

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 392 Session of 2017

INTRODUCED BY DUNBAR, D. COSTA, KORTZ, MILLARD, NEILSON,
ORTITAY, SANKEY AND YOUNGBLOOD, FEBRUARY 8, 2017

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, FEBRUARY 8, 2017

AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated
 2 Statutes, providing for fantasy contests; in general
 3 provisions, further providing for legislative intent and for
 4 definitions; in Pennsylvania Gaming Control Board, further
 5 providing for Pennsylvania Gaming Control Board established,
 6 for general and specific powers, for licensed gaming entity
 7 application appeals from board, for board minutes and
 8 records, for regulatory authority of board, for slot machine
 9 license fee, for reports of board and for diversity goals of
 10 board; in licensees, further providing for Category 3 slot
 11 machine license, for slot machine license application, for
 12 supplier licenses and for manufacturer licenses, providing
 13 for nongaming service provider, further providing for slot
 14 machine testing and certification standards and for license
 15 renewals and providing for slot machine license operation
 16 fee; in table games, further providing for other financial
 17 transactions, for table game device and associated equipment
 18 testing and certification standards and for local share
 19 assessment; providing for interactive gaming; in revenues,
 20 further providing for establishment of State Gaming Fund and
 21 net slot machine revenue distribution; in administration and
 22 enforcement, further providing for responsibility and
 23 authority of the Department of Revenue, for compulsive and
 24 problem gambling program, for financial and employment
 25 interests, for political influence, for regulation requiring
 26 exclusion or ejection of certain persons, for repeat
 27 offenders excludable from licensed gaming facility, for list
 28 of persons self excluded from gaming activities, for
 29 investigations and enforcement and for prohibited acts and
 30 penalties; in miscellaneous provisions, further providing for
 31 appropriations; and making a related repeal.

32 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. Title 4 of the Pennsylvania Consolidated Statutes
3 is amended by adding a part to read:

4 PART I
5 AMUSEMENTS GENERALLY

6 Chapter

7 1. Preliminary Provisions (Reserved)

8 3. Fantasy Contests

9 CHAPTER 1

10 PRELIMINARY PROVISIONS

11 (Reserved)

12 CHAPTER 3

13 FANTASY CONTESTS

14 Subchapter

15 A. General Provisions

16 B. Administration

17 C. Licensure

18 D. Fiscal Provisions

19 E. Miscellaneous Provisions

20 SUBCHAPTER A

21 GENERAL PROVISIONS

22 Sec.

23 301. Scope.

24 302. Definitions.

25 § 301. Scope.

26 This chapter relates to fantasy contests.

27 § 302. Definitions.

28 The following words and phrases when used in this chapter

29 shall have the meanings given to them in this section unless the

30 context clearly indicates otherwise:

1 "Board." The Pennsylvania Gaming Control Board.

2 "Conduct of gaming." As defined in section 1103 (relating to
3 definitions).

4 "Controlling interest." Either of the following:

5 (1) For a publicly traded domestic or foreign
6 corporation, partnership, limited liability company or other
7 form of publicly traded legal entity, a controlling interest
8 is an interest if a person's sole voting rights under State
9 law or corporate articles or bylaws entitle the person to
10 elect or appoint one or more of the members of the board of
11 directors or other governing board or the ownership or
12 beneficial holding of 5% or more of the securities of the
13 publicly traded corporation, partnership, limited liability
14 company or other form of publicly traded legal entity, unless
15 this presumption of control or ability to elect is rebutted
16 by clear and convincing evidence.

17 (2) For a privately held domestic or foreign
18 corporation, partnership, limited liability company or other
19 form of privately held legal entity, a controlling interest
20 is the holding of securities of 15% or more in the legal
21 entity, unless this presumption of control is rebutted by
22 clear and convincing evidence.

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

24 "Entry fee." The cash or cash equivalent paid by a
25 participant to a licensed operator in order to participate in a
26 fantasy contest.

27 "Fantasy contest." An online fantasy or simulated game or
28 contest with an entry fee and a prize or award administered by a
29 licensed operator in which:

30 (1) The value of all prizes or awards offered to winning

1 participants is established and made known to participants in
2 advance of the contest.

3 (2) All winning outcomes reflect the relative knowledge
4 and skill of participants and are determined by accumulated
5 statistical results of the performance of individuals,
6 including athletes in the case of sports events.

7 (3) No winning outcome is based on the score, point
8 spread or performance of a single actual team or combination
9 of teams or solely on a single performance of an individual
10 athlete or player in a single actual event.

11 "Fantasy contest account." The formal electronic system
12 implemented by a licensed operator to record a participant's
13 entry fees, prizes or awards and other activities related to
14 participation in the licensed operator's fantasy contests.

15 "Fantasy contest adjusted revenues." For each fantasy
16 contest, the amount equal to the total amount of all entry fees
17 collected from all participants entering the fantasy contest
18 minus prizes or awards paid to participants in the fantasy
19 contest, multiplied by the in-State percentage.

20 "Fantasy contest license." A license issued by the board
21 authorizing a person to offer fantasy contests in this
22 Commonwealth in accordance with this chapter.

23 "Gaming service provider." As defined in section 1103
24 (relating to definitions).

25 "In-State participant." An individual who participates in a
26 fantasy contest conducted by a licensed operator and pays a fee
27 to a licensed operator from a location within this Commonwealth.

28 "In-State percentage." For each fantasy contest, the
29 percentage, rounded to the nearest tenth of a percent, equal to
30 the total entry fees collected from all in-State participants

1 divided by the total entry fees collected from all participants
2 in the fantasy contest.

3 "Key employee." An individual who is employed by an
4 applicant for a fantasy contest license or a licensed operator
5 in a director or department head capacity and who is empowered
6 to make discretionary decisions that regulate fantasy contest
7 operations as determined by the board.

8 "Licensed entity representative." A person, including an
9 attorney, agent or lobbyist, acting on behalf of or authorized
10 to represent the interest of an applicant, licensee or other
11 person authorized by the board to engage in an act or activity
12 which is regulated under this chapter regarding a matter before,
13 or which may be reasonably be expected to come before, the
14 board.

15 "Licensed gaming entity." As defined in section 1103
16 (relating to definitions).

17 "Licensed operator." A person who holds a fantasy contest
18 license.

19 "Participant." An individual who participates in a fantasy
20 contest, whether the individual is located in this Commonwealth
21 or another jurisdiction.

22 "Person." A natural person, corporation, publicly traded
23 corporation, foundation, organization, business trust, estate,
24 limited liability company, licensed corporation, trust,
25 partnership, limited liability partnership, association or any
26 other form of legal business entity.

27 "Principal." An officer, director, person who directly holds
28 a beneficial interest in or ownership of the securities of an
29 applicant for a fantasy contest license or a licensed operator,
30 person who has a controlling interest in an applicant for a

1 fantasy contest license or a licensed operator or who has the
2 ability to elect a majority of the board of directors of a
3 licensed operator or to otherwise control a licensed operator,
4 lender or other licensed financial institution of an applicant
5 for a fantasy contest license or a licensed operator, other than
6 a bank or lending institution which makes a loan or holds a
7 mortgage or other lien acquired in the ordinary course of
8 business, underwriter of an applicant for a fantasy contest
9 license or a licensed operator or other person or employee of an
10 applicant for a fantasy contest license or a licensed operator
11 deemed to be a principal by the board.

12 "Prize or award." Anything of value worth \$100 or more or
13 any amount of cash or cash equivalents.

14 "Publicly traded corporation." A person, other than an
15 individual, that:

16 (1) has a class or series of securities registered under
17 the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.
18 § 78a et seq.);

19 (2) is a registered management company under the
20 Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. §
21 80a-1 et seq.); or

22 (3) is subject to the reporting obligations imposed by
23 section 15(d) of the Securities Exchange Act of 1934 by
24 reason of having filed a registration statement that has
25 become effective under the Securities Act of 1933 (48 Stat.
26 74, 15 U.S.C. § 77a et seq.).

27 "Script." A list of commands that a fantasy-contest-related
28 computer program can execute that is created by a participant or
29 third party not approved by the licensed operator to automate
30 processes on a licensed operator's fantasy contest platform.

1 "Season-long fantasy contest." A fantasy contest offered by
2 a licensed operator that is conducted over an entire sports
3 season.

4 SUBCHAPTER B

5 ADMINISTRATION

6 Sec.

7 311. General and specific powers of board.

8 312. Temporary regulations.

9 313. Fantasy contest license appeals.

10 314. Board minutes and records.

11 315. Reports of board.

12 § 311. General and specific powers of board.

13 (a) General powers.--

14 (1) The board shall have regulatory authority over
15 licensed operators, principals and key employees and shall
16 ensure the integrity of fantasy contests offered in this
17 Commonwealth in accordance with this chapter.

18 (2) The board may employ individuals as necessary to
19 carry out the requirements of this chapter, who shall serve
20 at the board's pleasure. An employee of the board shall be
21 considered a State employee for purposes of 71 Pa.C.S. Pt.
22 XXV (relating to retirement for State employees and
23 officers).

24 (b) Specific powers.--The board shall have the following
25 powers:

26 (1) At the board's discretion, to issue, approve, renew,
27 revoke, suspend, condition or deny issuance of licenses.

28 (2) At the board's discretion, to suspend, condition or
29 deny the issuance or renewal of a license or levy fines for
30 any violation of this chapter.

1 (3) To publish each January on the board's publicly
2 accessible Internet website a complete list of all persons
3 who applied for or held a fantasy contest license at any time
4 during the preceding calendar year and the status of the
5 application or fantasy contest license.

6 (4) To prepare and, through the Governor, submit
7 annually to the General Assembly an itemized budget
8 consistent with Article VI of the act of April 9, 1929
9 (P.L.177, No.175), known as The Administrative Code of 1929,
10 consisting of the amounts necessary to be appropriated by the
11 General Assembly out of the accounts established under
12 section 332 (relating to licensed operator deposits) required
13 to meet the obligations under this chapter accruing during
14 the fiscal period beginning July 1 of the following year.

15 (5) In the event that, in any year, appropriations for
16 the administration of this chapter are not enacted by June
17 30, any funds appropriated for the administration of this
18 chapter which are unexpended, uncommitted and unencumbered at
19 the end of a fiscal year shall remain available for
20 expenditure by the board until the enactment of appropriation
21 for the ensuing fiscal year.

22 (6) To promulgate rules and regulations necessary for
23 the administration and enforcement of this chapter. Except as
24 provided in section 312 (relating to temporary regulations),
25 regulations shall be adopted under the act of July 31, 1968
26 (P.L.769, No.240), referred to as the Commonwealth Documents
27 Law, and the act of June 25, 1982 (P.L.633, No.181), known as
28 the Regulatory Review Act.

29 (7) To administer oaths, examine witnesses and issue
30 subpoenas compelling the attendance of witnesses or the

1 production of documents and records or other evidence or to
2 designate officers or employees to perform duties required by
3 this chapter.

4 (8) At the board's discretion, to delegate any of the
5 board's responsibilities under this chapter to the executive
6 director of the board or other designated staff.

7 (9) To require licensed operators and applicants for a
8 fantasy contest license to submit any information or
9 documentation necessary to ensure the proper regulation of
10 fantasy contests in accordance with this chapter.

11 (10) To require licensed operators, except for a
12 licensed operator operating season-long fantasy contests that
13 generate less than \$250,000 in season-long fantasy contest
14 adjusted revenue, unless the board determines otherwise, to:

15 (i) annually contract with a certified public
16 accountant to conduct an independent audit in accordance
17 with standards adopted by the American Institute of
18 Certified Public Accountants to verify compliance with
19 the provisions of this chapter and board regulations;

20 (ii) annually contract with a testing laboratory
21 approved by the board to verify compliance with the
22 provisions of this chapter and board regulations; and

23 (iii) annually submit to the board and department a
24 copy of the audit report required by subparagraph (i) and
25 submit to the board a copy of the report of the testing
26 laboratory required by subparagraph (ii).

27 (11) In conjunction with the Department of Drug and
28 Alcohol Programs, to develop a process by which licensed
29 operators provide participants with a toll-free telephone
30 number that provides individuals with information on how to

1 access appropriate treatment services for compulsive and
2 problem play.

3 (b.1) Licensed entity representative.--

4 (1) A licensed entity representative shall register with
5 the board, in a manner prescribed by the board. The
6 registration shall include the name, employer or firm,
7 business address and business telephone number of both the
8 licensed entity representative and any licensed operator,
9 applicant for licensure or other person being represented.

10 (2) A licensed entity representative shall have an
11 affirmative duty to update its registration information on an
12 ongoing basis. Failure to update shall be punishable by the
13 board.

14 (3) The board shall maintain a list of licensed entity
15 representatives which shall contain the information required
16 under paragraph (1) and shall be available for public
17 inspection at the offices of the board and on the board's
18 publicly accessible Internet website.

19 (c) Exceptions.--Except as provided under section 342
20 (relating to licensed gaming entities), nothing in this section
21 shall be construed to authorize the board:

22 (1) To require background investigations for employees,
23 other than key employees and principals, of an applicant for
24 a fantasy contest license or a licensed operator.

25 (2) To require any additional permits or licenses not
26 specifically enumerated in this chapter.

27 (3) To impose additional conditions of licensure on
28 licensed operators or prohibitions on the operation of
29 fantasy contests not specifically enumerated in this chapter.

30 § 312. Temporary regulations.

1 (a) Promulgation.--In order to facilitate the prompt
2 implementation of this chapter, regulations promulgated by the
3 board shall be deemed temporary regulations and shall expire no
4 later than two years following the effective date of this
5 section. The board may promulgate temporary regulations not
6 subject to:

7 (1) Sections 201, 202 and 203 of the act of July 31,
8 1968 (P.L.769, No.240), referred to as the Commonwealth
9 Documents Law.

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

12 (b) Expiration.--Except for temporary regulations concerning
13 network connectivity, security and testing and compulsive and
14 problem play, the authority provided to the board to adopt
15 temporary regulations in subsection (a) shall expire no later
16 than two years following the effective date of this section.
17 Regulations adopted after this period shall be promulgated as
18 provided by law.

19 § 313. Fantasy contest license appeals.

20 An applicant may appeal any final order, determination or
21 decision of the board involving the approval, issuance, denial,
22 revocation or conditioning of a fantasy contest license in
23 accordance with 2 Pa.C.S. Chs. 5 Subch. A (relating to practice
24 and procedure of Commonwealth agencies) and 7 Subch. A (relating
25 to judicial review of Commonwealth agency action).

26 § 314. Board minutes and records.

27 (a) Record of proceedings.--The board shall maintain a
28 record of all proceedings held at public meetings of the board.
29 The verbatim transcript of the proceedings shall be the property
30 of the board and shall be prepared by the board upon the request

1 of any board member or upon the request of any other person and
2 the payment by that person of the costs of preparation.

3 (b) Applicant information.--

4 (1) The board shall maintain a list of all applicants
5 for a fantasy contest license. The list shall include a
6 record of all actions taken with respect to each applicant.
7 The list shall be open to public inspection during the normal
8 business hours of the board.

9 (2) Information under paragraph (1) regarding an
10 applicant whose fantasy contest license has been denied,
11 revoked or not renewed shall be removed from the list after
12 seven years from the date of the action.

13 (c) Other files and records.--The board shall maintain such
14 other files and records as it may deem appropriate.

15 (d) Confidentiality of information.--

16 (1) The following information submitted by an applicant
17 for a fantasy contest license under section 322 (relating to
18 application) or otherwise obtained by the board as part of a
19 background or other investigation from any source shall be
20 confidential and withheld from public disclosure:

21 (i) All information relating to character, honesty
22 and integrity, including family, habits, reputation,
23 history of criminal activity, business activities,
24 financial affairs and business, professional and personal
25 associations.

26 (ii) Nonpublic personal information, including home
27 addresses, telephone numbers and other personal contact
28 information, Social Security numbers, educational
29 records, memberships, medical records, tax returns and
30 declarations, actual or proposed compensation, financial

1 account records, creditworthiness or financial condition
2 relating to an applicant.

3 (iii) Information relating to proprietary
4 information, trade secrets, patents or exclusive
5 licenses, architectural and engineering plans and
6 information relating to competitive marketing materials
7 and strategies that may include customer-identifying
8 information or customer prospects for services subject to
9 competition.

10 (iv) Information with respect to which there is a
11 reasonable possibility that public release or inspection
12 of the information would constitute an unwarranted
13 invasion into personal privacy of an individual as
14 determined by the board.

15 (v) Records of an applicant for a fantasy contest
16 license or a licensed operator not required to be filed
17 with the Securities and Exchange Commission by issuers
18 that either have securities registered under section 12
19 of the Securities Exchange Act of 1934 (48 Stat. 881, 15
20 U.S.C. § 781) or are required to file reports under
21 section 15(d) of the Securities Exchange Act of 1934 (48
22 Stat. 881, 15 U.S.C. § 78o)

23 (vi) Records considered nonpublic matters or
24 information by the Securities and Exchange Commission as
25 provided by 17 CFR 200.80 (relating to commission records
26 and information).

27 (vii) Financial or security information deemed
28 confidential by the board upon a showing of good cause by
29 the applicant for a fantasy contest license or licensed
30 operator.

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

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

9 (4) The information made confidential under this section
10 shall be withheld from public disclosure, in whole or in
11 part, except that any confidential information shall be
12 released upon the order of a court of competent jurisdiction
13 or, with the approval of the Attorney General, to a duly
14 authorized law enforcement agency or shall be released to the
15 public, in whole or in part, to the extent that such release
16 is requested by an applicant for a fantasy contest license or
17 licensed operator and does not otherwise contain confidential
18 information about another person.

19 (5) The board may seek a voluntary waiver of
20 confidentiality from an applicant for a fantasy contest
21 license or a licensed operator, but may not require an
22 applicant or licensed operator to waive any confidentiality
23 provided for in this subsection as a condition for the
24 approval of an application, renewal of a fantasy contest
25 license or any other action of the board.

26 (e) Notice.--Notice of the contents of any information,
27 except to a duly authorized law enforcement agency under this
28 section, shall be given to an applicant or licensee in a manner
29 prescribed by the rules and regulations adopted by the board.

30 (f) Information held by department.--Files, records, reports

1 and other information in the possession of the department
2 pertaining to licensed operators shall be made available to the
3 board as may be necessary for the effective administration of
4 this chapter.

5 § 315. Reports of board.

6 (a) General rule.--The annual report submitted by the board
7 under section 1211 (relating to reports of board) shall include
8 the following information on the conduct of fantasy contests:

9 (1) Total fantasy contest adjusted revenues.

10 (2) All taxes, fees, fines and other revenue collected
11 from licensed operators during the previous year. The
12 department shall collaborate with the board to carry out the
13 requirements of this section.

14 (3) At the board's discretion, any other information
15 related to the conduct of fantasy contests or licensed
16 operators.

17 (b) Licensed operators.--The board may require licensed
18 operators to provide information to the board to assist in the
19 preparation of the report.

20 SUBCHAPTER C

21 LICENSURE

22 Sec.

23 321. General prohibition.

24 322. Application.

25 323. Issuance and denial of license.

26 324. License renewal.

27 325. Conditions of licensure.

28 326. Prohibitions.

29 327. Change in ownership or control of licensed operators.

30 328. Penalties.

1 § 321. General prohibition.

2 (a) General rule.--Except as provided for in subsection (b),
3 no person may offer or otherwise make available for play in this
4 Commonwealth a fantasy contest without a fantasy contest license
5 issued by the board.

6 (b) Existing activity.--A person who applies for or renews a
7 fantasy contest license in accordance with this chapter may
8 operate during the application or renewal period unless:

9 (1) The board has reasonable cause to believe the person
10 is or may be in violation of the provisions of this chapter.

11 (2) The board requires the person to suspend the
12 operation of any fantasy contest until the license is issued
13 or renewed.

14 § 322. Application.

15 (a) Form and information.--An application for a license
16 shall be submitted on a form and in manner as shall be required
17 by the board. An application for a fantasy contest license shall
18 contain the following information:

19 (1) (i) if an individual, the name, Federal employer
20 identification number and principal address of the
21 applicant;

22 (ii) if a corporation, the state of its
23 incorporation, the full name and address of each officer
24 and director thereof;

25 (iii) if a foreign corporation, whether it is
26 qualified to do business in this Commonwealth; and

27 (iv) if a partnership or joint venture, the name and
28 address of each officer thereof.

29 (2) The name and address of the person having custody of
30 the applicant's financial records.

1 (3) The names and addresses of key employees.

2 (4) The names and addresses of each of the applicant's
3 principals.

4 (5) Information, documentation and assurances related to
5 financial and criminal history as the board deems necessary
6 to establish by clear and convincing evidence the financial
7 stability, integrity and responsibility of the applicant and
8 the applicant's key employees and principals.

9 (6) Information and documentation necessary to establish
10 the applicant's ability to comply with section 325 (relating
11 to conditions of licensure).

12 (7) Any other information required by the board.

13 (b) Nonrefundable application fee.--Each application
14 submitted under this chapter shall be accompanied by a
15 nonrefundable application fee, which shall be established by the
16 board, and which may not exceed the amount necessary to
17 reimburse the board for all costs incurred by the board for
18 fulfilling the requirements of this section and section 323
19 (relating to issuance and denial of license) or exceed an amount
20 equal to 5% of the applicant's fantasy contest adjusted revenues
21 for the previous calendar year.

22 (c) Additional information.--A person applying for a fantasy
23 contest license shall have the continuing duty to provide
24 information required by the board and to cooperate in any
25 inquiry or investigation.

26 (d) Abbreviated application process.--The board, at its
27 discretion, may establish an abbreviated application process for
28 a fantasy contest license for persons that are also licensed
29 gaming entities. The abbreviated application may only require
30 information not in possession of the board that is necessary to

1 fulfill the requirements of this chapter.

2 § 323. Issuance and denial of license.

3 (a) Duty to review applications.--The board shall review all
4 applications for a license and shall issue a license to any
5 applicant that:

6 (1) Has submitted a completed application and paid the
7 nonrefundable application fee as required by the board under
8 section 322 (relating to application).

9 (2) Has demonstrated that the applicant has the
10 financial stability, integrity and responsibility to comply
11 with the provisions of this chapter and regulations
12 established by the board.

13 (3) Has not been denied a license under subsection (b).

14 (b) Reasons to deny applications.--The board may deny an
15 application for a license if the applicant:

16 (1) has knowingly made a false statement of material
17 fact or has deliberately failed to disclose any information
18 requested;

19 (2) employs a principal or key employee who has been
20 convicted of a felony, a crime of moral turpitude or any
21 criminal offense involving dishonesty or breach of trust
22 within 10 years prior to the date of the application for
23 license;

24 (3) has at any time knowingly failed to comply with the
25 provisions of this chapter or of any requirements of the
26 board;

27 (4) has had a registration, permit or license to conduct
28 fantasy contests denied or revoked in any other jurisdiction;

29 (5) has legally defaulted in the payment of any
30 obligation or debt due to the Commonwealth or is not

1 compliant with taxes due; or

2 (6) is not qualified to do business in this Commonwealth
3 or is not subject to the jurisdiction of the courts of the
4 Commonwealth.

5 (c) Time period for review.--The board shall conclude its
6 review of an application for a fantasy contest license within
7 120 days of receipt of the completed application. If the license
8 is not issued, the board shall provide the applicant with the
9 justification for not issuing the license with specificity.

10 (d) License fee.--

11 (1) Within 30 days of the board issuing a fantasy
12 contest license, an applicant shall pay to the board a
13 license fee of \$50,000 or an amount equivalent to 7.5% of the
14 applicant's fantasy contest adjusted revenues for the
15 previous calendar year, whichever is less, except that an
16 applicant who is also a licensed gaming entity shall pay to
17 the board a license fee of \$50,000.

18 (2) The license fee collected under this subsection
19 shall be deposited into the General Fund.

20 (3) If an applicant fails to pay the fee required by
21 this subsection, the board shall suspend or revoke the
22 applicant's fantasy contest license until payment of the
23 license fee is received.

24 (e) Abbreviated approval process.--The board, at its
25 discretion, may establish an abbreviated approval process for
26 the issuance of a fantasy contest license to a licensed gaming
27 entity whose slot machine license under Chapter 13 (relating to
28 licenses) and table game operation certificate under Chapter 13A
29 (relating to table games) are in good standing.

30 § 324. License renewal.

1 (a) Renewal.--

2 (1) A license issued under this chapter shall be valid
3 for a period of five years.

4 (2) Nothing in this subsection shall be construed to
5 relieve a licensed operator of the affirmative duty to notify
6 the board of any changes relating to the status of its
7 fantasy contest license or to any other information contained
8 in the application materials on file with the board.

9 (3) The application for renewal of a fantasy contest
10 license must be submitted at least 90 days prior to the
11 expiration of the license and include an update of the
12 information contained in the initial application for a
13 fantasy contest license. A fantasy contest license for which
14 a completed renewal application and fee as required under
15 subsection (c) has been received by the board shall continue
16 in effect unless and until the board sends written
17 notification to the licensed operator that the board has
18 denied the renewal of the license.

19 (b) Revocation or failure to renew.--

20 (1) In addition to any other sanction the board may
21 impose under this chapter, the board may at its discretion
22 suspend, revoke or deny renewal of a fantasy contest license
23 issued under this chapter if it receives information that:

24 (i) the applicant or any of the applicant's key
25 employees or principals are in violation of any provision
26 of this chapter;

27 (ii) the applicant has furnished the board with
28 false or misleading information;

29 (iii) the information contained in the applicant's
30 initial application or any renewal application is no

1 longer true and correct;

2 (iv) the applicant has failed to remit taxes or
3 assessments required under section 331 (relating to
4 fantasy contest tax), 332 (relating to licensed operator
5 deposits) or 333 (relating to responsibility and
6 authority of department); or

7 (v) the applicant has legally defaulted in the
8 payment of any obligation or debt due to the
9 Commonwealth.

10 (2) In the event of a revocation or failure to renew,
11 the applicant's authorization to conduct fantasy contests
12 shall immediately cease and all fees paid in connection with
13 the application shall be deemed to be forfeited.

14 (3) In the event of a suspension, the applicant's
15 authorization to conduct fantasy contests shall immediately
16 cease until the board has notified the applicant that the
17 suspension is no longer in effect.

18 (c) Renewal fee.--

19 (1) Within 30 days of the board renewing a fantasy
20 contest license, the licensed operator shall pay to the board
21 a renewal fee of \$5,000, or an amount equal to 7.5% of the
22 applicant's fantasy contest adjusted revenue, whichever is
23 less.

24 (2) The renewal fee collected by the board under this
25 subsection shall be deposited into the General Fund.

26 (3) If a licensed operator fails to pay the renewal fee
27 required under this subsection, the board shall suspend or
28 revoke the licensed operator's fantasy contest license until
29 payment of the renewal fee is received.

30 § 325. Conditions of licensure.

1 As a condition of licensure, a licensed operator shall
2 establish and implement the following commercially reasonable
3 procedures related to conduct of fantasy contests in this
4 Commonwealth:

5 (1) Permit only participants who have established a
6 fantasy contest account with the licensed operator to
7 participate in a fantasy contest conducted by the licensed
8 operator.

9 (2) Verify the age, location and identity of any
10 participant prior to making a deposit into a fantasy contest
11 account for a participant located in this Commonwealth. No
12 participant under 18 years of age may be permitted to
13 establish a fantasy contest account with a licensed operator.

14 (3) Verify the identity of a participant by requiring
15 the participant to provide the licensed operator a unique
16 user name and password prior to accessing a fantasy contest
17 account.

18 (4) Ensure rules and prizes and awards established by
19 the licensed operator for a fantasy contest are made known to
20 a participant prior to the acceptance of any entry fee.

21 (5) Ensure that a player who is the subject of a fantasy
22 contest is restricted from entering as a participant in a
23 fantasy contest that is determined, in whole or part, on the
24 accumulated statistical results of a team of individuals in
25 the league in which the player is a member.

26 (6) Allow a person to restrict himself from entering a
27 fantasy contest or accessing a fantasy contest account for a
28 specific period of time as determined by the participant and
29 implement reasonable procedures to prevent the individual
30 from participating in the licensed operator's fantasy

1 contests.

2 (7) Allow a person to restrict the total amount of
3 deposits that the participant may pay to the licensed
4 operator for a specific time period established by the
5 participant and implement reasonable procedures to prevent
6 the participant from exceeding the limit.

7 (8) Conspicuously post compulsive and problem play
8 notices at fantasy contest registration points and provide a
9 toll-free telephone number to participants who have expressed
10 to the licensed operator issues with compulsive and problem
11 play of fantasy contests. The toll-free telephone number and
12 the compulsive and problem play notice shall be approved by
13 the board, in consultation with the Department of Drug and
14 Alcohol Programs.

15 (9) Disclose the number of entries a single participant
16 may submit to each fantasy contest and take commercially
17 reasonable steps to prevent such participants from submitting
18 more than the allowable number.

19 (10) Prohibit the licensed operator's principals,
20 employees and relatives living in the same household of an
21 employee or principal from competing in a fantasy contest
22 offered by any licensed operator to the general public and in
23 which fantasy contest the licensed operator offers a prize or
24 award.

25 (11) Prevent the sharing of confidential information
26 that could affect fantasy contest play with third parties
27 until the information is made publicly available.

28 (12) Take commercially reasonable steps to maintain the
29 confidentiality of a participant's personal and financial
30 information.

1 (13) Segregate participant funds from operational funds
2 in separate accounts and maintain a reserve in the form of
3 cash, cash equivalents, security deposits held by banks and
4 processors, an irrevocable letter of credit, payment
5 processor reserves and receivables, a bond or a combination
6 thereof in an amount sufficient to pay all prizes and awards
7 offered to winning participants. To satisfy this paragraph, a
8 licensed operator that only offers season-long fantasy
9 contests that generate less than \$250,000 in season-long
10 fantasy contest adjusted revenue may contract with a third
11 party to hold prizes and awards in an escrow account until
12 after the season is concluded and prizes and awards are
13 distributed.

14 (14) Provide winning in-State participants with
15 information and documentation necessary to ensure the proper
16 reporting of winnings by in-State participants to the
17 department.

18 (15) Remit taxes or assessments to the department in
19 accordance with sections 331 (relating to fantasy contest
20 tax), 332 (relating to licensed operator deposits) and 333
21 (relating to responsibility and authority of department).

22 (16) Prohibit the use of scripts by participants and
23 implement technologies to prevent the use of scripts.

24 (17) Monitor fantasy contests for the use of scripts and
25 restrict players found to have used such scripts from
26 participation in future fantasy contests.

27 (18) Establish any other condition deemed appropriate by
28 the board.

29 § 326. Prohibitions.

30 (a) General rule.--No licensed operator may:

1 (1) accept an entry fee from or permit a natural person
2 under 18 years of age to become a participant in a fantasy
3 contest;

4 (2) offer a fantasy contest based, in whole or in part,
5 on collegiate or high school athletic events or players;

6 (3) permit a participant to enter a fantasy contest
7 prior to establishing a fantasy contest account;

8 (4) establish a fantasy contest account for a person who
9 is not an individual;

10 (5) alter rules established for a fantasy contest after
11 a participant has entered the fantasy contest;

12 (6) issue credit to a participant to establish or fund a
13 fantasy contest account;

14 (7) knowingly directly market to a participant during
15 the time period in which the participant has self-excluded
16 from the licensed operator's fantasy contests;

17 (8) knowingly permit a participant to enter the licensed
18 operator's fantasy contests during the time period in which
19 the participant has self-excluded from the licensed
20 operators' fantasy contests;

21 (8.1) knowingly allow a self-excluded individual to keep
22 a prize or award.

