

# COMMONWEALTH OF PENNSYLVANIA

## LEGISLATIVE JOURNAL

WEDNESDAY, JUNE 22, 2016

SESSION OF 2016

200TH OF THE GENERAL ASSEMBLY

No. 42

### HOUSE OF REPRESENTATIVES

The House convened at 11 a.m., e.d.t.

**THE SPEAKER (MIKE TURZAI)  
PRESIDING**

#### PRAYER

HON. MATTHEW E. BAKER, member of the House of Representatives, offered the following prayer:

Thank you, Mr. Speaker.

Good morning, everyone.

Let us pray together as brothers and sisters united in faith.

Gracious Heavenly Father, we look to Your Son, our Lord and savior, as the greatest servant leader this world has ever known.

Lord God, You call us to life in all its fullness to lead a purpose-driven example of servant leadership as we reflect upon Your life and ask You to deepen our desire to imitate Your love, forgiveness, justice, and commands.

And the greatest servant of all time, You challenge and ask us to be the salt of the earth and light of the world. May our exercise of the gifts You have given us be a faithful reflection of Your presence at work in and through our lives for Your honor and glory.

Lord, as we discern the meaning of our call to servant leadership, help us to recognize the ways You seek to minister through our lives. Inspired by the knowledge of Your abiding presence, may we have the courage to reach out and support one another, to stand firm in what is true, to decrease with humility and respect when others should increase, and to lead with vision and wisdom as faithful followers of our Lord and savior.

In Jesus' name we pray and in God we trust. Amen.

#### PLEDGE OF ALLEGIANCE

(The Pledge of Allegiance was recited by members and visitors.)

#### JOURNAL APPROVAL POSTPONED

The SPEAKER. Without objection, the approval of the Journal of Tuesday, June 21, 2016, will be postponed until printed.

### BILLS REPORTED FROM COMMITTEE, CONSIDERED FIRST TIME, AND RECOMMITTED TO COMMITTEE ON RULES

**HB 1923, PN 3023**

By Rep. TAYLOR

An Act designating a portion of State Route 2005 in Drexel Hill, Delaware County, as the Officer Dennis McNamara Memorial Highway.

TRANSPORTATION.

**HB 1996, PN 3191**

By Rep. TAYLOR

An Act designating a portion of State Route 1010 in Berks County as the DeLight Breidegam, Jr., Memorial Highway.

TRANSPORTATION.

**HB 2071, PN 3350**

By Rep. TAYLOR

An Act designating the pedestrian walkways on the Matsonford Bridge, located on State Route 3016 over the Schuylkill River, connecting the Boroughs of West Conshohocken and Conshohocken, Montgomery County, as the Clay-Doc Walk in memory of West Conshohocken Borough Police Chief Joseph G. Clayborne III and Conshohocken Borough Police Chief James H. Dougherty, Sr.

TRANSPORTATION.

### BILLS REPORTED FROM COMMITTEE, CONSIDERED FIRST TIME, AND TABLED

**SB 956, PN 1953 (Amended)**

By Rep. TAYLOR

An Act designating a bridge on that portion of State Route 1017 over Mill Creek in Ligonier Township, Westmoreland County, as the Lieutenant Eric Eslary Memorial Bridge; and designating a portion of State Route 981 in Mount Pleasant Township, Westmoreland County, as the James Paul Takitch Honorary Highway.

TRANSPORTATION.

**SB 1216, PN 1774**

By Rep. TAYLOR

An Act designating the bridge carrying State Route 3087 over Jacobs Creek connecting Scottdale, Westmoreland County, and Everson, Fayette County, as the Private First Class Joseph Anthony Petrarca/Staff Sergeant John William Earnesty Memorial Bridge.

TRANSPORTATION.

**SB 1217, PN 1739**

By Rep. TAYLOR

An Act designating a portion of State Route 523 in Somerset County as the Private First Class Nils G. Thompson Memorial Highway.

TRANSPORTATION.

### HOUSE BILLS INTRODUCED AND REFERRED

**No. 2083** By Representatives MALONEY, HANNA, TOEPEL, ELLIS, SACCONI, BLOOM, READSHAW, D. COSTA, ORTITAY, McGINNIS, DIAMOND, GIBBONS, QUIGLEY, RADER, DeLUCA, MAHONEY, MASSER, GERGELY, GODSHALL, WARNER, ZIMMERMAN, CUTLER, F. KELLER, COHEN, CHRISTIANA and BAKER

An Act amending Title 34 (Game) of the Pennsylvania Consolidated Statutes, in preliminary provisions, further providing for definitions; in Pennsylvania Game Commission, further providing for powers and duties of commission and for accountability; in hunting and furtaking, providing for senior hunting license holders; and, in special licenses and permits, further providing for authority to issue permits.

Referred to Committee on STATE GOVERNMENT, June 22, 2016.

**No. 2129** By Representatives PETRI, FARRY, DUNBAR, MILLARD, QUINN, THOMAS, WATSON and SANTARSIERO

An Act amending the act of October 4, 1978 (P.L.851, No.166), known as the Flood Plain Management Act, in preliminary provisions, further providing for definitions; and providing for the Community Rating System Incentive Program.

Referred to Committee on LOCAL GOVERNMENT, June 22, 2016.

**No. 2195** By Representatives MURT, PICKETT, DRISCOLL, O'NEILL, ROZZI, ZIMMERMAN and DAVIS

An Act providing for enforceability of certain indemnity provisions in snow removal and ice control services contracts.

Referred to Committee on INSURANCE, June 22, 2016.

**No. 2200** By Representatives BARBIN, READSHAW, MUSTIO, MILLARD, CALTAGIRONE, GODSHALL, SNYDER, McNEILL, DERMODY and GIBBONS

An Act amending the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, in additional special funds, further providing for use of the Tobacco Settlement Fund.

Referred to Committee on FINANCE, June 22, 2016.

**No. 2201** By Representatives BARBIN, READSHAW, SNYDER, MUSTIO, GIBBONS, MILLARD, CALTAGIRONE, O'BRIEN, GODSHALL, McNEILL and MURT

An Act amending Title 35 (Health and Safety) of the Pennsylvania Consolidated Statutes, providing for emergency overdose involuntary commitment.

Referred to Committee on HEALTH, June 22, 2016.

**No. 2202** By Representatives BARBIN, READSHAW, SNYDER, GIBBONS, MUSTIO, KOTIK, MILLARD, CALTAGIRONE, O'BRIEN, GODSHALL, McNEILL and MURT

An Act amending the act of April 14, 1972 (P.L.233, No.64), known as The Controlled Substance, Drug, Device and Cosmetic Act, further providing for drug overdose response immunity.

Referred to Committee on JUDICIARY, June 22, 2016.

**No. 2203** By Representatives MARSHALL, W. KELLER, D. COSTA, JAMES, MILNE, ROZZI and WATSON

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, in operation of vehicles, providing for autonomous and connected vehicles.

