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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 750 Session of  
2017

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INTRODUCED BY BARTOLOTTA, WARD, YAW, TOMLINSON, MCGARRIGLE,  
KILLION AND STREET, JUNE 8, 2017

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REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,  
JUNE 8, 2017

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AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated  
2 Statutes, in general provisions, further providing for  
3 definitions;  
4 in Pennsylvania Gaming Control Board, further providing for  
5 general and specific powers and providing for hybrid and skill-  
6 based devices;  
7 in licensees, further providing for Category 3 slot machine  
8 license, for slot machine testing and certification standards,  
9 for license renewals and for multiple slot machine license  
10 prohibition;  
11 in table games, further providing for table game device and  
12 associated equipment testing and certification standards;  
13 providing for Category 4 locations, for airport gaming and  
14 for sports wagering;  
15 in revenues, further providing for gross terminal revenue  
16 deductions, for establishment of State Gaming Fund and net slot  
17 machine revenue distribution and providing for gaming tax  
18 normalization;  
19 in administration and enforcement, further providing for  
20 liens and suits for taxes and for prohibited acts and penalties  
21 and providing for casino liquor license;  
22 in miscellaneous provisions, further providing for repayments  
23 to State Gaming Fund;  
24 in keno, providing for general provisions, for authorization  
25 of lottery game, for operation and for revenue; and  
26 making related repeals.

27 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. The definitions of "commission" or "commissions,"  
3 "licensed facility" and "slot machine" in section 1103 of Title  
4 4 of the Pennsylvania Consolidated Statutes are amended and the  
5 section is amended by adding definitions to read:

6 § 1103. Definitions.

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

10 \* \* \*

11 "Airport authority." The governing body of a municipal  
12 authority incorporated under 53 Pa.C.S. Ch. 56 (relating to  
13 municipal authorities) to oversee the operations of an  
14 international airport in a county or the governing body of a  
15 city of the first class that regulates or owns an international  
16 airport.

17 "Airport gaming area." A location within an international  
18 airport that is beyond the point where passengers pass through  
19 security and which is approved by the board for the placement of  
20 slot machines.

21 \* \* \*

22 ["Commission" or "commissions."] "Commission." The State  
23 Horse Racing Commission [or the State Harness Racing Commission,  
24 or both as the context may require] established under 3 Pa.C.S.  
25 § 9311 (relating to State Horse Racing Commission).

26 \* \* \*

27 "Eligible passenger." An individual 21 years of age or older  
28 who has cleared security checkpoints with a valid airline  
29 boarding pass for travel from the airport to another destination  
30 by airplane.

1 \* \* \*

2 "Hybrid device." A device that an individual provides  
3 consideration to play in exchange for the opportunity to win  
4 cash, cash equivalents, free games, credits or any other unit  
5 that can be redeemed for cash, and in which a combination of the  
6 skill of the player and elements of chance determines the  
7 outcome of the game featured on the device. The term does not  
8 include a video gaming terminal.

9 \* \* \*

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

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

20 (2) board-approved interim facility or temporary  
21 facility; [and]

22 (3) area of a hotel which the Pennsylvania Gaming  
23 Control Board determines is suitable to conduct table  
24 games[.];

25 (4) an airport gaming area; and

26 (5) a board-approved Category 4 location.

27 \* \* \*

28 "Pari-mutuel wagering." A form of wagering, including  
29 manual, electronic, computerized and other forms of wagering as  
30 approved by the commission, on the outcome of a horse racing

1 event in which all wagers are pooled and held by a licensed  
2 racing entity or secondary pari-mutuel organization for  
3 distribution of the total amount, minus the deductions  
4 authorized by law, to holders of winning tickets.

5 \* \* \*

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

9 \* \* \*

10 "Skill." The knowledge, adroitness, acumen, dexterity or  
11 other mental or physical skill of an individual.

12 "Skill-based device." A device on which an individual  
13 provides consideration to play in exchange for the opportunity  
14 to win cash, cash equivalents, free games, credits or any other  
15 unit that can be redeemed for cash, and in which the skill of  
16 the player, rather than the elements of chance, is the  
17 predominant factor in affecting the outcome of the game featured  
18 on the device. The term does not include a video gaming  
19 terminal.

20 "Slot machine."

21 (1) Any mechanical, electrical or computerized  
22 contrivance, terminal, machine or other device approved by  
23 the Pennsylvania Gaming Control Board which, upon insertion  
24 of a coin, bill, ticket, token or similar object therein or  
25 upon payment of any consideration whatsoever, including the  
26 use of any electronic payment system except a credit card or  
27 debit card, unless otherwise authorized under this title, is  
28 available to play or operate, the play or operation of which,  
29 whether by reason of skill or application of the element of  
30 chance or both, may deliver or entitle the person or persons

1 playing or operating the contrivance, terminal, machine or  
2 other device to receive cash, billets, tickets, tokens or  
3 electronic credits to be exchanged for cash or to receive  
4 merchandise or anything of value whatsoever, whether the  
5 payoff is made automatically from the machine or manually. A  
6 slot machine:

7 [(1)] (i) May utilize spinning reels or video  
8 displays or both.

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

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

13 (2) The term shall include associated equipment  
14 necessary to conduct the operation of the contrivance,  
15 terminal, machine or other device.

16 (3) The term shall include hybrid devices and skill-  
17 based devices.

18 \* \* \*

19 "Video gaming terminal." An electronic video game machine  
20 that, upon insertion of cash, electronic cards or vouchers, or  
21 any combination of cash, electronic cards or vouchers, is  
22 available to play or simulate the play of a video game,  
23 including, but not limited to, video poker, line up, blackjack,  
24 bingo, keno, slot machine or other type of game utilizing a  
25 video display and microprocessors in which, by skill or by  
26 chance, the player may receive free games or credits that can be  
27 redeemed for cash.

28 Section 2. Section 1202(a)(1) of Title 4 is amended and  
29 subsection (b) is amended by adding paragraphs 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 related activities as  
4 described in this part. The board shall ensure the integrity  
5 of the acquisition and operation of slot machines, including  
6 hybrid devices and skill-based devices, table games, table  
7 game devices and associated equipment and shall have sole  
8 regulatory authority over every aspect of the authorization,  
9 operation and play of slot machines [and table games.],  
10 including hybrid devices and skill-based devices, table  
11 games, airport gaming, sports wagering and related devices  
12 and equipment.

13 \* \* \*

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

16 \* \* \*

17 (12.2) At its discretion, to issue, approve, renew,  
18 revoke, suspend, condition or deny issuance or renewal of a  
19 certification to conduct gaming at an airport.

20 (12.3) At its discretion, to issue, approve, renew,  
21 revoke, suspend, condition or deny issuance of a permit to  
22 conduct gaming at a Category 4 location.

23 \* \* \*

24 (16.1) To impose administrative, civil or other  
25 penalties or sanctions against a person that offers for play  
26 or conducts hybrid or skill-based devices without  
27 authorization from the board as required under this part.

28 \* \* \*

29 Section 3. Title 4 is amended by adding a section to read:  
30 § 1210.1. Hybrid and skill-based devices.

1 (a) Authorization.--The board shall:

2 (1) Authorize the placement of hybrid and skill-based  
3 devices in licensed facilities, including Category 4  
4 locations.

5 (2) Establish standards to test and approve the  
6 operation of hybrid and skill-based devices.

7 (3) Adopt temporary regulations as necessary to  
8 implement the oversight of hybrid and skill-based devices,  
9 which shall expire no later than two years following  
10 publication. The board may promulgate temporary regulations  
11 which shall not be subject to the following:

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

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

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

20 (4) The board's authority to adopt temporary regulations  
21 under paragraph (3) shall expire two years after the  
22 effective date of this subsection. Regulations adopted after  
23 this period shall be promulgated as provided by law.

24 (b) Complement.--Hybrid and skill-based devices placed and  
25 made available for play in a licensed facility shall be included  
26 within a slot machine licensee's complement of slot machines  
27 under sections 1210 (relating to number of slot machines) and  
28 1305 (relating to Category 3 slot machine license).

29 (c) Tax.--

30 (1) Gross terminal revenue from hybrid and skill-based

1 devices placed at a licensed facility other than a Category 4  
2 location or airport gaming area shall be subject to the taxes  
3 and assessments established under sections 1403 (relating to  
4 establishment of State Gaming Fund and net slot machine  
5 revenue distribution), 1405 (relating to Pennsylvania Race  
6 Horse Development Fund) and 1407 (relating to Pennsylvania  
7 Gaming Economic Development and Tourism Fund).

8 (2) Gross terminal revenue from hybrid and skill-based  
9 devices placed at a Category 4 location shall be subject to  
10 the tax and assessment imposed under section 13C07 (relating  
11 to Category 4 location taxes).

12 (3) Gross terminal revenue from hybrid and skill-based  
13 devices placed in an airport gaming area shall be subject to  
14 the tax imposed under section 13D06 (relating to tax).

15 (d) Prohibited acts.--

16 (1) A person that does not possess a slot machine  
17 license may not offer, make available for play or conduct  
18 hybrid or skill-based devices within this Commonwealth.

19 (2) A person may not accept any form of consideration  
20 from a person in this Commonwealth in exchange for or in  
21 conjunction with the play of a hybrid or skill-based device.

22 (3) A person that violates this subsection commits a  
23 misdemeanor of the third degree. A violation of this  
24 subsection may be enforced under section 1517(c), (c.1) and  
25 (d) (relating to investigations and enforcement).

26 (4) The Office of Enforcement Counsel may enforce  
27 violations of this subsection.

28 (5) Upon the finding of a violation of paragraph (1) or  
29 (2), the board may impose an administrative penalty of not  
30 less than \$10,000 for each violation. Each day on which an



1 unauthorized hybrid or skill-based device is offered for play  
2 by a person and each unauthorized wager accepted by a person  
3 shall constitute a separate violation.

4 (6) In addition to the administrative penalty  
5 established under paragraph (5), the board may also order the  
6 disgorgement of all funds received by a person through the  
7 unauthorized conduct under paragraphs (1) and (2). Disgorged  
8 funds shall be forfeited to the Commonwealth and deposited  
9 into the Compulsive and Problem Gambling Treatment Fund under  
10 section 1509(b) (relating to compulsive and problem gambling  
11 program).

12 Section 4. Section 1305(a)(1) of Title 4 is amended and the  
13 subsection is amended by adding a paragraph to read:

14 § 1305. Category 3 slot machine license.

15 (a) Eligibility.--

16 (1) A person may be eligible to apply for a Category 3  
17 slot machine license if the applicant, its affiliate,  
18 intermediary, subsidiary or holding company has not applied  
19 for or been approved or issued a Category 1 or Category 2  
20 slot machine license and the person is seeking to locate a  
21 Category 3 licensed facility in a well-established resort  
22 hotel having no fewer than 275 guest rooms under common  
23 ownership and having substantial year-round recreational  
24 guest amenities. The applicant for a Category 3 license shall  
25 be the owner or be a wholly owned subsidiary of the owner of  
26 the well-established resort hotel. [A] Except as provided  
27 under paragraph (1.2), a Category 3 license may only be  
28 granted upon the express condition that an individual may not  
29 enter a gaming area of the licensed facility if the  
30 individual is not any of the following:

1 (i) A registered overnight guest of the well-  
2 established resort hotel.

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

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

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

13 \* \* \*

14 (1.2) The conditions under paragraph (1) shall not apply  
15 to a Category 3 licensee if the Category 3 slot machine  
16 licensee makes a payment to the Commonwealth for deposit in  
17 the General Fund as follows:

18 (i) For a Category 3 licensed facility located in a  
19 first class, second class, second class A or third class  
20 county, \$5,000,000.

21 (ii) For a Category 3 licensed facility located in a  
22 fourth class, fifth class, sixth class, seventh class or  
23 eighth class county, \$2,500,000.

24 \* \* \*

25 Section 5. Section 1320(a) of Title 4 is amended and the  
26 section is amended by adding a subsection to read:

27 § 1320. Slot machine testing and certification standards.

28 (a) Use of other state standards.--[Until such time as the  
29 board establishes an independent testing and certification  
30 facility pursuant to subsection (b), the] The board may

1 determine, at its discretion, whether the slot machine testing  
2 and certification standards of another jurisdiction within the  
3 United States in which an applicant for a manufacturer license  
4 is licensed are comprehensive and thorough and provide similar  
5 adequate safeguards as those required by this part. If the board  
6 makes that determination, it may permit a manufacturer through a  
7 licensed supplier as provided in section 1317 (relating to  
8 supplier [and manufacturer] licenses [application]) to deploy  
9 those slot machines which have met the slot machine testing and  
10 certification standards in such other jurisdictions without  
11 undergoing the full testing and certification process by a  
12 board-established independent facility. In the event slot  
13 machines of an applicant for a manufacturer license are licensed  
14 in such other jurisdiction, the board may determine to use an  
15 abbreviated process requiring only that information determined  
16 by the board to be necessary to consider the issuance of a slot  
17 machine certification to such an applicant. [Alternatively, the  
18 board in its discretion may also rely upon the certification of  
19 a slot machine that has met the testing and certification  
20 standards of a board-approved private testing and certification  
21 facility until such time as the board establishes an independent  
22 testing and certification facility pursuant to subsection (b).  
23 Nothing in this section shall be construed to waive any fees  
24 associated with obtaining a license through the normal  
25 application process.]

26 \* \* \*

27 (b.1) Use of private testing and certification facilities.--  
28 Notwithstanding any other provisions of this part, if a slot  
29 machine is tested and certified by a private testing and  
30 certification facility registered with the board, the board

1 shall use an abbreviated certification process requiring only  
2 that information determined by the board to be necessary to  
3 consider the issuance of a slot machine certification under this  
4 section. Within one year of the effective date of this  
5 subsection, the board shall promulgate regulations that:

6 (1) Provide for the registration of private testing and  
7 certification facilities. A person seeking registration under  
8 this subsection shall be subject to section 1202(b) (9)  
9 (relating to general and specific powers).

10 (2) Specify the form and content of the application for  
11 registration.

12 (3) Establish and collect an application fee for persons  
13 seeking registration. The application fee shall include the  
14 costs of all background investigations as determined  
15 necessary and appropriate by the bureau.

16 (4) Establish uniform procedures and standards which  
17 private testing and certification facilities must comply with  
18 during the testing and certification of slot machines.

19 (5) Utilize information provided by private testing and  
20 certification facilities for the abbreviated certification of  
21 slot machines.

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

25 (7) Establish fees that must be paid by licensed  
26 manufacturers.

27 (8) Require slot machines submitted for abbreviated  
28 certification to be approved or denied by the board within 30  
29 days from the date of submission to the board. If the board  
30 fails to act within the 30-day period, the abbreviated

1 certification shall be deemed conditionally approved.

2 (9) Provide procedures and standards for the suspension  
3 and revocation of the registration of a private testing and  
4 certification facility and the reinstatement of a suspended  
5 or revoked registration, as determined appropriate by the  
6 board.

7 \* \* \*

8 Section 6. Sections 1326(a) and 1330 of Title 4 are amended  
9 to read:

10 § 1326. License renewals.

