
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 920 Session of
2015

INTRODUCED BY DAVIS, COHEN, KINSEY, DONATUCCI, BROWNLEE,
DAVIDSON, CALTAGIRONE, DeLUCA, KORTZ, M. DALEY AND McNEILL,
APRIL 6, 2015

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, APRIL 6, 2015

AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated
2 Statutes, in general provisions, further providing for
3 definitions, in Pennsylvania Gaming Control Board, further
4 providing for general and specific powers, for slot machine
5 licensee application appeals from board, for board minutes
6 and records, for regulatory authority of board, for reports
7 of board, for diversity goals of board, for Category 3 slot
8 machine license, for supplier licenses and for manufacturer
9 licenses; providing for Internet gaming; in administration
10 and enforcement, further providing for responsibility and
11 authority of the Department of Revenue, for wagering on
12 credit, for compulsive and problem gambling program, for
13 financial and employment interest, for regulation requiring
14 exclusion or ejection of certain persons, for repeat
15 offenders excludable from licensed gaming facility, for list
16 of persons self excluded from gaming activities, for
17 investigations and enforcement and for prohibited acts and
18 penalties; in miscellaneous provisions, further providing for
19 appropriations; and making an editorial change.

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

22 Section 1. The definitions of "associated equipment," "cash
23 equivalent," "cheat," "cheating or thieving device," "conduct of
24 gaming," "contest," "counterfeit chip," "gaming employee,"
25 "gaming school," "key employee," "licensed facility," "rake,"
26 "supplier," "supplier license" and "table game" in section 1103

1 of Title 4 of the Pennsylvania Consolidated Statutes are amended
2 and the section is amended by adding definitions to read:

3 § 1103. Definitions.

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

7 * * *

8 "Associated equipment." Any equipment or mechanical,
9 electromechanical or electronic contrivance, component or
10 machine used in connection with slot machines or table games,
11 including linking devices which connect to progressive slot
12 machines or slot machines, replacement parts, equipment which
13 affects the proper reporting and counting of gross terminal
14 revenue [and], gross table game revenue and gross Internet
15 gaming revenue, computerized systems for controlling and
16 monitoring slot machines [or], table games or Internet games,
17 including, but not limited to, the central control computer to
18 which all slot machines communicate [and], devices for weighing
19 or counting money and Internet gaming devices necessary for the
20 operation of Internet games as approved by the Pennsylvania
21 Gaming Control Board.

22 * * *

23 "Authorized Internet game." A table game, slot machine or
24 any other game approved by regulation of the Pennsylvania Gaming
25 Control Board to be suitable for use for Internet gaming
26 activities offered by a slot machine licensee in accordance with
27 the requirements of Chapter 13B (relating to Internet gaming).

28 * * *

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

- 1 (1) Chips or tokens.
- 2 (2) Travelers checks.
- 3 (3) Foreign currency and coin.
- 4 (4) Certified checks, cashier's checks and money orders.
- 5 (5) Personal checks or drafts.
- 6 (6) A negotiable instrument applied against credit
- 7 extended by a certificate holder, an Internet gaming
- 8 certificate holder or a financial institution.

9 (7) Any other instrument or representation of value that
10 the Pennsylvania Gaming Control Board deems a cash
11 equivalent.

12 * * *

13 "Certificate." An Internet gaming certificate issued to a
14 slot machine licensee in accordance with section 13B13 (relating
15 to issuance of Internet gaming certificate).

16 * * *

17 "Cheat." To defraud or steal from any player, slot machine
18 licensee or the Commonwealth while operating or playing a slot
19 machine [or], table game[,] or Internet game, including causing,
20 aiding, abetting or conspiring with another person to do so. The
21 term shall also mean to alter or causing, aiding, abetting or
22 conspiring with another person to alter the elements of chance,
23 method of selection or criteria which determine:

24 (1) The result of a slot machine game [or], table game
25 or Internet game.

26 (2) The amount or frequency of payment in a slot machine
27 game [or], table game or Internet game.

28 (3) The value of a wagering instrument.

29 (4) The value of a wagering credit.

30 The term does not include altering a slot machine, table game

1 device or associated equipment or Internet gaming device or
2 associated equipment for maintenance or repair with the approval
3 of a slot machine licensee.

4 "Cheating or thieving device." A device or software used or
5 possessed with the intent to be used to cheat during the
6 operation or play of any slot machine [or], table game or
7 Internet game. The term shall also include any device used to
8 alter a slot machine [or], a table game device, an Internet game
9 or Internet gaming device or associated equipment without the
10 slot machine licensee's approval.

11 * * *

12 "Conduct of gaming." The licensed placement, operation and
13 play of slot machines [and], table games and Internet games
14 under this part, as authorized and approved by the Pennsylvania
15 Gaming Control Board.

16 "Contest." A table game or Internet game competition among
17 players for cash, cash equivalents or prizes.

18 * * *

19 "Counterfeit chip." Any object that is:

20 (1) used or intended to be used to play a table game at
21 a certificate holder's licensed facility and which was not
22 issued by that certificate holder for such use; [or]

23 (2) presented to a certificate holder for redemption if
24 the object was not issued by the certificate holder[.];

25 (3) used or intended to be used to play an Internet game
26 offered online by a slot machine licensee and which was not
27 approved by the slot machine licensee for such use; or

28 (4) presented online to a slot machine licensee during
29 play of an Internet game for redemption, if the object was
30 not issued by the slot machine licensee.

1 * * *

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

4 (1) Cashiers.

5 (2) Change personnel.

6 (3) Count room personnel.

7 (4) Slot attendants.

8 (5) Hosts or other individuals authorized to extend
9 complimentary services, including employees performing
10 functions similar to those performed by a gaming junket
11 representative.

12 (6) Machine mechanics, computer machine technicians or
13 table game device technicians.

14 (7) Security personnel.

15 (8) Surveillance personnel.

16 (9) Promotional play supervisors, credit supervisors,
17 pit supervisors, cashier supervisors, shift supervisors,
18 table game managers and assistant managers and other
19 supervisors and managers, except for those specifically
20 identified in this part as key employees.

21 (10) Boxmen.

22 (11) Dealers or croupiers.

23 (12) Floormen.

24 (13) Personnel authorized to issue promotional play.

25 (14) Personnel authorized to issue credit.

26 The term shall include employees of a person holding a
27 supplier's license whose duties are directly involved with the
28 repair or distribution of slot machines, table game devices or
29 associated equipment or Internet gaming devices or associated
30 equipment sold or provided to a licensed facility within this

1 Commonwealth as determined by the Pennsylvania Gaming Control
2 Board. The term shall further include employees of a person
3 authorized by the board to supply goods and services related to
4 Internet gaming or any subcontractor or an employee of a
5 subcontractor that supplies Internet gaming devices or
6 associated equipment to a holder of an Internet gaming
7 certificate. The term does not include bartenders, cocktail
8 servers or other persons engaged solely in preparing or serving
9 food or beverages, clerical or secretarial personnel, parking
10 attendants, janitorial, stage, sound and light technicians and
11 other nongaming personnel as determined by the board.

12 * * *

13 "Gaming school." Any educational institution approved by the
14 Department of Education as an accredited college or university,
15 community college, Pennsylvania private licensed school or its
16 equivalent and whose curriculum guidelines are approved by the
17 Department of Labor and Industry to provide education and job
18 training related to employment opportunities associated with
19 slot machines [or], table games or Internet games, including
20 slot machine, table game device and associated equipment
21 maintenance and repair and Internet gaming devices and
22 associated equipment maintenance and repair.

23 * * *

24 "Internet game." Any variation or composite of an authorized
25 Internet game that is offered through the Internet, provided
26 that such games, or variations or composites, are found suitable
27 for use by the Pennsylvania Gaming Control Board after an
28 appropriate test or experimental period and any other game which
29 is determined by the board to be compatible with the public
30 interest and to be suitable for Internet gaming after such

1 appropriate test or experimental period. The term shall include
2 contests or tournaments conducted via the Internet in which
3 registered players compete against one another in one or more of
4 the Internet games authorized by the board or in approved
5 variations or composites thereof, if the contests or tournaments
6 are authorized by the board.

7 "Internet gaming." The placing of bets or wagers with a slot
8 machine licensee located in this Commonwealth using a computer
9 network of both Federal and non-Federal interoperable packet
10 switched data networks through which a slot machine licensee may
11 offer authorized Internet games to individuals who have
12 registered and established an Internet gaming account with the
13 slot machine licensee.

14 "Internet gaming account." The formal, electronic system
15 implemented by a slot machine licensee to record the balance of
16 a registered player's debits, credits and other activity
17 relating to Internet gaming.

18 "Internet gaming account agreement." The agreement entered
19 into between a slot machine licensee and an individual which
20 governs the terms and conditions of the individual's Internet
21 gaming account and the use of the Internet for purposes of
22 placing wagers on Internet games operated by a slot machine
23 licensee in this Commonwealth. The Internet gaming account
24 agreement shall be executed in person.

25 "Internet gaming certificate." The authorization issued to a
26 slot machine licensee by the Pennsylvania Gaming Control Board
27 authorizing the operation and conduct of Internet gaming.

28 "Internet gaming certificate holder." A slot machine
29 licensee that has been granted authorization by the Pennsylvania
30 Gaming Control Board to conduct Internet gaming.

1 "Internet gaming device." The technology that is used to
2 manage, administer or control Internet gaming or the wagers
3 associated with Internet gaming to facilitate the offering of
4 authorized Internet games to registered players. The term
5 includes:

6 (1) Software.

7 (2) System programs.

8 (3) Hardware.

9 (4) Any other gaming equipment approved by the
10 Pennsylvania Gaming Control Board.

11 "Internet gaming gross revenue." As follows:

12 (1) For all Internet games, with the exception of
13 Internet poker, the total of all sums received by a slot
14 machine licensee from Internet gaming, less the total of all
15 sums actually paid out as winnings to registered players. The
16 cash equivalent value of any merchandise or thing of value
17 included in a jackpot or payout shall not be included in the
18 total of all sums paid out as winnings to registered players
19 for purposes of determining Internet gaming gross revenue.

20 (2) For Internet poker, the total of all sums received
21 by a slot machine licensee from Internet poker, or the
22 aggregate, during the relevant period, of the rake, contests
23 or tournament fees and all other fees or charges required or
24 received from registered players directly as a result of
25 Internet poker, from deposits into any Internet gaming
26 account maintained by the slot machine licensee or on behalf
27 of the slot machine licensee, less the total of all sums
28 actually paid out as winnings to registered players. The cash
29 equivalent value of any merchandise or thing of value
30 included in a jackpot or payout shall not be included in the

1 total of all sums paid out as winnings to registered players
2 for purposes of determining Internet gaming gross revenue.

3 (3) For all Internet games, including Internet poker,
4 the term shall not include registered player deposits nor
5 deposits that reflect promotional credits, incentives from
6 loyalty or similar programs, bonuses or complimentary
7 services provided by or on behalf of the slot machine
8 licensee attendant to Internet gaming or returns of funds by
9 or on behalf of a slot machine licensee to an Internet gaming
10 account or bad debt incurred by the slot machine licensee
11 with respect to an Internet gaming account.

12 "Internet gaming restricted area." Any room or area within
13 the premises of a licensed facility or other location within
14 this Commonwealth as approved by the Pennsylvania Gaming Control
15 Board to conduct Internet gaming, including, where approved by
16 the board, redundancy facilities.

17 "Internet token." A representation of value issued by an
18 Internet gaming certificate holder for use in playing an
19 Internet game and redeemable with the issuing Internet gaming
20 certificate holder for cash or cash equivalent.

21 * * *

22 "Key employee." Any individual who is employed in a director
23 or department head capacity and who is empowered to make
24 discretionary decisions that regulate slot machine or table game
25 operations or Internet gaming operations, including the general
26 manager and assistant manager of the licensed facility, director
27 of slot operations, director of table game operations, director
28 of Internet gaming, director of cage and/or credit operations,
29 director of surveillance, director of marketing, director of
30 management information systems, director of Internet gaming

1 system programs or other similar job classifications associated
2 with Internet gaming, persons who manage, control or administer
3 Internet games or the bets and wagers associated with Internet
4 games, director of security, comptroller and any employee who is
5 not otherwise designated as a gaming employee and who supervises
6 the operations of these departments or to whom these department
7 directors or department heads report and such other positions
8 not otherwise designated or defined under this part which the
9 Pennsylvania Gaming Control Board shall determine based on
10 detailed analyses of job descriptions as provided in the
11 internal controls of the licensee as approved by the
12 Pennsylvania Gaming Control Board. All other gaming employees
13 unless otherwise designated by the Pennsylvania Gaming Control
14 Board shall be classified as non-key employees.

15 * * *

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

23 (1) area of a licensed racetrack at which a slot machine
24 licensee was previously authorized pursuant to section
25 1207(17) (relating to regulatory authority of board) to
26 operate slot machines prior to the effective date of this
27 paragraph;

28 (2) board-approved interim facility or temporary
29 facility; and

30 (3) area of a hotel which the Pennsylvania Gaming

1 Control Board determines is suitable to conduct table games.
2 The term shall not include a redundancy facility or restricted
3 area which is not located on the premises of a licensed facility
4 as approved by the board and which is maintained and operated by
5 a slot machine licensee in connection with Internet gaming.

6 * * *

7 "Rake." A set fee or percentage assessed by a certificate
8 holder or a holder of an Internet gaming certificate for
9 providing the services of a dealer, gaming table or location, to
10 allow the play or operation of any nonbanking game[.], including
11 any nonbanking Internet game.

12 "Redundancy facilities." Any and all rooms or areas within
13 this Commonwealth used by a slot machine licensee for emergency
14 back-up, redundancy or secondary operations attendant to
15 Internet gaming as approved by the Pennsylvania Gaming Control
16 Board.

17 "Registered player." An individual who has entered into an
18 Internet gaming account agreement with a slot machine licensee.

19 * * *

20 "Supplier." A person that sells, leases, offers or otherwise
21 provides, distributes or services any slot machine, table game
22 device or associated equipment or Internet gaming device or
23 associated equipment for use or play of slot machines [or],
24 table games or Internet games in this Commonwealth.

25 "Supplier license." A license issued by the Pennsylvania
26 Gaming Control Board authorizing a supplier to provide products
27 or services related to slot machines, table game devices or
28 associated equipment or Internet gaming device or associated
29 equipment to slot machine licensees for use in this Commonwealth
30 for gaming purposes.