Referred to Committee on TRANSPORTATION, June 22, 2016.

**No. 2204** By Representatives METCALFE, DIAMOND, KNOWLES, BLOOM, SAYLOR, McGINNIS, EVANKOVICH and GABLER

An Act amending Title 65 (Public Officers) of the Pennsylvania Consolidated Statutes, in ethics standards and financial disclosure, further providing for statement of financial interests required to be filed.

Referred to Committee on STATE GOVERNMENT, June 22, 2016.

**No. 2207** By Representatives SIMMONS, HENNESSEY, GREINER, DUSH, SONNEY, COHEN, REGAN, PICKETT, MURT, KINSEY, VEREB, CORBIN, MACKENZIE, D. COSTA, LONGIETTI, BAKER, DRISCOLL, WATSON, HICKERNELL, O'NEILL, NELSON, JAMES, READSHAW, GROVE, CONKLIN, MILLARD, KNOWLES, PAYNE, HARHART, WHEELAND, DONATUCCI, MARSICO, MAJOR, SAYLOR, STAATS, HAHN, GILLEN, PHILLIPS-HILL and WHITE

An Act designating a portion of State Route 378 in Lehigh and Northampton Counties as the Charles P. Bednarik Memorial Highway.

Referred to Committee on TRANSPORTATION, June 22, 2016.

**No. 2208** By Representatives SIMMONS, COHEN, BENNINGHOFF, HENNESSEY, DONATUCCI, SCHLOSSBERG, WARD, FREEMAN, VEREB, HEFFLEY, THOMAS, V. BROWN, D. COSTA, WHEELAND, ROTHMAN, MACKENZIE, SONNEY, DUSH, WATSON, RAPP, HAHN, ELLIS, CONKLIN, MARSICO, COX, JOZWIAK, MURT, ROZZI, CAUSER, READSHAW, MAJOR, MILLARD, DiGIROLAMO, PHILLIPS-HILL, A. HARRIS, GOODMAN, GROVE, MAHONEY, PAYNE, BRADFORD, GILLEN and SANKEY

An Act designating a portion of State Route 145 in Salisbury Township, Lehigh County, as the Cpl. Joshua B. Smith Memorial Highway.

Referred to Committee on TRANSPORTATION, June 22, 2016.

**No. 2209** By Representatives TOEPEL, ENGLISH, MILLARD, WARNER, HELM, BOBACK, M. K. KELLER, DRISCOLL, D. COSTA, PICKETT, TALLMAN, MCGINNIS, READSHAW, GOODMAN, O'NEILL, ZIMMERMAN, IRVIN, WATSON, GILLEN, GROVE, MILNE, SCHLEGEL CULVER, HAHN, MURT, MAJOR, PHILLIPS-HILL, CORBIN, GINGRICH, STAATS, CUTLER, SAYLOR, KORTZ, KAUFFMAN, RADER, B. MILLER, JAMES, JOZWIAK, HARPER, OBERLANDER and FEE

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, in other offenses, further providing for commemorative service demonstration activities.

Referred to Committee on JUDICIARY, June 22, 2016.

**LEAVES OF ABSENCE**

The SPEAKER. The majority whip requests leaves of absence for the following members: Representative TOOHL for Luzerne County for the day, Representative VEREB of Montgomery County for the day, Representative KNOWLES of Schuylkill County for the day. Without objection, those will be granted.

The minority whip requests leaves of absence for the following members: Representative COHEN of Philadelphia County for the day, Representative Pete DALEY of Washington County for the day, Representative Jordan HARRIS of Philadelphia County for the day, Representative Stephen KINSEY of Philadelphia County for the day, Representative Thaddeus KIRKLAND of Delaware County for the day, Representative McNEILL of Lehigh County for the day. Without objection, those will be granted.

**MASTER ROLL CALL**

The SPEAKER. We will proceed to move to the master roll. Members, please proceed to vote. Thank you.

The following roll call was recorded:

**PRESENT—193**

Acosta	Evankovich	Lawrence	Readshaw
Adolph	Evans	Lewis	Reed
Artis	Everett	Longietti	Reese
Baker	Fabrizio	Mackenzie	Regan
Barbin	Farina	Maher	Roe
Barrar	Farry	Mahoney	Roebuck
Benninghoff	Fee	Major	Ross
Bizzarro	Flynn	Maloney	Rothman
Bloom	Frankel	Markosek	Rozzi
Boback	Freeman	Marshall	Saccone
Boyle	Gabler	Marsico	Sainato
Bradford	Gainey	Masser	Samuelson
Briggs	Galloway	Matzie	Sankey
Brown, R.	Gergely	McCarter	Santarsiero
Brown, V.	Gibbons	McClinton	Santora
Bullock	Gillen	McGinnis	Savage
Burns	Gillespie	Mentzer	Saylor
Caltagirone	Gingrich	Metcalfe	Schemel

Carroll	Godshall	Metzgar	Schlossberg
Causer	Goodman	Miccarelli	Schreiber
Christiana	Greiner	Millard	Schweyer
Conklin	Grove	Miller, B.	Simmons
Corbin	Hahn	Miller, D.	Sims
Costa, D.	Hanna	Milne	Snyder
Costa, P.	Harhai	Moul	Sonney
Cox	Harhart	Mullery	Staats
Cruz	Harkins	Murt	Stephens
Culver	Harper	Mustio	Sturla
Cutler	Harris, A.	Neilson	Tallman
Daley, M.	Heffley	Nelson	Taylor
Davidson	Helm	Nesbit	Thomas
Davis	Hennessey	Neuman	Tobash
Dawkins	Hickernell	O'Brien	Toepel
Day	Hill	O'Neill	Topper
Dean	Irvin	Oberlander	Truitt
Deasy	James	Ortitay	Vitali
DeLissio	Jozwiak	Parker, D.	Ward
DeLozier	Kampf	Pashinski	Warner
DeLuca	Kaufner	Payne	Watson
Dermody	Kauffman	Peifer	Wentling
Diamond	Kavulich	Petrarca	Wheatley
DiGirolamo	Keller, F.	Petri	Whealand
Donatucci	Keller, M.K.	Pickett	White
Driscoll	Keller, W.	Pyle	Youngblood
Dunbar	Kim	Quigley	Zimmerman
Dush	Klunk	Quinn	
Ellis	Kortz	Rader	Turzai,
Emrick	Kotik	Rapp	Speaker
English	Krueger	Ravenstahl	

**ADDITIONS—0**

**NOT VOTING—0**

**EXCUSED—9**

Cohen	Kinsey	Knowles	Toohil
Daley, P.	Kirkland	McNeill	Vereb
Harris, J.			

**LEAVES ADDED—3**

DeLuca	Marsico	McClinton
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**LEAVES CANCELED—5**

Cohen	Kinsey	Kirkland	Vereb
Harris, J.			