11 (a) Renewal.--All permits [and licenses], licenses,  
12 registrations and certificates issued under this part unless  
13 otherwise provided shall be subject to renewal every [three]  
14 five years. Nothing in this subsection shall relieve a licensee  
15 of the affirmative duty to notify the board of any changes  
16 relating to the status of its [license] permit, license,  
17 registration and certificate or to any other information  
18 contained in the application materials on file with the board.  
19 The application for renewal shall be submitted at least 60 days  
20 prior to the expiration of the permit [or license], license,  
21 registration and certificate and shall include an update of the  
22 information contained in the initial and any prior renewal  
23 applications and the payment of any renewal fee required by this  
24 part. Unless otherwise specifically provided in this part, the  
25 amount of any renewal fee shall be calculated by the board to  
26 reflect the longer renewal period. A permit or license for which  
27 a completed renewal application and fee, if required, has been  
28 received by the board will continue in effect unless and until  
29 the board sends written notification to the holder of the permit  
30 or license that the board has denied the renewal of such permit

1 or license.

2 \* \* \*

3 § 1330. [Multiple slot machine license prohibition.

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

28 (Reserved).

29 Section 7. Section 13A41 of Title 4 is amended by adding a  
30 subsection to read:

1 § 13A41. Table game device and associated equipment testing and  
2 certification standards.

3 \* \* \*

4 (c) Use of private testing and certification facilities.--

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

14 (1) Provide for the registration of private testing and  
15 certification facilities. Persons seeking registration under  
16 this subsection shall be subject to section 1202(b)(9)  
17 (relating to general and specific powers).

18 (2) Specify the form and content of the application for  
19 registration.

20 (3) Establish and collect an application fee for persons  
21 seeking registration. The application fee shall include the  
22 costs of all background investigations as determined  
23 necessary and appropriate by the board.

24 (4) Establish uniform procedures and standards which  
25 private testing and certification facilities must comply with  
26 during the testing and certification of table game devices  
27 and associated equipment.

28 (5) Utilize information provided by private testing and  
29 certification facilities for the abbreviated certification of  
30 table game devices and associated equipment.

1           (6) Establish an abbreviated certification process that  
2 may be used by registered private testing and certification  
3 facilities to test and certify table game devices and  
4 associated equipment.

5           (7) Establish fees that must be paid by a licensed  
6 manufacturer.

7           (8) Require table game devices and associated equipment  
8 submitted for abbreviated certification to be approved or  
9 denied by the board within 30 days from the date of  
10 submission to the board. If the board fails to act within the  
11 30-day period, the abbreviated certification shall be deemed  
12 conditionally approved.

13           (9) Provide procedures and standards for the suspension  
14 and revocation of the registration of a private testing and  
15 certification facility and the reinstatement of a suspended  
16 or revoked registration.

17 Section 8. Title 4 is amended by adding chapters to read:

18                           CHAPTER 13C

19                           CATEGORY 4 LOCATIONS

20 Sec.

21 13C01. Category 4 slot machine permit.

22 13C02. Review of application.

23 13C03. Award of permit.

24 13C04. Category 4 locations.

25 13C05. Conduct of gaming at Category 4 locations.

26 13C06. Permit fees.

27 13C07. Category 4 location taxes.

28 13C08. Local share assessment.

29 13C09. Temporary Category 4 regulations.

30 13C10. Additional Category 4 locations.



1 § 13C01. Category 4 slot machine permit.

2 (a) Board.--The board is authorized to issue Category 4  
3 permits to eligible slot machine licensees for the conduct of  
4 gaming at Category 4 locations. The board shall provide for the  
5 establishment and regulation of Category 4 locations.  
6 Authorization shall be contingent upon the slot machine  
7 licensee's agreement to ensure that slot machine operations will  
8 be conducted in accordance with this part and any other  
9 conditions established by the board. The board shall:

10 (1) Promulgate temporary regulations under section 13C10  
11 (relating to additional Category 4 locations) to implement  
12 the establishment, operation and oversight of Category 4  
13 locations.

14 (2) Review each permit application for suitability and  
15 compliance with this chapter.

16 (3) Ensure connection of slot machines at Category 4  
17 locations to the central control computer.

18 (4) Begin accepting applications within 90 days  
19 following the effective date of this section.

20 (b) Eligibility.--In order to be eligible to receive a  
21 Category 4 permit, the applicant must:

22 (1) hold a Category 1 or Category 2 slot machine license  
23 in good standing; or

24 (2) hold a Category 3 slot machine license in good  
25 standing and have paid the fee under section 1305(a)(1.2)  
26 (relating to Category 3 slot machine license).

27 (c) Application.--An eligible slot machine licensee may seek  
28 a Category 4 permit by filing a petition with the board which  
29 shall include the following:

30 (1) The name, business address and contact information

1 of the applicant.

2 (2) The name, business address, job title and a  
3 photograph of each principal and key employee of the  
4 applicant who will be involved in the conduct of gaming at  
5 the Category 4 location and who is not currently licensed by  
6 the board.

7 (3) A brief description of the economic benefits  
8 expected to be realized by the Commonwealth, its  
9 municipalities and its residents if a Category 4 permit is  
10 authorized at the applicant's location.

11 (4) The details of financing that will be available to  
12 establish the new location and commence the conduct of  
13 gaming, including any construction, expansion or modification  
14 of a new or existing building or structure to conduct gaming.

15 (5) The applicant's business experience and ability to  
16 create and maintain a successful Category 4 location.

17 (6) Proposed internal and external security and  
18 surveillance measures that will be in place within the  
19 Category 4 location.

20 (7) The number of slot machines to be placed at the  
21 Category 4 location.

22 (8) The adequacy of parking at the facility.

23 (9) The services, such as food and beverage service,  
24 that will be available at the Category 4 location.

25 (10) The estimated number of full-time and part-time  
26 employment positions that will be created at the Category 4  
27 location if a permit is granted and an updated hiring plan  
28 under section 1510(a) (relating to labor hiring preferences)  
29 which outlines the applicant's plan to promote the  
30 representation of diverse groups and Commonwealth residents

1 in the employment positions.

2 (11) Detailed site plans identifying the proposed gaming  
3 area within the Category 4 location for gaming activities.

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

5 (d) Additional authority.--Subject to inspection by the  
6 commission, a Category 1 slot machine licensee that obtains a  
7 Category 4 permit under this chapter may conduct pari-mutuel  
8 wagering within a Category 4 licensed facility.

9 § 13C02. Review of application.

10 (a) Review.--The board shall consider the following in the  
11 board's review of a petition under this chapter:

12 (1) The applicant's suitability.

13 (2) Whether an applicant possesses the requisite  
14 experience, financial capability and skill to perform the  
15 functions necessary to establish and operate a Category 4  
16 location consistent with this chapter and requirements of the  
17 board.

18 (3) The adequacy of the physical specifications of the  
19 facility and the adequacy of security, staffing, parking and  
20 other issues related to the physical location of the Category  
21 4 location.

22 (4) Whether the issuance of the permit will create jobs  
23 and economic development.

24 (b) Suitability.--An applicant eligible to receive a permit  
25 under section 13C01(b) (relating to Category 4 slot machine  
26 permit) shall be considered suitable to be issued a Category 4  
27 permit.

28 § 13C03. Award of permit.

29 (a) Board.--The board shall approve or deny a permit within  
30 60 days of receipt of the application.

1 (b) Limitation.--The cumulative number of slot machines  
2 approved by the board for placement and operation at Category 4  
3 locations combined with the slot machines authorized at all  
4 licensed facilities in this Commonwealth may not exceed the  
5 cumulative number of slot machines authorized under sections  
6 1201 (relating to Pennsylvania Gaming Control Board established)  
7 and 1305 (relating to Category 3 slot machine license).

8 (c) Conditions.--Upon awarding a Category 4 permit, the  
9 board shall amend the slot machine licensee's statement of  
10 conditions pertaining to the requirements of this chapter.

11 (d) Term of permit.--A Category 4 permit shall be renewed  
12 every five years. The initial renewal permit shall coincide with  
13 the renewal of the permit holder's slot machine license which  
14 immediately follows the permit's initial five-year term.

15 (e) Permit.--A Category 4 permit shall be in effect unless:

16 (1) the permit is suspended or revoked by the board  
17 consistent with the requirements of this part;

18 (2) the slot machine license held by the permittee is  
19 suspended, revoked or not renewed by the board;

20 (3) the permit holder relinquishes or does not seek  
21 renewal of the permit; or

22 (4) the permit is not renewed for the failure of the  
23 permittee to abide by this chapter, this part or any  
24 condition in the slot machine licensee's statement of  
25 conditions.

26 (f) Key employees and occupation permits.--Nothing in this  
27 chapter shall be construed to require an individual who holds a  
28 principal license, a key employee license, a gaming employee  
29 license or an occupation permit under Chapter 13 (relating to  
30 licensees) to obtain a separate license or permit to be employed

1 in a Category 4 location under this chapter.

2 (g) Confidentiality.--Information submitted to the board  
3 under this chapter shall be considered confidential by the board  
4 if the information would be confidential under section 1206(f)  
5 (relating to board minutes and records).

6 § 13C04. Category 4 locations.

7 (a) Authorized number of locations.--

8 (1) Each eligible Category 1 or Category 2 slot machine  
9 licensee may obtain two Category 4 permits.

10 (2) Each eligible Category 3 slot machine licensee may  
11 obtain one Category 4 permit.

12 (b) Transfer of permits.--

13 (1) An eligible slot machine licensee that does not  
14 apply for an authorized permit under subsection (a) may  
15 transfer its right to apply for the permit to another  
16 eligible slot machine licensee upon board approval of the  
17 terms and conditions of the transaction.

18 (2) If an authorized permit has not been applied for or  
19 transferred within 18 months after the effective date of this  
20 paragraph, the board may accept applications from eligible  
21 applicants for the permit. If a greater number of  
22 applications is received than the number of available  
23 authorized permits, the board may grant the applications  
24 which satisfy the requirements of this chapter and which  
25 will:

26 (i) provide the highest quality facility;

27 (ii) generate the most tax revenue; and

28 (iii) produce the greatest economic benefits for the  
29 Commonwealth.

30 (3) An eligible Category 3 slot machine licensee may

1 only obtain a Category 4 permit under paragraphs (1) or (2)  
2 if the permit obtained was authorized for another Category 3  
3 slot machine licensee.

4 (c) Distance restrictions.--

5 (1) A Category 4 location may not be located within 25  
6 linear miles of another licensed facility which is not a  
7 Category 4 location or an airport gaming area.

8 (2) A Category 4 location may not be located within 10  
9 linear miles of another Category 4 location.

10 (d) Casino liquor license.--A Category 4 location may  
11 operate under a casino liquor license obtained under section  
12 1521.1 (relating to casino liquor license) and held by the  
13 Category 1, Category 2 or Category 3 slot machine licensee that  
14 holds the Category 4 permit.

15 (e) Pennsylvania State Police.--The Pennsylvania State  
16 Police may not have permanent onsite personnel or an office  
17 within a Category 4 location.

18 § 13C05. Conduct of gaming at Category 4 locations.

19 (a) Number of machines.--A Category 4 permit holder may  
20 place no less than 100 slot machines and no more than 500 slot  
21 machines in a Category 4 location. Hybrid and skill-based  
22 devices may be offered for play at a Category 4 location subject  
23 to the 500 slot machine maximum.

24 (b) Petition for additional machines.--A permittee may  
25 petition the board to increase the number of slot machines in a  
26 Category 4 location if the initial permit authorized less than  
27 500 slot machines. The petition shall:

28 (1) State the requested increase in the number of  
29 authorized slot machines.

30 (2) Include a detailed site plan identifying where the

1 additional slot machines will be placed within the facility.

2 (3) Include payment in an amount that equals the  
3 difference between the fee paid upon issuance of the permit  
4 and the fee applicable to the requested higher number of  
5 machines under section 13C06 (relating to permit fees).

6 (c) Commencement of gaming operations.--A permit holder may  
7 not conduct gaming at a Category 4 location until the board  
8 determines that:

9 (1) The permittee is in compliance with the requirements  
10 of this chapter.

11 (2) The permittee's employees, where applicable, are  
12 licensed, permitted or otherwise authorized by the board to  
13 perform their respective duties.

14 (3) The permittee has implemented necessary internal and  
15 management controls, security arrangements and surveillance  
16 systems for the conduct of gaming at the location.

17 (4) The permittee is prepared in all respects to offer  
18 gaming to the public at the Category 4 location.

19 (5) The permittee has paid the fee required under  
20 section 13C06.

21 § 13C06. Permit fees.

22 Each slot machine licensee that obtains a Category 4 permit  
23 must remit a fee to the board for each permit received based on  
24 the number of slot machines sought to be placed in the Category  
25 4 location as follows:

26 (1) 100-200 machines - \$2,000,000.

27 (2) 200-300 machines - \$3,000,000.

28 (3) 300-400 machines - \$4,000,000.

29 (4) 400-500 machines - \$5,000,000.

30 § 13C07. Category 4 location taxes.

1 (a) Imposition.--The department shall determine and each  
2 Category 4 permittee shall pay a daily tax and assessment of 55%  
3 of the Category 4 permittee's daily gross terminal revenue from  
4 the operation of slot machines, including hybrid and skill-based  
5 devices, at a Category 4 location.

6 (b) Deposits and distributions.--The tax and assessment  
7 imposed and collected under subsection (a) shall be distributed  
8 as follows:

9 (1) Eighty-seven percent shall be deposited in the  
10 General Fund.

11 (2) Ten percent shall constitute a local share  
12 assessment and be distributed by the department on a  
13 quarterly basis in accordance with section 13C08 (relating to  
14 local share assessment).

15 (3) Three percent shall constitute an assessment to be  
16 deposited in the Pennsylvania Race Horse Development Fund.

17 (c) Collection.--The tax and assessments imposed under  
18 subsection (a) shall be payable to the department on a weekly  
19 basis and shall be based on gross terminal revenue derived from  
20 the operation of slot machines at the Category 4 location during  
21 the previous week. All money owed to the Commonwealth under this  
22 section, or to a county or municipality under section 13C08,  
23 shall be held in trust for the Commonwealth, county or  
24 municipality by the permit holder until the money is paid to the  
25 department. Unless otherwise agreed to by the board, a permittee  
26 shall establish a separate bank account into which gross  
27 terminal revenue from a Category 4 location shall be deposited  
28 and maintained until the money is paid or transferred.

29 § 13C08. Local share assessment.

30 (a) Distributions.--The department shall make quarterly



1 distributions from the local share assessment under section  
2 13C07(b)(2) (relating to Category 4 location taxes) among the  
3 counties and municipalities hosting a Category 4 location as  
4 follows:

5 (1) Two percent of the local share assessment shall be  
6 distributed to the county hosting a Category 4 location.

7 (2) Two percent of the local share assessment shall be  
8 distributed to the municipality hosting the Category 4  
9 location.

10 (3) One percent of the local share assessment shall be  
11 distributed to the host county for the purpose of making  
12 grants to civic and charitable organizations, including club  
13 licensees, that are located within the host county in  
14 accordance with subsection (b).

15 (b) Grant program.--The county hosting the Category 4  
16 location shall accept grant applications from eligible  
17 organizations under subsection (a)(3) in time intervals to be  
18 determined by the county, but at least annually. Grants shall be  
19 awarded under subsection (a)(3) as follows:

20 (1) Grants may be awarded in amounts determined solely  
21 at the discretion of the county.

