
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1256 Session of
2020

INTRODUCED BY CORMAN, REGAN, TARTAGLIONE, YUDICHAK, SCAVELLO,
MENSCH, BREWSTER AND LAUGHLIN, JULY 30, 2020

REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,
JULY 30, 2020

AN ACT

1 Amending Titles 4 (Amusements) and 18 (Crimes and Offenses) of
2 the Pennsylvania Consolidated Statutes, in table games,
3 further providing for table game taxes; in administration and
4 enforcement, further providing for prohibited acts and
5 penalties; in general provisions, further providing for
6 definitions; in administration, further providing for records
7 and confidentiality of information; in application and
8 licensure, further providing for occupation permit, for
9 establishment licenses, for license or permit prohibition,
10 for issuance and renewal, for video gaming accounting
11 controls and audits and for conditional licenses; in
12 operation, further providing for testing and certification of
13 terminals and for video gaming limitations, providing for
14 hours of operation and further providing for terminal
15 placement agreements; in enforcement, further providing for
16 repeat offenders and for investigations and enforcement; in
17 revenues, further providing for fees, for taxes and
18 assessments and for transfers from Video Gaming Fund; in
19 miscellaneous provisions, further providing for host county
20 option and providing for municipal option; and, in riot,
21 disorderly conduct and related offenses, further providing
22 for gambling devices, gambling, etc.

23 The General Assembly of the Commonwealth of Pennsylvania
24 hereby enacts as follows:

25 Section 1. Sections 13A62(a) and 1518(a) of Title 4 of the
26 Pennsylvania Consolidated Statutes are amended by adding
27 paragraphs to read:

1 § 13A62. Table game taxes.

2 (a) Imposition.--

3 * * *

4 (1.1) Each certificate holder and a Category 4 slot
5 machine licensee who is a holder of a table game operation
6 certificate at a Category 4 licensed facility shall receive a
7 credit against the tax owed under paragraph (1) in an amount
8 equal to the additional tax paid under section 2502 of the
9 act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform
10 Code of 1971. This paragraph shall expire August 1, 2021.

11 * * *

12 § 1518. Prohibited acts; penalties.

13 (a) Criminal offenses.--

14 * * *

15 (4.3) It shall be a violation of 18 Pa.C.S. § 5513
16 (relating to gambling devices, gambling, etc.) for any person
17 to manufacture, supply or place slot machines, hybrid slot
18 machines or skill slot machines into play or display without
19 the authorization of the board.

20 * * *

21 Section 2. The definitions of "coin-operated amusement
22 game," "establishment license," "establishment licensee,"
23 "gaming employee," "inducement," "key employee," "licensee,"
24 "principal," "truck stop establishment" and "video gaming
25 terminal" in section 3102 of Title 4 are amended and the section
26 is amended by adding definitions to read:

27 § 3102. Definitions.

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

1 * * *

2 "Amusement game." A mechanical, electrical or computerized
3 contrivance, terminal, machine or other device that requires the
4 insertion of a coin, currency, token or similar object to play
5 or activate a game and meets each of the following criteria:

6 (1) The outcome of the game is predominantly and
7 primarily determined by the skill of the player.

8 (2) Winning the game entitles the player to noncash
9 merchandise prizes or a gift card that may be redeemable for
10 a noncash merchandise prize, food or drink or additional
11 credits to play the game. The value of the noncash prize may
12 not exceed the cost of playing the game or the total
13 aggregate cost of playing multiple games.

14 * * *

15 "Club liquor license establishment." The following apply:

16 (1) An organization that:

17 (i) Is licensed to sell liquor under section 404 of
18 the act of April 12, 1951 (P.L.90, No.21), known as the
19 Liquor Code.

20 (ii) Qualifies as an exempt organization under
21 section 501(c) or 527 of the Internal Revenue Code of
22 1986 (Public Law 99-514, 26 U.S.C. § 501(c) or 527).

23 (iii) Holds one of the following licenses issued by
24 the Pennsylvania Liquor Control Board:

25 (A) catering club;

26 (B) club liquor; or

27 (C) club retail dispenser.

28 (iv) Holds a valid small games of chance license in
29 accordance with section 307 (a) (1) (i) of the act of
30 December 19, 1988 (P.L.1262, No.156), known as the Local

1 Option Small Games of Chance Act.

2 (2) The term shall not include an affiliated nonprofit
3 organization or auxiliary group licensed in accordance with
4 section 307 of the Local Option Small Games of Chance Act.

5 ["Coin-operated amusement game." A machine that requires the
6 insertion of a coin, currency or token to play or activate a
7 game the outcome of which is predominantly and primarily
8 determined by the skill of the player.]