The SPEAKER. One hundred and ninety-three members having voted in the affirmative, there is a quorum present today.

**GUESTS INTRODUCED**

The SPEAKER. Members, we are going to do visitor recognition.

Located to the left of the rostrum, guests of Representative Warren Kampf are here today. We welcome Dick and Tracy Gould and their children, Parker, Maxwell, and Talley. Please stand. Thank you so much for being with us today.

A guest of Representative Tina Pickett, Mara Tate, who is a summer intern with the Pennsylvania Farm Bureau. Mara, please stand.

Located to the left of the rostrum, Representative Cutler has the following guests: Barbara Stokes; her daughter, Jennifer MacNair; and grandchildren, Amy, Audrey, and Adam. Please stand. Thank you so much for being with us today.

Guests of Representative Marguerite Quinn are here today. Located to the left of the rostrum, Marie Paratore and her parents, Nina and Bernardo. Marie is a sophomore at St. Joseph's University and is interning in Representative Marguerite Quinn's district office. Thank you so much for joining us today. Thank you.

Representative Frank Farry has as guests from Langhorne Paul and Mary Ann Shanahan to our left. Paul and Mary Ann Shanahan, step forward, please; come on forward. It is great to have you here today. Thank you so much for being with us.

And on the rostrum, my good friends and special guests, Dr. Mark Provenzano and his son, Andrew, who is going into 11th grade at North Allegheny High School. Thanks so much for being with us today, Mark and Andrew.

Now, members, we have a large group today with us from the American Legion Keystone Girls and Boys State Programs. If all the members of the American Legion Keystone Girls and Boys State Programs could please stand up at this time, we would greatly appreciate it. Thanks for all of you being with us today. Let me tell you, what an outstanding program. In particular, I do have to point out Ryan Brown. Ryan, could you wave your hand in the back there. Ryan has been an intern in my district office and just an outstanding young individual, like all the members of this fine program.

**REMARKS SUBMITTED FOR THE RECORD**

Mr. FARRY submitted the following remarks for the Legislative Journal:

Mr. Speaker, it is my privilege to bring to the attention of the Speaker and the members of the Pennsylvania House of Representatives the name of David Michael Tilli II, who has been awarded Scouting's highest honor – Eagle Scout.

Mr. Speaker, I would like to read to the members of the House of Representatives the following citation of merit honoring David Michael Tilli II.

Whereas, David Michael Tilli II earned the Eagle Award in Scouting. This is the highest award that Boy Scouts can bestow and as such represents great sacrifice and tremendous effort on the part of this young man. David is a member of Troop 117.

Now therefore, Mr. Speaker and the members of the House of Representatives, it is my privilege to congratulate and place in the Legislative Journal the name of David Michael Tilli II.

**UNCONTESTED CALENDAR**

**RESOLUTION PURSUANT TO RULE 35**

Mr. BIZZARRO called up **HR 935, PN 3560**, entitled:

A Resolution designating the month of September 2016 as "Light the Night Walk Month" in Pennsylvania.

On the question,  
Will the House adopt the resolution?

(Members proceeded to vote.)

**LEAVE OF ABSENCE**

The SPEAKER. Representative DeLUCA has requested to be placed on leave of absence for the day. Without objection, that will be granted.

**CONSIDERATION OF HR 935 CONTINUED**

On the question recurring,  
Will the House adopt the resolution?

The following roll call was recorded:

**YEAS—192**

Acosta	Evans	Lewis	Readshaw
Adolph	Everett	Longietti	Reed
Artis	Fabrizio	Mackenzie	Reese
Baker	Farina	Maher	Regan
Barbin	Farry	Mahoney	Roae
Barrar	Fee	Major	Roebuck
Benninghoff	Flynn	Maloney	Ross
Bizzarro	Frankel	Markosek	Rothman
Bloom	Freeman	Marshall	Rozzi
Boback	Gabler	Marsico	Saccone
Boyle	Gainey	Masser	Sainato
Bradford	Galloway	Matzie	Samuelson
Briggs	Gergely	McCarter	Sankey
Brown, R.	Gibbons	McClinton	Santarsiero
Brown, V.	Gillen	McGinnis	Santora
Bullock	Gillespie	Mentzer	Savage
Burns	Gingrich	Metcalfe	Saylor
Caltagirone	Godshall	Metzgar	Schemel
Carroll	Goodman	Miccarelli	Schlossberg
Causer	Greiner	Millard	Schreiber
Christiana	Grove	Miller, B.	Schweyer
Conklin	Hahn	Miller, D.	Simmons
Corbin	Hanna	Milne	Sims
Costa, D.	Harhai	Moul	Snyder
Costa, P.	Harhart	Mullery	Sonney
Cox	Harkins	Murt	Staats
Cruz	Harper	Mustio	Stephens
Culver	Harris, A.	Neilson	Sturla
Cutler	Heffley	Nelson	Tallman
Daley, M.	Helm	Nesbit	Taylor
Davidson	Hennessey	Neuman	Thomas
Davis	Hickernell	O'Brien	Tobash
Dawkins	Hill	O'Neill	Toepel
Day	Irvin	Oberlander	Topper
Dean	James	Ortitay	Truitt
Deasy	Jozwiak	Parker, D.	Vitali
DeLissio	Kampf	Pashinski	Ward
Delozier	Kaufert	Payne	Warner
Dermody	Kauffman	Peifer	Watson
Diamond	Kavulich	Petrarca	Wentling
DiGirolamo	Keller, F.	Petri	Wheatley
Donatucci	Keller, M.K.	Pickett	Wheeland
Driscoll	Keller, W.	Pyle	White
Dunbar	Kim	Quigley	Youngblood
Dush	Klunk	Quinn	Zimmerman
Ellis	Kortz	Rader	
Emrick	Kotik	Rapp	Turzai,
English	Krueger	Ravenstahl	Speaker
Evankovich	Lawrence		

**NAYS—0**

**NOT VOTING—0**

## EXCUSED—10

Cohen	Harris, J.	Knowles	Toohil
Daley, P.	Kinsey	McNeill	Vereb
DeLuca	Kirkland		

The majority having voted in the affirmative, the question was determined in the affirmative and the resolution was adopted.

## UNCONTESTED SUPPLEMENTAL CALENDAR A

## RESOLUTION PURSUANT TO RULE 35

Ms. OBERLANDER called up **HR 946, PN 3590**, entitled:

A Resolution designating June 22, 2016, as "Lineworker Appreciation Day" in Pennsylvania.

On the question,  
Will the House adopt the resolution?

