

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1317 Session of 2009

INTRODUCED BY SANTONI, McCALL, EACHUS, DeWEESE, STURLA,
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APRIL 21, 2009

AS REPORTED FROM COMMITTEE ON GAMING OVERSIGHT, HOUSE OF
REPRESENTATIVES, AS AMENDED, JULY 17, 2009

AN ACT

1 Providing for tuition relief and for a video lottery program;
2 establishing penalties; and making appropriations.

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

5 ~~CHAPTER 1~~



6 ~~GENERAL PROVISIONS~~

7 ~~Section 101. Short title.~~

8 ~~This act shall be known and may be cited as the Tuition~~
9 ~~Relief Act.~~

10 ~~Section 102. Definitions.~~

11 ~~The following words and phrases when used in this act shall~~
12 ~~have the meanings given to them in this section unless the~~
13 ~~context clearly indicates otherwise:~~

14 ~~"Account." The Enabling Students to Attend College Account.~~

15 ~~"Agency." The Pennsylvania Higher Education Assistance~~

1 ~~Agency.~~

2 ~~"Applicant." A person who applies for a license under~~
3 ~~section 502(a).~~

4 ~~"Central computer system." A central site computer system~~
5 ~~controlled by the Department of Revenue that at all times is~~
6 ~~connected to video lottery terminals and that, at a minimum, is~~
7 ~~capable of monitoring, communicating, auditing, retrieving~~
8 ~~information, generating games for and activating and disabling~~
9 ~~each video lottery terminal.~~

10 ~~"Cheating or thieving device." A device to facilitate the~~
11 ~~alignment of any winning combination or to remove from any video~~
12 ~~lottery terminal money or other contents. The term includes a~~
13 ~~tool, drill, wire, coin or token attached to a string or wire~~
14 ~~and any electronic or magnetic device.~~

15 ~~"Coin-operated amusement machine." A machine that requires~~
16 ~~the insertion of a coin, currency or tokens to play or activate~~
17 ~~a game, the outcome of which is primarily determined by the~~
18 ~~skill of the player. The term shall not include a video lottery~~
19 ~~terminal.~~

20 ~~"Community college." A public college operated under Article~~
21 ~~XIX-A of the act of March 10, 1949 (P.L.30, No.14), known as the~~
22 ~~Public School Code of 1949.~~

23 ~~"Department." The Department of Revenue of the Commonwealth.~~

24 ~~"Eligible student." A student who meets all of the~~
25 ~~following:~~

26 ~~(1) Is enrolled at the undergraduate level in a degree~~
27 ~~or certificate program at a public institution of higher~~
28 ~~education.~~

29 ~~(2) Does not hold a bachelor's degree or its equivalent.~~

30 ~~(3) Does one of the following:~~

~~(i) Participates in the scholarship program.~~

~~(ii) Meets the family income requirements under
section 302(1).~~

~~"Enforcement Bureau." The Bureau of Liquor Control
Enforcement of the Pennsylvania State Police.~~

~~"Expected family contribution." A contribution as determined
under the policies and procedures established by the agency for
the scholarship program.~~

~~"Family income." Income as established by the agency for the
scholarship program.~~

~~"First time student." An eligible student who has enrolled
in undergraduate level courses for the first time or is
readmitted to undergraduate level courses after a period of not
less than three years. The term shall include students enrolled
for the first time in the academic year who attended college in
the prior summer term or who entered with advanced standing due
to college credits earned before graduation from high school.~~

~~"Full time student." An eligible student that meets the
definition of full time student as defined in the act of January
25, 1966 (1965 P.L.1546, No.541), referred to as the Higher
Education Scholarship Law.~~

~~"Fund." The College Tuition Relief Fund.~~

~~"Gaming machine." A device or machine that has the outcome
of play primarily determined by chance. The term shall include a
device that is not in working order or requires some mechanical
act of manipulation or repair to accomplish its adaptation,
conversion or workability. The term shall include an antique
slot machine under 18 Pa.C.S. § 5513(c) (relating to gambling
devices, gambling, etc.) when used for profit. The term shall
not include any of the following:~~

~~(1) A coin operated amusement machine.~~

~~(2) A video lottery terminal that has all of its seals or identification plates.~~

~~(3) Slot machines as defined under 4 Pa.C.S. § 1103 (relating to definitions).~~

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

~~(5) Lottery terminals used under the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law.~~

~~"Grocery store." A retail establishment, that is less than 2,500 square feet or more than 8,500 square feet in size, commonly known as a grocery store, supermarket or delicatessen, where food, food products and supplies are sold for human consumption on or off the premises with average monthly sales, exclusive of wine sales, of not less than \$5,000. The term shall also include a licensed establishment with an interior connection to a grocery store and the separate and segregated portion of any other retail establishment which is dedicated solely to the sale of food, food products and supplies for human consumption on or off the premises with average monthly sales with respect to the separate or segregated portion, exclusive of wine sales, of not less than \$5,000.~~

~~"Higher Education Scholarship Law." The act of January 25, 1966 (1965 P.L.1546, No.541), referred to as the Higher Education Scholarship Law.~~

~~"Licensed establishment." A restaurant, eating place, hotel or club as defined under section 102 of the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, that operates under a valid liquor or malt or brewed beverage license under~~

~~Article IV of the Liquor Code. The term shall not include a grocery store or a licensed facility as defined under 4 Pa.C.S. § 1103 (relating to definitions).~~

~~"Licensed establishment owner." A person who holds a license to sell liquor or malt or brewed beverages at a licensed establishment.~~

~~"Liquor Code." The act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code.~~

~~"Mode of instruction." One of the following methods of delivery of a public institution of higher education's curriculum:~~

~~(1) In person.~~

~~(2) Via distance learning.~~

~~(3) A combination of paragraphs (1) and (2).~~

~~"Office of Administrative Law Judge." An adjudicative office within the Pennsylvania Liquor Control Board charged with the responsibility of presiding at all citation hearings and other enforcement hearings under the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code.~~

~~"Part time student." An eligible student who is enrolled on a less than full time basis.~~

~~"Pennsylvania Lottery." The Division of the State Lottery of the Department of Revenue.~~

~~"Person." Any natural person, corporation, foundation, organization, business trust, estate, limited liability company, licensed corporation, trust, partnership, association or any other form of legal business entity.~~

~~"Profits." The total value of all cash, tickets and credits used for the play of a video lottery terminal less the amount paid out in prizes. The value of tickets and credits shall be as~~

~~determined by the secretary.~~

~~"Public institution of higher education." A community college or an institution which is part of the State System of Higher Education under Article XX A of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949.~~

~~"Scholarship program." The scholarship program established under the act of January 25, 1966 (1965 P.L.1546, No.541), referred to as the Higher Education Scholarship Law.~~

~~"Secretary." The Secretary of Revenue of the Commonwealth.~~

~~"State Lottery Law." The act of of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law.~~

~~"Total cost of attendance." The cost of attending a public institution of higher education as determined under the policies and procedures established by the United States Department of Education.~~

~~"Unfunded total cost of attendance." The total cost of attendance minus the sum of all grants, scholarships, waivers and other categories of gift aid received, excluding veterans educational benefits.~~

~~"Video lottery license." A license issued by the secretary authorizing a licensed establishment owner to possess and operate one or more video lottery terminals at the licensed establishment specified in the application for licensure.~~

~~"Video lottery retailer." A licensed establishment owner that holds a video lottery license.~~

~~"Video lottery terminal." An interactive electronic terminal or device that is compatible with the central computer system and is approved by the secretary for the play of video lottery games. The term shall not include an authorized slot machine as defined under 4 Pa.C.S. § 1103 (relating to definitions).~~

CHAPTER 3

TUITION RELIEF

~~Section 301. Expansion of State scholarship program.~~

~~(a) Supplemental grants. Except as provided under subsections (b), (c), (d) and (e) the agency shall award a supplemental grant to an eligible student participating in the scholarship program so that the eligible student's unfunded total cost of attendance is equal to the eligible student's expected family contribution.~~

~~(b) Minimum unfunded cost. The unfunded cost of attendance may not be less than \$1,000 annually on a full time equivalent basis.~~

~~(c) Contribution up to \$2,000. In the case of an eligible student whose expected family contribution is between one dollar and \$2,000, the unfunded total cost of attendance shall be \$1,000 annually on a full time equivalent basis in the first and second years of attendance, \$1,500 on a full time equivalent basis in the third year of attendance and \$2,000 on a full time equivalent basis in the fourth year of attendance.~~

~~(d) Supplemental grant minimum. Except as provided under subsections (b), (c) and (e), the supplemental grant shall not be less than 75% of the tuition rate of the public institution of higher education applicable to the eligible student's status as a full time or part time student.~~

~~(e) Total cost. The total amount of all grants, scholarships, waivers and other categories of gift aid, excluding veterans educational benefits, received by an eligible student may not exceed the eligible student's total cost of attendance.~~

~~Section 302. Tuition relief for additional Commonwealth~~

1 ~~students.~~

2 ~~The agency shall award a tuition grant to an eligible student~~
3 ~~who is not eligible for a supplemental grant under section 301~~
4 ~~under the following conditions:~~

5 ~~(1) The student's family income does not exceed~~
6 ~~\$100,000.~~

7 ~~(2) The tuition grant shall be equal to 50% of the~~
8 ~~tuition rate of the public institution of higher education~~
9 ~~applicable to the eligible student's status as a full time or~~
10 ~~part time student, except that the total amount of all~~
11 ~~grants, scholarships, waivers and other categories of gift~~
12 ~~aid, excluding veterans educational benefits, may not exceed~~
13 ~~the total cost of attendance and that the unfunded total cost~~
14 ~~of attendance may not be less than \$1,000 annually on a full~~
15 ~~time equivalent basis.~~

16 ~~(3) A student whose scholarship under the scholarship~~
17 ~~program is terminated, denied or not renewed for reasons~~
18 ~~other than financial need, part time enrollment status,~~
19 ~~remedial content that does not exceed guidelines for the~~
20 ~~Federal Pell grant program or mode of instruction may not~~
21 ~~qualify for a grant under this section.~~

22 ~~Section 303. Implementation.~~

23 ~~(a) Awards. Awards granted in the first year that grants~~
24 ~~are awarded under this chapter shall be limited to first time~~
25 ~~students at public institutions of higher education. One~~
26 ~~additional class of first time students shall be added in each~~
27 ~~subsequent year until the time as all classes of eligible~~
28 ~~students at the public institution of higher education are~~
29 ~~included. Nothing in this subsection shall limit the ability of~~
30 ~~an eligible student who receives a grant under this chapter to~~

~~remain eligible for a grant upon returning from a gap in enrollment, if all other eligibility requirements are met.~~

~~(b) Part time student. In the case of a part time student, the amount of the grant under this chapter to which the eligible student is entitled shall be reduced in proportion to the degree to which that student is not attending on a full time basis, except that the total funds awarded to any eligible student shall not exceed the amount to which the student would have been entitled had the educational program been completed in the standard duration for a full time student as established by the agency.~~

~~(c) Reduction. If sufficient funds are not transferred to the agency under section 304 for the award of grants under this chapter, all grants under this chapter shall be proportionately reduced so as not to exceed the total amount of available funds.~~

~~(d) Scholarship program hold harmless. It is the intent of the General Assembly that the transfers to the agency for the purpose of awarding grants to eligible students under this chapter shall supplement, not supplant, grants made by the agency under the scholarship program. In no fiscal year after the effective date of this section shall the number and value of grants awarded by the agency under the scholarship program be less than the number and value of the grants awarded to students in the 2008-2009 fiscal year.~~

~~(e) Room and board. The total cost of attendance at a community college shall not include room and board for the purpose of this chapter.~~

~~(f) Domicile, renewal and transfer. All provisions regarding domicile, citizenship, renewal of scholarship and transfers established by the agency for the scholarship program~~

1 ~~shall apply to tuition grants awarded under this chapter.~~

2 ~~Section 304. Transfer.~~

3 ~~The Office of the Budget shall annually transfer proceeds~~
4 ~~from the fund to the agency as follows:~~

5 ~~(1) As of July 15, 2009, and April 15 of each year~~
6 ~~thereafter, the Secretary of the Budget shall certify the~~
7 ~~total amount of revenue that will be available for transfer.~~
8 ~~In calculating the total amount of available revenue, the~~
9 ~~Secretary of the Budget shall take into account all of the~~
10 ~~following:~~

11 ~~(i) (A) For the certification to be completed no~~
12 ~~later than July 15, 2009, revenue which:~~

13 ~~(I) has been advanced by the Commonwealth or~~
14 ~~appropriated by the General Assembly to or~~
15 ~~deposited into the fund prior to the date of~~
16 ~~certification; and~~

17 ~~(II) is reasonably projected to be deposited~~
18 ~~into the fund during the six months following the~~
19 ~~date on which the certification is made.~~

20 ~~(B) The certification under this subparagraph~~
21 ~~shall be applicable to the fiscal year in which~~
22 ~~certification is made. The Secretary of the Budget~~
23 ~~shall only certify an amount that is sustainable in~~
24 ~~subsequent years.~~

25 ~~(ii) (A) For certifications for fiscal years after~~
26 ~~2009-2010, revenue which:~~

27 ~~(I) has been advanced by the Commonwealth or~~
28 ~~appropriated by the General Assembly to or~~
29 ~~deposited into the fund since the conclusion of~~
30 ~~the period which the prior certification covered;~~

1 and

2 ~~(II) is reasonably projected to be deposited~~
3 ~~into the fund during the six months following the~~
4 ~~date on which the certification is made.~~

5 ~~(B) The certifications under this subparagraph~~
6 ~~shall be applicable to the fiscal year following the~~
7 ~~fiscal year in which certification is made. The~~
8 ~~Secretary of the Budget shall only certify an amount~~
9 ~~that is sustainable in subsequent years.~~

10 ~~(2) If the actual revenue deposited into the fund during~~
11 ~~the period which a certification covers exceeds projections,~~
12 ~~any revenue in excess of the projections shall remain in the~~
13 ~~fund and may be included in the certification for the~~
14 ~~subsequent fiscal year.~~

15 ~~(3) For the 2009-2010 fiscal year, the Office of the~~
16 ~~Budget shall transfer the amount certified under paragraph~~
17 ~~(1) to the agency by a payment no later than the first day of~~
18 ~~September and a second payment no later than the first day of~~
19 ~~February. For the 2010-2011 fiscal year and each fiscal year~~
20 ~~thereafter, the Office of the Budget shall transfer the~~
21 ~~amount certified under paragraph (1) to the agency by a~~
22 ~~payment no later than the first day of August and a second~~
23 ~~payment no later than the first day of January.~~

24 ~~(4) Any portion of the transfer that the agency does not~~
25 ~~expend in order to comply with this chapter shall be returned~~
26 ~~to the fund and may be included in the certification for the~~
27 ~~subsequent fiscal year.~~

28 CHAPTER 5

29 FUNDING FOR COLLEGE TUITION RELIEF

30 Section 501. Video lottery.

~~(a) Provision. The secretary, by the authority granted under the State Lottery Law, shall provide for video lottery through use of video lottery terminals by video lottery retailers. Except as set forth under this act, video lottery games shall be operated and administered in conformity with the provisions of the State Lottery Law.~~

~~(b) Placement. A video lottery terminal may be placed for operation only on the premises of a licensed establishment at which a video lottery retailer is authorized to place and operate a video lottery terminal under this chapter. A video lottery terminal may not be placed in any other location.~~

~~(c) Amount. No more than five video lottery terminals may be placed on the premises of a licensed establishment.~~

~~(d) Applicability. The act of December 19, 1988 (P.L.1262, No.156), known as the Local Option Small Games of Chance Act, shall not apply to this act.~~

~~Section 502. Licensing.~~

~~(a) Eligibility. A licensed establishment owner may apply to the secretary for a video lottery license under this section on a form prescribed by the secretary if all of the following conditions are met:~~

~~(1) The license to sell liquor or malt or brewed beverages at the licensed establishment is valid and in effect and is not in safekeeping or under suspension at the time the application is filed.~~

~~(2) The licensed establishment owner is in good standing with the Pennsylvania Liquor Control Board.~~

~~(3) The licensed establishment owner agrees to have sufficient funds available at the licensed establishment to pay out anticipated prizes.~~

1 ~~(b) Requirements. The following shall apply to video~~
2 ~~lottery licenses issued under this section:~~

3 ~~(1) A video lottery license may be issued at the~~
4 ~~discretion of the secretary. Nothing in this chapter is~~
5 ~~intended or shall be construed to create an entitlement to a~~
6 ~~license by any person.~~

7 ~~(2) Before issuing a video lottery license, the~~
8 ~~secretary shall consider at least the following factors:~~

9 ~~(i) The financial fitness, responsibility and~~
10 ~~security of the applicant and the applicant's business.~~

11 ~~(ii) The volume of expected number of plays on a~~
12 ~~video lottery terminal at the licensed establishment.~~

13 ~~(3) (i) Notwithstanding subparagraph (ii), if the~~
14 ~~secretary finds that the experience, character and~~
15 ~~general fitness of the applicant and any officers,~~
16 ~~directors, stockholders and partners of the applicant and~~
17 ~~any other person that shares or will share in the profits~~
18 ~~or participates or will participate in the management of~~
19 ~~the affairs of the applicant are such that the~~
20 ~~participation of the applicant as a video lottery~~
21 ~~retailer will be consistent with the public interest,~~
22 ~~convenience and necessity, the secretary may grant a~~
23 ~~video lottery license to the applicant.~~

24 ~~(ii) The secretary may refuse to issue a license~~
25 ~~under this section, or may suspend or revoke a license,~~
26 ~~if:~~

27 ~~(A) The applicant or licensee or an officer,~~
28 ~~director, stockholder or partner of the applicant or~~
29 ~~any other person that shares or will share in the~~
30 ~~profits or participates or will participate in the~~