1 * * *

2 "Table game." Any banking or nonbanking game approved by the
3 Pennsylvania Gaming Control Board. The term includes roulette,
4 baccarat, blackjack, poker, craps, big six wheel, mini-baccarat,
5 red dog, pai gow, twenty-one, casino war, acey-ducey, sic bo,
6 chuck-a-luck, Panguingue, Fan-tan, Asia poker, Boston 5 stud
7 poker, Caribbean stud poker, Colorado hold'em poker, double
8 attack blackjack, double cross poker, double down stud poker,
9 fast action hold'em, flop poker, four card poker, let it ride
10 poker, mini-craps, mini-dice, pai gow poker, pokette, Spanish
11 21, Texas hold'em bonus poker, three card poker, two card joker
12 poker, ultimate Texas hold'em, winner's pot poker and any other
13 banking or nonbanking game. The term shall not include:

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

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

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

23 (4) Small games of chance as authorized under the act of
24 December 19, 1988 (P.L.1262, No.156), known as the Local
25 Option Small Games of Chance Act.

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

28 [(6) Keno.]

29 * * *

30 Section 2. Section 1202(a)(1) and (b)(20) and (23) of Title

1 4 are amended and subsection (b) is amended by adding paragraphs
2 to read:

3 § 1202. General and specific powers.

4 (a) General powers.--

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

15 * * *

16 (b) Specific powers.--The board shall have the specific
17 power and duty:

18 * * *

19 (12.2) At its discretion, to award, revoke, suspend,
20 condition or deny an Internet gaming certificate in
21 accordance with Chapter 13B (relating to Internet gaming).

22 * * *

23 (20) In addition to the power of the board regarding
24 license and permit applicants, to determine at its discretion
25 the suitability of any person who furnishes or seeks to
26 furnish to a slot machine licensee directly or indirectly any
27 goods, services or property related to slot machines, table
28 games, table game devices or associated equipment, Internet
29 games, Internet gaming devices and associated equipment or
30 through any arrangements under which that person receives

1 payment based directly or indirectly on earnings, profits or
2 receipts from the slot machines, table games, table game
3 devices and associated equipment or Internet games, Internet
4 gaming devices and associated equipment. The board may
5 require any such person to comply with the requirements of
6 this part and the regulations of the board and may prohibit
7 the person from furnishing the goods, services or property.

8 * * *

9 (23) The board shall not approve an application for or
10 issue or renew a license, certificate, registration or permit
11 unless it is satisfied that the applicant has demonstrated by
12 clear and convincing evidence that the applicant is a person
13 of good character, honesty and integrity and is a person
14 whose prior activities, criminal record, if any, reputation,
15 habits and associations do not pose a threat to the public
16 interest or the effective regulation and control of slot
17 machine or table game operations or Internet gaming
18 operations or create or enhance the danger of unsuitable,
19 unfair or illegal practices, methods and activities in the
20 conduct of slot machine or table game operations, Internet
21 gaming operations or the carrying on of the business and
22 financial arrangements incidental thereto.

23 * * *

24 (27.2) To publish each January in the Pennsylvania
25 Bulletin and on the board's Internet website a complete list
26 of all slot machine licensees who filed a petition seeking
27 authorization to conduct Internet gaming and the status of
28 each petition or Internet gaming certificate.

29 * * *

30 (35) To review detailed site plans identifying the

1 restricted area or room where a slot machine licensee
2 proposes to manage, administer or control Internet gaming
3 operations within a licensed facility to determine the
4 adequacy of the proposed internal and external security and
5 proposed surveillance measures.

6 (36) To require each slot machine licensee that holds an
7 Internet gaming certificate to provide on a quarterly basis
8 the following information with respect to Internet gaming:

9 (i) the name of any person, entity or firm to whom
10 any payment, remuneration or other benefit or thing of
11 value has been made or conferred for professional
12 services, including, but not limited to, legal,
13 consulting and lobbying services;

14 (ii) the amount or value of the payments,
15 remuneration, benefit or thing of value;

16 (iii) the date on which the payments, remuneration,
17 benefit or thing of value was made; and

18 (iv) the reason or purpose for the procurement of
19 the services.

20 Section 3. Sections 1204 and 1206(f)(1) of Title 4 are
21 amended to read:

22 § 1204. Licensed gaming entity application appeals from board.

23 The Supreme Court of Pennsylvania shall be vested with
24 exclusive appellate jurisdiction to consider appeals of any
25 final order, determination or decision of the board involving
26 the approval, issuance, denial or conditioning of a slot machine
27 license or the award, denial or conditioning of a table game
28 operation certificate or the award, denial or conditioning of an
29 Internet gaming certificate. Notwithstanding the provisions of 2
30 Pa.C.S. Ch. 7 Subch. A (relating to judicial review of

1 Commonwealth agency action) and 42 Pa.C.S. § 763 (relating to
2 direct appeals from government agencies), the Supreme Court
3 shall affirm all final orders, determinations or decisions of
4 the board involving the approval, issuance, denial or
5 conditioning of a slot machine license or the award, denial or
6 conditioning of a table game operation certificate or the award,
7 denial or conditioning of an Internet gaming certificate unless
8 it shall find that the board committed an error of law or that
9 the order, determination or decision of the board was arbitrary
10 and there was a capricious disregard of the evidence.

11 § 1206. Board minutes and records.

12 * * *

13 (f) Confidentiality of information.--

14 (1) The following information submitted by an applicant,
15 permittee [or] licensee or certificate holder pursuant to
16 section 1310(a) (relating to slot machine license application
17 character requirements) [or] 1308(a.1) (relating to
18 applications for license or permit) or 13B12(b) (relating to
19 Internet gaming certificate required and content of petition)
20 or obtained by the board or the bureau as part of a
21 background or other investigation from any source shall be
22 confidential and withheld from public disclosure:

23 (i) All information relating to character, honesty
24 and integrity, including family, habits, reputation,
25 history of criminal activity, business activities,
26 financial affairs and business, professional and personal
27 associations submitted under section 1310(a) or 1308(a.1)
28 or otherwise obtained by the board or the bureau.

29 (ii) Nonpublic personal information, including home
30 addresses, telephone numbers and other personal contact

1 information, Social Security numbers, educational
2 records, memberships, medical records, tax returns and
3 declarations, actual or proposed compensation, financial
4 account records, creditworthiness or financial condition
5 relating to an applicant, licensee [or], permittee or
6 certificate holder or the immediate family thereof.

7 (iii) Information relating to proprietary
8 information, trade secrets, patents or exclusive
9 licenses, architectural and engineering plans and
10 information relating to competitive marketing materials
11 and strategies, which may include customer-identifying
12 information or customer prospects for services subject to
13 competition.

14 (iv) Security information, including risk prevention
15 plans, detection and countermeasures, location of count
16 rooms, location of restricted areas and redundancy
17 facilities, emergency management plans, security and
18 surveillance plans, equipment and usage protocols and
19 theft and fraud prevention plans and countermeasures.

20 (v) Information with respect to which there is a
21 reasonable possibility that public release or inspection
22 of the information would constitute an unwarranted
23 invasion into personal privacy of any individual as
24 determined by the board.

25 (vi) Records of an applicant or licensee not
26 required to be filed with the Securities and Exchange
27 Commission by issuers that either have securities
28 registered under section 12 of the Securities Exchange
29 Act of 1934 (48 Stat. 881, 15 U.S.C. § 781) or are
30 required to file reports under section 15(d) of the

1 Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.
2 § 78o).

3 (vii) Records considered nonpublic matters or
4 information by the Securities and Exchange Commission as
5 provided by 17 CFR 200.80 (relating to commission records
6 and information).

7 (viii) Any financial information deemed confidential
8 by the board upon a showing of good cause by the
9 applicant or licensee.

10 * * *

11 Section 4. Section 1207(5), (8), (9) and (21) of Title 4 are
12 amended and the section is amended by adding paragraphs to read:
13 § 1207. Regulatory authority of board.

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

15 * * *

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 or
19 Internet games.

20 * * *

21 (7.2) Enforce prescribed hours for the operation of
22 Internet games so that a slot machine licensee may conduct
23 Internet games on any day during the year in order to meet
24 the needs of registered players or to meet competition.

25 (8) Require that each licensed gaming entity prohibit
26 persons under 21 years of age from operating or using slot
27 machines [or], playing table games or participating in
28 Internet gaming.

29 (9) Establish procedures for the inspection and
30 certification of compliance of each slot machine, table game,

1 table game device and associated equipment and Internet game,
2 Internet gaming device and associated equipment prior to
3 being placed into use by a slot machine licensee.

4 * * *

5 (21) Authorize, in its discretion, a slot machine
6 licensee to conduct slot machine tournaments or Internet
7 gaming tournaments and adopt regulations governing the
8 conduct of such tournaments.

9 (22) License, regulate, investigate and take any other
10 action determined necessary regarding all aspects of Internet
11 gaming.

12 (23) Define and limit the areas of operation and the
13 rules of authorized Internet games, including odds, devices
14 permitted and the method of operation of Internet games,
15 Internet gaming devices and associated equipment.

16 (24) Require that all wagering offered through Internet
17 gaming display online the permissible minimum and maximum
18 wagers associated with each Internet game.

19 Section 5. Section 1211 of Title 4 is amended by adding
20 subsections to read:

21 § 1211. Reports of board.

22 * * *

23 (a.4) Internet gaming reporting requirements.--

24 (1) No later than 12 months after the effective date of
25 Chapter 13B (relating to Internet gaming) and every year
26 thereafter, the annual report submitted by the board in
27 accordance with subsection (a) shall include information on
28 the conduct of Internet games as follows:

29 (i) Total gross Internet gaming revenue.

30 (ii) The number and win by type of Internet game at

1 each licensed facility conducting Internet gaming during
2 the previous year.

3 (iii) All taxes, fees, fines and other revenue
4 collected and, where appropriate, revenue disbursed
5 during the previous year. The department shall
6 collaborate with the board to carry out the requirements
7 of this subparagraph.

8 (iv) Other information, data and recommendations
9 related to the conduct of Internet games and
10 recommendations regarding the operation of Internet
11 gaming by licensed gaming entities.

12 (2) The board may also report periodically to the
13 Governor and the General Assembly on the effectiveness of the
14 statutory and regulatory control in place to ensure the
15 integrity of Internet gaming.

16 (3) The board may require the Internet gaming
17 certificate holders to provide information to the board to
18 assist in the preparation of the report.

19 * * *

20 (d.1) Impact of Internet gaming, annual report.--One year
21 after the commencement of Internet gaming in this Commonwealth,
22 an annual report shall be prepared and distributed to the
23 Governor, and the standing committees of the General Assembly
24 with jurisdiction over this part, on the impact of Internet
25 gaming on compulsive and problem gambling and gambling addiction
26 in this Commonwealth. The report shall be prepared by a private
27 organization or entity with expertise in serving and treating
28 the needs of persons with compulsive gambling addictions, which
29 organization or entity shall be selected by the Department of
30 Drug and Alcohol Programs. The report may be prepared and

1 distributed under the supervision of and in coordination with
2 the board. Any costs associated with the preparation and
3 distribution of the report shall be borne by slot machine
4 licensees who have been authorized by the board to conduct
5 Internet gaming. The board shall be authorized to assess a fee
6 against each slot machine licensee for these purposes.

7 * * *

8 Section 6. Section 1212(e) of Title 4 is amended by adding a
9 paragraph to read:

10 § 1212. Diversity goals of board.

11 * * *

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

16 * * *

17 (9) Technology related to Internet games, Internet
18 gaming devices and associated equipment.

19 Section 7. Section 1305 of Title 4 is amended by adding a
20 subsection to read:

21 § 1305. Category 3 slot machine license.

22 * * *

23 (c.1) Internet gaming.--Notwithstanding any provision of
24 Chapter 13B (relating to Internet gaming), the operation of
25 Internet gaming by a Category 3 slot machine licensee shall be
26 subject to the patron of the amenities requirements of this
27 section. The board shall, through regulation, determine the
28 criteria and conditions under which Internet games may be
29 operated by a Category 3 slot machine licensee. Such regulations
30 shall require that individuals seeking to participate in

1 Internet gaming operated by a Category 3 slot machine licensee
2 shall only be individuals who hold a valid seasonal or year-
3 round membership, as approved by the board, which entitles the
4 individuals to use one or more of the amenities available at the
5 Category 3 licensed facility and a valid Internet gaming account
6 with the Category 3 slot machine licensee.

7 * * *

8 Section 8. Sections 1309(a.1), 1317(a) and (c.1), 1317.1 and
9 13A27(c) of Title 4 are amended to read:

10 § 1309. Slot machine license application.

11 * * *

12 (a.1) Table games and Internet gaming information.--

13 (1) An applicant for a slot machine license may submit
14 with its application all information required under Chapter
15 13A (relating to table games) or under Chapter 13B (relating
16 to Internet gaming) and request that the board consider its
17 application for a slot machine license [and], a table game
18 operation certificate or an Internet gaming certificate
19 concurrently. All fees for a table game operation certificate
20 shall be paid by the applicant in accordance with section
21 13A61 (relating to table game authorization fee) or section
22 13B51 (relating to Internet gaming authorization fee).

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

1 section 13A61.

2 (3) Notwithstanding paragraph (2), the board may permit
3 an applicant for a slot machine license that has an
4 application pending before the board to supplement its
5 application with all information required under Chapter 13B
6 and to request that the board consider its application for a
7 slot machine license, a table game operation certificate or
8 an Internet gaming certificate concurrently. All fees for an
9 Internet gaming certificate shall be paid by the applicant in
10 accordance with section 13B51.

11 * * *

12 § 1317. Supplier licenses.

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

22 * * *

23 (c.1) Abbreviated process.--In the event an applicant for a
24 supplier license to supply table game devices or associated
25 equipment used in connection with table games or Internet gaming
26 devices or associated equipment used in connection with Internet
27 games is licensed by the board under this section to supply slot
28 machines or associated equipment used in connection with slot
29 machines, the board may determine to use an abbreviated process
30 requiring only that information determined by the board to be

1 necessary to consider the issuance of a license to supply table
2 game devices or associated equipment used in connection with
3 table games or Internet gaming devices or associated equipment
4 used in connection with Internet games, including financial
5 viability of the applicant. Nothing in this section shall be
6 construed to waive any fees associated with obtaining a license
7 through the normal application process. The board may only use
8 the abbreviated process if all of the following apply:

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

13 (2) The person to whom the supplier license was issued
14 affirms there has been no material change in circumstances
15 relating to the license.