22 (2) Priority shall be given to club licensees that are  
23 affiliated with a veterans' organization or a police, fire,  
24 ambulance, rescue or similar public safety organization.

25 (3) Grants may be used by recipients for:

26 (i) a public interest purpose sponsored by the  
27 grantee; or

28 (ii) capital improvements and equipment purchases  
29 related to a facility owned or leased by the grantee. The  
30 term "equipment" shall not include a gaming device or

1 related material.

2 (c) Definitions.--As used in this section, the following  
3 words and phrases shall have the meanings given to them in this  
4 subsection unless the context clearly indicates otherwise:

5 "Club licensee." As defined in section 103 the act of  
6 December 19, 1988 (P.L.1262, No.156), known as the Local Option  
7 Small Games of Chance Act.

8 § 13C09. Temporary Category 4 regulations.

9 (a) Promulgation.--In order to facilitate the prompt  
10 implementation of this chapter, regulations promulgated by the  
11 board shall be deemed temporary regulations which shall expire  
12 not later than two years following the publication of the  
13 temporary regulation. The board may promulgate temporary  
14 regulations which shall not be subject to:

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

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

20 (3) Section 204(b) and 301(10) of the act of October 15,  
21 1980 (P.L.950, No.164), known as the Commonwealth Attorneys  
22 Act.

23 (b) Expiration.--The board's authority to adopt temporary  
24 regulations under subsection (a) shall expire two years after  
25 the effective date of this section. Regulations adopted after  
26 this period shall be promulgated as provided by law.

27 § 13C10. Additional Category 4 locations.

28 (a) Review.--By November 30, 2019, the board shall review  
29 the operation of all Category 4 permits granted under this  
30 chapter. The review shall include:

1       (1) The integrity of gaming under the operation of a  
2 Category 4 permit.

3       (2) The patronage and public response to Category 4  
4 locations.

5       (3) The number of jobs created by the establishment of  
6 Category 4 locations.

7       (4) The amount of revenue generated for the  
8 Commonwealth, host counties, host municipalities and other  
9 local share assessment recipients.

10       (5) Economic development and related economic benefits  
11 associated with the establishment and operation of Category 4  
12 locations.

13       (b) Submission.--The review shall be submitted to the  
14 Community, Economic and Recreational Development Committee of  
15 the Senate and the Gaming Oversight Committee of the House of  
16 Representatives by December 15, 2019.

17       (c) Additional permits.--Beginning January 1, 2020, each  
18 Category 1 and Category 2 slot machine licensee that holds a  
19 Category 4 permit may petition the board to obtain one  
20 additional Category 4 permit.

21       (d) Transfer of permits.--

22       (1) A Category 1 or Category 2 slot machine licensee  
23 that does not petition the board for an additional permit  
24 under subsection (c) may transfer its right to apply for the  
25 additional Category 4 licensed facility to another Category 1  
26 or Category 2 licensee upon board approval of the terms and  
27 conditions of the transaction.

28       (2) If an authorized additional permit has not been  
29 petitioned for, applied for or transferred by January 1,  
30 2021, the board may accept applications from eligible

1 applicants for the permit. If a greater number of  
2 applications is received than the number of available  
3 authorized additional permits, the board may grant the  
4 applications which satisfy the requirements of this chapter  
5 and will:

6 (i) provide the highest quality facility;

7 (ii) generate the most revenue; and

8 (iii) produce the greatest economic benefit for the  
9 Commonwealth.

10 CHAPTER 13D

11 AIRPORT GAMING

12 Sec.

13 13D01. Authorization of airport gaming.

14 13D02. Certificate holders.

15 13D03. Application for airport gaming certificate.

16 13D04. Issuance of certificate.

17 13D05. Fees.

18 13D06. Tax.

19 § 13D01. Authorization of airport gaming.

20 Notwithstanding any law to the contrary, an eligible Category  
21 1 slot machine licensee or Category 2 slot machine licensee may  
22 apply to the board for a certificate authorizing the placement  
23 of slot machines in airport gaming areas within qualified  
24 airports.

25 § 13D02. Certificate holders.

26 (a) Eligibility.--Category 1 and Category 2 slot machine  
27 licensees whose licenses are in good standing shall be eligible  
28 to apply for an airport gaming certificate.

29 (b) Nondiscretionary selection.--

30 (1) Category 1 and Category 2 slot machine licensees

1 located in a county in which a qualified airport is located  
2 or a county contiguous to the county in which a qualified  
3 airport is located shall be entitled to apply for and, if  
4 granted, obtain an airport gaming certificate for the  
5 qualified airport.

6 (2) If more than one eligible slot machine licensee  
7 under paragraph (1) desires to conduct gaming at the  
8 qualified airport, the eligible slot machine licensees shall  
9 enter into a joint operating agreement setting forth the  
10 terms, cost, revenue sharing and conditions under which the  
11 licensees will, as certificate holders, conduct airport  
12 gaming.

13 (c) Discretionary selection.--If a qualified airport is not  
14 located in the same county or a contiguous county in which an  
15 eligible slot machine licensee is located, an eligible slot  
16 machine licensee may apply to the board for the authority to  
17 operate airport gaming in the qualified airport. Two or more  
18 eligible slot machine licensees may enter into a joint operating  
19 agreement for the conduct of gaming at the qualified airport.

20 § 13D03. Application for airport gaming certificate.

21 (a) Application.--Eligible slot machine licensees must apply  
22 to the board in a form and manner as the board requires to  
23 secure an airport gaming certificate for the designated  
24 airports. The application shall include:

25 (1) The name, business address and contact information  
26 of the slot machine licensee and, if applicable, the person  
27 responsible to manage the operation of gaming under paragraph  
28 (2).

29 (2) The manner in which the slot machine licensee will  
30 manage, operate and control the conduct of gaming at a

1 designated airport in the airport gaming area.

2 (3) A site plan of the specific area within the airport  
3 where slot machines will be located and gaming will be  
4 conducted and the security that will be provided.

5 (4) The proposed number of slot machines that will be  
6 placed in the airport gaming area and a description of the  
7 equipment that will be installed and services that will be  
8 provided within the airport gaming area.

9 (5) Evidence of a lease, license agreement or other  
10 authorization from or agreement with the airport authority to  
11 conduct operations in the airport gaming area.

12 (6) A copy of the joint operating agreement to be  
13 entered into by the eligible certificate holders, if  
14 applicable.

15 (b) Confidentiality.--Information submitted to the board  
16 under this chapter shall be considered confidential by the board  
17 if the information is confidential under section 1206(f)  
18 (relating to board minutes and records).

19 § 13D04. Issuance of certificate.

20 (a) Findings.--The board shall:

21 (1) Ensure that the airport gaming area has the  
22 appropriate physical space and security to conduct gaming  
23 under this section.

24 (2) Determine the number of slot machines that are  
25 appropriate for placement and operation at the designated  
26 airports.

27 (b) Approval.--After making the findings under subsection  
28 (a), the board may approve an application submitted under  
29 section 13D03 (relating to application for airport gaming  
30 certificate) and grant a certificate to the eligible slot

1 machine licensee to conduct gaming at the designated airport as  
2 provided under this chapter upon payment of all required fees.  
3 § 13D05. Fees.

4 (a) Fee schedule.--A one-time, nonrefundable fee shall be  
5 paid to the board in relation to the conduct of gaming at a  
6 qualified airport based on the number of slot machines sought to  
7 be placed in the airport gaming area as follows:

8 (1) less than 100 machines - \$10,000 per machine.

9 (2) 100-200 machines - \$2,000,000.

10 (3) 200-300 machines - \$3,000,000.

11 (4) 300-400 machines - \$4,000,000.

12 (5) 400-500 machines - \$5,000,000.

13 (b) Payment.--If more than one slot machine licensee is  
14 issued an airport gaming certificate in relation to a qualified  
15 airport, a single fee shall be paid by the airport gaming  
16 certificate holders approved for the airport, as set forth in  
17 the joint operating agreement entered into by the airport gaming  
18 certificate holders and submitted to the board under section  
19 13D03 (relating to application for airport gaming certificate).

20 (c) Additional machines.--The board may authorize additional  
21 slot machines for an airport gaming area upon a written request  
22 for additional slot machines and receipt of payment in an amount  
23 that equals the difference between the fee paid upon issuance of  
24 the certificate and the fee applicable under subsection (b) to  
25 the requested higher number of machines.

26 (d) Deposit.--All fees paid under subsection (a) shall be  
27 deposited into the General Fund.

28 (e) Renewal.--A renewal fee shall not apply to or be imposed  
29 on an airport gaming certificate.

30 § 13D06. Tax.

1 (a) Imposition.--A daily tax of 55% shall apply to the daily  
2 gross terminal revenue from slot machines operated in an airport  
3 gaming area.

4 (b) Collection.--The department shall determine the manner  
5 in which airport gaming certificate holders will remit the tax  
6 imposed under subsection (a). All money owed to the Commonwealth  
7 under this section shall be held in trust for the Commonwealth  
8 under this section by the airport gaming certificate holders  
9 until the money is paid to the department. Unless otherwise  
10 permitted by the department, a separate bank account shall be  
11 established by the certificate holders into which gross terminal  
12 revenue from slot machines shall be deposited and maintained  
13 until the gross terminal revenue is paid to the department.

14 (c) Distribution.--The department shall transfer 15% of the  
15 tax revenues collected under this section to the qualified  
16 airport. Following the transfer, the remainder of the tax  
17 revenues shall be deposited in the General Fund.

18 CHAPTER 13E

19 SPORTS WAGERING

20 Subchapter

21 A. General Provisions

22 B. Sports Wagering Authorized

23 C. Conduct of Sports Wagering

24 D. Sports Wagering Taxes and Fees

25 E. Miscellaneous Provisions

26 SUBCHAPTER A

27 GENERAL PROVISIONS

28 Sec.

29 13E01. Definitions.

30 13E02. Regulatory authority.



1 13E03. Temporary sports wagering regulations.

2 13E04. Unauthorized sports wagering.

3 § 13E01. Definitions.

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

7 "Certificate holder." A person that has been awarded a  
8 sports wagering certificate by the board.

9 "Gross sports wagering revenue."

10 (1) The total of cash or cash equivalents received from  
11 sports wagering minus the total of:

12 (i) Cash or cash equivalents paid to players as a  
13 result of sports wagering.

14 (ii) Cash or cash equivalents paid to purchase  
15 annuities to fund prizes payable to players over a period  
16 of time as a result of sports wagering.

17 (iii) The actual cost paid by the certificate holder  
18 for any personal property distributed to a player as a  
19 result of sports wagering. This paragraph shall not  
20 include travel expenses, food, refreshments, lodging or  
21 services.

22 (2) The term does not include:

23 (i) Counterfeit cash or chips.

24 (ii) Coins or currency of other countries received  
25 as a result of sports wagering, except to the extent that  
26 the coins or currency are readily convertible to cash.

27 (iii) Cash taken in a fraudulent act perpetrated  
28 against a certificate holder for which the certificate  
29 holder is not reimbursed.

30 "Sporting events." A professional or collegiate sports or

1 athletic event, or motor race event.

2 "Sports wagering." The business of accepting wagers on  
3 sporting events or on the individual performance statistics of  
4 athletes in a sporting event or combination of sporting events  
5 by any system or method of wagering, including, but not limited  
6 to, exchange wagering, parlays, over-under, moneyline, pools and  
7 straight bets. The term does not include:

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

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

13 (3) Pari-mutuel betting on the outcome of thoroughbred  
14 or harness horse racing as authorized under 3 Pa.C.S. Ch. 93  
15 (relating to race horse industry reform).

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

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

21 "Sports wagering certificate." A certificate awarded by the  
22 board under this chapter that authorizes a slot machine licensee  
23 to conduct sports wagering in accordance with this chapter.

24 "Sports wagering device." The term includes a mechanical,  
25 electrical or electronic machine or other device, apparatus,  
26 equipment or supplies approved by the board and used to conduct  
27 sports wagering.

28 § 13E02. Regulatory authority.

29 The board shall promulgate regulations:

30 (1) Establishing standards and procedures for sports

1 wagering. The standards and procedures shall provide for the  
2 conduct and implementation of sports wagering within licensed  
3 facilities, including new sports wagering or variations or  
4 composites of approved sports wagering, provided the board  
5 determines that the new sports wagering or any variations or  
6 composites or other approved sports wagering are suitable for  
7 use after a test or experimental period under the terms and  
8 conditions as the board may deem appropriate.

9 (2) Establishing standards and rules to govern the  
10 conduct of sports wagering and the system of wagering,  
11 including the manner in which wagers are received and payouts  
12 are remitted and point spreads, lines and odds are  
13 determined.

14 (3) Establishing the method for calculating gross sports  
15 wagering revenue and standards for the daily counting and  
16 recording of cash and cash equivalents received in the  
17 conduct of sports wagering and ensuring that internal  
18 controls are followed regarding the maintenance of financial  
19 books and records and the conduct of audits. The board shall  
20 consult with the department in establishing the regulations  
21 under this paragraph.

22 (4) Establishing notice requirements pertaining to  
23 minimum and maximum wagers on sports wagering.

24 (5) Establishing compulsive and problem gambling  
25 standards pertaining to sports wagering consistent with this  
26 part.

27 (6) Establishing standards prohibiting persons under 21  
28 years of age from participating in sports wagering.

29 (7) Providing information pertaining to sports wagering  
30 in the board's annual report required under section 1211(a.1)

1 (relating to reports of board).

2 (8) Requiring each certificate holder to:

3 (i) Provide written information about sports  
4 wagering rules, payouts or winning wagers and other  
5 information as the board may require.

6 (ii) Provide specifications approved by the board  
7 under section 1207(11) (relating to regulatory authority  
8 of board) to integrate and update the licensed facility's  
9 surveillance system to cover all areas where sports  
10 wagering is conducted. The specifications shall include  
11 provisions providing the board and other persons  
12 authorized by the board with onsite access to the  
13 surveillance system.

14 (iii) Designate one or more locations within the  
15 licensed facility of the certificate holder to conduct  
16 sports wagering.

17 (iv) Ensure that visibility in the licensed facility  
18 of the certificate holder is not obstructed in any way  
19 that could interfere with the ability of the certificate  
20 holder, the board and other persons authorized under this  
21 part or by the board to oversee the surveillance of the  
22 conduct of sports wagering.

23 (v) Integrate the licensed facility's count room to  
24 ensure maximum security of the counting and storage of  
25 cash and cash equivalents.

26 (vi) Equip each designated location within the  
27 licensed facility providing sports wagering with a sign  
28 indicating the permissible sports wagering minimum and  
29 maximum wagers.

30 (vii) Ensure that no person under 21 years of age

1 participates in sports wagering.

2 § 13E03. Temporary sports wagering regulations.

3 (a) Promulgation.--In order to facilitate the prompt  
4 implementation of this chapter, regulations promulgated by the  
5 board shall be deemed temporary regulations which shall expire  
6 not later than two years following the publication of the  
7 temporary regulations. The board may promulgate temporary  
8 regulations not subject to:

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

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

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

17 (b) Expiration.--Except for temporary regulations governing  
18 the rules of new sports wagering approved by the board, the  
19 board's authority to adopt temporary regulations under  
20 subsection (a) shall expire two years after the effective date  
21 of this section. Regulations adopted after this period shall be  
22 promulgated as provided by law.

23 § 13E04. Unauthorized sports wagering.

