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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1766 Session of  
2011

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INTRODUCED BY P. COSTA, D. COSTA, DeLUCA, FRANKEL, KORTZ, KOTIK,  
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SAINATO, STABACK, STERN, STURLA, TAYLOR, WAGNER, WHITE AND  
YOUNGBLOOD, JUNE 30, 2011

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REFERRED TO COMMITTEE ON GAMING OVERSIGHT, JUNE 30, 2011

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AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated  
2 Statutes, providing for video gaming.

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

5 Section 1. Title 4 of the Pennsylvania Consolidated Statutes  
6 is amended by adding a chapter to read:

7 CHAPTER 11A

8 VIDEO GAMING

9 Sec.

10 11A01. Definitions.

11 11A02. Powers and duties.

12 11A03. Video gaming.

13 11A04. Licensing of manufacturers, distributors and vendors.

14 11A05. Licensed establishment license.

15 11A06. Limitations on licensed establishments.

16 11A07. Central communications system.

- 1 11A08. Video gaming machine prototype.
- 2 11A09. Fees.
- 3 11A10. Unlawful use by minors.
- 4 11A11. Inducements prohibited.
- 5 11A12. Multiple types of licenses prohibited.
- 6 11A13. Illegal activities.
- 7 11A14. Establishment of account and distribution of funds.
- 8 11A15. Preemption of local taxes and license fees.
- 9 11A16. Exemption from State gaming laws.
- 10 11A17. Exemption from Federal regulation.
- 11 § 11A01. Definitions.

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

15 "Account." The Video Gaming Account established under  
16 section 11A14 (relating to establishment of account and  
17 distribution of funds).

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

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

24 "Distributor." Any individual, partnership, association or  
25 corporation, licensed by the Department of Revenue to buy, sell,  
26 service or distribute video gaming machines. The term does not  
27 include a machine vendor or a manufacturer.

28 "Gaming machine." A device or machine that has the outcome  
29 of play primarily determined by chance. The term includes an  
30 antique slot machine under 18 Pa.C.S. § 5513(c) (relating to

1 gambling devices, gambling, etc.) when used for profit. The term  
2 shall not include any of the following:

3 (1) A coin-operated amusement machine.

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

6 (3) Slot machines as defined under section 1103  
7 (relating to definitions).

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

11 (5) Lottery terminals used under the act of August 26,  
12 1971 (P.L.351, No.91), known as the State Lottery Law.

13 "Licensed establishment." A restaurant, bar, tavern, hotel  
14 or club that has a valid liquor or malt or brewed beverage  
15 license under Article IV of the act of April 12, 1951 (P.L.90,  
16 No.21), known as the Liquor Code.

17 "Machine vendor." Any individual, partnership, association  
18 or corporation that:

19 (1) is licensed by the Department of Revenue; and

20 (2) owns, services and maintains video gaming machines  
21 for placement in licensed establishments.

22 "Manufacturer." Any individual, partnership, association or  
23 corporation that:

24 (1) is licensed by the Department of Revenue; and

25 (2) manufactures or assembles video gaming machines.

26 "Net profits." All money put into a video gaming machine  
27 minus the cash awards paid out to players.

28 "Service technician." An individual holding a service  
29 technician's license issued by the Department of Revenue  
30 allowing the individual to service, maintain and repair video

1 gaming machines.

2 "State Lottery." The lottery established and operated under  
3 the act of August 26, 1971 (P.L.351, No.91), known as the State  
4 Lottery Law.

5 "Video gaming machine." A device or machine:

6 (1) that, upon insertion of a coin or currency, will  
7 play or simulate the play of a video poker, bingo, keno,  
8 blackjack or any other game authorized by the Department of  
9 Revenue;

10 (2) that utilizes a video display and microprocessors;  
11 and

12 (3) in which, by the skill of the player or by chance,  
13 the player may receive free games or credits that may be  
14 redeemed for cash.

15 § 11A02. Powers and duties.

16 The department shall regulate and adopt standards for all  
17 gaming activities in this Commonwealth, including video gaming  
18 as authorized under this chapter.

19 § 11A03. Video gaming.

20 The department shall provide for video gaming at licensed  
21 establishments. With the exception of tickets indicating credits  
22 won, which are redeemable for cash, no machine may directly  
23 dispense coins, cash, tokens or anything else of value.

