD TEND TO REFLECT ADVERSELY ON THE MEMBER'S OBJECTIVITY,  
10 IMPARTIALITY OR INDEPENDENCE OF JUDGMENT.

11 (5) NOT HOLD OR CAMPAIGN FOR PUBLIC OFFICE, HOLD AN  
12 OFFICE IN ANY POLITICAL PARTY OR POLITICAL COMMITTEE,  
13 CONTRIBUTE TO OR SOLICIT CONTRIBUTIONS TO A POLITICAL  
14 CAMPAIGN, PARTY, COMMITTEE OR CANDIDATE, PUBLICLY ENDORSE A  
15 CANDIDATE OR ACTIVELY PARTICIPATE IN A POLITICAL CAMPAIGN.

16 (6) NOT SOLICIT FUNDS FOR ANY CHARITABLE, EDUCATIONAL,  
17 RELIGIOUS, HEALTH, FRATERNAL, CIVIC OR OTHER NONPROFIT ENTITY  
18 FROM AN APPLICANT, LICENSED ENTITY OR AFFILIATE, SUBSIDIARY,  
19 INTERMEDIARY OR HOLDING COMPANY OF A LICENSED ENTITY,  
20 INTERESTED PARTY OR LICENSED ENTITY REPRESENTATIVE. A BOARD  
21 MEMBER MAY SERVE AS AN OFFICER, EMPLOYEE OR MEMBER OF THE  
22 GOVERNING BODY OF A NONPROFIT ENTITY AND MAY ATTEND, MAKE  
23 PERSONAL CONTRIBUTIONS TO AND PLAN OR PRESIDE OVER THE  
24 ENTITY'S FUNDRAISING EVENTS. A BOARD MEMBER MAY PERMIT HIS  
25 NAME TO APPEAR ON THE LETTERHEAD USED FOR FUNDRAISING EVENTS  
26 IF THE LETTERHEAD CONTAINS ONLY THE BOARD MEMBER'S NAME AND  
27 POSITION WITH THE NONPROFIT ENTITY.

28 (7) NOT MEET OR ENGAGE IN DISCUSSIONS WITH ANY  
29 APPLICANT, PERSON LICENSED UNDER THIS PART, OR A LICENSED  
30 ENTITY REPRESENTATIVE UNLESS THE MEETING OR DISCUSSION OCCURS

1 ON THE BUSINESS PREMISES OF THE BOARD AND IS RECORDED IN A  
2 LOG MAINTAINED FOR THIS PURPOSE. THE LOG SHALL BE AVAILABLE  
3 FOR PUBLIC INSPECTION DURING THE REGULAR BUSINESS HOURS OF  
4 THE BOARD. THE PROVISIONS OF THIS PARAGRAPH SHALL NOT APPLY  
5 TO MEETINGS OF THE BOARD TO CONSIDER MATTERS REQUIRING THE  
6 PHYSICAL INSPECTION OF THE EQUIPMENT OR PREMISES OF AN  
7 APPLICANT OR A LICENSED ENTITY AT THEIR LOCATION.

8 (8) AVOID IMPROPRIETY AND THE APPEARANCE OF IMPROPRIETY  
9 AT ALL TIMES AND OBSERVE STANDARDS AND CONDUCT THAT PROMOTE  
10 PUBLIC CONFIDENCE IN THE OVERSIGHT OF GAMING.

11 (9) COMPLY WITH ANY OTHER LAWS, RULES OR REGULATIONS  
12 RELATING TO THE CONDUCT OF A MEMBER.

13 (D) EX OFFICIO MEMBERS.--THE RESTRICTIONS UNDER SUBSECTION  
14 (C)(5) SHALL NOT APPLY TO EX OFFICIO MEMBERS.

15 (E) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING  
16 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS  
17 SUBSECTION:

18 "EX PARTE COMMUNICATION." AN OFF-THE-RECORD COMMUNICATION BY  
19 A MEMBER OR EMPLOYEE OF THE BOARD REGARDING THE MERITS OF OR ANY  
20 FACT IN ISSUE RELATING TO A PENDING MATTER BEFORE THE BOARD OR  
21 WHICH MAY REASONABLY BE EXPECTED TO COME BEFORE THE BOARD IN A  
22 CONTESTED ON-THE-RECORD PROCEEDING. THE TERM SHALL NOT INCLUDE  
23 OFF-THE-RECORD COMMUNICATIONS BY OR BETWEEN A MEMBER OR EMPLOYEE  
24 OF THE BOARD, DEPARTMENT OF REVENUE, PENNSYLVANIA STATE POLICE,  
25 ATTORNEY GENERAL OR OTHER LAW ENFORCEMENT OFFICIAL PRIOR TO THE  
26 BEGINNING OF THE PROCEEDING SOLELY FOR THE PURPOSE OF SEEKING  
27 CLARIFICATION OR CORRECTION TO EVIDENTIARY MATERIALS INTENDED  
28 FOR USE IN THE PROCEEDINGS.

29 "LICENSED ENTITY REPRESENTATIVE." A PERSON ACTING ON BEHALF  
30 OF OR REPRESENTING THE INTEREST OF ANY APPLICANT, LICENSEE,

1 PERMITTEE OR REGISTRANT, INCLUDING AN ATTORNEY, AGENT OR  
2 LOBBYIST REGARDING ANY MATTER WHICH MAY REASONABLY BE EXPECTED  
3 TO COME BEFORE THE BOARD.

4 SECTION 6. SECTIONS 1203, 1204, 1205, 1206(A), (B), (C), (D)  
5 AND (F), 1207(6), 1208(1), 1209(A), 1210, 1211, 1213, 1304,  
6 1305, 1306, 1309(A)(1) AND 1311 OF TITLE 4 ARE AMENDED TO READ:  
7 § 1203. TEMPORARY REGULATIONS.

8 (A) PROMULGATION.--[NOTWITHSTANDING ANY OTHER PROVISION OF  
9 LAW TO THE CONTRARY AND IN] IN ORDER TO FACILITATE THE PROMPT  
10 IMPLEMENTATION OF THIS PART, REGULATIONS PROMULGATED BY THE  
11 BOARD [DURING THE TWO YEARS FOLLOWING THE EFFECTIVE DATE OF THIS  
12 PART] SHALL BE DEEMED TEMPORARY REGULATIONS WHICH SHALL EXPIRE  
13 NO LATER THAN THREE YEARS FOLLOWING THE EFFECTIVE DATE OF THIS  
14 PART [OR UPON PROMULGATION OF REGULATIONS AS GENERALLY PROVIDED  
15 BY LAW. THE TEMPORARY REGULATIONS SHALL NOT BE]. THE BOARD MAY  
16 PROMULGATE TEMPORARY REGULATIONS NOT SUBJECT TO:

17 (1) SECTIONS 201 [THROUGH 205], 202 AND 203 OF THE ACT  
18 OF JULY 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE  
19 COMMONWEALTH DOCUMENTS LAW.

20 (2) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS  
21 THE REGULATORY REVIEW ACT.

22 (B) EXPIRATION.--THE AUTHORITY PROVIDED TO THE BOARD TO  
23 ADOPT TEMPORARY REGULATIONS IN SUBSECTION (A) SHALL EXPIRE [TWO  
24 YEARS FROM THE EFFECTIVE DATE OF THIS SECTION] APRIL 15, 2007.  
25 REGULATIONS ADOPTED AFTER [THE TWO-YEAR] THIS PERIOD SHALL BE  
26 PROMULGATED AS PROVIDED BY LAW.

27 § 1204. LICENSED GAMING ENTITY APPLICATION APPEALS FROM BOARD.

28 THE SUPREME COURT OF PENNSYLVANIA SHALL BE VESTED WITH  
29 EXCLUSIVE APPELLATE JURISDICTION TO CONSIDER APPEALS OF ANY  
30 FINAL ORDER, DETERMINATION OR DECISION OF THE BOARD INVOLVING



1 THE APPROVAL, ISSUANCE, DENIAL OR CONDITIONING OF [ALL LICENSED  
2 ENTITY APPLICATIONS] A SLOT MACHINE LICENSE. NOTWITHSTANDING THE  
3 PROVISIONS OF 2 PA.C.S. CH. 7 SUBCH. A (RELATING TO JUDICIAL  
4 REVIEW OF COMMONWEALTH AGENCY ACTION) AND 42 PA.C.S. § 763  
5 (RELATING TO DIRECT APPEALS FROM GOVERNMENT AGENCIES), THE  
6 SUPREME COURT SHALL AFFIRM ALL FINAL ORDERS, DETERMINATIONS OR  
7 DECISIONS OF THE BOARD INVOLVING THE APPROVAL, ISSUANCE, DENIAL  
8 OR CONDITIONING OF [ALL LICENSED ENTITY APPLICATIONS] A SLOT  
9 MACHINE LICENSE UNLESS IT SHALL FIND THAT THE BOARD COMMITTED AN  
10 ERROR OF LAW OR THAT THE ORDER, DETERMINATION OR DECISION OF THE  
11 BOARD WAS ARBITRARY AND THERE WAS A CAPRICIOUS DISREGARD OF THE  
12 EVIDENCE.

13 § 1205. LICENSE OR PERMIT APPLICATION HEARING PROCESS[.];

14 PUBLIC INPUT HEARINGS.

15 (A) GENERAL RULE.--THE BOARD'S CONSIDERATION AND RESOLUTION  
16 OF ALL LICENSE OR PERMIT APPLICATIONS SHALL BE CONDUCTED IN  
17 ACCORDANCE WITH 2 PA.C.S. (RELATING TO ADMINISTRATIVE LAW AND  
18 PROCEDURE) OR WITH PROCEDURES ADOPTED BY ORDER OF THE BOARD.  
19 NOTWITHSTANDING THE [MANDATES] REQUIREMENTS OF 2 PA.C.S. §§ 504  
20 (RELATING TO HEARING AND RECORD) AND 505 (RELATING TO EVIDENCE  
21 AND CROSS-EXAMINATION)[, SAID PROCEDURES ADOPTED BY ORDER OF THE  
22 BOARD SHALL] AS THEY RELATE TO THE CONDUCT OF ORAL HEARINGS, THE  
23 BOARD MAY ADOPT PROCEDURES TO PROVIDE PARTIES BEFORE IT WITH A  
24 DOCUMENTARY HEARING, [BUT] AND THE BOARD MAY[, AT ITS  
25 DISCRETION,] RESOLVE DISPUTED MATERIAL FACTS WITHOUT CONDUCTING  
26 AN ORAL HEARING WHERE CONSTITUTIONALLY PERMISSIBLE.

27 (B) PUBLIC INPUT HEARING REQUIREMENT.--

28 (1) PRIOR TO LICENSING A FACILITY UNDER THIS PART, THE  
29 BOARD SHALL HOLD AT LEAST ONE PUBLIC INPUT HEARING ON THE  
30 MATTER.

1           (2) ALL PUBLIC INPUT HEARINGS RELATING TO AN APPLICATION  
2           FOR A SLOT MACHINE LICENSE SHALL BE HELD IN THE MUNICIPALITY  
3           WHERE THE FACILITY WILL BE LOCATED AND SHALL BE ORGANIZED IN  
4           COOPERATION WITH THE MUNICIPALITY.

5           (3) A LIST OF ALL WITNESSES SCHEDULED TO TESTIFY AT A  
6           PUBLIC INPUT HEARING SHALL BE MADE PUBLIC AT LEAST SEVEN DAYS  
7           PRIOR TO THE HEARING. THE LIST SHALL BE UPDATED AT LEAST  
8           THREE DAYS PRIOR TO THE HEARING. ADDITIONAL WITNESSES SHALL  
9           BE POSTED ON THE BOARD'S INTERNET WEBSITE AS THEY ARE ADDED  
10          TO THE LIST.

11   § 1206. BOARD MINUTES AND RECORDS.

12       [(A) OPEN PROCEEDINGS AND RECORDS.--THE PROCEEDINGS OF THE  
13 BOARD SHALL BE CONDUCTED IN ACCORDANCE WITH THE PROVISIONS OF 65  
14 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS). THE BOARD SHALL BE AN  
15 AGENCY FOR PURPOSES OF THE ACT OF JUNE 21, 1957 (P.L.390,  
16 NO.212), REFERRED TO AS THE RIGHT-TO-KNOW LAW. NOTWITHSTANDING  
17 ANY PROVISION OF LAW TO THE CONTRARY, CONFIDENTIAL DOCUMENTS  
18 RELATIVE TO PERSONAL BACKGROUND INFORMATION PROVIDED TO THE  
19 BOARD PURSUANT TO THIS PART AND ANY CLOSED DELIBERATIONS OF THE  
20 BOARD, INCLUDING DISCIPLINARY PROCEEDINGS, SHALL BE CONFIDENTIAL  
21 AND CONSIDERED IN CLOSED EXECUTIVE SESSION PURSUANT TO  
22 SUBSECTION (F).]

23       (B) RECORD OF PROCEEDINGS.--THE BOARD SHALL CAUSE TO BE MADE  
24 AND KEPT A RECORD OF ALL PROCEEDINGS HELD AT PUBLIC MEETINGS OF  
25 THE BOARD. [A] THE VERBATIM TRANSCRIPT OF THOSE PROCEEDINGS  
26 SHALL BE THE PROPERTY OF THE BOARD AND SHALL BE PREPARED BY THE  
27 BOARD UPON THE REQUEST OF ANY BOARD MEMBER OR UPON THE REQUEST  
28 OF ANY OTHER PERSON AND THE PAYMENT BY THAT PERSON OF THE COSTS  
29 OF PREPARATION.

30       [(C) INFORMATION DELIVERED TO GOVERNOR AND GENERAL

1 ASSEMBLY.--A TRUE COPY OF THE MINUTES OF EVERY MEETING OF THE  
2 BOARD AND OF ANY REGULATIONS FINALLY ADOPTED BY THE BOARD MAY BE  
3 FORTHWITH DELIVERED, BY AND UNDER THE CERTIFICATION OF THE  
4 EXECUTIVE DIRECTOR, TO THE GOVERNOR, THE SECRETARY OF THE SENATE  
5 AND THE CHIEF CLERK OF THE HOUSE OF REPRESENTATIVES.]

6 (D) APPLICANT INFORMATION.--

7 (1) THE BOARD SHALL [KEEP AND] MAINTAIN A LIST OF ALL  
8 APPLICANTS FOR LICENSES AND PERMITS. [UNDER THIS PART  
9 TOGETHER WITH] THE LIST SHALL INCLUDE A RECORD OF ALL ACTIONS  
10 TAKEN WITH RESPECT TO [THE APPLICANTS, WHICH FILE AND RECORD]  
11 EACH APPLICANT. THE LIST SHALL BE OPEN TO PUBLIC INSPECTION  
12 DURING THE NORMAL BUSINESS HOURS OF THE BOARD.

13 (2) INFORMATION UNDER PARAGRAPH (1) REGARDING ANY  
14 APPLICANT WHOSE LICENSE OR PERMIT HAS BEEN DENIED, REVOKED OR  
15 NOT RENEWED SHALL BE REMOVED FROM SUCH LIST AFTER SEVEN YEARS  
16 FROM THE DATE OF THE ACTION.

17 \* \* \*

18 (F) CONFIDENTIALITY OF INFORMATION.--ALL INFORMATION  
19 [CONTAINED IN THE APPLICATION PROCESS] SUBMITTED BY AN APPLICANT  
20 PURSUANT TO SECTION 1310(A) (RELATING TO SLOT MACHINE LICENSE  
21 APPLICATION CHARACTER REQUIREMENTS) [AND THE REPORT OF AN  
22 APPLICANT'S BACKGROUND INVESTIGATION FURNISHED TO] OR OBTAINED  
23 BY THE BOARD OR THE BUREAU AS PART OF A BACKGROUND INVESTIGATION  
24 FROM ANY SOURCE SHALL BE CONSIDERED CONFIDENTIAL [AND]. EXCEPT  
25 AS PROVIDED IN SECTION 1517(F) (RELATING TO INVESTIGATION AND  
26 ENFORCEMENT), THE INFORMATION SHALL BE WITHHELD FROM PUBLIC  
27 DISCLOSURE IN WHOLE OR IN PART, EXCEPT THAT ANY INFORMATION  
28 SHALL BE RELEASED UPON THE LAWFUL ORDER OF A COURT OF COMPETENT  
29 JURISDICTION OR, WITH THE APPROVAL OF THE ATTORNEY GENERAL, TO A  
30 DULY AUTHORIZED LAW ENFORCEMENT AGENCY OR SHALL BE RELEASED TO

1 THE PUBLIC, IN WHOLE OR IN PART, TO THE EXTENT THAT SUCH RELEASE  
2 IS REQUESTED BY AN APPLICANT AND DOES NOT OTHERWISE CONTAIN  
3 CONFIDENTIAL INFORMATION ABOUT ANOTHER PERSON. THE BOARD MAY NOT  
4 REQUIRE ANY APPLICANT TO WAIVE ANY CONFIDENTIALITY PROVIDED FOR  
5 IN THIS SUBSECTION AS A CONDITION FOR THE APPROVAL OF A LICENSE  
6 OR ANY OTHER ACTION OF THE BOARD. ANY PERSON WHO VIOLATES THIS  
7 SUBSECTION SHALL BE ADMINISTRATIVELY DISCIPLINED BY DISCHARGE,  
8 SUSPENSION OR OTHER FORMAL DISCIPLINARY ACTION AS THE BOARD  
9 DEEMS APPROPRIATE.

10 \* \* \*

11 § 1207. REGULATORY AUTHORITY OF BOARD.

12 THE BOARD SHALL HAVE THE POWER AND ITS DUTIES SHALL BE TO:

13 \* \* \*

14 (6) PRESCRIBE CRITERIA AND CONDITIONS FOR THE OPERATION  
15 OF SLOT MACHINE PROGRESSIVE SYSTEMS. A WIDE AREA PROGRESSIVE  
16 SLOT SYSTEM SHALL BE COLLECTIVELY ADMINISTERED BY  
17 PARTICIPATING SLOT MACHINE LICENSEES IN ACCORDANCE WITH THE  
18 TERMS OF A WRITTEN AGREEMENT EXECUTED BY EACH PARTICIPATING  
19 SLOT MACHINE LICENSEE AND APPROVED BY THE BOARD.

20 \* \* \*

21 § 1208. COLLECTION OF FEES AND FINES.

22 THE BOARD HAS THE FOLLOWING POWERS AND DUTIES:

23 (1) TO LEVY AND COLLECT FEES FROM THE VARIOUS  
24 APPLICANTS, LICENSEES AND PERMITTEES TO FUND THE OPERATIONS  
25 OF THE BOARD. THE FEES SHALL BE DEPOSITED INTO THE STATE  
26 GAMING FUND AS ESTABLISHED IN SECTION 1403 (RELATING TO  
27 ESTABLISHMENT OF STATE GAMING FUND AND NET SLOT MACHINE  
28 REVENUE DISTRIBUTION) AND DISTRIBUTED TO THE BOARD UPON  
29 APPROPRIATION BY THE GENERAL ASSEMBLY. IN ADDITION TO THE  
30 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 FEE OF \$25,000  
UPON THE ISSUANCE OF A LICENSE AND \$10,000 FOR THE ANNUAL  
RENEWAL OF A SUPPLIER LICENSE.

(II) MANUFACTURER LICENSEES SHALL PAY A FEE OF  
\$50,000 UPON THE ISSUANCE OF A LICENSE AND \$25,000 FOR  
THE ANNUAL RENEWAL OF A MANUFACTURER LICENSE.

(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 [OR] PERMITTEE OR REGISTRANT SHALL  
BE REIMBURSED TO THE BOARD BY THOSE PERSONS.

\* \* \*

§ 1209. SLOT MACHINE LICENSE FEE.

(A) IMPOSITION.--EXCEPT AS PROVIDED FOR A CATEGORY 3  
LICENSED GAMING ENTITY UNDER SECTION 1305 (RELATING TO CATEGORY  
3 SLOT MACHINE LICENSE) AND SUBJECT TO THE REQUIREMENTS OF THIS  
SECTION, AT THE TIME OF LICENSE ISSUANCE THE BOARD SHALL IMPOSE  
A ONE-TIME SLOT MACHINE LICENSE FEE TO BE PAID BY EACH  
SUCCESSFUL APPLICANT FOR A CONDITIONAL CATEGORY 1, A CATEGORY 1  
OR A CATEGORY 2 LICENSE IN THE AMOUNT OF \$50,000,000 [FOR EACH  
CATEGORY OF SLOT MACHINE LICENSE.] AND DEPOSITED IN THE STATE  
GAMING FUND. NO FEE SHALL BE IMPOSED BY THE BOARD FOR A CATEGORY  
1 LICENSE IF THE APPLICANT HAS PAID A \$50,000,000 FEE FOR A  
CONDITIONAL CATEGORY 1 LICENSE.

1       \* \* \*

2   § 1210.   NUMBER OF SLOT MACHINES.

3       (A)   INITIAL COMPLEMENT.--EXCEPT AS PROVIDED FOR CATEGORY 3  
4   SLOT MACHINE LICENSEES UNDER SECTION 1305 (RELATING TO CATEGORY  
5   3 SLOT MACHINE LICENSE), ALL SLOT MACHINE LICENSEES SHALL BE  
6   PERMITTED TO OPERATE UP TO 3,000 SLOT MACHINES AT ANY ONE  
7   LICENSED FACILITY AND SHALL BE REQUIRED TO OPERATE AND MAKE  
8   AVAILABLE TO PLAY A MINIMUM OF 1,500 MACHINES AT ANY ONE  
9   LICENSED FACILITY WITHIN ONE YEAR OF THE ISSUANCE BY THE BOARD  
10  OF A SLOT MACHINE LICENSE UNLESS OTHERWISE EXTENDED BY THE  
11  BOARD, UPON APPLICATION AND FOR GOOD CAUSE SHOWN, FOR AN  
12  ADDITIONAL PERIOD NOT TO EXCEED 24 MONTHS.

13       (B)   ADDITIONAL SLOT MACHINES.--EXCEPT AS PROVIDED FOR  
14  CATEGORY 3 SLOT MACHINE LICENSEES UNDER SECTION 1305, SIX MONTHS  
15  FOLLOWING THE DATE OF COMMENCEMENT OF SLOT MACHINE OPERATIONS,  
16  THE BOARD MAY PERMIT A SLOT MACHINE LICENSEE TO INSTALL AND  
17  OPERATE UP TO 2,000 ADDITIONAL SLOT MACHINES AT ITS LICENSED  
18  FACILITY, BEYOND THOSE MACHINES AUTHORIZED UNDER SUBSECTION (A),  
19  UPON APPLICATION BY THE SLOT MACHINE LICENSEE. THE BOARD, IN  
20  CONSIDERING SUCH AN APPLICATION, SHALL TAKE INTO ACCOUNT THE  
21  APPROPRIATENESS OF THE PHYSICAL SPACE WHERE THE ADDITIONAL SLOT  
22  MACHINES WILL BE LOCATED AND THE CONVENIENCE OF THE PUBLIC  
23  ATTENDING THE FACILITY. THE BOARD MAY ALSO TAKE INTO ACCOUNT THE  
24  POTENTIAL BENEFIT TO ECONOMIC DEVELOPMENT, EMPLOYMENT AND  
25  TOURISM, ENHANCED REVENUES TO THE COMMONWEALTH AND OTHER  
26  ECONOMIC INDICATORS IT DEEMS APPLICABLE IN MAKING ITS DECISION.

27       (C)   LIMITATION.--FOR THE TWO AND ONE-HALF YEARS FOLLOWING  
28   THE BEGINNING OF SLOT MACHINE OPERATIONS AT THE LICENSED  
29   FACILITY, NO LICENSED GAMING ENTITY MAY MAKE AVAILABLE FOR PLAY  
30   BY ITS PATRONS AT ITS LICENSED FACILITY MORE THAN 50% OF SLOT

1 MACHINES FROM THE SAME MANUFACTURER OR ITS AFFILIATE,  
2 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY. THE PROVISIONS OF  
3 THIS SUBSECTION SHALL NOT APPLY TO MACHINES PURCHASED PURSUANT  
4 TO A CONTRACT OR ORDER EXECUTED BY A CONDITIONAL CATEGORY 1 OR  
5 CATEGORY 1 SLOT MACHINE LICENSEE PRIOR TO OCTOBER 20, 2006.

6 § 1211. REPORTS OF BOARD.

7 (A) REPORT OF BOARD.--EIGHTEEN MONTHS AFTER THE EFFECTIVE  
8 DATE OF THIS PART AND EVERY YEAR ON THAT DATE THEREAFTER, THE  
9 BOARD SHALL ISSUE A REPORT TO THE GOVERNOR AND EACH MEMBER OF  
10 THE GENERAL ASSEMBLY ON THE GENERAL OPERATION OF THE BOARD AND  
11 EACH SLOT MACHINE LICENSEE'S PERFORMANCE, INCLUDING, BUT NOT  
12 LIMITED TO, NUMBER AND WIN PER SLOT MACHINE AT LICENSED  
13 FACILITIES DURING THE PREVIOUS YEAR, ALL TAXES, FEES, FINES AND  
14 OTHER REVENUES COLLECTED AND, WHERE APPROPRIATE, DISBURSED, THE  
15 COSTS OF OPERATION OF THE BOARD, ALL HEARINGS CONDUCTED AND THE  
16 RESULTS OF THE HEARINGS AND OTHER INFORMATION THAT THE BOARD  
17 DEEMS NECESSARY AND APPROPRIATE.

18 (B) REPORT OF THE LEGISLATIVE BUDGET AND FINANCE  
19 COMMITTEE.--NO LATER THAN MARCH 15 OF THE YEAR FOLLOWING THE  
20 EFFECTIVE DATE OF THIS PART AND EACH MARCH 15 THEREAFTER, THE  
21 LEGISLATIVE BUDGET AND FINANCE COMMITTEE SHALL ISSUE A REPORT TO  
22 THE GENERAL ASSEMBLY ANALYZING THE IMPACT, IF ANY, OF THIS PART  
23 ON THE STATE LOTTERY.

24 (C) INTERCEPTION OF GAMING WINNINGS.--THE BOARD SHALL  
25 CONDUCT A STUDY TO DETERMINE THE FEASIBILITY OF IMPLEMENTING  
26 METHODS FOR THE INTERCEPTION OF THE GAMING WINNINGS OF  
27 INDIVIDUALS WHO ARE DELINQUENT SUPPORT OBLIGORS OR TAX  
28 DELINQUENT. THE STUDY SHALL BE COMPLETED BY DECEMBER 31, 2006,  
29 AND SHALL CONTAIN RECOMMENDATIONS WHICH THE BOARD DETERMINES  
30 APPROPRIATE.

1        (D) REPORTS TO GENERAL ASSEMBLY.--THE BOARD SHALL CONDUCT AN  
2 ONGOING REVIEW OF THE OPERATION OF THIS PART AND THE IMPACT OF  
3 GAMING IN THIS COMMONWEALTH, INCLUDING REVIEW OF OTHER  
4 JURISDICTIONS, FEDERAL LAWS, ACADEMIC RESEARCH AND PUBLIC INPUT.  
5 THE BOARD SHALL SUBMIT AN ANNUAL REPORT TO THE GENERAL ASSEMBLY  
6 BY DECEMBER 30. THE REPORT SHALL INCLUDE RECOMMENDATIONS FOR  
7 CHANGES TO THIS PART OR IN THE OPERATION OR REGULATION OF  
8 LICENSED ENTITIES. THE REPORT SHALL BE SUBMITTED TO THE MAJORITY  
9 AND MINORITY LEADER OF THE SENATE AND THE MAJORITY AND MINORITY  
10 LEADER OF THE HOUSE OF REPRESENTATIVES AND THE CHAIR AND  
11 MINORITY CHAIR OF THE STANDING COMMITTEES IN THE SENATE AND THE  
12 CHAIR AND MINORITY CHAIR OF THE STANDING COMMITTEES IN THE HOUSE  
13 OF REPRESENTATIVES WITH JURISDICTION OVER THE BOARD. THE REPORT  
14 SHALL BE POSTED BY THE BOARD ON ITS INTERNET WEBSITE.

15    § 1213. LICENSE OR PERMIT PROHIBITION.