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

20 * * *

21 § 1317.1. Manufacturer licenses.

22 (a) Application.--A person seeking to manufacture slot
23 machines, table game devices and associated equipment or
24 Internet gaming devices or associated equipment for use in this
25 Commonwealth shall apply to the board for a manufacturer
26 license.

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

30 (1) The name and business address of the applicant and

1 the applicant's affiliates, intermediaries, subsidiaries and
2 holding companies; the principals and key employees of each
3 business; and a list of employees and their positions within
4 each business, as well as any financial information required
5 by the board.

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

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

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

19 (5) The type of slot machines, table game devices or
20 associated equipment or Internet gaming devices or associated
21 equipment to be manufactured or repaired.

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

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

28 (1) The initial license shall be for a period of one
29 year, and, if renewed under subsection (d), the license shall
30 be for a period of three years. Nothing in this paragraph

1 shall relieve the licensee of the affirmative duty to notify
2 the board of any changes relating to the status of its
3 license or to any other information contained in application
4 materials on file with the board.

5 (2) The license shall be nontransferable.

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

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

25 (1) The manufacturer license was issued by the board
26 within a 36-month period immediately preceding the date the
27 manufacturer licensee files an application to manufacture
28 table game devices or associated equipment[.] or the
29 manufacturer license was issued by the board within a 36-
30 month period preceding the date the manufacturer licensee

1 filed an application to manufacture Internet gaming devices
2 or associated equipment.

3 (2) The person to whom the manufacturer license was
4 issued affirms there has been no material change in
5 circumstances relating to the license.

6 (3) The board determines, in its sole discretion, that
7 there has been no material change in circumstances relating
8 to the licensee that necessitates that the abbreviated
9 process not be used.

10 (d) Renewal.--

11 (1) Two months prior to expiration of a manufacturer
12 license, the manufacturer licensee seeking renewal of its
13 license shall submit a renewal application accompanied by the
14 renewal fee to the board.

15 (2) If the renewal application satisfies the
16 requirements of subsection (b), the board may renew the
17 licensee's manufacturer license.

18 (3) If the board receives a complete renewal application
19 but fails to act upon the renewal application prior to the
20 expiration of the manufacturer license, the manufacturer
21 license shall continue in effect for an additional six-month
22 period or until acted upon by the board, whichever occurs
23 first.

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

26 (1) A manufacturer or its designee, as licensed by the
27 board, may supply or repair any slot machine, table game
28 device or associated equipment or Internet gaming device or
29 associated equipment manufactured by the manufacturer,
30 provided the manufacturer holds the appropriate manufacturer

1 license.

2 (2) A manufacturer of slot machines may contract with a
3 supplier under section 1317 (relating to supplier licenses)
4 to provide slot machines or associated equipment to a slot
5 machine licensee within this Commonwealth, provided the
6 supplier is licensed to supply slot machines or associated
7 equipment used in connection with slot machines.

8 (3) A manufacturer may contract with a supplier under
9 section 1317 to provide table game devices or associated
10 equipment to a certificate holder, provided the supplier is
11 licensed to supply table game devices or associated equipment
12 used in connection with table games.

13 (4) A manufacturer may contract with a supplier under
14 section 1317 to provide Internet gaming devices or associated
15 equipment to an Internet gaming certificate holder, provided
16 that the supplier is licensed to supply Internet gaming
17 devices or associated equipment used in connection with
18 Internet games.

19 (e) Prohibitions.--

20 (1) No person may manufacture slot machines, table game
21 devices or associated equipment or Internet gaming devices or
22 associated equipment for use within this Commonwealth by a
23 slot machine licensee unless the person has been issued the
24 appropriate manufacturer license under this section.

25 (2) Except as permitted in section 13A23.1 (relating to
26 training equipment) or, in the case of Internet gaming,
27 authorized by the board, no slot machine licensee may use
28 slot machines, table game devices or associated equipment or
29 Internet gaming devices or associated equipment unless the
30 slot machines, table game devices or associated equipment or

1 Internet gaming devices or associated equipment were
2 manufactured by a person that has been issued the appropriate
3 manufacturer license under this section.

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

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

10 § 13A27. Other financial transactions.

11 * * *

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

14 (1) The identity, creditworthiness and indebtedness
15 information of the applicant by conducting a comprehensive
16 review of the information submitted with the application and
17 any information regarding the applicant's credit activity at
18 other licensed facilities which the certificate holder may
19 obtain through a casino credit bureau and, if appropriate,
20 through direct contact with other slot machine licensees.

21 (2) That the applicant's name is not included on an
22 exclusion list under section 1514 (relating to regulation
23 requiring exclusion [or], ejection or denial of access of
24 certain persons) or 1516 (relating to list of persons self
25 excluded from gaming activities) or the voluntary credit
26 suspension list under subsection (h).

27 * * *

28 Section 9. Title 4 is amended by adding a chapter to read:

29 CHAPTER 13B

30 INTERNET GAMING

- 1 Subchapter
- 2 A. General Provisions
- 3 B. Internet Gaming Authorized
- 4 C. Conduct of Internet Gaming
- 5 D. Facilities and Equipment
- 6 E. Testing and Certification
- 7 F. Taxes and Fees
- 8 G. Miscellaneous Provisions

9 SUBCHAPTER A

10 GENERAL PROVISIONS

11 Sec.

12 13B01. Legislative finding.

13 13B02. Regulatory authority.

14 13B03. Temporary Internet gaming regulations.

15 § 13B01. Legislative finding.

16 The General Assembly finds and declares that:

17 (1) The primary objective of the Pennsylvania Race Horse
18 Development and Gaming Act, to which all other objectives are
19 secondary, is to protect the public through the regulation
20 and policing of all activities involving gaming and practices
21 that continue to be unlawful.

22 (2) Legislative authorization of slot machine gaming and
23 the conduct of table games is intended to enhance live horse
24 racing, breeding programs, entertainment and employment in
25 this Commonwealth.

26 (3) Legalized gaming is seen as a means to provide a
27 source of revenue for property and wage tax relief and
28 economic development and to enhance development of tourism
29 markets throughout this Commonwealth.

30 (4) Legalized gaming in the Category I, Category II and

1 Category III licensed facilities geographically dispersed in
2 this Commonwealth has become a critical component of economic
3 development and, if its development continues to be properly
4 regulated and fostered, will provide a substantial
5 contribution to the general health, welfare and prosperity of
6 this Commonwealth and its citizens.

7 (5) The General Assembly remains committed to ensuring a
8 robust casino gaming industry in this Commonwealth that is
9 capable of competing regionally, nationally and
10 internationally at the highest levels of quality while
11 maintaining strict regulatory oversight to ensure the
12 integrity of all gaming operations as supervised by the
13 board.

14 (6) Since its development, the Internet has provided the
15 opportunity for millions of people worldwide to engage in
16 online gambling, mostly through illegal off-shore operations.

17 (7) In 2006, the United States Congress passed and the
18 President signed the Unlawful Internet Gambling Enforcement
19 Act of 2006 (Public Law 109-347, 31 U.S.C. § 5361 et seq.),
20 which generally prohibits the use of banking instruments,
21 including credit cards, checks and money transfers for
22 interstate Internet gambling.

23 (8) Although the Unlawful Internet Gambling Enforcement
24 Act of 2006 prohibits interstate Internet gambling by United
25 States citizens, it included an exception that permits
26 individual states to create a regulatory framework to govern
27 intrastate Internet gambling, provided that the bets or
28 wagers would be made exclusively within a single state under
29 certain circumstances.

30 (9) Internet gaming is illegal in this Commonwealth and

1 without legislative authorization and strict regulation, the
2 public's trust and confidence in gaming is impacted.

3 (10) Internet gambling is conducted without oversight,
4 regulation or enforcement, all of which raises significant
5 concerns for the protection of the health, welfare and safety
6 of the citizens of this Commonwealth.

7 (11) An effective regulatory, licensing and enforcement
8 system for Internet gambling in this Commonwealth would
9 inhibit underage wagering and otherwise protect vulnerable
10 individuals, ensure that the games offered through the
11 Internet are fair and safe, stop sending much-needed jobs,
12 tax and other revenue offshore to illegal operators, provide
13 a significant source of taxable revenue, create jobs and
14 economic development and address the concerns of law
15 enforcement.

16 (12) By legalizing intrastate Internet gambling and
17 subjecting it to the regulatory oversight of the board, the
18 General Assembly is assuring the citizens of this
19 Commonwealth that only those persons licensed by the board to
20 conduct slot machine gaming and table games in accordance
21 with the requirements of this title have been determined to
22 be suitable to facilitate and conduct online gaming
23 activities in this Commonwealth.

24 (13) By legalizing intrastate Internet gambling, the
25 General Assembly will provide the board with the tools
26 necessary to restrict and stop illegal gambling conducted
27 over the Internet through persons in foreign jurisdictions
28 and authorize strict controls over how licensed facilities in
29 this Commonwealth may accept wagers placed over the Internet.

30 (14) An effective regulatory, licensing and enforcement

1 system to govern Internet gambling in this Commonwealth is
2 consistent with the original objectives and intent of the
3 Pennsylvania Race Horse Development and Gaming Act and will
4 provide the citizens of this Commonwealth with assurance that
5 access to and the conduct of Internet gambling activities
6 will not occur in locations adjacent or in close proximity to
7 historic sights, battlefields, churches and schools, thereby
8 ensuring the public trust and confidence in legalized
9 gambling in this Commonwealth.

10 (15) The Commonwealth has a legitimate State interest in
11 protecting the integrity of State-authorized intrastate
12 Internet gaming by licensing those entities already engaged
13 in the conduct of gaming in this Commonwealth, which are
14 subject to the scrutiny and discipline of the board and other
15 regulatory agencies and which are in good standing with those
16 agencies.

17 § 13B02. Regulatory authority.

18 (a) Authority.--The board shall promulgate and adopt rules
19 and regulations to govern Internet gaming in order for Internet
20 gaming to be implemented in a manner that provides for the
21 security and effective management, administration and control of
22 Internet gaming, including, but not limited to, regulations:

23 (1) Ensuring that Internet games are offered for play in
24 this Commonwealth in a manner that is consistent with Federal
25 law and the provisions of this chapter.

26 (2) Establishing standards and procedures for testing
27 and approving Internet games and Internet gaming devices and
28 associated equipment, and any variations or composites of
29 authorized Internet games, provided that the board determines
30 that the Internet games and any new Internet games or any

1 variations or composites are suitable for use after a test or
2 experimental period under any terms and conditions as the
3 board may deem appropriate. The board may give priority to
4 the testing of Internet games, Internet gaming devices and
5 associated equipment or other gaming equipment which a slot
6 machine licensee has certified that it will use to conduct
7 Internet gaming in this Commonwealth.

8 (3) Establishing standards and rules to govern the
9 conduct of Internet gaming and the system of and wagering
10 associated with Internet gaming, including internal controls
11 and accounting controls, and the type, number, payout,
12 wagering limits and rules for Internet games.

13 (4) Establishing the method for calculating Internet
14 gaming gross revenue and standards for the daily counting and
15 recording of cash and cash equivalents received in the
16 conduct of Internet games and ensure that internal controls
17 and accounting controls are followed, including the
18 maintenance of financial books and records and the conduct of
19 audits. The board shall consult with the department in
20 establishing these regulations.

21 (5) Establishing notice requirements pertaining to
22 minimum and maximum wagers on Internet games. Minimum and
23 maximum wagers may be adjusted by the slot machine licensee
24 in the normal course of conducting an Internet game, except
25 that changes in the minimum wagers of any Internet game shall
26 not apply to players already engaged in wagering on an
27 Internet game when the minimum wager is changed, unless 30
28 minutes' notice is provided electronically in a form and
29 manner approved by the board.

30 (6) Ensuring that all facilities, Internet gaming

1 devices and associated equipment are arranged in a manner to
2 promote appropriate security for Internet gaming.

3 (7) Establishing technical standards for the approval of
4 Internet games, Internet gaming devices and associated
5 equipment, including mechanical, electrical or program
6 reliability, security against tampering, the
7 comprehensibility of wagering and noise and light levels, as
8 it may deem necessary to protect registered players from
9 fraud or deception.

10 (8) Governing the creation and utilization of Internet
11 gaming accounts by registered players, including requiring
12 the following:

13 (i) That Internet gaming accounts shall be possessed
14 by a natural person and not in the name of any
15 beneficiary, custodian, joint trust, corporation,
16 partnership or other organization or entity.

17 (ii) That Internet gaming accounts shall not be
18 assignable or otherwise transferable.

19 (iii) That no account shall be established for an
20 individual under 21 years of age.

21 (iv) That all Internet gaming accounts shall be
22 established in person at a licensed facility.

23 (9) Establishing procedures for Internet gaming account
24 holders to log into their gaming accounts, authenticate
25 identities, agree to terms, conditions and rules applicable
26 to Internet games and log out of gaming accounts, including
27 procedures for automatically logging off persons from an
28 Internet game after a specified period of inactivity.

29 (10) Establishing procedures for:

30 (i) Acquiring funds in an Internet gaming account by

1 cash, transfer or other means.

2 (ii) The withdrawal of funds from Internet gaming
3 accounts.

4 (iii) The suspension of Internet gaming account
5 activity for security reasons.

6 (iv) The termination of Internet gaming accounts and
7 disposition of proceeds in accounts.

8 (v) The disposition of unclaimed amounts in dormant
9 Internet gaming accounts.

10 (11) Establishing mechanisms by which registered players
11 may place limits on the amount of money being wagered per
12 Internet game or during any specified time period or the
13 amount of losses incurred during any specified time period.

14 (12) Establishing mechanisms to exclude from Internet
15 gaming persons not eligible to play by reason of age,
16 location or inclusion on a list of persons denied access to
17 Internet gaming activities in accordance with sections 1514
18 (relating to regulation requiring exclusion, ejection or
19 denial of access of certain persons), 1515 (relating to
20 repeat offenders excludable from licensed gaming facility)
21 and 1516 (relating to list of persons self excluded from
22 gaming activities).

