

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 711 Session of
2009

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STACK AND COSTA, JUNE 22, 2009

SENATE AMENDMENTS TO HOUSE AMENDMENTS, DECEMBER 16, 2009

AN ACT

1 Amending ~~Titles 4 (Amusements) and 64 (Public Authorities and~~ ←
2 ~~Quasi-Public Corporations)~~ TITLE 4 (AMUSEMENTS) of the ←
3 Pennsylvania Consolidated Statutes, making extensive
4 revisions to provisions on gaming, in the areas of
5 legislative intent, definitions, the Pennsylvania Gaming
6 Control Board, applicability of other statutes, powers of the
7 board, code of conduct, expenses of regulatory agencies,
8 licensed gaming entity application appeals from board,
9 license or permit application hearing process and public
10 hearings, board minutes and records, regulatory authority,
11 collection of fees and fines, slot machine license fee,
12 number of slot machines, reports of board, diversity goals of
13 board, license or permit prohibition, specific authority to
14 suspend slot machine license, Category 2 slot machine
15 license, Category 3 slot machine license, ~~number of slot~~ ←
16 ~~machine licenses~~, applications for license or permit, slot
17 machine license application, slot machine license application
18 character requirements, supplier licenses, manufacturer
19 licenses, gaming service provider, occupation permit
20 application, alternative manufacturer licensing standards,
21 alternative supplier licensing standards, additional licenses
22 and permits and approval of agreements, license renewals,
23 change in ownership or control of slot machine licensee,
24 nonportability of slot machine license, appointment of
25 trustee, table games, slot machine licensee deposits, gross
26 terminal revenue deductions, itemized budget reporting,

1 establishment of State Gaming Fund and net slot machine
2 revenue distribution, distributions from Pennsylvania Race
3 Horse Development Fund, Pennsylvania Gaming Economic
4 Development and Tourism Fund, transfers from State Gaming
5 Fund, responsibility and authority of Department of Revenue,
6 wagering on credit, eminent domain authority, compulsive and
7 problem gambling program, drug and alcohol treatment, labor
8 hiring preferences, declaration of exemption from Federal
9 laws prohibiting slot machines, financial and employment
10 interests, additional restrictions, political influence,
11 regulation requiring exclusion of certain persons,
12 prosecutorial and adjudicative functions, investigations and
13 enforcement, conduct of public officials and employees,
14 prohibited acts and penalties, report of suspicious
15 transactions, additional authority, applicability of Clean
16 Indoor Air Act, liquor licenses at licensed facilities,
17 interception of oral communications, electronic funds
18 transfer terminals, junkets, gaming schools ~~and,~~ ←
19 appropriations AND COMMONWEALTH FINANCING AUTHORITY; ~~further~~ ←
20 ~~providing for powers and duties of the Commonwealth Financing~~
21 ~~Authority;~~ and making related repeals.

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

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

27 § 1102. Legislative intent.

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

31 * * *

32 (2.1) The authorization of table games in this part is
33 intended to supplement slot machine gaming by increasing
34 revenues to the Commonwealth and providing new employment
35 opportunities by creating skilled jobs for individuals
36 related to the conduct of table games at licensed facilities
37 in this Commonwealth.

38 * * *

1 (10.1) The General Assembly has a compelling interest in
2 protecting the integrity of both the electoral process and
3 the legislative process by preventing corruption and the
4 appearance of corruption which may arise through permitting
5 any type of political campaign contributions by certain
6 persons involved in the gaming industry and regulated under
7 this part.

8 (10.2) Banning all types of political campaign
9 contributions by certain persons subject to this part is
10 necessary to prevent corruption and the appearance of
11 corruption, that may arise when political campaign ←
12 contributions and gaming regulated under this part are
13 intermingled.

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

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

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

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

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

16 § 1103. Definitions.

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

20 * * *

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

1 weighing or counting money.

2 * * *

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

5 * * *

6 "Cash." United States currency and coin.

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

9 (1) Chips or tokens.

10 (2) Travelers checks.

11 (3) Foreign currency and coin.

12 (4) Certified checks, cashier's checks and money orders.

13 (5) Personal checks or drafts.

14 (6) A negotiable instrument applied against credit
15 extended by a certificate holder or a financial institution.

16 (7) Any other instrument or representation of value that
17 the Pennsylvania Gaming Control Board deems a cash
18 equivalent.

19 * * *

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

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

1 (1) The result of a slot machine game or table game.

2 (2) The amount or frequency of payment in a slot machine
3 game or table game.

4 (3) The value of a wagering instrument.

5 (4) The value of a wagering credit.

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

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

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

18 * * *

19 "Conduct of gaming." The licensed placement [and], operation
20 and play of [games of chance] slot machines and table games
21 under this part, as authorized and approved by the Pennsylvania
22 Gaming Control Board [at a licensed facility].

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

25 * * *

26 "Conviction." A finding of guilt or a plea of guilty or nolo
27 contendere, whether or not a judgment of sentence has been
28 imposed as determined by the law of the jurisdiction in which
29 the prosecution was held. The term does not include a conviction
30 that has been expunged or overturned or for which an individual

1 has been pardoned or had an order of Accelerated Rehabilitative
2 Disposition entered.

3 * * *

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

7 "Counterfeit chip." Any object that is:

8 (1) used or intended to be used to play a table game at
9 a certificate holder's licensed facility and which was not
10 issued by that certificate holder for such use; or

11 (2) presented to a certificate holder for redemption if
12 the object was not issued by the certificate holder.

13 * * *

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

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

26 (1) Deputy Secretaries of the Commonwealth and the
27 Governor's Office executive staff.

28 (2) An employee of the executive branch whose duties
29 substantially involve licensing or enforcement under this
30 part, who has discretionary power which may affect or

1 influence the outcome of a Commonwealth agency's action or
2 decision or who is involved in the development of regulations
3 or policies relating to a licensed entity. The term shall
4 include an employee with law enforcement authority.

5 (3) An employee of a county or municipality with
6 discretionary powers which may affect or influence the
7 outcome of the county's or municipality's action or decision
8 related to this part or who is involved in the development of
9 law, regulation or policy relating to matters regulated under
10 this part. The term shall include an employee with law
11 enforcement authority.

12 (4) An employee of a department, agency, board,
13 commission, authority or other governmental body not included
14 in paragraph (1), (2) or (3) with discretionary power which
15 may affect or influence the outcome of the governmental
16 body's action or decision related to this part or who is
17 involved in the development of regulation or policy relating
18 to matters regulated under this part. The term shall include
19 an employee with law enforcement authority.

20 * * *

21 "Fully automated electronic gaming table." An electronic
22 gaming table determined by the Pennsylvania Gaming Control Board
23 to be playable or operable as a table game without the
24 assistance or participation of a person acting on behalf of a
25 certificate holder.

26 * * *

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

29 (1) Cashiers.

30 (2) Change personnel.

1 (3) [Counting] Count room personnel.

2 (4) Slot attendants.

3 (5) Hosts or other [persons] individuals authorized to
4 extend complimentary services, including employees performing
5 functions similar to those performed by a gaming junket
6 representative.

7 (6) Machine mechanics [or], computer machine technicians
8 or table game device technicians.

9 (7) Security personnel.

10 (8) Surveillance personnel.

11 (9) [Supervisors] Promotional play supervisors, credit
12 supervisors, pit supervisors, cashier supervisors, shift
13 supervisors, table game managers and assistant managers and
14 other supervisors and managers, except for those specifically
15 identified in this part as key employees.

16 (10) Boxmen.

17 (11) Dealers or croupiers.

18 (12) Floormen.

19 (13) Personnel authorized to issue promotional play.

20 (14) Personnel authorized to issue credit.

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

1 the board.

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

5 (1) Is selected or approved for participation in the
6 arrangement based on the individual's ability to satisfy
7 specific financial qualifications and the likelihood that the
8 individual will participate in playing slot machines or table
9 games and patronize a licensed facility for the purpose of
10 gaming.

11 (2) Receives complimentary services or gifts from a slot
12 machine licensee for participation in the arrangement
13 including the costs of transportation, food, lodging or
14 entertainment.

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

21 "Gaming junket representative." An individual, other than an
22 employee of a slot machine licensee, who arranges and negotiates
23 the terms of a gaming junket or selects individuals to
24 participate in a gaming junket to a licensed facility,
25 regardless of whether the activities of the individual occur
26 within this Commonwealth.

27 "Gaming school." Any educational institution approved by the
28 Department of Education as an accredited college or university,
29 community college, Pennsylvania private licensed school or its
30 equivalent and whose curriculum guidelines are approved by the

1 Department of Labor and Industry to provide education and job
2 training related to employment opportunities associated with
3 slot machines or table games, including slot machine, table game
4 device and associated equipment maintenance and repair.

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

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

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

12 "Gross table game revenue." The total of:

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

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

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

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

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

30 (3) The total amount of the rake collected by a

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

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

10 (1) Cash or cash equivalents paid out to [patrons]
11 players as a result of playing a slot machine [which are paid
12 to patrons either manually], whether paid manually ~~or~~ or paid ←
13 out by the slot machine.

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

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

21 (4) Cash received as entry fees for slot machine
22 contests or tournaments in which players compete for prizes.

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

1 * * *

2 "Hotel." As follows: ←

3 ~~(1) Except as provided under paragraph (2), one or more~~

4 "HOTEL." ONE OR MORE buildings owned or operated by a ←

5 certificate holder which is attached to, physically connected to

6 or adjacent to the certificate holder's licensed facility in

7 which members of the public may, for a consideration, obtain

8 sleeping accommodations.

9 ~~(2) When the term is used in section 1305 (relating to~~ ←

10 Category 3 slot machine license), a building or buildings in

11 which members of the public may, for a consideration, obtain

12 sleeping accommodations.

13 * * *

14 "Key employee." Any individual who is employed in a director

15 or department head capacity and who is empowered to make

16 discretionary decisions that regulate slot machine or table game

17 operations, including the general manager and assistant manager

18 of the licensed facility, director of slot operations, director

19 of table game operations, director of cage and/or credit

20 operations, director of surveillance, director of marketing,

21 director of management information systems, director of

22 security, comptroller and any employee who is not otherwise

23 designated as a gaming employee and who supervises the

24 operations of these departments or to whom these department

25 directors or department heads report and such other positions

26 not otherwise designated or defined under this part which the

27 Pennsylvania Gaming Control Board shall determine based on

28 detailed analyses of job descriptions as provided in the

29 internal controls of the licensee as approved by the

30 Pennsylvania Gaming Control Board. All other gaming employees

1 unless otherwise designated by the Pennsylvania Gaming Control
2 Board shall be classified as non-key employees.

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

5 * * *

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

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

19 (1) area of a licensed racetrack AT WHICH A SLOT MACHINE ←
20 LICENSEE WAS PREVIOUSLY authorized pursuant to section
21 1207(17) (relating to regulatory authority of board) to
22 operate slot machines PRIOR TO THE EFFECTIVE DATE OF THIS ←
23 PARAGRAPH;

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

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

28 * * *

29 "Manufacturer." A person who manufactures, builds, rebuilds,
30 fabricates, assembles, produces, programs, designs or otherwise

1 makes modifications to any slot machine, table game device or
2 associated equipment for use or play of slot machines or table
3 games in this Commonwealth for gaming purposes.

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

8 * * *

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

17 * * *

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

21 * * *

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

26 * * *

27 "Player." An individual wagering cash, A cash equivalent or ←
28 other thing of value in the play or operation of a slot machine
29 or table game, including during a ~~contest~~ or tournament, the ←
30 play or operation of which may deliver or entitle the individual

1 playing or operating the slot machine or table game to receive
2 cash, A cash equivalent or other thing of value from another ←
3 player or a slot machine licensee.

4 * * *

5 "Rake." A set fee or percentage assessed by a certificate
6 holder for providing the services of a dealer, gaming table or
7 location, ~~for playing~~ TO ALLOW THE PLAY OR OPERATION OF any ←
8 nonbanking game.

9 * * *

10 "Slot machine." Any mechanical [or], electrical or
11 computerized contrivance, terminal, machine or other device
12 approved by the Pennsylvania Gaming Control Board which, upon
13 insertion of a coin, bill, ticket, token or similar object
14 therein or upon payment of any consideration whatsoever,
15 including the use of any electronic payment system except a
16 credit card or debit card, is available to play or operate, the
17 play or operation of which, whether by reason of skill or
18 application of the element of chance or both, may deliver or
19 entitle the person or persons playing or operating the
20 contrivance, terminal, machine or other device to receive cash,
21 billets, tickets, tokens or electronic credits to be exchanged
22 for cash or to receive merchandise or anything of value
23 whatsoever, whether the payoff is made automatically from the
24 machine or manually. A slot machine:

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

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

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

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

4 * * *

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

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

14 * * *

15 "Suspicious transaction." The A TRANSACTION BETWEEN A SLOT
16 MACHINE LICENSEE OR AN EMPLOYEE OF A SLOT MACHINE LICENSEE THAT
17 INVOLVES THE acceptance or redemption by a person of cash or a
18 cash equivalent involving or aggregating \$5,000 or more which a
19 slot machine licensee or employee of a slot machine licensee
20 knows, suspects or has reason to believe:



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

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

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

8 "Table game." Any banking or nonbanking game approved by the
9 Pennsylvania Gaming Control Board. The term includes roulette,
10 baccarat, blackjack, poker, craps, big six wheel, mini-baccarat,
11 red dog, pai gow, twenty-one, casino war, acey-ducey, sic bo,
12 chuck-a-luck, fan tail, panguingui, chemin de fer, PANGUINGUE,
13 FAN-TAN, Asia poker, Boston 5 stud poker, Caribbean stud poker,
14 Colorado hold 'em poker, double attack blackjack, double cross
15 poker, double down stud poker, fast action hold 'em, flop poker,
16 four card poker, let it ride poker, mini-craps, mini-dice, pai
17 gow poker, pokette, Spanish 21, Texas hold 'em bonus poker,
18 three card poker, two card joker poker, ultimate Texas hold 'em,
19 winner's pot poker and any other banking or nonbanking game. The
20 term shall not include:

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

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

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

30 (4) Small games of chance as authorized under the act of

1 December 19, 1988 (P.L.1262, No.156), known as the Local
2 Option Small Games of Chance Act.

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

5 (6) Keno.

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

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

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

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

25 * * *

26 Section 3. Section 1201(f)(3), (h)(5), (7.1), (10), (11),
27 (13), (14) and (15) and (k) of Title 4 are amended, subsection
28 (h) is amended by adding paragraphs and the section is amended
29 by adding a subsection to read:

30 § 1201. Pennsylvania Gaming Control Board established.

1 * * *

2 (f) Qualified majority vote.--

3 * * *

4 (3) Notwithstanding any other provision of this part or
5 65 Pa.C.S. § 1103(j) (relating to restricted activities), a
6 member shall disclose the nature of his disqualifying
7 interest, disqualify himself and abstain from voting in a
8 hearing or proceeding under this part in which his
9 objectivity, impartiality, integrity or independence of
10 judgment may be reasonably questioned, as provided in
11 subsection (h) (6) or section 1202.1(c) (3) (relating to code
12 of conduct). If a legislative appointee has disqualified
13 himself, the qualified majority shall consist of all of the
14 remaining legislative appointees and at least two
15 gubernatorial appointees.

16 * * *

17 (h) Qualifications and restrictions.--

18 * * *

19 (4.1) No member shall engage in any business, employment
20 or vocation for which the member receives a salary,
21 compensation or fee for services rendered which is in excess
22 of 15% of the member's gross annual salary as a member of the
23 board. For purposes of this paragraph, the terms "salary,"
24 "compensation" and "fee" do not include any of the following:

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

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

30 (iii) Amounts received from a family-controlled

1 trade or business in which both personal services and
2 capital are income-producing factors, provided that the
3 personal services actually rendered by the member do not
4 generate a significant amount of income.

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

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

17 * * *

18 (7.1) Prior to being sworn as a member, an appointee and
19 his immediate family shall divest any financial interest in
20 any applicant, licensed facility or licensed entity and in an
21 affiliate, intermediary, subsidiary or holding company
22 thereof owned or held by the appointee or known to be held by
23 the appointee's immediate family. For the duration of the
24 member's term and for [one year] two years thereafter, the
25 member and the member's immediate family may not acquire a
26 financial interest in any applicant, licensed facility or
27 licensed entity or in an affiliate, intermediary, subsidiary
28 or holding company [thereof] of an applicant, licensed
29 facility or licensed entity. For purposes of this paragraph,
30 the term "immediate family" shall mean spouse and any minor

1 or unemancipated child.

2 * * *

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

10 (11) No member, employee of the board or independent
11 contractor [of the board] shall accept a complimentary
12 service, wager or be paid any prize from any wager at any
13 licensed facility within this Commonwealth or at any other
14 facility outside this Commonwealth which is owned or operated
15 by a licensed gaming entity or any of its affiliates,
16 intermediaries, subsidiaries or holding companies [thereof]
17 for the duration of their term of office, employment or
18 contract with the board and for a period of [one year] TWO ←
19 YEARS from the termination of term of office, employment or
20 contract with the board. The provisions of this paragraph
21 prohibiting wagering during the term of employment shall not
22 apply to employees [who utilize] or independent contractors
23 while utilizing slot machines or table game devices for
24 testing purposes or [to verify] while verifying the
25 performance of a slot machine or table game as part of an
26 enforcement investigation.

27 * * *

28 (13) No employee of the board [or individual employed by
29 an independent contractor of the board] whose duties
30 substantially involve licensing[,] or enforcement [or], the

1 development [or adoption] of laws, or the development or
2 adoption of regulations or policy related to gaming under
3 this part or who has other discretionary authority which may
4 affect OR INFLUENCE the outcome of an action, proceeding or ←
5 decision under this part, including the executive director,
6 bureau directors and attorneys, shall do any of the
7 following:

8 (i) [accept] Accept employment with or be retained
9 by an applicant or licensed entity, or an affiliate,
10 intermediary, subsidiary or holding company [thereof] of
11 an applicant or licensed entity, for a period of [one
12 year after] two years following the termination of [the]
13 employment [relating to the conduct of gaming or contract
14 with the board; or].

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

23 ~~As a condition of employment, an individual subject to this~~ ←
24 ~~paragraph shall sign an affidavit that the individual will~~
25 ~~not accept employment with or be retained by any applicant or~~
26 ~~licensed entity, or an affiliate, intermediary, subsidiary or~~
27 ~~holding company of an applicant or licensed entity, for a~~
28 ~~period of two years following the termination of employment.~~
29 ~~If an employee of the board refuses or otherwise fails to~~
30 ~~sign the affidavit, the board shall terminate the employment.~~

~~An applicant or licensed entity, or an affiliate, intermediary, subsidiary or holding company of an applicant or licensed entity, shall not employ or retain an individual who signed an affidavit required by this paragraph until the expiration of the two year period required by this paragraph for the acceptance of employment. An applicant or licensed entity, or an affiliate, intermediary, subsidiary or holding company of an applicant or licensed entity, that knowingly employs or retains an individual in violation of this paragraph shall terminate the employment of the individual and be subject to a penalty under section 1518(c) (relating to prohibited acts; penalties).~~

~~(13.1) No independent contractor or employee of an independent contractor whose duties substantially involve consultation relating to licensing, enforcement or the development or adoption of regulations or policy related to gaming under this part shall:~~

~~(i) Accept employment with or be retained by an applicant or licensed entity, or an affiliate, intermediary, subsidiary or holding company of an applicant or licensed entity, for a period of one year after the termination of the contract with the board.~~

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

1 ~~Each contract between the board and an independent contractor~~
2 ~~shall contain a provision requiring the independent~~
3 ~~contractor and each employee of the independent contractor~~
4 ~~subject to this paragraph to sign an affidavit to not accept~~
5 ~~employment with or be retained by any applicant or licensed~~
6 ~~entity, or an affiliate, intermediary, subsidiary or holding~~
7 ~~company of an applicant or licensed entity, for a period of~~
8 ~~one year following the termination of the contract with the~~
9 ~~board or one year following termination of employment with~~
10 ~~the independent contractor, as the case may be. If an~~
11 ~~independent contractor or an employee of an independent~~
12 ~~contractor refuses or otherwise fails to sign the affidavit,~~
13 ~~the board shall terminate the contract. An applicant or~~
14 ~~licensed entity, or an affiliate, intermediary, subsidiary or~~
15 ~~holding company of an applicant or licensed entity, shall not~~
16 ~~employ or retain an individual who signed an affidavit~~
17 ~~required by this paragraph until the expiration of the one~~
18 ~~year period required by this paragraph for the acceptance of~~
19 ~~employment. An applicant or licensed entity, or an affiliate,~~
20 ~~intermediary, subsidiary or holding company of an applicant~~
21 ~~or licensed entity, that knowingly employs or retains an~~
22 ~~individual in violation of this paragraph shall terminate the~~
23 ~~employment of the individual and be subject to a penalty~~
24 ~~under section 1518(c).~~

25 AS A CONDITION OF EMPLOYMENT WITH THE BOARD, A PROSPECTIVE ←
26 EMPLOYEE SHALL SIGN AN AFFIDAVIT THAT THE INDIVIDUAL WILL NOT
27 VIOLATE SUBPARAGRAPH (I) OR (II) UPON TERMINATION OF THE
28 INDIVIDUAL'S EMPLOYMENT WITH THE BOARD. IF AN INDIVIDUAL
29 REFUSES OR OTHERWISE FAILS TO SIGN THE AFFIDAVIT, THE BOARD
30 SHALL RESCIND THE OFFER OF EMPLOYMENT AND MAY NOT EMPLOY THE

1 INDIVIDUAL. AN APPLICANT OR LICENSED ENTITY, OR AN AFFILIATE,
2 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF AN APPLICANT
3 OR LICENSED ENTITY, MAY NOT EMPLOY OR RETAIN A FORMER BOARD
4 EMPLOYEE SUBJECT TO SUBPARAGRAPH (I) UNTIL THE EXPIRATION OF
5 THE TWO-YEAR PERIOD. AN APPLICANT OR LICENSED ENTITY, OR AN
6 AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF AN
7 APPLICANT OR LICENSED ENTITY, THAT EMPLOYS OR RETAINS AN
8 INDIVIDUAL IN VIOLATION OF THIS PARAGRAPH SHALL TERMINATE THE
9 INDIVIDUAL'S EMPLOYMENT AND SHALL BE SUBJECT TO A PENALTY
10 UNDER SECTION 1518(C) (RELATING TO PROHIBITED ACTS;
11 PENALTIES).

12 (13.1) THE FOLLOWING SHALL APPLY TO INDEPENDENT
13 CONTRACTORS AND EMPLOYEES OF INDEPENDENT CONTRACTORS WHOSE
14 DUTIES SUBSTANTIALLY INVOLVE CONSULTATION RELATING TO
15 LICENSING, ENFORCEMENT OR THE DEVELOPMENT OR ADOPTION OF
16 REGULATIONS OR POLICY RELATED TO GAMING UNDER THIS PART:

17 (I) NO INDEPENDENT CONTRACTOR MAY:

18 (A) BE RETAINED BY AN APPLICANT OR LICENSED
19 ENTITY, OR AN AFFILIATE, INTERMEDIARY, SUBSIDIARY, OR
20 HOLDING COMPANY OF A LICENSED ENTITY, FOR A PERIOD OF
21 ONE YEAR AFTER THE EXPIRATION OF THE CONTRACT WITH
22 THE BOARD.

23 (B) APPEAR BEFORE THE BOARD IN ANY HEARING OR
24 PROCEEDING OR PARTICIPATE IN ANY OTHER ACTIVITY ON
25 BEHALF OF AN APPLICANT, LICENSEE, PERMITTEE OR
26 LICENSED ENTITY, OR AN AFFILIATE, INTERMEDIARY,
27 SUBSIDIARY OR HOLDING COMPANY OF AN APPLICANT,
28 LICENSEE OR LICENSED ENTITY, FOR A PERIOD OF TWO
29 YEARS AFTER TERMINATION OF THE CONTRACT WITH THE
30 BOARD.

1 (II) NO EMPLOYEE OF AN INDEPENDENT CONTRACTOR SHALL
2 ENGAGE IN ANY ACTIVITY PROHIBITED UNDER CLAUSE (A) FOR A
3 PERIOD OF ONE YEAR FOLLOWING THE DATE THE EMPLOYEE
4 TERMINATES HIS EMPLOYMENT.

5 (III) NO EMPLOYEE OF AN INDEPENDENT CONTRACTOR SHALL
6 ENGAGE IN ANY ACTIVITY PROHIBITED UNDER CLAUSE (B) FOR A
7 PERIOD OF TWO YEARS FOLLOWING THE DATE THE EMPLOYEE
8 TERMINATES HIS EMPLOYMENT.

9 EACH CONTRACT BETWEEN THE BOARD AND AN INDEPENDENT CONTRACTOR
10 SUBJECT TO THIS PARAGRAPH SHALL CONTAIN A PROVISION REQUIRING
11 THE INDEPENDENT CONTRACTOR TO SIGN AN AFFIDAVIT THAT THE
12 INDEPENDENT CONTRACTOR WILL NOT VIOLATE SUBPARAGRAPH (I) (A)
13 OR (B), UPON EXPIRATION OF THE INDEPENDENT CONTRACTOR'S
14 CONTRACT WITH THE BOARD. IF AN INDEPENDENT CONTRACTOR REFUSES
15 OR OTHERWISE FAILS TO SIGN THE AFFIDAVIT, THE BOARD SHALL NOT
16 EXECUTE THE CONTRACT. AS A CONDITION OF EMPLOYMENT WITH AN
17 INDEPENDENT CONTRACTOR, AN INDIVIDUAL WHO WOULD BE SUBJECT TO
18 THIS PARAGRAPH AS AN EMPLOYEE OF THE INDEPENDENT CONTRACTOR
19 SHALL SIGN AN AFFIDAVIT THAT THE INDIVIDUAL WILL NOT VIOLATE
20 SUBPARAGRAPH (I) (A) OR (B) UPON TERMINATION OF THE
21 INDIVIDUAL'S EMPLOYMENT WITH THE INDEPENDENT CONTRACTOR. IF
22 AN INDIVIDUAL REFUSES OR OTHERWISE FAILS TO SIGN THE
23 AFFIDAVIT, THE INDEPENDENT CONTRACTOR SHALL RESCIND THE OFFER
24 OF EMPLOYMENT AND MAY NOT EMPLOY THE INDIVIDUAL. AN APPLICANT
25 OR LICENSED ENTITY, OR AN AFFILIATE, INTERMEDIARY, SUBSIDIARY
26 OR HOLDING COMPANY OF AN APPLICANT OR LICENSED ENTITY, MAY
27 NOT EMPLOY OR RETAIN A FORMER EMPLOYEE OF AN INDEPENDENT
28 CONTRACTOR SUBJECT TO SUBPARAGRAPH (I) UNTIL THE EXPIRATION
29 OF THE ONE-YEAR PERIOD SET FORTH UNDER SUBPARAGRAPH (I). AN
30 APPLICANT OF A LICENSED ENTITY, OR AN AFFILIATE,

1 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY OF AN APPLICANT
2 OR LICENSED ENTITY, THAT KNOWINGLY EMPLOYS OR RETAINS AN
3 INDIVIDUAL IN VIOLATION OF THIS PARAGRAPH SHALL TERMINATE THE
4 INDIVIDUAL'S EMPLOYMENT AND SHALL BE SUBJECT TO A PENALTY
5 UNDER SECTION 1518(C).

6 (13.2) Nothing under paragraph (13) or (13.1) shall
7 prevent a current or former employee of the board, a current
8 or former independent contractor or a current or former
9 employee of an independent contractor from appearing before
10 the board in any hearing or proceeding as a witness or
11 testifying as to any fact or information.

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

29 (14.1) The State Ethics Commission shall publish a list
30 of all employment positions within the board and employment

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

18 (15) If a member[, employee or independent contractor]
19 of the board violates any provision of this section, the
20 appointing authority [or the board may, upon notice and
21 hearing,] may remove the person from the board[, withdraw the
22 appointment or terminate the employment or contract, and the
23 person shall be ineligible for future appointment, employment
24 or contract with the board and for approval of a license or
25 permit under this part for a period of two years thereafter].
26 A member removed under this paragraph shall, for a period of
27 five years following removal, be prohibited from future
28 appointment to the board and shall be prohibited from
29 applying for a license, permit or other authorization under
30 this part and from becoming an independent contractor or

1 registering as a licensed entity representative.