16        [NO APPLICANT FOR A LICENSE OR PERMIT UNDER THIS PART,  
17 INCLUDING DIRECTORS, OWNERS AND KEY EMPLOYEES, THAT HAS BEEN  
18 CONVICTED IN ANY JURISDICTION OF A FELONY OR GAMBLING OFFENSE  
19 WITHIN THE PAST 15 YEARS SHALL BE ISSUED A LICENSE OR PERMIT  
20 UNDER THIS PART OR BE FOUND QUALIFIED TO SERVE IN A POSITION AS  
21 A DIRECTOR, OWNER OR KEY EMPLOYEE OF OR ASSOCIATED WITH ANY  
22 LICENSEE OR PERMITTEE.] NO APPLICANT FOR A LICENSE OR PERMIT  
23 UNDER THIS PART, INCLUDING PRINCIPALS AND KEY EMPLOYEES, WHO  
24 HAVE BEEN CONVICTED OF A FELONY OR GAMBLING OFFENSE IN ANY  
25 JURISDICTION SHALL BE ISSUED A LICENSE OR PERMIT UNLESS 15 YEARS  
26 HAS ELAPSED FROM THE DATE OF EXPIRATION OF THE SENTENCE FOR THE  
27 OFFENSE. WHEN DETERMINING WHETHER TO ISSUE A LICENSE OR PERMIT  
28 TO AN APPLICANT WHO HAS BEEN CONVICTED IN ANY JURISDICTION OF A  
29 FELONY OR GAMBLING OFFENSE, THE BOARD SHALL CONSIDER THE  
30 FOLLOWING FACTORS:



1           (1) THE NATURE AND DUTIES OF THE APPLICANT'S POSITION  
2           WITH THE LICENSED ENTITY.

3           (2) THE NATURE AND SERIOUSNESS OF THE OFFENSE OR  
4           CONDUCT.

5           (3) THE CIRCUMSTANCES UNDER WHICH THE OFFENSE OR CONDUCT  
6           OCCURRED.

7           (4) THE AGE OF THE APPLICANT WHEN THE OFFENSE OR CONDUCT  
8           WAS COMMITTED.

9           (5) WHETHER THE OFFENSE OR CONDUCT WAS AN ISOLATED OR A  
10          REPEATED INCIDENT.

11          (6) ANY EVIDENCE OF REHABILITATION, INCLUDING GOOD  
12          CONDUCT IN THE COMMUNITY, COUNSELING OR PSYCHIATRIC TREATMENT  
13          RECEIVED AND THE RECOMMENDATION OF PERSONS WHO HAVE  
14          SUBSTANTIAL CONTACT WITH THE APPLICANT.

15   § 1304.   CATEGORY 2 SLOT MACHINE LICENSE.

16       (A)   ELIGIBILITY.--

17          (1) A PERSON MAY BE ELIGIBLE TO APPLY FOR A CATEGORY 2  
18          LICENSE IF THE APPLICANT, ITS AFFILIATE, INTERMEDIARY,  
19          SUBSIDIARY OR HOLDING COMPANY IS NOT OTHERWISE ELIGIBLE TO  
20          APPLY FOR A CATEGORY 1 LICENSE AND THE PERSON IS SEEKING TO  
21          LOCATE A LICENSED FACILITY IN A CITY OF THE FIRST CLASS, A  
22          CITY OF THE SECOND CLASS OR A REVENUE- OR TOURISM-ENHANCED  
23          LOCATION. IT SHALL NOT BE A CONDITION OF ELIGIBILITY TO APPLY  
24          FOR A CATEGORY 2 LICENSE TO OBTAIN A LICENSE FROM EITHER THE  
25          STATE HORSE RACING COMMISSION OR THE STATE HARNESS RACING  
26          COMMISSION TO CONDUCT THOROUGHBRED OR HARNESS RACE MEETINGS  
27          RESPECTIVELY WITH PARI-MUTUEL WAGERING.

28          (2) IF THE PERSON SEEKING A SLOT MACHINE LICENSE  
29          PROPOSES TO PLACE THE LICENSED FACILITY UPON LAND DESIGNATED  
30          A SUBZONE, AN EXPANSION SUBZONE OR AN IMPROVEMENT SUBZONE

1 UNDER THE ACT OF OCTOBER 6, 1998 (P.L.705, NO.92), KNOWN AS  
2 THE KEYSTONE OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION  
3 ZONE AND KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ACT, THE  
4 PERSON SHALL, AT ANY TIME PRIOR TO THE APPLICATION BEING  
5 APPROVED, SUBMIT A STATEMENT WAVING THE EXEMPTIONS,  
6 DEDUCTIONS, ABATEMENTS OR CREDITS GRANTED UNDER THE KEYSTONE  
7 OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION ZONE AND  
8 KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ACT IF THE BOARD  
9 APPROVES THE APPLICATION.

10 (B) LOCATION.--

11 (1) TWO CATEGORY 2 LICENSED FACILITIES AND NO MORE SHALL  
12 BE LOCATED BY THE BOARD WITHIN A CITY OF THE FIRST CLASS, AND  
13 ONE CATEGORY 2 LICENSED FACILITY AND NO MORE SHALL BE LOCATED  
14 BY THE BOARD WITHIN A CITY OF THE SECOND CLASS. NO CATEGORY 2  
15 LICENSED FACILITY LOCATED BY THE BOARD WITHIN A CITY OF THE  
16 FIRST CLASS SHALL BE WITHIN TEN LINEAR MILES OF A CATEGORY 1  
17 LICENSED FACILITY REGARDLESS OF THE MUNICIPALITY WHERE THE  
18 CATEGORY 1 LICENSED FACILITY IS LOCATED. EXCEPT FOR ANY  
19 CATEGORY 2 LICENSED FACILITY LOCATED BY THE BOARD WITHIN A  
20 CITY OF THE FIRST CLASS OR A CITY OF THE SECOND CLASS, NO  
21 CATEGORY 2 LICENSED FACILITY SHALL BE LOCATED WITHIN 30  
22 LINEAR MILES OF ANY CATEGORY 1 LICENSED FACILITY THAT HAS  
23 CONDUCTED OVER 200 RACING DAYS PER YEAR FOR THE TWO CALENDAR  
24 YEARS IMMEDIATELY PRECEDING THE EFFECTIVE DATE OF THIS PART  
25 AND NOT WITHIN 20 LINEAR MILES OF ANY OTHER CATEGORY 1  
26 LICENSED FACILITY. EXCEPT FOR ANY CATEGORY 2 LICENSED  
27 FACILITY LOCATED BY THE BOARD WITHIN A CITY OF THE FIRST  
28 CLASS, NO CATEGORY 2 LICENSED FACILITY SHALL BE LOCATED  
29 WITHIN 20 LINEAR MILES OF ANOTHER CATEGORY 2 LICENSED  
30 FACILITY.

1           (2) WITHIN FIVE DAYS OF APPROVING A LICENSE FOR AN  
2           APPLICANT WITH A PROPOSED LICENSED FACILITY CONSISTING OF  
3           LAND DESIGNATED A SUBZONE, AN EXPANSION SUBZONE OR AN  
4           IMPROVEMENT SUBZONE UNDER THE KEYSTONE OPPORTUNITY ZONE,  
5           KEYSTONE OPPORTUNITY EXPANSION ZONE AND KEYSTONE OPPORTUNITY  
6           IMPROVEMENT ZONE ACT FOR A SLOT MACHINE LICENSE UNDER THIS  
7           SECTION, THE BOARD SHALL NOTIFY THE DEPARTMENT OF COMMUNITY  
8           AND ECONOMIC DEVELOPMENT. THE NOTICE SHALL INCLUDE A  
9           DESCRIPTION OF THE LAND OF THE PROPOSED LICENSED FACILITY  
10           WHICH IS DESIGNATED A SUBZONE, AN EXPANSION SUBZONE OR AN  
11           IMPROVEMENT SUBZONE. WITHIN FIVE DAYS OF RECEIVING THE NOTICE  
12           REQUIRED BY THIS PARAGRAPH, THE SECRETARY OF COMMUNITY AND  
13           ECONOMIC DEVELOPMENT SHALL DECERTIFY THE LAND OF THE PROPOSED  
14           LICENSED FACILITY AS BEING A SUBZONE, AN EXPANSION SUBZONE OR  
15           AN IMPROVEMENT SUBZONE. UPON DECERTIFICATION IN ACCORDANCE  
16           WITH THIS PARAGRAPH AND NOTWITHSTANDING CHAPTER 3 OF THE  
17           KEYSTONE OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION  
18           ZONE AND KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ACT, A  
19           POLITICAL SUBDIVISION MAY AMEND THE ORDINANCE, RESOLUTION OR  
20           OTHER REQUIRED ACTION WHICH GRANTED THE EXEMPTIONS,  
21           DEDUCTIONS, ABATEMENTS OR CREDITS REQUIRED BY THE KEYSTONE  
22           OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION ZONE AND  
23           KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ACT TO REPEAL THE  
24           EXEMPTIONS, DEDUCTIONS, ABATEMENTS OR CREDITS FOR THE LAND  
25           DECERTIFIED.

26   § 1305.   CATEGORY 3 SLOT MACHINE LICENSE.

27       (A)   ELIGIBILITY.--

28           (1)   A PERSON MAY BE ELIGIBLE TO APPLY FOR A CATEGORY 3  
29           LICENSE IF THE APPLICANT, ITS AFFILIATE, INTERMEDIARY,  
30           SUBSIDIARY OR HOLDING COMPANY HAS NOT APPLIED FOR OR BEEN

1 APPROVED OR ISSUED A CATEGORY 1 OR 2 LICENSE AND THE PERSON  
2 IS SEEKING TO LOCATE A CATEGORY 3 LICENSED FACILITY IN A  
3 WELL-ESTABLISHED RESORT HOTEL HAVING NO FEWER THAN 275 GUEST  
4 ROOMS UNDER COMMON OWNERSHIP AND HAVING SUBSTANTIAL YEAR-  
5 ROUND RECREATIONAL GUEST AMENITIES. THE APPLICANT FOR A  
6 CATEGORY 3 LICENSE SHALL BE THE OWNER OR BE A WHOLLY OWNED  
7 SUBSIDIARY OF THE OWNER OF THE ESTABLISHED RESORT HOTEL. A  
8 CATEGORY 3 LICENSE MAY ONLY BE GRANTED UPON THE EXPRESS  
9 CONDITION THAT AN INDIVIDUAL MAY NOT ENTER A GAMING AREA OF  
10 THE LICENSEE IF THE INDIVIDUAL IS NOT A REGISTERED OVERNIGHT  
11 GUEST OF THE ESTABLISHED RESORT HOTEL OR IF THE INDIVIDUAL IS  
12 NOT A PATRON OF ONE OR MORE OF THE AMENITIES PROVIDED BY THE  
13 ESTABLISHED RESORT HOTEL.

14 (2) NOTWITHSTANDING SECTION 1512(A) AND (A.1) (RELATING  
15 TO PUBLIC OFFICIAL FINANCIAL INTEREST), IF AT THE TIME OF  
16 APPLICATION, AN APPLICANT HAS TERMINATED PUBLIC OFFICE OR  
17 EMPLOYMENT AS AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE WITHIN THE  
18 LAST CALENDAR YEAR, THE APPLICANT SHALL BE ELIGIBLE TO APPLY  
19 FOR A SLOT MACHINE LICENSE UNDER THIS SECTION BUT MAY NOT BE  
20 ISSUED A LICENSE UNTIL ONE YEAR FOLLOWING THE DATE OF  
21 TERMINATION AS A PUBLIC OFFICIAL OR EXECUTIVE-LEVEL PUBLIC  
22 EMPLOYEE. AN APPLICATION SUBMITTED IN ACCORDANCE WITH THIS  
23 PARAGRAPH SHALL NOT CONSTITUTE A VIOLATION OF SECTION 1512(A)  
24 OR (A.1).

25 (3) IF THE PERSON SEEKING A SLOT MACHINE LICENSE  
26 PROPOSES TO PLACE THE LICENSED FACILITY UPON LAND DESIGNATED  
27 A SUBZONE, AN EXPANSION SUBZONE OR AN IMPROVEMENT SUBZONE  
28 UNDER THE ACT OF OCTOBER 6, 1998 (P.L.705, NO.92), KNOWN AS  
29 THE KEYSTONE OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION  
30 ZONE AND KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ACT, THE

1 PERSON SHALL, AT ANY TIME PRIOR TO THE APPLICATION BEING  
2 APPROVED, SUBMIT A STATEMENT WAIVING THE EXEMPTIONS,  
3 DEDUCTIONS, ABATEMENTS OR CREDITS GRANTED UNDER THE KEYSTONE  
4 OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION ZONE AND  
5 KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ACT IF THE BOARD  
6 APPROVES THE APPLICATION.

7 (B) LOCATION.--

8 (1) NO CATEGORY 3 LICENSE SHALL BE LOCATED BY THE BOARD  
9 WITHIN 15 LINEAR MILES OF ANOTHER LICENSED FACILITY.

10 (2) WITHIN FIVE DAYS OF APPROVING A LICENSE FOR AN  
11 APPLICANT WITH A PROPOSED LICENSED FACILITY CONSISTING OF  
12 LAND DESIGNATED A SUBZONE, AN EXPANSION SUBZONE OR AN  
13 IMPROVEMENT SUBZONE UNDER THE KEYSTONE OPPORTUNITY ZONE,  
14 KEYSTONE OPPORTUNITY EXPANSION ZONE AND KEYSTONE OPPORTUNITY  
15 IMPROVEMENT ZONE ACT FOR A SLOT MACHINE LICENSE UNDER THIS  
16 SECTION, THE BOARD SHALL NOTIFY THE DEPARTMENT OF COMMUNITY  
17 AND ECONOMIC DEVELOPMENT. THE NOTICE SHALL INCLUDE A  
18 DESCRIPTION OF THE LAND OF THE PROPOSED LICENSED FACILITY  
19 WHICH IS DESIGNATED A SUBZONE, AN EXPANSION SUBZONE OR AN  
20 IMPROVEMENT SUBZONE. WITHIN FIVE DAYS OF RECEIVING THE NOTICE  
21 REQUIRED BY THIS PARAGRAPH, THE SECRETARY OF COMMUNITY AND  
22 ECONOMIC DEVELOPMENT SHALL DECERTIFY THE LAND OF THE PROPOSED  
23 LICENSE FACILITY AS BEING A SUBZONE, AN EXPANSION SUBZONE OR  
24 AN IMPROVEMENT SUBZONE. UPON DECERTIFICATION IN ACCORDANCE  
25 WITH THIS PARAGRAPH AND NOTWITHSTANDING CHAPTER 3 OF THE  
26 KEYSTONE OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION  
27 ZONE AND KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ACT, A  
28 POLITICAL SUBDIVISION MAY AMEND THE ORDINANCE, RESOLUTION OR  
29 OTHER REQUIRED ACTION WHICH GRANTED THE EXEMPTIONS,  
30 DEDUCTIONS, ABATEMENTS OR CREDITS REQUIRED BY THE KEYSTONE

1 OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION ZONE AND  
2 KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ACT TO REPEAL THE  
3 EXEMPTIONS, DEDUCTIONS, ABATEMENTS OR CREDITS FOR THE LAND  
4 DECERTIFIED.

5 (C) NUMBER OF SLOT MACHINES.--NOTWITHSTANDING THE NUMBER OF  
6 PERMISSIBLE SLOT MACHINES AS SET FORTH IN SECTION 1210 (RELATING  
7 TO NUMBER OF SLOT MACHINES), A CATEGORY 3 LICENSE GRANTED UNDER  
8 THE PROVISIONS OF THIS SECTION SHALL ENTITLE THE LICENSED ENTITY  
9 TO OPERATE NO MORE THAN 500 SLOT MACHINES AT THE LICENSED  
10 FACILITY.

11 (D) CATEGORY 3 LICENSE FEE.--NOTWITHSTANDING THE ONE-TIME  
12 SLOT MACHINE LICENSE FEE AS SET FORTH IN SECTION 1209 (RELATING  
13 TO SLOT MACHINE LICENSE FEE), THE BOARD SHALL IMPOSE A ONE-TIME  
14 CATEGORY 3 LICENSE FEE TO BE PAID BY EACH SUCCESSFUL APPLICANT  
15 IN [AN] THE AMOUNT OF \$5,000,000 TO BE DEPOSITED IN THE STATE  
16 GAMING FUND. THE PROVISIONS OF SECTION 1209 RELATING TO TERM,  
17 CREDIT AGAINST TAX FOR SLOT MACHINE LICENSEES, DEPOSIT OF  
18 LICENSE FEE AND CHANGE OF OWNERSHIP OR CONTROL OF A LICENSE  
19 SHALL BE APPLICABLE TO A CATEGORY 3 LICENSE FEE.

20 (E) DEFINITIONS.--FOR THE PURPOSE OF SUBSECTION (A), THE  
21 FOLLOWING WORDS AND PHRASES SHALL HAVE THE MEANING GIVEN TO THEM  
22 IN THIS SUBSECTION:

23 "AMENITIES." ANY ANCILLARY ACTIVITIES, SERVICES OR  
24 FACILITIES IN WHICH A REGISTERED GUEST OR THE TRANSIENT PUBLIC,  
25 IN RETURN FOR NON-DE MINIMIS CONSIDERATION AS DEFINED BY BOARD  
26 REGULATION, MAY PARTICIPATE AT A RESORT HOTEL, INCLUDING, BUT  
27 NOT LIMITED TO, SPORTS AND RECREATIONAL ACTIVITIES AND  
28 FACILITIES SUCH AS A GOLF COURSE OR GOLF DRIVING RANGE, TENNIS  
29 COURTS OR SWIMMING POOL; HEALTH SPA; CONVENTION, MEETING AND  
30 BANQUET FACILITIES; ENTERTAINMENT FACILITIES; AND RESTAURANT

1 FACILITIES.

2 "PATRON OF THE AMENITIES." ANY INDIVIDUAL WHO IS A  
3 REGISTERED ATTENDEE OF A CONVENTION, MEETING OR BANQUET EVENT OR  
4 A PARTICIPANT IN A SPORT OR RECREATIONAL EVENT OR ANY OTHER  
5 SOCIAL, CULTURAL OR BUSINESS EVENT HELD AT A RESORT HOTEL OR WHO  
6 PARTICIPATES IN ONE OR MORE OF THE AMENITIES PROVIDED TO  
7 REGISTERED GUESTS OF THE RESORT HOTEL.

8 § 1306. ORDER OF INITIAL LICENSE ISSUANCE.

9 IN ORDER TO FACILITATE THE TIMELY AND ORDERLY DEPLOYMENT OF  
10 LICENSED GAMING OPERATIONS IN THIS COMMONWEALTH, THE BOARD SHALL  
11 ADOPT A SCHEDULE BY WHICH APPLICANTS FOR SLOT MACHINE,  
12 MANUFACTURER AND SUPPLIER LICENSES SHALL BE FILED, CONSIDERED  
13 AND RESOLVED IN ACCORDANCE WITH THE PROVISIONS OF THIS PART. IN  
14 SO DOING, THE BOARD SHALL CONSIDER, APPROVE, CONDITION OR DENY  
15 THE APPROVAL OF ALL FILED APPLICATIONS FOR MANUFACTURER AND  
16 SUPPLIER LICENSES AS SOON AS ADMINISTRATIVELY POSSIBLE AND AT  
17 LEAST THREE MONTHS PRIOR TO THE BOARD'S APPROVAL, CONDITIONING  
18 OR DENIAL OF THE APPROVAL OF ANY CATEGORY 1 LICENSE APPLICATION  
19 PURSUANT TO SECTION 1315 (RELATING TO CONDITIONAL CATEGORY 1  
20 LICENSES) OR ANY OTHER CATEGORY OF SLOT MACHINE LICENSE PURSUANT  
21 TO SECTION 1301 (RELATING TO AUTHORIZED SLOT MACHINE LICENSES).  
22 THE BOARD SHALL ENSURE THAT AN ADEQUATE NUMBER OF SUPPLIERS HAVE  
23 BEEN LICENSED PURSUANT TO SECTION 1301 TO MEET MARKET DEMAND.  
24 THE BOARD SHALL APPROVE, APPROVE WITH CONDITION OR DENY ALL  
25 INITIAL APPLICATIONS FOR CONDITIONAL CATEGORY 1 LICENSES UNDER  
26 SECTION 1315 (RELATING TO CONDITIONAL CATEGORY 1 LICENSES) PRIOR  
27 TO CONSIDERING APPLICATIONS FOR CATEGORY 1, CATEGORY 2 OR  
28 CATEGORY 3 SLOT MACHINE LICENSES.

29 § 1309. SLOT MACHINE LICENSE APPLICATION.

30 (A) GENERAL REQUIREMENTS.--IN ADDITION TO ANY OTHER

1 INFORMATION REQUIRED UNDER THIS PART OR AS MAY BE REQUIRED BY  
2 THE BOARD, THE APPLICATION FOR ANY CATEGORY OF SLOT MACHINE  
3 LICENSE SHALL INCLUDE AT A MINIMUM:

4 (1) THE NAME, ADDRESS[, ] AND PHOTOGRAPH [AND HANDWRITING  
5 EXEMPLAR] OF THE APPLICANT AND OF ALL DIRECTORS AND OWNERS  
6 AND KEY EMPLOYEES AND THEIR POSITIONS WITHIN THE CORPORATION  
7 OR ORGANIZATION, AS WELL AS ANY ADDITIONAL FINANCIAL  
8 INFORMATION REQUIRED BY THE BOARD.

9 \* \* \*

10 § 1311. [SLOT MACHINE LICENSE APPLICATION BUSINESS ENTITY  
11 REQUIREMENTS.

12 (A) KEY EMPLOYEE REQUIREMENT QUALIFICATION.--NO CORPORATION  
13 OR ANY OTHER LEGAL BUSINESS ENTITY SHALL BE ELIGIBLE TO HOLD A  
14 SLOT MACHINE LICENSE UNLESS THE FOLLOWING WOULD INDIVIDUALLY BE  
15 QUALIFIED FOR LICENSURE AS A KEY EMPLOYEE: EACH OFFICER; EACH  
16 DIRECTOR; EACH PERSON WHO DIRECTLY OR INDIRECTLY HOLDS ANY  
17 BENEFICIAL INTEREST OR OWNERSHIP OF THE SECURITIES IN THE  
18 ENTITY; EACH PERSON WHO IN THE OPINION OF THE BOARD HAS THE  
19 ABILITY TO CONTROL THE ENTITY, HAS A CONTROLLING INTEREST OR  
20 ELECTS A MAJORITY OF THE BOARD OF DIRECTORS OF THAT CORPORATION  
21 OR BUSINESS ENTITY, OTHER THAN A BANKING OR OTHER LICENSED  
22 LENDING INSTITUTION WHICH MAKES A LOAN OR HOLDS A MORTGAGE OR  
23 OTHER LIEN ACQUIRED IN THE ORDINARY COURSE OF BUSINESS; EACH KEY  
24 EMPLOYEE; EACH LENDER, OTHER THAN A BANKING OR OTHER LICENSED  
25 LENDING INSTITUTION WHICH MAKES A LOAN OR HOLDS A MORTGAGE OR  
26 OTHER LIEN ACQUIRED IN THE ORDINARY COURSE OF BUSINESS; EACH  
27 UNDERWRITER; EACH AGENT; EACH EMPLOYEE OF THE CORPORATION OR  
28 ENTITY AND EACH OTHER PERSON WHOM THE BOARD MAY CONSIDER  
29 APPROPRIATE FOR APPROVAL OR QUALIFICATION. THE BOARD MAY WAIVE  
30 COMPLIANCE WITH THE PROVISIONS OF THIS SUBSECTION ON THE PART OF



1 A PUBLICLY TRADED CORPORATION AS TO A PERSON DIRECTLY OR  
2 INDIRECTLY HOLDING OWNERSHIP OF SECURITIES OF SUCH CORPORATION  
3 WHERE THE BOARD IS SATISFIED THAT THE SECURITY HOLDER IS NOT  
4 SIGNIFICANTLY INVOLVED IN THE ACTIVITIES OF THE CORPORATION AND  
5 DOES NOT HAVE THE ABILITY TO CONTROL THE CORPORATION OR ELECT  
6 ONE OR MORE DIRECTORS THEREOF.

7 (B) SLOT MACHINE LICENSE QUALIFICATION REQUIREMENT.--NO  
8 CORPORATION OR ANY OTHER LEGAL BUSINESS ENTITY OR OTHER FORM OF  
9 BUSINESS ORGANIZATION WHICH IS A SUBSIDIARY SHALL BE ELIGIBLE TO  
10 RECEIVE OR HOLD A SLOT MACHINE LICENSE UNLESS EACH HOLDING AND  
11 INTERMEDIARY COMPANY WITH RESPECT THERETO:

12 (1) IF IT IS A CORPORATION OR OTHER LEGAL BUSINESS  
13 ENTITY, SHALL COMPLY WITH THE PROVISIONS OF SUBSECTION (A) AS  
14 IF SAID HOLDING OR INTERMEDIARY COMPANY WERE ITSELF APPLYING  
15 FOR A SLOT MACHINE LICENSE. THE BOARD MAY WAIVE COMPLIANCE  
16 WITH THE PROVISIONS OF SUBSECTION (A) ON THE PART OF A  
17 PUBLICLY TRADED CORPORATION WHICH IS A HOLDING COMPANY AS TO  
18 ANY OFFICER, DIRECTOR, LENDER, UNDERWRITER, AGENT OR EMPLOYEE  
19 THEREOF, OR PERSON DIRECTLY OR INDIRECTLY HOLDING A  
20 BENEFICIAL INTEREST OR OWNERSHIP OF THE SECURITIES OF SUCH  
21 CORPORATION, WHERE THE BOARD IS SATISFIED THAT SUCH OFFICER,  
22 DIRECTOR, LENDER, UNDERWRITER, AGENT OR EMPLOYEE IS NOT  
23 SIGNIFICANTLY INVOLVED IN THE ACTIVITIES OF THE CORPORATE  
24 LICENSEE AND IN THE CASE OF THE SECURITY HOLDER DOES NOT HAVE  
25 THE ABILITY TO CONTROL OR POSSESS A CONTROLLING INTEREST IN  
26 THE HOLDING COMPANY OR ELECT ONE OR MORE DIRECTORS THEREOF;  
27 OR

28 (2) IF IT IS NOT A CORPORATION, SHALL COMPLY WITH THE  
29 PROVISIONS OF SUBSECTION (C) AS IF SAID COMPANY WERE ITSELF  
30 APPLYING FOR A SLOT MACHINE LICENSE. THE BOARD MAY WAIVE

1 COMPLIANCE WITH THE PROVISIONS OF SUBSECTION (C) ON THE PART  
2 OF A NONCORPORATE BUSINESS ORGANIZATION WHICH IS A HOLDING  
3 COMPANY AS TO ANY PERSON WHO DIRECTLY OR INDIRECTLY HOLDS ANY  
4 BENEFICIAL INTEREST OR OWNERSHIP IN SUCH COMPANY WHEN THE  
5 BOARD IS SATISFIED THAT SUCH PERSON DOES NOT HAVE THE ABILITY  
6 TO CONTROL THE COMPANY.

7 (C) NONCORPORATE APPLICANT REQUIREMENT.--ANY NONCORPORATE  
8 APPLICANT FOR A SLOT MACHINE LICENSE SHALL PROVIDE THE  
9 INFORMATION REQUIRED IN THIS SECTION IN SUCH FORM AS MAY BE  
10 REQUIRED BY THE BOARD. NO SUCH APPLICANT SHALL BE ELIGIBLE TO  
11 HOLD A SLOT MACHINE LICENSE UNLESS EACH PERSON WHO DIRECTLY OR  
12 INDIRECTLY HOLDS ANY BENEFICIAL INTEREST OR OWNERSHIP IN THE  
13 APPLICANT, OR HAS THE ABILITY TO CONTROL THE APPLICANT OR WHOM  
14 THE BOARD MAY CONSIDER APPROPRIATE FOR APPROVAL OR  
15 QUALIFICATION, WOULD INDIVIDUALLY BE QUALIFIED FOR APPROVAL AS A  
16 KEY EMPLOYEE PURSUANT TO THE PROVISIONS OF THIS PART.]

17 ADDITIONAL SLOT MACHINE LICENSE REQUIREMENTS.

18 (A) ADDITIONAL ELIGIBILITY REQUIREMENTS.--IN ORDER TO BE  
19 ELIGIBLE FOR A SLOT MACHINE LICENSE UNDER THIS PART, THE  
20 PRINCIPALS AND KEY EMPLOYEES OF THE APPLICANT SHALL OBTAIN A  
21 LICENSE TO MEET THE CHARACTER REQUIREMENTS OF SECTION 1310  
22 (RELATING TO SLOT MACHINE LICENSE APPLICATION CHARACTER  
23 REQUIREMENTS) OR OTHER ELIGIBILITY REQUIREMENTS ESTABLISHED BY  
24 THE BOARD.

25 (B) CLASSIFICATION SYSTEM.--THE BOARD SHALL DEVELOP A  
26 CLASSIFICATION SYSTEM FOR OTHER AGENTS, EMPLOYEES OR PERSONS WHO  
27 DIRECTLY OR INDIRECTLY HOLD OR ARE DEEMED TO BE HOLDING DEBT OR  
28 EQUITY SECURITIES OR OTHER FINANCIAL INTEREST IN THE APPLICANT,  
29 AND OTHER PERSONS WHICH THE BOARD CONSIDERS APPROPRIATE FOR  
30 REVIEW UNDER SECTION 1310.