9 * * *

10 "Establishment." A club liquor license establishment, liquor
11 license establishment or truck stop establishment.

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

17 "Establishment licensee." [A truck stop] An establishment
18 that holds an establishment license.

19 * * *

20 "Gaming employee."

21 (1) Any of the following:

22 (i) An employee of a terminal operator licensee[,
23 establishment licensee] or supplier licensee [that] who
24 is not a key employee and is involved in the conduct of
25 video gaming.

26 (ii) An employee of a supplier licensee whose duties
27 are directly involved with the repair or distribution of
28 video gaming terminals or associated equipment sold or
29 provided to a terminal operator licensee within this
30 Commonwealth as determined by the board.

1 (iii) An employee of an establishment licensee who
2 is responsible for the management, supervision or
3 training of establishment employees regarding the conduct
4 of video gaming or for the coordination of video gaming
5 operations with a terminal operator licensee.

6 (2) The term does not include nongaming personnel as
7 determined by the board [or an employee of an establishment
8 licensee].

9 * * *

10 "Hybrid video gaming terminal." A video gaming terminal in
11 which the outcome of the game is determined by a combination of
12 chance and the skill of the player. The term shall not include
13 an amusement game.

14 * * *

15 "Inducement."

16 (1) Any of the following:

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

26 (ii) Cash, incentive, marketing and advertising
27 cost, gift, food, beverage, loan, prepayment of gross
28 terminal revenue and other contribution or payment that
29 offsets an establishment licensee's operational costs, or
30 as otherwise determined by the board.

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

9 (i) Changes necessary to create a separate video
10 gaming area or maintain the security of video gaming
11 terminals and redemption terminals as required by the
12 board that do not exceed \$15,000.

13 (ii) Surveillance technology to monitor only the
14 video gaming area.

15 (iii) Operation of video gaming terminals at the
16 premises of an establishment licensee, including wiring
17 and rewiring, software updates, ongoing video gaming
18 terminal maintenance, redemption terminals, network
19 connections, site controllers and costs associated with
20 communicating with the central control computer system.

21 (iv) Installation of a security and alarm system at
22 the premises of an establishment licensee that are
23 reasonably necessary to protect video gaming terminals
24 and redemption terminals outside normal business hours,
25 provided that the cost does not exceed \$2,500.

26 (v) A requirement established by the board regarding
27 a minimum standard for a video gaming area.

28 (vi) A cosmetic renovation or improvement within a
29 video gaming area that is reasonably necessary, as
30 determined by the board.

1 (vii) A fee established by the board to cover costs
2 associated with the mandatory employee training program
3 established under section 3706 (relating to compulsive
4 and problem gambling).

5 * * *

6 "Key employee." An individual employed by a manufacturer
7 licensee, supplier licensee, terminal operator licensee or
8 establishment licensee that is determined by the board to be a
9 director or department head or otherwise empowered to make
10 discretionary decisions that regulate the conduct of video
11 gaming. For a club liquor license establishment licensee, the
12 term shall include a person who will be responsible for the
13 conduct of video gaming, including organizational members, as
14 determined by the board, or who may coordinate the conduct of
15 video gaming at the premises of the club liquor license
16 establishment licensee.

17 * * *

18 "Licensee." A person [listed] licensed under this part.

19 "Liquor license establishment." Any of the following
20 licenses issued by the Pennsylvania Liquor Control Board under
21 Article IV of the act of April 12, 1951 (P.L.90, No.21), known
22 as the Liquor Code:

23 (1) Eating place retail dispenser.

24 (2) Hotel liquor.

25 (3) Hotel retail dispenser.

26 (4) Municipal golf course liquor.

27 (5) Municipal golf course retail dispenser.

28 (6) Privately owned private golf course club liquor.

29 (7) Privately owned private golf course catering club
30 liquor.

1 (8) Privately owned public golf course retail dispenser.

2 (9) Privately owned public golf course restaurant
3 liquor.

4 (10) Restaurant liquor.

5 * * *

6 "Principal." An officer, director, person who directly holds
7 a beneficial interest in or ownership of the securities of an
8 applicant or anyone licensed under this part, person who has a
9 controlling interest in an applicant or anyone licensed under
10 this part or has the ability to elect a majority of the board of
11 directors of a licensee or to otherwise control anyone licensed
12 under this part, procurement agent, lender or other licensed
13 financial institution of an applicant or anyone licensed under
14 this part, other than a bank or lending institution which makes
15 a loan or holds a mortgage or other lien acquired in the
16 ordinary course of business, underwriter of an applicant or
17 anyone licensed under this part or other person or employee of
18 an applicant, terminal operator licensee, manufacturer licensee
19 or supplier licensee deemed to be a principal by the board,
20 including a procurement agent. For an applicant that is a club
21 liquor license establishment, the term means:

22 (1) Each officer and director.