23 (9) knowingly accept a deposit in excess of a limit
24 established by a participant for the specific time period
25 established by the participant;

26 (10) share confidential information that could affect
27 fantasy contest play with third parties until the information
28 is made publicly available;

29 (11) knowingly permit a principal, an employee or a
30 relative living in the same household of an employee or

1 principal to become a participant in a fantasy contest
2 offered by any licensed operator in which a licensed operator
3 offers a prize or award;

4 (12) offer a fantasy contest where:

5 (i) the value of all prizes or awards offered to
6 winning participants is not established and made known to
7 participants in advance of the fantasy contest;

8 (ii) winning outcomes do not reflect the relative
9 knowledge and skill of participants;

10 (iii) the winning outcome is based on the score,
11 point spread or performance of a single actual team or
12 combination of teams or solely on a single performance of
13 an individual athlete or player in a single actual event;

14 or

15 (iv) the winning outcome is not based on statistical
16 results accumulated from fully completed athletic sports
17 contests or events, except that participants may be
18 credited for statistical results accumulated in a
19 suspended or shortened sports event which has been
20 partially completed on account of weather or other
21 natural or unforeseen event;

22 (13) fail to remit taxes or assessments to the
23 department in accordance with sections 331 (relating to
24 fantasy contest tax), 332 (relating to licensed operator
25 deposits) and 333 (relating to responsibility and authority
26 of department);

27 (14) knowingly allow a participant to use a script
28 during a fantasy contest; and

29 (15) perform any other action prohibited by the board.

30 (b) Deposit.--The licensed operator shall deposit the amount

1 of the prize or award under subsection (a) (8.1) in the General
2 Fund.

3 § 327. Change in ownership or control of licensed operators.

4 (a) Notification and approval.--

5 (1) A licensed operator shall notify the board upon
6 becoming aware of any proposed change of ownership of the
7 licensed operator by a person or group of persons acting in
8 concert which involves any of the following:

9 (i) More than 15% of a licensed operator's
10 securities or other ownership interests.

11 (ii) The sale other than in the ordinary course of
12 business of a licensed operator's assets.

13 (iii) Any other transaction or occurrence deemed by
14 the board to be relevant to fantasy contest license
15 qualifications.

16 (2) Notwithstanding the provisions of paragraph (1), a
17 licensed operator shall not be required to notify the board
18 of any acquisition by an institutional investor under
19 paragraph (1)(i) or (ii) if the institutional investor holds
20 less than 10% of the securities or other ownership interests
21 referred to in paragraph (1)(i) or (ii), the securities or
22 interests are publicly traded securities and its holdings of
23 such securities were purchased for investment purposes only
24 and the institutional investor files with the board a
25 certified statement to the effect that the institutional
26 investor has no intention of influencing or affecting,
27 directly or indirectly, the affairs of the licensed operator.
28 However, the institutional investor may vote on matters put
29 to the vote of the outstanding security holders. Notice to
30 the board shall be required prior to completion of any

1 proposed or contemplated change of ownership of a licensed
2 operator that meets the criteria of this section.

3 (b) Qualification of purchaser and change of control.--

4 (1) A purchaser of the assets, other than in the
5 ordinary course of business, of a licensed operator shall
6 independently qualify for a fantasy contest license in
7 accordance with this chapter and shall pay the application
8 fee and license fee as required by sections 322 (relating to
9 application) and 323 (relating to issuance and denial of
10 license), except that if the purchaser of assets is another
11 licensed operator, the purchaser of assets shall not be
12 required to requalify for a fantasy contest license or pay
13 another application fee and license fee.

14 (2) A change in control of any licensed operator shall
15 require that the licensed operator independently qualify for
16 a fantasy contest license in accordance with this chapter,
17 and the licensed operator shall pay a new application and
18 license fee as required by sections 322 and 323, except that
19 if the new controller is another licensed operator, the new
20 controller shall not be required to requalify for a fantasy
21 contest license or pay another application fee and license
22 fee.

23 (c) License revocation.--Failure to comply with this section
24 may cause the fantasy contest license issued under this chapter
25 to be revoked or suspended by the board unless the purchase of
26 the assets or the change in control that meets the criteria of
27 this section has been independently qualified in advance by the
28 board and any required application or license fee has been paid.

29 (d) Definitions.--As used in this section, the following
30 words and phrases shall have the meanings given to them in this

1 subsection unless the context clearly indicates otherwise:

2 "Change in control of a licensed operator." The acquisition
3 by a person or group of persons acting in concert of more than
4 20% of a licensed operator's securities or other ownership
5 interests, with the exception of any ownership interest of the
6 person that existed at the time of initial licensing and payment
7 of the initial fantasy contest license fee, or more than 20% of
8 the securities or other ownership interests of a corporation or
9 other form of business entity that owns directly or indirectly
10 at least 20% of the voting or other securities or other
11 ownership interests of the licensed operator.

12 § 328. Penalties.

13 (a) Suspension or revocation of license.--

14 (1) After a public hearing with at least 15 days'
15 notice, the board may suspend or revoke a licensed operator's
16 fantasy contest license in any case where a violation of this
17 chapter has been shown by a preponderance of the evidence.

18 (2) The board may revoke a fantasy contest license if
19 the board finds that facts not known by the board at the time
20 the board considered the application indicate that such
21 license should not have been issued.

22 (b) Administrative penalties.--

23 (1) In addition to suspension or revocation of a fantasy
24 contest license, the board may impose administrative
25 penalties on a licensed operator for violations of this
26 chapter not to exceed \$5,000 for each violation.

27 (2) A violation of this chapter that is determined to be
28 an offense of a continuing nature shall be deemed to be a
29 separate offense on each event or day during which the
30 violation occurs, except that the total administrative

1 penalty for an offense of a continuing nature may not exceed
2 \$25,000.

3 (3) The licensed operator shall have the right to appeal
4 administrative penalties in accordance with 2 Pa.C.S. Chs. 5
5 Subch. A (relating to practice and procedure of Commonwealth
6 agencies) and 7 Subch. A (relating to judicial review of
7 Commonwealth agency action).

8 (4) Penalties imposed under this subsection shall be
9 deposited into the General Fund.

10 (c) Civil penalties.--

11 (1) In addition to the provisions of this section, a
12 person who knowingly violates a provision of this chapter
13 shall be liable for a civil penalty of not more than \$1,000
14 for each such violation.

15 (2) The civil penalty shall be recovered in a civil
16 action brought by the board and shall be paid into the
17 General Fund.

18 SUBCHAPTER D

19 FISCAL PROVISIONS

20 Sec.

21 331. Fantasy contest tax.

22 332. Licensed operator deposits.

23 333. Responsibility and authority of department.

24 § 331. Fantasy contest tax.

25 (a) Imposition.--Each licensed operator shall report to the
26 department and pay from its quarterly fantasy contest adjusted
27 revenues, on a form and in the manner prescribed by the
28 department, a tax of 12% of its quarterly fantasy contest
29 adjusted revenues.

30 (b) Deposits and distributions.--

1 (1) The tax imposed under subsection (a) shall be
2 payable to the department on a quarterly basis and shall be
3 based upon quarterly fantasy contest adjusted revenue derived
4 during the previous quarter.

5 (2) All funds owed to the Commonwealth under this
6 section shall be held in trust for the Commonwealth by the
7 licensed operator until the funds are paid to the department.

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

10 (c) Penalty.--

11 (1) A licensed operator who fails to timely remit to the
12 department amounts required under this section shall be
13 liable, in addition to any liability imposed elsewhere in
14 this chapter, to a penalty of 5% per month up to a maximum of
15 25% of the amounts ultimately found to be due, to be
16 recovered by the department.

17 (2) Penalties imposed under this subsection shall be
18 deposited in the General Fund.

19 § 332. Licensed operator deposits.

20 (a) Accounts established.--The State Treasurer shall
21 establish within the State Treasury an account for each licensed
22 operator for the deposit required under subsection (b) to:

23 (1) recover costs or expenses incurred by the board and
24 the department in carrying out their powers and duties under
25 this chapter based upon a budget submitted by the board and
26 the department under subsection (c); and

27 (2) repay any loans made by the General Fund to the
28 board or the department in connection with carrying out its
29 powers and duties under this chapter.

30 (b) Deposits.--

1 (1) The department shall determine the appropriate
2 assessment amount for each licensed operator, which shall be
3 a percentage assessed on the licensed operator's fantasy
4 contest adjusted revenues. Each licensed operator shall
5 deposit funds into its account on a quarterly basis.

6 (2) The percentage assessed shall not exceed an amount
7 necessary to:

8 (i) recover costs or expenses incurred by the board
9 and the department in carrying out their powers and
10 duties under this chapter based on a budget submitted by
11 the board and the department under subsection (c); and

12 (ii) repay any loans made from the General Fund to
13 the board in connection with carrying out its powers and
14 duties under this chapter.

15 (c) Itemized budget reporting.--

16 (1) The board and the department shall prepare and
17 annually submit to the chairperson of the Appropriations
18 Committee of the Senate and the chairperson of the
19 Appropriations Committee of the House of Representatives an
20 itemized budget consisting of amounts to be appropriated out
21 of the accounts established under this section necessary to
22 administer this chapter.

23 (2) As soon as practicable after submitting copies of
24 the itemized budget, the board and the department shall
25 jointly prepare and submit to the chairperson of the
26 committees analyses of and make recommendations regarding the
27 itemized budget.

28 (d) Appropriation.--Costs and expenses from accounts
29 established under subsection (a) shall only be disbursed upon
30 appropriation by the General Assembly.

1 (e) Penalty.--

2 (1) A licensed operator who fails to timely remit to the
3 department amounts required under this section shall be
4 liable, in addition to any liability imposed elsewhere in
5 this chapter, to a penalty of 5% per month up to a maximum of
6 25% of the amounts ultimately found to be due, to be
7 recovered by the department.

8 (2) Penalties imposed under this subsection shall be
9 deposited into the General Fund.

10 § 333. Responsibility and authority of department.

11 (a) General rule.--The department may administer and collect
12 taxes imposed under section 331 (relating to fantasy contest
13 tax) and interest imposed under section 806 of the act of April
14 9, 1929 (P.L.343, No.176), known as The Fiscal Code, and
15 promulgate and enforce rules and regulations to carry out its
16 prescribed duties in accordance with sections 331 and 332
17 (relating to licensed operator deposits), including the
18 collection of taxes, penalties, assessments and interest.

19 (b) Procedure.--For purposes of implementing sections 331
20 and 332, the department may promulgate regulations in the same
21 manner in which the board is authorized as provided in section
22 312 (relating to temporary regulations).

23 SUPBCHAPTER E

24 MISCELLANEOUS PROVISIONS

25 Sec.

26 341. Applicability of other statutes.

27 342. Licensed gaming entities.

28 343. Funding.

29 § 341. Applicability of other statutes.

30 (a) Unlawful gambling.--The provisions of 18 Pa.C.S. § 5513

1 (relating to gambling devices, gambling, etc.) shall not apply
2 to a fantasy contest conducted in accordance with this chapter.

3 (b) Pool selling and bookmaking.--The provisions of 18
4 Pa.C.S. § 5514 (relating to pool selling and bookmaking) shall
5 not apply to a fantasy contest conducted in accordance with this
6 chapter.

7 (c) Lotteries.--The provisions of 18 Pa.C.S. § 5512
8 (relating to lotteries, etc.) shall not apply to a fantasy
9 contest conducted in accordance with this chapter.

10 (d) State Lottery Law.--This chapter shall not apply to a
11 fantasy contest or similar product authorized under the act of
12 August 26, 1971 (P.L.351, No.91), known as the State Lottery
13 Law, and authorized solely by the department and the Division of
14 the State Lottery.
15 § 342. Licensed gaming entities.

16 (a) Scope.--This section shall apply to a licensed gaming
17 entity that holds a fantasy contest license.

18 (b) Applicability.--Nothing in this chapter shall be
19 construed to limit the board's general and sole regulatory
20 authority over the conduct of gaming or related activities under
21 Part II (relating to gaming), including, but not limited to, the
22 certification, registration and regulation of gaming service
23 providers and individuals and entities associated with them.

24 (c) Restricted contests.--A licensed gaming entity may offer
25 fantasy contests that are exclusive to participants who are at
26 least 21 years of age.

27 (d) Promotional play.--For a restricted contest under
28 subsection (c), a licensed gaming entity may offer slot machine
29 or table game promotional play to a participant who is at least
30 21 years of age as a prize or award or for participating in a

1 fantasy contest conducted by the licensed gaming entity.

2 (e) Gaming service providers.--A licensed operator who is
3 not a licensed gaming entity may, at the discretion of the
4 board, be certificated or registered as a gaming service
5 provider under section 1317.2 (relating to gaming service
6 provider) in order to operate fantasy contests subject to the
7 restrictions of subsection (c) on behalf of a licensed gaming
8 entity.

9 § 343. Funding.

10 (a) Appropriation.--The following amounts are appropriated:

11 (1) The sum of \$1,250,000 is appropriated to the board
12 for the fiscal year period July 1, 2016, to June 30, 2017,
13 for the purpose of implementing and administering the
14 provisions of this chapter.

15 (2) The sum of \$500,000 is appropriated to the
16 department for the fiscal period July 1, 2016, to June 30,
17 2017, for the purpose of implementing and administering the
18 provisions of this chapter.

19 (b) Repayment.--The appropriations in this section shall be
20 considered loans from the General Fund and shall be repaid to
21 the General Fund quarterly through assessments on licensed
22 operators authorized under section 332 (relating to licensed
23 operator deposits) by the department. The total amounts
24 appropriated to the board and department under this section
25 shall be repaid to the General Fund no later than 10 years from
26 the date the board issues the first fantasy contest license.

27 (c) Unused amounts.--On July 1, 2017, any portion of amounts
28 appropriated under subsection (a) that is unexpended,
29 unencumbered or uncommitted as of June 30 of the prior fiscal
30 year shall automatically be transferred to the General Fund.

1 Section 2. Section 1102 of Title 4 is amended to read:

2 § 1102. Legislative intent.

3 The General Assembly recognizes the following public policy
4 purposes and declares that the following objectives of the
5 Commonwealth are to be served by this part:

6 (1) The primary objective of this part to which all
7 other objectives and purposes are secondary is to protect the
8 public through the regulation and policing of all activities
9 involving gaming and practices that continue to be unlawful.

10 (2) The authorization of limited gaming by the
11 installation and operation of slot machines as authorized in
12 this part is intended to enhance live horse racing, breeding
13 programs, entertainment and employment in this Commonwealth.

14 (2.1) The authorization of table games and interactive
15 gaming in this part is intended to supplement slot machine
16 gaming by increasing revenues to the Commonwealth and
17 providing new employment opportunities by creating skilled
18 jobs for individuals related to the conduct of table games at
19 licensed facilities in this Commonwealth and related to the
20 conduct of interactive gaming.

21 (3) The authorization of limited gaming is intended to
22 provide a significant source of new revenue to the
23 Commonwealth to support property tax relief, wage tax
24 reduction, economic development opportunities and other
25 similar initiatives.

26 (4) The authorization of limited gaming is intended to
27 positively assist the Commonwealth's horse racing industry,
28 support programs intended to foster and promote horse
29 breeding and improve the living and working conditions of
30 personnel who work and reside in and around the stable and

1 backside areas of racetracks.

2 (5) The authorization of limited gaming is intended to
3 provide broad economic opportunities to the citizens of this
4 Commonwealth and shall be implemented in such a manner as to
5 prevent possible monopolization by establishing reasonable
6 restrictions on the control of multiple licensed gaming
7 facilities in this Commonwealth.

8 (6) The authorization of limited gaming is intended to
9 enhance the further development of the tourism market
10 throughout this Commonwealth, including, but not limited to,
11 year-round recreational and tourism locations in this
12 Commonwealth.

13 (7) Participation in limited gaming authorized under
14 this part by any licensee [or], permittee, registrant or
15 certificate holder shall be deemed a privilege, conditioned
16 upon the proper and continued qualification of the licensee
17 [or], permittee, registrant or certificate holder and upon
18 the discharge of the affirmative responsibility of each
19 licensee, permittee, registrant and certificate holder to
20 provide the regulatory and investigatory authorities of the
21 Commonwealth with assistance and information necessary to
22 assure that the policies declared by this part are achieved.

23 (8) Strictly monitored and enforced control over all
24 limited gaming authorized by this part shall be provided
25 through regulation, licensing and appropriate enforcement
26 actions of specified locations, persons, associations,
27 practices, activities, licensees [and], permittees,
28 registrants and certificate holders.

29 (9) Strict financial monitoring and controls shall be
30 established and enforced by all licensees [or], permittees,

1 registrants and certificate holders.

2 (10) The public interest of the citizens of this
3 Commonwealth and the social effect of gaming shall be taken
4 into consideration in any decision or order made pursuant to
5 this part.

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

13 (10.2) Banning all types of political campaign
14 contributions by certain persons subject to this part is
15 necessary to prevent corruption and the appearance of
16 corruption that may arise when political campaign
17 contributions and gaming regulated under this part are
18 intermingled.

19 (11) It is necessary to maintain the integrity of the
20 regulatory control and legislative oversight over the
21 operation and play of slot machines [and], table games and
22 interactive gaming in this Commonwealth; to ensure the
23 bipartisan administration of this part; and avoid actions
24 that may erode public confidence in the system of
25 representative government.

26 (12) It is the intent of the General Assembly to
27 authorize the operation and play of slot machines [and],
28 table games and interactive gaming under a single slot
29 machine license issued to a slot machine licensee when a slot
30 machine licensee has been issued a table game operation

1 certificate and an interactive gaming certificate under this
2 part.

3 (12.1) The continued growth and success of the
4 commercial gaming industry in this Commonwealth is dependent
5 upon a regulatory environment which promotes and fosters
6 technological advances and encourages the development and
7 delivery of innovative gaming products.

8 (12.2) It is also the intent of the General Assembly to
9 ensure the sustainability and competitiveness of the
10 commercial gaming industry in this Commonwealth by
11 authorizing interactive gaming, the operation of multistate
12 wide-area progressive slot machines, skill and hybrid slot
13 machines.

14 (12.3) It is also the intent of the General Assembly to
15 authorize the operation and play of interactive gaming in
16 conformance with Federal law, including the Unlawful Internet
17 Gambling Enforcement Act of 2006 (Title VIII of Public Law
18 109-347, 31 U.S.C. §§ 5361-5367).

19 (13) The authorization of limited gaming in this
20 Commonwealth requires the Commonwealth to take steps to
21 increase awareness of compulsive and problem gambling and to
22 develop and implement effective strategies for prevention,
23 assessment and treatment of this behavioral disorder.

24 (14) Research indicates that [for some individuals]
25 compulsive and problem gambling and drug and alcohol
26 addiction are related. Therefore, the General Assembly
27 intends to establish an approach to compulsive and problem
28 gambling prevention, assessment and treatment that will
29 ensure the provision of adequate resources to identify,
30 assess and treat both compulsive and problem gambling and

1 drug and alcohol addiction.

2 Section 3. The definitions of "associated equipment," "cash
3 equivalent," "cheat," "cheating or thieving device,"
4 "commission" or "commissions," "conduct of gaming," "contest,"
5 "counterfeit chip," "fully automated electronic gaming table,"
6 "gaming employee," "gaming school," "gaming service provider,"
7 "key employee," "licensed facility," "licensed racing entity,"
8 "manufacturer," "manufacturer license," "player," "progressive
9 payout," "progressive system," "Race Horse Industry Reform Act,"
10 "slot machine," "supplier," "supplier license" and "table game
11 device" in section 1103 of Title 4 are amended and the section
12 is amended by adding definitions to read:

13 § 1103. Definitions.

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

17 * * *

18 "Airport authority." Any of the following:

19 (1) One or more municipal authorities organized and
20 incorporated under 53 Pa.C.S. Ch. 56 (relating to municipal
21 authorities) to oversee the operations of a qualified
22 airport.

23 (2) The governing body of a city of the first class
24 which regulates the use and control of a qualified airport
25 located primarily in the city of the first class.

26 "Airport gaming area." A location or locations within a
27 qualified airport approved by the airport authority and the
28 Pennsylvania Gaming Control Board for the conduct of interactive
29 gaming through the use of multi-use computing devices by
30 eligible passengers.

1 * * *

2 "Associated equipment." Any equipment or mechanical,
3 electromechanical or electronic contrivance, component or
4 machine used in connection with slot machines or table games,
5 including linking devices which connect to progressive slot
6 machines and multistate wide-area progressive slot machines or
7 slot [machines, replacement] machine replacement parts,
8 equipment which affects the proper reporting and counting of
9 gross terminal revenue [and], gross table game revenue and gross
10 interactive gaming revenue, computerized systems for controlling
11 and monitoring slot machines [or], table games or interactive
12 games, including, but not limited to, the central control
13 computer to which all slot machines communicate [and], devices
14 for weighing or counting money[.] and interactive gaming devices
15 necessary for the operation of interactive games as approved by
16 the Pennsylvania Gaming Control Board. The term shall not
17 include count room equipment.

18 * * *

19 "Authorized interactive game." An interactive game approved
20 by regulation of the Pennsylvania Gaming Control Board to be
21 suitable for interactive gaming offered by an interactive gaming
22 certificate holder or an interactive gaming operator on behalf
23 of an interactive gaming certificate holder in accordance with
24 Chapter 13B (relating to interactive gaming). The term shall
25 include any interactive game approved by regulation of the
26 Pennsylvania Control Board to be suitable for interactive gaming
27 through the use of a multi-use computing device.

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 interactive gaming
8 certificate holder, an interactive gaming operator or a
9 financial institution.
10 (7) Any other instrument or representation of value that
11 the Pennsylvania Gaming Control Board deems a cash
12 equivalent.

13 * * *

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

22 (1) The result of a slot machine game [or], table game
23 or authorized interactive game.

24 (2) The amount or frequency of payment in a slot machine
25 game [or], table game or authorized interactive game.

26 (3) The value of a wagering instrument.

27 (4) The value of a wagering credit.

28 The term does not include altering a slot machine, table game
29 device or associated equipment or interactive gaming device or
30 associated equipment for maintenance or repair with the approval

1 of a slot machine licensee.

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

10 * * *

11 ["Commission" or "commissions."] "Commission." The State
12 Horse Racing Commission [or the State Harness Racing Commission,
13 or both as the context may require.] as defined in 3 Pa.C.S. §
14 9301 (relating to definitions).

15 * * *

16 "Communications technology." Any method used and the
17 components employed to facilitate the transmission and receipt
18 of information, including transmission and reception by systems
19 using wire, wireless, cable, radio, microwave, light, fiber
20 optics, satellite or computer data networks, including the
21 Internet and intranets.

22 "Concession operator." A person engaged in the sale or
23 offering for sale of consumer goods or services to the public at
24 a qualified airport, or authorized to conduct other commercial
25 activities related to passenger services at a qualified airport,
26 in accordance with the terms and conditions of an agreement or
27 contract with an airport authority, government entity or other
28 person.

29 "Conduct of gaming." The licensed placement, operation and
30 play of slot machines [and], table games and interactive games

1 under this part, as authorized and approved by the Pennsylvania
2 Gaming Control Board. The term shall include the licensed
3 placement, operation and play of authorized interactive games
4 through the use of multi-use computing devices at a qualified
5 airport under Subchapter B.1 of Chapter 13B (relating to multi-
6 use computing devices).

7 "Contest." A slot machine, table game or authorized
8 interactive game competition among players for cash, cash
9 equivalents or prizes.

10 * * *

11 "Counterfeit chip." Any object or thing that is:

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

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

17 (3) used or intended to be used to play an authorized
18 interactive game which was not approved by the interactive
19 gaming certificate holder for such use; or

20 (4) presented during play of an authorized interactive
21 game for redemption, if the object or thing was not issued by
22 the interactive gaming certificate holder or interactive
23 gaming operator.

24 * * *

25 "Eligible passenger." An individual 21 years of age or older
26 who has cleared security check points with a valid airline
27 boarding pass for travel from one destination to another by
28 airplane.

29 * * *

30 "Fully automated electronic gaming table." An electronic

1 gaming table determined by the Pennsylvania Gaming Control Board
2 to be playable or operable as a table game without the
3 assistance or participation of a person acting on behalf of a
4 certificate holder. The term shall include a multi-use computing
5 device, which through the use of digital, electronic or other
6 communications technology, is capable of simulating a table
7 game.

8 * * *

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

- 11 (1) Cashiers.
- 12 (2) Change personnel.
- 13 (3) Count room personnel.
- 14 (4) Slot attendants.
- 15 (5) Hosts or other individuals authorized to extend
16 complimentary services, including employees performing
17 functions similar to those performed by a gaming junket
18 representative.
- 19 (6) Machine mechanics, computer machine technicians or
20 table game device technicians.
- 21 (7) Security personnel.
- 22 (8) Surveillance personnel.
- 23 (9) Promotional play supervisors, credit supervisors,
24 pit supervisors, cashier supervisors, shift supervisors,
25 table game managers and assistant managers and other
26 supervisors and managers, except for those specifically
27 identified in this part as key employees.
- 28 (10) Boxmen.
- 29 (11) Dealers or croupiers.
- 30 (12) Floormen.

1 (13) Personnel authorized to issue promotional play.

2 (14) Personnel authorized to issue credit.

3 The term shall include employees of a person holding a
4 supplier's license whose duties are directly involved with the
5 repair or distribution of slot machines, table game devices or
6 associated equipment or interactive gaming devices or associated
7 equipment sold or provided to a licensed facility within this
8 Commonwealth as determined by the Pennsylvania Gaming Control
9 Board. The term shall further include employees of a person
10 authorized by the board to supply goods and services related to
11 interactive gaming or any subcontractor or an employee of a
12 subcontractor that supplies interactive gaming devices,
13 including multi-use computing devices, or associated equipment
14 to an interactive gaming certificate holder or interactive
15 gaming operator. The term does not include bartenders, cocktail
16 servers or other persons engaged solely in preparing or serving
17 food or beverages, clerical or secretarial personnel, parking
18 attendants, janitorial, stage, sound and light technicians and
19 other nongaming personnel as determined by the board.

20 "Gaming floor." Any portion of a licensed facility where
21 slot machines or table games have been installed for use or
22 play.

23 * * *

24 "Gaming-related restricted area." Any room or area of a
25 licensed facility which is specifically designated by the
26 Pennsylvania Gaming Control Board as restricted or by the slot
27 machine licensee as restricted in its board-approved internal
28 controls.

29 * * *

30 "Gaming school." Any educational institution approved by the

1 Department of Education as an accredited college or university,
2 community college, Pennsylvania private licensed school or its
3 equivalent and whose curriculum guidelines are approved by the
4 Department of Labor and Industry to provide education and job
5 training related to employment opportunities associated with
6 slot machines [or], table games or interactive games, including
7 slot machine, table game device and associated equipment
8 maintenance and repair and interactive gaming devices and
9 associated equipment maintenance and repair.

10 "Gaming service provider." A person that is not required to
11 be licensed as a manufacturer, supplier, management company or
12 gaming junket enterprise under this part or regulations of the
13 Pennsylvania Gaming Control Board and:

14 (1) provides goods or services, including, but not
15 limited to, count room equipment, to a slot machine licensee
16 or an applicant for a slot machine license for use in the
17 operation of a licensed facility; [or] and

18 (2) provides goods or services [at] to a slot machine
19 licensee or an applicant for a slot machine license that
20 requires access to the gaming floor or a gaming-related
21 restricted area of a licensed facility as determined by the
22 Pennsylvania Gaming Control Board.

23 * * *

24 "Gross interactive gaming revenue." As follows:

25 (1) The total of all cash or cash equivalent wagers paid
26 by registered players or eligible passengers to an
27 interactive gaming certificate holder in consideration for
28 the play of authorized interactive games, minus:

29 (i) The total of cash or cash equivalents paid out
30 to registered players as winnings.

1 (ii) The cash equivalent value of any personal
2 property or other noncash items or things of value
3 included in a drawing, contest or tournament and
4 distributed to registered players as a result of playing
5 authorized interactive games.

6 (iii) Any administrative fee, operations fee or tax
7 paid to another state or jurisdiction pursuant to an
8 interactive gaming reciprocal agreement.

9 (2) Amounts deposited with an interactive gaming
10 certificate holder for purposes of interactive gaming and
11 amounts taken in fraudulent acts perpetrated against an
12 interactive gaming certificate holder for which the
13 interactive gaming certificate holder is not reimbursed shall
14 not be considered to have been paid to the interactive gaming
15 certificate holder for purposes of calculating gross
16 interactive gaming revenue. For purposes of calculating the
17 tax imposed under section 13B52 (relating to interactive
18 gaming tax) and the local share assessment imposed under
19 section 13B53 (relating to local share assessment), the term
20 shall not include gross revenue generated from the conduct of
21 interactive gaming through multi-use computing devices at a
22 qualified airport.

23 * * *

24 "Hybrid slot machine." A slot machine in which a combination
25 of the skill of the player and elements of chance affects the
26 outcome of the game.

27 * * *

28 "Interactive game." Any gambling game offered through the
29 use of communications technology that allows a person, utilizing
30 money, checks, electronic checks, electronic transfers of money,

1 credit cards or any other instrumentality to transmit electronic
2 information to assist in the placement of a bet or wager and
3 corresponding information related to the display of the game,
4 game outcomes or other similar information. The term shall not
5 include:

6 (1) A lottery game or Internet instant game as defined
7 in the act of August 26, 1971 (P.L.351, No.91), known as the
8 State Lottery Law.

9 (2) A nongambling game that does not otherwise require a
10 license under the laws of this Commonwealth.

11 "Interactive gaming." The placing of wagers with an
12 interactive gaming certificate holder or interactive gaming
13 operator using a computer network of both Federal and non-
14 Federal interoperable packet switched data networks through
15 which an interactive gaming certificate holder may offer
16 authorized interactive games to registered players. The term
17 shall include the placing of wagers through the use of a multi-
18 use computing device.

19 "Interactive gaming account." The formal, electronic system
20 implemented by an interactive gaming certificate holder to
21 record the balance of a registered player's debits, credits and
22 other financial activity related to interactive gaming.

23 "Interactive gaming account agreement." An agreement entered
24 into between an interactive gaming certificate holder and a
25 registered player which governs the terms and conditions of the
26 registered player's interactive gaming account and the use of
27 the Internet for purposes of placing wagers on authorized
28 interactive games operated by an interactive gaming certificate
29 holder or interactive gaming operator.

30 "Interactive gaming agreement." An agreement entered into by

1 or between an interactive gaming certificate holder and an
2 interactive gaming operator related to the offering or operation
3 of interactive gaming or an interactive gaming system by the
4 interactive gaming operator on behalf of the interactive gaming
5 certificate holder. The term shall include an interactive gaming
6 agreement entered into between an interactive gaming certificate
7 holder and an interactive gaming operator for the conduct of
8 interactive gaming through the use of multi-use computing
9 devices at a qualified airport in accordance with Chapter 13B
10 (relating to interactive gaming).

11 "Interactive gaming certificate." The authorization issued
12 to a slot machine licensee by the Pennsylvania Gaming Control
13 Board authorizing the operation and conduct of interactive
14 gaming by a slot machine licensee in accordance with Chapter 13B
15 (relating to interactive gaming).

16 "Interactive gaming certificate holder." A slot machine
17 licensee that has been granted authorization by the Pennsylvania
18 Gaming Control Board to operate interactive gaming in accordance
19 with Chapter 13B (relating to interactive gaming).

20 "Interactive gaming device." All hardware and software and
21 other technology, equipment or device of any kind as determined
22 by the Pennsylvania Gaming Control Board to be necessary for the
23 conduct of authorized interactive games.

24 "Interactive gaming license." A license issued to an
25 interactive gaming operator by the Pennsylvania Gaming Control
26 Board under Chapter 13B (relating to interactive gaming).

27 "Interactive gaming operator." A person licensed by the
28 Pennsylvania Gaming Control Board to operate interactive gaming
29 or an interactive gaming system on behalf of an interactive
30 gaming certificate holder. The term shall include a person that

1 has received conditional authorization under section 13B14
2 (relating to interactive gaming operators) for so long as such
3 authorization is effective.

4 "Interactive gaming platform." The combination of hardware
5 and software or other technology designed and used to manage,
6 conduct and record interactive games and the wagers associated
7 with interactive games, as approved by the Pennsylvania Gaming
8 Control Board. The term shall include any emerging or new
9 technology deployed to advance the conduct and operation of
10 interactive gaming, as approved through regulation by the
11 Pennsylvania Gaming Control Board.