1 ~~management of the affairs of the applicant:~~

2 ~~(I) Has been convicted of a crime involving~~
3 ~~moral turpitude.~~

4 ~~(II) Has been convicted of pool selling or~~
5 ~~bookmaking under 18 Pa.C.S. § 5514 (relating to~~
6 ~~pool selling and bookmaking) or other form of~~
7 ~~illegal gambling.~~

8 ~~(III) Has been convicted of any fraud or~~
9 ~~misrepresentation in any context.~~

10 ~~(IV) Has violated any rule, regulation or~~
11 ~~order of the department.~~

12 ~~(B) The applicant is not the owner or lessee of~~
13 ~~the licensed establishment where it intends to~~
14 ~~conduct video lottery.~~

15 ~~(C) A person other than the applicant shares or~~
16 ~~will share in the profits of the applicant other than~~
17 ~~as a bona fide owner of a financial interest in the~~
18 ~~applicant or participates or will participate in the~~
19 ~~management of the affairs of the applicant other than~~
20 ~~as a bona fide manager of the operations of the~~
21 ~~licensed establishment.~~

22 ~~(4) The secretary may issue a temporary video lottery~~
23 ~~license upon the terms and conditions as the secretary deems~~
24 ~~necessary, desirable or proper to effectuate the provisions~~
25 ~~of this chapter.~~

26 ~~(5) The secretary shall refuse to grant or renew a video~~
27 ~~lottery license and shall suspend and may revoke the video~~
28 ~~lottery license of any video lottery retailer that is not~~
29 ~~compliant with the tax laws of this Commonwealth.~~

30 ~~(c) Lottery tickets. A video lottery retailer may be~~

~~required to sell Pennsylvania Lottery tickets as determined by the secretary.~~

~~(d) Application fees. An applicant for a video lottery license shall pay a nonrefundable initial license application fee of \$500 and a nonrefundable annual license renewal fee of \$100. The fees collected under this subsection shall be deposited in the account.~~

~~(e) Third party disclosure. Each video lottery license applicant or licensee shall accept any risk of adverse public notice, embarrassment, criticism, damages or financial loss, which may result from disclosure or publication by a third party of material or information received by the department in connection with an application or license. The video lottery license applicant or licensee shall expressly waive any and all claims against the secretary, the department, the Commonwealth and its employees from damages as a result of disclosure or publication by a third party of any material or information supplied or developed under this section.~~

~~Section 503. Central computer system.~~

~~The secretary shall establish a protocol for the use of a central computer system. All licensed video lottery terminals must be linked at all times to the central computer system.~~

~~Section 504. Video lottery terminal.~~

~~In addition to the requirements established by the secretary under the State Lottery Law for lottery terminals, a video lottery terminal:~~

~~(1) Shall be linked to and have the ability to interact with the central computer system.~~

~~(2) Shall not directly dispense coins, cash, tokens or any other article of exchange or value that represents~~

1 ~~winnings, except for tickets. The ticket shall indicate the~~
2 ~~total amount of credits and the cash value of winnings or~~
3 ~~prizes, and the player shall turn in the ticket to the~~
4 ~~appropriate person at the licensed establishment to receive~~
5 ~~the cash award.~~

6 ~~(3) Shall not award a ticket or prize with a value in an~~
7 ~~amount equal to or greater than \$600 for any individual play~~
8 ~~or other amount as determined by the secretary and published~~
9 ~~in the Pennsylvania Bulletin from time to time.~~

10 ~~(4) Shall not pay out less than a theoretical payout~~
11 ~~percentage. The secretary may adopt regulations that set and~~
12 ~~define the theoretical payout percentage of video lottery~~
13 ~~play, which shall not be less than 80%.~~

14 ~~Section 505. Fees.~~

15 ~~In addition to the application fee under section 502(d) a~~
16 ~~video lottery retailer shall pay at times determined by the~~
17 ~~secretary but no more frequently than annually, a fee of \$500~~
18 ~~per video lottery terminal or other amount as determined by the~~
19 ~~secretary, and published in the Pennsylvania Bulletin. The fees~~
20 ~~shall be deposited in the account.~~

21 ~~Section 506. College Tuition Relief Fund.~~

22 ~~(a) Establishment.—~~

23 ~~(1) There is established a separate fund in the State~~
24 ~~Treasury to be known as the College Tuition Relief Fund.—~~

25 ~~(2) A restricted receipts account to be known as the~~
26 ~~Enabling Students to Attend College Account is established~~
27 ~~within the fund.~~

28 ~~(b) Deposits.— Notwithstanding section 311(a) of the State~~
29 ~~Lottery Law, money shall be deposited as follows:~~

30 ~~(1) All fees, fines and penalties imposed under this~~

~~chapter shall be deposited into the account as collected.~~

~~(2) All profits from the play of a video lottery terminal and proceeds seized under section 507(e) shall be deposited into the fund.~~

~~(c) Distributions.—~~

~~(1) Money in the account shall be distributed to the department, the Pennsylvania Liquor Control Board and the Pennsylvania State Police for the cost of carrying out their respective obligations under this chapter and are appropriated on a continuing basis for that purpose. The costs shall include the start up and ongoing cost of the central computer system, video lottery terminals and the administration and enforcement of this chapter. Payments to the department, the Pennsylvania Liquor Control Board and the Pennsylvania State Police shall be based on annual budgets submitted through the Office of the Budget.~~

~~(2) Money in the fund shall be distributed pursuant to this paragraph. The money is appropriated on a continuing basis for that purpose. The following shall apply:~~

~~(i) Money in the fund representing 25% of the profits from a video lottery terminal shall be distributed to the video lottery retailer holding the video lottery license permitting the operation of the terminal.~~

~~(ii) Money in the fund representing 50% of the profits from all video lottery terminals shall remain in the fund to be used for the program under Chapter 3.~~

~~(iii) The balance of money in the fund shall be paid first to the department, to the Pennsylvania Liquor Control Board and to the Pennsylvania State Police for~~

~~any amount needed to pay the costs under paragraph (1) not funded by money in the account and then to the General Fund.~~

~~(d) State Lottery Fund hold harmless. If, on June 15, 2010, and June 15 of each year thereafter, the secretary determines that a decrease in the revenue deposited in that fiscal year in the State Lottery Fund is due to the play of video lottery terminals in this Commonwealth, the secretary shall certify the amount of the decrease due to the play. The secretary's determination shall be based upon an audit or other report of an independent expert with respect to such decrease. A sum equal to the amount of the decrease shall be deducted from the amount to be distributed to the General Fund under subsection (c) (2) (iii) in the next fiscal year and deposited in the State Lottery Fund. The cost of the audit or independent report may be included in the costs of the department to be funded from money in the account under subsection (c) (1).~~

~~Section 507. Enforcement.~~

~~(a) Unlawful acts. Except as provided under subsections (b) and (c), it shall be unlawful for any person to do any of the following:~~

~~(1) To operate or attempt to operate a video lottery terminal or to receive a prize or attempt to receive a prize from a video lottery terminal if the person is under 21 years of age.~~

~~(2) To permit an individual under 21 years of age to play a video lottery terminal or provide a prize to an individual under 21 years of age as a result of playing a video lottery terminal.~~

~~(3) To permit a visibly intoxicated patron to play a~~

1 ~~video lottery terminal.~~

2 ~~(4) To possess a gaming machine.~~

3 ~~(5) To install or operate more video lottery terminals~~
4 ~~in a licensed establishment than permitted by the department.~~

5 ~~(6) To possess a video lottery terminal without holding~~
6 ~~a current video lottery license.~~

7 ~~(7) To possess or use or permit any person to possess or~~
8 ~~use a cheating or thieving device.~~

9 ~~(8) To provide false information or documents in or with~~
10 ~~respect to an application for a video lottery license or in~~
11 ~~or with respect to any other information or document required~~
12 ~~in the administration of this chapter.~~

13 ~~(9) To possess a video lottery terminal with altered or~~
14 ~~missing identification.~~

15 ~~(10) To alter or remove or to permit the alteration or~~
16 ~~removal of the identification plate on a video lottery~~
17 ~~terminal.~~

18 ~~(11) To tamper or permit tampering with the connection~~
19 ~~of the video lottery terminal to the central computer system.~~

20 ~~(12) To award or permit the award of a prize in excess~~
21 ~~of the amount established under section 504 for an individual~~
22 ~~play.~~

23 ~~(13) To fail to report or pay or to fail to truthfully~~
24 ~~account for and pay any license fee or other amount imposed~~
25 ~~under this chapter.~~

26 ~~(14) To attempt in any manner to evade or defeat the~~
27 ~~payment of any license fee or other amount imposed under this~~
28 ~~chapter.~~

29 ~~(15) To permit a video lottery terminal to be~~
30 ~~transported to or repaired or opened on the premises of a~~

~~licensed establishment by a person other than a person
authorized by the secretary.~~

~~(16) To use currency other than lawful coin or legal
tender of the United States or a coin not of the same
denomination as the coin required to be used in the video
lottery terminal.~~

~~(17) To possess any device, equipment or material which
the person knows has been manufactured, distributed, sold,
tampered with or serviced in violation of this chapter with
the intent to use the device, equipment or material as though
it had been manufactured, distributed, sold, tampered with or
serviced under this chapter.~~

~~(18) To sell, offer for sale, represent or pass off as
lawful any device, equipment or material which the person
knows has been manufactured, distributed, sold, tampered with
or serviced in violation of this chapter.~~

~~(19) To violate or knowingly permit the violation of any
provision of this chapter.~~

~~(b) Compliance checks. Notwithstanding any provision of
law, the enforcement bureau may conduct compliance checks in
licensed establishments. An individual who is under 21 years of
age may play a video lottery terminal and receive a prize from
playing the video lottery terminal in a licensed establishment
if all of the following apply:~~

~~(1) The individual is at least 18 years of age.~~

~~(2) The individual is an officer, employee or intern of
the enforcement bureau.~~

~~(3) The individual has completed training specified by
the enforcement bureau.~~

~~(4) The individual is acting within the scope of~~

1 ~~prescribed duties.~~

2 ~~(5) The individual is acting under the direct control or~~
3 ~~supervision of an enforcement bureau officer who is at least~~
4 ~~21 years of age.~~

5 ~~(c) Cheating device. An authorized employee of the~~
6 ~~enforcement bureau or an authorized employee of the department~~
7 ~~may possess and use a cheating or thieving device, counterfeit~~
8 ~~or altered billet, ticket, token or similar objects accepted by~~
9 ~~a video lottery terminal or counterfeit or altered video lottery~~
10 ~~terminal issued tickets or credits in performance of the duties~~
11 ~~of employment.~~

12 ~~(d) Criminal penalties. In addition to any other penalties~~
13 ~~provided by law, the following shall apply:~~

14 ~~(1) The provisions of 18 Pa.C.S. § 4902 (relating to~~
15 ~~perjury), § 4903 (relating to false swearing) or § 4904~~
16 ~~(relating to unsworn falsification to authorities) shall~~
17 ~~apply to any person providing information or making any~~
18 ~~statement, whether written or oral, as required under this~~
19 ~~chapter.~~

20 ~~(2) A person convicted of violating subsection (a) (1),~~
21 ~~(2) and (3) commits a summary offense.~~

22 ~~(3) Except for subsection (a) (1), (2) and (3), a person~~
23 ~~convicted of violating any of the provisions of subsection~~
24 ~~(a) commits a misdemeanor of the first degree and shall pay a~~
25 ~~fine of not less than \$5,000. Except for subsection (a) (1),~~
26 ~~(2) and (3), a person convicted of violating any of the~~
27 ~~provisions of subsection (a) that is convicted of a second or~~
28 ~~subsequent violation commits a felony of the second degree~~
29 ~~and shall pay a fine of not less than \$15,000.~~

30 ~~(e) Seizure, forfeiture and destruction of gaming~~

1 machines.—

2 ~~(1) Gaming machines shall be considered to be per se~~
3 ~~illegal. Gaming machines and the proceeds therefrom may be~~
4 ~~seized upon view as illegal contraband by the enforcement~~
5 ~~bureau and any other law enforcement agency. The owner of a~~
6 ~~gaming machine shall have no right to compensation for the~~
7 ~~seizure and destruction of a gaming machine or the seizure of~~
8 ~~proceeds of the gaming machine.~~

9 ~~(2) (i) Notwithstanding any other provision of law, the~~
10 ~~Office of Administrative Law Judge shall have the~~
11 ~~authority to order forfeiture to the Commonwealth of~~
12 ~~gaming machines and proceeds from the gaming machines~~
13 ~~seized by the enforcement bureau and destruction of the~~
14 ~~gaming machine.—~~

15 ~~(ii) Upon adjudication following a hearing, the~~
16 ~~bureau may initiate forfeiture proceedings under this~~
17 ~~section by filing a motion with the Office of~~
18 ~~Administrative Law Judge.~~

19 ~~(iii) The motion may be filed at any time following~~
20 ~~the issuance of the adjudication and disposition of all~~
21 ~~appeals. The motion shall include all of the following:~~

22 ~~(A) A list and description of the property to be~~
23 ~~forfeited.~~

24 ~~(B) The time and place of seizure.~~

25 ~~(C) The person in possession at time of seizure.~~

26 ~~(D) The owner, if known.~~

27 ~~(E) An attestation that the enforcement bureau~~
28 ~~has sent a copy of the motion and a notice of~~
29 ~~forfeiture to the video lottery retailer or to the~~
30 ~~owner or possessor of the gaming machine by certified~~

1 ~~mail at the last known address on file with the~~
2 ~~Pennsylvania Liquor Control Board.~~

3 ~~(iv) The notice of forfeiture under subparagraph~~
4 ~~(iii) (E) shall state that the gaming machines will be~~
5 ~~destroyed and proceeds will be forfeited to the~~
6 ~~Commonwealth by operation of law, unless the licensed~~
7 ~~establishment owner or possessor of the gaming machine~~
8 ~~files a written objection with the Office of~~
9 ~~Administrative Law Judge setting forth a right of~~
10 ~~possession of the seized property. The written objection~~
11 ~~must be postmarked within 30 days of the mailing date of~~
12 ~~the notice.~~

13 ~~(v) The Office of Administrative Law Judge shall~~
14 ~~issue an order of forfeiture and destruction if the~~
15 ~~Administrative Law Judge is satisfied that the~~
16 ~~requirements of this subsection have been met.~~

17 ~~(vi) Upon receipt of a written objection to~~
18 ~~forfeiture and destruction from the licensed~~
19 ~~establishment owner or possessor of the gaming machine,~~
20 ~~the Office of Administrative Law Judge shall issue an~~
21 ~~order denying the motion for an order of forfeiture and~~
22 ~~destruction.~~

23 ~~(vii) The licensed establishment owner, owner or~~
24 ~~possessor of the gaming machine or enforcement bureau~~
25 ~~shall have a right of appeal from an order issued under~~
26 ~~subparagraph (v) or (vi) in accordance with the~~
27 ~~procedures under section 471 of the Liquor Code for~~
28 ~~appeals of adjudications issued by the Office of~~
29 ~~Administrative Law Judge, except that any appeal will not~~
30 ~~place in issue the finding of fact, conclusion of law or~~

~~sanction of the underlying adjudication.~~

~~(3) This subsection shall apply to cases involving gaming machines and proceeds seized by the enforcement bureau prior to the effective date of this subsection.~~

~~(f) Administrative sanctions.~~

~~(1) In addition to any other sanction, penalty or remedy authorized by law or regulation, the secretary may impose any sanction, penalty or remedy for a violation of this chapter that is also available to the secretary under the State Lottery Law.~~

~~(2) The Office of Administrative Law Judge shall impose all of the following penalties with respect to an order of forfeiture and destruction issued under subsection (c):~~

~~(i) For a first violation, a penalty of at least \$1,000 and not more than \$5,000 against the owner or possessor of a gaming machine seized by the bureau of enforcement and for each subsequent violation, a penalty of \$15,000.~~

~~(ii) In the case of a gaming machine seized from a licensed establishment, for a first violation, a suspension of the licensed establishment owner's liquor license for not less than seven consecutive days and for each subsequent violation, a suspension of the liquor license for not less than 14 consecutive days.~~

~~(3) The Office of Administrative Law Judge shall impose all of the following penalties with respect to any violation of this chapter:~~

~~(i) For a first violation, a penalty of at least \$1,000 and not more than \$5,000 and for each subsequent violation, a penalty of \$15,000.~~

~~(ii) For a first violation by a video lottery retailer, a suspension of the liquor license held by the video lottery retailer for each licensed establishment where the video lottery retailer operates video lottery terminals under a video lottery license and for each subsequent violation, a suspension of each such liquor license for not less than 14 consecutive days.~~

~~(4) A liquor license suspension imposed under paragraph (2) or (3) shall begin within 30 days following the imposition of the suspension.~~

~~Section 508. Local taxes and fees.~~

~~Video lottery terminals shall not be exempt from taxes and amusement fees imposed by local municipalities.~~

~~Section 509. Exemption from State gaming laws.~~

~~The following provisions shall not apply to video lottery terminals authorized under this chapter and their use as authorized under this chapter:~~

~~(1) 4 Pa.C.S. Pt. II (relating to gaming).~~

~~(2) 18 Pa.C.S. § 5513 (relating to gambling devices, gambling, etc.).~~

~~(3) The act of December 19, 1988 (P.L.1262, No.156), known as the Local Option Small Games of Chance Act.~~

~~Section 510. Exemption from Federal regulation.~~

~~The General Assembly declares that the Commonwealth is exempt from section 2 of the Gambling Devices Transportation Act (64 Stat. 1134, 15 U.S.C. § 1172). Shipments of approved video lottery terminals into this Commonwealth in compliance with sections 3 and 4 of the Gambling Devices Transportation Act (15 U.S.C. §§ 1173 and 1174) shall be deemed legal shipments into this Commonwealth.~~