The following roll call was recorded:

## YEAS—192

Acosta	Evans	Lewis	Readshaw
Adolph	Everett	Longietti	Reed
Artis	Fabrizio	Mackenzie	Reese
Baker	Farina	Maher	Regan
Barbin	Farry	Mahoney	Roe
Barrar	Fee	Major	Roebuck
Benninghoff	Flynn	Maloney	Ross
Bizzarro	Frankel	Markosek	Rothman
Bloom	Freeman	Marshall	Rozzi
Boback	Gabler	Marsico	Saccone
Boyle	Gainey	Masser	Sainato
Bradford	Galloway	Matzie	Samuelson
Briggs	Gergely	McCarter	Sankey
Brown, R.	Gibbons	McClinton	Santarsiero
Brown, V.	Gillen	McGinnis	Santora
Bullock	Gillespie	Mentzer	Savage
Burns	Gingrich	Metcalfe	Saylor
Caltagirone	Godshall	Metzgar	Schemel
Carroll	Goodman	Miccarelli	Schlossberg
Causser	Greiner	Millard	Schreiber
Christiana	Grove	Miller, B.	Schweyer
Conklin	Hahn	Miller, D.	Simmons
Corbin	Hanna	Milne	Sims
Costa, D.	Harhai	Moul	Snyder
Costa, P.	Harhart	Mullery	Sonney
Cox	Harkins	Murt	Staats
Cruz	Harper	Mustio	Stephens
Culver	Harris, A.	Neilson	Sturla
Cutler	Heffley	Nelson	Tallman
Daley, M.	Helm	Nesbit	Taylor
Davidson	Hennessey	Neuman	Thomas
Davis	Hickernell	O'Brien	Tobash
Dawkins	Hill	O'Neill	Toepel
Day	Irvin	Oberlander	Topper
Dean	James	Ortitay	Truitt
Deasy	Jozwiak	Parker, D.	Vitali
DeLissio	Kampf	Pashinski	Ward
Delozier	Kaufer	Payne	Warner
Dermody	Kauffman	Peifer	Watson
Diamond	Kavulich	Petrarca	Wentling
DiGirolamo	Keller, F.	Petri	Wheatley
Donatucci	Keller, M.K.	Pickett	Wheeland
Driscoll	Keller, W.	Pyle	White

Dunbar	Kim	Quigley	Youngblood
Dush	Klunk	Quinn	Zimmerman
Ellis	Kortz	Rader	
Emrick	Kotik	Rapp	Turzai,
English	Krueger	Ravenstahl	Speaker
Evankovich	Lawrence		

## NAYS—0

## NOT VOTING—0

## EXCUSED—10

Cohen	Harris, J.	Knowles	Toohil
Daley, P.	Kinsey	McNeill	Vereb
DeLuca	Kirkland		

The majority having voted in the affirmative, the question was determined in the affirmative and the resolution was adopted.

## STATEMENT BY MS. OBERLANDER

The SPEAKER. The Chair recognizes Representative Donna Oberlander on unanimous consent on HR 946.

Members, I would ask everybody to please take their seats. Members, I would ask everybody to please take their seats. Members, please take your seats. I would ask for all conversations at this time to please go to the anterooms off the House floor. Please take your seats. Representative Oberlander, please just suspend until we have everybody seated. Thank you. Members, please take your seats. If we could take the conversations off the floor, please. Thank you.

Representative, the floor is yours.

Ms. OBERLANDER. Thank you, Mr. Speaker.

Mr. Speaker, I thank you for your unanimous support of HR 946, naming "Lineworker Appreciation Day" in Pennsylvania for June 22, 2016.

As in past years, I have mentioned the loss of a member of the Central Electric linemen on June 22, 3 years ago.

And I certainly want to bring to everyone's attention the important work that these folks do. When the power goes out and we are huddled in our homes, they are out there doing the hard work of getting that power back on in very dangerous situations.

So we do honor and thank our linemen, and I want to again thank you for your unanimous support.

Thank you, Mr. Speaker.

The SPEAKER. Thank you, Representative Oberlander.

## CALENDAR

## RESOLUTION PURSUANT TO RULE 35

Ms. KLUNK called up **HR 938, PN 3563**, entitled:

A Resolution recognizing the Pennsylvania American Legion Auxiliary Keystone Girls State Program being held the week of June 19, 2016.

On the question,  
Will the House adopt the resolution?

The following roll call was recorded:

YEAS—192

Acosta	Evans	Lewis	Readshaw
Adolph	Everett	Longiotti	Reed
Artis	Fabrizio	Mackenzie	Reese
Baker	Farina	Maher	Regan
Barbin	Farry	Mahoney	Roac
Barrar	Fee	Major	Roebuck
Benninghoff	Flynn	Maloney	Ross
Bizzarro	Frankel	Markosek	Rothman
Bloom	Freeman	Marshall	Rozzi
Boback	Gabler	Marsico	Saccone
Boyle	Gainey	Masser	Sainato
Bradford	Galloway	Matzie	Samuelson
Briggs	Gergely	McCarter	Sankey
Brown, R.	Gibbons	McClinton	Santarsiero
Brown, V.	Gillen	McGinnis	Santora
Bullock	Gillespie	Mentzer	Savage
Burns	Gingrich	Metcalfe	Saylor
Caltagirone	Godshall	Metzgar	Schemel
Carroll	Goodman	Miccarelli	Schlossberg
Causar	Greiner	Millard	Schreiber
Christiana	Grove	Miller, B.	Schweyer
Conklin	Hahn	Miller, D.	Simmons
Corbin	Hanna	Milne	Sims
Costa, D.	Harhai	Moul	Snyder
Costa, P.	Harhart	Mullery	Sonney
Cox	Harkins	Murt	Staats
Cruz	Harper	Mustio	Stephens
Culver	Harris, A.	Neilson	Sturla
Cutler	Heffley	Nelson	Tallman
Daley, M.	Helm	Nesbit	Taylor
Davidson	Hennessey	Neuman	Thomas
Davis	Hickernell	O'Brien	Tobash
Dawkins	Hill	O'Neill	Toepel
Day	Irvin	Oberlander	Topper
Dean	James	Ortitay	Truitt
Deasy	Jozwiak	Parker, D.	Vitali
DeLissio	Kampf	Pashinski	Ward
Delozier	Kaufer	Payne	Warner
Dermody	Kauffman	Peifer	Watson
Diamond	Kavulich	Petrarca	Wentling
DiGirolamo	Keller, F.	Petri	Wheatley
Donatucci	Keller, M.K.	Pickett	Wheeland
Driscoll	Keller, W.	Pyle	White
Dunbar	Kim	Quigley	Youngblood
Dush	Klunk	Quinn	Zimmerman
Ellis	Kortz	Rader	
Emrick	Kotik	Rapp	Turzai,
English	Krueger	Ravenstahl	Speaker
Evanovich	Lawrence		

NAYS—0

NOT VOTING—0

EXCUSED—10

Cohen	Harris, J.	Knowles	Toohil
Daley, P.	Kinsey	McNeill	Vereb
DeLuca	Kirkland		

The majority having voted in the affirmative, the question was determined in the affirmative and the resolution was adopted.