24 (a) Offense defined.--

25 (1) It shall be unlawful for a person to willfully and  
26 knowingly operate, carry on, offer or expose for play sports  
27 wagering or to accept a bet or wager associated with sports  
28 wagering from a person physically located in this  
29 Commonwealth at the time of play that is not within the scope  
30 of a valid and current sports wagering certificate issued by

1 the board under this chapter or by another state, territory  
2 or possession of the United States with which the  
3 Commonwealth has a sports wagering agreement.

4 (2) It shall be unlawful for a person to willfully and  
5 knowingly provide services with respect to sports wagering or  
6 a bet or wager specified in paragraph (1).

7 (b) Grading of offense.--A person who violates subsection  
8 (a) commits a misdemeanor of the first degree. For a second or  
9 subsequent violation of subsection (a), a person commits a  
10 felony of the second degree.

11 (c) Penalties.--

12 (1) For a first violation of subsection (a), a person  
13 shall be sentenced to pay a fine of:

14 (i) not less than \$75,000 nor more than \$150,000, if  
15 the person is an individual;

16 (ii) not less than \$150,000 nor more than \$300,000,  
17 if the person is a licensed manufacturer or supplier; or

18 (iii) not less than \$300,000 nor more than \$600,000,  
19 if the person is a licensed gaming entity.

20 (2) For a second or subsequent violation of subsection  
21 (a), a person shall be sentenced to pay a fine of:

22 (i) not less than \$150,000 nor more than \$300,000,  
23 if the person is an individual;

24 (ii) not less than \$300,000 nor more than \$600,000,  
25 if the person is a licensed manufacturer or supplier; or

26 (iii) not less than \$600,000 nor more than  
27 \$1,200,000, if the person is a licensed gaming entity.

28 (d) Forfeiture.--If a person engages in sports wagering from  
29 a location in which the activity is unauthorized, the person  
30 shall forfeit all entitlement to winnings and the money

1 associated with forfeited winnings shall be deposited into the  
2 Compulsive and Problem Gambling Treatment Fund established under  
3 section 1509(b) (relating to compulsive and problem gambling  
4 program).

5 (e) Tax liability.--

6 (1) An unlicensed person who offers sports wagering to  
7 persons in this Commonwealth shall be liable for all taxes  
8 required under this chapter in the same manner and amounts as  
9 if the person were a licensee.

10 (2) Timely payment of the taxes may not constitute a  
11 defense to a prosecution or other proceeding in connection  
12 with unauthorized sports wagering, except for a prosecution  
13 or proceeding alleging failure to make a payment.

14 SUBCHAPTER B

15 SPORTS WAGERING AUTHORIZED

16 Sec.

17 13E11. Authorization to conduct sports wagering.

18 13E12. Petition requirements.

19 13E13. Standard for review of petitions.

20 13E14. Award of certificate.

21 13E15. Sports wagering certificate.

22 13E16. Sports wagering by suppliers and manufacturers.

23 § 13E11. Authorization to conduct sports wagering.

24 (a) Persons who may be authorized.--

25 (1) (i) The board may authorize a slot machine licensee  
26 to conduct sports wagering and to operate a system of  
27 wagering associated with the conduct of sports wagering  
28 at the slot machine licensee's licensed facility, a  
29 temporary facility authorized under section 13E21(a.1)  
30 (relating to authorized locations for operation) or an

1 area authorized under section 13E21(b).

2 (ii) Authorization shall be contingent upon the slot  
3 machine licensee's agreement to ensure that sports  
4 wagering will be conducted in accordance with this part  
5 and other conditions established by the board.

6 (iii) Nothing in this part may be construed to  
7 create a separate license governing the conduct of sports  
8 wagering by slot machine licensees within this  
9 Commonwealth.

10 (2) (i) Except as provided in this part, individuals  
11 wagering on sporting events through authorized sports  
12 wagering shall be physically located within this  
13 Commonwealth or within a state or jurisdiction in which  
14 the board has entered into a sports wagering agreement.

15 (ii) No individual under 21 years of age may make a  
16 wager or bet on sporting events through authorized sports  
17 wagering or have access to the designated area of the  
18 licensed facility authorized to host sports wagering.

19 (b) Federal authorization.--

20 (1) The Secretary of State shall, when Federal law is  
21 enacted or a Federal court decision is filed that affirms the  
22 authority of a state to regulate sports wagering, publish a  
23 notice in the Pennsylvania Bulletin certifying the enactment  
24 or filing of the decision.

25 (2) The board may not authorize the conduct of sports  
26 wagering in this Commonwealth until the notice is published  
27 as prescribed under paragraph (1).

28 § 13E12. Petition requirements.

29 (a) General rule.--Unless otherwise prohibited under section  
30 13A13 (relating to prohibitions), a slot machine licensee may



1 seek approval to conduct sports wagering by filing a petition  
2 with the board.

3 (b) Petition contents.--A petition seeking authorization to  
4 conduct sports wagering shall include the following:

5 (1) The name, business address and contact information  
6 of the petitioner.

7 (2) The name and business address, job title and a  
8 photograph of each principal and key employee of the  
9 petitioner who will be involved in the conduct of sports  
10 wagering and who is not currently licensed by the board, if  
11 known.

12 (3) A brief description of the economic benefits  
13 expected to be realized by the Commonwealth, its  
14 municipalities and its residents if sports wagering is  
15 authorized at the petitioner's licensed facility.

16 (4) The details of financing obtained or that will be  
17 obtained to fund an expansion or modification of the licensed  
18 facility to accommodate sports wagering and to otherwise fund  
19 the cost of commencing sports wagering.

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

24 (6) Information and documentation, as the board may  
25 require, to establish by clear and convincing evidence that  
26 the petitioner has sufficient business ability and experience  
27 to create and maintain a successful sports wagering  
28 operation. In making this determination, the board may  
29 consider the performance of the petitioner's slot machine and  
30 table game operation, including financial information,

1 employment data and capital investment.

2 (7) Information and documentation, as the board may  
3 require, to establish by clear and convincing evidence that  
4 the petitioner has or will have the financial ability to pay  
5 the authorization fee under section 13E61 (relating to sports  
6 wagering authorization fee).

7 (8) Detailed site plans identifying the petitioner's  
8 proposed sports wagering area within the licensed facility.

9 (9) Other information as the board may require.

10 (c) Confidentiality.--Information submitted to the board  
11 under subsection (b) (4), (5), (6), (7) and (8) may be considered  
12 confidential by the board if the information is confidential  
13 under section 1206(f) (relating to board minutes and records).  
14 § 13E13. Standard for review of petitions.

15 (a) General rule.--The board shall approve a petition if the  
16 petitioner establishes, by clear and convincing evidence, all of  
17 the following:

18 (1) The petitioner's slot machine license is in good  
19 standing with the board.

20 (2) The conduct of sports wagering at the petitioner's  
21 licensed facility will have a positive economic impact on the  
22 Commonwealth, its municipalities and residents through  
23 increased revenues and employment opportunities.

24 (3) The petitioner possesses an adequate amount of money  
25 or has secured adequate financing to:

26 (i) Fund any necessary expansion or modification of  
27 the petitioner's licensed facility to accommodate the  
28 conduct of sports wagering.

29 (ii) Pay the authorization fee in accordance with  
30 section 13E61 (relating to sports wagering authorization

1 fee).

2 (iii) Commence sports wagering operations at the  
3 petitioner's licensed facility.

4 (4) The petitioner has the financial stability,  
5 integrity and responsibility to conduct sports wagering.

6 (5) The petitioner has sufficient business ability and  
7 experience to create and maintain a successful sports  
8 wagering operation.

9 (6) The petitioner's proposed internal and external  
10 security and proposed surveillance measures within the area  
11 of the licensed facility where the petitioner seeks to  
12 conduct sports wagering are adequate.

13 (7) The petitioner has satisfied the petition  
14 application requirements and provided other information  
15 required under section 13E12(b) (relating to petition  
16 requirements).

17 (b) Timing of approval.--The board shall approve or deny a  
18 petition within 90 days following receipt of the petition.

19 § 13E14. Award of certificate.

20 (a) General rule.--Upon approval of a petition, the board  
21 shall award a sports wagering certificate to the petitioner. The  
22 award of a sports wagering certificate prior to the payment in  
23 full of the authorization fee required under section 13E61  
24 (relating to sports wagering authorization fee) shall not  
25 relieve the petitioner from complying with the provisions of  
26 section 13E61.

27 (b) Statement of conditions.--Upon awarding a sports  
28 wagering operation certificate, the board shall amend the slot  
29 machine licensee's statement of conditions pertaining to the  
30 requirements of this chapter.

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

7 § 13E15. Sports wagering certificate.

8 The following shall apply:

9 (1) A sports wagering certificate shall be in effect  
10 unless:

11 (i) suspended or revoked by the board consistent  
12 with the requirements of this part;

13 (ii) the slot machine license held by the  
14 certificate holder is suspended, revoked or not renewed  
15 by the board consistent with the requirements of this  
16 part; or

17 (iii) the certificate holder relinquishes or does  
18 not seek renewal of the certificate holder's slot machine  
19 license.

20 (2) A certificate holder that fails to abide by this  
21 chapter or any condition contained in the slot machine  
22 licensee's statement of conditions governing the conduct of  
23 sports wagering shall be subject to board-imposed  
24 administrative sanctions or other penalties authorized under  
25 this part.

26 § 13E16. Sports wagering by suppliers and manufacturers.

27 (a) Suppliers.--A person that sells, leases, offers or  
28 otherwise provides, distributes or services a sports wagering  
29 device or associated equipment for use or operation in this  
30 Commonwealth for sports wagering purposes shall be licensed by

1 the board under section 1317 (relating to supplier licenses) and  
2 shall be subject to application and licensure fees and fines as  
3 prescribed under section 1208 (relating to collection of fees  
4 and fines), as determined by the board.

5 (b) Manufacturers.--A person who manufacturers, builds,  
6 rebuilt, fabricates, assembles, produces, programs, designs or  
7 otherwise makes modifications to a sports wagering device or  
8 associated equipment for use or operation in this Commonwealth  
9 for sports wagering purposes shall be licensed by the board  
10 under section 1317.1 (relating to manufacturer licenses) and  
11 shall be subject to application and licensure fees and fines as  
12 prescribed under section 1208, as determined by the board.

13 SUBCHAPTER C

14 CONDUCT OF SPORTS WAGERING

15 Sec.

16 13E21. Authorized locations for operation.

17 13E22. Commencement of sports wagering operations.

18 13E23. Condition of continued operation.

19 13E24. Key employees and occupation permits.

20 13E25. Application of Clean Indoor Air Act.

21 13E25.1. Application of Liquor Code.

22 § 13E21. Authorized locations for operation.

23 (a) Restriction.--A certificate holder may only be permitted  
24 to conduct sports wagering at the licensed facility, a temporary  
25 facility authorized under subsection (a.1) or an area authorized  
26 under subsection (b).

27 (a.1) Temporary facilities.--The board may permit a  
28 certificate holder to conduct sports wagering at a temporary  
29 facility that is physically connected to, attached to or  
30 adjacent to a licensed facility for a period not to exceed 24

1 months.

2 (b) Powers and duties of board.--

3 (1) Upon request made by a certificate holder, the board  
4 may determine the suitability of a Category 1 licensed gaming  
5 entity that is also a licensed racing entity authorized to  
6 conduct pari-mutuel wagering at nonprimary locations under 3  
7 Pa.C.S. Ch. 93 (relating to race horse industry reform), to  
8 conduct sports wagering at nonprimary locations.

9 (2) No certificate holder may be approved to conduct  
10 sports wagering in a nonprimary location unless the areas are  
11 equipped with adequate security and surveillance equipment to  
12 ensure the integrity of the conduct of sports wagering.

13 (3) An authorization granted under this subsection may  
14 not:

15 (i) Impose criteria or requirements regarding the  
16 contents or structure of a nonprimary location that are  
17 unrelated to the conduct of sports wagering.

18 (ii) Authorize the placement or operation of slot  
19 machines or table games in a nonprimary location.

20 § 13E22. Commencement of sports wagering operations.

21 No certificate holder may operate or offer sports wagering  
22 until the board determines that:

23 (1) The certificate holder is in compliance with the  
24 requirements of this part.

25 (2) The certificate holder is prepared in all respects  
26 to offer sports wagering play to the public at the licensed  
27 facility.

28 (3) The certificate holder has implemented necessary  
29 internal and management controls and security arrangements  
30 and surveillance systems for the conduct of sports wagering.

1           (4) The certificate holder is in compliance with or has  
2 complied with section 13A61 (relating to table game  
3 authorization fee).

4           (5) Other conditions as the board may require to  
5 implement the conduct of sports wagering.

6 § 13E23. Condition of continued operation.

7           As a condition of continued operation, a certificate holder  
8 shall agree to maintain all books, records and documents  
9 pertaining to sports wagering in a manner and location within  
10 this Commonwealth as approved by the board. The books, records  
11 and documents related to sports wagering shall:

12           (1) Be segregated by separate accounts within the  
13 certificate holder's books, records and documents, except for  
14 books, records or documents that are common to slot machine,  
15 table game and sports wagering operations.

16           (2) Be immediately available for inspection upon request  
17 of the board, the bureau, the department, the Pennsylvania  
18 State Police or the Attorney General, or agents thereof,  
19 during all hours of operation of the certificate holder in  
20 accordance with regulations promulgated by the board.

21           (3) Be maintained for a period as the board, by  
22 regulation, may require.

23 § 13E24. Key employees and occupation permits.

24           Nothing in this part may be construed to require an  
25 individual who holds a principal license, a key employee license  
26 or gaming employee license under Chapter 13 (relating to  
27 licensees) to obtain a separate license or permit to be employed  
28 in a certificate holder's sports wagering operation authorized  
29 under this chapter.

30 § 13E25. Application of Clean Indoor Air Act.

1 For the purpose of section 3(b)(11) of the act of June 13,  
2 2008 (P.L.182, No.27), known as the Clean Indoor Air Act, the  
3 term "gaming floor" shall include the areas of a facility where  
4 the certificate holder is authorized to conduct sports wagering,  
5 except areas off the gaming floor where contests or tournaments  
6 are conducted unless smoking is otherwise permitted in those  
7 areas.

8 § 13E25.1. Application of Liquor Code.

9 The provisions of section 493(24)(ii) of the act of April 12,  
10 1951 (P.L.90, No.21), known as the Liquor Code, shall apply to  
11 sports wagering.

#### 12 SUBCHAPTER D

#### 13 SPORTS WAGERING TAXES AND FEES

14 Sec.

15 13E61. Sports wagering authorization fee.

16 13E62. Sports wagering tax.

17 13E63. Local share assessment.

18 13E64. Compulsive and problem gambling.

19 § 13E61. Sports wagering authorization fee.

20 (a) Amount.--Each slot machine licensee that is issued a  
21 sports wagering certificate to conduct sports wagering under  
22 section 13E11 (relating to authorization to conduct sports  
23 wagering) shall pay a one-time nonrefundable authorization fee  
24 of \$5,000,000.

25 (b) Payment of fee.--The slot machine licensee under  
26 subsection (a) shall remit the fee to the board within 60 days  
27 of the approval of a petition to conduct sports wagering. The  
28 board may allow the fee to be paid in installments, provided all  
29 installments are paid within the 60-day period. In that event,  
30 the board and the slot machine licensee shall enter into a



1 written agreement setting forth the terms of payment. Sports  
2 wagering may not be conducted until the fee under subsection (a)  
3 is paid in full.