23 (2) The treasurer, an organizational member or any other
24 person who is responsible for the finances of the club liquor
25 license establishment licensee.

26 * * *

27 "Skill." The knowledge, dexterity, adroitness, acumen or
28 mental skill of an individual.

29 * * *

30 "Video gaming terminal."

1 (1) A mechanical or electrical contrivance, terminal,
2 machine or other device approved by the board that, upon
3 insertion of cash or cash equivalents, is available to play
4 or operate one or more gambling games, the play of which
5 utilizes a random number generator and:

6 (i) May award a winning player either a free game or
7 credit that shall only be redeemable for cash or cash
8 equivalents at a redemption terminal.

9 (ii) May utilize video displays.

10 (iii) May use an electronic credit system for
11 receiving wagers and making payouts that are only
12 redeemable at a redemption terminal.

13 (2) Associated equipment necessary to conduct the
14 operation of the contrivance, terminal, machine or other
15 device.

16 (3) The term does not include a slot machine operated at
17 a licensed facility in accordance with Part II (relating to
18 gaming) or [a coin-operated] an amusement game.

19 (4) The term does not include "lottery" as defined under
20 the act of August 26, 1971 (P.L.351, No.91), known as the
21 State Lottery Law.

22 (5) The term includes a hybrid video gaming terminal.

23 Section 3. Sections 3305(d) and 3510 of Title 4 are amended
24 to read:

25 § 3305. Records and confidentiality of information.

26 * * *

27 (d) Information held by other agencies.--Files, records,
28 reports and other information in the possession of the
29 department or the Pennsylvania Liquor Control Board pertaining
30 to an applicant, licensee or permittee shall be made available

1 to the board as may be necessary to the effective administration
2 of this part.

3 § 3510. Occupation permit.

4 (a) Application.--

5 (1) A person who desires to be a gaming employee and has
6 a bona fide offer of employment from a terminal operator
7 licensee, establishment licensee or supplier licensee shall
8 apply to the board for an occupation permit.

9 (2) A person may not be employed as a gaming employee
10 unless and until that person holds an appropriate occupation
11 permit issued under this section.

12 (3) The board may promulgate regulations to reclassify a
13 category of nongaming employees or gaming employees upon a
14 finding that the reclassification is in the public interest
15 and consistent with the objectives of this part.

16 (b) Requirements.--~~[The]~~ Except as provided for under (b.1),
17 the application for an occupation permit shall include, at a
18 minimum:

19 (1) The name and home address of the person.

20 (2) The previous employment history of the person.

21 (3) The criminal history record of the person, as well
22 as the person's consent for the bureau to conduct a
23 background investigation.

24 (4) A photograph of the person.

25 (5) Evidence of the offer of employment and the nature
26 and scope of the proposed duties of the person, if known.

27 (6) The details of an occupation permit or similar
28 license granted or denied to the applicant in other
29 jurisdictions.

30 (7) Other information determined by the board to be

1 appropriate.

2 (b.1) Notwithstanding section 3515(2)(ii) (relating to
3 license or permit prohibition), the suitability review for an
4 occupation permit for an employee of an establishment licensee
5 whose duties primarily involve the monitoring of the video
6 gaming area shall be based solely upon the following
7 information:

8 (1) The name and home address of the person.

9 (2) The previous employment history of the person.

10 (3) A criminal history record information report issued
11 under 18 Pa.C.S. Ch. 91 (relating to criminal history record
12 information) obtained from the Pennsylvania State Police.

13 (4) A photograph of the person.

14 (5) Has not been convicted of a misdemeanor or felony
15 gambling offense in the Commonwealth, unless 15 years have
16 elapsed from the date of conviction for the offense.

17 (6) Evidence of the offer of employment.

18 (c) Prohibition.--No terminal operator licensee may employ
19 or permit a person under 18 years of age to render service in a
20 video gaming area.

21 Section 4. Section 3514(a) introductory paragraph of Title 4
22 is amended, subsection (a) is amended by adding a paragraph and
23 the section is amended by adding a subsection to read:

24 § 3514. Establishment licenses.

25 (a) General requirements.--[A truck stop] An establishment
26 that submits an application for an establishment license shall
27 include at a minimum:

28 * * *

29 (4.1) An applicant shall attest by way of affidavit
30 under penalty of perjury that the applicant does not operate

1 on its premises any video gaming terminals, hybrid video
2 gaming terminals, redemption terminals or other associated
3 equipment that has not been tested and certified by the board
4 in accordance with section 3701 (relating to testing and
5 certification of terminals) or otherwise approved by the
6 board under this part.