2 * * *

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

13 * * *

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

21 * * *

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

24 § 1201.1. Applicability of other statutes.

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

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

30 * * *

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

4 § 1202. General and specific powers.

5 (a) General powers.--

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

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

29 * * *

30 (b) Specific powers.--The board shall have the specific

1 power and duty:

2 * * *

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

9 * * *

10 (12.1) At its discretion, to award, revoke, suspend,
11 condition or deny a table game operation certificate to a
12 slot machine licensee in accordance with Chapter 13A
13 (relating to table games).

14 * * *

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

28 * * *

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

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

12 * * *

13 (27.1) To publish each January in the Pennsylvania
14 Bulletin and on the Pennsylvania Gaming Control Board's
15 Internet website a complete list of all slot machine
16 licensees who filed a petition seeking authorization to
17 conduct table games and the status of each petition or table
18 game operation certificate.

19 * * *

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

27 (i) If the applicant or licensed gaming entity, or
28 any affiliate, intermediary, subsidiary or holding
29 company of the applicant or licensed gaming entity, is a
30 publicly traded domestic or foreign corporation,

1 partnership, limited liability company or other legal
2 entity, the names of all persons with a controlling
3 interest.

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

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

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

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

17 (33) To adopt regulations governing the postemployment
18 limitations and restrictions applicable to members and to
19 employees of the board subject to section 1201(h)(13)
20 (relating to Pennsylvania Gaming Control Board established).

21 In developing these regulations, the board may consult with
22 the State Ethics Commission, other governmental agencies and
23 the disciplinary board of the Supreme Court of Pennsylvania
24 regarding postemployment limitations and restrictions on
25 members and employees of the board who are members of the
26 Pennsylvania Bar.

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

1 Section 5. Section 1202.1 of Title 4 is amended to read:

2 § 1202.1. Code of conduct.

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

17 (b) Registration.--

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

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

28 (3) The [registration list] board shall maintain a
29 registration list which shall contain the information
30 required under paragraph (1) and which shall be available for

1 public inspection at the offices of the board and on the
2 board's Internet website.

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

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

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

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

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

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

29 (6) Not solicit funds for any charitable, educational,
30 religious, health, fraternal, civic or other nonprofit entity

1 from [an] any applicant, licensed entity, party, permittee,
2 registrant or licensed entity representative, or from any
3 affiliate, subsidiary, intermediary or holding company of [a]
4 any applicant, licensed entity, [interested] party or
5 licensed entity representative. [A board] Subject to the
6 provisions of section 1201(h)(4.1), a member may serve as an
7 officer, employee or member of the governing body of a
8 nonprofit entity and may attend, make personal contributions
9 to and plan or preside over the entity's fundraising events.
10 A [board] member may permit his name to appear on the
11 letterhead used for fundraising events if the letterhead
12 contains only the [board] member's name and position with the
13 nonprofit entity.

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

1 log.

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

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

7 (c.1) Ex parte communications.--

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

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

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

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

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

30 (i) The name of the individual documenting the ex

1 parte communication.

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

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

6 (iv) The subject discussed.

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

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

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

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

30 (iv) Failure of a hearing officer who engaged in or

1 received an ex parte communication to recuse himself from
2 a hearing or other proceeding when required under
3 subparagraph (i) shall be grounds for appeal to the
4 board.

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

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

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

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

23 "Ex parte communication." An off-the-record communication
24 engaged in or received by a member or [employee] hearing officer
25 of the board regarding the merits of or any fact in issue
26 relating to a pending matter before the board or hearing officer
27 or which may reasonably be expected to come before the board or
28 hearing officer in a contested on-the-record proceeding. The
29 term shall not include off-the-record communications by or
30 between a member or [employee] hearing officer of the board,

1 [Department of Revenue] department, Pennsylvania State Police,
2 Attorney General or other law enforcement official prior to the
3 beginning of the proceeding solely for the purpose of seeking
4 clarification or correction to evidentiary materials intended
5 for use in the proceedings. The term shall also not include
6 communications between the board or a member and the office of
7 chief counsel.

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

13 Section 6. Title 4 is amended by adding a section to read:
14 § 1202.2. Expenses of regulatory agencies.

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

26 (b) Receipts.--In order to receive reimbursement for an
27 expense under subsection (a), the individual seeking
28 reimbursement must submit a receipt to the appropriate agency
29 documenting the expense incurred. Receipts and requests for
30 reimbursement shall be financial records for purposes of, and

1 subject to redaction under, the act of February 14, 2008 (P.L.6,
2 No.3), known as the Right-to-Know Law.

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

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

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

24 § 1205. License or permit application hearing process; public
25 input hearings.

26 * * *

27 (b) Public input hearing requirement.--

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

1 hearing prior to:

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

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

6 (2) All public input hearings [relating to an
7 application for a slot machine license] under paragraph (1)
8 shall be held in the municipality where the licensed facility
9 will be, or is, located and shall be organized in cooperation
10 with the municipality.

11 * * *

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

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

19 § 1206. Board minutes and records.

20 * * *

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

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

30 (i) All information relating to character, honesty

1 and integrity, including family, habits, reputation,
2 history of criminal activity, business activities,
3 financial affairs and business, professional and personal
4 associations submitted under section 1310(a) or 1308(a.1)
5 or otherwise obtained by the board or the bureau.

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

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

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

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

1 (vi) Records of an applicant or licensee not
2 required to be filed with the Securities and Exchange
3 Commission by issuers that either have securities
4 registered under section 12 of the Securities Exchange
5 Act of 1934 (48 Stat. 881, 15 U.S.C. § 78a et seq.) or
6 are required to file reports under section 15(d) of the
7 Securities Exchange Act of 1934.

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

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

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

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

23 (3.1) Notwithstanding paragraph (1)(iii), for purposes
24 of a public input hearing under this part, the board may
25 release architectural renderings or models depicting a
26 proposed structural design or redesign of the licensed
27 facility that is the subject of the hearing.

28 (4) Except as provided in section 1517(f) (relating to
29 [investigation] investigations and enforcement), the
30 information made confidential pursuant to this section shall

1 be withheld from public disclosure in whole or in part,
2 except that any confidential information shall be released
3 upon the [lawful] order of a court of competent jurisdiction
4 or, with the approval of the Attorney General, to a duly
5 authorized law enforcement agency or shall be released to the
6 public, in whole or in part, to the extent that such release
7 is requested by an applicant or licensee and does not
8 otherwise contain confidential information about another
9 person.

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

17 (6) No current or former member and no current or former
18 employee, agent or independent contractor of the board, the
19 department, the Pennsylvania State Police, the Office of
20 Attorney General or any other Executive-branch office who has
21 obtained confidential information in the performance of
22 duties under this part, shall intentionally and publicly
23 disclose the information to any person, knowing that the
24 information being disclosed is confidential under this
25 subsection, unless the person is authorized by law to receive
26 it. A violation of this subsection constitutes a misdemeanor
27 of the third degree. In addition, an employee, agent or
28 independent contractor who violates this subsection shall be
29 administratively disciplined by discharge, suspension,
30 termination of contract or other formal disciplinary action

1 as [the board deems] appropriate. If a current member
2 violates this paragraph, the other members shall refer the
3 matter to the current member's appointing authority.

4 * * *

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

8 § 1207. Regulatory authority of board.

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

10 * * *

11 (4) Require that each licensed entity provide to the
12 board its audited annual financial statements, with such
13 additional detail as the board from time to time shall
14 require, which information shall be submitted not later than
15 [60] 90 days after the end of the licensee's fiscal year.

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

19 * * *

20 (7.1) Enforce prescribed hours for the operation of
21 table games so that a certificate holder may conduct table
22 games on any day during the year in order to meet the needs
23 of patrons or to meet competition.

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

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

1 * * *

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

9 * * *

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

17 ~~(18) In consultation with the department, establish a~~ ←
18 ~~procedure and method for determining the daily gross table~~
19 ~~game revenue from play at gaming tables, including electronic~~
20 ~~gaming tables and fully automated electronic gaming tables.~~

21 (18) (RESERVED). ←

22 (19) Authorize an employee of the board to approve, deny
23 or condition a certificate holder's request to decrease the
24 number of slot machines in operation at its licensed
25 facility. An employee may not approve a requested decrease in
26 the number of slot machines under this paragraph if the
27 requested decrease exceeds 2% of the total number of slot
28 machines in operation at the certificate holder's licensed
29 facility. At EXCEPT AS PROVIDED UNDER PARAGRAPH (20), AT no ←
30 time shall the number of slot machines in operation at a

1 Category 1 or Category 2 licensed facility be less than 1,500
2 OR LESS THAN 500 SLOT MACHINES AT A CATEGORY 3 LICENSED ←
3 FACILITY.

4 (20) ~~Approve, in its discretion, a~~ APPROVE OR AUTHORIZE ←
5 AN EMPLOYEE OF THE BOARD TO APPROVE, A TEMPORARY reduction in
6 the number of slot machines in operation at a licensed
7 facility under the following circumstances:

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

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

13 ~~(iii) In response to market conditions.~~ ←

14 ~~At no time shall the number of slot machines in operation at~~
15 ~~a Category 1 or Category 2 licensed facility be less than~~
16 ~~1,500.~~

17 (21) AUTHORIZE, IN ITS DISCRETION, A SLOT MACHINE ←
18 LICENSEE TO CONDUCT SLOT MACHINE TOURNAMENTS AND ADOPT
19 REGULATIONS GOVERNING THE CONDUCT OF SUCH TOURNAMENTS.

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

22 § 1208. Collection of fees and fines.

23 The board has the following powers and duties:

24 (1) To levy and collect fees from the various
25 applicants, licensees and permittees to fund the operations
26 of the board. [The] Unless otherwise provided in this part,
27 the fees shall be deposited into the State Gaming Fund as
28 established in section 1403 (relating to establishment of
29 State Gaming Fund and net slot machine revenue distribution)
30 and distributed to the board upon appropriation by the

1 General Assembly. In addition to the fees set forth in
2 sections 1209 (relating to slot machine license fee) and 1305
3 (relating to Category 3 slot machine license), the board
4 shall assess and collect fees as follows:

5 (i) ~~{Supplier} Subject to subparagraph (i.1),~~ ←

6 supplier licensees shall pay [a]:

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

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

16 (C) A fee of \$15,000 for the annual renewal of
17 the appropriate supplier license. Upon the extension
18 of the renewal period under section 1317(c)(1)
19 (relating to supplier licenses), the fee shall be
20 \$45,000 for the renewal.

21 (D) NOTWITHSTANDING THE FEES ESTABLISHED UNDER ←
22 CLAUSES (B) AND (C), THE BOARD MAY MODIFY THE FEES
23 UPON THE BOARD'S DETERMINATION THAT THE FEES WILL
24 UNREASONABLY LIMIT THE AVAILABILITY OF TABLE GAME
25 DEVICES OR ASSOCIATED EQUIPMENT USED IN CONNECTION
26 WITH TABLE GAMES OR TABLE GAME DEVICES IN THIS
27 COMMONWEALTH.

28 (ii) ~~{Manufacturer} Subject to subparagraph (ii.1),~~ ←

29 manufacturer licensees shall pay [a]:

30 (A) A fee of \$50,000 upon the issuance of a

1 license [and \$25,000 for the annual renewal of a
2 manufacturer license.] to manufacture slot machines
3 and associated equipment used in connection with slot
4 machines.

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

9 (C) A fee of \$30,000 for the annual renewal of
10 the appropriate manufacturer license. Upon the
11 extension of the renewal period under section
12 1317.1(c)(1) (relating to manufacturer licenses), the
13 fee shall be \$90,000 for the renewal.

14 (D) NOTWITHSTANDING THE FEES ESTABLISHED UNDER ←
15 CLAUSES (B) AND (C), THE BOARD MAY MODIFY THE FEES
16 UPON THE BOARD'S DETERMINATION THAT THE FEES WILL
17 UNREASONABLY LIMIT THE AVAILABILITY OF TABLE GAME
18 DEVICES OR ASSOCIATED EQUIPMENT USED IN CONNECTION
19 WITH TABLE GAMES OR TABLE GAME DEVICES IN THIS
20 COMMONWEALTH.

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

30 * * *

1 § 1209. Slot machine license fee.

2 * * *

3 (b) Term.--A slot machine license, after payment of the fee,
4 shall be in effect unless suspended, revoked or not renewed by
5 the board upon good cause consistent with the license
6 requirements as provided for in this part. Slot machine
7 licensees shall be required to update the information in their
8 initial applications annually, and the license of a licensee in
9 good standing shall be [updated and] renewed [annually] every
10 three years. Nothing in this subsection shall relieve a licensee
11 of the affirmative duty to notify the board of any changes
12 relating to the status of its license or to any other
13 information contained in the application materials on file with
14 the board. As to the renewal of a license, except as required in
15 subsection ~~(f)(1)~~ (F)(3), no additional license fee pursuant to ←
16 subsection (a) shall be required.

17 * * *

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

19 (1) The entire one-time slot machine license fee of
20 \$50,000,000 for each Category 1 and Category 2 slot machine
21 license shall be returned to each licensee in the event
22 section 1201 (relating to Pennsylvania Gaming Control Board
23 established), 1202 (relating to general and specific powers)
24 or 1307 (relating to number of slot machine licenses) is
25 amended or otherwise altered by an act of the General
26 Assembly, within five years following the [initial issuance
27 of any slot machine licenses pursuant to section 1301
28 (relating to authorized slot machine licenses)] date
29 established by the board as the deadline for the initial
30 submission of Category 1 and Category 2 slot machine license

1 applications, to change:

2 (i) the composition of the board;

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

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

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

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

12 (vi) section ~~{1307}~~ 1307(a) to increase the ←
13 statutory maximum number of permissible Category 1 or ←
14 Category 2 licensed facilities.

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

18 (i) In the sixth year following the [initial
19 issuance of any slot machine licenses pursuant to section
20 1301] date established by the board as the deadline for
21 the initial submission of Category 1 and Category 2 slot
22 machine license applications, a Category 1 and Category 2
23 slot machine licensee shall be entitled to a partial
24 return of the one-time slot machine license fee in the
25 amount of \$41,666,667.

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

30 (iii) In the eighth year, [the] each Category 1 and

1 Category 2 slot machine licensee shall be entitled to a
2 partial return of the one-time slot machine license fee
3 in the amount of \$25,000,000.

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

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

12 (2.1) In the event that the [action] General Assembly
13 acts in the manner described in paragraph (1) [occurs] after
14 the expiration of ten years, [the licensee] Category 1 and
15 Category 2 slot machine licensees shall not be entitled to a
16 return of any portion of the one-time slot machine license
17 fee. Notwithstanding the foregoing, no slot machine licensee
18 shall be entitled to the return of any portion of the fee as
19 a result of any act of the General Assembly insofar as it
20 implements a recommendation made by the board pursuant to a
21 qualified majority vote. In the event a full or partial
22 return of the slot machine license fee imposed pursuant to
23 subsection (a) becomes due pursuant to this subsection, the
24 amount to be returned to any slot machine licensee shall be
25 reduced on a dollar-for-dollar basis by the total accumulated
26 tax credits granted to such licensee pursuant to subsection
27 (c). In no event shall the total amount of the slot machine
28 license fee returned to a Category 1 or Category 2 licensee,
29 combined with the total tax credits granted, exceed the
30 amounts set forth in this subsection for any licensee. The

1 total or partial return of the slot machine license fee shall
2 extinguish a licensee's right to claim any further tax
3 credits pursuant to subsection (c) and to make any future
4 claim for the return of the slot machine license fee.

5 (3) Within ten days following a determination that a
6 slot machine licensee is entitled to the return of any
7 portion of the slot machine license fee paid by the slot
8 machine licensee based on the provisions of this section or
9 based on a THE contract executed by a slot machine licensee ←
10 and the department under subsection (c), the board shall
11 immediately assess a one-time slot machine license renewal
12 fee on each THE slot machine licensee in an amount equal to ←
13 the amount of the fee returned to the slot machine licensee.
14 The renewal fee shall be paid by each THE slot machine ←
15 licensee within two business days following the return of the
16 initial fee.

17 § 1210. Number of slot machines.

18 (a) Initial complement.--Except as provided for Category 3
19 slot machine licensees under section 1305 (relating to Category
20 3 slot machine license), [all] the following apply:

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

24 (2) Each slot machine licensee shall be required to
25 operate and make available to play a minimum of 1,500 slot
26 machines at [any one] its licensed facility within one year
27 of the issuance by the board of a slot machine license
28 [unless otherwise extended by the] to the slot machine
29 licensee. The board, upon application and for good cause
30 shown, may grant an extension for an additional period [not

1 to exceed 24 months] ~~ending on the later of~~ NO LATER THAN 36 ←
2 months from the end of the initial one-year period or
3 December 31, 2012.

4 ~~(3) Upon expiration of the applicable time period under~~ ←
5 ~~paragraph (2) and at all times thereafter, a slot machine~~
6 ~~licensee shall be required to operate and make available to~~
7 ~~play a minimum of 1,500 slot machines at its licensed~~
8 ~~facility.~~

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

24 [(c) Limitation.--For the two and one-half years following
25 the beginning of slot machine operations at the licensed
26 facility, no licensed gaming entity may make available for play
27 by its patrons at its licensed facility more than 50% of slot
28 machines from the same manufacturer or its affiliate,
29 intermediary, subsidiary or holding company. The provisions of
30 this subsection shall not apply to machines purchased pursuant

1 to a contract or order executed by a conditional Category 1 or
2 Category 1 slot machine licensee prior to October 20, 2006.]

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

5 § 1211. Reports of board.

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

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

23 (1) Total gross table game revenue.

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

26 (3) All taxes, fees, fines and other revenue collected
27 and where appropriate revenue disbursed during the previous
28 year. The department shall collaborate with the board to
29 carry out the requirements of this paragraph.

30 (4) Other information related to the conduct of table

1 games.

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

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

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

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

13 (a.3) Expenses.--Beginning 30 days after the effective date
14 of this subsection, the board shall post within 45 days after
15 the end of each month on its Internet website a list of all the
16 itemized expenses of employees and members for that month that
17 were or are to be reimbursed from the assessments made by the
18 department under section 1402(a) (relating to gross terminal
19 revenue deductions) and all itemized expenses of employees of
20 the department and the Office of Attorney General and troopers
21 and employees of the Pennsylvania State Police for the preceding
22 month that were or are to be reimbursed from such assessments.
23 The list shall identify the nature of the expense, the employee,
24 member or the agency and employee of the agency to which an
25 expense is attributable. If the expense is directly attributable
26 to or paid by a licensed gaming entity, the list shall identify
27 the licensed gaming entity and if the expense was charged to the
28 licensed gaming entity. By October 1 of each year, a final
29 report of all expenses described in this subsection for the
30 preceding fiscal year shall be posted on the board's Internet

1 website and shall be submitted to the Appropriations Committee
2 of the Senate, the Community, Economic and Recreational
3 Development Committee of the Senate, the Appropriations
4 Committee of the House of Representatives and the Gaming
5 Oversight Committee of the House of Representatives. Information
6 posted on the Internet website pursuant to this subsection shall
7 be financial records for the purposes of and subject to
8 redaction under the act of February 14, 2008 (P.L.6, No.3),
9 known as the Right-to-Know Law. The board, the department, the
10 Office of Attorney General and the Pennsylvania State Police
11 shall collaborate to develop a uniform system that will enable
12 the board to carry out the requirements of this subsection.

13 * * *

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

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

22 § 1212. Diversity goals of board.

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

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

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

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

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

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

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

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

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

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

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

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

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

1 ownership and operation of business enterprises associated with
2 or utilized by slot machine licensees, through the provision of
3 goods and services utilized by slot machine licensees and
4 through employment opportunities] gaming industry as set forth
5 in subsection (a).

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

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

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

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

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

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

28 (1) Legal services.

29 (2) Advertising or public relations services.

30 (3) Engineering services.

- 1 (4) Architectural, landscaping or surveying services.
2 (5) Accounting, auditing or actuarial services.
3 (6) Security consultant services.
4 (7) Computer and information technology services, except
5 telephone service.
6 (8) INSURANCE UNDERWRITING SERVICES. ←

7 § 1213. License or permit prohibition.

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

10 (1) The board shall be prohibited from granting a
11 principal license or a key employee license to an individual
12 who has been convicted of a felony [or gambling] offense in
13 any jurisdiction [shall be issued a license or permit unless
14 15 years has elapsed from the date of expiration of the
15 sentence for the offense].

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

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

25 (ii) A gaming employee permit or a license other
26 than a principal license or key employee license to an
27 individual who has been convicted in any jurisdiction of
28 a felony offense or of a misdemeanor gambling offense,
29 unless 15 years have elapsed from the date of conviction
30 for the offense.

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

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

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

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

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

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

15 [(6)] (vi) Any evidence of rehabilitation, including
16 good conduct in the community, counseling or psychiatric
17 treatment received and the recommendation of persons who
18 have substantial contact with the applicant.

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

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

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

25 (A) classified as a felony; or

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

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

1 years.

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

4 § 1214. Specific authority to suspend slot machine license.

5 (a) Conditions.--Any slot machine licensee that is required
6 as a condition of licensure to make payments to a municipality,
7 municipal authority or other entity for an economic development
8 project, including any project enumerated in the act of July 25,
9 2007 (P.L.342, No.53), known as Pennsylvania Gaming Economic
10 Development and Tourism Fund Capital Budget Itemization Act of
11 2007, shall, within 30 days of the effective date of this
12 section or within 30 days following licensure, whichever is
13 later, enter into a written agreement with the municipality,
14 municipal authority or other entity. The written agreement shall
15 establish and govern the terms of the required payments,
16 including the amounts of each payment, the date on which each
17 payment shall be made and the duration of the payments.

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

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

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

8 Section 10.2. Sections 1304(b)~~7~~ AND 1305(a)(1), ~~(b)(1)~~~~7~~ (c), ←
9 (d) and (e) and ~~1307~~ of Title 4 are amended to read: ←

10 § 1304. Category 2 slot machine license.

11 * * *

12 (b) Location.--

13 (1) Two Category 2 licensed facilities and no more shall
14 be located by the board within a city of the first class, and
15 one Category 2 licensed facility and no more shall be located
16 by the board within a city of the second class. No Category 2
17 licensed facility located by the board within a city of the
18 first class shall be within ten linear miles of a Category 1
19 licensed facility regardless of the municipality where the
20 Category 1 licensed facility is located. Except for any
21 Category 2 licensed facility located by the board within a
22 city of the first class or a city of the second class, no
23 Category 2 licensed facility shall be located within 30
24 linear miles of any Category 1 licensed facility that has
25 conducted over 200 racing days per year for the two calendar
26 years immediately preceding the effective date of this part
27 and not within 20 linear miles of any other Category 1
28 licensed facility. Except for any Category 2 licensed
29 facility located by the board within a city of the first
30 class, no Category 2 licensed facility shall be located

1 within 20 linear miles of another Category 2 licensed
2 facility.

3 (2) Within five days of approving a license for an
4 applicant with a proposed licensed facility consisting of
5 land designated a subzone, an expansion subzone or an
6 improvement subzone under the Keystone Opportunity Zone,
7 Keystone Opportunity Expansion Zone and Keystone Opportunity
8 Improvement Zone Act for a slot machine license under this
9 section, the board shall notify the Department of Community
10 and Economic Development. The notice shall include a
11 description of the land of the proposed licensed facility
12 which is designated a subzone, an expansion subzone or an
13 improvement subzone. Within five days of receiving the notice
14 required by this paragraph, the Secretary of Community and
15 Economic Development shall decertify the land of the proposed
16 licensed facility as being a subzone, an expansion subzone or
17 an improvement subzone. Upon decertification in accordance
18 with this paragraph and notwithstanding Chapter 3 of the
19 Keystone Opportunity Zone, Keystone Opportunity Expansion
20 Zone and Keystone Opportunity Improvement Zone Act, a
21 political subdivision may amend the ordinance, resolution or
22 other required action which granted the exemptions,
23 deductions, abatements or credits required by the Keystone
24 Opportunity Zone, Keystone Opportunity Expansion Zone and
25 Keystone Opportunity Improvement Zone Act to repeal the
26 exemptions, deductions, abatements or credits for the land
27 decertified.

28 (3) Notwithstanding any other provision of law, the
29 governing body of a city of the first class shall not exempt
30 from real property taxation or provide any real property tax

1 abatement under the act of December 1, 1977 (P.L.237, No.76),
2 known as the Local Economic Revitalization Tax Assistance
3 Act, to a Category 2 licensed facility located within the
4 city, or any improvements to such facility, unless the owner
5 of the licensed facility enters into or has entered into a
6 tax settlement agreement or payment in lieu of taxes
7 agreement with the city, including any amendments,
8 supplements or modifications of such agreements.

9 § 1305. Category 3 slot machine license.

10 ~~(a) Eligibility.~~ ←

11 ~~(1) (i) A person may be eligible to apply for a~~
12 ~~Category 3 slot machine license if the applicant, its~~
13 ~~affiliate, intermediary, subsidiary or holding company~~
14 ~~has not applied for or been approved or issued a Category~~
15 ~~1 or 2 slot machine license and the person is seeking to~~
16 ~~locate a Category 3 licensed facility in a well~~
17 ~~established resort hotel having no fewer than 275 guest~~
18 ~~rooms under common ownership and having substantial year~~
19 ~~round [recreational guest] amenities. The applicant for a~~
20 ~~Category 3 license shall be the owner or be a wholly~~
21 ~~owned subsidiary of the owner of the established resort~~
22 ~~hotel. [A Category 3 license may only be granted upon the~~
23 ~~express condition that an individual may not enter a~~
24 ~~gaming area of the licensee if the individual is not a~~
25 ~~registered overnight guest of the established resort~~
26 ~~hotel or if the individual is not a patron of one or more~~
27 ~~of the amenities provided by the established resort~~
28 ~~hotel.] In addition to any other individual prohibited~~
29 ~~under this part from entering the gaming area of a~~
30 ~~licensed facility, an individual who does not meet at~~

1 ~~least one of the following criteria shall also be~~
2 ~~prohibited from entering the gaming area of an~~
3 ~~established resort hotel for which a Category 3 license~~
4 ~~has been issued:~~

5 ~~(A) The individual is a registered overnight~~
6 ~~guest of the established resort hotel.~~

7 ~~(B) The individual is a patron of the amenities~~
8 ~~provided by the established resort hotel.~~

9 ~~(C) The individual possesses a membership to the~~
10 ~~established resort hotel or is a guest of an~~
11 ~~individual who possesses such a membership. The guest~~
12 ~~must be accompanied by the individual who possesses~~
13 ~~the membership when entering or remaining in the~~
14 ~~gaming area of the hotel. The owner of the~~
15 ~~established resort hotel may issue memberships that~~
16 ~~allow for up to four guests of the membership owner~~
17 ~~to enter the gaming area.~~

18 ~~(ii) Nothing in this paragraph shall be deemed to~~
19 ~~prohibit an individual 18 years of age or older from~~
20 ~~entering and remaining in the gaming area of an~~
21 ~~established resort hotel while in the performance of~~
22 ~~employment duties performed on behalf of the resort~~
23 ~~hotel.~~

24 * * *

25 ~~(b) Location.—~~

26 ~~(1) Mileage requirements are as follows:~~

27 ~~(i) No Category 3 license which was authorized by~~
28 ~~this part prior to December 1, 2009, regardless of when~~
29 ~~issued, shall be located by the board within 15 linear~~
30 ~~miles of another licensed facility.~~

1 ~~(ii) No Category 3 license which was authorized by~~
2 ~~this part after November 30, 2009, shall be located by~~
3 ~~the board within 30 linear miles of another licensed~~
4 ~~facility.~~

5 * * *

6 (A) ELIGIBILITY.-- ←

7 (1) A PERSON MAY BE ELIGIBLE TO APPLY FOR A CATEGORY 3
8 SLOT MACHINE LICENSE IF THE APPLICANT, ITS AFFILIATE,
9 INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY HAS NOT APPLIED
10 FOR OR BEEN APPROVED OR ISSUED A CATEGORY 1 OR 2 SLOT MACHINE
11 LICENSE AND THE PERSON IS SEEKING TO LOCATE A CATEGORY 3
12 LICENSED FACILITY IN A WELL-ESTABLISHED RESORT HOTEL [HAVING
13 NO FEWER THAN 275 GUEST ROOMS UNDER COMMON OWNERSHIP AND
14 HAVING SUBSTANTIAL YEAR-ROUND RECREATIONAL GUEST AMENITIES].
15 THE APPLICANT FOR A CATEGORY 3 LICENSE SHALL BE THE OWNER OR
16 BE A WHOLLY OWNED SUBSIDIARY OF THE OWNER OF THE
17 [ESTABLISHED] WELL-ESTABLISHED RESORT HOTEL. A CATEGORY 3
18 LICENSE MAY ONLY BE GRANTED UPON THE EXPRESS CONDITION THAT
19 AN INDIVIDUAL MAY NOT ENTER A GAMING AREA OF THE LICENSEE IF
20 THE INDIVIDUAL IS NOT [A REGISTERED OVERNIGHT GUEST OF THE
21 ESTABLISHED RESORT HOTEL OR IF THE INDIVIDUAL IS NOT A PATRON
22 OF ONE OR MORE OF THE AMENITIES PROVIDED BY THE ESTABLISHED
23 RESORT HOTEL.] ANY OF THE FOLLOWING:

24 (I) A REGISTERED OVERNIGHT GUEST OF THE WELL-
25 ESTABLISHED RESORT HOTEL.