1 CHAPTER 51

2 MISCELLANEOUS PROVISIONS

3 ~~Section 5101. Severability.~~

4 ~~The provisions of this act are severable. If any provision of~~
5 ~~this act or its application to any person or circumstance is~~
6 ~~held invalid, the invalidity shall not affect other provisions~~
7 ~~or applications of this act which can be given effect without~~
8 ~~the invalid provision or application.~~

9 ~~Section 5102. Legislative intent.~~

10 ~~The General Assembly finds that the cost of attending a~~
11 ~~public community college or State university is increasingly out-~~
12 ~~of reach for Pennsylvania families. Therefore, the General~~
13 ~~Assembly declares that the authorization of video lottery for~~
14 ~~the purpose of raising funds to provide scholarships for~~
15 ~~individuals seeking higher education is in the public interest.~~
16 ~~The intent of the General Assembly is to confirm the authority~~
17 ~~of the secretary under the State Lottery Law to conduct video~~
18 ~~lottery and that the video lottery games are outside and~~
19 ~~unrelated to gaming as authorized under 4 Pa.C.S. Pt. II~~
20 ~~(relating to gaming).~~

21 ~~Section 5103. Temporary regulations.~~

22 ~~(a) Promulgation. In order to facilitate the prompt~~
23 ~~implementation of Chapter 5, the department may promulgate~~
24 ~~temporary regulations which shall not be subject to:~~

25 ~~(1) Sections 201, 202 and 203 of the act of July 31,~~
26 ~~1968 (P.L.769, No.240), referred to as the Commonwealth~~
27 ~~Documents Law.~~

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

30 ~~(b) Expiration. The authority provided to the department to~~

~~adopt temporary regulations under subsection (a) shall expire two years from the effective date of this section. Regulations adopted after the two year period shall be promulgated as provided by law.~~

~~Section 5104. Appropriations.~~

~~(a) Department appropriations. The sum of \$20,000,000 is appropriated from the General Fund to the Department of Revenue for the fiscal period July 1, 2009, to June 30, 2010, to prepare for, implement and administer the provisions of this act. The money appropriated under this subsection shall be considered a loan from the General Fund and shall be repaid to the General Fund. The appropriation shall be a two year appropriation and shall not lapse until June 30, 2011.~~

~~(b) Pennsylvania Liquor Control Board appropriations. The sum of \$2,000,000 is appropriated from the General Fund to the Liquor Control Board for the fiscal period July 1, 2009, to June 30, 2010, to prepare for, implement and administer the provisions of this act. The money appropriated under this subsection shall be considered a loan from the General Fund and shall be repaid to the General Fund. The appropriation shall be a two year appropriation and shall not lapse until June 30, 2011.~~

~~(c) Pennsylvania State Police appropriations. The sum of \$3,000,000 is appropriated from the General Fund to the enforcement bureau of the Pennsylvania State Police for the fiscal period July 1, 2009, to June 30, 2010, to prepare for, implement and administer the provisions of this act. The money appropriated under this section shall be considered a loan from the General Fund and shall be repaid to the General Fund. The appropriation shall be a two year appropriation and shall not~~

1 ~~lapse until June 30, 2011.~~

2 ~~Section 5105. Effective date.~~

3 ~~This act shall take effect immediately.~~

4 CHAPTER 1

5 GENERAL PROVISIONS

6 SECTION 101. SHORT TITLE.

7 THIS ACT SHALL BE KNOWN AND MAY BE CITED AS THE TUITION
8 RELIEF ACT.

9 SECTION 102. DEFINITIONS.

10 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL
11 HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
12 CONTEXT CLEARLY INDICATES OTHERWISE:

13 "ACCOUNT." THE ENABLING STUDENTS TO ATTEND COLLEGE ACCOUNT.

14 "AGENCY." THE PENNSYLVANIA HIGHER EDUCATION ASSISTANCE
15 AGENCY.

16 "APPLICANT." A PERSON WHO APPLIES FOR A LICENSE OR THE
17 RENEWAL OF A LICENSE UNDER CHAPTER 5.

18 "CENTRAL COMPUTER SYSTEM." A CENTRAL SITE COMPUTER SYSTEM
19 CONTROLLED BY THE DEPARTMENT OF REVENUE THAT AT ALL TIMES IS
20 CONNECTED TO VIDEO LOTTERY TERMINALS AT LICENSED ESTABLISHMENTS
21 AT WHICH VIDEO LOTTERY RETAILERS ARE AUTHORIZED TO PLACE AND
22 OPERATE VIDEO LOTTERY TERMINALS AND THAT, AT A MINIMUM, IS
23 CAPABLE OF MONITORING, COMMUNICATING, AUDITING, RETRIEVING
24 INFORMATION, GENERATING GAMES FOR AND ACTIVATING AND DISABLING
25 EACH VIDEO LOTTERY TERMINAL.

26 "CHEATING OR THIEVING DEVICE." A DEVICE TO FACILITATE ANY
27 WINNING PLAY OR TO REMOVE FROM ANY VIDEO LOTTERY TERMINAL MONEY
28 OR OTHER CONTENTS. THE TERM INCLUDES A TOOL, DRILL, WIRE, COIN
29 OR TOKEN ATTACHED TO A STRING OR WIRE AND ANY ELECTRONIC OR
30 MAGNETIC DEVICE.

1 "COIN-OPERATED AMUSEMENT MACHINE." A MACHINE THAT REQUIRES
2 THE INSERTION OF A COIN, CURRENCY OR TOKENS TO PLAY OR ACTIVATE
3 A GAME, THE OUTCOME OF WHICH IS PRIMARILY DETERMINED BY THE
4 SKILL OF THE PLAYER. THE TERM SHALL NOT INCLUDE A VIDEO LOTTERY
5 TERMINAL.

6 "COMMUNITY COLLEGE." A PUBLIC COLLEGE OPERATED UNDER ARTICLE
7 XIX-A OF THE ACT OF MARCH 10, 1949 (P.L.30, NO.14), KNOWN AS THE
8 PUBLIC SCHOOL CODE OF 1949.

9 "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

10 "ELIGIBLE STUDENT." A STUDENT WHO MEETS ALL OF THE
11 FOLLOWING:

12 (1) IS ENROLLED AT THE UNDERGRADUATE LEVEL IN A DEGREE
13 PROGRAM OR IS ENROLLED IN A CERTIFICATE PROGRAM AT A PUBLIC
14 INSTITUTION OF HIGHER EDUCATION.

15 (2) DOES NOT HOLD A BACHELOR'S DEGREE OR ITS EQUIVALENT.

16 (3) DOES ONE OF THE FOLLOWING:

17 (I) PARTICIPATES IN THE SCHOLARSHIP PROGRAM.

18 (II) MEETS THE FAMILY INCOME REQUIREMENTS UNDER
19 SECTION 302(1).

20 (4) HAS COMPLIED WITH ALL OF THE FEDERAL TITLE IV
21 FINANCIAL ASSISTANCE APPLICATION AND ELIGIBILITY
22 REQUIREMENTS.

23 (5) HAS COMPLETED APPLICATION REQUIREMENTS OF THE
24 AGENCY.

25 "ENFORCEMENT BUREAU." THE BUREAU OF LIQUOR CONTROL
26 ENFORCEMENT OF THE PENNSYLVANIA STATE POLICE.

27 "EXPECTED FAMILY CONTRIBUTION." A CONTRIBUTION AS DETERMINED
28 UNDER THE POLICIES AND PROCEDURES ESTABLISHED BY THE AGENCY FOR
29 THE SCHOLARSHIP PROGRAM.

30 "FAMILY INCOME." INCOME AS ESTABLISHED BY THE AGENCY FOR THE

1 SCHOLARSHIP PROGRAM.

2 "FIRST-TIME STUDENT." AN ELIGIBLE STUDENT WHO HAS ENROLLED
3 IN UNDERGRADUATE LEVEL COURSES FOR THE FIRST TIME OR IS
4 READMITTED TO UNDERGRADUATE LEVEL COURSES AT THE SAME OR
5 DIFFERENT INSTITUTION AFTER A PERIOD OF NOT LESS THAN THREE
6 YEARS. THE TERM SHALL INCLUDE STUDENTS ENROLLED FOR THE FIRST
7 TIME IN THE ACADEMIC YEAR WHO ATTENDED COLLEGE IN THE PRIOR
8 SUMMER TERM OR WHO ENTERED WITH ADVANCED STANDING DUE TO COLLEGE
9 CREDITS EARNED BEFORE GRADUATION FROM HIGH SCHOOL.

10 "FULL-TIME STUDENT." AN ELIGIBLE STUDENT THAT MEETS THE
11 DEFINITION OF FULL-TIME STUDENT AS DEFINED IN THE ACT OF JANUARY
12 25, 1966 (1965 P.L.1546, NO.541), REFERRED TO AS THE HIGHER
13 EDUCATION SCHOLARSHIP LAW.

14 "FUND." THE COLLEGE TUITION RELIEF FUND.

15 "GAMING MACHINE." A DEVICE OR MACHINE THAT HAS THE OUTCOME
16 OF PLAY PRIMARILY DETERMINED BY CHANCE. THE TERM SHALL INCLUDE
17 AN ANTIQUE SLOT MACHINE UNDER 18 PA.C.S. § 5513(C) (RELATING TO
18 GAMBLING DEVICES, GAMBLING, ETC.) WHEN USED FOR PROFIT. THE TERM
19 SHALL NOT INCLUDE ANY OF THE FOLLOWING:

20 (1) A COIN OPERATED AMUSEMENT MACHINE.

21 (2) A VIDEO LOTTERY TERMINAL THAT HAS ALL OF ITS SEALS
22 OR IDENTIFICATION PLATES.

23 (3) SLOT MACHINES AS DEFINED UNDER 4 PA.C.S. § 1103
24 (RELATING TO DEFINITIONS).

25 (4) A GAME OF CHANCE UNDER THE ACT OF DECEMBER 19, 1988
26 (P.L.1262, NO.156), KNOWN AS THE LOCAL OPTION SMALL GAMES OF
27 CHANCE ACT.

28 (5) LOTTERY TERMINALS USED UNDER THE ACT OF AUGUST 26,
29 1971 (P.L.351, NO.91), KNOWN AS THE STATE LOTTERY LAW.

30 "GROCERY STORE." A RETAIL ESTABLISHMENT, THAT IS LESS THAN

1 2,500 SQUARE FEET OR MORE THAN 8,500 SQUARE FEET IN SIZE,
2 COMMONLY KNOWN AS A GROCERY STORE, SUPERMARKET OR DELICATESSEN,
3 WHERE FOOD, FOOD PRODUCTS AND SUPPLIES ARE SOLD FOR HUMAN
4 CONSUMPTION ON OR OFF THE PREMISES WITH AVERAGE MONTHLY SALES,
5 EXCLUSIVE OF WINE SALES, OF NOT LESS THAN \$5,000. THE TERM SHALL
6 ALSO INCLUDE A LICENSED ESTABLISHMENT WITH AN INTERIOR
7 CONNECTION TO A GROCERY STORE AND THE SEPARATE AND SEGREGATED
8 PORTION OF ANY OTHER RETAIL ESTABLISHMENT WHICH IS DEDICATED
9 SOLELY TO THE SALE OF FOOD, FOOD PRODUCTS AND SUPPLIES FOR HUMAN
10 CONSUMPTION ON OR OFF THE PREMISES WITH AVERAGE MONTHLY SALES
11 WITH RESPECT TO THE SEPARATE OR SEGREGATED PORTION, EXCLUSIVE OF
12 WINE SALES, OF NOT LESS THAN \$5,000.

13 "HIGHER EDUCATION SCHOLARSHIP LAW." THE ACT OF JANUARY 25,
14 1966 (1965 P.L.1546, NO.541), REFERRED TO AS THE HIGHER
15 EDUCATION SCHOLARSHIP LAW.

16 "LICENSED ESTABLISHMENT." A RESTAURANT, EATING PLACE, HOTEL
17 OR CLUB AS DEFINED UNDER SECTION 102 OF THE ACT OF APRIL 12,
18 1951 (P.L.90, NO.21), KNOWN AS THE LIQUOR CODE, THAT OPERATES
19 UNDER A VALID LIQUOR OR MALT OR BREWED BEVERAGE LICENSE UNDER
20 ARTICLE IV OF THE LIQUOR CODE. THE TERM SHALL NOT INCLUDE A
21 GROCERY STORE OR A LICENSED FACILITY AS DEFINED UNDER 4 PA.C.S.
22 § 1103 (RELATING TO DEFINITIONS).

23 "LICENSED ESTABLISHMENT OWNER." A PERSON WHO HOLDS A LICENSE
24 TO SELL LIQUOR OR MALT OR BREWED BEVERAGES AT A LICENSED
25 ESTABLISHMENT.

26 "LIQUOR CODE." THE ACT OF APRIL 12, 1951 (P.L.90, NO.21),
27 KNOWN AS THE LIQUOR CODE.

28 "MANUFACTURER." A PERSON HOLDING A MANUFACTURER'S LICENSE
29 ISSUED UNDER CHAPTER 5 ALLOWING THE PERSON TO ENGAGE IN THE
30 BUSINESS OF DESIGNING, BUILDING, CONSTRUCTING, ASSEMBLING OR

1 MANUFACTURING VIDEO LOTTERY TERMINALS, THE ELECTRONIC COMPUTER
2 COMPONENTS OF VIDEO LOTTERY TERMINALS, THE RANDOM NUMBER
3 GENERATOR OF VIDEO LOTTERY TERMINALS OR THE CABINETS IN WHICH
4 VIDEO LOTTERY TERMINALS ARE HOUSED, AND WHOSE PRODUCT IS
5 INTENDED FOR SALE, LEASE OR OTHER ASSIGNMENT TO AN OPERATOR.

6 "MODE OF INSTRUCTION." ONE OF THE FOLLOWING METHODS OF
7 DELIVERY OF A PUBLIC INSTITUTION OF HIGHER EDUCATION'S
8 CURRICULUM:

9 (1) IN PERSON.

10 (2) VIA DISTANCE LEARNING AS DEFINED BY THE UNITED
11 STATES DEPARTMENT OF EDUCATION FOR STUDENT AID PURPOSES.

12 (3) A COMBINATION OF PARAGRAPHS (1) AND (2).

13 "OFFICE OF ADMINISTRATIVE LAW JUDGE." AN ADJUDICATIVE OFFICE
14 WITHIN THE PENNSYLVANIA LIQUOR CONTROL BOARD CHARGED WITH THE
15 RESPONSIBILITY OF PRESIDING AT ALL CITATION HEARINGS AND OTHER
16 ENFORCEMENT HEARINGS UNDER THE ACT OF APRIL 12, 1951 (P.L.90,
17 NO.21), KNOWN AS THE LIQUOR CODE.

18 "OPERATOR." A PERSON HOLDING AN OPERATOR'S LICENSE ISSUED
19 UNDER CHAPTER 5 ALLOWING THE PERSON TO DO ALL OF THE FOLLOWING:

20 (1) PURCHASE OR LEASE A SPECIFIED NUMBER OF VIDEO
21 LOTTERY TERMINALS FROM ONE OR MORE MANUFACTURERS.

22 (2) SERVICE AND REPAIR THOSE VIDEO LOTTERY TERMINALS.

23 (3) ENTER INTO CONTRACTS WITH VIDEO LOTTERY RETAILERS
24 FOR PLACEMENT OF THOSE VIDEO LOTTERY TERMINALS IN LICENSED
25 ESTABLISHMENTS WHERE VIDEO LOTTERY TERMINALS HAVE BEEN
26 AUTHORIZED FOR PLACEMENT AND OPERATION UNDER CHAPTER 5.

27 "PART-TIME STUDENT." AN ELIGIBLE STUDENT WHO IS ENROLLED ON
28 A LESS THAN FULL-TIME BASIS.

29 "PENNSYLVANIA LOTTERY." THE DIVISION OF THE STATE LOTTERY OF
30 THE DEPARTMENT OF REVENUE.

1 "PERSON." ANY NATURAL PERSON, CORPORATION, FOUNDATION,
2 ORGANIZATION, BUSINESS TRUST, ESTATE, LIMITED LIABILITY COMPANY,
3 LICENSED CORPORATION, TRUST, PARTNERSHIP, ASSOCIATION OR ANY
4 OTHER FORM OF LEGAL BUSINESS ENTITY.

5 "PROFITS." THE TOTAL VALUE OF ALL CASH, TICKETS AND CREDITS
6 USED FOR THE PLAY OF A VIDEO LOTTERY TERMINAL LESS THE AMOUNT
7 PAID OUT IN PRIZES. THE VALUE OF TICKETS AND CREDITS SHALL BE AS
8 DETERMINED BY THE SECRETARY.

9 "PUBLIC INSTITUTION OF HIGHER EDUCATION." A COMMUNITY
10 COLLEGE, TECHNICAL SCHOOL, STATE-RELATED INSTITUTION OR AN
11 INSTITUTION WHICH IS PART OF THE STATE SYSTEM OF HIGHER
12 EDUCATION UNDER ARTICLE XX-A OF THE ACT OF MARCH 10, 1949
13 (P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949.

14 "SCHOLARSHIP PROGRAM." THE SCHOLARSHIP PROGRAM ESTABLISHED
15 UNDER THE ACT OF JANUARY 25, 1966 (1965 P.L.1546, NO.541),
16 REFERRED TO AS THE HIGHER EDUCATION SCHOLARSHIP LAW.

17 "SECRETARY." THE SECRETARY OF REVENUE OF THE COMMONWEALTH.