1     (C) RELATED ENTITIES.--

2             (1) EXCEPT AS PROVIDED IN PARAGRAPH (2), NO PERSON SHALL  
3     BE ELIGIBLE TO RECEIVE A SLOT MACHINE LICENSE UNLESS THE  
4     PRINCIPALS AND KEY EMPLOYEES OF EACH INTERMEDIARY, SUBSIDIARY  
5     OR HOLDING COMPANY OF THE PERSON MEET THE REQUIREMENTS OF  
6     SUBSECTION (A).

7             (2) THE BOARD MAY REQUIRE THAT LENDERS AND UNDERWRITERS  
8     OF INTERMEDIARIES, SUBSIDIARIES OR HOLDING COMPANIES OF A  
9     SLOT MACHINE LICENSE APPLICANT MEET THE REQUIREMENTS OF  
10    SUBSECTION (A) IF THE BOARD DETERMINES THAT THE SUITABILITY  
11    OF A LENDER OR UNDERWRITER IS AT ISSUE AND IS NECESSARY TO  
12    CONSIDER A PENDING APPLICATION FOR A SLOT MACHINE LICENSE.

13    (D) REVOCABLE PRIVILEGE.--THE ISSUANCE OR RENEWAL OF A  
14    LICENSE, PERMIT OR OTHER AUTHORIZATION BY THE BOARD UNDER THIS  
15    SECTION SHALL BE A REVOCABLE PRIVILEGE.

16    (E) WAIVER FOR PUBLICLY TRADED CORPORATIONS.--THE BOARD MAY  
17    WAIVE THE REQUIREMENTS OF SUBSECTION (A) FOR A PERSON DIRECTLY  
18    OR INDIRECTLY HOLDING OWNERSHIP OF SECURITIES IN A PUBLICLY  
19    TRADED CORPORATION IF THE BOARD DETERMINES THAT THE HOLDER OF  
20    THE SECURITIES IS NOT SIGNIFICANTLY INVOLVED IN THE ACTIVITIES  
21    OF THE CORPORATION AND DOES NOT HAVE THE ABILITY TO CONTROL THE  
22    CORPORATION OR ELECT ONE OR MORE DIRECTORS THEREOF.

23    (F) WAIVER FOR SUBSIDIARIES.--IF THE APPLICANT IS A  
24    SUBSIDIARY, THE BOARD MAY WAIVE THE REQUIREMENTS OF SUBSECTION  
25    (A) FOR A HOLDING COMPANY OR INTERMEDIARY AS FOLLOWS:

26             (1) IF THE APPLICANT IS A PUBLICLY TRADED CORPORATION,  
27     THE BOARD MAY ISSUE A WAIVER UNDER THIS SUBSECTION IF IT  
28     DETERMINES THAT THE PRINCIPAL OR KEY EMPLOYEE DOES NOT HAVE  
29     THE ABILITY TO CONTROL, HAVE A CONTROLLING INTEREST IN OR  
30     ELECT ONE OR MORE DIRECTORS OF THE HOLDING COMPANY OR

1 INTERMEDIARY AND IS NOT ACTIVELY INVOLVED IN THE ACTIVITIES  
2 OF THE APPLICANT.

3 (2) IF THE APPLICANT IS A NONCORPORATE ORGANIZATION, THE  
4 BOARD MAY ISSUE A WAIVER UNDER THIS SUBSECTION FOR A PERSON  
5 WHO DIRECTLY OR INDIRECTLY HOLDS A BENEFICIAL OR OWNERSHIP  
6 INTEREST IN THE APPLICANT IF IT DETERMINES THAT THE PERSON  
7 DOES NOT HAVE THE ABILITY TO CONTROL THE APPLICANT.

8 (G) ONGOING DUTY.--A PERSON APPLYING FOR A LICENSE, PERMIT  
9 OR OTHER AUTHORIZATION UNDER THIS PART SHALL HAVE THE CONTINUING  
10 DUTY TO PROVIDE INFORMATION REQUIRED BY THE BOARD OR THE BUREAU  
11 AND TO COOPERATE IN ANY INQUIRY OR INVESTIGATION.

12 (H) CRIMINAL HISTORY RECORD CHECK.--THE BOARD SHALL CONDUCT  
13 A CRIMINAL HISTORY RECORD CHECK ON ANY PERSON FOR WHOM A WAIVER  
14 IS GRANTED UNDER THIS SECTION.

15 SECTION 7. TITLE 4 IS AMENDED BY ADDING SECTIONS TO READ:  
16 § 1311.1. LICENSING OF PRINCIPALS.

17 (A) LICENSE REQUIRED.--ALL PRINCIPALS SHALL OBTAIN A  
18 PRINCIPAL LICENSE FROM THE BOARD.

19 (B) APPLICATION.--A PRINCIPAL LICENSE APPLICATION SHALL BE  
20 IN A FORM PRESCRIBED BY THE BOARD AND SHALL INCLUDE THE  
21 FOLLOWING:

22 (1) VERIFICATION OF STATUS AS A PRINCIPAL FROM A SLOT  
23 MACHINE LICENSEE, MANUFACTURER LICENSEE OR SUPPLIER LICENSEE.

24 (2) A DESCRIPTION OF RESPONSIBILITIES AS A PRINCIPAL.

25 (3) ALL RELEASES NECESSARY TO OBTAIN INFORMATION FROM  
26 GOVERNMENTAL AGENCIES, EMPLOYERS AND OTHER ORGANIZATIONS.

27 (4) FINGERPRINTS, WHICH SHALL BE SUBMITTED TO THE  
28 PENNSYLVANIA STATE POLICE.

29 (5) A PHOTOGRAPH THAT MEETS THE STANDARDS OF THE  
30 COMMONWEALTH PHOTO IMAGING NETWORK.

1           (6) DETAILS RELATING TO A SIMILAR LICENSE, PERMIT OR  
2           OTHER AUTHORIZATION OBTAINED IN ANOTHER JURISDICTION.

3           (7) ANY ADDITIONAL INFORMATION REQUIRED BY THE BOARD.

4           (C) ISSUANCE.--FOLLOWING REVIEW OF THE APPLICATION AND THE  
5           BACKGROUND INVESTIGATION, THE BOARD MAY ISSUE A PRINCIPAL  
6           LICENSE IF THE APPLICANT HAS PROVEN BY CLEAR AND CONVINCING  
7           EVIDENCE THAT THE APPLICANT IS A PERSON OF GOOD CHARACTER,  
8           HONESTY AND INTEGRITY AND IS ELIGIBLE AND SUITABLE TO BE  
9           LICENSED AS A PRINCIPAL.

10          (D) NONTRANSFERABILITY.--A LICENSE ISSUED UNDER THIS SECTION  
11          SHALL BE NONTRANSFERABLE.

12          (E) PRINCIPALS.--AN INDIVIDUAL WHO RECEIVES A PRINCIPAL  
13          LICENSE NEED NOT OBTAIN A KEY EMPLOYEE LICENSE.

14          § 1311.2. LICENSING OF KEY EMPLOYEES.

15          (A) LICENSE REQUIRED.--ALL KEY EMPLOYEES SHALL OBTAIN A KEY  
16          EMPLOYEE LICENSE FROM THE BOARD.

17          (B) APPLICATION.--A KEY EMPLOYEE LICENSE APPLICATION SHALL  
18          BE IN A FORM PRESCRIBED BY THE BOARD AND SHALL INCLUDE THE  
19          FOLLOWING:

20               (1) VERIFICATION OF STATUS AS A KEY EMPLOYEE FROM A SLOT  
21               MACHINE LICENSEE, MANUFACTURER LICENSEE OR SUPPLIER LICENSEE.

22               (2) A DESCRIPTION OF EMPLOYMENT RESPONSIBILITIES.

23               (3) ALL RELEASES NECESSARY TO OBTAIN INFORMATION FROM  
24               GOVERNMENTAL AGENCIES, EMPLOYERS AND OTHER ORGANIZATIONS.

25               (4) FINGERPRINTS, WHICH SHALL BE SUBMITTED TO THE  
26               PENNSYLVANIA STATE POLICE.

27               (5) A PHOTOGRAPH THAT MEETS THE STANDARDS OF THE  
28               COMMONWEALTH PHOTO IMAGING NETWORK.

29               (6) DETAILS RELATING TO A SIMILAR LICENSE, PERMIT OR  
30               OTHER AUTHORIZATION OBTAINED IN ANOTHER JURISDICTION.

1           (7) ANY ADDITIONAL INFORMATION REQUIRED BY THE BOARD.

2           (C) ISSUANCE.--FOLLOWING REVIEW OF THE APPLICATION AND THE  
3 BACKGROUND INVESTIGATION, THE BOARD MAY ISSUE A KEY EMPLOYEE  
4 LICENSE IF THE APPLICANT HAS PROVEN BY CLEAR AND CONVINCING  
5 EVIDENCE THAT THE APPLICANT IS A PERSON OF GOOD CHARACTER,  
6 HONESTY AND INTEGRITY AND IS ELIGIBLE AND SUITABLE TO BE  
7 LICENSED AS A KEY EMPLOYEE.

8           (D) NONTRANSFERABILITY.--A LICENSE ISSUED UNDER THIS SECTION  
9 SHALL BE NONTRANSFERABLE.

10          SECTION 7.1. SECTIONS 1313(E) AND 1317 OF TITLE 4 ARE  
11 AMENDED TO READ:

12   § 1313. SLOT MACHINE LICENSE APPLICATION FINANCIAL FITNESS  
13                   REQUIREMENTS.

14          \* \* \*

15          (E) APPLICANT'S OPERATIONAL VIABILITY.--IN ASSESSING THE  
16 FINANCIAL VIABILITY OF THE PROPOSED LICENSED FACILITY, THE BOARD  
17 SHALL MAKE A FINDING, AFTER REVIEW OF THE APPLICATION, THAT THE  
18 APPLICANT IS LIKELY TO MAINTAIN A FINANCIALLY SUCCESSFUL, VIABLE  
19 AND EFFICIENT BUSINESS OPERATION AND WILL LIKELY BE ABLE TO  
20 MAINTAIN A STEADY LEVEL [AND] OF GROWTH OF REVENUE TO THE  
21 COMMONWEALTH PURSUANT TO SECTION 1403 (RELATING TO ESTABLISHMENT  
22 OF STATE GAMING FUND AND NET SLOT MACHINE REVENUE DISTRIBUTION).  
23 NOTWITHSTANDING ANY PROVISION OF THIS PART TO THE CONTRARY, AN  
24 APPLICANT THAT INCLUDES A COMMITMENT OR PROMISE TO PAY A SLOT  
25 MACHINE LICENSE FEE IN EXCESS OF THE AMOUNT PROVIDED IN SECTION  
26 1209 OR A DISTRIBUTION OF TERMINAL REVENUE IN EXCESS OF THE  
27 AMOUNTS PROVIDED IN SECTIONS 1403, 1405 (RELATING TO  
28 PENNSYLVANIA RACE HORSE DEVELOPMENT FUND) AND 1407 (RELATING TO  
29 PENNSYLVANIA GAMING ECONOMIC DEVELOPMENT AND TOURISM FUND) SHALL  
30 NOT BE DEEMED A FINANCIALLY SUCCESSFUL, VIABLE OR EFFICIENT

1 BUSINESS OPERATION AND SHALL NOT BE APPROVED FOR A SLOT MACHINE  
2 LICENSE.

3 \* \* \*

4 § 1317. SUPPLIER [AND MANUFACTURER] LICENSES [APPLICATION].

5 (A) APPLICATION.--[ANY] A MANUFACTURER THAT ELECTS TO  
6 CONTRACT WITH A SUPPLIER UNDER SECTION 1317.1(D.1) (RELATING TO  
7 MANUFACTURER LICENSES) SHALL ENSURE THAT THE SUPPLIER IS  
8 LICENSED UNDER THIS SECTION. A PERSON SEEKING TO PROVIDE SLOT  
9 MACHINES OR ASSOCIATED EQUIPMENT TO A SLOT MACHINE LICENSEE  
10 WITHIN THIS COMMONWEALTH [OR TO MANUFACTURE SLOT MACHINES FOR  
11 USE IN THIS COMMONWEALTH] THROUGH A CONTRACT WITH A LICENSED  
12 MANUFACTURER SHALL APPLY TO THE BOARD FOR [EITHER] A SUPPLIER  
13 [OR MANUFACTURER] LICENSE. [NO PERSON, ITS AFFILIATE,  
14 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY WHO HAS APPLIED FOR  
15 OR IS A HOLDER OF A MANUFACTURER OR SLOT MACHINE LICENSE SHALL  
16 BE ELIGIBLE TO APPLY FOR OR HOLD A SUPPLIER LICENSE. A SUPPLIER  
17 LICENSEE SHALL ESTABLISH A PRINCIPLE PLACE OF BUSINESS IN THIS  
18 COMMONWEALTH WITHIN ONE YEAR OF ISSUANCE OF ITS SUPPLIER LICENSE  
19 AND MAINTAIN SUCH DURING THE PERIOD IN WHICH THE LICENSE IS  
20 HELD. NO SLOT MACHINE LICENSEE SHALL ENTER INTO ANY SALE, LEASE,  
21 CONTRACT OR ANY OTHER TYPE OF AGREEMENT PROVIDING SLOT MACHINES,  
22 PROGRESSIVE SLOT MACHINES, PARTS OR ASSOCIATED EQUIPMENT FOR USE  
23 OR PLAY WITH ANY PERSON OTHER THAN A SUPPLIER LICENSED PURSUANT  
24 TO THIS SECTION. SLOT MONITORING SYSTEMS, CASINO MANAGEMENT  
25 SYSTEMS, PLAYER TRACKING SYSTEMS AND WIDE-AREA PROGRESSIVE  
26 SYSTEMS ARE EXCLUDED FROM ANY REQUIREMENTS THAT THEY BE PROVIDED  
27 THROUGH A LICENSED SUPPLIER AS SET FORTH IN THIS PART.]

28 (B) REQUIREMENTS.--[THE] AN APPLICATION FOR A SUPPLIER [OR  
29 MANUFACTURER LICENSE SHALL INCLUDE, AT A MINIMUM:] LICENSE SHALL  
30 BE ON THE FORM REQUIRED BY THE BOARD, ACCOMPANIED BY THE

1 APPLICATION FEE AND SHALL INCLUDE ALL OF THE FOLLOWING:

2 (1) THE NAME AND BUSINESS ADDRESS OF THE APPLICANT[,]  
3 AND THE APPLICANT'S AFFILIATES, INTERMEDIARIES, SUBSIDIARIES  
4 AND HOLDING COMPANIES; THE [DIRECTORS AND OWNERS OF THE  
5 APPLICANT] PRINCIPALS AND KEY EMPLOYEES OF EACH BUSINESS; AND  
6 A LIST OF EMPLOYEES AND THEIR POSITIONS WITHIN [THE] EACH  
7 BUSINESS, AS WELL AS ANY FINANCIAL INFORMATION REQUIRED BY  
8 THE BOARD.

9 (1.1) A STATEMENT THAT THE APPLICANT AND EACH AFFILIATE,  
10 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF THE APPLICANT  
11 ARE NOT SLOT MACHINE LICENSEES.

12 (1.2) PROOF THAT THE APPLICANT HAS OR WILL ESTABLISH A  
13 PRINCIPAL PLACE OF BUSINESS IN THIS COMMONWEALTH. A SUPPLIER  
14 LICENSEE SHALL MAINTAIN ITS PRINCIPAL PLACE OF BUSINESS IN  
15 THIS COMMONWEALTH TO REMAIN ELIGIBLE FOR LICENSURE.

16 (2) THE CONSENT TO A BACKGROUND INVESTIGATION OF THE  
17 APPLICANT, ITS [OFFICERS, DIRECTORS, OWNERS,] PRINCIPALS AND  
18 KEY EMPLOYEES OR OTHER PERSONS REQUIRED BY THE BOARD AND A  
19 RELEASE TO OBTAIN ANY AND ALL INFORMATION NECESSARY FOR THE  
20 COMPLETION OF THE BACKGROUND INVESTIGATION.

21 (3) THE DETAILS OF ANY EQUIVALENT LICENSE GRANTED OR  
22 DENIED BY OTHER JURISDICTIONS WHERE GAMING ACTIVITIES AS  
23 AUTHORIZED BY THIS PART ARE PERMITTED AND CONSENT FOR THE  
24 BOARD TO ACQUIRE COPIES OF APPLICATIONS SUBMITTED OR LICENSES  
25 ISSUED IN CONNECTION THEREWITH.

26 (4) THE TYPE OF GOODS AND SERVICES TO BE SUPPLIED [OR  
27 MANUFACTURED] AND WHETHER THOSE GOODS AND SERVICES WILL BE  
28 PROVIDED THROUGH PURCHASE, LEASE, CONTRACT OR OTHERWISE.

29 (5) ANY OTHER INFORMATION DETERMINED BY THE BOARD TO BE  
30 APPROPRIATE.



1     (C) REVIEW AND APPROVAL.--UPON BEING SATISFIED THAT THE  
2 REQUIREMENTS OF SUBSECTION (B) HAVE BEEN MET, THE BOARD MAY  
3 APPROVE THE APPLICATION AND ISSUE THE APPLICANT A SUPPLIER  
4 LICENSE CONSISTENT WITH ALL OF THE FOLLOWING:

5         (1) THE LICENSE SHALL BE FOR A PERIOD OF ONE YEAR. UPON  
6 EXPIRATION, THE LICENSE MAY BE RENEWED IN ACCORDANCE WITH  
7 SUBSECTION (D).

8         (2) THE LICENSE SHALL BE NONTRANSFERABLE.

9         (3) ANY OTHER CONDITION ESTABLISHED BY THE BOARD.

10     (D) RENEWAL.--

11         (1) TWO MONTHS PRIOR TO EXPIRATION OF A SUPPLIER  
12 LICENSE, THE SUPPLIER LICENSEE SEEKING RENEWAL OF ITS LICENSE  
13 SHALL SUBMIT A RENEWAL APPLICATION ACCOMPANIED BY THE RENEWAL  
14 FEE TO THE BOARD.

15         (2) IF THE RENEWAL APPLICATION SATISFIES THE  
16 REQUIREMENTS OF SUBSECTION (B), THE BOARD MAY RENEW THE  
17 LICENSEE'S SUPPLIER LICENSE.

18         (3) IF THE BOARD RECEIVES A COMPLETE RENEWAL APPLICATION  
19 BUT FAILS TO ACT UPON THE RENEWAL APPLICATION PRIOR TO THE  
20 EXPIRATION OF THE SUPPLIER LICENSE, THE SUPPLIER LICENSE  
21 SHALL CONTINUE IN EFFECT FOR AN ADDITIONAL SIX-MONTH PERIOD  
22 OR UNTIL ACTED UPON BY THE BOARD, WHICHEVER OCCURS FIRST.

23     (E) PROHIBITIONS.--NO LIMITATION SHALL BE PLACED ON THE  
24 NUMBER OF SUPPLIER LICENSES ISSUED OR THE TIME PERIOD TO SUBMIT  
25 APPLICATIONS FOR LICENSURE EXCEPT AS REQUIRED TO COMPLY WITH  
26 SECTION 1306 (RELATING TO ORDER OF INITIAL LICENSE ISSUANCE).

27     SECTION 7.2. TITLE 4 IS AMENDED BY ADDING A SECTION TO READ:  
28     § 1317.1. MANUFACTURER LICENSES.

29     (A) APPLICATION.--A PERSON SEEKING TO MANUFACTURE SLOT  
30 MACHINES AND ASSOCIATED EQUIPMENT FOR USE IN THIS COMMONWEALTH

1 SHALL APPLY TO THE BOARD FOR A MANUFACTURER LICENSE.

2 (B) REQUIREMENTS.-- AN APPLICATION FOR A MANUFACTURER  
3 LICENSE SHALL BE ON THE FORM REQUIRED BY THE BOARD, ACCOMPANIED  
4 BY THE APPLICATION FEE AND SHALL INCLUDE ALL OF THE FOLLOWING:

5 (1) THE NAME AND BUSINESS ADDRESS OF THE APPLICANT AND  
6 THE APPLICANT'S AFFILIATES, INTERMEDIARIES, SUBSIDIARIES AND  
7 HOLDING COMPANIES; THE PRINCIPALS AND KEY EMPLOYEES OF EACH  
8 BUSINESS; AND A LIST OF EMPLOYEES AND THEIR POSITIONS WITHIN  
9 EACH BUSINESS, AS WELL AS ANY FINANCIAL INFORMATION REQUIRED  
10 BY THE BOARD.

11 (2) A STATEMENT THAT THE APPLICANT AND EACH AFFILIATE,  
12 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF THE APPLICANT  
13 ARE NOT SLOT MACHINE LICENSEES.

14 (3) THE CONSENT TO A BACKGROUND INVESTIGATION OF THE  
15 APPLICANT, ITS PRINCIPALS AND KEY EMPLOYEES OR OTHER PERSONS  
16 REQUIRED BY THE BOARD AND A RELEASE TO OBTAIN ANY AND ALL  
17 INFORMATION NECESSARY FOR THE COMPLETION OF THE BACKGROUND  
18 INVESTIGATION.

19 (4) THE DETAILS OF ANY EQUIVALENT LICENSE GRANTED OR  
20 DENIED BY OTHER JURISDICTIONS WHERE GAMING ACTIVITIES AS  
21 AUTHORIZED BY THIS PART ARE PERMITTED AND CONSENT FOR THE  
22 BOARD TO ACQUIRE COPIES OF APPLICATIONS SUBMITTED OR LICENSES  
23 ISSUED IN CONNECTION THEREWITH.

24 (5) THE TYPE OF SLOT MACHINES OR ASSOCIATED EQUIPMENT TO  
25 BE MANUFACTURED OR REPAIRED.

26 (6) ANY OTHER INFORMATION DETERMINED BY THE BOARD TO BE  
27 APPROPRIATE.

28 (C) REVIEW AND APPROVAL.--UPON BEING SATISFIED THAT THE  
29 REQUIREMENTS OF SUBSECTION (B) HAVE BEEN MET, THE BOARD MAY  
30 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).

(2) THE LICENSE SHALL BE NONTRANSFERABLE.

(3) ANY OTHER CONDITION ESTABLISHED BY THE BOARD.

(D) RENEWAL.--

(1) SIX 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 OR ASSOCIATED EQUIPMENT MANUFACTURED BY THE LICENSED MANUFACTURER.

(2) A MANUFACTURER 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.

1     (E) PROHIBITIONS.--

2             (1) NO PERSON MAY MANUFACTURE SLOT MACHINES OR  
3     ASSOCIATED EQUIPMENT FOR USE WITHIN THIS COMMONWEALTH BY A  
4     SLOT MACHINE LICENSEE UNLESS THE PERSON HAS BEEN ISSUED A  
5     MANUFACTURER LICENSE UNDER THIS SECTION.

6             (2) NO SLOT MACHINE LICENSEE MAY USE SLOT MACHINES OR  
7     ASSOCIATED EQUIPMENT UNLESS THE SLOT MACHINES OR ASSOCIATED  
8     EQUIPMENT WERE MANUFACTURED BY A PERSON THAT HAS BEEN ISSUED  
9     A MANUFACTURER LICENSE UNDER THIS SECTION.

10            (3) NO PERSON ISSUED A LICENSE UNDER THIS SECTION SHALL  
11     APPLY FOR OR BE ISSUED A LICENSE UNDER SECTION 1317 (RELATING  
12     TO SUPPLIER LICENSES).

13            (4) NO LIMITATION SHALL BE PLACED ON THE NUMBER OF  
14     MANUFACTURER LICENSES ISSUED OR THE TIME PERIOD TO SUBMIT  
15     APPLICATIONS FOR LICENSURE, EXCEPT AS REQUIRED TO COMPLY WITH  
16     SECTION 1306 (RELATING TO ORDER OF INITIAL LICENSE ISSUANCE).

17     SECTION 8. SECTIONS 1318(B)(4) AND 1323(A) OF TITLE 4 ARE  
18     AMENDED TO READ:

19     § 1318. OCCUPATION PERMIT APPLICATION.

20             \* \* \*

21             (B) REQUIREMENTS.--THE APPLICATION FOR AN OCCUPATION PERMIT  
22     SHALL INCLUDE, AT A MINIMUM:

23             \* \* \*

24             (4) A PHOTOGRAPH [AND HANDWRITING EXEMPLAR] OF THE  
25     PERSON.

26             \* \* \*

27     § 1323. CENTRAL CONTROL COMPUTER SYSTEM.

28             (A) GENERAL RULE.--TO FACILITATE THE AUDITING AND SECURITY  
29     PROGRAMS CRITICAL TO THE INTEGRITY OF SLOT MACHINE GAMING IN  
30     THIS COMMONWEALTH, THE DEPARTMENT SHALL HAVE OVERALL CONTROL OF

1 SLOT MACHINES, AND ALL SLOT MACHINE TERMINALS SHALL BE LINKED,  
2 AT AN APPROPRIATE TIME TO BE DETERMINED BY THE DEPARTMENT, TO A  
3 CENTRAL CONTROL COMPUTER UNDER THE CONTROL OF THE DEPARTMENT AND  
4 ACCESSIBLE BY THE BOARD TO PROVIDE AUDITING PROGRAM CAPACITY AND  
5 INDIVIDUAL TERMINAL INFORMATION AS APPROVED BY THE DEPARTMENT  
6 AND SHALL INCLUDE REAL-TIME INFORMATION RETRIEVAL AND TERMINAL  
7 ACTIVATION AND DISABLING PROGRAMS. THE CENTRAL CONTROL COMPUTER  
8 SELECTED AND EMPLOYED BY THE DEPARTMENT SHALL NOT UNDULY LIMIT  
9 OR FAVOR THE PARTICIPATION OF A VENDOR OR MANUFACTURER OF A SLOT  
10 MACHINE AS A RESULT OF THE COST OR DIFFICULTY OF IMPLEMENTING  
11 THE NECESSARY PROGRAM MODIFICATIONS TO COMMUNICATE WITH AND LINK  
12 TO THE CENTRAL CONTROL COMPUTER. THE CENTRAL CONTROL COMPUTER  
13 EMPLOYED BY THE DEPARTMENT SHALL PROVIDE:

14 (1) A FULLY OPERATIONAL STATEWIDE SLOT MACHINE CONTROL  
15 SYSTEM THAT HAS THE CAPABILITY OF SUPPORTING UP TO THE  
16 MAXIMUM NUMBER OF SLOT MACHINES THAT COULD BE PERMITTED TO BE  
17 IN OPERATION UNDER THIS PART.

18 (2) THE EMPLOYMENT OF A WIDELY ACCEPTED GAMING INDUSTRY  
19 PROTOCOL TO FACILITATE SLOT MACHINE MANUFACTURERS' ABILITY TO  
20 COMMUNICATE WITH THE STATEWIDE SYSTEM.

21 (2.1) THE DELIVERY OF A SYSTEM THAT HAS THE ABILITY TO  
22 VERIFY SOFTWARE, DETECT ALTERATIONS IN PAYOUT AND DETECT  
23 OTHER METHODS OF FRAUD IN ALL ASPECTS OF THE OPERATION OF  
24 SLOT MACHINES.

25 (3) THE DELIVERY OF A SYSTEM THAT HAS THE CAPABILITY TO  
26 SUPPORT IN-HOUSE AND WIDE-AREA PROGRESSIVE SLOT MACHINES AS  
27 APPROVED BY THE BOARD.

28 (4) THE DELIVERY OF A SYSTEM THAT ALLOWS THE SLOT  
29 MACHINE LICENSEE TO INSTALL INDEPENDENT PLAYER TRACKING  
30 SYSTEMS AND CASHLESS TECHNOLOGY AS APPROVED BY THE BOARD.

1 (5) THE DELIVERY OF A SYSTEM THAT DOES NOT ALTER THE  
2 STATISTICAL AWARDS OF SLOT MACHINE GAMES AS DESIGNED BY THE  
3 SLOT MACHINE MANUFACTURER AND APPROVED BY THE BOARD.

4 (6) THE DELIVERY OF A SYSTEM THAT PROVIDES REDUNDANCY SO  
5 THAT EACH COMPONENT OF THE NETWORK WILL BE CAPABLE OF  
6 OPERATING INDEPENDENTLY BY THE DEPARTMENT IF ANY COMPONENT OF  
7 THE NETWORK, INCLUDING THE CENTRAL CONTROL COMPUTER, FAILS OR  
8 CANNOT BE OPERATED FOR ANY REASON AS DETERMINED BY THE  
9 DEPARTMENT, AND TO ASSURE THAT ALL TRANSACTIONAL DATA IS  
10 CAPTURED AND SECURED. COSTS ASSOCIATED WITH ANY COMPUTER  
11 SYSTEM REQUIRED BY THE DEPARTMENT TO OPERATE AT A LICENSED  
12 FACILITY, WHETHER INDEPENDENT OR AS PART OF THE CENTRAL  
13 CONTROL COMPUTER, SHALL BE PAID BY THE SLOT MACHINE LICENSEE.  
14 THE COMPUTER SYSTEM WILL BE CONTROLLED BY THE DEPARTMENT AND  
15 ACCESSIBLE TO THE BOARD.