26 (II) A PATRON OF ONE OR MORE OF THE AMENITIES
27 PROVIDED BY THE WELL-ESTABLISHED RESORT HOTEL.

28 (III) AN AUTHORIZED EMPLOYEE.

29 (IV) AN INDIVIDUAL HOLDING A VALID MEMBERSHIP
30 APPROVED IN ACCORDANCE WITH PARAGRAPH (1.1).

1 (1.1) THE BOARD MAY APPROVE A SEASONAL OR YEAR-ROUND
2 MEMBERSHIP THAT ALLOWS AN INDIVIDUAL TO USE ONE OR MORE OF
3 THE AMENITIES PROVIDED BY THE WELL-ESTABLISHED RESORT HOTEL
4 HOLDING A CATEGORY 3 SLOT MACHINE LICENSE. THE MEMBERSHIP
5 SHALL ALLOW THE MEMBER AND ONE GUEST TO ENTER THE GAMING
6 FLOOR AT ANY TIME. THE BOARD SHALL BASE ITS APPROVAL OF A
7 MEMBERSHIP ON ALL OF THE FOLLOWING:

8 (I) THE DURATION OF THE MEMBERSHIP.

9 (II) THE AMENITY COVERED BY THE MEMBERSHIP.

10 (III) WHETHER THE FEE CHARGED FOR THE MEMBERSHIP
11 REPRESENTS THE FAIR MARKET VALUE FOR THE USE OF THE
12 AMENITY.

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

21 (d) Category 3 license fee.--[Notwithstanding the one-time
22 slot machine license fee as set forth in section 1209 (relating
23 to slot machine license fee), the] The board shall impose a one-
24 time Category 3 license fee to be paid by each successful
25 applicant in the amount of \$5,000,000 to be deposited in the
26 State Gaming Fund. The provisions of section [1209 relating to
27 term, credit against tax for slot machine licensees, deposit of
28 license fee and change of ownership or control of a license
29 shall be applicable] 1209(b), (c), (d) and (e) shall apply to a
30 Category 3 [license fee] licensee.

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

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

13 "Patron of the amenities." Any individual who is a
14 registered attendee of a convention, meeting or banquet event or
15 a participant in a sport or recreational event or any other
16 social, cultural or business event held at a resort hotel or who
17 participates in one or more of the amenities provided to
18 registered guests of the WELL-ESTABLISHED resort hotel. ←

19 "WELL-ESTABLISHED RESORT HOTEL." A HOTEL THAT HAS AT LEAST ←
20 275 GUEST ROOMS UNDER COMMON OWNERSHIP AND HAS SUBSTANTIAL YEAR-
21 ROUND RECREATIONAL GUEST AMENITIES.

22 ~~§ 1307. Number of slot machine licenses.~~ ←

23 ~~(a) Category 1 and Category 2 slot machine licenses. The~~
24 ~~board may license no more than seven Category 1 licensed~~
25 ~~facilities and no more than five Category 2 licensed facilities,~~
26 ~~as it may deem appropriate, as long as two, and not more,~~
27 ~~Category 2 [licenses] licensed facilities are located by the~~
28 ~~board within the city of the first class and that one, and not~~
29 ~~more, Category 2 licensed facility is located by the board~~
30 ~~within the city of the second class. The board may at its~~

1 ~~discretion increase the total number of Category 2 licensed~~
2 ~~facilities permitted to be licensed by the board by an amount~~
3 ~~not to exceed the total number of Category 1 licenses not~~
4 ~~applied for within five years following the effective date of~~
5 ~~this part. Except as permitted by section 1328 (relating to~~
6 ~~change in ownership or control of slot machine licensee), any~~
7 ~~Category 1 license may be reissued by the board at its~~
8 ~~discretion as a Category 2 license if an application for~~
9 ~~issuance of such license has not been made to the board.~~

10 ~~(b) Category 3 slot machine licenses.~~

11 ~~(1) The board may license no more than two Category 3~~
12 ~~licensed facilities that shall be subject to the mileage~~
13 ~~restriction under section 1305(b)(1)(i) (relating to Category~~
14 ~~3 slot machine license).~~

15 ~~(2) The board may license no more than one Category 3~~
16 ~~licensed facility that shall be subject to the mileage~~
17 ~~restriction under section 1305(b)(1)(ii). Within ten days~~
18 ~~following the effective date of this paragraph, the board~~
19 ~~shall establish an application period not to exceed 90 days~~
20 ~~for the acceptance of applications for this Category 3~~
21 ~~license.~~

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

24 § 1308. Applications for license or permit.

25 * * *

26 (a.1) Submission of information.--An applicant for a license
27 or permit under this part shall disclose in the application all
28 arrests of the applicant and all citations issued to the
29 applicant for ~~summary gambling~~ NON-TRAFFIC SUMMARY offenses. The ←
30 information shall include:

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

3 (2) The specific offense charged.

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

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

12 * * *

13 § 1309. Slot machine license application.

14 * * *

15 (a.1) Table games information.--

16 (1) An applicant for a slot machine license may submit
17 with its application all information required under Chapter
18 13A (relating to table games) and request that the board
19 consider its application for a slot machine license and a
20 table game operation certificate concurrently. All fees for a
21 table game operation certificate shall be paid by the
22 applicant in accordance with section 1361A (relating to table
23 game authorization fee).

24 (2) The board shall permit any applicant for a slot
25 machine license that has an application pending before the
26 board on the effective date of this subsection to supplement
27 its application with all information required under Chapter
28 13A and to request that the board consider its application
29 for a slot machine license and a table game operation
30 certificate concurrently. All fees for a table game operation

1 certificate shall be paid by the applicant in accordance with
2 section 1361A.

3 * * *

4 Section 10.4. Section 1310 of Title 4 is amended to read:

5 § 1310. Slot machine license application character
6 requirements.

7 (a) Application.--

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

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

28 (b) Civil judgments and law enforcement agency
29 information.--Each applicant shall notify the board of any civil
30 judgments obtained against the applicant pertaining to antitrust

1 or security regulation laws of the Federal Government, this
2 Commonwealth or any other state, jurisdiction, province or
3 country. In addition, each applicant shall produce a letter of
4 reference from law enforcement agencies having jurisdiction in
5 the applicant's place of residence and principal place of
6 business, which letter of reference shall indicate that the law
7 enforcement agencies do not have any pertinent information
8 concerning the applicant or, if the law enforcement agency does
9 have information pertaining to the applicant, shall specify the
10 nature and content of that information. If no letters are
11 received within 30 days of the request, the applicant may submit
12 a statement under oath which is subject to the penalty for false
13 swearing under 18 Pa.C.S. § 4903 (relating to false swearing)
14 that the applicant is or was during the period the activities
15 were conducted in good standing with the gaming or casino
16 enforcement or control agency.

17 (c) Gaming or casino enforcement agency information.--If the
18 applicant has held a gaming license in a jurisdiction where
19 gaming activities are permitted, the applicant shall produce a
20 letter of reference from the gaming or casino enforcement or
21 control agency which shall specify the experiences of that
22 agency with the applicant, the applicant's associates and the
23 applicant's gaming operation. If no letters are received within
24 30 days of the request, the applicant may submit a statement
25 under oath which is subject to the penalty for false swearing
26 under 18 Pa.C.S. § 4903 that the applicant is or was during the
27 period the activities were conducted in good standing with the
28 gaming or casino enforcement or control agency.

29 (d) Agency records.--Each applicant for a slot machine
30 license, principal license or key employee license shall be

1 required to apply to each Federal agency deemed appropriate by
2 the board or bureau for agency records under the Freedom of
3 Information Act (Public Law 89-554, 5 U.S.C. § 552) pertaining
4 to the applicant and provide the bureau with the complete record
5 received from the Federal agency. The board may issue a license
6 to the applicant prior to the receipt of information under this
7 subsection.

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

11 § 1317. Supplier licenses.

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

20 * * *

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

25 (1) [The license shall be for a period of one year. Upon
26 expiration, the license may be renewed in accordance with
27 subsection (d)] The initial license shall be for a period of
28 one year and if renewed under subsection (d), the license
29 shall be for a period of three years. Nothing in this
30 paragraph shall relieve a licensee of the affirmative duty to

1 notify the board of any changes relating to the status of its
2 license or to any information contained in the application
3 materials on file with the board.

4 * * *

5 (c.1) Abbreviated process.--In the event an applicant for a
6 supplier license to supply table game devices or associated
7 equipment used in connection with table games is licensed by the
8 board under this section to supply slot machines or associated
9 equipment used in connection with slot machines, the board may
10 determine to use an abbreviated process requiring only that
11 information determined by the board to be necessary to consider
12 the issuance of a license to supply table game devices or
13 associated equipment used in connection with table games,
14 including financial viability of the applicant. Nothing in this
15 section shall be construed to waive any fees associated with
16 obtaining a license through the normal application process. The
17 board may only use the abbreviated process if all of the
18 following apply:

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

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

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

30 * * *

1 § 1317.1. Manufacturer licenses.

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

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

9 * * *

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

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

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

25 (2) The license shall be nontransferable.

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

27 (c.1) Abbreviated process.--In the event an applicant for a
28 manufacturer license to manufacture table game devices or
29 associated equipment used in connection with table games is
30 licensed by the board under this section to manufacture slot

1 machines or associated equipment used in connection with slot
2 machines, the board may determine to use an abbreviated process
3 requiring only that information determined by the board to be
4 necessary to consider the issuance of a license to manufacture
5 table game devices or associated equipment used in connection
6 with table games, including financial viability of the
7 applicant. Nothing in this section shall be construed to waive
8 any fees associated with obtaining a license through the normal
9 application process. The board may only use the abbreviated
10 process if all of the following apply:

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

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

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

22 (d) Renewal.--

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

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

30 (3) If the board receives a complete renewal application

1 but fails to act upon the renewal application prior to the
2 expiration of the manufacturer license, the manufacturer
3 license shall continue in effect for an additional six-month
4 period or until acted upon by the board, whichever occurs
5 first.

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

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

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

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

24 (e) Prohibitions.--

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

30 (2) [No] Except as permitted in section 1323.1A

1 (relating to training equipment), no slot machine licensee
2 may use slot machines, table game devices or associated
3 equipment unless the slot machines, table game devices or
4 associated equipment were manufactured by a person that has
5 been issued [a] the appropriate manufacturer license under
6 this section.

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

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

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

15 § 1317.2. Gaming service provider.

16 (a) Development of classification system.--The board shall
17 develop a classification system governing the certification,
18 registration and regulation of gaming service providers and
19 individuals and entities associated with them. The
20 classification system shall be based upon the following:

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

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

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

30 (b) Authority to exempt.--The board may exempt any person or

1 type of business from the requirements of this section if the
2 board determines:

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

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

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

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

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

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

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

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

26 (e) Interim authorization.--The board or a designated
27 employee of the board may permit a gaming service provider
28 applicant to engage in business with an applicant for a slot
29 machine license or a slot machine licensee prior to approval of
30 the gaming service provider application if the following

1 criteria have been satisfied:

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

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

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

16 (f) Construction.--Nothing in this section shall be
17 construed to prohibit the board from rescinding a grant of
18 interim authorization if, at any time, the suitability of the
19 person subject to interim authorization is at issue or if the
20 person fails to cooperate with the board, the bureau or an agent
21 of the board or bureau.

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

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

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

1 the prohibited gaming service provider list.

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

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

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

25 § 1318. Occupation permit application.

26 * * *

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

1 § 1319. Alternative manufacturer licensing standards.

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

16 (b) Abbreviated process.--In the event an applicant for a
17 [slot machine] manufacturer license is licensed in another
18 jurisdiction, the board may determine to use an [alternate]
19 abbreviated process requiring only that information determined
20 by the board to be necessary to consider the issuance of a
21 license, including financial viability of the [licensee, to such
22 an] applicant. Nothing in this section shall be construed to
23 waive any fees associated with obtaining a license through the
24 normal application process.

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

27 § 1319.1. Alternative supplier licensing standards.

28 (a) General rule.--The board may determine whether the
29 licensing standards of another jurisdiction within the United
30 States in which an applicant for a supplier's license is

1 similarly licensed are comprehensive and thorough and provide
2 similar adequate safeguards as required by this part. If the
3 board makes that determination, it may issue a supplier license
4 to an applicant who holds a similar supplier license in another
5 jurisdiction after conducting an evaluation of the information
6 relating to the applicant from the other jurisdictions, as
7 updated by the board, and evaluating other information related
8 to the applicant received from that jurisdiction and other
9 jurisdictions where the applicant may be licensed, the board may
10 incorporate the information in whole or in part into its
11 evaluation of the applicant.

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

20 Section 10.9. Sections 1321, 1326(a), 1328(a)(1) and (b) and
21 1329 of Title 4 are amended to read:

22 § 1321. Additional licenses and permits and approval of
23 agreements.

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

29 (1) The person transacts business within this
30 Commonwealth with a slot machine licensee as a ticket

1 purveyor, tour operator, operator of a bus trip program or
2 operator of any other type of travel program or promotional
3 business related to slot machines or table games. The board
4 may also review, deny, order modification or approve, at its
5 discretion, proposed tours, bus routes and travel programs.

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

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

23 § 1326. License renewals.

24 (a) Renewal.--All permits and licenses issued under this
25 part unless otherwise provided shall be subject to renewal [on
26 an annual basis upon the application of the holder of the permit
27 or license submitted to the board at least 60 days prior to the
28 expiration of the permit or license] every three years. Nothing
29 in this subsection shall relieve a licensee of the affirmative
30 duty to notify the board of any changes relating to the status

1 of its license or to any other information contained in the
2 application materials on file with the board. The application
3 for renewal shall be submitted at least 60 days prior to the
4 expiration of the permit or license and shall include an update
5 of the information contained in the initial and any prior
6 renewal applications and the payment of any renewal fee required
7 by this part. Unless otherwise specifically provided in this
8 part, the amount of any renewal fee shall be calculated by the
9 board to reflect the longer renewal period. A permit or license
10 for which a completed renewal application and fee, if required,
11 has been received by the board will continue in effect unless
12 and until the board sends written notification to the holder of
13 the permit or license that the board has denied the renewal of
14 such permit or license.

15 * * *

16 § 1328. Change in ownership or control of slot machine
17 licensee.

18 (a) Notification and approval.--

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

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

26 (ii) More than 5% of the securities or other
27 ownership interests of a corporation or other form of
28 business entity that owns directly or indirectly at least
29 20% of the voting or other securities or other ownership
30 interests of the licensee.

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

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

5 (b) Qualification of purchaser of slot machine licensee;
6 change of control.--The purchaser of the assets, other than in
7 the ordinary course of business, of any slot machine licensee
8 shall independently qualify for a license in accordance with
9 this part and shall pay the license fee as required by section
10 1209 (relating to slot machine license fee). A change in control
11 of any slot machine licensee shall require that the slot machine
12 licensee independently qualify for a license in accordance with
13 this part, and the slot machine licensee shall pay a new license
14 fee as required by section 1209, except as otherwise required by
15 the board pursuant to this section. The new license fee shall be
16 paid upon the assignment and actual change of control or
17 ownership of the slot machine license.

18 * * *

19 § 1329. [Nonportability] Portability and relocation of slot
20 machine license.

21 (a) General rule.--[Each] Except as otherwise provided in
22 this section, each slot machine license shall only be valid for
23 the specific physical location within the municipality and
24 county for which it was originally granted. [No]

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

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

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

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

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

14 (5) Evaluate community support or opposition.

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

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

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

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

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

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

29 (d) Public input hearing.--The board shall hold at least one
30 public input hearing in the municipality where the licensed

1 facility will be located prior to ruling on the petition.

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

6 Section 11. Title 4 is amended by adding a section to read:
7 § 1332. Appointment of trustee.

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

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

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

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

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

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

29 (2) Before assuming duties, a trustee shall execute and
30 file a bond for the faithful performance of the trustee's

1 duties. The bond shall be payable to the board with sureties
2 and in the amount and form as required by board order. The
3 cost of the bond shall be paid by the former or suspended
4 licensee.

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

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

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

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

17 (i) Entering into contracts.

18 (ii) Borrowing money.

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

23 (iv) Hiring, firing and disciplining employees.

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

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

28 (5) Establishing accounts with financial institutions.
29 An account may not be established with a financial
30 institution in which the licensee, an affiliate of the former

1 or suspended licensee, the trustee, or an immediate family
2 member of the trustee, has a controlling interest.

3 (6) Meeting with the former or suspended licensee.

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

6 (8) Meeting with the independent audit committee.

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

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

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

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

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

27 (14) Obtaining board approval for any payments outside
28 of those made in the ordinary course of business.

29 Notwithstanding any provision contained in this subsection to
30 the contrary, the trustee shall have the duty to conserve and

1 preserve the assets of the licensed gaming entity.

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

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

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

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

22 (3) The fee customarily charged for similar services.

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

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

26 (d.2) Compensation exceptions.--

27 (1) On January 1 of each year, the board may adjust the
28 aggregate hourly rate of compensation authorized under
29 subsection (d) for inflation. The adjustment shall not exceed
30 the percentage change in the Consumer Price Index for All

1 Urban Consumers for the Pennsylvania, New Jersey, Delaware
2 and Maryland area for the most recent 12-month period for
3 which figures have been officially reported by the United
4 States Department of Labor, Bureau of Labor Statistics. When
5 adjusted, the board shall publish the adjusted aggregate
6 hourly rate of compensation in the Pennsylvania Bulletin.

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

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

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

29 (g) Effect of the trusteeship.--After issuance of an order
30 to appoint a trustee, the former or suspended principal or slot

1 machine licensee may not exercise any of its privileges, collect
2 or receive any debts or pay out, sell, assign or transfer any of
3 its assets to anyone without prior approval of the appointed
4 trustee and the board.

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

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

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

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

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

30 (1) The minimum qualifications a person must possess to

1 be approved as a trustee, which shall include the
2 qualifications set forth in subsection (b).

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

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

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

9 CHAPTER 13A

10 TABLE GAMES

11 Subchapter

12 A. General Provisions

13 B. Table Games Authorized

14 C. Conduct of Table Games

15 D. (Reserved)

16 E. Table Game Testing and Certification

17 F. (Reserved)

18 G. Table Game Taxes and Fees

19 SUBCHAPTER A

20 GENERAL PROVISIONS

21 Sec.

22 1301A. (Reserved).

23 1302A. Regulatory authority.

24 1303A. Temporary table game regulations.

25 1304A. Commonwealth resident employment goals.

26 § 1301A. (Reserved).

27 § 1302A. Regulatory authority.

28 The board shall promulgate regulations:

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

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

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

16 (2.1) Establishing the method for calculating gross
17 table game revenue and standards for the daily counting and
18 recording of cash and cash equivalents received in the
19 conduct of table games, including the conduct of table games
20 on electronic gaming tables and fully automated electronic
21 gaming tables, and ensuring that internal controls are
22 followed, including observation by employees of the board of
23 that process, the maintenance of financial books and records
24 and the conduct of audits. THE BOARD SHALL CONSULT WITH THE
25 DEPARTMENT IN ESTABLISHING THESE REGULATIONS.

26 (3) Establishing notice requirements pertaining to
27 minimum and maximum wagers on table games. Minimum and
28 maximum wagers may be adjusted by the certificate holder in
29 the normal course of conducting table games, except that
30 changes in minimum wagers at any given gaming table shall not

1 apply to players already engaged in wagering at that gaming
2 table when the minimum wager is changed, unless 30 minutes
3 notice is provided at that gaming table.

4 (4) Requiring each certificate holder to:

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

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

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

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

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

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

1 (vii) Adopt policies or procedures to prohibit any
2 table game device or associated equipment from being
3 possessed, maintained or exhibited by any person on the
4 premises of a licensed facility except in the areas of a
5 licensed facility where the conduct of table games is
6 authorized or in a restricted area designated to be used
7 for the inspection, service, repair or storage of table
8 game devices or associated equipment by the certificate
9 holder or in an area used for employee training and
10 instruction by the certificate holder.

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

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

26 (5) Establishing the size and uniform color by
27 denomination of all chips used in the conduct of table games,
28 including ~~contests~~ and tournaments, and a policy for the use ←
29 of promotional or commemorative chips used in the conduct of
30 table games. All types of chips shall be approved by the

1 board prior to being used for play at a table game at a
2 licensed facility.

3 (5.1) Establishing the procedure to be used by a
4 certificate holder to determine and extract a rake for the
5 purposes of generating gross table game revenue from
6 nonbanking games. The rake may be calculated ~~as~~ USING a ←
7 percentage or a flat fee METHODOLOGY. ←

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

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

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

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

24 (7) Establishing the minimal proficiency requirements
25 for individuals to successfully complete a course of training
26 at a gaming school. The regulations shall not prohibit a slot
27 machine licensee from establishing a course of training for
28 its employees or potential employees or prohibit a
29 certificate holder from offering employment to an individual
30 who has not attended or completed a course of instruction at

1 a gaming school and shall require a slot machine licensee
2 that elects to train its gaming employees or potential table
3 game employees to submit a detailed summary of the training
4 program to the board and to demonstrate the adequacy of the
5 training. The regulations shall prohibit a slot machine
6 licensee from charging its employees or potential employees a
7 fee to complete a course of training.

8 ~~(8) Permitting certificate holders to request~~ ←
9 ~~authorization to conduct, and to conduct, tournaments and~~
10 ~~establishing the practices and procedures governing the~~
11 ~~conduct of the tournaments. The number of gaming tables used~~
12 ~~during a contest or tournament shall not be counted toward~~
13 ~~the maximum number of gaming tables authorized by the~~
14 ~~certificate holder's table game operation certificate.~~

15 (8) ESTABLISHING THE PRACTICES AND PROCEDURES GOVERNING ←
16 THE CONDUCT OF TOURNAMENTS UNDER THIS CHAPTER.

17 (9) ESTABLISHING MINIMUM STANDARDS RELATING TO THE
18 EXTENSION OF CREDIT TO A PLAYER BY A CERTIFICATE HOLDER.
19 PRIOR TO EXTENDING CREDIT, THE CERTIFICATE HOLDER SHALL
20 CONSIDER AN INDIVIDUAL'S FINANCIAL FITNESS, INCLUDING ANNUAL
21 INCOME, DEBT-TO-INCOME RATIO, PRIOR CREDIT HISTORY, AVERAGE
22 MONTHLY BANK BALANCE OR LEVEL OF PLAY.

23 § 1303A. Temporary table game regulations.

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

30 (1) Sections 201, 202, 203, 204 and 205 of the act of

1 July 31, 1968 (P.L.769, No.240), referred to as the
2 Commonwealth Documents Law.

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

5 (3) Sections 204(b) and 301(10) of the act of October
6 15, 1980 (P.L.950, No.164), known as the Commonwealth
7 Attorneys Act.

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

14 (c) Temporary regulations.--The board shall begin publishing
15 temporary regulations governing table game rules, licensing of
16 manufacturers and suppliers and surveillance standards in the
17 Pennsylvania Bulletin no later than February 1, 2010.
18 § 1304A. Commonwealth resident employment goals.

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

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

14 SUBCHAPTER B

15 TABLE GAMES AUTHORIZED

16 Sec.

17 1311A. Authorization to conduct table games.

18 1312A. Petition requirements.

19 1313A. Prohibitions.

20 1314A. Table game authorization hearing process; public input
21 hearings.

22 1315A. Standard for review of petitions.

23 1316A. Award of certificate.

24 1316.1A. Amendment of statement of conditions.

25 1317A. Table game operation certificate.

26 1318A. Timing of initial table game authorizations.

27 § 1311A. Authorization to conduct table games.

28 (a) Authorization.--The board may authorize a slot machine
29 licensee to conduct table games, including table game contests
30 and tournaments, and to operate a system of wagering associated

1 with the conduct of table games at the slot machine licensee's
2 licensed facility. Authorization shall be contingent upon the
3 slot machine licensee's agreement to ensure that slot machine
4 and table game operations will be conducted in accordance with
5 this part and any other conditions established by the board.
6 Nothing in this part shall be construed to create a separate
7 license governing the conduct of table games by licensed
8 entities within this Commonwealth.

9 (b) Number of authorized gaming tables.--

10 (1) A Category 1 and Category 2 slot machine licensee
11 awarded a table game operation certificate may operate up to
12 250 gaming tables at any one time at its licensed facility.

13 No more than 75 30% of these gaming tables may be used to ←
14 play nonbanking games at any one time. SIX MONTHS FOLLOWING ←
15 THE DATE OF COMMENCEMENT OF TABLE GAME OPERATIONS, THE BOARD
16 MAY PERMIT A CATEGORY 1 OR CATEGORY 2 CERTIFICATE HOLDER TO
17 INCREASE THE NUMBER OF GAMING TABLES FOR BANKING OR
18 NONBANKING GAMES ABOVE THE NUMBER AUTHORIZED UNDER THIS
19 PARAGRAPH. THE CERTIFICATE HOLDER SHALL PETITION THE BOARD
20 FOR THE INCREASE AT ITS LICENSED FACILITY. THE BOARD, IN
21 CONSIDERING THE PETITION, SHALL TAKE INTO ACCOUNT THE
22 APPROPRIATENESS OF THE PHYSICAL SPACE WHERE THE GAMING TABLES
23 WILL BE LOCATED AND THE CONVENIENCE OF THE PUBLIC ATTENDING
24 THE FACILITY. THE BOARD MAY ALSO TAKE INTO ACCOUNT THE
25 POTENTIAL BENEFIT TO THE COMMONWEALTH.

26 (2) A Category 3 slot machine licensee awarded a table
27 game operation certificate may operate up to 50 gaming tables
28 at any one time at its licensed facility. No more than 15 of
29 these gaming tables may be used to play nonbanking games at
30 any one time.

1 (3) NONBANKING GAMING TABLES SHALL SEAT A MAXIMUM OF TEN ←
2 PLAYERS.

3 ~~(c) Additional authorization. Notwithstanding subsection~~ ←
4 ~~(b), the board and, if authorized by the board under section~~
5 ~~1321A (relating to authorized locations for operation), the~~
6 ~~executive director may authorize the certificate holder to~~
7 ~~exceed the total number of gaming tables authorized in~~
8 ~~subsection (b) and its table game operation certificate for the~~
9 ~~purpose of conducting contests or tournaments in accordance with~~
10 ~~section 1321A.~~

11 § 1312A. Petition requirements.

12 (a) General rule.--Unless otherwise prohibited under section
13 1313A (relating to prohibitions), a slot machine licensee may
14 seek approval to conduct table games by filing a petition with
15 the board.

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

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

20 (2) The name and business address, job title and a
21 photograph of each principal and key employee of the
22 petitioner who will be involved in the conduct of table games
23 and who is not currently licensed by the board, if known.