12 "Interactive gaming reciprocal agreement." An agreement
13 negotiated by the Pennsylvania Gaming Control Board on behalf of
14 the Commonwealth with the regulatory agency of one or more
15 states or jurisdictions where interactive gaming is legally
16 authorized which will permit the conduct of interactive gaming
17 between interactive gaming certificate holders in this
18 Commonwealth and gaming entities in the states or jurisdictions
19 that are parties to the agreement.

20 "Interactive gaming restricted area." Any room or area, as
21 approved by the Pennsylvania Gaming Control Board, used by an
22 interactive gaming certificate holder or interactive gaming
23 operator to manage, control and operate interactive gaming,
24 including, where approved by the board, redundancy facilities.

25 "Interactive gaming skin or skins." The portal or portals to
26 an interactive gaming platform or Internet website through which
27 authorized interactive games are made available by an
28 interactive gaming certificate holder or interactive gaming
29 operator to registered players in this Commonwealth or
30 registered players in any other state or jurisdiction which has

1 entered into an interactive gaming reciprocal agreement.

2 "Interactive gaming system." All hardware, software and
3 communications that comprise a type of server-based gaming
4 system for the purpose of offering authorized interactive games.

5 "Internet website." The interactive gaming skin or skins
6 through which an interactive gaming certificate holder or other
7 person makes authorized interactive games available for play.

8 * * *

9 "Key employee." Any individual who is employed in a director
10 or department head capacity and who is empowered to make
11 discretionary decisions that regulate slot machine [or]
12 operations, table game operations or interactive gaming
13 operations, including the general manager and assistant manager
14 of the licensed facility, director of slot operations, director
15 of table game operations, director of interactive gaming,
16 director of cage and/or credit operations, director of
17 surveillance, director of marketing, director of management
18 information systems, director of interactive gaming system
19 programs or other similar job classifications associated with
20 interactive gaming, persons who manage, control or administer
21 interactive gaming or the wagers associated with authorized
22 interactive games, director of security, comptroller and any
23 employee who is not otherwise designated as a gaming employee
24 and who supervises the operations of these departments or to
25 whom these department directors or department heads report and
26 such other positions not otherwise designated or defined under
27 this part which the Pennsylvania Gaming Control Board shall
28 determine based on detailed analyses of job descriptions as
29 provided in the internal controls of the licensee as approved by
30 the Pennsylvania Gaming Control Board. All other gaming

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

3 * * *

4 "Licensed facility." As follows:

5 (1) The physical land-based location at which a licensed
6 gaming entity is authorized to place and operate slot
7 machines and, if authorized by the Pennsylvania Gaming
8 Control Board under Chapter 13A (relating to table games), to
9 conduct table games and if authorized under Chapter 13B
10 (relating to interactive gaming), to conduct interactive
11 gaming. The term includes any:

12 [(1)] (i) area of a licensed racetrack at which a
13 slot machine licensee was previously authorized pursuant
14 to section 1207(17) (relating to regulatory authority of
15 board) to operate slot machines prior to the effective
16 date of this paragraph;

17 [(2)] (ii) board-approved interim facility or
18 temporary facility; and

19 [(3)] (iii) area of a hotel which the Pennsylvania
20 Gaming Control Board determines is suitable to conduct
21 table games.

22 (2) The term shall not include a redundancy facility or
23 an interactive gaming restricted area which is not located on
24 the premises of a licensed facility as approved by the
25 Pennsylvania Gaming Control Board and which is maintained and
26 operated by an interactive gaming certificate holder in
27 connection with interactive gaming.

28 * * *

29 "Licensed racing entity." Any legal entity that has obtained
30 a license to conduct live thoroughbred or harness horse race

1 meetings respectively with pari-mutuel wagering from [either]
2 the State Horse Racing Commission [or the State Harness Racing
3 Commission] pursuant to [the act of December 17, 1981 (P.L.435,
4 No.135), known as] the Race Horse Industry Reform Act.

5 "Manufacturer." A person who manufactures, builds, rebuilds,
6 fabricates, assembles, produces, programs, designs or otherwise
7 makes modifications to any slot machine, table game device or
8 associated equipment or authorized interactive games for use or
9 play of slot machines [or], table games or authorized
10 interactive games in this Commonwealth for gaming purposes. The
11 term shall not include a person who manufactures, builds,
12 rebuilds, fabricates, assembles, produces, programs, designs or
13 otherwise makes modifications to multi-use computing devices
14 used in connection with the conduct of interactive gaming at a
15 qualified airport.

16 "Manufacturer license." A license issued by the Pennsylvania
17 Gaming Control Board authorizing a manufacturer to manufacture
18 or produce slot machines, table game devices or associated
19 equipment, interactive gaming devices or associated equipment
20 for use in this Commonwealth for gaming purposes.

21 * * *

22 "Multi-use computing device." As follows:

23 (1) A computing device, including, but not limited to, a
24 tablet computer, that:

25 (i) Is located and accessible to eligible passengers
26 only in an airport gaming area.

27 (ii) Allows an eligible passenger to play an
28 authorized interactive game.

29 (iii) Communicates with a server that is in a
30 location approved by the Pennsylvania Gaming Control

1 Board.

2 (iv) Is approved by the Pennsylvania Gaming Control
3 Board.

4 (v) Has the capability of being linked to and
5 monitored by the department's central control computer
6 system, as applicable for any particular interactive
7 game, in accordance with section 1323 (relating to
8 central control computer system).

9 (vi) Offers a player additional functions which
10 shall include Internet browsing, the capability of
11 checking flight status and ordering food or beverages.

12 (2) The term shall not include any tablet or computing
13 device that restricts, prohibits or is incapable of providing
14 access to interactive gaming, interactive gaming skins or
15 interactive gaming platforms.

16 "Multistate agreement." The written agreement between the
17 Pennsylvania Gaming Control Board and regulatory agencies in
18 other states or jurisdictions for the operation of a multistate
19 wide-area progressive slot machine system.

20 "Multistate wide-area progressive slot machine system." The
21 linking of slot machines located in this Commonwealth with slot
22 machines located in one or more states or jurisdictions whose
23 regulatory agencies have entered into written agreements with
24 the Pennsylvania Gaming Control Board for the operation of the
25 system.

26 * * *

27 "Nongaming service provider." A person that is not a gaming
28 service provider or required to be licensed as a manufacturer,
29 supplier, management company or gaming junket enterprise under
30 this part or regulations of the Pennsylvania Gaming Control

1 Board and that provides goods or services:

2 (1) to a slot machine licensee or applicant for a slot
3 machine license for use in the operation of a licensed
4 facility; and

5 (2) that does not require access to the gaming floor or
6 a gaming-related restricted area of a licensed facility.

7 * * *

8 "Player." An individual wagering cash, a cash equivalent or
9 other thing of value in the play or operation of a slot machine
10 [or], an authorized interactive game or a table game, including
11 during a contest or tournament, the play or operation of which
12 may deliver or entitle the individual playing or operating the
13 slot machine [or], authorized interactive game or table game to
14 receive cash, a cash equivalent or other thing of value from
15 another player or a slot machine licensee.

16 * * *

17 "Progressive payout." A slot machine wager payout that
18 increases in a monetary amount based on the amounts wagered in a
19 progressive system, including a multistate wide-area progressive
20 slot machine system.

21 "Progressive system." A computerized system linking slot
22 machines in one or more licensed facilities within this
23 Commonwealth and offering one or more common progressive payouts
24 based on the amounts wagered. The term shall include a
25 multistate wide-area progressive system.

26 * * *

27 "Qualified airport." A publicly owned commercial service
28 airport that is designated by the Federal Government as an
29 international airport.

30 * * *

1 "Race Horse Industry Reform Act." [The act of December 17,
2 1981 (P.L.435, No.135), known as the Race Horse Industry Reform
3 Act.] 3 Pa.C.S. Ch. 93 (relating to race horse industry reform.

4 "Redundancy facilities." Any and all rooms or areas used by
5 a slot machine licensee for emergency backup, redundancy or
6 secondary operations attendant to interactive gaming as approved
7 by the Pennsylvania Gaming Control Board.

8 "Registered player." An individual who has entered into an
9 interactive gaming account agreement with an interactive gaming
10 certificate holder.

11 * * *

12 "Skill." The knowledge, dexterity, adroitness, acumen or
13 other mental skill of an individual.

14 "Skill slot machine." A slot machine in which the skill of
15 the player, rather than the elements of chance, is the
16 predominant factor in affecting the outcome of the game.

17 "Slot machine." Includes:

18 (1) Any mechanical, electrical or computerized
19 contrivance, terminal, machine or other device approved by
20 the Pennsylvania Gaming Control Board which, upon insertion
21 of a coin, bill, ticket, token or similar object therein or
22 upon payment of any consideration whatsoever, including the
23 use of any electronic payment system except a credit card or
24 debit card, is available to play or operate, the play or
25 operation of which, whether by reason of skill or application
26 of the element of chance or both, may deliver or entitle the
27 person or persons playing or operating the contrivance,
28 terminal, machine or other device to receive cash, billets,
29 tickets, tokens or electronic credits to be exchanged for
30 cash or to receive merchandise or anything of value

1 whatsoever, whether the payoff is made automatically from the
2 machine or manually. A slot machine:

3 [(1)] (i) May utilize spinning reels or video
4 displays or both.

5 [(2)] (ii) May or may not dispense coins, tickets or
6 tokens to winning patrons.

7 [(3)] (iii) May use an electronic credit system for
8 receiving wagers and making payouts. [The term shall
9 include associated equipment.]

10 (2) All of the following:

11 (i) Associated equipment necessary to conduct the
12 operation of the contrivance, terminal, machine or other
13 device.

14 (ii) A skill slot machine, hybrid slot machine and
15 the devices or associated equipment necessary to conduct
16 the operation of a skill slot machine or hybrid slot
17 machine.

18 (iii) A slot machine used in a multistate wide-area
19 progressive slot machine system and devices and
20 associated equipment as defined by the Pennsylvania
21 Gaming Control Board through regulations.

22 (iv) A multi-use computing device which is capable
23 of simulating, either digitally or electronically, a slot
24 machine.

25 * * *

26 "Supplier." A person that sells, leases, offers or otherwise
27 provides, distributes or services any slot machine, table game
28 device or associated equipment, or interactive gaming device or
29 associated equipment for use or play of slot machines [or],
30 table games or interactive games in this Commonwealth. The term

1 shall include a person that sells, leases, offers or otherwise
2 provides, distributes or services any multi-use computing device
3 as approved by the Pennsylvania Gaming Control Board.

4 "Supplier license." A license issued by the Pennsylvania
5 Gaming Control Board authorizing a supplier to provide products
6 or services related to slot machines, table game devices or
7 associated equipment, interactive gaming devices, including any
8 multi-use computing device or associated equipment, to slot
9 machine licensees for use in this Commonwealth for gaming
10 purposes.

11 * * *

12 "Table game device." Includes gaming tables, cards, dice,
13 chips, shufflers, tiles, dominoes, wheels[, drop boxes] or any
14 mechanical, electrical or computerized contrivance, terminal,
15 machine or other device, apparatus, equipment or supplies
16 approved by the Pennsylvania Gaming Control Board and used to
17 conduct a table game or that is capable, through the use of
18 digital, electronic or other communications technology, of
19 simulating play of a table game.

20 * * *

21 Section 4. Section 1201(h)(11) of Title 4 is amended to
22 read:

23 § 1201. Pennsylvania Gaming Control Board established.

24 * * *

25 (h) Qualifications and restrictions.--

26 * * *

27 (11) No member, employee of the board or independent
28 contractor shall accept a complimentary service, wager or be
29 paid any prize from any wager at any licensed facility within
30 this Commonwealth [or], at any other facility outside this

1 Commonwealth which is owned or operated by a licensed gaming
2 entity or any of its affiliates, intermediaries, subsidiaries
3 or holding companies or as a result of playing an interactive
4 game including on a multi-use computing device for the
5 duration of their term of office, employment or contract with
6 the board and for a period of two years from the termination
7 of term of office, employment or contract with the board. The
8 provisions of this paragraph prohibiting wagering during the
9 term of employment shall not apply to employees or
10 independent contractors while utilizing slot machines [or],
11 table game devices, interactive gaming devices or multi-use
12 computing devices for testing purposes or while verifying the
13 performance of a slot machine [or], table game, interactive
14 gaming device or multi-use computing device as part of an
15 enforcement investigation.

16 * * *

17 Section 5. Section 1202(a)(1) and (b)(20) and (23) of Title
18 4 are amended and subsection (b) is amended by adding paragraphs
19 to read:

20 § 1202. General and specific powers.

21 (a) General powers.--

22 (1) The board shall have general and sole regulatory
23 authority over the conduct of gaming [or] and related
24 activities as described in this part. The board shall ensure
25 the integrity of the acquisition and operation of slot
26 machines, table games, table game devices and associated
27 equipment and authorized interactive games and interactive
28 gaming devices and associated equipment and shall have sole
29 regulatory authority over every aspect of the authorization,
30 operation and play of slot machines [and], table games and

1 interactive gaming devices and associated equipment and the
2 implementation and regulation of airport gaming.

3 * * *

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

6 * * *

7 (12.2) At its discretion, to award, revoke, suspend,
8 condition or deny an interactive gaming certificate or an
9 interactive gaming license in accordance with Chapter 13B
10 (relating to interactive gaming).

11 * * *

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

28 * * *

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

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

14 * * *

15 (27.2) Within six months of the effective date of this
16 section, to publish on the board's Internet website a
17 complete list of all slot machine licensees who filed a
18 petition seeking authorization to conduct interactive gaming
19 and the status of each petition or interactive gaming
20 certificate.

21 * * *

22 (35) To review detailed site plans identifying the
23 interactive gaming restricted area or room where a slot
24 machine licensee proposes to manage, administer or control
25 interactive gaming operations to determine the adequacy of
26 the proposed internal and external security and proposed
27 surveillance measures.

28 (36) To require each slot machine licensee that holds an
29 interactive gaming certificate to provide on a quarterly
30 basis the following information with respect to interactive

1 gaming:

2 (i) the name of any person, entity or firm to whom
3 any payment, remuneration or other benefit or thing of
4 value has been made or conferred for professional
5 services, including, but not limited to, interactive
6 gaming system operations or management, legal, consulting
7 and lobbying services;

8 (ii) the amount or value of the payments,
9 remuneration, benefit or thing of value;

10 (iii) the date on which the payments, remuneration,
11 benefit or thing of value was submitted; and

12 (iv) the reason or purpose for the procurement of
13 the services.

14 (37) To review and approve detailed site and
15 architectural plans identifying the area of a licensed
16 facility where a slot machine licensee proposes to place slot
17 machines that are or will be used in a multistate wide-area
18 progressive slot machine system, skill slot machines or
19 hybrid slot machines and make them available for play in
20 order to determine the adequacy of proposed internal and
21 external controls, security and proposed surveillance
22 measures.

23 Section 6. Sections 1204 and 1206(f)(1) of Title 4 are
24 amended to read:

25 § 1204. Licensed gaming entity application appeals from board.

26 The Supreme Court of Pennsylvania shall be vested with
27 exclusive appellate jurisdiction to consider appeals of any
28 final order, determination or decision of the board involving
29 the approval, issuance, denial or conditioning of a slot machine
30 license [or], the award, denial or conditioning of a table game

1 operation certificate[.] or the award, denial or conditioning of
2 an interactive gaming certificate or an interactive gaming
3 license. Notwithstanding the provisions of 2 Pa.C.S. Ch. 7
4 Subch. A (relating to judicial review of Commonwealth agency
5 action) and 42 Pa.C.S. § 763 (relating to direct appeals from
6 government agencies), the Supreme Court shall affirm all final
7 orders, determinations or decisions of the board involving the
8 approval, issuance, denial or conditioning of a slot machine
9 license [or], the award, denial or conditioning of a table game
10 operation certificate or the award, denial or conditioning of an
11 interactive gaming certificate or an interactive gaming license,
12 unless it shall find that the board committed an error of law or
13 that the order, determination or decision of the board was
14 arbitrary and there was a capricious disregard of the evidence.
15 § 1206. Board minutes and records.

16 * * *

17 (f) Confidentiality of information.--

18 (1) The following information submitted by an applicant,
19 permittee, certificate holder, interactive gaming certificate
20 holder or licensee pursuant to section 1310(a) (relating to
21 slot machine license application character requirements)
22 [or], 1308(a.1) (relating to applications for license or
23 permit), 13B12 (relating to interactive gaming certificate
24 required and content of petition) or 13B14 (relating to
25 interactive gaming operators) or obtained by the board or the
26 bureau as part of a background or other investigation from
27 any source shall be confidential and withheld from public
28 disclosure:

29 (i) All information relating to character, honesty
30 and integrity, including family, habits, reputation,

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

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

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

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

28 (v) Information with respect to which there is a
29 reasonable possibility that public release or inspection
30 of the information would constitute an unwarranted

1 invasion into personal privacy of any individual as
2 determined by the board.

3 (vi) Records of an applicant or licensee not
4 required to be filed with the Securities and Exchange
5 Commission by issuers that either have securities
6 registered under section 12 of the Securities Exchange
7 Act of 1934 (48 Stat. 881, 15 U.S.C. § 781) or are
8 required to file reports under section 15(d) of the
9 Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.
10 § 78o).

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

15 (viii) Any financial information deemed confidential
16 by the board upon a showing of good cause by the
17 applicant or licensee.

18 * * *

19 Section 7. Section 1207(1), (5), (6), (8), (9), (10) and
20 (21) of Title 4 are amended and the section is amended by adding
21 paragraphs to read:

22 § 1207. Regulatory authority of board.

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

24 (1) Deny, deny the renewal, revoke, condition or suspend
25 any license [or], permit, certificate, registration or other
26 authorization provided for in this part if the board finds in
27 its sole discretion that a licensee [or], permittee,
28 registrant, certificate holder, or interactive gaming
29 certificate holder, under this part, or its officers,
30 employees or agents, have furnished false or misleading

1 information to the board or failed to comply with the
2 provisions of this part or the rules and regulations of the
3 board and that it would be in the public interest to deny,
4 deny the renewal, revoke, condition or suspend the license
5 [or], permit, certificate, registration or other
6 authorization.

7 * * *

8 (5) Prescribe the procedures to be followed by slot
9 machine licensees for any financial event that occurs in the
10 operation and play of slot machines [or], table games,
11 authorized interactive games or multi-use computing devices.

12 (6) Prescribe criteria and conditions for the operation
13 of slot machine progressive systems, including multistate
14 wide-area progressive slot machine systems. A wide area
15 progressive slot system shall be collectively administered by
16 participating slot machine licensees in accordance with the
17 terms of a written agreement executed by each participating
18 slot machine licensee and, in the case of a multistate wide-
19 area progressive slot machine system, in accordance with the
20 multistate agreement, as approved by the board.

21 (6.1) Collaborate with the appropriate regulatory
22 agencies in other states or jurisdictions to facilitate the
23 establishment of multistate wide-area progressive slot
24 machine systems by slot machine licensees in this
25 Commonwealth and, if determined necessary, enter into the
26 multistate agreements.

27 * * *

28 (7.2) Enforce prescribed hours for the operation of
29 authorized interactive games so that an interactive gaming
30 certificate holder or interactive gaming operator may conduct

1 authorized interactive games on any day during the year in
2 order to meet the needs of registered players or to meet
3 competition.

4 (8) Require that each licensed gaming entity prohibit
5 persons under 21 years of age from operating or using slot
6 machines [or], playing table games or participating in
7 interactive gaming.

8 (9) Establish procedures for the inspection and
9 certification of compliance of each slot machine, table game,
10 table game device and associated equipment, interactive game
11 and interactive gaming device and associated equipment prior
12 to being placed into use by a slot machine licensee.

13 (10) [Require] Subject to paragraph (10.1), require that
14 no slot machine or authorized interactive game that
15 replicates the play of a slot machine, other than a slot
16 machine or authorized interactive game that replicates the
17 play of a slot machine that is used in a multistate wide-area
18 progressive slot machine system, may be set to pay out less
19 than the theoretical payout percentage, which shall be no
20 less than 85%, as specifically approved by the board. The
21 board shall adopt regulations that define the theoretical
22 payout percentage [of a slot machine game] based on the total
23 value of the jackpots expected to be paid by a play or a slot
24 machine game or an authorized interactive game that
25 replicates the play of a slot machine divided by the total
26 value [of slot machine] wagers expected to be made on that
27 play or slot machine game or an authorized interactive game
28 that replicates the play of a slot machine during the same
29 portion of the game cycle. In so doing, the board shall
30 decide whether the calculation shall include the entire cycle

1 of a slot machine game or an authorized interactive game that
2 replicates the play of a slot machine or any portion thereof.
3 Subject to paragraph (10.1), in the case of a slot machine
4 that is used in a multistate wide-area progressive slot
5 machine system, the theoretical payout percentage shall be as
6 set forth in the multistate agreement.

7 (10.1) For each of the following, define the player's
8 win percentage based on the relative skill of the player or
9 the combination of skill and the elements of chance of the
10 game:

11 (i) A skill slot machine or an authorized
12 interactive game that replicates the play of a skill slot
13 machine. For a skill slot machine or authorized
14 interactive game that replicates the play of a skill slot
15 machine that is used in a multistate wide-area
16 progressive slot machine system, the player's win
17 percentage shall be as set forth in the multistate
18 agreement.

19 (ii) A hybrid slot machine or an authorized
20 interactive game that replicates the play of a hybrid
21 slot machine. For a hybrid slot machine or an authorized
22 interactive game that replicates the play of a hybrid
23 slot machine that is used in a multistate wide-area
24 progressive slot machine system, the player's win
25 percentage shall be set forth in the multistate
26 agreement.

27 * * *

28 (21) Authorize, in its discretion, a slot machine
29 licensee to conduct slot machine contests or tournaments,
30 table game contests or tournaments in accordance with section

1 13A22.1 (relating to table game tournaments) or interactive
2 gaming contests or tournaments and adopt regulations
3 governing the conduct of such contests and tournaments.

4 (21.1) Authorize, at its discretion, a slot machine
5 licensee to place slot machines that are used in a multistate
6 wide-area progressive slot machine system, skill slot
7 machines or hybrid slot machines and make them available for
8 play at licensed facilities.

9 (21.2) Adopt and promulgate regulations to govern the
10 operation and placement of skill slot machines and hybrid
11 slot machines by slot machine licensees at licensed
12 facilities in the same manner as provided in section 13B03
13 (relating to regulations).

14 (22) License, regulate, investigate and take any other
15 action determined necessary regarding all aspects of
16 interactive gaming.

17 (23) Define and limit the areas of operation and the
18 rules of authorized interactive games, including odds,
19 interactive gaming devices and associated equipment permitted
20 and the method of operation of authorized interactive games
21 and interactive gaming devices and associated equipment.

22 (24) Require, as applicable, that all wagering offered
23 through interactive gaming display online the permissible
24 minimum and maximum wagers associated with each authorized
25 interactive game.

26 (25) (Reserved).

27 (26) Negotiate and enter into interactive gaming
28 reciprocal agreements on behalf of the Commonwealth to govern
29 the conduct of interactive gaming between interactive gaming
30 certificate holders in this Commonwealth and gaming entities

1 in other states or jurisdictions. Notwithstanding any
2 provision of this part, wagers may be accepted in accordance
3 with this part and regulations of the board from persons in
4 other states or jurisdictions if the board determines that
5 such wagering is not inconsistent with Federal law or the law
6 of the state or jurisdiction in which the person is located,
7 or such wagering is conducted pursuant to an interactive
8 gaming reciprocal agreement to which this Commonwealth is a
9 party that is not inconsistent with Federal law. The board is
10 hereby designated as the agency of the Commonwealth with the
11 sole power and authority to enter into interactive gaming
12 reciprocal agreements with other states or jurisdictions.

13 (27) Enter into multistate agreements with other states
14 or jurisdictions for the operation of multistate wide-area
15 progressive slot machine systems.

16 Section 8. Section 1209(b) of Title 4 is amended to read:
17 § 1209. Slot machine license fee.

18 * * *

19 (b) Term.--A slot machine license, after payment of the fee,
20 shall be in effect unless suspended, revoked or not renewed by
21 the board upon good cause consistent with the license
22 requirements as provided for in this part. Slot machine
23 licensees shall be required to update the information in their
24 initial applications annually, and the license of a licensee in
25 good standing shall be renewed every [three] five years. Nothing
26 in this subsection shall relieve a licensee of the affirmative
27 duty to notify the board of any changes relating to the status
28 of its license or to any other information contained in the
29 application materials on file with the board. As to the renewal
30 of a license, except as required in subsection (f)(3), no

1 additional license fee pursuant to subsection (a) shall be
2 required.

3 * * *

4 Section 9. Section 1211 of Title 4 is amended by adding
5 subsections to read:

6 § 1211. Reports of board.

7 * * *

8 (a.4) Interactive gaming reporting requirements.--

9 (1) The annual report submitted by the board in
10 accordance with subsection (a) shall include information on
11 the conduct of interactive games as follows:

12 (i) Total gross interactive gaming revenue.

13 (ii) The number and win by type of authorized
14 interactive game at each licensed facility conducting
15 interactive gaming during the previous year.

16 (iii) All taxes, fees, fines and other revenue
17 collected and, where appropriate, revenue disbursed
18 during the previous year. The department shall
19 collaborate with the board to carry out the requirements
20 of this subparagraph.

21 (2) The board may require interactive gaming certificate
22 holders and interactive gaming operators to provide
23 information to the board to assist in the preparation of the
24 report.

25 * * *

26 (d.1) Impact of interactive gaming.--Commencing one year
27 after the issuance of the first interactive gaming certificate
28 and continuing annually thereafter, the board shall prepare and
29 distribute a report to the Governor and the standing committees
30 of the General Assembly with jurisdiction over the board on the

1 impact of interactive gaming on compulsive and problem gambling
2 and gambling addiction in this Commonwealth. The report shall be
3 prepared by a private organization or entity with expertise in
4 servicing and treating the needs of persons with compulsive
5 gambling addictions, which organization or entity shall be
6 selected by the Department of Drug and Alcohol Programs. The
7 report may be prepared and distributed in coordination with the
8 board. Any costs associated with the preparation and
9 distribution of the report shall be borne by all interactive
10 gaming certificate holders. The board shall be authorized to
11 assess a fee against each interactive gaming certificate holder
12 for these purposes.

13 (d.2) Additional information for annual report.--

14 (1) Commencing with the report due one year after the
15 commencement of the operation of skill slot machines, hybrid
16 slot machines and the operation of a multistate wide-area
17 slot machine system, the report required under subsection (a)
18 shall include information related to the following:

19 (i) The operation of skill slot machines and hybrid
20 slot machines.

21 (ii) The operation of the multistate wide-area
22 progressive slot machine system.

23 (2) Information on revenue, taxes, fees and fines, if
24 any, collected during the preceding calendar year and any
25 other information, data or recommendations related to the
26 operation of the multistate wide-area progressive slot
27 machine system, skill slot machines and hybrid slot machines
28 as determined by the board.

29 (d.3) Study.--The board shall study and annually report to
30 the standing committees of the General Assembly with

1 jurisdiction over the board on developments in gaming technology
2 and the impact, if any, new technologies are having or are
3 expected to have on the sustainability and competitiveness of
4 the gaming industry in this Commonwealth. The initial report
5 shall be due one year after the effective date of this
6 subsection. Each report shall specifically address the
7 following:

8 (1) Awareness and growth, to the extent known, of any
9 unregulated commercial gaming products, such as e-Sports and
10 other such digital-based computer or video technology.

11 (2) New gaming products, if any, which have been
12 introduced in other states or jurisdictions.

13 (3) Any gaming products which the board may authorize
14 pursuant to its regulatory authority under this part.

15 (4) Any legislative or administrative concerns regarding
16 traditional, new or emerging gaming technologies with
17 recommendations regarding resolution of such concerns.

18 * * *

19 Section 10. Section 1212(e) of Title 4 is amended by adding
20 a paragraph to read:

21 § 1212. Diversity goals of board.

22 * * *

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

27 * * *

28 (9) Technology related to interactive gaming and
29 interactive gaming devices and associated equipment.

30 Section 11. Section 1305(a), (d) and (e) of Title 4 are

1 amended to read:

2 § 1305. Category 3 slot machine license.

3 (a) Eligibility.--

4 (1) A person may be eligible to apply for a Category 3
5 slot machine license if the applicant, its affiliate,
6 intermediary, subsidiary or holding company has not applied
7 for or been approved or issued a Category 1 or Category 2
8 slot machine license and the person is seeking to locate a
9 Category 3 licensed facility in a well-established resort
10 hotel having no fewer than 275 guest rooms under common
11 ownership and having substantial year-round [recreational]
12 guest amenities. The applicant for a Category 3 license shall
13 be the owner or be a wholly owned subsidiary of the owner of
14 the well-established resort hotel. [A Category 3 license may
15 only be granted upon the express condition that an individual
16 may not enter a gaming area of the licensed facility if the
17 individual is not any of the following:

18 (i) A registered overnight guest of the well-
19 established resort hotel.

20 (ii) A patron of one or more of the amenities
21 provided by the well-established resort hotel.

22 (iii) An authorized employee of the slot machine
23 licensee, of a gaming service provider, of the board or
24 of any regulatory, emergency response or law enforcement
25 agency while engaged in the performance of the employee's
26 duties.

27 (iv) An individual holding a valid membership
28 approved in accordance with paragraph (1.1) or a guest of
29 such individual.

30 (1.1) The board may approve a seasonal or year-round

1 membership that allows an individual to use one or more of
2 the amenities provided by the well-established resort hotel
3 holding a Category 3 slot machine license. The membership
4 shall allow the member and one guest to enter the gaming
5 floor at any time as long as the guest is accompanied by the
6 individual owning or holding the membership. The board shall
7 base its approval of a membership on all of the following:

8 (i) The duration of the membership.

9 (ii) The amenity covered by the membership.

10 (iii) Whether the fee charged for the membership
11 represents the fair market value for the use of the
12 amenity.]

13 (2) Notwithstanding section 1512(a) and (a.1) (relating
14 to public official financial interest), if at the time of
15 application an applicant has terminated public office or
16 employment as an executive-level public employee within the
17 last calendar year, the applicant shall be eligible to apply
18 for a slot machine license under this section but may not be
19 issued a license until one year following the date of
20 termination as a public official or executive-level public
21 employee. An application submitted in accordance with this
22 paragraph shall not constitute a violation of section 1512(a)
23 or (a.1).

24 (3) If the person seeking a slot machine license
25 proposes to place the licensed facility upon land designated
26 a subzone, an expansion subzone or an improvement subzone
27 under the act of October 6, 1998 (P.L.705, No.92), known as
28 the Keystone Opportunity Zone, Keystone Opportunity Expansion
29 Zone and Keystone Opportunity Improvement Zone Act, the
30 person shall, at any time prior to the application being

1 approved, submit a statement waiving the exemptions,
2 deductions, abatements or credits granted under the Keystone
3 Opportunity Zone, Keystone Opportunity Expansion Zone and
4 Keystone Opportunity Improvement Zone Act if the board
5 approves the application.

6 * * *

7 (d) Category 3 license fee.--The board shall impose a one-
8 time Category 3 license fee to be paid by each successful
9 applicant in the [amount of \$5,000,000 to be deposited in the
10 State Gaming Fund.] following amounts to be deposited in the
11 fund:

12 (1) For a license issued prior to January 1, 2017, the
13 amount of \$5,000,000.

14 (2) For a license issued from and after January 1, 2017,
15 the amount of \$6,000,000.

