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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 477 Session of  
2017

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INTRODUCED BY KILLION, RESCHENTHALER, BARTOLOTTA AND STEFANO,  
MARCH 6, 2017

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REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,  
MARCH 6, 2017

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

1 The General Assembly of the Commonwealth of Pennsylvania  
2 hereby enacts as follows:

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

5 PART I

6 AMUSEMENTS GENERALLY

7 Chapter

8 1. Preliminary Provisions (Reserved)

9 3. Fantasy Contests

10 CHAPTER 1

11 PRELIMINARY PROVISIONS

12 (Reserved)

13 CHAPTER 3

14 FANTASY CONTESTS

15 Subchapter

16 A. General Provisions

17 B. Administration

18 C. Licensure

19 D. Fiscal Provisions

20 E. Miscellaneous Provisions

21 SUBCHAPTER A

22 GENERAL PROVISIONS

23 Sec.

24 301. Scope.

25 302. Definitions.

26 § 301. Scope.

27 This chapter relates to fantasy contests.

28 § 302. Definitions.

29 The following words and phrases when used in this chapter  
30 shall have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 "Board." The Pennsylvania Gaming Control Board.

3 "Conduct of gaming." The licensed placement, operation and  
4 play of slot machines and table games under Part II (relating to  
5 gaming) as authorized and approved by the board.

6 "Controlling interest." Either of the following:

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

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

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

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

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

1       (1) The minimum value of all prizes or awards offered to  
2 winning participants is established and made known to  
3 participants in advance of the contest.

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

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

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

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

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

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

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

29       "In-State percentage." For each fantasy contest, the  
30 percentage, rounded to the nearest tenth of a percent, equal to

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

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

9 "Licensed entity representative." A person, including an  
10 attorney, agent or lobbyist, acting on behalf of or authorized  
11 to represent the interest of an applicant, licensee or other  
12 person authorized by the board to engage in an act or activity  
13 which is regulated under this chapter regarding a matter before,  
14 or which may be reasonably expected to come before, the 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 other  
26 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 at  
20 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 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 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 another 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 other  
14 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 investigation or other investigation from any  
20 source shall be confidential and withheld from public  
21 disclosure:

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

27 (ii) Nonpublic personal information, including home  
28 addresses, telephone numbers and other personal contact  
29 information, Social Security numbers, educational  
30 records, memberships, medical records, tax returns and

1 declarations, actual or proposed compensation, financial  
2 account records, creditworthiness or financial condition  
3 relating to an applicant.

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

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

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

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

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

1 operator.

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

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

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

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

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

1 (f) Information held by department.--Files, records, reports  
2 and other information in the possession of the department  
3 pertaining to licensed operators shall be made available to the  
4 board as may be necessary for the effective administration of  
5 this chapter.

6 § 315. Reports of board.

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

10 (1) Total fantasy contest adjusted revenues.

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

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

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

21 SUBCHAPTER C

22 LICENSURE

23 Sec.

24 321. General prohibition.

25 322. Application.

26 323. Issuance and denial of license.

27 324. License renewal.

28 325. Conditions of licensure.

29 326. Prohibitions.

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

1 328. Penalties.

2 § 321. General prohibition.

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

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

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

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

15 § 322. Application.

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

20 (1) The name, Federal employer identification number and  
21 principal address of the applicant; if a corporation, the  
22 state of its incorporation, the full name and address of each  
23 officer and director of the corporation, and, if a foreign  
24 corporation, whether it is qualified to do business in this  
25 Commonwealth; if a partnership or joint venture, the name and  
26 address of each officer of the partnership or joint venture.

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

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

30 (4) The names and addresses of each of the applicant's

1 principals.

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

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

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

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

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

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

30 § 323. Issuance and denial of license.

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

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

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

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

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

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

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

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

24 (4) has had a registration, permit or license to conduct  
25 fantasy contests denied or revoked in another jurisdiction;

26 (5) has legally defaulted in the payment of an  
27 obligation or debt due to the Commonwealth or is not  
28 compliant with taxes due; or

29 (6) is not qualified to do business in this Commonwealth  
30 or is not subject to the jurisdiction of the courts of the

1 Commonwealth.

2 (c) Time period for review.--The board shall conclude its  
3 review of an application for a fantasy contest license within  
4 120 days of receipt of the completed application. If the license  
5 is not issued, the board shall provide the applicant with the  
6 justification for not issuing a license with specificity.

7 (d) License fee.--

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

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

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

21 (e) Abbreviated approval process.--The board, at its  
22 discretion, may establish an abbreviated approval process for  
23 the issuance of a fantasy contest license to a licensed gaming  
24 entity whose slot machine license and table game certificate are  
25 in good standing.

26 § 324. License renewal.

27 (a) Renewal.--

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

30 (2) Nothing in this paragraph shall be construed to

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

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

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

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

20 (i) the applicant or any of the applicant's key  
21 employees or principals are in violation of a provision  
22 of this chapter;

23 (ii) the applicant has furnished the board with  
24 false or misleading information;

25 (iii) the information contained in the applicant's  
26 initial application or any renewal application is no  
27 longer true and correct;

28 (iv) the applicant has failed to remit taxes or  
29 assessments required under section 331 (relating to  
30 fantasy contest tax), 332 (relating to licensed operator

1 deposits) or 333 (relating to responsibility and  
2 authority of department); or

3 (v) the applicant has legally defaulted in the  
4 payment of any obligation or debt due to the  
5 Commonwealth.

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

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

14 (c) Renewal fee.--

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

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

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

26 § 325. Conditions of licensure.

27 As a condition of licensure, a licensed operator shall  
28 establish and implement the following commercially reasonable  
29 procedures related to conduct of fantasy contests in this  
30 Commonwealth:

1           (1) Permit only participants who have established a  
2 fantasy contest account with the licensed operator to  
3 participate in a fantasy contest conducted by the licensed  
4 operator.

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

10          (3) Verify the identity of a participant by requiring  
11 the participant to provide the licensed operator a unique  
12 username and password prior to accessing a fantasy contest  
13 account.

14          (4) Ensure rules and prizes and awards established by  
15 the licensed operator for a fantasy contest are made known to  
16 a participant prior to the acceptance of an entry fee.

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

22          (6) Allow an individual to self-exclude from entering a  
23 fantasy contest or accessing a fantasy contest account for a  
24 specific period of time as determined by the participant and  
25 implement reasonable procedures to prevent the individual  
26 from participating in the licensed operator's fantasy  
27 contests.

28          (7) Allow a person to restrict the total amount of  
29 deposits that the participant may pay to the licensed  
30 operator for a specific time period established by the

1 participant and implement reasonable procedures to prevent  
2 the participant from exceeding the limit.

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

11 (9) Disclose the number of entries a single participant  
12 may submit to each fantasy contest and take commercially  
13 reasonable steps to prevent participants from submitting more  
14 than the allowable number.

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

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

24 (12) Take commercially reasonable steps to maintain the  
25 confidentiality of a participant's personal and financial  
26 information.

27 (13) Segregate participant funds from operational funds  
28 in separate accounts and maintain a reserve in the form of  
29 cash, cash equivalents, security deposits held by banks and  
30 processors, an irrevocable letter of credit, payment

1 processor reserves and receivables, a bond or a combination  
2 thereof in an amount sufficient to pay all prizes and awards  
3 offered to winning participants. To satisfy this paragraph, a  
4 licensed operator that only offers season-long fantasy  
5 contests that generate less than \$250,000 in season-long  
6 fantasy contest adjusted revenue may contract with a third  
7 party to hold prizes and awards in an escrow account until  
8 after the season is concluded and prizes and awards are  
9 distributed.

10 (14) Provide winning in-State participants with  
11 information and documentation necessary to ensure the proper  
12 reporting of winnings by in-State participants to the  
13 department.

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

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

20 (17) Monitor fantasy contests for the use of scripts and  
21 restrict players found to have used scripts from  
22 participation in future fantasy contests.

23 (18) Establish conditions deemed appropriate by the  
24 board.

25 § 326. Prohibitions.

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

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

30 (2) offer a fantasy contest based, in whole or in part,

1 on collegiate or high school athletic events or players;

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

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

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

8 (6) issue credit to a participant to establish or fund a  
9 fantasy contest account;

10 (7) knowingly directly market to a participant during  
11 the time period in which the participant has self-excluded  
12 from the licensed operators' fantasy contests;

13 (8) knowingly permit a participant to enter the licensed  
14 operator's fantasy contests during the time period in which  
15 the participant has self-excluded from the licensed  
16 operators' fantasy contests;

17 (8.1) knowingly allow a self-excluded individual to keep  
18 a prize or award.

19 (9) knowingly accept a deposit in excess of a limit  
20 established by a participant for the specific time period  
21 established by the participant;

22 (10) share confidential information that could affect  
23 fantasy contest play with third parties until the information  
24 is made publicly available;

25 (11) knowingly permit a principal, an employee or a  
26 relative living in the same household of an employee or  
27 principal to become a participant in a fantasy contest  
28 offered by a licensed operator in which a licensed operator  
29 offers a prize or award;

30 (12) offer a fantasy contest where:

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

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

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

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

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

23           (14) knowingly allow a participant to use a script  
24 during a fantasy contest; and

25           (15) perform another action prohibited by the board.

26           (b) Deposit.--The licensed operator shall deposit the amount  
27 of the prize or award under subsection (a) (8.1) in the General  
28 Fund.

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

30           (a) Notification and approval.--

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

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

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

9           (iii) Another transaction or occurrence deemed by  
10 the board to be relevant to fantasy contest license  
11 qualifications.

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

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

30           (1) A purchaser of the assets, other than in the

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

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

19 (c) Change in control defined.--For purposes of this  
20 section, a change in control of a licensed operator shall mean  
21 the acquisition by a person or group of persons acting in  
22 concert of more than 20% of a licensed operator's securities or  
23 other ownership interests, with the exception of an ownership  
24 interest of the person that existed at the time of initial  
25 licensing and payment of the initial fantasy contest license  
26 fee, or more than 20% of the securities or other ownership  
27 interests of a corporation or other form of business entity that  
28 owns directly or indirectly at least 20% of the voting or other  
29 securities or other ownership interests of the licensed  
30 operator.

1 (d) License revocation.--Failure to comply with this section  
2 may cause the fantasy contest license issued under this chapter  
3 to be revoked or suspended by the board unless the purchase of  
4 the assets or the change in control that meets the criteria of  
5 this section has been independently qualified in advance by the  
6 board and a required application or license fee has been paid.  
7 § 328. Penalties.

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

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

13 (2) The board may revoke a fantasy contest license if  
14 the board finds that facts not known by the board at the time  
15 the board considered the application indicate that the  
16 license should not have been issued.

17 (b) Administrative penalties.--

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

22 (2) A violation of this chapter that is determined to be  
23 an offense of a continuing nature shall be deemed to be a  
24 separate offense on each event or day during which the  
25 violation occurs, except that the total administrative  
26 penalty for an offense of a continuing nature may not exceed  
27 \$25,000.

28 (3) The licensed operator shall have the right to appeal  
29 administrative penalties in accordance with 2 Pa.C.S. Chs. 5  
30 Subch. A (relating to practice and procedure of Commonwealth

1 agencies) and 7 Subch. A (relating to judicial review of  
2 Commonwealth agency action).

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

5 (c) Civil penalties.--

6 (1) In addition to the provisions of this section, a  
7 person who knowingly violates a provision of this chapter  
8 shall be liable for a civil penalty of not more than \$1,000  
9 for each violation.

10 (2) The civil penalty shall be recovered in a civil  
11 action brought by the board and shall be paid into the  
12 General Fund.

13 SUBCHAPTER D

14 FISCAL PROVISIONS

15 Sec.

16 331. Fantasy contest tax.

17 332. Licensed operator deposits.

18 333. Responsibility and authority of department.

19 § 331. Fantasy contest tax.

20 (a) Imposition.--Each licensed operator shall report to the  
21 department and pay from its quarterly fantasy contest adjusted  
22 revenues, on a form and in the manner prescribed by the  
23 department, a tax of 12% of its quarterly fantasy contest  
24 adjusted revenues.

25 (b) Deposits and distributions.--

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

30 (2) All funds owed to the Commonwealth under this

1 section shall be held in trust for the Commonwealth by the  
2 licensed operator until the funds are paid to the department.

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

5 (c) Penalty.--

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

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

14 § 332. Licensed operator deposits.

15 (a) Accounts established.--The State Treasurer shall  
16 establish within the State Treasury an account for each licensed  
17 operator for the deposit of sums required under subsection (b)  
18 to:

19 (1) recover costs or expenses incurred by the board and  
20 the department in carrying out their powers and duties under  
21 this chapter based upon a budget submitted by the board and  
22 the department under subsection (c); and

23 (2) repay any loans made by the General Fund to the  
24 board or the department in connection with carrying out their  
25 powers and duties under this chapter.

26 (b) Deposits.--

27 (1) The department shall determine the appropriate  
28 assessment amount for each licensed operator, which shall be  
29 a percentage assessed on the licensed operator's fantasy  
30 contest adjusted revenues. Each licensed operator shall

1 deposit funds into its account on a quarterly basis.

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

4 (i) recover costs or expenses incurred by the board  
5 and the department in carrying out powers and duties  
6 under this chapter based on a budget submitted by the  
7 board and the department under subsection (c); and

8 (ii) repay loans made from the General Fund to the  
9 board in connection with carrying out its powers and  
10 duties under this chapter.

11 (c) Itemized budget reporting.--

12 (1) The board and the department shall prepare and  
13 annually submit to the chairman of the Appropriations  
14 Committee of the Senate and the chairman of the  
15 Appropriations Committee of the House of Representatives an  
16 itemized budget consisting of amounts to be appropriated out  
17 of the accounts established under this section necessary to  
18 administer this chapter.

19 (2) As soon as practicable after submitting copies of  
20 the itemized budget, the board and the department shall  
21 jointly prepare and submit to the chairman of the  
22 Appropriations Committee of the Senate and the chairman of  
23 the Appropriations Committee of the House of Representatives  
24 analyses of and make recommendations regarding the itemized  
25 budget.

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

29 (e) Penalty.--

30 (1) A licensed operator who fails to timely remit to the

1 department amounts required under this section shall be  
2 liable, in addition to liability imposed in this chapter, to  
3 a penalty of 5% per month up to a maximum of 25% of the  
4 amounts ultimately found to be due, to be recovered by the  
5 department.

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

8 § 333. Responsibility and authority of department.

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

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

21 SUBCHAPTER E

22 MISCELLANEOUS PROVISIONS

23 Sec.

24 341. Applicability of other statutes.

25 342. Licensed gaming entities.

26 343. Funding.

27 § 341. Applicability of other statutes.

28 (a) Unlawful gambling.--The provisions of 18 Pa.C.S. § 5513  
29 (relating to gambling devices, gambling, etc.) shall not apply  
30 to a fantasy contest conducted in accordance with this chapter.

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

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

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

13 § 342. Licensed gaming entities.

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

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

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

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

30 (e) Gaming service providers.--A licensed operator who is

1 not a licensed gaming entity may, at the discretion of the  
2 board, be certificated or registered as a gaming service  
3 provider under section 1317.2 (relating to gaming service  
4 provider) in order to operate fantasy contests subject to the  
5 restrictions of subsection (c) on behalf of a licensed gaming  
6 entity.

7 § 343. Funding.

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

9 (1) The sum of \$1,250,000 is appropriated to the board  
10 for the fiscal year period July 1, 2017, to June 30, 2018,  
11 for the purpose of implementing and administering the  
12 provisions of this chapter.

13 (2) The sum of \$500,000 is appropriated to the  
14 department for the fiscal period July 1, 2017, to June 30,  
15 2018, for the purpose of implementing and administering the  
16 provisions of this chapter.

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

25 (c) Unused amounts.--On July 1, 2018, any portion of amounts  
26 appropriated under subsection (a) that is unexpended,  
27 unencumbered or uncommitted as of June 30 of the prior fiscal  
28 year shall automatically be transferred to the General Fund.

29 Section 2. Section 1102 of Title 4 is amended by adding  
30 paragraphs to read:

1 § 1102. Legislative intent.

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

5 \* \* \*

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

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

17 \* \* \*

18 Section 3. The definitions of "associated equipment," "cash  
19 equivalent," "cheat," "cheating or thieving device,"  
20 "commission" or "commissions," "conduct of gaming," "contest,"  
21 "counterfeit chip," "fully automated electronic gaming table,"  
22 "gaming employee," "gaming school," "gaming service provider,"  
23 "key employee," "licensed facility," "licensed racing entity,"  
24 "manufacturer," "manufacturer license," "player," "progressive  
25 payout," "progressive system," "Race Horse Industry Reform Act,"  
26 "slot machine," "supplier," "supplier license" and "table game  
27 device" in section 1103 of Title 4 are amended and the section  
28 is amended by adding definitions to read:

29 § 1103. Definitions.

30 The following words and phrases when used in this part shall

1 have the meanings given to them in this section unless the  
2 context clearly indicates otherwise:

3 \* \* \*

4 "Airport authority." The governing body of a municipal  
5 authority organized and incorporated to oversee the operations  
6 of a qualified airport under 53 Pa.C.S. Ch. 56 (relating to  
7 municipal authorities) or the governing body of a city of the  
8 first class, which regulates the use and control of a qualified  
9 airport.

10 "Airport gaming area." A location or locations within a  
11 qualified airport approved for the conduct of authorized  
12 interactive games through the use of multi-use computing devices  
13 by eligible passengers as approved by the airport authority  
14 unless a concession operator's existing contract permits such  
15 activities at locations within a qualified airport.

16 \* \* \*

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

1 interactive games as approved by the Pennsylvania Gaming Control  
2 Board. The term shall not include count room equipment.

3 \* \* \*

4 "Authorized interactive game." An interactive game approved  
5 by regulation of the Pennsylvania Gaming Control Board to be  
6 suitable for interactive gaming offered by an interactive gaming  
7 certificate holder or other persons on behalf of a slot machine  
8 licensee in accordance with Chapter 13B (relating to interactive  
9 gaming). The term shall include any interactive game approved by  
10 regulation of the Pennsylvania Gaming Control Board to be  
11 suitable for interactive gaming through the use of a multi-use  
12 computing device.

13 \* \* \*

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

- 16 (1) Chips or tokens.
- 17 (2) Travelers checks.
- 18 (3) Foreign currency and coin.
- 19 (4) Certified checks, cashier's checks and money orders.
- 20 (5) Personal checks or drafts.

21 (6) A negotiable instrument applied against credit  
22 extended by a certificate holder, an interactive gaming  
23 certificate holder, a holder of an interactive gaming license  
24 or a financial institution.

25 (7) Any other instrument or representation of value that  
26 the Pennsylvania Gaming Control Board deems a cash  
27 equivalent.

28 \* \* \*

29 "Cheat." To defraud or steal from any player, slot machine  
30 licensee or the Commonwealth while operating or playing a slot

1 machine [or], table game[, ] or authorized interactive game,  
2 including causing, aiding, abetting or conspiring with another  
3 person to do so. The term shall also mean to alter or causing,  
4 aiding, abetting or conspiring with another person to alter the  
5 elements of chance, method of selection or criteria which  
6 determine:

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

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

11 (3) The value of a wagering instrument.

12 (4) The value of a wagering credit.

13 The term does not include altering a slot machine, table game  
14 device or associated equipment or interactive gaming device or  
15 associated equipment for maintenance or repair with the approval  
16 of a slot machine licensee.

17 "Cheating or thieving device." A device, software or  
18 hardware used or possessed with the intent to be used to cheat  
19 during the operation or play of any slot machine [or], table  
20 game or authorized interactive game. The term shall also include  
21 any device used to alter a slot machine [or], a table game  
22 device or associated equipment, an authorized interactive game  
23 or interactive gaming device or associated equipment without the  
24 slot machine licensee's approval.

25 \* \* \*

26 ["Commission" or "commissions."] "Commission." The State  
27 Horse Racing Commission [or the State Harness Racing Commission,  
28 or both as the context may require].

29 \* \* \*

30 "Concession operator." A person engaged in the sale or

1 offering for sale of consumer goods or services to the public at  
2 a qualified airport, or authorized to conduct other commercial  
3 activities related to passenger services at a qualified airport,  
4 in accordance with the terms and conditions of an agreement or  
5 contract with an airport authority, government entity or other  
6 person.

7 "Conduct of gaming." The licensed placement, operation and  
8 play of slot machines [and], table games and interactive games  
9 under this part, as authorized and approved by the Pennsylvania  
10 Gaming Control Board. The term shall include the licensed  
11 placement, operation and play of authorized interactive games  
12 through the use of multi-use computing devices at a qualified  
13 airport, as authorized and approved by the Pennsylvania Gaming  
14 Control Board.

15 "Contest." A slot machine, table game or authorized  
16 interactive game competition among players for cash, cash  
17 equivalents or prizes.

18 \* \* \*

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

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

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

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

28 (4) presented during play of an authorized interactive  
29 game for redemption, if the object or thing was not issued by  
30 the interactive gaming certificate holder or other person on

1 behalf of an interactive gaming certificate holder.

2 \* \* \*

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

7 \* \* \*

8 "Fully automated electronic gaming table." An electronic  
9 gaming table determined by the Pennsylvania Gaming Control Board  
10 to be playable or operable as a table game without the  
11 assistance or participation of a person acting on behalf of a  
12 certificate holder. The term shall include a multi-use computing  
13 device, which through the use of digital, electronic or other  
14 communications technology, is capable of simulating a table  
15 game.

16 \* \* \*

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

- 19 (1) Cashiers.
- 20 (2) Change personnel.
- 21 (3) Count room personnel.
- 22 (4) Slot attendants.
- 23 (5) Hosts or other individuals authorized to extend  
24 complimentary services, including employees performing  
25 functions similar to those performed by a gaming junket  
26 representative.
- 27 (6) Machine mechanics, computer machine technicians or  
28 table game device technicians.
- 29 (7) Security personnel.
- 30 (8) Surveillance personnel.

1           (9) Promotional play supervisors, credit supervisors,  
2           pit supervisors, cashier supervisors, shift supervisors,  
3           table game managers and assistant managers and other  
4           supervisors and managers, except for those specifically  
5           identified in this part as key employees.

6           (10) Boxmen.

7           (11) Dealers or croupiers.

8           (12) Floormen.

9           (13) Personnel authorized to issue promotional play.

10          (14) Personnel authorized to issue credit.

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

28          "Gaming floor." A portion of a licensed facility where slot  
29 machines or table games have been installed for use or play.

30          "Gaming-related restricted area." A room or area of a

1 licensed facility which is specifically designated by the  
2 Pennsylvania Gaming Control Board as restricted or by the slot  
3 machine licensee as restricted in its board-approved internal  
4 controls.

5 \* \* \*

6 "Gaming school." Any educational institution approved by the  
7 Department of Education as an accredited college or university,  
8 community college, Pennsylvania private licensed school or its  
9 equivalent and whose curriculum guidelines are approved by the  
10 Department of Labor and Industry to provide education and job  
11 training related to employment opportunities associated with  
12 slot machines [or], table games or interactive games, including  
13 slot machine, table game device and associated equipment  
14 maintenance and repair and interactive gaming devices and  
15 associated equipment maintenance and repair.

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

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

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

29 "Gross interactive gaming revenue." The total of all cash or  
30 cash equivalent wagers paid by registered players to an

1 interactive gaming certificate holder in consideration for the  
2 play of authorized interactive games, minus:

3 (1) The total of cash or cash equivalents paid out to  
4 registered players as winnings.

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

9 (3) Any administrative fee, operations fee or tax paid  
10 to another state or jurisdiction pursuant to an interactive  
11 gaming reciprocal agreement.

12 Amounts deposited with an interactive gaming certificate holder  
13 for purposes of interactive gaming and amounts taken in  
14 fraudulent acts perpetrated against an interactive gaming  
15 certificate holder for which the interactive gaming certificate  
16 holder is not reimbursed may not be considered to have been paid  
17 to the interactive gaming certificate holder for purposes of  
18 calculating gross interactive gaming revenue.

19 \* \* \*

20 "Hybrid slot machine." A slot machine in which a combination  
21 of the skill of the player and elements of chance affects the  
22 outcome of the game.

23 \* \* \*

24 "Interactive game." Any gambling game offered through the  
25 use of communications technology that allows a person, utilizing  
26 money, checks, electronic checks, electronic transfers of money,  
27 credit cards or other instrumentality to transmit electronic  
28 information to assist in the placement of a bet or wager and  
29 corresponding information related to the display of the game,  
30 game outcomes or other similar information. The term shall not

1 include:

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

5 (2) Nongambling games that do not otherwise require a  
6 license under the laws of this Commonwealth.

7 For the purposes of this definition, the term "communications  
8 technology" shall mean any method used and the components  
9 employed to facilitate the transmission and receipt of  
10 information, including transmission and reception by systems  
11 using wire, wireless, cable, radio, microwave, light, fiber  
12 optics, satellite or computer data networks, including the  
13 Internet and intranets, as approved by the board.

14 "Interactive gaming." The placing of bets or wagers with an  
15 interactive gaming certificate holder or interactive gaming  
16 licensee located in this Commonwealth using a computer network  
17 of both Federal and non-Federal interoperable packet switched  
18 data networks through which an interactive gaming certificate  
19 holder may offer authorized interactive games to registered  
20 players. The term shall include the placing of bets or wagers  
21 through the use of a multi-use computing device.

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

26 "Interactive gaming account agreement." An agreement entered  
27 into between an interactive gaming certificate holder or other  
28 person on behalf of an interactive gaming certificate holder and  
29 an individual which governs the terms and conditions of the  
30 individual's interactive gaming account and the use of the

1 Internet for purposes of placing bets or wagers on authorized  
2 interactive games operated by an interactive gaming certificate  
3 holder or other person on behalf of an interactive gaming  
4 certificate holder.

