

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2353 Session of  
2015

INTRODUCED BY PAYNE, MUSTIO, DIAMOND, D. PARKER AND MILLARD,  
SEPTEMBER 21, 2016

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, SEPTEMBER 21, 2016

AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated  
2 Statutes, in licensees, further providing for Category 2 slot  
3 machine license, for number of slot machine licenses and for  
4 multiple slot machine license prohibition.

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

7 Section 1. Section 1304(b) of Title 4 of the Pennsylvania  
8 Consolidated Statutes is amended by adding a paragraph to read:

9 § 1304. Category 2 slot machine license.

10 \* \* \*

11 (b) Location.--

12 \* \* \*

13 (4) Notwithstanding paragraph (1), no Category 2  
14 licensed facility shall be located by the board within 30  
15 linear miles of another licensed facility. This paragraph  
16 shall not apply to any of the following:

17 (i) A Category 2 licensed facility issued a Category  
18 2 slot machine license by the board prior to the  
19 effective date of this paragraph.

1           (ii) A Category 2 slot machine licensee that is  
2           approved by the board for a change in ownership or  
3           control as permitted by section 1328 (relating to change  
4           in ownership or control of slot machine licensee) and  
5           continues operation at the same physical land-based  
6           location.

7           (iii) A Category 2 licensed facility located by the  
8           board within a city of the first or second class.

9       Section 2. Sections 1307 and 1330 of Title 4 are amended to  
10 read:

11 § 1307. Number of slot machine licenses.

12       The board may license no more than [seven] six Category 1  
13 licensed facilities and no more than [five] six Category 2  
14 licensed facilities, as it may deem appropriate, as long as two,  
15 and not more, Category 2 licensed facilities are located by the  
16 board within the city of the first class and that one, and not  
17 more, Category 2 licensed facility is located by the board  
18 within the city of the second class. [The board may at its  
19 discretion increase the total number of Category 2 licensed  
20 facilities permitted to be licensed by the board by an amount  
21 not to exceed the total number of Category 1 licenses not  
22 applied for within five years following the effective date of  
23 this part. Except as permitted by section 1328 (relating to  
24 change in ownership or control of slot machine licensee), any  
25 Category 1 license may be reissued by the board at its  
26 discretion as a Category 2 license if an application for  
27 issuance of such license has not been made to the board.] The  
28 board may license no more than three Category 3 licensed  
29 facilities.

30 § 1330. Multiple slot machine license prohibition.

1       [No] (a) General rule.--Except as otherwise provided in  
2 subsection (b), no slot machine licensee, its affiliate,  
3 intermediary, subsidiary or holding company may possess an  
4 ownership or financial interest that is greater than 33.3% of  
5 another slot machine licensee or person eligible to apply for a  
6 Category 1 license, its affiliate, intermediary, subsidiary or  
7 holding company. The board shall approve the terms and  
8 conditions of any divestiture under this section. Under no  
9 circumstances shall any such divestiture be approved by the  
10 board if the compensation for the divested interest in a person  
11 eligible to apply for a Category 1 license exceeds the greater  
12 of the original cost of the interest, the book value of the  
13 interest or an independently assessed value of the interest one  
14 month prior to the effective date of this part and, in the case  
15 of a person eligible to apply for a Category 1 license, unless  
16 the person acquiring the divested interest is required to  
17 continue conducting live racing at the location where live  
18 racing is currently being conducted in accordance with section  
19 1303 (relating to additional Category 1 slot machine license  
20 requirements) and be approved for a Category 1 slot machine  
21 license. No such slot machine license applicant shall be issued  
22 a slot machine license until the applicant has completely  
23 divested its ownership or financial interest that is in excess  
24 of 33.3% in another slot machine licensee or person eligible to  
25 apply for a Category 1 license, its affiliate, intermediary,  
26 subsidiary or holding company.

27       (b) New Category 2 slot machine licenses.--

28               (1) A slot machine licensee that was issued a slot  
29 machine license prior to the effective date of this  
30 subsection may possess a partial or complete ownership or

1 financial interest of a Category 2 slot machine license  
2 applied for and issued by the board after the effective date  
3 of this subsection.

4 (2) The ownership or financial interest limitation  
5 contained in subsection (a) shall not apply to an applicant  
6 for a Category 2 slot machine license if:

7 (i) the application is submitted to the board after  
8 the effective date of this subsection; and

9 (ii) the applicant possesses an ownership or  
10 financial interest in one or more slot machine licenses  
11 issued prior to the effective date of this subsection.

12 (3) This subsection shall also apply to any affiliate,  
13 intermediary, subsidiary or holding company of a slot machine  
14 licensee or applicant.

15 Section 3. This act shall take effect immediately.