16 (7) THE ABILITY TO MEET ALL REPORTING AND CONTROL  
17 REQUIREMENTS AS PRESCRIBED BY THE BOARD AND DEPARTMENT.

18 (8) ANY OTHER CAPABILITIES AS DETERMINED BY THE  
19 DEPARTMENT IN CONSULTATION WITH THE BOARD.

20 \* \* \*

21 SECTION 8.1. SECTION 1325 OF TITLE 4 IS AMENDED BY ADDING A  
22 SUBSECTION TO READ:

23 § 1325. LICENSE OR PERMIT ISSUANCE.

24 \* \* \*

25 (D) TRUSTS AND SIMILAR BUSINESS ENTITIES.--THE BOARD SHALL  
26 DETERMINE THE ELIGIBILITY OF A TRUST OR SIMILAR BUSINESS ENTITY  
27 TO BE A LICENSED ENTITY IN ACCORDANCE WITH THE FOLLOWING:

28 (1) NO TRUST OR SIMILAR BUSINESS ENTITY SHALL BE  
29 ELIGIBLE TO HOLD ANY BENEFICIAL INTEREST IN A LICENSED ENTITY  
30 UNDER THIS PART UNLESS EACH TRUSTEE, GRANTOR AND BENEFICIARY

1 OF THE TRUST, INCLUDING A MINOR CHILD BENEFICIARY, QUALIFIES  
2 FOR AND IS GRANTED A LICENSE AS A PRINCIPAL. THE BOARD MAY  
3 WAIVE COMPLIANCE WITH THIS PARAGRAPH IF THE TRUSTEE IS A  
4 BANKING OR LENDING INSTITUTION AND THE BOARD IS SATISFIED  
5 THAT THE TRUSTEE IS NOT SIGNIFICANTLY INVOLVED IN THE  
6 ACTIVITIES OF THE LICENSED ENTITY. IN ADDITION TO OTHER  
7 INFORMATION REQUIRED BY THE BOARD, A BANKING OR LENDING  
8 INSTITUTION ACTING AS A TRUSTEE SHALL PRODUCE AT THE REQUEST  
9 OF THE BOARD ANY DOCUMENTATION OR INFORMATION RELATING TO THE  
10 TRUST.

11 (2) NO BENEFICIARY OF A TRUST OR SIMILAR BUSINESS ENTITY  
12 WHO IS A MINOR CHILD SHALL CONTROL OR BE SIGNIFICANTLY  
13 INVOLVED IN THE ACTIVITIES OF A LICENSED ENTITY OR ITS  
14 HOLDING COMPANY OR INTERMEDIARY. NO BENEFICIARY OF A TRUST OR  
15 SIMILAR BUSINESS ENTITY WHO IS A MINOR CHILD SHALL BE  
16 PERMITTED TO VOTE TO ELECT DIRECTORS OF A LICENSED ENTITY OR  
17 ITS HOLDING COMPANY OR INTERMEDIARY.

18 (3) NO TRUST OR SIMILAR BUSINESS ENTITY MAY HOLD ANY  
19 BENEFICIAL INTEREST IN A LICENSED ENTITY UNLESS THE BOARD  
20 DETERMINES THAT THE TRUST OR SIMILAR BUSINESS ENTITY IS NOT  
21 ENGAGED IN ANY ACTIVITY OR OTHERWISE BEING USED TO EVADE THE  
22 PUBLIC PROTECTIONS UNDER THIS PART, INCLUDING SECTIONS 1512  
23 (RELATING TO FINANCIAL AND EMPLOYMENT INTERESTS) AND 1513  
24 (RELATING TO POLITICAL INFLUENCE).

25 SECTION 8.2. SECTIONS 1327 AND 1402 OF TITLE 4 ARE AMENDED  
26 TO READ:

27 § 1327. NONTRANSFERABILITY OF LICENSES.

28 A LICENSE OR PERMIT ISSUED BY THE BOARD IS A GRANT OF THE  
29 PRIVILEGE TO CONDUCT A BUSINESS IN THIS COMMONWEALTH. EXCEPT AS  
30 PERMITTED BY SECTION 1328 (RELATING TO CHANGE IN OWNERSHIP OR

1 CONTROL OF SLOT MACHINE LICENSEE), A LICENSE OR PERMIT GRANTED  
2 OR RENEWED PURSUANT TO THIS PART SHALL NOT BE SOLD, TRANSFERRED  
3 OR ASSIGNED TO ANY OTHER PERSON[,]; NOR SHALL A LICENSEE OR  
4 PERMITTEE PLEDGE OR OTHERWISE GRANT A SECURITY INTEREST IN OR  
5 LIEN ON THE LICENSE OR PERMIT. NOTHING CONTAINED IN THIS PART IS  
6 INTENDED OR SHALL BE CONSTRUED TO CREATE IN ANY PERSON AN  
7 ENTITLEMENT TO A LICENSE. THE BOARD HAS THE SOLE DISCRETION TO  
8 ISSUE, RENEW, CONDITION OR DENY THE ISSUANCE OF A SLOT MACHINE  
9 LICENSE BASED UPON THE PURPOSES AND REQUIREMENTS OF THIS PART.  
10 § 1402. GROSS TERMINAL REVENUE DEDUCTIONS.

11 (A) DEDUCTIONS.--AFTER DETERMINING THE APPROPRIATE  
12 ASSESSMENTS FOR EACH SLOT MACHINE LICENSEE, THE DEPARTMENT SHALL  
13 [DEDUCT THE FOLLOWING] DETERMINE COSTS, EXPENSES OR PAYMENTS  
14 FROM EACH ACCOUNT ESTABLISHED UNDER SECTION 1401 (RELATING TO  
15 SLOT MACHINE LICENSEE DEPOSITS). THE FOLLOWING COSTS AND  
16 EXPENSES SHALL BE TRANSFERRED TO THE APPROPRIATE AGENCY UPON  
17 APPROPRIATION BY THE GENERAL ASSEMBLY:

18 (1) THE COSTS AND EXPENSES TO BE INCURRED BY THE  
19 DEPARTMENT IN ADMINISTERING THIS PART AT EACH SLOT MACHINE  
20 LICENSEE'S LICENSED FACILITY BASED UPON A BUDGET SUBMITTED BY  
21 THE DEPARTMENT TO AND APPROVED BY THE BOARD.

22 (2) THE OTHER COSTS AND EXPENSES TO BE INCURRED BY THE  
23 DEPARTMENT IN ADMINISTERING THIS PART BASED UPON A BUDGET  
24 SUBMITTED BY THE DEPARTMENT TO AND APPROVED BY THE BOARD.

25 (3) SUMS NECESSARY TO REPAY ANY LOANS MADE BY THE  
26 GENERAL FUND TO THE DEPARTMENT IN CONNECTION WITH CARRYING  
27 OUT ITS RESPONSIBILITIES UNDER THIS PART, INCLUDING THE COSTS  
28 OF THE INITIAL ACQUISITION OF THE CENTRAL CONTROL COMPUTER  
29 AND ANY ACCESSORIES OR ASSOCIATED EQUIPMENT.

30 (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 SUBMITTED BY THE PENNSYLVANIA STATE POLICE AND THE  
ATTORNEY GENERAL TO AND APPROVED BY THE BOARD.

(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 BY THE BOARD.

(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.

(B) [DEFERRAL OF ASSESSMENT.--NOTWITHSTANDING ANY OTHER  
PROVISION OF LAW TO THE CONTRARY, THE BOARD MAY DEFER ASSESSING  
SLOT MACHINE LICENSEES FOR REPAYMENT OF LOANS FROM THE GENERAL  
FUND UNDER THIS SECTION UNTIL ALL SLOT MACHINE LICENSES HAVE  
BEEN ISSUED AND ALL LICENSED GAMING ENTITIES HAVE COMMENCED THE  
OPERATION OF SLOT MACHINES.] (RESERVED).

SECTION 8.3. TITLE 4 IS AMENDED BY ADDING A SECTION TO READ:  
§ 1402.1. ITEMIZED BUDGET REPORTING.

THE BOARD, DEPARTMENT, PENNSYLVANIA STATE POLICE AND THE  
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.

SECTION 9. SECTION 1403(B), (C)(2)(I)(D) AND (E), (II)(E), (III)(A), (E) AND (F), (IV) AND (IX), (3)(I), (II), (III), (IV), (V), (VI), (VII) AND (VIII) OF TITLE 4 ARE AMENDED, SUBSECTION (C)(2)(III) IS AMENDED BY ADDING A CLAUSE, SUBSECTION (C)(3) IS AMENDED BY ADDING A SUBPARAGRAPH AND THE SECTION IS AMENDED BY ADDING A SUBSECTION 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% AND A LOCAL SHARE ASSESSMENT OF 4% OF ITS DAILY GROSS TERMINAL REVENUE FROM THE SLOT MACHINES IN OPERATION AT ITS FACILITY INTO THE FUND.] 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 OR A MUNICIPALITY UNDER THIS SECTION SHALL BE HELD IN TRUST BY THE LICENSED GAMING ENTITY UNTIL THE FUNDS ARE PAID OR TRANSFERRED AND DISTRIBUTED. UNLESS OTHERWISE AGREED TO BY THE GAMING BOARD, A LICENSED GAMING ENTITY SHALL ESTABLISH A SEPARATE BANK ACCOUNT TO MAINTAIN GAMING PROCEEDS UNTIL SUCH TIME AS THEY ARE PAID OR TRANSFERRED UNDER THIS SECTION.

(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 ACCOUNT  
ESTABLISHED IN THE DEPARTMENT OF COMMUNITY AND  
ECONOMIC DEVELOPMENT TO BE USED EXCLUSIVELY FOR  
GRANTS FOR HEALTH, SAFETY AND ECONOMIC  
DEVELOPMENT PROJECTS 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.

(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

1           THIRD CLASS, WHICH INCLUDES A CITY OF THE THIRD  
2           CLASS THAT IS LOCATED IN TWO COUNTIES OF THE  
3           THIRD CLASS AND IS NOT THE HOST COUNTY FOR THE  
4           LICENSED FACILITY, SHALL RECEIVE .8% OF THE GROSS  
5           TERMINAL REVENUE TO BE DISTRIBUTED AS FOLLOWS:  
6           60% TO A NONHOST CITY OF THE THIRD CLASS LOCATED  
7           SOLELY IN THE NONHOST COUNTY IN WHICH THE HOST  
8           CITY OF THE THIRD CLASS IS ALSO LOCATED OR 60% TO  
9           THE NONHOST CITY OF THE THIRD CLASS LOCATED BOTH  
10          IN THE HOST AND NONHOST COUNTIES OF THE THIRD  
11          CLASS, 35% TO THE NONHOST COUNTY AND 5% TO THE  
12          NONHOST COUNTY FOR THE PURPOSE OF MAKING  
13          MUNICIPAL GRANTS WITHIN THE COUNTY.

14           (E) A COUNTY OF THE FOURTH CLASS: 2% OF THE  
15 GROSS TERMINAL REVENUE FROM EACH SUCH LICENSED  
16 FACILITY SHALL BE DEPOSITED INTO A RESTRICTED ACCOUNT  
17 ESTABLISHED IN THE DEPARTMENT OF COMMUNITY AND  
18 ECONOMIC DEVELOPMENT TO BE USED EXCLUSIVELY FOR  
19 GRANTS TO THE COUNTY, TO ECONOMIC DEVELOPMENT  
20 AUTHORITIES [OR ORGANIZATIONS WITHIN THE COUNTY] OR  
21 REDEVELOPMENT AUTHORITIES WITHIN THE COUNTY FOR  
22 GRANTS FOR ECONOMIC DEVELOPMENT PROJECTS, JOB  
23 TRAINING, COMMUNITY IMPROVEMENT PROJECTS, OTHER  
24 PROJECTS IN THE PUBLIC INTEREST AND REASONABLE  
25 ADMINISTRATIVE COSTS. NOTWITHSTANDING THE PROVISIONS  
26 OF THE ACT OF FEBRUARY 9, 1999 (P.L.1, NO.1), KNOWN  
27 AS THE CAPITAL FACILITIES DEBT ENABLING ACT, GRANTS  
28 MADE UNDER THIS CLAUSE MAY BE UTILIZED AS LOCAL  
29 MATCHING FUNDS FOR OTHER GRANTS OR LOANS FROM THE  
30 COMMONWEALTH.

1                   \* \* \*

2                   (II) IF THE LICENSED FACILITY IS A CATEGORY 1  
3 LICENSED FACILITY AND IS LOCATED AT A THOROUGHbred  
4 RACETRACK AND THE COUNTY IN WHICH THE LICENSED FACILITY  
5 IS LOCATED IS:

6                   \* \* \*

7                   (E) A COUNTY OF THE FOURTH CLASS: 2% OF THE  
8 GROSS TERMINAL REVENUE FROM EACH SUCH LICENSED  
9 FACILITY SHALL BE DEPOSITED INTO A RESTRICTED ACCOUNT  
10 ESTABLISHED IN THE DEPARTMENT OF COMMUNITY AND  
11 ECONOMIC DEVELOPMENT TO BE USED EXCLUSIVELY FOR  
12 GRANTS TO THE COUNTY, TO ECONOMIC DEVELOPMENT  
13 AUTHORITIES [OR ORGANIZATIONS WITHIN THE COUNTY] OR  
14 REDEVELOPMENT AUTHORITIES WITHIN THE COUNTY FOR  
15 GRANTS FOR ECONOMIC DEVELOPMENT PROJECTS, COMMUNITY  
16 IMPROVEMENT PROJECTS, JOB TRAINING, OTHER PROJECTS IN  
17 THE PUBLIC INTEREST AND REASONABLE ADMINISTRATIVE  
18 COSTS. NOTWITHSTANDING THE CAPITAL FACILITIES DEBT  
19 ENABLING ACT, GRANTS MADE UNDER THIS CLAUSE MAY BE  
20 UTILIZED AS LOCAL MATCHING FUNDS FOR OTHER GRANTS OR  
21 LOANS FROM THE COMMONWEALTH.

22                   \* \* \*

23                   (III) IF THE FACILITY IS A CATEGORY 2 LICENSED  
24 FACILITY AND IF THE COUNTY IN WHICH THE LICENSED FACILITY  
25 IS LOCATED IS:

26                   (A) A COUNTY OF THE FIRST CLASS: 4% OF THE  
27 GROSS TERMINAL REVENUE TO THE COUNTY HOSTING THE  
28 LICENSED FACILITY FROM EACH SUCH LICENSED FACILITY.  
29 NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY,  
30 FUNDS FROM LICENSED GAMING ENTITIES LOCATED WITHIN A

COUNTY OF THE FIRST CLASS SHALL NOT BE DISTRIBUTED  
OUTSIDE OF A COUNTY OF THE FIRST CLASS. THE FIRST  
\$5,000,000 OF THE TOTAL AMOUNT DISTRIBUTED ANNUALLY  
TO THE COUNTY OF THE FIRST CLASS SHALL BE DISTRIBUTED  
TO THE PHILADELPHIA SCHOOL DISTRICT.

\* \* \*

(D.1) 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

1 FACILITY SHALL BE DEPOSITED INTO A RESTRICTED ACCOUNT  
2 ESTABLISHED IN THE DEPARTMENT OF COMMUNITY AND  
3 ECONOMIC DEVELOPMENT TO BE USED EXCLUSIVELY FOR  
4 GRANTS TO THE COUNTY, TO ECONOMIC DEVELOPMENT  
5 AUTHORITIES [OR ORGANIZATIONS WITHIN THE COUNTY] OR  
6 REDEVELOPMENT AUTHORITIES WITHIN THE COUNTY FOR  
7 GRANTS FOR ECONOMIC DEVELOPMENT PROJECTS, COMMUNITY  
8 IMPROVEMENT PROJECTS, JOB TRAINING, OTHER PROJECTS IN  
9 THE PUBLIC INTEREST AND REASONABLE ADMINISTRATIVE  
10 COSTS. NOTWITHSTANDING THE CAPITAL FACILITIES DEBT  
11 ENABLING ACT, GRANTS MADE UNDER THIS CLAUSE MAY BE  
12 UTILIZED AS LOCAL MATCHING FUNDS FOR OTHER GRANTS OR  
13 LOANS FROM THE COMMONWEALTH.

14 (F) COUNTIES OF THE FIFTH [THROUGH EIGHTH  
15 CLASSES] CLASS: 2% OF THE GROSS TERMINAL REVENUE  
16 FROM EACH SUCH LICENSED FACILITY SHALL BE DEPOSITED  
17 [INTO A RESTRICTED ACCOUNT ESTABLISHED IN THE  
18 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT TO  
19 BE USED EXCLUSIVELY FOR GRANTS TO THE COUNTY, TO  
20 CONTIGUOUS COUNTIES, TO ECONOMIC DEVELOPMENT  
21 AUTHORITIES OR ORGANIZATIONS WITHIN THE COUNTY OR  
22 CONTIGUOUS COUNTIES OR REDEVELOPMENT AUTHORITIES  
23 WITHIN THE COUNTY OR CONTIGUOUS COUNTIES FOR GRANTS  
24 FOR ECONOMIC DEVELOPMENT PROJECTS, COMMUNITY  
25 IMPROVEMENT PROJECTS, OTHER PROJECTS IN THE PUBLIC  
26 INTEREST AND REASONABLE ADMINISTRATIVE COSTS.  
27 NOTWITHSTANDING THE CAPITAL FACILITIES DEBT ENABLING  
28 ACT, GRANTS MADE UNDER THIS CLAUSE MAY BE UTILIZED AS  
29 LOCAL MATCHING FUNDS FOR OTHER GRANTS OR LOANS FROM  
30 THE COMMONWEALTH.] AND DISTRIBUTED AS FOLLOWS:

1                   (I) ONE PERCENT SHALL BE DEPOSITED INTO A  
2                   RESTRICTED RECEIPTS ACCOUNT IN THE DEPARTMENT OF  
3                   COMMUNITY AND ECONOMIC DEVELOPMENT TO BE USED  
4                   EXCLUSIVELY FOR GRANTS WITHIN THE COUNTY FOR  
5                   ECONOMIC DEVELOPMENT PROJECTS, COMMUNITY  
6                   IMPROVEMENT PROJECTS AND OTHER PROJECTS IN THE  
7                   PUBLIC INTEREST WITHIN THE COUNTY. THE AMOUNT  
8                   UNDER THIS SUBCLAUSE INCLUDES REASONABLE  
9                   ADMINISTRATIVE COSTS.

10                   (II) ONE PERCENT SHALL BE DEPOSITED INTO A  
11                   RESTRICTED RECEIPTS ACCOUNT IN THE DEPARTMENT OF  
12                   COMMUNITY AND ECONOMIC DEVELOPMENT TO BE USED  
13                   EXCLUSIVELY FOR GRANTS WITHIN CONTIGUOUS COUNTIES  
14                   FOR ECONOMIC DEVELOPMENT PROJECTS, COMMUNITY  
15                   IMPROVEMENT PROJECTS AND OTHER PROJECTS IN THE  
16                   PUBLIC INTEREST WITHIN CONTIGUOUS COUNTIES. THE  
17                   AMOUNT UNDER THIS SUBCLAUSE INCLUDES REASONABLE  
18                   ADMINISTRATIVE COSTS.

19                   (III) FIFTY PERCENT OF ANY REVENUE REQUIRED  
20                   TO BE TRANSFERRED UNDER PARAGRAPH (3)(V) SHALL BE  
21                   DEPOSITED INTO THE RESTRICTED RECEIPTS ACCOUNT  
22                   ESTABLISHED UNDER SUBCLAUSE (I); AND FIFTY  
23                   PERCENT SHALL BE DEPOSITED INTO THE RESTRICTED  
24                   RECEIPT ACCOUNT ESTABLISHED UNDER SUBCLAUSE (II).  
25                   NOTWITHSTANDING THE CAPITAL FACILITIES DEBT  
26                   ENABLING ACT, GRANTS MADE UNDER THIS CLAUSE MAY  
27                   BE UTILIZED AS LOCAL MATCHING FUNDS FOR OTHER  
28                   GRANTS OR LOANS FROM THE COMMONWEALTH.

29                   \* \* \*

30                   (IV) IF THE FACILITY IS A CATEGORY 3 LICENSED



1 FACILITY, 2% OF THE GROSS TERMINAL REVENUE FROM EACH SUCH  
2 LICENSED FACILITY SHALL BE DEPOSITED INTO A RESTRICTED  
3 ACCOUNT ESTABLISHED IN THE DEPARTMENT OF COMMUNITY AND  
4 ECONOMIC DEVELOPMENT TO BE USED EXCLUSIVELY FOR GRANTS TO  
5 THE COUNTY, TO ECONOMIC DEVELOPMENT AUTHORITIES [OR  
6 ORGANIZATIONS WITHIN THE COUNTY] OR REDEVELOPMENT  
7 AUTHORITIES WITHIN THE COUNTY FOR GRANTS FOR ECONOMIC  
8 DEVELOPMENT PROJECTS AND COMMUNITY IMPROVEMENT PROJECTS.

9 \* \* \*

10 (IX) NOTHING IN THIS PARAGRAPH SHALL PREVENT ANY OF  
11 THE ABOVE COUNTIES WHICH DIRECTLY RECEIVE A DISTRIBUTION  
12 UNDER THIS SECTION FROM ENTERING INTO INTERGOVERNMENTAL  
13 COOPERATIVE AGREEMENTS WITH OTHER JURISDICTIONS FOR  
14 SHARING THIS MONEY.

15 (3) FROM THE LOCAL SHARE ASSESSMENT ESTABLISHED IN  
16 SUBSECTION (B), MAKE QUARTERLY DISTRIBUTIONS AMONG THE  
17 MUNICIPALITIES, INCLUDING HOME RULE MUNICIPALITIES, HOSTING A  
18 LICENSED FACILITY IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

19 (I) TO A CITY OF THE SECOND CLASS HOSTING A LICENSED  
20 FACILITY [OR FACILITIES], OTHER THAN A CATEGORY 3  
21 LICENSED FACILITY, 2% OF THE GROSS TERMINAL REVENUE OR  
22 \$10,000,000 ANNUALLY, WHICHEVER IS GREATER, [OF ALL  
23 LICENSED FACILITIES] SHALL BE PAID BY EACH LICENSED  
24 GAMING ENTITY OPERATING A FACILITY LOCATED IN THAT CITY.

25 IN THE EVENT THAT THE REVENUES GENERATED BY THE 2% DO NOT  
26 MEET THE \$10,000,000 MINIMUM SPECIFIED IN THIS  
27 [PARAGRAPH, THE LICENSED GAMING ENTITY OPERATING THE  
28 LICENSED FACILITY OR FACILITIES IN THE CITY SHALL REMIT  
29 THE DIFFERENCE TO THE MUNICIPALITY.] SUBPARAGRAPH, THE  
30 DEPARTMENT SHALL COLLECT THE REMAINDER OF THE MINIMUM

1        AMOUNT OF \$10,000,000 FROM EACH LICENSED GAMING ENTITY  
2        OPERATING A FACILITY IN THE CITY AND DEPOSIT THAT AMOUNT  
3        IN THE CITY TREASURY.

4            (II) TO A CITY OF THE SECOND CLASS A HOSTING A  
5        LICENSED FACILITY [OR FACILITIES], OTHER THAN A CATEGORY  
6        3 LICENSED FACILITY, 2% OF THE GROSS TERMINAL REVENUE OR  
7        \$10,000,000 ANNUALLY, WHICHEVER IS GREATER, [OF ALL  
8        LICENSED FACILITIES] SHALL BE PAID BY EACH LICENSED  
9        ENTITY OPERATING A LICENSED FACILITY LOCATED IN THAT CITY  
10       SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION IN THIS  
11       SUBPARAGRAPH. THE AMOUNT ALLOCATED TO THE DESIGNATED  
12       MUNICIPALITIES SHALL NOT EXCEED 50% OF THEIR TOTAL BUDGET  
13       FOR FISCAL YEAR 2003-2004, ADJUSTED FOR INFLATION IN  
14       SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL  
15       COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING THE  
16       PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX [FOR ALL  
17       URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW JERSEY,  
18       DELAWARE AND MARYLAND AREA, FOR THE MOST RECENT 12-MONTH  
19       PERIOD FOR WHICH FIGURES HAVE BEEN OFFICIALLY REPORTED BY  
20       THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR  
21       STATISTICS,] IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT  
22       IS DUE TO TAKE EFFECT. ANY REMAINING MONEYS SHALL BE  
23       COLLECTED BY THE DEPARTMENT FROM EACH LICENSED GAMING  
24       ENTITY AND DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2)  
25       BASED UPON THE CLASSIFICATION OF COUNTY WHERE THE  
26       LICENSED FACILITY [OR FACILITIES] IS LOCATED. IN THE  
27       EVENT THAT THE REVENUES GENERATED BY THE 2% DO NOT MEET  
28       THE \$10,000,000 MINIMUM SPECIFIED IN THIS SUBPARAGRAPH,  
29       [THE LICENSED GAMING ENTITY OPERATING THE LICENSED  
30       FACILITY OR FACILITIES IN THE CITY SHALL REMIT THE

1 DIFFERENCE TO THE MUNICIPALITY.] THE DEPARTMENT SHALL  
2 COLLECT THE REMAINDER OF THE MINIMUM AMOUNT OF  
3 \$10,000,000 FROM EACH LICENSED GAMING ENTITY OPERATING A  
4 FACILITY IN THE CITY, PAY ANY BALANCE DUE TO THE CITY AND  
5 TRANSFER ANY REMAINDER IN ACCORDANCE WITH PARAGRAPH (2).

6 (III) TO A CITY OF THE THIRD CLASS HOSTING A  
7 LICENSED FACILITY [OR FACILITIES], OTHER THAN A CATEGORY  
8 3 LICENSED FACILITY, 2% OF THE GROSS TERMINAL REVENUE OR  
9 \$10,000,000 ANNUALLY, WHICHEVER IS GREATER, [OF ALL  
10 LICENSED FACILITIES] SHALL BE PAID BY EACH LICENSED  
11 GAMING ENTITY OPERATING A LICENSED FACILITY LOCATED IN  
12 THAT CITY SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION  
13 IN THIS SUBPARAGRAPH. [HOWEVER, THE FOREGOING LIMITATIONS  
14 SHALL NOT APPLY, NOTWITHSTANDING ANY PROVISION TO THE  
15 CONTRARY, IF THE LICENSED FACILITY OR FACILITIES HAVE  
16 EXECUTED A WRITTEN AGREEMENT WITH THE CITY PRIOR TO THE  
17 EFFECTIVE DATE OF THIS PART TO PROVIDE ADDITIONAL  
18 COMPENSATION TO THE CITY IN EXCESS OF THE DIFFERENCE  
19 BETWEEN 2% OF THE GROSS TERMINAL REVENUE AND  
20 \$10,000,000.] IN THE EVENT THAT THE CITY HAS A WRITTEN  
21 AGREEMENT WITH A LICENSED GAMING ENTITY EXECUTED PRIOR TO  
22 THE EFFECTIVE DATE OF THIS PART, THE AMOUNT PAID UNDER  
23 THE AGREEMENT TO THE CITY SHALL BE APPLIED AND CREDITED  
24 TO THE DIFFERENCE BETWEEN 2% OF THE GROSS TERMINAL  
25 REVENUE AND THE \$10,000,000 OWED UNDER THIS SUBPARAGRAPH  
26 IF THE 2% OF THE GROSS TERMINAL REVENUE IS LESS THAN  
27 \$10,000,000. IF 2% OF THE GROSS TERMINAL REVENUE IS  
28 GREATER THAN THE \$10,000,000 REQUIRED TO BE PAID UNDER  
29 THIS SUBPARAGRAPH, THE CREDIT SHALL NOT APPLY. THE AMOUNT  
30 OF GROSS TERMINAL REVENUE REQUIRED TO BE PAID PURSUANT TO

1        THE AGREEMENT SHALL BE DEEMED TO BE GROSS TERMINAL  
2        REVENUE FOR PURPOSES OF THIS SUBPARAGRAPH. THE AMOUNT  
3        ALLOCATED TO THE DESIGNATED MUNICIPALITIES SHALL NOT  
4        EXCEED 50% OF THEIR TOTAL BUDGET FOR FISCAL YEAR 2003-  
5        2004, ADJUSTED FOR INFLATION IN SUBSEQUENT YEARS BY AN  
6        AMOUNT NOT TO EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT  
7        CALCULATED BY APPLYING THE PERCENTAGE CHANGE IN THE  
8        CONSUMER PRICE INDEX [FOR ALL URBAN CONSUMERS FOR THE  
9        PENNSYLVANIA, NEW JERSEY, DELAWARE AND MARYLAND AREA, FOR  
10       THE MOST RECENT 12-MONTH PERIOD FOR WHICH FIGURES HAVE  
11       BEEN OFFICIALLY REPORTED BY THE UNITED STATES DEPARTMENT  
12       OF LABOR, BUREAU OF LABOR STATISTICS,] IMMEDIATELY PRIOR  
13       TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT. ANY  
14       REMAINING MONEYS SHALL BE COLLECTED BY THE DEPARTMENT  
15       FROM EACH LICENSED GAMING ENTITY AND DISTRIBUTED IN  
16       ACCORDANCE WITH PARAGRAPH (2) BASED UPON THE  
17       CLASSIFICATION OF COUNTY WHERE THE LICENSED FACILITY [OR  
18       FACILITIES] IS LOCATED. IN THE EVENT THAT THE REVENUES  
19       GENERATED BY THE 2% DO NOT MEET THE \$10,000,000 MINIMUM  
20       SPECIFIED IN THIS SUBPARAGRAPH, [THE LICENSED GAMING  
21       ENTITY OPERATING THE LICENSED FACILITY OR FACILITIES IN  
22       THE CITY SHALL REMIT THE DIFFERENCE TO THE MUNICIPALITY.]  
23       THE DEPARTMENT SHALL COLLECT THE REMAINDER OF THE MINIMUM  
24       AMOUNT OF \$10,000,000 FROM EACH LICENSED GAMING ENTITY  
25       OPERATING A FACILITY, PAY ANY BALANCE DUE TO THE CITY OF  
26       THE THIRD CLASS AND TRANSFER ANY REMAINDER IN ACCORDANCE  
27       WITH PARAGRAPH (2).