7 * * *

8 (a.1) Additional requirements for a club liquor license
9 establishment.--An establishment that is a club liquor license
10 establishment and submits an application for an establishment
11 license shall include, at a minimum:

12 (1) A copy of the club liquor license establishment's
13 small games of chance license.

14 (2) The municipality where the club liquor license
15 establishment's licensed premises is physically located,
16 including the address of the physical location where normal
17 business is conducted in the municipality.

18 (3) If the club liquor license establishment applicant
19 leases a premises in which normal business or operations are
20 conducted, a copy of the lease shall accompany the
21 application.

22 (4) If a club liquor license establishment applicant has
23 a normal business or operating site with multiple structures
24 or has multiple business or operating sites, the location
25 that will be used as its premises for conducting video
26 gaming.

27 (5) The full name, current photograph and complete
28 mailing address of the applicant and each officer and
29 director of the club liquor license establishment, including
30 the full name and complete mailing address of the executive

1 officer, secretary and any other entity or financially
2 responsible person.

3 (6) Any financial information, which may be required by
4 the board.

5 (7) The full name, photograph and complete mailing
6 address of each individual who will be responsible for the
7 conduct and operation of video gaming at the premises of the
8 club liquor license establishment, including gaming or key
9 employees, bar personnel and organizational members who will
10 be involved with the conduct and operation of video gaming at
11 the premises of the club liquor license establishment.

12 (8) The club liquor license establishment's hours of
13 operation.

14 (9) Documentation showing the club liquor license
15 establishment liquor license is valid and in good standing
16 with the Pennsylvania Liquor Control Board.

17 (10) Disclosure of conditional license agreements, if
18 any, entered under the act of April 12, 1951 (P.L.90, No.21),
19 known as the Liquor Code.

20 (11) The criminal history record information of the
21 applicant, principals and key employees and a consent for the
22 bureau to conduct a background investigation of the
23 applicant, principals and key employees.

24 (12) Any additional information as required by the
25 board.

26 * * *

27 Section 5. Section 3515(2) of Title 4 is amended by adding
28 subparagraphs to read:

29 § 3515. License or permit prohibition.

30 The following apply:

1 * * *

2 (2) In addition to the prohibition under paragraph (1),
3 the board shall be prohibited from granting the following:

4 * * *

5 (iv) An establishment license to an applicant whose
6 liquor license is not in good standing with the
7 Pennsylvania Liquor Control Board.

8 (v) An establishment license to an applicant whose
9 establishment has been declared a nuisance within the
10 past five years under section 611 of the act of April 12,
11 1951 (P.L.90, No.21), known as the Liquor Code.

12 (vi) An establishment license to an applicant with a
13 conditional license agreement entered into under the
14 Liquor Code unless the agreement has been amended to
15 allow for video gaming.

16 (vii) An establishment license to an applicant
17 whose liquor license has been suspended, unless five
18 years have elapsed from the date of suspension.

19 (viii) An establishment license to an applicant
20 whose license has been suspended under section 1799.6-E
21 of the act of April 9, 1929 (P.L.343, No.176), known as
22 The Fiscal Code.

23 * * *

24 Section 6. Sections 3516(a)(1) and 3518(a) of Title 4 are
25 amended to read:

26 § 3516. Issuance and renewal.

27 (a) Issuance.--

28 (1) In addition to any other criteria provided under
29 this part, any terminal operator, [truck stop] establishment,
30 supplier, manufacturer, gaming employee, key employee,

1 principal or other person that the board approves as
2 qualified to receive a license, permit or other authorization
3 under this part shall be issued a license or permit upon the
4 payment of a fee required in section 4101 (relating to fees)
5 and upon the fulfillment of conditions required by the board
6 or provided for in this part.

7 * * *

8 § 3518. Video gaming accounting controls and audits.

9 (a) Approval.--Except as otherwise provided by this part, a
10 terminal operator license applicant shall, in addition to
11 obtaining a terminal operator license, obtain approval from the
12 board in consultation with the department of its internal
13 control systems and audit protocols prior to the installation
14 and operation of video gaming terminals [at licensed
15 establishments] on the premises of an establishment licensee.

16 * * *

17 Section 7. Sections 3520(a)(3)(i) and (ii) and 3701(b)(9) of
18 Title 4 are amended and the subsections are amended by adding
19 paragraphs to read:

20 § 3520. Conditional licenses.