16 The provisions of section 1209(b), (c), (d) and (e) shall apply
17 to a Category 3 licensee.

18 [(e) Definitions.--For the purpose of subsection (a), the
19 following words and phrases shall have the meaning given to them
20 in this subsection:

21 "Amenities." Any ancillary activities, services or
22 facilities in which a registered guest or the transient public,
23 in return for non-de minimis consideration as defined by board
24 regulation, may participate at a well-established resort hotel,
25 including, but not limited to, sports and recreational
26 activities and facilities such as a golf course or golf driving
27 range, tennis courts or swimming pool; health spa; convention,
28 meeting and banquet facilities; entertainment facilities; and
29 restaurant facilities.

30 "Patron of the amenities." Any individual who is a

1 registered attendee of a convention, meeting or banquet event or
2 a participant in a sport or recreational event or any other
3 social, cultural or business event held at a resort hotel or who
4 participates in one or more of the amenities provided to
5 registered guests of the well-established resort hotel.]

6 Section 12. Section 1309(a.1) heading of Title 4 is amended
7 and the subsection is amended by adding a paragraph to read:

8 § 1309. Slot machine license application.

9 * * *

10 (a.1) Table games and interactive gaming information.--

11 * * *

12 (3) The board may permit an applicant for a slot machine
13 license that has an application under paragraph (1) or (2)
14 pending before the board to supplement its application with
15 all information required under Chapter 13B (relating to
16 interactive gaming) and to request that the board consider
17 its application for a slot machine license, a table game
18 operation certificate and an interactive gaming certificate
19 concurrently. All fees for an interactive gaming certificate
20 shall be paid by the applicant in accordance with the
21 requirements of this part.

22 * * *

23 Section 13. Sections 1317(a) and (c) and 1317.1(a), (b),
24 (c), (c.1), (d.1) and (e) of Title 4 are amended and the
25 sections are amended by adding subsections to read:

26 § 1317. Supplier licenses.

27 (a) Application.--A manufacturer that elects to contract
28 with a supplier under section 1317.1(d.1) (relating to
29 manufacturer licenses) shall ensure that the supplier is
30 appropriately licensed under this section. A person seeking to

1 provide slot machines, table game devices or associated
2 equipment, interactive gaming devices or associated equipment or
3 multi-use computing devices to a slot machine licensee, an
4 interactive gaming certificate holder or an interactive gaming
5 operator within this Commonwealth through a contract with a
6 licensed manufacturer shall apply to the board for the
7 appropriate supplier license.

8 * * *

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

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

21 (2) The license shall be nontransferable.

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

23 * * *

24 (c.2) Abbreviated process for supplier.--

25 (1) Notwithstanding subsection (c.1)(1) or any
26 regulations of the board to the contrary, the board may
27 extend the use of the abbreviated process authorized under
28 subsection (c.1) to an applicant for a supplier license to
29 supply slot machines used in a multistate wide-area
30 progressive slot machine system, skill slot machines, hybrid

1 slot machines and devices or associated equipment used in
2 connection with multistate wide-area progressive slot machine
3 systems, skill slot machines or hybrid slot machines,
4 interactive gaming devices or associated equipment used in
5 connection with interactive gaming, including multi-use
6 computing devices, if the applicant holds a valid supplier
7 license issued by the board to supply slot machines or
8 associated equipment or table games or table game devices or
9 associated equipment. The requirements of subsection (c.1)(2)
10 and (3) shall apply to this subsection.

11 (2) An applicant for a supplier's license to supply slot
12 machines used in a multistate wide-area progressive systems,
13 skill slot machines or hybrid slot machines or associated
14 equipment or interactive gaming devices or associated
15 equipment shall be subject to the applicable provisions of
16 this part.

17 * * *

18 § 1317.1. Manufacturer licenses.

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

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

27 (1) The name and business address of the applicant and
28 the applicant's affiliates, intermediaries, subsidiaries and
29 holding companies; the principals and key employees of each
30 business; and a list of employees and their positions within

1 each business, as well as any financial information required
2 by the board.

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

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

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

16 (5) The type of slot machines, table game devices or
17 associated equipment or interactive gaming devices or
18 associated equipment to be manufactured or repaired.

19 (6) Any other information determined by the board to be
20 appropriate.

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

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

1 its license or to any other information contained in
2 application materials on file with the board.

3 (2) The license shall be nontransferable.

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

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

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

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

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

30 (c.2) Abbreviated process for manufacturer.--

1 (1) Notwithstanding subsection (c.1)(1) or any
2 regulations of the board to the contrary, the board may
3 extend the use of the abbreviated process authorized under
4 subsection (c.1) to an applicant for a manufacturer license
5 to manufacture slot machines used in multistate wide-area
6 progressive slot machine systems, skill slot machines, hybrid
7 slot machines or associated equipment used in connection with
8 multistate wide-area progressive slot machine systems, skill
9 slot machines or hybrid slot machines or interactive gaming
10 devices or associated equipment used in connection with
11 interactive gaming, if the applicant holds a valid
12 manufacturer license issued by the board to manufacturer slot
13 machines or associated equipment or table games or table game
14 devices or associated equipment. The requirements of
15 subsection (c.1) (2) and (3) shall apply to this subsection.

16 (2) An applicant for a manufacturer license to
17 manufacture slot machines used in a multistate wide-area
18 progressive system, skill or hybrid slot machines or
19 associated equipment or interactive gaming devices or
20 associated equipment shall be subject to the applicable
21 provisions of this part.

22 * * *

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

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

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

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

12 (4) A manufacturer may contract with a supplier under
13 section 1317 to provide slot machines used in a multistate
14 wide-area progressive system, skill slot machines or hybrid
15 slot machines or associated equipment, interactive gaming
16 devices or associated equipment, provided that the
17 manufacturer is licensed to manufacture slot machines used in
18 a multistate wide-area progressive slot machine system, skill
19 slot machines or hybrid slot machines or associated equipment
20 or interactive gaming devices or associated equipment used in
21 connection with interactive games.

22 (e) Prohibitions.--

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

28 (2) Except as permitted in section 13A23.1 (relating to
29 training equipment), no [slot machine licensee] person may
30 use slot machines, table game devices or associated

1 equipment, authorized interactive games or interactive gaming
2 devices or associated equipment unless the slot machines,
3 table game devices or associated equipment, interactive games
4 or interactive gaming devices or associated equipment were
5 manufactured by a person that has been issued the appropriate
6 manufacturer license under this section.

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

9 (4) No limitation shall be placed on the number of
10 manufacturer licenses issued or the time period to submit
11 applications for licensure, except as required to comply with
12 section 1306 (relating to order of initial license issuance).
13 Section 14. Title 4 is amended by adding a section to read:

14 § 1317.3. Nongaming service provider.

15 (a) Notification required.--

16 (1) A slot machine licensee or applicant for a slot
17 machine license that contracts with or otherwise engages in
18 business with a nongaming service provider shall provide
19 notification to the board prior to:

20 (i) the nongaming service provider's provision of
21 goods or services at the slot machine licensee's licensed
22 facility; or

23 (ii) the provision of goods or services for use in
24 the operation of the slot machine licensee's licensed
25 facility.

26 (2) Notification under this section shall be on a form
27 and in a manner as determined by the board. The board may
28 impose a fee, not to exceed \$100, which must accompany the
29 notification.

30 (b) Contents of notification.--Notification under this

1 section shall include:

2 (1) The name and business address of the nongaming
3 service provider.

4 (2) A description of the type or nature of the goods or
5 services to be provided.

6 (3) An affirmation from the slot machine licensee or
7 applicant for a slot machine license that the goods or
8 services to be provided by the nongaming service provider
9 will not require access to the gaming floor or a gaming-
10 related restricted area of a licensed facility.

11 (4) An affirmation from the slot machine licensee or
12 applicant for a slot machine license certifying that the
13 licensee or applicant has performed due diligence regarding
14 the nongaming service provider and believes that neither the
15 nongaming service provider nor its employees will adversely
16 affect the public interest or integrity of gaming.

17 (5) Any other information that the board may require.

18 (c) Duration of notification.--The nongaming service
19 provider notification required under subsection (a) may be valid
20 for three years unless modified by the board. In determining the
21 duration of a nongaming service provider notification, the board
22 shall consider the following:

23 (1) The type or nature of the goods or services.

24 (2) The frequency of business transactions related to
25 the provision of such goods or services.

26 (3) Any other information the board deems necessary and
27 appropriate.

28 (d) Conditions.--A slot machine licensee or applicant for a
29 slot machine license that contracts or otherwise engages in
30 business with a nongaming service provider shall be subject to

1 the following conditions:

2 (1) The nongaming service provider and its employees
3 shall only provide the goods and services described in the
4 notification under this section.

5 (2) The slot machine licensee or applicant for a slot
6 machine license shall notify the board of any material change
7 in the information provided in the notification under this
8 section. No fee shall be required for a subsequent change
9 during the time for which the notification remains valid
10 under subsection (c).

11 (3) The slot machine licensee or applicant for a slot
12 machine license shall ensure that employees of the nongaming
13 service provider do not enter the gaming floor or a gaming-
14 related restricted area of the licensed facility.

15 (4) The slot machine licensee or applicant for a slot
16 machine license shall report to the board an employee of a
17 nongaming service provider that does any of the following:

18 (i) Enters the gaming floor or a gaming-related
19 restricted area of the licensed facility.

20 (ii) Commits an act that adversely affects the
21 public interest or integrity of gaming.

22 (5) The board may prohibit a nongaming service provider
23 or any of its employees from providing goods or services to a
24 slot machine licensee or applicant for a slot machine license
25 at a licensed facility if the board determines the
26 prohibition is necessary to protect the public interest or
27 integrity of gaming.

28 (e) Authority to exempt.--The board may exempt a slot
29 machine licensee or applicant for a slot machine license from
30 the notification requirements of this section if the board

1 determines any of the following:

2 (1) The nongaming service provider or the type or nature
3 of the nongaming service provider's business is regulated by
4 an agency of the Federal Government, an agency of the
5 Commonwealth or the Pennsylvania Supreme Court.

6 (2) Notification is not necessary to protect the public
7 interest or integrity of gaming.

8 (f) (Reserved).

9 (g) Criminal history record information.--Notwithstanding
10 any other provision of this part or regulation of the board, a
11 nongaming service provider shall obtain from the Pennsylvania
12 State Police and provide to the board the results of a criminal
13 history record information check under 18 Pa.C.S. Ch. 91
14 (relating to criminal history record information).

15 (h) Emergency notification.--

16 (1) A slot machine licensee may use a nongaming service
17 provider prior to the board receiving notification under this
18 section when a threat to public health, welfare or safety
19 exists or circumstances outside the control of the slot
20 machine licensee require immediate action to mitigate damage
21 or loss to the slot machine licensee's licensed facility or
22 to the Commonwealth.

23 (2) A slot machine licensee that uses a nongaming
24 service provider in accordance with paragraph (1) shall:

25 (i) Notify the board immediately upon engaging a
26 nongaming service provider for which the board has not
27 previously received notification in accordance with
28 subsection (a).

29 (ii) Provide the notification required under
30 subsection (a) within a reasonable time as established by

1 the board.

2 (i) Nongaming service provider list.--

3 (1) The board shall have the authority to prohibit a
4 nongaming service provider from engaging in business with a
5 slot machine licensee upon a finding by the board that the
6 prohibition is necessary to protect the public interest and
7 the integrity of gaming.

8 (2) The board shall develop and maintain a list of
9 prohibited nongaming service providers and make it available
10 upon request to a slot machine licensee or an applicant for a
11 slot machine license.

12 (3) A slot machine licensee or applicant for a slot
13 machine license may not enter into an agreement or engage in
14 business with a nongaming service provider appearing on the
15 list described in paragraph (2).

16 (j) Duties of nongaming service provider.--A nongaming
17 service provider shall:

18 (1) Cooperate with the board and bureau regarding an
19 investigation, hearing, enforcement action or disciplinary
20 action.

21 (2) Comply with each condition, restriction,
22 requirement, order or ruling of the board issued under this
23 part or regulation of the board.

24 (3) Report any change in circumstances to the slot
25 machine licensee or applicant for a slot machine license that
26 may render the nongaming service provider ineligible,
27 unqualified or unsuitable for the provision of goods or
28 services at a licensed facility or use in the operation of a
29 licensed facility. The slot machine licensee or applicant for
30 a slot machine license shall report any change in

1 circumstances to the board in such form and manner as the
2 board may establish.

3 (k) Construction.--Nothing in this section shall be
4 construed to limit the powers and authority of the board under
5 section 1202 (relating to general and specific powers of the
6 board) or the regulatory authority of the board under section
7 1207 (relating to regulatory authority of the board).

8 Section 15. Section 1320(a) of Title 4 is amended and the
9 section is amended by adding a subsection to read:

10 § 1320. Slot machine testing and certification standards.

11 (a) Use of other state standards.--[Until such time as the
12 board establishes an independent testing and certification
13 facility pursuant to subsection (b), the] The board may
14 determine, at its discretion, whether the slot machine testing
15 and certification standards of another jurisdiction within the
16 United States in which an applicant for a manufacturer license
17 is licensed are comprehensive and thorough and provide similar
18 adequate safeguards as those required by this part. If the board
19 makes that determination, it may permit a manufacturer through a
20 licensed supplier as provided in section 1317 (relating to
21 supplier [and manufacturer licenses application] licenses) to
22 deploy those slot machines which have met the slot machine
23 testing and certification standards in such other jurisdictions
24 without undergoing the full testing and certification process by
25 a board-established independent facility. In the event slot
26 machines of an applicant for a manufacturer license are licensed
27 in such other jurisdiction, the board may determine to use an
28 abbreviated process requiring only that information determined
29 by the board to be necessary to consider the issuance of a slot
30 machine certification to such an applicant. [Alternatively, the

1 board in its discretion may also rely upon the certification of
2 a slot machine that has met the testing and certification
3 standards of a board-approved private testing and certification
4 facility until such time as the board establishes an independent
5 testing and certification facility pursuant to subsection (b).
6 Nothing in this section shall be construed to waive any fees
7 associated with obtaining a license through the normal
8 application process.]

9 * * *

10 (b.1) Use of private testing and certification facilities.--
11 Notwithstanding any other provisions of this part or regulation
12 of the board, if a slot machine is tested and certified by a
13 private testing and certification facility registered with the
14 board, the board shall use an abbreviated certification process
15 requiring only that information determined by it to be necessary
16 to consider the issuance of a slot machine certification under
17 this section. Within one year of the effective date of this
18 subsection, the board shall promulgate regulations that:

19 (1) Provide for the registration of private testing and
20 certification facilities. Persons seeking registration under
21 this subsection shall be subject to section 1202(b) (9)
22 (relating to specific powers).

23 (2) Specify the form and content of the application for
24 registration.

25 (3) Establish and collect an application fee for persons
26 seeking registration. The application fee shall include the
27 costs of all background investigations as determined
28 necessary and appropriate by the bureau.

29 (4) Establish uniform procedures and standards which
30 private testing and certification facilities must comply with

1 during the testing and certification of slot machines.

2 (5) Utilize information provided by private testing and
3 certification facilities for the abbreviated certification of
4 slot machines.

5 (6) Establish an abbreviated certification process that
6 may be used by registered private testing and certification
7 facilities to test and certify slot machines.

8 (7) Establish fees that must be paid by licensed
9 manufacturers.

10 (8) Require slot machines submitted for abbreviated
11 certification to be approved or denied by the board within 30
12 days from the date of submission to the board. If the board
13 fails to act within the 30-day period, the abbreviated
14 certification shall be deemed conditionally approved.

15 (9) Provide procedures and standards for the suspension
16 and revocation of the registration of a private testing and
17 certification facility and the reinstatement of a suspended
18 or revoked registration, as determined appropriate by the
19 board.

20 * * *

21 Section 16. Section 1326 of Title 4 is amended to read:

22 § 1326. [License renewals] Renewals.

23 (a) Renewal.--All permits [and], licenses, registrations or
24 certificates issued under this part unless otherwise provided
25 shall be subject to renewal every [three] five years. Nothing in
26 this subsection shall relieve a licensee, permittee or holder of
27 a certificate or registration of the affirmative duty to notify
28 the board of any changes relating to the status of its license,
29 permit, certificate or registration or to any other information
30 contained in the application materials on file with the board.

1 The application for renewal shall be submitted at least [60] 180
2 days prior to the expiration of the permit [or], license,
3 registration or certificate and shall include an update of the
4 information contained in the initial and any prior renewal
5 applications and the payment of any renewal fee required by this
6 part. Unless otherwise specifically provided in this part, the
7 amount of any renewal fee shall be calculated by the board to
8 reflect the longer renewal period. A permit [or], license,
9 registration or certificate for which a completed renewal
10 application and fee, if required, has been received by the board
11 will continue in effect unless and until the board sends written
12 notification to the holder of the permit [or], license,
13 registration or certificate that the board has denied the
14 renewal of such permit [or], license, registration or
15 certificate.

16 (b) Revocation or failure to renew.--In addition to any
17 other sanctions the board may impose under this part, the board
18 may at its discretion suspend, revoke or deny renewal of any
19 permit [or], license, registration or certificate issued under
20 this part if it receives any information from any source that
21 the applicant or any of its officers, directors, owners or key
22 employees is in violation of any provision of this part, that
23 the applicant has furnished the board with false or misleading
24 information or that the information contained in the applicant's
25 initial application or any renewal application is no longer true
26 and correct. In the event of a revocation or failure to renew,
27 the applicant's authorization to conduct the previously approved
28 activity shall immediately cease, and all fees paid in
29 connection therewith shall be deemed to be forfeited. In the
30 event of a suspension, the applicant's authorization to conduct

1 the previously approved activity shall immediately cease until
2 the board has notified the applicant that the suspension is no
3 longer in effect.

4 Section 17. Title 4 is amended by adding a section to read:
5 § 1326.1. Slot machine license operation fee.

6 (a) Imposition.--Beginning January 1, 2017, each Category 1
7 and Category 2 licensed gaming entity shall pay to the board an
8 annual slot machine license operation fee in an amount equal to
9 20% of the slot machine license fee paid at the time of issuance
10 under section 1209(a) (relating to slot machine license fee).

11 (b) Payment of fee.--The slot machine license operation fee
12 imposed under subsection (a) shall be paid in equal monthly
13 installments on or before the first day of each month.

14 (c) Failure to pay.--The board may at the board's discretion
15 suspend, revoke or deny any permit or license issued under this
16 part to a Category 1 licensed gaming entity or Category 2
17 licensed gaming entity that fails to pay the slot machine
18 license operation fee imposed under subsection (a).

19 (d) Deposit.--The slot machine license operation fees
20 collected by the board under this section shall be deposited in
21 the fund and shall be appropriated to the department on a
22 continuing basis for the purposes under section 1403(c) (3)
23 (relating to establishment of State Gaming Fund and net slot
24 machine revenue distribution).

25 Section 18. Section 13A27(c) of Title 4 is amended to read:
26 § 13A27. Other financial transactions.

27 * * *

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

30 (1) The identity, creditworthiness and indebtedness

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

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

13 * * *

14 Section 19. Section 13A41 of Title 4 is amended by adding a
15 subsection to read:

16 § 13A41. Table game device and associated equipment testing and
17 certification standards.

18 * * *

19 (b.1) Use of private testing and certification facilities.--
20 Notwithstanding any provision of this part or regulation of the
21 board, if a table game device or associated equipment is tested
22 and certified by a private testing and certification facility
23 registered with the board, the board shall use an abbreviated
24 certification process requiring only that information determined
25 by it to be necessary to consider the issuance of a table game
26 device or associated equipment certification under this section.
27 Within one year of the effective date of this subsection, the
28 board shall promulgate regulations that:

29 (1) Provide for the registration of private testing and
30 certification facilities. Persons seeking registration under

1 this subsection shall be subject to section 1202(b)(9)
2 (relating to general and specific powers).

3 (2) Specify the form and content of the application for
4 registration.

5 (3) Establish and collect an application fee for persons
6 seeking registration. The application fee shall include the
7 costs of all background investigations as determined
8 necessary and appropriate by the board.

9 (4) Establish uniform procedures and standards which
10 private testing and certification facilities must comply with
11 during the testing and certification of table game devices
12 and associated equipment.

13 (5) Utilize information provided by private testing and
14 certification facilities for the abbreviated certification of
15 table game devices or associated equipment.

16 (6) Establish an abbreviated certification process that
17 may be used by registered private testing and certification
18 facilities to test and certify table game devices or
19 associated equipment.

20 (7) Establish fees that must be paid by a licensed
21 manufacturer.

22 (8) Require table game devices and associated equipment
23 submitted for abbreviated certification to be approved or
24 denied by the board within 30 days from the date of
25 submission to the board. If the board fails to act within the
26 30-day period, the abbreviated certification shall be deemed
27 conditionally approved.

28 (9) Provide procedures and standards for the suspension
29 and revocation of the registration of a private testing and
30 certification facility and the reinstatement of a suspended

1 or revoked registration.

2 Section 20. Section 13A63(b) (3) (iii) (A) and (C) and (4) of
3 Title 4 are amended to read:

4 § 13A63. Local share assessment.

5 * * *

6 (b) Distributions to counties.--The department shall make
7 quarterly distributions from the local share assessments
8 deposited into the fund under subsection (a) to counties,
9 including home rule counties, hosting a licensed facility
10 authorized to conduct table games under this chapter in
11 accordance with the following:

12 * * *

13 (3) If the facility is a Category 2 licensed facility
14 and if the county in which the licensed facility is located
15 is:

16 * * *

17 (iii) A county of the third class where a city of
18 the third class hosting the licensed facility is located
19 in two counties of the third class: 50% of the licensed
20 facility's local share assessment shall be distributed as
21 follows:

22 (A) Sixty percent to the county in which the
23 licensed facility is located, which shall be
24 deposited into a restricted receipts account to be
25 established in the Commonwealth Financing Authority
26 to be used exclusively for economic development
27 projects, community improvement projects and other
28 projects in the public interest within the county.

29 * * *

30 (C) Twenty percent to the nonhost county in

1 which the host city is located, of which 50% shall be
2 deposited into a restricted receipts account to be
3 established in the Commonwealth Financing Authority
4 to be used [solely] exclusively for grants to
5 municipalities [that are contiguous to the host city]
6 within the nonhost county for economic development
7 projects, community improvement projects and other
8 projects in the public interest.

9 * * *

10 (4) The following apply:

11 (i) If the facility is a Category 3 licensed
12 facility located in a county of the second class A: 50%
13 of the licensed facility's local share assessment shall
14 be [deposited into a restricted receipts account to be
15 established in the Commonwealth Financing Authority to be
16 used exclusively for grants or guarantees for projects in
17 the county that qualify under 64 Pa.C.S. §§ 1551
18 (relating to Business in Our Sites Program), 1556
19 (relating to Tax Increment Financing Guarantee Program)
20 and 1558 (relating to Water Supply and Waste Water
21 Infrastructure Program).] distributed as follows:

22 (A) Seventy-five percent shall be distributed to
23 the county hosting the licensed facility from each
24 such licensed facility for the purpose of supporting
25 the maintenance and refurbishment of the Parks and
26 Heritage sites throughout the county in which the
27 licensee is located.

28 (B) Twelve and one-half percent shall be
29 distributed to the county hosting the licensed
30 facility from each such licensed facility for the

1 purpose of supporting a child advocacy center located
2 within the county in which the licensee is located.

3 (C) Twelve and one-half percent shall be
4 distributed to the county hosting the licensed
5 facility from each such licensed facility for the
6 purpose of supporting an organization providing
7 comprehensive support services to victims of domestic
8 violence, including legal and medical aid, shelters,
9 transitional housing and counseling located within
10 the county in which the licensee is located.

11 (ii) Except as provided in subparagraph (i), if the
12 facility is a Category 3 licensed facility in a county of
13 any class: 50% of the licensed facility's local share
14 assessment shall be added to the funds in the restricted
15 receipts account established under section 1403(c)(2)(iv)
16 for distribution with those funds.

17 * * *

18 Section 21. Title 4 is amended by adding a chapter to read:

19 CHAPTER 13B

20 INTERACTIVE GAMING

21 Subchapter

22 A. General Provisions

23 B. Interactive Gaming Authorized

24 B.1. Multi-use Computing Devices

25 C. Conduct of Interactive Gaming

26 D. Facilities and Equipment

27 E. Testing and Certification

28 F. Taxes and Fees

29 G. Miscellaneous Provisions

30 SUBCHAPTER A

1 GENERAL PROVISIONS

2 Sec.

3 13B01. (Reserved).

4 13B02. Regulatory authority.

5 13B03. Regulations.

6 § 13B01. (Reserved).

7 § 13B02. Regulatory authority.

8 (a) Authority.--The board shall promulgate and adopt rules
9 and regulations to govern the conduct of interactive gaming in
10 order to ensure that it will be implemented in a manner that
11 provides for the security and effective management,
12 administration and control of interactive gaming, including, but
13 not limited to, regulations:

14 (1) Ensuring that interactive gaming is offered for play
15 in this Commonwealth in a manner that is consistent with
16 Federal law and the provisions of this chapter.

17 (2) Establishing standards and procedures for testing
18 and approving interactive games and interactive gaming
19 devices and associated equipment, and any variations or
20 composites of authorized interactive games, provided that the
21 board determines that the interactive games and any new
22 interactive games or any variations or composites are
23 suitable for use after a test or experimental period under
24 any terms and conditions as the board may deem appropriate.
25 The board may give priority to the testing of interactive
26 games, interactive gaming devices and associated equipment or
27 other gaming equipment which a slot machine licensee or an
28 applicant for an interactive gaming license has certified
29 that it will use to conduct interactive gaming in this
30 Commonwealth. Nothing in this paragraph shall be construed to

1 prohibit the board from using the testing and certification
2 standards of another state or jurisdiction in which
3 interactive gaming is conducted, if it determines that the
4 standards of the jurisdiction are comprehensive, thorough and
5 provide similar and adequate safeguards as those required
6 under this part. If the board makes such a determination and
7 the slot machine licensee or applicant for an interactive
8 gaming license is licensed in another state or jurisdiction
9 to operate interactive gaming or an interactive gaming
10 system, it may use an abbreviated process requiring only the
11 information determined by it to be necessary to consider the
12 issuance of an interactive gaming certificate or interactive
13 gaming license under this chapter. The board, in its
14 discretion, may also rely upon the certification of
15 interactive games that have met the testing and certification
16 standards of a board-approved private testing and
17 certification facility.

18 (3) Establishing standards and rules to govern the
19 conduct of interactive gaming and the system of and wagering
20 associated with interactive gaming, including internal
21 controls and accounting controls, and the type, number,
22 payout, wagering limits and rules for interactive games.

23 (4) Establishing the method for calculating gross
24 interactive gaming revenue and standards for the daily
25 counting and recording of cash and cash equivalents received
26 in the conduct of authorized interactive games and ensure
27 that internal controls and accounting controls are followed,
28 including the maintenance of financial books and records and
29 the conduct of audits. The board shall consult with the
30 department in establishing these regulations.

1 (5) Establishing notice requirements pertaining to
2 minimum and maximum wagers on authorized interactive games.

3 (6) Ensuring that all facilities and interactive gaming
4 devices and associated equipment are arranged in a manner to
5 promote appropriate security for interactive gaming.

6 (7) Establishing technical standards for the approval of
7 interactive games, interactive gaming devices and associated
8 equipment, including mechanical, electrical or program
9 reliability, security against tampering and any other
10 standards as it may deem necessary to protect registered
11 players from fraud or deception.

12 (8) Governing the creation, ownership and utilization of
13 interactive gaming accounts by registered players, including
14 the following:

15 (i) Requiring that an interactive gaming account be
16 created, owned and utilized by a natural person and not
17 in the name of any beneficiary, custodian, joint trust,
18 corporation, partnership or other organization or entity.

19 (ii) Prohibiting the assignment or other transfer of
20 an interactive gaming account.

21 (iii) Prohibiting the creation, ownership or
22 utilization of an interactive gaming account by an
23 individual under 21 years of age.

24 (9) Establishing procedures for a registered player to
25 log into the registered player's interactive gaming account,
26 authenticate the registered player's identity, agree to
27 terms, conditions and rules applicable to authorized
28 interactive games and log out of the registered player's
29 interactive gaming account, including procedures for
30 automatically logging off a registered player from an

1 interactive game after a specified period of inactivity.

2 (10) Establishing procedures for:

3 (i) Depositing funds in an interactive gaming
4 account by cash, transfer or other means, as approved by
5 the board.

6 (ii) The withdrawal of funds from an interactive
7 gaming account.

8 (iii) The suspension of interactive gaming account
9 activity for security reasons.

10 (iv) The termination of an interactive gaming
11 account and disposition of funds in the account.

12 (v) The disposition of unclaimed funds in a dormant
13 interactive gaming account.

14 (11) Establishing mechanisms by which a registered
15 player may place a limit on the amount of money being wagered
16 on an authorized interactive game or during any specified
17 time period or the amount of money lost during any specified
18 time period.

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

28 (13) Establishing procedures for the protection,
29 security and reliability of interactive gaming accounts,
30 authorized interactive games, interactive gaming devices and

1 associated equipment and mechanisms to prevent tampering or
2 utilization by unauthorized persons.

3 (14) Establishing data security standards to govern age,
4 identity and location verification of persons engaged in
5 interactive gaming activity.

6 (15) Requiring each interactive gaming certificate
7 holder to:

8 (i) Provide written information on its interactive
9 gaming skin or Internet website, which explains the rules
10 for each authorized interactive game, payoffs or winning
11 wagers and other information as the board may require.

12 (ii) Designate one or more interactive gaming
13 restricted areas where interactive gaming will be
14 managed, administered or controlled.

15 (iii) Provide the board with access to the
16 interactive gaming skin or website, interactive gaming
17 platform, signal or transmission used in connection with
18 interactive gaming and interactive gaming restricted
19 areas.

20 (iv) Adopt procedures for the recordation,
21 replication and storage of all play and transactions for
22 a period to be determined by the board.

23 (v) Provide statements on its interactive gaming
24 skin or website about the permissible minimum and maximum
25 wagers for each authorized interactive game, as
26 applicable.

27 (vi) Adopt policies or procedures to prohibit any
28 unauthorized person from having access to interactive
29 gaming devices and associated equipment.

30 (vii) Adopt data security standards to verify the

1 age, identity and location of persons engaged in
2 interactive gaming and prevent unauthorized access by any
3 person whose age, identity and location have not been
4 verified or whose age, identity and location cannot be
5 verified in accordance with regulations adopted by the
6 board.

7 (viii) Adopt standards to protect the privacy and
8 security of registered players engaged in interactive
9 gaming.

10 (ix) Collect, report and pay any and all applicable
11 taxes and fees and maintain all books, records and
12 documents related to the interactive gaming certificate
13 holder's interactive gaming activities in a manner and in
14 a location within this Commonwealth as approved by the
15 board or the department. All books, records and documents
16 shall be immediately available for inspection during all
17 hours of operation in accordance with the regulations of
18 the board and shall be maintained in a manner and during
19 periods of time as the board shall by regulation require.

20 (b) Additional authority.--

21 (1) At its discretion, the board may determine whether
22 persons that provide the following goods or services shall be
23 required to obtain a license, permit or other authorization:

24 (i) Payment processing and related money
25 transmitting and services.

26 (ii) Identity, location or age verification and
27 geospatial technology services.

28 (iii) General telecommunications services, which are
29 not specifically designed for or related to interactive
30 gaming.

1 (iv) Other goods or services that are not
2 specifically designed for use with interactive gaming if
3 the persons providing the goods or services are not paid
4 a percentage of gaming revenue or of money wagered on
5 interactive games or of any fees, not including fees to
6 financial institutions and payment providers for
7 facilitating a deposit by an interactive gaming account
8 holder.

9 (v) Any other goods or services related to
10 interactive gaming as the board may determine.

11 (2) The board shall develop a classification system for
12 the licensure, permitting or other authorization of persons
13 that provide the following goods or services related to
14 interactive gaming:

15 (i) Persons that provide interactive games and
16 interactive gaming devices and associated equipment.

17 (ii) Persons that manage, control or administer the
18 interactive games or the wagers associated with
19 interactive games.

20 (iii) Providers of customer lists comprised of
21 persons identified or selected, in whole or in part,
22 because they placed or may place wagers on interactive
23 gaming.