23 (13) Establishing procedures for the protection,
24 security and reliability of Internet gaming accounts,
25 Internet games, Internet gaming devices and associated
26 equipment and mechanisms to prevent tampering or utilization
27 by unauthorized persons.

28 (14) Establishing data security standards to govern age
29 and location verification of persons engaged in Internet
30 gaming activity.

1 (15) Requiring each slot machine licensee to:

2 (i) Provide written information on its Internet
3 gaming website, which explains the rules for each
4 Internet game, payoffs or winning wagers and other
5 information as the board may require.

6 (ii) Provide specifications approved by the board to
7 integrate and update the licensed facility's surveillance
8 system to cover all areas in the licensed facility where
9 Internet gaming will be managed, administered or
10 controlled. The specifications shall include provisions
11 providing the board and other persons authorized by the
12 board with onsite access to the surveillance system or
13 its signal.

14 (iii) Designate one or more restricted areas within
15 the licensed facility where Internet gaming activity will
16 be managed, administered or controlled.

17 (iv) Provide the board with access to the Internet
18 website, signal or transmission used in connection with
19 Internet gaming.

20 (v) Ensure that visibility in the designated
21 restricted area in the licensed facility where Internet
22 gaming will be managed, administered or controlled is not
23 obstructed in any way that could interfere with the
24 ability of the slot machine licensee, the board and other
25 persons authorized by the board or other persons
26 authorized under this part to oversee the surveillance of
27 the conduct of Internet gaming operations.

28 (vi) Adopt procedures for the recordation,
29 replication and storage of all play and transactions for
30 a period to be determined by the board.

1 (vii) Provide statements on its Internet gaming
2 website about the permissible minimum and maximum wagers
3 for each Internet game, as applicable.

4 (viii) Adopt policies or procedures to prohibit any
5 unauthorized person from having access to Internet gaming
6 devices and associated equipment, including software,
7 system programs, hardware and any other gaming equipment
8 which is used to manage, administer or control Internet
9 gaming.

10 (ix) Adopt data security standards to verify the age
11 and location of persons engaged in Internet gaming
12 activity and prevent unauthorized access by any person
13 whose age and location have not been verified or whose
14 age and location cannot be verified in accordance with
15 regulations adopted by the board.

16 (x) Adopt standards to protect the privacy and
17 security of persons engaged in Internet gaming activity.

18 (xi) Collect, report and pay any and all applicable
19 taxes and fees and maintain all books, records and
20 documents related to the slot machine licensee's Internet
21 gaming activities in a manner and in a location within
22 this Commonwealth as approved by the board or the
23 department. All books, records and documents shall be
24 immediately available for inspection during all hours of
25 operation in accordance with the regulations of the board
26 and shall be maintained in a manner and during periods of
27 time as the board shall by regulation require.

28 (b) Additional authority.--

29 (1) At its discretion, the board may determine whether
30 persons that provide the following goods or services and any

1 other goods or services related to Internet gaming as the
2 board may determine shall be required to obtain a license,
3 permit or other authorization:

4 (i) Payment processing and related money
5 transmitting and services.

6 (ii) Customer identity or age verification and
7 geospatial technology services.

8 (iii) General telecommunications services, which are
9 not specifically designed for or related to Internet
10 gaming.

11 (iv) Other goods or services that are not
12 specifically designed for use with Internet gaming if the
13 persons providing the goods or services are not paid a
14 percentage of gaming revenue or of money gambled on
15 Internet games or of online poker commission fees by the
16 slot machine licensee, not including fees to financial
17 institutions and payment providers for facilitating a
18 deposit by an Internet gaming account holder.

19 (2) The board shall develop a classification system for
20 the licensure, permitting or other authorization of persons
21 that provide the following goods or services related to
22 Internet gaming:

23 (i) Persons that provide Internet games and Internet
24 gaming devices and associated equipment.

25 (ii) Persons that manage, control or administer the
26 Internet games or the wagers associated with Internet
27 games.

28 (iii) Providers of customer lists comprised of
29 persons identified or selected, in whole or in part,
30 because they placed wagers on Internet gaming.

1 § 13B03. Temporary Internet gaming regulations.

2 (a) Promulgation.--

3 (1) In order to facilitate the prompt implementation of
4 this chapter, regulations promulgated by the board shall be
5 deemed temporary regulations which shall expire not later
6 than two years following the publication of the temporary
7 regulation in the Pennsylvania Bulletin and on the board's
8 Internet website.

9 (2) The board may promulgate temporary regulations not
10 subject to:

11 (i) Sections 201, 202, 203, 204 and 205 of the act
12 of July 31, 1968 (P.L.769, No.240), referred to as the
13 Commonwealth Documents Law.

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

16 (iii) Sections 204(b) and 301(10) of the act of
17 October 15, 1980 (P.L.950, No.164), known as the
18 Commonwealth Attorneys Act.

19 (b) Temporary regulations.--The board shall begin publishing
20 temporary regulations governing the rules for Internet gaming,
21 the issuance of Internet gaming certificates, standards for
22 approving licensing of providers of Internet games, Internet
23 gaming devices and associated equipment, including age and
24 location verification software or system programs and security
25 and surveillance standards in the Pennsylvania Bulletin not
26 later than February 1, 2017.

27 (c) Expiration of temporary regulations.--Except for
28 temporary regulations governing the rules for new Internet
29 games, for approving Internet games, Internet gaming devices and
30 associated equipment and for approving providers of Internet

1 games, Internet gaming devices and associated equipment, the
2 board's authority to adopt temporary regulations under
3 subsection (a) shall expire two years after the effective date
4 of this section. Regulations adopted after this period shall be
5 promulgated as provided by law.

6 SUBCHAPTER B

7 INTERNET GAMING AUTHORIZED

8 Sec.

9 13B11. Authorization to conduct Internet gaming.

10 13B12. Internet gaming certificate required and content of
11 petition.

12 13B13. Issuance of Internet gaming certificate.

13 13B14. Internet gaming certificate.

14 13B15. Timing of initial Internet gaming authorizations.

15 § 13B11. Authorization to conduct Internet gaming.

16 (a) Authority of board.--

17 (1) The board may authorize a slot machine licensee:

18 (i) To conduct Internet gaming, including contests
19 and tournaments and any other game which is determined by
20 the board to be suitable for Internet gaming.

21 (ii) To deploy an Internet gaming website to
22 facilitate the conduct of Internet gaming activities.

23 (2) All individuals playing Internet games must be
24 physically located within this Commonwealth. No individual
25 under 21 years of age shall open, maintain, use or have
26 access to an Internet gaming account.

27 (b) Authority to play Internet games.--Notwithstanding any
28 other provision of law, a person in this Commonwealth who is 21
29 years of age or older is hereby permitted to participate as a
30 registered player in Internet gaming activities and wagering

1 associated with playing an Internet game offered by a slot
2 machine licensee in this Commonwealth in accordance with
3 regulations of the board.

4 § 13B12. Internet gaming certificate required and content of
5 petition.

6 (a) Certificate required.--No slot machine licensee or any
7 other person associated with or representing a slot machine
8 licensee shall operate or attempt to conduct Internet gaming,
9 except for test purposes, at a licensed facility or open
10 Internet gaming to the public in this Commonwealth without first
11 obtaining an Internet gaming certificate from the board. A slot
12 machine licensee may seek approval to conduct Internet gaming by
13 filing a petition for an Internet gaming certificate with the
14 board. The board shall prescribe the form and manner to govern
15 the submission of a petition for an Internet gaming certificate.
16 Not more than one Internet gaming certificate shall be issued to
17 operate Internet gaming within a licensed facility in this
18 Commonwealth.

19 (b) Content of petition.--In addition to information and
20 documentation demonstrating that the slot machine licensee is
21 legally and technically qualified for an Internet gaming
22 certificate under this chapter, a petition seeking board
23 approval to conduct Internet gaming within this Commonwealth
24 shall include the following:

25 (1) The name, business address and contact information
26 of the slot machine licensee.

27 (2) The name and business address, job title and a
28 photograph of each principal and key employee of the slot
29 machine licensee who will be involved in the conduct of
30 Internet gaming and who is not currently licensed by the

1 board, if known.

2 (3) The name and business address, job title and a
3 photograph of each principal or key employee of the slot
4 machine licensee who will be involved in the conduct of
5 Internet gaming and who is currently licensed by the board.

6 (4) An itemized list of the Internet games and any other
7 game or games the slot machine licensee plans to offer over
8 the Internet for which authorization is being sought. The
9 slot machine licensee shall, in accordance with regulations
10 promulgated by the board, file any changes in the number of
11 authorized games offered through Internet gaming with the
12 board.

13 (5) The estimated number of full-time and part-time
14 employment positions that will be created at the licensed
15 facility if Internet gaming operations are authorized and an
16 updated hiring plan under section 1510(a) (relating to labor
17 hiring preferences) which outlines the slot machine
18 licensee's plan to promote the representation of diverse
19 groups and Commonwealth residents in the employment
20 positions.

21 (6) A brief description of the economic benefits
22 expected to be realized by the Commonwealth, its
23 municipalities and its residents if Internet gaming
24 operations are authorized.

25 (7) The details of any financing obtained or that will
26 be obtained to fund an expansion or modification of the
27 licensed facility to accommodate Internet gaming activities
28 and to otherwise fund the cost of commencing Internet gaming
29 operations.

30 (8) Information and documentation concerning financial

1 background and resources, as the board may require, to
2 establish by clear and convincing evidence the financial
3 stability, integrity and responsibility of the slot machine
4 licensee.

5 (9) Information and documentation, as the board may
6 require, to establish by clear and convincing evidence that
7 the slot machine licensee has sufficient business ability and
8 experience to create and maintain a successful Internet
9 gaming operation. In making this determination, the board may
10 consider the results of the slot machine licensee's slot
11 machine and table game operations, including financial
12 information, employment data and capital investment.

13 (10) Information and documentation, as the board may
14 require, to establish by clear and convincing evidence that
15 the slot machine licensee has or will have the financial
16 ability to pay the Internet gaming authorization fee.

17 (11) Detailed site plans identifying the slot machine
18 licensee's proposed restricted area where Internet gaming
19 operations will be managed, administered or controlled within
20 the licensed facility as approved by the board.

21 (12) A detailed description of all of the following:

22 (i) The slot machine licensee's initial system of
23 internal and accounting controls applicable to Internet
24 gaming.

25 (ii) The slot machine licensee's proposed standards
26 to protect, with a reasonable degree of certainty, the
27 privacy and security of its registered players.

28 (iii) How the slot machine licensee will facilitate
29 compliance with all of the requirements set forth in this
30 chapter and in section 802(a) of the Unlawful Internet

1 Gambling Enforcement Act of 2006 (Public Law 109-347, 31
2 U.S.C. § 5362(10)(B)), including, but not limited to, all
3 of the following:

4 (A) Age and location verification requirements
5 designed to block access to individuals under 21
6 years of age and persons located outside this
7 Commonwealth.

8 (B) Appropriate data security standards to
9 prevent unauthorized access by any person whose age
10 and location have not been verified or whose age and
11 location cannot be verified in accordance with this
12 chapter and applicable regulations of the board.

13 (C) The requirement that all Internet gaming be
14 initiated and received or otherwise made exclusively
15 within this Commonwealth.

16 (iv) The slot machine licensee's proposed age and
17 location verification standards designed to block access
18 to persons under 21 years of age, persons located outside
19 this Commonwealth and persons excluded or prohibited from
20 participating in Internet gaming activities under this
21 part.

22 (v) The procedures the slot machine licensee will
23 use to register individuals who wish to participate in
24 Internet gaming activities.

25 (vi) The procedures the slot machine licensee will
26 use to establish Internet gaming accounts for registered
27 players.

28 (vii) The Internet games and services the slot
29 machine licensee proposes to offer to registered players.

30 (viii) Documentation and information relating to all

1 proposed subcontractors of the slot machine licensee,
2 including, but not limited to, all of the following:

3 (A) A description of the services to be provided
4 by each subcontractor.

5 (B) Information on the experience and
6 qualifications of each subcontractor to provide the
7 services anticipated.

8 (C) The names of all proposed subcontractors,
9 owners, executives and employees that will be
10 directly or indirectly involved in the slot machine
11 licensee's Internet gaming operations, as well as
12 sufficient personal identifying information on each
13 such person to conduct background checks as may be
14 required by the board.

15 (13) The Internet gaming devices and associated
16 equipment, including the computer system or systems, that the
17 slot machine licensee plans to or will utilize to manage,
18 administer or control its Internet gaming operations,
19 including, but not limited to:

20 (i) Connectivity.

21 (ii) Software and hardware.

22 (iii) Antifraud systems.

23 (iv) Virus and hacker protection.

24 (v) Data protection.

25 (vi) Access controls.

26 (vii) Firewalls.

27 (viii) Emergency and disaster recovery.

28 (ix) Redundancy.

29 (x) Internet gaming devices and associated
30 equipment, including, but not limited to, hardware and

1 software that ensure all of the following:

2 (A) The Internet games are authorized Internet
3 games.

4 (B) The Internet games are independent and fair
5 and played by natural persons.

6 (C) Internet game and wagering rules are
7 available to all registered players.

8 (D) All data used for the operation of each
9 Internet game is randomly generated.

10 (14) Compliance certification of its Internet gaming
11 devices and associated equipment, including Internet gaming
12 software, by a board-approved gaming laboratory to ensure
13 that the gaming software complies with the requirements of
14 this chapter, if required by the board.

15 (15) Detailed description of accounting systems,
16 including, but not limited to, accounting systems for all of
17 the following:

18 (i) Registered Internet gaming accounts.

19 (ii) Per-hand charges, if applicable.

20 (iii) Transparency and reporting to the board and
21 the department.

22 (iv) Distribution of revenue to the Commonwealth and
23 winnings to registered players.

24 (v) Ongoing auditing and internal control compliance
25 reviews.

26 (16) Detailed information on security systems at the
27 licensed facility to protect the Internet gaming website from
28 internal and external breaches and threats.

29 (17) Any other information as the board may require.

30 (c) Confidentiality.--Information submitted to the board

1 under subsection (b) may be considered confidential by the board
2 if the information would be confidential under section 1206(f)
3 (relating to board minutes and records).

4 § 13B13. Issuance of Internet gaming certificate.