24 § 11A04. Licensing of manufacturers, distributors and vendors.

25 (a) Background investigation; application fee.--The  
26 department shall have the Pennsylvania State Police conduct a  
27 background investigation of an applicant for a manufacturer,  
28 distributor or machine vendor license as to personal and  
29 business character, honesty and integrity. An applicant must pay  
30 a nonrefundable application fee of \$5,000. The investigation may

1 utilize information on the applicant compiled by the  
2 Pennsylvania Liquor Control Board. The investigation includes  
3 the following:

4 (1) An examination of criminal or civil records.

5 (2) An examination of personal, financial or business  
6 records. This paragraph includes tax returns, bank accounts,  
7 business accounts, mortgages and contracts to which the  
8 license applicant is a party or has an interest.

9 (3) An examination of personal or business relationships  
10 which:

11 (i) include a partial ownership or voting interest  
12 in a partnership, association or corporation; and

13 (ii) bear on the fitness of the applicant for  
14 licensure.

15 (b) Production of information.--An applicant to become a  
16 licensee must produce information, documentation and assurances  
17 as required by the department. This subsection includes the  
18 following:

19 (1) Each license applicant must:

20 (i) consent in writing to and provide for the  
21 examination of financial and business accounts, bank  
22 accounts, tax returns and related records in the  
23 applicant's possession or under the applicant's control  
24 that establish by clear and convincing evidence the  
25 financial stability, integrity and responsibility of the  
26 license applicant; and

27 (ii) authorize all third parties in possession or  
28 control of accounts or records under subparagraph (i) to  
29 allow for their examination as deemed necessary by the  
30 department in conducting background investigations.

1           (2) Each license applicant must disclose on the  
2 application form any criminal convictions for offenses graded  
3 above summary offenses covering the ten-year period  
4 immediately preceding the filing of the application. The  
5 license applicant must also include on the application form  
6 any convictions of the gambling laws of any jurisdiction.

7           (3) If the license applicant has conducted a gaming  
8 operation in a jurisdiction that permits such activity, the  
9 license applicant must produce letters of reference from the  
10 gaming or casino enforcement or control agency that specify  
11 the experiences of the agency with the license applicant, the  
12 license applicant's associates and the license applicant's  
13 gaming operations. If the license applicant is unable to  
14 obtain these letters within 60 days of the request, the  
15 license applicant may submit a copy of the letter requesting  
16 the information together with a statement under oath or  
17 affirmation that, during the period activities were  
18 conducted, the license applicant was in good standing with  
19 the appropriate gambling or casino enforcement control  
20 agency.

21           (4) Each license applicant must provide information,  
22 documentation and assurances as required by the department to  
23 establish by clear and convincing evidence the license  
24 applicant's good character, honesty and integrity.  
25 Information under this paragraph may relate to family,  
26 habits, character, reputation, business affairs, financial  
27 affairs, business associates, professional associates and  
28 personal associates, covering the ten-year period immediately  
29 preceding the filing of the application.

30           (b.1) Felony conviction prohibition.--A person that has been

1 convicted of a felony within ten years of the date of  
2 application shall not be issued a license under this chapter.

3 (c) Third-party disclosure.--Each license applicant must  
4 accept any risk of adverse public notice, embarrassment,  
5 criticism, damages or financial loss, which may result from  
6 disclosure or publication by a third party of material or  
7 information requested by the department pursuant to action on an  
8 application. The license applicant expressly must waive a claim  
9 against the department, executive director or the Commonwealth  
10 and its employees from damages as a result of disclosure or  
11 publication by a third party.

12 (d) Hearing upon denial.--A person who is denied a license  
13 has the right to a hearing before the department in accordance  
14 with the provisions of 2 Pa.C.S. Chs. 5 Subch. A (relating to  
15 practice and procedure of Commonwealth agencies) and 7 Subch. A  
16 (relating to judicial review of Commonwealth agency action).

17 (e) Sole proprietor vendors.--A sole proprietor vendor must  
18 comply with all of the following:

19 (1) Be a resident of this Commonwealth for at least two  
20 years prior to application for a license.

21 (2) Be of good moral character and reputation in the  
22 community.

23 (3) Be at least 18 years of age.