**RULES AND APPROPRIATIONS  
COMMITTEE MEETINGS**

The SPEAKER. Chairman Adolph is called upon for committee announcements.

Mr. ADOLPH. Thank you very much, Mr. Speaker.

Mr. Speaker, I have two announcements to make for committees.

The Rules Committee will meet immediately in the House Republican Appropriations conference room, and then at 11:45 the House Appropriations Committee will meet in the majority caucus room. Thank you.

The SPEAKER. Thank you.

The Rules Committee will meet immediately in the Republican Appropriations conference room, and at 11:45 the Appropriations Committee will meet in the majority caucus room.

**REPUBLICAN CAUCUS**

The SPEAKER. Sandra Major, majority caucus chair, for an announcement.

Ms. MAJOR. Thank you, Mr. Speaker.

I would like to announce Republicans will caucus today at 1 p.m. I would ask our Republican members to please report to our caucus room at 1. We would be prepared to come back on the floor, Mr. Speaker, at 2 p.m. Thank you.

The SPEAKER. Thank you, Madam Chair.

**DEMOCRATIC CAUCUS**

The SPEAKER. Representative Frankel, for a caucus announcement, the minority caucus chair.

Mr. FRANKEL. Thank you, Mr. Speaker.

Democrats will caucus at 1 o'clock. Democrats will caucus at 1 o'clock.

**HUMAN SERVICES  
COMMITTEE MEETING**

The SPEAKER. Representative Gene DiGirolamo, for a committee announcement, sir.

Mr. DiGIROLAMO. Thank you, Mr. Speaker.

Just a reminder for the members of the Human Services Committee that there will be a public hearing tomorrow, 9 a.m., in room 60, East Wing. We will be discussing HB 1692, which is the involuntary commitment for drug and alcohol treatment. Thank you.

The SPEAKER. The Human Services Committee will have a public hearing tomorrow at 9 a.m. in room 60, East Wing.

Does anybody else wish to be recognized?

**RECESS**

The SPEAKER. The House will stand in recess until 2 p.m. The House will stand in recess until 2 p.m.

**RECESS EXTENDED**

The time of recess was extended until 2:30 p.m.; further extended until 3 p.m.; further extended until 3:30 p.m.

**AFTER RECESS**

The time of recess having expired, the House was called to order.

The SPEAKER. We appreciate everybody coming back to the floor. It is that time of the year.

**BILLS REREPORTED FROM COMMITTEES**

**HB 1698, PN 3532** By Rep. ADOLPH

An Act providing for coverage requirements by an insurance carrier or health insurance plan for abuse-deterrent opioid analgesic drug products.

**APPROPRIATIONS.**

**HB 1699, PN 3587** By Rep. ADOLPH

An Act providing for limitations on the dispensing of opioid drug products in hospital emergency departments and urgent care centers and for duties of the Department of Health; and imposing a penalty.

**APPROPRIATIONS.**

**HB 1774, PN 3588** By Rep. ADOLPH

An Act amending Title 68 (Real and Personal Property) of the Pennsylvania Consolidated Statutes, as follows: in management of the condominium, providing for mediation or alternative dispute resolution in condominiums and for complaints filed with Bureau of Consumer Protection; in protection of purchasers, further providing for effect of violations on rights of action; in management of cooperatives, providing for mediation or alternative dispute resolution in cooperatives and for complaints filed with Bureau of Consumer Protection; in management of planned community, providing for mediation or alternative dispute resolution in planned communities and for complaints filed with Bureau of Consumer Protection; and in protection of purchasers, further providing for effect of violations on rights of action.

**APPROPRIATIONS.**

**HB 1805, PN 3534** By Rep. ADOLPH

An Act amending the act of October 27, 2014 (P.L.2911, No.191), known as the Achieving Better Care by Monitoring All Prescriptions Program (ABC-MAP) Act, providing for licensing boards to require education in pain management, addiction and prescribing and dispensing practices for opioids.

**APPROPRIATIONS.**

**HB 1871, PN 3508** By Rep. REED

A Joint Resolution proposing an amendment to the Constitution of the Commonwealth of Pennsylvania, in taxation and finance, further providing for exemptions and special provisions.

**RULES.**

**HB 2150, PN 3531**

By Rep. REED

An Act providing for fantasy contests; imposing duties upon the Department of Revenue, the Department of Drug and Alcohol Programs and the Pennsylvania Gaming Control Board; and making appropriations.

**RULES.**

**HB 2175, PN 3550**

By Rep. REED

An Act making an appropriation from a restricted revenue account within the General Fund to the Office of Small Business Advocate in the Department of Community and Economic Development.

**RULES.**

**HB 2176, PN 3551**

By Rep. REED

An Act making an appropriation from the State Employees' Retirement Fund to provide for expenses of the State Employees' Retirement Board for the fiscal year July 1, 2016, to June 30, 2017, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2016.

**RULES.**

**HB 2177, PN 3552**

By Rep. REED

An Act making an appropriation from a restricted revenue account within the General Fund to the Office of Consumer Advocate in the Office of Attorney General.

**RULES.**

**HB 2178, PN 3553**

By Rep. REED

An Act making appropriations from the restricted revenue accounts within the State Gaming Fund and from the State Gaming Fund to the Pennsylvania Gaming Control Board, the Department of Revenue, the Pennsylvania State Police and the Attorney General for the fiscal year beginning July 1, 2016, to June 30, 2017, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2016.

**RULES.**

**HB 2179, PN 3554**

By Rep. REED

An Act making appropriations from the Workmen's Compensation Administration Fund to the Department of Labor and Industry and the Department of Community and Economic Development to provide for the expenses of administering the Workers' Compensation Act, The Pennsylvania Occupational Disease Act and the Office of Small Business Advocate for the fiscal year July 1, 2016, to June 30, 2017, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2016.

**RULES.**

**HB 2180, PN 3555**

By Rep. REED

An Act making appropriations from the Philadelphia Taxicab and Limousine Regulatory Fund and the Philadelphia Taxicab Medallion Fund to the Philadelphia Parking Authority for fiscal year July 1, 2016, to June 30, 2017.

**RULES.**

**HB 2182, PN 3557**

By Rep. REED

An Act making an appropriation from the Public School Employees' Retirement Fund to provide for expenses of the Public School Employees' Retirement Board for the fiscal year July 1, 2016, to June 30, 2017, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2016.

RULES.

**HB 2183, PN 3558**

By Rep. REED

An Act making appropriations from the Professional Licensure Augmentation Account and from restricted revenue accounts within the General Fund to the Department of State for use by the Bureau of Professional and Occupational Affairs in support of the professional licensure boards assigned thereto.

RULES.

**HB 2184, PN 3559**

By Rep. REED

An Act making appropriations from a restricted revenue account within the General Fund and from Federal augmentation funds to the Pennsylvania Public Utility Commission for the fiscal year July 1, 2016, to June 30, 2017.