5 (a) Requirements for approval of petition.--

6 (1) The board may approve a petition under section 13B12
7 (relating to Internet gaming certificate required and content
8 of petition) upon finding clear and convincing evidence of
9 all of the following:

10 (i) The slot machine licensee's Internet gaming
11 operations comply in all respects with the requirements
12 of this chapter and regulations promulgated by the board.

13 (ii) Age and location verification requirements
14 designed to block access to individuals under 21 years of
15 age, persons located outside of this Commonwealth and
16 those persons excluded, denied access or prohibited from
17 Internet gaming in accordance with this chapter, as
18 approved by the board, have been implemented by the slot
19 machine licensee.

20 (iii) The slot machine licensee has implemented or
21 will implement appropriate data security standards to
22 prevent unauthorized access by any person whose age and
23 location has not been verified or cannot be verified in
24 accordance with the regulations promulgated and adopted
25 by the board.

26 (iv) The slot machine licensee has implemented or
27 will implement appropriate standards to protect the
28 privacy and security of registered players.

29 (v) The slot machine licensee's initial system of
30 internal and accounting controls applicable to Internet

1 gaming, and the security and integrity of all financial
2 transactions in connection with the system, complies with
3 this chapter and regulations promulgated and adopted by
4 the board.

5 (vi) The slot machine licensee is in good standing
6 with the board.

7 (vii) The conduct of Internet gaming activities will
8 have a positive economic impact on this Commonwealth, its
9 municipalities and residents through increased revenue
10 and employment opportunities.

11 (viii) The slot machine licensee agrees that the
12 number of slot machines and table games in operation at
13 its licensed facility, as of the effective date of this
14 section, will not be permanently reduced as a result of
15 the authorization and commencement of Internet gaming.

16 (2) It shall be an express condition of any Internet
17 gaming certificate that a slot machine licensee shall
18 collect, report and pay all applicable taxes and fees and
19 shall maintain all books, records and documents pertaining to
20 the slot machine licensee's Internet gaming operations in a
21 manner and location within this Commonwealth as approved by
22 the board. All books, records and documents shall be
23 immediately available for inspection by the board during all
24 hours of operation in accordance with the regulations of the
25 board and shall be maintained in a manner and during periods
26 of time as the board shall require.

27 (b) Issuance of Internet gaming certificate.--

28 (1) Upon approval of a petition for an Internet gaming
29 certificate, the board shall issue an Internet gaming
30 certificate to the slot machine licensee. The issuance of an

1 Internet gaming certificate prior to the full payment of the
2 authorization fee required under section 13B51 (relating to
3 Internet gaming authorization fee) shall not relieve the slot
4 machine licensee from the obligation to pay the authorization
5 fee in accordance with the requirements of section 13B51.

6 (2) Upon issuing an Internet gaming certificate, the
7 board shall amend the slot machine licensee's statement of
8 conditions to require the slot machine license to include
9 conditions pertaining to the requirements of this chapter.

10 (c) Term of Internet gaming certificate.--Subject to the
11 power of the board to deny, revoke or suspend an Internet gaming
12 certificate issued in accordance with the requirements of this
13 section, an Internet gaming certificate shall be renewed every
14 three years and shall be subject to the requirements of section
15 1326 (relating to license renewals).

16 (d) Sanctions.--A slot machine licensee that fails to abide
17 by the requirements of this chapter or any condition contained
18 in the slot machine licensee's statement of conditions governing
19 the operation of Internet gaming shall be subject to board-
20 imposed administrative sanctions or other penalties authorized
21 under this part.

22 (e) Background investigations.--Each petition for an
23 Internet gaming certificate shall be accompanied by a
24 nonrefundable fee established by the board to cover the cost of
25 background investigations. The board shall determine by
26 regulation the persons involved, directly or indirectly, in a
27 slot machine licensee's Internet gaming operations who shall be
28 subject to background investigation. The reasonable and
29 necessary costs and expenses incurred in any background
30 investigation or other investigation or proceeding under this

1 chapter shall be reimbursed to the board.

2 § 13B14. Internet gaming certificate.

3 The following shall apply:

4 (1) An Internet gaming certificate shall be in effect
5 unless:

6 (i) The certificate is suspended or revoked by the
7 board consistent with the requirements of this part.

8 (ii) The slot machine license held by the
9 certificate holder is suspended, revoked or not renewed
10 by the board consistent with the requirements of this
11 part.

12 (iii) The slot machine licensee relinquishes or does
13 not seek renewal of its slot machine license.

14 (iv) The slot machine licensee does not seek renewal
15 of its Internet gaming certificate.

16 (2) The Internet gaming certificate shall include an
17 itemized list by type and of Internet games approved by the
18 board and authorized for Internet gaming conducted by the
19 slot machine licensee. The slot machine licensee may increase
20 or decrease the number of Internet games authorized for play
21 on its Internet website or change the type of Internet games
22 played on its Internet gaming website upon notice to the
23 board and approval by the board or a designated employee of
24 the board. Unless approved by the board or a designated
25 employee of the board, the total number and type of Internet
26 games offered for play by a slot machine licensee may not
27 differ from the number and type approved by the board and
28 authorized in the Internet gaming certificate.

29 (3) A slot machine licensee shall be required to update
30 the information in its initial Internet gaming petition at

1 times and in the form and manner as prescribed by the board.

2 § 13B15. Timing of initial Internet gaming authorizations.

3 The board shall prescribe the date on which petitions for an
4 Internet gaming certificate must be filed with the board and
5 shall approve or deny a petition within 90 days following
6 receipt.

7 SUBCHAPTER C

8 CONDUCT OF INTERNET GAMING

9 Sec.

10 13B21. Situs of Internet gaming operations.

11 13B22. Establishment of Internet gaming accounts.

12 13B23. Internet gaming account credits and payment.

13 13B24. Acceptance of account wagers.

14 13B25. Dormant Internet gaming accounts.

15 13B26. Log-in procedure required.

16 13B27. Information provided at log-in.

17 13B28. Prohibitions.

18 13B29. Commencement of Internet gaming operations.

19 § 13B21. Situs of Internet gaming operations.

20 All wagers made through Internet gaming shall be deemed to be
21 initiated, received or otherwise made within the geographic
22 boundaries of this Commonwealth. Internet gaming must be
23 conducted by a slot machine licensee that has been issued an
24 Internet gaming certificate by the board in accordance with the
25 requirements of this chapter and regulations of the board. The
26 intermediate routing of electronic data associated or in
27 connection with Internet gaming shall not determine the location
28 or locations in which a bet or wager is initiated, received or
29 otherwise made.

30 § 13B22. Establishment of Internet gaming accounts.

1 (a) Registration restrictions.--Only a natural person who
2 has first established an Internet gaming account with a slot
3 machine licensee shall be permitted to play an Internet game
4 offered by or place any bet or wager associated with an Internet
5 game offered by the slot machine licensee. An Internet gaming
6 account shall be in the name of a natural person and may not be
7 in the name of any beneficiary, custodian, joint trust,
8 corporation, partnership or other organization or entity. A slot
9 machine licensee shall not:

10 (1) Permit an individual to establish an Internet gaming
11 account unless the person is 21 years of age or older.

12 (2) Permit an individual to establish an Internet gaming
13 account unless the individual holds an active players' club
14 membership which was applied for and issued at the slot
15 machine licensee's licensed facility.

16 (b) Establishment of Internet gaming accounts.--

17 (1) An Internet gaming account shall be executed in
18 person. Each Internet gaming account shall comply with the
19 internal controls of the slot machine licensee that, at a
20 minimum, require the following:

21 (i) The filing and execution of an Internet gaming
22 account application, the form of which has been
23 preapproved by the board.

24 (ii) Proof of age and residency as demonstrated by
25 at least two forms of identification approved by the
26 board through regulation.

27 (iii) Physical address of the principal residence of
28 the prospective account holder in this Commonwealth,
29 electronic mail address of the prospective account holder
30 and other contact information, as the board or slot

1 machine licensee may require.

2 (iv) Password or other secured identification
3 provided by the slot machine licensee to access the
4 Internet gaming account or some other mechanism approved
5 by the board to authenticate the player as the holder to
6 the Internet gaming account.

7 (v) An acknowledgment under penalty of perjury that
8 false or misleading statements made in regard to an
9 application for an Internet gaming account may subject
10 the applicant to civil and criminal penalties.

11 (2) The slot machine licensee may accept or reject an
12 application after receipt and review of the application and
13 proof of age for compliance with the provisions of this
14 chapter. The slot machine licensee shall have the right, at
15 any time with or without cause, to suspend or close any
16 Internet gaming account at its sole discretion.

17 (3) The address provided by the applicant in the
18 application for an Internet gaming account shall be deemed
19 the proper address for the purposes of mailing checks,
20 account withdrawals, notices and other materials.

21 (4) An Internet gaming account shall not be assignable
22 or otherwise transferable, and a slot machine licensee may,
23 at any time, declare all or any part of an Internet gaming
24 account to be closed for wagering.

25 (c) Password required.--As part of the application process,
26 the slot machine licensee shall provide the prospective Internet
27 gaming account holder with a password to access the gaming
28 account or shall establish some other mechanism approved by the
29 board to authenticate the individual as the holder of the
30 Internet gaming account and allow the individual access to the

1 Internet gaming account.

2 (d) Grounds for rejection.--Any prospective Internet gaming
3 account holder who provides false or misleading information on
4 the application for an Internet gaming account is subject to
5 rejection of the application or cancellation of the account by
6 the slot machine licensee.

7 (e) Suspension of Internet gaming account.--The slot machine
8 licensee shall have the right to suspend or close any Internet
9 gaming account at its discretion.

10 (f) Persons prohibited from establishing or maintaining an
11 Internet gaming account.--The following persons shall not be
12 entitled to establish or maintain an Internet gaming account:

13 (1) Any person under 21 years of age and persons located
14 outside the geographic boundaries of this Commonwealth.

15 (2) Any person on the list of persons who are to be
16 excluded or ejected from any licensed facility under section
17 1514 (relating to regulation requiring exclusion, ejection or
18 denial of access of certain persons), 1515 (relating to
19 repeat offenders excludable from licensed gaming facility) or
20 1516 (relating to list of persons self excluded from gaming
21 activities).

22 (3) Any gaming employee or key employee of a slot
23 machine licensee.

24 § 13B23. Internet gaming account credits and payment.

25 (a) Credits to Internet gaming accounts.--Notwithstanding
26 any provision of this part to the contrary, credits to an
27 Internet gaming account shall not be made except as provided by
28 this section. The following shall apply:

29 (1) A deposit to an Internet gaming account by an
30 account holder may be submitted by the account holder to the

1 slot machine licensee in one of the following forms:

2 (i) Cash given to the slot machine licensee.

3 (ii) Check, money order, negotiable order of
4 withdrawal or wire or electronic transfer, payable and
5 remitted to the slot machine licensee.

6 (iii) Notwithstanding section 1504 (relating to
7 wagering on credit), charges made to an account holder's
8 credit card upon the account holder's direct and personal
9 authorization, which authorization may be given to the
10 slot machine licensee in a form and manner prescribed by
11 regulation of the board, if the use of the credit card
12 has been approved by the slot machine licensee.

13 (iv) Any other method approved by the board.

14 (b) Payment of winnings.--When an Internet gaming account
15 holder wins an Internet game, the slot machine licensee shall
16 credit the holder's Internet gaming account the appropriate
17 amount pursuant to the rules of the particular game. When the
18 account holder logs off or cashes out, the slot machine licensee
19 shall credit the holder's gaming account in the amount of tokens
20 or other cash equivalents cashed in.

21 (c) Rights of slot machine licensee.--A slot machine
22 licensee shall have the right to:

23 (1) Credit an Internet gaming account as part of a
24 promotion.

25 (2) Refuse, for any valid reason, all or part of any
26 wager or deposit to the account of an account holder.

27 (d) Interest prohibited.--Funds deposited in a registered
28 player's Internet gaming account shall not bear interest to the
29 account holder.

30 (e) Debits to Internet gaming accounts.--Debits to an

1 Internet gaming account shall not be made except as follows:

2 (1) When an account holder logs onto a gaming account
3 and exchanges account funds for Internet tokens or other cash
4 equivalents, the slot machine licensee shall debit the
5 holder's account in the amount of funds exchanged. Upon
6 receipt by a slot machine licensee of an account wager or an
7 account purchase order, the slot machine licensee shall debit
8 the account holder's Internet tokens or other cash
9 equivalents in the amount of the wager or purchase.

10 (2) A slot machine licensee may authorize a withdrawal
11 from an Internet gaming account when the account holder
12 submits to the slot machine licensee all of the following:

13 (i) Proper identification.

14 (ii) The correct password or other authentication
15 information for accessing the gaming account.

16 (iii) A properly completed and executed withdrawal
17 form in a form and manner approved by the board through
18 regulation.

19 (3) Upon receipt of a properly completed and executed
20 withdrawal form, and, if there are sufficient funds in the
21 gaming account to cover the withdrawal, the slot machine
22 licensee shall send, within three business days of receipt of
23 the withdrawal form, a check payable in the amount requested
24 to the account holder at the address specified in the
25 application for the Internet gaming account or shall transmit
26 payment to the account holder electronically as approved by
27 the board by regulation.

28 § 13B24. Acceptance of account wagers.

29 (a) Acceptance.--A slot machine licensee may accept Internet
30 gaming account wagers or bets only as follows:

1 (1) The account wager shall be placed directly with the
2 slot machine licensee by the account holder, after the slot
3 machine licensee has verified the account holder's physical
4 presence in this Commonwealth and that the individual seeking
5 to place a wager or bet is the registered account holder.

6 (2) The account holder provides the slot machine
7 licensee with the correct password or other authentication
8 information for access to his Internet gaming account.

9 (b) Nonacceptance.--A slot machine licensee may not accept
10 an account wager in an amount in excess of funds on deposit in
11 an Internet gaming account of the account holder placing the bet
12 or wager. Funds on deposit include amounts credited to an
13 account holder's Internet gaming account in accordance with this
14 chapter and any funds in the account at the time the wager is
15 placed.

16 § 13B25. Dormant Internet gaming accounts.

17 (a) Dormant Internet gaming accounts.--Any funds remaining
18 in Internet gaming accounts inactive or dormant for the period
19 and under the conditions as established by regulation of the
20 board shall be paid 50% to the slot machine licensee and 50% to
21 the State Gaming Fund.