24 (4) Be current in the payment of all taxes, interest and  
25 penalties owed to the Commonwealth and political  
26 subdivisions. This paragraph excludes items under formal  
27 dispute or appeal under applicable law.

28 (5) Demonstrate sufficient financial resources to  
29 support the activities required to place and service video  
30 gaming machines.

1 (f) Partnership vendors.--Partnership vendors must comply  
2 with all of the following:

3 (1) Be current in the payment of taxes, interest and  
4 penalties owed to the Commonwealth and political  
5 subdivisions. This paragraph excludes items under formal  
6 dispute or appeal under applicable law.

7 (2) Demonstrate sufficient financial resources to  
8 support the activities required to place and service video  
9 gaming machines.

10 (3) Have each partner be:

11 (i) of good moral character and reputation in the  
12 community;

13 (ii) at least 18 years of age; and

14 (iii) a resident of this Commonwealth for at least  
15 two years prior to application for a license.

16 (4) At all times subsequent to licensing, a majority of  
17 the partnership ownership interest must be held by residents  
18 of this Commonwealth.

19 (g) Association and corporate vendors.--Association or  
20 corporate vendors must comply with all of the following:

21 (1) Be current in the payment of taxes, interest and  
22 penalties owed to the Commonwealth and political  
23 subdivisions. This paragraph excludes items under formal  
24 dispute or appeal under applicable law.

25 (2) Demonstrate sufficient financial resources to  
26 support the activities required to place and service video  
27 gaming machines.

28 (3) Have each shareholder holding more than 10% of the  
29 stock of a corporation be:

30 (i) of good moral character and reputation in the



1           community;  
2           (ii) at least 18 years of age; and  
3           (iii) a resident of this Commonwealth for at least  
4           two years prior to application.

5           (h) Sole proprietor distributors.--A sole proprietor  
6 distributor must comply with all of the following:

7           (1) Be a resident of this Commonwealth for at least one  
8 year prior to application.

9           (2) Be of good moral character and reputation in the  
10 community.

11           (3) Be at least 18 years of age.

12           (4) Be current in the payment of taxes, interest and  
13 penalties owed to the Commonwealth and political  
14 subdivisions. This paragraph excludes items under formal  
15 dispute or appeal under applicable law.

16           (5) Demonstrate sufficient financial resources to  
17 support the activities required to sell and service video  
18 gaming machines.

19           (i) Partnership distributors.--Partnership distributors must  
20 comply with all of the following:

21           (1) Be current in the payment of taxes, interest and  
22 penalties owed to the Commonwealth and political  
23 subdivisions. This paragraph excludes items under formal  
24 dispute or appeal under applicable law.

25           (2) Demonstrate sufficient financial resources to  
26 support the activities required to sell and service video  
27 gaming machines.

28           (3) Have each partner be:

29           (i) of good moral character and reputation in the  
30 community;

1           (ii) at least 18 years of age; and  
2           (iii) a resident of this Commonwealth for at least  
3           one year prior to application.

4           (4) At all times subsequent to licensing, a majority of  
5           the partnership ownership interest must be held by residents  
6           of this Commonwealth.

7           (j) Association and corporate distributors.--Association or  
8           corporate distributors must comply with all of the following:

9           (1) Be current in the payment of taxes, interest and  
10           penalties owed to the Commonwealth and political  
11           subdivisions. This paragraph excludes items under formal  
12           dispute or appeal under applicable law.

13           (2) Demonstrate sufficient financial resources to  
14           support the activities required to sell and service video  
15           gaming machines.

16           (3) Have each shareholder holding more than 10% of the  
17           stock of a corporation be:

18           (i) of good moral character and reputation in the  
19           community; and

20           (ii) at least 18 years of age.

21           (4) For at least one year immediately prior to  
22           application, have maintained and operated a coin machine  
23           distributorship office and sales staff within this  
24           Commonwealth. This paragraph does not apply to an association  
25           distributor.

26           (k) Sole proprietor manufacturers.--A sole proprietor  
27           manufacturer must comply with all of the following:

28           (1) Be of good moral character and reputation in the  
29           community.

30           (2) Be at least 18 years of age.