24 § 13B03. Regulations.

25 (a) Promulgation.--

26 (1) In order to facilitate the prompt implementation of
27 this chapter, the board shall have the authority to
28 promolgate temporary regulations which shall expire not later
29 than two years following the publication of the temporary
30 regulation in the Pennsylvania Bulletin and on the board's

1 publicly accessible Internet website.

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

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

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

10 (iii) The act of June 25, 1982 (P.L.633, No.181),
11 known as the Regulatory Review Act.

12 (b) Publications.--The board shall begin publishing
13 temporary regulations governing the rules for interactive
14 gaming, the issuance of interactive gaming certificates and
15 interactive gaming licenses, standards for approving
16 manufacturers, suppliers and other persons seeking to provide
17 interactive games, interactive gaming devices and associated
18 equipment, including age, identity and location verification
19 software or system programs and security and surveillance
20 standards in the Pennsylvania Bulletin within 30 days of the
21 effective date of this subsection.

22 (c) Expiration of temporary regulations.--Except for
23 temporary regulations governing the rules for issuing
24 certificates and licenses under this chapter, for new
25 interactive games, for approving interactive games or variations
26 thereof, interactive gaming devices and associated equipment and
27 for approving manufacturers, suppliers and other persons seeking
28 to provide interactive games, interactive gaming devices and
29 associated equipment, the board's authority to adopt temporary
30 regulations under subsection (a) shall expire two years after

1 the effective date of this section. Regulations adopted after
2 this period shall be promulgated as provided by law.

3 SUBCHAPTER B

4 INTERACTIVE GAMING AUTHORIZED

5 Sec.

6 13B11. Authorization to conduct interactive gaming.

7 13B12. Interactive gaming certificate required and content of
8 petition.

9 13B13. Issuance of interactive gaming certificate.

10 13B14. Interactive gaming operators.

11 13B15. Interactive gaming certificate and license.

12 13B16. Timing of initial interactive gaming authorizations.

13 § 13B11. Authorization to conduct interactive gaming.

14 (a) Authority of board.--The board may authorize a slot
15 machine licensee:

16 (1) To conduct interactive gaming directly or through an
17 interactive gaming operator under an interactive gaming
18 agreement, including contests and tournaments and any other
19 game which is determined by the board to be suitable for
20 interactive gaming.

21 (2) To deploy interactive gaming skins or Internet
22 websites to facilitate the conduct of interactive gaming
23 activities.

24 (b) Authority to play interactive games.--Notwithstanding
25 any other provision of law, an individual who is 21 years of age
26 or older is hereby permitted to participate as a registered
27 player in interactive gaming and wagering associated with
28 playing an authorized interactive game offered by an interactive
29 gaming certificate holder in accordance with this chapter and
30 regulations of the board. Except as provided in Subchapter G

1 (relating to miscellaneous provisions), a registered player must
2 be physically located within this Commonwealth in order to
3 participate in interactive gaming.

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

6 (a) Certificate required.--No person shall operate or
7 conduct or attempt to operate or conduct interactive gaming,
8 except for test purposes as approved by the board, or offer open
9 interactive gaming for play by the public in this Commonwealth
10 without first obtaining an interactive gaming certificate or an
11 interactive gaming license from the board. A slot machine
12 licensee may seek approval to conduct interactive gaming by
13 filing a petition for an interactive gaming certificate with the
14 board. The board shall prescribe the form and the manner in
15 which it shall be filed.

16 (b) Content of petition.--In addition to information and
17 documentation demonstrating that the slot machine licensee is
18 qualified for an interactive gaming certificate under this
19 chapter, a petition for an interactive gaming certificate shall
20 include the following:

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

23 (2) The name, business address and contact information
24 of any affiliate or other person that will be a party to an
25 agreement with the slot machine licensee related to the
26 operation of interactive gaming or an interactive gaming
27 system on behalf of the slot machine licensee, including a
28 person applying for an interactive gaming license.

29 (3) The name and business address, job title and a
30 photograph of each principal and key employee of the slot

1 machine licensee who will be involved in the conduct of
2 interactive gaming, whether or not the principal or key
3 employee is currently licensed by the board, if known.

4 (4) The name and business address, job title and a
5 photograph of each principal and key employee of the
6 interactive gaming operator, if any, who will conduct
7 interactive gaming or an interactive gaming system on behalf
8 of the slot machine licensee, whether or not the principal or
9 key employee is currently licensed by the board, if known.

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

17 (6) The estimated number of full-time and part-time
18 employment positions that will be created at the slot machine
19 licensee's licensed facility if an interactive gaming
20 certificate is issued and an updated hiring plan under
21 section 1510(a) (relating to labor hiring preferences) which
22 outlines the slot machine licensee's plan to promote the
23 representation of diverse groups and Commonwealth residents
24 in the employment positions.

25 (7) A brief description of the economic benefits
26 expected to be realized by the Commonwealth, the host
27 municipalities and residents if an interactive gaming
28 certificate is issued.

29 (8) The details of any financing obtained or that will
30 be obtained to fund an expansion or modification of the slot

1 machine licensee's licensed facility to accommodate
2 interactive gaming and to otherwise fund the cost of
3 commencing interactive gaming.

4 (9) Information and documentation concerning financial
5 background and resources, as the board may require, to
6 establish by clear and convincing evidence the financial
7 stability, integrity and responsibility of the slot machine
8 licensee, and information or documentation concerning any
9 person that will operate interactive gaming or an interactive
10 gaming system on behalf of the slot machine licensee as an
11 interactive gaming operator, as the board may require. The
12 interactive gaming agreement with such person shall be
13 subject to the review and approval of the board.

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

22 (11) Information and documentation, as the board may
23 require, to establish by clear and convincing evidence that
24 the slot machine licensee has or will have the financial
25 ability to pay the interactive gaming authorization fee.

26 (12) Detailed site plans identifying the proposed
27 interactive gaming restricted area where interactive gaming
28 operations will be managed, administered or controlled as
29 approved by the board.

30 (13) A detailed description of all of the following:

1 (i) The slot machine licensee's initial system of
2 internal and accounting controls applicable to
3 interactive gaming.

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

7 (iii) How the slot machine licensee will facilitate
8 compliance with all of the requirements set forth in this
9 chapter and in section 802(a) of the Unlawful Internet
10 Gambling Enforcement Act of 2006 (Public Law 109-347, 31
11 U.S.C. § 5362(10)(B)), including, but not limited to, all
12 of the following:

13 (A) Age, identity and location verification
14 requirements.

15 (B) Appropriate data security standards to
16 prevent unauthorized access by any person whose age,
17 identity or location have not been verified or cannot
18 be verified in accordance with this chapter and
19 applicable regulations of the board.

20 (C) Except as provided in Subchapter G (relating
21 to miscellaneous provisions), the requirement that
22 all wagers made in the conduct of interactive gaming
23 be initiated and received or otherwise made
24 exclusively within this Commonwealth.

25 (iv) The slot machine licensee's proposed age,
26 identity and location verification standards designed to
27 block access to persons under 21 years of age and other
28 persons excluded or prohibited from participating in
29 interactive gaming under this chapter.

30 (v) The procedures the slot machine licensee will

1 use to register individuals as registered players.

2 (vi) The procedures the slot machine licensee will
3 use to establish interactive gaming accounts for
4 registered players.

5 (vii) The interactive games and services the slot
6 machine licensee proposes to offer to registered players.

7 (viii) Documentation and information relating to all
8 proposed contractors of the slot machine licensee, and
9 subcontractors of the contractors, including, but not
10 limited to, all of the following:

11 (A) A description of the services to be provided
12 by each contractor and subcontractor.

13 (B) Information on the experience and
14 qualifications of each contractor and subcontractor
15 to provide the services anticipated.

16 (C) The names of all proposed contractors and
17 subcontractors, owners, executives and employees that
18 will be directly or indirectly involved in the slot
19 machine licensee's interactive gaming operations, as
20 well as sufficient personal identifying information
21 on each such person to conduct background checks as
22 may be required by the board.

23 (14) The interactive gaming devices and associated
24 equipment and interactive gaming system or systems, that the
25 slot machine licensee plans to or will utilize to manage,
26 administer or control its interactive gaming operations.

27 (15) Compliance certification of the slot machine
28 licensee's proposed interactive gaming devices and associated
29 equipment, including interactive gaming software and
30 hardware, by a board-approved gaming laboratory to ensure

1 that the gaming software and hardware comply with the
2 requirements of this chapter and regulations of the board.

3 (16) Detailed description of accounting systems,
4 including, but not limited to, accounting systems for all of
5 the following:

6 (i) Interactive gaming accounts.

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

8 (iii) Transparency and reporting to the board and
9 the department.

10 (iv) Distribution of revenue to the Commonwealth and
11 winnings to registered players.

12 (v) Ongoing auditing and internal control compliance
13 reviews.

14 (17) Detailed information on security systems at the
15 licensed facility to protect the interactive gaming skins or
16 Internet website from internal and external breaches and
17 threats.

18 (18) Any other information the board may require.

19 (c) Confidentiality.--Information submitted to the board
20 under subsection (b) may be considered confidential by the board
21 if the information would be confidential under section 1206(f)
22 (relating to board minutes and records).

23 § 13B13. Issuance of interactive gaming certificate.

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

25 (1) The board may approve a petition under section 13B12
26 (relating to interactive gaming certificate required and
27 content of petition) upon finding clear and convincing
28 evidence of all of the following:

29 (i) The slot machine licensee's proposed conduct of
30 interactive gaming complies in all respects with the

1 requirements of this chapter and regulations promulgated
2 by the board.

3 (ii) Age, identity and location verification
4 requirements designed to block access to individuals
5 under 21 years of age and persons otherwise excluded or
6 prohibited from engaging in interactive gaming in
7 accordance with this chapter, as approved by the board,
8 have been implemented by the slot machine licensee.

9 (iii) The slot machine licensee has implemented or
10 will implement appropriate data security standards to
11 prevent unauthorized access by any person whose age,
12 identity and location has not been verified or cannot be
13 verified in accordance with the regulations promulgated
14 by the board.

15 (iv) The slot machine licensee has implemented or
16 will implement appropriate standards to protect the
17 privacy and security of registered players with a
18 reasonable degree of certainty.

19 (v) The slot machine licensee's initial system of
20 internal and accounting controls applicable to
21 interactive gaming, and the security and integrity of all
22 financial transactions in connection with the system,
23 complies with this chapter and regulations promulgated by
24 the board.

25 (vi) The slot machine licensee is in good standing
26 with the board.

27 (vii) The slot machine licensee agrees that the
28 number of slot machines and table games in operation at
29 its licensed facility, as of the effective date of this
30 section, will not be reduced as a result of the

1 authorization and commencement of interactive gaming.

2 (2) It shall be an express condition of the issuance and
3 continued validity of an interactive gaming certificate that
4 a slot machine licensee shall collect, report and pay all
5 applicable taxes and fees and shall maintain all books,
6 records and documents pertaining to the slot machine
7 licensee's interactive gaming operations in a manner and
8 location within this Commonwealth as approved by the board.
9 All books, records and documents shall be immediately
10 available for inspection by the board and the department
11 during all hours of operation in accordance with the
12 regulations of the board and shall be maintained in a manner
13 and during periods of time as the board shall require.

14 (b) Issuance of interactive gaming certificate.--

15 (1) Upon approval of a petition for an interactive
16 gaming certificate, the board shall issue an interactive
17 gaming certificate to the slot machine licensee. The issuance
18 of an interactive gaming certificate prior to the full
19 payment of the authorization fee required under section 13B51
20 (relating to interactive gaming authorization fee) shall not
21 relieve the slot machine licensee from the obligation to pay
22 the authorization fee in accordance with the requirements of
23 section 13B51.

24 (2) Upon issuing an interactive gaming certificate, the
25 board shall amend the slot machine licensee's statement of
26 conditions to include conditions pertaining to the
27 requirements of this chapter.

28 (c) Term of interactive gaming certificate.--Subject to the
29 power of the board to deny, revoke or suspend an interactive
30 gaming certificate, an interactive gaming certificate shall be

1 valid for five years from the date of issuance and may be
2 renewed in accordance with the requirements of section 1326
3 (relating to renewals).

4 (d) Sanctions.--An interactive gaming certificate holder
5 that fails to abide by the requirements of this chapter or
6 regulations of the board or any condition contained in the
7 interactive gaming certificate holder's statement of conditions
8 governing the operation of interactive gaming shall be subject
9 to board-imposed administrative sanctions or other penalties
10 authorized under this part.

11 (e) Background investigations.--Each petition for an
12 interactive gaming certificate shall be accompanied by a
13 nonrefundable fee established by the board to cover the cost of
14 background investigations. The board shall determine by
15 regulation the persons who shall be subject to background
16 investigation. Any additional costs and expenses incurred in any
17 background investigation or other investigation or proceeding
18 under this chapter shall be reimbursed to the board.

19 § 13B14. Interactive gaming operators.

20 (a) License required.--No person shall serve or attempt to
21 serve as an interactive gaming operator without first obtaining
22 an interactive gaming license from the board. A person may seek
23 approval to serve as an interactive gaming operator by filing an
24 application with the board. The board shall prescribe the form
25 of the application and the manner in which it shall be filed.

26 The board shall:

27 (1) Determine suitability of the person filing an
28 application under this section. The board shall determine
29 suitability in accordance with the same requirements of this
30 part applicable to the determination of suitability of the

1 issuance of an interactive gaming certificate to a slot
2 machine licensee. Notwithstanding the provisions of this
3 paragraph, the board may consider a holder of a valid
4 license, permit, registration, certificate or other
5 authorization approved and issued under this part, which is
6 in good standing, as suitable under this section without
7 additional investigation. The consideration shall not relieve
8 the applicant for an interactive gaming license from payment
9 of all fees imposed under this chapter. from payment of all
10 fees imposed under this chapter.

11 (2) Provide for the approval of the terms and conditions
12 of all agreements entered into by or between an interactive
13 gaming certificate holder and a person applying for an
14 interactive gaming license.

15 (b) Classification and approval of employees.--

16 (1) The board shall establish a classification system
17 for employees of interactive gaming operators or other
18 persons who provide products or services associated with or
19 related to interactive gaming, interactive gaming platforms
20 and interactive gaming systems.

21 (2) The board shall provide for the licensure,
22 permitting, registration or certification, as it deems
23 appropriate, of employees in each employee classification
24 established by it in accordance with paragraph (1).

25 (c) Applicability of certain provisions.--Interactive gaming
26 operators shall be subject to the applicable provisions of this
27 part that apply to interactive gaming certificate holders, as
28 determined by the board, including the provisions of section
29 13B13(d) (relating to issuance of interactive gaming
30 certificate).

1 (d) Term of interactive gaming license.--Subject to the
2 power of the board to deny, revoke or suspend an interactive
3 gaming license, an interactive gaming license shall be valid for
4 five years from the date of issuance and may be renewed in
5 accordance with the requirements of section 1326 (relating to
6 renewals).

7 (e) Interactive gaming license and conditional
8 authorization.--

9 (1) The following shall apply:

10 (i) During the first 18 months after the effective
11 date of this section, the board may issue conditional
12 authorization to a person applying for an interactive
13 gaming license.

14 (ii) Conditional authorization issued under this
15 subsection shall remain in effect until the earlier of
16 the date occurring 12 months after the issuance of the
17 authorization or the date upon which the board makes a
18 final determination on the person's application.

19 (iii) The effectiveness of a conditional
20 authorization may be extended by the board not more than
21 once, upon a showing of good cause.

22 (iv) Conditional authorization shall allow an
23 applicant for an interactive gaming license to engage in
24 all of the functions of a licensed interactive gaming
25 operator for the duration of the conditional
26 authorization.

27 (2) A conditional authorization may not be issued
28 unless:

29 (i) The applicant has submitted a complete
30 application for an interactive gaming license to the

1 board.

2 (ii) The applicant agrees to pay or has paid the fee
3 prescribed in section 13B51 (relating to interactive
4 gaming authorization fee) prior to the issuance of
5 conditional authorization.

6 (iii) The bureau has no objection to the issuance of
7 a conditional authorization to the applicant.

8 (3) Within 45 days of the date that the bureau receives
9 the completed application for an interactive gaming license
10 from an applicant for investigation, the bureau shall conduct
11 a preliminary investigation of the applicant and any employee
12 of the applicant determined by the board to be included in
13 the investigation, which shall include a criminal background
14 investigation.

15 (4) If the bureau's preliminary investigation discloses
16 no adverse information that would impact suitability for
17 licensure, the bureau shall provide the board with a
18 statement of no objection to the issuance of conditional
19 authorization to the applicant.

20 (5) If the bureau's preliminary investigation discloses
21 adverse information that would impact suitability for
22 licensure, it shall register an objection, and a conditional
23 authorization may not be issued until the bureau's concerns
24 are resolved.

25 (6) A conditional authorization approved and issued to
26 an applicant for an interactive gaming license under this
27 subsection may be suspended or withdrawn by the board upon a
28 showing of good cause by the bureau.

29 § 13B15. Interactive gaming certificate and interactive gaming
30 license.

1 The following shall apply:

2 (1) An interactive gaming certificate and an interactive
3 gaming license issued to an interactive gaming operator
4 conducting interactive gaming or an interactive gaming system
5 on behalf of the interactive gaming certificate holder shall
6 be valid unless not renewed in accordance with the provisions
7 of this chapter or:

8 (i) The certificate or license is suspended or
9 revoked by the board as permitted by this part and
10 regulations of the board.

11 (ii) The interactive gaming certificate holder's
12 slot machine license is suspended, revoked or not renewed
13 by the board as permitted by this part and regulations of
14 the board.

15 (iii) The interactive gaming certificate holder
16 licensee relinquishes or does not seek renewal of its
17 slot machine license.

18 (iv) The interactive gaming certificate holder does
19 not seek renewal of its interactive gaming certificate.

20 (2) The interactive gaming certificate may include an
21 initial itemized list by number and type of authorized
22 interactive games for interactive gaming to be conducted by
23 the interactive gaming certificate holder or interactive
24 gaming operator. The interactive gaming certificate holder
25 may increase or decrease the number of interactive games
26 authorized for play on its interactive gaming skin or
27 Internet website or change the type of authorized interactive
28 games played on its interactive gaming skin or Internet
29 website upon notice, if required by the board, to the board
30 and approval by the board or a designated employee of the

1 board. Unless approved by the board or a designated employee
2 of the board, the total number and type of authorized
3 interactive games offered for play by an interactive gaming
4 certificate holder may not differ from the number and type
5 approved by the board and authorized in the interactive
6 gaming certificate.

7 (3) A slot machine licensee shall be required to update
8 the information in its petition for an interactive gaming
9 certificate at times and in the form and manner prescribed by
10 the board.

11 (4) A valid interactive gaming certificate or
12 interactive gaming license may be renewed in accordance with
13 the procedures set forth in section 1326 (relating to
14 renewals) and upon the payment of the applicable renewal fee
15 required by section 13B51(c) (relating to interactive gaming
16 authorization fee).

17 § 13B16. Timing of initial interactive gaming authorizations.

18 The board shall prescribe the date on which petitions for an
19 interactive gaming certificate and applications for an
20 interactive gaming license must be filed with the board and
21 shall approve or deny a petition or application within 90 days
22 following receipt.

23 SUBCHAPTER B.1

24 MULTI-USE COMPUTING DEVICES

25 Sec.

26 13B20. Authorization.

27 13B20.1. (Reserved).

28 13B20.2. (Reserved).

29 13B20.3. Fee.

30 13B20.4. Multi-use gaming device tax.

1 13B20.5. Local share assessment.

2 13B20.6. Regulations.

3 13B20.7. Construction.

4 § 13B20. Authorization.

5 (a) Authority.--The board may authorize an interactive
6 gaming certificate holder to provide for the conduct of
7 interactive gaming, either directly or through an interactive
8 gaming operator under an interactive gaming agreement, at a
9 qualified airport through the use of multi-use computing devices
10 by eligible passengers in accordance with this subchapter and
11 the regulations of the board. The following shall apply:

12 (1) If the interactive gaming certificate holder intends
13 to operate interactive gaming under an interactive gaming
14 agreement, the interactive gaming operator that is a party to
15 the interactive gaming agreement shall have been issued an
16 interactive gaming license or will be issued an interactive
17 gaming license prior to the commencement of operations under
18 the interactive gaming agreement. The interactive gaming
19 agreement shall be subject to the review and approval of the
20 board.

21 (2) The interactive gaming certificate holder or the
22 interactive gaming operator, as the case may be, shall enter
23 into written agreements with the airport authority and the
24 concession operator at the qualified airport that permits the
25 conduct of interactive gaming through the use of multi-use
26 computing devices within the airport gaming area. The
27 agreements shall be subject to the review and approval of the
28 board.

29 (3) Notwithstanding any provision to the contrary
30 contained in this part or regulation of the board, an

1 eligible passenger does not need to be a registered player.

2 (b) Petition.--An interactive gaming certificate holder
3 desiring to provide interactive gaming at a qualified airport
4 under subsection (a) shall submit a petition for approval to the
5 board. The petition shall be in the form and submitted in the
6 manner prescribed by the board.

7 (c) Requirements.--The petition filed under subsection (b)
8 shall include the following:

9 (1) The name, business address and contact information
10 of the interactive gaming certificate holder and the name,
11 business address and contact information of the interactive
12 gaming operator, if applicable.

13 (2) The name and business address, job title and a
14 photograph of each principal and key employee, if known, of
15 the interactive gaming certificate holder and the interactive
16 gaming operator, if applicable, who will be directly involved
17 in the conduct of the authorized interactive games at the
18 qualified airport and who are not currently licensed by the
19 board.

20 (3) The name and job title of the person or persons who
21 will be responsible for ensuring the operation and integrity
22 of the conduct of interactive gaming at the qualified airport
23 and for reviewing reports of suspicious transactions.

24 (4) A copy of the interactive gaming agreement, if
25 applicable.

26 (5) The location of the qualified airport together with
27 detailed site plans indicating the location of the proposed
28 airport gaming area.

29 (6) Except as provided in paragraph (7), the name and
30 business address of the airport authority governing the

1 qualified airport and the names of the members of the
2 governing body of the airport authority.

3 (7) If the use and control of the qualified airport is
4 regulated by a city of the first class, an identification of
5 the municipal agency and primary officials of the city of the
6 first class.

7 (8) Copies of the agreements with the airport authority
8 and concession operator required under subsection (a)(2).

9 (9) The brand name of the multi-use computing devices
10 that will be placed in operation at the qualified airport and
11 any information required by the board, in its discretion,
12 regarding persons that manufacture or will supply the multi-
13 use computing devices as it deems necessary.

14 (10) The interactive games the interactive gaming
15 certificate holder or the interactive gaming operator, as
16 applicable, intends to offer for play at the qualified
17 airport.

18 (11) Information, as the board may require, on any
19 computer applications, including gaming applications, that
20 can be accessed on the multi-use computing devices to be
21 placed into operation at the qualified airport.

22 (12) Information and documentation evidencing the
23 financial stability, integrity and responsibility of the
24 interactive gaming certificate holder and the interactive
25 gaming operator, if applicable.

26 (13) The agreement of the interactive gaming certificate
27 holder to pay the fee required by section 13B20.3 (relating
28 to fee).

29 (14) Any other information required by the board.

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

1 under subsection (c) 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 (e) Approval.--The board shall approve the petition
5 submitted under subsection (b) upon review and approval of the
6 information submitted under subsection (c) and a determination
7 by the board by clear and convincing evidence that:

8 (1) The interactive gaming certificate holder and the
9 interactive gaming operator, if applicable, have paid all
10 required fees and taxes payable under provisions of this part
11 other than this subchapter to the date of submission of the
12 petition.

13 (2) The interactive gaming certificate holder, or the
14 interactive gaming operator, as the case may be, possesses
15 the necessary funds or has secured adequate financing to
16 commence the conduct of interactive gaming at the qualified
17 airport.

18 (3) The proposed internal and external security and
19 surveillance measures at the qualified airport and within the
20 airport gaming area are adequate.

21 (4) Interactive gaming at the qualified airport will be
22 conducted and operated in accordance with this part and
23 regulations of the board.

24 § 13B20.1. (Reserved).

25 § 13B20.2. (Reserved).

26 § 13B20.3. Fee.

27 (a) Required fee.--An interactive gaming certificate holder
28 shall pay a one-time, nonrefundable fee of \$1,000,000 upon the
29 authorization to conduct interactive gaming at a qualified
30 airport through the use of multi-use computing devices in

1 accordance with this subchapter.

2 (b) Deposit of fees.--Notwithstanding section 1208 (relating
3 to collection of fees and fines), all fees or penalties received
4 by the board under this subchapter shall be deposited in the
5 General Fund.

6 § 13B20.4. Multi-use gaming device tax.

7 (a) Imposition.--

8 (1) Each interactive gaming certificate holder
9 authorized to conduct interactive gaming at a qualified
10 airport in accordance with the provisions of this subchapter
11 shall report to the department and pay from its daily gross
12 interactive gaming revenue generated from the conduct of
13 interactive gaming through multi-use computing devices at the
14 qualified airport, on a form and in the manner prescribed by
15 the department, a tax of 14% of its daily gross interactive
16 gaming revenue generated from multi-use computing devices at
17 the qualified airport.

18 (2) The tax imposed under subsection (a) shall be
19 payable to the department on a daily basis and shall be based
20 upon the gross interactive gaming revenue generated from
21 multi-use computing devices at the qualified airport derived
22 during the previous day.

23 (3) All funds owed to the Commonwealth under this
24 section shall be held in trust for the Commonwealth by the
25 interactive gaming certificate holder until the funds are
26 paid to the department. An interactive gaming certificate
27 holder shall establish a separate bank account into which
28 gross interactive gaming revenue from multi-use computing
29 devices at a qualified airport shall be deposited and
30 maintained until such time as the funds are paid to the

1 department under this section.

2 (4) The department shall transfer the funds collected
3 under this section to the General Fund.

4 § 13B20.5. Local share assessment.

5 (a) Required payment.--In addition to the tax imposed under
6 section 13B20.4 (relating to multi-use gaming device tax), each
7 interactive gaming certificate holder authorized to conduct
8 interactive gaming at a qualified airport shall pay, on a form
9 and in a manner prescribed by the department, a local share
10 assessment equal to 20% of the interactive gaming certificate
11 holder's daily gross interactive gaming revenue from multi-use
12 devices at the qualified airport. The funds shall be payable to
13 the department on a weekly basis and shall be based upon the
14 revenue generated during the previous week. The funds shall be
15 paid into a restricted receipts account established by the
16 department in the fund. All funds owed to the Commonwealth under
17 this section shall be held in trust by the interactive gaming
18 certificate holder until the funds are paid to the department.
19 Funds in the account are hereby appropriated to the department
20 on a continuing basis for the purposes set forth in this
21 section.

22 (b) Distributions to qualified airports.--

23 (1) Except as provided in paragraph (2), the department
24 shall make quarterly distributions from the local share
25 assessments deposited into the restricted receipts account
26 under subsection (a) to each airport authority regulating the
27 use and control of a qualified airport where interactive
28 gaming is conducted under this subchapter. The amount
29 distributed to an airport authority under this subsection
30 shall be equal to the funds deposited into the restricted

1 receipts account by the interactive gaming certificate holder
2 authorized to conduct interactive gaming at the qualified
3 airport regulated by the airport authority.

4 (2) The funds payable under paragraph (1) to an airport
5 authority regulating the use and control of a qualified
6 airport located primarily in a city of the first class shall
7 be distributed by the department to a school district of the
8 first class for pre-kindergarten programs.

9 § 13B20.6. Regulations.

10 The board shall promulgate regulations related to the
11 operation of authorized interactive games through the use of
12 multi-use computing devices at qualified airports, including,
13 but not limited to:

14 (1) Procedures for the creation of temporary or
15 provisional interactive gaming accounts that take into
16 consideration the nature of interactive gaming through multi-
17 use computing devices at qualified airports.

18 (2) Procedures to govern credits, debits, deposits and
19 payments to interactive gaming accounts.

20 (3) In consultation with the department, procedures to
21 govern financial transactions between an interactive gaming
22 certificate holder, an interactive gaming operator or other
23 persons that relates to the reporting of gross interactive
24 gaming revenue generated through the use of multi-use
25 computing devices at qualified airports.

26 § 13B20.7. Construction.

27 Nothing in this subchapter shall be construed to:

28 (1) Create a separate license governing the use of
29 multi-use computing devices for the conduct of interactive
30 games at eligible airports by interactive gaming certificate

1 holders within this Commonwealth.

2 (2) Limit the board's authority to determine the
3 suitability of any person who may be directly or indirectly
4 involved in or associated with the operation of interactive
5 gaming at a qualified airport or to ensure the integrity of
6 interactive gaming and protect the public interest.

7 SUBCHAPTER C

8 CONDUCT OF INTERACTIVE GAMING

9 Sec.

10 13B21. Situs of interactive gaming operations.

11 13B22. Establishment of interactive gaming accounts.

12 13B23. Interactive gaming account credits, debits, deposits and
13 payments.

14 13B24. Acceptance of wagers.

15 13B25. Dormant interactive gaming accounts.

16 13B26. Log-in procedure required.

17 13B27. Information provided at login.

18 13B28. Prohibitions.

19 13B29. Commencement of interactive gaming operations.

20 § 13B21. Situs of interactive gaming operations.

21 Except as provided in Subchapter G (relating to miscellaneous
22 provisions), all wagers made through interactive gaming shall be
23 deemed to be initiated, received or otherwise made within the
24 geographic boundaries of this Commonwealth. The intermediate
25 routing of electronic data associated or in connection with
26 interactive gaming shall not determine the location or locations
27 in which a bet or wager is initiated, received or otherwise
28 made.

29 § 13B22. Establishment of interactive gaming accounts.

30 (a) Registration restrictions.--Only a registered player who

1 has first established an interactive gaming account shall be
2 permitted to play an authorized interactive game or place a
3 wager associated with an authorized interactive game. The
4 interactive gaming account shall be in the name of a registered
5 player and may not be in the name of any beneficiary, custodian,
6 joint trust, corporation, partnership or other organization or
7 entity. An eligible passenger is not required to comply with
8 this section in order to play or place a wager associated with
9 an interactive game through the use of a multi-use computing
10 device at a qualified airport.

11 (b) Establishment of interactive gaming accounts.--

12 (1) An interactive gaming account may be established in
13 person, provided that the board shall, through regulations,
14 provide procedures for the establishment of interactive
15 gaming accounts over the Internet through the interactive
16 gaming certificate holder's interactive gaming skin or
17 Internet website. Each interactive gaming account shall
18 comply with the internal controls of the interactive gaming
19 certificate holder that, at a minimum, require the following:

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

23 (ii) Proof of age, identity and physical address of
24 the principal residence of the prospective interactive
25 gaming account holder as demonstrated by at least two
26 forms of identification approved by the board through
27 regulation.

28 (iii) Electronic mail address and other contact
29 information of the prospective account holder, as the
30 board or interactive gaming certificate holder may

1 require.

2 (iv) Password or other secured identification
3 provided by the interactive gaming certificate holder to
4 access the interactive gaming account or some other
5 mechanism approved by the board to authenticate the
6 registered player as the holder to the interactive gaming
7 account.

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

12 (2) The interactive gaming certificate holder may accept
13 or reject an application after receipt and review of the
14 application and verification of age, identity and physical
15 address for compliance with the provisions of this chapter.
16 The interactive gaming certificate holder shall have the
17 right, at any time with or without cause, to suspend or close
18 any interactive gaming account at its sole discretion.

19 (3) The address provided by the applicant in the
20 application for an interactive gaming account shall be deemed
21 the address of record for the purposes of mailing checks,
22 account withdrawals, notices and other materials to the
23 prospective interactive gaming account holder.

24 (4) An interactive gaming account shall be a noninterest
25 bearing account and shall not be assignable or otherwise
26 transferable.