22 (b) Closure of dormant accounts.--Before closing a dormant
23 Internet gaming account, the slot machine licensee shall attempt
24 to contact the account holder by mail, phone or electronic mail
25 to inform the account holder that the Internet gaming account is
26 inactive and may be subject to termination at such time and
27 manner as determined by regulation of the board.

28 § 13B26. Log-in procedure required.

29 (a) Establishment of log-in procedure.--Each slot machine
30 licensee shall establish a log-in procedure for Internet gaming

1 account holders to access Internet gaming. The log-in procedure
2 shall include the provision of the appropriate authentication
3 information by the Internet gaming account holder for access to
4 the Internet gaming account. The slot machine licensee shall not
5 allow an account holder to log-in and access the Internet gaming
6 account holder's Internet gaming account unless the Internet
7 gaming account holder provides the correct password or other
8 authentication information.

9 (b) Exchange of funds.--Upon log-in, the Internet gaming
10 account holder shall have the option to exchange any amount of
11 funds in the Internet gaming account for Internet tokens or
12 other cash equivalents to be used for Internet gaming.

13 (c) Credits to account.--Upon logging off, the current
14 amount of the Internet gaming account holder's Internet tokens
15 or other cash equivalents shall be credited to the Internet
16 gaming account holder's Internet gaming account.

17 § 13B27. Information provided at log-in.

18 The slot machine licensee shall configure its Internet gaming
19 website to include a link that, upon log-in, will allow an
20 Internet gaming account holder to access all of the following
21 information:

22 (1) The current amount of money in the Internet gaming
23 account holder's Internet gaming account, including the
24 current amount of the Internet gaming holder's Internet
25 tokens or other cash equivalents.

26 (2) The Internet gaming account holder's wins and losses
27 since the Internet gaming account was established.

28 (3) The Internet gaming account holder's wins and losses
29 at the beginning of the current gaming session and the wins
30 and losses at the end of the current gaming session.

1 (4) The complete text in searchable format of the rules
2 of each Internet game offered by the slot machine licensee
3 and any other information as the board may require.

4 § 13B28. Prohibitions.

5 Except as provided in this section, no slot machine licensee
6 or any person licensed under this part and no person acting on
7 behalf of, or under any arrangement with, a slot machine
8 licensee or other person licensed under this part shall:

9 (1) Make any loan to any person for the purpose of
10 crediting an Internet gaming account.

11 (2) Release or discharge any debt, either in whole or in
12 part, or make any loan which represents any losses incurred
13 by any Internet gaming account holder while playing Internet
14 games without maintaining a written record thereof in
15 accordance with regulations of the board.

16 § 13B29. Commencement of Internet gaming operations.

17 A slot machine licensee may not operate or offer Internet
18 games for play on its Internet gaming website until the board
19 determines that:

20 (1) The slot machine licensee is in compliance with the
21 requirements of this part.

22 (2) The slot machine licensee's internal, administrative
23 and accounting controls are sufficient to meet the
24 requirements of section 13B32 (relating to internal,
25 administrative and accounting controls).

26 (3) The slot machine licensee's Internet gaming
27 employees, where applicable, are licensed, permitted or
28 otherwise authorized by the board to perform their respective
29 duties.

30 (4) The slot machine licensee is prepared in all

1 respects to offer Internet gaming to the public over its
2 Internet gaming website.

3 (5) The slot machine licensee has implemented necessary
4 internal, administrative, accounting controls, security
5 arrangements and surveillance systems for the operation of
6 Internet gaming.

7 (6) The slot machine licensee is in compliance with or
8 has complied with section 13B51 (relating to Internet gaming
9 authorization fee).

10 SUBCHAPTER D

11 FACILITIES AND EQUIPMENT

12 Sec.

13 13B31. Responsibilities of slot machine licensee.

14 13B32. Internal, administrative and accounting controls.

15 § 13B31. Responsibilities of slot machine licensee.

16 (a) Facilities and equipment.--All facilities and Internet
17 gaming devices and associated equipment shall:

18 (1) Be arranged in a manner promoting appropriate
19 security for Internet gaming.

20 (2) Include a closed-circuit visual monitoring system
21 according to rules or specifications approved by the board,
22 with board access to the slot machine licensee's Internet
23 gaming website, signal or transmission used in connection
24 with Internet gaming.

25 (3) Not be designed in any way that might interfere with
26 or impede the board in its regulation of Internet gaming.

27 (4) Comply in all respects with regulations of the
28 board.

29 (b) Location of equipment and restricted areas.--All
30 Internet gaming devices and associated equipment used by a slot

1 machine licensee to conduct Internet gaming may be located, with
2 the prior approval of the board, in a restricted area on the
3 premises of the licensed facility within the geographic limits
4 of the county in this Commonwealth where the licensed facility
5 is situated. Any Internet gaming equipment used on a temporary
6 basis may, in accordance with regulations and approval of the
7 board, be located outside the geographic boundaries of the
8 county where the licensed facility is located. However, no
9 Internet gaming shall occur unless a wager is accepted by a slot
10 machine licensee within the geographic boundaries of this
11 Commonwealth. All wagers associated with Internet gaming shall
12 be deemed to be placed when received at the licensed facility of
13 the slot machine licensee. Any intermediate routing of
14 electronic data in connection with a wager shall not affect the
15 fact that the wager is placed in a licensed facility in this
16 Commonwealth.

17 (c) Verification of registered players.--No Internet game
18 shall be used in Internet gaming unless it is able to verify
19 that a player placing a wager is physically present in this
20 Commonwealth. The board shall require by regulation that
21 Internet games used by each slot machine licensee are verifying
22 each registered player's physical presence in this Commonwealth
23 each time the player logs onto a new playing session.

24 § 13B32. Internal, administrative and accounting controls.

25 (a) Submissions to board.--Notwithstanding any provision of
26 this part, each slot machine licensee who holds or has applied
27 for an Internet gaming certificate to conduct Internet gaming in
28 accordance with this chapter shall submit a description of its
29 system of internal procedures and administrative and accounting
30 controls for Internet gaming to the board, including provisions

1 that provide for real-time monitoring, recordation or storage of
2 all Internet games and a description of any changes to its
3 procedures and controls. The submission shall be made at least
4 90 days before Internet gaming operations are to commence or at
5 least 90 days before any change in those procedures or controls
6 is to take effect, unless otherwise directed by the board.

7 (b) Filing.--Notwithstanding subsection (a), the procedures
8 and controls may be implemented by a slot machine licensee upon
9 the filing of the procedures and controls with the board. Each
10 procedure or control submission shall contain both narrative and
11 diagrammatic representations of the system to be utilized with
12 regard to Internet gaming, including, but not limited to:

13 (1) Accounting controls, including the standardization
14 of forms and definition of terms to be utilized in the
15 Internet gaming operations.

16 (2) Procedures, forms and, where appropriate, formulas
17 to govern the following:

18 (i) calculation of hold percentages;

19 (ii) revenue drops;

20 (iii) expense and overhead schedules;

21 (iv) complimentary services; and

22 (v) cash equivalent transactions.

23 (3) Job descriptions and the system of personnel and
24 chain of command, establishing a diversity of responsibility
25 among employees engaged in Internet gaming operations and
26 identifying primary and secondary management and supervisory
27 positions for areas of responsibility, salary structure and
28 personnel practices.

29 (4) Procedures for the registration of players and
30 establishment of Internet gaming accounts, including a

1 procedure for authenticating the age of applicants for gaming
2 accounts.

3 (5) Procedures for the termination of a registered
4 player's Internet gaming account by the account holder and
5 the return of any funds remaining in the gaming account to
6 the account holder.

7 (6) Procedures for the suspension or termination of a
8 dormant gaming account.

9 (7) Procedures for the logging in and authentication of
10 a registered player in order to enable the player to commence
11 Internet gaming and the logging off of the registered player
12 when the player has completed play, including a procedure to
13 automatically log a registered player out of the player's
14 Internet gaming account after a specified period of
15 inactivity.

16 (8) Procedures for the crediting and debiting of
17 registered players' Internet gaming accounts.

18 (9) Procedures for:

19 (i) the cashing of checks to establish credit in an
20 Internet gaming account;

21 (ii) the receipt and security of cash to establish
22 credit in an Internet gaming account, whether the cash is
23 received by wire transfer or by other means as approved
24 by the board; and

25 (iii) receipt of other electronic negotiable
26 instruments approved by the board to establish credit in
27 an Internet gaming account.

28 (10) Procedures for the withdrawal of funds from an
29 Internet gaming account by the registered player.

30 (11) The redemption of chips, tokens or other cash

1 equivalents used in Internet gaming and the payout of
2 jackpots.

3 (12) The recording of transactions pertaining to
4 Internet gaming.

5 (13) Procedures for the security of personal identifying
6 information of registered players and other information as
7 required by the board and funds in Internet gaming accounts.

8 (14) Procedures for the transfer of Internet gaming
9 revenue from Internet gaming accounts to the counting
10 process.

11 (15) Procedures and security for the counting and
12 recordation of revenue.

13 (16) Procedures for the security of Internet gaming
14 devices and associated equipment within a restricted area on
15 the premises of the licensed facility or in a secure facility
16 inaccessible to the public and specifically designed for that
17 purpose off the premises of a licensed facility but within
18 the geographic boundaries of this Commonwealth as approved by
19 the board.

20 (17) Procedures and security standards as to receipt of
21 and the handling and storage of Internet gaming devices and
22 associated equipment.

23 (18) Procedures and security standards to protect the
24 slot machine licensee's Internet gaming website and Internet
25 gaming devices and associated equipment from tampering by any
26 person.

27 (19) Procedures for responding to suspected or actual
28 tampering with a slot machine licensee's Internet gaming
29 website and Internet gaming devices and associated equipment,
30 including partial or complete suspension of Internet gaming

1 or the suspension of any or all player Internet gaming
2 accounts when warranted.

3 (20) Procedures to verify each registered player's
4 physical presence in this Commonwealth each time a wager is
5 placed on an Internet game.

6 (21) Procedures to assist problem and compulsive
7 gamblers, including procedures reasonably intended to prevent
8 a person from participating in Internet gaming activities in
9 accordance with sections 1514 (relating to regulation
10 requiring exclusion, ejection or denial of access of certain
11 persons), 1515 (relating to repeat offenders excludable from
12 licensed gaming facility) and 1516 (relating to list of
13 persons self excluded from gaming activities).

14 (c) Review of submissions.--

15 (1) The board shall review each submission required by
16 subsections (a) and (b) and shall determine whether the
17 submission conforms to the requirements of this chapter and
18 regulations promulgated by the board and whether the system
19 submitted provides adequate and effective controls for
20 Internet gaming operations of the particular slot machine
21 licensee.

22 (2) If the board determines that insufficiencies exist,
23 it shall specify the insufficiencies in writing to the slot
24 machine licensee, who shall make appropriate alterations to
25 ensure compliance with the requirements of this chapter and
26 regulations of the board. When the board determines a
27 submission to be adequate in all respects, it shall notify
28 the slot machine licensee.

29 (3) Except as otherwise provided in subsection (a), no
30 slot machine licensee shall commence or alter Internet gaming

1 operations unless and until the system of procedures,
2 controls and alternations is approved by the board.

3 (d) Marketing permitted.--It shall be lawful for a slot
4 machine licensee to provide marketing information by means of
5 the Internet to players engaged in Internet gaming and to offer
6 the players incentives to visit the slot machine licensee's
7 licensed facility.

8 SUBCHAPTER E

9 TESTING AND CERTIFICATION

10 Sec.

11 13B41. Internet games and Internet gaming devices and
12 associated equipment testing and certification
13 standards.

14 § 13B41. Internet games and Internet gaming devices and
15 associated equipment testing and certification
16 standards.

17 (a) Testing required.--

18 (1) No Internet game or Internet gaming device or
19 associated equipment shall be used to conduct Internet gaming
20 unless it has been tested by the board. The board may, in its
21 discretion and for the purpose of expediting the approval
22 process, refer testing to any testing laboratory as approved
23 by the board.

24 (2) The board shall establish, by regulation, technical
25 standards for approval of Internet games and Internet gaming
26 devices and associated equipment, including mechanical,
27 electrical or program reliability, security against tampering
28 and threats, the comprehensibility of wagering and noise and
29 light levels, as it may deem necessary to protect the
30 registered player from fraud or deception and to ensure the

1 integrity of Internet gaming.

2 (b) Independent testing and certification facility.--Any
3 costs associated with the board's testing and certification
4 facility shall be assessed on persons authorized by the board to
5 distribute or otherwise provide Internet games and Internet
6 gaming devices and associated equipment to slot machine
7 licensees in this Commonwealth. The costs shall be assessed in
8 accordance with a schedule adopted by the board.

9 (c) Use of other state standards.--The board may determine
10 whether the testing and certification standards for Internet
11 games and Internet gaming devices and associated equipment as
12 adopted by another jurisdiction within the United States or any
13 of the testing and certification standards used by a slot
14 machine licensee are comprehensive and thorough and provide
15 similar and adequate safeguards as those required by this
16 chapter. If the board makes that determination, it may permit
17 the person authorized to distribute or otherwise provide
18 Internet games and Internet gaming devices and associated
19 equipment to furnish Internet games and Internet gaming devices
20 and associated equipment to slot machine licensees in this
21 Commonwealth without undergoing the full testing and
22 certification process by the board's independent testing and
23 certification facility.

24 SUBCHAPTER F

25 TAXES AND FEES

26 Sec.

27 13B51. Internet gaming authorization fee.

28 13B52. Internet gaming tax.

29 § 13B51. Internet gaming authorization fee.

30 (a) Amount of authorization fee.--Each slot machine licensee

1 that is issued an Internet gaming certificate to conduct
2 Internet gaming in accordance with section 13B11 (relating to
3 authorization to conduct Internet gaming) shall pay a one-time
4 nonrefundable authorization fee in the amount of \$5,000,000.

5 (b) Payment of fee.--A slot machine licensee that is
6 required to pay the authorization fee under subsection (a) shall
7 remit the fee to the board within 60 days of the board's
8 approval of its petition to conduct Internet gaming. The board
9 may allow the fee to be paid in installments, provided that all
10 such installments are paid within the 60-day time period and
11 that the installment payments are made in accordance with the
12 terms of an agreement between the board and the slot machine
13 licensee that sets forth the terms of the installment payment.