1           (3) Be current in the payment of taxes, interest and  
2 penalties owed to the Commonwealth and political  
3 subdivisions. This paragraph excludes items under formal  
4 dispute or appeal under applicable law.

5           (4) Demonstrate sufficient financial resources to  
6 support the activities required to manufacture and sell video  
7 gaming machines through a licensed distributor.

8           (l) Partnership manufacturers.--Partnership manufacturers  
9 must comply with all of the following:

10           (1) Be current in the payment of taxes, interest and  
11 penalties owed to the Commonwealth and political  
12 subdivisions. This paragraph excludes items under formal  
13 dispute or appeal under applicable law.

14           (2) Demonstrate sufficient financial resources to  
15 support the activities required to manufacture and sell video  
16 gaming machines through a licensed distributor.

17           (3) Have each partner be:

18                   (i) at least 18 years of age; and

19                   (ii) of good moral character and reputation in the  
20 community.

21           (m) Association and corporate manufacturers.--Association or  
22 corporate manufacturers must comply with all of the following:

23           (1) Be current in the payment of taxes, interest and  
24 penalties owed to the Commonwealth and political  
25 subdivisions. This paragraph excludes items under formal  
26 dispute or appeal under applicable law.

27           (2) Demonstrate sufficient financial resources to  
28 support the activities required to manufacture and sell video  
29 gaming machines through a licensed distributor.

30           (3) Have each shareholder holding more than 10% of the

1 stock of the corporation or association be:

2 (i) of good moral character and reputation in the  
3 community; and

4 (ii) at least 18 years of age.

5 (n) Service technician.--A service technician must comply  
6 with the following:

7 (1) Be current in the payment of taxes, interest and  
8 penalties owed to the Commonwealth and political  
9 subdivisions. This paragraph excludes items under formal  
10 dispute or appeal under applicable law.

11 (2) Be of good moral character and reputation in the  
12 community.

13 (3) Be at least 18 years of age.

14 (o) Written agreement.--Each licensed establishment shall  
15 have a written agreement with a licensed machine vendor for a  
16 minimum 12-month term. The agreement shall be approved by the  
17 department and on file at the licensed establishment.

18 (p) Nonaccessibility to minors.--No video gaming machine may  
19 be in an area easily accessible to minors. A floor-to-ceiling  
20 wall is not required, but the area must be secure and easily  
21 seen and observed by the employees or management of the licensed  
22 establishment.

23 (q) Advertising prohibited.--No licensed establishment with  
24 a video gaming license may advertise gaming in any form, written  
25 or electronic, nor may its name include the words "casino,"  
26 "gambling," "gaming" or any other term that may be interpreted  
27 to advertise gaming.

28 § 11A05. Licensed establishment license.

29 The department shall issue a license to any licensed  
30 establishment upon a showing that its liquor or retail dispenser

1 license is valid and is in good standing with the Pennsylvania  
2 Liquor Control Board. The annual fee for a licensed  
3 establishment shall be \$500 per video gaming machine.

4 § 11A06. Limitations on licensed establishments.

5 (a) Limitations.--Licensed establishments shall be subject  
6 to the following limitations:

7 (1) No licensed establishment may have more than five  
8 video gaming machines.

9 (2) No applicant may hold more than one type of license  
10 authorized by this chapter.

11 (3) Each licensee is responsible for payment of its  
12 license fee. Payment of the fee by a person, partnership or  
13 corporation other than the licensee is prohibited.

14 (b) Unlawful acts.--No licensed establishment shall permit:

15 (1) An individual under 21 years of age to operate or  
16 attempt to operate a video gaming machine.

17 (2) An individual under 21 years of age to receive or  
18 attempt to receive a prize from a video gaming machine.

19 (3) A visibly intoxicated person to play a video gaming  
20 machine.

21 (4) An individual to tamper with the connection of a  
22 video gaming machine to the central computer.

23 In addition to any other penalties provided by law, a person who  
24 violates paragraph (1), (2) or (3) commits a summary offense.

25 (c) Seizure, forfeiture and destruction of gaming  
26 machines.--Gaming machines shall be considered to be per se  
27 illegal. Gaming machines and the proceeds therefrom may be  
28 seized upon view as illegal contraband by agents of the  
29 department and any other law enforcement agency. The owner of a  
30 gaming machine shall have no right to compensation for the

1 seizure and destruction of a gaming machine or the proceeds of a  
2 gaming machine.