4 (c) Renewal fee.--Notwithstanding any other provision of  
5 this chapter, a slot machine licensee that is issued a sports  
6 wagering certificate shall pay a renewal fee in the amount of  
7 \$250,000 upon the renewal of its sports wagering certificate in  
8 accordance with sections 1326 (relating to license renewals) and  
9 13E14(c) (relating to award of certificate).

10 (d) Failure to pay by deadline.--If a petitioner or  
11 certificate holder fails to pay the required authorization fee  
12 in full within the 60-day period, the board shall impose a  
13 penalty and may grant the petitioner or certificate holder up to  
14 a six-month extension to pay the authorization fee or any  
15 remaining portion of the authorization fee and the penalty.

16 (e) Suspension of certificate.--The board shall suspend the  
17 sports wagering certificate if the certificate holder fails to  
18 pay the total authorization fee and the penalty prior to the  
19 expiration of an extension period granted under subsection (c).  
20 The suspension shall remain in effect until final payment is  
21 made.

22 (f) Deposit of fees.--Notwithstanding section 1208 (relating  
23 to collection of fees and fines), all sports wagering  
24 authorization fees or penalties, sports wagering device and  
25 associated equipment manufacturer and supplier license fees,  
26 sports wagering device or associated equipment manufacturer and  
27 supplier renewal fees and fees for licenses issued under Chapter  
28 16 (relating to junkets) shall be deposited in the General Fund.  
29 § 13E62. Sports wagering tax.

30 (a) Imposition.--Each certificate holder shall report to the

1 department and pay from the certificate holder's daily gross  
2 sports wagering revenue, on a form and in the manner prescribed  
3 by the department, a tax of 16% of the certificate holder's  
4 daily gross sports wagering revenue.

5 (b) Deposits and distributions.--

6 (1) The tax imposed under subsection (a) shall be  
7 payable to the department on a weekly basis and shall be  
8 based upon gross sports wagering revenue derived during the  
9 previous week.

10 (2) All money owed to the Commonwealth under this  
11 section shall be held in trust for the Commonwealth by the  
12 certificate holder until the money is paid to the department.  
13 Unless otherwise agreed to by the board, a certificate holder  
14 shall establish a separate bank account into which gross  
15 sports wagering revenue shall be deposited and maintained  
16 until such time as the money is paid to the department under  
17 this section or paid into the fund under section 13E63(a)  
18 (relating to local share assessment).

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

21 § 13E63. Local share assessment.

22 (a) Required payment.--In addition to the tax imposed under  
23 section 13E62 (relating to sports wagering tax), each  
24 certificate holder shall pay on a weekly basis and on a form and  
25 in a manner prescribed by the department a local share  
26 assessment. All money owed under this section shall be held in  
27 trust by the certificate holder for the host county and host  
28 municipality until the money is paid to the department.

29 (b) Distributions.--Except as provided under subsection  
30 (b.1), the department shall make quarterly distributions from

1 the local share assessments paid into the department to  
2 counties, including home rule counties, and to municipalities,  
3 including home rule municipalities, hosting a licensed facility  
4 authorized to conduct sports wagering in the following manner:

5 (1) Fifty percent of the local share assessment under  
6 this chapter shall be distributed to the county hosting the  
7 licensed facility.

8 (2) Fifty percent of the local share assessment under  
9 this chapter shall be distributed to the municipality hosting  
10 the licensed facility.

11 (b.1) Nonprimary locations.--For sports wagering conducted  
12 at nonprimary locations, the local share assessment imposed  
13 under subsection (a) shall be distributed equally to the county  
14 and the municipality hosting the nonprimary location at which  
15 sports wagering is conducted.

16 (c) Definitions.--As used in this section, "local share  
17 assessment" means 2% of a certificate holder's daily gross  
18 sports wagering revenue.

19 § 13E64. Compulsive and problem gambling.

20 The following shall apply:

21 (1) Each year, from the tax imposed in section 13E62  
22 (relating to sports wagering tax), \$2,000,000 or an amount  
23 equal to .002 multiplied by the total gross sports wagering  
24 revenue of all active and operating sports wagering  
25 certificate holders, whichever is greater, shall be  
26 transferred into the Compulsive and Problem Gambling  
27 Treatment Fund established under section 1509 (relating to  
28 compulsive and problem gambling program).

29 (2) Each year, from the tax imposed under section 13E62,  
30 \$2,000,000 or an amount equal to .002 multiplied by the total

1 gross sports wagering revenue of all active and operating  
2 sports wagering certificate holders, whichever is greater,  
3 shall be transferred to the Department of Health to be used  
4 for drug and alcohol addiction treatment services, including  
5 treatment for drug and alcohol addiction related to  
6 compulsive and problem gambling, as set forth in section  
7 1509.1 (relating to drug and alcohol treatment).

8 SUBCHAPTER E

9 MISCELLANEOUS PROVISIONS

10 Sec.

11 13E71. Criminal activity.

12 § 13E71. Criminal activity.

13 Sports wagering conducted by a certificate holder in  
14 accordance with this chapter shall not constitute a criminal  
15 activity under 18 Pa.C.S. § 5514 (relating to pool selling and  
16 bookmaking).

17 Section 9. Section 1402(b) of Title 4 is amended and the  
18 section is amended by adding a subsection to read:

19 § 1402. Gross terminal revenue deductions.

20 \* \* \*

21 (b) [(Reserved).] Limitation.--Upon payment of the fee  
22 established under subsection (c), the deductions from each  
23 account under subsection (a) for a fiscal year and the  
24 regulatory assessment on a slot machine licensee to recover the  
25 costs and expenses under subsection (a) for a fiscal year shall  
26 not exceed 1.5% of the total gross terminal revenue and gross  
27 table game revenue generated by the slot machine licensee for  
28 the previous fiscal year. The assessment may not be applied to  
29 promotional play.

30 (c) One-time fee.--In order to invoke the cap established in

1 subsection (b), a slot machine licensee shall pay a one-time fee  
2 equal to 1% of the gross terminal revenue and gross table game  
3 revenue generated by the licensee in calendar year 2016. The fee  
4 shall be deposited into the General Fund.

5 Section 10. Section 1403(b) and (c) of Title 4 are reenacted  
6 and amended to read:

7 § 1403. Establishment of State Gaming Fund and net slot machine  
8 revenue distribution.

9 \* \* \*

10 (b) Slot machine tax.--The department shall determine and  
11 each slot machine licensee shall pay a daily tax of 34% from its  
12 daily gross terminal revenue from the slot machines in operation  
13 at its facility and a local share assessment as provided in  
14 subsection (c). All funds owed to the Commonwealth, a county or  
15 a municipality under this section shall be held in trust by the  
16 licensed gaming entity for the Commonwealth, the county and the  
17 municipality until the funds are paid or transferred to the  
18 fund. Unless otherwise agreed to by the board, a licensed gaming  
19 entity shall establish a separate bank account to maintain gross  
20 terminal revenue until such time as the funds are paid or  
21 transferred under this section. Moneys in the fund are hereby  
22 appropriated to the department on a continuing basis for the  
23 purposes set forth in subsection (c).

24 (c) Transfers and distributions.--The department shall:

25 (1) Transfer the slot machine tax and assessment imposed  
26 in subsection (b) to the fund.

27 (2) From the local share assessment established in  
28 subsection (b), make quarterly distributions among the  
29 counties hosting a licensed facility in accordance with the  
30 following schedule:

1           (i) If the licensed facility is a Category 1  
2 licensed facility that is located at a harness racetrack  
3 and the county, including a home rule county, in which  
4 the licensed facility is located is:

5           (A) A county of the first class: 4% of the  
6 gross terminal revenue to the county hosting the  
7 licensed facility from each such licensed facility.  
8 Notwithstanding any other provision to the contrary,  
9 funds from licensed gaming entities located within a  
10 county of the first class shall not be distributed  
11 outside of a county of the first class.

12           (B) A county of the second class: 2% of the  
13 gross terminal revenue to the county hosting the  
14 licensed facility from each such licensed facility.

15           (C) A county of the second class A: 1% of the  
16 gross terminal revenue to the county hosting the  
17 licensed facility from each such licensed facility.  
18 An additional 1% of the gross terminal revenue to the  
19 county hosting the licensed facility from each such  
20 licensed facility for the purpose of municipal grants  
21 within the county in which the licensee is located.

22           (D) (I) A county of the third class: Except as  
23 provided in subclause (II), 2% of the gross  
24 terminal revenue from each such licensed facility  
25 shall be deposited into a restricted receipts  
26 account to be established in the Commonwealth  
27 Financing Authority to be used exclusively for  
28 grants for projects in the public interest to  
29 municipalities within the county where the  
30 licensed facility is located.

1 (I.1) Priority shall be given to multiyear  
2 projects approved or awarded by the Department of  
3 Community and Economic Development under  
4 subclause (I) on or before the effective date of  
5 this subclause.

6 (I.2) In addition to municipalities that are  
7 eligible to receive grant funding under subclause  
8 (I), a county redevelopment authority within the  
9 county shall also be eligible to receive grant  
10 funding to be used exclusively for economic  
11 development projects or infrastructure. A county  
12 redevelopment authority shall not be eligible to  
13 receive more than 10% of the total grant funds  
14 awarded.

15 (I.3) Notwithstanding the act of February 9,  
16 1999 (P.L.1, No.1), known as the Capital  
17 Facilities Debt Enabling Act, grants made under  
18 subclause (I) may be utilized as local matching  
19 funds for other grants or loans from the  
20 Commonwealth.

21 (II) If a licensed facility is located in  
22 one of two counties of the third class where a  
23 city of the third class is located in both  
24 counties of the third class, the county in which  
25 the licensed facility is located shall receive  
26 1.2% of the gross terminal revenue to be  
27 distributed as follows: 20% to the host city,  
28 30% to the host county and 50% to the host county  
29 for the purpose of making municipal grants within  
30 the county, with priority given to municipalities

1 contiguous to the host city. The county of the  
2 third class, which includes a city of the third  
3 class that is located in two counties of the  
4 third class and is not the host county for the  
5 licensed facility, shall receive .8% of the gross  
6 terminal revenue to be distributed as follows:  
7 60% to a nonhost city of the third class located  
8 solely in the nonhost county in which the host  
9 city of the third class is also located or 60% to  
10 the nonhost city of the third class located both  
11 in the host and nonhost counties of the third  
12 class, 35% to the nonhost county and 5% to the  
13 nonhost county for the purpose of making  
14 municipal grants within the county.

15 (E) A county of the fourth class: 2% of the  
16 gross terminal revenue from each such licensed  
17 facility shall be distributed as follows:

18 (I) The department shall make distributions  
19 directly to each municipality within the county,  
20 except the host municipality, by using a formula  
21 equal to the sum of \$25,000 plus \$10 per resident  
22 of the municipality using the most recent  
23 population figures provided by the Department of  
24 Community and Economic Development, provided,  
25 however, that the amount so distributed to any  
26 municipality shall not exceed 50% of its total  
27 budget for fiscal year 2009 or 2013, whichever is  
28 greater, adjusted for inflation in subsequent  
29 fiscal years by an amount not to exceed an annual  
30 cost-of-living adjustment calculated by applying



1 any upward percentage change in the Consumer  
2 Price Index immediately prior to the date the  
3 adjustment is due to take effect. Distributions  
4 to a municipality in accordance with this  
5 subclause shall be deposited into a special fund  
6 which shall be established by the municipality.  
7 The governing body of the municipality shall have  
8 the right to draw upon the special fund for any  
9 lawful purpose provided that the municipality  
10 identifies the fund as the source of the  
11 expenditure. Each municipality shall annually  
12 submit a report to the Department of Community  
13 and Economic Development detailing the amount and  
14 purpose of each expenditure made from the special  
15 fund during the prior fiscal year.

16 (II) Any funds not distributed under  
17 subclause (I) shall be deposited into a  
18 restricted receipts account established in the  
19 Department of Community and Economic Development  
20 to be used exclusively for grants to the county,  
21 to economic development authorities or  
22 redevelopment authorities within the county for  
23 grants for economic development projects,  
24 infrastructure projects, job training, community  
25 improvement projects, other projects in the  
26 public interest, and necessary and reasonable  
27 administrative costs. Notwithstanding the  
28 provisions of the [act of February 9, 1999  
29 (P.L.1, No.1), known as the] Capital Facilities  
30 Debt Enabling Act, grants made under this clause

1           may be utilized as local matching funds for other  
2           grants or loans from the Commonwealth.

3           (F) Counties of the fifth through eighth  
4           classes:

5                 (I) Except as set forth in subclause (II),  
6                 2% of the gross terminal revenue from each such  
7                 licensed facility shall be deposited into a  
8                 restricted account established in the Department  
9                 of Community and Economic Development to be used  
10                exclusively for grants to the county.

11               (II) If the licensed facility is located in  
12               a second class township in a county of the fifth  
13               class, 2% of the gross terminal revenue from the  
14               licensed facility shall be distributed as  
15               follows:

16                     (a) 1% shall be deposited into a  
17                     restricted receipts account to be established  
18                     in the Commonwealth Financing Authority to be  
19                     used exclusively for grants for projects in  
20                     the public interest to municipalities within  
21                     the county where the licensed facility is  
22                     located.

23                     (b) 1% shall be distributed to the county  
24                     for projects in the public interest in the  
25                     county.

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           (ii) If the licensed facility is a Category 1

1 licensed facility and is located at a thoroughbred  
2 racetrack and the county in which the licensed facility  
3 is located is:

4 (A) A county of the first class: 4% of the  
5 gross terminal revenue to the county hosting the  
6 licensed facility from each such licensed facility.  
7 Notwithstanding any other provision to the contrary,  
8 funds from licensed gaming entities located within  
9 the county of the first class shall not be  
10 distributed outside of a county of the first class.

11 (B) A county of the second class: 2% of the  
12 gross terminal revenue to the county hosting the  
13 licensed facility from each such licensed facility.

14 (C) A county of the second class A: 1% of the  
15 gross terminal revenue to the county hosting the  
16 licensed facility from each such licensed facility.  
17 An additional 1% of the gross terminal revenue to the  
18 county hosting the licensed facility from each such  
19 licensed facility for the purpose of municipal grants  
20 within the county in which the licensee is located.

21 (D) A county of the third class: 1% of the  
22 gross terminal revenue to the county hosting the  
23 licensed facility from each such licensed facility.  
24 An additional 1% of the gross terminal revenue to the  
25 county hosting the licensed facility from each such  
26 licensed facility for the purpose of municipal grants  
27 within the county in which the licensee is located.

28 Notwithstanding the provisions of the Capital  
29 Facilities Debt Enabling Act, grants made under this  
30 clause may be utilized as local matching funds for

1 other grants or loans from the Commonwealth.

2 (E) A county of the fourth class: 2% of the  
3 gross terminal revenue from each such licensed  
4 facility shall be deposited into a restricted account  
5 established in the Department of Community and  
6 Economic Development to be used exclusively for  
7 grants to the county, to economic development  
8 authorities or redevelopment authorities within the  
9 county for grants for economic development projects,  
10 community improvement projects, job training, other  
11 projects in the public interest and reasonable  
12 administrative costs. Notwithstanding the Capital  
13 Facilities Debt Enabling Act, grants made under this  
14 clause may be utilized as local matching funds for  
15 other grants or loans from the Commonwealth.