14 (c) Renewal fee.--Notwithstanding any other provision of
15 this chapter, a slot machine licensee that has been issued an
16 Internet gaming certificate in accordance with the requirements
17 of this chapter shall pay a renewal fee in the amount of
18 \$500,000 upon the renewal of its Internet gaming certificate in
19 accordance with sections 13B13(c) (relating to issuance of
20 Internet gaming certificate) and 1326 (relating to license
21 renewals).

22 § 13B52. Internet gaming tax.

23 (a) Imposition of tax.--Each slot machine licensee that
24 operates Internet gaming shall report to the department and pay
25 from its daily Internet gaming gross revenue, on a form and in
26 the manner prescribed by the department, a tax of 28% of its
27 daily Internet gaming gross revenue.

28 (b) Deposits and distributions.--

29 (1) The tax imposed under subsection (a) shall be
30 payable to the department on a weekly basis and shall be

1 based upon Internet gaming gross revenue derived during the
2 previous week.

3 (2) All funds owed to the Commonwealth under this
4 section shall be held in trust for the Commonwealth by the
5 slot machine licensee until the funds are paid to the
6 department for deposit in the appropriate fund. A slot
7 machine licensee shall establish a separate bank account into
8 which Internet gaming gross revenue shall be deposited and
9 maintained until such time as the funds are paid to the
10 department under this section.

11 (c) Use of funds.--The tax imposed under subsection (a)
12 shall be deposited as follows:

13 (1) Fifty-five percent shall be deposited into the State
14 Lottery Fund and shall be allocated solely for the purpose of
15 providing property tax relief for the elderly under Chapter
16 13 of the act of June 27, 2006 (1st Sp.Sess., P.L.1873,
17 No.1), known as the Taxpayer Relief Act.

18 (2) Thirty percent shall be deposited in the State
19 Lottery Fund for the purpose of providing free or reduced
20 fare transit service for the elderly under Chapter 9 of the
21 act of August 26, 1971 (P.L.351, No.91), known as the State
22 Lottery Law, and the act of February 11, 1976 (P.L.14,
23 No.10), known as the Pennsylvania Rural and Intercity Common
24 Carrier Surface Transportation Assistance Act.

25 (3) Moneys deposited under paragraphs (1) and (2) are
26 hereby appropriated for the purposes enumerated in paragraphs
27 (1) and (2).

28 (4) Fifteen percent shall be deposited into the fund
29 established in accordance with section 1405 (relating to
30 Pennsylvania Race Horse Development Fund). All moneys

1 deposited into the Pennsylvania Race Horse Development Fund
2 shall be distributed in accordance with section 1406
3 (relating to distributions from Pennsylvania Race Horse
4 Development Fund) and shall be distributed and used solely
5 for the purposes enumerated in section 1406 and for no other
6 purpose whatsoever.

7 SUBCHAPTER G

8 MISCELLANEOUS PROVISIONS

9 Sec.

10 13B61. Participation in Internet gaming by persons outside
11 Commonwealth.

12 13B62. Construction.

13 § 13B61. Participation in Internet gaming by persons outside
14 Commonwealth.

15 Notwithstanding any other provision of this chapter to the
16 contrary, a slot machine licensee may accept Internet gaming
17 wagers from a person who is not physically present in this
18 Commonwealth, if the board determines the following:

19 (1) Participation in Internet gaming and acceptance of
20 wagers associated with Internet gaming from a person not
21 physically present in this Commonwealth is not inconsistent
22 with Federal law or regulation or the law or regulation of
23 the jurisdiction, including any foreign jurisdiction, in
24 which the person is located.

25 (2) Participation in Internet gaming is conducted
26 pursuant to an interstate compact or reciprocal agreement
27 between the Commonwealth and another jurisdiction, including
28 a foreign jurisdiction, to which the Commonwealth is a party
29 and the interstate compact or reciprocal agreement is not
30 inconsistent with Federal law or regulation.

1 § 13B62. Construction.

2 The following apply:

3 (1) Internet gaming in this Commonwealth shall be
4 subject to and preempted and superseded by the provisions of
5 the Unlawful Internet Gambling Enforcement Act of 2006
6 (Public Law 109-347, 31 U.S.C. § 5361 et seq.) and any other
7 applicable Federal law.

8 (2) Internet gaming shall be deemed to take place where
9 a licensed facility's server is located in this Commonwealth,
10 regardless of the registered player's location within this
11 Commonwealth.

12 Section 10. Sections 1501(b), 1504 and 1509(c) of Title 4
13 are amended to read:

14 § 1501. Responsibility and authority of department.

15 * * *

16 (b) Application of rules and regulations.--The department
17 may prescribe the extent, if any, to which any rules and
18 regulations shall be applied without retroactive effect. The
19 department shall have authority to prescribe the forms and the
20 system of accounting and recordkeeping to be employed and
21 through its representative shall at all times have power of
22 access to and examination and audit of any equipment and records
23 relating to all aspects of the operation of slot machines [and],
24 table games and Internet games under this part.

25 * * *

26 § 1504. Wagering on credit.

27 Except as otherwise provided in this section, slot machine
28 licensees shall not extend credit. Slot machine licensees shall
29 not accept credit cards, charge cards or debit cards from a
30 patron or a player for the exchange or purchase of slot machine

1 credits or for an advance of coins or currency to be utilized by
2 a player to play slot machine games or extend credit in any
3 manner to a player so as to enable the player to play slot
4 machines. Slot machine licensees who hold a table game operation
5 certificate or an Internet gaming certificate may extend credit
6 for slot machine gaming, table games and Internet gaming in
7 accordance with section 13A26 (relating to cash equivalents).

8 § 1509. Compulsive and problem gambling program.

9 * * *

10 (c) Notice of availability of assistance.--

11 (1) Each slot machine licensee shall obtain a toll-free
12 telephone number to be used to provide persons with
13 information on assistance for compulsive or problem gambling.
14 Each licensee shall conspicuously post at least 20 signs
15 similar to the following statement:

16 If you or someone you know has a gambling problem, help
17 is available. Call (Toll-free telephone number).

18 The signs must be posted within 50 feet of each entrance and
19 exit, within 50 feet of each automated teller machine
20 location within the licensed facility and in other
21 appropriate public areas of the licensed facility as
22 determined by the slot machine licensee.

23 (2) Each racetrack where slot machines or table games
24 are operated shall print a statement on daily racing programs
25 provided to the general public that is similar to the
26 following:

27 If you or someone you know has a gambling problem, help
28 is available. Call (Toll-free telephone number).

29 (2.1) Each slot machine licensee shall:

30 (i) Cause the words "If you or someone you know has

1 a gambling problem and wants help, call 1-800 XXXX," or
2 some comparable language approved by the board, which
3 language shall include the words "gambling problem" and
4 "call 1-800 XXXX," to be prominently and continuously
5 displayed to any person visiting or logged onto the slot
6 machine licensee's Internet gaming website.

7 (ii) Provide a mechanism by which an Internet gaming
8 account holder may establish the following controls on
9 wagering activity through the Internet gaming account:

10 (A) A limit on the amount of money lost within a
11 specified period of time and the length of time the
12 account holder will be unable to participate in
13 gaming if the holder reaches the established loss
14 limit.

15 (B) A limit on the maximum amount of any single
16 wager on any Internet game.

17 (C) A temporary suspension of Internet gaming
18 through the account for any number of hours or days.

19 (iii) Not mail or otherwise forward any gaming-
20 related promotional material or electronic mail to a
21 registered player during any period in which Internet
22 gaming through the registered players Internet gaming
23 account has been suspended or terminated. The slot
24 machine licensee shall provide a mechanism by which an
25 account holder may change the controls, except that,
26 while Internet gaming through the Internet gaming account
27 is suspended, the account holder may not change gaming
28 controls until the suspension expires, but the holder
29 shall continue to have access to the account and shall be
30 permitted to withdraw funds from the account upon proper

1 application for the funds to the slot machine licensee.

2 (iv) Establish a system by which a registered player
3 who sustains continuous losses at a sufficient level in
4 accordance with regulations of the board will have mailed
5 or otherwise forwarded to his residential mailing address
6 and electronic mail address:

7 (A) a list detailing all gaming winnings and
8 losses through the Internet gaming account;

9 (B) contact information for assistance with
10 identifying a potential gambling problem; and

11 (C) other information about compulsive and
12 problem gambling as deemed appropriate by the board,
13 in consultation with the Department of Drug and
14 Alcohol Programs.

15 (3) A licensed facility which fails to post or print the
16 warning sign in accordance with paragraph (1) [or], (2) or
17 (2.1)(i) shall be assessed a fine of \$1,000 a day for each
18 day the minimum number of signs are not posted or the
19 required statement is not printed as provided in this
20 subsection.

21 (4) A slot machine licensee that fails to establish the
22 mechanisms, controls and systems in accordance with paragraph
23 (2.1)(ii), (iii) and (iv) shall be assessed a fine of not
24 less than \$5,000 per day for each day the mechanisms,
25 controls and systems are not available to Internet gaming
26 account holders.

27 * * *

28 Section 11. Section 1512 of Title 4 is amended by adding a
29 subsection to read:

30 § 1512. Financial and employment interests.

1 * * *

2 (a.6) Prohibition related to Internet gaming.--

3 (1) Except as set forth in paragraph (2), no executive-
4 level public employee, public official or party officer or
5 immediate family member thereof shall hold, directly or
6 indirectly, an interest in, or hold employment with, or
7 represent, appear for, or negotiate on behalf of, or derive
8 any remuneration, payment, benefit or any other thing of
9 value for any services, including, but not limited to,
10 consulting or similar services, from any holder of, or
11 applicant for, an Internet gaming certificate, or other
12 authorization to conduct Internet gaming, or any holding or
13 intermediary company with respect thereto, or any Internet
14 gaming affiliate of any holder of, or applicant for, a slot
15 machine license, or any holding or intermediary company with
16 respect thereto, or any business, association, enterprise or
17 other entity that is organized, in whole or in part, for the
18 purpose of promoting, advocating for, or advancing the
19 interests of the Internet gaming industry generally or any
20 Internet gaming-related business or businesses in connection
21 with any cause, application or matter.

22 (2) A member of the immediate family of an executive-
23 level public employee, public official or party officer may
24 hold employment with the holder of, or applicant for, an
25 Internet gaming certificate or other authorization to conduct
26 Internet gaming, or any holding or intermediary company with
27 respect thereto, or any Internet gaming affiliate of any
28 holder of, or applicant for, a slot machine license, or any
29 holding or intermediary company with respect thereto if, in
30 the judgment of the State Ethics Commission or the Supreme

1 Court, as appropriate, employment will not interfere with the
2 responsibilities of the executive-level public employee,
3 public official or party officer and will not create a
4 conflict of interest, or reasonable risk of the public
5 perception of a conflict of interest, on the part of the
6 executive-level public employee, public official or party
7 officer.

8 * * *

9 Section 12. Sections 1514 heading, (a), (d), (e) and (f),
10 1515, 1516 and 1517(b) (1), (c) (11) and (12) and (e) (1) of Title
11 4 are amended to read:

12 § 1514. Regulation requiring exclusion [or], ejection or denial
13 of access of certain persons.

14 (a) General rule.--The board shall by regulation provide for
15 the establishment of a list of persons who are to be excluded or
16 ejected from any licensed facility or who may be denied access
17 to Internet gaming activity. The provisions shall define the
18 standards for exclusion and shall include standards relating to
19 persons who are career or professional offenders as defined by
20 regulations of the board or whose presence in a licensed
21 facility or access to Internet gaming activities would, in the
22 opinion of the board, be inimical to the interest of the
23 Commonwealth or of licensed gaming therein, or both.

24 * * *

25 (d) Sanctions.--The board may impose sanctions upon a
26 licensed gaming entity in accordance with this part if the
27 licensed gaming entity knowingly fails to exclude or eject from
28 the premises of any licensed facility or deny access to Internet
29 gaming activity any person placed by the board on the list of
30 persons to be excluded [or], ejected or denied access.

1 (e) List not all-inclusive.--Any list compiled by the board
2 of persons to be excluded [or], ejected or denied access shall
3 not be deemed an all-inclusive list, and a licensed gaming
4 entity shall have a duty to keep from the licensed facility and
5 from Internet gaming activity persons known to it to be within
6 the classifications declared in this section and the regulations
7 promulgated under this section whose presence in a licensed
8 facility or participation in Internet gaming activities would be
9 inimical to the interest of the Commonwealth or of licensed
10 gaming therein, or both, as defined in standards established by
11 the board.

12 (f) Notice.--Whenever the bureau seeks to place the name of
13 any person on a list pursuant to this section, the bureau shall
14 serve notice of this fact to such person by personal service or
15 certified mail at the last known address of the person. The
16 notice shall inform the person of the right to request a hearing
17 under subsection (g). The bureau may also provide notice by
18 electronic mail, if the electronic mail address of the person is
19 known to the bureau.

20 * * *

21 § 1515. Repeat offenders excludable from licensed gaming
22 facility.

23 A licensed gaming entity may exclude or eject from its
24 licensed facility or deny access to Internet gaming activities
25 any person who is known to it to have been convicted of a
26 misdemeanor or felony committed in or on the premises of any
27 licensed facility. Nothing in this section or in any other law
28 of this Commonwealth shall limit the right of a licensed gaming
29 entity to exercise its common law right to exclude or eject
30 permanently from its licensed facility or permanently deny

1 access to its Internet gaming activities any person who disrupts
2 the operations of its premises or its Internet gaming
3 operations, threatens the security of its premises or its
4 occupants or is disorderly or intoxicated or who threatens the
5 security of its Internet gaming operations.

6 § 1516. List of persons self excluded from gaming activities.

7 (a) General rule.--The board shall provide by regulation for
8 the establishment of a list of persons self excluded from gaming
9 activities, including Internet gaming activities, at all
10 licensed facilities. Any person may request placement on the
11 list of self-excluded persons by acknowledging in a manner to be
12 established by the board that the person is a problem gambler
13 and by agreeing that, during any period of voluntary exclusion,
14 the person may not collect any winnings or recover any losses
15 resulting from any gaming activity at licensed facilities,
16 including Internet gaming activities.