RULES.

**SB 533, PN 1952**

By Rep. ADOLPH

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, in other criminal provisions, further providing for supervisory relationship to offenders.

APPROPRIATIONS.

**SB 1123, PN 1937**

By Rep. ADOLPH

An Act amending Title 3 (Agriculture) of the Pennsylvania Consolidated Statutes, in weights and measures, further providing for standards for automotive fuel.

APPROPRIATIONS.

**SB 1270, PN 1819**

By Rep. ADOLPH

An Act amending the act of July 10, 1990 (P.L.404, No.98), known as the Real Estate Appraisers Certification Act, further providing for powers and duties of the State Board of Certified Real Estate Appraisers, for application and qualifications, for reciprocity and for certification renewal, licensure renewal and records.

APPROPRIATIONS.

**LEAVE OF ABSENCE CANCELED**

The SPEAKER. Representative Mike Vereb is back on the House floor and should be placed on the master roll.

**SUPPLEMENTAL CALENDAR B****BILLS ON SECOND CONSIDERATION**

The House proceeded to second consideration of **HB 2175, PN 3550**, entitled:

An Act making an appropriation from a restricted revenue account within the General Fund to the Office of Small Business Advocate in the Department of Community and Economic Development.

On the question,

Will the House agree to the bill on second consideration?

Bill was agreed to.

\* \* \*

The House proceeded to second consideration of **HB 2176, PN 3551**, entitled:

An Act making an appropriation from the State Employees' Retirement Fund to provide for expenses of the State Employees' Retirement Board for the fiscal year July 1, 2016, to June 30, 2017, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2016.

On the question,

Will the House agree to the bill on second consideration?

Bill was agreed to.

\* \* \*

The House proceeded to second consideration of **HB 2177, PN 3552**, entitled:

An Act making an appropriation from a restricted revenue account within the General Fund to the Office of Consumer Advocate in the Office of Attorney General.

On the question,

Will the House agree to the bill on second consideration?

Bill was agreed to.

\* \* \*

The House proceeded to second consideration of **HB 2178, PN 3553**, entitled:

An Act making appropriations from the restricted revenue accounts within the State Gaming Fund and from the State Gaming Fund to the Pennsylvania Gaming Control Board, the Department of Revenue, the Pennsylvania State Police and the Attorney General for the fiscal year beginning July 1, 2016, to June 30, 2017, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2016.

On the question,

Will the House agree to the bill on second consideration?

Bill was agreed to.

**LEAVE OF ABSENCE**

The SPEAKER. Representative McCLINTON has requested to be placed on leave of absence for the remainder of the day. Without objection, that will be done.

**LEAVES OF ABSENCE CANCELED**

The SPEAKER. Representative Mark Cohen is on the House floor and should be placed back on the master roll.

Representative Jordan Harris is on the House floor and should be placed back on the master roll.



**BILL ON SECOND CONSIDERATION**

The House proceeded to second consideration of **HB 2179, PN 3554**, entitled:

An Act making appropriations from the Workmen's Compensation Administration Fund to the Department of Labor and Industry and the Department of Community and Economic Development to provide for the expenses of administering the Workers' Compensation Act, The Pennsylvania Occupational Disease Act and the Office of Small Business Advocate for the fiscal year July 1, 2016, to June 30, 2017, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2016.

On the question,  
Will the House agree to the bill on second consideration?  
Bill was agreed to.

**LEAVE OF ABSENCE CANCELED**

The SPEAKER. Representative Kinsey is on the House floor and should be placed back on the master roll.

**BILLS ON SECOND CONSIDERATION**

The House proceeded to second consideration of **HB 2182, PN 3557**, entitled:

An Act making an appropriation from the Public School Employees' Retirement Fund to provide for expenses of the Public School Employees' Retirement Board for the fiscal year July 1, 2016, to June 30, 2017, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2016.

On the question,  
Will the House agree to the bill on second consideration?  
Bill was agreed to.

\* \* \*

The House proceeded to second consideration of **HB 2183, PN 3558**, entitled:

An Act making appropriations from the Professional Licensure Augmentation Account and from restricted revenue accounts within the General Fund to the Department of State for use by the Bureau of Professional and Occupational Affairs in support of the professional licensure boards assigned thereto.

On the question,  
Will the House agree to the bill on second consideration?  
Bill was agreed to.

**LEAVE OF ABSENCE CANCELED**

The SPEAKER. Representative Thaddeus Kirkland is on the House floor and should be placed back on the master roll. Without objection, that will be granted.

**BILLS ON SECOND CONSIDERATION**

The House proceeded to second consideration of **HB 2184, PN 3559**, entitled:

An Act making appropriations from a restricted revenue account within the General Fund and from Federal augmentation funds to the Pennsylvania Public Utility Commission for the fiscal year July 1, 2016, to June 30, 2017.

On the question,  
Will the House agree to the bill on second consideration?  
Bill was agreed to.

\* \* \*

The House proceeded to second consideration of **HB 2180, PN 3555**, entitled:

An Act making appropriations from the Philadelphia Taxicab and Limousine Regulatory Fund and the Philadelphia Taxicab Medallion Fund to the Philadelphia Parking Authority for fiscal year July 1, 2016, to June 30, 2017.

On the question,  
Will the House agree to the bill on second consideration?  
Bill was agreed to.

**LEAVE OF ABSENCE**

The SPEAKER. Chairman MARSICO has requested to be placed on leave for the remainder of the day. Without objection, that will be granted.

**BILL ON SECOND CONSIDERATION**

The House proceeded to second consideration of **HB 2150, PN 3531**, entitled:

An Act providing for fantasy contests; imposing duties upon the Department of Revenue, the Department of Drug and Alcohol Programs and the Pennsylvania Gaming Control Board; and making appropriations.

On the question,  
Will the House agree to the bill on second consideration?

Mr. **DUNBAR** offered the following amendment No. **A08621**:

Amend Bill, page 1, lines 1 through 18; page 2, lines 1 through 15; by striking out all of said lines on said pages and inserting Amending Title 4 (Amusements) of the Pennsylvania Consolidated Statutes, providing for fantasy contests; in general provisions, further providing for legislative intent and for definitions; providing for video gaming; in Pennsylvania Gaming Control Board, further providing for general and specific powers, for licensed gaming entity application appeals from board, for board minutes and records, for regulatory authority of board, for slot machine license fee, for reports of board and for diversity goals of board; in licensees, further providing for Category 3 slot machine license, for slot machine license application, for supplier licenses and for manufacturer licenses, providing for nongaming service provider and further providing for slot machine testing and certification standards and for license renewals; in table games, further providing for authorization to conduct table games, for table game tournaments, for other financial transactions, for table game device and associated equipment

testing and certification standards, for table game authorization fee and for local share assessment; providing for interactive gaming, for slot machines at nonprimary locations, for slot machines in qualified airports, for casino simulcasting and for sports wagering; in revenues, further providing for establishment of State Gaming Fund and net slot machine revenue distribution, for Pennsylvania Race Horse Development Fund and for Pennsylvania Gaming Economic Development and Tourism Fund and establishing the Public School Employees' Retirement Contribution Fund; in administration and enforcement, further providing for responsibility and authority of the Department of Revenue and for compulsive and problem gambling program, providing for child endangerment protection, further providing for financial and employment interests, for political influence, for regulation requiring exclusion or ejection of certain persons, for repeat offenders excludable from licensed gaming facility, for list of persons self excluded from gaming activities, for investigations and enforcement and for prohibited acts and penalties; in miscellaneous provisions, further providing for appropriations; making an editorial change; and making a related repeal.