16 (F) Counties of the fifth through eighth  
17 classes: 2% of the gross terminal revenue from each  
18 such licensed facility shall be deposited into a  
19 restricted account established in the Department of  
20 Community and Economic Development to be used  
21 exclusively for grants to the county.

22 (G) Any county not specifically enumerated in  
23 clauses (A) through (F), 2% of the gross terminal  
24 revenue to the county hosting the licensed facility  
25 from each such licensed facility.

26 (iii) If the facility is a Category 2 licensed  
27 facility and if the county in which the licensed facility  
28 is located is:

29 (A) A county of the first class: 4% of the  
30 gross terminal revenue to the county hosting the

1 licensed facility from each such licensed facility.  
2 Notwithstanding any other provision to the contrary,  
3 funds from licensed gaming entities located within a  
4 county of the first class shall not be distributed  
5 outside of a county of the first class. [The first  
6 \$5,000,000] Fifty percent or \$5,000,000, whichever is  
7 greater, of the total amount distributed annually to  
8 the county of the first class shall be distributed to  
9 the Philadelphia School District.

10 (B) A county of the second class: 2% of the  
11 gross terminal revenue to the county hosting the  
12 licensed facility from each such licensed facility.

13 (C) A county of the second class A: 1% of the  
14 gross terminal revenue to the county hosting the  
15 licensed facility from each such licensed facility.  
16 An additional 1% of the gross terminal revenue to the  
17 county hosting the licensed facility from each such  
18 licensed facility for the purpose of municipal grants  
19 within the county in which the licensee is located.

20 (D) A county of the third class: 1% of the  
21 gross terminal revenue to the county hosting the  
22 licensed facility from each such licensed facility.  
23 An additional 1% of the gross terminal revenue to the  
24 county hosting the licensed facility from each such  
25 licensed facility for the purpose of municipal grants  
26 within the county in which the licensee is located.

27 (D.1) If a licensed facility is located in one  
28 of two counties of the third class where a city of  
29 the third class is located in both counties of the  
30 third class, the county in which the licensed

1 facility is located shall receive 1.2% of the gross  
2 terminal revenue to be distributed as follows: 20%  
3 to the host city, 30% to the host county and 50%,  
4 which shall be deposited into a restricted receipts  
5 account to be established in the Commonwealth  
6 Financing Authority to be used exclusively for  
7 economic development projects, community improvement  
8 projects and other projects in the public interest  
9 within the county, to the host county [for the  
10 purpose of making municipal grants within the  
11 county], with priority given to municipalities  
12 contiguous to the host city. The county of the third  
13 class, which includes a city of the third class that  
14 is located in two counties of the third class and is  
15 not the host county for the licensed facility, shall  
16 receive .8% of the gross terminal revenue to be  
17 distributed as follows: 60% to a nonhost city of the  
18 third class located solely in the nonhost county in  
19 which the host city of the third class is also  
20 located or 60% to the nonhost city of the third class  
21 located both in the host and nonhost counties of the  
22 third class, 35% to the nonhost county and 5%, which  
23 shall be deposited into a restricted receipts account  
24 to be established in the Commonwealth Financing  
25 Authority to be used exclusively for economic  
26 development projects, community improvement projects  
27 and other projects in the public interest within the  
28 county, to the nonhost county for the purpose of  
29 making municipal grants within the county.

30 (E) A county of the fourth class: 2% of the

1 gross terminal revenue from each such licensed  
2 facility shall be deposited into a restricted account  
3 established in the Department of Community and  
4 Economic Development to be used exclusively for  
5 grants to the county, to economic development  
6 authorities or redevelopment authorities within the  
7 county for grants for economic development projects,  
8 community improvement projects, job training, other  
9 projects in the public interest and reasonable  
10 administrative costs. Notwithstanding the Capital  
11 Facilities Debt Enabling Act, grants made under this  
12 clause may be utilized as local matching funds for  
13 other grants or loans from the Commonwealth.

14 (F) Counties of the fifth class: 2% of the  
15 gross terminal revenue from each such licensed  
16 facility shall be deposited and distributed as  
17 follows:

18 (I) One percent to be distributed as  
19 follows:

20 (a) Beginning in 2010, the sum of  
21 \$2,400,000 annually for a period of 20 years  
22 to the county for purposes of funding debt  
23 service related to the construction of a  
24 community college campus located within the  
25 county.

26 (b) Any funds not distributed under  
27 subclause (a) shall be deposited into a  
28 restricted receipts account to be established  
29 in the Commonwealth Financing Authority to be  
30 used exclusively for grants within the county

1 for economic development projects, road  
2 projects located within a 20-mile radius of  
3 the licensed facility and located within the  
4 county, community improvement projects and  
5 other projects in the public interest within  
6 the county. The amount under this subclause  
7 includes reasonable administrative costs.

8 (II) One percent shall be deposited into a  
9 restricted receipts account to be established in  
10 the Commonwealth Financing Authority to be used  
11 exclusively for grants within contiguous counties  
12 for economic development projects, community  
13 improvement projects and other projects in the  
14 public interest within contiguous counties. The  
15 amount under this subclause includes reasonable  
16 administrative costs. A contiguous county that  
17 hosts a Category 1 licensed facility shall be  
18 ineligible to receive grants under this  
19 subclause.

20 (II.1) Priority shall be given to multiyear  
21 projects approved or awarded by the Department of  
22 Community and Economic Development under  
23 subclause (I) (b) or (II) on or before the  
24 effective date of this subclause.

25 (III) Fifty percent of any revenue required  
26 to be transferred under paragraph (3) (v) shall be  
27 deposited into the restricted receipts account  
28 established under subclause (I) (b), and 50% shall  
29 be deposited into the restricted receipts account  
30 established under subclause (II). Notwithstanding



1           the Capital Facilities Debt Enabling Act, grants  
2           made under this clause may be utilized as local  
3           matching funds for other grants or loans from the  
4           Commonwealth.

5           (G) Any county not specifically enumerated in  
6           clauses (A) through (F), 2% of the gross terminal  
7           revenue to the county hosting the licensed facility  
8           from each such licensed facility.

9           (iv) The following apply:

10           (A) Except as provided in clause (B) or (C), if  
11           the facility is a Category 3 licensed facility, 2% of  
12           the gross terminal revenue from the licensed facility  
13           shall be deposited into a restricted receipts account  
14           established in the Department of Community and  
15           Economic Development to be used exclusively for  
16           grants to the county, to economic development  
17           authorities or redevelopment authorities within the  
18           county for grants for economic development projects,  
19           community improvement projects and other projects in  
20           the public interest.

21           (B) If the facility is a Category 3 licensed  
22           facility located in a county of the second class A,  
23           2% of the gross terminal revenue [from the licensed  
24           facility shall be deposited into a restricted  
25           receipts account to be established in the  
26           Commonwealth Financing Authority to be used  
27           exclusively for grants or guarantees for projects in  
28           the host 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

1 Program) and 1558 (relating to Water Supply and  
2 Wastewater Infrastructure Program).] to the county  
3 hosting the licensed facility from the licensed  
4 facility shall be deposited as follows:

5 (I) Seventy-five percent shall be deposited  
6 for the purpose of supporting the maintenance and  
7 refurbishment of the parks and heritage sites  
8 throughout the county in which the licensed  
9 facility is located.

10 (II) Twelve and one-half percent shall be  
11 deposited for the purpose of supporting a child  
12 advocacy center located within the county in  
13 which the licensed facility is located.

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

22 (C) If the facility is a Category 3 licensed  
23 facility located in a county of the fifth class that  
24 is contiguous to a county of the seventh class, 2% of  
25 the gross terminal revenue from the licensed facility  
26 shall be deposited into a restricted receipts account  
27 to be established in the Commonwealth Financing  
28 Authority to be used exclusively for grants within  
29 the county for economic development projects,  
30 infrastructure projects, community improvement

1 projects and other projects in the public interest  
2 within the county and for infrastructure projects  
3 within a 20-mile radius of the licensed facility in a  
4 contiguous county of the seventh class.

5 (v) Unless otherwise specified, for the purposes of  
6 this paragraph money designated for municipal grants  
7 within a county, other than a county of the first class,  
8 in which a licensed facility is located shall be used to  
9 fund grants to the municipality in which the licensed  
10 facility is located, to the county in which the licensed  
11 facility is located and to the municipalities which are  
12 contiguous to the municipality in which the licensed  
13 facility is located and which are located within the  
14 county in which the licensed facility is located. Grants  
15 shall be administered by the county through its economic  
16 development or redevelopment authority in which the  
17 licensed facility is located. Grants shall be used to  
18 fund the costs of human services, infrastructure  
19 improvements, facilities, emergency services, health and  
20 public safety expenses associated with licensed facility  
21 operations. If at the end of a fiscal year uncommitted  
22 funds exist, the county shall pay to the economic  
23 development or redevelopment authority of the county in  
24 which the licensed facility is located the uncommitted  
25 funds.

26 (vi) If the licensed facility is located in more  
27 than one county, the amount available shall be  
28 distributed on a pro rata basis determined by the  
29 percentage of acreage located in each county to the total  
30 acreage of all counties occupied by the licensed

1 facility.

2 (vii) The distributions provided in this paragraph  
3 shall be based upon county classifications in effect on  
4 the effective date of this section. Any reclassification  
5 of counties as a result of a Federal decennial census or  
6 of a State statute shall not apply to this subparagraph.

7 (viii) If any provision of this paragraph is found  
8 to be unenforceable for any reason, the distribution  
9 provided for in the unenforceable provision shall be made  
10 to the county in which the licensed facility is located  
11 for the purposes of grants to municipalities in that  
12 county, including municipal grants as specified in  
13 subparagraph (v).

14 (ix) Nothing in this paragraph shall prevent any of  
15 the above counties which directly receive a distribution  
16 under this section from entering into intergovernmental  
17 cooperative agreements with other jurisdictions for  
18 sharing this money.

19 (3) From the local share assessment established in  
20 subsection (b), make quarterly distributions among the  
21 municipalities, including home rule municipalities, hosting a  
22 licensed facility in accordance with the following schedule:

23 (i) To a city of the second class hosting a licensed  
24 facility, other than a Category 3 licensed facility, [2%  
25 of the gross terminal revenue or] \$10,000,000 annually[,  
26 whichever is greater,] shall be paid by each licensed  
27 gaming entity operating a facility located in that city.  
28 [In the event that the revenues generated by the 2% do  
29 not meet the \$10,000,000 minimum specified in this  
30 subparagraph, the] The department shall collect the

1 [remainder of the minimum amount of] \$10,000,000 from  
2 each licensed gaming entity operating a facility in the  
3 city in equal installments paid quarterly and deposit  
4 [that amount] those amounts in the city treasury.

5 (ii) To a city of the second class A hosting a  
6 licensed facility, other than a Category 3 licensed  
7 facility, [2% of the gross terminal revenue or]  
8 \$10,000,000 annually[, whichever is greater,] shall be  
9 paid by each licensed entity operating a licensed  
10 facility located in that city, subject, however, to the  
11 budgetary limitation in this subparagraph. The amount  
12 allocated to the designated municipalities shall not  
13 exceed 50% of their total budget for fiscal year 2003-  
14 2004, adjusted for inflation in subsequent years by an  
15 amount not to exceed an annual cost-of-living adjustment  
16 calculated by applying the percentage change in the  
17 Consumer Price Index immediately prior to the date the  
18 adjustment is due to take effect. Any remaining moneys  
19 shall be collected by the department from each licensed  
20 gaming entity and distributed in accordance with  
21 paragraph (2) based upon the classification of county  
22 where the licensed facility is located. [In the event  
23 that the revenues generated by the 2% do not meet the  
24 \$10,000,000 minimum specified in this subparagraph, the]  
25 The department shall collect the [remainder of the  
26 minimum amount of] \$10,000,000 from each licensed gaming  
27 entity operating a facility in the city, pay any balance  
28 due to the city in equal installments paid quarterly and  
29 transfer any remainder in accordance with paragraph (2).

30 (iii) To a city of the third class hosting a

1 licensed facility, other than a Category 3 licensed  
2 facility, [2% of the gross terminal revenue or]  
3 \$10,000,000 annually[, whichever is greater,] shall be  
4 paid by each licensed gaming entity operating a licensed  
5 facility located in that city, subject, however, to the  
6 budgetary limitation in this subparagraph. In the event  
7 that the city has a written agreement with a licensed  
8 gaming entity executed prior to the effective date of  
9 this part, the amount paid under the agreement to the  
10 city shall be applied and credited to the [difference  
11 between 2% of the gross terminal revenue and the]  
12 \$10,000,000 owed under this subparagraph [if the 2% of  
13 the gross terminal revenue is less than \$10,000,000. If  
14 2% of the gross terminal revenue is greater than the  
15 \$10,000,000 required to be paid under this subparagraph,  
16 the credit shall not apply]. The amount of gross terminal  
17 revenue required to be paid pursuant to the agreement  
18 shall be deemed to be gross terminal revenue for purposes  
19 of this subparagraph. The amount allocated to the  
20 designated municipalities shall not exceed 50% of their  
21 total budget for fiscal year 2003-2004, adjusted for  
22 inflation in subsequent years by an amount not to exceed  
23 an annual cost-of-living adjustment calculated by  
24 applying the percentage change in the Consumer Price  
25 Index immediately prior to the date the adjustment is due  
26 to take effect. Any remaining moneys shall be collected  
27 by the department from each licensed gaming entity and  
28 distributed in accordance with paragraph (2) based upon  
29 the classification of county where the licensed facility  
30 is located. [In the event that the revenues generated by

1 the 2% do not meet the \$10,000,000 minimum specified in  
2 this subparagraph, the] The department shall collect the  
3 [remainder of the minimum amount of] \$10,000,000 from  
4 each licensed gaming entity operating a facility in equal  
5 installments paid quarterly, pay any balance due to the  
6 city of the third class and transfer any remainder in  
7 accordance 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 shall be distributed as follows: 80% to the host city  
13 and 20% to the city of the third class located solely in  
14 a nonhost county in which the host city of the third  
15 class is also located. If a licensed facility is located  
16 in a city of the third class and that city is located  
17 solely in a host county of the third class in which a  
18 nonhost city of the third class is also located, [2% of  
19 gross terminal revenue or] \$10,000,000 annually[,  
20 whichever is greater,] shall be distributed as follows:  
21 80% to the host city and 20% to a city of the third class  
22 located both in a nonhost county of the third class and  
23 in a host county of the third class in which the host  
24 city of the third class is located.

25 (iv) To a township of the first class hosting a  
26 licensed facility, other than a Category 3 licensed  
27 facility, [2% of the gross terminal revenue or]  
28 \$10,000,000 annually[, whichever is greater,] shall be  
29 paid by each licensed gaming entity operating a licensed  
30 facility located in the township subject, however, to the

1 budgetary limitation in this subparagraph. The amount  
2 allocated to the designated municipalities shall not  
3 exceed 50% of their total budget for fiscal year 2003-  
4 2004, adjusted for inflation in subsequent years by an  
5 amount not to exceed an annual cost-of-living adjustment  
6 calculated by applying the percentage change in the  
7 Consumer Price Index immediately prior to the date the  
8 adjustment is due to take effect. Any remaining money  
9 shall be collected by the department from each licensed  
10 gaming entity and distributed in accordance with  
11 paragraph (2) based upon the classification of county  
12 where the licensed facility is located. [In the event  
13 that the revenues generated by the 2% do not meet the  
14 \$10,000,000 minimum specified in this subparagraph, the]  
15 The department shall collect the [remainder of the  
16 minimum amount of] \$10,000,000 from each licensed gaming  
17 entity operating a licensed facility in the township in  
18 equal installments paid quarterly, pay any balance due to  
19 the township and transfer any remainder in accordance  
20 with paragraph (2).