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

26 (4) The estimated number of full-time and part-time
27 employment positions that will be created at the licensed
28 facility if table games are authorized and an updated hiring
29 plan pursuant to section 1510(a) (relating to labor hiring
30 preferences) which outlines the petitioner's plan to promote

1 the representation of diverse groups and Commonwealth
2 residents in the employment positions.

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

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

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

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

23 (9) Information and documentation, as the board may
24 require, to establish by clear and convincing evidence that
25 the petitioner has or will have the financial ability to pay
26 the authorization fee under section 1361A (relating to table
27 game authorization fee).

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

30 (11) If the petitioner is a Category 1 or Category 2

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

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

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

16 (12) Other information as the board may require.

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

22 § 1313A. Prohibitions.

23 (a) Slot machine licensee.--No slot machine licensee that is
24 required as a condition of slot machine licensure to make
25 payments to a municipality, municipal authority or other entity
26 for an economic development project, including any project
27 enumerated in the act of July 25, 2007 (P.L.342, No.53), known
28 as Pennsylvania Gaming Economic Development and Tourism Fund
29 Capital Budget Itemization Act of 2007, may submit a petition
30 under section 1312A (relating to petition requirements) until

1 the requirements of section 1214(a) (relating to specific
2 authority to suspend slot machine license) are met.

3 (b) Duties of board.--The board shall not accept or approve
4 a petition submitted by any slot machine licensee subject to
5 subsection (a) until the written agreement required by section
6 1214(a) is submitted by the slot machine licensee to the board,
7 which shall ensure the written agreement meets the requirements
8 of section 1214(a) and all conditions relating to the economic
9 development project imposed by the board when awarding the slot
10 machine license to the licensee are satisfied.

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

16 § 1314A. Table game authorization hearing process; public input
17 hearings.

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

29 (b) Public input hearing requirement.--

30 (1) Prior to granting a petition for a slot machine

1 licensee to conduct table games under this chapter, the board
2 shall hold at least one public input hearing on the matter in
3 the municipality where the petitioner's licensed facility is
4 located.

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

11 § 1315A. Standard for review of petitions.

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

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

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

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

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

26 (ii) Pay the authorization fee in accordance with
27 section 1361A (relating to table game authorization fee).

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

30 (4) The petitioner has the financial stability,

1 integrity and responsibility to conduct table games.

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

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

9 (7) The petitioner agrees that the number of slot
10 machines in operation at its licensed facility on October 1,
11 2009, will not be permanently reduced in order to install
12 gaming tables.

13 (8) The petitioner has executed the waiver required
14 under section 1312A(b)(11) (relating to petition
15 requirements) and provided any other information required by
16 section 1312A(b).

17 § 1316A. Award of certificate.

18 Upon approval of a petition, the board shall award a table
19 games operation certificate to the petitioner. Awarding of a
20 table game operation certificate prior to the payment in full of
21 the authorization fee required by section 1361A (relating to
22 table game authorization fee) shall not relieve the petitioner
23 from complying with the provisions of section 1361A.

24 § 1316.1A. Amendment of statement of conditions.

25 (a) Amendment.--Upon awarding a table game operation
26 certificate, the board shall amend the slot machine licensee's
27 statement of conditions governing the slot machine license to
28 include conditions pertaining to the requirements of this part.
29 If the slot machine licensee is a Category 1 or Category 2 slot
30 machine licensee, amendments to the statement of conditions

1 shall include a requirement that the slot machine licensee
2 acknowledge and honor the waiver of rights required to be filed
3 under section 1312A(b) (11) (relating to petition requirements).

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

9 § 1317A. Table game operation certificate.

10 The following shall apply:

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

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

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

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

21 (2) The table game operation certificate shall include
22 an itemized list by type of table game and the number of
23 gaming tables approved by the board and permitted in the
24 certificate holder's licensed facility. The certificate
25 holder may increase or decrease the number of gaming tables
26 permitted at the licensed facility, change the type of table
27 games played at a particular gaming table or change the
28 configuration of gaming tables upon notice to the board and
29 approval by a designated employee of the board. Unless
30 approved by the board, the total number of gaming tables in

1 operation at the licensed facility may not exceed the number
2 authorized in the table games operation certificate.

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

6 § 1318A. Timing of initial table game authorizations.

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

9 SUBCHAPTER C

10 CONDUCT OF TABLE GAMES

11 Sec.

12 1321A. Authorized locations for operation.

13 1322A. Commencement of table game operations.

14 1323A. Training of employees and potential employees.

15 1323.1A. Training equipment.

16 1324A. Condition of continued operation.

17 1325A. Table game accounting controls and audit protocols.

18 1326A. Cash equivalents.

19 1327A. Other financial transactions.

20 1328A. Key employees and occupation permits.

21 1329A. Application of Clean Indoor Air Act.

22 1329.1A. Application of Liquor Code.

23 § 1321A. Authorized locations for operation.

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

28 (a.1) Temporary facilities.--The board may permit a
29 certificate holder to conduct table games at a temporary
30 facility which is physically connected to, attached to or

1 adjacent to a licensed facility for a period not to exceed 24
2 months.

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

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

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

25 (3) Count the number of gaming tables to be utilized in
26 a contest or tournament toward the number of approved gaming
27 tables in the table game operation certificate.

28 § 1322A. Commencement of table game operations.

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

1 (1) The certificate holder is in compliance with the
2 requirements of this part.

3 (2) The certificate holder's internal controls and audit
4 protocols are sufficient to meet the requirements of section
5 1325A (relating to table game accounting controls and audit
6 protocols).

7 (3) The certificate holder's table game employees, where
8 applicable, are licensed, permitted or otherwise authorized
9 by the board to perform their respective duties.

10 (4) The certificate holder is prepared in all respects
11 to offer table game play to the public at the licensed
12 facility.

13 (5) The certificate holder has implemented necessary
14 internal and management controls and security arrangements
15 and surveillance systems for the conduct of table games.

16 (6) The certificate holder is in compliance with or has
17 complied with section 1361A (relating to table game
18 authorization fee).

19 § 1322.1A. TABLE GAME TOURNAMENTS.

20 (A) GENERAL RULE.--A CERTIFICATE HOLDER MAY CONDUCT TABLE
21 GAME TOURNAMENTS AT A LICENSED FACILITY. EXCEPT AS OTHERWISE
22 PROVIDED IN SUBSECTION (B), GAMING TABLES USED TO CONDUCT
23 TOURNAMENTS SHALL NOT BE EXEMPT WHEN CALCULATING THE MAXIMUM
24 ALLOWABLE NUMBER OF GAMING TABLES AUTHORIZED UNDER SECTION
25 1311A(B) (RELATING TO AUTHORIZATION TO CONDUCT TABLE GAMES) AT
26 THE LICENSED FACILITY.

27 (B) EXCEPTION.--UPON WRITTEN REQUEST, THE EXECUTIVE DIRECTOR
28 MAY GRANT A CERTIFICATE HOLDER THE AUTHORITY TO CONDUCT A TABLE
29 GAME TOURNAMENT USING GAMING TABLES THAT EXCEED THE MAXIMUM
30 ALLOWABLE NUMBER OF GAMING TABLES AUTHORIZED AT THE LICENSED



1 FACILITY.

2 (C) SCHEDULE.--EACH CERTIFICATE HOLDER SEEKING AN EXCEPTION
3 UNDER SUBSECTION (B) SHALL SUBMIT WITH ITS WRITTEN REQUEST A
4 PROPOSED SCHEDULE OF TABLE GAME TOURNAMENTS FOR WHICH THE
5 CERTIFICATE HOLDER SEEKS THE EXCEPTION. THE PROPOSED SCHEDULE
6 MAY BE A WEEKLY, MONTHLY OR ANNUAL SCHEDULE AND SHALL INCLUDE
7 INFORMATION IDENTIFYING THE PROPOSED LOCATION, DATE AND TIME OF
8 EACH TOURNAMENT, THE PROPOSED ENTRY FEE AND ANY OTHER FEES
9 ASSOCIATED WITH THE TOURNAMENT, AND THE MAXIMUM ALLOWABLE NUMBER
10 OF PARTICIPANTS IN EACH TOURNAMENT. SUBMISSION OF A PROPOSED
11 SCHEDULE SHALL NOT REQUIRE THE CERTIFICATE HOLDER TO CONDUCT ALL
12 TABLE GAME TOURNAMENTS CONTAINED IN THE SCHEDULE. A CERTIFICATE
13 HOLDER MAY NOT CONDUCT A TABLE GAME TOURNAMENT AT A LOCATION,
14 DATE OR TIME NOT CONTAINED IN THE SCHEDULE APPROVED BY THE
15 EXECUTIVE DIRECTOR.

16 (D) LIMITATIONS.--THE FOLLOWING SHALL APPLY TO ANY SCHEDULE
17 SUBMITTED BY A CERTIFICATE HOLDER PURSUANT TO SUBSECTION (C):

18 (1) TABLE GAME TOURNAMENTS AT CATEGORY 1 AND CATEGORY 2
19 LICENSED FACILITIES SHALL BE LIMITED TO 30% OF THE NONBANKING
20 GAMING TABLES AUTHORIZED AT THE LICENSED FACILITY WITH A
21 MAXIMUM OF TEN PLAYERS PER TABLE, UNLESS AN INCREASE IN THE
22 NUMBER OF TABLES IS GRANTED BY THE EXECUTIVE DIRECTOR UPON
23 GOOD CAUSE SHOWN.

24 (2) TABLE GAME TOURNAMENTS AT CATEGORY 3 LICENSED
25 FACILITIES SHALL BE LIMITED TO 15 GAMING TABLES WITH A
26 MAXIMUM OF TEN PLAYERS PER TABLE.

27 (3) TOURNAMENTS REQUIRED TO BE SCHEDULED UNDER
28 SUBSECTION (C) SUBMITTED BY A CATEGORY 3 LICENSED FACILITY
29 SHALL BE LIMITED TO A MAXIMUM OF ONE DAY PER MONTH.

30 (E) AMENDMENT OR MODIFICATION OF SCHEDULE.--A CERTIFICATE

1 HOLDER MAY SEEK TO AMEND OR MODIFY THE APPROVED SCHEDULE AT ANY
2 TIME BY FILING A WRITTEN REQUEST WITH THE EXECUTIVE DIRECTOR.
3 § 1323A. Training of employees and potential employees.

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

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

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

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

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

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

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

27 (5) Prohibit the payment of any cash, cash equivalent or
28 other prize to an individual as a result of play conducted
29 during training or play conducted utilizing table game
30 devices or associated equipment obtained under section

1 1323.1A (relating to training equipment).

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

5 (c) Rescission or revocation.--An authorization granted by
6 the executive director under subsection (b) may be rescinded or
7 revoked by the executive director or the board without cause.
8 The slot machine licensee shall be given notice that the
9 authorization has been rescinded or revoked and afforded a
10 reasonable time to take all necessary actions required by the
11 executive director or the board.

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

15 § 1323.1 A. Training equipment.

16 (a) Acquisition--Notwithstanding section 1317 (relating to
17 supplier licenses) or section 1317.1 (relating to manufacturer
18 licenses), for a one-year period following the effective date of
19 this section, a slot machine licensee may purchase, lease or
20 otherwise obtain table game devices or associated equipment
21 that will be used for the sole purpose of conducting table game
22 training authorized under section 1323A (relating to initial
23 training of employees and potential employees) from a
24 manufacturer or supplier, whether or not licensed or otherwise
25 approved by the board under this part, or from an affiliate of
26 the slot machine licensee or a gaming facility in another
27 jurisdiction.

28 (b) Identification.--Table game devices or associated
29 equipment obtained by a slot machine licensee pursuant to
30 subsection (a) shall have an identification number which shall

1 be kept on file with the board and the table game devices or
2 associated equipment shall be clearly identified as being used
3 for training purposes only.

4 (c) Prohibition.--

5 (1) Table game devices and associated equipment obtained
6 pursuant to this section shall be prohibited from being used
7 on the gaming floor unless being used for training purposes
8 pursuant to section 1323A(c) (2).

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

13 § 1324A. Condition of continued operation.

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

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

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

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

30 § 1325A. Table game accounting controls and audit protocols.

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

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

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

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

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

16 (4) Establish procedures for all the following:

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

19 (ii) Conversion of cash equivalents to cash.

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

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

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

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

30 (7) Establish procedures for the transfer of drop boxes

1 from the gaming tables to the count room.

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

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

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

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

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

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

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

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

30 (16) Ensure that all functions, duties and

1 responsibilities related to table game operations are
2 appropriately segregated and performed in accordance with
3 sound financial practices by qualified employees.

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

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

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

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

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

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

23 (5) A detailed narrative description of the
24 administrative and accounting procedures in place to ensure
25 compliance with the requirements of section 1326A (relating
26 to cash equivalents).

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

1 (d) Review.--Prior to authorizing a certificate holder to
2 conduct table games, the board shall review the system of
3 internal controls submitted under subsection (c) to determine
4 whether it conforms to the requirements of this part and whether
5 it provides adequate and effective controls for the conduct of
6 table games.

7 § 1326A. Cash equivalents.

8 (a) Checks.--

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

15 (2) Notwithstanding any law to the contrary, checks
16 cashied in conformity with the requirements of this section or
17 13 Pa.C.S. Div. 3 (relating to negotiable instruments) shall
18 be valid instruments, enforceable at law in the courts of
19 this Commonwealth. Any check cashed, transferred, conveyed,
20 given or accepted in violation of this section shall be
21 invalid and unenforceable for the purposes of collection by a
22 certificate holder but shall be included in the calculation
23 of gross table game revenue.

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

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

1 prohibited.

2 § 1327A. Other financial transactions.

3 (a) Credit.--Notwithstanding section 1504 (relating to
4 wagering on credit), a certificate holder may extend INTEREST- ←
5 FREE, UNSECURED credit to patrons for the purpose of playing
6 slot machines or table games in accordance with this section;
7 however, a certificate holder shall not accept credit cards,
8 charge cards or debit cards from a patron or player for the
9 exchange or purchase or chips, slot machine or table game
10 credits or for an advance of coins or currency to be utilized by
11 a player to play slot machine or table games. NO CREDIT CARD ←
12 ADVANCE MACHINE MAY BE PLACED ON THE GAMING FLOOR.

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

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

30 (1) The identity, creditworthiness and indebtedness

1 information of the applicant by conducting a comprehensive
2 review of the information submitted with the application and
3 any information regarding the applicant's credit activity at
4 other licensed facilities which the certificate holder may
5 obtain through a casino credit bureau and, if appropriate,
6 through direct contact with other slot machine licensees.

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

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

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

1 in the individual's credit file.

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

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

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

30 (i) Liability.--A certificate holder or employee thereof

1 shall not be liable to any individual on the voluntary credit
2 suspension list or to any other party in any judicial proceeding
3 for any harm, monetary or otherwise, which may arise as a result
4 of:

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

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

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

18 § 1328A. Key employees and occupation permits.

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

25 § 1329A. Application of Clean Indoor Air Act.

26 For the purpose of section 3(b)(11) of the act of June 13,
27 2008 (P.L.182, No.27), known as the Clean Indoor Air Act, the
28 term "gaming floor" shall include the areas of any licensed
29 facility where the slot machine licensee is authorized to place
30 and operate slot machines or conduct table games, except such

1 areas off the gaming floor where contests or tournaments are
2 conducted unless smoking is otherwise permitted in such areas.
3 § 1329.1A. Application of Liquor Code.

4 The provisions of section 493(24)(ii) of the act of April 12,
5 1951 (P.L.90, No.21), known as the Liquor Code, shall also apply
6 to table games.

7 SUBCHAPTER D

8 (RESERVED)

9 SUBCHAPTER E

10 TABLE GAME TESTING AND CERTIFICATION

11 Sec.

12 1341A. Table game device and associated equipment testing and
13 certification standards.

14 § 1341A. Table game device and associated equipment testing and
15 certification standards.

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

27 (b) Use of other state standards.--The board may determine
28 whether the table game device testing and certification
29 standards of another jurisdiction within the United States in
30 which a manufacturer licensed pursuant to section 1317.1

1 (relating to manufacturer licenses) to manufacture table game
2 devices or associated equipment used in connection with table
3 games is licensed are comprehensive and thorough and provide
4 similar adequate safeguards as those required by this part. If
5 the board makes that determination, it may permit the
6 manufacturer appropriately licensed pursuant to section 1317.1
7 to deploy table game devices or associated equipment it
8 manufactures which have met the table game device testing and
9 certification standards in another jurisdiction without
10 undergoing the full testing and certification process by the
11 board's independent testing and certification facility.

12 SUBCHAPTER F

13 (RESERVED)

14 SUBCHAPTER G

15 TABLE GAME TAXES AND FEES

16 Sec.

17 1361A. Table game authorization fee.

18 1362A. Table game taxes.

19 1363A. Local share assessment.

20 § 1361A. Table game authorization fee.

21 (a) Amount of authorization fee.--

22 (1) A Category 1 or a Category 2 slot machine licensee
23 that submits a petition for a table game operation
24 certificate under section 1312A (relating to petition
25 requirements) on or before June 1, 2010, shall pay a one-time
26 nonrefundable authorization fee in the amount of \$16,500,000.
27 A Category 1 or a Category 2 slot machine licensee that
28 submits a petition for a table game operation certificate
29 under section 1312A after June 1, 2010, shall pay a one-time
30 nonrefundable authorization fee in the amount of \$24,750,000.

1 (2) A Category 3 slot machine licensee that submits a
2 petition for a table game operation certificate under section
3 1312A on or before June 1, 2010, shall pay a one-time
4 nonrefundable authorization fee in the amount of \$7,500,000.

5 A Category 3 slot machine licensee that submits a petition
6 for a table game operation certificate under section 1312A
7 after June 1, 2010, shall pay a one-time nonrefundable
8 authorization fee in the amount of \$11,250,000.

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

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

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

25 (c) Failure to pay by deadline.--If a petitioner or
26 certificate holder fails to pay the required authorization fee
27 in full by June 1, 2010, the board shall impose a penalty and
28 may grant the petitioner or certificate holder up to a six-month
29 extension to pay the authorization fee or any remaining portion
30 of the authorization fee and the penalty. The board shall

1 require the petitioner or certificate holder to make weekly
2 payments until the fee and penalty are paid in full.

3 (d) Suspension of certificate.--The board shall suspend the
4 table game operation certificate if the certificate holder fails
5 to pay the total authorization fee and the penalty prior to the
6 expiration of an extension period granted under subsection (c).
7 The suspension shall remain in effect until final payment is
8 made.

9 (e) (Reserved).

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

18 § 1362A. Table game taxes.

19 (a) Imposition.--

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

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

1 ~~(3) Until July 1, 2011, the~~ THE tax reported and payable ←
2 under paragraph (1) BY EACH CERTIFICATE HOLDER shall be 14% ←
3 of daily gross table game revenue FOR A PERIOD OF TWO YEARS ←
4 FOLLOWING COMMENCEMENT OF TABLE GAMES OPERATIONS AT ITS
5 LICENSED FACILITY.

6 (b) Deposits and distributions.--

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

11 (2) All funds owed to the Commonwealth under this
12 section shall be held in trust for the Commonwealth by the
13 certificate holder until the funds are paid to the
14 department. Unless otherwise agreed to by the board, a
15 certificate holder shall establish a separate bank account
16 into which gross table game revenue shall be deposited and
17 maintained until such time as the funds are paid to the
18 department under this section or paid into the fund under
19 section 1363A(a) (relating to local share assessment).

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

22 (c) Deposits for property tax relief.--If, on the last day
23 of a fiscal year the balance of the Budget Stabilization Reserve
24 Fund established pursuant to section 1701-A of the act of April
25 9, 1929 (P.L.343, No.176), known as The Fiscal Code, exceeds
26 \$750,000,000, as certified by the Secretary of the Budget, the
27 deposits made into the General Fund pursuant to subsection (a)
28 shall cease and thereafter be deposited into the Property Tax
29 Relief Fund established pursuant to 4 Pa.C.S. § 1409 (relating
30 to Property Tax Relief Fund).

1 § 1363A. Local share assessment.

2 (a) Required payment.--In addition to the tax imposed under
3 section 1362A (relating to table game taxes), each certificate
4 holder shall pay on a weekly basis and on a form and in a manner
5 prescribed by the department a local share assessment into a
6 restricted receipts account established within the fund. All
7 funds owed to a county or municipality under this section shall
8 be held in trust by the certificate holder until the funds are
9 paid into the account. Funds in the account are hereby
10 appropriated to the department on a continuing basis for the
11 purposes set forth in this section.

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

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

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

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

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

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

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

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

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

1 personnel of the task force.

2 (iii) A county of the third class which is also a
3 home rule county: 100% of the licensed facility's local
4 share assessment shall be distributed to a community
5 college that is established in the county after the
6 effective date of this subparagraph and prior to January
7 1, 2014, to be used by the community college for
8 organizational, administrative, operating and capital
9 expenditures and the payment of principal, interest and
10 expenses related to indebtedness, subject to the
11 following:

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

27 (B) If a community college is established in the
28 county following the effective date of this
29 subparagraph and prior to January 1, 2014, the funds
30 in the restricted receipts account established under

1 clause (A) shall be distributed in their entirety by
2 the county redevelopment authority to the community
3 college no later than 60 days following the date of
4 the establishment of the community college.

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

1 clause.

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

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

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

20 (I) A COUNTY OF THE FIRST CLASS: 100% OF EACH ←
21 LICENSED FACILITY'S LOCAL SHARE ASSESSMENT SHALL BE
22 DISTRIBUTED AS FOLLOWS:

23 (A) 50% OF EACH LICENSED FACILITY'S LOCAL SHARE
24 ASSESSMENT TO THE DEPARTMENT OF COMMUNITY AND
25 ECONOMIC DEVELOPMENT FOR GRANTS TO NONPROFIT
26 ORGANIZATIONS AND GOVERNMENTAL AGENCIES FOR PROGRAMS
27 THAT WILL PRESERVE, IMPROVE, DEVELOP AND PROMOTE
28 EDUCATION, CHILD WELFARE SERVICES, CRIME PREVENTION,
29 HEALTH CARE CLINICS, WORKFORCE DEVELOPMENT AND THE
30 ARTS WITHIN THE COUNTY. NOTWITHSTANDING ANY OTHER

1 PROVISION OF LAW, FUNDS FROM LICENSED GAMING ENTITIES
2 LOCATED WITHIN A COUNTY OF THE FIRST CLASS MAY NOT BE
3 DISTRIBUTED OUTSIDE OF A COUNTY OF THE FIRST CLASS.
4 FOR PURPOSES OF THIS CLAUSE, THE TERM "GOVERNMENTAL
5 AGENCIES" SHALL INCLUDE A SCHOOL DISTRICT OF THE
6 FIRST CLASS AND AGENCIES OF A CITY OF THE FIRST
7 CLASS.

8 (B) 50% OF EACH LICENSED FACILITY'S LOCAL SHARE
9 ASSESSMENT SHALL BE DEPOSITED INTO RESTRICTED
10 RECEIPTS ACCOUNTS, SEGREGATED BY LICENSED FACILITY,
11 WITHIN THE DEPARTMENT OF COMMUNITY AND ECONOMIC
12 DEVELOPMENT TO BE USED EXCLUSIVELY FOR GRANTS TO
13 ELIGIBLE APPLICANTS FOR COMMUNITY IMPROVEMENT
14 PROJECTS, HEALTH AND SAFETY PROJECTS AND PUBLIC
15 INTEREST PROJECTS SUBJECT TO THE FOLLOWING:

16 (I) THE DEPARTMENT OF COMMUNITY AND ECONOMIC
17 DEVELOPMENT SHALL ESTABLISH SEPARATE RESTRICTED
18 RECEIPTS ACCOUNTS CORRESPONDING TO EACH LICENSED
19 FACILITY WITHIN THE COUNTY.

20 (II) FUNDS IN ANY RESTRICTED ACCOUNT SHALL
21 BE USED SOLELY FOR ELIGIBLE PROJECTS LOCATED IN
22 AFFECTED COMMUNITIES WITHIN THE CITY OF THE FIRST
23 CLASS AND WITHIN A 1.5 MILE RADIUS OF THE
24 LICENSED FACILITY.

25 (III) IN EACH YEAR IN WHICH GRANTS ARE
26 AWARDED, NO SINGLE APPLICANT MAY BE AWARDED A
27 GRANT OR GRANTS IN AN AMOUNT WHICH, INDIVIDUALLY
28 OR IN THE AGGREGATE, EXCEED 30% OF THE TOTAL
29 FUNDS AVAILABLE FOR DISTRIBUTION IN SUCH YEAR.

30 (C) AS USED IN CLAUSE (B), THE FOLLOWING TERMS

1 SHALL BE GIVEN THE MEANINGS IN THIS CLAUSE:

2 "AFFECTED COMMUNITIES." GEOGRAPHIC AREAS WITHIN
3 A 1.5 MILE RADIUS OF A LICENSED FACILITY, WITH
4 PRIORITY GIVEN TO RESIDENTIAL AREAS.

5 "COMMUNITY IMPROVEMENT PROJECTS." PROJECTS THAT
6 IMPROVE OR CREATE CIVIC, CULTURAL OR RECREATIONAL
7 ACTIVITIES OR FACILITIES IN THE AFFECTED COMMUNITIES.

8 "ELIGIBLE APPLICANT." THE TERM SHALL INCLUDE ANY
9 LEGAL ENTITY ORGANIZED FOR PROFIT OR AS A NOT-FOR-
10 PROFIT CORPORATION OR ORGANIZATION. THE TERM SHALL
11 NOT INCLUDE ANY OF THE FOLLOWING:

12 (I) A COUNTY OR CITY OF THE FIRST CLASS, ANY
13 BOARD, COMMISSION, MUNICIPAL AUTHORITY OR OTHER
14 AGENCY OR INSTRUMENTALITY THEREOF.

15 (II) ANY LEGAL ENTITY, WHETHER FOR PROFIT OR
16 NOT-FOR-PROFIT, IN WHICH AN EXECUTIVE-LEVEL
17 PUBLIC EMPLOYEE OR A PUBLIC OFFICIAL, AS DEFINED
18 IN SECTION 1512 (RELATING TO FINANCIAL AND
19 EMPLOYMENT INTERESTS), HOLDS A FINANCIAL INTEREST
20 OR SERVES AS A VOTING BOARD MEMBER BY VIRTUE OF
21 HIS POSITION AS AN EXECUTIVE-LEVEL PUBLIC
22 EMPLOYEE OR AS A PUBLIC OFFICIAL.

23 (III) ANY LEGAL ENTITY, WHETHER FOR PROFIT
24 OR NOT-FOR-PROFIT, IN WHICH AN EXECUTIVE-LEVEL
25 PUBLIC EMPLOYEE OR A PUBLIC OFFICIAL APPOINTS 50%
26 OR MORE OF THE ENTITY'S VOTING BOARD MEMBERS.

27 "HEALTH AND SAFETY PROJECTS." PROJECTS THAT
28 PROMOTE THE HEALTH AND SAFETY OF AFFECTED
29 COMMUNITIES.

30 "PUBLIC INTEREST PROJECTS." PROJECTS THAT

1 IMPROVE THE QUALITY OF LIFE IN THE AFFECTED
2 COMMUNITIES.

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

6 (A) Eighty-five percent shall be deposited into
7 a restricted receipts account to be established in
8 the Department of Education for distribution pursuant
9 to the act of June 14, 1961 (P.L.324, No.188), known
10 as The Library Code, for grants to an established
11 library system in the county but outside a city of
12 the second class. Funds made available under this
13 clause shall be in addition to any funding provided
14 to such libraries pursuant to the act of April 9,
15 1929 (P.L.343, No.176), known as The Fiscal Code; the
16 Public School Code of 1949; and The Library Code.
17 Notwithstanding The Library Code, in making
18 distributions from funds made available under this
19 clause, the library system shall distribute the funds
20 as follows:

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

27 (II) At least 15% but not more than 20%
28 shall be distributed to libraries in the library
29 system in each city, borough, town or township in
30 the county outside a city of the second class,

1 which has a market value per capita below the
2 fifth percentile of all cities, boroughs, towns
3 or townships, with comparable classifications.
4 The market value per capita and percentiles under
5 this subclause shall be as determined annually by
6 the State Tax Equalization Board.