18 "SERVICE TECHNICIAN." AN INDIVIDUAL HOLDING A SERVICE
19 TECHNICIAN'S LICENSE ISSUED UNDER CHAPTER 5 ALLOWING THE
20 INDIVIDUAL TO SERVICE, MAINTAIN AND REPAIR VIDEO LOTTERY
21 TERMINALS. A SERVICE TECHNICIAN MAY BE A SOLE PROPRIETOR,
22 PARTNER OR AN EMPLOYEE OF A PERSON LICENSED UNDER CHAPTER 5 OR
23 AN EMPLOYEE OF A BUSINESS NOT LICENSED UNDER CHAPTER 5 THAT
24 SERVICES, MAINTAINS AND REPAIRS VIDEO LOTTERY TERMINALS OWNED OR
25 LEASED BY AN OPERATOR THROUGH ONE OR MORE SERVICE TECHNICIANS.

26 "STATE-RELATED INSTITUTION." ALL OF THE FOLLOWING:

27 (1) TEMPLE UNIVERSITY.

28 (2) THE UNIVERSITY OF PITTSBURGH.

29 (3) THE PENNSYLVANIA STATE UNIVERSITY.

30 (4) LINCOLN UNIVERSITY.

1 "STATE LOTTERY LAW." THE ACT OF AUGUST 26, 1971 (P.L.351,
2 NO.91), KNOWN AS THE STATE LOTTERY LAW.

3 "TECHNICAL SCHOOL." THE THADDEUS STEVENS COLLEGE OF
4 TECHNOLOGY OR A PUBLIC POSTSECONDARY VOCATIONAL PROGRAM
5 ACCREDITED BY THE STATE BOARD OF VOCATIONAL EDUCATION AS
6 ESTABLISHED UNDER ARTICLE XVIII OF THE ACT OF MARCH 10, 1949
7 (P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949, AND
8 RECOGNIZED BY THE UNITED STATES DEPARTMENT OF EDUCATION FOR THE
9 PURPOSE OF DETERMINING ELIGIBILITY FOR FEDERAL STUDENT
10 ASSISTANCE PROGRAMS.

11 "TOTAL COST OF ATTENDANCE." THE COST OF ATTENDING A PUBLIC
12 INSTITUTION OF HIGHER EDUCATION AS DETERMINED UNDER THE POLICIES
13 AND PROCEDURES ESTABLISHED BY THE UNITED STATES DEPARTMENT OF
14 EDUCATION.

15 "UNFUNDED TOTAL COST OF ATTENDANCE." THE TOTAL COST OF
16 ATTENDANCE MINUS THE SUM OF ALL GRANTS, SCHOLARSHIPS, WAIVERS
17 AND OTHER CATEGORIES OF GIFT-AID RECEIVED, EXCLUDING VETERANS
18 EDUCATIONAL BENEFITS.

19 "VIDEO LOTTERY LICENSE." A LICENSE ISSUED BY THE SECRETARY
20 AUTHORIZING THE PLACEMENT AND OPERATION OF ONE OR MORE VIDEO
21 LOTTERY TERMINALS AT THE LICENSED ESTABLISHMENT SPECIFIED IN THE
22 APPLICATION FOR LICENSURE.

23 "VIDEO LOTTERY RETAILER." A LICENSED ESTABLISHMENT OWNER
24 THAT HOLDS A VIDEO LOTTERY LICENSE.

25 "VIDEO LOTTERY TERMINAL." AN INTERACTIVE ELECTRONIC TERMINAL
26 OR DEVICE THAT IS COMPATIBLE WITH THE CENTRAL COMPUTER SYSTEM
27 AND IS APPROVED BY THE SECRETARY FOR THE PLAY OF VIDEO LOTTERY
28 GAMES. THE TERM SHALL NOT INCLUDE AN AUTHORIZED SLOT MACHINE AS
29 DEFINED UNDER 4 PA.C.S. § 1103 (RELATING TO DEFINITIONS).

30 CHAPTER 3

TUITION RELIEF

SECTION 301. SUPPLEMENT TO STATE SCHOLARSHIP PROGRAM.

(A) SUPPLEMENTAL GRANTS.--EXCEPT AS PROVIDED UNDER SUBSECTIONS (B), (C) AND (D), THE AGENCY SHALL AWARD A SUPPLEMENTAL TUITION RELIEF GRANT TO AN ELIGIBLE STUDENT PARTICIPATING IN THE SCHOLARSHIP PROGRAM SO THAT THE ELIGIBLE STUDENT'S UNFUNDED TOTAL COST OF ATTENDANCE IS EQUAL TO THE ELIGIBLE STUDENT'S EXPECTED FAMILY CONTRIBUTION.

(B) MINIMUM UNFUNDED COST.--THE UNFUNDED COST OF ATTENDANCE MAY NOT BE LESS THAN \$1,000 ANNUALLY ON A FULL-TIME EQUIVALENT BASIS.

(C) SUPPLEMENTAL GRANT MINIMUM.--EXCEPT AS PROVIDED UNDER SUBSECTIONS (B) AND (D), THE SUPPLEMENTAL GRANT SHALL NOT BE LESS THAN 75% OF THE TUITION RATE OF THE PUBLIC INSTITUTION OF HIGHER EDUCATION APPLICABLE TO THE ELIGIBLE STUDENT'S STATUS AS A FULL-TIME OR PART-TIME STUDENT.

(D) MAXIMUM AWARD.--THE TOTAL AMOUNT OF ALL GRANTS, SCHOLARSHIPS, WAIVERS AND OTHER CATEGORIES OF GIFT AID, EXCLUDING VETERANS EDUCATIONAL BENEFITS, RECEIVED BY AN ELIGIBLE STUDENT MAY NOT EXCEED THE ELIGIBLE STUDENT'S TOTAL COST OF ATTENDANCE.

SECTION 302. TUITION RELIEF GRANTS FOR ADDITIONAL COMMONWEALTH STUDENTS.

THE AGENCY SHALL AWARD A TUITION RELIEF GRANT TO AN ELIGIBLE STUDENT WHO IS NOT ELIGIBLE FOR A SUPPLEMENTAL GRANT UNDER SECTION 301 UNDER THE FOLLOWING CONDITIONS:

(1) THE STUDENT'S FAMILY INCOME DOES NOT EXCEED \$100,000.

(2) THE TUITION RELIEF GRANT SHALL BE EQUAL TO 50% OF THE TUITION RATE OF THE PUBLIC INSTITUTION OF HIGHER

1 EDUCATION APPLICABLE TO THE ELIGIBLE STUDENT'S STATUS AS A
2 FULL-TIME OR PART-TIME STUDENT, EXCEPT THAT THE TOTAL AMOUNT
3 OF ALL GRANTS, SCHOLARSHIPS, WAIVERS AND OTHER CATEGORIES OF
4 GIFT-AID, EXCLUDING VETERANS EDUCATIONAL BENEFITS, MAY NOT
5 EXCEED THE TOTAL COST OF ATTENDANCE AND THAT THE UNFUNDED
6 TOTAL COST OF ATTENDANCE MAY NOT BE LESS THAN \$1,000 ANNUALLY
7 ON A FULL-TIME EQUIVALENT BASIS.

8 (3) A STUDENT WHOSE SCHOLARSHIP UNDER THE SCHOLARSHIP
9 PROGRAM IS TERMINATED, DENIED OR NOT RENEWED FOR REASONS OF
10 FINANCIAL NEED, PART-TIME ENROLLMENT STATUS, REMEDIAL CONTENT
11 THAT DOES NOT EXCEED GUIDELINES FOR THE FEDERAL PELL GRANT
12 PROGRAM OR MODE OF INSTRUCTION SHALL NOT BE DISQUALIFIED FOR
13 A GRANT UNDER THIS SECTION ON THE BASIS OF SUCH TERMINATION,
14 DENIAL OR NONRENEWAL.

15 SECTION 303. IMPLEMENTATION.

16 (A) AWARDS.--AWARDS GRANTED IN THE FIRST YEAR THAT GRANTS
17 ARE AWARDED UNDER THIS CHAPTER SHALL BE LIMITED TO FIRST-TIME
18 STUDENTS AT PUBLIC INSTITUTIONS OF HIGHER EDUCATION. ONE
19 ADDITIONAL CLASS OF FIRST-TIME STUDENTS SHALL BE ADDED IN EACH
20 SUBSEQUENT YEAR UNTIL THE TIME AS ALL CLASSES OF ELIGIBLE
21 STUDENTS AT THE PUBLIC INSTITUTION OF HIGHER EDUCATION ARE
22 INCLUDED. NOTHING IN THIS SUBSECTION SHALL LIMIT THE ABILITY OF
23 AN ELIGIBLE STUDENT WHO RECEIVES A GRANT UNDER THIS CHAPTER TO
24 REMAIN ELIGIBLE FOR A GRANT UPON RETURNING FROM A GAP IN
25 ENROLLMENT, IF ALL OTHER ELIGIBILITY REQUIREMENTS ARE MET.

26 (B) PART-TIME STUDENT.--IN THE CASE OF A PART-TIME STUDENT,
27 THE AMOUNT OF THE GRANT UNDER THIS CHAPTER TO WHICH THE ELIGIBLE
28 STUDENT IS ENTITLED SHALL BE REDUCED IN PROPORTION TO THE DEGREE
29 TO WHICH THAT STUDENT IS NOT ATTENDING ON A FULL-TIME BASIS,
30 EXCEPT THAT THE TOTAL FUNDS AWARDED TO ANY ELIGIBLE STUDENT

1 SHALL NOT EXCEED THE AMOUNT TO WHICH THE STUDENT WOULD HAVE BEEN
2 ENTITLED HAD THE EDUCATIONAL PROGRAM BEEN COMPLETED IN THE
3 STANDARD DURATION FOR A FULL-TIME STUDENT AS ESTABLISHED BY THE
4 AGENCY.

5 (C) REDUCTION.--IF SUFFICIENT FUNDS ARE NOT TRANSFERRED TO
6 THE AGENCY UNDER SECTION 304 FOR THE AWARD OF GRANTS UNDER THIS
7 CHAPTER, ALL GRANTS UNDER THIS CHAPTER SHALL BE PROPORTIONATELY
8 REDUCED SO AS NOT TO EXCEED THE TOTAL AMOUNT OF AVAILABLE FUNDS.

9 (D) SCHOLARSHIP PROGRAM HOLD HARMLESS.--IT IS THE INTENT OF
10 THE GENERAL ASSEMBLY THAT THE TRANSFERS TO THE AGENCY FOR THE
11 PURPOSE OF AWARDING GRANTS TO ELIGIBLE STUDENTS UNDER THIS
12 CHAPTER SHALL SUPPLEMENT, NOT SUPPLANT, GRANTS MADE BY THE
13 AGENCY UNDER THE SCHOLARSHIP PROGRAM. IN NO FISCAL YEAR AFTER
14 THE EFFECTIVE DATE OF THIS SECTION SHALL THE NUMBER AND VALUE OF
15 GRANTS AWARDED BY THE AGENCY UNDER THE SCHOLARSHIP PROGRAM BE
16 LESS THAN THE NUMBER AND VALUE OF THE GRANTS AWARDED TO STUDENTS
17 IN THE 2008-2009 FISCAL YEAR.

18 (E) EXCLUSION FROM TOTAL COST OF ATTENDANCE.--THE TOTAL COST
19 OF ATTENDANCE AT A COMMUNITY COLLEGE SHALL NOT INCLUDE ROOM AND
20 BOARD FOR THE PURPOSE OF THIS CHAPTER. THE TOTAL COST OF
21 ATTENDANCE SHALL NOT INCLUDE A COMMUTER ALLOWANCE AT ANY PUBLIC
22 INSTITUTION OF HIGHER EDUCATION FOR THE PURPOSE OF THIS CHAPTER.

23 (F) DOMICILE, RENEWAL AND TRANSFER.--EXCEPT AS PROVIDED
24 UNDER SUBSECTION (B) AND SECTION 302(3), ALL PROVISIONS
25 REGARDING DOMICILE, CITIZENSHIP, RENEWAL OF SCHOLARSHIP AND
26 TRANSFERS ESTABLISHED BY THE AGENCY FOR THE SCHOLARSHIP PROGRAM
27 SHALL APPLY TO TUITION RELIEF GRANTS AWARDED UNDER THIS CHAPTER.

28 (G) STATE-RELATED INSTITUTIONS.--IN ADDITION TO ANY OTHER
29 PROVISIONS OF THIS ACT, TUITION RELIEF GRANTS TO ELIGIBLE
30 STUDENTS ATTENDING STATE-RELATED INSTITUTIONS SHALL BE SUBJECT

1 TO THE FOLLOWING PROVISIONS:

2 (1) (I) NO GRANT SHALL BE AWARDED BY THE AGENCY TO AN
3 ELIGIBLE STUDENT ATTENDING A STATE-RELATED INSTITUTION IN
4 ANY FISCAL YEAR UNLESS SUMS HAVE BEEN TRANSFERRED UNDER
5 SECTION 304 IN THE FISCAL YEAR IN EXCESS OF SUMS REQUIRED
6 BY THE AGENCY TO MAKE ALL POSSIBLE GRANT AWARDS UNDER
7 THIS CHAPTER TO ELIGIBLE STUDENTS ATTENDING OTHER PUBLIC
8 INSTITUTIONS OF HIGHER EDUCATION. IN THAT EVENT, ONLY THE
9 EXCESS SUMS SHALL BE USED TO AWARD GRANTS TO ELIGIBLE
10 STUDENTS ATTENDING STATE-RELATED INSTITUTIONS.

11 (II) NOTWITHSTANDING SUBPARAGRAPH (I), THE AGENCY
12 MAY DETERMINE, IN ITS DISCRETION, THAT THE EXCESS SUMS
13 AVAILABLE UNDER SUBPARAGRAPH (I) ARE NOT SUFFICIENT TO
14 AWARD MEANINGFUL GRANTS TO ELIGIBLE STUDENTS ATTENDING
15 STATE-RELATED INSTITUTIONS IN A FISCAL YEAR. IN THAT
16 EVENT, THE EXCESS SUMS SHALL REMAIN IN THE FUND AND MAY
17 BE AVAILABLE FOR TRANSFER UNDER SECTION 304 IN THE
18 SUBSEQUENT FISCAL YEAR.

19 (2) THE TUITION RATE OR TOTAL COST OF ATTENDANCE USED TO
20 CALCULATE A TUITION RELIEF GRANT TO BE AWARDED TO AN ELIGIBLE
21 STUDENT ATTENDING A STATE-RELATED INSTITUTION SHALL NOT
22 EXCEED THE AVERAGE AMOUNT OF TUITION RATE OR TOTAL COST OF
23 ATTENDANCE, AS APPROPRIATE, FOR ALL INSTITUTIONS THAT ARE
24 PART OF THE STATE SYSTEM OF HIGHER EDUCATION.

25 (H) TECHNICAL SCHOOLS.--IN THE CASE OF AN ELIGIBLE STUDENT
26 ATTENDING A TECHNICAL SCHOOL, THE TUITION RATE OR TOTAL COST OF
27 ATTENDANCE USED TO CALCULATE THE TUITION RELIEF GRANT UNDER THIS
28 CHAPTER SHALL NOT EXCEED THE AVERAGE AMOUNT OF TUITION RATE OR
29 TOTAL COST OF ATTENDANCE, AS APPROPRIATE, FOR ALL COMMUNITY
30 COLLEGES.

1 SECTION 304. TRANSFER.

2 THE OFFICE OF THE BUDGET SHALL ANNUALLY TRANSFER PROCEEDS
3 FROM THE FUND TO THE AGENCY AS FOLLOWS:

4 (1) AS OF THE DATE OCCURRING FIVE BUSINESS DAYS
5 FOLLOWING THE EFFECTIVE DATE OF THIS SECTION, AND APRIL 15 OF
6 EACH YEAR THEREAFTER, THE SECRETARY OF THE BUDGET SHALL
7 CERTIFY THE TOTAL AMOUNT OF REVENUE THAT WILL BE AVAILABLE
8 FOR TRANSFER. IN CALCULATING THE TOTAL AMOUNT OF AVAILABLE
9 REVENUE, THE SECRETARY OF THE BUDGET SHALL TAKE INTO ACCOUNT
10 ALL OF THE FOLLOWING:

11 (I) (A) FOR THE INITIAL CERTIFICATION TO BE
12 COMPLETED UNDER PARAGRAPH (1), REVENUE WHICH:

13 (I) HAS BEEN ADVANCED BY THE COMMONWEALTH OR
14 APPROPRIATED BY THE GENERAL ASSEMBLY TO OR
15 DEPOSITED INTO THE FUND PRIOR TO THE DATE OF
16 CERTIFICATION; AND

17 (II) IS REASONABLY PROJECTED TO BE DEPOSITED
18 INTO THE FUND DURING THE SIX MONTHS FOLLOWING THE
19 DATE ON WHICH THE CERTIFICATION IS MADE.

20 (B) THE AMOUNT CERTIFIED UNDER THIS SUBPARAGRAPH
21 SHALL BE THE AMOUNT TRANSFERRED IN THE FISCAL YEAR IN
22 WHICH THE CERTIFICATION IS MADE. THE SECRETARY OF THE
23 BUDGET SHALL ONLY CERTIFY AN AMOUNT THAT IS
24 SUSTAINABLE IN SUBSEQUENT YEARS.

25 (II) (A) FOR THE CERTIFICATION TO BE MADE ON APRIL
26 15, 2010, AND THE CERTIFICATIONS TO BE MADE IN FISCAL
27 YEARS AFTER 2009-2010, REVENUE WHICH:

28 (I) HAS BEEN ADVANCED BY THE COMMONWEALTH OR
29 APPROPRIATED BY THE GENERAL ASSEMBLY TO OR
30 DEPOSITED INTO THE FUND SINCE THE CONCLUSION OF

1 THE PERIOD WHICH THE PRIOR CERTIFICATION COVERED;

2 AND

3 (II) IS REASONABLY PROJECTED TO BE DEPOSITED
4 INTO THE FUND DURING THE SIX MONTHS FOLLOWING THE
5 DATE ON WHICH THE CERTIFICATION IS MADE.