5 "Interactive gaming agreement." An agreement entered into by  
6 or between an interactive gaming certificate holder and an  
7 interactive gaming operator related to the offering or operation  
8 of interactive gaming or an interactive gaming system on behalf  
9 of an interactive gaming certificate holder. The term shall  
10 include an interactive gaming agreement entered into by or  
11 between an interactive gaming certificate holder and an  
12 interactive gaming operator for the conduct of interactive  
13 gaming through the use of multi-use computing devices at a  
14 qualified airport in accordance with this part.

15 "Interactive gaming certificate." The authorization issued  
16 to a slot machine licensee by the Pennsylvania Gaming Control  
17 Board authorizing the operation and conduct of interactive  
18 gaming by a slot machine licensee or other person on behalf of a  
19 slot machine licensee in accordance with Chapter 13B (relating  
20 to interactive gaming).

21 "Interactive gaming certificate holder." A slot machine  
22 licensee that has been granted authorization by the Pennsylvania  
23 Gaming Control Board to operate authorized interactive games in  
24 accordance with Chapter 13B (relating to interactive gaming).

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

29 "Interactive gaming license." A license issued to a person  
30 by the Pennsylvania Gaming Control Board under Chapter 13B.

1 "Interactive gaming licensee." A person who has been issued  
2 a license to act as an interactive gaming operator under Chapter  
3 13B.

4 "Interactive gaming operator." A person, including an  
5 affiliate of a slot machine licensee, licensed by the  
6 Pennsylvania Gaming Control Board to operate interactive gaming  
7 or an interactive gaming system on behalf of an interactive  
8 gaming certificate holder.

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

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

25 "Interactive gaming restricted area." A room or area, as  
26 approved by the Pennsylvania Gaming Control Board, used by an  
27 interactive gaming certificate holder or interactive gaming  
28 license holder to manage, control and operate interactive  
29 gaming, including, where approved by the board, redundancy  
30 facilities.

1 "Interactive gaming skin or skins." The portal or portals to  
2 an interactive gaming platform or Internet website through which  
3 authorized interactive games are made available to registered  
4 players by an interactive gaming certificate holder or other  
5 person on behalf of an interactive gaming certificate holder in  
6 this Commonwealth or players in another state or jurisdiction in  
7 which an interactive gaming reciprocal agreement has been  
8 entered.

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

12 "Internet website." The interactive gaming skin or skins or  
13 Internet portal or portals through which an interactive gaming  
14 certificate holder or other person makes authorized interactive  
15 games available for play.

16 \* \* \*

17 "Key employee." Any individual who is employed in a director  
18 or department head capacity and who is empowered to make  
19 discretionary decisions that regulate slot machine or table game  
20 operations or interactive gaming operations, including the  
21 general manager and assistant manager of the licensed facility,  
22 director of slot operations, director of table game operations,  
23 director of interactive gaming, director of cage and/or credit  
24 operations, director of surveillance, director of marketing,  
25 director of management information systems, director of  
26 interactive gaming system programs or other similar job  
27 classifications associated with interactive gaming, persons who  
28 manage, control or administer interactive gaming or the bets and  
29 wagers associated with authorized interactive games, director of  
30 security, comptroller and any employee who is not otherwise

1 designated as a gaming employee and who supervises the  
2 operations of these departments or to whom these department  
3 directors or department heads report and such other positions  
4 not otherwise designated or defined under this part which the  
5 Pennsylvania Gaming Control Board shall determine based on  
6 detailed analyses of job descriptions as provided in the  
7 internal controls of the licensee as approved by the  
8 Pennsylvania Gaming Control Board. All other gaming employees  
9 unless otherwise designated by the Pennsylvania Gaming Control  
10 Board shall be classified as non-key employees.

11 \* \* \*

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

19 (1) area of a licensed racetrack at which a slot machine  
20 licensee was previously authorized pursuant to section  
21 1207(17) (relating to regulatory authority of board) to  
22 operate slot machines prior to the effective date of this  
23 paragraph;

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

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

28 The term shall not include a redundancy facility or an  
29 interactive gaming restricted area which is not located on the  
30 premises of a licensed facility as approved by the Pennsylvania

1 Gaming Control Board and which is maintained and operated by an  
2 interactive gaming certificate holder in connection with  
3 interactive gaming.

4 \* \* \*

5 "Licensed racing entity." Any legal entity that has obtained  
6 a license to conduct live thoroughbred or harness horse race  
7 meetings respectively with pari-mutuel wagering from [either]  
8 the State Horse Racing Commission [or the State Harness Racing  
9 Commission] pursuant to [the act of December 17, 1981 (P.L.435,  
10 No.135), known as] the Race Horse Industry Reform Act.

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

22 "Manufacturer license." A license issued by the Pennsylvania  
23 Gaming Control Board authorizing a manufacturer to manufacture  
24 or produce slot machines, table game devices or associated  
25 equipment, interactive gaming devices or associated equipment  
26 for use in this Commonwealth for gaming purposes.

27 \* \* \*

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

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

1           (i) Allows a player to access an authorized  
2 interactive game.

3           (ii) Is located and accessible to eligible  
4 passengers only in an airport gaming area.

5           (iii) Communicates with a server that is in a  
6 location approved by the Pennsylvania Gaming Control  
7 Board.

8           (iv) Is approved by the Pennsylvania Gaming Control  
9 Board.

10           (v) Has the capability of being linked to and  
11 monitored by the department's central control computer  
12 system, as applicable for any particular interactive  
13 game.

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

17           (2) The term shall not include a tablet or computing  
18 device that restricts, prohibits or is incapable of providing  
19 access to interactive gaming, interactive gaming skins or  
20 interactive gaming platforms.

21           "Multistate-wide area progressive slot machine system." The  
22 linking of slot machines located in this Commonwealth with slot  
23 machines located in one or more states or jurisdictions in which  
24 the Pennsylvania Gaming Control Board has entered into an  
25 agreement authorizing the conduct of a multistate-wide area  
26 progressive slot machine system by slot machine licensees in  
27 this Commonwealth with gaming entities in another state or  
28 jurisdiction, as approved by the Pennsylvania Gaming Control  
29 Board.

30           \* \* \*

1 "Nongaming service provider." A person that is not a gaming  
2 service provider or required to be licensed as a manufacturer,  
3 supplier, management company or gaming junket enterprise under  
4 this part or regulations of the Pennsylvania Gaming Control  
5 Board and that provides goods or services:

6 (1) to a slot machine licensee or applicant for a slot  
7 machine license for use in the operation of a licensed  
8 facility; and

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

11 \* \* \*

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

20 \* \* \*

21 "Progressive payout." A slot machine wager payout that  
22 increases in a monetary amount based on the amounts wagered in a  
23 progressive system, including a multistate-wide area progressive  
24 slot machine system.

25 "Progressive system." A computerized system linking slot  
26 machines in one or more licensed facilities within this  
27 Commonwealth and offering one or more common progressive payouts  
28 based on the amounts wagered. The term shall include the linking  
29 of slot machines in a licensed facility in this Commonwealth  
30 with a multistate-wide area progressive system operated by

1 gaming entities in one or more states or jurisdictions as  
2 approved by the Pennsylvania Gaming Control Board.

3 \* \* \*

4 "Qualified airport." A publicly owned commercial service  
5 airport that is designated by the Federal Government as an  
6 international airport.

7 "Race Horse Industry Reform Act." [The act of December 17,  
8 1981 (P.L.435, No.135), known as the Race Horse Industry Reform  
9 Act.] 3 Pa.C.S. Ch. 93 (relating to race horse industry reform).

10 \* \* \*

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

15 "Registered player." An individual who has entered into an  
16 interactive gaming account agreement with an interactive gaming  
17 certificate holder.

18 \* \* \*

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

21 "Skill slot machine." A slot machine in which the skill of  
22 the player, rather than the elements of chance, is the  
23 predominant factor in affecting the outcome of the game.

24 "Slot machine." Includes:

25 (1) Any mechanical, electrical or computerized  
26 contrivance, terminal, machine or other device approved by  
27 the Pennsylvania Gaming Control Board which, upon insertion  
28 of a coin, bill, ticket, token or similar object therein or  
29 upon payment of any consideration whatsoever, including the  
30 use of any electronic payment system except a credit card or

1 debit card, is available to play or operate, the play or  
2 operation of which, whether by reason of skill or application  
3 of the element of chance or both, may deliver or entitle the  
4 person or persons playing or operating the contrivance,  
5 terminal, machine or other device to receive cash, billets,  
6 tickets, tokens or electronic credits to be exchanged for  
7 cash or to receive merchandise or anything of value  
8 whatsoever, whether the payoff is made automatically from the  
9 machine or manually. A slot machine:

10 [(1)] (i) May utilize spinning reels or video  
11 displays or both.

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

14 [(3)] (iii) May use an electronic credit system for  
15 receiving wagers and making payouts.

16 (2) The term shall include [associated equipment] all of  
17 the following:

18 (i) Associated equipment necessary to conduct the  
19 operation of the contrivance, terminal, machine or other  
20 device.

21 (ii) A skill slot machine, hybrid slot machine and  
22 the devices or associated equipment necessary to conduct  
23 the operation of a skill slot machine or hybrid slot  
24 machine.

25 (iii) A multistate-wide area progressive slot  
26 machine and devices and associated equipment as defined  
27 by the board through regulations.

28 (iv) A multi-use computing device which is capable  
29 of simulating, either digitally or electronically, a slot  
30 machine.

1 \* \* \*

2 "Supplier." A person that sells, leases, offers or otherwise  
3 provides, distributes or services any slot machine, table game  
4 device or associated equipment, or interactive gaming device or  
5 associated equipment for use or play of slot machines [or],  
6 table games or interactive games in this Commonwealth. The term  
7 shall include a person that sells, leases, offers or otherwise  
8 provides, distributes or services any multi-use computing device  
9 as approved by the Pennsylvania Gaming Control Board.

10 "Supplier license." A license issued by the Pennsylvania  
11 Gaming Control Board authorizing a supplier to provide products  
12 or services related to slot machines, table game devices or  
13 associated equipment, interactive gaming device, including any  
14 multi-use computing device or associated equipment, to slot  
15 machine licensees for use in this Commonwealth for gaming  
16 purposes.

17 \* \* \*

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

26 \* \* \*

27 Section 4. Section 1202(a)(1) and (b)(20) and (23) of Title  
28 4 are amended and subsection (b) is amended by adding paragraphs  
29 to read:

30 § 1202. General and specific powers.

1 (a) General powers.--

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

13 \* \* \*

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

16 \* \* \*

17 (12.2) At its discretion, to award, revoke, suspend,  
18 condition or deny an interactive gaming certificate or an  
19 interactive gaming license in accordance with Chapter 13B  
20 (relating to interactive gaming).

21 \* \* \*

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

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

8 \* \* \*

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

23 \* \* \*

24 (27.2) Within six months of the effective date of this  
25 section, to publish on the board's Internet website a  
26 complete list of all slot machine licensees that filed a  
27 petition seeking authorization to conduct interactive gaming  
28 and the status of each petition or interactive gaming  
29 certificate.

30 \* \* \*

1           (35) To review detailed site plans identifying the  
2 interactive gaming restricted area or room where a slot  
3 machine licensee proposes to manage, administer or control  
4 interactive gaming operations to determine the adequacy of  
5 the proposed internal and external security and proposed  
6 surveillance measures.

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

11           (i) the name of a person, entity or firm to whom  
12 payment, remuneration or other benefit or thing of value  
13 has been made or conferred for professional services,  
14 including, but not limited to, interactive gaming system  
15 operations or management, legal, consulting and lobbying  
16 services;

17           (ii) the amount or value of the payments,  
18 remuneration, benefit or thing of value;

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

21           (iv) the reason or purpose for the procurement of  
22 the services.

23           (37) To review and approve detailed site and  
24 architectural plans identifying the area of a licensed  
25 facility where a slot machine licensee proposes to place and  
26 make multistate-wide area progressive slot machines, skill  
27 slot machines or hybrid slot machines available for play in  
28 order to determine the adequacy of proposed internal and  
29 external controls, security and proposed surveillance  
30 measures.

1 Section 5. Sections 1204 and 1206(f)(1) of Title 4 are  
2 amended to read:

3 § 1204. Licensed gaming entity application appeals from board.

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

23 § 1206. Board minutes and records.

24 \* \* \*

25 (f) Confidentiality of information.--

26 (1) The following information submitted by an applicant,  
27 permittee, certificate holder or licensee pursuant to section  
28 1310(a) (relating to slot machine license application  
29 character requirements) [or] 1308(a.1) (relating to  
30 applications for license or permit), 13B12 (relating to

1 interactive gaming certificate required and content of  
2 petition) or 13B14 (relating to interactive gaming operators)  
3 or obtained by the board or the bureau as part of a  
4 background or other investigation from any source shall be  
5 confidential and withheld from public disclosure:

6 (i) All information relating to character, honesty  
7 and integrity, including family, habits, reputation,  
8 history of criminal activity, business activities,  
9 financial affairs and business, professional and personal  
10 associations submitted under section 1310(a) or 1308(a.1)  
11 or otherwise obtained by the board or the bureau.

12 (ii) Nonpublic personal information, including home  
13 addresses, telephone numbers and other personal contact  
14 information, Social Security numbers, educational  
15 records, memberships, medical records, tax returns and  
16 declarations, actual or proposed compensation, financial  
17 account records, creditworthiness or financial condition  
18 relating to an applicant, licensee [or], permittee,  
19 including the holder of an interactive gaming certificate  
20 or interactive gaming license, or the immediate family  
21 thereof.

22 (iii) Information relating to proprietary  
23 information, trade secrets, patents or exclusive  
24 licenses, architectural and engineering plans and  
25 information relating to competitive marketing materials  
26 and strategies, which may include customer-identifying  
27 information or customer prospects for services subject to  
28 competition.

29 (iv) Security information, including risk prevention  
30 plans, detection and countermeasures, location of count

1 rooms, location of interactive gaming restricted areas  
2 and redundancy facilities, emergency management plans,  
3 security and surveillance plans, equipment and usage  
4 protocols and theft and fraud prevention plans and  
5 countermeasures.

6 (v) Information with respect to which there is a  
7 reasonable possibility that public release or inspection  
8 of the information would constitute an unwarranted  
9 invasion into personal privacy of any individual as  
10 determined by the board.

11 (vi) Records of an applicant or licensee not  
12 required to be filed with the Securities and Exchange  
13 Commission by issuers that either have securities  
14 registered under section 12 of the Securities Exchange  
15 Act of 1934 (48 Stat. 881, 15 U.S.C. § 781) or are  
16 required to file reports under section 15(d) of the  
17 Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.  
18 § 78o).

19 (vii) Records considered nonpublic matters or  
20 information by the Securities and Exchange Commission as  
21 provided by 17 CFR 200.80 (relating to commission records  
22 and information).

23 (viii) Any financial information deemed confidential  
24 by the board upon a showing of good cause by the  
25 applicant or licensee.

26 \* \* \*

27 Section 6. Section 1207(1), (3), (4), (5), (6), (8), (9),  
28 (10) and (21) of Title 4 are amended and the section is amended  
29 by adding paragraphs to read:

30 § 1207. Regulatory authority of board.

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

2 (1) Deny, deny the renewal, revoke, condition or suspend  
3 any license [or], permit, certificate, registration or other  
4 authorizations provided for in this part if the board finds  
5 in its sole discretion that a licensee [or], permittee,  
6 registrant or certificate holder, including an interactive  
7 gaming operator, under this part, or its officers, employees  
8 or agents, have furnished false or misleading information to  
9 the board or failed to comply with the provisions of this  
10 part or the rules and regulations of the board and that it  
11 would be in the public interest to deny, deny the renewal,  
12 revoke, condition or suspend the license [or], permit,  
13 certificate, registration or other authorizations.

14 \* \* \*

15 (3) Prescribe and require periodic financial reporting  
16 and internal control requirements for all licensed entities,  
17 including, in the case of interactive gaming, all interactive  
18 gaming operators.

19 (4) Require that each licensed entity, including, in the  
20 case of interactive gaming, each interactive gaming operator,  
21 provide to the board its audited annual financial statements,  
22 with such additional detail as the board from time to time  
23 shall require, which information shall be submitted not later  
24 than 90 days after the end of the licensee's fiscal year.

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

29 (6) Prescribe criteria and conditions for the operation  
30 of slot machine progressive systems, including multistate-

1 wide area progressive slot machine systems. A wide area  
2 progressive slot system shall be collectively administered by  
3 participating slot machine licensees in accordance with the  
4 terms of a written agreement executed by each participating  
5 slot machine licensee and, in the case of a multistate-wide  
6 area progressive slot machine system, in accordance with the  
7 terms of an agreement executed by the slot machine licensee  
8 and authorized gaming entities in other states or  
9 jurisdictions, as approved by the board.

10 (6.1) Collaborate with the appropriate gaming  
11 authorities in other states or jurisdictions to facilitate  
12 the establishment of multistate-wide area progressive slot  
13 machine systems by slot machine licensees in this  
14 Commonwealth and, if determined necessary, enter into the  
15 necessary agreements with other states or jurisdictions as  
16 necessary for the operation of multistate-wide area  
17 progressive slot machine systems by slot machine licensees in  
18 this Commonwealth.

19 \* \* \*

20 (7.2) Enforce prescribed hours for the operation of  
21 authorized interactive games so that an interactive gaming  
22 certificate holder or interactive gaming licensee may conduct  
23 authorized interactive games on any day during the year in  
24 order to meet the needs of registered players or to meet  
25 competition.

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

30 (9) Establish procedures for the inspection and

1 certification of compliance of each slot machine, table game,  
2 table game device and associated equipment, interactive game  
3 and interactive gaming device and associated equipment prior  
4 to being placed into use by a slot machine licensee.

5 (10) Require that no slot machine or authorized  
6 interactive game that replicates the play of a slot machine  
7 may be set to pay out less than the theoretical payout  
8 percentage, which shall be no less than 85%, as specifically  
9 approved by the board. The board shall adopt regulations that  
10 define the theoretical payout percentage of a slot machine  
11 game based on the total value of the jackpots expected to be  
12 paid by a play or a slot machine game divided by the total  
13 value of slot machine wagers expected to be made on that play  
14 or slot machine game during the same portion of the game  
15 cycle. In so doing, the board shall decide whether the  
16 calculation shall include the entire cycle of a slot machine  
17 game or any portion thereof. Except that, in the case of  
18 skill slot machines and hybrid slot machines, the board shall  
19 adopt regulations to define the player's win percentage based  
20 on the relative skill of the player or the combination of  
21 skill and the elements of chance of the game. In the case of  
22 multistate-wide area progressive slot machine system, the  
23 theoretical payout percentage or a player's win percentage  
24 shall be as set forth in the agreement, as approved by the  
25 board.

26 \* \* \*

27 (21) Authorize, in its discretion, a slot machine  
28 licensee to conduct slot machine contests or tournaments,  
29 table game tournaments or contests in accordance with section  
30 13A22.1 (relating to table game tournaments) or interactive

1 gaming contests or tournaments and adopt regulations  
2 governing the conduct of such tournaments and contests.

3 (21.1) Authorize, at its discretion, a slot machine  
4 licensee to place and make multistate-wide area progressive  
5 slot machines, skill slot machines or hybrid slot machines  
6 available for play at licensed facilities.

7 (21.2) Adopt and promulgate regulations to govern the  
8 operation and placement of skill slot machines and hybrid  
9 slot machines by slot machine licensees at licensed  
10 facilities. In order to facilitate the operation and  
11 placement of skill slot machines and hybrid slot machines at  
12 licensed facilities pursuant to this paragraph, regulations  
13 promulgated by the board shall be deemed temporary  
14 regulations which shall expire two years after the date of  
15 publication in the Pennsylvania Bulletin.

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

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

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

28 (25) (Reserved).

29 (26) Negotiate and enter into interactive gaming  
30 reciprocal agreements on behalf of the Commonwealth to govern

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

17 (27) Enter into agreements with other states for the  
18 operation of multistate-wide area progressive slot machine  
19 systems.

20 Section 7. Section 1209(b) of Title 4 is amended to read:

21 § 1209. Slot machine license fee.

22 \* \* \*

23 (b) Term.--A slot machine license, after payment of the fee,  
24 shall be in effect unless suspended, revoked or not renewed by  
25 the board upon good cause consistent with the license  
26 requirements as provided for in this part. Slot machine  
27 licensees shall be required to update the information in their  
28 initial applications annually, and the license of a licensee in  
29 good standing shall be renewed every [three] five years. Nothing  
30 in this subsection shall relieve a licensee of the affirmative

1 duty to notify the board of any changes relating to the status  
2 of its license or to any other information contained in the  
3 application materials on file with the board. As to the renewal  
4 of a license, except as required in subsection (f) (3), no  
5 additional license fee pursuant to subsection (a) shall be  
6 required.

7 \* \* \*

8 Section 8. Section 1211 of Title 4 is amended by adding  
9 subsections to read:

10 § 1211. Reports of board.

11 \* \* \*

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

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

16 (i) Total gross interactive gaming revenue.

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

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

25 (2) The board may require interactive gaming certificate  
26 holders and other persons involved in the operation of  
27 interactive gaming on behalf of a slot machine licensee to  
28 provide information to the board to assist in the preparation  
29 of the report.

30 \* \* \*

1 (d.1) Impact of interactive gaming, annual report.--One year  
2 after the issuance of the first interactive gaming certificate,  
3 an annual report shall be prepared and distributed to the  
4 Governor and the standing committees of the General Assembly  
5 with jurisdiction over this part on the impact of interactive  
6 gaming on compulsive and problem gambling and gambling addiction  
7 in this Commonwealth. The report shall be prepared by a private  
8 organization or entity with expertise in serving and treating  
9 the needs of persons with compulsive gambling addictions,  
10 selected by the Department of Drug and Alcohol Programs. The  
11 report may be prepared and distributed in coordination with the  
12 board. Costs associated with the preparation and distribution of  
13 the report shall be borne by slot machine licensees who have  
14 been authorized by the board to conduct interactive gaming. The  
15 board shall be authorized to assess a fee against each slot  
16 machine licensee for these purposes.

17 (d.2) Additional information and annual reporting.--

18 (1) One year after the commencement of the operation of  
19 skill slot machines, hybrid slot machines and the operation  
20 of a multistate-wide area slot machine system, the report  
21 required under subsection (a) shall include information  
22 related to the following:

23 (i) The operation of skill slot machines and hybrid  
24 slot machines.

25 (ii) The operation of a multistate-wide area  
26 progressive slot machine system.

27 (2) Information on revenue, taxes, fees and fines, if  
28 any, collected during the preceding calendar year and other  
29 information, data or recommendations related to the operation  
30 of multistate-wide area progressive slot machines, skill slot

1 machines and hybrid slot machines as determined by the board.  
2 (d.3) Annual report.--In addition to its duties under  
3 subsection (d), the board shall have the continuing duty to  
4 study and annually report to the chairperson and minority  
5 chairperson of the Community, Economic and Recreational  
6 Development Committee of the Senate and to the chairperson and  
7 minority chairperson of the Gaming Oversight Committee of the  
8 House of Representatives on developments in gaming technology  
9 and the impact, if any, new technologies are having or will have  
10 on the sustainability and competitiveness of the commercial  
11 gaming industry in this Commonwealth. The report shall  
12 specifically address the following:

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

16 (2) New gaming products, if any, which have been  
17 introduced in other jurisdictions, both foreign and domestic.

18 (3) Gaming products which the board may have the  
19 authority to authorize pursuant to its regulatory authority  
20 under this part.

21 (4) Legislative or administrative concerns regarding  
22 traditional, new or emerging gaming technologies with  
23 recommendations regarding resolution of the concerns.

24 (d.4) Time of submission and reports.--Notwithstanding any  
25 provision of this part, all reports and studies required to be  
26 submitted under subsections (d.1), (d.2) and (d.3) after the  
27 effective date of this subsection shall be submitted initially  
28 by October 1, 2018, and by October 1 of each year thereafter.

29 \* \* \*

30 Section 9. Section 1212(e) of Title 4 is amended by adding a

1 paragraph to read:

2 § 1212. Diversity goals of board.

3 \* \* \*

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

8 \* \* \*

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

11 Section 10. Section 1305(a) and (e) of Title 4 are amended  
12 and the section is amended by adding a subsection to read:

13 § 1305. Category 3 slot machine license.

14 (a) Eligibility.--

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

29 (i) A registered overnight guest of the well-  
30 established resort hotel.

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

3           (iii) An authorized employee of the slot machine  
4 licensee, of a gaming service provider, of the board or  
5 of any regulatory, emergency response or law enforcement  
6 agency while engaged in the performance of the employee's  
7 duties.

8           (iv) An individual holding a valid membership  
9 approved in accordance with paragraph (1.1) or a guest of  
10 such individual.

11       (1.1) The board may approve a seasonal or year-round  
12 membership that allows an individual to use one or more of  
13 the amenities provided by the well-established resort hotel  
14 holding a Category 3 slot machine license. The membership  
15 shall allow the member and one guest to enter the gaming  
16 floor at any time as long as the guest is accompanied by the  
17 individual owning or holding the membership. The board shall  
18 base its approval of a membership on all of the following:

19           (i) The duration of the membership.

20           (ii) The amenity covered by the membership.

21           (iii) Whether the fee charged for the membership  
22 represents the fair market value for the use of the  
23 amenity.]

24       (2) Notwithstanding section 1512(a) and (a.1) (relating  
25 to public official financial interest), if at the time of  
26 application an applicant has terminated public office or  
27 employment as an executive-level public employee within the  
28 last calendar year, the applicant shall be eligible to apply  
29 for a slot machine license under this section but may not be  
30 issued a license until one year following the date of

1 termination as a public official or executive-level public  
2 employee. An application submitted in accordance with this  
3 paragraph shall not constitute a violation of section 1512(a)  
4 or (a.1).