27 (c) Password required.--As part of the application process,
28 the interactive gaming certificate holder shall provide the
29 prospective interactive gaming account holder with a password to
30 access the interactive gaming account or shall establish some

1 other method approved by the board to authenticate the
2 registered player as the holder of the interactive gaming
3 account and allow the registered player access to the
4 interactive gaming account.

5 (d) Grounds for rejection.--Any individual who provides
6 false or misleading information in the application for an
7 interactive gaming account may be subject to rejection of the
8 application or cancellation of the account by the interactive
9 gaming certificate holder.

10 (e) Suspension of interactive gaming account.--The
11 interactive gaming certificate holder shall have the right to
12 suspend or close any interactive gaming account or declare all
13 or any part of an interactive gaming account closed for wagering
14 at its discretion.

15 (f) Persons prohibited from establishing or maintaining an
16 interactive gaming account.--The following persons shall not be
17 entitled to establish or maintain an interactive gaming account:

18 (1) A person under 21 years of age.

19 (2) A person on the list of persons who are or will be
20 excluded or ejected from or denied access to any licensed
21 facility under section 1514 (relating to regulation requiring
22 exclusion, ejection or denial of access of certain persons),
23 1515 (relating to repeat offenders excludable from licensed
24 gaming facility) or 1516 (relating to list of persons self
25 excluded from gaming activities).

26 (3) A gaming employee, key employee or principal
27 employee of a slot machine licensee and any employee or key
28 employee of an interactive gaming operator.

29 § 13B23. Interactive gaming account credits, debits, deposits
30 and payments.

1 (a) Duty of board.--The board shall, by regulation, develop
2 procedures to govern credits, debits and deposits to interactive
3 gaming accounts. Notwithstanding any provision of this part to
4 the contrary, all credits, debits and deposits to interactive
5 gaming accounts shall be made in accordance with regulations
6 promulgated by the board, in consultation with the department,
7 and all payments of winnings shall be made in accordance with
8 the rules of each authorized interactive game.

9 (b) Rights of interactive gaming certificate holder.--An
10 interactive gaming certificate holder shall have the right to:

11 (1) Credit an interactive gaming account as part of a
12 promotion.

13 (2) Refuse all or part of any wager or deposit to the
14 interactive gaming account of a registered player.

15 § 13B24. Acceptance of wagers.

16 (a) Acceptance.--An interactive gaming certificate holder
17 may accept wagers only as follows:

18 (1) The wager shall be placed directly with the
19 interactive gaming certificate holder by the registered
20 player, after the interactive gaming certificate holder has
21 verified the identity of the individual seeking to place the
22 wager.

23 (2) The registered player provides the interactive
24 gaming certificate holder with the correct password or other
25 authentication information for access to the interactive
26 gaming account.

27 (b) Nonacceptance.--An interactive gaming certificate holder
28 may not accept a wager in an amount in excess of funds on
29 deposit in the interactive gaming account of the registered
30 player placing the wager. Funds on deposit include amounts

1 credited to a registered player's interactive gaming account in
2 accordance with regulations of the board and any funds in the
3 account at the time the wager is placed.

4 § 13B25. Dormant interactive gaming accounts.

5 Before closing a dormant interactive gaming account, the
6 interactive gaming certificate holder shall attempt to contact
7 the interactive gaming account holder by mail and phone or e-
8 mail to inform the account holder that the interactive gaming
9 account is inactive and may be subject to termination. The time
10 and manner of terminating a dormant interactive gaming account
11 shall be prescribed by regulation of the board.

12 § 13B26. Log-in procedure required.

13 Each interactive gaming certificate holder shall establish a
14 log-in procedure for a registered player to access interactive
15 gaming. The log-in procedure shall include the provision of the
16 appropriate authentication information by the registered player
17 for access to the registered player's interactive gaming
18 account. The interactive gaming certificate holder shall not
19 allow a registered player to log in and access an interactive
20 gaming account unless the correct password or other
21 authentication information is provided.

22 § 13B27. Information provided at login.

23 The interactive gaming certificate holder shall configure its
24 interactive gaming skin to include a link that, upon login, will
25 allow a registered player to access all of the following
26 information:

27 (1) The current amount of funds in the registered
28 player's interactive gaming account.

29 (2) The wins and losses since the registered player's
30 interactive gaming account was established.

1 (3) The wins and losses at the beginning of the current
2 gaming session and the wins and losses at the end of the
3 current gaming session.

4 (4) The complete text in searchable format of the rules
5 of each authorized interactive game offered by the
6 interactive gaming certificate holder and any other
7 information as the board may require.

8 § 13B28. Prohibitions.

9 Except as provided in this part, no interactive gaming
10 certificate holder or any person licensed under this part to
11 operate interactive gaming or an interactive gaming system and
12 no person acting on behalf of, or under any arrangement with, an
13 interactive gaming certificate holder or other person licensed
14 under this part shall:

15 (1) Make any loan to any person for the purpose of
16 crediting an interactive gaming account.

17 (2) Release or discharge any debt, either in whole or in
18 part, or make any loan which represents any losses incurred
19 by any registered player while playing an authorized
20 interactive game without maintaining a written record thereof
21 in accordance with regulations of the board.

22 § 13B29. Commencement of interactive gaming operations.

23 An interactive gaming certificate holder may not operate or
24 offer interactive games for play on its interactive gaming skin
25 until the board determines that:

26 (1) The interactive gaming certificate holder is in
27 compliance with the requirements of this chapter.

28 (2) The interactive gaming certificate holder's
29 internal, administrative and accounting controls are
30 sufficient to meet the requirements of section 13B32

1 (relating to internal, administrative and accounting
2 controls) and have been implemented.

3 (3) The interactive gaming certificate holder's
4 interactive gaming employees, where applicable, are licensed,
5 permitted, registered, certified or otherwise authorized by
6 the board to perform their respective duties.

7 (4) The employees of the interactive gaming operator, if
8 any, that is conducting interactive gaming on behalf of the
9 interactive gaming certificate holder are, where applicable,
10 licensed, permitted or otherwise authorized by the board to
11 perform their duties.

12 (5) The interactive gaming certificate holder is
13 prepared in all respects to offer interactive gaming to the
14 public over its interactive gaming skin.

15 (6) The interactive gaming certificate holder has
16 implemented necessary security arrangements and surveillance
17 systems for the operation of interactive gaming.

18 (7) The interactive gaming certificate holder is in
19 compliance with or will comply with section 13B31 (relating
20 to responsibilities of interactive gaming certificate
21 holder).

22 (8) The board has approved the interactive gaming
23 agreement between the interactive gaming certificate holder
24 and the interactive gaming operator, if applicable.

SUBCHAPTER D

FACILITIES AND EQUIPMENT

Sec.

28 13B31. Responsibilities of interactive gaming certificate
29 holder.

30 13B32. Internal, administrative and accounting controls.

1 § 13B31. Responsibilities of interactive gaming certificate
2 holder.

3 (a) Facilities and equipment.--All facilities and
4 interactive gaming devices and associated equipment shall:

5 (1) Be arranged in a manner promoting appropriate
6 security for interactive gaming.

7 (2) Include a closed-circuit video monitoring system
8 according to rules or specifications approved by the board,
9 with board absolute access to the interactive gaming
10 certificate holder's interactive gaming skin, Internet
11 website and platform, signal or transmission used in
12 connection with interactive gaming.

13 (3) Not be designed in any way that might interfere with
14 or impede the board in its regulation of interactive gaming.

15 (4) Comply in all respects with regulations of the
16 board.

17 (b) Location of equipment and interactive gaming restricted
18 areas.--

19 (1) All interactive gaming devices and associated
20 equipment used by an interactive gaming certificate holder or
21 an interactive gaming licensee to conduct interactive gaming
22 may be located, with the prior approval of the board, in an
23 interactive gaming restricted area on the premises of the
24 licensed facility, in an interactive gaming restricted area
25 within the geographic limits of the county in this
26 Commonwealth where the licensed facility is situated or in
27 any other area approved by the board.

28 (2) All wagers associated with interactive gaming shall
29 be deemed to be placed when received by the interactive
30 gaming certificate holder.

1 § 13B32. Internal, administrative and accounting controls.

2 (a) Submissions to board.--Notwithstanding any provision of
3 this part, each slot machine licensee who holds or has applied
4 for an interactive gaming certificate in accordance with this
5 chapter shall submit a description of its system of internal
6 procedures and administrative and accounting controls for
7 interactive gaming to the board, including provisions that
8 provide for real-time monitoring, recordation or storage of all
9 interactive games and a description of any changes to its
10 procedures and controls. The submission shall be made at least
11 90 days before interactive gaming is to commence or at least 90
12 days before any change in those procedures or controls is to
13 take effect, unless otherwise directed by the board.

14 (b) Filing.--Notwithstanding subsection (a), the procedures
15 and controls may be implemented by an interactive gaming
16 certificate holder upon the filing of the procedures and
17 controls with the board. Each procedure or control submission
18 shall contain both narrative and diagrammatic representations of
19 the system to be utilized and shall include but need not be
20 limited to:

21 (1) Accounting controls, including the standardization
22 of forms and definition of terms to be utilized in the
23 interactive gaming operations.

24 (2) Procedures, forms and, where appropriate, formulas
25 to govern the following:

- 26 (i) calculation of hold percentages;
- 27 (ii) revenue drops;
- 28 (iii) expense and overhead schedules;
- 29 (iv) complimentary services; and
- 30 (v) cash-equivalent transactions.

1 (3) Job descriptions and the system of personnel and
2 chain of command, establishing a diversity of responsibility
3 among employees engaged in interactive gaming operations,
4 including employees of an interactive gaming operator, and
5 identifying primary and secondary management and supervisory
6 positions for areas of responsibility, salary structure and
7 personnel practices.

8 (4) Procedures for the registration of players and
9 establishment of interactive gaming accounts, including a
10 procedure for authenticating the age, identity and physical
11 address of an applicant for an interactive gaming account and
12 whether the applicant is a person prohibited from
13 establishing or maintaining an account under section 13B22
14 (relating to establishment of interactive gaming accounts).

15 (5) Procedures for terminating a registered player's
16 interactive gaming account and the return of any funds
17 remaining in the interactive gaming account to the registered
18 player.

19 (6) Procedures for suspending or terminating a dormant
20 interactive gaming account and the return of any funds
21 remaining in the dormant interactive gaming account to the
22 registered player.

23 (7) Procedures for the logging in and authentication of
24 a registered player in order to enable the player to commence
25 interactive gaming and the logging off of the registered
26 player when the player has completed play, including a
27 procedure to automatically log a registered player out of the
28 player's interactive gaming account after a specified period
29 of inactivity.

30 (8) Procedures for the crediting and debiting of a

1 registered player's interactive gaming account.

2 (9) Procedures for cashing checks, receiving electronic
3 negotiable instruments and for redeeming chips, tokens or
4 other cash equivalents.

5 (10) Procedures for withdrawing funds from an
6 interactive gaming account by the registered player.

7 (11) Procedures for the protection of a registered
8 player's funds, including the segregation of a registered
9 player's funds from operating funds of the interactive gaming
10 certificate holder.

11 (12) Procedures for recording transactions pertaining to
12 interactive gaming.

13 (13) Procedures for the security and sharing of personal
14 identifiable information of a registered player, funds in an
15 interactive gaming account and other information as required
16 by the board. The procedures shall include the means by which
17 an interactive gaming certificate holder or interactive
18 gaming operator will provide notice to a registered player
19 related to the sharing of personal identifiable information.
20 For the purpose of this paragraph, "personal identifiable
21 information" shall mean any data or information that can be
22 used, on its own or with other data or information, to
23 identify, contact or otherwise locate a registered player,
24 including a registered player's name, address, date of birth
25 and Social Security number.

26 (14) Procedures and security for the calculation and
27 recordation of revenue.

28 (15) Procedures for the security of interactive gaming
29 devices and associated equipment within an interactive gaming
30 restricted area on the premises of the licensed facility or

1 in a secure facility inaccessible to the public and
2 specifically designed for that purpose off the premises of a
3 licensed facility as approved by the board.

4 (16) Procedures and security standards as to receipt,
5 handling and storage of interactive gaming devices and
6 associated equipment.

7 (17) Procedures and security standards to protect the
8 interactive gaming certificate holder's interactive gaming
9 skin or Internet website and interactive gaming devices and
10 associated equipment from hacking or tampering by any person.

11 (18) Procedures for responding to suspected or actual
12 hacking or tampering with an interactive gaming certificate
13 holder's interactive gaming skin or Internet website and
14 interactive gaming devices and associated equipment,
15 including partial or complete suspension of interactive
16 gaming or the suspension of any or all interactive gaming
17 accounts when warranted.

18 (19) Procedures to verify each registered player's
19 physical location each time a wager is placed on an
20 interactive game.

21 (20) Procedures to ensure, to a reasonable degree of
22 certainty, that the interactive games are fair and honest and
23 that appropriate measures are in place to deter, detect and,
24 to the extent reasonably possible, to prevent cheating,
25 including collusion, and use of cheating devices, including
26 the use of software programs that make wagers according to
27 algorithms.

28 (21) Procedures to assist problem and compulsive
29 gamblers, including procedures reasonably intended to prevent
30 a person from participating in interactive gaming activities

1 in accordance with sections 1514 (relating to regulation
2 requiring exclusion, ejection or denial of access of certain
3 persons), 1515 (relating to repeat offenders excludable from
4 licensed gaming facility) and 1516 (relating to list of
5 persons self excluded from gaming activities).

6 (22) Procedures to govern emergencies, including
7 suspected or actual cyber attacks, hacking or tampering with
8 the interactive gaming certificate holder's interactive
9 gaming skin, platform or Internet website.

10 (c) Review of submissions.--

11 (1) The board shall review each submission required by
12 subsections (a) and (b) and shall determine whether the
13 submission conforms to the requirements of this chapter and
14 regulations promulgated by the board and whether the system
15 submitted provides adequate and effective controls for
16 interactive gaming of the interactive gaming certificate
17 holder making the submission.

18 (2) If the board determines that the submission is not
19 sufficient, it shall specify the insufficiencies in writing
20 to the interactive gaming certificate holder, who shall make
21 appropriate alterations to ensure compliance with the
22 requirements of this chapter and regulations of the board.
23 When the board determines a submission to be adequate in all
24 respects, it shall notify the interactive gaming certificate
25 holder.

26 (3) Except as otherwise provided in subsection (a), no
27 interactive gaming certificate holder, interactive gaming
28 operator or other person shall commence or alter interactive
29 gaming operations unless and until the system of procedures,
30 controls and alternations is submitted to and approved by the

1 board.

2 SUBCHAPTER E

3 TESTING AND CERTIFICATION

4 Sec.

5 13B41. Interactive games and interactive gaming devices and
6 associated equipment testing and certification
7 standards.

8 § 13B41. Interactive games and interactive gaming devices and
9 associated equipment testing and certification
10 standards.

11 (a) Testing required.--

12 (1) No interactive game or interactive gaming device or
13 associated equipment shall be used to conduct interactive
14 gaming unless it has been tested and approved by the board.
15 The board may, in its discretion and for the purpose of
16 expediting the approval process, refer testing to any testing
17 laboratory as approved by the board.

18 (2) The board shall establish, by regulation, technical
19 standards for approval of interactive games and interactive
20 gaming devices and associated equipment, including standards
21 to govern mechanical, electrical or program reliability and
22 security against tampering and threats, as it may deem
23 necessary to protect a registered player from fraud or
24 deception and to ensure the integrity of interactive gaming.

25 (b) Cost of testing and certification.--Any costs associated
26 with the board's testing and certification under this section
27 shall be assessed on persons authorized by the board to
28 manufacture, supply, distribute or otherwise provide interactive
29 games and interactive gaming devices and associated equipment to
30 interactive gaming certificate holders or to interactive gaming

1 operators in this Commonwealth. The costs shall be assessed in
2 accordance with a schedule adopted by the board.

3 (c) Use of other state standards.--The board may determine
4 whether the testing and certification standards for interactive
5 games and interactive gaming devices and associated equipment as
6 adopted by another jurisdiction within the United States are
7 comprehensive and thorough and provide similar and adequate
8 safeguards as those required by this chapter and regulations of
9 the board. If the board makes that determination, it may permit
10 the person authorized to manufacture, supply, distribute or
11 otherwise provide interactive games and interactive gaming
12 devices or associated equipment that have met the testing and
13 certification standard in such other jurisdiction to furnish
14 interactive games or interactive gaming devices and associated
15 equipment to interactive gaming certificate holders in this
16 Commonwealth without undergoing the full testing and
17 certification under this section.

18 SUBCHAPTER F

19 TAXES AND FEES

20 Sec.

21 13B51. Interactive gaming authorization fee.

22 13B52. Interactive gaming tax.

23 13B53. Local share assessment.

24 13B54. Compulsive and problem gambling.

25 § 13B51. Interactive gaming authorization fee.

26 (a) Amount of authorization fee.--

27 (1) Each slot machine licensee that is issued an
28 interactive gaming certificate to conduct interactive gaming
29 in accordance with section 13B11 (relating to authorization
30 to conduct interactive gaming) shall pay a one-time

1 nonrefundable authorization fee in the amount of \$8,000,000.

2 (2) Each interactive gaming operator shall pay a one-
3 time nonrefundable authorization fee in the amount of
4 \$2,000,000.

5 (3) Each interactive gaming operator that has been
6 approved by the board to provide for the conduct of
7 interactive gaming on behalf of an interactive gaming
8 certificate holder at a qualified airport shall pay a one-
9 time nonrefundable authorization fee in the amount of
10 \$1,000,000.

11 (b) Payment of fee.--Persons required to pay the
12 authorization fee under subsection (a) shall remit the fee to
13 the board within 60 days of the board's approval of its
14 petition, license or conditional authorization.

15 (c) Renewal fee.--

16 (1) Notwithstanding any other provision of this chapter,
17 an interactive gaming certificate holder shall pay a renewal
18 fee in the amount of \$250,000 upon the renewal of its
19 interactive gaming certificate.

20 (2) Each interactive gaming operator shall pay a renewal
21 fee of \$100,000 upon the renewal of its interactive gaming
22 license.

23 (d) Deposit of fees.--The fees imposed and collected under
24 this section shall be deposited in the General Fund.

25 § 13B52. Interactive gaming tax.

26 (a) Imposition of tax.--Each interactive gaming certificate
27 holder that conducts interactive gaming shall report to the
28 department and pay from its daily gross interactive gaming
29 revenue, on a form and in the manner prescribed by the
30 department, a tax of 14% of its daily gross interactive gaming

1 revenue.

2 (b) Deposits and distributions.--

3 (1) The tax imposed under subsection (a) shall be
4 payable to the department on a weekly basis and shall be
5 based upon gross interactive gaming revenue derived during
6 the previous week.

7 (2) All funds owed to the Commonwealth under this
8 section shall be held in trust for the Commonwealth by the
9 interactive gaming certificate holder until the funds are
10 paid to the department. An interactive gaming certificate
11 holder shall establish a separate bank account into which
12 gross interactive gaming revenue shall be deposited and
13 maintained until such time as the funds are paid to the
14 department under this section.

15 (c) Taxes on out-of-State wagering.--The tax rate which
16 shall be assessed and collected by the department with respect
17 to wagers placed by registered players located in this
18 Commonwealth with an interactive gaming operator located outside
19 of this Commonwealth, but authorized under an interactive gaming
20 reciprocal agreement, shall be governed by the agreement but may
21 not exceed 16% of gross interactive gaming revenue derived from
22 registered players located in this Commonwealth.

23 (d) Deposit of funds.--The tax imposed under subsection (a)
24 shall be collected by the department and deposited in the
25 General Fund.

26 § 13B53. Local share assessment.

27 (a) Required payment.--In addition to the tax imposed under
28 section 13B52 (relating to interactive gaming tax), each
29 interactive gaming certificate holder that conducts interactive
30 gaming shall pay on a weekly basis, on a form and in a manner

1 prescribed by the department, a local share assessment equal to
2 2% of the interactive gaming certificate holder's daily gross
3 interactive gaming revenue. The funds shall be paid into a
4 restricted receipts account established in the Department of
5 Community and Economic Development to be used exclusively for
6 grants to all counties in this Commonwealth, to economic
7 development authorities or redevelopment authorities within each
8 county, for grants for economic development projects, community
9 improvement projects and other projects in the public interest.
10 Funds in the account are hereby appropriated to the Department
11 of Community and Economic Development on a continuing basis for
12 the purposes set forth in this section.

13 (b) Distribution of grants.--The Department of Community and
14 Economic Development shall develop policies and procedures to
15 govern the distribution of grants from the local share
16 assessment established under subsection (a). The policies and
17 procedures shall be of sufficient scope to ensure equal access
18 to grant funds by all counties in this Commonwealth.

19 § 13B54. Compulsive and problem gambling.

20 The following shall apply:

21 (1) Each year, from the tax imposed in section 13B52
22 (relating to interactive gaming tax), \$2,000,000 or an amount
23 equal to .002 multiplied by the total gross interactive
24 gaming revenue of all active and operating interactive gaming
25 certificate holders, whichever is greater, shall be
26 transferred into the Compulsive and Problem Gambling
27 Treatment Fund established in section 1509 (relating to
28 compulsive and problem gambling program).

29 (2) Each year, from the tax imposed in section 13B52,
30 \$2,000,000 or an amount equal to .002 multiplied by the total

1 gross interactive gaming revenue of all active and operating
2 interactive gaming certificate holders, whichever is greater,
3 shall be transferred to the Department of Drug and Alcohol
4 Programs to be used for drug and alcohol addiction treatment
5 services, including treatment for drug and alcohol addiction
6 related to compulsive and problem gambling, as set forth in
7 section 1509.1 (relating to drug and alcohol treatment).

8 SUBCHAPTER G

9 MISCELLANEOUS PROVISIONS

10 Sec.

11 13B61. Participation in interactive gaming by persons outside
12 Commonwealth.

13 13B62. Institutional investors.

14 13B63. Internet cafes and prohibition.

15 § 13B61. Participation in interactive gaming by persons outside
16 Commonwealth.

17 Notwithstanding any other provision of this chapter to the
18 contrary, an interactive gaming certificate holder may accept
19 interactive gaming wagers from a person who is not physically
20 located in this Commonwealth, if:

21 (1) participation in interactive gaming and acceptance
22 of wagers associated with interactive gaming from a person
23 not physically located in this Commonwealth is not
24 inconsistent with Federal law or regulation or the law or
25 regulation of the state or jurisdiction in which the person
26 is located; and

27 (2) participation in interactive gaming is conducted
28 pursuant to an interactive gaming reciprocal agreement with
29 the state or jurisdiction where the person is located and the
30 interactive gaming reciprocal agreement is not inconsistent

1 with Federal law or regulation.

2 § 13B62. Institutional investors.

3 (a) Declaration of investment intent.--Notwithstanding any
4 other provision of this part, the following shall apply:

5 (1) An institutional investor holding 20% or less of the
6 equity securities of an interactive gaming certificate
7 holder's, interactive gaming operator's or applicant's
8 holding, subsidiary or intermediary companies shall be
9 granted a waiver of any investigation of suitability or other
10 requirement if the securities are those of a corporation,
11 whether publicly traded or privately held, and the holdings
12 of the securities were purchased for investment purposes
13 only. The institutional investor shall file a certified
14 statement that it has no intention of influencing or
15 affecting the affairs of the interactive gaming certificate
16 holder, interactive gaming operator, applicant or any
17 holding, subsidiary or intermediary company of an interactive
18 gaming certificate holder, interactive gaming operator or
19 applicant. However, an institutional investor shall be
20 permitted to vote on matters put to the vote of the
21 outstanding security holders.

22 (2) The board may grant a waiver to an institutional
23 investor holding a higher percentage of securities upon a
24 showing of good cause and if the other conditions specified
25 in paragraph (1) are met.

26 (3) An institutional investor granted a waiver under
27 this subsection who subsequently decides to influence or
28 affect the affairs of an interactive gaming certificate
29 holder, interactive gaming operator or applicant's holding,
30 subsidiary or intermediary company of an interactive gaming

1 certificate holder, interactive gaming operator or applicant
2 shall provide not less than 30 days' notice of intent and
3 shall file with the board a request for determination of
4 suitability before taking any action that may influence or
5 affect such affairs. An institutional investor shall be
6 permitted to vote on matters put to the vote of the
7 outstanding security holders.

8 (4) If an institutional investor changes its investment
9 intent or if the board finds reasonable cause to believe that
10 the institutional investor may be found unsuitable, no action
11 other than divestiture shall be taken by the institutional
12 investor with respect to its security holdings until there
13 has been compliance with any requirements established by the
14 board, which may include the execution of a trust agreement
15 in accordance with section 1332 (relating to appointment of
16 trustee).

17 (5) The interactive gaming certificate holder or
18 interactive gaming operator or applicant or any holding,
19 intermediary or subsidiary company of an interactive gaming
20 certificate holder, interactive gaming operator or applicant
21 shall notify the board immediately of any information about,
22 or actions of, an institutional investor holding its equity
23 securities where the information or action may impact the
24 eligibility of the institutional investor for a waiver under
25 this subsection.

26 (b) Failure to declare.--If the board finds:

27 (1) that an institutional investor holding any security
28 of a holding or intermediary company of an interactive gaming
29 certificate holder or interactive gaming operator or
30 applicant or, where relevant, of another subsidiary company

1 of a holding or intermediary company of an interactive gaming
2 certificate holder or interactive gaming operator or
3 applicant which is related in any way to the financing of the
4 interactive gaming certificate holder or interactive gaming
5 operator or applicant, fails to comply with the provisions of
6 subsection (a); or

7 (2) by reason of the extent or nature of its holdings,
8 an institutional investor is in a position to exercise such a
9 substantial impact upon the controlling interests of an
10 interactive gaming certificate holder or interactive gaming
11 operator or applicant that investigation and determination of
12 suitability of the institutional investor is necessary to
13 protect the public interest;

14 then the board may take any necessary action otherwise
15 authorized under this chapter to protect the public interest.

16 § 13B63. Internet cafes and prohibition.

17 (a) General rule.--No person shall operate a place of public
18 accommodation, club, including a club or association limited to
19 dues-paying members or similar restricted groups, or similar
20 establishment in which computer terminals or similar access
21 devices are advertised or made available to be used principally
22 for the purpose of accessing authorized interactive games. No
23 interactive gaming certificate holder or interactive gaming
24 operator shall offer or make available computer terminals or
25 similar access devices to be used principally for the purpose of
26 accessing interactive games within a licensed facility.

27 (b) Construction.--Nothing in this section shall be
28 construed to:

29 (1) require the owner or operator of a hotel or motel or
30 other public place of general use in this Commonwealth to

1 prohibit or block guests from playing authorized interactive
2 games on their own computers or other devices; or

3 (2) require an interactive gaming certificate holder or
4 an interactive gaming operator to prohibit registered players
5 within a licensed facility from playing authorized
6 interactive games on their own computers or other devices.

7 Section 22. Sections 1403 of Title 4 is reenacted and
8 amended to read:

9 § 1403. Establishment of State Gaming Fund and net slot machine
10 revenue distribution.

11 (a) Fund established.--There is hereby established the State
12 Gaming Fund within the State Treasury.

13 (b) Slot machine tax.--The department shall determine and
14 each slot machine licensee shall pay a daily tax of 34% from its
15 daily gross terminal revenue from the slot machines in operation
16 at its facility and a local share assessment as provided in
17 subsection (c). All funds owed to the Commonwealth, a county or
18 a municipality under this section shall be held in trust by the
19 licensed gaming entity for the Commonwealth, the county and the
20 municipality until the funds are paid or transferred to the
21 fund. Unless otherwise agreed to by the board, a licensed gaming
22 entity shall establish a separate bank account to maintain
23 gross terminal revenue until such time as the funds are paid or
24 transferred under this section. Moneys in the fund are hereby
25 appropriated to the department on a continuing basis for the
26 purposes set forth in subsection (c).

27 (c) Transfers and distributions.--The department shall:

28 (1) Transfer the slot machine tax and assessment imposed
29 in subsection (b) to the fund.

30 (2) From the local share assessment established in

1 subsection (b), make quarterly distributions among the
2 counties hosting a licensed facility in accordance with the
3 following schedule:

4 (i) If the licensed facility is a Category 1
5 licensed facility that is located at a harness racetrack
6 and the county, including a home rule county, in which
7 the licensed facility is located is:

8 (A) A county of the first class: [4%] 2% of the
9 gross terminal revenue to the county hosting the
10 licensed facility from each such licensed facility.
11 Notwithstanding any other provision to the contrary,
12 funds from licensed gaming entities located within a
13 county of the first class shall not be distributed
14 outside of a county of the first class.

15 (B) A county of the second class: 2% of the
16 gross terminal revenue to the county hosting the
17 licensed facility from each such licensed facility.

18 (C) A county of the second class A: 1% of the
19 gross terminal revenue to the county hosting the
20 licensed facility from each such licensed facility.
21 An additional 1% of the gross terminal revenue to the
22 county hosting the licensed facility from each such
23 licensed facility for the purpose of municipal grants
24 within the county in which the licensee is located.

25 (D) (I) A county of the third class: Except as
26 provided in subclause (II), 2% of the gross
27 terminal revenue from each such licensed facility
28 shall be deposited into a restricted receipts
29 account to be established in the Commonwealth
30 Financing Authority to be used exclusively for

1 grants for projects in the public interest to
2 municipalities within the county where the
3 licensed facility is located.

4 (I.1) Priority shall be given to multiyear
5 projects approved or awarded by the Department of
6 Community and Economic Development under
7 subclause (I) on or before the effective date of
8 this subclause.

9 (I.2) In addition to municipalities that are
10 eligible to receive grant funding under subclause
11 (I), a county redevelopment authority within the
12 county shall also be eligible to receive grant
13 funding to be used exclusively for economic
14 development projects or infrastructure. A county
15 redevelopment authority shall not be eligible to
16 receive more than 10% of the total grant funds
17 awarded.

18 (I.3) Notwithstanding the act of February 9,
19 1999 (P.L.1, No.1), known as the Capital
20 Facilities Debt Enabling Act, grants made under
21 subclause (I) may be utilized as local matching
22 funds for other grants or loans from the
23 Commonwealth.

24 (II) If a licensed facility is located in
25 one of two counties of the third class where a
26 city of the third class is located in both
27 counties of the third class, the county in which
28 the licensed facility is located shall receive
29 1.2% of the gross terminal revenue to be
30 distributed as follows: 20% to the host city,

1 30% to the host county and 50% to the host county
2 for the purpose of making municipal grants within
3 the county, with priority given to municipalities
4 contiguous to the host city. The county of the
5 third class, which includes a city of the third
6 class that is located in two counties of the
7 third class and is not the host county for the
8 licensed facility, shall receive .8% of the gross
9 terminal revenue to be distributed as follows:
10 60% to a nonhost city of the third class located
11 solely in the nonhost county in which the host
12 city of the third class is also located or 60% to
13 the nonhost city of the third class located both
14 in the host and nonhost counties of the third
15 class, 35% to the nonhost county and 5% to the
16 nonhost county for the purpose of making
17 municipal grants within the county.

18 (E) A county of the fourth class: 2% of the
19 gross terminal revenue from each such licensed
20 facility shall be distributed as follows:

21 (I) The department shall make distributions
22 directly to each municipality within the county,
23 except the host municipality, by using a formula
24 equal to the sum of \$25,000 plus \$10 per resident
25 of the municipality using the most recent
26 population figures provided by the Department of
27 Community and Economic Development, provided,
28 however, that the amount so distributed to any
29 municipality shall not exceed 50% of its total
30 budget for fiscal year 2009 or 2013, whichever is

1 greater, adjusted for inflation in subsequent
2 fiscal years by an amount not to exceed an annual
3 cost-of-living adjustment calculated by applying
4 any upward percentage change in the Consumer
5 Price Index immediately prior to the date the
6 adjustment is due to take effect. Distributions
7 to a municipality in accordance with this
8 subclause shall be deposited into a special fund
9 which shall be established by the municipality.
10 The governing body of the municipality shall have
11 the right to draw upon the special fund for any
12 lawful purpose provided that the municipality
13 identifies the fund as the source of the
14 expenditure. Each municipality shall annually
15 submit a report to the Department of Community
16 and Economic Development detailing the amount and
17 purpose of each expenditure made from the special
18 fund during the prior fiscal year.