6 (B) THE AMOUNTS CERTIFIED UNDER THIS
7 SUBPARAGRAPH SHALL BE THE AMOUNTS TRANSFERRED IN THE
8 FISCAL YEAR FOLLOWING THE FISCAL YEAR IN WHICH THE
9 CERTIFICATION IS MADE. THE SECRETARY OF THE BUDGET
10 SHALL ONLY CERTIFY AN AMOUNT THAT IS SUSTAINABLE IN
11 SUBSEQUENT YEARS.

12 (2) IF THE ACTUAL REVENUE DEPOSITED INTO THE FUND DURING
13 THE PERIOD WHICH A CERTIFICATION COVERS EXCEEDS PROJECTIONS,
14 ANY REVENUE IN EXCESS OF THE PROJECTIONS SHALL, SUBJECT TO
15 THE PROVISIONS OF SECTION 303(G), REMAIN IN THE FUND AND MAY
16 BE INCLUDED IN THE CERTIFICATION TO BE MADE IN THE SUBSEQUENT
17 FISCAL YEAR.

18 (3) FOR THE 2009-2010 FISCAL YEAR, THE OFFICE OF THE
19 BUDGET SHALL TRANSFER THE AMOUNT CERTIFIED UNDER PARAGRAPH
20 (1) TO THE AGENCY BY A PAYMENT NO LATER THAN THE FIRST DAY OF
21 SEPTEMBER AND A SECOND PAYMENT NO LATER THAN THE FIRST DAY OF
22 FEBRUARY. FOR THE 2010-2011 FISCAL YEAR AND EACH FISCAL YEAR
23 THEREAFTER, THE OFFICE OF THE BUDGET SHALL TRANSFER THE
24 AMOUNT CERTIFIED UNDER PARAGRAPH (1) TO THE AGENCY BY A
25 PAYMENT NO LATER THAN THE FIRST DAY OF AUGUST AND A SECOND
26 PAYMENT NO LATER THAN THE FIRST DAY OF JANUARY.

27 (4) ANY PORTION OF THE TRANSFER THAT THE AGENCY DOES NOT
28 EXPEND IN ORDER TO COMPLY WITH THIS CHAPTER SHALL BE RETURNED
29 TO THE FUND AND MAY BE INCLUDED IN THE CERTIFICATION FOR THE
30 SUBSEQUENT FISCAL YEAR.

CHAPTER 5

FUNDING FOR COLLEGE TUITION RELIEF

SECTION 501. VIDEO LOTTERY.

(A) PROVISION.--THE SECRETARY, BY THE AUTHORITY GRANTED UNDER THE STATE LOTTERY LAW, SHALL PROVIDE FOR VIDEO LOTTERY THROUGH USE OF VIDEO LOTTERY TERMINALS. EXCEPT AS SET FORTH UNDER THIS ACT, VIDEO LOTTERY TERMINALS SHALL BE OPERATED AND ADMINISTERED IN CONFORMITY WITH THE PROVISIONS OF THE STATE LOTTERY LAW.

(B) PLACEMENT, CONTRACTS WITH OPERATORS.--A VIDEO LOTTERY TERMINAL MAY BE PLACED FOR OPERATION ONLY ON THE PREMISES OF A LICENSED ESTABLISHMENT OWNED BY A VIDEO LOTTERY RETAILER THAT HAS ENTERED INTO A CONTRACT WITH AN OPERATOR AUTHORIZED TO PLACE AND OPERATE A VIDEO LOTTERY TERMINAL UNDER THIS CHAPTER AT THE LICENSED ESTABLISHMENT. A VIDEO LOTTERY TERMINAL MAY NOT BE PLACED IN ANY OTHER LOCATION. A CONTRACT BETWEEN A VIDEO LOTTERY RETAILER AND AN OPERATOR SHALL PROVIDE, AMONG OTHER THINGS, FOR THE PAYMENT BY THE OPERATOR TO THE VIDEO LOTTERY RETAILER OF AT LEAST 22.5% OF THE PROFITS FROM THE VIDEO LOTTERY TERMINALS TO BE PLACED IN THE VIDEO LOTTERY RETAILER'S LICENSED ESTABLISHMENT UNDER THE CONTRACT.

(C) AMOUNT.--NO MORE THAN FIVE VIDEO LOTTERY TERMINALS MAY BE PLACED ON THE PREMISES OF A LICENSED ESTABLISHMENT.

(D) ALLOCATION OF VIDEO LOTTERY TERMINALS.--THE SECRETARY SHALL ESTABLISH AND PUBLISH IN THE PENNSYLVANIA BULLETIN AN INITIAL APPLICATION DATE, WHICH SHALL BE NO FEWER THAN 45 DAYS FOLLOWING THE DATE OF PUBLICATION, BY WHICH A LICENSED ESTABLISHMENT OWNER MAY SUBMIT AN APPLICATION FOR A VIDEO LOTTERY LICENSE. THE DEPARTMENT WILL MAKE ITS INITIAL DECISIONS FOR THE PLACEMENT OF VIDEO LOTTERY TERMINALS IN LICENSED

1 ESTABLISHMENTS FOR WHICH APPLICATIONS HAVE BEEN SUBMITTED ON OR
2 BEFORE THE INITIAL APPLICATION DATE AND ARE APPROVED FOR A VIDEO
3 LOTTERY LICENSE. ADDITIONAL VIDEO LOTTERY TERMINALS SHALL BE
4 APPROVED FOR PLACEMENT BY THE DEPARTMENT TO PROVIDE EQUITABLE
5 ACCESS OF TERMINALS TO VIDEO LOTTERY RETAILERS IN ALL REGIONS IN
6 THIS COMMONWEALTH AND TO OPTIMIZE CONTRIBUTIONS TO THE FUND.

7 (E) LICENSES TO BE ISSUED.--THE SECRETARY MAY ISSUE THE
8 FOLLOWING TYPES OF LICENSES UNDER THIS CHAPTER:

9 (1) A MANUFACTURER'S LICENSE, WHICH IS REQUIRED FOR ANY
10 PERSON SEEKING TO MANUFACTURE VIDEO LOTTERY TERMINALS FOR USE
11 IN THIS COMMONWEALTH.

12 (2) AN OPERATOR'S LICENSE, WHICH IS REQUIRED FOR ANY
13 PERSON SEEKING TO ENGAGE IN THE BUSINESS OF PLACING AND
14 OPERATING VIDEO LOTTERY TERMINALS IN THIS COMMONWEALTH. AN
15 OPERATOR MAY OBTAIN VIDEO LOTTERY TERMINALS ONLY FROM A
16 MANUFACTURER. AN OPERATOR SHALL BE RESPONSIBLE FOR ALL COSTS
17 FOR CONNECTION OF ITS VIDEO LOTTERY TERMINALS WITH THE
18 CENTRAL COMPUTER SYSTEM AND THE INSTALLATION, REPAIR AND
19 MAINTENANCE OF THE VIDEO LOTTERY TERMINALS.

20 (3) A VIDEO LOTTERY LICENSE, WHICH IS REQUIRED FOR A
21 LICENSED ESTABLISHMENT OWNER SEEKING TO CONDUCT VIDEO LOTTERY
22 AT THE LICENSED ESTABLISHMENT.

23 (4) A SERVICE TECHNICIAN'S LICENSE, WHICH IS REQUIRED
24 FOR AN INDIVIDUAL SEEKING TO SERVICE, MAINTAIN AND REPAIR
25 VIDEO LOTTERY TERMINALS IN THIS COMMONWEALTH.

26 SECTION 502. VIDEO LOTTERY LICENSES.

27 (A) ELIGIBILITY.--A LICENSED ESTABLISHMENT OWNER MAY APPLY
28 TO THE SECRETARY FOR A VIDEO LOTTERY LICENSE UNDER THIS SECTION
29 ON A FORM PRESCRIBED BY THE DEPARTMENT IF ALL OF THE FOLLOWING
30 CONDITIONS ARE MET:

1 (1) THE LICENSE TO SELL LIQUOR OR MALT OR BREWED
2 BEVERAGES AT THE LICENSED ESTABLISHMENT IS VALID AND IN
3 EFFECT AND IS NOT IN SAFEKEEPING OR UNDER SUSPENSION AT THE
4 TIME THE APPLICATION IS FILED.

5 (2) THE LICENSED ESTABLISHMENT OWNER IS IN GOOD STANDING
6 WITH THE PENNSYLVANIA LIQUOR CONTROL BOARD.

7 (3) THE LICENSED ESTABLISHMENT OWNER AGREES TO HAVE
8 SUFFICIENT FUNDS AVAILABLE AT THE LICENSED ESTABLISHMENT TO
9 PAY OUT ANTICIPATED PRIZES.

10 (4) THE LICENSED ESTABLISHMENT OWNER HAS OR AGREES TO
11 HAVE WITHIN SIX MONTHS OF APPLICATION, AND TO MAINTAIN FOR
12 THE DURATION OF THE VIDEO LOTTERY LICENSE, AT LEAST 50% OF
13 ITS ALCOHOL SERVICE PERSONNEL CERTIFIED AS HAVING
14 SUCCESSFULLY COMPLETED AN ALCOHOL BEVERAGE SERVERS TRAINING
15 PROGRAM, AS PROVIDED UNDER SECTION 471.1 OF THE LIQUOR CODE.

16 (B) REQUIREMENTS.--THE FOLLOWING SHALL APPLY TO VIDEO
17 LOTTERY LICENSES ISSUED UNDER THIS SECTION:

18 (1) A VIDEO LOTTERY LICENSE MAY BE ISSUED AT THE
19 DISCRETION OF THE SECRETARY. THE SECRETARY SHALL MAKE A
20 DETERMINATION WITHIN 60 DAYS OF RECEIVING ALL REQUIRED
21 INFORMATION FROM AN APPLICANT. NOTHING IN THIS CHAPTER IS
22 INTENDED OR SHALL BE CONSTRUED TO CREATE AN ENTITLEMENT TO A
23 LICENSE BY ANY PERSON.

24 (2) BEFORE ISSUING A VIDEO LOTTERY LICENSE, THE
25 SECRETARY SHALL CONSIDER AT LEAST THE FOLLOWING FACTORS:

26 (I) THE LIKELIHOOD OF THE APPLICANT'S BUSINESS
27 REMAINING IN OPERATION FOR THE DURATION OF THE CURRENT
28 VALID LIQUOR OR MALT OR BREWED BEVERAGE LICENSE UNDER
29 ARTICLE IV OF THE LIQUOR CODE.

30 (II) COMPLIANCE OF THE APPLICANT AND THE APPLICANT'S

1 BUSINESS WITH ALL LAWS OF THIS COMMONWEALTH.

2 (III) SECURITY OF THE APPLICANT'S BUSINESS.

3 (IV) WHETHER THE VOLUME OF EXPECTED NUMBER OF PLAYS
4 ON A VIDEO LOTTERY TERMINAL AT THE LICENSED ESTABLISHMENT
5 IS SUFFICIENT TO COVER THE COST OF PLACING AND
6 MAINTAINING THE VIDEO LOTTERY TERMINAL AT THE LICENSED
7 ESTABLISHMENT. THE DEPARTMENT SHALL ANNUALLY PUBLISH IN
8 THE PENNSYLVANIA BULLETIN THE THRESHOLD TO BE USED UNDER
9 THIS SUBPARAGRAPH.

10 (3) THE SECRETARY MAY REFUSE TO ISSUE A LICENSE UNDER
11 THIS SECTION, OR MAY SUSPEND OR REVOKE A LICENSE, IF:

12 (I) THE SECRETARY FINDS THAT THE EXPERIENCE,
13 CHARACTER AND GENERAL FITNESS OF THE APPLICANT AND ANY
14 OFFICERS, DIRECTORS, STOCKHOLDERS AND PARTNERS OF THE
15 APPLICANT AND ANY OTHER PERSON THAT SHARES OR WILL SHARE
16 IN THE PROFITS OR PARTICIPATES OR WILL PARTICIPATE IN THE
17 MANAGEMENT OF THE AFFAIRS OF THE APPLICANT ARE SUCH THAT
18 THE PARTICIPATION OF THE APPLICANT AS A VIDEO LOTTERY
19 RETAILER WILL NOT BE CONSISTENT WITH THE PUBLIC INTEREST.

20 (II) THE APPLICANT OR AN OFFICER, DIRECTOR,
21 STOCKHOLDER OR PARTNER OF THE APPLICANT OR ANY OTHER
22 PERSON THAT SHARES OR WILL SHARE IN THE PROFITS OR
23 PARTICIPATES OR WILL PARTICIPATE IN THE MANAGEMENT OF THE
24 AFFAIRS OF THE APPLICANT:

25 (A) HAS BEEN CONVICTED OF A CRIME INVOLVING
26 MORAL TURPITUDE.

27 (B) HAS BEEN CONVICTED OF ILLEGAL GAMBLING
28 ACTIVITIES INCLUDING WITH RESPECT TO LOTTERIES,
29 GAMBLING DEVICES, GAMBLING, OR POOL SELLING OR
30 BOOKMAKING UNDER 18 PA.C.S. § 5512 (RELATING TO

1 LOTTERIES, ETC.), 5513 (RELATING TO GAMBLING DEVICES,
2 GAMBLING, ETC.) OR 5514 (RELATING TO POOL SELLING AND
3 BOOKMAKING) OR SIMILAR LAWS OF ANOTHER STATE.

4 (C) HAS BEEN CONVICTED OF ANY FRAUD OR
5 MISREPRESENTATION IN ANY CONTEXT.

6 (D) HAS FAILED TO COMPLY WITH THE TERMS OF A
7 CONTRACT OR A LICENSE ISSUED UNDER THIS SECTION.

8 (E) HAS VIOLATED ANY RULE, REGULATION OR ORDER
9 OF THE DEPARTMENT.

10 (III) THE APPLICANT IS NOT THE OWNER OR LESSEE OF
11 THE LICENSED ESTABLISHMENT WHERE IT INTENDS TO CONDUCT
12 VIDEO LOTTERY.

13 (IV) A PERSON OTHER THAN THE APPLICANT SHARES OR
14 WILL SHARE IN THE PROFITS OF THE APPLICANT OTHER THAN AS
15 A BONA FIDE OWNER OF A FINANCIAL INTEREST IN THE
16 APPLICANT OR PARTICIPATES OR WILL PARTICIPATE IN THE
17 MANAGEMENT OF THE AFFAIRS OF THE APPLICANT OTHER THAN AS
18 A BONA FIDE MANAGER OF THE OPERATIONS OF THE LICENSED
19 ESTABLISHMENT.

20 (4) THE SECRETARY MAY ISSUE A TEMPORARY VIDEO LOTTERY
21 LICENSE UPON THE TERMS AND CONDITIONS AS THE SECRETARY DEEMS
22 NECESSARY, DESIRABLE OR PROPER TO EFFECTUATE THE PROVISIONS
23 OF THIS CHAPTER.

24 (5) THE SECRETARY SHALL REFUSE TO GRANT OR RENEW A VIDEO
25 LOTTERY LICENSE AND SHALL SUSPEND AND MAY REVOKE THE VIDEO
26 LOTTERY LICENSE OF ANY VIDEO LOTTERY RETAILER THAT IS NOT
27 COMPLIANT WITH THE TAX LAWS OF THIS COMMONWEALTH.

28 (6) THE SECRETARY SHALL REFUSE TO RENEW A VIDEO LOTTERY
29 LICENSE AND SHALL SUSPEND AND MAY REVOKE THE VIDEO LOTTERY
30 LICENSE ISSUED TO A VIDEO LOTTERY RETAILER WHO FAILS TO

1 MAINTAIN THE LICENSURE REQUIREMENTS OF THIS CHAPTER,
2 INCLUDING MAINTAINING THE STATUS OF THE LICENSED
3 ESTABLISHMENT AUTHORIZED UNDER THE LICENSE.

4 (C) LOTTERY TICKETS.--A VIDEO LOTTERY RETAILER MAY BE
5 REQUIRED TO SELL PENNSYLVANIA LOTTERY TICKETS AS DETERMINED BY
6 THE SECRETARY.

7 (D) TERM AND APPLICATION FEES.--A VIDEO LOTTERY LICENSE
8 SHALL BE VALID FOR ONE YEAR FOLLOWING THE DATE OF ISSUANCE AND
9 MAY BE RENEWED ANNUALLY UPON APPLICATION OF THE VIDEO LOTTERY
10 RETAILER. AN APPLICANT FOR A VIDEO LOTTERY LICENSE SHALL PAY A
11 NONREFUNDABLE INITIAL LICENSE APPLICATION FEE OF \$500 AND A
12 NONREFUNDABLE ANNUAL RENEWAL APPLICATION FEE OF \$100.

13 (E) THIRD-PARTY DISCLOSURE.--EACH VIDEO LOTTERY LICENSE
14 APPLICANT OR LICENSEE SHALL ACCEPT ANY RISK OF ADVERSE PUBLIC
15 NOTICE, EMBARRASSMENT, CRITICISM, DAMAGES OR FINANCIAL LOSS,
16 WHICH MAY RESULT FROM DISCLOSURE OR PUBLICATION BY A THIRD PARTY
17 OF MATERIAL OR INFORMATION RECEIVED BY THE DEPARTMENT IN
18 CONNECTION WITH AN APPLICATION OR LICENSE. THE VIDEO LOTTERY
19 LICENSE APPLICANT OR LICENSEE SHALL EXPRESSLY WAIVE ANY AND ALL
20 CLAIMS AGAINST THE SECRETARY, THE DEPARTMENT, THE COMMONWEALTH
21 AND ITS EMPLOYEES FROM DAMAGES AS A RESULT OF DISCLOSURE OR
22 PUBLICATION BY A THIRD PARTY OF ANY MATERIAL OR INFORMATION
23 SUPPLIED OR DEVELOPED UNDER THIS SECTION.