5 (3) If the person seeking a slot machine license  
6 proposes to place the licensed facility upon land designated  
7 a subzone, an expansion subzone or an improvement subzone  
8 under the act of October 6, 1998 (P.L.705, No.92), known as  
9 the Keystone Opportunity Zone, Keystone Opportunity Expansion  
10 Zone and Keystone Opportunity Improvement Zone Act, the  
11 person shall, at any time prior to the application being  
12 approved, submit a statement waiving the exemptions,  
13 deductions, abatements or credits granted under the Keystone  
14 Opportunity Zone, Keystone Opportunity Expansion Zone and  
15 Keystone Opportunity Improvement Zone Act if the board  
16 approves the application.

17 \* \* \*

18 (d.1) Additional fee.--Notwithstanding subsection (d), no  
19 later than 60 days after the effective date of subsection (a),  
20 each holder of an existing Category 3 slot machine license  
21 issued by the board before January 1, 2018, shall pay a one-time  
22 fee of \$1,000,000 for deposit in the General Fund.

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

26 "Amenities." Any ancillary activities, services or  
27 facilities in which a registered guest or the transient public,  
28 in return for non-de minimis consideration as defined by board  
29 regulation, may participate at a well-established resort hotel,  
30 including, but not limited to, sports and recreational

1 activities and facilities such as a golf course or golf driving  
2 range, tennis courts or swimming pool; health spa; convention,  
3 meeting and banquet facilities; entertainment facilities; and  
4 restaurant facilities.

5 "Patron of the amenities." Any individual who is a  
6 registered attendee of a convention, meeting or banquet event or  
7 a participant in a sport or recreational event or any other  
8 social, cultural or business event held at a resort hotel or who  
9 participates in one or more of the amenities provided to  
10 registered guests of the well-established resort hotel.]

11 Section 11. Section 1309(a.1) heading of Title 4 is amended  
12 and the subsection is amended by adding a paragraph to read:

13 § 1309. Slot machine license application.

14 \* \* \*

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

16 \* \* \*

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

27 \* \* \*

28 Section 12. Sections 1317(a) and (c) and 1317.1(a), (b),  
29 (c), (c.1), (d.1) and (e) of Title 4 are amended and the  
30 sections are amended by adding subsections to read:

1 § 1317. Supplier licenses.

2 (a) Application.--A manufacturer that elects to contract  
3 with a supplier under section 1317.1(d.1) (relating to  
4 manufacturer licenses) shall ensure that the supplier is  
5 appropriately licensed under this section. A person seeking to  
6 provide slot machines, table game devices or associated  
7 equipment, interactive gaming devices or associated equipment or  
8 multi-use computing devices to a slot machine licensee or an  
9 interactive gaming licensee within this Commonwealth through a  
10 contract with a licensed manufacturer shall apply to the board  
11 for the appropriate supplier license.

12 \* \* \*

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

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

25 (2) The license shall be nontransferable.

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

27 \* \* \*

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

29 (1) Notwithstanding subsection (c.1)(1) or any  
30 regulations of the board to the contrary, the board may

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

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

21 \* \* \*

22 § 1317.1. Manufacturer licenses.

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

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

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

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

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

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

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

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

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

29           (1) The [initial license shall be for a period of one  
30 year, and, if renewed under subsection (d), the] license

1 shall be issued for a period of [three] five years and shall  
2 be renewed in accordance with subsection (d). Nothing in this  
3 paragraph shall relieve the licensee of the affirmative duty  
4 to notify the board of any changes relating to the status of  
5 its license or to any other information contained in  
6 application materials on file with the board.

7 (2) The license shall be nontransferable.

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

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

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

27 (2) The person to whom the manufacturer license was  
28 issued affirms there has been no material change in  
29 circumstances relating to the license.

30 (3) The board determines, in its sole discretion, that

1 there has been no material change in circumstances relating  
2 to the licensee that necessitates that the abbreviated  
3 process not be used.

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

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

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

26 \* \* \*

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

29 (1) A manufacturer or its designee, as licensed by the  
30 board, may supply or repair any slot machine, table game

1 device or associated equipment or interactive gaming device  
2 or associated equipment manufactured by the manufacturer,  
3 provided the manufacturer holds the appropriate manufacturer  
4 license.

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

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

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

27 (e) Prohibitions.--

28 (1) No person may manufacture slot machines, table game  
29 devices or associated equipment or interactive gaming devices  
30 or associated equipment for use within this Commonwealth by a

1 slot machine licensee unless the person has been issued the  
2 appropriate manufacturer license under this section.

3 (2) Except as permitted in section 13A23.1 (relating to  
4 training equipment), no slot machine licensee may use slot  
5 machines, table game devices or associated equipment, and  
6 authorized interactive games or interactive gaming devices or  
7 associated equipment unless the slot machines, table game  
8 devices or associated equipment, interactive games or  
9 interactive gaming devices or associated equipment were  
10 manufactured by a person that has been issued the appropriate  
11 manufacturer license under this section.

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

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

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

19 § 1317.3. Nongaming service provider.

20 (a) Notification required.--

21 (1) A slot machine licensee or applicant for a slot  
22 machine license that contracts with or otherwise engages in  
23 business with a nongaming service provider shall provide  
24 notification to the board prior to:

25 (i) the nongaming service provider's provision of  
26 goods or services at the slot machine licensee's licensed  
27 facility; or

28 (ii) the provision of goods or services for use in  
29 the operation of the slot machine licensee's licensed  
30 facility.

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

5           (b) Contents of notification.--Notification under this  
6           section shall include:

7           (1) The name and business address of the nongaming  
8           service provider.

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

11           (3) An affirmation from the slot machine licensee or  
12           applicant for a slot machine license that the goods or  
13           services to be provided by the nongaming service provider  
14           will not require access to the gaming floor or a gaming-  
15           related restricted area of a licensed facility.

16           (4) An affirmation from the slot machine licensee or  
17           applicant for a slot machine license certifying that the  
18           licensee or applicant has performed due diligence regarding  
19           the nongaming service provider and believes that the  
20           nongaming service provider and its employees will not  
21           adversely affect the public interest or integrity of gaming.

22           (5) Other information that the board may require.

23           (c) Duration of notification.--The nongaming service  
24           provider notification required under subsection (a) may be valid  
25           for three years unless modified by the board. In determining the  
26           duration of a nongaming service provider notification, the board  
27           shall consider the following:

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

29           (2) The frequency of business transactions related to  
30           the provision of the goods or services.

1           (3) Any other information the board deems necessary and  
2           appropriate.

3           (d) Conditions.--A slot machine licensee or applicant for a  
4           slot machine license that contracts or otherwise engages in  
5           business with a nongaming service provider shall be subject to  
6           the following conditions:

7           (1) The nongaming service provider or its employees  
8           shall only provide the goods and services described in the  
9           notification under this section.

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

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

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

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

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

27           (5) The board may prohibit a nongaming service provider  
28           and employees from providing goods or services to a slot  
29           machine licensee or applicant for a slot machine license at a  
30           licensed facility if the board determines the prohibition is

1 necessary to protect the public interest or integrity of  
2 gaming.

3 (e) Authority to exempt.--The board may exempt a nongaming  
4 service provider from the notification requirements of this  
5 section if the board determines any of the following:

6 (1) The nongaming service provider or the type or nature  
7 of the nongaming service provider's business is regulated by  
8 an agency of the Federal Government, an agency of the  
9 Commonwealth or the Pennsylvania Supreme Court.

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

12 (f) (Reserved).

13 (g) Criminal history record information.--Notwithstanding  
14 any other provision of this part or regulation of the board, a  
15 nongaming service provider shall provide a criminal history  
16 record information check obtained from the Pennsylvania State  
17 Police as defined in 18 Pa.C.S. § 9102 (relating to definitions)  
18 and permitted by 18 Pa.C.S. § 9121(b) (relating to general  
19 regulations).

20 (h) Emergency notification.--

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

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

30 (i) Notify the board immediately upon engaging a

1 nongaming service provider for which the board has not  
2 previously received notification in accordance with  
3 subsection (a).

4 (ii) Provide the notification required under  
5 subsection (a) within a reasonable time as established by  
6 the board.

7 (i) Nongaming service provider list.--

8 (1) The board shall have the authority to prohibit a  
9 nongaming service provider from engaging in business with a  
10 slot machine licensee upon a finding by the board that the  
11 prohibition is necessary to protect the public interest and  
12 the integrity of gaming.

13 (2) The board shall develop and maintain a list of  
14 prohibited nongaming service providers.

15 (3) A slot machine licensee or applicant for a slot  
16 machine license may not enter into an agreement or engage in  
17 business with a nongaming service provider appearing on the  
18 list under this subsection.

19 (j) Duties of nongaming service provider.--A nongaming  
20 service provider shall:

21 (1) Cooperate with the board and bureau regarding an  
22 investigation, hearing, enforcement action or disciplinary  
23 action.

24 (2) Comply with each condition, restriction,  
25 requirement, order or ruling of the board in accordance with  
26 this part.

27 (3) Report any change in circumstances to the slot  
28 machine licensee or applicant for a slot machine license that  
29 may render the nongaming service provider ineligible,  
30 unqualified or unsuitable for the provision of goods or

1 services at a licensed facility or use in the operation of a  
2 licensed facility. The slot machine licensee shall report a  
3 change in circumstances to the board in such form and manner  
4 as the board may establish.

5 (k) Construction.--Nothing in this section shall be  
6 construed to limit the powers and authority of the board under  
7 section 1202 (relating to general and specific powers of the  
8 board) or the regulatory authority of the board under section  
9 1207 (relating to regulatory authority of the board).

10 Section 14. Section 1320(a) of Title 4 is amended and the  
11 section is amended by adding a subsection to read:

12 § 1320. Slot machine testing and certification standards.

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

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

11 \* \* \*

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

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

25 (2) Specify the form and content of the application for  
26 registration.

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

1           (4) Establish uniform procedures and standards which  
2 private testing and certification facilities must comply with  
3 during the testing and certification of slot machines.

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

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

10          (7) Establish fees that must be paid by licensed  
11 manufacturers.

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

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

22          \* \* \*

23          Section 15. Section 1326 of Title 4 is amended to read:

24          § 1326. [License renewals] Renewals.

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

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

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

1 event of a suspension, the applicant's authorization to conduct  
2 the previously approved activity shall immediately cease until  
3 the board has notified the applicant that the suspension is no  
4 longer in effect.

5 Section 15.1. Title 4 is amended by adding a section to  
6 read:

7 § 1326.1. Slot machine license operation fee.

8 (a) Imposition.--Beginning January 1, 2017, the board shall  
9 impose an annual slot machine license operation fee on each  
10 Category 1 and Category 2 licensed gaming entity, other than a  
11 Category 1 or Category 2 licensed gaming entity operating in a  
12 county of the first class, in an amount equal to 20% of the slot  
13 machine license fee paid at the time of issuance under section  
14 1209(a) (relating to slot machine license fee). The slot machine  
15 license operation fee shall be paid by each Category 1 and  
16 Category 2 licensed gaming entity, other than a Category 1 or  
17 Category 2 licensed gaming entity operating in a county of the  
18 first class, in equal installments on a monthly basis.

19 (b) Payment of fee.--The slot machine license operation fee  
20 imposed under subsection (a) shall be paid on or before the  
21 first day of each month.

22 (c) Failure to pay.--The board may at the board's discretion  
23 suspend, revoke or deny a permit or license issued under this  
24 part if a Category 1 or Category 2 licensed gaming entity, other  
25 than a Category 1 or Category 2 licensed gaming entity operating  
26 in a county of the first class, fails to pay the slot machine  
27 license operation fee imposed under subsection (a).

28 (d) Deposit of slot machine license operation fee.--The  
29 total amount of all license operation fees imposed and collected  
30 by the board under this section shall be deposited in the fund

1 and shall be appropriated to the department on a continuing  
2 basis for the purposes under section 1403(c)(3) (relating to  
3 establishment of State Gaming Fund and net slot machine revenue  
4 distribution).

5 Section 15.2. Section 13A27(c) of Title 4 is amended to  
6 read:

7 § 13A27. Other financial transactions.

8 \* \* \*

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

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

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

24 \* \* \*

25 Section 16. Section 13A41 of Title 4 is amended by adding a  
26 subsection to read:

27 § 13A41. Table game device and associated equipment testing and  
28 certification standards.

29 \* \* \*

30 (b.1) Use of private testing and certification facilities.--

1 Notwithstanding any provision of this part or regulation of the  
2 board, if a table game device or associated equipment is tested  
3 and certified by a private testing and certification facility  
4 registered with the board, the board shall use an abbreviated  
5 certification process requiring only that information determined  
6 by it to be necessary to consider the issuance of a table game  
7 device or associated equipment certification under this section.  
8 Within one year of the effective date of this subsection, the  
9 board shall promulgate regulations that:

10 (1) Provide for the registration of private testing and  
11 certification facilities. Persons seeking registration under  
12 this subsection shall be subject to section 1202(b) (9)  
13 (relating to general and specific powers).

14 (2) Specify the form and content of the application for  
15 registration.

16 (3) Establish and collect an application fee for persons  
17 seeking registration. The application fee shall include the  
18 costs of all background investigations as determined  
19 necessary and appropriate by the board.

20 (4) Establish uniform procedures and standards which  
21 private testing and certification facilities must comply with  
22 during the testing and certification of table game devices  
23 and associated equipment.

24 (5) Utilize information provided by private testing and  
25 certification facilities for the abbreviated certification of  
26 table game devices and associated equipment.

27 (6) Establish an abbreviated certification process that  
28 may be used by registered private testing and certification  
29 facilities to test and certify table game devices and  
30 associated equipment.

1           (7) Establish fees that must be paid by a licensed  
2 manufacturer.

3           (8) Require table game devices and associated equipment  
4 submitted for abbreviated certification to be approved or  
5 denied by the board within 30 days from the date of  
6 submission to the board. If the board fails to act within the  
7 30-day period, the abbreviated certification shall be deemed  
8 conditionally approved.

9           (9) Provide procedures and standards for the suspension  
10 and revocation of the registration of a private testing and  
11 certification facility and the reinstatement of a suspended  
12 or revoked registration.

13       Section 17. Section 13A63(b) (3) (iii) (A) and (C) and (4) of  
14 Title 4 are amended to read:

15 § 13A63. Local share assessment.

16       \* \* \*

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

23       \* \* \*

24       (3) If the facility is a Category 2 licensed facility  
25 and if the county in which the licensed facility is located  
26 is:

27       \* \* \*

28       (iii) A county of the third class where a city of  
29 the third class hosting the licensed facility is located  
30 in two counties of the third class: 50% of the licensed

1 facility's local share assessment shall be distributed as  
2 follows:

3 (A) Sixty percent to the county in which the  
4 licensed facility is located, which shall be  
5 deposited into a restricted receipts account to be  
6 established in the Commonwealth Financing Authority  
7 to be used exclusively for economic development  
8 projects, community improvement projects and other  
9 projects in the public interest within the county.

10 \* \* \*

11 (C) Twenty percent to the nonhost county in  
12 which the host city is located, of which 50% shall be  
13 deposited into a restricted receipts account to be  
14 established in the Commonwealth Financing Authority  
15 to be used [solely] exclusively for grants to  
16 municipalities [that are contiguous to the host city]  
17 within the nonhost county for economic development  
18 projects, community improvement projects and other  
19 projects in the public interest.

20 \* \* \*

21 (4) The following apply:

22 (i) If the facility is a Category 3 licensed  
23 facility located in a county of the second class A: 50%  
24 of the licensed facility's local share assessment shall  
25 be [deposited into a restricted receipts account to be  
26 established in the Commonwealth Financing Authority to be  
27 used exclusively for grants or guarantees for projects in  
28 the county that qualify under 64 Pa.C.S. §§ 1551  
29 (relating to Business in Our Sites Program), 1556  
30 (relating to Tax Increment Financing Guarantee Program)

1 and 1558 (relating to Water Supply and Waste Water  
2 Infrastructure Program).] distributed as follows:

3 (A) Seventy-five percent shall be distributed to  
4 the county hosting the licensed facility from each  
5 licensed facility for the purpose of supporting the  
6 maintenance and refurbishment of the Parks and  
7 Heritage sites throughout the county in which the  
8 licensee is located.

9 (B) Twelve and one-half percent shall be  
10 distributed to the county hosting the licensed  
11 facility from each licensed facility for the purpose  
12 of supporting a child advocacy center located within  
13 the county in which the licensee is located.

14 (C) Twelve and one-half percent shall be  
15 distributed to the county hosting the licensed  
16 facility from each licensed facility for the purpose  
17 of supporting an organization providing comprehensive  
18 support services to victims of domestic violence,  
19 including legal and medical aid, shelters,  
20 transitional housing and counseling located within  
21 the county in which the licensee is located.

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

28 \* \* \*

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

30 CHAPTER 13B

1 INTERACTIVE GAMING

2 Subchapter

3 A. General Provisions

4 B. Interactive Gaming Authorized

5 B.1. Multi-use Computing Devices

6 C. Conduct of Interactive Gaming

7 D. Facilities and Equipment

8 E. Testing and Certification

9 F. Taxes and Fees

10 G. Miscellaneous Provisions

11 SUBCHAPTER A

12 GENERAL PROVISIONS

13 Sec.

14 13B01. Legislative findings.

15 13B02. Regulatory authority.

16 13B03. Temporary interactive gaming regulations.

17 § 13B01. Legislative findings.

18 The General Assembly finds and declares that:

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

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

28 (3) Legalized gaming was seen as a means to provide a  
29 source of revenue for property and wage tax relief, promote  
30 economic development and enhance development of tourism

1 markets throughout this Commonwealth.

2 (4) Legalized gaming in the Category 1, Category 2 and  
3 Category 3 licensed facilities geographically dispersed in  
4 this Commonwealth has become a critical component of economic  
5 development and, if gaming activities continue to be properly  
6 regulated and fostered, it will provide a substantial  
7 contribution to the general health, welfare and prosperity of  
8 this Commonwealth and the residents of this Commonwealth.

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

15 (6) Since its development, the Internet has provided the  
16 opportunity for millions of people worldwide to engage in  
17 online gambling, mostly through illegal, unregulated offshore  
18 gambling operations.

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

26 (8) Although the Unlawful Internet Gambling Enforcement  
27 Act of 2006 prohibits interstate Internet gambling by United  
28 States citizens, it permits individual states to create a  
29 regulatory framework to govern intrastate Internet or  
30 interactive gambling.

1           (9) Interactive gaming is illegal in this Commonwealth  
2 and without legislative authorization and strict regulation,  
3 the public's trust and confidence in legalized commercial  
4 gaming may be impacted.

5           (10) In this Commonwealth, interactive gaming has been  
6 conducted without oversight, regulation or enforcement, all  
7 of which raises significant concerns for the protection of  
8 the health, welfare and safety of the residents of this  
9 Commonwealth.

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

19           (12) By legalizing interactive gaming and subjecting it  
20 to the regulatory oversight of the board, the General  
21 Assembly is assuring the residents of this Commonwealth that  
22 only those persons licensed by the board to conduct slot  
23 machine gaming and table games and to operate interactive  
24 games or interactive gaming systems, in accordance with the  
25 requirements of this part, have been determined to be  
26 suitable to facilitate and conduct interactive gaming  
27 activities in this Commonwealth.

28           (13) An effective regulatory, licensing and enforcement  
29 system to govern interactive gaming in this Commonwealth is  
30 consistent with the original objectives and intent of the

1 Pennsylvania Race Horse Development and Gaming Act, thereby  
2 ensuring the public trust and confidence in the commercial  
3 gaming industry in this Commonwealth.

4 (14) The Commonwealth has a legitimate State interest in  
5 protecting the integrity of State-authorized interactive  
6 gaming by licensing those entities already engaged in the  
7 conduct of gaming in this Commonwealth, which are subject to  
8 the scrutiny and discipline of the board and other regulatory  
9 agencies and which are in good standing with those agencies.

10 § 13B02. Regulatory authority.

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

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

20 (2) Establishing standards and procedures for testing  
21 and approving interactive games and interactive gaming  
22 devices and associated equipment, and variations or  
23 composites of authorized interactive games, if the board  
24 determines that the interactive games and new interactive  
25 games or variations or composites are suitable for use after  
26 a test or experimental period under terms and conditions as  
27 the board may deem appropriate. The board may give priority  
28 to the testing of interactive games, interactive gaming  
29 devices and associated equipment or other gaming equipment  
30 which a slot machine licensee has certified that it will use

1 to conduct interactive gaming in this Commonwealth. Nothing  
2 in this paragraph shall be construed to prohibit the board  
3 from using the testing and certification standards of another  
4 state or jurisdiction in which interactive gaming is  
5 conducted, if it determines that the standards of the  
6 jurisdiction are comprehensive, thorough and provide similar  
7 and adequate safeguards as those required under this part. If  
8 the board makes a determination and the applicant for an  
9 interactive gaming certificate or an interactive gaming  
10 license is licensed in another state or jurisdiction to  
11 operate interactive gaming, it may use an abbreviated process  
12 requiring only the information determined by it to be  
13 necessary to consider the issuance of a certification under  
14 this chapter. The board, in its discretion, may also rely  
15 upon the certification of interactive games that have met the  
16 testing and certification standards of a board-approved  
17 private testing and 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 other standards  
10 as it may deem necessary to protect registered players from  
11 fraud or deception.

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

15           (i) Interactive gaming accounts be possessed by a  
16 natural person and not in the name of a beneficiary,  
17 custodian, joint trust, corporation, partnership or other  
18 organization or entity.

19           (ii) Interactive gaming accounts shall not be  
20 assignable or otherwise transferable.

21           (iii) No account be established for an individual  
22 under 21 years of age.

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

30           (10) Establishing procedures for:

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

4           (ii) The withdrawal of funds from interactive gaming  
5           accounts.

6           (iii) The suspension of interactive gaming account  
7           activity for security reasons.

8           (iv) The termination of interactive gaming accounts  
9           and disposition of proceeds in accounts.

10          (v) The disposition of unclaimed amounts in dormant  
11          interactive gaming accounts.

12          (11) Establishing mechanisms by which registered players  
13          may place limits on the amount of money being wagered per  
14          authorized interactive game or during a specified time period  
15          or the amount of losses incurred during the specified time  
16          period.

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

26          (13) Establishing procedures for the protection,  
27          security and reliability of interactive gaming accounts,  
28          authorized interactive games, interactive gaming devices and  
29          associated equipment and mechanisms to prevent tampering or  
30          utilization by unauthorized persons.

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

4           (15) Requiring each interactive gaming certificate  
5 holder to:

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

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

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

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

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

25          (vi) Adopt policies or procedures to prohibit an  
26 unauthorized person from having access to interactive  
27 gaming devices and associated equipment, including  
28 software, system programs, hardware and any other gaming  
29 equipment or devices which are used to manage, administer  
30 or control interactive gaming.

1           (vii) Adopt data security standards to verify the  
2 age, identity and location of persons engaged in  
3 interactive gaming activity and prevent unauthorized  
4 access by a person whose age and location have not been  
5 verified or whose age and location cannot be verified in  
6 accordance with regulations adopted by the 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 require by regulation.

20 (b) Additional authority.--

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

26           (i) Payment processing and related money  
27 transmitting and services.

28           (ii) Customer identity or age verification and  
29 geospatial technology services.

30           (iii) General telecommunications services, which are

1 not specifically designed for or related to interactive  
2 gaming.

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

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 (c) Definition.--For the purposes of subsection (a)(12),  
25 (14) and (15)(viii) and (ix), the term "person" shall mean a  
26 natural person.

27 § 13B03. Temporary interactive gaming regulations.

28 (a) Promulgation.--

29 (1) In order to facilitate the prompt implementation of  
30 this chapter, regulations promulgated by the board shall be

1 deemed temporary regulations which shall expire not later  
2 than two years following the publication of the temporary  
3 regulation in the Pennsylvania Bulletin and on the board's  
4 publicly accessible Internet website.

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

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

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

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

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

25 (c) Expiration of temporary regulations.--Except for  
26 temporary regulations governing the rules for issuing  
27 certificates and licenses under this chapter, for new  
28 interactive games, for approving interactive games or variations  
29 of interactive games, interactive gaming devices and associated  
30 equipment and for approving manufacturers, suppliers and other

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

7 SUBCHAPTER B

8 INTERACTIVE GAMING AUTHORIZED

9 Sec.

10 13B11. Authorization to conduct interactive gaming.

11 13B12. Interactive gaming certificate required and content of  
12 petition.

13 13B13. Issuance of interactive gaming certificate.

14 13B14. Interactive gaming operators.

15 13B15. Interactive gaming certificate and license.

16 13B16. Timing of initial interactive gaming authorizations.

17 § 13B11. Authorization to conduct interactive gaming.

18 (a) Authority of board.--

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

20 (i) To conduct interactive gaming, including  
21 contests and tournaments and any other game which is  
22 determined by the board to be suitable for interactive  
23 gaming.

24 (ii) To deploy interactive gaming skins or Internet  
25 websites to facilitate the conduct of interactive gaming  
26 activities.

27 (2) Except as provided in this part, all individuals  
28 playing authorized interactive games must be physically  
29 located within this Commonwealth or within a state or  
30 jurisdiction in which the board has entered into an

1 interactive gaming reciprocal agreement. No individual under  
2 21 years of age shall open, maintain, use or have access to  
3 an interactive gaming account.

4 (b) Authority to play interactive games.--Notwithstanding  
5 any other provision of law, an individual who is 21 years of age  
6 or older is permitted to participate as a registered player in  
7 interactive gaming and wagering associated with playing an  
8 authorized interactive game offered by an interactive gaming  
9 certificate holder in accordance with regulations of the board.

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

12 (a) Certificate required.--No slot machine licensee or other  
13 person associated with or representing a slot machine licensee  
14 shall operate or conduct or attempt to operate or conduct  
15 interactive gaming, except for test purposes or open interactive  
16 gaming to the public in this Commonwealth without first  
17 obtaining an interactive gaming certificate or an interactive  
18 gaming license from the board. A slot machine licensee may seek  
19 approval to conduct interactive gaming by filing a petition for  
20 an interactive gaming certificate with the board. The board  
21 shall prescribe the form and manner to govern the submission of  
22 a petition for an interactive gaming certificate.