17 (b) Regulations.--The regulations of the board shall
18 establish procedures for placements on and removals from the
19 list of self-excluded persons. The regulations shall establish
20 procedures for the transmittal to licensed gaming entities of
21 identifying information concerning self-excluded persons and
22 shall require licensed gaming entities to establish procedures
23 designed at a minimum to deny self-excluded persons access to
24 Internet gaming and to remove self-excluded persons from
25 targeted mailings or other forms of advertising or promotions
26 and deny self-excluded persons access to complimentaries, check
27 cashing privileges, club programs and other similar benefits.

28 (c) Liability.--A licensed gaming entity or employee thereof
29 shall not be liable to any self-excluded person or to any other
30 party in any judicial proceeding for any harm, monetary or

1 otherwise, which may arise as a result of:

2 (1) the failure of a licensed gaming entity to withhold
3 gaming privileges from or restore gaming privileges to a
4 self-excluded person; [or]

5 (1.1) the failure of a licensed gaming entity to
6 withhold Internet gaming privileges from or restore Internet
7 gaming privileges to a self-excluded person; or

8 (2) otherwise permitting or not permitting a self-
9 excluded person to engage in gaming activity in the facility
10 or participate in Internet gaming while on the list of self-
11 excluded persons.

12 (d) Disclosure.--Notwithstanding any other law to the
13 contrary, the board's list of self-excluded persons shall not be
14 open to public inspection. Nothing in this section, however,
15 shall be construed to prohibit a licensed gaming entity from
16 disclosing the identity of persons self excluded pursuant to
17 this section to affiliated gaming entities in this Commonwealth
18 or other jurisdictions for the limited purpose of assisting in
19 the proper administration of responsible gaming programs
20 operated by affiliated licensed gaming entities.

21 § 1517. Investigations and enforcement.

22 * * *

23 (b) Powers and duties of department.--

24 (1) The department shall at all times have the power of
25 access to examine and audit equipment and records relating to
26 all aspects of the operation of slot machines [or], table
27 games or Internet games under this part.

28 * * *

29 (c) Powers and duties of the Pennsylvania State Police.--The
30 Pennsylvania State Police shall have the following powers and

1 duties:

2 * * *

3 (11) Conduct administrative inspections on the premises
4 of licensed racetrack or nonprimary location or licensed
5 facility, including restricted areas and redundancy
6 facilities used by a slot machine licensee in its Internet
7 gaming operations, at such times, under such circumstances
8 and to such extent as the bureau determines to ensure
9 compliance with this part and the regulations of the board
10 and, in the course of inspections, review and make copies of
11 all documents and records required by the inspection through
12 onsite observation and other reasonable means to assure
13 compliance with this part and regulations promulgated under
14 this part.

15 (12) Conduct audits or verification of information of
16 slot machine [or], table game or Internet gaming operations
17 at such times, under such circumstances and to such extent as
18 the bureau determines. This paragraph includes reviews of
19 accounting, administrative and financial records and
20 management control systems, procedures and records utilized
21 by a slot machine licensee.

22 * * *

23 (e) Inspection, seizure and warrants.--

24 (1) The bureau, the department and the Pennsylvania
25 State Police shall have the authority without notice and
26 without warrant to do all of the following in the performance
27 of their duties:

28 (i) Inspect and examine all premises where slot
29 machine [or], table game or Internet gaming operations
30 are conducted, slot machines, table game devices and

1 associated equipment or Internet gaming devices and
2 associated equipment are manufactured, sold, distributed
3 or serviced or where records of these activities are
4 prepared or maintained.

5 (ii) Inspect all equipment and supplies in, about,
6 upon or around premises referred to in subparagraph (i).

7 (iii) Seize, summarily remove and impound equipment
8 and supplies from premises referred to in subparagraph
9 (i) for the purposes of examination and inspection.

10 (iv) Inspect, examine and audit all books, records
11 and documents pertaining to a slot machine licensee's
12 operation.

13 (v) Seize, impound or assume physical control of any
14 book, record, ledger, game, device, cash box and its
15 contents, count room or its equipment, Internet gaming
16 devices and associated equipment or slot machine [or],
17 table game or Internet gaming operations.

18 * * *

19 Section 13. Section 1518(a) (3), (4), (5), (7.1), (11),
20 (13.1), (15) and (17) and (b) (1), (2) and (3) of Title 4 are
21 amended and subsections (a) and (b) are amended by adding
22 paragraphs to read:

23 § 1518. Prohibited acts; penalties.

24 (a) Criminal offenses.--

25 * * *

26 (3) It shall be unlawful for any licensed entity, gaming
27 employee, key employee or any other person to permit a slot
28 machine, table game or table game device, Internet game or
29 Internet gaming device or associated equipment to be
30 operated, transported, repaired or opened on the premises of

1 a licensed facility by a person other than a person licensed
2 or permitted by the board pursuant to this part.

3 (3.1) It shall be unlawful for any person who does not
4 possess a valid and then effective Internet gaming
5 certificate issued by the board in accordance with Chapter
6 13B (relating to Internet gaming) to accept any wager
7 associated with any Internet game from any individual
8 physically located in this Commonwealth at the time of such
9 play or wager.

10 (4) It shall be unlawful for any licensed entity or
11 other person to manufacture, supply or place slot machines,
12 table games, table game devices or associated equipment or
13 Internet game or Internet gaming devices or associated
14 equipment into play or display slot machines, table games,
15 table game devices or associated equipment on the premises of
16 a licensed facility without the authority of the board.

17 (4.1) It shall be unlawful for any slot machine licensee
18 to offer Internet games into play or display such games on
19 its Internet gaming website without the approval of the
20 board.

21 (4.2) It shall be unlawful for any licensed entity or
22 other person to manufacture, supply or place Internet gaming
23 devices or associated equipment into operation at a licensed
24 facility without the approval of the board.

25 (5) Except as provided for in section 1326 (relating to
26 license renewals), it shall be unlawful for a licensed entity
27 or other person to manufacture, supply, operate, carry on or
28 expose for play any slot machine, table game, table game
29 device or associated equipment, Internet game or Internet
30 gaming device or associated equipment after the person's

1 license has expired and prior to the actual renewal of the
2 license.

3 * * *

4 (7.1) It shall be unlawful for an individual to do any
5 of the following:

6 (i) Use or possess counterfeit, marked, loaded or
7 tampered with table game devices or associated equipment,
8 chips or other cheating devices in the conduct of gaming
9 under this part, except that an authorized employee of a
10 licensee or an authorized employee of the board may
11 possess and use counterfeit chips or table game devices
12 or associated equipment that have been marked, loaded or
13 tampered with, or other cheating devices or any
14 unauthorized Internet gaming device in performance of the
15 duties of employment for training, investigative or
16 testing purposes only.

17 (ii) Knowingly, by a trick or sleight of hand
18 performance or by fraud or fraudulent scheme, or
19 manipulation, table game device or other device, or
20 Internet gaming device for himself or for another, win or
21 attempt to win any cash, property or prize at a licensed
22 facility or to reduce or attempt to reduce a losing
23 wager.

24 (7.2) It shall be unlawful for a person to knowingly
25 alter, tamper or manipulate Internet gaming devices or
26 associated equipment, including software, system programs,
27 hardware and any other device or equipment used in Internet
28 gaming operations, in order to alter the odds or the payout
29 of an Internet game or to disable the Internet game from
30 operating according to the rules of the game as authorized by

1 the board.

2 (7.3) It shall be unlawful for a person to knowingly
3 offer, or allow to be offered, any Internet game that has
4 been altered, tampered with or manipulated in a way that
5 affects the odds or the payout of an Internet game, or
6 disables the Internet game from operating according to the
7 rules of the game as authorized by the board.

8 * * *

9 (11) It shall be unlawful for a licensed gaming entity
10 that is a licensed racing entity and that has lost the
11 license issued to it by either the State Horse Racing
12 Commission or the State Harness Racing Commission under the
13 Race Horse Industry Reform Act or that has had that license
14 suspended to operate slot machines [or], table games or
15 Internet games at the racetrack for which its slot machine
16 license was issued unless the license issued to it by either
17 the State Horse Racing Commission or the State Harness Racing
18 Commission will be subsequently reissued or reinstated within
19 30 days after the loss or suspension.

20 * * *

21 (13.1) It shall be unlawful for an individual under 21
22 years of age to wager, play or attempt to play a slot machine
23 or table game at a licensed facility or wager, play or
24 attempt to play an Internet game.

25 (13.2) It shall be unlawful to allow a person under 21
26 years of age to open, maintain or use in any way an Internet
27 gaming account. Any slot machine licensee or employee of a
28 slot machine licensee who knowingly allows a person under 21
29 years of age to open, maintain or use an Internet gaming
30 account shall be subject to the penalty set forth in this

1 section, except that the establishment of all of the
2 following facts by a slot machine licensee or employee of a
3 slot machine licensee shall constitute a defense to any
4 regulatory action by the board or the penalty authorized
5 under this section:

6 (i) the underage person falsely represented that he
7 was of the permitted 21 years of age in the application
8 for an Internet gaming account; and

9 (ii) the establishment of the Internet gaming
10 account was made in good faith reliance upon such
11 representation and in the reasonable belief that the
12 underage person was 21 years of age.

13 * * *

14 (15) It shall be unlawful for a licensed gaming entity
15 to require a wager to be greater than the stated minimum
16 wager or less than the stated maximum wager. However, a wager
17 made by a player and not rejected by a licensed gaming entity
18 prior to commencement of play shall be treated as a valid
19 wager. A wager accepted by a dealer or through an Internet
20 game shall be paid or lost in its entirety in accordance with
21 the rules of the game, notwithstanding that the wager
22 exceeded the current table maximum wager or Internet game
23 wager or was lower than the current table minimum wager or
24 minimum Internet game wager.

25 * * *

26 (17) It shall be unlawful for an individual to claim,
27 collect or take, or attempt to claim, collect or take, money
28 or anything of value in or from a slot machine, gaming table
29 or other table game device, or Internet game or Internet
30 gaming device with the intent to defraud, or to claim,

1 collect or take an amount greater than the amount won, or to
2 manipulate with the intent to cheat, any component of any
3 slot machine, table game or table game device, Internet game
4 or Internet gaming device in a manner contrary to the
5 designed and normal operational purpose.

6 (b) Criminal penalties and fines.--

7 (1) (i) A person that commits a first offense in
8 violation of 18 Pa.C.S. § 4902, 4903 or 4904 in
9 connection with providing information or making any
10 statement, whether written or oral, to the board, the
11 bureau, the department, the Pennsylvania State Police,
12 the Office of Attorney General or a district attorney as
13 required by this part commits an offense to be graded in
14 accordance with the applicable section violated. A person
15 that is convicted of a second or subsequent violation of
16 18 Pa.C.S. § 4902, 4903 or 4904 in connection with
17 providing information or making any statement, whether
18 written or oral, to the board, the bureau, the
19 department, the Pennsylvania State Police, the Office of
20 Attorney General or a district attorney as required by
21 this part commits a felony of the second degree.

22 (ii) A person that violates subsection (a) (2), (3)
23 and (4) through (12) or (17) commits a misdemeanor of the
24 first degree. A person that is convicted of a second or
25 subsequent violation of subsection (a) (2), (3) and (4)
26 through (12) or (17) commits a felony of the second
27 degree.

28 (2) (i) For a first violation of subsection (a) (1),
29 (2), (3) and (4) through (12) or (17), a person shall be
30 sentenced to pay a fine of:

1 (A) not less than \$75,000 nor more than \$150,000
2 if the person is an individual;

3 (B) not less than \$300,000 nor more than
4 \$600,000 if the person is a licensed gaming entity;

5 or

6 (C) not less than \$150,000 nor more than
7 \$300,000 if the person is a licensed manufacturer
8 [or], supplier[.] or gaming service provider or other
9 person authorized by the board to provide Internet
10 games and Internet gaming devices or associated
11 equipment.

12 (ii) For a second or subsequent violation of
13 subsection (a) (1), (2), (3) and (4) through (12) or (17),
14 a person shall be sentenced to pay a fine of:

15 (A) not less than \$150,000 nor more than
16 \$300,000 if the person is an individual;

17 (B) not less than \$600,000 nor more than
18 \$1,200,000 if the person is a licensed gaming entity;

19 or

20 (C) not less than \$300,000 nor more than
21 \$600,000 if the person is a licensed manufacturer
22 [or], supplier[.], or gaming service provider or
23 other person authorized by the board to provide
24 Internet games and Internet gaming devices or
25 associated equipment.

26 (2.1) A person that commits an offense in violation of
27 subsection (a) (3.1) commits a felony of the second degree and
28 shall be sentenced to pay a fine of not less than \$500,000
29 nor more than \$1,000,000. A person that is convicted of a
30 second or subsequent violation of subsection (a) (3.1) commits

1 a felony of the first degree and shall be sentenced to pay a
2 fine of not less than \$1,000,000 nor more than \$2,500,000.

3 (3) An individual who commits an offense in violation of
4 subsection (a) (13) [or], (13.1) or (13.2) commits a
5 nongambling summary offense and upon conviction of a first
6 offense shall be sentenced to pay a fine of not less than
7 \$200 nor more than \$1,000. An individual that is convicted of
8 a second or subsequent offense under subsection (a) (13) [or], (13.1) or (13.2) shall be sentenced to pay a fine of not less
9 than \$500 nor more than \$1,500. In addition to the fine
10 imposed, an individual convicted of an offense under
11 subsection (a) (13) or (13.1) may be sentenced to perform a
12 period of community service not to exceed 40 hours.

14 * * *

15 Section 14. Section 1901(a) of Title 4 is amended by adding
16 a paragraph to read:

17 § 1901. Appropriations.

18 (a) Appropriation to board.--

19 * * *

20 (3) The sum of \$5,000,000 is hereby appropriated from
21 the State Gaming Fund to the Pennsylvania Gaming Control
22 Board for salaries, wages and all necessary expenses for the
23 proper operation and administration of the board for the
24 expansion of gaming associated with Internet gaming. This
25 appropriation shall be a supplemental appropriation for
26 fiscal year 2014-2015 and shall be in addition to the
27 appropriation contained in the act of July 10, 2014 (P.L. ,
28 No.10A), known as the Gaming Control Appropriation Act of
29 2014.

30 * * *

1 Section 15. This act shall take effect immediately.