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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 499 Session of  
2019

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INTRODUCED BY KORTZ, HILL-EVANS, T. DAVIS, READSHAW, BERNSTINE,  
SNYDER, A. DAVIS, McNEILL, STURLA, MILLARD, PYLE, IRVIN,  
DeLUCA, WARNER, EVERETT AND MULLERY, FEBRUARY 12, 2019

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REFERRED TO COMMITTEE ON GAMING OVERSIGHT, FEBRUARY 12, 2019

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AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated  
2 Statutes, in general provisions relating to video gaming,  
3 further providing for definitions; in application and  
4 licensure relating to video gaming, further providing for  
5 establishment licenses, establishing the City of the First  
6 Class Nuisance Bar Enforcement Task Force Account, further  
7 providing for issuance and renewal and providing for  
8 additional annual fee for terminal operator licensees; and,  
9 in operation, further providing for video gaming limitations  
10 and for terminal placement agreements.

11 The General Assembly of the Commonwealth of Pennsylvania  
12 hereby enacts as follows:

13 Section 1. The definitions of "establishment license,"  
14 "establishment licensee" and "inducement" in section 3102 of  
15 Title 4 of the Pennsylvania Consolidated Statutes are amended  
16 and the section is amended by adding a definition to read:

17 § 3102. Definitions.

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

21 \* \* \*

1 "Club establishment." A club as defined under section 102 of  
2 the act of April 12, 1951 (P.L.90, No.21), known as the Liquor  
3 Code, that:

4 (1) is a nonprofit organization under section 501(c)(3)  
5 of the Internal Revenue Code of 1986 (Public Law 99-514, 26  
6 U.S.C. § 501(c)(3)); and

7 (2) operates under a valid liquor or malt or brewed  
8 beverage license under Article IV of the Liquor Code.

9 \* \* \*

10 "Establishment license." A license issued by the board  
11 authorizing a truck stop establishment or club establishment to  
12 permit a terminal operator licensee to place and operate video  
13 gaming terminals on the truck stop establishment's or club  
14 establishment's premises under this part and the rules and  
15 regulations promulgated under this part.

16 "Establishment licensee." A truck stop establishment or club  
17 establishment that holds an establishment license.

18 \* \* \*

19 "Inducement."

20 (1) Any of the following:

21 (i) Consideration paid directly or indirectly, from  
22 a manufacturer, supplier, terminal operator, procurement  
23 agent, gaming employee, employee or another person on  
24 behalf of an applicant or anyone licensed under this  
25 part, to a truck stop establishment, club establishment,  
26 establishment licensee, establishment licensee owner or  
27 an employee of the establishment licensee, directly or  
28 indirectly as an enticement to solicit or maintain the  
29 establishment licensee or establishment licensee owner's  
30 business.

1 (ii) Cash, incentive, marketing and advertising  
2 cost, gift, food, beverage, loan, prepayment of gross  
3 terminal revenue and other contribution or payment that  
4 offsets an establishment licensee's operational costs, or  
5 as otherwise determined by the board.

6 (2) The term shall not include costs paid by a terminal  
7 operator applicant or terminal operator licensee related to  
8 making video gaming terminals operate at the premises of an  
9 establishment licensee, including wiring and rewiring,  
10 software updates, ongoing video gaming terminal maintenance,  
11 redemption terminals, network connections, site controllers  
12 and costs associated with communicating with the central  
13 control computer system.

14 \* \* \*

15 Section 2. Section 3514(a), (d) and (f) of Title 4 are  
16 amended and the section is amended by adding subsections to  
17 read:

18 § 3514. Establishment licenses.

19 (a) General requirements.--A truck stop establishment or  
20 club establishment that submits an application for an  
21 establishment license shall include at a minimum:

22 (1) The name, address and photograph of the applicant  
23 and additional financial information required by the board.

24 (2) A description of the proposed surveillance and  
25 security measures to ensure the security of the proposed  
26 video gaming area.

27 (3) A current tax lien certificate issued by the  
28 department.

29 (4) The criminal history record of the applicant,  
30 principal and key employees and a consent for the bureau to

1 conduct a background investigation on the applicant,  
2 principals and key employees.

3 (4.1) In the case of a club establishment, evidence that  
4 the provisions of subsections (g) and (h) are satisfied.

5 (5) Other information determined to be appropriate by  
6 the board.

7 \* \* \*

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

12 (1) (i) The license shall be valid for a period of five  
13 years.

14 (ii) Nothing in this paragraph shall be construed to  
15 relieve a licensee of the affirmative duty to notify the  
16 board of a change relating to the status of its license  
17 or to information contained in application materials on  
18 file with the board.

19 (2) The license shall be nontransferable.

20 (2.1) In the case of a club establishment, not more than  
21 three video gaming terminals may operate on the premises.

22 (3) Other conditions established by the board.

23 \* \* \*

24 (f) Requirement for truck stop establishments.--In order for  
25 a truck stop establishment to be eligible for an establishment  
26 license, [a] the truck stop establishment must be licensed as a  
27 lottery sales agent under section 305 of the act of August 26,  
28 1971 (P.L.351, No.91), known as the State Lottery Law, and  
29 licensed to take any actions authorized by the designation.