24 SECTION 503. CENTRAL COMPUTER SYSTEM.

25 THE DEPARTMENT SHALL ENTER INTO A CONTRACT TO PURCHASE OR
26 OTHERWISE OBTAIN AND MAINTAIN CONTROL OF THE CENTRAL COMPUTER
27 SYSTEM. THE CONTRACT SHALL PROVIDE FOR, AMONG OTHER THINGS, THE
28 OPERATION OF THE CENTRAL COMPUTER SYSTEM AND CONNECTIVITY
29 BETWEEN THE CENTRAL COMPUTER SYSTEM AND ALL VIDEO LOTTERY
30 TERMINALS. ALL VIDEO LOTTERY TERMINALS PLACED AND OPERATING IN

LICENSED ESTABLISHMENTS MUST BE LINKED AT ALL TIMES TO THE
CENTRAL COMPUTER SYSTEM. THE CONTRACTOR SHALL BE REQUIRED TO
MEET THE SUITABILITY FINDINGS UNDER SECTION 504.1.
SECTION 504. VIDEO LOTTERY TERMINAL.

IN ADDITION TO THE REQUIREMENTS ESTABLISHED BY THE SECRETARY
UNDER THE STATE LOTTERY LAW FOR LOTTERY TERMINALS, A VIDEO
LOTTERY TERMINAL:

(1) SHALL BE LINKED TO AND HAVE THE ABILITY TO INTERACT
WITH THE CENTRAL COMPUTER SYSTEM.

(2) SHALL NOT DIRECTLY DISPENSE COINS, CASH, TOKENS OR
ANY OTHER ARTICLE OF EXCHANGE OR VALUE THAT REPRESENTS
WINNINGS, EXCEPT FOR TICKETS. THE TICKET SHALL INDICATE THE
TOTAL AMOUNT OF CREDITS AND THE CASH VALUE OF WINNINGS OR
PRIZES, AND THE PLAYER SHALL TURN IN THE TICKET TO THE
APPROPRIATE PERSON AT THE LICENSED ESTABLISHMENT TO RECEIVE
THE CASH AWARD.

(3) SHALL NOT AWARD A TICKET OR PRIZE WITH A VALUE IN AN
AMOUNT EQUAL TO OR GREATER THAN \$600 FOR ANY INDIVIDUAL PLAY
OR EQUAL TO OR GREATER THAN ANY OTHER AMOUNT ESTABLISHED BY
THE INTERNAL REVENUE SERVICE AS THE MINIMUM LOTTERY AWARD FOR
WHICH THE VIDEO LOTTERY RETAILER IS REQUIRED TO FILE FORM
W-2G, OR A SUCCESSOR FORM, FOR TAX PURPOSES. THE AMOUNT SHALL
BE PUBLISHED IN THE PENNSYLVANIA BULLETIN.

(4) SHALL NOT PAY OUT LESS THAN A THEORETICAL PAYOUT
PERCENTAGE. THE SECRETARY MAY ADOPT REGULATIONS THAT SET AND
DEFINE THE THEORETICAL PAYOUT PERCENTAGE OF VIDEO LOTTERY
PLAY, WHICH SHALL NOT BE LESS THAN 85%.

(5) SHALL HAVE A MAXIMUM AMOUNT PER INDIVIDUAL PLAY OF
\$2.

(6) SHALL HAVE SEALS AND IDENTIFICATION PLATES AS

1 REQUIRED BY THE DEPARTMENT.

2 SECTION 504.1. OTHER LICENSES AND SUITABILITY.

3 (A) ELIGIBILITY.--A PERSON MAY APPLY TO THE SECRETARY FOR A
4 MANUFACTURER'S LICENSE, AN OPERATOR'S LICENSE OR A SERVICE
5 TECHNICIAN'S LICENSE UNDER THIS SECTION ON A FORM PRESCRIBED BY
6 THE DEPARTMENT.

7 (B) REQUIREMENTS.--THE FOLLOWING SHALL APPLY TO LICENSES
8 ISSUED UNDER THIS SECTION:

9 (1) ALL LICENSES SHALL BE ISSUED AT THE DISCRETION OF
10 THE SECRETARY. THE SECRETARY SHALL MAKE A DETERMINATION
11 WITHIN 60 DAYS OF RECEIVING ALL REQUIRED INFORMATION FROM THE
12 APPLICANT. NOTHING IN THIS CHAPTER IS INTENDED OR SHALL BE
13 CONSTRUED TO CREATE AN ENTITLEMENT TO A LICENSE BY ANY
14 PERSON.

15 (2) THE SECRETARY MAY REFUSE TO ISSUE A LICENSE UNDER
16 THIS SECTION, OR MAY SUSPEND OR REVOKE A LICENSE, IF ANY OF
17 THE FOLLOWING APPLY:

18 (I) THE APPLICANT OR THE APPLICANT'S BUSINESS IS NOT
19 IN COMPLIANCE WITH ALL LAWS OF THIS COMMONWEALTH.

20 (II) THE SECRETARY FINDS THAT THE EXPERIENCE,
21 CHARACTER AND GENERAL FITNESS OF THE APPLICANT AND ANY
22 OFFICERS, DIRECTORS, STOCKHOLDERS AND PARTNERS OF THE
23 APPLICANT AND ANY OTHER PERSON THAT SHARES OR WILL SHARE
24 IN THE PROFITS OR PARTICIPATES OR WILL PARTICIPATE IN THE
25 MANAGEMENT OF THE AFFAIRS OF THE APPLICANT WILL NOT BE
26 CONSISTENT WITH THE PUBLIC INTEREST.

27 (III) THE APPLICANT OR AN OFFICER, DIRECTOR,
28 STOCKHOLDER OR PARTNER OF THE APPLICANT OR ANY OTHER
29 PERSON THAT SHARES OR WILL SHARE IN THE PROFITS OR
30 PARTICIPATES OR WILL PARTICIPATE IN THE MANAGEMENT OF THE

1 AFFAIRS OF THE APPLICANT HAS DONE ANY OF THE FOLLOWING:

2 (A) FAILED TO COMPLY WITH THE TERMS OF A LICENSE
3 ISSUED UNDER THIS SECTION.

4 (B) VIOLATED ANY RULE, REGULATION OR ORDER OF
5 THE DEPARTMENT.

6 (IV) A PERSON OTHER THAN THE APPLICANT SHARES OR
7 WILL SHARE IN THE PROFITS OF THE APPLICANT OTHER THAN AS
8 A BONA FIDE OWNER OF A FINANCIAL INTEREST IN THE
9 APPLICANT OR PARTICIPATES OR WILL PARTICIPATE IN THE
10 MANAGEMENT OF THE AFFAIRS OF THE APPLICANT.

11 (3) THE SECRETARY MAY ISSUE A TEMPORARY LICENSE UPON THE
12 TERMS AND CONDITIONS AS THE SECRETARY DEEMS NECESSARY,
13 DESIRABLE OR PROPER TO EFFECTUATE THE PROVISIONS OF THIS
14 CHAPTER.

15 (4) THE SECRETARY SHALL REFUSE TO GRANT OR RENEW A
16 LICENSE ISSUED UNDER THIS SECTION AND MAY REVOKE A LICENSE IF
17 THE APPLICANT IS NOT COMPLIANT WITH THE TAX LAWS OF THIS
18 COMMONWEALTH.

19 (C) TERM AND APPLICATION FEES.--EACH LICENSE ISSUED UNDER
20 THIS SECTION SHALL BE VALID FOR A PERIOD OF THREE YEARS FROM THE
21 DATE OF ISSUANCE AND MAY BE RENEWED FOR THREE-YEAR TERMS UPON
22 APPLICATION OF THE APPLICANT. EACH APPLICANT FOR A LICENSE UNDER
23 THIS SECTION SHALL PAY A NONREFUNDABLE INITIAL APPLICATION FEE
24 OF \$500 AND A NONREFUNDABLE RENEWAL APPLICATION FEE OF \$100.

25 (D) SUITABILITY.--IN ADDITION TO ANY OTHER SPECIFICATIONS
26 AND QUALIFICATIONS ESTABLISHED BY THE DEPARTMENT, THE
27 PENNSYLVANIA STATE POLICE SHALL CONDUCT A BACKGROUND
28 INVESTIGATION OF ANY APPLICANT UNDER THIS SECTION, AS FOLLOWS:

29 (1) THE APPLICANT SHALL BE REQUIRED TO CONSENT TO A
30 BACKGROUND INVESTIGATION OF THE APPLICANT, ITS OWNERS,

1 OFFICERS, DIRECTORS, STOCKHOLDERS AND PARTNERS, AND ANY OTHER
2 PERSON THAT SHARES OR WILL SHARE IN THE PROFITS OR
3 PARTICIPATES OR WILL PARTICIPATE IN THE MANAGEMENT OF THE
4 AFFAIRS OF THE APPLICANT AND SHALL PROVIDE ANY AND ALL
5 INFORMATION REQUESTED BY THE PENNSYLVANIA STATE POLICE AND
6 CONSENT TO A RELEASE TO OBTAIN ANY AND ALL INFORMATION
7 NECESSARY FOR THE COMPLETION OF THE BACKGROUND INVESTIGATION,
8 WHICH SHALL INCLUDE FINGERPRINTS.

9 (2) THE BACKGROUND INVESTIGATION SHALL INCLUDE A
10 SECURITY, CRIMINAL, CREDIT AND SUITABILITY INVESTIGATION BY
11 THE PENNSYLVANIA STATE POLICE, WHICH SHALL INCLUDE RECORDS OF
12 CRIMINAL ARRESTS AND CONVICTIONS, NO MATTER WHERE OCCURRING,
13 INCLUDING FEDERAL CRIMINAL HISTORY RECORD INFORMATION. NONE
14 OF THE INFORMATION OBTAINED BY THE PENNSYLVANIA STATE POLICE
15 SHALL BE DISCLOSED PUBLICLY NOR BE SUBJECT TO DISCLOSURE
16 UNDER THE ACT OF FEBRUARY 14, 2008 (P.L.6, NO.3), KNOWN AS
17 THE RIGHT-TO-KNOW LAW.

18 (3) EACH APPLICATION FOR A LICENSE UNDER THIS SECTION
19 MUST BE ACCOMPANIED BY A NONREFUNDABLE FEE SET BY THE
20 PENNSYLVANIA STATE POLICE FOR THE COST OF EACH INDIVIDUAL
21 REQUIRING A BACKGROUND INVESTIGATION. THE REASONABLE AND
22 NECESSARY COSTS AND EXPENSES INCURRED IN ANY BACKGROUND
23 INVESTIGATION SHALL BE REIMBURSED TO THE PENNSYLVANIA STATE
24 POLICE BY THE APPLICANT.

25 (4) UPON COMPLETION OF THE BACKGROUND INVESTIGATION, THE
26 PENNSYLVANIA STATE POLICE SHALL DETERMINE WHETHER THE
27 EXPERIENCE, CHARACTER AND GENERAL FITNESS OF THE APPLICANT
28 AND ITS OWNERS, OFFICERS, DIRECTORS, STOCKHOLDERS AND
29 PARTNERS, AND ANY OTHER PERSON THAT SHARES OR WILL SHARE IN
30 THE PROFITS OR PARTICIPATES OR WILL PARTICIPATE IN THE

1 MANAGEMENT OF THE AFFAIRS OF THE APPLICANT, ARE SUCH THAT THE
2 PARTICIPATION OF THE APPLICANT IN THE OPERATIONS OF VIDEO
3 LOTTERY UNDER THIS CHAPTER WILL BE CONSISTENT WITH THE PUBLIC
4 INTEREST. THE PENNSYLVANIA STATE POLICE SHALL NOTIFY THE
5 DEPARTMENT OF ITS DETERMINATION, AND MAY SHARE INFORMATION
6 WITH THE DEPARTMENT TO THE EXTENT PERMITTED BY STATE AND
7 FEDERAL LAW AS DETERMINED BY THE PENNSYLVANIA STATE POLICE.

8 (5) IN DETERMINING WHETHER PARTICIPATION BY AN APPLICANT
9 IS CONSISTENT WITH THE PUBLIC INTEREST, THE PENNSYLVANIA
10 STATE POLICE'S STANDARDS SHALL INCLUDE WHETHER THE APPLICANT
11 AND ITS OWNERS, OFFICERS, DIRECTORS, STOCKHOLDERS AND
12 PARTNERS, AND ANY OTHER PERSON THAT SHARES OR WILL SHARE IN
13 THE PROFITS OR PARTICIPATES OR WILL PARTICIPATE IN THE
14 MANAGEMENT OF THE AFFAIRS OF THE APPLICANT:

15 (I) HAVE BEEN CONVICTED OF A CRIME INVOLVING MORAL
16 TURPITUDE.

17 (II) HAVE BEEN CONVICTED OF ILLEGAL GAMBLING
18 ACTIVITIES INCLUDING WITH RESPECT TO LOTTERIES, GAMBLING
19 DEVICES, GAMBLING OR POOL SELLING UNDER 18 PA.C.S. §§
20 5512 (RELATING TO LOTTERIES, ETC.), 5513 (RELATING TO
21 GAMBLING DEVICES, GAMBLING, ETC.) OR 5514 (RELATING TO
22 POOL SELLING AND BOOKMAKING) OR THE SIMILAR LAWS OF
23 ANOTHER STATE.

24 (III) HAVE BEEN CONVICTED OF ANY FRAUD OR
25 MISREPRESENTATION IN ANY CONTEXT.

26 (6) THE DEPARTMENT SHALL NOT ISSUE A LICENSE TO ANY
27 APPLICANT WHOSE PARTICIPATION IS DEEMED BY THE PENNSYLVANIA
28 STATE POLICE TO BE INCONSISTENT WITH THE PUBLIC INTEREST.
29 DETERMINATION OF SUITABILITY BY THE PENNSYLVANIA STATE POLICE
30 SHALL NOT ENTITLE AN APPLICANT TO RECEIVE A LICENSE UNDER

THIS CHAPTER.

(7) A FINDING OF SUITABILITY IS A PRIVILEGE. NO APPLICANT HAS A VESTED OR PROPERTY RIGHT IN BEING FOUND SUITABLE FOR LICENSURE UNDER THIS SECTION. A DETERMINATION OF SUITABILITY OR UNSUITABILITY SHALL NOT BE SUBJECT TO CHALLENGE OR APPEAL.

(8) UPON ANY CHANGE IN THE OWNERS, OFFICERS, DIRECTORS, STOCKHOLDERS AND PARTNERS OF AN APPLICANT OR ANY OTHER PERSON THAT SHARES OR WILL SHARE IN THE PROFITS OR PARTICIPATES OR WILL PARTICIPATE IN THE MANAGEMENT OF THE AFFAIRS OF AN APPLICANT, THE APPLICANT SHALL BE REQUIRED TO CONSENT TO AN UPDATED BACKGROUND INVESTIGATION AND UPDATED FINDING OF SUITABILITY BY THE PENNSYLVANIA STATE POLICE UNDER THIS SUBSECTION. THE DEPARTMENT SHALL REVOKE THE LICENSE ISSUED TO AN APPLICANT IN THE CASE OF A FINDING THAT THE APPLICANT IS NO LONGER SUITABLE UNDER THIS PARAGRAPH.

(E) EMPLOYEES.--AN EMPLOYEE OF AN APPLICANT WHO HAS OR WILL HAVE ACCESS TO VIDEO LOTTERY TERMINALS SHALL RECEIVE AND MAINTAIN A FINDING OF SUITABILITY BASED ON A BACKGROUND CHECK FROM THE PENNSYLVANIA STATE POLICE CONSISTENT WITH THE PROVISIONS OF SUBSECTION (D). NO EMPLOYEE OF AN APPLICANT SHALL HAVE ACCESS TO VIDEO LOTTERY TERMINALS UNTIL SUCH TIME AS THE EMPLOYEE HAS RECEIVED A FINDING OF SUITABILITY FROM THE PENNSYLVANIA STATE POLICE.

SECTION 505. FEES.

(A) GENERAL RULE.--IN ADDITION TO THE APPLICATION FEES REQUIRED UNDER THIS CHAPTER, AS A CONDITION TO THE ISSUANCE OF A LICENSE OR THE RENEWAL OF A LICENSE, AN APPLICANT SHALL PAY THE FOLLOWING LICENSE FEE:

(1) AN APPLICANT FOR A MANUFACTURER'S LICENSE SHALL PAY

1 AN INITIAL LICENSE FEE OF \$10,000 AND A RENEWAL FEE OF
2 \$10,000.

3 (2) AN APPLICANT FOR AN OPERATOR'S LICENSE SHALL PAY AN
4 INITIAL LICENSE FEE OF \$5,000 AND A RENEWAL FEE OF \$5,000. IN
5 ADDITION, AN OPERATOR SHALL PAY AT TIMES DETERMINED BY THE
6 SECRETARY, BUT NO MORE FREQUENTLY THAN ANNUALLY, A FEE OF
7 \$500 PER VIDEO LOTTERY TERMINAL THAT THE OPERATOR IS
8 AUTHORIZED TO PLACE AND OPERATE AT LICENSED ESTABLISHMENTS IN
9 THIS COMMONWEALTH.

10 (3) AN APPLICANT FOR A VIDEO LOTTERY LICENSE SHALL PAY
11 AN INITIAL LICENSE FEE OF \$500 AND A RENEWAL FEE OF \$500. IN
12 ADDITION, A VIDEO LOTTERY RETAILER SHALL PAY AT TIMES
13 DETERMINED BY THE SECRETARY, BUT NO MORE FREQUENTLY THAN
14 ANNUALLY, A FEE OF \$500 PER VIDEO LOTTERY TERMINAL THAT HAS
15 BEEN AUTHORIZED TO BE PLACED AT THE VIDEO LOTTERY RETAILER'S
16 LICENSED ESTABLISHMENT.