23 (b) Content of petition.--In addition to information and  
24 documentation demonstrating that the slot machine licensee is  
25 qualified for an interactive gaming certificate under this  
26 chapter, a petition seeking board approval to conduct  
27 interactive gaming within this Commonwealth shall include the  
28 following:

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

1           (2) The name, business address and contact information  
2 of an affiliate, interactive gaming operator or other person  
3 that will be a party to an agreement related to the operation  
4 of interactive gaming or an interactive gaming system on  
5 behalf of a slot machine licensee.

6           (3) The name and business address, job title and a  
7 photograph of each principal and key employee of the slot  
8 machine licensee who will be involved in the conduct of  
9 interactive gaming and who is not currently licensed by the  
10 board, if known.

11           (4) The name and business address, job title and a  
12 photograph of each principal and key employee of the  
13 interactive gaming certificate holder and interactive gaming  
14 licensee, if any, who will be involved in the conduct of  
15 interactive gaming and who is currently licensed by the  
16 board.

17           (5) An itemized list of the interactive games and  
18 another game or games the slot machine licensee plans to  
19 offer over the Internet for which authorization is being  
20 sought. The slot machine licensee shall, in accordance with  
21 regulations promulgated by the board, file any changes in the  
22 number of authorized interactive games offered through  
23 interactive gaming with the board.

24           (6) The estimated number of full-time and part-time  
25 employment positions that will be created at the licensed  
26 facility if interactive gaming is authorized and an updated  
27 hiring plan under section 1510(a) (relating to labor hiring  
28 preferences) which outlines the slot machine licensee's plan  
29 to promote the representation of diverse groups and  
30 Commonwealth residents in the employment positions.

1           (7) A brief description of the economic benefits  
2 expected to be realized by the Commonwealth, the host  
3 municipalities and residents if interactive gaming is  
4 authorized.

5           (8) The details of financing obtained or that will be  
6 obtained to fund an expansion or modification of the licensed  
7 facility to accommodate interactive gaming and to otherwise  
8 fund the cost of commencing interactive gaming.

9           (9) Information and documentation concerning financial  
10 background and resources, as the board may require, to  
11 establish by clear and convincing evidence the financial  
12 stability, integrity and responsibility of the slot machine  
13 licensee, and information or documentation concerning an  
14 interactive gaming operator that will operate interactive  
15 gaming or an interactive gaming system on behalf of the slot  
16 machine licensee, as the board may require.

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

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

29           (12) Detailed site plans identifying the proposed  
30 interactive gaming restricted area where interactive gaming

1 operations will be managed, administered or controlled as  
2 approved by the board.

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

4 (i) The slot machine licensee's initial system of  
5 internal and accounting controls applicable to  
6 interactive gaming.

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

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

16 (A) Age, identity and location verification  
17 requirements designed to block access to individuals  
18 under 21 years of age.

19 (B) Appropriate data security standards to  
20 prevent unauthorized access by a person whose age,  
21 identity and location have not been verified or whose  
22 age, identity and location cannot be verified in  
23 accordance with this chapter and applicable  
24 regulations of the board.

25 (C) Except as provided in this chapter, the  
26 requirement that all wagers made in the conduct of  
27 interactive gaming be initiated and received or  
28 otherwise made exclusively within this Commonwealth.

29 (iv) The slot machine licensee's proposed age,  
30 identity and location verification standards designed to

1 block access to persons under 21 years of age and persons  
2 excluded or prohibited from participating in interactive  
3 gaming under this chapter.

4 (v) The procedures the slot machine licensee will  
5 use to register individuals who wish to participate in  
6 interactive gaming.

7 (vi) The procedures the slot machine licensee will  
8 use to establish interactive gaming accounts for  
9 registered players.

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

12 (viii) Documentation and information relating to all  
13 proposed subcontractors of the slot machine licensee,  
14 including, but not limited to, all of the following:

15 (A) A description of the services to be provided  
16 by each subcontractor.

17 (B) Information on the experience and  
18 qualifications of each subcontractor to provide the  
19 services anticipated.

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

27 (14) The interactive gaming devices and associated  
28 equipment, including the interactive gaming network,  
29 interactive gaming system or systems, that the slot machine  
30 licensee plans to or will utilize to manage, administer or

1 control its interactive gaming operations.

2 (15) Compliance certification of its interactive gaming  
3 devices and associated equipment, including interactive  
4 gaming software and hardware, by a board-approved gaming  
5 laboratory to ensure that the gaming software and hardware  
6 comply with the requirements of this chapter and regulations  
7 of the board.

8 (16) Detailed description of accounting systems,  
9 including, but not limited to, accounting systems for all of  
10 the following:

11 (i) Interactive gaming accounts.

12 (ii) Perhand charges, if applicable.

13 (iii) Transparency and reporting to the board and  
14 the department.

15 (iv) Distribution of revenue to the Commonwealth and  
16 winnings to registered players.

17 (v) Ongoing auditing and internal control compliance  
18 reviews.

19 (17) Detailed information on security systems at the  
20 licensed facility to protect the interactive gaming skins or  
21 Internet website from internal and external breaches and  
22 threats.

23 (18) Other information the board may require.

24 (c) Confidentiality.--Information submitted to the board  
25 under subsection (b) may be considered confidential by the board  
26 if the information would be confidential under section 1206(f)  
27 (relating to board minutes and records).

28 § 13B13. Issuance of interactive gaming certificate.

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

30 (1) The board may approve a petition under section 13B12

1 (relating to interactive gaming certificate required and  
2 content of petition) upon finding clear and convincing  
3 evidence of all of the following:

4 (i) The slot machine licensee's conduct of  
5 interactive gaming complies in all respects with the  
6 requirements of this chapter and regulations promulgated  
7 by the board.

8 (ii) Age, identity and location verification  
9 requirements designed to block access to individuals  
10 under 21 years of age and persons otherwise prohibited  
11 from engaging in interactive gaming in accordance with  
12 this chapter, as approved by the board, have been  
13 implemented by the slot machine licensee.

14 (iii) The slot machine licensee has implemented or  
15 will implement appropriate data security standards to  
16 prevent unauthorized access by a person whose age,  
17 identity and location has not been verified or cannot be  
18 verified in accordance with the regulations promulgated  
19 and adopted by the board.

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

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

29 (vi) The slot machine licensee is in good standing  
30 with the board.

1           (vii) The slot machine licensee agrees that the  
2           number of slot machines and table games in operation at  
3           its licensed facility, as of the effective date of this  
4           section, will not be reduced as a result of the  
5           authorization and commencement of interactive gaming.

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

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

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

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

1 (c) Term of interactive gaming certificate.--Subject to the  
2 power of the board to deny, revoke or suspend an interactive  
3 gaming certificate issued in accordance with the requirements of  
4 this section, an interactive gaming certificate shall be renewed  
5 every five years and shall be subject to the requirements of  
6 section 1326 (relating to renewals).

7 (d) Sanctions.--A slot machine licensee that fails to abide  
8 by the requirements of this chapter or any condition contained  
9 in the slot machine licensee's statement of conditions governing  
10 the operation of interactive gaming shall be subject to board-  
11 imposed administrative sanctions or other penalties authorized  
12 under this part. The imposition of administrative sanctions in  
13 accordance with this subsection shall apply to an interactive  
14 gaming operator that fails to abide by the requirements of this  
15 chapter and regulations of the board.

16 (e) Background investigations.--Each petition for an  
17 interactive gaming certificate shall be accompanied by a  
18 nonrefundable fee established by the board to cover the cost of  
19 background investigations. The board shall determine by  
20 regulation the persons involved, directly or indirectly, in a  
21 slot machine licensee's interactive gaming operations and  
22 persons involved in the operations of an interactive gaming  
23 operator who shall be subject to background investigation.  
24 Additional costs and expenses incurred in a background  
25 investigation or other investigation or proceeding under this  
26 chapter shall be reimbursed to the board.

27 § 13B14. Interactive gaming operators.

28 (a) License required.--No person shall serve or attempt to  
29 serve as an interactive gaming operator without first obtaining  
30 an interactive gaming license from the board. A person may seek

1 approval to serve as an interactive gaming operator by filing an  
2 application with the board. The board shall prescribe the form  
3 and manner to govern the submission of an application for an  
4 interactive gaming license. The board shall provide for the  
5 licensure of interactive gaming operators that operate  
6 interactive gaming or an interactive gaming system on behalf of  
7 an interactive gaming certificate holder. The board shall:

8       (1) Determine suitability and provide for the licensure,  
9 permitting, registration or certification, as it deems  
10 appropriate, of interactive gaming operators or other persons  
11 directly involved in the operation of interactive gaming or  
12 an interactive gaming system on behalf of a slot machine  
13 licensee. The board shall determine suitability in accordance  
14 with the applicable requirements of this part and may extend  
15 suitability to a holder of a valid license, permit,  
16 registration, certificate or other authorizations approved  
17 and issued under this part, which is in good standing,  
18 without additional investigation. The extension of  
19 suitability in accordance with this paragraph shall not  
20 relieve the holder of a valid license, permit, registration  
21 or certificate issued under this chapter from payment of all  
22 fees imposed under this chapter.

23       (2) Provide for the approval of the terms and conditions  
24 of all agreements entered into by or between an interactive  
25 gaming certificate holder and an interactive gaming operator  
26 or other person related to the operation of interactive games  
27 or an interactive gaming system on behalf of the interactive  
28 gaming certificate holder.

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

30       (1) The board shall establish a classification system

1 for employees of interactive gaming operators or other  
2 persons who provide products or services associated with or  
3 related to interactive gaming, interactive gaming platforms  
4 and interactive gaming systems.

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

9 (c) Applicability of certain provisions.--Interactive gaming  
10 operators shall be subject to the applicable provisions of this  
11 part that apply to interactive gaming certificate holders, as  
12 determined by the board.

13 (d) Operators owned, controlled by slot machine licensee.--  
14 This section shall not apply to an interactive gaming operator  
15 that is owned by, affiliated with or otherwise controlled by a  
16 slot machine licensee that has been approved for and issued an  
17 interactive gaming certificate under this chapter. The board  
18 shall determine by regulation the criteria or conditions  
19 necessary to determine whether an interactive gaming operator is  
20 owned by, affiliated with or otherwise controlled by a slot  
21 machine licensee to effectuate the purpose of this subsection.

22 (e) Interactive gaming license and conditional  
23 authorization.--

24 (1) The following shall apply:

25 (i) During the first 18 months after the effective  
26 date of this section, the board may issue conditional  
27 authorizations to persons seeking licensure as  
28 interactive gaming operators.

29 (ii) Conditional authorization awarded to an  
30 interactive gaming operator may remain in effect until

1 the shorter of 12 months after the date of issue or the  
2 date by which the board considers the subject  
3 application.

4 (iii) Conditional authorization may be renewed by  
5 the board not more than once, upon a showing of good  
6 cause.

7 (iv) Conditional authorization shall allow an  
8 applicant for an interactive gaming license to engage in  
9 all of the functions of a licensed interactive gaming  
10 operator for the duration of the conditional  
11 authorization.

12 (2) No conditional authorization may be issued unless:

13 (i) The applicant has submitted a complete  
14 application for an interactive gaming license to the  
15 board.

16 (ii) The applicant agrees to pay or has paid the fee  
17 prescribed in section 13B51 (relating to interactive  
18 gaming authorization fee) prior to the issuance of  
19 conditional authorization, which may be refundable in the  
20 event the license is not approved and issued by the  
21 board.

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

24 (3) Within 45 days of the date that the bureau receives  
25 the completed application for an interactive gaming license  
26 from an applicant for investigation, the bureau shall conduct  
27 a preliminary investigation of the applicant and any key  
28 interactive gaming employee of the applicant, as determined  
29 by the board, which shall include a criminal background  
30 investigation of the applicant and any interactive gaming

1 employees of the applicant, as determined by the board in  
2 accordance with section 1202(b) (relating to general and  
3 specific powers).

4 (4) If the bureau's preliminary investigation discloses  
5 no adverse information that would impact suitability for  
6 licensure, the bureau shall provide the board with a  
7 statement of no objection to issuance of conditional  
8 authorization to the applicant.

9 (5) If the bureau's preliminary investigation discloses  
10 adverse information that would impact suitability for  
11 licensure, it shall register an objection and no conditional  
12 authorization may be issued until the bureau's concerns are  
13 resolved.

14 (6) Any conditional authorization approved and issued to  
15 an applicant for an interactive gaming license under this  
16 subsection may be suspended or withdrawn by the board upon a  
17 showing of good cause by the bureau.

18 § 13B15. Interactive gaming certificate and license.

19 The following shall apply:

20 (1) An interactive gaming certificate and interactive  
21 gaming license shall be in effect unless:

22 (i) The certificate or license is suspended or  
23 revoked by the board consistent with the requirements of  
24 this part.

25 (ii) The slot machine license is suspended, revoked  
26 or not renewed by the board consistent with the  
27 requirements of this part.

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

30 (iv) The slot machine licensee does not seek renewal

1 of its interactive gaming certificate.

2 (2) The interactive gaming certificate may include an  
3 initial itemized list by number and type of authorized  
4 interactive games for interactive gaming to be conducted by  
5 the interactive gaming certificate holder or interactive  
6 gaming operator or other person on behalf of an interactive  
7 gaming certificate holder. The slot machine licensee may  
8 increase or decrease the number of interactive games  
9 authorized for play on its interactive gaming skin or  
10 Internet website or change the type of authorized interactive  
11 games played on its interactive gaming skin or Internet  
12 website upon notice, if required by the board, to the board  
13 and approval by the board or a designated employee of the  
14 board. Unless approved by the board or a designated employee  
15 of the board, the total number and type of authorized  
16 interactive games offered for play by an interactive gaming  
17 certificate holder may not differ from the number and type  
18 approved by the board and authorized in the interactive  
19 gaming certificate.

20 (3) A slot machine licensee shall be required to update  
21 the information in its initial interactive gaming petition at  
22 times and in the form and manner as prescribed by the board.

23 § 13B16. Timing of initial interactive gaming authorizations.

24 The board shall prescribe the date on which petitions for an  
25 interactive gaming certificate and applications for an  
26 interactive gaming license must be filed with the board and  
27 shall approve or deny a petition or application within 90 days  
28 following receipt.

29 SUBCHAPTER B.1

30 MULTI-USE COMPUTING DEVICES

1 Sec.

2 13B20. Authorization.

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10 § 13B20. Authorization.

11 (a) Authority.--

12 (1) Notwithstanding any provision of law or regulation  
13 of the board, an interactive gaming certificate holder may  
14 provide for the conduct of interactive gaming at a qualified  
15 airport through the use of multi-use computing devices or  
16 enter into a written agreement with an interactive gaming  
17 operator that provides for the conduct of such interactive  
18 gaming by the interactive gaming operator on behalf of the  
19 interactive gaming certificate holder.

20 (2) An interactive gaming certificate holder seeking to  
21 make authorized interactive games available for play through  
22 the use of multi-use computing devices at a qualified airport  
23 shall file a petition with the board in such form and manner  
24 as the board, through regulations, shall require.

25 (b) Place of conduct.--The board, at its discretion, may  
26 authorize an interactive gaming certificate holder or an  
27 interactive gaming operator to place and make authorized  
28 interactive games available for play at a qualified airport  
29 through the use of multi-use computing devices in accordance  
30 with the requirements of this subchapter and regulations of the

1 board.

2 (c) Satisfaction of contingencies.--Authorization for an  
3 interactive gaming certificate holder to conduct interactive  
4 gaming at a qualified airport in accordance with subsection (a)  
5 shall be contingent upon the following:

6 (1) The interactive gaming certificate holder has  
7 submitted a petition to the board seeking authorization to  
8 manage the conduct of interactive gaming at the qualified  
9 airport and the board has approved the petition.

10 (2) The interactive gaming certificate holder has  
11 disclosed that it has or will enter into an agreement with an  
12 interactive gaming operator who will manage, operate and  
13 control the conduct of interactive gaming at a qualified  
14 airport on behalf of the interactive gaming certificate  
15 holder and the interactive gaming operator has petitioned the  
16 board for approval and the board has approved the agreement  
17 and the petition.

18 (3) The interactive gaming certificate holder or  
19 interactive gaming operator, as the case may be, has entered  
20 into an agreement with the concession operator at the  
21 qualified airport for the conduct of interactive gaming  
22 through the use of multi-use computing devices within the  
23 airport gaming area.

24 (4) The interactive gaming certificate holder or  
25 interactive gaming operator, as applicable, has provided  
26 adequate assurances that the conduct of interactive gaming at  
27 the qualified airport will be conducted and operated in  
28 accordance with law and regulations promulgated by the board.

29 (5) The interactive gaming certificate holder has paid  
30 or will pay all applicable taxes and fees.

1           (6) In the case of a qualified airport that is governed  
2 by a municipal authority or joint municipal authority  
3 organized and incorporated to oversee the operations of an  
4 airport in accordance with 53 Pa.C.S. Ch. 56 (relating to  
5 municipal authorities), the interactive gaming certificate  
6 holder or interactive gaming operator, as the case may be,  
7 has entered into an agreement with the municipal authority or  
8 joint municipal authority for the conduct of interactive  
9 gaming through the use of multi-use computing devices within  
10 the gaming area of the qualified airport and the board has  
11 approved the agreement.

12 (d) Agreement required.--The following shall apply:

13           (1) An interactive gaming certificate holder may seek  
14 authorization for the operation and placement of authorized  
15 interactive games at a qualified airport or may enter into an  
16 agreement with an interactive gaming operator to provide for  
17 the conduct of interactive gaming at the qualified airport.

18           (2) An agreement entered into in accordance with this  
19 subsection shall be in writing and shall be submitted to the  
20 board for review and approval.

21 § 13B20.1. Board authorization required.

22           (a) Contents of petition.--An interactive gaming certificate  
23 holder seeking authorization to conduct interactive gaming at a  
24 qualified airport through the use of a multi-use computing  
25 device shall petition the board for approval. The petition shall  
26 include:

27           (1) The name, business address and contact information  
28 of the interactive gaming certificate holder or the name,  
29 business address and contact information of the interactive  
30 gaming operator, if an interactive gaming operator will

1 manage the operation of interactive gaming at a qualified  
2 airport on behalf of an interactive gaming certificate holder  
3 pursuant to an interactive gaming agreement.

4 (2) The name and business address, job title and a  
5 photograph of each principal and key employee of the  
6 interactive gaming certificate holder and, if relevant, the  
7 interactive gaming operator who will be directly involved in  
8 the conduct of authorized interactive games at the qualified  
9 airport and who is not currently licensed by the board, if  
10 known.

11 (3) The name and business address of the airport  
12 authority, the location of the qualified airport and the  
13 names of the governing body of the airport authority, if the  
14 airport authority is incorporated in accordance with 53  
15 Pa.C.S. Ch. 56 (relating to municipal authorities).

16 (4) If the use and control of a qualified airport is  
17 regulated by a city of the first class, an identification of  
18 the municipal agency and primary officials of a city of the  
19 first class, which regulates the use and control of the  
20 qualified airport.

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

25 (6) The brand name of the multi-use computing devices  
26 that will be placed in operation at the qualified airport.  
27 The board, at its discretion, may require any additional  
28 information related to the conduct of interactive gaming at a  
29 qualified airport through the use of multi-use computing  
30 devices or persons that manufacture or supply multi-use

1 computing devices that it may determine necessary and  
2 appropriate to ensure the integrity of interactive gaming at  
3 a qualified airport and protect the public interest.

4 (7) An itemized list of the interactive games for which  
5 authorization is being sought.

6 (8) Information, as the board may require, on any  
7 computer applications or apps, including gaming apps, which  
8 can be accessed on the multi-use computing devices.

9 (9) Information on the terms and conditions of any  
10 interactive gaming agreement entered into by or between an  
11 interactive gaming certificate holder and interactive gaming  
12 operator or other person related to the conduct of  
13 interactive gaming through the use of multi-use computing  
14 devices at a qualified airport, if the board deems necessary  
15 and appropriate.

16 (10) Detailed site plans illustrating the location of  
17 the proposed airport gaming area at the qualified airport.

18 (11) Information and documentation concerning financial  
19 background and resources, as the board may require, to  
20 establish by clear and convincing evidence the financial  
21 stability, integrity and responsibility of the petitioner.

22 (12) Any other information as the board may require.

23 (b) Confidentiality.--Information submitted to the board  
24 under subsection (a) (8), (9), (11) and (12) may be considered  
25 confidential by the board if the information would be  
26 confidential under section 1206(f) (relating to board minutes  
27 and records).

28 (c) Approval of petition.--Upon approval of a petition as  
29 required under this section, the board shall authorize an  
30 interactive gaming certificate holder or an interactive gaming

1 operator, as applicable, to conduct interactive gaming at a  
2 qualified airport through the use of multi-use computing  
3 devices. The authorization of an interactive gaming certificate  
4 holder or an interactive gaming operator, as applicable, to  
5 conduct interactive gaming at a qualified airport in accordance  
6 with this subchapter prior to the full payment of the  
7 authorization fee under section 13B20.3 (relating to fees) shall  
8 not relieve the interactive gaming certificate holder or  
9 interactive gaming operator, as applicable, from the obligation  
10 to pay the authorization fee in accordance with section 13B20.3.  
11 § 13B20.2. Standard for review of petitions.

12 The board shall approve a petition under section 13B20.1  
13 (relating to board authorization required) if the interactive  
14 gaming operator has been or will be issued an interactive gaming  
15 license under law, and if it establishes, by clear and  
16 convincing evidence, all of the following:

17 (1) The interactive gaming certificate holder or  
18 interactive gaming operator, as the case may be, has entered  
19 into an agreement with a concession operator for the conduct  
20 of interactive gaming through the use of multi-use computing  
21 devices within the airport gaming area of a qualified  
22 airport.

23 (2) The interactive gaming operator has an agreement  
24 with an interactive gaming certificate holder relating to the  
25 conduct of authorized interactive games by the interactive  
26 gaming operator on behalf of the interactive gaming  
27 certificate holder.

28 (3) The board has approved the agreements under  
29 paragraphs (1) and (2), as applicable.

30 (4) The interactive gaming operator has paid the

1 authorization fee under law.

2 (5) The interactive gaming operator possesses the  
3 necessary funds or has secured adequate financing to commence  
4 the conduct of interactive gaming at the qualified airport.

5 (6) The proposed internal and external security and  
6 surveillance measures within the airport gaming area of the  
7 qualified airport are adequate.

8 § 13B20.3. Fees.

9 (a) Required fees.--An interactive gaming certificate holder  
10 shall pay a one-time, nonrefundable fee of \$1,000,000 upon the  
11 authorization to conduct interactive gaming at a qualified  
12 airport through the use of multi-use computing devices in  
13 accordance with this subchapter.

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

18 § 13B20.4. Multi-use gaming device tax.

19 (a) Imposition.--

20 (1) Each interactive gaming certificate holder  
21 authorized to conduct interactive gaming at a qualified  
22 airport in accordance with the provisions of this subchapter  
23 shall report to the department and pay from its daily gross  
24 interactive gaming revenue generated from the conduct of  
25 interactive gaming through multi-use computing devices at the  
26 qualified airport, on a form and in the manner prescribed by  
27 the department, a tax of 14% of its daily gross interactive  
28 gaming revenue generated from multi-use computing devices at  
29 the qualified airport and a local share assessment.

30 (2) The tax imposed under subsection (a) shall be

1 payable to the department on a daily basis and shall be based  
2 upon the gross interactive gaming revenue generated from  
3 multi-use computing devices at a qualified airport derived  
4 during the previous week.

5 (3) All funds owed to the Commonwealth under this  
6 section shall be held in trust for the Commonwealth by the  
7 interactive gaming certificate holder until the funds are  
8 paid to the department. An interactive gaming certificate  
9 holder shall establish a separate bank account into which  
10 gross interactive gaming revenue from multi-use computing  
11 devices shall be deposited and maintained until such time as  
12 the funds are paid to the department under this section.

13 (4) The department shall transfer the tax revenues  
14 collected under this section to the General Fund.

15 (b) (Reserved).

16 § 13B20.5. Multi-use computing device local share assessment.

17 (a) Required payment.--In addition to the tax imposed under  
18 section 13B20.4 (relating to multi-use gaming device tax), each  
19 interactive gaming certificate holder shall pay on a weekly  
20 basis and on a form and in a manner prescribed by the department  
21 a multi-use computing device local share assessment into a  
22 restricted receipts account established in the State Treasury.  
23 All funds owed under this section shall be held in trust by the  
24 interactive gaming certificate holder until the funds are paid  
25 into the account. Funds in the account are hereby appropriated  
26 to the department on a continuing basis for the purposes set  
27 forth in this section.

28 (b) Distributions to qualified airports.--

29 (1) Subject to the provisions of paragraph (2), the  
30 department shall make quarterly distributions from the multi-

1 use computing device local share assessments deposited into  
2 the fund under subsection (a) to qualified airports.

3 (2) If a qualified airport is located in two counties  
4 where more than one-half of the qualified airport is located  
5 in one of the counties, the distribution under this  
6 subsection shall be based on the percentage of revenue  
7 generated within the boundaries of the counties and paid as  
8 follows:

9 (i) For that portion of revenue generated in the  
10 county in which more than one-half of the qualified  
11 airport is located, the payment shall be made to the  
12 airport authority.

13 (ii) For that portion of revenue generated in the  
14 county in which less than one-half of the qualified  
15 airport is located, the payment shall be made to that  
16 county.

17 (c) Definition.--As used in this section, the term "multi-  
18 use computing device local share assessment" means 20% of an  
19 interactive gaming certificate holder's gross interactive gaming  
20 revenue from multi-use computing devices at qualified airports.  
21 § 13B20.6. Regulations.

22 (a) Regulations.--The board shall promulgate regulations  
23 related to the operation of authorized interactive games through  
24 the use of multi-use computing devices at qualified airports,  
25 including, but not limited to:

26 (1) Procedures for the creation of temporary or  
27 provisional interactive gaming accounts that take into  
28 consideration the nature of interactive gaming through multi-  
29 use computing devices at qualified airports.