21 (a) Conditional establishment licenses.--

22 * * *

23 (2.1) The board shall issue a conditional license to an
24 applicant for an establishment license if the applicant is a
25 club liquor license establishment or liquor license
26 establishment and satisfies each of the criteria under
27 paragraph (2), and the following criteria:

28 (i) The applicant held a valid liquor license on the
29 date of application and the license is in good standing,
30 or the applicant has a conditional license agreement

1 which allows for video gaming entered into under the act
2 of April 12, 1951 (P.L.90, No.21), known as the Liquor
3 Code.

4 (ii) The applicant has not been declared a nuisance
5 under section 611 of the Liquor Code, or a period of at
6 least three years has elapsed from the date of
7 declaration.

8 (iii) The applicant's liquor license has not been
9 suspended, or five years have elapsed from the date of
10 suspension.

11 * * *

12 (3) (i) The board shall issue a conditional license to
13 an applicant for an establishment license within 60 days
14 after the completed application has been received by the
15 board, provided that the board determines that the
16 criteria contained in [paragraph] paragraphs (2) and
17 (2.1) has been satisfied.

18 (ii) If the board determines that the criteria
19 contained in [paragraph] paragraphs (2) and (2.1) has not
20 been satisfied, the board shall give a written
21 explanation to the applicant as to why it has determined
22 the criteria has not been satisfied.

23 * * *

24 (8) The board shall permit an establishment holding a
25 valid conditional license to operate video gaming terminals
26 on its premises.

27 * * *

28 § 3701. Testing and certification of terminals.

29 * * *

30 (b) Video gaming terminal specifications.--Video gaming

1 terminals shall be tested and certified to meet the following
2 specifications:

3 * * *

4 (9) [The] Except as provided for in paragraph (9.1), the
5 video gaming terminal shall pay out a minimum of 85% of the
6 amount wagered.

7 (9.1) The board shall adopt alternative minimum payout
8 requirements for hybrid video gaming terminals that define a
9 minimum win percentage based on the combination of skill and
10 the elements of chance of the game.

11 * * *

12 Section 8. Section 3702(a)(6) and (b)(6) and (7) of Title 4
13 are amended and subsection (a) is amended by adding a paragraph
14 to read:

15 § 3702. Video gaming limitations.

16 (a) Establishment licensee limitations.--An establishment
17 licensee may offer video gaming terminals for play within its
18 premises, subject to the following:

19 * * *

20 (6) The video gaming area shall at all times be
21 monitored by an employee holding an occupation permit under
22 section 3510 (relating to occupation permit) who is an
23 employee of the establishment licensee or person affiliated
24 with a club liquor license establishment licensee, either
25 directly or through live monitoring of video surveillance.
26 The gaming employee [must] shall be required to:

27 (i) be at least 18 years of age [and have
28 completed];

29 (ii) have completed a criminal history background
30 check from the Pennsylvania State Police; and

1 (iii) have completed or is scheduled to complete
2 the mandatory training program required in section 3706
3 (relating to compulsive and problem gambling).

4 * * *

5 (13) One or more gaming employees holding a valid
6 occupation permit shall be located on the premises of the
7 establishment licensee during any time in which video gaming
8 terminals are operating and available for play.

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

13 * * *

14 (6) No terminal operator licensee or employee of a
15 terminal operator licensee may give or offer to give,
16 directly or indirectly, any type of inducement to [a truck
17 stop] an establishment licensee to secure or maintain a
18 terminal placement agreement.

19 (7) No terminal operator licensee may give an
20 establishment licensee a percentage of gross terminal revenue
21 other than [15%] 25% of the gross terminal revenue of the
22 video gaming terminals operating in the establishment
23 licensee's premises.

24 * * *

25 Section 9. Title 4 is amended by adding a section to read:
26 § 3703.1. Hours of operation.

27 (a) Liquor license establishments.--An establishment
28 licensee that is a club liquor license establishment or liquor
29 license establishment may only permit the operation and play of
30 a video gaming terminal during the hours that the club liquor

1 license establishment or liquor license establishment is
2 authorized by the Pennsylvania Liquor Control Board.

3 (b) Truck stop establishments.--An establishment licensee
4 that is a truck stop establishment may permit play of a video
5 gaming terminal during normal business hours.

6 Section 10. Section 3704(d)(2) and (f) of Title 4 are
7 amended to read:

8 § 3704. Terminal placement agreements.

9 * * *

10 (d) Provisions required.--A terminal placement agreement
11 shall include a provision that:

12 * * *

13 (2) Provides the establishment licensee no more or less
14 than [15%] 25% of gross terminal revenue from each video
15 gaming terminal located on the premises of the establishment
16 licensee.