17 (4) AN APPLICANT FOR A SERVICE TECHNICIAN'S LICENSE
18 SHALL PAY AN INITIAL LICENSE FEE OF \$1,000 AND A RENEWAL FEE
19 OF \$1,000.

20 (B) INCREASE.--

21 (1) THE SECRETARY MAY INCREASE AN APPLICATION OR LICENSE
22 FEE AUTHORIZED UNDER THIS CHAPTER BY AN AMOUNT WHICH SHALL
23 NOT EXCEED THE RATE OF INCREASE IN THE CONSUMER PRICE INDEX
24 FOR ALL URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW JERSEY,
25 DELAWARE AND MARYLAND AREA FOR THE MOST RECENT 12-MONTH
26 PERIOD FOR WHICH FIGURES HAVE BEEN OFFICIALLY REPORTED BY THE
27 DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, IMMEDIATELY
28 PRIOR TO THE DATE THE INCREASE IS DUE TO TAKE EFFECT.

29 (2) NOTWITHSTANDING PARAGRAPH (1), A FEE INCREASE MAY
30 NOT OCCUR IF THE SECRETARY DETERMINES THAT THE EXISTING FEES

1 ARE SUFFICIENT TO PAY THE COSTS UNDER SECTION 506(C)(1).

2 (C) DEPOSIT.--ALL APPLICATION AND LICENSE FEES SHALL BE
3 DEPOSITED INTO THE ACCOUNT.

4 SECTION 506. COLLEGE TUITION RELIEF FUND.

5 (A) ESTABLISHMENT.--

6 (1) THERE IS ESTABLISHED A SEPARATE FUND IN THE STATE
7 TREASURY TO BE KNOWN AS THE COLLEGE TUITION RELIEF FUND.

8 (2) A RESTRICTED RECEIPTS ACCOUNT TO BE KNOWN AS THE
9 ENABLING STUDENTS TO ATTEND COLLEGE ACCOUNT IS ESTABLISHED
10 WITHIN THE FUND.

11 (B) DEPOSITS.--NOTWITHSTANDING SECTION 311(A) OF THE STATE
12 LOTTERY LAW, MONEY SHALL BE DEPOSITED AS FOLLOWS:

13 (1) ALL FEES, FINES AND PENALTIES IMPOSED UNDER THIS
14 CHAPTER SHALL BE DEPOSITED INTO THE ACCOUNT AS COLLECTED.

15 (2) ALL PROFITS FROM THE PLAY OF A VIDEO LOTTERY
16 TERMINAL RECEIVED BY THE DEPARTMENT AND PROCEEDS SEIZED UNDER
17 SECTION 507(E) SHALL BE DEPOSITED INTO THE FUND.

18 (C) DISTRIBUTIONS.--

19 (1) MONEY IN THE ACCOUNT SHALL BE DISTRIBUTED TO THE
20 DEPARTMENT, THE PENNSYLVANIA LIQUOR CONTROL BOARD AND THE
21 PENNSYLVANIA STATE POLICE FOR THE COST OF CARRYING OUT THEIR
22 RESPECTIVE OBLIGATIONS UNDER THIS CHAPTER UPON APPROPRIATION
23 BY THE GENERAL ASSEMBLY. THE COSTS SHALL INCLUDE THE START-UP
24 AND ONGOING COST OF THE CENTRAL COMPUTER SYSTEM AND THE
25 ADMINISTRATION AND ENFORCEMENT OF THIS CHAPTER. THE
26 DEPARTMENT, THE PENNSYLVANIA LIQUOR CONTROL BOARD AND THE
27 PENNSYLVANIA STATE POLICE SHALL PREPARE AND ANNUALLY SUBMIT
28 TO THE CHAIRMAN OF THE APPROPRIATIONS COMMITTEE OF THE SENATE
29 AND THE CHAIRMAN OF THE APPROPRIATIONS COMMITTEE OF THE HOUSE
30 OF REPRESENTATIVES AN ITEMIZED BUDGET CONSISTING OF AMOUNTS

1 TO BE APPROPRIATED OUT OF THE ACCOUNT NECESSARY TO PAY SUCH
2 COSTS.

3 (2) AN OPERATOR SHALL ESTABLISH AND MAINTAIN AN ACCOUNT
4 IN A STATE DEPOSITORY IN THIS COMMONWEALTH INTO WHICH THE
5 OPERATOR SHALL DEPOSIT REVENUE GENERATED BY THE PLAY OF ALL
6 VIDEO LOTTERY TERMINALS FOR WHICH THE OPERATOR HAS BEEN
7 ISSUED AN OPERATOR'S LICENSE EQUAL TO 55% OF THE PROFITS FROM
8 SUCH TERMINALS. THE SUMS IN THE ACCOUNT SHALL BE WITHDRAWN
9 WEEKLY BY THE DEPARTMENT AND DEPOSITED INTO THE FUND FOR
10 DISTRIBUTION UNDER THIS SUBSECTION.

11 (3) MONEY IN THE FUND SHALL BE DISTRIBUTED PURSUANT TO
12 THIS PARAGRAPH. THE MONEY IS APPROPRIATED ON A CONTINUING
13 BASIS FOR THAT PURPOSE. THE FOLLOWING SHALL APPLY:

14 (I) MONEY IN THE FUND REPRESENTING 50% OF THE
15 PROFITS FROM ALL VIDEO LOTTERY TERMINALS SHALL REMAIN IN
16 THE FUND TO BE USED FOR THE PROGRAM UNDER CHAPTER 3.

17 (II) THE BALANCE OF MONEY IN THE FUND SHALL BE
18 ALLOCATED AS FOLLOWS:

19 (A) TO THE DEPARTMENT, TO THE PENNSYLVANIA
20 LIQUOR CONTROL BOARD AND TO THE PENNSYLVANIA STATE
21 POLICE FOR ANY AMOUNT NEEDED TO PAY THE COSTS UNDER
22 PARAGRAPH (1) NOT FUNDED BY MONEY IN THE ACCOUNT.

23 (B) AN AMOUNT EQUAL TO \$3,000,000 PER YEAR SHALL
24 BE PAID TO THE DEPARTMENT FOR THE PROGRAM UNDER
25 SUBSECTION (E) FOR A PERIOD OF FIVE YEARS FROM THE
26 EFFECTIVE DATE OF THIS SECTION.

27 (C) TO THE GENERAL FUND.

28 (D) STATE LOTTERY FUND HOLD HARMLESS.--IF, ON JUNE 15, 2010,
29 AND JUNE 15 OF EACH YEAR THEREAFTER, THE SECRETARY DETERMINES
30 THAT A DECREASE IN THE REVENUE DEPOSITED IN THAT FISCAL YEAR IN

1 THE STATE LOTTERY FUND IS DUE TO THE PLAY OF VIDEO LOTTERY
2 TERMINALS IN THIS COMMONWEALTH, THE SECRETARY SHALL CERTIFY THE
3 AMOUNT OF THE DECREASE DUE TO THE PLAY. THE SECRETARY'S
4 DETERMINATION SHALL BE BASED UPON AN AUDIT OR OTHER REPORT OF AN
5 INDEPENDENT EXPERT WITH RESPECT TO SUCH DECREASE. A SUM EQUAL TO
6 THE AMOUNT OF THE DECREASE SHALL BE DEDUCTED FROM THE AMOUNT TO
7 BE DISTRIBUTED TO THE GENERAL FUND UNDER SUBSECTION (C) (3) (II)
8 IN THE NEXT FISCAL YEAR AND DEPOSITED IN THE STATE LOTTERY FUND.
9 THE COST OF THE AUDIT OR INDEPENDENT REPORT MAY BE INCLUDED IN
10 THE COSTS OF THE DEPARTMENT TO BE FUNDED FROM MONEY IN THE
11 ACCOUNT UNDER SUBSECTION (C) (1) .

12 (E) ACCESS.--THE DEPARTMENT SHALL ESTABLISH A PROGRAM TO
13 MAKE GRANTS TO VIDEO LOTTERY RETAILERS WHO HOLD A VIDEO LOTTERY
14 LICENSE FOR THE PURPOSE OF MAKING ACCESS IMPROVEMENTS TO A
15 LICENSED ESTABLISHMENT. THE AMOUNT OF SUCH GRANTS SHALL BE
16 LIMITED TO ANY AMOUNT PAID TO THE DEPARTMENT UNDER SUBSECTION
17 (C) (3) (II) (B) .

18 SECTION 507. ENFORCEMENT.

19 (A) UNLAWFUL ACTS.--EXCEPT AS PROVIDED UNDER SUBSECTIONS (B)
20 AND (C), IT SHALL BE UNLAWFUL FOR ANY PERSON TO DO ANY OF THE
21 FOLLOWING:

22 (1) TO OPERATE OR ATTEMPT TO OPERATE A VIDEO LOTTERY
23 TERMINAL OR TO RECEIVE A PRIZE OR ATTEMPT TO RECEIVE A PRIZE
24 FROM A VIDEO LOTTERY TERMINAL IF THE PERSON IS UNDER 21 YEARS
25 OF AGE.

26 (2) TO PERMIT AN INDIVIDUAL UNDER 21 YEARS OF AGE TO
27 PLAY A VIDEO LOTTERY TERMINAL OR PROVIDE A PRIZE TO AN
28 INDIVIDUAL UNDER 21 YEARS OF AGE AS A RESULT OF PLAYING A
29 VIDEO LOTTERY TERMINAL.

30 (3) TO PERMIT A VISIBLY INTOXICATED PATRON TO PLAY A

1 VIDEO LOTTERY TERMINAL.

2 (4) TO POSSESS A GAMING MACHINE.

3 (5) TO INSTALL OR OPERATE MORE VIDEO LOTTERY TERMINALS
4 IN A LICENSED ESTABLISHMENT THAN PERMITTED BY THE DEPARTMENT.

5 (6) TO POSSESS A VIDEO LOTTERY TERMINAL WITHOUT HOLDING
6 A CURRENT VIDEO LOTTERY LICENSE OR AN OPERATOR'S LICENSE.

7 (7) TO POSSESS OR USE OR PERMIT ANY PERSON TO POSSESS OR
8 USE A CHEATING OR THIEVING DEVICE.

9 (8) TO PROVIDE FALSE INFORMATION OR DOCUMENTS IN OR WITH
10 RESPECT TO AN APPLICATION FOR A LICENSE UNDER THIS CHAPTER OR
11 IN OR WITH RESPECT TO ANY OTHER INFORMATION OR DOCUMENT
12 REQUIRED BY THE DEPARTMENT OR THE PENNSYLVANIA STATE POLICE
13 IN THE ADMINISTRATION OF THIS CHAPTER.

14 (9) TO POSSESS A VIDEO LOTTERY TERMINAL WITH ALTERED OR
15 MISSING IDENTIFICATION.

16 (10) TO ALTER OR REMOVE OR TO PERMIT THE ALTERATION OR
17 REMOVAL OF THE IDENTIFICATION PLATE ON A VIDEO LOTTERY
18 TERMINAL.

19 (11) TO TAMPER OR PERMIT TAMPERING WITH THE CONNECTION
20 OF THE VIDEO LOTTERY TERMINAL TO THE CENTRAL COMPUTER SYSTEM.

21 (12) TO AWARD OR PERMIT THE AWARD OF A PRIZE IN EXCESS
22 OF THE AMOUNT ESTABLISHED UNDER SECTION 504 FOR AN INDIVIDUAL
23 PLAY.

24 (13) TO FAIL TO REPORT OR PAY OR TO FAIL TO TRUTHFULLY
25 ACCOUNT FOR AND PAY ANY LICENSE FEE OR OTHER AMOUNT IMPOSED
26 UNDER THIS CHAPTER.

27 (14) TO ATTEMPT IN ANY MANNER TO EVADE OR DEFEAT THE
28 PAYMENT OF ANY APPLICATION OR LICENSE FEE OR OTHER AMOUNT
29 IMPOSED UNDER THIS CHAPTER.

30 (15) TO PERMIT A VIDEO LOTTERY TERMINAL TO BE

1 TRANSPORTED TO OR REPAIRED OR OPENED ON THE PREMISES OF A
2 LICENSED ESTABLISHMENT BY A PERSON OTHER THAN A PERSON
3 AUTHORIZED BY THIS CHAPTER.

4 (16) TO USE CURRENCY OTHER THAN LAWFUL COIN OR LEGAL
5 TENDER OF THE UNITED STATES OR A COIN NOT OF THE SAME
6 DENOMINATION AS THE COIN REQUIRED TO BE USED IN THE VIDEO
7 LOTTERY TERMINAL.

8 (17) TO POSSESS ANY DEVICE, EQUIPMENT OR MATERIAL WHICH
9 THE PERSON KNOWS HAS BEEN MANUFACTURED, DISTRIBUTED, SOLD,
10 TAMPERED WITH OR SERVICED IN VIOLATION OF THIS CHAPTER WITH
11 THE INTENT TO USE THE DEVICE, EQUIPMENT OR MATERIAL AS THOUGH
12 IT HAD BEEN MANUFACTURED, DISTRIBUTED, SOLD OR SERVICED UNDER
13 THIS CHAPTER.

14 (18) TO SELL, OFFER FOR SALE, REPRESENT OR PASS OFF AS
15 LAWFUL ANY DEVICE, EQUIPMENT OR MATERIAL WHICH THE PERSON
16 KNOWS HAS BEEN MANUFACTURED, DISTRIBUTED, SOLD, OFFERED FOR
17 SALE, TAMPERED WITH OR SERVICED IN VIOLATION OF THIS CHAPTER.

18 (19) TO VIOLATE OR KNOWINGLY PERMIT THE VIOLATION OF ANY
19 PROVISION OF THIS CHAPTER.

20 (B) COMPLIANCE CHECKS.--NOTWITHSTANDING ANY PROVISION OF
21 LAW, THE ENFORCEMENT BUREAU MAY CONDUCT COMPLIANCE CHECKS IN
22 LICENSED ESTABLISHMENTS IN ACCORDANCE WITH THIS SUBSECTION. AS
23 PART OF A COMPLIANCE CHECK, AN INDIVIDUAL WHO IS UNDER 21 YEARS
24 OF AGE MAY PLAY A VIDEO LOTTERY TERMINAL AND RECEIVE A PRIZE
25 FROM PLAYING THE VIDEO LOTTERY TERMINAL IN A LICENSED
26 ESTABLISHMENT IF ALL OF THE FOLLOWING APPLY:

27 (1) THE INDIVIDUAL IS AT LEAST 18 YEARS OF AGE.

28 (2) THE INDIVIDUAL IS AN OFFICER, EMPLOYEE OR INTERN OF
29 THE ENFORCEMENT BUREAU.

30 (3) THE INDIVIDUAL HAS COMPLETED TRAINING SPECIFIED BY

1 THE ENFORCEMENT BUREAU.

2 (4) THE INDIVIDUAL IS ACTING WITHIN THE SCOPE OF
3 PRESCRIBED DUTIES.

4 (5) THE INDIVIDUAL IS ACTING UNDER THE DIRECT CONTROL OR
5 SUPERVISION OF AN ENFORCEMENT BUREAU OFFICER WHO IS AT LEAST
6 21 YEARS OF AGE.

7 (C) CHEATING DEVICE.--AN AUTHORIZED EMPLOYEE OF THE
8 ENFORCEMENT BUREAU OR AN AUTHORIZED EMPLOYEE OF THE DEPARTMENT
9 MAY POSSESS AND USE A CHEATING OR THIEVING DEVICE, COUNTERFEIT
10 OR ALTERED BILLET, TICKET, TOKEN OR SIMILAR OBJECTS ACCEPTED BY
11 A VIDEO LOTTERY TERMINAL OR COUNTERFEIT OR ALTERED VIDEO LOTTERY
12 TERMINAL-ISSUED TICKETS OR CREDITS IN PERFORMANCE OF THE DUTIES
13 OF EMPLOYMENT.

14 (D) CRIMINAL PENALTIES.--IN ADDITION TO ANY OTHER PENALTIES
15 PROVIDED BY LAW, THE FOLLOWING SHALL APPLY:

16 (1) THE PROVISIONS OF 18 PA.C.S. § 4902 (RELATING TO
17 PERJURY), 4903 (RELATING TO FALSE SWEARING) OR 4904 (RELATING
18 TO UNSWORN FALSIFICATION TO AUTHORITIES) SHALL APPLY TO ANY
19 PERSON PROVIDING INFORMATION OR MAKING ANY STATEMENT, WHETHER
20 WRITTEN OR ORAL, AS REQUIRED UNDER THIS CHAPTER.

21 (2) A PERSON CONVICTED OF VIOLATING SUBSECTION (A) (1),
22 (2) AND (3) COMMITS A SUMMARY OFFENSE.

23 (3) EXCEPT FOR SUBSECTION (A) (1), (2) AND (3), A PERSON
24 CONVICTED OF VIOLATING ANY OF THE PROVISIONS OF SUBSECTION
25 (A) COMMITS A MISDEMEANOR OF THE FIRST DEGREE AND SHALL PAY A
26 FINE OF NOT LESS THAN \$5,000. EXCEPT FOR SUBSECTION (A) (1),
27 (2) AND (3), A PERSON CONVICTED OF VIOLATING ANY OF THE
28 PROVISIONS OF SUBSECTION (A) THAT IS CONVICTED OF A SECOND OR
29 SUBSEQUENT VIOLATION COMMITS A FELONY OF THE SECOND DEGREE
30 AND SHALL PAY A FINE OF NOT LESS THAN \$15,000.

(E) SEIZURE, FORFEITURE AND DESTRUCTION OF GAMING
MACHINES.--

(1) GAMING MACHINES SHALL BE CONSIDERED TO BE PER SE
ILLEGAL. GAMING MACHINES AND THE PROCEEDS THEREFROM MAY BE
SEIZED UPON VIEW AS ILLEGAL CONTRABAND BY THE ENFORCEMENT
BUREAU AND ANY OTHER LAW ENFORCEMENT AGENCY. THE OWNER OF A
GAMING MACHINE SHALL HAVE NO RIGHT TO COMPENSATION FOR THE
SEIZURE AND DESTRUCTION OF A GAMING MACHINE OR THE SEIZURE OF
PROCEEDS OF THE GAMING MACHINE.