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

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

20 (B) Fifteen percent to a recognized tourist
21 promotion agency that is established by a home rule
22 municipality that was formerly a township or borough
23 located in the county pursuant to the act of July 4,
24 2008 (P.L.621, No.50), known as the Tourist Promotion
25 Act, and recognized by the Department of Community
26 and Economic Development and the home rule
27 municipality.

28 (iii) A county of the third class where a city of
29 the third class hosting the licensed facility is located
30 in two counties of the third class: 50% of the licensed

1 facility's local share assessment shall be distributed as
2 follows:

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

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

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

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

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

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

30 (4) The following apply:

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

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

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

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

1 (1) If the licensed facility is a Category 2 licensed
2 facility and is located in a city of the second class, 50% of
3 the licensed facility's local share assessment shall be
4 deposited into a restricted receipts account to be
5 established in the Department of Education for distribution
6 pursuant to The Library Code for grants to an established
7 local library in the city for the purpose of maintaining the
8 library branch system in existence on January 1, 2011. Funds ←
9 made available under this clause shall be in addition to any
10 funding provided to such libraries pursuant to The Fiscal
11 Code, the Public School Code of 1949 and The Library Code. If ←
12 the established local library in the city fails to maintain
13 the library branch system as provided in this paragraph, 50%
14 BEGINNING JULY 1, 2011, IF THE ESTABLISHED LOCAL LIBRARY ←
15 FAILS TO MAINTAIN THE NUMBER OF LIBRARY BRANCHES OPERATING
16 WITHIN ITS SYSTEM ON JUNE 30, 2011, 50% of the licensed
17 facility's local share assessment shall be distributed to the
18 city to be used solely to fund the accrued liability of all
19 pension plans maintained by the city.

20 ~~(2) If the licensed facility is a Category 1 licensed~~ ←
21 ~~facility located at a harness racetrack in a city of the~~
22 ~~third class, 50% of the licensed facility's local share~~
23 ~~assessment shall be distributed to the city solely for the~~
24 ~~purpose of becoming and remaining a member or local sponsor~~
25 ~~of a community college on behalf of all students in the~~
26 ~~school district. If in any year the amount distributable or~~
27 ~~received under this paragraph exceeds the amount necessary~~
28 ~~for the city to become or remain a member or local sponsor,~~
29 ~~the excess shall be distributed to, or retained by, the city~~
30 ~~and may be used for any lawful purpose.~~



1 (2) IF THE LICENSED FACILITY IS A CATEGORY 1 LICENSED
2 FACILITY LOCATED AT A HARNESS RACETRACK IN A CITY OF THE
3 THIRD CLASS, 50% OF THE LICENSED FACILITY'S LOCAL SHARE
4 ASSESSMENT SHALL BE DISTRIBUTED TO THE CITY SOLELY FOR THE
5 PURPOSE OF MAKING PAYMENTS TO ENABLE THE CITY AND OTHER
6 MUNICIPALITIES IN THE SCHOOL DISTRICT IN WHICH THE CITY IS
7 LOCATED TO BECOME AND REMAIN LOCAL SPONSORS OR MEMBERS OF A
8 COMMUNITY COLLEGE. PAYMENTS MAY INCLUDE INITIAL BUY-IN COSTS,
9 INCLUDING PAYMENT OF DEBT SERVICE TO FUND THE INITIAL BUY-IN,
10 AND ANNUAL LOCAL SPONSOR SHARE PAYMENTS TO THE COMMUNITY
11 COLLEGE.

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

17 (i) 50% to the host city;

18 (ii) 20% to a city of the third class located solely
19 in the nonhost county in which the host city of the third
20 class is also located; and

21 (iii) 30% to a nonhost city of the third class
22 located solely in the host county.

23 (4) If the licensed facility is a Category 1 licensed
24 facility located at a harness racetrack in a township of the
25 first class, 50% of the licensed facility's local share
26 assessment shall be distributed to the township, subject,
27 however, to the budgetary limitation in this paragraph. The
28 amount distributed to the township shall not exceed 50% of
29 the township's total budget for fiscal year 2009, adjusted
30 for inflation in subsequent years by an amount not to exceed

1 an annual cost-of-living adjustment calculated by applying
2 the percentage change in the Consumer Price Index immediately
3 prior to the date the adjustment is due to take effect. Any
4 funds not distributed to the township because of the
5 budgetary limitation shall be distributed in accordance with
6 subsection (b) based upon the classification of the county
7 where the licensed facility is located.

8 (5) The following apply:

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

29 (ii) If the licensed facility is a Category 1
30 licensed facility located at a thoroughbred racetrack in

1 a township of the second class in a county of the second
2 class A, 50% of the licensed facility's local share
3 assessment shall be distributed to the recreation
4 department of the township of the second class to support
5 youth athletics ASSESSMENT SHALL BE DISTRIBUTED TO THE
6 TOWNSHIP OF THE SECOND CLASS, subject, however, to the ←
7 budgetary limitation in this subparagraph. The amount
8 distributed shall not exceed 50% of the department's
9 total budget for fiscal year 2009, adjusted for inflation
10 in subsequent years by an amount not to exceed an annual
11 cost-of-living adjustment calculated by applying the
12 percentage change in the Consumer Price Index immediately
13 prior to the date the adjustment is due to take effect.
14 Any funds not distributed to the recreation department
15 because of the budgetary limitation shall be distributed
16 in accordance with subsection (b) based upon the
17 classification of county where the licensed facility is
18 located.

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

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

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

4 (6) The following apply:

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

9 (A) Fifty percent of the licensed facility's
10 local share assessment shall be distributed to the
11 host borough, subject to clause (C).

12 (B) Fifty percent of the licensed facility's
13 local share assessment shall be distributed to the
14 city of the third class that is contiguous to the
15 host borough, subject to clause (C).

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

29 (ii) Except as provided in subparagraph (i), if the
30 licensed facility is a Category 3 licensed facility and

1 is located in a municipality of any class, 50% of the
2 licensed facility's local share assessment shall be
3 distributed to the municipality, subject, however, to the
4 budgetary limitation in this subparagraph. The amount
5 distributed to the municipality shall not exceed 50% of
6 the municipality's total budget for fiscal year 2009,
7 adjusted for inflation in subsequent years by an amount
8 not to exceed an annual cost-of-living adjustment
9 calculated by applying the percentage change in the
10 Consumer Price Index immediately prior to the date the
11 adjustment is due to take effect. Any funds not
12 distributed to the municipality because of the budgetary
13 limitation shall be distributed in accordance with
14 subsection (b) based upon the classification of county
15 where the licensed facility is located.

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

1 located.

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

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

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

17 (e) Miscellaneous provisions.--

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

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

28 (3) A person or its affiliated entity or a political
29 subdivision may not compensate or incur an obligation to
30 compensate a person to engage in lobbying for compensation

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

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

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

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

18 (4) In cooperation with the department, the Department
19 of Community and Economic Development, and the Commonwealth
20 Financing Authority, the Office of the Budget shall submit an
21 annual report on all distributions of local share assessments
22 to counties and municipalities under this section to the
23 chairman and minority chairman of the Appropriations
24 Committee of the Senate, the chairman and the minority
25 chairman of the Community, Economic and Recreational
26 Development Committee of the Senate, the chairman and the
27 minority chairman of the Appropriations Committee of the
28 House of Representatives and the chairman and minority
29 chairman of the Gaming Oversight Committee of the House of
30 Representatives.

1 (5) All counties and municipalities receiving
2 distributions of local share assessments under this section
3 shall submit an annual report to the Department of Community
4 and Economic Development on a form prepared by the Department
5 of Community and Economic Development that sets forth the
6 amount and use of the funds received for the prior calendar
7 year. The report shall set forth whether the funds received
8 were deposited into the county's or municipality's general
9 fund or committed to a specific project or use. The report
10 shall be submitted by August 31, 2010, and by August 31 of
11 each year thereafter.

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

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

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

20 Section 11.2. Sections 1401(b), 1402(a) and 1402.1 of Title
21 4 are amended to read:

22 § 1401. Slot machine licensee deposits.

23 * * *

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

1 Development Fund) [.]:

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

4 (2) For a Category 3 slot machine licensee, \$1,000,000.

5 No additional minimum deposit shall be required from a slot
6 machine licensee if a slot machine licensee is granted a table
7 game operation certificate under Chapter 13A (relating to table
8 games).

9 * * *

10 § 1402. Gross terminal revenue deductions.

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

18 (1) The costs and expenses to be incurred by the
19 department in administering this part at each slot machine
20 licensee's licensed facility based upon a budget submitted by
21 the department [to and approved by the board] under section
22 1402.1 (relating to itemized budget reporting).

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

27 (3) Sums necessary to repay any loans made by the
28 General Fund to the department in connection with carrying
29 out its responsibilities under this part, including the costs
30 of the initial acquisition of the central control computer

1 and any accessories or associated equipment.

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

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

12 (6) The costs and expenses to be incurred by the board
13 in carrying out its responsibilities under this part based
14 upon a budget [approved] submitted by the board under section
15 1402.1.

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

19 * * *

20 § 1402.1. Itemized budget reporting.

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

1 submitted to the chairmen of the committees.

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

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

10 § 1403. Establishment of State Gaming Fund and net slot machine
11 revenue distribution.

12 * * *

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

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

1 * * *

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

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

10 * * *

11 (D) (I) A county of the third class: Except as
12 provided in subclause (II), 2% of the gross
13 terminal revenue from each such licensed facility
14 shall be deposited into a restricted receipts
15 account to be established in the [Department of
16 Community and Economic Development] Commonwealth
17 Financing Authority to be used exclusively for
18 grants for [health, safety and economic
19 development projects] projects in the public
20 interest to municipalities within the county
21 where the licensed facility is located.

22 [Municipalities that are contiguous to the
23 municipality hosting such licensed facility shall
24 be given priority by the Department of Community
25 and Economic Development in the award of such
26 grants.]

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

1 this subclause.

2 (II) If a licensed facility is located in
3 one of two counties of the third class where a
4 city of the third class is located in both
5 counties of the third class, the county in which
6 the licensed facility is located shall receive
7 1.2% of the gross terminal revenue to be
8 distributed as follows: 20% to the host city,
9 30% to the host county and 50% to the host county
10 for the purpose of making municipal grants within
11 the county, with priority given to municipalities
12 contiguous to the host city. The county of the
13 third class, which includes a city of the third
14 class that is located in two counties of the
15 third class and is not the host county for the
16 licensed facility, shall receive .8% of the gross
17 terminal revenue to be distributed as follows:
18 60% to a nonhost city of the third class located
19 solely in the nonhost county in which the host
20 city of the third class is also located or 60% to
21 the nonhost city of the third class located both
22 in the host and nonhost counties of the third
23 class, 35% to the nonhost county and 5% to the
24 nonhost county for the purpose of making
25 municipal grants within the county.

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

29 (I) The department shall make distributions
30 directly to each municipality within the county,

1 except the host municipality, by using a formula
2 equal to the sum of \$25,000 plus \$10 per resident
3 of the municipality using the most recent
4 population figures provided by the Department of
5 Community and Economic Development, provided,
6 however, that the amount so distributed to any
7 municipality shall not exceed 50% of its total
8 budget for fiscal year 2009, adjusted for
9 inflation in subsequent fiscal years by an amount
10 not to exceed an annual cost-of-living adjustment
11 calculated by applying any upward percentage
12 change in the Consumer Price Index immediately
13 prior to the date the adjustment is due to take
14 effect. Distributions to a municipality in
15 accordance with this subclause shall be deposited
16 into a special fund which shall be established by
17 the municipality. The governing body of the
18 municipality shall have the right to draw upon
19 the special fund for any lawful purpose provided
20 that the municipality identifies the fund as the
21 source of the expenditure. Each municipality
22 shall annually submit a report to the Department
23 of Community and Economic Development detailing
24 the amount and purpose of each expenditure made
25 from the special fund during the prior fiscal
26 year.

27 (II) Any funds not distributed under
28 subclause (I) shall be deposited into a
29 restricted receipts account established in the
30 Department of Community and Economic Development

1 to be used exclusively for grants to the county,
2 to economic development authorities or
3 redevelopment authorities within the county for
4 grants for economic development projects,
5 infrastructure projects, job training, community
6 improvement projects, other projects in the
7 public interest, and necessary and reasonable
8 administrative costs. Notwithstanding the
9 provisions of the act of February 9, 1999 (P.L.1,
10 No.1), known as the Capital Facilities Debt
11 Enabling Act, grants made under this clause may
12 be utilized as local matching funds for other
13 grants or loans from the Commonwealth.

14 (F) Counties of the fifth through eighth
15 classes:

16 (I) Except as set forth in subclause (II),
17 2% of the gross terminal revenue from each such
18 licensed facility shall be deposited into a
19 restricted account established in the Department
20 of Community and Economic Development to be used
21 exclusively for grants to the county.

22 (II) If the licensed facility is located in
23 a second class township in a county of the fifth
24 class, 2% of the gross terminal revenue from the
25 licensed facility shall be distributed as
26 follows:

27 (a) 1% shall be deposited into a
28 restricted receipts account to be established
29 in the Commonwealth Financing Authority to be
30 used exclusively for grants for projects in

1 the public interest to municipalities within
2 the county where the licensed facility is
3 located.

4 (b) 1% shall be distributed to the county
5 for projects in the public interest in the
6 county.

7 * * *

8 (iii) If the facility is a Category 2 licensed
9 facility and if the county in which the licensed facility
10 is located is:

11 * * *

12 (F) Counties of the fifth class: 2% of the
13 gross terminal revenue from each such licensed
14 facility shall be deposited and distributed as
15 follows:

16 (I) One percent to be distributed as
17 follows:

18 (a) Beginning in 2010, the sum of
19 \$2,400,000 annually for a period of 20 years
20 to the county for purposes of funding debt
21 service related to the construction of a
22 community college campus located within the
23 county.

24 (b) Any funds not distributed under
25 subclause (a) shall be deposited into a
26 restricted receipts account to be established
27 in the [Department of Community and Economic
28 Development] Commonwealth Financing Authority
29 to be used exclusively for grants within the
30 county for economic development projects,

1 road projects located within a 20-mile radius
2 of the licensed facility and located within
3 the county, community improvement projects
4 and other projects in the public interest
5 within the county. The amount under this
6 subclause includes reasonable administrative
7 costs.

8 (II) One percent shall be deposited into a
9 restricted receipts account to be established in
10 the [Department of Community and Economic
11 Development] Commonwealth Financing Authority to
12 be used exclusively for grants within contiguous
13 counties for economic development projects,
14 community improvement projects and other projects
15 in the public interest within contiguous
16 counties. The amount under this subclause
17 includes reasonable administrative costs. A
18 contiguous county that hosts a Category 1
19 licensed facility shall be ineligible to receive
20 grants under this subclause.

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

26 (III) Fifty percent of any revenue required
27 to be transferred under paragraph (3) (v) shall be
28 deposited into the restricted receipts account
29 established under subclause (I) (b), and 50% shall
30 be deposited into the restricted [receipt]

1 receipts account established under subclause
2 (II). Notwithstanding the Capital Facilities Debt
3 Enabling Act, grants made under this clause may
4 be utilized as local matching funds for other
5 grants or loans from the Commonwealth.

6 * * *

7 (iv) [If] (A) Except as provided in clause (B) or
8 (C), if the facility is a Category 3 licensed
9 facility, 2% of the gross terminal revenue from [each
10 such] the licensed facility shall be deposited into a
11 restricted receipts account established in the
12 Department of Community and Economic Development to
13 be used exclusively for grants to the county, to
14 economic development authorities or redevelopment
15 authorities within the county for grants for economic
16 development projects [and], community improvement
17 projects and other projects in the public interest.

18 (B) If the facility is a Category 3 licensed
19 facility located in a county of the second class A,
20 2% of the gross terminal revenue from the licensed
21 facility shall be deposited into a restricted
22 receipts account to be established in the
23 Commonwealth Financing Authority to be used
24 exclusively for grants or guarantees for projects in
25 the host county that qualify under 64 Pa.C.S. §§ 1551
26 (relating to Business in Our Sites Program), 1556
27 (relating to Tax Increment Financing Guarantee
28 Program) and 1558 (relating to Water Supply and
29 Wastewater Infrastructure Program).

30 (C) If the facility is a Category 3 licensed

1 facility located in a county of the fifth class that
2 is contiguous to a county of the seventh class, 2% of
3 the gross terminal revenue from the licensed facility
4 shall be deposited into a restricted receipts account
5 to be established in the Commonwealth Financing
6 Authority to be used exclusively for grants within
7 the county for economic development projects,
8 infrastructure projects, community improvement
9 projects and other projects in the public interest
10 within the county and for infrastructure projects
11 within a 20-mile radius of the licensed facility in a
12 contiguous county of the seventh class.

13 * * *

14 (3) From the local share assessment established in
15 subsection (b), make quarterly distributions among the
16 municipalities, including home rule municipalities, hosting a
17 licensed facility in accordance with the following schedule:

18 * * *

19 (v) To a township of the second class hosting a
20 licensed facility[, other than a Category 3 licensed
21 facility,]

22 (A) 2% of the gross terminal revenue or
23 \$10,000,000 annually, whichever is greater, shall be
24 paid by each licensed gaming entity operating a
25 licensed facility [located in the township], other
26 than a Category 3 licensed facility or a licensed
27 facility owning land adjacent to the licensed
28 facility located in more than one township of the
29 second class, to the township of the second class
30 hosting the licensed facility, subject, however, to

1 the budgetary limitation in this subparagraph. The
2 amount allocated to the designated municipalities
3 shall not exceed 50% of their total budget for fiscal
4 year 2003-2004, adjusted for inflation in subsequent
5 years by an amount not to exceed an annual cost-of-
6 living adjustment calculated by applying the
7 percentage change in the Consumer Price Index
8 immediately prior to the date the adjustment is due
9 to take effect. Any remaining money shall be
10 collected by the department from each licensed gaming
11 entity and distributed in accordance with paragraph
12 (2) based upon the classification of county where the
13 licensed facility is located. [Where the licensed
14 facility is other than a Category 3 and is located in
15 more than one second class township, the] If revenues
16 generated by the 2% do not meet the \$10,000,000
17 minimum specified in this subparagraph, the
18 department shall collect the remainder of the minimum
19 amount of \$10,000,000 from each licensed gaming
20 entity operating a licensed facility in the township,
21 pay any balance due to the township and transfer any
22 remainder in accordance with paragraph (2).

23 (B) 2% of the gross terminal revenue or
24 \$10,000,000 annually, whichever is greater, less the
25 amount paid under clause (C), shall be paid by each
26 licensed gaming entity operating a licensed facility
27 and owning land adjacent to the licensed facility
28 located in more than one township of the second
29 class, other than a Category 3 licensed facility, to
30 the township of the second class hosting the licensed

1 facility, subject, however, to the budgetary
2 limitation in this subparagraph. The amount allocated
3 to the designated municipalities may not exceed 50%
4 of their total budget for the fiscal year 2003-2004,
5 adjusted for inflation in subsequent years by an
6 amount not to exceed an annual cost-of-living
7 adjustment calculated by applying the percentage
8 change in the Consumer Price Index immediately prior
9 to the date the adjustment is due to take effect. Any
10 remaining money shall be collected by the department
11 from each licensed gaming entity and distributed in
12 accordance with paragraph (2) based upon the
13 classification of the county where the licensed
14 facility is located. The county commissioners of
15 [the] a county of the third class in which the
16 licensed facility is located shall appoint an
17 advisory committee for the purpose of advising the
18 county as to the need for municipal grants for
19 health, safety, transportation and other projects in
20 the public interest to be comprised of two
21 individuals from the host municipality, two from
22 contiguous municipalities within the county of the
23 third class and one from the host county. [A county
24 other than a county of the third class in which the
25 licensed facility is located is not required to
26 appoint an advisory committee and may use funds
27 received under this subparagraph for purposes other
28 than municipal grants.] In the event that the
29 revenues generated by the 2% do not meet the
30 \$10,000,000 minimum specified in this subparagraph,

1 the department shall collect the remainder of the
2 minimum amount of \$10,000,000 from each licensed
3 gaming entity operating a licensed facility in the
4 township, pay any balance due to the township and
5 transfer any remainder in accordance with paragraph
6 (2).

7 (C) \$160,000 annually shall be paid by each
8 licensed gaming entity operating a licensed facility
9 and owning land adjacent to the licensed facility
10 located in more than one township of the second
11 class, other than a Category 3 licensed facility, to
12 the township of the second class that is located in a
13 county of the fifth class in which the adjacent land
14 is located, including racetracks, grazing fields or
15 any other adjoining real property.

16 * * *

17 (viii) [To] (A) Except as provided in clause (B) or
18 (C), to a municipality of any class hosting a
19 Category 3 facility, 2% of the gross terminal revenue
20 from the Category 3 licensed facility located in the
21 municipality, subject, however, to the budgetary
22 limitation in this [subparagraph] clause. The amount
23 allocated to the designated municipalities shall not
24 exceed 50% of their total budget for fiscal year
25 [2003-2004] 2009, adjusted for inflation in
26 subsequent years by an amount not to exceed an annual
27 cost-of-living adjustment calculated by applying the
28 percentage change in the Consumer Price Index
29 immediately prior to the date the adjustment is due
30 to take effect. Any remaining money shall be

1 collected by the department from each licensed gaming
2 entity and distributed in accordance with paragraph
3 (2) based upon the classification of county where the
4 licensed facility is located.

5 (B) If the municipality hosting a Category 3
6 licensed facility is a borough located in a county of
7 the third class and the borough is contiguous to a
8 city of the third class, 1% of gross terminal revenue
9 shall be distributed to the host borough and 1% of
10 gross terminal revenue shall be distributed to the
11 city of the third class that is contiguous to the
12 host borough, subject, however, to the budgetary
13 limitation in this clause. The amount allocated to
14 each designated municipality shall not exceed 50% of
15 its total budget for fiscal year 2009, adjusted for
16 inflation in subsequent years by an amount not to
17 exceed an annual cost-of-living adjustment calculated
18 by applying the percentage increase, if any, in the
19 Consumer Price Index immediately prior to the date
20 the adjustment is due to take effect. Any remaining
21 money shall be collected by the department from each
22 licensed gaming entity and distributed in accordance
23 with paragraph (2) based upon the classification of
24 county where the licensed facility is located.

25 (C) If the municipality hosting a Category 3
26 licensed facility is a township of the second class
27 in a county of the fifth class WHICH IS CONTIGUOUS TO ←
28 A COUNTY OF THE SEVENTH CLASS, 2% of the gross
29 terminal revenue from the Category 3 licensed
30 facility located in the municipality, subject,

1 however, to the budgetary limitation in this clause.
2 The amount allocated to the designated municipalities
3 shall not exceed THE LESSER OF \$1,000,000 OR 50% of ←
4 their total budget for fiscal year 2009, adjusted for
5 inflation in subsequent years by an amount not to
6 exceed an annual cost-of-living adjustment calculated
7 by applying the percentage change in the consumer
8 Price Index immediately prior to the date the
9 adjustment is due to take effect. Any remaining money
10 shall be collected by the department from each
11 licensed gaming entity and distributed in equal
12 amounts to each municipality contiguous to the host
13 municipality. However, ~~if~~ the amount to be allocated ←
14 to any contiguous municipality ~~exceeds~~ SHALL NOT ←
15 EXCEED THE LESSER OF \$1,000,000 OR 50% of the
16 municipality's total budget for fiscal year 2009,
17 adjusted for inflation in subsequent years by an
18 amount not to exceed an annual cost-of-living
19 adjustment calculated by applying the percentage
20 change in the Consumer Price Index immediately prior
21 to the date the adjustment is due to take effect. Any
22 money remaining following distribution to contiguous
23 municipalities shall be collected by the department
24 and distributed in accordance with paragraph (2)
25 based upon the classification of county where the
26 licensed facility is located.

27 * * *

28 (e) Reporting.--

29 (1) In cooperation with the department AND THE ←
30 COMMONWEALTH FINANCING AUTHORITY, the Department of Community

1 and Economic Development shall submit an annual report on all
2 distributions of local share assessments to counties and
3 municipalities under this section to the chairman and
4 minority chairman of the Appropriations Committee of the
5 Senate, the chairman and minority chairman of the Community,
6 Economic and Recreational Development Committee of the
7 Senate, the chairman and minority chairman of the
8 Appropriations Committee of the House of Representatives and
9 the chairman and minority chairman of the Gaming Oversight
10 Committee of the House of Representatives. The report shall
11 be submitted by August 31, 2010, and by August 31 of each
12 year thereafter.

13 (2) All counties and municipalities receiving
14 distributions of local share assessments under this section
15 shall submit information to the Department of Community and
16 Economic Development on a form prepared by the Department of
17 Community and Economic Development that sets forth the amount
18 and use of the funds received in the prior calendar year. The
19 form shall set forth whether the funds received were
20 deposited in the county's or municipality's General Fund or
21 committed to a specific project or use.

22 (f) Prohibited activities.--

23 (1) A person or its affiliated entity or a political
24 subdivision shall not compensate or incur an obligation to
25 compensate a person to engage in lobbying for compensation
26 contingent in whole or in part upon the approval, award,
27 receipt or denial of funds under this section. A person or
28 its affiliated entity shall not engage in or agree to engage
29 in lobbying for compensation contingent in whole or in part
30 upon the approval, award, receipt or denial of funds under

1 this section. This subsection shall not apply to a county or
2 municipality that compensates a person to prepare a grant
3 application for funds under this section if the following
4 requirements are met:

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

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

8 (iii) The person is paid a fixed fee or percentage
9 of the amount of any funds approved, awarded or received
10 up to .5%.

11 (2) A violation of this section shall be considered an
12 intentional violation of 65 Pa.C.S. § 13A09(e) (relating to
13 penalties).

14 Section 11.4. Section 1406(a) of Title 4 is amended to read:
15 § 1406. Distributions from Pennsylvania Race Horse Development
16 Fund.

17 (a) Distributions.--Funds [from] in the Pennsylvania Race
18 Horse Development Fund are hereby appropriated to the department
19 on a continuing basis for the purposes set forth in this
20 subsection and shall be distributed to each active and operating
21 Category 1 licensee conducting live racing [in the following
22 manner] as follows:

23 (1) An amount equal to 18% of the daily gross terminal
24 revenue of each Category 1 licensee shall be distributed to
25 each active and operating Category 1 licensee conducting live
26 racing unless the daily assessments are affected by the daily
27 assessment cap provided for in section 1405(c) (relating to
28 Pennsylvania Race Horse Development Fund). In cases in which
29 the daily assessment cap affects daily assessments, the
30 distribution to each active and operating Category 1 licensee

1 conducting live racing for that day shall be a percentage of
2 the total daily assessments paid into the Pennsylvania Race
3 Horse Development Fund for that day equal to the gross
4 terminal revenue of each active and operating Category 1
5 licensee conducting live racing for that day divided by the
6 total gross terminal revenue of all active and operating
7 Category 1 licensees conducting live racing for that day.

8 [The] Except as provided in paragraphs (2) and (2.1), the
9 distributions to licensed racing entities from the
10 Pennsylvania Race Horse Development Fund shall be allocated
11 as follows:

12 (i) Eighty percent shall be deposited weekly into a
13 separate, interest-bearing purse account to be
14 established by and for the benefit of the horsemen. The
15 earned interest on the account shall be credited to the
16 purse account. Licensees shall combine these funds with
17 revenues from existing purse agreements to fund purses
18 for live races consistent with those agreements with the
19 advice and consent of the horsemen.

20 (ii) For thoroughbred tracks, 16% shall be deposited
21 on a monthly basis into the Pennsylvania Breeding Fund as
22 defined in section 223 of the Race Horse Industry Reform
23 Act. For standardbred tracks, 8% shall be deposited on a
24 monthly basis in the Pennsylvania Sire Stakes Fund as
25 defined in section 224 of the Race Horse Industry Reform
26 Act, and 8% shall be deposited on a monthly basis into a
27 restricted account in the State Racing Fund to be known
28 as the Pennsylvania Standardbred Breeders Development
29 Fund. The State Harness Racing Commission shall, in
30 consultation with the Secretary of Agriculture by rule or

1 by regulation, adopt a standardbred breeders program that
2 will include the administration of Pennsylvania Stallion
3 Award, Pennsylvania Bred Award and a Pennsylvania Sired
4 and Bred Award.