28        (III.1) IF A LICENSED FACILITY IS LOCATED IN A CITY  
29        OF THE THIRD CLASS AND THE CITY IS LOCATED IN MORE THAN  
30        ONE COUNTY OF THE THIRD CLASS, 2% OF THE GROSS TERMINAL

1 REVENUE OR \$10,000,000 ANNUALLY, WHICHEVER IS GREATER,  
2 SHALL BE DISTRIBUTED AS FOLLOWS: 80% TO THE HOST CITY AND  
3 20% TO THE CITY OF THE THIRD CLASS LOCATED SOLELY IN A  
4 NONHOST COUNTY IN WHICH THE HOST CITY OF THE THIRD CLASS  
5 IS ALSO LOCATED. IF A LICENSED FACILITY IS LOCATED IN A  
6 CITY OF THE THIRD CLASS AND THAT CITY IS LOCATED SOLELY  
7 IN A HOST COUNTY OF THE THIRD CLASS IN WHICH A NONHOST  
8 CITY OF THE THIRD CLASS IS ALSO LOCATED, 2% OF GROSS  
9 TERMINAL REVENUE OR \$10,000,000 ANNUALLY, WHICHEVER IS  
10 GREATER, SHALL BE DISTRIBUTED AS FOLLOWS: 80% TO THE  
11 HOST CITY AND 20% TO A CITY OF THE THIRD CLASS LOCATED  
12 BOTH IN A NONHOST COUNTY OF THE THIRD CLASS AND IN A HOST  
13 COUNTY OF THE THIRD CLASS IN WHICH THE HOST CITY OF THE  
14 THIRD CLASS IS LOCATED.

15 (IV) TO A TOWNSHIP OF THE FIRST CLASS HOSTING A  
16 LICENSED FACILITY [OR FACILITIES], OTHER THAN A CATEGORY  
17 3 LICENSED FACILITY, 2% OF THE GROSS TERMINAL REVENUE OR  
18 \$10,000,000 ANNUALLY, WHICHEVER IS GREATER, [OF ALL  
19 LICENSED FACILITIES] SHALL BE PAID BY EACH LICENSED  
20 GAMING ENTITY OPERATING A LICENSED FACILITY LOCATED IN  
21 THE TOWNSHIP SUBJECT, HOWEVER, TO THE BUDGETARY  
22 LIMITATION IN THIS SUBPARAGRAPH. THE AMOUNT ALLOCATED TO  
23 THE DESIGNATED MUNICIPALITIES SHALL NOT EXCEED 50% OF  
24 THEIR TOTAL BUDGET FOR FISCAL YEAR 2003-2004, ADJUSTED  
25 FOR INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO  
26 EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY  
27 APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE  
28 INDEX [FOR ALL URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW  
29 JERSEY, DELAWARE AND MARYLAND AREA, FOR THE MOST RECENT  
30 12-MONTH PERIOD FOR WHICH FIGURES HAVE BEEN OFFICIALLY

1 REPORTED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU  
2 OF LABOR STATISTICS,] IMMEDIATELY PRIOR TO THE DATE THE  
3 ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING MONEY  
4 SHALL BE COLLECTED BY THE DEPARTMENT FROM EACH LICENSED  
5 GAMING ENTITY AND DISTRIBUTED IN ACCORDANCE WITH  
6 PARAGRAPH (2) BASED UPON THE CLASSIFICATION OF COUNTY  
7 WHERE THE LICENSED FACILITY [OR FACILITIES] IS LOCATED.  
8 IN THE EVENT THAT THE REVENUES GENERATED BY THE 2% DO NOT  
9 MEET THE \$10,000,000 MINIMUM SPECIFIED IN THIS  
10 SUBPARAGRAPH, [THE LICENSED GAMING ENTITY OPERATING THE  
11 LICENSED FACILITY OR FACILITIES IN THE TOWNSHIP SHALL  
12 REMIT THE DIFFERENCE TO THE MUNICIPALITY.] THE DEPARTMENT  
13 SHALL COLLECT THE REMAINDER OF THE MINIMUM AMOUNT OF  
14 \$10,000,000 FROM EACH LICENSED GAMING ENTITY OPERATING A  
15 LICENSED FACILITY IN THE TOWNSHIP, PAY ANY BALANCE DUE TO  
16 THE TOWNSHIP AND TRANSFER ANY REMAINDER IN ACCORDANCE  
17 WITH PARAGRAPH (2).

18 (V) TO A TOWNSHIP OF THE SECOND CLASS HOSTING A  
19 LICENSED FACILITY [OR FACILITIES], OTHER THAN A CATEGORY  
20 3 LICENSED FACILITY, 2% OF THE GROSS TERMINAL REVENUE OR  
21 \$10,000,000 ANNUALLY, WHICHEVER IS GREATER, [OF ALL  
22 LICENSED FACILITIES] SHALL BE PAID BY EACH LICENSED  
23 GAMING ENTITY OPERATING A LICENSED FACILITY LOCATED IN  
24 THE TOWNSHIP SUBJECT, HOWEVER, TO THE BUDGETARY  
25 LIMITATION IN THIS SUBPARAGRAPH. THE AMOUNT ALLOCATED TO  
26 THE DESIGNATED MUNICIPALITIES SHALL NOT EXCEED 50% OF  
27 THEIR TOTAL BUDGET FOR FISCAL YEAR 2003-2004, ADJUSTED  
28 FOR INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO  
29 EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY  
30 APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE

1 INDEX [FOR ALL URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW  
2 JERSEY, DELAWARE AND MARYLAND AREA, FOR THE MOST RECENT  
3 12-MONTH PERIOD FOR WHICH FIGURES HAVE BEEN OFFICIALLY  
4 REPORTED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU  
5 OF LABOR STATISTICS,] IMMEDIATELY PRIOR TO THE DATE THE  
6 ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING MONEY  
7 SHALL BE COLLECTED BY THE DEPARTMENT FROM EACH LICENSED  
8 GAMING ENTITY AND DISTRIBUTED IN ACCORDANCE WITH  
9 PARAGRAPH (2) BASED UPON THE CLASSIFICATION OF COUNTY  
10 WHERE THE LICENSED FACILITY [OR FACILITIES] IS LOCATED.  
11 WHERE THE LICENSED FACILITY IS OTHER THAN A CATEGORY 3  
12 AND IS LOCATED IN MORE THAN ONE SECOND CLASS TOWNSHIP THE  
13 COUNTY COMMISSIONERS OF THE COUNTY OF THE THIRD CLASS IN  
14 WHICH THE FACILITY IS LOCATED SHALL APPOINT AN ADVISORY  
15 COMMITTEE FOR THE PURPOSE OF ADVISING THE COUNTY AS TO  
16 THE NEED FOR MUNICIPAL GRANTS FOR HEALTH, SAFETY,  
17 TRANSPORTATION AND OTHER PROJECTS IN THE PUBLIC INTEREST  
18 TO BE COMPRISED OF TWO INDIVIDUALS FROM THE HOST  
19 MUNICIPALITY, TWO FROM CONTIGUOUS MUNICIPALITIES WITHIN  
20 THE COUNTY OF THE THIRD CLASS AND ONE FROM THE HOST  
21 COUNTY. A COUNTY OTHER THAN A COUNTY OF THE THIRD CLASS  
22 IN WHICH THE LICENSED FACILITY IS LOCATED IS NOT REQUIRED  
23 TO APPOINT AN ADVISORY COMMITTEE AND MAY USE FUNDS  
24 RECEIVED UNDER THIS SUBPARAGRAPH FOR PURPOSES OTHER THAN  
25 MUNICIPAL GRANTS. IN THE EVENT THAT THE REVENUES  
26 GENERATED BY THE 2% DO NOT MEET THE \$10,000,000 MINIMUM  
27 SPECIFIED IN THIS SUBPARAGRAPH, [THE LICENSED GAMING  
28 ENTITY OPERATING THE LICENSED FACILITY OR FACILITIES IN  
29 THE TOWNSHIP SHALL REMIT THE DIFFERENCE TO THE  
30 MUNICIPALITY.] THE DEPARTMENT SHALL COLLECT THE REMAINDER

1       OF THE MINIMUM AMOUNT OF \$10,000,000 FROM EACH LICENSED  
2       GAMING ENTITY OPERATING A LICENSED FACILITY IN THE  
3       TOWNSHIP, PAY ANY BALANCE DUE TO THE TOWNSHIP AND  
4       TRANSFER ANY REMAINDER IN ACCORDANCE WITH PARAGRAPH (2).

5           (VI) TO A BOROUGH HOSTING A LICENSED FACILITY [OR  
6       FACILITIES], OTHER THAN A CATEGORY 3 LICENSED FACILITY,  
7       2% OF THE GROSS TERMINAL REVENUE OR \$10,000,000 ANNUALLY,  
8       WHICHEVER IS GREATER, [OF ALL LICENSED FACILITIES] SHALL  
9       BE PAID BY EACH LICENSED GAMING ENTITY OPERATING A  
10       LICENSED FACILITY LOCATED IN THAT BOROUGH SUBJECT,  
11       HOWEVER, TO THE BUDGETARY LIMITATION IN THIS  
12       SUBPARAGRAPH. THE AMOUNT ALLOCATED TO THE DESIGNATED  
13       MUNICIPALITIES SHALL NOT EXCEED 50% OF THEIR TOTAL BUDGET  
14       FOR FISCAL YEAR 2003-2004, ADJUSTED FOR INFLATION IN  
15       SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL  
16       COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING THE  
17       PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX [FOR ALL  
18       URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW JERSEY,  
19       DELAWARE AND MARYLAND AREA, FOR THE MOST RECENT 12-MONTH  
20       PERIOD FOR WHICH FIGURES HAVE BEEN OFFICIALLY REPORTED BY  
21       THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR  
22       STATISTICS,] IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT  
23       IS DUE TO TAKE EFFECT. ANY REMAINING MONEY SHALL BE  
24       COLLECTED BY THE DEPARTMENT FROM EACH LICENSED GAMING  
25       ENTITY AND DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2)  
26       BASED UPON THE CLASSIFICATION OF COUNTY WHERE THE  
27       LICENSED FACILITY [OR FACILITIES] IS LOCATED. IN THE  
28       EVENT THAT THE REVENUES GENERATED BY THE 2% DO NOT MEET  
29       THE \$10,000,000 MINIMUM SPECIFIED IN THIS SUBPARAGRAPH,  
30       [THE LICENSED GAMING ENTITY OPERATING THE LICENSED



1 FACILITY OR FACILITIES IN THE BOROUGH SHALL REMIT THE  
2 DIFFERENCE TO THE MUNICIPALITY.] THE DEPARTMENT SHALL  
3 COLLECT THE REMAINDER OF THE MINIMUM AMOUNT OF  
4 \$10,000,000 FROM EACH LICENSED GAMING ENTITY OPERATING A  
5 LICENSED FACILITY IN THE BOROUGH, PAY ANY BALANCE DUE TO  
6 THE BOROUGH AND TRANSFER ANY REMAINDER IN ACCORDANCE WITH  
7 PARAGRAPH (2).

8 (VII) TO AN INCORPORATED TOWN HOSTING A LICENSED  
9 FACILITY [OR FACILITIES], OTHER THAN A CATEGORY 3  
10 LICENSED FACILITY, 2% OF THE GROSS TERMINAL REVENUE OR  
11 \$10,000,000 ANNUALLY, WHICHEVER IS GREATER, [OF ALL  
12 LICENSED FACILITIES] SHALL BE PAID BY EACH LICENSED  
13 ENTITY OPERATING A LICENSED FACILITY LOCATED IN THE TOWN  
14 SUBJECT, HOWEVER, TO THE BUDGETARY LIMITATION IN THIS  
15 SUBPARAGRAPH. THE AMOUNT ALLOCATED TO THE DESIGNATED  
16 MUNICIPALITIES SHALL NOT EXCEED 50% OF THEIR TOTAL BUDGET  
17 FOR FISCAL YEAR 2003-2004, ADJUSTED FOR INFLATION IN  
18 SUBSEQUENT YEARS BY AN AMOUNT NOT TO EXCEED AN ANNUAL  
19 COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING THE  
20 PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX [FOR ALL  
21 URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW JERSEY,  
22 DELAWARE AND MARYLAND AREA, FOR THE MOST RECENT 12-MONTH  
23 PERIOD FOR WHICH FIGURES HAVE BEEN OFFICIALLY REPORTED BY  
24 THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR  
25 STATISTICS,] IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT  
26 IS DUE TO TAKE EFFECT. ANY REMAINING MONEY SHALL BE  
27 COLLECTED BY THE DEPARTMENT FROM EACH LICENSED GAMING  
28 ENTITY AND DISTRIBUTED IN ACCORDANCE WITH PARAGRAPH (2)  
29 BASED UPON THE CLASSIFICATION OF COUNTY WHERE THE  
30 LICENSED FACILITY [OR FACILITIES] IS LOCATED. IN THE

1        EVENT THAT THE REVENUES GENERATED BY THE 2% DO NOT MEET  
2        THE \$10,000,000 MINIMUM SPECIFIED IN THIS SUBPARAGRAPH,  
3        [THE LICENSED GAMING ENTITY OPERATING THE LICENSED  
4        FACILITY OR FACILITIES IN THE TOWN SHALL REMIT THE  
5        DIFFERENCE TO THE MUNICIPALITY.] THE DEPARTMENT SHALL  
6        COLLECT THE REMAINDER OF THE MINIMUM AMOUNT OF  
7        \$10,000,000 FROM EACH LICENSED GAMING ENTITY OPERATING A  
8        LICENSED FACILITY IN THE INCORPORATED TOWN, PAY ANY  
9        BALANCE DUE TO THE TOWN AND TRANSFER ANY REMAINDER IN  
10       ACCORDANCE WITH PARAGRAPH (2).

11            (VIII) TO A MUNICIPALITY OF ANY CLASS HOSTING A  
12        CATEGORY 3 FACILITY, 2% OF THE GROSS TERMINAL REVENUE  
13        FROM THE CATEGORY 3 LICENSED FACILITY LOCATED IN THE  
14        MUNICIPALITY, SUBJECT, HOWEVER, TO THE BUDGETARY  
15        LIMITATION IN THIS SUBPARAGRAPH. THE AMOUNT ALLOCATED TO  
16        THE DESIGNATED MUNICIPALITIES SHALL NOT EXCEED 50% OF  
17        THEIR TOTAL BUDGET FOR FISCAL YEAR 2003-2004, ADJUSTED  
18        FOR INFLATION IN SUBSEQUENT YEARS BY AN AMOUNT NOT TO  
19        EXCEED AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY  
20        APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE  
21        INDEX [FOR ALL URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW  
22        JERSEY, DELAWARE AND MARYLAND AREA, FOR THE MOST RECENT  
23        12-MONTH PERIOD FOR WHICH FIGURES HAVE BEEN OFFICIALLY  
24        REPORTED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU  
25        OF LABOR STATISTICS,] IMMEDIATELY PRIOR TO THE DATE THE  
26        ADJUSTMENT IS DUE TO TAKE EFFECT. ANY REMAINING MONEY  
27        SHALL BE COLLECTED BY THE DEPARTMENT FROM EACH LICENSED  
28        GAMING ENTITY AND DISTRIBUTED IN ACCORDANCE WITH  
29        PARAGRAPH (2) BASED UPON THE CLASSIFICATION OF COUNTY  
30        WHERE THE LICENSED FACILITY [OR FACILITIES] IS LOCATED.

1                   \* \* \*

2       (D) CONSUMER PRICE INDEX.--FOR PURPOSES OF SUBSECTION (C),  
3 REFERENCES TO THE CONSUMER PRICE INDEX SHALL MEAN THE CONSUMER  
4 PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW  
5 JERSEY, DELAWARE AND MARYLAND AREA, FOR THE MOST RECENT 12-MONTH  
6 PERIOD FOR WHICH FIGURES HAVE BEEN OFFICIALLY REPORTED BY THE  
7 UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.

8       SECTION 9.1. SECTIONS 1406(A) AND 1506 OF TITLE 4 ARE  
9 AMENDED TO READ:

10 § 1406. DISTRIBUTIONS FROM PENNSYLVANIA RACE HORSE DEVELOPMENT  
11 FUND.

12       (A) DISTRIBUTIONS.--FUNDS FROM THE PENNSYLVANIA RACE HORSE  
13 DEVELOPMENT FUND SHALL BE DISTRIBUTED TO EACH ACTIVE AND  
14 OPERATING CATEGORY 1 LICENSEE CONDUCTING LIVE RACING IN THE  
15 FOLLOWING MANNER:

16           (1) AN AMOUNT EQUAL TO 18% OF THE DAILY GROSS TERMINAL  
17 REVENUE OF EACH CATEGORY 1 LICENSEE SHALL BE DISTRIBUTED TO  
18 EACH ACTIVE AND OPERATING CATEGORY 1 LICENSEE CONDUCTING LIVE  
19 RACING UNLESS THE DAILY ASSESSMENTS ARE AFFECTED BY THE DAILY  
20 ASSESSMENT CAP PROVIDED FOR IN SECTION 1405(C) (RELATING TO  
21 PENNSYLVANIA RACE HORSE DEVELOPMENT FUND). IN CASES IN WHICH  
22 THE DAILY ASSESSMENT CAP AFFECTS DAILY ASSESSMENTS, THE  
23 DISTRIBUTION TO EACH ACTIVE AND OPERATING CATEGORY 1 LICENSEE  
24 CONDUCTING LIVE RACING FOR THAT DAY SHALL BE A PERCENTAGE OF  
25 THE TOTAL DAILY ASSESSMENTS PAID INTO THE PENNSYLVANIA RACE  
26 HORSE DEVELOPMENT FUND FOR THAT DAY EQUAL TO THE GROSS  
27 TERMINAL REVENUE OF EACH ACTIVE AND OPERATING CATEGORY 1  
28 LICENSEE CONDUCTING LIVE RACING FOR THAT DAY DIVIDED BY THE  
29 TOTAL GROSS TERMINAL REVENUE OF ALL ACTIVE AND OPERATING  
30 CATEGORY 1 LICENSEES CONDUCTING LIVE RACING FOR THAT DAY. THE

1 DISTRIBUTIONS TO LICENSED RACING ENTITIES FROM THE  
2 PENNSYLVANIA RACE HORSE DEVELOPMENT FUND SHALL BE ALLOCATED  
3 AS FOLLOWS:

4 (I) EIGHTY PERCENT [TO] SHALL BE DEPOSITED WEEKLY  
5 INTO A SEPARATE, INTEREST-BEARING PURSE ACCOUNT TO BE  
6 ESTABLISHED BY AND FOR THE BENEFIT OF THE HORSEMEN. THE  
7 EARNED INTEREST ON THE ACCOUNT SHALL BE CREDITED TO THE  
8 PURSE ACCOUNT. LICENSEES SHALL COMBINE THESE FUNDS WITH  
9 REVENUES FROM EXISTING PURSE AGREEMENTS TO FUND PURSES  
10 FOR LIVE RACES CONSISTENT WITH THOSE AGREEMENTS WITH THE  
11 ADVICE AND CONSENT OF THE HORSEMEN.

12 (II) [FROM LICENSEES THAT OPERATE AT] FOR  
13 THOROUGHBRED TRACKS, 16% [TO] SHALL BE DEPOSITED ON A  
14 MONTHLY BASIS INTO THE PENNSYLVANIA BREEDING FUND AS  
15 DEFINED IN SECTION 223 OF THE RACE HORSE INDUSTRY REFORM  
16 ACT. [FROM LICENSEES THAT OPERATE AT] FOR STANDARDBRED  
17 TRACKS, 8% [TO] SHALL BE DEPOSITED ON A MONTHLY BASIS IN  
18 THE PENNSYLVANIA SIRE STAKES FUND AS DEFINED IN SECTION  
19 224 OF THE RACE HORSE INDUSTRY REFORM ACT AND 8% [TO]  
20 SHALL BE DEPOSITED ON A MONTHLY BASIS INTO A RESTRICTED  
21 ACCOUNT IN THE STATE RACING FUND TO BE KNOWN AS THE  
22 PENNSYLVANIA STANDARDBRED BREEDERS DEVELOPMENT FUND. THE  
23 STATE HARNESS RACING COMMISSION SHALL, IN CONSULTATION  
24 WITH THE SECRETARY OF AGRICULTURE BY RULE OR BY  
25 REGULATION, ADOPT A STANDARDBRED BREEDERS PROGRAM THAT  
26 WILL INCLUDE THE ADMINISTRATION OF PENNSYLVANIA STALLION  
27 AWARD, PENNSYLVANIA BRED AWARD AND A PENNSYLVANIA SIRE  
28 AND BRED AWARD.

29 (III) FOUR PERCENT [TO] SHALL BE USED TO FUND HEALTH  
30 AND PENSION BENEFITS FOR THE MEMBERS OF THE HORSEMEN'S

1 ORGANIZATIONS REPRESENTING THE OWNERS AND TRAINERS AT THE  
2 RACETRACK AT WHICH THE LICENSED RACING ENTITY OPERATES  
3 FOR THE BENEFIT OF THE ORGANIZATION'S MEMBERS, THEIR  
4 FAMILIES, EMPLOYEES AND OTHERS IN ACCORDANCE WITH THE  
5 RULES AND ELIGIBILITY REQUIREMENTS OF THE ORGANIZATION,  
6 AS APPROVED BY THE STATE HORSE RACING COMMISSION OR THE  
7 STATE HARNESS RACING COMMISSION. THIS AMOUNT SHALL BE  
8 DEPOSITED WITHIN FIVE BUSINESS DAYS OF THE END OF EACH  
9 MONTH INTO A SEPARATE ACCOUNT TO BE ESTABLISHED BY EACH  
10 RESPECTIVE HORSEMEN'S ORGANIZATION AT A BANKING  
11 INSTITUTION OF ITS CHOICE. OF THIS AMOUNT, \$250,000 SHALL  
12 BE PAID ANNUALLY BY THE HORSEMEN'S ORGANIZATION TO THE  
13 THOROUGHBRED JOCKEYS OR STANDARD BRED DRIVERS ORGANIZATION  
14 AT THE RACETRACK AT WHICH THE LICENSED RACING ENTITY  
15 OPERATES FOR HEALTH INSURANCE, LIFE INSURANCE OR OTHER  
16 BENEFITS TO ACTIVE AND DISABLED THOROUGHBRED JOCKEYS OR  
17 STANDARD BRED DRIVERS IN ACCORDANCE WITH THE RULES AND  
18 ELIGIBILITY REQUIREMENTS OF THAT ORGANIZATION.

19 (2) (RESERVED).

20 \* \* \*

21 § 1506. [LOCAL LAND USE PREEMPTION.

22 THE CONDUCT OF GAMING AS PERMITTED UNDER THIS PART, INCLUDING  
23 THE PHYSICAL LOCATION OF ANY LICENSED FACILITY, SHALL NOT BE  
24 PROHIBITED OR OTHERWISE REGULATED BY ANY ORDINANCE, HOME RULE  
25 CHARTER PROVISION, RESOLUTION, RULE OR REGULATION OF ANY  
26 POLITICAL SUBDIVISION OR ANY LOCAL OR STATE INSTRUMENTALITY OR  
27 AUTHORITY THAT RELATES TO ZONING OR LAND USE TO THE EXTENT THAT  
28 THE LICENSED FACILITY HAS BEEN APPROVED BY THE BOARD. THE BOARD  
29 MAY IN ITS DISCRETION CONSIDER SUCH LOCAL ZONING ORDINANCES WHEN  
30 CONSIDERING AN APPLICATION FOR A SLOT MACHINE LICENSE. THE BOARD

1 SHALL PROVIDE THE POLITICAL SUBDIVISION, WITHIN WHICH AN  
2 APPLICANT FOR A SLOT MACHINE LICENSE HAS PROPOSED TO LOCATE A  
3 LICENSED GAMING FACILITY, A 60-DAY COMMENT PERIOD PRIOR TO THE  
4 BOARD'S FINAL APPROVAL, CONDITION OR DENIAL OF APPROVAL OF ITS  
5 APPLICATION FOR A SLOT MACHINE LICENSE. THE POLITICAL  
6 SUBDIVISION MAY MAKE RECOMMENDATIONS TO THE BOARD FOR  
7 IMPROVEMENTS TO THE APPLICANT'S PROPOSED SITE PLANS THAT TAKE  
8 INTO ACCOUNT THE IMPACT ON THE LOCAL COMMUNITY, INCLUDING, BUT  
9 NOT LIMITED TO, LAND USE AND TRANSPORTATION IMPACT. THIS SECTION  
10 SHALL ALSO APPLY TO ANY PROPOSED RACETRACK OR LICENSED  
11 RACETRACK.] LICENSED FACILITY ZONING AND LAND USE APPEALS.

12 IN ORDER TO FACILITATE TIMELY IMPLEMENTATION OF CASINO GAMING  
13 AS PROVIDED IN THIS PART, NOTWITHSTANDING 42 PA.C.S. § 933(A)(2)  
14 (RELATING TO APPEALS FROM GOVERNMENT AGENCIES), THE SUPREME  
15 COURT OF PENNSYLVANIA IS VESTED WITH EXCLUSIVE APPELLATE  
16 JURISDICTION TO CONSIDER APPEALS OF A FINAL ORDER, DETERMINATION  
17 OR DECISION OF A POLITICAL SUBDIVISION OR LOCAL INSTRUMENTALITY  
18 INVOLVING ZONING, USAGE, LAYOUT, CONSTRUCTION OR OCCUPANCY,  
19 INCLUDING LOCATION, SIZE, BULK AND USE OF A LICENSED FACILITY.  
20 THE COURT, AS APPROPRIATE, MAY APPOINT A MASTER TO HEAR AN  
21 APPEAL UNDER THIS SECTION.

22 SECTION 9.2. TITLE 4 IS AMENDED BY ADDING SECTIONS TO READ:  
23 § 1506.1. CONVEYANCES IN CITIES OF THE FIRST CLASS.

24 (A) INTENTION.--IN ORDER TO MAXIMIZE THE POLICY MANDATES OF  
25 THIS PART AND TO OPTIMIZE DEVELOPMENT OPPORTUNITIES WITHIN A  
26 CITY OF THE FIRST CLASS, IT IS THE INTENTION OF THE GENERAL  
27 ASSEMBLY TO FACILITATE THE TIMELY CONVEYANCE OF RIPARIAN RIGHTS  
28 THAT THE COMMONWEALTH MAY OWN TO ANY PERSON APPROVED FOR A SLOT  
29 MACHINE LICENSE BY THE BOARD FOR A FACILITY TO BE LOCATED ON  
30 LAND CONTIGUOUS TO NAVIGABLE WATERWAYS.