30 (2) Procedures to govern credits, debits, deposits and

1 payments to interactive gaming accounts established through  
2 multi-use computing devices at qualified airports.

3 (3) Procedures, in consultation with the department, to  
4 govern financial transactions between an interactive gaming  
5 certificate holder, an interactive gaming operator or other  
6 persons that relates to the reporting of gross interactive  
7 gaming revenue generated through the use of multi-use  
8 computing devices at qualified airports.

9 (b) Temporary regulations.--In order to facilitate the  
10 prompt implementation of this subchapter, regulations  
11 promulgated by the board in accordance with subsection (a) shall  
12 be deemed temporary regulations. The board and the commission  
13 may promulgate temporary regulations not subject to:

14 (1) Sections 201, 202, 203, 204 and 205 of the act of  
15 July 31, 1968 (P.L.769, No.240), referred to as the  
16 Commonwealth Documents Law.

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

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

22 § 13B20.7. Construction.

23 Nothing in this subchapter shall be construed to:

24 (1) Create a separate license governing the use of  
25 multi-use computing devices for the conduct of interactive  
26 games at eligible airports by interactive gaming certificate  
27 holders within this Commonwealth.

28 (2) Limit the board's authority to determine the  
29 suitability of any person who may be directly or indirectly  
30 involved in or associated with the operation of interactive

1 gaming at a qualified airport to ensure the integrity of  
2 interactive gaming and protect the public interest.

3 SUBCHAPTER C

4 CONDUCT OF INTERACTIVE GAMING

5 Sec.

6 13B21. Situs of interactive gaming operations.

7 13B22. Establishment of interactive gaming accounts.

8 13B23. Interactive gaming account credits, debits, deposits and  
9 payments.

10 13B24. Acceptance of account wagers.

11 13B25. Dormant interactive gaming accounts.

12 13B26. Log-in procedure required.

13 13B27. Information provided at login.

14 13B28. Prohibitions.

15 13B29. Commencement of interactive gaming operations.

16 § 13B21. Situs of interactive gaming operations.

17 Except as provided in this chapter, all wagers made through  
18 interactive gaming shall be deemed to be initiated, received or  
19 otherwise made within the geographic boundaries of this  
20 Commonwealth. The intermediate routing of electronic data  
21 associated or in connection with interactive gaming shall not  
22 determine the location or locations in which a bet or wager is  
23 initiated, received or otherwise made.

24 § 13B22. Establishment of interactive gaming accounts.

25 (a) Registration restrictions.--Only a natural person who  
26 has first established an interactive gaming account shall be  
27 permitted to play an authorized interactive game or place a bet  
28 or wager associated with an authorized interactive game. An  
29 interactive gaming account shall be in the name of a natural  
30 person and may not be in the name of a beneficiary, custodian,

1 joint trust, corporation, partnership or other organization or  
2 entity. An interactive gaming certificate holder shall not  
3 permit an individual to establish an interactive gaming account  
4 unless the person is 21 years of age or older.

5 (b) Establishment of interactive gaming accounts.--

6 (1) An interactive gaming account may be executed in  
7 person, provided that the board shall, through regulations,  
8 provide procedures for the establishment of interactive  
9 gaming accounts over the Internet through the interactive  
10 gaming certificate holder's interactive gaming skin or portal  
11 or Internet website. Each interactive gaming account shall  
12 comply with the internal controls of the interactive gaming  
13 certificate holder that, at a minimum, require the following:

14 (i) The filing and execution of an interactive  
15 gaming account application, the form of which has been  
16 preapproved by the board.

17 (ii) Proof of age, identity and residency as  
18 demonstrated by at least two forms of identification  
19 approved by the board through regulation.

20 (iii) Physical address or the principal residence of  
21 the prospective account holder, e-mail address of the  
22 prospective account holder and other contact information,  
23 as the board or interactive gaming certificate holder may  
24 require.

25 (iv) Password or other secured identification  
26 provided by the interactive gaming certificate holder to  
27 access the interactive gaming account or some other  
28 mechanism approved by the board to authenticate the  
29 player as the holder to the interactive gaming account.

30 (v) An acknowledgment under penalty of perjury that

1 false or misleading statements made in regard to an  
2 application for an interactive gaming account may subject  
3 the applicant to civil and criminal penalties.

4 (2) The interactive gaming certificate holder may accept  
5 or reject an application after receipt and review of the  
6 application and verification of age and identity for  
7 compliance with the provisions of this chapter. The  
8 interactive gaming certificate holder shall have the right,  
9 at any time with or without cause, to suspend or close an  
10 interactive gaming account at its sole discretion.

11 (3) The address provided by the applicant in the  
12 application for an interactive gaming account shall be deemed  
13 the address of record for the purposes of mailing checks,  
14 account withdrawals, notices and other materials to the  
15 interactive gaming account holder.

16 (4) An interactive gaming account shall not be  
17 assignable or otherwise transferable and an interactive  
18 gaming certificate holder may, at any time, declare all or  
19 any part of an interactive gaming account to be closed for  
20 wagering.

21 (c) Password required.--As part of the application process,  
22 the interactive gaming certificate holder shall provide the  
23 prospective interactive gaming account holder with a password to  
24 access the interactive gaming account or shall establish some  
25 other method approved by the board to authenticate the  
26 individual as the holder of the interactive gaming account and  
27 allow the registered player access to the interactive gaming  
28 account.

29 (d) Grounds for rejection.--An individual who provides false  
30 or misleading information in the application for an interactive

1 gaming account may be subject to rejection of the application or  
2 cancellation of the account by the interactive gaming  
3 certificate holder.

4 (e) Suspension of interactive gaming account.--The  
5 interactive gaming certificate holder shall have the right to  
6 suspend or close any interactive gaming account at its  
7 discretion.

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

11 (1) A person under 21 years of age.

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

19 (3) A gaming employee, key employee or principal  
20 employee of a slot machine licensee and an employee or key  
21 employee of an interactive gaming operator or other person  
22 directly involved in the operation of interactive gaming or  
23 an interactive gaming system on behalf of a slot machine  
24 licensee.

25 § 13B23. Interactive gaming account credits, debits, deposits  
26 and payments.

27 (a) Duty of board.--The board shall, by regulation, develop  
28 procedures to govern credits, debits and deposits to interactive  
29 gaming accounts. Notwithstanding any provision of this part to  
30 the contrary, all credits, debits and deposits to interactive

1 gaming accounts shall be made in accordance with regulations  
2 promulgated by the board, in consultation with the department,  
3 and all payments of winnings shall be made in accordance with  
4 the rules of each particular authorized interactive game.

5 (b) Rights of interactive gaming certificate holder.--An  
6 interactive gaming certificate holder shall have the right to:

7 (1) Credit an interactive gaming account as part of a  
8 promotion.

9 (2) Refuse all or part of a wager or deposit to the  
10 interactive gaming account of a registered player.

11 (c) Interest prohibited.--Funds deposited in a registered  
12 player's interactive gaming account shall not bear interest to  
13 the account holder.

14 § 13B24. Acceptance of account wagers.

15 (a) Acceptance.--An interactive gaming certificate holder  
16 may accept interactive gaming wagers or bets only as follows:

17 (1) The wager shall be placed directly with the  
18 interactive gaming certificate holder by the registered  
19 player, after the interactive gaming certificate holder has  
20 verified that the individual seeking to place a wager or bet  
21 is the registered player.

22 (2) The registered player provides the slot machine  
23 licensee with the correct password or other authentication  
24 information for access to the interactive gaming account.

25 (b) Nonacceptance.--An interactive gaming certificate holder  
26 may not accept an account wager in an amount in excess of funds  
27 on deposit in an interactive gaming account of the registered  
28 player placing the bet or wager. Funds on deposit include  
29 amounts credited to a registered player's interactive gaming  
30 account in accordance with regulations of the board and funds in

1 the account at the time the wager is placed.

2 § 13B25. Dormant interactive gaming accounts.

3 Before closing a dormant interactive gaming account, the  
4 interactive gaming certificate holder shall attempt to contact  
5 the interactive gaming account holder by mail and phone or e-  
6 mail to inform the account holder that the interactive gaming  
7 account is inactive and may be subject to termination at the  
8 time and manner as determined by regulation of the board.

9 § 13B26. Log-in procedure required.

10 Each interactive gaming certificate holder shall establish a  
11 log-in procedure for registered players to access interactive  
12 gaming. The log-in procedure shall include the provision of the  
13 appropriate authentication information by the registered player  
14 for access to the interactive gaming account. The interactive  
15 gaming certificate holder shall not allow a registered player to  
16 log in and access the interactive gaming account unless the  
17 correct password or other authentication information is  
18 provided.

19 § 13B27. Information provided at login.

20 The interactive gaming certificate holder shall configure its  
21 interactive gaming skin to include a link that, upon login, will  
22 allow a registered player to access all of the following  
23 information:

24 (1) The current amount of funds in the interactive  
25 gaming account.

26 (2) The wins and losses since the interactive gaming  
27 account was established.

28 (3) The wins and losses at the beginning of the current  
29 gaming session and the wins and losses at the end of the  
30 current gaming session.

1           (4) The complete text in searchable format of the rules  
2           of each authorized interactive game offered by the  
3           interactive gaming certificate holder and other information  
4           as the board may require.

5 § 13B28. Prohibitions.

6           Except as provided in this part, no interactive gaming  
7           certificate holder or person licensed under this part to operate  
8           interactive gaming or an interactive gaming system and no person  
9           acting on behalf of, or under an arrangement with, an  
10           interactive gaming certificate holder or other person licensed  
11           under this part shall:

12           (1) Make any loan to a person for the purpose of  
13           crediting an interactive gaming account.

14           (2) Release or discharge a debt, either in whole or in  
15           part, or make a loan which represents losses incurred by a  
16           registered player while playing authorized interactive games  
17           without maintaining a written record thereof in accordance  
18           with regulations of the board.

19 § 13B29. Commencement of interactive gaming operations.

20           An interactive gaming certificate holder may not operate or  
21           offer interactive games for play on its interactive gaming skin  
22           until the board determines that:

23           (1) The interactive gaming certificate holder is in  
24           compliance with the requirements of this chapter.

25           (2) The interactive gaming certificate holder's  
26           internal, administrative and accounting controls are  
27           sufficient to meet the requirements of section 13B32  
28           (relating to internal, administrative and accounting  
29           controls).

30           (3) The interactive gaming certificate holder's

1 interactive gaming employees, where applicable, are licensed,  
2 permitted, registered, certified or otherwise authorized by  
3 the board to perform their respective duties.

4 (4) The employees of the interactive gaming operator  
5 are, where applicable, licensed, permitted or otherwise  
6 authorized by the board to perform their duties.

7 (5) The interactive gaming certificate holder is  
8 prepared in all respects to offer interactive gaming to the  
9 public over its interactive gaming skin.

10 (6) The interactive gaming certificate holder has  
11 implemented necessary internal, administrative and accounting  
12 controls, security arrangements and surveillance systems for  
13 the operation of interactive gaming.

14 (7) The interactive gaming certificate holder is in  
15 compliance with or will comply with section 13B31 (relating  
16 to responsibilities of interactive gaming certificate  
17 holder).

18 (8) The board has approved an agreement entered between  
19 the interactive gaming certificate holder and an interactive  
20 gaming operator or other person related to the operation of  
21 interactive gaming or the operation of an interactive gaming  
22 system on behalf of the interactive gaming certificate  
23 holder.

#### 24 SUBCHAPTER D

#### 25 FACILITIES AND EQUIPMENT

#### 26 Sec.

27 13B31. Responsibilities of interactive gaming certificate  
28 holder.

29 13B32. Internal, administrative and accounting controls.

30 § 13B31. Responsibilities of interactive gaming certificate

1           holder.

2       (a) Facilities and equipment.--All facilities and  
3 interactive gaming devices and associated equipment shall:

4           (1) Be arranged in a manner promoting appropriate  
5 security for interactive gaming.

6           (2) Include a closed-circuit video monitoring system  
7 according to rules or specifications approved by the board,  
8 with board absolute access to the interactive gaming  
9 certificate holder's interactive gaming skin, Internet  
10 website and platform, signal or transmission used in  
11 connection with interactive gaming.

12           (3) Not be designed in any way that might interfere with  
13 or impede the board in its regulation of interactive gaming.

14           (4) Comply in all respects with regulations of the  
15 board.

16       (b) Location of equipment and interactive gaming restricted  
17 areas.--

18           (1) All interactive gaming devices and associated  
19 equipment used by an interactive gaming certificate holder or  
20 an interactive gaming licensee to conduct interactive gaming  
21 may be located, with the prior approval of the board, in an  
22 interactive gaming restricted area on the premises of the  
23 licensed facility, in an interactive gaming restricted area  
24 within the geographic limits of the county in this  
25 Commonwealth where the licensed facility is situated or in  
26 another area approved by the board.

27           (2) All wagers associated with interactive gaming shall  
28 be deemed to be placed when received by the interactive  
29 gaming certificate holder.

30 § 13B32. Internal, administrative and accounting controls.

1     (a) Submissions to board.--Notwithstanding any provision of  
2 this part, each slot machine licensee who holds or has applied  
3 for an interactive gaming certificate in accordance with this  
4 chapter shall submit a description of its system of internal  
5 procedures and administrative and accounting controls for  
6 interactive gaming to the board, including provisions that  
7 provide for real-time monitoring, recordation or storage of all  
8 interactive games and a description of any changes to its  
9 procedures and controls. The submission shall be made at least  
10 90 days before authorized interactive gaming is to commence or  
11 at least 90 days before any change in those procedures or  
12 controls is to take effect, unless otherwise directed by the  
13 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 with regard to interactive gaming,  
20 including, but not 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 location  
11 of applicants for interactive gaming accounts.

12       (5) Procedures for terminating a registered player's  
13 interactive gaming account and the return of funds remaining  
14 in the interactive gaming account to the registered player.

15       (6) Procedures for suspending or terminating a dormant  
16 interactive gaming account.

17       (7) Procedures for the logging in and authentication of  
18 a registered player in order to enable the player to commence  
19 interactive gaming and the logging off of the registered  
20 player when the player has completed play, including a  
21 procedure to automatically log a registered player out of the  
22 player's interactive gaming account after a specified period  
23 of inactivity.

24       (8) Procedures for the crediting and debiting of  
25 registered players' interactive gaming accounts.

26       (9) Procedures for cashing checks, receiving electronic  
27 negotiable instruments and for redeeming chips, tokens or  
28 other cash equivalents.

29       (10) Procedures for withdrawing funds from an  
30 interactive gaming account by the registered player.

1           (11) Procedures for the protection of player funds,  
2 including the segregation of player funds from operating  
3 funds.

4           (12) Procedures for recording transactions pertaining to  
5 interactive gaming.

6           (13) Procedures for the security and sharing of personal  
7 identifiable information of registered players and other  
8 information as required by the board and funds in interactive  
9 gaming accounts. The procedures shall include the means by  
10 which an interactive gaming certificate holder or interactive  
11 gaming operator will provide notice to registered players  
12 related to its sharing of personal identifiable information.  
13 For the purpose of this paragraph, "personal identifiable  
14 information" shall mean data or information that can be used,  
15 on its own or with other data or information, to identify,  
16 contact or otherwise locate a registered player, including a  
17 registered player's name, address, date of birth and Social  
18 Security number.

19           (14) Procedures and security for the calculation and  
20 recordation of revenue.

21           (15) Procedures for the security of interactive gaming  
22 devices and associated equipment within an interactive gaming  
23 restricted area on the premises of the licensed facility or  
24 in a secure facility inaccessible to the public and  
25 specifically designed for that purpose off the premises of a  
26 licensed facility as approved by the board.

27           (16) Procedures and security standards as to receipt of  
28 and the handling and storage of interactive gaming devices  
29 and associated equipment.

30           (17) Procedures and security standards to protect the

1 interactive gaming certificate holder's interactive gaming  
2 skin or Internet website and interactive gaming devices and  
3 associated equipment from hacking or tampering by a person.

4 (18) Procedures for responding to suspected or actual  
5 hacking or tampering with an interactive gaming certificate  
6 holder's interactive gaming skin or Internet website and  
7 interactive gaming devices and associated equipment,  
8 including partial or complete suspension of interactive  
9 gaming or the suspension of any or all interactive gaming  
10 accounts when warranted.

11 (19) Procedures to verify each registered player's  
12 physical location each time a wager is placed on an  
13 interactive game.

14 (20) Procedures to ensure, to a reasonable degree of  
15 certainty, that the interactive games are fair and honest and  
16 that appropriate measures are in place to deter, detect and,  
17 to the extent reasonably possible, to prevent cheating,  
18 including collusion, and use of cheating devices, including  
19 the use of software programs that make bets or wagers  
20 according to algorithms.

21 (21) Procedures to assist problem and compulsive  
22 gamblers, including procedures reasonably intended to prevent  
23 a person from participating in interactive gaming activities  
24 in accordance with sections 1514 (relating to regulation  
25 requiring exclusion, ejection or denial of access of certain  
26 persons), 1515 (relating to repeat offenders excludable from  
27 licensed gaming facility) and 1516 (relating to list of  
28 persons self excluded from gaming activities).

29 (22) Procedures to govern emergencies, including  
30 suspected or actual cyber attacks, hacking or tampering with

1 the interactive gaming certificate holder's interactive  
2 gaming portal, platform or Internet website.

3 (c) Review of submissions.--

4 (1) The board shall review each submission required by  
5 subsections (a) and (b) and shall determine whether the  
6 submission conforms to the requirements of this chapter and  
7 regulations promulgated by the board and whether the system  
8 submitted provides adequate and effective controls for  
9 interactive gaming of the particular interactive gaming  
10 certificate holder.

11 (2) If the board determines that insufficiencies exist,  
12 it shall specify the insufficiencies in writing to the  
13 interactive gaming certificate holder, who shall make  
14 appropriate alterations to ensure compliance with the  
15 requirements of this chapter and regulations of the board.  
16 When the board determines a submission to be adequate in all  
17 respects, it shall notify the interactive gaming certificate  
18 holder.

19 (3) Except as otherwise provided in subsection (a), no  
20 interactive gaming certificate holder, interactive gaming  
21 operator or other person shall commence or alter interactive  
22 gaming operations unless and until the system of procedures,  
23 controls and alternations is approved by the board.

24 SUBCHAPTER E

25 TESTING AND CERTIFICATION

26 Sec.

27 13B41. Interactive games and interactive gaming devices and  
28 associated equipment testing and certification  
29 standards.

30 § 13B41. Interactive games and interactive gaming devices and

1 associated equipment testing and certification  
2 standards.

3 (a) Testing required.--

4 (1) No interactive game or interactive gaming device or  
5 associated equipment shall be used to conduct interactive  
6 gaming unless it has been tested and approved by the board.  
7 The board may, in its discretion and for the purpose of  
8 expediting the approval process, refer testing to a testing  
9 laboratory as approved by the board.

10 (2) The board shall establish, by regulation, technical  
11 standards for approval of interactive games and interactive  
12 gaming devices and associated equipment, including standards  
13 to govern mechanical, electrical or program reliability and  
14 security against tampering and threats, as it may deem  
15 necessary to protect the registered player from fraud or  
16 deception and to ensure the integrity of interactive gaming.

17 (b) Independent testing and certification facility.--Costs  
18 associated with the board's testing and certification facility  
19 shall be assessed on persons authorized by the board to  
20 manufacture, supply, distribute or otherwise provide interactive  
21 games and interactive gaming devices and associated equipment to  
22 interactive gaming certificate holders or to interactive gaming  
23 operators in this Commonwealth. The costs shall be assessed in  
24 accordance with a schedule adopted by the board.

25 (c) Use of other state standards.--The board may determine  
26 whether the testing and certification standards for interactive  
27 games and interactive gaming devices and associated equipment as  
28 adopted by another jurisdiction within the United States or of  
29 the testing and certification standards used by an interactive  
30 gaming certificate holder are comprehensive and thorough and

1 provide similar and adequate safeguards as those required by  
2 this chapter and regulations of the board. If the board makes  
3 that determination, it may permit the person authorized to  
4 manufacture, supply, distribute or otherwise provide interactive  
5 games and interactive gaming devices or associated equipment to  
6 furnish interactive games or interactive gaming devices and  
7 associated equipment to interactive gaming certificate holders  
8 in this Commonwealth without undergoing the full testing and  
9 certification process by the board's independent testing and  
10 certification facility.

11 SUBCHAPTER F

12 TAXES AND FEES

13 Sec.

14 13B51. Interactive gaming authorization fee.

15 13B52. Interactive gaming tax.

16 13B53. Local share assessment.

17 13B54. Compulsive and problem gambling.

18 § 13B51. Interactive gaming authorization fee.

19 (a) Amount of authorization fee.--

20 (1) Each slot machine licensee that is issued an  
21 interactive gaming certificate to conduct interactive gaming  
22 in accordance with section 13B11 (relating to authorization  
23 to conduct interactive gaming) shall pay a one-time  
24 nonrefundable authorization fee in the amount of \$8,000,000.

25 (2) Each interactive gaming operator or an affiliate of  
26 an interactive gaming certificate holder that is issued an  
27 interactive gaming license under this chapter to operate  
28 interactive gaming or an interactive gaming system on behalf  
29 of a slot machine licensee pursuant to an interactive gaming  
30 agreement and that is not owned, affiliated with or otherwise

1 controlled by a slot machine licensee shall pay a one-time  
2 nonrefundable authorization fee in the amount of \$2,000,000.

3 (3) Each interactive gaming operator that has been  
4 approved by the board to provide for the conduct of  
5 interactive gaming on behalf of an interactive gaming  
6 certificate holder at a qualified airport in accordance with  
7 Subchapter B.1 (relating to multi-use computing devices)  
8 shall pay a one-time nonrefundable authorization fee in the  
9 amount of \$1,000,000.

10 (b) Payment of fee.--Persons required to pay the  
11 authorization fee under subsection (a) shall remit the fee to  
12 the board within 60 days of the board's approval of its  
13 petition, license or conditional license to conduct interactive  
14 gaming or to operate interactive gaming or an interactive gaming  
15 system. The board may allow the fee to be paid in installments,  
16 if all installments are paid within the 60-day period and that  
17 the installment payments are made in accordance with the terms  
18 of an agreement between the board and the interactive gaming  
19 certificate holder or an interactive gaming operator under  
20 subsection (a) (2) that sets forth the terms of the installment  
21 payment.

22 (c) Renewal fee.--

23 (1) Notwithstanding any other provision of this chapter,  
24 an interactive gaming certificate holder shall pay a renewal  
25 fee in the amount of \$250,000 upon the renewal of its  
26 interactive gaming certificate in accordance with sections  
27 1326 (relating to renewals) and 13B13(c) (relating to  
28 issuance of interactive gaming certificate).

29 (2) Each interactive gaming operator under subsection  
30 (a) (2) shall pay a renewal fee of \$100,000 upon the renewal

1 of its interactive gaming license in accordance with this  
2 chapter.

3 (d) Deposit of fees.--The fees imposed and collected under  
4 this section shall be deposited in the General Fund.

5 § 13B52. Interactive gaming tax.

6 (a) Imposition of tax.--Each interactive gaming certificate  
7 holder that conducts interactive gaming shall report to the  
8 department and pay from its daily gross interactive gaming  
9 revenue, on a form and in the manner prescribed by the  
10 department, a tax of 14% of its daily gross interactive gaming  
11 revenue and a local share assessment as provided in section  
12 13B53 (relating to local share assessment).

13 (b) Deposits and distributions.--

14 (1) The tax imposed under subsection (a) shall be  
15 payable to the department on a weekly basis and shall be  
16 based upon gross interactive gaming revenue derived during  
17 the previous week.

18 (2) All funds owed to the Commonwealth under this  
19 section shall be held in trust for the Commonwealth by the  
20 interactive gaming certificate holder until the funds are  
21 paid to the department for deposit in the General Fund. An  
22 interactive gaming certificate holder shall establish a  
23 separate bank account into which gross interactive gaming  
24 revenue shall be deposited and maintained until the funds are  
25 paid to the department under this section.

26 (c) Taxes on out-of-State wagering.--The tax rate which  
27 shall be assessed and collected by the department with respect  
28 to wagers placed by registered players located in this  
29 Commonwealth with an interactive gaming operator outside of this  
30 Commonwealth, but authorized under an interactive gaming

1 reciprocal agreement shall be governed by the agreement but may  
2 not exceed 16% of gross interactive gaming revenue derived from  
3 registered players located in this Commonwealth.

4 (d) Deposit of funds.--The tax imposed under subsection (a)  
5 shall be collected by the department for deposit in the General  
6 Fund.

7 § 13B53. Local share assessment.

8 (a) Required payment.--

9 (1) In addition to the tax imposed under section 13B52  
10 (relating to interactive gaming tax), each interactive gaming  
11 certificate holder that conducts interactive gaming shall pay  
12 on a weekly basis and on a form and in a manner prescribed by  
13 the department a local share assessment into the State Gaming  
14 Fund.

15 (2) The department shall, from the local share  
16 assessment established under paragraph (1):

17 (i) make quarterly distributions of 50% of the local  
18 share assessment established under paragraph (1) among  
19 the counties hosting a licensed facility and identified  
20 under section 1403(c)(2) (relating to establishment of  
21 State Gaming Fund and net slot machine revenue  
22 distribution) as recipients of the local share assessment  
23 established under section 1403(b); and

24 (ii) make quarterly distributions of 50% of the  
25 local share assessment established under paragraph (1)  
26 among the municipalities, including home rule  
27 municipalities, hosting a licensed facility and  
28 identified under section 1403(c)(3) as recipients of the  
29 local share assessment established under section 1403(b).

30 (b) Definitions.--As used in this section, the following

1 words and phrases shall have the meanings given to them in this  
2 subsection unless the context clearly indicates otherwise:

3 "Local share assessment." Two percent of an interactive  
4 gaming certificate holder's daily gross interactive gaming  
5 revenue.