Amend Bill, page 2, lines 18 through 30; pages 3 through 35, lines 1 through 30; page 36, lines 1 through 8; by striking out all of said lines on said pages and inserting

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

PART I

AMUSEMENTS GENERALLY

Chapter

1. Preliminary Provisions (Reserved)

3. Fantasy Contests

CHAPTER 1

PRELIMINARY PROVISIONS

(Reserved)

CHAPTER 3

FANTASY CONTESTS

Subchapter

A. General Provisions

B. Administration

C. Licensure

D. Fiscal Provisions

E. Miscellaneous Provisions

SUBCHAPTER A

GENERAL PROVISIONS

Sec.

301. Scope.

302. Definitions.

§ 301. Scope.

This chapter relates to fantasy contests.

§ 302. Definitions.

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

"Board." The Pennsylvania Gaming Control Board.

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

"Controlling interest." Either of the following:

(1) For a publicly traded domestic or foreign corporation, a controlling interest is an interest in an applicant for a fantasy contest license or a licensed operator if a person's sole voting rights under State law or corporate articles or bylaws entitle the person to elect or appoint one or more of the members of the board of directors or other governing board or the ownership or beneficial holding of 5% or more of the securities of the publicly traded corporation, partnership, limited liability company or other form of publicly traded legal entity, unless this presumption of control or ability to elect is rebutted by clear and

convincing evidence.

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

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

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

"Fantasy contest." An online fantasy or simulated game or contest with an entry fee and a prize or award in which:

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

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

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

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

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

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

"Fantasy contest terminal." A physical, land-based computerized or electronic terminal or similar device that allows participants to:

(1) register for a fantasy contest account;

(2) pay an entry fee;

(3) select an imaginary team;

(4) receive winnings; or

(5) otherwise participate in a fantasy contest.

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

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

"In-State participant." An individual who participates in a fantasy contest conducted by a licensed operator and pays a fee to a licensed operator from a location within this Commonwealth. The term includes an individual who pays an entry fee through a fantasy contest terminal within a licensed facility.

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

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

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

"Licensed facility." As defined in section 1103 (relating to definitions).

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

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

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

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

"Principal." An officer, director, person who directly holds a beneficial interest in or ownership of the securities of an applicant for a fantasy contest license or a licensed operator, person who has a controlling interest in an applicant for a fantasy contest license or a licensed operator or who has the ability to elect a majority of the board of directors of a licensed operator or to otherwise control a licensed operator, lender or other licensed financial institution of an applicant for a fantasy contest license or a licensed operator, other than a bank or lending institution which makes a loan or holds a mortgage or other lien acquired in the ordinary course of business, underwriter of an applicant for a fantasy contest license or a licensed operator or other person or employee of an applicant for a fantasy contest license or a licensed operator deemed to be a principal by the board.

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

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

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

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

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

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

#### SUBCHAPTER B ADMINISTRATION

Sec.

311. General and specific powers of board.

312. Temporary regulations.

313. Fantasy contest license appeals.

314. Board minutes and records.

315. Reports of board.

§ 311. General and specific powers of board.

(a) General powers.—

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

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

(b) Specific powers.—The board shall have the following powers:

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

(2) At the board's discretion, to suspend, condition or deny the issuance or renewal of a license or levy fines for any

violation of this chapter.

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

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

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

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

(7) To administer oaths, examine witnesses and issue subpoenas compelling the attendance of witnesses or the production of documents and records or other evidence or to designate officers or employees to perform duties required by this chapter.

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

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

(10) To require licensed operators to:

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

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

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

(11) In conjunction with the Department of Drug and Alcohol Programs, to develop a process by which licensed operators provide participants with a toll-free telephone number that provides individuals with information on how to access appropriate treatment services for compulsive and problem play.

(12) At the board's discretion, to permit the placement and operation of fantasy contest terminals within licensed facilities and to ensure the integrity of fantasy contest terminals.

(b.1) Licensed entity representative.—

(1) A licensed entity representative shall register with the board, in a manner prescribed by the board. The registration shall include the name, employer or firm, business address and business telephone number of both the licensed entity

representative and any licensed operator, applicant for licensure or other person being represented.

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

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

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

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

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

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

#### § 312. Temporary regulations.

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

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

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

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

#### § 313. Fantasy contest license appeals.

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

#### § 314. Board minutes and records.

(a) Record of proceedings.—The board shall maintain a record of all proceedings held at public meetings of the board. The verbatim transcript of the proceedings shall be the property of the board and shall be prepared by the board upon the request of any board member or upon the request of any other person and the payment by that person of the costs of preparation.

(b) Applicant information.—

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

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

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

(d) Confidentiality of information.—

(1) The following information submitted by an applicant for a fantasy contest license under section 322 (relating to application) or otherwise obtained by the board as part of a

background or other investigation from any source shall be confidential and withheld from public disclosure:

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

(ii) Nonpublic personal information, including home addresses, telephone numbers and other personal contact information, Social Security numbers, educational records, memberships, medical records, tax returns and declarations, actual or proposed compensation, financial account records, creditworthiness or financial condition relating to an applicant.

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

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

(v) Records of an applicant for a fantasy contest license or a licensed operator not required to be filed with the Securities and Exchange Commission by issuers that either have securities registered under section 12 of the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. § 781) or are required to file reports under section 15(d) of the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. § 780)

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

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

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

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

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

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

(e) Notice.—Notice of the contents of any information, except to a duly authorized law enforcement agency under this section, shall be

given to an applicant or licensee in a manner prescribed by the rules and regulations adopted by the board.

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

§ 315. Reports of board.

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

(1) Total fantasy contest adjusted revenues.

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

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

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

SUBCHAPTER C  
LICENSURE

Sec.

321. General prohibition.

322. Application.

323. Issuance and denial of license.

324. License renewal.

325. Conditions of licensure.

326. Prohibitions.

327. Change in ownership or control of licensed operators.

328. Penalties.

§ 321. General prohibition.

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

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

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

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

§ 322. Application.

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

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

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

(3) The names and addresses of key employees.