1       (B) AUTHORIZATION AND DIRECTION.--THE DEPARTMENT OF GENERAL  
2       SERVICES, WITH THE WRITTEN APPROVAL OF THE GOVERNOR, IS HEREBY  
3       AUTHORIZED AND DIRECTED ON BEHALF OF THE COMMONWEALTH OF  
4       PENNSYLVANIA TO GRANT AND CONVEY BY QUITCLAIM DEED FOR  
5       CONSIDERATION UNDER SUBSECTION (E) TO EACH PERSON APPROVED FOR A  
6       SLOT MACHINE LICENSE BY THE BOARD FOR A LICENSED FACILITY THAT  
7       IS TO BE LOCATED WITHIN A CITY OF THE FIRST CLASS AND IS  
8       CONTIGUOUS TO NAVIGABLE WATERS, THE LAND FURTHER DESCRIBED IN  
9       SUBSECTION (C) AND SUCH CONVEYANCE SHALL BE DEEMED AS GRANTING  
10       THE CONSENT OF THE COMMONWEALTH TO THE LICENSEE FOR CONSTRUCTION  
11       THEREON.

12       (C) DESCRIPTION.--THE LAND TO BE TRANSFERRED UNDER  
13       SUBSECTION (A) SHALL BE ALL OF THE COMMONWEALTH'S LANDS BETWEEN  
14       THE LOW-WATER LINE, OR IN CITIES OF THE FIRST CLASS, THE  
15       BULKHEAD LINE, AND THE ESTABLISHED PIERHEAD LINE, IN A CITY OF  
16       THE FIRST CLASS, CONSISTING OF ALL THE MUDS AND LAND CURRENTLY  
17       OR PREVIOUSLY UNDER THE NAVIGABLE WATERS AND LYING ADJACENT TO  
18       THE PROPERTY OWNED BY A LICENSEE TO THE WEST OF THE BULKHEAD  
19       LINE, AND ALL RIPARIAN RIGHTS APPERTAINING THERETO.

20       (D) LICENSEE ELECTION OF GRANTED AREA.--UPON APPROVAL OF A  
21       SLOT MACHINE LICENSE TO A GRANTEE, THE GRANTEE SHALL DELIVER TO  
22       THE DEPARTMENT OF GENERAL SERVICES A COPY OF THE DEED OR OTHER  
23       DOCUMENTATION EVIDENCING ITS TITLE TO THE LICENSED FACILITY AND  
24       A SURVEY AND METES AND BOUNDS LEGAL DESCRIPTION OF THE LAND  
25       DESCRIBED UNDER SUBSECTION (C) TO BE INCLUDED IN ITS LICENSED  
26       FACILITY.

27       (E) CONSIDERATION.--THE CONSIDERATION TO BE PAID TO THE  
28       COMMONWEALTH BY THE GRANTEE FOR THE GRANTED AREA SHALL BE  
29       DETERMINED BY THE DEPARTMENT OF GENERAL SERVICES WITH THE  
30       APPROVAL OF THE GOVERNOR BASED ON AN APPRAISAL OF FAIR MARKET

1 VALUE OBTAINED FROM AN INDEPENDENT APPRAISER WHO IS EXPERIENCED  
2 IN APPRAISING RIPARIAN INTERESTS AND COMMERCIAL REAL ESTATE IN  
3 CITIES OF THE FIRST CLASS AND WHO IS A MEMBER OF THE APPRAISAL  
4 INSTITUTE OR SIMILAR PROFESSIONAL ORGANIZATION.

5 § 1506.2. CLEAN INDOOR AIR.

6 LICENSED FACILITIES SHALL ONLY BE SUBJECT TO PUBLIC SMOKING  
7 RULES OR REGULATIONS AS MAY BE IMPOSED BY THE COMMONWEALTH AND  
8 APPLIED IN A COMPREHENSIVE STATEWIDE MANNER.

9 SECTION 10. SECTIONS 1509(A), (B) AND (D) AND 1512 OF TITLE  
10 4 ARE AMENDED TO READ:

11 § 1509. COMPULSIVE AND PROBLEM GAMBLING PROGRAM.

12 (A) ESTABLISHMENT OF PROGRAM.--THE DEPARTMENT OF HEALTH, IN  
13 CONSULTATION WITH ORGANIZATIONS SIMILAR TO THE MID-ATLANTIC  
14 ADDICTION TRAINING INSTITUTE, SHALL DEVELOP PROGRAM GUIDELINES  
15 FOR PUBLIC EDUCATION, AWARENESS AND TRAINING REGARDING  
16 COMPULSIVE AND PROBLEM GAMBLING AND THE TREATMENT AND PREVENTION  
17 OF COMPULSIVE AND PROBLEM GAMBLING. THE GUIDELINES SHALL INCLUDE  
18 STRATEGIES FOR THE PREVENTION OF COMPULSIVE AND PROBLEM  
19 GAMBLING. THE DEPARTMENT OF HEALTH MAY CONSULT WITH THE BOARD  
20 AND LICENSED GAMING ENTITIES TO DEVELOP SUCH STRATEGIES. THE  
21 PROGRAM SHALL INCLUDE:

22 (1) MAINTENANCE OF A COMPULSIVE GAMBLERS ASSISTANCE  
23 ORGANIZATION'S TOLL-FREE PROBLEM GAMBLING TELEPHONE NUMBER TO  
24 PROVIDE CRISIS COUNSELING AND REFERRAL SERVICES TO FAMILIES  
25 EXPERIENCING DIFFICULTY AS A RESULT OF PROBLEM OR COMPULSIVE  
26 GAMBLING.

27 (2) THE PROMOTION OF PUBLIC AWARENESS REGARDING THE  
28 RECOGNITION AND PREVENTION OF PROBLEM OR COMPULSIVE GAMBLING.

29 (3) FACILITATION, THROUGH IN-SERVICE TRAINING AND OTHER  
30 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.

(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 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. THE FUND SHALL CONSIST OF MONEY  
ANNUALLY ALLOCATED TO IT FROM THE ANNUAL PAYMENT ESTABLISHED  
UNDER SECTION 1408 (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.

\* \* \*

(D) SINGLE COUNTY AUTHORITIES.--THE DEPARTMENT OF HEALTH MAY  
MAKE GRANTS FROM THE FUND ESTABLISHED UNDER SUBSECTION (B) TO A  
SINGLE COUNTY AUTHORITY 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

1 COMPULSIVE GAMBLING AND GAMBLING [ADDITION] ADDICTION  
2 PREVENTION, TREATMENT AND EDUCATION PROGRAMS. IT IS THE  
3 INTENTION OF THE GENERAL ASSEMBLY THAT ANY GRANTS THAT THE  
4 DEPARTMENT OF HEALTH MAY MAKE TO ANY SINGLE COUNTY AUTHORITY IN  
5 ACCORDANCE WITH THE PROVISIONS OF THIS SUBSECTION BE USED  
6 EXCLUSIVELY FOR THE DEVELOPMENT AND IMPLEMENTATION OF COMPULSIVE  
7 AND PROBLEM GAMBLING PROGRAMS AUTHORIZED UNDER SUBSECTION (A).

8 \* \* \*

9 § 1512. [PUBLIC OFFICIAL FINANCIAL INTEREST.] FINANCIAL AND  
10 EMPLOYMENT INTERESTS.

11 [(A) GENERAL RULE.--EXCEPT AS MAY BE PROVIDED BY RULE OR  
12 ORDER OF THE PENNSYLVANIA SUPREME COURT, NO EXECUTIVE-LEVEL  
13 STATE EMPLOYEE, PUBLIC OFFICIAL, PARTY OFFICER OR IMMEDIATE  
14 FAMILY MEMBER THEREOF SHALL HAVE, AT OR FOLLOWING THE EFFECTIVE  
15 DATE OF THIS PART, A FINANCIAL INTEREST IN OR BE EMPLOYED,  
16 DIRECTLY OR INDIRECTLY, BY ANY LICENSED RACING ENTITY OR  
17 LICENSED GAMING ENTITY, OR ANY HOLDING, AFFILIATE, INTERMEDIARY  
18 OR SUBSIDIARY COMPANY, THEREOF, OR ANY SUCH APPLICANT, NOR  
19 SOLICIT OR ACCEPT, DIRECTLY OR INDIRECTLY, ANY COMPLIMENTARY  
20 SERVICE OR DISCOUNT FROM ANY LICENSED RACING ENTITY OR LICENSED  
21 GAMING ENTITY WHICH HE OR SHE KNOWS OR HAS REASON TO KNOW IS  
22 OTHER THAN A SERVICE OR DISCOUNT THAT IS OFFERED TO MEMBERS OF  
23 THE GENERAL PUBLIC IN LIKE CIRCUMSTANCES DURING HIS OR HER  
24 STATUS AS AN EXECUTIVE-LEVEL STATE EMPLOYEE, PUBLIC OFFICIAL OR  
25 PARTY OFFICER AND FOR ONE YEAR FOLLOWING TERMINATION OF THE  
26 PERSON'S STATUS AS AN EXECUTIVE-LEVEL STATE EMPLOYEE, PUBLIC  
27 OFFICIAL OR PARTY OFFICER.]

28 (A) FINANCIAL INTERESTS.--EXCEPT AS MAY BE PROVIDED FOR THE  
29 JUDICIARY BY RULE OR ORDER OF THE PENNSYLVANIA SUPREME COURT, AN  
30 EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY

1 OFFICER, OR AN IMMEDIATE FAMILY MEMBER THEREOF, SHALL NOT  
2 INTENTIONALLY OR KNOWINGLY HOLD A FINANCIAL INTEREST IN AN  
3 APPLICANT OR A SLOT MACHINE LICENSEE, MANUFACTURER LICENSEE,  
4 SUPPLIER LICENSEE OR LICENSED RACING ENTITY, OR IN A HOLDING  
5 COMPANY, AFFILIATE, INTERMEDIARY OR SUBSIDIARY THEREOF, WHILE  
6 THE INDIVIDUAL IS AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC  
7 OFFICIAL OR PARTY OFFICER AND FOR ONE YEAR FOLLOWING TERMINATION  
8 OF THE INDIVIDUAL'S STATUS AS AN EXECUTIVE-LEVEL PUBLIC  
9 EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER.

10 (A.1) EMPLOYMENT.--EXCEPT AS MAY BE PROVIDED BY RULE OR  
11 ORDER OF THE PENNSYLVANIA SUPREME COURT, NO EXECUTIVE-LEVEL  
12 PUBLIC EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER, OR AN  
13 IMMEDIATE FAMILY MEMBER THEREOF, SHALL BE EMPLOYED BY AN  
14 APPLICANT OR A SLOT MACHINE LICENSEE, MANUFACTURER LICENSEE,  
15 SUPPLIER LICENSEE OR LICENSED RACING ENTITY, OR BY ANY HOLDING  
16 COMPANY, AFFILIATE, INTERMEDIARY OR SUBSIDIARY THEREOF, WHILE  
17 THE INDIVIDUAL IS AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC  
18 OFFICIAL OR PARTY OFFICER AND FOR ONE YEAR FOLLOWING TERMINATION  
19 OF THE INDIVIDUAL'S STATUS AS AN EXECUTIVE-LEVEL PUBLIC  
20 EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER.

21 (A.2) COMPLIMENTARY SERVICES.--

22 (1) NO EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC OFFICIAL  
23 OR PARTY OFFICER, OR AN IMMEDIATE FAMILY MEMBER THEREOF,  
24 SHALL SOLICIT OR ACCEPT, ANY COMPLIMENTARY SERVICE FROM AN  
25 APPLICANT OR A SLOT MACHINE LICENSEE, MANUFACTURER LICENSEE,  
26 SUPPLIER LICENSEE OR LICENSED RACING ENTITY, OR FROM ANY  
27 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY  
28 THEREOF, WHICH THE EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC  
29 OFFICIAL OR PARTY OFFICER, OR AN IMMEDIATE FAMILY MEMBER  
30 THEREOF, KNOWS OR HAS REASON TO KNOW IS OTHER THAN A SERVICE

1 OR DISCOUNT WHICH IS OFFERED TO MEMBERS OF THE GENERAL PUBLIC  
2 IN LIKE CIRCUMSTANCES.

3 (2) NO APPLICANT, SLOT MACHINE LICENSEE, MANUFACTURER  
4 LICENSEE, SUPPLIER LICENSEE OR LICENSED RACING ENTITY, OR ANY  
5 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY  
6 THEREOF, SHALL OFFER OR DELIVER TO AN EXECUTIVE-LEVEL PUBLIC  
7 EMPLOYEE, PUBLIC OFFICIAL OR PARTY OFFICER, OR AN IMMEDIATE  
8 FAMILY MEMBER THEREOF, ANY COMPLIMENTARY SERVICE FROM THE  
9 APPLICANT OR SLOT MACHINE LICENSEE, MANUFACTURER LICENSEE,  
10 SUPPLIER LICENSEE OR LICENSED RACING ENTITY, OR AN AFFILIATE,  
11 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY THEREOF, THAT THE  
12 APPLICANT OR SLOT MACHINE LICENSEE, MANUFACTURER LICENSEE,  
13 SUPPLIER LICENSEE OR LICENSED RACING ENTITY, OR ANY  
14 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY  
15 THEREOF, KNOWS OR HAS REASON TO KNOW IS OTHER THAN A SERVICE  
16 OR DISCOUNT THAT IS OFFERED TO MEMBERS OF THE GENERAL PUBLIC  
17 IN LIKE CIRCUMSTANCES.

18 (A.3) GRADING.--AN INDIVIDUAL WHO VIOLATES THIS SECTION  
19 COMMITTS A MISDEMEANOR AND SHALL, UPON CONVICTION, BE SENTENCED  
20 TO PAY A FINE OF NOT MORE THAN \$1,000 OR TO IMPRISONMENT FOR NOT  
21 MORE THAN ONE YEAR, OR BOTH.

22 (A.4) DIVESTITURE.--AN EXECUTIVE-LEVEL PUBLIC EMPLOYEE,  
23 PUBLIC OFFICIAL OR PARTY OFFICER, OR AN IMMEDIATE FAMILY MEMBER  
24 THEREOF, WHO HOLDS A FINANCIAL INTEREST PROHIBITED BY THIS  
25 SECTION SHALL DIVEST THE FINANCIAL INTEREST WITHIN THREE MONTHS  
26 OF THE EFFECTIVE DATE OF THE RESTRICTIONS SET FORTH IN  
27 SUBSECTION (A), AS APPLICABLE. THEREAFTER, ANY EXECUTIVE-LEVEL  
28 PUBLIC EMPLOYEE, PUBLIC OFFICIAL, PARTY OFFICER OR IMMEDIATE  
29 FAMILY MEMBER SHALL HAVE 30 DAYS FROM THE DATE THE INDIVIDUAL  
30 KNEW OR HAD REASON TO KNOW OF THE VIOLATION OR 30 DAYS FROM THE

1 PUBLICATION IN THE PENNSYLVANIA BULLETIN UNDER § 1202(B)(27)  
2 (RELATING TO GENERAL AND SPECIFIC POWERS) OF THE APPLICATION OR  
3 LICENSURE OF THE EXECUTIVE-LEVEL PUBLIC EMPLOYEE, PUBLIC  
4 OFFICIAL, PARTY OFFICER OR IMMEDIATE FAMILY MEMBER, WHICHEVER  
5 OCCURS EARLIER, TO DIVEST THE FINANCIAL INTEREST. THE ETHICS  
6 COMMISSION MAY, FOR GOOD CAUSE, EXTEND THE TIME PERIOD UNDER  
7 THIS SUBSECTION.

8 (A.5) ETHICS COMMISSION.--THE ETHICS COMMISSION SHALL  
9 PUBLISH A LIST OF ALL STATE, COUNTY, MUNICIPAL AND OTHER  
10 GOVERNMENT POSITIONS THAT MEET THE DEFINITIONS OF "PUBLIC  
11 OFFICIAL" OR "EXECUTIVE-LEVEL PUBLIC EMPLOYEE" UNDER SUBSECTION  
12 (B). THE OFFICE OF ADMINISTRATION SHALL ASSIST THE ETHICS  
13 COMMISSION IN THE DEVELOPMENT OF THE LIST, WHICH SHALL BE  
14 PUBLISHED IN THE PENNSYLVANIA BULLETIN BIENNIALY AND ON THE  
15 BOARD'S WEBSITE. UPON REQUEST, EACH PUBLIC OFFICIAL SHALL HAVE A  
16 DUTY TO PROVIDE THE ETHICS COMMISSION WITH ADEQUATE INFORMATION  
17 TO ACCURATELY DEVELOP AND MAINTAIN THE LIST. THE ETHICS  
18 COMMISSION MAY IMPOSE A CIVIL PENALTY UNDER 65 PA.C.S. § 1109(F)  
19 (RELATING TO PENALTIES) UPON ANY PUBLIC OFFICIAL OR EXECUTIVE-  
20 LEVEL PUBLIC EMPLOYEE WHO FAILS TO COOPERATE WITH THE ETHICS  
21 COMMISSION UNDER THIS SUBSECTION.

22 (B) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING  
23 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS  
24 SUBSECTION:

25 "EXECUTIVE-LEVEL [STATE] PUBLIC EMPLOYEE." [THE GOVERNOR,  
26 LIEUTENANT GOVERNOR, CABINET MEMBERS, DEPUTY SECRETARIES, THE  
27 GOVERNOR'S OFFICE EXECUTIVE STAFF, ANY STATE EMPLOYEE WITH  
28 DISCRETIONARY POWERS WHICH MAY AFFECT THE OUTCOME OF A STATE  
29 AGENCY'S DECISION IN RELATION TO A PRIVATE CORPORATION OR  
30 BUSINESS, WITH RESPECT TO ANY MATTER COVERED BY THIS PART OR ANY

EXECUTIVE EMPLOYEE WHO BY VIRTUE OF HIS JOB FUNCTION COULD  
INFLUENCE THE OUTCOME OF SUCH A DECISION.] 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 [EXCEEDING 1% OF THE EQUITY OR

1 FAIR MARKET VALUE OF THE LICENSED RACING ENTITY OR LICENSED  
2 GAMING ENTITY, ITS HOLDING COMPANY, AFFILIATE, INTERMEDIARY OR  
3 SUBSIDIARY BUSINESS.] OR OTHER OWNERSHIP INTEREST OR PROFITS  
4 INTEREST. A FINANCIAL INTEREST SHALL NOT INCLUDE ANY [SUCH STOCK  
5 THAT IS HELD IN A BLIND TRUST OVER WHICH THE EXECUTIVE-LEVEL  
6 STATE EMPLOYEE, PUBLIC OFFICIAL, PARTY OFFICER OR IMMEDIATE  
7 FAMILY MEMBER THEREOF MAY NOT EXERCISE ANY MANAGERIAL CONTROL OR  
8 RECEIVE INCOME DURING THE TENURE OF OFFICE AND THE PERIOD UNDER  
9 SUBSECTION (A).] DEBT OR EQUITY SECURITY, OR OTHER OWNERSHIP  
10 INTEREST OR PROFITS INTEREST, WHICH IS HELD OR DEEMED TO BE HELD  
11 IN ANY OF THE FOLLOWING:

12 (1) A BLIND TRUST OVER WHICH THE EXECUTIVE LEVEL PUBLIC  
13 EMPLOYEE, PUBLIC OFFICIAL, PARTY OFFICER OR IMMEDIATE FAMILY  
14 MEMBER THEREOF MAY NOT EXERCISE ANY MANAGERIAL CONTROL OR  
15 RECEIVE INCOME DURING THE TENURE OF OFFICE AND THE PERIOD  
16 UNDER SUBSECTION (A). THE PROVISIONS OF THIS PARAGRAPH SHALL  
17 APPLY ONLY TO BLIND TRUSTS ESTABLISHED PRIOR TO THE EFFECTIVE  
18 DATE OF THIS PARAGRAPH.

19 (2) SECURITIES THAT ARE HELD IN A PENSION PLAN, PROFIT-  
20 SHARING PLAN, INDIVIDUAL RETIREMENT ACCOUNT, TAX SHELTERED  
21 ANNUITY, A PLAN ESTABLISHED PURSUANT TO SECTION 457 OF THE  
22 INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. §  
23 1 ET SEQ.), OR ANY SUCCESSOR PROVISION, DEFERRED COMPENSATION  
24 PLAN WHETHER QUALIFIED OR NOT QUALIFIED UNDER THE INTERNAL  
25 REVENUE CODE OF 1986, OR ANY SUCCESSOR PROVISION, OR OTHER  
26 RETIREMENT PLAN THAT:

27 (I) IS NOT SELF-DIRECTED BY THE INDIVIDUAL; AND

28 (II) IS ADVISED BY AN INDEPENDENT INVESTMENT ADVISER  
29 WHO HAS SOLE AUTHORITY TO MAKE INVESTMENT DECISIONS WITH  
30 RESPECT TO CONTRIBUTIONS MADE BY THE INDIVIDUAL TO THESE

1           PLANS.

2           (3) A TUITION ACCOUNT PLAN ORGANIZED AND OPERATED  
3           PURSUANT TO SECTION 529 OF THE INTERNAL REVENUE CODE OF 1986  
4           (PUBLIC LAW 99-514, 26 U.S.C. § 529) THAT IS NOT SELF-  
5           DIRECTED BY THE INDIVIDUAL.

6           (4) A MUTUAL FUND WHERE THE INTEREST OWNED BY THE MUTUAL  
7           FUND IN A LICENSED ENTITY DOES NOT CONSTITUTE A CONTROLLING  
8           INTEREST AS DEFINED IN THIS PART.

9           "IMMEDIATE FAMILY." A [PARENT,] SPOUSE, MINOR CHILD OR  
10          UNEMANCIPATED CHILD[, BROTHER OR SISTER].

11          "LAW ENFORCEMENT AUTHORITY." THE POWER TO CONDUCT  
12          INVESTIGATIONS OF OR TO MAKE ARRESTS FOR CRIMINAL OFFENSES.

13          "PARTY OFFICER." A MEMBER OF A NATIONAL COMMITTEE; A  
14          CHAIRMAN, VICE CHAIRMAN, SECRETARY, TREASURER OR COUNSEL OF A  
15          STATE COMMITTEE OR MEMBER OF THE EXECUTIVE COMMITTEE OF A STATE  
16          COMMITTEE; A COUNTY CHAIRMAN, VICE CHAIRMAN, COUNSEL, SECRETARY  
17          OR TREASURER OF A COUNTY COMMITTEE IN WHICH A LICENSED FACILITY  
18          IS LOCATED; OR A CITY CHAIRMAN, VICE CHAIRMAN, COUNSEL,  
19          SECRETARY OR TREASURER OF A CITY COMMITTEE OF A CITY IN WHICH A  
20          LICENSED FACILITY IS LOCATED.

21          ["PUBLIC OFFICIAL." ANY PERSON ELECTED BY THE PUBLIC OR  
22          ELECTED OR APPOINTED BY A GOVERNMENTAL BODY OR AN APPOINTED  
23          OFFICIAL IN THE EXECUTIVE, LEGISLATIVE OR JUDICIAL BRANCH OF  
24          THIS COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, PROVIDED  
25          THAT IT SHALL NOT INCLUDE MEMBERS OF ADVISORY BOARDS THAT HAVE  
26          NO AUTHORITY TO EXPEND PUBLIC FUNDS OTHER THAN REIMBURSEMENT FOR  
27          PERSONAL EXPENSE OR TO OTHERWISE EXERCISE THE POWER OF THE  
28          COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR COMMISSIONER OF ANY  
29          AUTHORITY OR JOINT-STATE COMMISSION.]

30          "PUBLIC OFFICIAL." THE TERM SHALL INCLUDE THE FOLLOWING:



1           (1) THE GOVERNOR, LIEUTENANT GOVERNOR, A MEMBER OF THE  
2           GOVERNOR'S CABINET, TREASURER, AUDITOR GENERAL AND ATTORNEY  
3           GENERAL OF THE COMMONWEALTH.

4           (2) A MEMBER OF THE SENATE OR HOUSE OF REPRESENTATIVES  
5           OF THE COMMONWEALTH.

6           (3) AN INDIVIDUAL ELECTED OR APPOINTED TO ANY OFFICE OF  
7           A COUNTY OR MUNICIPALITY THAT DIRECTLY RECEIVES A  
8           DISTRIBUTION OF REVENUE UNDER THIS PART.

9           (4) AN INDIVIDUAL ELECTED OR APPOINTED TO A DEPARTMENT,  
10          AGENCY, BOARD, COMMISSION, AUTHORITY OR OTHER GOVERNMENTAL  
11          BODY NOT INCLUDED IN PARAGRAPH (1), (2) OR (3) THAT DIRECTLY  
12          RECEIVES A DISTRIBUTION OF REVENUE UNDER THIS PART.

13          (5) AN INDIVIDUAL ELECTED OR APPOINTED TO A DEPARTMENT,  
14          AGENCY, BOARD, COMMISSION, AUTHORITY, COUNTY, MUNICIPALITY OR  
15          OTHER GOVERNMENTAL BODY NOT INCLUDED IN PARAGRAPH (1), (2) OR  
16          (3) WITH DISCRETIONARY POWER WHICH MAY INFLUENCE OR AFFECT  
17          THE OUTCOME OF AN ACTION OR DECISION AND WHO IS INVOLVED IN  
18          THE DEVELOPMENT OF REGULATION OR POLICY RELATING TO A  
19          LICENSED ENTITY OR WHO IS INVOLVED IN OTHER MATTERS UNDER  
20          THIS PART.

21          THE TERM DOES NOT INCLUDE A MEMBER OF A SCHOOL BOARD OR AN  
22          INDIVIDUAL WHO HELD AN UNCOMPENSATED OFFICE WITH A GOVERNMENTAL  
23          BODY PRIOR TO JANUARY 1, 2006, AND WHO NO LONGER HOLDS THE  
24          OFFICE AS OF JANUARY 1, 2006. THE TERM INCLUDES A MEMBER OF AN  
25          ADVISORY BOARD OR COMMISSION WHICH MAKES RECOMMENDATIONS  
26          RELATING TO A LICENSED FACILITY.

27          SECTION 11. SECTION 1513(A) OF TITLE 4 IS AMENDED AND THE  
28          SECTION IS AMENDED BY ADDING SUBSECTIONS TO READ:

29          § 1513. POLITICAL INFLUENCE.

30          [(A) CONTRIBUTION RESTRICTION.--AN APPLICANT FOR A SLOT

1 MACHINE LICENSE, MANUFACTURER LICENSE OR SUPPLIER LICENSE,  
2 LICENSED RACING ENTITY LICENSEE, LICENSED MANUFACTURER, LICENSED  
3 SUPPLIER OR LICENSED GAMING ENTITY, OR A PERSON THAT HOLDS A  
4 SIMILAR GAMING LICENSE OR PERMIT OR A CONTROLLING INTEREST IN A  
5 GAMING LICENSE OR PERMIT IN ANOTHER JURISDICTION, OR ANY  
6 HOLDING, AFFILIATE, INTERMEDIARY OR SUBSIDIARY COMPANY THEREOF,  
7 OR ANY OFFICER, DIRECTOR OR KEY EMPLOYEE OF SUCH APPLICANT  
8 LICENSED MANUFACTURER OR LICENSED SUPPLIER, LICENSED RACING  
9 ENTITY OR LICENSED GAMING ENTITY OR ANY HOLDING, AFFILIATE,  
10 INTERMEDIARY OR SUBSIDIARY COMPANY THEREOF, SHALL BE PROHIBITED  
11 FROM CONTRIBUTING ANY MONEY OR IN-KIND CONTRIBUTION TO A  
12 CANDIDATE FOR NOMINATION OR ELECTION TO ANY PUBLIC OFFICE IN  
13 THIS COMMONWEALTH, OR TO ANY POLITICAL COMMITTEE OR STATE PARTY  
14 IN THIS COMMONWEALTH OR TO ANY GROUP, COMMITTEE OR ASSOCIATION  
15 ORGANIZED IN SUPPORT OF ANY SUCH CANDIDATE, POLITICAL COMMITTEE  
16 OR STATE PARTY.]

17 (A) CONTRIBUTION RESTRICTION.--THE FOLLOWING PERSONS SHALL  
18 BE PROHIBITED FROM CONTRIBUTING ANY MONEY OR IN-KIND  
19 CONTRIBUTION TO A CANDIDATE FOR NOMINATION OR ELECTION TO ANY  
20 PUBLIC OFFICE IN THIS COMMONWEALTH, OR TO ANY POLITICAL PARTY  
21 COMMITTEE OR OTHER POLITICAL COMMITTEE IN THIS COMMONWEALTH OR  
22 TO ANY GROUP, COMMITTEE OR ASSOCIATION ORGANIZED IN SUPPORT OF A  
23 CANDIDATE, POLITICAL PARTY COMMITTEE OR OTHER POLITICAL  
24 COMMITTEE IN THIS COMMONWEALTH:

25 (1) AN APPLICANT FOR A SLOT MACHINE LICENSE,  
26 MANUFACTURER LICENSE, SUPPLIER LICENSE, PRINCIPAL LICENSE OR  
27 KEY EMPLOYEE LICENSE.

28 (2) A SLOT MACHINE LICENSEE, LICENSED MANUFACTURER,  
29 LICENSED SUPPLIER OR LICENSED RACING ENTITY.