17 * * *

18 (f) Void agreements.--

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

27 (2) An agreement entered into by an establishment other
28 than a truck stop establishment prior to the effective date
29 of this paragraph with a person or entity for the placement,
30 operation, service or maintenance of video gaming terminals,

1 including an agreement granting a person or entity the right
2 to enter into an agreement or match any offer made after the
3 effective date of this paragraph shall be void and may not be
4 approved by the board.

5 * * *

6 Section 11. Section 3902(a) of Title 4 is amended to read:

7 § 3902. Repeat offenders.

8 (a) Discretion to exclude or eject.--

9 (1) An establishment licensee may exclude or eject from
10 the establishment licensee's video gaming area or premises a
11 person who is known to it to have been convicted of a
12 misdemeanor or felony committed in or on the premises of [a
13 licensed establishment.] the establishment.

14 (2) Nothing in this section or in any other law or
15 regulation shall limit the right of an establishment licensee
16 to exercise the common law right to exclude or eject
17 permanently from the premises of the establishment or
18 permanently deny access to the video gaming area a person who
19 disrupts the operations of the premises or video gaming area,
20 threatens the security of the premises or employees or
21 patrons or is disorderly or intoxicated.

22 * * *

23 Section 12. Section 3904(d) of Title 4 is amended by adding
24 a paragraph and the section is amended by adding a subsection to
25 read:

26 § 3904. Investigations and enforcement.

27 * * *

28 (d) Powers and duties of the Pennsylvania State Police.--The
29 Pennsylvania State Police shall have the following powers and
30 duties:

1 * * *

2 (14) Require the Bureau of Liquor Control Enforcement to
3 report to the board any violations of this part that are
4 found during the normal course of duties required under the
5 laws of this Commonwealth.

6 * * *

7 (j) Pennsylvania Liquor Control Board.--Nothing in this part
8 shall be construed as conferring on the Pennsylvania Liquor
9 Control Board the authority to assess penalties under the act of
10 April 12, 1951 (P.L.90, No.21), known as the Liquor Code,
11 against a club liquor license establishment or liquor license
12 establishment that holds an establishment license for violations
13 of this part.

14 Section 13. Sections 4101(d) and 4102(b)(1)(ii) of Title 4
15 are amended to read:

16 § 4101. Fees.

17 * * *

18 (d) Deposit of fees.--Fees collected under this section
19 shall be deposited into [the General Fund.] a restricted revenue
20 account to be used by the board to implement this part.

21 § 4102. Taxes and assessments.

22 * * *

23 (b) Video gaming terminal tax and assessments.--

24 (1) The department shall determine and each terminal
25 operator licensee shall pay on a bimonthly basis:

26 * * *

27 [(ii) A 10% local share assessment from its gross
28 terminal revenue.]

29 * * *

30 Section 14. Sections 4105(b) and 4506(b) of Title 4 are

1 amended and the sections are amended by adding subsections to
2 read:

3 § 4105. Transfers from Video Gaming Fund.

4 * * *

5 (b) General Fund transfer.--On June 30, 2018, and on the
6 last day of each fiscal year [~~thereafter~~] through June 30, 2020,
7 the State Treasurer shall transfer the remaining balance in the
8 Video Gaming Fund that is not transferred under subsection (a)
9 to the General Fund.

10 (c) Initial transfer.--On June 30, 2021, and on June 30,
11 2022, the State Treasurer shall transfer the remaining balance
12 in the Video Gaming Fund that is not transferred under
13 subsection (a) as follows:

14 (1) An amount equal to two percent of the total gross
15 terminal revenue of all terminal operator licensees to the
16 Department of Aging for purposes of making grants to agencies
17 designated under section 305(a)(2)(A) of the Older Americans
18 Act of 1965 (Public Law 89-73, 42 U.S.C. § 3025(a)(2)(A)) to
19 provide services to older adults.

20 (2) Following the distribution under paragraph (1), the
21 remaining balance to the General Fund.

22 (d) Subsequent transfer.--On June 30, 2023, and on June 30,
23 2024, the State Treasurer shall transfer the remaining balance
24 in the Video Gaming Fund that is not transferred under
25 subsection (a) as follows:

26 (1) An amount equal to two percent of the total gross
27 terminal revenue of all terminal operator licensees to the
28 Department of Aging for purposes of making grants to agencies
29 designated under section 305(a)(2)(A) of the Older Americans
30 Act of 1965 to provide services to older adults.

1 (2) Following the distribution under paragraph (1), the
2 remaining balance as follows:

3 (i) Fifty percent to the General Fund.

4 (ii) Fifty percent to the Property Tax Relief Fund,
5 to be used exclusively for property tax relief for
6 individuals who are 65 years of age or older, as
7 specified by law.