3 (d) Penalties.--

4 (1) In the case of a gaming machine seized from a  
5 licensed establishment, for a first violation, a penalty of  
6 at least \$1,000 and not more than \$5,000 and a suspension of  
7 the licensed establishment owner's liquor license for not  
8 less than seven consecutive days, and for each subsequent  
9 violation, a penalty of \$15,000 and a suspension of the  
10 liquor license for not less than 14 consecutive days.

11 (2) In the case of a gaming machine seized from a place  
12 of business other than a licensed establishment, for a first  
13 violation, a penalty of at least \$1,000 and not more than  
14 \$5,000 against the owner of the business from which the  
15 gaming machine was seized, and for each subsequent violation,  
16 a penalty of \$15,000.

17 § 11A07. Central communications system.

18 The department shall establish and procure a central  
19 communications system capable of monitoring and communicating  
20 with each licensed video gaming machine. The department may, by  
21 agreement between the department and the State Lottery, utilize  
22 the central communications system utilized by the State Lottery.  
23 All licensed video gaming machines must be linked to the central  
24 communications system either at the department or, by agreement  
25 between the department and the State Lottery, at the State  
26 Lottery.

27 § 11A08. Video gaming machine prototype.

28 The department shall develop a prototype video gaming machine  
29 that includes hardware and software specifications. These  
30 specifications shall include:

1       (1) All machines must have the ability to interact with  
2 the central communications system.

3       (2) Unremovable identification plates shall appear on  
4 the exterior of the machine containing the name of the  
5 manufacturer and the serial and model number of the machine.

6       (3) Rules of play shall be displayed on the machine face  
7 or screen as promulgated by the department.

8       (4) A video gaming machine may not directly dispense  
9 coins, cash, tokens or any other article of exchange or value  
10 except for tickets. Such tickets shall be dispensed by  
11 pressing the ticket-dispensing button on the machine at the  
12 end of one's turn or play. The ticket shall indicate the  
13 total amount of credits and the cash award, and the player  
14 shall turn in this ticket to the appropriate person at the  
15 licensed establishment to receive the cash award. The cost of  
16 the credit shall be \$.25, and the number of credits played  
17 per game shall not exceed ten.

18       (5) No cash award for any individual game may exceed  
19 \$1,000.

20       (6) All video gaming machines must be designed and  
21 manufactured with total accountability to include gross  
22 proceeds, net profits, winning percentages and any other  
23 information the department requires.

24       (7) Each machine shall pay out a minimum of 85% of the  
25 amount wagered.

26       (8) The department may contract with the board to  
27 develop and verify specifications for video gaming machines.

28 § 11A09. Fees.

29       (a) Vendors license and fee.--The annual fee for a machine  
30 vendor license shall be \$25,000 for the first 50 video gaming

1 machines and an additional \$500 per video gaming machine license  
2 in excess of 50. A machine vendor license permits the vendor to  
3 sell video gaming machines to another licensed machine vendor or  
4 licensed distributor.

5 (b) Distributor license fee.--The annual fee for a  
6 distributor license shall be \$10,000.

7 (c) Manufacturer license fee.--The annual fee for a  
8 manufacturer license shall be \$10,000.

9 (d) Service technician license fee.--The annual fee for a  
10 service technician license shall be \$100.

11 § 11A10. Unlawful use by minors.

12 (a) Minors.--No individual under 21 years of age may use or  
13 play a video gaming machine. An individual who violates this  
14 subsection commits a summary offense.

15 (b) Licensees.--

16 (1) A licensed establishment may not, regardless of  
17 knowledge or intent, permit an individual under 21 years of  
18 age to play or use a video gaming machine.

19 (2) A licensed establishment that violates this  
20 subsection commits a misdemeanor of the second degree.

21 § 11A11. Inducements prohibited.

22 (a) General rule.--A video gaming machine owner may not  
23 offer or give any type of inducement or incentive to a licensed  
24 establishment to secure a machine placement agreement.

25 (b) Definition.--As used in this section, the term  
26 "inducement" or "incentive" means consideration from a licensed  
27 machine vendor to a licensed establishment owner as an  
28 enticement to solicit or maintain the licensed establishment  
29 owner's business. The term includes cash, gifts, loans and  
30 prepayment of commissions.