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

25 (2) [(Reserved).] Beginning January 1, 2010, and for the
26 remainder of fiscal year 2009-2010, distributions from the
27 Pennsylvania Race Horse Development Fund shall be allocated
28 as follows:

29 (i) Each week, 34% of the money in the Pennsylvania
30 Race Horse Development Fund shall be transferred to the

1 General Fund.

2 (ii) Each week, 66% of the money in the Pennsylvania
3 Race Horse Development Fund shall be distributed to each
4 active and operating Category 1 licensee conducting live
5 racing in accordance with the following formula:

6 (A) Divide:

7 (I) the total daily assessments paid by each
8 active and operating Category 1 licensee
9 conducting live racing into the Pennsylvania Race
10 Horse Development Fund for that week; by

11 (II) the total daily assessments paid by all
12 active and operating Category 1 licensees
13 conducting live racing into the Pennsylvania Race
14 Horse Development Fund for that week.

15 (B) Multiply the quotient under clause (A) by
16 the amount to be distributed under this subparagraph.

17 (iii) The distribution under subparagraph (ii) shall
18 be allocated as follows:

19 (A) The greater of 4% of the amount to be
20 distributed under subparagraph (ii) or \$275,000 shall
21 be used to fund health and pension benefits for the
22 members of the horsemen's organizations representing
23 the owners and trainers at the racetrack at which the
24 licensed racing entity operates for the benefit of
25 the organization's members, their families, employees
26 and others in accordance with the rules and
27 eligibility requirements of the organization, as
28 approved by the State Horse Racing Commission or the
29 State Harness Racing Commission. This amount shall be
30 deposited within five business days of the end of

1 each week into a separate account to be established
2 by each respective horsemen's organization at a
3 banking institution of its choice. Of this amount, a
4 minimum of \$250,000 shall be paid annually by the
5 horsemen's organization to the thoroughbred jockeys
6 or standardbred drivers organization at the racetrack
7 at which the licensed racing entity operates for
8 health insurance, life insurance or other benefits to
9 active and disabled thoroughbred jockeys or
10 standardbred drivers in accordance with the rules and
11 eligibility requirements of that organization. The
12 total distributions for health and pension benefits
13 for fiscal year 2009-2010 shall not exceed
14 \$11,400,000.

15 (B) Of the money remaining to be distributed
16 under subparagraph (ii) after application of clause
17 (A), the following disbursements shall be made:

18 (I) Eighty-three and one-third percent of
19 the money to be distributed under this clause
20 shall be deposited on a weekly basis into a
21 separate, interest-bearing purse account to be
22 established by and for the benefit of the
23 horsemen. The earned interest on the account
24 shall be credited to the purse account. Licensees
25 shall combine these funds with revenues from
26 existing purse agreements to fund purses for live
27 races consistent with those agreements with the
28 advice and consent of the horsemen.

29 (II) For thoroughbred tracks, 16 and 2/3% of
30 the money to be distributed under this clause

1 shall be deposited on a weekly basis into the
2 Pennsylvania Breeding Fund established in section
3 223 of the act of December 17, 1981 (P.L.435,
4 No.135), known as the Race Horse Industry Reform
5 Act. For standardbred tracks, 8 and 1/3% of the
6 money to be distributed under this clause shall
7 be deposited on a weekly basis into the
8 Pennsylvania Sire Stakes Fund as defined in
9 section 224 of the Race Horse Industry Reform
10 Act; and 8 and 1/3% of the money to be
11 distributed under this clause shall be deposited
12 on a weekly basis into a restricted account in
13 the State Racing Fund to be known as the
14 Pennsylvania Standardbred Breeders Development
15 Fund. The State Harness Racing Commission shall,
16 in consultation with the Secretary of
17 Agriculture, promulgate regulations adopting a
18 standardbred breeders program that will include
19 the administration of the Pennsylvania Stallion
20 Award, the Pennsylvania Bred Award and the
21 Pennsylvania Sired and Bred Award.

22 (2.1) For fiscal years 2010-2011 through 2012-2013,
23 distributions from the Pennsylvania Race Horse Development
24 Fund shall be allocated as follows:

25 (i) Each week, 17% of the money in the Pennsylvania
26 Race Horse Development Fund shall be transferred to the
27 General Fund.

28 (ii) Each week, 83% of the money in the Pennsylvania
29 Race Horse Development Fund shall be distributed to each
30 active and operating Category 1 licensee conducting live

1 racing in accordance with the following formula:

2 (A) Divide:

3 (I) the total daily assessments paid, by
4 each active and operating Category 1 licensee
5 conducting live racing, into the Pennsylvania
6 Race Horse Development Fund for that week; by

7 (II) the total daily assessments paid, by
8 all active and operating Category 1 licensees
9 conducting live racing, into the Pennsylvania
10 Race Horse Development Fund for that week.

11 (B) Multiply the quotient under clause (A) by
12 the amount to be distributed under this subparagraph.

13 (iii) The distribution under subparagraph (ii) shall
14 be allocated as follows:

15 (A) The greater of 4% of the amount to be
16 distributed under subparagraph (ii) or \$220,000 shall
17 be used to fund health and pension benefits for the
18 members of the horsemen's organizations representing
19 the owners and trainers at the racetrack at which the
20 licensed racing entity operates for the benefit of
21 the organization's members, their families, employees
22 and others in accordance with the rules and
23 eligibility requirements of the organization, as
24 approved by the State Horse Racing Commission or the
25 State Harness Racing Commission. This amount shall be
26 deposited within five business days of the end of
27 each week into a separate account to be established
28 by each respective horsemen's organization at a
29 banking institution of its choice. Of this amount, a
30 minimum of \$250,000 shall be paid annually by the

1 horsemen's organization to the thoroughbred jockeys
2 or standardbred drivers organization at the racetrack
3 at which the licensed racing entity operates for
4 health insurance, life insurance or other benefits to
5 active and disabled thoroughbred jockeys or
6 standardbred drivers in accordance with the rules and
7 eligibility requirements of that organization. The
8 total distribution under this clause in any fiscal
9 year shall not exceed \$11,400,000.

10 (B) Of the money remaining to be distributed
11 under subparagraph (ii) after application of clause
12 (A), the following disbursements shall be made:

13 (I) Eighty-three and one-third percent of
14 the money to be distributed under this clause
15 shall be deposited on a weekly basis into a
16 separate, interest-bearing purse account to be
17 established by and for the benefit of the
18 horsemen. The earned interest on the account
19 shall be credited to the purse account. Licensees
20 shall combine these funds with revenues from
21 existing purse agreements to fund purses for live
22 races consistent with those agreements with the
23 advice and consent of the horsemen.

24 (II) For thoroughbred tracks, 16 and 2/3% of
25 the money to be distributed under this clause
26 shall be deposited on a weekly basis into the
27 Pennsylvania Breeding Fund established in section
28 223 of the Race Horse Industry Reform Act. For
29 standardbred tracks, 8 and 1/3% of the money to
30 be distributed under this clause shall be

1 deposited on a weekly basis into the Pennsylvania
2 Sire Stakes Fund as defined in section 224 of the
3 Race Horse Industry Reform Act; and 8 and 1/3% of
4 the money to be distributed under this clause
5 shall be deposited on a weekly basis into a
6 restricted account in the State Racing Fund to be
7 known as the Pennsylvania Standardbred Breeders
8 Development Fund. The State Harness Racing
9 Commission shall, in consultation with the
10 Secretary of Agriculture, promulgate regulations
11 adopting a standardbred breeders program that
12 will include the administration of the
13 Pennsylvania Stallion Award, the Pennsylvania
14 Bred Award and the Pennsylvania Sired and Bred
15 Award.

16 * * *

17 Section 12. Section 1407(d) introductory paragraph and (7)
18 of Title 4 are amended and the section is amended by adding
19 subsections to read:

20 § 1407. Pennsylvania Gaming Economic Development and Tourism
21 Fund.

22 * * *

23 (d) Restrictions on projects for certain counties and
24 cities.--[For] Except as set forth in subsection (d.1), for a
25 ten-year period beginning with the first fiscal year during
26 which deposits are made into this fund, no moneys from the
27 Pennsylvania Gaming Economic Development and Tourism Fund shall
28 be distributed for any project located in a city or county of
29 the first or second class except as authorized by this
30 subsection. Moneys not used for the authorized projects in

1 cities and counties of the first and second classes may be used
2 throughout this Commonwealth. Moneys from the fund for projects
3 within cities and counties of the first and second classes may
4 only be used for the following projects during this ten-year
5 period:

6 * * *

7 [(7) for retirement of indebtedness and for financing of
8 a hotel or convention center in a city of the second class
9 established pursuant to the authority of the act of July 29,
10 1953 (P.L.1034, No.270), known as the Public Auditorium
11 Authorities Law;]

12 * * *

13 (d.1) Community and economic development.--

14 (1) Notwithstanding subsection (b) or any other
15 provision of law to the contrary, the money authorized but
16 not expended under former subsection (d)(7) as of the
17 effective date of this subsection shall be deposited into a
18 restricted receipts account to be established in the
19 Commonwealth Financing Authority exclusively for eligible
20 applications submitted by the redevelopment authority of a
21 county of the second class created pursuant to the act of May
22 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment
23 Law, for economic development, infrastructure development,
24 job training, community improvement, public safety or other
25 projects in the public interest located in a county of the
26 second class. Community development corporations, political
27 subdivisions, urban redevelopment authorities, municipal
28 authorities, for-profit entities and nonprofit entities
29 located in a county of the second class shall be eligible to
30 receive funds made available under this paragraph.

1 (2) Notwithstanding the Capital Facilities Debt Enabling
2 Act, funding under the paragraph (1) may be utilized as local
3 matching funds for grants or loans from the Commonwealth.

4 (e) Annual report.--The Office of the Budget, in cooperation
5 with the Department of Community and Economic Development and
6 the Commonwealth Financing Authority, shall submit an annual
7 report of all distribution of funds under this section to the
8 chairman and minority chairman of the Appropriations Committee
9 of the Senate, the chairman and minority chairman of the
10 Community, Economic and Recreational Development Committee of
11 the Senate, the chairman and minority chairman of the
12 Appropriations Committee of the House of Representatives and the
13 chairman and minority chairman of the Gaming Oversight Committee
14 of the House of Representatives. The report shall include
15 detailed information relating to transfers made from the
16 Pennsylvania Gaming Economic Development and Tourism Fund and
17 all reimbursements, distributions and payments made under
18 subsection (b) or the act of July 25, 2007 (P.L.342, No.53),
19 known as Pennsylvania Gaming Economic Development and Tourism
20 Fund Capital Budget Itemization Act of 2007. The report shall be
21 submitted by August 31, 2010, and by August 31 of each year
22 thereafter.

23 (f) Local report.--A city of the first class, city of the
24 second class, county of the second class, convention center or
25 convention center authority, sports and exhibition authority of
26 a county of the second class, urban redevelopment authority,
27 airport authority or other entity that receives money from the
28 fund pursuant to an Economic Development Capital Budget under
29 subsection (b) or the Pennsylvania Gaming Economic Development
30 and Tourism Fund Capital Budget Itemization Act of 2007 shall

1 submit an annual report to the Office of the Budget. The report
2 shall include detailed information, including records of
3 expenditures, payments and other distributions made from funds
4 received under subsection (b). The initial report shall include
5 information on all funds received prior to August 31, 2010. The
6 report shall be submitted by August 31, 2010, and by August 31
7 of each year thereafter until all funds under this section are
8 distributed or received. An entity that receives funds for the
9 first time after the effective date of this section shall submit
10 its initial report by August 31 of the year following receipt of
11 the funds.

12 (g) Distribution to international airport.--Notwithstanding
13 the provisions of section 7(d) of the act of July 25, 2007
14 (P.L.342, No.53), known as the Pennsylvania Gaming Economic
15 Development and Tourism Fund Capital Budget Itemization Act of
16 2007, following the distribution of \$42.5 million of funds
17 allocated to a county of the second class for debt service and
18 economic development projects for an international airport in
19 the county under section 3(2)(i)(E) of said act, all remaining
20 funds shall be distributed directly to an authority that
21 operates an international airport in the county.

22 Section 13. Section 1408(a), (c) and (e) of Title 4 are
23 amended and the section is amended by adding a subsection to
24 read:

25 § 1408. Transfers from State Gaming Fund.

26 (a) Transfer for compulsive and problem gambling
27 treatment.--Each year, the sum of [\$1,500,000] \$2,000,000 or an
28 amount equal to [.001] .002 multiplied by the total gross
29 terminal revenue of all active and operating licensed gaming
30 entities, whichever is greater, shall be transferred into the

1 Compulsive and Problem Gambling Treatment Fund established in
2 section 1509 (relating to compulsive and problem gambling
3 program).

4 (a.1) Transfer.--Beginning on the first business day of
5 January 2010 and annually thereafter, the sum of \$3,000,000
6 shall be transfered to the Department of Health to be used to
7 provide drug and alcohol addiction treatment services, including
8 treatment for drug and alcohol addiction related to compulsive
9 and problem gambling, as set forth in section 1509.1 (relating
10 to drug and alcohol treatment).

11 * * *

12 (c) Local law enforcement grants.--Annually, the sum of
13 [\$5,000,000] \$2,000,000 shall be transferred to the board for
14 the purpose of issuing grants to local law enforcement agencies
15 to [enforce and prevent the unlawful operation of slot machines]
16 investigate violations of and enforce laws relating to unlawful
17 gambling in this Commonwealth. For purposes of this subsection,
18 the term "local law enforcement agency" shall include the
19 Pennsylvania State Police when conducting unlawful gambling
20 enforcement and prevention activities in a municipality which
21 does not have a municipal police department and in which the
22 Pennsylvania State Police provide the municipality with primary
23 police coverage.

24 * * *

25 (e) Transfer to Property Tax Relief Fund.--Monthly, the
26 State Treasurer shall transfer the remaining balance in the
27 State Gaming Fund which is not allocated in subsections (a),
28 (a.1), (b), (c) and (d) to the Property Tax Relief Fund
29 established in section 1409 (relating to Property Tax Relief
30 Fund).

1 Section 13.1. Sections 1501(b) and (c), 1504 and 1505 of
2 Title 4 are amended to read:

3 § 1501. Responsibility and authority of department.

4 * * *

5 (b) Application of rules and regulations.--The department
6 may prescribe the extent, if any, to which any rules and
7 regulations shall be applied without retroactive effect. The
8 department shall have authority to prescribe the forms and the
9 system of accounting and recordkeeping to be employed and
10 through its representative shall at all times have power of
11 access to and examination and audit of any equipment and records
12 relating to all aspects of the operation of slot machines and
13 table games under this part.

14 (c) Procedure.--For purposes of implementing this part, the
15 department may promulgate regulations in the same manner in
16 which the board is authorized as provided in section 1203
17 (relating to temporary regulations) and section 1303A (relating
18 to temporary table game regulations).

19 * * *

20 § 1504. Wagering on credit.

21 [Slot] Except as otherwise provided in this section, slot
22 machine licensees [may] shall not extend credit. Slot machine
23 licensees [may] shall not accept credit cards, charge cards or
24 debit cards from a patron or player for the exchange or purchase
25 of slot machine credits or for an advance of coins or currency
26 to be utilized by a player to play slot machine games or extend
27 credit in any manner to a player so as to enable the player to
28 play slot machines. Slot machine licensees who hold a table game
29 operation certificate may extend credit for slot machine gaming
30 in accordance with section 1326A (relating to cash equivalents).

1 § 1505. No eminent domain authority.

2 Neither the Commonwealth nor any political subdivision
3 thereof shall have the right to acquire, with or without
4 compensation, through the power of eminent domain any property,
5 easement or land use right for the siting or construction of a
6 licensed facility [for the operation of slot machines by a slot
7 machine licensee].

8 Section 13.2. Section 1509(a), (b), (c) and (d) of Title 4
9 are amended and the section is amended by adding subsections to
10 read:

11 § 1509. Compulsive and problem gambling program.

12 (a) Establishment of program.--The Department of Health, in
13 consultation with organizations similar to the Mid-Atlantic
14 Addiction Training Institute, shall develop program guidelines
15 for public education, awareness and training regarding
16 compulsive and problem gambling and the treatment and prevention
17 of compulsive and problem gambling. The guidelines shall include
18 strategies for the prevention of compulsive and problem
19 gambling. The Department of Health may consult with the board
20 and licensed gaming entities to develop such strategies. [The
21 program shall include:

22 (1) Maintenance of a compulsive gamblers assistance
23 organization's toll-free problem gambling telephone number to
24 provide crisis counseling and referral services to families
25 experiencing difficulty as a result of problem or compulsive
26 gambling.

27 (2) The promotion of public awareness regarding the
28 recognition and prevention of problem or compulsive gambling.

29 (3) Facilitation, through in-service training and other
30 means, of the availability of effective assistance programs

1 for problem and compulsive gamblers and family members
2 affected by problem and compulsive gambling.

3 (4) Conducting studies to identify adults and juveniles
4 in this Commonwealth who are or are at risk of becoming
5 problem or compulsive gamblers.

6 (5) Providing grants to and contracting with
7 organizations which provide services as set forth in this
8 section.

9 (6) Providing reimbursement for organizations for
10 reasonable expenses in assisting the Department of Health in
11 carrying out the purposes of this section.]

12 (a.1) Duties of Department of Health.--From funds available
13 in the Compulsive and Problem Gambling Treatment Fund, the
14 Department of Health shall:

15 (1) Maintain a compulsive gamblers assistance
16 organization's toll-free problem gambling telephone number to
17 provide crisis counseling and referral services to
18 individuals and families experiencing difficulty as a result
19 of problem or compulsive gambling.

20 (2) Facilitate, through in-service training and other
21 means, the availability of effective assistance programs for
22 problem and compulsive gamblers and family members affected
23 by problem and compulsive gambling.

24 (3) At its discretion, conduct studies to identify
25 individuals in this Commonwealth who are or are at risk of
26 becoming problem or compulsive gamblers.

27 (4) Provide grants to and contract with single county
28 authorities and other organizations which provide services as
29 set forth in this section.

30 (5) Reimburse organizations for reasonable expenses

1 incurred assisting the Department of Health with implementing
2 this section.

3 (a.2) Duties of Department of Health and board.--Within 60
4 days following the effective date of this subsection, the
5 Department of Health's Bureau of Drug and Alcohol Programs and
6 the board's Office of Compulsive and Problem Gambling shall
7 jointly collaborate with other appropriate offices and agencies
8 of State or local government, including single county
9 authorities, and providers and other persons, public or private,
10 with expertise in compulsive and problem gambling treatment to
11 do the following:

12 (1) Implement a strategic plan for the prevention and
13 treatment of compulsive and problem gambling.

14 (2) Adopt compulsive and problem gambling treatment
15 standards to be integrated with the Bureau of Drug and
16 Alcohol Program's uniform Statewide guidelines that govern
17 the provision of addiction treatment services.

18 (3) Develop a method to coordinate compulsive and
19 problem gambling data collection and referral information to
20 crisis response hotlines, child welfare and domestic violence
21 programs and providers and other appropriate programs and
22 providers.

23 (4) Develop and disseminate educational materials to
24 provide public awareness related to the prevention,
25 recognition and treatment of compulsive and problem gambling.

26 (5) Develop demographic-specific compulsive and problem
27 gambling prevention, intervention and treatment programs.

28 (6) Prepare an itemized budget outlining how funds will
29 be allocated to fulfill the responsibilities under this
30 section.

1 (b) Compulsive and Problem Gambling Treatment Fund.--There
2 is hereby established in the State Treasury a special fund to be
3 known as the Compulsive and Problem Gambling Treatment Fund. All
4 moneys in the fund shall be [expended] administered by the
5 Department of Health and expended solely for programs for the
6 prevention and treatment of gambling addiction and other
7 emotional and behavioral problems associated with or related to
8 gambling addiction and for the administration of the compulsive
9 and problem gambling program[.]; provided that the Department of
10 Health shall annually distribute at least 50% of the money in
11 the fund to single county authorities under subsection (d). The
12 fund shall consist of money annually allocated to it from the
13 annual payment established under section [1408] 1408(a)
14 (relating to transfers from State Gaming Fund), money which may
15 be allocated by the board, interest earnings on moneys in the
16 fund and any other contributions, payments or deposits which may
17 be made to the fund.

18 (c) Notice of availability of assistance.--

19 (1) Each slot machine licensee shall obtain a toll-free
20 telephone number to be used to provide persons with
21 information on assistance for compulsive or problem gambling.
22 Each licensee shall conspicuously post at least 20 signs
23 similar to the following statement:

24 If you or someone you know has a gambling problem, help
25 is available. Call (Toll-free telephone number).

26 The signs must be posted within 50 feet of each entrance and
27 exit [and], within 50 feet of each automated teller machine
28 location within the licensed facility and in other
29 appropriate public areas of the licensed facility as
30 determined by the slot machine licensee.

1 (2) Each racetrack where slot machines or table games
2 are operated shall print a statement on daily racing programs
3 provided to the general public that is similar to the
4 following:

5 If you or someone you know has a gambling problem, help
6 is available. Call (Toll-free telephone number).

7 (3) A licensed facility which fails to post or print the
8 warning sign in accordance with paragraph (1) or (2) shall be
9 assessed a fine of \$1,000 a day for each day the [sign is]
10 minimum number of signs are not posted or the required
11 statement is not printed as provided in this subsection.

12 (d) Single county authorities.--The Department of Health
13 [may] shall make grants from the fund established under
14 subsection (b) to [a single county authority] single county
15 authorities created pursuant to the act of April 14, 1972
16 (P.L.221, No.63), known as the Pennsylvania Drug and Alcohol
17 Abuse Control Act, for the purpose of providing compulsive
18 gambling and gambling addiction prevention, treatment and
19 education programs. Treatment may include financial counseling,
20 irrespective of whether the financial counseling is provided by
21 the single county authority, the treatment service provider or
22 subcontracted to a third party. It is the intention of the
23 General Assembly that any grants [that] made by the Department
24 of Health [may make] to any single county authority in
25 accordance with the provisions of this subsection be used
26 exclusively for the development and implementation of compulsive
27 and problem gambling programs authorized under [subsection (a)]
28 this section.

29 (d.1) Eligibility.--Eligibility to receive treatment
30 services for treatment of compulsive and problem gambling under

1 this section shall be determined using financial eligibility and
2 other requirements of the single county authorities as approved
3 by the Department of Health.

4 (d.2) Report.--No later than October 1, 2010, and each
5 October 1 thereafter, the Department of Health, in consultation
6 with the board, shall prepare and submit a report on the impact
7 of the programs funded by the Compulsive and Problem Gambling
8 Treatment Fund to the Governor and to the members of the General
9 Assembly. The report shall include aggregate demographic-
10 specific data, including race, gender, geography and income of
11 those individuals treated.

12 * * *

13 Section 13.3. Title 4 is amended by adding a section to
14 read:

15 § 1509.1. Drug and alcohol treatment.

16 (a) Duties of Department of Health.--Annually, the
17 Department of Health shall allocate and transfer all funds
18 received by it under section 1408(a.1) (relating to transfers
19 from State Gaming Fund) to the single county authorities.

20 (b) Duties of single county authorities.--The funds
21 allocated and transferred to the single county authorities under
22 subsection (a) shall be used by the single county authorities
23 solely for drug and alcohol addiction assessments, including
24 drug and alcohol addiction assessment associated or related to
25 compulsive and problem gambling, and for the related addiction
26 treatment, in nonhospital residential detoxification facilities,
27 nonhospital residential rehabilitation facilities and halfway
28 houses licensed by the Department of Health to provide addiction
29 treatment services.

30 (c) Eligibility.--Eligibility to receive treatment services

1 for treatment of drug and alcohol addiction or drug and alcohol
2 addiction associated with or related to compulsive and problem
3 gambling shall be determined using financial eligibility and
4 other requirements of the single county authorities as approved
5 by the Department of Health.

6 (d) Report.--No later than October 1, 2010, and each October
7 1 thereafter, the Bureau of Drug and Alcohol Programs shall
8 prepare and submit a report to the Governor and to the members
9 of the General Assembly on the data and progress on activities
10 initiated under this section.

11 Section 13.4. Sections 1510(a), 1511(b) and 1512(a.1), (a.5)
12 and (b) of Title 4 are amended to read:

13 § 1510. Labor hiring preferences.

14 (a) Category 1, 2, and 3 licensed facilities, generally.--
15 Each licensed gaming entity shall prepare a hiring plan for
16 employees of its respective licensed facility which promotes a
17 diverse work force, minority participation and personnel from
18 within the surrounding geographical area. The hiring plan shall
19 be approved by the board and shall be consistent with the goals
20 outlined in sections 1212 (relating to diversity goals of board)
21 and 1304A (relating to Commonwealth resident employment goals)
22 and shall be updated annually.

23 * * *

24 § 1511. Declaration of exemption from Federal laws prohibiting
25 slot machines.

26 * * *

27 (b) Legal shipments.--All shipments of [slot machines]
28 gambling devices, as defined in section 1 of the Gambling
29 Devices Transportation Act (64 Stat. 1134, 15 U.S.C. § 1171),
30 into this Commonwealth, the registering, recording and labeling

1 of which has been effected by the manufacturer and supplier of
2 those devices, in accordance with sections [5 and 7] 3 and 4 of
3 the Gambling Devices Transportation Act (64 Stat. 1134, 15
4 U.S.C. §§ [1175 and 1177] 1173 and 1174), shall be deemed legal
5 shipments of [slot machines] gambling devices into this
6 Commonwealth.

7 § 1512. Financial and employment interests.

8 * * *

9 (a.1) Employment.--Except as may be provided by rule or
10 order of the Pennsylvania Supreme Court and except as provided
11 in section 1202.1 (relating to code of conduct) or 1512.1
12 (relating to additional restrictions), no executive-level public
13 employee, public official or party officer, or an immediate
14 family member thereof, shall be employed by an applicant or a
15 slot machine licensee, manufacturer licensee, supplier licensee
16 or licensed racing entity, or by any holding company, affiliate,
17 intermediary or subsidiary thereof, while the individual is an
18 executive-level public employee, public official or party
19 officer and for one year following termination of the
20 individual's status as an executive-level public employee,
21 public official or party officer.

22 * * *

23 (a.5) State Ethics Commission.--The State Ethics Commission
24 shall [publish] do all of the following:

25 (1) Issue a written determination of whether a person is
26 subject to subsections (a), (a.1) or (a.2) upon the written
27 request of the person or any other person that may have
28 liability for an action taken with respect to such person. A
29 person that relies in good faith on a determination made
30 under this paragraph shall not be subject to any penalty for

1 an action taken, provided that all material facts set forth
2 in the request for the determination are correct.

3 (2) Publish a list of all State, county, municipal and
4 other government positions that meet the definitions of
5 "public official" as defined under subsection (b) or
6 "executive-level public employee" [under subsection (b)]. The
7 Office of Administration shall assist the State Ethics
8 Commission in the development of the list, which shall be
9 published by the State Ethics Commission in the Pennsylvania
10 Bulletin biennially and posted by the board on the board's
11 Internet website. Upon request, each public official shall
12 have a duty to provide the State Ethics Commission with
13 adequate information to accurately develop and maintain the
14 list. The State Ethics Commission may impose a civil penalty
15 under 65 Pa.C.S. § 1109(f) (relating to penalties) upon any
16 individual, including any public official or executive-level
17 public employee, who fails to cooperate with the State Ethics
18 Commission under this subsection. A person that relies in
19 good faith on the list published by the State Ethics
20 Commission shall not be subject to any penalty for a
21 violation of this section.

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

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

27 (1) Deputy Secretaries of the Commonwealth and the
28 Governor's Office executive staff.

29 (2) An employee of the Executive Branch with
30 discretionary power which may affect or influence the outcome

1 of a State agency's action or decision and who is involved in
2 the development of regulations or policies relating to a
3 licensed entity or who is involved in other matters under
4 this part. The term shall include an employee with law
5 enforcement authority.

6 (3) An employee of a county or municipality with
7 discretionary powers which may affect or influence the
8 outcome of the county's or municipality's action or decision
9 and who is involved in the development of law, regulation or
10 policy relating to a licensed entity or who is involved in
11 other matters under this part. The term shall include an
12 employee with law enforcement authority.