21 (v) To a township of the second class hosting a  
22 licensed facility:

23 (A) [2% of the gross terminal revenue or]  
24 \$10,000,000 annually[, whichever is greater,] shall  
25 be paid by each licensed gaming entity operating a  
26 licensed facility, other than a Category 3 licensed  
27 facility or a licensed facility owning land adjacent  
28 to the licensed facility located in more than one  
29 township of the second class, to the township of the  
30 second class hosting the licensed facility, subject,



1           however, to the budgetary limitation in this  
2           subparagraph. The amount allocated to the designated  
3           municipalities shall not exceed 50% of their total  
4           budget for fiscal year 2003-2004, adjusted for  
5           inflation in subsequent years by an amount not to  
6           exceed an annual cost-of-living adjustment calculated  
7           by applying the percentage change in the Consumer  
8           Price Index immediately prior to the date the  
9           adjustment is due to take effect. Any remaining money  
10          shall be collected by the department from each  
11          licensed gaming entity and distributed in accordance  
12          with paragraph (2) based upon the classification of  
13          county where the licensed facility is located. [If  
14          revenues generated by the 2% do not meet the  
15          \$10,000,000 minimum specified in this subparagraph,  
16          the] The department shall collect the [remainder of  
17          the minimum amount of] \$10,000,000 from each licensed  
18          gaming entity operating a licensed facility in the  
19          township in equal installments paid quarterly, pay  
20          any balance due to the township and transfer any  
21          remainder in accordance with paragraph (2).

22                 (B) [2% of the gross terminal revenue or]  
23                 \$10,000,000 annually[, whichever is greater,] less  
24                 the amount paid under clause (C), shall be paid by  
25                 each licensed gaming entity operating a licensed  
26                 facility and owning land adjacent to the licensed  
27                 facility located in more than one township of the  
28                 second class, other than a Category 3 licensed  
29                 facility, to the township of the second class hosting  
30                 the licensed facility, subject, however, to the

1 budgetary limitation in this subparagraph. The amount  
2 allocated to the designated municipalities may not  
3 exceed 50% of their total budget for the fiscal year  
4 2003-2004, adjusted for inflation in subsequent years  
5 by an amount not to exceed an annual cost-of-living  
6 adjustment calculated by applying the percentage  
7 change in the Consumer Price Index immediately prior  
8 to the date the adjustment is due to take effect. Any  
9 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 the county where the licensed  
13 facility is located. The county commissioners of a  
14 county of the third class in which the licensed  
15 facility is located shall appoint an advisory  
16 committee for the purpose of advising the county as  
17 to the need for municipal grants for health, safety,  
18 transportation and other projects in the public  
19 interest to be comprised of two individuals from the  
20 host municipality, two from contiguous municipalities  
21 within the county of the third class and one from the  
22 host county. [In the event that the revenues  
23 generated by the 2% do not meet the \$10,000,000  
24 minimum specified in this subparagraph, the] The  
25 department shall collect the [remainder of the  
26 minimum amount of] \$10,000,000 from each licensed  
27 gaming entity operating a licensed facility in the  
28 township in equal installments paid quarterly, pay  
29 any balance due to the township and transfer any  
30 remainder in accordance with paragraph (2).

1 (C) \$160,000 annually shall be paid by each  
2 licensed gaming entity operating a licensed facility  
3 and owning land adjacent to the licensed facility  
4 located in more than one township of the second  
5 class, other than a Category 3 licensed facility, to  
6 the township of the second class that is located in a  
7 county of the fifth class in which the adjacent land  
8 is located, including racetracks, grazing fields or  
9 any other adjoining real property.

10 (vi) To a borough hosting a licensed facility, other  
11 than a Category 3 licensed facility, [2% of the gross  
12 terminal revenue or] \$10,000,000 annually[, whichever is  
13 greater,] shall be paid by each licensed gaming entity  
14 operating a licensed facility located in that borough,  
15 subject, however, to the budgetary limitation in this  
16 subparagraph. The amount allocated to the designated  
17 municipalities shall not exceed 50% of their total budget  
18 for fiscal year 2003-2004, adjusted for inflation in  
19 subsequent years by an amount not to exceed an annual  
20 cost-of-living adjustment calculated by applying the  
21 percentage change in the Consumer Price Index immediately  
22 prior to the date the adjustment is due to take effect.  
23 Any remaining money shall be collected by the department  
24 from each licensed gaming entity and distributed in  
25 accordance with paragraph (2) based upon the  
26 classification of county where the licensed facility is  
27 located. [In the event that the revenues generated by the  
28 2% do not meet the \$10,000,000 minimum specified in this  
29 subparagraph, the] The department shall collect the  
30 [remainder of the minimum amount of] \$10,000,000 from

1 each licensed gaming entity operating a licensed facility  
2 in the borough in equal installments paid quarterly, pay  
3 any balance due to the borough and transfer any remainder  
4 in accordance with paragraph (2).

5 (vii) To an incorporated town hosting a licensed  
6 facility, other than a Category 3 licensed facility, [2%  
7 of the gross terminal revenue or] \$10,000,000 annually[,  
8 whichever is greater,] shall be paid by each licensed  
9 entity operating a licensed facility located in the town,  
10 subject, however, to the budgetary limitation in this  
11 subparagraph. The amount allocated to the designated  
12 municipalities shall not exceed 50% of their total budget  
13 for fiscal year 2003-2004, adjusted for inflation in  
14 subsequent years by an amount not to exceed an annual  
15 cost-of-living adjustment calculated by applying the  
16 percentage change in the Consumer Price Index immediately  
17 prior to the date the adjustment is due to take effect.  
18 Any remaining money shall be collected by the department  
19 from each licensed gaming entity and distributed in  
20 accordance with paragraph (2) based upon the  
21 classification of county where the licensed facility is  
22 located. [In the event that the revenues generated by the  
23 2% do not meet the \$10,000,000 minimum specified in this  
24 subparagraph, the] The department shall collect the  
25 [remainder of the minimum amount of] \$10,000,000 from  
26 each licensed gaming entity operating a licensed facility  
27 in the incorporated town in equal installments paid  
28 quarterly, pay any balance due to the town and transfer  
29 any remainder in accordance with paragraph (2).

30 (viii) The following apply:

1           (A) Except as provided in clause (B) or (C), to  
2 a municipality of any class hosting a Category 3  
3 facility, 2% of the gross terminal revenue from the  
4 Category 3 licensed facility located in the  
5 municipality, subject, however, to the budgetary  
6 limitation in this clause. The amount allocated to  
7 the designated municipalities shall not exceed 50% of  
8 their total budget for fiscal year 2009, adjusted for  
9 inflation in subsequent years by an amount not to  
10 exceed an annual cost-of-living adjustment calculated  
11 by applying the percentage change in the Consumer  
12 Price Index immediately prior to the date the  
13 adjustment is due to take effect. Any remaining money  
14 shall be collected by the department from each  
15 licensed gaming entity and distributed in accordance  
16 with paragraph (2) based upon the classification of  
17 county where the licensed facility is located.

18           (B) If the municipality hosting a Category 3  
19 licensed facility is a borough located in a county of  
20 the third class and the borough is contiguous to a  
21 city of the third class, 1% of gross terminal revenue  
22 shall be distributed to the host borough and 1% of  
23 gross terminal revenue shall be distributed to the  
24 city of the third class that is contiguous to the  
25 host borough, subject, however, to the budgetary  
26 limitation in this clause. The amount allocated to  
27 each designated municipality shall not exceed 50% of  
28 its total budget for fiscal year 2009, adjusted for  
29 inflation in subsequent years by an amount not to  
30 exceed an annual cost-of-living adjustment calculated

1 by applying the percentage increase, if any, in the  
2 Consumer Price Index immediately prior to the date  
3 the adjustment is due to take effect. Any remaining  
4 money shall be collected by the department from each  
5 licensed gaming entity and distributed in accordance  
6 with paragraph (2) based upon the classification of  
7 county where the licensed facility is located.

8 (C) If the municipality hosting a Category 3  
9 licensed facility is a township of the second class  
10 in a county of the fifth class which is contiguous to  
11 a county of the seventh class, 2% of the gross  
12 terminal revenue from the Category 3 licensed  
13 facility located in the municipality shall be  
14 distributed to the municipality, subject, however, to  
15 the budgetary limitation in this clause. The amount  
16 allocated to the designated municipalities shall not  
17 exceed the lesser of \$1,000,000 or 50% of their total  
18 budget for fiscal year 2009, adjusted for inflation  
19 in subsequent years by an amount not to exceed an  
20 annual cost-of-living adjustment calculated by  
21 applying the percentage change in the Consumer Price  
22 Index immediately prior to the date the adjustment is  
23 due to take effect. Any remaining money shall be  
24 collected by the department from each licensed gaming  
25 entity and distributed in equal amounts to each  
26 municipality contiguous to the host municipality.  
27 However, the amount to be allocated to any contiguous  
28 municipality shall not exceed the lesser of  
29 \$1,000,000 or 50% of the municipality's total budget  
30 for fiscal year 2009, adjusted for inflation in

1 subsequent years by an amount not to exceed an annual  
2 cost-of-living adjustment calculated by applying the  
3 percentage change in the Consumer Price Index  
4 immediately prior to the date the adjustment is due  
5 to take effect. Any money remaining following  
6 distribution to contiguous municipalities shall be  
7 collected by the department and distributed in  
8 accordance with paragraph (2) based upon the  
9 classification of county where the licensed facility  
10 is located.

11 (ix) Any municipality not specifically enumerated in  
12 subparagraphs (i) through (viii), [2%] \$10,000,000  
13 annually of the gross terminal revenue shall be paid to  
14 the municipality hosting the licensed facility from each  
15 such licensed facility.

16 (x) If the licensed facility is located in more than  
17 one municipality, the amount available shall be  
18 distributed on a pro rata basis determined by the  
19 percentage of acreage located in each municipality to the  
20 total acreage of all municipalities occupied by the  
21 licensed facility.

22 (xi) If the licensed facility is located at a resort  
23 which is also an incorporated municipality, such  
24 municipality shall not be eligible to receive any  
25 distribution under this paragraph. The distribution it  
26 would have otherwise been entitled to under this  
27 paragraph shall instead be distributed in accordance with  
28 paragraph (2) based upon the county where the licensed  
29 facility is located.

30 (xii) The distributions provided in this paragraph

1 shall be based upon municipal classifications in effect  
2 on the effective date of this section. For the purposes  
3 of this paragraph, any reclassification of municipalities  
4 as a result of a Federal decennial census or of a State  
5 statute shall not apply to this paragraph.

6 (xiii) If any provision of this paragraph is found  
7 to be unenforceable for any reason, the distribution  
8 provided for in such unenforceable provision shall be  
9 made to the municipality in which the licensed facility  
10 is located.

11 (xiv) Nothing in this paragraph shall prevent any of  
12 the above municipalities from entering into  
13 intergovernmental cooperative agreements with other  
14 jurisdictions for sharing this money.

15 (xv) Notwithstanding any other law, agreement or  
16 provision in this part to the contrary, all revenues  
17 provided, directed or earmarked under this section to or  
18 for the benefit of a city of the second class in which an  
19 intergovernmental cooperation authority has been  
20 established and is in existence pursuant to the act of  
21 February 12, 2004 (P.L.73, No.11), known as the  
22 Intergovernmental Cooperation Authority Act for Cities of  
23 the Second Class, shall be directed to and under the  
24 exclusive control of such intergovernmental cooperation  
25 authority to be used:

26 (A) to reduce the debt of the second class city;

27 (B) to increase the level of funding of the  
28 municipal pension funds of the second class city; or

29 (C) for any other purposes as determined to be  
30 in the best interest of the second class city by such



1           intergovernmental cooperation authority. Such  
2           revenues shall not be directed to or under the  
3           control of such city of the second class or any  
4           coordinator appointed pursuant to the act of July 10,  
5           1987 (P.L.246, No.47), known as the Municipalities  
6           Financial Recovery Act, for such city of the second  
7           class.

8           \* \* \*

9           Section 11. Title 4 is amended by adding a section to read:

10       § 1410. Gaming tax normalization.

11       (a) Requirement.--Notwithstanding any other provision of  
12 law, from the effective date of this section, in the event that  
13 any form of gaming is authorized in this Commonwealth, whether  
14 in this part or any other law, which is subject to a tax rate  
15 that is lower than the effective tax rate applicable to gross  
16 terminal revenue or gross table game revenue under this part,  
17 then the effective tax applicable to gross terminal revenue and  
18 gross table game revenue, as applicable, shall be reduced  
19 proportionately to equal a lower effective tax rate.

20       (b) Tax rates.--Prior to and on the effective date of this  
21 subsection, the effective tax rate applicable to gross terminal  
22 revenue is 59%, the effective tax rate applicable to gross table  
23 game revenue from table games with a live dealer is 17.5% and  
24 the effective tax rate applicable to gross table game revenue  
25 from fully automated table games is 51.5%.

26       Section 12. Sections 1502 and 1518(a)(14) and (b)(1) and (2)  
27 of Title 4 are amended to read:

28       § 1502. Liens and suits for taxes.

29       (a) Tax procedures.--The provisions of this part shall be  
30 subject to the provisions of sections 242 and 243 of the act of

1 March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of  
2 1971.

3 (b) Compromise and settlement.--Notwithstanding any other  
4 provision of law, the Board of Appeals or the Board of Finance  
5 and Revenue may issue an order reflecting a compromise which is  
6 accepted by the department for a petition arising under this  
7 part if the compromise meets the criteria under section 2707(b)  
8 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax  
9 Reform Code of 1971.

10 § 1518. Prohibited acts; penalties.

11 (a) Criminal offenses.--

12 \* \* \*

13 (14) [(Reserved).] It shall be unlawful for a person  
14 other than a slot machine licensee to place or offer for play  
15 a hybrid or skill-based device in any other facility, place  
16 of business or other location.

17 \* \* \*

18 (b) Criminal penalties and fines.--

19 (1) The following apply:

20 (i) A person that commits a first offense in  
21 violation of 18 Pa.C.S. § 4902, 4903 or 4904 in  
22 connection with providing information or making any  
23 statement, whether written or oral, to the board, the  
24 bureau, the department, the Pennsylvania State Police,  
25 the Office of Attorney General or a district attorney as  
26 required by this part commits an offense to be graded in  
27 accordance with the applicable section violated. A person  
28 that is convicted of a second or subsequent violation of  
29 18 Pa.C.S. § 4902, 4903 or 4904 in connection with  
30 providing information or making any statement, whether

1 written or oral, to the board, the bureau, the  
2 department, the Pennsylvania State Police, the Office of  
3 Attorney General or a district attorney as required by  
4 this part commits a felony of the second degree.