8 (e) Additional subsequent transfer.--On June 30, 2025, and
9 on the last day of each fiscal year thereafter, the State
10 Treasurer shall transfer the remaining balance in the Video
11 Gaming Fund that is not transferred under subsection (a) as
12 follows:

13 (1) An amount equal to 2% of the total gross terminal
14 revenue of all terminal operator licensees to the Department
15 of Aging for purposes of making grants to agencies designated
16 under section 305(a)(2)(A) of the Older Americans Act of 1965
17 to provide services to older adults.

18 (2) Following the distribution under paragraph (1), the
19 remaining balance to the Property Tax Relief Fund to be used
20 exclusively for property tax relief for individuals who are
21 65 years of age or older as specified by law.

22 § 4506. Host county option.

23 * * *

24 (a.1) Option.--A county that hosts a Category 4 licensed
25 facility, or a proposed Category 4 licensed facility, on the
26 effective date of this subsection shall have the option to
27 prohibit the placement of video gaming terminals within the host
28 county by delivering a resolution of the county governing body
29 to the board within 60 days of the effective date of this
30 subsection. A video gaming terminal may not be operated in a

1 host county that has exercised the option to prohibit video
2 gaming terminals under this section. The prohibition under this
3 subsection shall not apply to an existing establishment
4 licensee, nor to a location for which an application for an
5 establishment license was filed with the board prior to the
6 effective date of this section.

7 (b) Rescission of prohibition.--

8 (1) Subject to paragraph (2), a host county that
9 prohibits video gaming terminals within the host county under
10 subsection (a) or (a.1) may rescind that prohibition at any
11 time by delivering a new resolution of the county governing
12 body to the board.

13 (2) A host county that rescinds its prior prohibition
14 according to paragraph (1) may not subsequently prohibit
15 video gaming terminals in the host county under this section.

16 (c) Prior prohibition.--Nothing in this section shall be
17 construed to negate any prohibition on the location of an
18 establishment licensee within a municipality which has exercised
19 its option under 53 Pa.C.S. § 502 (relating to municipal option
20 for gaming).

21 Section 15. Title 4 is amended by adding a section to read:
22 § 4507. Municipal option.

23 (a) Prohibition.--Each municipality shall have the option to
24 prohibit the placement of video gaming terminals within the
25 municipality by delivering a resolution of the municipality's
26 governing body to the board within 60 days of the effective date
27 of this section. A video gaming terminal may not be operated in
28 a municipality that has exercised the option to prohibit video
29 gaming terminals under this section. The prohibition under this
30 section shall not apply to video gaming terminals at an existing

1 establishment licensee, nor to a location for which an
2 application for an establishment license was filed with the
3 board prior to the effective date of this section.

4 (b) Rescission of prohibition.--

5 (1) Subject to paragraph (2), a municipality that
6 prohibits video gaming terminals within the municipality
7 under subsection (a) may rescind the prohibition by
8 delivering a new resolution of the municipality's governing
9 body to the board.

10 (2) A municipality that rescinds its prior prohibition
11 according to paragraph (1) may not subsequently prohibit
12 video gaming terminals in the municipality under this
13 section.

14 (c) Construction.--Nothing in this section shall be
15 construed to negate any prohibition on the location of an
16 establishment licensee within a municipality which has exercised
17 its option under 53 Pa.C.S. § 502 (relating to municipal option
18 for gaming).

19 Section 16. Section 5513(b) and (f) of Title 18 are amended
20 and the section is amended by adding subsections to read:

21 § 5513. Gambling devices, gambling, etc.

22 * * *

23 (a.2) Video gaming terminals.--A person commits an offense
24 if the person:

25 (1) intentionally or knowingly makes, assembles, sets
26 up, maintains, sells, lends, leases, gives away, supplies or
27 offers for sale, loan, lease or gift, video gaming terminals
28 without a manufacturer license, supplier license or terminal
29 operator license from the Pennsylvania Gaming Control Board
30 under 4 Pa.C.S. Pt. III (relating to video gaming);

1 (2) allows a person to collect and assemble for the
2 purpose of playing a video gaming terminal at any place under
3 the person's control without an establishment license from
4 the Pennsylvania Gaming Control Board under 4 Pa.C.S. Pt.
5 III;

6 (3) solicits or invites a person to visit a place for
7 the purpose of playing a video gaming terminal; or

8 (4) is the owner, tenant, lessee or occupant of any
9 premises and knowingly permits the premises, or any part
10 thereof, to be used for the play of a video gaming terminal.

11 (a.3) Video gaming terminal penalties.--A person who
12 violates subsection (a.2):

13 (1) For a first offense, commits a misdemeanor of the
14 first degree and shall, upon conviction, be sentenced to a
15 fine of not less than \$5,000.