30 (g) Requirement for club establishments.--In order for a

1 club establishment to be eligible for an establishment license,  
2 the premises of the club establishment must be located in a  
3 municipality in which a voter referendum has been approved in  
4 accordance with subsection (h).

5 (h) Voter referendum for club establishments.--

6 (1) In order for a club establishment to operate as an  
7 establishment licensee in a municipality, the electors of the  
8 municipality must have approved the authorization of club  
9 establishments to operate establishment licensees within the  
10 boundaries of the municipality. The procedure for the  
11 referendum shall be governed by the act of June 3, 1937  
12 (P.L.1333, No.320), known as the Pennsylvania Election Code.

13 (2) This subsection shall expire June 30, 2023.

14 (i) Additional annual fee in cities of the first class.--An  
15 establishment licensee that is a club establishment and whose  
16 premises are located in a city of the first class, shall pay an  
17 additional annual fee of \$500 per video gaming terminal. The  
18 additional fee shall be deposited in the City of the First Class  
19 Nuisance Bar Enforcement Task Force Account established under  
20 section 3514.1 (relating to City of the First Class Nuisance Bar  
21 Enforcement Task Force Account).

22 Section 3. Title 4 is amended by adding a section to read:

23 § 3514.1. City of the First Class Nuisance Bar Enforcement Task  
24 Force Account.

25 (a) Establishment.--There is established a restricted  
26 account in the State Treasury to be known as the City of the  
27 First Class Nuisance Bar Enforcement Task Force Account.

28 (b) Use.--The money deposited in the restricted account is  
29 appropriated on a continuing basis to the Pennsylvania State  
30 Police for the purpose established under subsection (c).

1 (c) Purpose.--The Pennsylvania State Police, in consultation  
2 with the Pennsylvania Liquor Control Board, shall form a  
3 nuisance bar enforcement task force to operate in a city of the  
4 first class. The task force shall consist of law enforcement  
5 officers and personnel who are dedicated to Liquor Code  
6 enforcement in a city of the first class.

7 Section 4. Section 3516(a)(1) of Title 4 is amended to read:  
8 § 3516. Issuance and renewal.

9 (a) Issuance.--

10 (1) In addition to any other criteria provided under  
11 this part, any terminal operator, truck stop establishment,  
12 club establishment, supplier, manufacturer, gaming employee,  
13 key employee, principal or other person that the board  
14 approves as qualified to receive a license, permit or other  
15 authorization under this part shall be issued a license or  
16 permit upon the payment of a fee required in section 4101  
17 (relating to fees) and upon the fulfillment of conditions  
18 required by the board or provided for in this part.

19 \* \* \*

20 Section 5. Title 4 is amended by adding a section to read:  
21 § 3521. Additional annual fee for terminal operator licensees.

22 (a) General rule.--A terminal operator licensee that owns,  
23 services or maintains video gaming terminals at the premises of  
24 an establishment licensee that is a club establishment in a city  
25 of the first class shall pay an additional annual fee of \$250  
26 per video gaming terminal at the premises of the establishment  
27 licensee. The additional fee shall be deposited in the City of  
28 the First Class Nuisance Bar Enforcement Task Force Account  
29 established under section 3514.1 (relating to City of the First  
30 Class Nuisance Bar Enforcement Task Force Account).

1 (b) Nonapplicability.--This section shall not apply to a  
2 terminal operator licensee that is both an establishment  
3 licensee and a club establishment.

4 Section 6. Sections 3702(b)(6) and 3704(f) of Title 4 are  
5 amended to read:

6 § 3702. Video gaming limitations.

7 \* \* \*

8 (b) Terminal operator licensee limitations.--A terminal  
9 operator licensee may place and operate video gaming terminals  
10 on the premises of an establishment licensee, subject to the  
11 following:

12 \* \* \*

13 (6) No terminal operator licensee may give or offer to  
14 give, directly or indirectly, any type of inducement to a  
15 truck stop establishment or club establishment to secure or  
16 maintain a terminal placement agreement.

17 \* \* \*

18 § 3704. Terminal placement agreements.

19 \* \* \*

20 (f) Void agreements.--

21 (1) An agreement entered into by a truck stop  
22 establishment prior to the effective date of this section  
23 with a person or entity for the placement, operation, service  
24 or maintenance of video gaming terminals, including an  
25 agreement granting a person or entity the right to enter into  
26 an agreement or match any offer made after the effective date  
27 of this section shall be void and may not be approved by the  
28 board.

29 (2) An agreement entered into by a club establishment  
30 prior to the effective date of this paragraph with a person

1 or entity for the placement, operation, service or  
2 maintenance of video gaming terminals, including an agreement  
3 granting a person or entity the right to enter into an  
4 agreement or match any offer made after the effective date of  
5 this paragraph shall be void and may not be approved by the  
6 board.

7 \* \* \*

8 Section 7. This act shall take effect in 60 days.