13 (4) An employee of a department, agency, board,
14 commission, authority or other governmental body not included
15 in paragraph (1), (2) or (3) with discretionary power which
16 may affect or influence the outcome of the governmental
17 body's action or decision and who is involved in the
18 development of regulation or policy relating to a licensed
19 entity or who is involved in other matters under this part.
20 The term shall include an employee with law enforcement
21 authority.]

22 "Financial interest." Owning or holding, or being deemed to
23 hold, debt or equity securities or other ownership interest or
24 profits interest. A financial interest shall not include any
25 debt or equity security, or other ownership interest or profits
26 interest, which is held or deemed to be held in any of the
27 following:

28 (1) A blind trust over which the executive-level public
29 employee, public official, party officer or immediate family
30 member thereof may not exercise any managerial control or

1 receive income during the tenure of office and the period
2 under subsection (a). The provisions of this paragraph shall
3 apply only to blind trusts established prior to the effective
4 date of this paragraph.

5 (2) Securities that are held in a pension plan, profit-
6 sharing plan, individual retirement account, tax-sheltered
7 annuity, a plan established pursuant to section 457 of the
8 Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §
9 1 et seq.) or any successor provision deferred compensation
10 plan whether qualified or not qualified under the Internal
11 Revenue Code of 1986 or any successor provision or other
12 retirement plan that:

13 (i) is not self-directed by the individual; and

14 (ii) is advised by an independent investment adviser
15 who has sole authority to make investment decisions with
16 respect to contributions made by the individual to these
17 plans.

18 (3) A tuition account plan organized and operated
19 pursuant to section 529 of the Internal Revenue Code of 1986
20 (Public Law 99-514, 26 U.S.C. § 529) that is not self-
21 directed by the individual.

22 (4) A mutual fund where the interest owned by the mutual
23 fund in a licensed entity does not constitute a controlling
24 interest as defined in this part.

25 "Immediate family." A spouse, minor child or unemancipated
26 child.

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

29 "Party officer." A member of a national committee; a
30 chairman, vice chairman, secretary, treasurer or counsel of a

1 State committee or member of the executive committee of a State
2 committee; a county chairman, vice chairman, counsel, secretary
3 or treasurer of a county committee in which a licensed facility
4 is located; or a city chairman, vice chairman, counsel,
5 secretary or treasurer of a city committee of a city in which a
6 licensed facility is located.

7 "Public official." The term shall include the following:

8 (1) The Governor, Lieutenant Governor, a member of the
9 Governor's cabinet, Treasurer, Auditor General and Attorney
10 General of the Commonwealth.

11 (2) A member of the Senate or House of Representatives
12 of the Commonwealth.

13 (3) An individual elected or appointed to any office of
14 a county or municipality that directly receives a
15 distribution of revenue under this part.

16 (4) An individual elected or appointed to a department,
17 agency, board, commission, authority or other governmental
18 body not included in paragraph (1), (2) or (3) that directly
19 receives a distribution of revenue under this part.

20 (5) An individual elected or appointed to a department,
21 agency, board, commission, authority, county, municipality or
22 other governmental body not included in paragraph (1), (2) or
23 (3) with discretionary power which may influence or affect
24 the outcome of an action or decision and who is involved in
25 the development of regulation or policy relating to a
26 licensed entity or who is involved in other matters under
27 this part.

28 The term does not include a member of a school board or an
29 individual who held an uncompensated office with a governmental
30 body prior to January 1, 2006, and who no longer holds the

1 office as of January 1, 2006. The term includes a member of an
2 advisory board or commission which makes recommendations
3 relating to a licensed facility.

4 Section 14. Title 4 is amended by adding a section to read:
5 § 1512.1. Additional restrictions.

6 (a) Restrictions.--No individual trooper or employee of the
7 Pennsylvania State Police or employee of the Office of Attorney
8 General or the department whose duties substantially involve
9 licensing or enforcement, the development of laws, or the
10 development or adoption of regulations or policy related to
11 gaming under this part or who has other discretionary authority
12 which may affect OR INFLUENCE the outcome of an action, ←
13 proceeding or decision under this part shall do any of the
14 following:

15 (1) Accept employment with or be retained by an
16 applicant or licensed entity, or an affiliate, intermediary,
17 subsidiary or holding company of an applicant or licensed
18 entity, for a period of two years after the termination of
19 employment.

20 (2) Appear before the board in any hearing or proceeding
21 or participate in any other activity on behalf of any
22 applicant, licensee, permittee or licensed entity, or an
23 affiliate, intermediary, subsidiary or holding company of an
24 applicant, licensee or licensed entity, for a period of two
25 years after termination of employment. Nothing in this
26 paragraph shall prevent a current or former trooper or
27 employee of the Pennsylvania State Police, the Office of
28 Attorney General or the department from appearing before the
29 board in any proceeding or hearing as a witness or testifying
30 as to any fact or information.

1 (3) As a condition of employment, an individual subject
2 to this subsection shall sign an affidavit that the
3 individual will not accept employment with or be retained by
4 any applicant or licensed entity, or an affiliate,
5 intermediary, subsidiary or holding company of an applicant
6 or licensed entity, for a period of two years after the
7 termination of employment.

8 (b) Employment or retention.--An applicant or licensed
9 entity or an affiliate, intermediary, subsidiary or holding
10 company of an applicant or licensed entity shall not employ or
11 retain an individual who signed an affidavit required by
12 subsection (a)(3) until the expiration of the period required in
13 subsection (a)(1). An applicant or licensed entity, or an
14 affiliate, intermediary, subsidiary or holding company of an
15 applicant or licensed entity, that knowingly employs or retains
16 an individual in violation of this subsection shall terminate
17 the employment of the individual and be subject to a penalty
18 under section 1518(c) (relating to prohibited acts; penalties).

19 (c) Violation.--If an individual subject to subsection (a)
20 refuses or otherwise fails to sign an affidavit, the
21 individual's POTENTIAL employer shall ~~terminate the~~ RESCIND THE ←
22 OFFER OF employment.

23 (d) Code of conduct.--The Pennsylvania State Police, Office
24 of Attorney General and department each shall adopt a
25 comprehensive code of conduct which shall supplement all other
26 requirements under this part and 65 Pa.C.S. Pt. II (relating to
27 accountability), as applicable, and shall provide guidelines
28 applicable to troopers, employees, independent contractors of
29 the agency whose duties substantially involve licensing or
30 enforcement, the development of laws, or the development or

1 adoption of regulations or policy related to gaming under this
2 part or who has other discretionary authority which may affect
3 the outcome of an action, proceeding or decision under this
4 part, and the immediate families of these individuals to enable
5 them to avoid any perceived or actual conflict of interest and
6 to promote public confidence in the integrity and impartiality
7 of gaming enforcement and regulation. At a minimum, the code of
8 conduct adopted under this section shall apply the types of
9 restrictions applicable to members under section 1202.1(c),
10 except that the restrictions under section 1202.1(c)(5) shall
11 not apply to an elected Attorney General.

12 (e) State Ethics Commission.--The State Ethics Commission
13 shall do all of the following:

14 (1) Issue a written determination of whether an
15 individual is subject to subsection (a) upon the written
16 request of the individual or the individual's employer or
17 potential employer. A person that relies in good faith on a
18 determination made under this paragraph shall not be subject
19 to any penalty for an action taken, provided that all
20 material facts set forth in the request for the determination
21 are correct.

22 (2) Publish a list of all positions within the
23 Pennsylvania State Police, the Office of Attorney General and
24 the department whose duties would subject the individuals in
25 those positions to the provisions of subsection (a). Each
26 agency subject to this subsection shall assist the State
27 Ethics Commission in the development of the list, which shall
28 be published by the State Ethics Commission in the
29 Pennsylvania Bulletin biennially, shall be posted by the
30 board on the board's Internet website and shall be posted by

1 each agency on the agency's Internet website. Upon request by
2 the State Ethics Commission, members and employees of each
3 agency subject to this subsection shall have a duty to
4 provide the State Ethics Commission with adequate information
5 to accurately develop and maintain the list. The State Ethics
6 Commission may impose a civil penalty under 65 Pa.C.S. §
7 1109(f) (relating to penalties) upon any individual who fails
8 to cooperate with the State Ethics Commission under this
9 subsection. A person who relies in good faith on the list
10 published by the State Ethics Commission shall not be subject
11 to any penalty for a violation of subsection (a).

12 Section 14.1. Sections 1513(c) and 1514 heading, (b), (f),
13 (g) and (h) of Title 4 are amended to read:

14 § 1513. Political influence.

15 * * *

16 (c) Penalties.--

17 (1) The first violation of this section by a licensed
18 gaming entity or any person that holds a controlling interest
19 in such gaming entity, or a subsidiary company thereof, [and]
20 or any officer, director or management-level employee of such
21 licensee shall be punishable by a fine [of] equal to an
22 amount not less than [an] the average single day's gross
23 terminal revenue and gross table game revenue of the licensed
24 gaming entity [derived from the operation of slot machines in
25 this Commonwealth]; a second violation of this section,
26 within five years of the first violation, shall be punishable
27 by at least a one-day suspension of the license held by the
28 licensed gaming entity and a fine equal to an amount not less
29 than [an] two times the average [two days'] single day's
30 gross terminal revenue and gross table game revenue of the

1 licensed gaming entity; a third violation of this section
2 within five years of the second violation shall be punishable
3 by the immediate revocation of the license held by the
4 licensed gaming entity. Following revocation, the board shall
5 consider appointing a trustee in accordance with section 1332
6 (relating to appointment of trustee).

7 (2) The first violation of this section by a
8 manufacturer or supplier licensed pursuant to this part or by
9 any person that holds a controlling interest in such
10 manufacturer or supplier, or a subsidiary company thereof,
11 [and] or any officer, director or management-level employee
12 of such a licensee shall be punishable by a fine [of] equal
13 to an amount not less than [one] a single day's average of
14 the gross profit from sales made by the manufacturer or
15 supplier in Pennsylvania during the preceding 12-month period
16 or portion thereof in the event the manufacturer or supplier
17 has not operated in Pennsylvania for 12 months; a [second]
18 subsequent violation of this section within five years of
19 [the first] a prior violation shall be punishable by a one-
20 month suspension of the license held by the manufacturer or
21 supplier and a fine [of] equal to an amount not less than two
22 times [one] a single day's average of the gross profit from
23 sales made by the manufacturer or supplier in Pennsylvania
24 during the preceding 12-month period or portion thereof in
25 the event the manufacturer or supplier has not operated in
26 Pennsylvania for 12 months.

27 (3) In no event shall the fine imposed under this
28 section be [in] an amount less than [\$50,000] \$100,000 for
29 each violation. In addition to any fine or sanction that may
30 be imposed by the board under this subsection, any [person]

1 individual who makes a contribution in violation of this
2 section commits a misdemeanor of the third degree.

3 * * *

4 § 1514. Regulation requiring exclusion or ejection of certain
5 persons.

6 * * *

7 (b) Categories to be defined.--The board shall promulgate
8 definitions establishing those categories of persons who shall
9 be excluded or ejected pursuant to this section, including
10 cheats and persons whose privileges for licensure,
11 certification, permit or registration have been revoked.

12 * * *

13 (f) Notice.--Whenever the [board places] bureau seeks to
14 place the name of any person on a list pursuant to this section,
15 the [board] bureau shall serve notice of this fact to such
16 person by personal service or certified mail at the last known
17 address of the person. The notice shall inform the individual of
18 the right to request a hearing under subsection (g).

19 (g) Hearing.--Within 30 days after receipt of notice in
20 accordance with subsection (f), the person named for exclusion
21 or ejection may demand a hearing before the board, at which
22 hearing the [board] bureau shall have the affirmative obligation
23 to demonstrate that the person named for exclusion or ejection
24 satisfies the criteria for exclusion or ejection established by
25 this section and the board's regulations. Failure of the person
26 to demand a hearing within 30 days after service shall be deemed
27 an admission of all matters and facts alleged in the [board's]
28 bureau's notice and shall preclude [a] the person from having an
29 administrative hearing, but shall in no way affect the right to
30 judicial review as provided in this section.

1 (h) Review.--If, upon completion of a hearing on the notice
2 of exclusion or ejection, the board determines that placement of
3 the name of the person on the exclusion or ejection list is
4 appropriate, the board shall make and enter an order to that
5 effect, which order shall be served on all [slot machine
6 licensees] licensed gaming entities. The order shall be subject
7 to review by the Commonwealth Court in accordance with the rules
8 of court.

9 Section 14.2. Title 4 is amended by adding a section to
10 read:

11 § 1516.1. Prosecutorial and adjudicatory functions.

12 The board shall promulgate regulations and adopt procedures
13 necessary to ensure that the bureau is a distinct entity and to
14 prevent commingling of the investigatory and prosecutorial
15 functions of the bureau under section 1517 (relating to
16 investigations and enforcement) and the adjudicatory functions
17 of the board. Regulations and procedures promulgated or adopted
18 under this section shall do all of the following:

19 (1) Provide that neither the executive director nor the
20 chief counsel of the board shall direct or limit the scope of
21 a background investigation conducted by the bureau.

22 (2) Incorporate section 1202.1(c.1) (relating to code of
23 conduct) and any other applicable provisions of section
24 1202.1.

25 Section 15. Section 1517(a.1)(2) and (6), (b)(1), (c)(12)
26 and (e)(1) of Title 4 are amended, subsection (a.2)(1) is
27 amended by adding a subparagraph and subsection (c) is amended
28 by adding paragraphs to read:

29 § 1517. Investigations and enforcement.

30 * * *

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

4 * * *

5 (2) Investigate and review all applicants for a license,
6 permit or registration. The bureau shall be prohibited from
7 disclosing any portion of a background investigation report
8 to any board member prior to the submission of the bureau's
9 final background investigation report relating to the
10 applicant's suitability for licensure to the board. The
11 Office of Enforcement Counsel, on behalf of the bureau, shall
12 prepare the final background investigation report for
13 inclusion in a final report relating to the applicant's
14 suitability for licensure.

15 * * *

16 (6) Conduct [audits] reviews of a licensed entity as
17 necessary to ensure compliance with this part. [An audit] A
18 review may include the review of accounting, administrative
19 and financial records, management control systems, procedures
20 and other records utilized by a licensed entity.

21 * * *

22 (a.2) Office of Enforcement Counsel.--

23 (1) There is established within the bureau an Office of
24 Enforcement Counsel which shall act as the prosecutor in all
25 noncriminal enforcement actions initiated by the bureau under
26 this part and shall have the following powers and duties:

27 * * *

28 (iv) Petition the board for the appointment of a
29 trustee under section 1332 (relating to appointment of
30 trustee).

1 * * *

2 (b) Powers and duties of department.--

3 (1) The department shall at all times have the power of
4 access to [examination] examine and audit [of any] equipment
5 and records relating to all aspects of the operation of slot
6 machines or table games under this part.

7 * * *

8 (c) Powers and duties of the Pennsylvania State Police.--The
9 Pennsylvania State Police shall have the following powers and
10 duties:

11 * * *

12 (1.1) Promptly conduct a background investigation on an
13 individual selected by the board to fill the position of
14 executive director of the board, director of the bureau,
15 chief counsel of the board or the director of the Office of
16 Enforcement Counsel and submit the results to the board.

17 * * *

18 (12) Conduct audits or verification of information of
19 slot machine or table game operations at such times, under
20 such circumstances and to such extent as the bureau
21 determines. This paragraph includes reviews of accounting,
22 administrative and financial records and management control
23 systems, procedures and records utilized by a slot machine
24 licensee.

25 * * *

26 (14) By March 1 of each year, the Commissioner of the
27 Pennsylvania State Police shall submit a report to the
28 Appropriations Committee of the Senate, the Community,
29 Economic and Recreational Development Committee of the
30 Senate, the Appropriations Committee of the House of

1 Representatives and the Gaming Oversight Committee of the
2 House of Representatives. The report shall summarize all law
3 enforcement activities at each licensed facility during the
4 previous calendar year and shall include all of the
5 following:

6 (i) The number of arrests made and citations issued
7 at each licensed facility and the name of the law
8 enforcement agency making the arrest or issuing the
9 citation.

10 (ii) A list of specific offenses charged for each
11 arrest made or citation issued.

12 (iii) The number of criminal prosecutions resulting
13 from arrests made or citations issued.

14 (iv) The number of convictions resulting from
15 prosecutions reported under subparagraph (iii).

16 (v) The number of Pennsylvania State Police troopers
17 assigned to each licensed facility and to the gaming unit
18 at the Pennsylvania State Police headquarters.

19 (vi) The number and the subject matter of complaints
20 made against Pennsylvania State Police troopers in
21 licensed facilities and the type of disciplinary actions
22 taken by the Pennsylvania State Police, if any, against
23 the Pennsylvania State Police troopers.

24 (vii) The closest local police station, Pennsylvania
25 State Police station and regional Pennsylvania State
26 Police headquarters to each licensed facility.

27 * * *

28 (e) Inspection, seizure and warrants.--

29 (1) The bureau, the department and the Pennsylvania
30 State Police shall have the authority without notice and

1 without warrant to do all of the following in the performance
2 of their duties:

3 (i) Inspect and examine all premises where slot
4 machine or table game operations are conducted, [gaming
5 devices or] slot machines, table game devices and
6 associated equipment are manufactured, sold, distributed
7 or serviced or where records of these activities are
8 prepared or maintained.

9 (ii) Inspect all equipment and supplies in, about,
10 upon or around premises referred to in subparagraph (i).

11 (iii) Seize, summarily remove and impound equipment
12 and supplies from premises referred to in subparagraph
13 (i) for the purposes of examination and inspection.

14 (iv) Inspect, examine and audit all books, records
15 and documents pertaining to a slot machine licensee's
16 operation.

17 (v) Seize, impound or assume physical control of any
18 book, record, ledger, game, device, cash box and its
19 contents, [counting] count room or its equipment or slot
20 machine or table game operations.

21 * * *

22 Section 16. Section 1517.2 of Title 4 is amended to read:

23 § 1517.2. Conduct of [public officials and] board employees.

24 (a) [Ex parte discussion prohibited.--An attorney
25 representing the bureau or the Office of Enforcement Counsel, or
26 an employee of the bureau or office involved in the hearing
27 process, shall not discuss the case ex parte with a hearing
28 officer, chief counsel or member] (Reserved).

29 (b) [Other prohibitions.--A hearing officer, the chief
30 counsel or a member shall not discuss or exercise any

1 supervisory responsibility over any employee with respect to an
2 enforcement hearing with which the employee is involved]

3 (Reserved).

4 (c) Disqualification.--If it becomes necessary for the chief
5 counsel or a member to become involved on behalf of the board in
6 any enforcement proceeding, the chief counsel or the member
7 shall be prohibited from participating in the adjudication of
8 that matter and shall designate appropriate individuals to
9 exercise adjudicatory functions.

10 Section 16.1. Section 1518(a)(2), (3), (4), (5), (7), (8),
11 (11) and (13), (b)(1) and (2) and (c)(1)(v) and (3) of Title 4
12 are amended, subsections (a) and (b) are amended by adding
13 paragraphs and the section is amended by adding subsections to
14 read:

15 § 1518. Prohibited acts; penalties.

16 (a) Criminal offenses.--

17 * * *

18 (2) It shall be unlawful for a person to willfully:

19 (i) fail to report, pay or truthfully account for
20 and pay over any license fee, authorization fee, tax or
21 assessment imposed under this part; or

22 (ii) attempt in any manner to evade or defeat any
23 license fee, authorization fee, tax or assessment imposed
24 under this part.

25 (3) It shall be unlawful for any licensed entity, gaming
26 employee, key employee or any other person to permit a slot
27 machine, table game or table game device to be operated,
28 transported, repaired or opened on the premises of a licensed
29 facility by a person other than a person licensed or
30 permitted by the board pursuant to this part.

1 (4) It shall be unlawful for any licensed entity or
2 other person to manufacture, supply or place slot machines,
3 table games, table game devices or associated equipment into
4 play or display slot machines, table games, table game
5 devices or associated equipment on the [premise] premises of
6 a licensed facility without the authority of the board.

7 (5) Except as provided for in section 1326 (relating to
8 license renewals), it shall be unlawful for a licensed entity
9 or other person to manufacture, supply, operate, carry on or
10 expose for play any slot machine, table game, table game
11 device or associated equipment after the person's license has
12 expired and prior to the actual renewal of the license.

13 * * *

14 (7) (i) Except as set forth in subparagraph (ii), it
15 shall be unlawful for an individual to use or possess a
16 cheating or thieving device, counterfeit or altered
17 billet, ticket, token or similar objects accepted by a
18 slot machine or counterfeit or altered slot machine-
19 issued tickets or vouchers at a licensed facility.

20 (ii) An authorized employee of a licensee or an
21 employee of the board may possess and use a cheating or
22 thieving device, counterfeit or altered billet, ticket,
23 token or similar objects accepted by a slot machine or
24 counterfeit or altered slot machine-issued tickets or
25 vouchers in performance of the duties of employment.

26 [(iii) As used in this paragraph, the term "cheating
27 or thieving device" includes, but is not limited to, a
28 device to facilitate the alignment of any winning
29 combination or to remove from any slot machine money or
30 other contents. The term includes, but is not limited to,

1 a tool, drill, wire, coin or token attached to a string
2 or wire and any electronic or magnetic device.]

3 (7.1) It shall be unlawful for an individual to do any
4 of the following:

5 (i) Use or possess counterfeit, marked, loaded or
6 tampered with table game devices or associated equipment,
7 chips or other cheating devices in the conduct of gaming
8 under this part, except that an authorized employee of a
9 licensee or an authorized employee of the board may
10 possess and use counterfeit chips or table game devices
11 or associated equipment that have been marked, loaded or
12 tampered with, or other cheating devices in performance
13 of the duties of employment for training, investigative
14 or testing purposes only.

15 (ii) Knowingly, by a trick or sleight of hand
16 performance or by fraud or fraudulent scheme, table game
17 device or other device, for himself or for another, win
18 or attempt to win any cash, property or prize at a
19 licensed facility or to reduce or attempt to reduce a
20 losing wager.

21 (8) (i) Except as set forth in subparagraph (ii), it
22 shall be unlawful for an individual to knowingly possess
23 or use while on the premises of a licensed facility a key
24 or device designed for the purpose of and suitable for
25 opening or entering any slot machine, drop box or coin
26 box which is located on the premises of the licensed
27 facility.

28 (ii) An authorized employee of a licensee or a
29 member of the board may possess and use a device referred
30 to in subparagraph (i) in the performance of the duties

1 of employment.

2 * * *

3 (11) It shall be unlawful for a licensed gaming entity
4 that is a licensed racing entity and that has lost the
5 license issued to it by either the State Horse Racing
6 Commission or the State Harness Racing Commission under the
7 Race Horse Industry Reform Act or that has had that license
8 suspended to operate slot machines or table games at the
9 racetrack for which its slot machine license was issued
10 unless the license issued to it by either the State Horse
11 Racing Commission or the State Harness Racing Commission will
12 be subsequently reissued or reinstated within 30 days after
13 the loss or suspension.

14 * * *

15 (13) It shall be unlawful for [any person] an individual
16 under [18] 21 years of age to [be permitted in the] enter and
17 remain in any area of a licensed facility where slot machines
18 are operated or the play of table games is conducted, except
19 that an individual 18 years of age or older employed by a
20 slot machine licensee, A GAMING SERVICE PROVIDER, THE BOARD ←
21 OR ANY OTHER REGULATORY AGENCY may enter and remain in any
22 such area while ENGAGED in the performance of the ←
23 individual's employment duties being performed on behalf of ←
24 the slot machine licensee.

25 (13.1) It shall be unlawful for an individual under 21
26 years of age to wager, play or attempt to play a slot machine
27 or table game at a licensed facility.

28 (14) (Reserved).

29 (15) It shall be unlawful for a licensed gaming entity
30 to require a wager to be greater than the stated minimum

1 wager or less than the stated maximum wager. However, a wager
2 made by a player and not rejected by a licensed gaming entity
3 prior to commencement of play shall be treated as a valid
4 wager. A wager accepted by a dealer shall be paid or lost in
5 its entirety in accordance with the rules of the game,
6 notwithstanding that the wager exceeded the current table
7 maximum wager or was lower than the current table minimum
8 wager.

9 (16) An individual that engages in conduct prohibited by
10 18 Pa.C.S. § 6308 (relating to purchase, consumption,
11 possession or transfer of liquor or malt or brewed beverages)
12 in a licensed facility commits a nongambling offense.

13 (17) It shall be unlawful for an individual to claim,
14 collect or take, or attempt to claim, collect or take, money
15 or anything of value in or from a slot machine, gaming table
16 or other table game device, with the intent to defraud, or to
17 claim, collect or take an amount greater than the amount won,
18 or to manipulate with the intent to cheat, any component of
19 any slot machine, table game or table game device in a manner
20 contrary to the designed and normal operational purpose.

21 (b) Criminal penalties and fines.--

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

1 18 Pa.C.S. § 4902, 4903 or 4904 in connection with
2 providing information or making any statement, whether
3 written or oral, to the board, the bureau, the
4 department, the Pennsylvania State Police, the Office of
5 Attorney General or a district attorney as required by
6 this part commits a felony of the second degree.

7 (ii) A person that violates subsection (a) (2)
8 through (12) or (17) commits a misdemeanor of the first
9 degree. A person that is convicted of a second or
10 subsequent violation of subsection (a) (2) through (12) or
11 (17) commits a felony of the second degree.

12 (2) (i) For a first violation of subsection (a) (1)
13 through (12) or (17), a person shall be sentenced to pay
14 a fine of:

15 (A) not less than \$75,000 nor more than \$150,000
16 if the person is an individual;

17 (B) not less than \$300,000 nor more than
18 \$600,000 if the person is a licensed gaming entity;
19 or

20 (C) not less than \$150,000 nor more than
21 \$300,000 if the person is a licensed manufacturer or
22 supplier.

23 (ii) For a second or subsequent violation of
24 subsection (a) (1) through (12) or (17), a person shall be
25 sentenced to pay a fine of:

26 (A) not less than \$150,000 nor more than
27 \$300,000 if the person is an individual;

28 (B) not less than \$600,000 nor more than
29 \$1,200,000 if the person is a licensed gaming entity;
30 or

1 (C) not less than \$300,000 nor more than
2 \$600,000 if the person is a licensed manufacturer or
3 supplier.

4 (3) An individual who commits an offense in violation of
5 subsection (a) (13) or (13.1) commits a nongambling summary
6 offense and upon conviction of a first offense shall be
7 sentenced to pay a fine of not less than \$200 nor more than
8 \$1,000. An individual that is convicted of a second or
9 subsequent offense under subsection (a) (13) or (13.1) shall
10 be sentenced to pay a fine of not less than \$500 nor more
11 than \$1,500. In addition to the fine imposed, an individual
12 convicted of an offense under subsection (a) (13) or (13.1)
13 may be sentenced to perform a period of community service not
14 to exceed 40 hours.

15 (4) An individual that commits an offense in violation
16 of subsection (a) (16) commits a nongambling offense to be
17 graded in accordance with 18 Pa.C.S. § 6308 and shall be
18 subject to the same penalties imposed pursuant to 18 Pa.C.S.
19 § 6308 and 6310.4 (relating to restriction of operating
20 privileges) except that the fine imposed for a violation of
21 subsection (a) (16) shall be not less than \$350 nor more than
22 \$1,000.

23 (c) Board-imposed administrative sanctions.--

24 (1) In addition to any other penalty authorized by law,
25 the board may impose without limitation the following
26 sanctions upon any licensee or permittee:

27 * * *

28 (v) Suspend the license of any licensed gaming
29 entity for violation of or attempting to violate any
30 provisions of this part or regulations promulgated under

1 this part relating to its slot machine or table game
2 operations.

3 * * *

4 (3) In addition to any other fines or penalties that the
5 board may impose under this part or regulation, if a person
6 violates subsection (a)(2), the board shall impose an
7 administrative penalty of three times the amount of the
8 license fee, authorization fee, tax or other assessment
9 evaded and not paid, collected or paid over. This subsection
10 is subject to 2 Pa.C.S. Chs. 5 Subch. A and 7 Subch. A.

11 (d) Aiding and abetting.--A person who aids, abets,
12 counsels, commands, induces, procures or causes another person
13 to violate a provision of this part shall be subject to all
14 sanctions and penalties, both civil and criminal, provided under
15 this part.