16 (2) For a second offense, commits a misdemeanor of the
17 first degree and shall, upon conviction, be sentenced to a
18 fine of not less than \$10,000.

19 (3) For a third or subsequent offense, commits a felony
20 of the third degree and shall, upon conviction, be sentenced
21 to a fine of not less than \$15,000 and, at the discretion of
22 the court, an additional fine of not more than \$1,000 per day
23 for each video gaming terminal.

24 (a.4) Separate offenses.--For purposes of the criminal
25 penalties and fines established under subsection (a.3), the
26 prohibited activity specified in subsection (a.2)(2), (3) and
27 (4) as it applies to each video gaming terminal shall not be
28 deemed a separate offense unless the prohibited activity occurs
29 on more than one day or in more than one location.

30 (b) Confiscation of gambling devices and video gaming

1 terminals.--Any gambling device or video gaming terminal
2 possessed or used in violation of the provisions of subsection
3 (a) or (a.2) shall be seized and forfeited to the Commonwealth.
4 The forfeiture shall be conducted in accordance with 42 Pa.C.S.
5 §§ 5803 (relating to asset forfeiture), 5805 (relating to
6 forfeiture procedure), 5806 (relating to motion for return of
7 property), 5807 (relating to restrictions on use), 5807.1
8 (relating to prohibition on adoptive seizures) and 5808
9 (relating to exceptions).

10 * * *

11 (f) Definitions.--The following words and phrases when used
12 in this section shall have the meanings given to them in this
13 subsection unless the context clearly indicates otherwise:

14 "Amusement game." A mechanical, electrical or computerized
15 contrivance, terminal, machine or other device that requires the
16 insertion of a coin, currency, token or similar object to play
17 or activate a game and meets each of the following criteria:

18 (1) The outcome of the game is predominantly and
19 primarily determined by the skill of the player.

20 (2) Winning the game entitles the player to noncash
21 merchandise prizes or a gift card that may be redeemable for
22 a noncash merchandise prize, food or drink or additional
23 credits to play the game. The value of the noncash prize may
24 not exceed the cost of playing the game or the total
25 aggregate cost of playing multiple games.

26 "Consideration associated with a related product, service or
27 activity." Money or other value collected for a product,
28 service or activity which is offered in any direct or indirect
29 relationship to playing or participating in the simulated
30 gambling program. The term includes consideration paid for

1 computer time, Internet time, telephone calling cards and a
2 sweepstakes entry.

3 "Electronic video monitor." An electronic device capable of
4 showing moving or still images.

5 "Simulated gambling program." Any method intended to be used
6 by a person interacting with an electronic video monitor in a
7 business establishment that directly or indirectly implements
8 the predetermination of sweepstakes cash or cash-equivalent
9 prizes or otherwise connects the sweepstakes player or
10 participant with the cash or cash-equivalent prize.

11 "Skill." The knowledge, dexterity, adroitness, acumen or
12 mental or physical ability of an individual.

13 "Video gaming terminal." The following apply:

14 (1) A mechanical or electrical contrivance, terminal,
15 machine or other device approved by the board that, upon
16 insertion of cash or cash equivalents, is available to play
17 or operate one or more gambling games, the play of which
18 utilizes a random number generator and:

19 (i) May award a winning player either a free game or
20 credit that shall only be redeemable for cash or cash
21 equivalents at a redemption terminal.

22 (ii) May utilize video displays.

23 (iii) May use an electronic credit system for
24 receiving wagers and making payouts that are only
25 redeemable at a redemption terminal.

26 (2) Associated equipment necessary to conduct the
27 operation of the contrivance, terminal, machine or other
28 device.

29 (3) The term does not include a slot machine operated at
30 a licensed facility in accordance with 4 Pa.C.S. Pt. II

1 (relating to gaming) or an amusement game.

2 (4) The term does not include a lottery as defined under
3 the act of August 26, 1971 (P.L.351, No.91), known as the
4 State Lottery Law.

5 (5) The term includes a hybrid video gaming terminal as
6 defined in 4 Pa.C.S. § 3102 (relating to definitions).

7 Section 17. The amendment of 4 Pa.C.S. § 3704(d) shall apply
8 to terminal placement agreements entered into or renewed on or
9 after the effective of this section.

10 Section 18. This act shall take effect as follows:

11 (1) This section shall take effect immediately.

12 (2) The amendment or addition of 4 Pa.C.S. §§ 4506 and
13 4507 shall take effect immediately.

14 (3) The amendment of 4 Pa.C.S. § 13A62 shall take effect
15 in 30 days.

16 (4) The remainder of this act shall take effect in 60
17 days.