6 § 13B54. Compulsive and problem gambling.

7 The following shall apply:

8 (1) Each year, from the tax imposed in section 13B52  
9 (relating to interactive gaming tax), \$2,000,000 or an amount  
10 equal to .002 multiplied by the total gross interactive  
11 gaming revenue of all active and operating interactive gaming  
12 certificate holders, whichever is greater, shall be  
13 transferred into the Compulsive and Problem Gambling  
14 Treatment Fund established in section 1509 (relating to  
15 compulsive and problem gambling program).

16 (2) Each year, from the tax imposed in section 13B52,  
17 \$2,000,000 or an amount equal to .002 multiplied by the total  
18 gross interactive gaming revenue of all active and operating  
19 interactive gaming certificate holders, whichever is greater,  
20 shall be transferred to the Department of Drug and Alcohol  
21 Programs to be used for drug and alcohol addiction treatment  
22 services, including treatment for drug and alcohol addiction  
23 related to compulsive and problem gambling, as set forth in  
24 section 1509.1 (relating to drug and alcohol treatment).

25 SUBCHAPTER G

26 MISCELLANEOUS PROVISIONS

27 Sec.

28 13B61. Participation in interactive gaming by persons outside  
29 Commonwealth.

30 13B62. Institutional investors.

1 13B63. Internet cafes and prohibition.

2 § 13B61. Participation in interactive gaming by persons outside  
3 Commonwealth.

4 Notwithstanding any other provision of this chapter to the  
5 contrary, an interactive gaming certificate holder may accept  
6 interactive gaming wagers from a person who is not physically  
7 present in this Commonwealth, if the board determines the  
8 following:

9 (1) Participation in interactive gaming and acceptance  
10 of wagers associated with interactive gaming from a person  
11 not physically present in this Commonwealth is not  
12 inconsistent with Federal law or regulation or the law or  
13 regulation of the jurisdiction, including a foreign  
14 jurisdiction, in which the person is located.

15 (2) Participation in interactive gaming is conducted  
16 pursuant to an interactive gaming reciprocal agreement  
17 between the Commonwealth and another state or jurisdiction,  
18 including a foreign jurisdiction, to which the Commonwealth  
19 is a party and the interactive gaming reciprocal agreement is  
20 not inconsistent with Federal law or regulation.

21 § 13B62. Institutional investors.

22 (a) Declaration of investment intent.--Notwithstanding any  
23 other provision of this part, the following shall apply:

24 (1) An institutional investor holding 20% or less of the  
25 equity securities of an interactive gaming certificate  
26 holder's, interactive gaming operator's or applicant's  
27 holding, subsidiary or intermediary companies shall be  
28 granted a waiver of an investigation of suitability or other  
29 requirement if the securities are those of a corporation,  
30 whether publicly traded or privately held, and the holdings

1 of the securities were purchased for investment purposes  
2 only. The institutional investor shall file a certified  
3 statement that it has no intention of influencing or  
4 affecting the affairs of the interactive gaming certificate  
5 holder, interactive gaming operator, applicant or holding,  
6 subsidiary or intermediary company of an interactive gaming  
7 certificate holder, interactive gaming operator or applicant.  
8 However, an institutional investor shall be permitted to vote  
9 on matters put to the vote of the outstanding security  
10 holders.

11 (2) The board may grant a waiver to an institutional  
12 investor holding a higher percentage of securities upon a  
13 showing of good cause and if the conditions specified in  
14 paragraph (1) are met.

15 (3) An institutional investor granted a waiver under  
16 this subsection who subsequently decides to influence or  
17 affect the affairs of an interactive gaming certificate  
18 holder, interactive gaming operator or applicant's holding,  
19 subsidiary or intermediary company of an interactive gaming  
20 certificate holder, interactive gaming operator or applicant  
21 shall provide not less than 30 days' notice of intent and  
22 shall file with the board a request for determination of  
23 suitability before taking an action that may influence or  
24 affect the affairs of the issuer. An institutional investor  
25 shall be permitted to vote on matters put to the vote of the  
26 outstanding security holders.

27 (4) If an institutional investor changes its investment  
28 intent or if the board finds reasonable cause to believe that  
29 the institutional investor may be found unsuitable, no action  
30 other than divestiture shall be taken by the institutional

1 investor with respect to its security holdings until there  
2 has been compliance with requirements established by the  
3 board, which may include the execution of a trust agreement  
4 in accordance with section 1332 (relating to appointment of  
5 trustee).

6 (5) The interactive gaming certificate holder or  
7 interactive gaming operator or applicant or a holding,  
8 intermediary or subsidiary company of an interactive gaming  
9 certificate holder, interactive gaming operator or applicant  
10 shall notify the board immediately of information about, or  
11 actions of, an institutional investor holding its equity  
12 securities where the information or action may impact the  
13 eligibility of the institutional investor for a waiver under  
14 this subsection.

15 (b) Failure to declare.--If the board finds:

16 (1) that an institutional investor holding a security of  
17 a holding or intermediary company of an interactive gaming  
18 certificate holder or interactive gaming operator or  
19 applicant or, where relevant, of another subsidiary company  
20 of a holding or intermediary company of an interactive gaming  
21 certificate holder or interactive gaming operator or  
22 applicant which is related in any way to the financing of the  
23 interactive gaming certificate holder or interactive gaming  
24 operator or applicant, fails to comply with the provisions of  
25 subsection (a); or

26 (2) by reason of the extent or nature of its holdings,  
27 an institutional investor is in a position to exercise such a  
28 substantial impact upon the controlling interests of an  
29 interactive gaming certificate holder or interactive gaming  
30 operator or applicant that investigation and determination of

1 suitability of the institutional investor is necessary to  
2 protect the public interest;  
3 then the board may take necessary action otherwise authorized  
4 under this chapter to protect the public interest.

5 § 13B63. Internet cafes and prohibition.

6 (a) General rule.--No organization or commercial enterprise  
7 shall operate a place of public accommodation, club, including a  
8 club or association limited to dues-paying members or similar  
9 restricted groups, or similar establishment in which computer  
10 terminals or similar access devices are advertised or made  
11 available to be used principally for the purpose of accessing  
12 authorized interactive games. No interactive gaming certificate  
13 holder or interactive gaming operator shall offer or make  
14 available computer terminals or similar access devices to be  
15 used principally for the purpose of accessing interactive games  
16 within a licensed facility.

17 (b) Construction.--Nothing in this section shall be  
18 construed to:

19 (1) require the owner or operator of a hotel or motel or  
20 other public place of general use in this Commonwealth to  
21 prohibit or block guests from playing interactive games; or

22 (2) require an interactive gaming certificate holder or  
23 an interactive gaming operator to prohibit registered players  
24 within a licensed facility from playing interactive games.

25 Section 19. Sections 1403, 1501(b) and 1509 of Title 4 are  
26 amended to read:

27 § 1403. Establishment of State Gaming Fund and net slot machine  
28 revenue distribution.

29 (a) Fund established.--There is hereby established the State  
30 Gaming Fund within the State Treasury.

1 (b) Slot machine tax.--The department shall determine and  
2 each slot machine licensee shall pay a daily tax of 34% from its  
3 daily gross terminal revenue from the slot machines in operation  
4 at its facility and a local share assessment as provided in  
5 subsection (c). All funds owed to the Commonwealth, a county or  
6 a municipality under this section shall be held in trust by the  
7 licensed gaming entity for the Commonwealth, the county and the  
8 municipality until the funds are paid or transferred to the  
9 fund. Unless otherwise agreed to by the board, a licensed gaming  
10 entity shall establish a separate bank account to maintain  
11 gross terminal revenue until such time as the funds are paid or  
12 transferred under this section. Moneys in the fund are hereby  
13 appropriated to the department on a continuing basis for the  
14 purposes set forth in subsection (c).

15 (c) Transfers and distributions.--The department shall:

16 (1) Transfer the slot machine tax and assessment imposed  
17 in subsection (b) to the fund.

18 (2) From the local share assessment established in  
19 subsection (b), make quarterly distributions among the  
20 counties hosting a licensed facility in accordance with the  
21 following schedule:

22 (i) If the licensed facility is a Category 1  
23 licensed facility that is located at a harness racetrack  
24 and the county, including a home rule county, in which  
25 the licensed facility is located is:

26 (A) A county of the first class: 4% of the  
27 gross terminal revenue to the county hosting the  
28 licensed facility from each such licensed facility.  
29 Notwithstanding any other provision to the contrary,  
30 funds from licensed gaming entities located within a

1 county of the first class shall not be distributed  
2 outside of a county of the first class.

3 (B) A county of the second class: 2% of the  
4 gross terminal revenue to the county hosting the  
5 licensed facility from each such licensed facility.

6 (C) A county of the second class A: 1% of the  
7 gross terminal revenue to the county hosting the  
8 licensed facility from each such licensed facility.  
9 An additional 1% of the gross terminal revenue to the  
10 county hosting the licensed facility from each such  
11 licensed facility for the purpose of municipal grants  
12 within the county in which the licensee is located.

13 (D) (I) A county of the third class: Except as  
14 provided in subclause (II), 2% of the gross  
15 terminal revenue from each such licensed facility  
16 shall be deposited into a restricted receipts  
17 account to be established in the Commonwealth  
18 Financing Authority to be used exclusively for  
19 grants for projects in the public interest to  
20 municipalities within the county where the  
21 licensed facility is located.

22 (I.1) Priority shall be given to multiyear  
23 projects approved or awarded by the Department of  
24 Community and Economic Development under  
25 subclause (I) on or before the effective date of  
26 this subclause.

27 (I.2) In addition to municipalities that are  
28 eligible to receive grant funding under subclause  
29 (I), a county redevelopment authority within the  
30 county shall also be eligible to receive grant

1 funding to be used exclusively for economic  
2 development projects or infrastructure. A county  
3 redevelopment authority shall not be eligible to  
4 receive more than 10% of the total grant funds  
5 awarded.

6 (I.3) Notwithstanding the act of February 9,  
7 1999 (P.L.1, No.1), known as the Capital  
8 Facilities Debt Enabling Act, grants made under  
9 subclause (I) may be utilized as local matching  
10 funds for other grants or loans from the  
11 Commonwealth.

12 (II) If a licensed facility is located in  
13 one of two counties of the third class where a  
14 city of the third class is located in both  
15 counties of the third class, the county in which  
16 the licensed facility is located shall receive  
17 1.2% of the gross terminal revenue to be  
18 distributed as follows: 20% to the host city,  
19 30% to the host county and 50% to the host county  
20 for the purpose of making municipal grants within  
21 the county, with priority given to municipalities  
22 contiguous to the host city. The county of the  
23 third class, which includes a city of the third  
24 class that is located in two counties of the  
25 third class and is not the host county for the  
26 licensed facility, shall receive .8% of the gross  
27 terminal revenue to be distributed as follows:  
28 60% to a nonhost city of the third class located  
29 solely in the nonhost county in which the host  
30 city of the third class is also located or 60% to

1 the nonhost city of the third class located both  
2 in the host and nonhost counties of the third  
3 class, 35% to the nonhost county and 5% to the  
4 nonhost county for the purpose of making  
5 municipal grants within the county.

6 (E) A county of the fourth class: 2% of the  
7 gross terminal revenue from each such licensed  
8 facility shall be distributed as follows:

9 (I) The department shall make distributions  
10 directly to each municipality within the county,  
11 except the host municipality, by using a formula  
12 equal to the sum of \$25,000 plus \$10 per resident  
13 of the municipality using the most recent  
14 population figures provided by the Department of  
15 Community and Economic Development, provided,  
16 however, that the amount so distributed to any  
17 municipality shall not exceed 50% of its total  
18 budget for fiscal year 2009 or 2013, whichever is  
19 greater, adjusted for inflation in subsequent  
20 fiscal years by an amount not to exceed an annual  
21 cost-of-living adjustment calculated by applying  
22 any upward percentage change in the Consumer  
23 Price Index immediately prior to the date the  
24 adjustment is due to take effect. Distributions  
25 to a municipality in accordance with this  
26 subclause shall be deposited into a special fund  
27 which shall be established by the municipality.  
28 The governing body of the municipality shall have  
29 the right to draw upon the special fund for any  
30 lawful purpose provided that the municipality

1 identifies the fund as the source of the  
2 expenditure. Each municipality shall annually  
3 submit a report to the Department of Community  
4 and Economic Development detailing the amount and  
5 purpose of each expenditure made from the special  
6 fund during the prior fiscal year.

7 (II) Any funds not distributed under  
8 subclause (I) shall be deposited into a  
9 restricted receipts account established in the  
10 Department of Community and Economic Development  
11 to be used exclusively for grants to the county,  
12 to economic development authorities or  
13 redevelopment authorities within the county for  
14 grants for economic development projects,  
15 infrastructure projects, job training, community  
16 improvement projects, other projects in the  
17 public interest, and necessary and reasonable  
18 administrative costs. Notwithstanding the  
19 provisions of the act of February 9, 1999 (P.L.1,  
20 No.1), known as the Capital Facilities Debt  
21 Enabling Act, grants made under this clause may  
22 be utilized as local matching funds for other  
23 grants or loans from the Commonwealth.

24 (F) Counties of the fifth through eighth  
25 classes:

26 (I) Except as set forth in subclause (II),  
27 2% of the gross terminal revenue from each such  
28 licensed facility shall be deposited into a  
29 restricted account established in the Department  
30 of Community and Economic Development to be used

1 exclusively for grants to the county.

2 (II) If the licensed facility is located in  
3 a second class township in a county of the fifth  
4 class, 2% of the gross terminal revenue from the  
5 licensed facility shall be distributed as  
6 follows:

7 (a) 1% shall be deposited into a  
8 restricted receipts account to be established  
9 in the Commonwealth Financing Authority to be  
10 used exclusively for grants for projects in  
11 the public interest to municipalities within  
12 the county where the licensed facility is  
13 located.

14 (b) 1% shall be distributed to the county  
15 for projects in the public interest in the  
16 county.

17 (G) Any county not specifically enumerated in  
18 clauses (A) through (F), 2% of the gross terminal  
19 revenue to the county hosting the licensed facility  
20 from each such licensed facility.

21 (ii) If the licensed facility is a Category 1  
22 licensed facility and is located at a thoroughbred  
23 racetrack and the county in which the licensed facility  
24 is located is:

25 (A) A county of the first class: 4% of the  
26 gross terminal revenue to the county hosting the  
27 licensed facility from each such licensed facility.  
28 Notwithstanding any other provision to the contrary,  
29 funds from licensed gaming entities located within  
30 the county of the first class shall not be

1 distributed outside of a county of the first class.

2 (B) A county of the second class: 2% of the  
3 gross terminal revenue to the county hosting the  
4 licensed facility from each such licensed facility.

5 (C) A county of the second class A: 1% of the  
6 gross terminal revenue to the county hosting the  
7 licensed facility from each such licensed facility.  
8 An additional 1% of the gross terminal revenue to the  
9 county hosting the licensed facility from each such  
10 licensed facility for the purpose of municipal grants  
11 within the county in which the licensee is located.

12 (D) A county of the third class: 1% of the  
13 gross terminal revenue to the county hosting the  
14 licensed facility from each such licensed facility.  
15 An additional 1% of the gross terminal revenue to the  
16 county hosting the licensed facility from each such  
17 licensed facility for the purpose of municipal grants  
18 within the county in which the licensee is located.

19 Notwithstanding the provisions of the Capital  
20 Facilities Debt Enabling Act, grants made under this  
21 clause may be utilized as local matching funds for  
22 other grants or loans from the Commonwealth.

23 (E) A county of the fourth class: 2% of the  
24 gross terminal revenue from each such licensed  
25 facility shall be deposited into a restricted account  
26 established in the Department of Community and  
27 Economic Development to be used exclusively for  
28 grants to the county, to economic development  
29 authorities or redevelopment authorities within the  
30 county for grants for economic development projects,

1 community improvement projects, job training, other  
2 projects in the public interest and reasonable  
3 administrative costs. Notwithstanding the Capital  
4 Facilities Debt Enabling Act, grants made under this  
5 clause may be utilized as local matching funds for  
6 other grants or loans from the Commonwealth.

7 (F) Counties of the fifth through eighth  
8 classes: 2% of the gross terminal revenue from each  
9 such licensed facility shall be deposited into a  
10 restricted account established in the Department of  
11 Community and Economic Development to be used  
12 exclusively for grants to the county.

13 (G) Any county not specifically enumerated in  
14 clauses (A) through (F), 2% of the gross terminal  
15 revenue to the county hosting the licensed facility  
16 from each such licensed facility.

17 (iii) If the facility is a Category 2 licensed  
18 facility and if the county in which the licensed facility  
19 is located is:

20 (A) A county of the first class: 4% of the  
21 gross terminal revenue to the county hosting the  
22 licensed facility from each such licensed facility.  
23 Notwithstanding any other provision to the contrary,  
24 funds from licensed gaming entities located within a  
25 county of the first class shall not be distributed  
26 outside of a county of the first class. [The first  
27 \$5,000,000] Fifty percent or \$5,000,000, whichever is  
28 greater, of the total amount distributed annually to  
29 the county of the first class shall be distributed to  
30 the Philadelphia School District.

1 (B) A county of the second class: 2% of the  
2 gross terminal revenue to the county hosting the  
3 licensed facility from each such licensed facility.

4 (C) A county of the second class A: 1% of the  
5 gross terminal revenue to the county hosting the  
6 licensed facility from each such licensed facility.  
7 An additional 1% of the gross terminal revenue to the  
8 county hosting the licensed facility from each such  
9 licensed facility for the purpose of municipal grants  
10 within the county in which the licensee is located.

11 (D) A county of the third class: 1% of the  
12 gross terminal revenue to the county hosting the  
13 licensed facility from each such licensed facility.  
14 An additional 1% of the gross terminal revenue to the  
15 county hosting the licensed facility from each such  
16 licensed facility for the purpose of municipal grants  
17 within the county in which the licensee is located.

18 (D.1) If a licensed facility is located in one  
19 of two counties of the third class where a city of  
20 the third class is located in both counties of the  
21 third class, the county in which the licensed  
22 facility is located shall receive 1.2% of the gross  
23 terminal revenue to be distributed as follows: 20%  
24 to the host city, 30% to the host county and 50%,  
25 which shall be deposited into a restricted receipts  
26 account to be established in the Commonwealth  
27 Financing Authority to be used exclusively for  
28 economic development projects, community improvement  
29 projects and other projects in the public interest  
30 within the county, to the host county [for the

1 purpose of making municipal grants within the  
2 county], with priority given to municipalities  
3 contiguous to the host city. The county of the third  
4 class, which includes a city of the third class that  
5 is located in two counties of the third class and is  
6 not the host county for the licensed facility, shall  
7 receive .8% of the gross terminal revenue to be  
8 distributed as follows: 60% to a nonhost city of the  
9 third class located solely in the nonhost county in  
10 which the host city of the third class is also  
11 located or 60% to the nonhost city of the third class  
12 located both in the host and nonhost counties of the  
13 third class, 35% to the nonhost county and 5%, which  
14 shall be deposited into a restricted receipts account  
15 to be established in the Commonwealth Financing  
16 Authority to be used exclusively for economic  
17 development projects, community improvement projects  
18 and other projects in the public interest within the  
19 county, to the nonhost county [for the purpose of  
20 making municipal grants within the county].

21 (E) A county of the fourth class: 2% of the  
22 gross terminal revenue from each such licensed  
23 facility shall be deposited into a restricted account  
24 established in the Department of Community and  
25 Economic Development to be used exclusively for  
26 grants to the county, to economic development  
27 authorities or redevelopment authorities within the  
28 county for grants for economic development projects,  
29 community improvement projects, job training, other  
30 projects in the public interest and reasonable

1 administrative costs. Notwithstanding 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 (F) Counties of the fifth class: 2% of the  
6 gross terminal revenue from each such licensed  
7 facility shall be deposited and distributed as  
8 follows:

9 (I) One percent to be distributed as  
10 follows:

11 (a) Beginning in 2010, the sum of  
12 \$2,400,000 annually for a period of 20 years  
13 to the county for purposes of funding debt  
14 service related to the construction of a  
15 community college campus located within the  
16 county.

17 (b) Any funds not distributed under  
18 subclause (a) shall be deposited into a  
19 restricted receipts account to be established  
20 in the Commonwealth Financing Authority to be  
21 used exclusively for grants within the county  
22 for economic development projects, road  
23 projects located within a 20-mile radius of  
24 the licensed facility and located within the  
25 county, community improvement projects and  
26 other projects in the public interest within  
27 the county. The amount under this subclause  
28 includes reasonable administrative costs.

29 (II) One percent shall be deposited into a  
30 restricted receipts account to be established in

1 the Commonwealth Financing Authority to be used  
2 exclusively for grants within contiguous counties  
3 for economic development projects, community  
4 improvement projects and other projects in the  
5 public interest within contiguous counties. The  
6 amount under this subclause includes reasonable  
7 administrative costs. A contiguous county that  
8 hosts a Category 1 licensed facility shall be  
9 ineligible to receive grants under this  
10 subclause.

11 (II.1) Priority shall be given to multiyear  
12 projects approved or awarded by the Department of  
13 Community and Economic Development under  
14 subclause (I) (b) or (II) on or before the  
15 effective date of this subclause.

16 (III) Fifty percent of any revenue required  
17 to be transferred under paragraph (3) (v) shall be  
18 deposited into the restricted receipts account  
19 established under subclause (I) (b), and 50% shall  
20 be deposited into the restricted receipts account  
21 established under subclause (II). Notwithstanding  
22 the Capital Facilities Debt Enabling Act, grants  
23 made under this clause may be utilized as local  
24 matching funds for other grants or loans from the  
25 Commonwealth.

26 (G) Any county not specifically enumerated in  
27 clauses (A) through (F), 2% of the gross terminal  
28 revenue to the county hosting the licensed facility  
29 from each such licensed facility.

30 (iv) (A) Except as provided in clause (B) or (C),

1 if the facility is a Category 3 licensed facility, 2%  
2 of the gross terminal revenue from the licensed  
3 facility shall be deposited into a restricted  
4 receipts account established in the Department of  
5 Community and Economic Development to be used  
6 exclusively for grants to the county, to economic  
7 development authorities or redevelopment authorities  
8 within the county for grants for economic development  
9 projects, community improvement projects and other  
10 projects in the public interest.

11 (B) If the facility is a Category 3 licensed  
12 facility located in a county of the second class A,  
13 2% of the gross terminal revenue [from the licensed  
14 facility shall be deposited into a restricted  
15 receipts account to be established in the  
16 Commonwealth Financing Authority to be used  
17 exclusively for grants or guarantees for projects in  
18 the host county that qualify under 64 Pa.C.S. §§ 1551  
19 (relating to Business in Our Sites Program), 1556  
20 (relating to Tax Increment Financing Guarantee  
21 Program) and 1558 (relating to Water Supply and  
22 Wastewater Infrastructure Program).] to the county  
23 hosting the licensed facility from each licensed  
24 facility shall be deposited as follows:

25 (I) Seventy-five percent shall be deposited  
26 for the purpose of supporting the maintenance and  
27 refurbishment of the parks and heritage sites  
28 throughout the county in which the licensed  
29 facility is located.

30 (II) Twelve and one-half percent shall be

1 deposited for the purpose of supporting a child  
2 advocacy center located within the county in  
3 which the licensed facility is located.

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

12 (C) If the facility is a Category 3 licensed  
13 facility located in a county of the fifth class that  
14 is contiguous to a county of the seventh class, 2% of  
15 the gross terminal revenue from the licensed facility  
16 shall be deposited into a restricted receipts account  
17 to be established in the Commonwealth Financing  
18 Authority to be used exclusively for grants within  
19 the county for economic development projects,  
20 infrastructure projects, community improvement  
21 projects and other projects in the public interest  
22 within the county and for infrastructure projects  
23 within a 20-mile radius of the licensed facility in a  
24 contiguous county of the seventh class.

25 (v) Unless otherwise specified, for the purposes of  
26 this paragraph money designated for municipal grants  
27 within a county, other than a county of the first class,  
28 in which a licensed facility is located shall be used to  
29 fund grants to the municipality in which the licensed  
30 facility is located, to the county in which the licensed

1 facility is located and to the municipalities which are  
2 contiguous to the municipality in which the licensed  
3 facility is located and which are located within the  
4 county in which the licensed facility is located. Grants  
5 shall be administered by the county through its economic  
6 development or redevelopment authority in which the  
7 licensed facility is located. Grants shall be used to  
8 fund the costs of human services, infrastructure  
9 improvements, facilities, emergency services, health and  
10 public safety expenses associated with licensed facility  
11 operations. If at the end of a fiscal year uncommitted  
12 funds exist, the county shall pay to the economic  
13 development or redevelopment authority of the county in  
14 which the licensed facility is located the uncommitted  
15 funds.

16 (vi) If the licensed facility is located in more  
17 than one county, the amount available shall be  
18 distributed on a pro rata basis determined by the  
19 percentage of acreage located in each county to the total  
20 acreage of all counties occupied by the licensed  
21 facility.

22 (vii) The distributions provided in this paragraph  
23 shall be based upon county classifications in effect on  
24 the effective date of this section. Any reclassification  
25 of counties as a result of a Federal decennial census or  
26 of a State statute shall not apply to this subparagraph.

27 (viii) If any provision of this paragraph is found  
28 to be unenforceable for any reason, the distribution  
29 provided for in the unenforceable provision shall be made  
30 to the county in which the licensed facility is located

1 for the purposes of grants to municipalities in that  
2 county, including municipal grants as specified in  
3 subparagraph (v).

4 (ix) Nothing in this paragraph shall prevent any of  
5 the above counties which directly receive a distribution  
6 under this section from entering into intergovernmental  
7 cooperative agreements with other jurisdictions for  
8 sharing this money.