19 (II) Any funds not distributed under
20 subclause (I) shall be deposited into a
21 restricted receipts account established in the
22 Department of Community and Economic Development
23 to be used exclusively for grants to the county,
24 to economic development authorities or
25 redevelopment authorities within the county for
26 grants for economic development projects,
27 infrastructure projects, job training, community
28 improvement projects, other projects in the
29 public interest, and necessary and reasonable
30 administrative costs. Notwithstanding the

1 provisions of the act of February 9, 1999 (P.L.1,
2 No.1), known as the Capital Facilities Debt
3 Enabling Act, grants made under this clause may
4 be utilized as local matching funds for other
5 grants or loans from the Commonwealth.

6 (F) Counties of the fifth through eighth
7 classes:

8 (I) Except as set forth in subclause (II),
9 2% of the gross terminal revenue from each such
10 licensed facility shall be deposited into a
11 restricted account established in the Department
12 of Community and Economic Development to be used
13 exclusively for grants to the county.

14 (II) If the licensed facility is located in
15 a second class township in a county of the fifth
16 class, 2% of the gross terminal revenue from the
17 licensed facility shall be distributed as
18 follows:

19 (a) 1% shall be deposited into a
20 restricted receipts account to be established
21 in the Commonwealth Financing Authority to be
22 used exclusively for grants for projects in
23 the public interest to municipalities within
24 the county where the licensed facility is
25 located.

26 (b) 1% shall be distributed to the county
27 for projects in the public interest in the
28 county.

29 (G) Any county not specifically enumerated in
30 clauses (A) through (F), 2% of the gross terminal

1 revenue to the county hosting the licensed facility
2 from each such licensed facility.

3 (ii) If the licensed facility is a Category 1
4 licensed facility and is located at a thoroughbred
5 racetrack and the county in which the licensed facility
6 is located is:

7 (A) A county of the first class: 4% of the
8 gross terminal revenue to the county hosting the
9 licensed facility from each such licensed facility.
10 Notwithstanding any other provision to the contrary,
11 funds from licensed gaming entities located within
12 the county of the first class shall not be
13 distributed outside of a county of the first class.

14 (B) A county of the second class: 2% of the
15 gross terminal revenue to the county hosting the
16 licensed facility from each such licensed facility.

17 (C) A county of the second class A: 1% of the
18 gross terminal revenue to the county hosting the
19 licensed facility from each such licensed facility.
20 An additional 1% of the gross terminal revenue to the
21 county hosting the licensed facility from each such
22 licensed facility for the purpose of municipal grants
23 within the county in which the licensee is located.

24 (D) A county of the third class: 1% of the
25 gross terminal revenue to the county hosting the
26 licensed facility from each such licensed facility.
27 An additional 1% of the gross terminal revenue to the
28 county hosting the licensed facility from each such
29 licensed facility for the purpose of municipal grants
30 within the county in which the licensee is located.

1 Notwithstanding the provisions of the Capital
2 Facilities Debt Enabling Act, grants made under this
3 clause may be utilized as local matching funds for
4 other grants or loans from the Commonwealth.

5 (E) A county of the fourth class: 2% of the
6 gross terminal revenue from each such licensed
7 facility shall be deposited into a restricted account
8 established in the Department of Community and
9 Economic Development to be used exclusively for
10 grants to the county, to economic development
11 authorities or redevelopment authorities within the
12 county for grants for economic development projects,
13 community improvement projects, job training, other
14 projects in the public interest and reasonable
15 administrative costs. Notwithstanding the Capital
16 Facilities Debt Enabling Act, grants made under this
17 clause may be utilized as local matching funds for
18 other grants or loans from the Commonwealth.

19 (F) Counties of the fifth through eighth
20 classes: 2% of the gross terminal revenue from each
21 such licensed facility shall be deposited into a
22 restricted account established in the Department of
23 Community and Economic Development to be used
24 exclusively for grants to the county.

25 (G) Any county not specifically enumerated in
26 clauses (A) through (F), 2% of the gross terminal
27 revenue to the county hosting the licensed facility
28 from each such licensed facility.

29 (iii) If the facility is a Category 2 licensed
30 facility and if the county in which the licensed facility

1 is located is:

2 (A) A county of the first class: 4% of the
3 gross terminal revenue to the county hosting the
4 licensed facility from each such licensed facility.
5 Notwithstanding any other provision to the contrary,
6 funds from licensed gaming entities located within a
7 county of the first class shall not be distributed
8 outside of a county of the first class. [The first
9 \$5,000,000] Fifty percent or \$5,000,000, whichever is
10 greater, of the total amount distributed annually to
11 the county of the first class shall be distributed to
12 the Philadelphia School District.

13 (B) A county of the second class: 2% of the
14 gross terminal revenue to the county hosting the
15 licensed facility from each such licensed facility.

16 (C) A county of the second class A: 1% of the
17 gross terminal revenue to the county hosting the
18 licensed facility from each such licensed facility.
19 An additional 1% of the gross terminal revenue to the
20 county hosting the licensed facility from each such
21 licensed facility for the purpose of municipal grants
22 within the county in which the licensee is located.

23 (D) A county of the third class: 1% of the
24 gross terminal revenue to the county hosting the
25 licensed facility from each such licensed facility.
26 An additional 1% of the gross terminal revenue to the
27 county hosting the licensed facility from each such
28 licensed facility for the purpose of municipal grants
29 within the county in which the licensee is located.

30 (D.1) If a licensed facility is located in one

1 of two counties of the third class where a city of
2 the third class is located in both counties of the
3 third class, the county in which the licensed
4 facility is located shall receive 1.2% of the gross
5 terminal revenue to be distributed as follows: 20%
6 to the host city, 30% to the host county and 50%,
7 which shall be deposited into a restricted receipts
8 account to be established in the Commonwealth
9 Financing Authority to be used exclusively for
10 economic development projects, community improvement
11 projects and other projects in the public interest
12 within the county, to the host county [for the
13 purpose of making municipal grants within the
14 county], with priority given to municipalities
15 contiguous to the host city. The county of the third
16 class, which includes a city of the third class that
17 is located in two counties of the third class and is
18 not the host county for the licensed facility, shall
19 receive .8% of the gross terminal revenue to be
20 distributed as follows: 60% to a nonhost city of the
21 third class located solely in the nonhost county in
22 which the host city of the third class is also
23 located or 60% to the nonhost city of the third class
24 located both in the host and nonhost counties of the
25 third class, 35% to the nonhost county and 5%,
26 which shall be deposited into a restricted receipts account
27 to be established in the Commonwealth Financing
28 Authority to be used exclusively for economic
29 development projects, community improvement projects
30 and other projects in the public interest within the

1 county, to the nonhost county [for the purpose of
2 making municipal grants within the county].

3 (E) A county of the fourth class: 2% of the
4 gross terminal revenue from each such licensed
5 facility shall be deposited into a restricted account
6 established in the Department of Community and
7 Economic Development to be used exclusively for
8 grants to the county, to economic development
9 authorities or redevelopment authorities within the
10 county for grants for economic development projects,
11 community improvement projects, job training, other
12 projects in the public interest and reasonable
13 administrative costs. Notwithstanding the Capital
14 Facilities Debt Enabling Act, grants made under this
15 clause may be utilized as local matching funds for
16 other grants or loans from the Commonwealth.

17 (F) Counties of the fifth class: 2% of the
18 gross terminal revenue from each such licensed
19 facility shall be deposited and distributed as
20 follows:

21 (I) One percent to be distributed as
22 follows:

23 (a) Beginning in 2010, the sum of
24 \$2,400,000 annually for a period of 20 years
25 to the county for purposes of funding debt
26 service related to the construction of a
27 community college campus located within the
28 county.

29 (b) Any funds not distributed under
30 subclause (a) shall be deposited into a

1 restricted receipts account to be established
2 in the Commonwealth Financing Authority to be
3 used exclusively for grants within the county
4 for economic development projects, road
5 projects located within a 20-mile radius of
6 the licensed facility and located within the
7 county, community improvement projects and
8 other projects in the public interest within
9 the county. The amount under this subclause
10 includes reasonable administrative costs.

11 (II) One percent shall be deposited into a
12 restricted receipts account to be established in
13 the Commonwealth Financing Authority to be used
14 exclusively for grants within contiguous counties
15 for economic development projects, community
16 improvement projects and other projects in the
17 public interest within contiguous counties. The
18 amount under this subclause includes reasonable
19 administrative costs. A contiguous county that
20 hosts a Category 1 licensed facility shall be
21 ineligible to receive grants under this
22 subclause.

23 (II.1) Priority shall be given to multiyear
24 projects approved or awarded by the Department of
25 Community and Economic Development under
26 subclause (I) (b) or (II) on or before the
27 effective date of this subclause.

28 (III) Fifty percent of any revenue required
29 to be transferred under paragraph (3) (v) shall be
30 deposited into the restricted receipts account

1 established under subclause (I) (b), and 50% shall
2 be deposited into the restricted receipts account
3 established under subclause (II). Notwithstanding
4 the Capital Facilities Debt Enabling Act, grants
5 made under this clause may be utilized as local
6 matching funds for other grants or loans from the
7 Commonwealth.

8 (G) Any county not specifically enumerated in
9 clauses (A) through (F), 2% of the gross terminal
10 revenue to the county hosting the licensed facility
11 from each such licensed facility.

12 (iv) (A) Except as provided in clause (B) or (C),
13 if the facility is a Category 3 licensed facility, 2%
14 of the gross terminal revenue from the licensed
15 facility shall be deposited into a restricted
16 receipts account established in the Department of
17 Community and Economic Development to be used
18 exclusively for grants to the county, to economic
19 development authorities or redevelopment authorities
20 within the county for grants for economic development
21 projects, community improvement projects and other
22 projects in the public interest.

23 (B) If the facility is a Category 3 licensed
24 facility located in a county of the second class A,
25 2% of the gross terminal revenue [from the licensed
26 facility shall be deposited into a restricted
27 receipts account to be established in the
28 Commonwealth Financing Authority to be used
29 exclusively for grants or guarantees for projects in
30 the host county that qualify under 64 Pa.C.S. §§ 1551

1 (relating to Business in Our Sites Program), 1556
2 (relating to Tax Increment Financing Guarantee
3 Program) and 1558 (relating to Water Supply and
4 Wastewater Infrastructure Program).] to the county
5 hosting the licensed facility from each such licensed
6 facility shall be deposited as follows:

7 (I) Seventy-five percent shall be deposited
8 for the purpose of supporting the maintenance and
9 refurbishment of the parks and heritage sites
10 throughout the county in which the licensed
11 facility is located.

12 (II) Twelve and one-half percent shall be
13 deposited for the purpose of supporting a child
14 advocacy center located within the county in
15 which the licensed facility is located.

16 (III) Twelve and one-half percent shall be
17 deposited for the purpose of supporting an
18 organization providing comprehensive support
19 services to victims of domestic violence,
20 including legal and medical aid, shelters,
21 transitional housing and counseling located
22 within the county in which the licensed facility
23 is located.

24 (C) If the facility is a Category 3 licensed
25 facility located in a county of the fifth class that
26 is contiguous to a county of the seventh class, 2% of
27 the gross terminal revenue from the licensed facility
28 shall be deposited into a restricted receipts account
29 to be established in the Commonwealth Financing
30 Authority to be used exclusively for grants within

1 the county for economic development projects,
2 infrastructure projects, community improvement
3 projects and other projects in the public interest
4 within the county and for infrastructure projects
5 within a 20-mile radius of the licensed facility in a
6 contiguous county of the seventh class.

7 (v) Unless otherwise specified, for the purposes of
8 this paragraph money designated for municipal grants
9 within a county, other than a county of the first class,
10 in which a licensed facility is located shall be used to
11 fund grants to the municipality in which the licensed
12 facility is located, to the county in which the licensed
13 facility is located and to the municipalities which are
14 contiguous to the municipality in which the licensed
15 facility is located and which are located within the
16 county in which the licensed facility is located. Grants
17 shall be administered by the county through its economic
18 development or redevelopment authority in which the
19 licensed facility is located. Grants shall be used to
20 fund the costs of human services, infrastructure
21 improvements, facilities, emergency services, health and
22 public safety expenses associated with licensed facility
23 operations. If at the end of a fiscal year uncommitted
24 funds exist, the county shall pay to the economic
25 development or redevelopment authority of the county in
26 which the licensed facility is located the uncommitted
27 funds.

28 (vi) If the licensed facility is located in more
29 than one county, the amount available shall be
30 distributed on a pro rata basis determined by the

1 percentage of acreage located in each county to the total
2 acreage of all counties occupied by the licensed
3 facility.

4 (vii) The distributions provided in this paragraph
5 shall be based upon county classifications in effect on
6 the effective date of this section. Any reclassification
7 of counties as a result of a Federal decennial census or
8 of a State statute shall not apply to this subparagraph.

9 (viii) If any provision of this paragraph is found
10 to be unenforceable for any reason, the distribution
11 provided for in the unenforceable provision shall be made
12 to the county in which the licensed facility is located
13 for the purposes of grants to municipalities in that
14 county, including municipal grants as specified in
15 subparagraph (v).

16 (ix) Nothing in this paragraph shall prevent any of
17 the above counties which directly receive a distribution
18 under this section from entering into intergovernmental
19 cooperative agreements with other jurisdictions for
20 sharing this money.

21 (3) From [the local share assessment established in
22 subsection (b)] the slot machine operation fees deposited
23 into the fund under section 1326.1(d) (relating to slot
24 machine license operation fee), make quarterly distributions
25 among the municipalities, including home rule municipalities,
26 hosting a licensed facility in accordance with the following
27 schedule:

28 (i) To a city of the second class hosting a licensed
29 facility, other than a Category 3 licensed facility, [2%
30 of the gross terminal revenue or] \$10,000,000 annually[,

1 whichever is greater, shall be paid by each licensed
2 gaming entity operating a facility located in that city.
3 In the event that the revenues generated by the 2% do not
4 meet the \$10,000,000 minimum specified in this
5 subparagraph, the department shall collect the remainder
6 of the minimum amount of \$10,000,000 from each licensed
7 gaming entity operating a facility in the city and
8 deposit that amount in the city treasury] shall be
9 distributed to the city treasury.

10 (ii) To a city of the second class A hosting a
11 licensed facility, other than a Category 3 licensed
12 facility, [2% of the gross terminal revenue or
13 \$10,000,000 annually, whichever is greater, shall be paid
14 by each licensed entity operating a licensed facility
15 located in that city] \$10,000,000 annually shall be
16 distributed to the city, subject, however, to the
17 budgetary limitation in this subparagraph. The amount
18 allocated to the designated municipalities shall not
19 exceed 50% of their total budget for fiscal year 2003-
20 2004, adjusted for inflation in subsequent years by an
21 amount not to exceed an annual cost-of-living adjustment
22 calculated by applying the percentage change in the
23 Consumer Price Index immediately prior to the date the
24 adjustment is due to take effect. Any remaining moneys
25 shall be [collected by the department from each licensed
26 gaming entity and] distributed in accordance with
27 paragraph (2) based upon the classification of county
28 where the licensed facility is located. [In the event
29 that the revenues generated by the 2% do not meet the
30 \$10,000,000 minimum specified in this subparagraph, the

1 department shall collect the remainder of the minimum
2 amount of \$10,000,000 from each licensed gaming entity
3 operating a facility in the city, pay any balance due to
4 the city and transfer any remainder in accordance with
5 paragraph (2).]

6 (iii) To a city of the third class hosting a
7 licensed facility, other than a Category 3 licensed
8 facility, [2% of the gross terminal revenue or
9 \$10,000,000 annually, whichever is greater, shall be paid
10 by each licensed gaming entity operating a licensed
11 facility located in that city] \$10,000,000 annually, less
12 any amount up to \$5,000,000 received pursuant to a
13 written agreement with a licensed gaming entity executed
14 prior to the effective date of this part, shall be
15 distributed to the city, subject, however, to the
16 budgetary limitation in this subparagraph. In the event
17 that the city has a written agreement with a licensed
18 gaming entity executed prior to the effective date of
19 this part, the amount paid under the agreement to the
20 city shall be applied and credited [to the difference
21 between 2% of the gross terminal revenue and the
22 \$10,000,000 owed under this subparagraph if the 2% of the
23 gross terminal revenue is less than \$10,000,000. If 2% of
24 the gross terminal revenue is greater than the
25 \$10,000,000 required to be paid under this subparagraph,
26 the credit shall not apply. The amount of gross terminal
27 revenue required to be paid pursuant to the agreement
28 shall be deemed to be gross terminal revenue for purposes
29 of this subparagraph.], up to \$5,000,000, to the slot
30 machine license operation fee owed under section 1326.1

1 (relating to slot machine license operation fee). The
2 amount allocated to the designated municipalities shall
3 not exceed 50% of their total budget for fiscal year
4 2003-2004, adjusted for inflation in subsequent years by
5 an amount not to exceed an annual cost-of-living
6 adjustment calculated by applying the percentage change
7 in the Consumer Price Index immediately prior to the date
8 the adjustment is due to take effect. Any remaining
9 moneys shall be [collected by the department from each
10 licensed gaming entity and] distributed in accordance
11 with paragraph (2) based upon the classification of
12 county where the licensed facility is located. [In the
13 event that the revenues generated by the 2% do not meet
14 the \$10,000,000 minimum specified in this subparagraph,
15 the department shall collect the remainder of the minimum
16 amount of \$10,000,000 from each licensed gaming entity
17 operating a facility, pay any balance due to the city of
18 the third class and transfer any remainder in accordance
19 with paragraph (2).]

20 (iii.1) If a licensed facility, other than a
21 Category 3 licensed facility, is located in a city of the
22 third class and the city is located in more than one
23 county of the third class, [2% of the gross terminal
24 revenue or \$10,000,000 annually, whichever is greater,]
25 \$10,000,000 annually shall be distributed as follows:
26 80% to the host city and 20% to the city of the third
27 class located solely in a nonhost county in which the
28 host city of the third class is also located. If a
29 licensed facility, other than a Category 3 licensed
30 facility, is located in a city of the third class and

1 that city is located solely in a host county of the third
2 class in which a nonhost city of the third class is also
3 located[, 2% of gross terminal revenue or \$10,000,000
4 annually, whichever is greater], \$10,000,000 annually
5 shall be distributed as follows: 80% to the host city
6 and 20% to a city of the third class located both in a
7 nonhost county of the third class and in a host county of
8 the third class in which the host city of the third class
9 is located.

10 (iv) To a township of the first class hosting a
11 licensed facility, other than a Category 3 licensed
12 facility, [2% of the gross terminal revenue or
13 \$10,000,000 annually, whichever is greater, shall be paid
14 by each licensed gaming entity operating a licensed
15 facility located in the township] \$10,000,000 annually
16 shall be distributed to the township, subject, however,
17 to the budgetary limitation in this subparagraph. The
18 amount allocated to the designated municipalities shall
19 not exceed 50% of their total budget for fiscal year
20 2003-2004, adjusted for inflation in subsequent years by
21 an amount not to exceed an annual cost-of-living
22 adjustment calculated by applying the percentage change
23 in the Consumer Price Index immediately prior to the date
24 the adjustment is due to take effect. Any remaining money
25 shall be [collected by the department from each licensed
26 gaming entity and] distributed in accordance with
27 paragraph (2) based upon the classification of county
28 where the licensed facility is located. [In the event
29 that the revenues generated by the 2% do not meet the
30 \$10,000,000 minimum specified in this subparagraph, the

1 department shall collect the remainder of the minimum
2 amount of \$10,000,000 from each licensed gaming entity
3 operating a licensed facility in the township, pay any
4 balance due to the township and transfer any remainder in
5 accordance with paragraph (2).]

6 (v) To a township of the second class hosting a
7 licensed facility:

8 (A) [2% of the gross terminal revenue or
9 \$10,000,000 annually, whichever is greater, shall be
10 paid by each licensed gaming entity operating a
11 licensed facility, other than a Category 3 licensed
12 facility or a licensed facility owning land adjacent
13 to the licensed facility located in more than one
14 township of the second class,] \$10,000,000 annually
15 shall be distributed to the township of the second
16 class hosting [the] a licensed facility, other than a
17 Category 3 licensed facility or a licensed facility
18 located in more than one township of the second
19 class, subject, however, to the budgetary limitation
20 in this subparagraph. The amount allocated to the
21 designated municipalities shall not exceed 50% of
22 their total budget for fiscal year 2003-2004,
23 adjusted for inflation in subsequent years by an
24 amount not to exceed an annual cost-of-living
25 adjustment calculated by applying the percentage
26 change in the Consumer Price Index immediately prior
27 to the date the adjustment is due to take effect. Any
28 remaining money shall be [collected by the department
29 from each licensed gaming entity and] distributed in
30 accordance with paragraph (2) based upon the

1 classification of county where the licensed facility
2 is located. [If revenues generated by the 2% do not
3 meet the \$10,000,000 minimum specified in this
4 subparagraph, the department shall collect the
5 remainder of the minimum amount of \$10,000,000 from
6 each licensed gaming entity operating a licensed
7 facility in the township, pay any balance due to the
8 township and transfer any remainder in accordance
9 with paragraph (2).]

10 (B) [2% of the gross terminal revenue or
11 \$10,000,000 annually, whichever is greater,]
12 \$10,000,000 annually, less the amount paid under
13 clause (C), shall be [paid by each licensed gaming
14 entity operating a licensed facility and owning land
15 adjacent to the licensed facility located in more
16 than one township of the second class, other than a
17 Category 3 licensed facility,] distributed to the
18 township of the second class hosting [the] a licensed
19 facility which owns land adjacent to the licensed
20 facility located in more than one township of the
21 second class, other than a Category 3 licensed
22 facility, subject, however, to the budgetary
23 limitation in this subparagraph. The amount allocated
24 to the designated municipalities may not exceed 50%
25 of their total budget for the fiscal year 2003-2004,
26 adjusted for inflation in subsequent years by an
27 amount not to exceed an annual cost-of-living
28 adjustment calculated by applying the percentage
29 change in the Consumer Price Index immediately prior
30 to the date the adjustment is due to take effect. Any

1 remaining money shall be [collected by the department
2 from each licensed gaming entity and] distributed in
3 accordance with paragraph (2) based upon the
4 classification of the county where the licensed
5 facility is located. The county commissioners of a
6 county of the third class in which the licensed
7 facility is located shall appoint an advisory
8 committee for the purpose of advising the county as
9 to the need for municipal grants for health, safety,
10 transportation and other projects in the public
11 interest to be comprised of two individuals from the
12 host municipality, two from contiguous municipalities
13 within the county of the third class and one from the
14 host county. [In the event that the revenues
15 generated by the 2% do not meet the \$10,000,000
16 minimum specified in this subparagraph, the
17 department shall collect the remainder of the minimum
18 amount of \$10,000,000 from each licensed gaming
19 entity operating a licensed facility in the township,
20 pay any balance due to the township and transfer any
21 remainder in accordance with paragraph (2).]

22 (C) [\$160,000 annually shall be paid by each
23 licensed gaming entity operating a licensed facility
24 and owning land adjacent to the licensed facility
25 located in more than one township of the second
26 class, other than a Category 3 licensed facility, to
27 the township of the second class that is located in a
28 county of the fifth class in which the adjacent land
29 is located, including racetracks, grazing fields or
30 any other adjoining real property.] For land owned by

1 a licensed gaming entity, other than a Category 3
2 licensed facility, and located in more than one
3 township of the second class: \$160,000 shall be
4 distributed annually to the township of the second
5 class which is located in a county of the fifth class
6 if the land owned, including racetracks, grazing
7 fields and other adjoining real property, is adjacent
8 to the licensed facility.

9 (vi) To a borough hosting a licensed facility, other
10 than a Category 3 licensed facility, [2% of the gross
11 terminal revenue or \$10,000,000 annually, whichever is
12 greater, shall be paid by each licensed gaming entity
13 operating a licensed facility located in that borough,]
14 \$10,000,000 annually shall be distributed to the borough,
15 subject, however, to the budgetary limitation in this
16 subparagraph. The amount allocated to the designated
17 municipalities shall not exceed 50% of their total budget
18 for fiscal year 2003-2004, adjusted for inflation in
19 subsequent years by an amount not to exceed an annual
20 cost-of-living adjustment calculated by applying the
21 percentage change in the Consumer Price Index immediately
22 prior to the date the adjustment is due to take effect.
23 Any remaining money shall be [collected by the department
24 from each licensed gaming entity and] distributed in
25 accordance with paragraph (2) based upon the
26 classification of county where the licensed facility is
27 located. [In the event that the revenues generated by the
28 2% do not meet the \$10,000,000 minimum specified in this
29 subparagraph, the department shall collect the remainder
30 of the minimum amount of \$10,000,000 from each licensed

1 gaming entity operating a licensed facility in the
2 borough, pay any balance due to the borough and transfer
3 any remainder in accordance with paragraph (2).]

4 (vii) To an incorporated town hosting a licensed
5 facility, other than a Category 3 licensed facility, [2%
6 of the gross terminal revenue or \$10,000,000 annually,
7 whichever is greater, shall be paid by each licensed
8 entity operating a licensed facility located in the
9 town,] \$10,000,000 annually shall be distributed to the
10 incorporated town, subject, however, to the budgetary
11 limitation in this subparagraph. The amount allocated to
12 the designated municipalities shall not exceed 50% of
13 their total budget for fiscal year 2003-2004, adjusted
14 for inflation in subsequent years by an amount not to
15 exceed an annual cost-of-living adjustment calculated by
16 applying the percentage change in the Consumer Price
17 Index immediately prior to the date the adjustment is due
18 to take effect. Any remaining money shall be [collected
19 by the department from each licensed gaming entity and]
20 distributed in accordance with paragraph (2) based upon
21 the classification of county where the licensed facility
22 is located. [In the event that the revenues generated by
23 the 2% do not meet the \$10,000,000 minimum specified in
24 this subparagraph, the department shall collect the
25 remainder of the minimum amount of \$10,000,000 from each
26 licensed gaming entity operating a licensed facility in
27 the incorporated town, pay any balance due to the town
28 and transfer any remainder in accordance with paragraph
29 (2).]

30 (4) From the local share assessment established in

1 subsection (b), make quarterly distributions among the
2 municipalities, including home rule municipalities, hosting a
3 licensed facility in accordance with the following schedule:

4 [(viii) (A)] (i) Except as provided in [clause (B)
5 or (C)] subparagraph (ii) or (iii), to a municipality of
6 any class hosting a Category 3 facility, 2% of the gross
7 terminal revenue from the Category 3 licensed facility
8 located in the municipality, subject, however, to the
9 budgetary limitation in this clause. The amount allocated
10 to the designated municipalities shall not exceed 50% of
11 their total budget for fiscal year 2009, adjusted for
12 inflation in subsequent years by an amount not to exceed
13 an annual cost-of-living adjustment calculated by
14 applying the percentage change in the Consumer Price
15 Index immediately prior to the date the adjustment is due
16 to take effect. Any remaining money shall be collected by
17 the department from each licensed gaming entity and
18 distributed in accordance with paragraph (2) based upon
19 the classification of county where the licensed facility
20 is located.

21 [(B)] (ii) If the municipality hosting a Category 3
22 licensed facility is a borough located in a county of the
23 third class and the borough is contiguous to a city of
24 the third class, 1% of gross terminal revenue shall be
25 distributed to the host borough and 1% of gross terminal
26 revenue shall be distributed to the city of the third
27 class that is contiguous to the host borough, subject,
28 however, to the budgetary limitation in this clause. The
29 amount allocated to each designated municipality shall
30 not exceed 50% of its total budget for fiscal year 2009,

1 adjusted for inflation in subsequent years by an amount
2 not to exceed an annual cost-of-living adjustment
3 calculated by applying the percentage increase, if any,
4 in the Consumer Price Index immediately prior to the date
5 the adjustment is due to take effect. Any remaining money
6 shall be collected by the department from each licensed
7 gaming entity and distributed in accordance with
8 paragraph (2) based upon the classification of county
9 where the licensed facility is located.

10 [(C)] (iii) If the municipality hosting a Category 3
11 licensed facility is a township of the second class in a
12 county of the fifth class which is contiguous to a county
13 of the seventh class, 2% of the gross terminal revenue
14 from the Category 3 licensed facility located in the
15 municipality shall be distributed to the municipality,
16 subject, however, to the budgetary limitation in this
17 clause. The amount allocated to the designated
18 municipalities shall not exceed the lesser of \$1,000,000
19 or 50% of their total budget for fiscal year 2009,
20 adjusted for inflation in subsequent years by an amount
21 not to exceed an annual cost-of-living adjustment
22 calculated by applying the percentage change in the
23 Consumer Price Index immediately prior to the date the
24 adjustment is due to take effect. Any remaining money
25 shall be collected by the department from each licensed
26 gaming entity and distributed in equal amounts to each
27 municipality contiguous to the host municipality.
28 However, the amount to be allocated to any contiguous
29 municipality shall not exceed the lesser of \$1,000,000 or
30 50% of the municipality's total budget for fiscal year

1 2009, adjusted for inflation in subsequent years by an
2 amount not to exceed an annual cost-of-living adjustment
3 calculated by applying the percentage change in the
4 Consumer Price Index immediately prior to the date the
5 adjustment is due to take effect. Any money remaining
6 following distribution to contiguous municipalities shall
7 be collected by the department and distributed in
8 accordance with paragraph (2) based upon the
9 classification of county where the licensed facility is
10 located.

11 [(ix) Any municipality not specifically enumerated
12 in subparagraphs (i) through (viii),]

13 (5) From the slot machine operation fees deposited in
14 the fund under section 1326.1(d), make quarterly
15 distributions to any municipality not specifically enumerated
16 in paragraph (3) or (4) hosting a Category 1 licensed
17 facility or a Category 2 licensed facility, equal to
18 \$10,000,000 annually.

19 (6) From the local share assessment established in
20 subsection (b), make quarterly distributions to any
21 municipality not enumerated in paragraph (3) or (4) hosting a
22 Category 3 licensed facility, 2% of the gross terminal
23 revenue [to the municipality hosting the licensed facility
24 from each such licensed facility] paid by each licensed
25 gaming entity operating a Category 3 licensed facility.

26 [(x)] (7) If [the] a licensed facility is located in
27 more than one municipality, the amount available shall be
28 distributed on a pro rata basis determined by the percentage
29 of acreage located in each municipality to the total acreage
30 of all municipalities occupied by the licensed facility.

1 [(xi)] (8) If [the] a licensed facility is located at a
2 resort which is also an incorporated municipality, such
3 municipality shall not be eligible to receive any
4 distribution under [this] paragraph (3), (4), (5) or (6). The
5 distribution it would have otherwise been entitled to under
6 this paragraph shall instead be distributed in accordance
7 with paragraph (2) based upon the county where the licensed
8 facility is located.

9 [(xii)] (9) The distributions provided in [this]
10 paragraph (3), (4), (5) or (6) shall be based upon municipal
11 classifications in effect on the effective date of this
12 section. For the purposes of this paragraph, any
13 reclassification of municipalities as a result of a Federal
14 decennial census or of a State statute shall not apply to
15 this paragraph.

16 [(xiii)] (10) If any provision of [this] paragraph (3),
17 (4), (5) or (6) is found to be unenforceable for any reason,
18 the distribution provided for in such unenforceable provision
19 shall be made to the municipality in which the licensed
20 facility is located.

21 [(xiv)] (11) Nothing in [this] paragraph (3), (4), (5) or
22 (6) shall prevent any of the above municipalities from
23 entering into intergovernmental cooperative agreements with
24 other jurisdictions for sharing [this money] the funds
25 distributed to them.