30 (3) A LICENSED PRINCIPAL OR LICENSED KEY EMPLOYEE OF A

SLOT MACHINE LICENSEE, LICENSED MANUFACTURER, LICENSED  
SUPPLIER OR LICENSED RACING ENTITY.

(4) AN AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING  
COMPANY OF A SLOT MACHINE LICENSEE, LICENSED MANUFACTURER,  
LICENSED SUPPLIER OR LICENSED RACING ENTITY.

(5) A LICENSED PRINCIPAL OR LICENSED KEY EMPLOYEE OF AN  
AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF A  
SLOT MACHINE LICENSEE, LICENSED MANUFACTURER, LICENSED  
SUPPLIER OR LICENSED RACING ENTITY.

(6) A PERSON WHO HOLDS A SIMILAR GAMING LICENSE IN  
ANOTHER JURISDICTION AND THE AFFILIATES, INTERMEDIARIES,  
SUBSIDIARIES, HOLDING COMPANIES, PRINCIPALS OR KEY EMPLOYEES  
THEREOF.

(A.1) CONTRIBUTIONS TO CERTAIN ASSOCIATIONS AND  
ORGANIZATIONS BARRED.--THE INDIVIDUALS PROHIBITED FROM MAKING  
POLITICAL CONTRIBUTIONS UNDER SUBSECTION (A) SHALL NOT MAKE A  
POLITICAL CONTRIBUTION OF MONEY OR AN IN-KIND CONTRIBUTION TO  
ANY ASSOCIATION OR ORGANIZATION, INCLUDING A NONPROFIT  
ORGANIZATION, THAT HAS BEEN SOLICITED BY, OR KNOWING THAT THE  
CONTRIBUTION OR A PORTION THEREOF WILL BE CONTRIBUTED TO THE  
ELECTED OFFICIAL, EXECUTIVE-LEVEL PUBLIC EMPLOYEE OR CANDIDATE  
FOR NOMINATION OR ELECTION TO A PUBLIC OFFICE IN THIS  
COMMONWEALTH.

(A.2) INTERNET WEBSITE.--

(1) THE BOARD SHALL ESTABLISH AN INTERNET WEBSITE THAT  
INCLUDES A LIST OF ALL APPLICANTS FOR AND HOLDERS OF A SLOT  
MACHINE LICENSE, MANUFACTURER LICENSE, SUPPLIER LICENSE OR  
RACING ENTITY LICENSE, AND THE AFFILIATES, INTERMEDIARIES,  
SUBSIDIARIES, HOLDING COMPANIES, PRINCIPALS AND KEY EMPLOYEES  
THEREOF, ALL PERSONS HOLDING A SIMILAR GAMING LICENSE IN

1 ANOTHER JURISDICTION AND THE AFFILIATES, INTERMEDIARIES,  
2 SUBSIDIARIES, HOLDING COMPANIES, PRINCIPALS AND KEY EMPLOYEES  
3 THEREOF, AND ANY OTHER ENTITY IN WHICH THE APPLICANT OR  
4 LICENSEE HAS ANY DEBT OR EQUITY SECURITY OR OTHER OWNERSHIP  
5 OR PROFITS INTEREST. AN APPLICANT OR LICENSEE SHALL NOTIFY  
6 THE BOARD WITHIN SEVEN DAYS OF THE DISCOVERY OF ANY CHANGE IN  
7 OR ADDITION TO THE INFORMATION. THE LIST SHALL BE PUBLISHED  
8 SEMIANNUALLY IN THE PENNSYLVANIA BULLETIN.

9 (2) AN INDIVIDUAL WHO ACTS IN GOOD FAITH AND IN RELIANCE  
10 ON THE INFORMATION ON THE INTERNET WEBSITE SHALL NOT BE  
11 SUBJECT TO ANY PENALTIES OR LIABILITY IMPOSED FOR A VIOLATION  
12 OF THIS SECTION.

13 (3) THE BOARD SHALL REQUEST THE INFORMATION REQUIRED  
14 UNDER PARAGRAPH (1) FROM PERSONS LICENSED IN ANOTHER  
15 JURISDICTION WHO DO NOT HOLD A LICENSE IN THIS COMMONWEALTH  
16 AND FROM REGULATORY AGENCIES IN THE OTHER JURISDICTION. IF A  
17 LICENSEE IN ANOTHER JURISDICTION REFUSES TO PROVIDE THE  
18 INFORMATION REQUIRED UNDER PARAGRAPH (1), THE PERSON AND ITS  
19 OFFICERS, DIRECTORS OR PERSONS WITH A CONTROLLING INTEREST  
20 SHALL BE INELIGIBLE TO RECEIVE ANY LICENSE UNDER THIS PART.

21 \* \* \*

22 (D) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING  
23 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS  
24 SUBSECTION:

25 "CONTRIBUTION." ANY PAYMENT, GIFT, SUBSCRIPTION, ASSESSMENT,  
26 CONTRACT, PAYMENT FOR SERVICES, DUES, LOAN, FORBEARANCE, ADVANCE  
27 OR DEPOSIT OF MONEY OR ANY VALUABLE THING, MADE TO A CANDIDATE  
28 OR POLITICAL COMMITTEE FOR THE PURPOSE OF INFLUENCING ANY  
29 ELECTION IN THIS COMMONWEALTH OR FOR PAYING DEBTS INCURRED BY OR  
30 FOR A CANDIDATE OR COMMITTEE BEFORE OR AFTER ANY ELECTION. THE

1 TERM SHALL INCLUDE THE PURCHASE OF TICKETS FOR EVENTS INCLUDING  
2 DINNERS, LUNCHEONS, RALLIES AND OTHER FUND-RAISING EVENTS; THE  
3 GRANTING OF DISCOUNTS OR REBATES NOT AVAILABLE TO THE GENERAL  
4 PUBLIC; OR THE GRANTING OF DISCOUNTS OR REBATES BY TELEVISION  
5 AND RADIO STATIONS AND NEWSPAPERS NOT EXTENDED ON AN EQUAL BASIS  
6 TO ALL CANDIDATES FOR THE SAME OFFICE; AND ANY PAYMENTS PROVIDED  
7 FOR THE BENEFIT OF ANY CANDIDATE, INCLUDING PAYMENTS FOR THE  
8 SERVICES OF A PERSON SERVING AS AN AGENT OF A CANDIDATE OR  
9 COMMITTEE BY A PERSON OTHER THAN THE CANDIDATE OR COMMITTEE OR  
10 PERSON WHOSE EXPENDITURES THE CANDIDATE OR COMMITTEE MUST  
11 REPORT. THE TERM ALSO INCLUDES ANY RECEIPT OR USE OF ANYTHING OF  
12 VALUE RECEIVED BY A POLITICAL COMMITTEE FROM ANOTHER POLITICAL  
13 COMMITTEE AND ALSO INCLUDES ANY RETURN ON INVESTMENTS BY A  
14 POLITICAL COMMITTEE.

15 "POLITICAL COMMITTEE." ANY COMMITTEE, CLUB, ASSOCIATION OR  
16 OTHER GROUP OF PERSONS WHICH RECEIVES CONTRIBUTIONS OR MAKES  
17 EXPENDITURES.

18 SECTION 12. SECTION 1517(A), (C) AND (D) OF TITLE 4 ARE  
19 AMENDED AND THE SECTION IS AMENDED BY ADDING SUBSECTIONS TO  
20 READ:

21 § 1517. [ENFORCEMENT.] INVESTIGATIONS AND ENFORCEMENT.

22 [(A) POWERS AND DUTIES.--THE BUREAU OF INVESTIGATIONS AND  
23 ENFORCEMENT SHALL HAVE THE FOLLOWING POWERS AND DUTIES:

24 (1) PROMPTLY INVESTIGATE ALL LICENSEES, PERMITTEES AND  
25 APPLICANTS AS DIRECTED BY THE BOARD IN ACCORDANCE WITH THE  
26 PROVISIONS OF SECTION 1202 (RELATING TO GENERAL AND SPECIFIC  
27 POWERS).

28 (2) ENFORCE THE RULES AND REGULATIONS PROMULGATED UNDER  
29 THIS PART.

30 (3) INITIATE PROCEEDINGS FOR ADMINISTRATIVE VIOLATIONS

1 OF THIS PART OR REGULATIONS PROMULGATED UNDER THIS PART.

2 (4) PROVIDE THE BOARD WITH ALL INFORMATION NECESSARY FOR  
3 ALL ACTION UNDER THIS PART AND FOR ALL PROCEEDINGS INVOLVING  
4 ENFORCEMENT OF THIS PART OR REGULATIONS PROMULGATED UNDER  
5 THIS PART.

6 (5) INVESTIGATE THE CIRCUMSTANCES SURROUNDING ANY ACT OR  
7 TRANSACTION FOR WHICH BOARD APPROVAL IS REQUIRED.

8 (6) CONDUCT ADMINISTRATIVE INSPECTIONS ON THE PREMISES  
9 OF A LICENSED RACETRACK OR NONPRIMARY LOCATION OR LICENSED  
10 FACILITY TO ENSURE COMPLIANCE WITH THIS PART AND THE  
11 REGULATIONS OF THE BOARD AND, IN THE COURSE OF INSPECTIONS,  
12 REVIEW AND MAKE COPIES OF ALL DOCUMENTS AND RECORDS THAT MAY  
13 BE REQUIRED THROUGH ONSITE OBSERVATION AND OTHER REASONABLE  
14 MEANS TO ASSURE COMPLIANCE WITH THIS PART AND REGULATIONS  
15 PROMULGATED UNDER THIS PART.

16 (7) RECEIVE AND TAKE APPROPRIATE ACTION ON ANY REFERRAL  
17 FROM THE BOARD RELATING TO ANY EVIDENCE OF A VIOLATION.

18 (8) CONDUCT AUDITS OF SLOT MACHINE OPERATIONS AT SUCH  
19 TIMES, UNDER SUCH CIRCUMSTANCES AND TO SUCH EXTENT AS THE  
20 BUREAU DETERMINES. THIS PARAGRAPH INCLUDES REVIEWS OF  
21 ACCOUNTING, ADMINISTRATIVE AND FINANCIAL RECORDS AND  
22 MANAGEMENT CONTROL SYSTEMS, PROCEDURES AND RECORDS UTILIZED  
23 BY A SLOT MACHINE LICENSEE.

24 (9) REQUEST AND RECEIVE INFORMATION, MATERIALS AND OTHER  
25 DATA FROM ANY LICENSEE, PERMITTEE OR APPLICANT.

26 (10) REFER FOR INVESTIGATION ALL POSSIBLE CRIMINAL  
27 VIOLATIONS TO THE PENNSYLVANIA STATE POLICE AND COOPERATE  
28 FULLY IN THE INVESTIGATION AND PROSECUTION OF A CRIMINAL  
29 VIOLATION ARISING UNDER THIS PART.]

30 (A) ESTABLISHMENT.--THERE IS HEREBY ESTABLISHED WITHIN THE

1 BOARD A BUREAU OF INVESTIGATIONS AND ENFORCEMENT WHICH SHALL BE  
2 INDEPENDENT OF THE BOARD IN MATTERS RELATING TO THE ENFORCEMENT  
3 OF THIS PART. THE BUREAU SHALL HAVE THE POWERS AND DUTIES SET  
4 FORTH IN SUBSECTION (A.1).

5 (A.1) POWERS AND DUTIES OF BUREAU.--THE BUREAU OF  
6 INVESTIGATIONS AND ENFORCEMENT SHALL HAVE THE FOLLOWING POWERS  
7 AND DUTIES:

8 (1) ENFORCE THE PROVISIONS OF THIS PART.

9 (2) INVESTIGATE AND REVIEW ALL APPLICANTS AND  
10 APPLICATIONS FOR A LICENSE, PERMIT OR REGISTRATION.

11 (3) INVESTIGATE LICENSEES, PERMITTEES, REGISTRANTS AND  
12 OTHER PERSONS REGULATED BY THE BOARD FOR NONCRIMINAL  
13 VIOLATIONS OF THIS PART, INCLUDING POTENTIAL VIOLATIONS  
14 REFERRED TO THE BUREAU BY THE BOARD OR OTHER PERSON.

15 (4) MONITOR GAMING OPERATIONS TO ENSURE ALL OF THE  
16 FOLLOWING:

17 (I) COMPLIANCE WITH THIS PART, THE ACT OF APRIL 12,  
18 1951 (P.L.90, NO.21), KNOWN AS THE LIQUOR CODE, AND THE  
19 OTHER LAWS OF THIS COMMONWEALTH.

20 (II) THE IMPLEMENTATION OF ADEQUATE SECURITY  
21 MEASURES BY A LICENSED ENTITY.

22 (5) INSPECT AND EXAMINE LICENSED ENTITIES AS PROVIDED IN  
23 SUBSECTION (E). INSPECTIONS MAY INCLUDE THE REVIEW AND  
24 REPRODUCTION OF ANY DOCUMENT OR RECORD.

25 (6) CONDUCT AUDITS OF A LICENSED ENTITY AS NECESSARY TO  
26 ENSURE COMPLIANCE WITH THIS PART. AN AUDIT MAY INCLUDE THE  
27 REVIEW OF ACCOUNTING, ADMINISTRATIVE AND FINANCIAL RECORDS,  
28 MANAGEMENT CONTROL SYSTEMS, PROCEDURES AND OTHER RECORDS  
29 UTILIZED BY A LICENSED ENTITY.

30 (7) REFER POSSIBLE CRIMINAL VIOLATIONS TO THE

1 PENNSYLVANIA STATE POLICE. THE BUREAU SHALL NOT HAVE THE  
2 POWER OF ARREST.

3 (8) COOPERATE IN THE INVESTIGATION AND PROSECUTION OF  
4 CRIMINAL VIOLATIONS RELATED TO THIS PART.

5 (9) BE A CRIMINAL JUSTICE AGENCY UNDER 18 PA.C.S. CH. 91  
6 (RELATING TO CRIMINAL HISTORY RECORD INFORMATION).

7 (A.2) OFFICE OF ENFORCEMENT COUNSEL.--

8 (1) THERE IS ESTABLISHED WITHIN THE BUREAU AN OFFICE OF  
9 ENFORCEMENT COUNSEL WHICH SHALL ACT AS THE PROSECUTOR IN ALL  
10 NONCRIMINAL ENFORCEMENT ACTIONS INITIATED BY THE BUREAU UNDER  
11 THIS PART AND SHALL HAVE THE FOLLOWING POWERS AND DUTIES:

12 (I) ADVISE THE BUREAU ON ALL MATTERS, INCLUDING THE  
13 GRANTING OF LICENSES, PERMITS OR REGISTRATIONS, THE  
14 CONDUCT OF BACKGROUND INVESTIGATIONS, AUDITS AND  
15 INSPECTIONS AND THE INVESTIGATION OF POTENTIAL VIOLATIONS  
16 OF THIS PART.

17 (II) FILE RECOMMENDATIONS AND OBJECTIONS RELATING TO  
18 THE ISSUANCE OF LICENSES, PERMITS AND REGISTRATIONS ON  
19 BEHALF OF THE BUREAU.

20 (III) INITIATE, IN ITS SOLE DISCRETION, PROCEEDINGS  
21 FOR NONCRIMINAL VIOLATIONS OF THIS PART BY FILING A  
22 COMPLAINT OR OTHER PLEADING WITH THE BOARD.

23 (2) THE DIRECTOR OF THE OFFICE OF ENFORCEMENT COUNSEL  
24 SHALL REPORT TO THE EXECUTIVE DIRECTOR OF THE BOARD ON  
25 ADMINISTRATIVE MATTERS. THE DIRECTOR SHALL BE SELECTED BY THE  
26 BOARD AND SHALL BE AN ATTORNEY ADMITTED TO PRACTICE BEFORE  
27 THE PENNSYLVANIA SUPREME COURT.

28 \* \* \*

29 (C) POWERS AND DUTIES OF THE PENNSYLVANIA STATE POLICE.--THE  
30 PENNSYLVANIA STATE POLICE SHALL HAVE THE FOLLOWING POWERS AND



1 DUTIES:

2 (1) PROMPTLY [INVESTIGATE ALL LICENSEES, PERMITTEES AND  
3 APPLICANTS] CONDUCT BACKGROUND INVESTIGATIONS ON PERSONS AS  
4 DIRECTED BY THE BOARD IN ACCORDANCE WITH THE PROVISIONS OF  
5 SECTION 1202 (RELATING TO GENERAL AND SPECIFIC POWERS). THE  
6 PENNSYLVANIA STATE POLICE MAY CONTRACT WITH OTHER LAW  
7 ENFORCEMENT ANNUITANTS TO ASSIST IN THE CONDUCT OF  
8 INVESTIGATIONS UNDER THIS PARAGRAPH.

9 [(2) ENFORCE THE RULES AND REGULATIONS PROMULGATED UNDER  
10 THIS PART.]

11 (3) INITIATE PROCEEDINGS FOR [ANY] CRIMINAL VIOLATIONS  
12 OF THIS PART [OR REGULATIONS PROMULGATED UNDER THIS PART].

13 (4) PROVIDE THE BOARD WITH ALL INFORMATION NECESSARY FOR  
14 ALL ACTIONS UNDER THIS PART FOR ALL PROCEEDINGS INVOLVING  
15 CRIMINAL ENFORCEMENT OF THIS PART [OR REGULATIONS PROMULGATED  
16 UNDER THIS PART].

17 (5) INSPECT, WHEN APPROPRIATE, A LICENSEE'S OR  
18 PERMITTEE'S PERSON AND PERSONAL EFFECTS PRESENT IN A LICENSED  
19 FACILITY UNDER THIS PART WHILE THAT LICENSEE OR PERMITTEE IS  
20 PRESENT AT A LICENSED FACILITY.

21 (6) ENFORCE THE CRIMINAL PROVISIONS OF THIS PART AND ALL  
22 OTHER CRIMINAL LAWS OF THE COMMONWEALTH.

23 (7) FINGERPRINT APPLICANTS FOR LICENSES AND PERMITS.

24 (8) EXCHANGE FINGERPRINT DATA WITH AND RECEIVE NATIONAL  
25 CRIMINAL HISTORY RECORD INFORMATION FROM THE FBI FOR USE IN  
26 INVESTIGATING APPLICATIONS FOR ANY LICENSE OR PERMIT UNDER  
27 THIS PART.

28 (9) RECEIVE AND TAKE APPROPRIATE ACTION ON ANY REFERRAL  
29 FROM THE BOARD RELATING TO CRIMINAL CONDUCT.

30 (10) REQUIRE THE PRODUCTION OF ANY INFORMATION, MATERIAL

1 AND OTHER DATA FROM ANY LICENSEE, PERMITTEE OR OTHER  
2 APPLICANT SEEKING APPROVAL FROM THE BOARD.

3 (11) CONDUCT ADMINISTRATIVE INSPECTIONS ON THE PREMISES  
4 OF LICENSED RACETRACK OR NONPRIMARY LOCATION OR LICENSED  
5 FACILITY AT SUCH TIMES, UNDER SUCH CIRCUMSTANCES AND TO SUCH  
6 EXTENT AS THE BUREAU DETERMINES TO ENSURE COMPLIANCE WITH  
7 THIS PART AND THE REGULATIONS OF THE BOARD AND, IN THE COURSE  
8 OF INSPECTIONS, REVIEW AND MAKE COPIES OF ALL DOCUMENTS AND  
9 RECORDS REQUIRED BY THE INSPECTION THROUGH ONSITE OBSERVATION  
10 AND OTHER REASONABLE MEANS TO ASSURE COMPLIANCE WITH THIS  
11 PART AND REGULATIONS PROMULGATED UNDER THIS PART.

12 (12) CONDUCT AUDITS OR VERIFICATION OF INFORMATION OF  
13 SLOT MACHINE OPERATIONS AT SUCH TIMES, UNDER SUCH  
14 CIRCUMSTANCES AND TO SUCH EXTENT AS THE BUREAU DETERMINES.  
15 THIS PARAGRAPH INCLUDES REVIEWS OF ACCOUNTING, ADMINISTRATIVE  
16 AND FINANCIAL RECORDS AND MANAGEMENT CONTROL SYSTEMS,  
17 PROCEDURES AND RECORDS UTILIZED BY A SLOT MACHINE LICENSEE.

18 (13) A MEMBER OF THE PENNSYLVANIA STATE POLICE ASSIGNED  
19 TO DUTIES OF ENFORCEMENT UNDER THIS PART SHALL NOT BE COUNTED  
20 TOWARD THE COMPLEMENT AS DEFINED IN THE ACT OF DECEMBER 13,  
21 2001 (P.L.903, NO.100), ENTITLED "AN ACT REPEALING IN PART A  
22 LIMITATION ON THE COMPLEMENT OF THE PENNSYLVANIA STATE  
23 POLICE."

24 (C.1) POWERS AND DUTIES OF ATTORNEY GENERAL.--WITHIN THE  
25 OFFICE OF ATTORNEY GENERAL, THE ATTORNEY GENERAL SHALL ESTABLISH  
26 A GAMING UNIT. THE UNIT SHALL INVESTIGATE AND INSTITUTE CRIMINAL  
27 PROCEEDINGS AS AUTHORIZED BY SUBSECTION (D).

28 (D) CRIMINAL ACTION.--

29 (1) THE DISTRICT ATTORNEYS OF THE SEVERAL COUNTIES SHALL  
30 HAVE AUTHORITY TO INVESTIGATE AND TO INSTITUTE CRIMINAL

1 PROCEEDINGS FOR [ANY] A VIOLATION OF THIS PART.

2 (2) IN ADDITION TO THE AUTHORITY CONFERRED UPON THE  
3 ATTORNEY GENERAL [BY] UNDER THE ACT OF OCTOBER 15, 1980  
4 (P.L.950, NO.164), KNOWN AS THE COMMONWEALTH ATTORNEYS ACT,  
5 THE ATTORNEY GENERAL SHALL HAVE THE AUTHORITY TO INVESTIGATE  
6 AND, FOLLOWING CONSULTATION WITH THE APPROPRIATE DISTRICT  
7 ATTORNEY, TO INSTITUTE CRIMINAL PROCEEDINGS FOR [ANY] A  
8 VIOLATION OF THIS PART, [OR ANY SERIES OF SUCH VIOLATIONS  
9 INVOLVING ANY COUNTY OF THIS COMMONWEALTH AND ANOTHER STATE.  
10 NO] A PERSON CHARGED WITH A VIOLATION OF THIS PART BY THE  
11 ATTORNEY GENERAL SHALL NOT HAVE STANDING TO CHALLENGE THE  
12 AUTHORITY OF THE ATTORNEY GENERAL TO INVESTIGATE OR PROSECUTE  
13 THE CASE, AND, IF ANY SUCH CHALLENGE IS MADE, THE CHALLENGE  
14 SHALL BE DISMISSED AND NO RELIEF SHALL BE AVAILABLE IN THE  
15 COURTS OF THIS COMMONWEALTH TO THE PERSON MAKING THE  
16 CHALLENGE.

17 (D.1) REGULATORY ACTION.--NOTHING CONTAINED IN SUBSECTION  
18 (D) SHALL BE CONSTRUED TO LIMIT THE EXISTING REGULATORY OR  
19 INVESTIGATIVE AUTHORITY OF AN AGENCY OR THE COMMONWEALTH WHOSE  
20 FUNCTIONS RELATE TO PERSONS OR MATTERS WITHIN THE SCOPE OF THIS  
21 PART.

22 \* \* \*

23 SECTION 13. TITLE 4 IS AMENDED BY ADDING SECTIONS TO READ:  
24 § 1517.1. (RESERVED).

25 § 1517.2. CONDUCT OF PUBLIC OFFICIALS AND EMPLOYEES.

26 (A) EX PARTE DISCUSSION PROHIBITED.--AN ATTORNEY  
27 REPRESENTING THE BUREAU OR THE OFFICE OF ENFORCEMENT COUNSEL, OR  
28 AN EMPLOYEE OF THE BUREAU OR OFFICE INVOLVED IN THE HEARING  
29 PROCESS, SHALL NOT DISCUSS THE CASE EX PARTE WITH A HEARING  
30 OFFICER, CHIEF COUNSEL OR MEMBER.

1     (B) OTHER PROHIBITIONS.--A HEARING OFFICER, THE CHIEF  
2     COUNSEL OR A MEMBER SHALL NOT DISCUSS OR EXERCISE ANY  
3     SUPERVISORY RESPONSIBILITY OVER ANY EMPLOYEE WITH RESPECT TO AN  
4     ENFORCEMENT HEARING WITH WHICH THE EMPLOYEE IS INVOLVED.

5     (C) DISQUALIFICATION.--IF IT BECOMES NECESSARY FOR THE CHIEF  
6     COUNSEL OR MEMBER TO BECOME INVOLVED ON BEHALF OF THE BOARD IN  
7     ANY ENFORCEMENT PROCEEDING, THE CHIEF COUNSEL OR MEMBER SHALL BE  
8     PROHIBITED FROM PARTICIPATING IN THE ADJUDICATION OF THAT MATTER  
9     AND SHALL DESIGNATE APPROPRIATE INDIVIDUALS TO EXERCISE  
10    ADJUDICATORY FUNCTIONS.

11       SECTION 14. SECTION 1518 OF TITLE 4 IS AMENDED TO READ:

12    § 1518. PROHIBITED ACTS; PENALTIES.

13       (A) CRIMINAL OFFENSES.--

14           (1) THE PROVISIONS OF 18 PA.C.S. § 4902 (RELATING TO  
15       PERJURY), 4903 (RELATING TO FALSE SWEARING) OR 4904 (RELATING  
16       TO UNSWORN FALSIFICATION TO AUTHORITIES) SHALL APPLY TO ANY  
17       PERSON PROVIDING INFORMATION OR MAKING ANY STATEMENT, WHETHER  
18       WRITTEN OR ORAL, TO THE BOARD, THE BUREAU, THE DEPARTMENT,  
19       THE PENNSYLVANIA STATE POLICE OR THE OFFICE OF ATTORNEY  
20       GENERAL, AS REQUIRED BY THIS PART.

21           (2) IT [IS] SHALL BE UNLAWFUL FOR A PERSON TO WILLFULLY:

22               (I) FAIL TO REPORT, PAY OR TRUTHFULLY ACCOUNT FOR  
23       AND PAY OVER ANY LICENSE FEE, TAX OR ASSESSMENT IMPOSED  
24       UNDER THIS PART; OR

25               (II) ATTEMPT IN ANY MANNER TO EVADE OR DEFEAT ANY  
26       LICENSE FEE, TAX OR ASSESSMENT IMPOSED UNDER THIS [PARTY]  
27       PART.

28           (3) IT [IS] SHALL BE UNLAWFUL FOR ANY LICENSED ENTITY,  
29       GAMING EMPLOYEE, KEY EMPLOYEE OR ANY OTHER PERSON TO PERMIT A  
30       SLOT MACHINE TO BE OPERATED, TRANSPORTED, REPAIRED OR OPENED

1 ON THE PREMISES OF A LICENSED FACILITY BY A PERSON OTHER THAN  
2 A PERSON LICENSED OR PERMITTED BY THE BOARD PURSUANT TO THIS  
3 PART.

4 (4) IT [IS] SHALL BE UNLAWFUL FOR ANY LICENSED ENTITY OR  
5 OTHER PERSON TO MANUFACTURE, SUPPLY OR PLACE SLOT MACHINES  
6 INTO PLAY OR DISPLAY SLOT MACHINES ON THE PREMISE OF A  
7 LICENSED FACILITY WITHOUT THE AUTHORITY OF THE BOARD.

8 (5) EXCEPT AS PROVIDED FOR IN SECTION 1326 (RELATING TO  
9 LICENSE RENEWALS), IT [IS] SHALL BE UNLAWFUL FOR A LICENSED  
10 ENTITY OR OTHER PERSON TO MANUFACTURE, SUPPLY, OPERATE, CARRY  
11 ON OR EXPOSE FOR PLAY ANY SLOT MACHINE AFTER THE PERSON'S  
12 LICENSE HAS EXPIRED AND PRIOR TO THE ACTUAL RENEWAL OF THE  
13 LICENSE.

14 (6) (I) EXCEPT AS SET FORTH IN SUBPARAGRAPH (II), IT  
15 [IS] SHALL BE UNLAWFUL FOR AN INDIVIDUAL WHILE ON THE  
16 PREMISES OF A LICENSED FACILITY TO KNOWINGLY USE CURRENCY  
17 OTHER THAN LAWFUL COIN OR LEGAL TENDER OF THE UNITED  
18 STATES OR A COIN NOT OF THE SAME DENOMINATION AS THE COIN  
19 INTENDED TO BE USED IN THE SLOT MACHINE[.] WITH THE  
20 INTENT TO CHEAT OR DEFRAUD A LICENSED GAMING ENTITY OR  
21 THE COMMONWEALTH OR DAMAGE THE SLOT MACHINE.