16 (e) Continuing offenses.--A violation of this part that is
17 determined to be an offense of a continuing nature shall be
18 deemed to be a separate offense on each event or day during
19 which the violation occurs. Nothing in this section shall be
20 construed to preclude the commission of multiple violations of
21 the provisions of this part in any one day that establish
22 offenses consisting of separate and distinct acts or violations
23 of the provisions of this part or regulations promulgated under
24 this part.

25 (f) Property subject to seizure, confiscation, destruction
26 or forfeiture.--Any equipment, device or apparatus, money,
27 material, gaming proceeds or substituted proceeds or real or
28 personal property used, obtained or received or any attempt to
29 use, obtain or receive the device, apparatus, money, material,
30 proceeds or real or personal property in violation of this part,

1 shall be subject to seizure, confiscation, destruction or
2 forfeiture.

3 Section 17. Title 4 is amended by adding sections to read:

4 § 1518.1. Report of suspicious transactions.

5 (a) Duty.--A slot machine licensee or a person acting on
6 behalf of a slot machine licensee shall file a report of any
7 suspicious transaction with the bureau. The filing with the
8 bureau of a copy of a report made under 31 CFR 103.21 (relating
9 to reports by casinos of suspicious transactions) shall satisfy
10 this requirement.

11 (b) Failure to report.--

12 (1) A person required under this section to file a
13 report of a suspicious transaction who knowingly fails to
14 file a report of a suspicious transaction or who knowingly
15 causes another person having that responsibility to fail to
16 file a report commits a misdemeanor of the third degree.

17 (2) A person required under this section to file a
18 report of a suspicious transaction who fails to file a report
19 or a person who causes another person required under this
20 section to file a report of a suspicious transaction to fail
21 to file a report shall be strictly liable for his actions and
22 may be subject to sanction under section 1518(c) (relating to
23 prohibited acts; penalties).

24 (c) Bureau.--The bureau shall maintain a record of all
25 reports made under this section for a period of five years. The
26 bureau shall make the reports available to any Federal or State
27 law enforcement agency upon written request and without
28 necessity of subpoena.

29 (d) Notice prohibited.--A person who is required to file a
30 report of a suspicious transaction under this section shall not

1 notify any individual suspected of committing the suspicious
2 transaction that the transaction has been reported. Any person
3 that violates this subsection commits a misdemeanor of the third
4 degree and may be subject to sanction under section 1518(c).

5 (e) Immunity.--A person who is required to file a report of
6 a suspicious transaction under this section who in good faith
7 makes the report shall not be liable in any civil action brought
8 by any person for making the report, regardless of whether the
9 transaction is later determined to be suspicious.

10 (f) Sanctions.--

11 (1) In considering appropriate administrative sanctions
12 against any person for a violation of this section, the board
13 shall consider all of the following:

14 (i) The risk to the public and to the integrity of
15 gaming operations created by the conduct of the person.

16 (ii) The seriousness of the conduct of the person
17 and whether the conduct was purposeful and with knowledge
18 that it was in contravention of the provisions of this
19 part or regulations promulgated under this part.

20 (iii) Any justification or excuse for the conduct by
21 the person.

22 (iv) The prior history of the particular licensee or
23 person involved with respect to gaming activity.

24 (v) The corrective action taken by the slot machine
25 licensee to prevent future misconduct of a like nature
26 from occurring.

27 (vi) In the case of a monetary penalty, the amount
28 of the penalty in relation to the severity of the
29 misconduct and the financial means of the licensee or
30 person. The board may impose any schedule or terms of

1 payment of such penalty as it may deem appropriate.

2 (2) It shall be no defense to disciplinary action before
3 the board that a person inadvertently, unintentionally or
4 unknowingly violated a provision of this section. The factors
5 under paragraph (1) shall only go to the degree of the
6 penalty to be imposed by the board and not to a finding of a
7 violation itself.

8 (g) Regulations.--The board shall promulgate regulations to
9 effectuate the purposes of this section.

10 § 1518.2. Additional authority.

11 (a) General rule.--The director of the Office of Enforcement
12 Counsel within the bureau may petition a court of record having
13 jurisdiction over information in the possession of an agency in
14 this Commonwealth, or if there is no such court, then the
15 Commonwealth Court for authorization to review or obtain
16 information in the possession of an agency in this Commonwealth
17 by averring specific facts demonstrating that the agency has in
18 its possession information material to a pending investigation
19 or inquiry being conducted by the bureau pursuant to this part
20 and that disclosure or release is in the best interest of the
21 Commonwealth. The petition shall request that the court enter a
22 rule upon the agency to show cause why the agency should not be
23 directed to disclose to the bureau, or identified agents
24 thereof, information in its possession about any pending matter
25 under the jurisdiction of the bureau pursuant to this part. If a
26 respondent is a local agency, a copy of any rule issued pursuant
27 to this section shall be provided to the district attorney of
28 the county in which the local agency is located and the Office
29 of Attorney General. Upon request of a local agency, the
30 district attorney or the Attorney General may elect to enter an

1 appearance to represent the local agency in the proceedings.

2 (b) Procedure.--The filing of a petition pursuant to this
3 section and related proceedings shall be in accordance with
4 court rule, including issuance as of course. A party shall not
5 disclose the filing of a petition or answer or the receipt,
6 content or disposition of a rule or order issued pursuant to
7 this section without leave of court. Any party to the
8 proceedings may request that the record be sealed and
9 proceedings be closed. The court shall grant the request if it
10 is in the best interest of any person or the Commonwealth to do
11 so.

12 (c) Court determination.--Following review of the record,
13 the court shall grant the relief sought by the director of the
14 Office of Enforcement Counsel if the court determines that the
15 agency has in its possession information material to the
16 investigation or inquiry and that disclosure or release of the
17 information is in the best interest of the Commonwealth, that
18 the disclosure or release of the information is not otherwise
19 prohibited by statute or regulation and that the disclosure or
20 release of the information would not inhibit an agency in the
21 performance of the agency's duties. If the court so determines,
22 the court shall enter an order authorizing and directing the
23 information be made available for review in camera.

24 (d) Release of materials or information.--If, after an in
25 camera review by the court, the director of the Office of
26 Enforcement Counsel seeks to obtain copies of materials in the
27 agency's possession, the court may, if not otherwise prohibited
28 by statute or regulation, enter an order that the requested
29 materials be provided. Any order authorizing the release of
30 materials or other information shall contain direction regarding

1 the safekeeping and use of the materials or other information
2 sufficient to satisfy the court that the materials or
3 information will be sufficiently safeguarded. In making this
4 determination the court shall consider the input of the agency
5 in possession of the information and any input from any agency
6 with which the information originated concerning any pending
7 investigation or ongoing matter and the safety of person and
8 property.

9 (e) Modification of order.--If subsequent investigation or
10 inquiry by the bureau warrants modification of any order entered
11 pursuant to this section, the director of the Office of
12 Enforcement Counsel may petition to request the modification.
13 Upon such request, the court may modify its orders at any time
14 and in any manner it deems necessary and appropriate. The agency
15 named in the original petition shall be given notice and an
16 opportunity to be heard.

17 (f) Use of information or materials.--Any person who, by any
18 means authorized by this section, has obtained knowledge of
19 information or materials solely pursuant to this section may use
20 such information or materials in a manner consistent with any
21 directions imposed by the court and appropriate to the proper
22 performance of the person's official duties under this part.

23 (g) Violation.--In addition to any remedies and penalties
24 provided in this part, any violation of the provisions of this
25 section may be punished as contempt of the court.

26 (h) Definition.--As used in this section the term "agency"
27 shall mean a "Commonwealth agency" or a "local agency" as those
28 terms are defined in section 102 of the act of February 14, 2008
29 (P.L.6, No.3), known as the Right-to-Know Law.

30 § 1518.3. Applicability of Clean Indoor Air Act.

1 Notwithstanding section 11(b) of the act of June 13, 2008
2 (P.L.182, No.27), known as the Clean Indoor Air Act, the
3 provisions of section 3(b)(11) of the Clean Indoor Air Act shall
4 apply to all licensed facilities.

5 Section 17.1. Section 1521 of Title 4 is amended by adding a
6 subsection to read:

7 § 1521. Liquor licenses at licensed facilities.

8 * * *

9 (b.1) Liquor Code sanctions.--Notwithstanding any other
10 provision of law, a person holding a slot machine license that
11 also holds a license issued by the Pennsylvania Liquor Control
12 Board shall not be subject to the provisions of section 471(c)
13 of the Liquor Code. In addition, if a fine is imposed under
14 section 471(b) of the Liquor Code, it shall be for not less than
15 \$250 nor more than \$25,000. The prior citation history of the
16 slot machine licensee shall be considered in determining the
17 amount of the fine.

18 * * *

19 Section 18. Section 1522 of Title 4 is amended to read:

20 § 1522. Interception of oral communications.

21 The interception and recording of oral communications made in
22 a [counting] count room of a licensed facility by a licensee
23 shall not be subject to the provisions of 18 Pa.C.S. Ch. 57
24 (relating to wiretapping and electronic surveillance). Notice
25 that oral communications are being intercepted and recorded
26 shall be posted conspicuously in the [counting] count room.

27 Section 18.1. Title 4 is amended by adding a section to
28 read:

29 § 1523. Electronic funds transfer terminals.

30 (a) Prohibition.--A slot machine licensee may not install,

1 own or operate or allow another person to install, own or
2 operate on the premises of the licensed facility a slot machine
3 or table game that is played with a device that allows a player
4 to operate the slot machine or table game by transferring funds
5 electronically from a debit card, credit card or by means of an
6 electronic funds transfer terminal.

7 (b) Definitions.--As used in this section, the following
8 words and phrases shall have the meanings given to them in this
9 subsection unless the context clearly indicates otherwise:

10 "Electronic funds transfer terminal." An information-
11 processing device or an automatic teller machine used for
12 executing deposit account transactions between financial
13 institutions and their account holders by either the direct
14 transmission of electronic impulses or the recording of
15 electronic impulses for delayed processing. The fact that a
16 device is used for other purposes shall not prevent it from
17 being considered an electronic funds transfer terminal under
18 this definition.

19 Section 18.2. Title 4 is amended by adding chapters to read:

20 Chapter 16

21 JUNKETS

22 Sec.

23 1601. Gaming junkets authorized.

24 1602. Gaming junket enterprise license.

25 1603. Classification system.

26 1604. Gaming junket representatives.

27 1605. Junket agreements.

28 1606. Conduct of junket.

29 1607. Violation of terms.

30 1608. Records.

1 1609. Report.

2 1610. Gaming junket arrangement.

3 1611. Prohibitions.

4 § 1601. Gaming junkets authorized.

5 The board may authorize the organization and conduct of
6 gaming junkets subject to the provisions of this chapter. No
7 gaming junket shall be organized or permitted to operate in this
8 Commonwealth and no person shall act as a gaming junket
9 representative or gaming junket enterprise except in accordance
10 with this chapter. The board shall establish a reasonable
11 application and authorization fee for any license, permit or
12 other authorization issued under this chapter.

13 § 1602. Gaming junket enterprise license.

14 (a) Gaming junket enterprise license required.--All gaming
15 junket enterprises shall obtain a license from the board prior
16 to acting as a gaming junket enterprise in this Commonwealth.

17 (b) Application.--A gaming junket enterprise license
18 application shall be in a form prescribed by the board and shall
19 include the following:

20 (1) The name, address and photograph of the applicant
21 and all owners, directors, managers and supervisory employees
22 of a gaming junket enterprise.

23 (2) The details of a gaming junket enterprise license or
24 similar license applied for or granted or denied to the
25 applicant by another jurisdiction.

26 (3) Consent for the bureau to conduct a background
27 investigation, the scope of which shall be determined by the
28 board.

29 (4) All releases necessary for the bureau and the board
30 to acquire licensing documents and other information

1 necessary to conduct a background investigation or otherwise
2 evaluate the application.

3 (5) A list of all civil judgments obtained against the
4 applicant pertaining to any gaming junket enterprise with
5 which the applicant has been associated.

6 (6) A description of the operation and organization of
7 the gaming junket enterprise.

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

9 (c) Enforcement information.--If the applicant has held a
10 gaming junket license or other gaming license in another
11 jurisdiction, the applicant may submit a letter of reference
12 from the gaming enforcement agency in the other jurisdiction.
13 The letter shall specify the experiences of the agency with the
14 applicant, the applicant's associates and the applicant's gaming
15 junket enterprise or gaming activity. If no letter is received
16 within 30 days following the applicant's request, the applicant
17 may submit a statement under oath, subject to the penalty for
18 false swearing under 18 Pa.C.S. § 4903 (relating to false
19 swearing), that the applicant is in good standing with the
20 gaming enforcement agency in the other jurisdiction.

21 (d) Issuance.--Following review of the application,
22 completion of the background investigation and payment of the
23 license fee established by the board under section 1601(a)
24 (relating to gaming junkets authorized), the board may issue a
25 gaming junket enterprise license to the applicant if the
26 applicant has proven by clear and convincing evidence that the
27 applicant is a person of good character, honesty and integrity
28 and that the applicant's activities, criminal record,
29 reputation, habits and associations do not pose a threat to the
30 public interest or suitable or legitimate operation of gaming.

1 (e) Failure to cooperate.--Failure to provide required
2 information or releases under this section shall result in the
3 immediate denial of an application for a license.

4 (f) Nontransferability.--A license issued under this section
5 shall be nontransferable.

6 § 1603. Classification system.

7 The board shall develop a classification system for the
8 regulation of gaming junket enterprises and the individuals and
9 entities associated with gaming junket enterprises.

10 § 1604. Gaming junket representatives.

11 (a) Occupation permit.--Except as otherwise provided in
12 subsection (e), a gaming junket representative shall obtain an
13 occupation permit from the board in accordance with section 1318
14 (relating to occupation permit application).

15 (b) Application.--In addition to the requirements of section
16 1308 (relating to applications for license or permit), the
17 application for a gaming junket representative occupation permit
18 shall be in a form prescribed by the board and shall include the
19 following:

20 (1) Verification of employment status as a gaming junket
21 representative with a licensed gaming junket enterprise or an
22 applicant for a gaming junket enterprise license.

23 (2) A description of employment responsibilities.

24 (3) A consent form to allow the bureau to conduct a
25 background investigation, the scope of which shall be
26 determined by the board.

27 (4) A release for the bureau and the board to acquire
28 copies of information from government agencies, employers and
29 others as necessary to complete the investigation.

30 (5) Fingerprints which shall be submitted to the

1 Pennsylvania State Police.

2 (6) A photograph that meets the standards of the
3 Commonwealth Photo Imaging Network.

4 (7) Details relating to a similar license, permit or
5 other authorization obtained in another jurisdiction, if any.

6 (8) Any additional information required by the board.

7 (c) Issuance.--Following review of the application,
8 background investigation and payment of the permit fee
9 established by the board under section 1601(a) (relating to
10 gaming junkets authorized), the board may issue an occupation
11 permit if the applicant has proven by clear and convincing
12 evidence that the applicant is a person of good character,
13 honesty and integrity and is eligible and suitable to receive an
14 occupation permit.

15 (d) Nontransferability.--An occupation permit issued under
16 this section shall be nontransferable.

17 (e) Holder of occupation permit.--Nothing in this section
18 shall be construed to prohibit an individual who holds a valid
19 occupation permit and who is employed by a slot machine licensee
20 from acting as a junket representative. A gaming junket
21 representative need not be a resident of this Commonwealth.

22 § 1605. Junket agreements.

23 Agreements entered into between a slot machine licensee and a
24 gaming junket enterprise or a gaming junket representative shall
25 include a provision for the termination of the agreement without
26 liability on the part of the slot machine licensee if:

27 (1) The board orders the suspension, limitation,
28 conditioning, denial or revocation of the license of a gaming
29 junket representative license or occupation permit of a
30 gaming junket representative.

1 (2) The board disapproves the agreement and requires its
2 termination.

3 Failure to expressly include the termination requirement under
4 this section in the agreement shall not constitute a defense in
5 an action brought relating to the termination of the agreement.
6 § 1606. Conduct of junket.

7 A slot machine licensee shall be responsible for the conduct
8 of a gaming junket representative or gaming junket enterprise
9 with which the slot machine licensee has an agreement and for
10 the terms and conditions of a gaming junket on its premises.
11 § 1607. Violation of terms.

12 Notwithstanding any other provision of this part, if the
13 board determines that the terms of an agreement to conduct a
14 gaming junket were violated by a slot machine licensee, gaming
15 junket enterprise or gaming junket representative, the board may
16 do any or all of the following:

17 (1) Order restitution to the gaming junket participant.

18 (2) Assess civil penalties or sanctions under section
19 1518 (relating to prohibited acts; penalties) for a violation
20 or deviation from the terms of the junket agreement.

21 § 1608. Records.

22 The board shall prescribe procedures and forms to retain
23 records relating to the conduct of a gaming junket by a slot
24 machine licensee. A slot machine licensee shall:

25 (1) Maintain a current report of the operations of
26 gaming junkets conducted at its licensed facility.

27 (2) Submit to the board and the bureau a list of all its
28 employees who conduct business on behalf of the slot machine
29 licensee with gaming junket representatives on a full-time,
30 part-time or temporary basis.

1 (3) Maintain records of all agreements entered into with
2 a gaming junket enterprise or gaming junket representative
3 for a minimum of five years.

4 (4) Provide any other information relating to a gaming
5 junket required by the board or bureau.

6 § 1609. Report.

7 A slot machine licensee, gaming junket representative or
8 gaming junket enterprise shall file a report with the bureau on
9 each list of gaming junket participants or potential gaming
10 junket participants purchased by the slot machine licensee,
11 gaming junket representative or gaming junket enterprise. The
12 report shall include the source of the list and zip codes of
13 participants or potential participants on a list purchased
14 directly or indirectly by a slot machine licensee, gaming junket
15 representative or gaming junket enterprise. Nothing in this
16 section shall require the reporting or maintenance of personal
17 identifying information pertaining to participants or potential
18 participants.

19 § 1610. Gaming junket arrangement.

20 Upon petition by a slot machine licensee, the board may grant
21 an exemption from the permit requirements of this chapter to a
22 gaming junket representative. The board shall consult with the
23 bureau prior to granting an exemption under this section and
24 shall consider the following:

25 (1) The terms of the gaming junket arrangement.

26 (2) The number and scope of gaming junkets.

27 (3) Whether the exemption is consistent with the
28 policies and purposes of this part.

29 (4) Any other factor deemed necessary by the bureau or
30 board.

1 The board may condition, limit or restrict the exemption.

2 § 1611. Prohibitions.

3 A gaming junket enterprise or gaming junket representative
4 shall not do any of the following:

5 (1) Engage in efforts to collect on any check provided
6 by a gaming junket participant that has been returned by a
7 financial institution without payment.

8 (2) Exercise approval authority over the authorization
9 or issuance of credit under section 1326A (relating to cash
10 equivalents).

11 (3) Receive or retain a fee from an individual for the
12 privilege of participating in a gaming junket.

13 (4) Pay for any service, including transportation, or
14 other thing of value provided to a participant participating
15 in a gaming junket except as authorized by this part.

16 CHAPTER 17

17 GAMING SCHOOLS

18 Sec.

19 1701. Curriculum.

20 1701.1. (Reserved).

21 1702. Gaming school gaming equipment.

22 § 1701. Curriculum.

23 The Department of Labor and Industry, in consultation with
24 the Department of Education and the board, shall, within 60 days
25 following the effective date of this section, develop curriculum
26 guidelines, including minimum proficiency requirements
27 established by the board, for gaming school instruction. The
28 guidelines shall, at a minimum, establish courses of instruction
29 that will provide individuals with adequate job training
30 necessary to obtain employment as a gaming employee with a

1 licensed gaming entity.

2 § 1701.1. (Reserved).

3 § 1702. Gaming school gaming equipment.

4 (a) Use of gaming equipment.--All gaming equipment utilized
5 by a gaming school, including slot machines, table game devices,
6 associated equipment and all representations of value, shall be
7 used for training, instructional and practice purposes only. The
8 use of any such gaming equipment for actual gaming by any person
9 is prohibited.

10 (b) Chips.--Unless the board otherwise determines, all
11 gaming chips and other representations of value utilized by a
12 gaming school shall be distinctly dissimilar to any chips
13 utilized by a slot machine licensee.

14 (c) Possession, removal and transport of equipment.--No
15 gaming school shall possess, remove or transport, or cause to be
16 removed or transported, any slot machine, table game device or
17 associated equipment except in accordance with this part.

18 (d) Serial numbers.--Each slot machine, table game device
19 and associated equipment on the premises of a gaming school
20 shall have permanently affixed on it a serial number which,
21 together with the location of the machine or table game device,
22 shall be filed with the board.

23 (e) Security.--Each gaming school shall provide adequate
24 security for the slot machines, table games, table game devices
25 and associated equipment on the gaming school premises.

26 (f) Notice to board and bureau.--No gaming school shall sell
27 or transfer any slot machine, table game, table game device or
28 associated equipment except upon prior written notice to the
29 board and the bureau.

30 (g) Additional training.--Each individual attending gaming

1 school shall be trained in cardiopulmonary resuscitation.

2 Section 18.3. Section 1901(a) of Title 4 is amended to read:

3 § 1901. Appropriations.

4 (a) Appropriation to board.--

5 (1) The sum of \$7,500,000 is hereby appropriated to the
6 Pennsylvania Gaming Control Board for the fiscal period July
7 1, 2004, to June 30, 2006, to implement and administer the
8 provisions of this part. The money appropriated in this
9 subsection shall be considered a loan from the General Fund
10 and shall be repaid to the General Fund quarterly commencing
11 with the date slot machine licensees begin operating slot
12 machines under this part. This appropriation shall be a two-
13 year appropriation and shall not lapse until June 30, 2006.

14 (2) The sum of \$2,100,000 is hereby appropriated from
15 the State Gaming Fund to the Pennsylvania Gaming Control
16 Board for salaries, wages and all necessary expenses for the
17 proper operation and administration of the Pennsylvania
18 Gaming Control Board for the expansion of gaming associated
19 with table games. This appropriation shall be a supplemental
20 appropriation for fiscal year 2009-2010 and shall be in
21 addition to the appropriation contained in the act of August
22 19, 2009 (P.L. , No.9A), known as the Gaming Control
23 Appropriation Act of 2009.

24 * * *

25 ~~Section 18.4. Section 1513(b) of Title 64 is amended to~~ ←

26 ~~read:~~

27 ~~§ 1513. Powers.~~

28 ~~* * *~~

29 ~~(b) Duties. The authority shall do all of the following:~~

30 ~~(1) Administer the programs established in Subchapter E~~

1 ~~in accordance with this chapter.~~

2 ~~(2) Fund the programs established in Subchapter E and 12-~~
3 ~~Pa.C.S. Ch. 29 (relating to machinery and equipment loans)-~~
4 ~~subject to Subchapter D (relating to funds, accounts,~~
5 ~~indebtedness and use).~~

6 ~~(3) Establish accounts, administer and distribute the~~
7 ~~funds deposited into such accounts and perform all other~~
8 ~~duties required of the authority under 4 Pa.C.S. Part II-~~
9 ~~(relating to gaming).~~

10 SECTION 18.4. TITLE 4 IS AMENDED BY ADDING A SECTION TO

11 READ:

12 § 1901.2. COMMONWEALTH FINANCING AUTHORITY.

13 THE COMMONWEALTH FINANCING AUTHORITY SHALL ESTABLISH
14 ACCOUNTS, ADMINISTER AND DISTRIBUTE THE FUNDS DEPOSITED INTO THE
15 ACCOUNTS AND PERFORM ALL OTHER DUTIES OF THE COMMONWEALTH
16 FINANCING AUTHORITY REQUIRED UNDER THIS PART.

17 Section 19. No later than 90 days after the effective date
18 of this section, the Pennsylvania Gaming Control Board shall
19 transfer the sum of \$12,500,000 from the amounts previously
20 appropriated to the Pennsylvania Gaming Control Board pursuant
21 to 4 Pa.C.S. § 1408 to the General Fund.

22 Section 19.1. No later than ten business days after the
23 effective date of this section, the Department of Revenue shall
24 pay to each Category 1 and Category 2 slot machine licensee from
25 its existing account established under 4 Pa.C.S. § 1401(a) an
26 amount sufficient to bring the balance in the account to
27 \$1,500,000.

28 Section 19.2. ~~(Reserved).~~ THE PENNSYLVANIA GAMING CONTROL
29 BOARD SHALL ACCEPT AND CONSIDER ADDITIONAL APPLICATIONS FOR A
30 CATEGORY 3 LICENSE ESTABLISHED UNDER 4 PA.C.S. § 1305 IF THE

1 LICENSE HAS NOT BEEN APPROVED BY THE BOARD ON THE EFFECTIVE DATE
2 OF THIS SECTION. AN APPLICANT THAT FILED AN APPLICATION FOR A
3 CATEGORY 3 LICENSE PRIOR TO THE EFFECTIVE DATE OF THIS SECTION
4 SHALL NOT BE REQUIRED TO RESUBMIT THE APPLICATION. THE
5 ADDITIONAL APPLICATIONS SHALL BE SUBMITTED TO THE BOARD WITHIN
6 90 DAYS OF THE EFFECTIVE DATE OF THIS SECTION. THIS SECTION
7 SHALL SUPERSEDE ANY PRIOR APPLICATION PERIOD ESTABLISHED UNDER 4
8 PA.C.S. PT. II.

9 Section 19.3. The provisions of this act are severable. If
10 any provision of this act or its application to any person or
11 circumstance is held invalid, the invalidity shall not affect
12 other provisions or applications of this act which can be given
13 effect without the invalid provision or application.

14 Section 19.4. The amendment of 4 Pa.C.S. § ~~1201(h) (13)~~
15 1201(H) (13) (I) shall not apply to individuals employed on the ←
16 effective date of this section by the Pennsylvania Gaming
17 Control Board until July 1, 2010.

18 Section 19.5. Repeals are as follows:

19 (1) The General Assembly declares that the repeal under
20 paragraph (2) is necessary to effectuate the amendment or
21 addition of 4 Pa.C.S. §§ 1407(d) (7) and (d.1) and ~~64 Pa.C.S.~~ ←
22 ~~§ 1513(b) (3)~~ 1901.2. ←

23 (2) The following provisions of the act of July 25, 2007
24 (P.L.342, No.53), known as the Pennsylvania Gaming Economic
25 Development and Tourism Fund Capital Budget Itemization Act
26 of 2007, are repealed to the extent specified:

- 27 (i) Section 3(2)(i)(G), absolutely.
28 (ii) Section 4(7), absolutely.
29 (iii) Section 5, insofar as inconsistent with this
30 act.

1 Section 20. The following shall apply:

2 (1) The amendment of 4 Pa.C.S. § 1213 shall not apply to
3 any of the following:

4 (i) An application submitted before the effective
5 date of this section.

6 (ii) Any license or permit issued prior to the
7 effective date of this section.

8 (iii) The renewal of any license or permit issued or
9 applied for prior to the effective date of this section.

10 (2) The amendment of 4 Pa.C.S. § 1202(a)(2) and the
11 addition of 4 Pa.C.S. § 1517(c)(1.1) shall not apply to an
12 individual:

13 (i) who, on July 1, 2009, was serving officially or
14 acting as Executive Director of the Pennsylvania Gaming
15 Control Board, Chief Counsel of the board, or the
16 Director of the Office of Enforcement Counsel within the
17 Bureau of Investigations and Enforcement; and

18 (ii) on whom the bureau or the Pennsylvania State
19 Police completed a background investigation as a
20 condition of employment with the board.

21 (3) The amendment or addition of 4 Pa.C.S. § 1201(h)
22 (4.1) and (5) shall not apply to:

23 (i) an individual appointed to the Pennsylvania
24 Gaming Control Board before July 1, 2010; or

25 (ii) an individual under subparagraph (i) who is
26 reappointed to the Pennsylvania Gaming Control Board.

27 Section 21. This act shall take effect as follows:

28 (1) The following provisions shall take effect July 1,
29 ~~2010~~ 2011:

30 (i) The amendment of 4 Pa.C.S. § 1407.



1 (ii) Section 19.5 of this act.

2 (2) The remainder of this act shall take effect
3 immediately.