9 (3) From the local share assessment established in  
10 subsection (b) and the slot machine operation fees imposed  
11 under section 1326.1 (relating to slot machine license  
12 operation fee) and deposited under section 1326.1(d), make  
13 quarterly distributions among the municipalities, including  
14 home rule municipalities, hosting a licensed facility in  
15 accordance with the following schedule:

16 (i) To a city of the second class hosting a licensed  
17 facility, other than a Category 3 licensed facility, [2%  
18 of the gross terminal revenue or] \$10,000,000 annually[,  
19 whichever is greater, shall be paid by each licensed  
20 gaming entity operating a facility located in that city.  
21 In the event that the revenues generated by the 2% do not  
22 meet the \$10,000,000 minimum specified in this  
23 subparagraph, the department shall collect the remainder  
24 of the minimum amount of \$10,000,000 from each licensed  
25 gaming entity operating a facility in the city and  
26 deposit that amount in the city treasury] shall be  
27 distributed to the city treasury.

28 (ii) To a city of the second class A hosting a  
29 licensed facility, other than a Category 3 licensed  
30 facility, [2% of the gross terminal revenue or

1 \$10,000,000 annually, whichever is greater, shall be paid  
2 by each licensed entity operating a licensed facility  
3 located in that city] \$10,000,000 annually shall be  
4 distributed to the city, subject, however, to the  
5 budgetary limitation in this subparagraph. The amount  
6 allocated to the designated municipalities shall not  
7 exceed 50% of their total budget for fiscal year 2003-  
8 2004, adjusted for inflation in subsequent years by an  
9 amount not to exceed an annual cost-of-living adjustment  
10 calculated by applying the percentage change in the  
11 Consumer Price Index immediately prior to the date the  
12 adjustment is due to take effect. Any remaining moneys  
13 shall be [collected by the department from each licensed  
14 gaming entity and] distributed in accordance with  
15 paragraph (2) based upon the classification of county  
16 where the licensed facility is located. [In the event  
17 that the revenues generated by the 2% do not meet the  
18 \$10,000,000 minimum specified in this subparagraph, the  
19 department shall collect the remainder of the minimum  
20 amount of \$10,000,000 from each licensed gaming entity  
21 operating a facility in the city, pay any balance due to  
22 the city and transfer any remainder in accordance with  
23 paragraph (2).]

24 (iii) To a city of the third class hosting a  
25 licensed facility, other than a Category 3 licensed  
26 facility, [2% of the gross terminal revenue or  
27 \$10,000,000 annually, whichever is greater, shall be paid  
28 by each licensed gaming entity operating a licensed  
29 facility located in that city] \$10,000,000 annually, less  
30 any amount up to \$5,000,000 received pursuant to a

1 written agreement with a licensed gaming entity executed  
2 prior to the effective date of this part, shall be  
3 distributed to the city, subject, however, to the  
4 budgetary limitation in this subparagraph. In the event  
5 that the city has a written agreement with a licensed  
6 gaming entity executed prior to the effective date of  
7 this part, the amount paid under the agreement to the  
8 city shall be applied and credited [to the difference  
9 between 2% of the gross terminal revenue and the  
10 \$10,000,000 owed under this subparagraph if the 2% of the  
11 gross terminal revenue is less than \$10,000,000. If 2% of  
12 the gross terminal revenue is greater than the  
13 \$10,000,000 required to be paid under this subparagraph,  
14 the credit shall not apply. The amount of gross terminal  
15 revenue required to be paid pursuant to the agreement  
16 shall be deemed to be gross terminal revenue for purposes  
17 of this subparagraph.], up to \$5,000,000, to the slot  
18 machine license operation fee owed under section 1326.1  
19 (relating to slot machine license operation fee). The  
20 amount allocated to the designated municipalities shall  
21 not exceed 50% of their total budget for fiscal year  
22 2003-2004, adjusted for inflation in subsequent years by  
23 an amount not to exceed an annual cost-of-living  
24 adjustment calculated by applying the percentage change  
25 in the Consumer Price Index immediately prior to the date  
26 the adjustment is due to take effect. Any remaining  
27 moneys shall be [collected by the department from each  
28 licensed gaming entity and] distributed in accordance  
29 with paragraph (2) based upon the classification of  
30 county where the licensed facility is located. [In the

1 event that the revenues generated by the 2% do not meet  
2 the \$10,000,000 minimum specified in this subparagraph,  
3 the department shall collect the remainder of the minimum  
4 amount of \$10,000,000 from each licensed gaming entity  
5 operating a facility, pay any balance due to the city of  
6 the third class and transfer any remainder in accordance  
7 with paragraph (2).]

8 (iii.1) If a licensed facility is located in a city  
9 of the third class and the city is located in more than  
10 one county of the third class, [2% of the gross terminal  
11 revenue or \$10,000,000 annually, whichever is greater,]  
12 \$10,000,000 annually shall be distributed as follows:  
13 80% to the host city and 20% to the city of the third  
14 class located solely in a nonhost county in which the  
15 host city of the third class is also located. If a  
16 licensed facility is located in a city of the third class  
17 and that city is located solely in a host county of the  
18 third class in which a nonhost city of the third class is  
19 also located[, 2% of gross terminal revenue or  
20 \$10,000,000 annually, whichever is greater], \$10,000,000  
21 annually shall be distributed as follows: 80% to the  
22 host city and 20% to a city of the third class located  
23 both in a nonhost county of the third class and in a host  
24 county of the third class in which the host city of the  
25 third class is located.

26 (iv) To a township of the first class hosting a  
27 licensed facility, other than a Category 3 licensed  
28 facility, [2% of the gross terminal revenue or  
29 \$10,000,000 annually, whichever is greater, shall be paid  
30 by each licensed gaming entity operating a licensed

1 facility located in the township] \$10,000,000 annually  
2 shall be distributed to the township, subject, however,  
3 to the budgetary limitation in this subparagraph. The  
4 amount allocated to the designated municipalities shall  
5 not exceed 50% of their total budget for fiscal year  
6 2003-2004, adjusted for inflation in subsequent years by  
7 an amount not to exceed an annual cost-of-living  
8 adjustment calculated by applying the percentage change  
9 in the Consumer Price Index immediately prior to the date  
10 the adjustment is due to take effect. Any remaining money  
11 shall be [collected by the department from each licensed  
12 gaming entity and] distributed in accordance with  
13 paragraph (2) based upon the classification of county  
14 where the licensed facility is located. [In the event  
15 that the revenues generated by the 2% do not meet the  
16 \$10,000,000 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 entity  
19 operating a licensed facility in the township, pay any  
20 balance due to the township and transfer any remainder in  
21 accordance with paragraph (2).]

22 (v) To a township of the second class hosting a  
23 licensed facility:

24 (A) [2% of the gross terminal revenue or  
25 \$10,000,000 annually, whichever is greater, shall be  
26 paid by each licensed gaming entity operating a  
27 licensed facility, other than a Category 3 licensed  
28 facility or a licensed facility owning land adjacent  
29 to the licensed facility located in more than one  
30 township of the second class,] \$10,000,000 annually

1           shall be distributed to the township of the second  
2           class hosting [the] a licensed facility, other than a  
3           Category 3 licensed facility or a licensed facility  
4           located in more than one township of the second  
5           class, subject, however, to the budgetary limitation  
6           in this subparagraph. The amount allocated to the  
7           designated municipalities shall not exceed 50% of  
8           their total budget for fiscal year 2003-2004,  
9           adjusted for inflation in subsequent years by an  
10          amount not to exceed an annual cost-of-living  
11          adjustment calculated by applying the percentage  
12          change in the Consumer Price Index immediately prior  
13          to the date the adjustment is due to take effect. Any  
14          remaining money shall be [collected by the department  
15          from each licensed gaming entity and] distributed in  
16          accordance with paragraph (2) based upon the  
17          classification of county where the licensed facility  
18          is located. [If revenues generated by the 2% do not  
19          meet the \$10,000,000 minimum specified in this  
20          subparagraph, the department shall collect the  
21          remainder of the minimum amount of \$10,000,000 from  
22          each licensed gaming entity operating a licensed  
23          facility in the township, pay any balance due to the  
24          township and transfer any remainder in accordance  
25          with paragraph (2).]

26                (B) [2% of the gross terminal revenue or  
27                \$10,000,000 annually, whichever is greater,]  
28                \$10,000,000 annually, less the amount paid under  
29                clause (C), shall be [paid by each licensed gaming  
30                entity operating a licensed facility and owning land

1 adjacent to the licensed facility located in more  
2 than one township of the second class, other than a  
3 Category 3 licensed facility,] distributed to the  
4 township of the second class hosting [the] a licensed  
5 facility which owns land adjacent to the licensed  
6 facility located in more than one township of the  
7 second class, other than a Category 3 licensed  
8 facility, subject, however, to the budgetary  
9 limitation in this subparagraph. The amount allocated  
10 to the designated municipalities may not exceed 50%  
11 of their total budget for the fiscal year 2003-2004,  
12 adjusted for inflation in subsequent years by an  
13 amount not to exceed an annual cost-of-living  
14 adjustment calculated by applying the percentage  
15 change in the Consumer Price Index immediately prior  
16 to the date the adjustment is due to take effect. Any  
17 remaining money shall be [collected by the department  
18 from each licensed gaming entity and] distributed in  
19 accordance with paragraph (2) based upon the  
20 classification of the county where the licensed  
21 facility is located. The county commissioners of a  
22 county of the third class in which the licensed  
23 facility is located shall appoint an advisory  
24 committee for the purpose of advising the county as  
25 to the need for municipal grants for health, safety,  
26 transportation and other projects in the public  
27 interest to be comprised of two individuals from the  
28 host municipality, two from contiguous municipalities  
29 within the county of the third class and one from the  
30 host county. [In the event that the revenues

1 generated by the 2% do not meet the \$10,000,000  
2 minimum specified in this subparagraph, the  
3 department shall collect the remainder of the minimum  
4 amount of \$10,000,000 from each licensed gaming  
5 entity operating a licensed facility in the township,  
6 pay any balance due to the township and transfer any  
7 remainder in accordance with paragraph (2).]

8 (C) [\$160,000 annually shall be paid by each  
9 licensed gaming entity operating a licensed facility  
10 and owning land adjacent to the licensed facility  
11 located in more than one township of the second  
12 class, other than a Category 3 licensed facility, to  
13 the township of the second class that is located in a  
14 county of the fifth class in which the adjacent land  
15 is located, including racetracks, grazing fields or  
16 any other adjoining real property.] For land owned by  
17 a licensed gaming entity, other than a Category 3  
18 licensed facility and located in more than one  
19 township of the second class, \$160,000 shall be  
20 distributed annually to the township of the second  
21 class which is located in a county of the fifth class  
22 if the land owned, including racetracks, grazing  
23 fields and other adjoining real property, is adjacent  
24 to the licensed facility.

25 (vi) To a borough hosting a licensed facility, other  
26 than a Category 3 licensed facility, [2% of the gross  
27 terminal revenue or \$10,000,000 annually, whichever is  
28 greater, shall be paid by each licensed gaming entity  
29 operating a licensed facility located in that borough,]  
30 \$10,000,000 annually shall be distributed to the borough,

1 subject, however, to the budgetary limitation in this  
2 subparagraph. The amount allocated to the designated  
3 municipalities shall not exceed 50% of their total budget  
4 for fiscal year 2003-2004, adjusted for inflation in  
5 subsequent years by an amount not to exceed an annual  
6 cost-of-living adjustment calculated by applying the  
7 percentage change in the Consumer Price Index immediately  
8 prior to the date the adjustment is due to take effect.  
9 Any remaining money shall be [collected by the department  
10 from each licensed gaming entity and] distributed in  
11 accordance with paragraph (2) based upon the  
12 classification of county where the licensed facility is  
13 located. [In the event that the revenues generated by the  
14 2% do not meet the \$10,000,000 minimum specified in this  
15 subparagraph, the department shall collect the remainder  
16 of the minimum amount of \$10,000,000 from each licensed  
17 gaming entity operating a licensed facility in the  
18 borough, pay any balance due to the borough and transfer  
19 any remainder in accordance with paragraph (2).]

20 (vii) To an incorporated town hosting a licensed  
21 facility, other than a Category 3 licensed facility, [2%  
22 of the gross terminal revenue or \$10,000,000 annually,  
23 whichever is greater, shall be paid by each licensed  
24 entity operating a licensed facility located in the  
25 town,] \$10,000,000 annually shall be distributed to the  
26 incorporated town, subject, however, to the budgetary  
27 limitation in this subparagraph. The amount allocated to  
28 the designated municipalities shall not exceed 50% of  
29 their total budget for fiscal year 2003-2004, adjusted  
30 for inflation in subsequent years by an amount not to

1 exceed an annual cost-of-living adjustment calculated by  
2 applying the percentage change in the Consumer Price  
3 Index immediately prior to the date the adjustment is due  
4 to take effect. Any remaining money shall be [collected  
5 by the department from each licensed gaming entity and]  
6 distributed in accordance with paragraph (2) based upon  
7 the classification of county where the licensed facility  
8 is located. [In the event that the revenues generated by  
9 the 2% do not meet the \$10,000,000 minimum specified in  
10 this subparagraph, the department shall collect the  
11 remainder of the minimum amount of \$10,000,000 from each  
12 licensed gaming entity operating a licensed facility in  
13 the incorporated town, pay any balance due to the town  
14 and transfer any remainder in accordance with paragraph  
15 (2).]

16 (viii) (A) Except as provided in clause (B) or (C),  
17 to a municipality of any class hosting a Category 3  
18 facility, 2% of the gross terminal revenue from the  
19 Category 3 licensed facility located in the  
20 municipality, subject, however, to the budgetary  
21 limitation in this clause. The amount allocated to  
22 the designated municipalities shall not exceed 50% of  
23 their total budget for fiscal year 2009, adjusted for  
24 inflation in subsequent years by an amount not to  
25 exceed an annual cost-of-living adjustment calculated  
26 by applying the percentage change in the Consumer  
27 Price Index immediately prior to the date the  
28 adjustment is due to take effect. Any remaining money  
29 shall be collected by the department from each  
30 licensed gaming entity and distributed in accordance

1 with paragraph (2) based upon the classification of  
2 county where the licensed facility is located.

3 (B) If the municipality hosting a Category 3  
4 licensed facility is a borough located in a county of  
5 the third class and the borough is contiguous to a  
6 city of the third class, 1% of gross terminal revenue  
7 shall be distributed to the host borough and 1% of  
8 gross terminal revenue shall be distributed to the  
9 city of the third class that is contiguous to the  
10 host borough, subject, however, to the budgetary  
11 limitation in this clause. The amount allocated to  
12 each designated municipality shall not exceed 50% of  
13 its total budget for fiscal year 2009, adjusted for  
14 inflation in subsequent years by an amount not to  
15 exceed an annual cost-of-living adjustment calculated  
16 by applying the percentage increase, if any, in the  
17 Consumer Price Index immediately prior to the date  
18 the adjustment is due to take effect. Any remaining  
19 money shall be collected by the department from each  
20 licensed gaming entity and distributed in accordance  
21 with paragraph (2) based upon the classification of  
22 county where the licensed facility is located.

23 (C) If the municipality hosting a Category 3  
24 licensed facility is a township of the second class  
25 in a county of the fifth class which is contiguous to  
26 a county of the seventh class, 2% of the gross  
27 terminal revenue from the Category 3 licensed  
28 facility located in the municipality shall be  
29 distributed to the municipality, subject, however, to  
30 the budgetary limitation in this clause. The amount

1 allocated to the designated municipalities shall not  
2 exceed the lesser of \$1,000,000 or 50% of their total  
3 budget for fiscal year 2009, adjusted for inflation  
4 in subsequent years by an amount not to exceed an  
5 annual cost-of-living adjustment calculated by  
6 applying the percentage change in the Consumer Price  
7 Index immediately prior to the date the adjustment is  
8 due to take effect. Any remaining money shall be  
9 collected by the department from each licensed gaming  
10 entity and distributed in equal amounts to each  
11 municipality contiguous to the host municipality.  
12 However, the amount to be allocated to any contiguous  
13 municipality shall not exceed the lesser of  
14 \$1,000,000 or 50% of the municipality's total budget  
15 for fiscal year 2009, adjusted for inflation in  
16 subsequent years by an amount not to exceed an annual  
17 cost-of-living adjustment calculated by applying the  
18 percentage change in the Consumer Price Index  
19 immediately prior to the date the adjustment is due  
20 to take effect. Any money remaining following  
21 distribution to contiguous municipalities shall be  
22 collected by the department and distributed in  
23 accordance with paragraph (2) based upon the  
24 classification of county where the licensed facility  
25 is located.

26 (ix) [Any municipality not specifically enumerated  
27 in subparagraphs (i) through (viii),] To a municipality,  
28 except for a city of the first class, not specifically  
29 enumerated in subparagraphs (i), (ii), (iii), (iii.1),  
30 (iv), (v), (vi), (vii) and (viii) hosting a licensed

1 facility, other than a Category 3 licensed facility,  
2 \$10,000,000 annually shall be distributed to the host  
3 municipality. To a municipality not enumerated in  
4 subparagraphs (i), (ii), (iii), (iii.1), (iv), (v), (vi),  
5 (vii) and (viii) hosting a Category 3 licensed facility,  
6 2% of the gross terminal revenue to the municipality  
7 hosting the Category 3 licensed facility from each such  
8 Category 3 licensed facility.

9 (x) If the licensed facility is located in more than  
10 one municipality, the amount available shall be  
11 distributed on a pro rata basis determined by the  
12 percentage of acreage located in each municipality to the  
13 total acreage of all municipalities occupied by the  
14 licensed facility.

15 (xi) If the licensed facility is located at a resort  
16 which is also an incorporated municipality, such  
17 municipality shall not be eligible to receive any  
18 distribution under this paragraph. The distribution it  
19 would have otherwise been entitled to under this  
20 paragraph shall instead be distributed in accordance with  
21 paragraph (2) based upon the county where the licensed  
22 facility is located.

23 (xii) The distributions provided in this paragraph  
24 shall be based upon municipal classifications in effect  
25 on the effective date of this section. For the purposes  
26 of this paragraph, any reclassification of municipalities  
27 as a result of a Federal decennial census or of a State  
28 statute shall not apply to this paragraph.

29 (xiii) If any provision of this paragraph is found  
30 to be unenforceable for any reason, the distribution

1 provided for in such unenforceable provision shall be  
2 made to the municipality in which the licensed facility  
3 is located.

4 (xiv) Nothing in this paragraph shall prevent any of  
5 the above municipalities from entering into  
6 intergovernmental cooperative agreements with other  
7 jurisdictions for sharing this money.

8 (xv) Notwithstanding any other law, agreement or  
9 provision in this part to the contrary, all revenues  
10 provided, directed or earmarked under this section to or  
11 for the benefit of a city of the second class in which an  
12 intergovernmental cooperation authority has been  
13 established and is in existence pursuant to the act of  
14 February 12, 2004 (P.L.73, No.11), known as the  
15 Intergovernmental Cooperation Authority Act for Cities of  
16 the Second Class, shall be directed to and under the  
17 exclusive control of such intergovernmental cooperation  
18 authority to be used:

19 (A) to reduce the debt of the second class city;

20 (B) to increase the level of funding of the  
21 municipal pension funds of the second class city; or

22 (C) for any other purposes as determined to be  
23 in the best interest of the second class city by such  
24 intergovernmental cooperation authority. Such  
25 revenues shall not be directed to or under the  
26 control of such city of the second class or any  
27 coordinator appointed pursuant to the act of July 10,  
28 1987 (P.L.246, No.47), known as the Municipalities  
29 Financial Recovery Act, for such city of the second  
30 class.

1 (d) Consumer Price Index.--For purposes of subsection (c),  
2 references to the Consumer Price Index shall mean the Consumer  
3 Price Index for All Urban Consumers for the Pennsylvania, New  
4 Jersey, Delaware and Maryland area for the most recent 12-month  
5 period for which figures have been officially reported by the  
6 United States Department of Labor, Bureau of Labor Statistics.

7 (e) Reporting.--

8 (1) In cooperation with the department and the  
9 Commonwealth Financing Authority, the Department of Community  
10 and Economic Development shall submit an annual report on all  
11 distributions of local share assessments and slot machine  
12 license operation fees to counties and municipalities under  
13 this section to the chairman and minority chairman of the  
14 Appropriations Committee of the Senate, the chairman and  
15 minority chairman of the Community, Economic and Recreational  
16 Development Committee of the Senate, the chairman and  
17 minority chairman of the Appropriations Committee of the  
18 House of Representatives and the chairman and minority  
19 chairman of the Gaming Oversight Committee of the House of  
20 Representatives. The report shall be submitted by [August 31,  
21 2010] March 31, 2018, and by [August] March 31 of each year  
22 thereafter.

23 (2) All counties and municipalities receiving  
24 distributions of local share assessments or slot machine  
25 license operation fees under this section shall submit  
26 information to the Department of Community and Economic  
27 Development on a form prepared by the Department of Community  
28 and Economic Development that sets forth the amount and use  
29 of the funds received in the prior calendar year. The form  
30 shall set forth whether the funds received were deposited in

1 the county's or municipality's General Fund or committed to a  
2 specific project or use.

3 (f) Prohibited activities.--

4 (1) A person or its affiliated entity or a political  
5 subdivision shall not compensate or incur an obligation to  
6 compensate a person to engage in lobbying for compensation  
7 contingent in whole or in part upon the approval, award,  
8 receipt or denial of funds under this section. A person or  
9 its affiliated entity shall not engage in or agree to engage  
10 in lobbying for compensation contingent in whole or in part  
11 upon the approval, award, receipt or denial of funds under  
12 this section. This subsection shall not apply to a county or  
13 municipality that compensates a person to prepare a grant  
14 application for funds under this section if the following  
15 requirements are met:

16 (i) The person is not identified in the application.

17 (ii) The person has no direct contact with the  
18 agency, county or municipality providing the funding.

19 (iii) The person is paid a fixed fee or percentage  
20 of the amount of any funds approved, awarded or received  
21 up to .5%.

22 (2) A violation of this section shall be considered an  
23 intentional violation of 65 Pa.C.S. § 13A09(e) (relating to  
24 penalties).

25 § 1501. Responsibility and authority of department.

26 \* \* \*

27 (b) Application of rules and regulations.--The department  
28 may prescribe the extent, if any, to which any rules and  
29 regulations shall be applied without retroactive effect. The  
30 department shall have authority to prescribe the forms and the

1 system of accounting and recordkeeping to be employed and  
2 through its representative shall at all times have power of  
3 access to and examination and audit of any equipment and records  
4 relating to all aspects of the operation of slot machines [and],  
5 table games and interactive gaming under this part.

6 \* \* \*

7 § 1509. Compulsive and problem gambling program.

8 (a) Establishment of program.--The Department of [Health]  
9 Drug and Alcohol Programs, in consultation with organizations  
10 similar to the Mid-Atlantic Addiction Training Institute, shall  
11 develop program guidelines for public education, awareness and  
12 training regarding compulsive and problem gambling and the  
13 treatment and prevention of compulsive and problem gambling. The  
14 guidelines shall include strategies for the prevention of  
15 compulsive and problem gambling. The Department of [Health] Drug  
16 and Alcohol Programs may consult with the board and licensed  
17 gaming entities to develop such strategies.

18 (a.1) Duties of Department of [Health] Drug and Alcohol  
19 Programs.--From funds available in the Compulsive and Problem  
20 Gambling Treatment Fund, the Department of [Health] Drug and  
21 Alcohol Programs shall:

22 (1) Maintain [a] one compulsive gamblers assistance  
23 organization's toll-free problem gambling telephone number,  
24 which shall be the number 1-800-GAMBLER, to provide crisis  
25 counseling and referral services to individuals and families  
26 experiencing difficulty as a result of problem or compulsive  
27 gambling. If the Department of Drug and Alcohol Programs  
28 determines that it is unable to adopt the number 1-800-  
29 GAMBLER, the Department of Drug and Alcohol Programs shall  
30 maintain another number.

1 (2) Facilitate, through in-service training and other  
2 means, the availability of effective assistance programs for  
3 problem and compulsive gamblers and family members affected  
4 by problem and compulsive gambling.

5 (3) At its discretion, conduct studies to identify  
6 individuals in this Commonwealth who are or are at risk of  
7 becoming problem or compulsive gamblers.

8 (4) Provide grants to and contract with single county  
9 authorities and other organizations which provide services as  
10 set forth in this section.

11 (5) Reimburse organizations for reasonable expenses  
12 incurred assisting the Department of [Health] Drug and  
13 Alcohol Programs with implementing this section.

14 (a.2) Duties of Department of [Health] Drug and Alcohol  
15 Programs and board.--[Within 60 days following the effective  
16 date of this subsection, the] The Department of [Health's Bureau  
17 of] Drug and Alcohol Programs and the board's Office of  
18 Compulsive and Problem Gambling shall jointly collaborate with  
19 other appropriate offices and agencies of State or local  
20 government, including single county authorities, and providers  
21 and other persons, public or private, with expertise in  
22 compulsive and problem gambling treatment to do the following:

23 (1) Implement a strategic plan for the prevention and  
24 treatment of compulsive and problem gambling.

25 (2) Adopt compulsive and problem gambling treatment  
26 standards to be integrated with the [Bureau] Department of  
27 Drug and Alcohol Program's uniform Statewide guidelines that  
28 govern the provision of addiction treatment services.

29 (3) Develop a method to coordinate compulsive and  
30 problem gambling data collection and referral information to

1 crisis response hotlines, child welfare and domestic violence  
2 programs and providers and other appropriate programs and  
3 providers.

4 (4) Develop and disseminate educational materials to  
5 provide public awareness related to the prevention,  
6 recognition and treatment of compulsive and problem gambling.

7 (5) Develop demographic-specific compulsive and problem  
8 gambling prevention, intervention and treatment programs.

9 (6) Prepare an itemized budget outlining how funds will  
10 be allocated to fulfill the responsibilities under this  
11 section.