22 (II) IN THE PLAYING OF A SLOT MACHINE, IT [IS] SHALL  
23 BE LAWFUL FOR AN INDIVIDUAL TO USE GAMING BILLETS, TOKENS  
24 OR SIMILAR OBJECTS ISSUED BY THE LICENSED GAMING ENTITY  
25 WHICH ARE APPROVED BY THE BOARD.

26 (7) (I) EXCEPT AS SET FORTH IN SUBPARAGRAPH (II), IT  
27 [IS] SHALL BE UNLAWFUL FOR AN INDIVIDUAL [ON THE PREMISES  
28 OF A LICENSED FACILITY] TO USE OR POSSESS A CHEATING OR  
29 THIEVING DEVICE, COUNTERFEIT OR ALTERED BILLET, TICKET,  
30 TOKEN OR SIMILAR OBJECTS ACCEPTED BY A SLOT MACHINE OR

1 COUNTERFEIT OR ALTERED SLOT MACHINE-ISSUED TICKETS OR  
2 VOUCHERS AT A LICENSED FACILITY.

3 (II) AN AUTHORIZED EMPLOYEE OF A LICENSEE OR AN  
4 EMPLOYEE OF THE BOARD MAY POSSESS AND USE A CHEATING OR  
5 THIEVING DEVICE, COUNTERFEIT OR ALTERED BILLET, TICKET,  
6 TOKEN OR SIMILAR OBJECTS ACCEPTED BY A SLOT MACHINE OR  
7 COUNTERFEIT OR ALTERED SLOT MACHINE-ISSUED TICKETS OR  
8 VOUCHERS [ONLY] IN PERFORMANCE OF THE DUTIES OF  
9 EMPLOYMENT.

10 (III) AS USED IN THIS PARAGRAPH, THE TERM "CHEATING  
11 OR THIEVING DEVICE" INCLUDES, BUT IS NOT LIMITED TO, A  
12 DEVICE TO FACILITATE THE ALIGNMENT OF ANY WINNING  
13 COMBINATION OR TO REMOVE FROM ANY SLOT MACHINE MONEY OR  
14 OTHER CONTENTS. THE TERM INCLUDES, BUT IS NOT LIMITED TO,  
15 A TOOL, DRILL, WIRE, COIN OR TOKEN ATTACHED TO A STRING  
16 OR WIRE AND ANY ELECTRONIC OR MAGNETIC DEVICE.

17 (8) (I) EXCEPT AS SET FORTH IN SUBPARAGRAPH (II), IT  
18 [IS] SHALL BE UNLAWFUL FOR AN INDIVIDUAL TO KNOWINGLY  
19 POSSESS OR USE WHILE ON THE PREMISES OF A LICENSED  
20 FACILITY A KEY OR DEVICE DESIGNED FOR THE PURPOSE OF AND  
21 SUITABLE FOR OPENING OR ENTERING ANY SLOT MACHINE OR COIN  
22 BOX WHICH IS LOCATED ON THE PREMISES OF THE LICENSED  
23 FACILITY.

24 (II) AN AUTHORIZED EMPLOYEE OF A LICENSEE OR A  
25 MEMBER OF THE BOARD MAY POSSESS AND USE A DEVICE REFERRED  
26 TO IN SUBPARAGRAPH (I) [ONLY] IN THE PERFORMANCE OF THE  
27 DUTIES OF EMPLOYMENT.

28 (9) IT [IS] SHALL BE UNLAWFUL FOR A PERSON OR LICENSED  
29 ENTITY TO POSSESS ANY DEVICE, EQUIPMENT OR MATERIAL WHICH THE  
30 PERSON OR LICENSED ENTITY KNOWS HAS BEEN MANUFACTURED,

1       DISTRIBUTED, SOLD, TAMPERED WITH OR SERVICED IN VIOLATION OF  
2       THE PROVISIONS OF THIS PART[.] WITH THE INTENT TO USE THE  
3       DEVICE, EQUIPMENT OR MATERIAL AS THOUGH IT HAD BEEN  
4       MANUFACTURED, DISTRIBUTED, SOLD, TAMPERED WITH OR SERVICED  
5       PURSUANT TO THIS PART.

6       (9.1) IT SHALL BE UNLAWFUL FOR A PERSON TO SELL, OFFER  
7       FOR SALE, REPRESENT OR PASS OFF AS LAWFUL ANY DEVICE,  
8       EQUIPMENT OR MATERIAL WHICH THE PERSON OR LICENSED ENTITY  
9       KNOWS HAS BEEN MANUFACTURED, DISTRIBUTED, SOLD, TAMPERED WITH  
10      OR SERVICED IN VIOLATION OF THIS PART.

11      (10) IT [IS] SHALL BE UNLAWFUL FOR AN INDIVIDUAL TO WORK  
12      OR BE EMPLOYED IN A POSITION THE DUTIES OF WHICH WOULD  
13      REQUIRE LICENSING OR PERMITTING UNDER THE PROVISIONS OF THIS  
14      PART WITHOUT FIRST OBTAINING THE REQUISITE LICENSE OR PERMIT  
15      [AS PROVIDED FOR IN] ISSUED UNDER THE PROVISIONS OF THIS  
16      PART.

17      (11) IT [IS] SHALL BE UNLAWFUL FOR A LICENSED GAMING  
18      ENTITY THAT IS A LICENSED RACING ENTITY AND THAT HAS LOST THE  
19      LICENSE ISSUED TO IT BY EITHER THE STATE HORSE RACING  
20      COMMISSION OR THE STATE HARNESS RACING COMMISSION UNDER THE  
21      RACE HORSE INDUSTRY REFORM ACT OR THAT HAS HAD THAT LICENSE  
22      SUSPENDED TO OPERATE SLOT MACHINES AT THE RACETRACK FOR WHICH  
23      ITS SLOT MACHINE LICENSE WAS ISSUED UNLESS THE LICENSE ISSUED  
24      TO IT BY EITHER THE STATE HORSE RACING COMMISSION OR THE  
25      STATE HARNESS RACING COMMISSION WILL BE SUBSEQUENTLY REISSUED  
26      OR REINSTATED WITHIN 30 DAYS AFTER THE LOSS OR SUSPENSION.

27      (12) IT [IS] SHALL BE UNLAWFUL FOR A LICENSED ENTITY TO  
28      EMPLOY OR CONTINUE TO EMPLOY AN INDIVIDUAL IN A POSITION THE  
29      DUTIES OF WHICH REQUIRE A LICENSE OR PERMIT UNDER THE  
30      PROVISIONS OF THIS PART IF THE INDIVIDUAL:

1 (I) [AN INDIVIDUAL] IS NOT LICENSED OR PERMITTED  
2 UNDER THE PROVISIONS OF THIS PART.

3 (II) [AN INDIVIDUAL WHO IS] IS PROHIBITED FROM  
4 ACCEPTING EMPLOYMENT FROM A LICENSEE.

5 (13) IT [IS] SHALL BE UNLAWFUL FOR ANY PERSON UNDER 18  
6 YEARS OF AGE TO BE PERMITTED IN THE AREA OF A LICENSED  
7 FACILITY WHERE SLOT MACHINES ARE OPERATED.

8 (B) CRIMINAL PENALTIES AND FINES.--

9 (1) (I) A PERSON [THAT VIOLATES SUBSECTION (A)(1)  
10 COMMITS AN OFFENSE TO BE GRADED IN ACCORDANCE WITH 18  
11 PA.C.S. § 4902, 4903 OR 4904, AS APPLICABLE, FOR A FIRST  
12 CONVICTION.] WHO COMMITS A FIRST OFFENSE IN VIOLATION OF  
13 18 PA.C.S § 4902, 4903 OR 4904 IN CONNECTION WITH  
14 PROVIDING INFORMATION OR MAKING ANY STATEMENT, WHETHER  
15 WRITTEN OR ORAL, TO THE BOARD, THE BUREAU, THE  
16 DEPARTMENT, THE PENNSYLVANIA STATE POLICE, THE OFFICE OF  
17 ATTORNEY GENERAL OR A DISTRICT ATTORNEY AS REQUIRED BY  
18 THIS PART COMMITS AN OFFENSE TO BE GRADED IN ACCORDANCE  
19 WITH THE APPLICABLE SECTION VIOLATED. A PERSON THAT IS  
20 CONVICTED OF A SECOND OR SUBSEQUENT VIOLATION OF  
21 [SUBSECTION (A)(1)] 18 PA.C.S. § 4902, 4903 OR 4904 IN  
22 CONNECTION WITH PROVIDING INFORMATION OR MAKING ANY  
23 STATEMENT, WHETHER WRITTEN OR ORAL, TO THE BOARD, THE  
24 BUREAU, THE DEPARTMENT, THE PENNSYLVANIA STATE POLICE,  
25 THE OFFICE OF ATTORNEY GENERAL OR A DISTRICT ATTORNEY AS  
26 REQUIRED BY THIS PART COMMITS A FELONY OF THE SECOND  
27 DEGREE.

28 (II) A PERSON THAT VIOLATES SUBSECTION (A)(2)  
29 THROUGH (12) COMMITS A MISDEMEANOR OF THE FIRST DEGREE. A  
30 PERSON THAT IS CONVICTED OF A SECOND OR SUBSEQUENT



1 VIOLATION OF SUBSECTION (A)(2) THROUGH (12) COMMITS A  
2 FELONY OF THE SECOND DEGREE.

3 (2) (I) FOR A FIRST VIOLATION OF SUBSECTION (A)(1)  
4 THROUGH (12), A PERSON SHALL BE SENTENCED TO PAY A FINE  
5 OF:

6 (A) NOT LESS THAN \$75,000 NOR MORE THAN \$150,000  
7 IF THE PERSON IS AN INDIVIDUAL;

8 (B) NOT LESS THAN \$300,000 NOR MORE THAN  
9 \$600,000 IF THE PERSON IS A LICENSED GAMING ENTITY;  
10 OR

11 (C) NOT LESS THAN \$150,000 NOR MORE THAN  
12 \$300,000 IF THE PERSON IS A LICENSED MANUFACTURER OR  
13 SUPPLIER.

14 (II) FOR A SECOND OR SUBSEQUENT VIOLATION OF  
15 SUBSECTION (A)(1) THROUGH (12), A PERSON SHALL BE  
16 SENTENCED TO PAY A FINE OF:

17 (A) NOT LESS THAN \$150,000 NOR MORE THAN  
18 \$300,000 IF THE PERSON IS AN INDIVIDUAL;

19 (B) NOT LESS THAN \$600,000 NOR MORE THAN  
20 \$1,200,000 IF THE PERSON IS A LICENSED GAMING ENTITY;  
21 OR

22 (C) NOT LESS THAN \$300,000 NOR MORE THAN  
23 \$600,000 IF THE PERSON IS A LICENSED MANUFACTURER OR  
24 SUPPLIER.

25 (C) BOARD-IMPOSED ADMINISTRATIVE SANCTIONS.--

26 (1) IN ADDITION TO ANY OTHER PENALTY AUTHORIZED BY LAW,  
27 THE BOARD MAY IMPOSE WITHOUT LIMITATION THE FOLLOWING  
28 SANCTIONS UPON ANY LICENSEE OR PERMITTEE:

29 (I) REVOKE THE LICENSE OR PERMIT OF ANY PERSON  
30 CONVICTED OF A CRIMINAL OFFENSE UNDER THIS PART OR

1 REGULATIONS PROMULGATED UNDER THIS PART OR COMMITTING ANY  
2 OTHER OFFENSE OR VIOLATION OF THIS PART OR APPLICABLE LAW  
3 WHICH WOULD OTHERWISE DISQUALIFY SUCH PERSON FROM HOLDING  
4 THE LICENSE OR PERMIT.

5 (II) REVOKE THE LICENSE OR PERMIT OF ANY PERSON  
6 DETERMINED TO HAVE VIOLATED A PROVISION OF THIS PART OR  
7 REGULATIONS PROMULGATED UNDER THIS PART WHICH WOULD  
8 OTHERWISE DISQUALIFY SUCH PERSON FROM HOLDING THE LICENSE  
9 OR PERMIT.

10 (III) REVOKE THE LICENSE OR PERMIT OF ANY PERSON FOR  
11 WILLFULLY AND KNOWINGLY VIOLATING OR ATTEMPTING TO  
12 VIOLATE AN ORDER OF THE BOARD DIRECTED TO SUCH PERSON.

13 (IV) SUSPEND THE LICENSE OR PERMIT OF ANY PERSON  
14 PENDING THE OUTCOME OF A HEARING IN ANY CASE IN WHICH  
15 LICENSE OR PERMIT REVOCATION COULD RESULT.

16 (V) SUSPEND THE LICENSE OF ANY LICENSED GAMING  
17 ENTITY FOR VIOLATION OF OR ATTEMPTING TO VIOLATE ANY  
18 PROVISIONS OF THIS PART OR REGULATIONS PROMULGATED UNDER  
19 THIS PART RELATING TO ITS SLOT MACHINE OPERATIONS.

20 (VI) ASSESS ADMINISTRATIVE PENALTIES AS NECESSARY TO  
21 PUNISH MISCONDUCT AND TO DETER FUTURE VIOLATIONS.

22 (VII) ORDER RESTITUTION OF ANY MONEYS OR PROPERTY  
23 UNLAWFULLY OBTAINED OR RETAINED BY A LICENSEE OR  
24 PERMITTEE.

25 (VIII) ENTER CEASE AND DESIST ORDERS WHICH SPECIFY  
26 THE CONDUCT WHICH IS TO BE DISCONTINUED, ALTERED OR  
27 IMPLEMENTED BY THE LICENSEE OR PERMITTEE.

28 (IX) ISSUE LETTERS OF REPRIMAND OR CENSURE, WHICH  
29 LETTERS SHALL BE MADE A PERMANENT PART OF THE FILE OF  
30 EACH LICENSEE OR PERMITTEE SO SANCTIONED.

1 (2) IF THE BOARD REFUSES TO ISSUE OR RENEW A LICENSE OR  
2 PERMIT, SUSPENDS OR REVOKES A LICENSE OR PERMIT, ASSESSES  
3 CIVIL PENALTIES, ORDERS RESTITUTION, ENTERS A CEASE AND  
4 DESIST ORDER OR ISSUES A LETTER OF REPRIMAND OR CENSURE, IT  
5 SHALL PROVIDE THE APPLICANT OR LICENSEE OR PERMITTEE WITH  
6 WRITTEN NOTIFICATION OF ITS DECISION, INCLUDING A STATEMENT  
7 OF THE REASONS FOR ITS DECISION BY CERTIFIED MAIL WITHIN FIVE  
8 BUSINESS DAYS OF THE DECISION[. ANY APPLICANT OR LICENSEE OR  
9 PERMITTEE WHO HAS RECEIVED NOTICE OF A REFUSAL, SUSPENSION OR  
10 REVOCATION OF A LICENSE OR PERMIT, THE ASSESSMENT OF CIVIL  
11 PENALTIES, AN ORDER OF RESTITUTION, THE ENTRANCE OF A CEASE  
12 AND DESIST ORDER OR THE ISSUANCE OF A LETTER OF REPRIMAND OR  
13 CENSURE FROM] OF THE BOARD. THE APPLICANT, LICENSEE OR  
14 PERMITTEE SHALL HAVE THE RIGHT TO [AN ADMINISTRATIVE HEARING  
15 BEFORE THE BOARD] APPEAL THE DECISION IN ACCORDANCE WITH 2  
16 PA.C.S. CHS. 5 SUBCH. A (RELATING TO PRACTICE AND PROCEDURE  
17 OF COMMONWEALTH AGENCIES) AND 7 SUBCH. A (RELATING TO  
18 JUDICIAL REVIEW OF COMMONWEALTH AGENCY ACTION).

19 (3) IN ADDITION TO ANY OTHER FINES OR PENALTIES THAT THE  
20 BOARD MAY IMPOSE UNDER THIS PART OR REGULATION, IF A PERSON  
21 VIOLATES SUBSECTION (A)(2), THE BOARD SHALL IMPOSE AN  
22 ADMINISTRATIVE PENALTY OF THREE TIMES THE AMOUNT OF THE  
23 LICENSE FEE, TAX OR OTHER ASSESSMENT EVADED AND NOT PAID,  
24 COLLECTED OR PAID OVER. THIS SUBSECTION IS SUBJECT TO 2  
25 PA.C.S. CHS. 5 SUBCH. A AND 7 SUBCH. A.

26 SECTION 15. TITLE 4 IS AMENDED BY ADDING SECTIONS TO READ:

27 § 1519. [(RESERVED).] DETENTION.

28 A PEACE OFFICER, LICENSEE OR LICENSEE'S SECURITY EMPLOYEE OR  
29 AN AGENT UNDER CONTRACT WITH THE LICENSEE WHO HAS PROBABLE CAUSE  
30 TO BELIEVE THAT CRIMINAL VIOLATION OF THIS PART HAS OCCURRED OR

1 IS OCCURRING ON OR ABOUT A LICENSED FACILITY AND WHO HAS  
2 PROBABLE CAUSE TO BELIEVE THAT A SPECIFIC INDIVIDUAL HAS  
3 COMMITTED OR IS COMMITTING THE CRIMINAL VIOLATION MAY DETAIN THE  
4 SUSPECT IN A REASONABLE MANNER FOR A REASONABLE TIME ON THE  
5 PREMISES OF THE LICENSED FACILITY FOR ALL OR ANY OF THE  
6 FOLLOWING PURPOSES: TO REQUIRE THE SUSPECT TO IDENTIFY HIMSELF;  
7 TO VERIFY SUCH IDENTIFICATION; OR TO INFORM A PEACE OFFICER.  
8 SUCH DETENTION SHALL NOT IMPOSE CIVIL OR CRIMINAL LIABILITY UPON  
9 THE PEACE OFFICER, LICENSEE, LICENSEE'S EMPLOYEE OR AGENT SO  
10 DETAINING.

11 § 1522. INTERCEPTION OF ORAL COMMUNICATIONS.

12 THE INTERCEPTION AND RECORDING OF ORAL COMMUNICATIONS MADE IN  
13 A COUNTING ROOM OF A LICENSED FACILITY BY A LICENSEE SHALL NOT  
14 BE SUBJECT TO THE PROVISIONS OF 18 PA.C.S. CH. 57 (RELATING TO  
15 WIRETAPPING AND ELECTRONIC SURVEILLANCE). NOTICE THAT ORAL  
16 COMMUNICATIONS ARE BEING INTERCEPTED AND RECORDED SHALL BE  
17 POSTED CONSPICUOUSLY IN THE COUNTING ROOM.

18 SECTION 16. SECTIONS 1801 AND 1802 OF TITLE 4 ARE AMENDED TO  
19 READ:

20 § 1801. DUTY TO PROVIDE.

21 NOTWITHSTANDING THE PROVISIONS OF THE RACE HORSE INDUSTRY  
22 REFORM ACT OR THIS PART, THE PENNSYLVANIA STATE POLICE SHALL, AT  
23 THE REQUEST OF THE COMMISSIONS OR THE BOARD, PROVIDE CRIMINAL  
24 HISTORY BACKGROUND INVESTIGATIONS, WHICH SHALL INCLUDE RECORDS  
25 OF CRIMINAL ARRESTS [OR] AND CONVICTIONS, NO MATTER WHERE  
26 OCCURRING, INCLUDING FEDERAL CRIMINAL HISTORY RECORD  
27 INFORMATION, ON APPLICANTS FOR LICENSURE AND PERMIT APPLICANTS  
28 BY THE RESPECTIVE AGENCIES PURSUANT TO THE RACE HORSE INDUSTRY  
29 REFORM ACT OR THIS PART. REQUESTS FOR CRIMINAL HISTORY  
30 BACKGROUND INVESTIGATIONS MAY, AT THE DIRECTION OF THE

1 COMMISSIONS OR THE BOARD, INCLUDE, BUT NOT BE LIMITED TO,  
2 OFFICERS, DIRECTORS AND STOCKHOLDERS OF LICENSED CORPORATIONS,  
3 KEY EMPLOYEES, FINANCIAL BACKERS, PRINCIPALS, GAMING EMPLOYEES,  
4 HORSE OWNERS, TRAINERS, JOCKEYS, DRIVERS AND OTHER PERSONS  
5 PARTICIPATING IN THOROUGHBRED OR HARNESS HORSE MEETINGS AND  
6 OTHER PERSONS AND VENDORS WHO EXERCISE THEIR OCCUPATION OR  
7 EMPLOYMENT AT SUCH MEETINGS, LICENSED FACILITIES OR LICENSED  
8 [RACETRACK] RACETRACKS. FOR THE PURPOSES OF THIS [CHAPTER] PART,  
9 THE BOARD AND COMMISSIONS MAY RECEIVE AND RETAIN INFORMATION  
10 OTHERWISE PROTECTED BY 18 PA.C.S. CH. 91 (RELATING TO CRIMINAL  
11 HISTORY RECORD INFORMATION).

12 § 1802. SUBMISSION OF FINGERPRINTS AND PHOTOGRAPHS.

13 [APPLICANTS] APPOINTEES, EMPLOYEES AND PROSPECTIVE EMPLOYEES  
14 ENGAGED IN THE SERVICE OF THE COMMISSIONS OR THE BOARD, AND  
15 APPLICANTS UNDER THIS PART SHALL SUBMIT TO FINGERPRINTING AND  
16 PHOTOGRAPHING BY THE PENNSYLVANIA STATE POLICE[.] OR BY A LOCAL  
17 LAW ENFORCEMENT AGENCY CAPABLE OF SUBMITTING FINGERPRINTS AND  
18 PHOTOGRAPHS ELECTRONICALLY TO THE PENNSYLVANIA STATE POLICE  
19 UTILIZING THE INTEGRATED AUTOMATED FINGERPRINT IDENTIFICATION  
20 SYSTEM AND THE COMMONWEALTH PHOTO IMAGING NETWORK OR IN A MANNER  
21 AND IN SUCH FORM AS MAY BE PROVIDED BY THE PENNSYLVANIA STATE  
22 POLICE. FINGERPRINTING PURSUANT TO THIS PART SHALL REQUIRE, AT A  
23 MINIMUM, THE SUBMISSION OF A FULL SET OF FINGERPRINTS.

24 PHOTOGRAPHING PURSUANT TO THIS PART SHALL REQUIRE SUBMISSION TO  
25 PHOTOGRAPHS OF THE FACE AND ANY SCARS, MARKS OR TATTOOS FOR  
26 PURPOSES OF COMPARISON UTILIZING AN AUTOMATED BIOMETRIC IMAGING  
27 SYSTEM. THE PENNSYLVANIA STATE POLICE SHALL SUBMIT [THE]  
28 FINGERPRINTS [IF NECESSARY] WHEN REQUESTED BY THE COMMISSIONS OR  
29 THE BOARD TO THE FEDERAL BUREAU OF INVESTIGATION FOR PURPOSES OF  
30 VERIFYING THE IDENTITY OF THE APPLICANTS AND OBTAINING RECORDS

1 OF CRIMINAL ARRESTS AND CONVICTIONS IN ORDER TO PREPARE CRIMINAL  
2 HISTORY BACKGROUND INVESTIGATIONS UNDER SECTION 1801 (RELATING  
3 TO DUTY TO PROVIDE). [THE] FINGERPRINTS AND PHOTOGRAPHS OBTAINED  
4 PURSUANT TO THIS PART MAY BE MAINTAINED BY THE COMMISSIONS, THE  
5 BOARD AND THE PENNSYLVANIA STATE POLICE FOR USE PURSUANT TO THIS  
6 PART AND FOR GENERAL LAW ENFORCEMENT PURPOSES. IN ADDITION TO  
7 ANY OTHER FEE OR COST ASSESSED BY THE COMMISSIONS OR THE BOARD,  
8 AN APPLICANT SHALL PAY FOR THE COST OF FINGERPRINTING AND  
9 PHOTOGRAPHING.

10 SECTION 17. TITLE 4 IS AMENDED BY ADDING A SECTION TO READ:  
11 § 1901.1. REPAYMENTS TO THE STATE GAMING FUND.

12 THE BOARD SHALL DEFER ASSESSING SLOT MACHINE LICENSEES FOR  
13 PAYMENTS TO THE STATE GAMING FUND FOR ANY LOANS MADE TO THE  
14 STATE GAMING FUND UNTIL SUCH TIME AS ALL SLOT MACHINE LICENSES  
15 HAVE BEEN ISSUED AND ALL LICENSED GAMING ENTITIES HAVE COMMENCED  
16 THE OPERATION OF SLOT MACHINES. THE BOARD SHALL ADOPT A  
17 REPAYMENT SCHEDULE THAT ASSESSES TO EACH SLOT MACHINE LICENSEE  
18 COSTS FOR THE REPAYMENT OF ANY SUCH LOANS IN AN AMOUNT THAT IS  
19 PROPORTIONAL TO EACH SLOT MACHINE LICENSEE'S GROSS TERMINAL  
20 REVENUE.

21 SECTION 18. SECTION 911(H)(1) OF TITLE 18 IS AMENDED TO  
22 READ:

23 § 911. CORRUPT ORGANIZATIONS.

24 \* \* \*

25 (H) DEFINITIONS.--AS USED IN THIS SECTION:

26 (1) "RACKETEERING ACTIVITY" MEANS ALL OF THE FOLLOWING:

27 (I) [ANY] AN ACT WHICH IS INDICTABLE UNDER ANY OF

28 THE FOLLOWING PROVISIONS OF THIS TITLE:

29 CHAPTER 25 (RELATING TO CRIMINAL HOMICIDE)

30 SECTION 2706 (RELATING TO TERRORISTIC THREATS)

1 CHAPTER 29 (RELATING TO KIDNAPPING)

2 CHAPTER 33 (RELATING TO ARSON, ETC.)

3 CHAPTER 37 (RELATING TO ROBBERY)

4 CHAPTER 39 (RELATING TO THEFT AND RELATED  
5 OFFENSES)

6 SECTION 4108 (RELATING TO COMMERCIAL BRIBERY AND  
7 BREACH OF DUTY TO ACT DISINTERESTEDLY)

8 SECTION 4109 (RELATING TO RIGGING PUBLICLY  
9 EXHIBITED CONTEST)

10 SECTION 4117 (RELATING TO INSURANCE FRAUD)

11 CHAPTER 47 (RELATING TO BRIBERY AND CORRUPT  
12 INFLUENCE)

13 CHAPTER 49 (RELATING TO FALSIFICATION AND  
14 INTIMIDATION)

15 SECTION 5111 (RELATING TO DEALING IN PROCEEDS OF  
16 UNLAWFUL ACTIVITIES)

17 SECTION 5512 THROUGH 5514 (RELATING TO GAMBLING)

18 CHAPTER 59 (RELATING TO PUBLIC INDECENCY).

19 (II) [ANY] AN OFFENSE INDICTABLE UNDER SECTION 13 OF  
20 THE ACT OF APRIL 14, 1972 (P.L.233, NO.64), KNOWN AS THE  
21 CONTROLLED SUBSTANCE, DRUG, DEVICE AND COSMETIC ACT  
22 (RELATING TO THE SALE AND DISPENSING OF NARCOTIC  
23 DRUGS)[;]\_.

24 (III) [ANY] A CONSPIRACY TO COMMIT ANY OF THE  
25 OFFENSES SET FORTH IN SUBPARAGRAPHS (I) [AND (II) OF THIS  
26 PARAGRAPH; OR], (II) OR (V).

27 (IV) [THE] THE COLLECTION OF ANY MONEY OR OTHER  
28 PROPERTY IN FULL OR PARTIAL SATISFACTION OF A DEBT WHICH  
29 AROSE AS THE RESULT OF THE LENDING OF MONEY OR OTHER  
30 PROPERTY AT A RATE OF INTEREST EXCEEDING 25% PER ANNUM OR

1 THE EQUIVALENT RATE FOR A LONGER OR SHORTER PERIOD, WHERE  
2 NOT OTHERWISE AUTHORIZED BY LAW.

3 (V) AN OFFENSE INDICTABLE UNDER 4 PA.C.S. PT. II  
4 (RELATING TO GAMING).

5 [ANY] AN ACT WHICH OTHERWISE WOULD BE CONSIDERED RACKETEERING  
6 ACTIVITY BY REASON OF THE APPLICATION OF THIS PARAGRAPH,  
7 SHALL NOT BE EXCLUDED FROM ITS APPLICATION SOLELY BECAUSE THE  
8 OPERATIVE ACTS TOOK PLACE OUTSIDE THE JURISDICTION OF THIS  
9 COMMONWEALTH, IF SUCH ACTS WOULD HAVE BEEN IN VIOLATION OF  
10 THE LAW OF THE JURISDICTION IN WHICH THEY OCCURRED.

11 \* \* \*

12 SECTION 19. THE AMENDMENT OF 4 PA.C.S. § 1205(B) SHALL APPLY  
13 TO ANY SLOT MACHINE LICENSE APPLICATION FILED ON OR AFTER THE  
14 EFFECTIVE DATE OF THIS SECTION.

15 SECTION 20. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.