(2) (I) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE
OFFICE OF ADMINISTRATIVE LAW JUDGE SHALL HAVE THE
AUTHORITY TO ORDER FORFEITURE TO THE COMMONWEALTH OF A
GAMING MACHINE AND PROCEEDS FROM THE GAMING MACHINE
SEIZED BY THE ENFORCEMENT BUREAU AND THE DESTRUCTION OF
THE GAMING MACHINE.

(II) UPON ADJUDICATION FOLLOWING A HEARING, THE
BUREAU MAY INITIATE FORFEITURE PROCEEDINGS UNDER THIS
SECTION BY FILING A MOTION WITH THE OFFICE OF
ADMINISTRATIVE LAW JUDGE.

(III) THE MOTION MAY BE FILED AT ANY TIME FOLLOWING
THE ISSUANCE OF THE ADJUDICATION AND DISPOSITION OF ALL
APPEALS. THE MOTION SHALL INCLUDE ALL OF THE FOLLOWING:

(A) A LIST AND DESCRIPTION OF THE PROPERTY TO BE
FORFEITED.

(B) THE TIME AND PLACE OF SEIZURE.

(C) THE PERSON IN POSSESSION AT TIME OF SEIZURE.

(D) THE OWNER, IF KNOWN.

(E) AN ATTESTATION THAT THE ENFORCEMENT BUREAU
HAS SENT A COPY OF THE MOTION AND A NOTICE OF
FORFEITURE TO THE VIDEO LOTTERY RETAILER, THE

1 OPERATOR OR TO THE OWNER OR POSSESSOR OF THE GAMING
2 MACHINE BY CERTIFIED MAIL RETURN RECEIPT REQUESTED AT
3 THE LAST KNOWN ADDRESS ON FILE WITH THE PENNSYLVANIA
4 LIQUOR CONTROL BOARD.

5 (IV) THE NOTICE OF FORFEITURE UNDER SUBPARAGRAPH
6 (III) (E) SHALL STATE THAT THE GAMING MACHINE WILL BE
7 DESTROYED AND PROCEEDS WILL BE FORFEITED TO THE
8 COMMONWEALTH BY OPERATION OF LAW, UNLESS THE LICENSED
9 ESTABLISHMENT OWNER, OPERATOR OR POSSESSOR OF THE GAMING
10 MACHINE FILES A WRITTEN OBJECTION WITH THE OFFICE OF
11 ADMINISTRATIVE LAW JUDGE SETTING FORTH A RIGHT OF
12 POSSESSION OF THE SEIZED PROPERTY. THE WRITTEN OBJECTION
13 MUST BE POSTMARKED WITHIN 30 DAYS OF THE MAILING DATE OF
14 THE NOTICE.

15 (V) THE OFFICE OF ADMINISTRATIVE LAW JUDGE SHALL
16 ISSUE AN ORDER OF FORFEITURE AND DESTRUCTION IF THE
17 ADMINISTRATIVE LAW JUDGE IS SATISFIED THAT THE
18 REQUIREMENTS OF THIS SUBSECTION HAVE BEEN MET.

19 (VI) UPON RECEIPT OF A WRITTEN OBJECTION TO
20 FORFEITURE AND DESTRUCTION FROM THE LICENSED
21 ESTABLISHMENT OWNER, OPERATOR OR OWNER OR POSSESSOR OF
22 THE GAMING MACHINE, THE OFFICE OF ADMINISTRATIVE LAW
23 JUDGE SHALL ISSUE AN ORDER DENYING THE MOTION FOR AN
24 ORDER OF FORFEITURE AND DESTRUCTION.

25 (VII) THE LICENSED ESTABLISHMENT OWNER, OPERATOR OR
26 OWNER OR POSSESSOR OF THE GAMING MACHINE OR ENFORCEMENT
27 BUREAU SHALL HAVE A RIGHT OF APPEAL FROM AN ORDER ISSUED
28 UNDER SUBPARAGRAPH (V) OR (VI) IN ACCORDANCE WITH THE
29 PROCEDURES UNDER SECTION 471 OF THE LIQUOR CODE FOR
30 APPEALS OF ADJUDICATIONS ISSUED BY THE OFFICE OF

ADMINISTRATIVE LAW JUDGE, EXCEPT THAT ANY APPEAL WILL NOT
PLACE IN ISSUE THE FINDING OF FACT, CONCLUSION OF LAW OR
SANCTION OF THE UNDERLYING ADJUDICATION.

(3) THIS SUBSECTION SHALL APPLY TO CASES INVOLVING
GAMING MACHINES AND PROCEEDS SEIZED BY THE ENFORCEMENT BUREAU
PRIOR TO THE EFFECTIVE DATE OF THIS SUBSECTION.

(4) IN ADDITION TO ANY OTHER LAW ENFORCEMENT AGENCY WITH
JURISDICTION, THE ENFORCEMENT BUREAU SHALL HAVE THE
JURISDICTION AND THE AUTHORITY TO ENTER A BUSINESS IN ORDER
TO ENFORCE THE PROVISIONS OF THIS SECTION.

(F) ADMINISTRATIVE SANCTIONS.--

(1) IN ADDITION TO ANY OTHER SANCTION, PENALTY OR REMEDY
AUTHORIZED BY LAW OR REGULATION, THE SECRETARY MAY IMPOSE ANY
SANCTION, PENALTY OR REMEDY FOR A VIOLATION OF THIS CHAPTER
THAT IS ALSO AVAILABLE TO THE SECRETARY UNDER THE STATE
LOTTERY LAW.

(2) THE OFFICE OF ADMINISTRATIVE LAW JUDGE SHALL IMPOSE
ALL OF THE FOLLOWING PENALTIES WITH RESPECT TO AN ORDER OF
FORFEITURE AND DESTRUCTION ISSUED UNDER SUBSECTION (E) :

(I) FOR A FIRST VIOLATION, A PENALTY OF AT LEAST
\$1,000 AND NOT MORE THAN \$5,000 AGAINST THE OWNER OR
POSSESSOR OF A GAMING MACHINE SEIZED BY THE BUREAU OF
ENFORCEMENT AND FOR EACH SUBSEQUENT VIOLATION, A PENALTY
OF \$15,000.

(II) IN THE CASE OF A GAMING MACHINE SEIZED FROM A
LICENSED ESTABLISHMENT THAT IS OWNED BY A VIDEO LOTTERY
RETAILER, FOR A FIRST VIOLATION, A SUSPENSION OF THE
LICENSED ESTABLISHMENT OWNER'S LIQUOR LICENSE FOR NOT
LESS THAN SEVEN CONSECUTIVE DAYS AND FOR EACH SUBSEQUENT
VIOLATION, A SUSPENSION OF THE LIQUOR LICENSE FOR NOT

1 LESS THAN 14 CONSECUTIVE DAYS.

2 (III) IN THE CASE OF A GAMING MACHINE SEIZED FROM A
3 LICENSED ESTABLISHMENT THAT IS NOT OWNED BY A VIDEO
4 LOTTERY RETAILER, FOR A FIRST VIOLATION, A SUSPENSION OF
5 THE LICENSED ESTABLISHMENT OWNER'S LIQUOR LICENSE FOR NOT
6 LESS THAN 14 CONSECUTIVE DAYS AND FOR EACH SUBSEQUENT
7 VIOLATION, A SUSPENSION OF THE LIQUOR LICENSE FOR NOT
8 LESS THAN 21 CONSECUTIVE DAYS.

9 (IV) IN THE CASE OF A GAMING MACHINE SEIZED FROM A
10 PLACE OF BUSINESS OTHER THAN A LICENSED ESTABLISHMENT,
11 FOR A FIRST VIOLATION, A PENALTY OF AT LEAST \$1,000 AND
12 NOT MORE THAN \$5,000 AGAINST THE OWNER OF THE PLACE OF
13 BUSINESS FROM WHICH A GAMING MACHINE WAS SEIZED BY THE
14 BUREAU OF ENFORCEMENT, AND FOR EACH SUBSEQUENT VIOLATION,
15 A PENALTY OF \$15,000.

16 (3) THE OFFICE OF ADMINISTRATIVE LAW JUDGE SHALL IMPOSE
17 ALL OF THE FOLLOWING PENALTIES WITH RESPECT TO ANY VIOLATION
18 OF THIS CHAPTER:

19 (I) FOR A FIRST VIOLATION, A PENALTY OF AT LEAST
20 \$1,000 AND NOT MORE THAN \$5,000 AND FOR EACH SUBSEQUENT
21 VIOLATION, A PENALTY OF \$15,000.

22 (II) FOR A FIRST VIOLATION BY A VIDEO LOTTERY
23 RETAILER, A SUSPENSION OF THE LIQUOR LICENSE HELD BY THE
24 VIDEO LOTTERY RETAILER FOR EACH LICENSED ESTABLISHMENT
25 WHERE THE VIDEO LOTTERY RETAILER OPERATES VIDEO LOTTERY
26 TERMINALS UNDER A VIDEO LOTTERY LICENSE AND FOR EACH
27 SUBSEQUENT VIOLATION, A SUSPENSION OF EACH SUCH LIQUOR
28 LICENSE FOR NOT LESS THAN 14 CONSECUTIVE DAYS.

29 (4) A LIQUOR LICENSE SUSPENSION IMPOSED UNDER PARAGRAPH
30 (2) OR (3) SHALL BEGIN WITHIN 30 DAYS FOLLOWING THE

1 IMPOSITION OF THE SUSPENSION.

2 SECTION 508. LOCAL TAXES AND FEES.

3 (A) GENERAL RULE.--ANY TAX OR FEE IMPOSED BY A MUNICIPALITY
4 ON AMUSEMENT DEVICES UNDER ANY OTHER LAW SHALL APPLY TO A VIDEO
5 LOTTERY TERMINAL UNDER THIS CHAPTER.

6 (B) EXEMPTIONS.--EXCEPT AS PROVIDED UNDER SUBSECTION (A),
7 VIDEO LOTTERY TERMINALS SHALL BE EXEMPT FROM TAXES LEVIED UNDER
8 THE FOLLOWING:

9 (1) THE ACT OF AUGUST 5, 1932 (SP.SESS., P.L.45, NO.45),
10 REFERRED TO AS THE STERLING ACT.

11 (2) THE ACT OF DECEMBER 31, 1965 (P.L.1257, NO.511),
12 KNOWN AS THE LOCAL TAX ENABLING ACT.

13 (3) THE PROVISIONS OF 53 PA.C.S. PT III SUBPT. E
14 (RELATING TO HOME RULE AND OPTIONAL PLAN GOVERNMENT).

15 (4) ANY STATUTE THAT CONFERS TAXING AUTHORITY UPON A
16 POLITICAL SUBDIVISION.

17 SECTION 509. EXEMPTION FROM STATE GAMING LAWS.

18 THE FOLLOWING PROVISIONS SHALL NOT APPLY TO VIDEO LOTTERY
19 TERMINALS AUTHORIZED UNDER THIS CHAPTER AND THEIR USE AS
20 AUTHORIZED UNDER THIS CHAPTER:

21 (1) 4 PA.C.S. PT. II (RELATING TO GAMING).

22 (2) 18 PA.C.S. § 5513 (RELATING TO GAMBLING DEVICES,
23 GAMBLING, ETC.).

24 SECTION 510. EXEMPTION FROM FEDERAL REGULATION.

25 THE GENERAL ASSEMBLY DECLARES THAT THE COMMONWEALTH IS EXEMPT
26 FROM SECTION 2 OF THE GAMBLING DEVICES TRANSPORTATION ACT (64
27 STAT. 1134, 15 U.S.C. § 1172). SHIPMENTS OF APPROVED VIDEO
28 LOTTERY TERMINALS INTO THIS COMMONWEALTH IN COMPLIANCE WITH
29 SECTIONS 3 AND 4 OF THE GAMBLING DEVICES TRANSPORTATION ACT (15
30 U.S.C. §§ 1173 AND 1174) SHALL BE DEEMED LEGAL SHIPMENTS INTO

1 THIS COMMONWEALTH.

2 CHAPTER 51

3 MISCELLANEOUS PROVISIONS

4 SECTION 5101. SEVERABILITY.

5 THE PROVISIONS OF THIS ACT ARE SEVERABLE. IF ANY PROVISION OF
6 THIS ACT OR ITS APPLICATION TO ANY PERSON OR CIRCUMSTANCE IS
7 HELD INVALID, THE INVALIDITY SHALL NOT AFFECT OTHER PROVISIONS
8 OR APPLICATIONS OF THIS ACT WHICH CAN BE GIVEN EFFECT WITHOUT
9 THE INVALID PROVISION OR APPLICATION.

10 SECTION 5102. LEGISLATIVE INTENT.

11 THE GENERAL ASSEMBLY FINDS THAT THE COST OF ATTENDING A
12 PUBLIC INSTITUTION OF HIGHER EDUCATION IS INCREASINGLY OUT OF
13 REACH FOR PENNSYLVANIA FAMILIES. THEREFORE, THE GENERAL ASSEMBLY
14 DECLARES THAT THE AUTHORIZATION OF VIDEO LOTTERY FOR THE PURPOSE
15 OF RAISING FUNDS TO PROVIDE SCHOLARSHIPS FOR INDIVIDUALS SEEKING
16 HIGHER EDUCATION IS IN THE PUBLIC INTEREST. THE INTENT OF THE
17 GENERAL ASSEMBLY IS TO CONFIRM THE AUTHORITY OF THE SECRETARY
18 UNDER THE STATE LOTTERY LAW TO CONDUCT VIDEO LOTTERY AND THAT
19 THE VIDEO LOTTERY GAMES ARE OUTSIDE AND UNRELATED TO GAMING AS
20 AUTHORIZED UNDER 4 PA.C.S. PT. II (RELATING TO GAMING).

21 SECTION 5103. TEMPORARY REGULATIONS.

22 (A) PROMULGATION.--IN ORDER TO FACILITATE THE PROMPT
23 IMPLEMENTATION OF CHAPTER 5, THE DEPARTMENT MAY PROMULGATE
24 TEMPORARY REGULATIONS WHICH SHALL NOT BE SUBJECT TO:

25 (1) SECTIONS 201, 202 AND 203 OF THE ACT OF JULY 31,
26 1968 (P.L.769, NO.240), REFERRED TO AS THE COMMONWEALTH
27 DOCUMENTS LAW.

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

30 (B) EXPIRATION.--THE AUTHORITY PROVIDED TO THE DEPARTMENT TO

1 ADOPT TEMPORARY REGULATIONS UNDER SUBSECTION (A) SHALL EXPIRE
2 TWO YEARS FROM THE EFFECTIVE DATE OF THIS SECTION. REGULATIONS
3 ADOPTED AFTER THE TWO-YEAR PERIOD SHALL BE PROMULGATED AS
4 PROVIDED BY LAW.

5 SECTION 5104. APPROPRIATIONS.

6 (A) DEPARTMENT APPROPRIATIONS.--THE SUM OF \$20,000,000 IS
7 APPROPRIATED FROM THE GENERAL FUND TO THE DEPARTMENT OF REVENUE
8 FOR THE FISCAL PERIOD JULY 1, 2009, TO JUNE 30, 2010, TO PREPARE
9 FOR, IMPLEMENT AND ADMINISTER THE PROVISIONS OF THIS ACT. THE
10 MONEY APPROPRIATED UNDER THIS SUBSECTION SHALL BE CONSIDERED A
11 LOAN FROM THE GENERAL FUND AND SHALL BE REPAID TO THE GENERAL
12 FUND. THE APPROPRIATION SHALL BE A TWO-YEAR APPROPRIATION AND
13 SHALL NOT LAPSE UNTIL JUNE 30, 2011.

14 (B) PENNSYLVANIA LIQUOR CONTROL BOARD APPROPRIATIONS.--THE
15 SUM OF \$2,000,000 IS APPROPRIATED FROM THE GENERAL FUND TO THE
16 LIQUOR CONTROL BOARD FOR THE FISCAL PERIOD JULY 1, 2009, TO JUNE
17 30, 2010, TO PREPARE FOR, IMPLEMENT AND ADMINISTER THE
18 PROVISIONS OF THIS ACT. THE MONEY APPROPRIATED UNDER THIS
19 SUBSECTION SHALL BE CONSIDERED A LOAN FROM THE GENERAL FUND AND
20 SHALL BE REPAID TO THE GENERAL FUND. THE APPROPRIATION SHALL BE
21 A TWO-YEAR APPROPRIATION AND SHALL NOT LAPSE UNTIL JUNE 30,
22 2011.

23 (C) PENNSYLVANIA STATE POLICE APPROPRIATIONS.--THE SUM OF
24 \$3,000,000 IS APPROPRIATED FROM THE GENERAL FUND TO THE
25 ENFORCEMENT BUREAU OF THE PENNSYLVANIA STATE POLICE FOR THE
26 FISCAL PERIOD JULY 1, 2009, TO JUNE 30, 2010, TO PREPARE FOR,
27 IMPLEMENT AND ADMINISTER THE PROVISIONS OF THIS ACT. THE MONEY
28 APPROPRIATED UNDER THIS SECTION SHALL BE CONSIDERED A LOAN FROM
29 THE GENERAL FUND AND SHALL BE REPAID TO THE GENERAL FUND. THE
30 APPROPRIATION SHALL BE A TWO-YEAR APPROPRIATION AND SHALL NOT

- 1 LAPSE UNTIL JUNE 30, 2011.
- 2 SECTION 5105. EFFECTIVE DATE.
- 3 THIS ACT SHALL TAKE EFFECT IMMEDIATELY.