12 (b) Compulsive and Problem Gambling Treatment Fund.--There  
13 is hereby established in the State Treasury a special fund to be  
14 known as the Compulsive and Problem Gambling Treatment Fund. All  
15 moneys in the fund shall be administered by the Department of  
16 [Health] Drug and Alcohol Programs and expended solely for  
17 programs for the prevention and treatment of gambling addiction  
18 and other emotional and behavioral problems associated with or  
19 related to gambling addiction and for the administration of the  
20 compulsive and problem gambling program, provided that the  
21 Department of [Health] Drug and Alcohol Programs shall annually  
22 distribute at least 50% of the money in the fund to single  
23 county authorities under subsection (d). The fund shall consist  
24 of money annually allocated to it from the annual payment  
25 established under section 1408(a) (relating to transfers from  
26 State Gaming Fund), money which may be allocated by the board,  
27 interest earnings on moneys in the fund and any other  
28 contributions, payments or deposits which may be made to the  
29 fund.

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

1           (1) [Each] Except as otherwise provided for in paragraph  
2 (4), each slot machine licensee shall [obtain a] use the  
3 toll-free telephone number [to be used] established by the  
4 Department of Drug and Alcohol Programs in subsection (a.1)  
5 (1) to provide persons with information on assistance for  
6 compulsive or problem gambling. Each licensee shall  
7 conspicuously post at least 20 signs similar to the following  
8 statement:

9           If you or someone you know has a gambling problem, help  
10          is available. Call (Toll-free telephone number).  
11 The signs must be posted within 50 feet of each entrance and  
12 exit, within 50 feet of each automated teller machine  
13 location within the licensed facility and in other  
14 appropriate public areas of the licensed facility as  
15 determined by the slot machine licensee.

16          (2) Each racetrack where slot machines or table games  
17 are operated shall print a statement on daily racing programs  
18 provided to the general public that is similar to the  
19 following:

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

22 Except as otherwise provided for in paragraph (4), the toll-  
23 free telephone number shall be the same telephone number  
24 established by the Department of Drug and Alcohol Programs  
25 under subsection (a.1)(1).

26          (2.1) Each interactive gaming certificate holder,  
27 interactive gaming operator or other person that operates  
28 interactive gaming or an interactive gaming system on behalf  
29 of an interactive gaming certificate holder:

30           (i) Shall cause the words:

1           If you or someone you know has a gambling problem,  
2           help is available. Call (Toll-free telephone number).  
3           or some comparable language approved by the board, which  
4           language shall include the words "gambling problem" and  
5           "call 1-800-XXXX," to be prominently and continuously  
6           displayed to a person visiting or logged onto the  
7           interactive gaming certificate holder's interactive  
8           gaming skin or Internet website.

9           (ii) Shall provide a mechanism by which an  
10           interactive gaming account holder may establish the  
11           following controls on wagering activity through the  
12           interactive gaming account:

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

18           (B) A limit on the maximum amount of a single  
19           wager on an interactive game.

20           (C) A temporary suspension of interactive gaming  
21           through the account for any number of hours or days.

22           (iii) Shall not mail or otherwise forward a gaming-  
23           related promotional material or e-mail to a registered  
24           player during a period in which interactive gaming  
25           through the registered players' interactive gaming  
26           account has been suspended or terminated. The interactive  
27           gaming certificate holder shall provide a mechanism by  
28           which a registered player may change the controls, except  
29           that, while interactive gaming through the interactive  
30           gaming account is suspended, the registered player may

1 not change gaming controls until the suspension expires,  
2 but the registered player shall continue to have access  
3 to the account and shall be permitted to withdraw funds  
4 from the account upon proper application for the funds to  
5 the interactive gaming certificate holder.

6 (3) A [licensed facility] licensed gaming entity which  
7 fails to post or print the warning sign in accordance with  
8 paragraph (1) [or], (2) or (2.1)(i) shall be assessed a fine  
9 of \$1,000 a day for each day the minimum number of signs are  
10 not posted or the required statement is not printed as  
11 provided in this subsection.

12 (3.1) An interactive gaming certificate holder or  
13 interactive gaming license holder, as the case may be, that  
14 fails to establish the mechanisms, controls and systems in  
15 accordance with paragraph (2.1)(ii) and (iii) shall be  
16 assessed a fine of not less than \$5,000 per day for each day  
17 the mechanisms, controls and systems are not available to  
18 interactive gaming account holders.

19 (4) Slot machine licensees or racetracks utilizing a  
20 toll-free telephone number other than the number established  
21 by the Department of Drug and Alcohol Programs under  
22 subsection (a.1)(1) prior to the effective date of this  
23 paragraph may continue to use that number for a period not to  
24 exceed three years from the effective date of this paragraph  
25 upon showing good cause to the Department of Drug and Alcohol  
26 Programs.

27 (d) Single county authorities.--The Department of [Health]  
28 Drug and Alcohol Programs shall make grants from the fund  
29 established under subsection (b) to single county authorities  
30 created pursuant to the act of April 14, 1972 (P.L.221, No.63),

1 known as the Pennsylvania Drug and Alcohol Abuse Control Act,  
2 for the purpose of providing compulsive gambling and gambling  
3 addiction prevention, treatment and education programs.  
4 Treatment may include financial counseling, irrespective of  
5 whether the financial counseling is provided by the single  
6 county authority, the treatment service provider or  
7 subcontracted to a third party. It is the intention of the  
8 General Assembly that any grants made by the Department of  
9 [Health] Drug and Alcohol Programs to any single county  
10 authority in accordance with the provisions of this subsection  
11 be used exclusively for the development and implementation of  
12 compulsive and problem gambling programs authorized under this  
13 section.

14 (d.1) Eligibility.--Eligibility to receive treatment  
15 services for treatment of compulsive and problem gambling under  
16 this section shall be determined using financial eligibility and  
17 other requirements of the single county authorities as approved  
18 by the Department of [Health] Drug and Alcohol Programs.

19 (d.2) Report.--[No later than October 1, 2010, and each]  
20 Annually on October 1 [thereafter], the Department of [Health]  
21 Drug and Alcohol Programs, in consultation with the board, shall  
22 prepare and submit a report on the impact of the programs funded  
23 by the Compulsive and Problem Gambling Treatment Fund to the  
24 Governor and to the members of the General Assembly. The report  
25 shall include aggregate demographic-specific data, including  
26 race, gender, geography and income of those individuals treated.

27 (e) Definition.--As used in subsection (d), the term "single  
28 county authority" means the agency designated by the Department  
29 of Health pursuant to the act of April 14, 1972 (P.L.221,  
30 No.63), known as the Pennsylvania Drug and Alcohol Abuse Control

1 Act, to plan and coordinate drug and alcohol prevention,  
2 intervention and treatment services for a geographic area, which  
3 may consist of one or more counties.

4 Section 20. Section 1512 of Title 4 is amended by adding a  
5 subsection to read:

6 § 1512. Financial and employment interests.

7 \* \* \*

8 (a.6) Prohibition related to interactive gaming.--

9 (1) Except as may be provided by rule or order of the  
10 Pennsylvania Supreme Court and except as provided in section  
11 1202.1 (relating to code of conduct) or 1512.1 (relating to  
12 additional restrictions), no executive-level public employee,  
13 public official or party officer or immediate family member  
14 thereof shall hold, directly or indirectly, a financial  
15 interest in, be employed by or represent, appear for, or  
16 negotiate on behalf of, or derive any remuneration, payment,  
17 benefit or any other thing of value for any services,  
18 including, but not limited to, consulting or similar services  
19 from any holder of or applicant for an interactive gaming  
20 certificate, holder or applicant for an interactive gaming  
21 license or other authorization to conduct interactive gaming  
22 or any holding, subsidiary or intermediary company with  
23 respect thereto, or any business, association, enterprise or  
24 other entity that is organized in whole or in part for the  
25 purpose of promoting, advocating for or advancing the  
26 interests of the interactive gaming industry generally or any  
27 interactive gaming-related business or businesses in  
28 connection with any cause, application or matter. The  
29 financial interest and employment prohibitions under this  
30 paragraph shall remain in effect for one year following

1 termination of the individual's status as an executive-level  
2 public employee, public official or party officer.

3 (2) Notwithstanding paragraph (1), a member of the  
4 immediate family of an executive-level public employee,  
5 public official or party officer may hold employment with the  
6 holder of or applicant for an interactive gaming certificate,  
7 holder or applicant for an interactive gaming license or  
8 other authorization to conduct interactive gaming or any  
9 holding, subsidiary or intermediary company with respect  
10 thereto, if in the judgment of the State Ethics Commission or  
11 the Supreme Court, as appropriate, employment will not  
12 interfere with the responsibilities of the executive-level  
13 public employee, public official or party officer and will  
14 not create a conflict of interest or reasonable risk of the  
15 public perception of a conflict of interest on the part of  
16 the executive-level public employee, public official or party  
17 officer.

18 \* \* \*

19 Section 21. Sections 1513(a), 1514 heading, (a), (d), (e)  
20 and (f), 1515, 1516 and 1517(b) (1), (c) (12) and (e) (1) of Title  
21 4 are amended to read:

22 § 1513. Political influence.

23 (a) Contribution restriction.--The following persons shall  
24 be prohibited from contributing any money or in-kind  
25 contribution to a candidate for nomination or election to any  
26 public office in this Commonwealth, or to any political party  
27 committee or other political committee in this Commonwealth or  
28 to any group, committee or association organized in support of a  
29 candidate, political party committee or other political  
30 committee in this Commonwealth:

1 (1) An applicant for a slot machine license,  
2 manufacturer license, supplier license, principal license,  
3 key employee license, interactive gaming license or horse or  
4 harness racing license.

5 (2) A slot machine licensee, licensed manufacturer,  
6 licensed supplier, interactive gaming operator or licensed  
7 racing entity.

8 (3) A licensed principal or licensed key employee of a  
9 slot machine licensee, licensed manufacturer, licensed  
10 supplier, interactive gaming operator or licensed racing  
11 entity.

12 (4) An affiliate, intermediary, subsidiary or holding  
13 company of a slot machine licensee, licensed manufacturer,  
14 licensed supplier, interactive gaming operator or licensed  
15 racing entity.

16 (5) A licensed principal or licensed key employee of an  
17 affiliate, intermediary, subsidiary or holding company of a  
18 slot machine licensee, licensed manufacturer, licensed  
19 supplier, interactive gaming operator or licensed racing  
20 entity.

21 (6) A person who holds a similar gaming license in  
22 another jurisdiction and the affiliates, intermediaries,  
23 subsidiaries, holding companies, principals or key employees  
24 thereof.

25 \* \* \*

26 § 1514. Regulation requiring exclusion [or], ejection or denial  
27 of access of certain persons.

28 (a) General rule.--The board shall by regulation provide for  
29 the establishment of a list of persons who are to be excluded or  
30 ejected from any licensed facility or who may be denied access

1 to interactive gaming. The provisions shall define the standards  
2 for exclusion and shall include standards relating to persons  
3 who are career or professional offenders as defined by  
4 regulations of the board or whose presence in a licensed  
5 facility or whose access to interactive gaming would, in the  
6 opinion of the board, be inimical to the interest of the  
7 Commonwealth or of licensed gaming therein, or both.

8 \* \* \*

9 (d) Sanctions.--The board may impose sanctions upon a  
10 licensed gaming entity or interactive gaming licensee in  
11 accordance with this part if the licensed gaming entity  
12 knowingly fails to exclude or eject from the premises of any  
13 licensed facility or deny access to interactive gaming any  
14 person placed by the board on the list of persons to be excluded  
15 [or], ejected or denied access.

16 (e) List not all-inclusive.--Any list compiled by the board  
17 of persons to be excluded [or], ejected or denied access shall  
18 not be deemed an all-inclusive list, and a licensed gaming  
19 entity shall have a duty to keep from the licensed facility and  
20 from interactive gaming persons known to it to be within the  
21 classifications declared in this section and the regulations  
22 promulgated under this section whose presence in a licensed  
23 facility or whose participation in interactive gaming would be  
24 inimical to the interest of the Commonwealth or of licensed  
25 gaming therein, or both, as defined in standards established by  
26 the board.

27 (f) Notice.--Whenever the bureau seeks to place the name of  
28 any person on a list pursuant to this section, the bureau shall  
29 serve notice of this fact to such person by personal service or  
30 certified mail at the last known address of the person. The

1 notice shall inform the person of the right to request a hearing  
2 under subsection (g). The bureau may also provide notice by e-  
3 mail, if the e-mail address of the person is known to the  
4 bureau.

5 \* \* \*

6 § 1515. Repeat offenders excludable from licensed gaming  
7 facility.

8 A licensed gaming entity may exclude or eject from its  
9 licensed facility or deny access to interactive gaming any  
10 person who is known to it to have been convicted of a  
11 misdemeanor or felony committed in or on the premises of any  
12 licensed facility. Nothing in this section or in any other law  
13 of this Commonwealth shall limit the right of a licensed gaming  
14 entity to exercise its common law right to exclude or eject  
15 permanently from its licensed facility or permanently deny  
16 access to its interactive gaming any person who disrupts the  
17 operations of its premises or its interactive gaming, threatens  
18 the security of its premises or its occupants or is disorderly  
19 or intoxicated[.] or who threatens the security of its licensed  
20 facility or the area of a licensed facility where interactive  
21 gaming operations are managed, administered or controlled.

22 § 1516. List of persons self excluded from gaming activities.

23 (a) General rule.--The board shall provide by regulation for  
24 the establishment of a list of persons self excluded from gaming  
25 activities, including interactive gaming, at all licensed  
26 facilities. Any person may request placement on the list of  
27 self-excluded persons by acknowledging in a manner to be  
28 established by the board that the person is a problem gambler  
29 and by agreeing that, during any period of voluntary exclusion,  
30 the person may not collect any winnings or recover any losses

1 resulting from any gaming activity at licensed facilities,  
2 including interactive gaming.

3 (b) Regulations.--The regulations of the board shall  
4 establish procedures for placements on and removals from the  
5 list of self-excluded persons. The regulations shall establish  
6 procedures for the transmittal to licensed gaming entities of  
7 identifying information concerning self-excluded persons and  
8 shall require licensed gaming entities to establish procedures  
9 designed at a minimum to deny self-excluded persons access to  
10 interactive gaming and to remove self-excluded persons from  
11 targeted mailings or other forms of advertising or promotions  
12 and deny self-excluded persons access to complimentaries, check  
13 cashing privileges, club programs and other similar benefits.

14 (c) Liability.--A licensed gaming entity or employee thereof  
15 shall not be liable to any self-excluded person or to any other  
16 party in any judicial proceeding for any harm, monetary or  
17 otherwise, which may arise as a result of:

18 (1) the failure of a licensed gaming entity to withhold  
19 gaming privileges from or restore gaming privileges to a  
20 self-excluded person; [or]

21 (1.1) the failure of an interactive gaming certificate  
22 holder or interactive gaming licensee to withhold interactive  
23 gaming privileges from or restore interactive gaming  
24 privileges to a self-excluded person; or

25 (2) otherwise permitting or not permitting a self-  
26 excluded person to engage in gaming activity in the facility  
27 or participate in interactive gaming while on the list of  
28 self-excluded persons.

29 (d) Disclosure.--Notwithstanding any other law to the  
30 contrary, the board's list of self-excluded persons shall not be

1 open to public inspection. Nothing in this section, however,  
2 shall be construed to prohibit a licensed gaming entity from  
3 disclosing the identity of persons self excluded pursuant to  
4 this section to affiliated gaming entities in this Commonwealth  
5 or other jurisdictions for the limited purpose of assisting in  
6 the proper administration of responsible gaming programs  
7 operated by affiliated licensed gaming entities.

8 § 1517. Investigations and enforcement.

9 \* \* \*

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

11 (1) The department shall at all times have the power of  
12 access to examine and audit equipment and records relating to  
13 all aspects of the operation of slot machines [or], table  
14 games or interactive games under this part.

15 \* \* \*

16 (c) Powers and duties of the Pennsylvania State Police.--The  
17 Pennsylvania State Police shall have the following powers and  
18 duties:

19 \* \* \*

20 (12) Conduct audits or verification of information of  
21 slot machine [or], table game operations, including the  
22 operation of slot machines used in a multistate-wide area  
23 progressive slot machine system and in the operation of skill  
24 slot machines or hybrid slot machines and interactive gaming  
25 operations at such times, under such circumstances and to  
26 such extent as the bureau determines. This paragraph includes  
27 reviews of accounting, administrative and financial records  
28 and management control systems, procedures and records  
29 utilized by a slot machine licensee.

30 \* \* \*

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

2 (1) The bureau, the department and the Pennsylvania  
3 State Police shall have the authority without notice and  
4 without warrant to do all of the following in the performance  
5 of their duties:

6 (i) Inspect and examine all premises where slot  
7 machine [or], table game operations and interactive  
8 gaming operations are conducted, slot machines, table  
9 game devices and associated equipment, interactive gaming  
10 devices and associated equipment are manufactured, sold,  
11 distributed or serviced or where records of these  
12 activities are prepared or maintained.

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

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

18 (iv) Inspect, examine and audit all books, records  
19 and documents pertaining to a slot machine licensee's  
20 operation.

21 (v) Seize, impound or assume physical control of any  
22 book, record, ledger, game, device, cash box and its  
23 contents, count room or its equipment, interactive gaming  
24 devices and associated equipment or slot machine [or],  
25 table game operations or interactive gaming operations.

26 \* \* \*

27 Section 22. Section 1518(a)(1), (2), (3), (4), (5), (7.1),  
28 (11), (13.1), (15) and (17) and (b)(1), (2) and (3) of Title 4  
29 are amended and subsections (a) and (b) are amended by adding  
30 paragraphs to read:

1 § 1518. Prohibited acts; penalties.

2 (a) Criminal offenses.--

3 (1) The provisions of 18 Pa.C.S. § 4902 (relating to  
4 perjury), 4903 (relating to false swearing) or 4904 (relating  
5 to unsworn falsification to authorities) shall apply to any  
6 person providing information or making any statement, whether  
7 written or oral, to the board, the commission, the bureau,  
8 the department, the Pennsylvania State Police or the Office  
9 of Attorney General, as required by this part.

10 (2) It shall be unlawful for a person to willfully:

11 (i) fail to report, pay or truthfully account for  
12 and pay over any license fee, authorization fee, permit  
13 fee, tax or assessment imposed under this part; or

14 (ii) attempt in any manner to evade or defeat any  
15 license fee, authorization fee, permit fee, registration  
16 fee, tax or assessment or any other fee imposed under  
17 this part.

18 (3) It shall be unlawful for any licensed entity, gaming  
19 employee, key employee or any other person to permit a slot  
20 machine, table game or table game device, interactive game or  
21 interactive gaming device or associated equipment to be  
22 operated, transported, repaired or opened on the premises of  
23 a licensed facility by a person other than a person licensed  
24 or permitted by the board pursuant to this part.

25 (3.1) It shall be unlawful for any person who does not  
26 possess a valid and then effective interactive gaming  
27 certificate or interactive gaming license issued by the board  
28 in accordance with Chapter 13B (relating to interactive  
29 gaming) to accept any wager associated with any authorized  
30 interactive game from any individual without verifying the

1 age, identity and physical location of the player at the time  
2 of play or wager.

3 (4) It shall be unlawful for any licensed entity or  
4 other person to manufacture, supply or place slot machines,  
5 table games, table game devices or associated equipment,  
6 authorized interactive game or interactive gaming devices or  
7 associated equipment into play or display slot machines,  
8 table games, table game devices or associated equipment on  
9 the premises of a licensed facility without the authority of  
10 the board.

11 (4.1) It shall be unlawful for any slot machine licensee  
12 to offer interactive games into play or display such games on  
13 its interactive gaming skin or Internet website without the  
14 approval of the board.

15 (4.2) It shall be unlawful for any licensed entity or  
16 other person to manufacture, supply or place interactive  
17 gaming devices or associated equipment into operation at a  
18 licensed facility without the approval of the board.

19 (5) Except as provided for in section 1326 (relating to  
20 [license] renewals), it shall be unlawful for a licensed  
21 entity or other person to manufacture, supply, operate, carry  
22 on or expose for play any slot machine, table game, table  
23 game device or associated equipment, interactive game or  
24 interactive gaming device or associated equipment after the  
25 person's license has expired and prior to the actual renewal  
26 of the license.

27 \* \* \*

28 (7.1) It shall be unlawful for an individual to do any  
29 of the following:

30 (i) Use or possess counterfeit, marked, loaded or

1 tampered with table game devices or associated equipment,  
2 chips or other cheating devices in the conduct of gaming  
3 under this part, except that an authorized employee of a  
4 licensee or an authorized employee of the board may  
5 possess and use counterfeit chips or table game devices  
6 or associated equipment that have been marked, loaded or  
7 tampered with, or other cheating devices or any  
8 unauthorized interactive gaming device or associated  
9 equipment in performance of the duties of employment for  
10 training, investigative or testing purposes only.

11 (ii) Knowingly, by a trick or sleight of hand  
12 performance or by fraud or fraudulent scheme, or  
13 manipulation, table game device or other device, or  
14 interactive gaming device for himself or for another, win  
15 or attempt to win any cash, property or prize at a  
16 licensed facility or to reduce or attempt to reduce a  
17 losing wager.

18 (7.2) It shall be unlawful for a person to knowingly  
19 alter, tamper or manipulate interactive gaming devices or  
20 associated equipment, including software, system programs,  
21 hardware and any other device or associated equipment used in  
22 interactive gaming operations, in order to alter the odds or  
23 the payout of an interactive game or to disable the  
24 interactive game from operating according to the rules of the  
25 game as authorized by the board.

26 (7.3) It shall be unlawful for a person to knowingly  
27 offer or allow to be offered any authorized interactive game  
28 that has been altered, tampered with or manipulated in a way  
29 that affects the odds or the payout of an authorized  
30 interactive game or disables the interactive game from

1 operating according to the authorized rules of the game as  
2 authorized by the board.

3 \* \* \*

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

15 \* \* \*

16 (13.1) It shall be unlawful for an individual under 21  
17 years of age to wager, play or attempt to play a slot machine  
18 or table game at a licensed facility or to wager, play or  
19 attempt to play an interactive game.

20 (13.2) It shall be unlawful to allow a person under 21  
21 years of age to open, maintain or use in any way an  
22 interactive gaming account. Any interactive gaming  
23 certificate holder, interactive gaming licensee or employee  
24 of an interactive gaming certificate holder or interactive  
25 gaming licensee or other such person who knowingly allows a  
26 person under 21 years of age to open, maintain or use an  
27 interactive gaming account shall be subject to the penalty  
28 set forth in this section, except that the establishment of  
29 all of the following facts by an interactive gaming  
30 certificate holder, interactive gaming licensee or employee

1 of an interactive gaming certificate holder, interactive  
2 gaming licensee or other such person shall constitute a  
3 defense to any regulatory action by the board or the penalty  
4 authorized under this section:

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

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

12 \* \* \*

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

25 \* \* \*

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

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

6 (b) Criminal penalties and fines.--

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

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

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

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

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

6 (C) not less than \$150,000 nor more than  
7 \$300,000 if the person is a licensed manufacturer or  
8 supplier.

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

12 (A) not less than \$150,000 nor more than  
13 \$300,000 if the person is an individual;

14 (B) not less than \$600,000 nor more than  
15 \$1,200,000 if the person is a licensed gaming entity;  
16 or

17 (C) not less than \$300,000 nor more than  
18 \$600,000 if the person is a licensed manufacturer or  
19 supplier.

20 (2.1) A person that commits an offense in violation of  
21 subsection (a) (3.1) commits a felony and, upon conviction,  
22 shall be sentenced to pay a fine of not less than \$500,000  
23 nor more than \$1,000,000. A person that is convicted of a  
24 second or subsequent violation of subsection (a) (3.1) commits  
25 a felony of the first degree and shall be sentenced to pay a  
26 fine of not less than \$1,000,000 nor more than \$2,500,000.

27 (3) An individual who commits an offense in violation of  
28 subsection (a) (13) [or], (13.1) or (13.2) commits a  
29 nongambling summary offense and upon conviction of a first  
30 offense shall be sentenced to pay a fine of not less than

1 \$200 nor more than \$1,000. An individual that is convicted of  
2 a second or subsequent offense under subsection (a)(13) [or],  
3 (13.1) or (13.2) shall be sentenced to pay a fine of not less  
4 than \$500 nor more than \$1,500. In addition to the fine  
5 imposed, an individual convicted of an offense under  
6 subsection (a)(13) [or], (13.1) or (13.2) may be sentenced to  
7 perform a period of community service not to exceed 40 hours.

8 \* \* \*

9 Section 23. Section 1901(a) of Title 4 is amended by adding  
10 a paragraph to read:

11 § 1901. Appropriations.

12 (a) Appropriation to board.--

13 \* \* \*

14 (3) The sum of \$5,000,000 is hereby appropriated from  
15 the State Gaming Fund to the Pennsylvania Gaming Control  
16 Board for salaries, wages and all necessary expenses for the  
17 proper operation and administration of the board for the  
18 activities authorized under this act. This appropriation  
19 shall be a supplemental appropriation for fiscal year 2016-  
20 2017 and shall be in addition to the appropriation contained  
21 in the act of July 8, 2016 (P.L. , No.10A), known as the  
22 Gaming Control Appropriation Act of 2016.

23 \* \* \*

24 Section 24. Repeals are as follows:

25 (1) The General Assembly declares that the repeal under  
26 paragraph (2) is necessary to effectuate the addition of 4  
27 Pa.C.S. § 1403(c)(2)(i)(D)(I.2) and (I.3).

28 (2) Section 1753-E of the act of April 9, 1929 (P.L.343,  
29 No.176), known as The Fiscal Code, is repealed.

30 Section 25. This act shall take effect as follows:

1           (1) The amendment of 4 Pa.C.S. § 1509 shall take effect  
2 in 60 days.

3           (2) Except as set forth in paragraph (4)(ii), the  
4 addition of 4 Pa.C.S. Ch. 3 shall take effect in 180 days.

5           (3) The following provisions shall take effect  
6 immediately:

7           (i) This section.

8           (ii) The addition of 4 Pa.C.S. § 343.

9           (iii) The remainder of this act.