1 § 11A12. Multiple types of licenses prohibited.

2 (a) Manufacturer restriction.--A manufacturer may not be  
3 licensed as a machine vendor or own, manage or control a  
4 licensed establishment and shall be licensed only to sell to  
5 licensed distributors.

6 (b) Distributor restriction.--A licensed machine distributor  
7 may not be licensed as a machine vendor or own, manage or  
8 control a licensed establishment and shall only contract with  
9 licensed machine vendors.

10 (c) Vendor restriction.--A machine vendor may not be  
11 licensed as a manufacturer or distributor or own, manage or  
12 control a licensed establishment and shall be licensed only to  
13 contract with licensed distributors and licensed establishments.  
14 This shall not prohibit a licensed vendor from selling used  
15 equipment to another licensed vendor.

16 (d) Establishment owner restriction.--An owner of a licensed  
17 establishment may not be licensed as a manufacturer, distributor  
18 or vendor and shall only contract with a machine vendor to place  
19 and service equipment.

20 § 11A13. Illegal activities.

21 A person may not sell, distribute, service, own, operate or  
22 place on location a video gaming machine unless the person is  
23 licensed under this chapter and is in compliance with all  
24 requirements of this chapter.

25 § 11A14. Establishment of account and distribution of funds.

26 (a) Video Gaming Account.--There is established a separate  
27 account in the State Treasury to be known as the Video Gaming  
28 Account. Fees and fines under this chapter and the portion of  
29 net profits under subsection (b) (2) (iii) shall be deposited in  
30 the account.

1 (b) Distribution of net profits.--

2 (1) Net profits shall be calculated by subtracting cash  
3 awards from the total consideration played on the machine.

4 (2) The net profits from each video gaming machine shall  
5 be distributed in the following manner:

6 (i) 33% to the licensed establishment.

7 (ii) 33% to the licensed vendor.

8 (iii) 34% to the Motor License Fund for use by the  
9 Pennsylvania State Police, except for any amount in  
10 excess of \$500,000,000, which shall be paid to the  
11 account.

12 (c) Department funding.--The department shall derive all  
13 funding for its operations related to the establishment,  
14 enforcement and operation of video gaming from the account.

15 (d) Payments to municipalities.--In addition to the funds  
16 distributed under subsection (b) (2) (iv), the department shall  
17 pay each municipality from the account \$500 per licensed machine  
18 located in the municipality.

19 (e) Funds maintained in account.--An annual minimum balance  
20 of \$2,000,000 shall be maintained in the account. Money in  
21 excess of this amount at the end of each fiscal year shall be  
22 distributed to the Department of Transportation for highway  
23 maintenance and/or projects.

24 (f) Funding for compulsive gambling programs.--The  
25 department shall allocate from the account at least \$1,000,000  
26 annually for the purpose of treating compulsive gambling in this  
27 Commonwealth.

28 (g) Continuous appropriation.--The money in the account is  
29 continuously appropriated to the account and shall not lapse at  
30 the end of any fiscal year.

1 § 11A15. Preemption of local taxes and license fees.

2 (a) Statutes.--Video gaming machines shall be exempt from  
3 taxes levied under the following:

4 (1) The act of August 5, 1932 (Sp.Sess., P.L.45, No.45),  
5 referred to as the Sterling Act.

6 (2) The act of December 31, 1965 (P.L.1257, No.511),  
7 known as The Local Tax Enabling Act.

8 (3) 53 Pa.C.S. Pt.III Subpt. E (relating to home rule  
9 and optional plan government).

10 (4) Any statute that confers taxing authority to a  
11 political subdivision.

12 (b) Licensing fees.--

13 (1) Video gaming machines are exempt from local  
14 licensing fees.

15 (2) Local licensing fees imposed on all other coin-  
16 operated amusement machines shall not exceed \$150.

17 § 11A16. Exemption from State gaming laws.

18 Video gaming machines authorized under this chapter and their  
19 use as authorized under this chapter are exempt from 18 Pa.C.S.  
20 § 5513 (relating to gambling devices, gambling, etc.).

21 § 11A17. Exemption from Federal regulation.

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

29 Section 2. This act shall take effect in 60 days.