5 (ii) A person that violates subsection (a)(2)  
6 through (12), (14) or (17) commits a misdemeanor of the  
7 first degree. A person that is convicted of a second or  
8 subsequent violation of subsection (a)(2) through (12),  
9 (14) or (17) commits a felony of the second degree.

10 (iii) In addition to violations under this part, a  
11 person that violates subsection (a)(14) commits a  
12 violation of 18 Pa.C.S. § 5513(b) (relating to gambling  
13 devices, gambling, etc.).

14 (iv) A person that violates subsection (a)(14) for a  
15 second or subsequent time shall have the person's liquor  
16 license suspended for a minimum of 60 days.

17 (2) The following apply:

18 (i) For a first violation of subsection (a)(1)  
19 through (12) or (17), a person shall be sentenced to pay  
20 a fine of:

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

23 (B) not less than \$300,000 nor more than  
24 \$600,000 if the person is a licensed gaming entity;  
25 or

26 (C) not less than \$150,000 nor more than  
27 \$300,000 if the person is a licensed manufacturer or  
28 supplier.

29 (i.1) For a violation of subsection (a)(14), a  
30 person shall be sentenced to pay a fine of:

1           (A) not less than \$10,000 nor more than \$25,000  
2           if the person is an individual; or

3           (B) not less than \$75,000 nor more than \$100,000  
4           if the person is not an individual.

5           (ii) For a second or subsequent violation of  
6 subsection (a) (1) through (12) or (17), a person shall be  
7 sentenced to pay a fine of:

8           (A) not less than \$150,000 nor more than  
9           \$300,000 if the person is an individual;

10           (B) not less than \$600,000 nor more than  
11           \$1,200,000 if the person is a licensed gaming entity;  
12           or

13           (C) not less than \$300,000 nor more than  
14           \$600,000 if the person is a licensed manufacturer or  
15           supplier.

16           \* \* \*

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

18 § 1521.1. Casino liquor license.

19           (a) Conversion.--

20           (1) This subsection applies to all of the following:

21           (i) A slot machine licensee that sells liquor or  
22           malt or brewed beverages under section 1521(b) or (c)  
23           (relating to liquor licenses at licensed facilities).

24           (ii) A licensee that:

25           (A) holds a restaurant license or an eating  
26           place retail dispenser license issued by the  
27           Pennsylvania Liquor Control Board; and

28           (B) sells liquor or malt or brewed beverages  
29           within or adjacent to the licensed facility.

30           (2) Notwithstanding any other provision of law, a

1 licensee identified in paragraph (1) may convert the license  
2 to a casino liquor license upon payment of the fees specified  
3 under subsection (b).

4 (b) Fees.--In order to obtain a casino liquor license, the  
5 following fees apply:

6 (1) A slot machine licensee must pay an initial license  
7 conversion fee of \$1,000,000 for a casino liquor license.

8 (2) A restaurant or eating place retail dispenser  
9 licensee that does not hold a slot machine license but  
10 operates within or adjacent to a licensed facility must pay  
11 an initial fee of \$10,000.

12 (c) Renewal.--

13 (1) For the first five years after the initial  
14 conversion of the casino liquor license to a slot machine  
15 licensee, the following apply:

16 (i) The casino liquor license shall not be subject  
17 to a renewal fee.

18 (ii) The casino liquor license held by the slot  
19 machine licensee shall automatically renew, without  
20 action of the Pennsylvania Liquor Control Board.

21 (2) After the first five annual renewals, the following  
22 apply:

23 (i) A casino liquor license held by a slot machine  
24 licensee shall be subject to an annual renewal fee of  
25 \$50,000.

26 (ii) Upon payment of the annual renewal fee, the  
27 casino liquor license shall be deemed renewed without  
28 further action of the Pennsylvania Liquor Control Board.  
29 If the annual renewal fee is not timely paid, the casino  
30 liquor license shall be suspended until the annual

1 renewal fee is paid.

2 (3) A casino liquor license held by a person that is not  
3 a slot machine licensee shall be subject to an annual renewal  
4 fee of \$1,000. Upon payment of the annual renewal fee, the  
5 casino liquor license shall be deemed renewed without further  
6 action of the Pennsylvania Liquor Control Board. If the  
7 annual renewal fee is not timely paid, the casino liquor  
8 license shall be suspended until the annual renewal fee is  
9 paid.

10 (4) All fees collected or received under this subsection  
11 shall be paid into the State Treasury through the Department  
12 of Revenue for deposit into the General Fund.

13 (d) Disposition.--The following shall apply to disposition  
14 of restaurant liquor or eating place retail dispenser licenses:

15 (1) An applicant under this section that currently holds  
16 a restaurant liquor or eating place retail dispenser license  
17 may continue to utilize the license until the casino liquor  
18 license is issued by the Pennsylvania Liquor Control Board.  
19 Upon issuance of a casino liquor license, except as set forth  
20 in paragraph (2), the applicant shall surrender the  
21 restaurant liquor license or eating place retail dispenser  
22 license to the Pennsylvania Liquor Control Board.

23 (2) An applicant under this section that currently holds  
24 a restaurant liquor or eating place retail dispenser license  
25 which is subject to the quota restrictions under section  
26 461(a) of the act of April 12, 1951 (P.L.90, No.21), known as  
27 the Liquor Code, may continue to utilize that license until  
28 the casino liquor license is issued by the Pennsylvania  
29 Liquor Control Board. Notwithstanding paragraph (1), upon  
30 issuance of a casino liquor license, the applicant may sell

1 the restaurant liquor or eating place retail dispenser  
2 license.

3 (e) Hours.--Notwithstanding any other provision of law, a  
4 holder of a casino liquor license may sell or serve liquor or  
5 malt or brewed beverages 24 hours a day, seven days a week.

6 (f) Nontransferable.--A casino liquor license shall be  
7 nontransferable. Nothing in this subsection shall preclude a  
8 transfer of ownership of a casino liquor license to another  
9 eligible person to be used at the same location.

10 (g) Actions against license.--Notwithstanding any other  
11 provision of law, a casino liquor license may not be suspended  
12 or revoked unless the action is approved by the board and the  
13 Pennsylvania Liquor Control Board:

14 (1) after notice and hearing before the board and the  
15 Pennsylvania Liquor Control Board; and

16 (2) upon a finding by the board and the Pennsylvania  
17 Liquor Control Board that the licensee's conduct was  
18 intentional and egregious.

19 (h) Issuance.--The Pennsylvania Liquor Control Board shall  
20 issue a casino liquor license consistent with subsection (a) to  
21 a new applicant even if the previous license had:

22 (1) been suspended or revoked consistent with this  
23 section;

24 (2) not been renewed by the licensee; or

25 (3) expired at the request of the licensee.

26 (i) Additional requirements.--In addition to other  
27 restrictions and privileges, a casino liquor license shall be  
28 subject to the following:

29 (1) Sales may be made at any time the facility is open  
30 to the public.

1       (2) For a casino liquor license held by a slot machine  
2 licensee, liquor or malt or brewed beverages may be sold,  
3 furnished or given for consumption or transported at a  
4 licensed facility, on the licensed premises and anywhere on  
5 the property of the slot machine licensee if the liquor or  
6 malt or brewed beverage remains within the property of the  
7 slot machine licensee.

8       (3) Sales of liquor or malt or brewed beverages for  
9 consumption off the property of the slot machine licensee are  
10 prohibited.

11       (4) In addition to the ability to give liquor or malt or  
12 brewed beverages under section 13A29.1 (relating to  
13 application of Liquor Code) and section 493(24)(ii) of the  
14 Liquor Code, the holder of a casino liquor license, who is  
15 also a slot machine licensee, may give liquor or malt or  
16 brewed beverages free of charge to:

17           (i) a person attending an invitation-only event held  
18 anywhere on the property of the slot machine licensee;

19 and

20           (ii) a person engaged in gaming play authorized by  
21 this part.

22       (j) Exemption.--Licenses issued under this section may not  
23 be subject to:

24           (1) Sections 402 and 404 of the Liquor Code.

25           (2) The restrictions on discount pricing practices under  
26 sections 406(g) and 442(g) of the Liquor Code.

27           (3) Section 461 of the Liquor Code.

28           (4) Section 470 of the Liquor Code.

29           (5) Section 493(10) of the Liquor Code, except as  
30 section 493(10) relates to lewd, immoral or improper



1 entertainment.

2 (6) The prohibition against minors frequenting  
3 described under section 493(14) of the Liquor Code.

4 (7) Section 493(16) of the Liquor Code.

5 (8) The cost and total display area limitations of  
6 section 493(20)(i) of the Liquor Code.

7 (9) The restrictions on events, tournaments or contests  
8 in 40 Pa. Code § 5.32 (relating to restrictions/exceptions)  
9 or a successor regulation.

10 (10) The restrictions on the awarding of trophies,  
11 prizes or premiums under 40 Pa. Code § 5.32 or a successor  
12 regulation.

13 (k) Multiple licenses.--

14 (1) Except as provided under paragraph (2), more than  
15 one casino liquor license issued by the board may be in  
16 effect at a licensed facility and the licensed entity's  
17 Category 4 permitted facilities at any one time.

18 (2) No more than one casino liquor license shall be in  
19 effect at a specific location within the premises of a  
20 licensed facility at the same time.

21 Section 14. Section 1901.1 of Title 4 is amended to read:

22 § 1901.1. Repayments to State Gaming Fund.

23 (a) Assessment deferral.--The board shall defer assessing  
24 slot machine licensees for payments to the State Gaming Fund for  
25 any loans made to the State Gaming Fund until such time as all  
26 slot machine licenses have been issued and all licensed gaming  
27 entities have commenced the operation of slot machines. The  
28 board shall adopt a repayment schedule that assesses to each  
29 slot machine licensee costs for the repayment of any such loans  
30 in an amount that is proportional to each slot machine

1 licensee's gross terminal revenue.

2 (b) Accelerated repayment.--Notwithstanding subsection (a),  
3 the board shall certify to each slot machine licensee the  
4 balance owed on loans made to the State Gaming Fund within 60  
5 days of the effective date of this subsection. The board shall  
6 calculate the balances consistent with the board's  
7 Administrative Order on loan repayment schedules issued July 11,  
8 2011. Each slot machine licensee shall remit the amount  
9 necessary to pay the slot machine licensee's respective loan  
10 balance within 60 days of receipt of the payoff notice from the  
11 board. Subsequent to remittance of the payoff amount, a slot  
12 machine licensee may contest the board's proper calculation of  
13 the slot machine licensee's balance under the Administrative  
14 Order by filing a petition with the board.

15 (c) Moratorium.--Upon payment of the accelerated loan  
16 balances under subsection (b), the General Assembly may not  
17 enact legislation authorizing the placement or operation of  
18 video gaming terminals in this Commonwealth for a period of 10  
19 years from the effective date of this subsection.

20 (d) Return of loan payments.--If video gaming terminals are  
21 authorized in this Commonwealth within 10 years of the effective  
22 date of this subsection, each slot machine licensee shall be  
23 refunded its accelerated loan balance repayment. The  
24 Commonwealth, through the department, shall enter into a  
25 contract with each slot machine licensee explicitly setting  
26 forth the terms of subsection (c) and this subsection.

27 Section 15. Title 4 is amended by adding a part to read:

28 PART III

29 KENO

30 Chapter

- 1     51. General Provisions
- 2     52. Authorization of Lottery Game
- 3     53. Operation
- 4     54. Revenue

5                                    CHAPTER 51

6                                    GENERAL PROVISIONS

7   Sec.

8   5101. Scope of part.

9   5102. Definitions.

10 § 5101. Scope of part.

11     This part applies to various types of gambling which  
12 generates significant revenue for the Commonwealth. The  
13 inclusions of games the operation of which directly impact the  
14 operation of other types of gaming in the Commonwealth makes the  
15 inclusion of lotteries with other forms of gaming an effective  
16 way to observe the interaction of all types of gambling.

17 § 5102. Definitions.

18     Subject to additional definitions contained in subsequent  
19 provisions of this part which are applicable to specific  
20 provisions of this part, the following words and phrases when  
21 used in this part shall have the meanings given to them in this  
22 section unless the context clearly indicates otherwise:

23     "Authorized establishment." A licensed establishment or a  
24 licensed lottery sales agent's place of business authorized  
25 under this chapter to operate keno.

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

27     "Division." The Division of the State Lottery.

28     "Licensed establishment." A restaurant, bar, tavern, hotel,  
29 golf course or club which has a valid liquor or malt or brewed  
30 beverage license under Article IV of the act of April 12, 1951

1 (P.L.90, No.21), known as the Liquor Code.

2 CHAPTER 52

3 AUTHORIZATION OF LOTTERY GAME

4 Sec.

5 5301. Authorization.

6 § 5301. Authorization.

7 (a) Authorization.--The game of keno is authorized to be  
8 operated in this Commonwealth.

9 (b) Lottery Law.--The game and its implementation shall be  
10 conducted consistent with the act of August 26, 1971 (P.L.351,  
11 No.91), known as the State Lottery Law.

12 CHAPTER 53

13 OPERATION

14 Sec.

15 5302. Operation.

16 § 5302. Operation.

17 (a) Oversight.--The department shall implement and operate  
18 keno in accordance with this chapter and the act of August 26,  
19 1971 (P.L.351, No.91), known as the State Lottery Law.

20 (b) Requirements.--Keno shall be conducted in accordance  
21 with the following:

22 (1) A keno game may not be interactive.

23 (2) The frequency of a keno game may not exceed 15  
24 drawings per hour.

25 (3) No more than 3 video display monitors showing a  
26 single keno game are permitted in an authorized  
27 establishment.

28 (4) Each keno game shall be connected to the division's  
29 central control computer.

30 (5) Each keno game may only be installed in an

1 authorized establishment. A list of authorized establishments  
2 and sites shall be published annually in the Pennsylvania  
3 Bulletin.

4 (6) The department and the division shall mutually agree  
5 upon the number of authorized establishments where keno games  
6 will be initially installed. The number may not exceed 1,000  
7 authorized establishments.

8 (c) Regulations.--The department may promulgate regulations  
9 to implement this part to do all of the following:

10 (1) Determine whether retailer and vendor commissions  
11 which apply to a lottery game apply to keno.

12 (2) Provide for commissions for sales by an authorized  
13 establishment at a higher percentage than permitted for a  
14 lottery sales agent. A percentage under this paragraph may  
15 not exceed 10%.

16 CHAPTER 54

17 REVENUE

18 Sec.

19 5401. Deposits.

20 § 5401. Deposits.

21 Revenue generated by the operation of keno games under this  
22 part shall be deposited into the State Lottery Fund.

23 Section 16. Repeals are as follows:

24 (1) The General Assembly declares that the repeal in  
25 paragraph (2) is necessary to implement the addition of 4  
26 Pa.C.S. § 1521.1.

27 (2) Section 416 of the act of April 12, 1951 (P.L.90,  
28 No.21), known as the Liquor Code, is repealed.

29 (3) The General Assembly declares that the repeal in  
30 paragraph (4) is necessary to implement the addition of 4

1 Pa.C.S. § 1502(b).

2 (4) Section 2707(c)(5) of the act of March 4, 1971  
3 (P.L.6, No.2), known as the Tax Reform Code of 1971, is  
4 repealed.

5 Section 17. This act shall take effect in 60 days.