26 [(xv)] (12) Notwithstanding any other law, agreement or
27 provision in this part to the contrary, all revenues
28 provided, directed or earmarked under this section to or for
29 the benefit of a city of the second class in which an
30 intergovernmental cooperation authority has been established

1 and is in existence pursuant to the act of February 12, 2004
2 (P.L.73, No.11), known as the Intergovernmental Cooperation
3 Authority Act for Cities of the Second Class, shall be
4 directed to and under the exclusive control of such
5 intergovernmental cooperation authority to be used:

6 [(A)] (i) to reduce the debt of the second class
7 city;

8 [(B)] (ii) to increase the level of funding of the
9 municipal pension funds of the second class city; or

10 [(C)] (iii) for any other purposes as determined to
11 be in the best interest of the second class city by such
12 intergovernmental cooperation authority. Such revenues
13 shall not be directed to or under the control of such
14 city of the second class or any coordinator appointed
15 pursuant to the act of July 10, 1987 (P.L.246, No.47),
16 known as the Municipalities Financial Recovery Act, for
17 such city of the second class.

18 (d) Consumer Price Index.--For purposes of subsection (c),
19 references to the Consumer Price Index shall mean the Consumer
20 Price Index for All Urban Consumers for the Pennsylvania, New
21 Jersey, Delaware and Maryland area for the most recent 12-month
22 period for which figures have been officially reported by the
23 United States Department of Labor, Bureau of Labor Statistics.

24 (e) Reporting.--

25 (1) In cooperation with the department and the
26 Commonwealth Financing Authority, the Department of Community
27 and Economic Development shall submit an annual report on all
28 distributions of local share assessments and slot machine
29 license operation fees to counties and municipalities under
30 this section to the chairman and minority chairman of the

1 Appropriations Committee of the Senate, the chairman and
2 minority chairman of the Community, Economic and Recreational
3 Development Committee of the Senate, the chairman and
4 minority chairman of the Appropriations Committee of the
5 House of Representatives and the chairman and minority
6 chairman of the Gaming Oversight Committee of the House of
7 Representatives. The report shall be submitted by [August 31,
8 2010] March 31, 2018, and by [August] March 31 of each year
9 thereafter.

10 (2) All counties and municipalities receiving
11 distributions of local share assessments or slot machine
12 license operation fees under this section shall submit
13 information to the Department of Community and Economic
14 Development on a form prepared by the Department of Community
15 and Economic Development that sets forth the amount and use
16 of the funds received in the prior calendar year. The form
17 shall set forth whether the funds received were deposited in
18 the county's or municipality's General Fund or committed to a
19 specific project or use.

20 (f) Prohibited activities.--

21 (1) A person or its affiliated entity or a political
22 subdivision shall not compensate or incur an obligation to
23 compensate a person to engage in lobbying for compensation
24 contingent in whole or in part upon the approval, award,
25 receipt or denial of funds under this section. A person or
26 its affiliated entity shall not engage in or agree to engage
27 in lobbying for compensation contingent in whole or in part
28 upon the approval, award, receipt or denial of funds under
29 this section. This subsection shall not apply to a county or
30 municipality that compensates a person to prepare a grant

1 application for funds under this section if the following
2 requirements are met:

3 (i) The person is not identified in the application.

4 (ii) The person has no direct contact with the
5 agency, county or municipality providing the funding.

6 (iii) The person is paid a fixed fee or percentage
7 of the amount of any funds approved, awarded or received
8 up to .5%.

9 (2) A violation of this section shall be considered an
10 intentional violation of 65 Pa.C.S. § 13A09(e) (relating to
11 penalties).

12 Section 23. Sections 1501(b) and 1509 are amended to read:

13 § 1501. Responsibility and authority of department.

14 * * *

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

24 * * *

25 § 1509. Compulsive and problem gambling program.

26 (a) Establishment of program.--The Department of [Health]
27 Drug and Alcohol Programs, in consultation with organizations
28 similar to the Mid-Atlantic Addiction Training Institute, shall
29 develop program guidelines for public education, awareness and
30 training regarding compulsive and problem gambling and the

1 treatment and prevention of compulsive and problem gambling. The
2 guidelines shall include strategies for the prevention of
3 compulsive and problem gambling. The Department of [Health] Drug
4 and Alcohol Programs may consult with the board and licensed
5 gaming entities to develop such strategies.

6 (a.1) Duties of Department of [Health] Drug and Alcohol
7 Programs.--From funds available in the Compulsive and Problem
8 Gambling Treatment Fund, the Department of [Health] Drug and
9 Alcohol Programs shall:

10 (1) Maintain [a] one compulsive gamblers assistance
11 organization's toll-free problem gambling telephone number,
12 which shall be the number 1-800-GAMBLER, to provide crisis
13 counseling and referral services to individuals and families
14 experiencing difficulty as a result of problem or compulsive
15 gambling. If the Department of Drug and Alcohol Programs
16 determines that it is unable to adopt the number 1-800-
17 GAMBLER, the Department of Drug and Alcohol Programs shall
18 maintain another number.

19 (2) Facilitate, through in-service training and other
20 means, the availability of effective assistance programs for
21 problem and compulsive gamblers and family members affected
22 by problem and compulsive gambling.

23 (3) At its discretion, conduct studies to identify
24 individuals in this Commonwealth who are or are at risk of
25 becoming problem or compulsive gamblers.

26 (4) Provide grants to and contract with single county
27 authorities and other organizations which provide services as
28 set forth in this section.

29 (5) Reimburse organizations for reasonable expenses
30 incurred assisting the Department of [Health] Drug and

1 Alcohol Programs with implementing this section.

2 (a.2) Duties of Department of [Health] Drug and Alcohol
3 Programs and board.--[Within 60 days following the effective
4 date of this subsection, the] The Department of [Health's Bureau
5 of] Drug and Alcohol Programs and the board's Office of
6 Compulsive and Problem Gambling shall jointly collaborate with
7 other appropriate offices and agencies of State or local
8 government, including single county authorities, and providers
9 and other persons, public or private, with expertise in
10 compulsive and problem gambling treatment to do the following:

11 (1) Implement a strategic plan for the prevention and
12 treatment of compulsive and problem gambling.

13 (2) Adopt compulsive and problem gambling treatment
14 standards to be integrated with the [Bureau] Department of
15 Drug and Alcohol Program's uniform Statewide guidelines that
16 govern the provision of addiction treatment services.

17 (3) Develop a method to coordinate compulsive and
18 problem gambling data collection and referral information to
19 crisis response hotlines, child welfare and domestic violence
20 programs and providers and other appropriate programs and
21 providers.

22 (4) Develop and disseminate educational materials to
23 provide public awareness related to the prevention,
24 recognition and treatment of compulsive and problem gambling.

25 (5) Develop demographic-specific compulsive and problem
26 gambling prevention, intervention and treatment programs.

27 (6) Prepare an itemized budget outlining how funds will
28 be allocated to fulfill the responsibilities under this
29 section.

30 (b) Compulsive and Problem Gambling Treatment Fund.--There

1 is hereby established in the State Treasury a special fund to be
2 known as the Compulsive and Problem Gambling Treatment Fund. All
3 moneys in the fund shall be administered by the Department of
4 [Health] Drug and Alcohol Programs and expended solely for
5 programs for the prevention and treatment of gambling addiction
6 and other emotional and behavioral problems associated with or
7 related to gambling addiction and for the administration of the
8 compulsive and problem gambling program, provided that the
9 Department of [Health] Drug and Alcohol Programs shall annually
10 distribute at least 50% of the money in the fund to single
11 county authorities under subsection (d). The fund shall consist
12 of money annually allocated to it from the annual payment
13 established under section 1408(a) (relating to transfers from
14 State Gaming Fund), money which may be allocated by the board,
15 interest earnings on moneys in the fund and any other
16 contributions, payments or deposits which may be made to the
17 fund.

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

19 (1) [Each] Except as otherwise provided for in paragraph
20 (4), each slot machine licensee shall [obtain a] use the
21 toll-free telephone number [to be used] established by the
22 Department of Drug and Alcohol Programs in subsection (a.1)
23 (1) to provide persons with information on assistance for
24 compulsive or problem gambling. Each licensee shall
25 conspicuously post at least 20 signs similar to the following
26 statement:

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

29 The signs must be posted within 50 feet of each entrance and
30 exit, within 50 feet of each automated teller machine

1 location within the licensed facility and in other
2 appropriate public areas of the licensed facility as
3 determined by the slot machine licensee.

4 (2) Each racetrack where slot machines or table games
5 are operated shall print a statement on daily racing programs
6 provided to the general public that is similar to the
7 following:

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

10 Except as otherwise provided for in paragraph (4), the toll-
11 free telephone number shall be the same telephone number
12 established by the Department of Drug and Alcohol Programs
13 under subsection (a.1)(1).

14 (2.1) Each interactive gaming certificate holder and
15 interactive gaming operator:

16 (i) Shall cause the words:

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

19 or some comparable language approved by the board, which
20 language shall include the words "gambling problem" and
21 "call 1-800-XXXX," to be prominently and continuously
22 displayed to any person visiting or logged onto the
23 interactive gaming certificate holder's interactive
24 gaming skin or Internet website.

25 (ii) Shall provide a mechanism by which an
26 interactive gaming account holder may establish the
27 following controls on wagering activity through the
28 interactive gaming account:

29 (A) A limit on the amount of money lost within a
30 specified period of time and the length of time the

1 account holder will be unable to participate in
2 gaming if the holder reaches the established loss
3 limit.

4 (B) A limit on the maximum amount of any single
5 wager on any interactive game.

6 (C) A temporary suspension of interactive gaming
7 through the account for any number of hours or days.

8 (iii) Shall not mail or otherwise forward any
9 gaming-related promotional material or e-mail to a
10 registered player during any period in which interactive
11 gaming through the registered players' interactive gaming
12 account has been suspended or terminated. The interactive
13 gaming certificate holder shall provide a mechanism by
14 which a registered player may change the controls.
15 Notwithstanding any other provision of this subparagraph,
16 while interactive gaming through the interactive gaming
17 account is suspended, the registered player may not
18 change gaming controls until the suspension expires, but
19 the registered player shall continue to have access to
20 the account and shall be permitted to withdraw funds from
21 the account upon proper application for the funds to the
22 interactive gaming certificate holder.

23 (3) A [licensed facility] licensed gaming entity,
24 interactive gaming certificate holder or interactive gaming
25 operator, as the case may be, which fails to post or print
26 the warning sign in accordance with paragraph (1) [or], (2)
27 or (2.1)(i) shall be assessed a fine of \$1,000 a day for each
28 day the minimum number of signs are not posted or the
29 required statement is not printed as provided in this
30 subsection.

1 (3.1) An interactive gaming certificate holder or
2 interactive gaming operator, as the case may be, that fails
3 to establish the mechanisms, controls and systems in
4 accordance with paragraph (2.1)(ii) and (iii) shall be
5 assessed a fine of not less than \$5,000 per day for each day
6 the mechanisms, controls and systems are not available to
7 interactive gaming account holders.

8 (4) Slot machine licensees or racetracks utilizing a
9 toll-free telephone number other than the number established
10 by the Department of Drug and Alcohol Programs under
11 subsection (a.1)(1) prior to the effective date of this
12 paragraph may continue to use that number for a period not to
13 exceed three years from the effective date of this paragraph
14 upon showing good cause to the Department of Drug and Alcohol
15 Programs.

16 (d) Single county authorities.--The Department of [Health]
17 Drug and Alcohol Programs shall make grants from the fund
18 established under subsection (b) to single county authorities
19 created pursuant to the act of April 14, 1972 (P.L.221, No.63),
20 known as the Pennsylvania Drug and Alcohol Abuse Control Act,
21 for the purpose of providing compulsive gambling and gambling
22 addiction prevention, treatment and education programs.
23 Treatment may include financial counseling, irrespective of
24 whether the financial counseling is provided by the single
25 county authority, the treatment service provider or
26 subcontracted to a third party. It is the intention of the
27 General Assembly that any grants made by the Department of
28 [Health] Drug and Alcohol Programs to any single county
29 authority in accordance with the provisions of this subsection
30 be used exclusively for the development and implementation of

1 compulsive and problem gambling programs authorized under this
2 section.

3 (d.1) Eligibility.--Eligibility to receive treatment
4 services for treatment of compulsive and problem gambling under
5 this section shall be determined using financial eligibility and
6 other requirements of the single county authorities as approved
7 by the Department of [Health] Drug and Alcohol Programs.

8 (d.2) Report.--[No later than October 1, 2010, and each]
9 Annually on October 1 [thereafter], the Department of [Health]
10 Drug and Alcohol Programs, in consultation with the board, shall
11 prepare and submit a report on the impact of the programs funded
12 by the Compulsive and Problem Gambling Treatment Fund to the
13 Governor and to the members of the General Assembly. The report
14 shall include aggregate demographic-specific data, including
15 race, gender, geography and income of those individuals treated.

16 (e) Definition.--As used in subsection (d), the term "single
17 county authority" means the agency designated by the Department
18 of Health pursuant to the act of April 14, 1972 (P.L.221,
19 No.63), known as the Pennsylvania Drug and Alcohol Abuse Control
20 Act, to plan and coordinate drug and alcohol prevention,
21 intervention and treatment services for a geographic area, which
22 may consist of one or more counties.

23 Section 24. Section 1512 of Title 4 is amended by adding a
24 subsection to read:

25 § 1512. Financial and employment interests.

26 * * *

27 (a.6) Prohibition related to interactive gaming.--

28 (1) Except as may be provided by rule or order of the
29 Pennsylvania Supreme Court and except as provided in section
30 1202.1 (relating to code of conduct) or 1512.1 (relating to

1 additional restrictions), no executive-level public employee,
2 public official or party officer or immediate family member
3 thereof shall hold, directly or indirectly, a financial
4 interest in, be employed by or represent, appear for, or
5 negotiate on behalf of, or derive any remuneration, payment,
6 benefit or any other thing of value for any services,
7 including, but not limited to, consulting or similar services
8 from any holder of or applicant for an interactive gaming
9 certificate, holder of or applicant for an interactive gaming
10 license or other authorization to conduct interactive gaming
11 or any holding, subsidiary or intermediary company with
12 respect thereto, or any business, association, enterprise or
13 other entity that is organized in whole or in part for the
14 purpose of promoting, advocating for or advancing the
15 interests of the interactive gaming industry generally or any
16 interactive gaming-related business or businesses in
17 connection with any cause, application or matter. The
18 financial interest and employment prohibitions under this
19 paragraph shall remain in effect for one year following
20 termination of the individual's status as an executive-level
21 public employee, public official or party officer.

22 (2) Notwithstanding paragraph (1), a member of the
23 immediate family of an executive-level public employee,
24 public official or party officer may hold employment with the
25 holder of or applicant for an interactive gaming certificate,
26 holder of or applicant for an interactive gaming license or
27 other authorization to conduct interactive gaming or any
28 holding, subsidiary or intermediary company with respect
29 thereto, if in the judgment of the State Ethics Commission or
30 the Supreme Court, as appropriate, employment will not

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

7 * * *

8 Section 25. Sections 1513(a), 1514 heading, (a), (d), (e)
9 and (f), 1515, 1516 and 1517(b)(1), (c)(12) and (e)(1) of Title
10 4 are amended to read:

11 § 1513. Political influence.

12 (a) Contribution restriction.--The following persons shall
13 be prohibited from contributing any money or in-kind
14 contribution to a candidate for nomination or election to any
15 public office in this Commonwealth, or to any political party
16 committee or other political committee in this Commonwealth or
17 to any group, committee or association organized in support of a
18 candidate, political party committee or other political
19 committee in this Commonwealth:

20 (1) An applicant for a slot machine license,
21 manufacturer license, supplier license, principal license,
22 key employee license, interactive gaming license or horse or
23 harness racing license.

24 (2) A slot machine licensee, licensed manufacturer,
25 licensed supplier, interactive gaming operator or licensed
26 racing entity.

27 (3) A licensed principal or licensed key employee of a
28 slot machine licensee, licensed manufacturer, licensed
29 supplier, interactive gaming operator or licensed racing
30 entity.

1 (4) An affiliate, intermediary, subsidiary or holding
2 company of a slot machine licensee, licensed manufacturer,
3 licensed supplier, interactive gaming operator or licensed
4 racing entity.

5 (5) A licensed principal or licensed key employee of an
6 affiliate, intermediary, subsidiary or holding company of a
7 slot machine licensee, licensed manufacturer, licensed
8 supplier, interactive gaming operator or licensed racing
9 entity.

10 (6) A person who holds a similar gaming license in
11 another jurisdiction and the affiliates, intermediaries,
12 subsidiaries, holding companies, principals or key employees
13 thereof.

14 * * *

15 § 1514. Regulation requiring exclusion [or], ejection or denial
16 of access of certain persons.

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

27 * * *

28 (d) Sanctions.--The board may impose sanctions upon a
29 licensed gaming entity or interactive gaming operator in
30 accordance with this part if the licensed gaming entity

1 knowingly fails to exclude or eject from the premises of any
2 licensed facility or deny access to interactive gaming any
3 person placed by the board on the list of persons to be excluded
4 [or], ejected or denied access.

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

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

24 * * *

25 § 1515. Repeat offenders excludable from licensed gaming
26 facility.

27 A licensed gaming entity may exclude or eject from its
28 licensed facility or deny access to interactive gaming any
29 person who is known to it to have been convicted of a
30 misdemeanor or felony committed in or on the premises of any

1 licensed facility. Nothing in this section or in any other law
2 of this Commonwealth shall limit the right of a licensed gaming
3 entity to exercise its common law right to exclude or eject
4 permanently from its licensed facility or permanently deny
5 access to its interactive gaming any person who disrupts the
6 operations of its premises or its interactive gaming, threatens
7 the security of its premises or its occupants or is disorderly
8 or intoxicated[.] or who threatens the security of its licensed
9 facility or the area of a licensed facility where interactive
10 gaming operations are managed, administered or controlled.

11 § 1516. List of persons self excluded from gaming activities.

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

22 (b) Regulations.--The regulations of the board shall
23 establish procedures for placements on and removals from the
24 list of self-excluded persons. The regulations shall establish
25 procedures for the transmittal to licensed gaming entities of
26 identifying information concerning self-excluded persons and
27 shall require licensed gaming entities to establish procedures
28 designed at a minimum to deny self-excluded persons access to
29 interactive gaming and to remove self-excluded persons from
30 targeted mailings or other forms of advertising or promotions

1 and deny self-excluded persons access to complimentary, check
2 cashing privileges, club programs and other similar benefits.

3 (c) Liability.--A licensed gaming entity or employee thereof
4 shall not be liable to any self-excluded person or to any other
5 party in any judicial proceeding for any harm, monetary or
6 otherwise, which may arise as a result of:

7 (1) the failure of a licensed gaming entity to withhold
8 gaming privileges from or restore gaming privileges to a
9 self-excluded person; [or]

10 (1.1) the failure of an interactive gaming certificate
11 holder or interactive gaming operator to withhold interactive
12 gaming privileges from or restore interactive gaming
13 privileges to a self-excluded person; or

14 (2) otherwise permitting or not permitting a self-
15 excluded person to engage in gaming activity in the facility
16 or participate in interactive gaming while on the list of
17 self-excluded persons.

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

27 § 1517. Investigations and enforcement.

28 * * *

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

30 (1) The department shall at all times have the power of

1 access to examine and audit equipment and records relating to
2 all aspects of the operation of slot machines [or], table
3 games or interactive games under this part.

4 * * *

5 (c) Powers and duties of the Pennsylvania State Police.--The
6 Pennsylvania State Police shall have the following powers and
7 duties:

8 * * *

9 (12) Conduct audits or verification of information of
10 slot machine [or], table game operations, including the
11 operation of slot machines used in a multistate wide-area
12 progressive slot machine system and in the operation of skill
13 or hybrid slot machines and interactive gaming operations at
14 such times, under such circumstances and to such extent as
15 the bureau determines. This paragraph includes reviews of
16 accounting, administrative and financial records and
17 management control systems, procedures and records utilized
18 by a slot machine licensee.

19 * * *

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

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

25 (i) Inspect and examine all premises where slot
26 machine [or], table game and interactive gaming
27 operations are conducted, slot machines, table game
28 devices and associated equipment, interactive gaming
29 devices and associated equipment are manufactured, sold,
30 distributed or serviced or where records of these

1 activities are prepared or maintained.

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

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

7 (iv) Inspect, examine and audit all books, records
8 and documents pertaining to a slot machine licensee's
9 operation.

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

15 * * *

16 Section 26. Section 1518(a)(1), (2), (3), (4), (5), (7.1),
17 (11), (13), (13.1), (15) and (17) and (b)(1), (2) and (3) of
18 Title 4 are amended and subsections (a) and (b) are amended by
19 adding paragraphs to read:

20 § 1518. Prohibited acts; penalties.

21 (a) Criminal offenses.--

22 (1) The provisions of 18 Pa.C.S. § 4902 (relating to
23 perjury), 4903 (relating to false swearing) or 4904 (relating
24 to unsworn falsification to authorities) shall apply to any
25 person providing information or making any statement, whether
26 written or oral, to the board, the commission, the bureau,
27 the department, the Pennsylvania State Police or the Office
28 of Attorney General, as required by this part.

29 (2) It shall be unlawful for a person to willfully:

30 (i) fail to report, pay or truthfully account for

1 and pay over any license fee, authorization fee, permit
2 fee, tax or assessment imposed under this part; or

3 (ii) attempt in any manner to evade or defeat any
4 license fee, authorization fee, permit fee, registration
5 fee, tax or assessment or any other fee imposed under
6 this part.

7 (3) It shall be unlawful for any licensed entity, gaming
8 employee, key employee or any other person to permit a slot
9 machine, table game or table game device, interactive game or
10 interactive gaming device or associated equipment to be
11 operated, transported, repaired or opened on the premises of
12 a licensed facility by a person other than a person licensed
13 or permitted by the board pursuant to this part.

14 (3.1) It shall be unlawful for any person who does not
15 possess a valid and then effective interactive gaming
16 certificate or interactive gaming license to accept any wager
17 associated with any authorized interactive game from any
18 individual without verifying the age, identity and physical
19 location of the player at the time of play or wager.

20 (4) It shall be unlawful for any licensed entity or
21 other person to manufacture, supply or place slot machines,
22 table games, table game devices or associated equipment,
23 authorized interactive game or interactive gaming devices or
24 associated equipment into play or display slot machines,
25 table games, table game devices or associated equipment on
26 the premises of a licensed facility without the authority of
27 the board.

28 (4.1) It shall be unlawful for any slot machine licensee
29 to offer interactive games into play or display such games on
30 its interactive gaming skin or Internet website without the

1 approval of the board.

2 (4.2) It shall be unlawful for any licensed entity or
3 other person to manufacture, supply or place interactive
4 gaming devices or associated equipment into operation at a
5 licensed facility without the approval of the board.

6 (5) Except as provided for in section 1326 (relating to
7 [license] renewals), it shall be unlawful for a licensed
8 entity or other person to manufacture, supply, operate, carry
9 on or expose for play any slot machine, table game, table
10 game device or associated equipment, interactive game or
11 interactive gaming device or associated equipment after the
12 person's license has expired and prior to the actual renewal
13 of the license.

14 * * *

15 (7.1) It shall be unlawful for an individual to do any
16 of the following:

17 (i) Use or possess counterfeit, marked, loaded or
18 tampered with table game devices or associated equipment,
19 chips or other cheating devices in the conduct of gaming
20 under this part, except that an authorized employee of a
21 licensee or an authorized employee of the board may
22 possess and use counterfeit chips or table game devices
23 or associated equipment that have been marked, loaded or
24 tampered with, or other cheating devices or any
25 unauthorized interactive gaming device or associated
26 equipment in performance of the duties of employment for
27 training, investigative or testing purposes only.

28 (ii) Knowingly, by a trick or sleight of hand
29 performance or by fraud or fraudulent scheme, or
30 manipulation, table game device or other device, or

1 interactive gaming device for himself or for another, win
2 or attempt to win any cash, property or prize at a
3 licensed facility or to reduce or attempt to reduce a
4 losing wager.

5 (7.2) It shall be unlawful for a person to knowingly
6 alter, tamper or manipulate interactive gaming devices or
7 associated equipment, including software, system programs,
8 hardware and any other device or associated equipment used in
9 interactive gaming operations, in order to alter the odds or
10 the payout of an interactive game or to disable the
11 interactive game from operating according to the rules of the
12 game as authorized by the board.

13 (7.3) It shall be unlawful for a person to knowingly
14 offer or allow to be offered any authorized interactive game
15 that has been altered, tampered with or manipulated in a way
16 that affects the odds or the payout of an authorized
17 interactive game or disables the interactive game from
18 operating according to the authorized rules of the game as
19 authorized by the board.

20 * * *

21 (11) It shall be unlawful for a licensed gaming entity
22 that is a licensed racing entity and that has lost the
23 license issued to it by [either] the State Horse Racing
24 Commission or the State Harness Racing Commission under the
25 Race Horse Industry Reform Act or that has had that license
26 suspended to operate slot machines [or], table games or
27 authorized interactive games at the racetrack for which its
28 slot machine license was issued unless the license issued to
29 it by either the State Horse Racing Commission or the State
30 Harness Racing Commission will be subsequently reissued or

1 reinstated within 30 days after the loss or suspension.

2 * * *

3 (13) It shall be unlawful for an individual under 21
4 years of age to enter and remain in any area of a licensed
5 facility where slot machines are operated or the play of
6 table games is conducted, except that an individual 18 years
7 of age or older employed by a slot machine licensee, a gaming
8 service provider, the board or any other regulatory or
9 emergency response agency may enter and remain in any such
10 area while engaged in the performance of the individual's
11 employment duties.

12 (13.1) It shall be unlawful for an individual under 21
13 years of age to wager, play or attempt to play a slot machine
14 or table game at a licensed facility or to wager, play or
15 attempt to play an interactive game.

16 (13.2) It shall be unlawful to allow a person under 21
17 years of age to open, maintain or use in any way an
18 interactive gaming account. Any interactive gaming
19 certificate holder, interactive gaming operator or employee
20 of an interactive gaming certificate holder or interactive
21 gaming operator or other such person who knowingly allows a
22 person under 21 years of age to open, maintain or use an
23 interactive gaming account shall be subject to the penalty
24 set forth in this section, except that the establishment of
25 all of the following facts by an interactive gaming
26 certificate holder, interactive gaming operator or employee
27 of an interactive gaming certificate holder, interactive
28 gaming operator or other such person shall constitute a
29 defense to any regulatory action by the board or the penalty
30 authorized under this section:

1 (i) the underage person falsely represented that the
2 person was at least 21 years of age in the application
3 for an interactive gaming account; and

4 (ii) the establishment of the interactive gaming
5 account was made in good faith reliance upon such
6 representation and in the reasonable belief that the
7 underage person was at least 21 years of age.

8 * * *

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

21 * * *

22 (17) It shall be unlawful for an individual to claim,
23 collect or take, or attempt to claim, collect or take, money
24 or anything of value in or from a slot machine, gaming table
25 or other table game device, interactive game or interactive
26 gaming device with the intent to defraud, or to claim,
27 collect or take an amount greater than the amount won, or to
28 manipulate with the intent to cheat, any component of any
29 slot machine, table game or table game device, interactive
30 game or interactive gaming device in a manner contrary to the

1 designed and normal operational purpose.

2 (b) Criminal penalties and fines.--

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

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

24 (2) (i) For a first violation of subsection (a) (1)
25 through (12) or (17), a person shall be sentenced to pay
26 a fine of:

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

29 (B) not less than \$300,000 nor more than
30 \$600,000 if the person is a licensed gaming entity or

1 an interactive gaming operator; or

2 (C) not less than \$150,000 nor more than
3 \$300,000 if the person is a licensed manufacturer or
4 supplier.

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

8 (A) not less than \$150,000 nor more than
9 \$300,000 if the person is an individual;

10 (B) not less than \$600,000 nor more than
11 \$1,200,000 if the person is a licensed gaming entity;
12 or

13 (C) not less than \$300,000 nor more than
14 \$600,000 if the person is a licensed manufacturer or
15 supplier.

16 (2.1) A person that commits an offense in violation of
17 subsection (a) (3.1) commits a felony and, upon conviction,
18 shall be sentenced to pay a fine of not less than \$500,000
19 nor more than \$1,000,000. A person that is convicted of a
20 second or subsequent violation of subsection (a) (3.1) commits
21 a felony of the first degree and shall be sentenced to pay a
22 fine of not less than \$1,000,000 nor more than \$2,500,000.

23 (3) An individual who commits an offense in violation of
24 subsection (a) (13) [or], (13.1) or (13.2) commits a
25 nongambling summary offense and upon conviction of a first
26 offense shall be sentenced to pay a fine of not less than
27 \$200 nor more than \$1,000. An individual that is convicted of
28 a second or subsequent offense under subsection (a) (13) [or],
29 (13.1) or (13.2) shall be sentenced to pay a fine of not less
30 than \$500 nor more than \$1,500. In addition to the fine

1 imposed, an individual convicted of an offense under
2 subsection (a) (13) [or], (13.1) or (13.2) may be sentenced to
3 perform a period of community service not to exceed 40 hours.

4 * * *

5 Section 27. Section 1901(a) of Title 4 is amended by adding
6 a paragraph to read:

7 § 1901. Appropriations.

8 (a) Appropriation to board.--

9 * * *

10 (3) The sum of \$5,000,000 is hereby appropriated from
11 the State Gaming Fund to the Pennsylvania Gaming Control
12 Board for salaries, wages and all necessary expenses for the
13 proper operation and administration of the board for the
14 activities authorized under this act. This appropriation
15 shall be a supplemental appropriation for fiscal year 2016-
16 2017 and shall be in addition to the appropriation contained
17 in the act of July 8, 2016 (P.L.1565, No.10A), known as the
18 Gaming Control Appropriation Act of 2016.

19 * * *

20 Section 28. Repeals are as follows:

21 (1) The General Assembly declares that the repeal under
22 paragraph (2) is necessary to effectuate the addition of 4
23 Pa.C.S. § 1403(c) (2) (i) (D) (I.2) and (I.3).

24 (2) Section 1753-E of the act of April 9, 1929 (P.L.343,
25 No.176), known as The Fiscal Code, is repealed.

26 Section 29. This act shall take effect as follows:

27 (1) The amendment of 4 Pa.C.S. § 1509 shall take effect
28 in 60 days.

29 (2) The following provisions shall take effect January
30 1, 2017:

- 1 (i) The addition of 4 Pa.C.S. § 1326.1.
- 2 (ii) The amendment of 4 Pa.C.S. § 13A63(b)(3)(iii)
- 3 (A) and (C).
- 4 (iii) The amendment of 4 Pa.C.S. § 1403.
- 5 (iv) Section 28 of this act.

6 (3) Except as set forth in paragraph (4)(ii), the
7 addition of 4 Pa.C.S. Ch. 3 shall take effect in 180 days.

8 (4) The following provisions shall take effect
9 immediately:

- 10 (i) This section.
- 11 (ii) The addition of 4 Pa.C.S. § 343.
- 12 (iii) The remainder of this act.

13 Section 30. Licensed gaming entities required to make
14 payments under 4 Pa.C.S. § 1361.1 shall:

15 (1) receive a credit against payments due in calendar
16 year 2017 for any payments made up to the date the first
17 payment is due under paragraph (2) under the following:

18 (i) 4 Pa.C.S. § 1403(c)(3)(i), (ii), (iii), (iv),
19 (v), (vi) and (vi) and (c)(5) as such provisions were in
20 existence prior to the effective date of the amendments
21 to Pa.C.S. § 1403; or

22 (ii) any written agreement between a municipality
23 and a licensed gaming entity required to make payments
24 under 4 Pa.C.S. § 1326.1 entered into prior to the
25 effective date of this section that relates to the
26 payments required under 4 Pa.C.S. § 1403(c)(3)(i), (ii),
27 (iii), (iv), (v), (vi) and (vi) and (c)(5) as such
28 provisions existed prior to the effective date of the
29 amendments to 4 Pa.C.S. § 1403; and

30 (2) commence the payments due under this section the

1 first day of the first calendar month following the effective
2 date of this section.