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

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

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

(7) Any other information required by the board.

(b) Nonrefundable application fee.—Each application submitted under this chapter shall be accompanied by a nonrefundable application fee, which shall be established by the board, and which may not exceed the amount necessary to reimburse the board for all costs incurred by the board for fulfilling the requirements of this section and section 323 (relating to issuance and denial of license) or exceed an amount equal to 5% of the applicant's fantasy contest adjusted revenues for the previous calendar year if the applicant is not a licensed gaming entity.

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

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

§ 323. Issuance and denial of license.

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

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

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

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

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

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

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

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

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

(5) has legally defaulted in the payment of any obligation or debt due to the Commonwealth or is not compliant with taxes due to the department; or

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

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

(d) License fee.—

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

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

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

(e) Abbreviated approval process.—The board, at its discretion, may establish an abbreviated approval process for the issuance of a fantasy contest license to a licensed gaming entity whose slot machine

license and table game certificate are in good standing.

§ 324. License renewal.

(a) Renewal.—

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

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

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

(b) Revocation or failure to renew.—

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

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

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

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

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

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

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

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

(c) Renewal fee.—

(1) Within 30 days of the board renewing a fantasy contest license, the licensed operator shall pay to the board a renewal fee of \$5,000.

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

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

§ 325. Conditions of licensure.

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

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

(2) Verify the age, location and identity of any participant prior to making a deposit into a fantasy contest account for a participant located in this Commonwealth. No

participant under 18 years of age may be permitted to establish a fantasy contest account with a licensed operator.

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

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

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

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

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

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

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

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

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

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

(13) Segregate participant funds from operational funds in separate accounts and maintain a reserve in the form of cash, cash equivalents, security deposits held by banks and processors, an irrevocable letter of credit, payment processor reserves and receivables, a bond or a combination thereof in an amount sufficient to pay all prizes and awards offered to winning participants.

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

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

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

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

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

§ 326. Prohibitions.

No licensed operator may:

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

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

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

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

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

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

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

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

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

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

(11) knowingly permit an employee or relative living in the same household of an employee to become a participant in a fantasy contest offered by any licensed operator in which a licensed operator offers a prize or award;

(12) offer a fantasy contest where:

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

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

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

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

(13) except as permitted under section 342 (relating to licensed gaming entities), offer or make available in this Commonwealth a fantasy contest terminal;

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

(15) knowingly allow a participant to use a script during a fantasy contest; and

(16) perform any other action prohibited by the board.

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

(a) Notification and approval.—

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

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

(ii) The sale other than in the ordinary course of

business of a licensed operator's assets.

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

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

(b) Qualification of purchaser and change of control.—

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

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

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

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

§ 328. Penalties.

(a) Suspension or revocation of license.—

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

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

(b) Administrative penalties.—

(1) In addition to suspension or revocation of a fantasy contest license, the board may impose administrative penalties on a licensed operator for violations of this chapter not to exceed

\$5,000 for each violation.

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

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

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

(c) Civil penalties.—

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

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

#### SUBCHAPTER D FISCAL PROVISIONS

Sec.

331. Fantasy contest tax.

332. Licensed operator deposits.

333. Responsibility and authority of department.

§ 331. Fantasy contest tax.

(a) Imposition.—Each licensed operator shall report to the department and pay from its quarterly fantasy contest adjusted revenues, on a form and in the manner prescribed by the department, a tax of 5% of its quarterly fantasy contest adjusted revenues.

(b) Deposits and distributions.—

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

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

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

(c) Penalty.—

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

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

§ 332. Licensed operator deposits.

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

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

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

(b) Deposits.—

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

(2) The percentage assessed shall not exceed an amount

necessary to:

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

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

(c) Itemized budget reporting.—

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

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

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

(e) Penalty.—

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

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

§ 333. Responsibility and authority of department.

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

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

#### SUPBCHAPTER E MISCELLANEOUS PROVISIONS

Sec.

341. Applicability of other statutes.

342. Licensed gaming entities.

343. Funding.

§ 341. Applicability of other statutes.

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

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

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

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

§ 342. Licensed gaming entities.

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



(b) Applicability.—

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

(2) A fantasy contest terminal shall not be considered a "slot machine" or "table game" under section 1103 (relating to definitions).

(c) Fantasy contest terminals.—

(1) Upon approval of a fantasy contest license application, a licensed gaming entity may place and operate fantasy contest terminals within the licensed gaming entity's licensed facility.

(2) At its discretion, the board may approve the placement and operation of fantasy contest terminals at a location within the licensed facility, provided that fantasy contest terminals shall not be placed on the gaming floor.

(d) Restricted contests.—A licensed gaming entity may offer fantasy contests that are exclusive to participants who are at least 21 years of age.

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

(f) Gaming service providers.—A licensed operator who is not a licensed gaming entity may, at the discretion of the board, be certificated or registered as a gaming service provider under section 1317.2 (relating to gaming service provider) in order to operate fantasy contests subject to the restrictions of subsection (d) on behalf of a licensed gaming entity.

§ 343. Funding.

(a) Appropriation.—The following amounts are appropriated:

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

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

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

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

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

§ 1102. Legislative intent.

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

\* \* \*

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

(12.2) It is also the intent of the General Assembly to

ensure the sustainability and competitiveness of the commercial gaming industry in this Commonwealth by authorizing interactive gaming, the operation of multistate wide-area progressive slot machines, skill and hybrid slot machines and casino simulcasting and the operation of slot machines at nonprimary locations.

\* \* \*

Section 3. The definitions of "associated equipment," "cash equivalent," "cheat," "cheating or thieving device," "commission" or "commissions," "conduct of gaming," "contest," "counterfeit chip," "fully automated electronic gaming table," "gaming employee," "gaming school," "gaming service provider," "key employee," "licensed facility," "manufacturer," "manufacturer license," "player," "progressive payout," "progressive system," "slot machine," "supplier," "supplier license" and "table game device" in section 1103 of Title 4 are amended and the section is amended by adding definitions to read:

§ 1103. Definitions.

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

\* \* \*

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

"Airport gaming area." A location or locations within a qualified airport approved for the conduct of authorized interactive games through the use of multi-use computing devices by eligible passengers as approved by the airport authority or in the case of a qualified airport located in a city of the first class, as approved by the governing body of the city of the first class, and the Pennsylvania Gaming Control Board.

\* \* \*

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

\* \* \*

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

\* \* \*

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

- (1) Chips or tokens.
- (2) Travelers checks.
- (3) Foreign currency and coin.
- (4) Certified checks, cashier's checks and money orders.
- (5) Personal checks or drafts.
- (6) A negotiable instrument applied against credit extended by a certificate holder, an interactive gaming certificate holder, a holder of an interactive gaming license or a financial

institution.

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

"Casino simulcasting." The simultaneous transmission of live thoroughbred or harness horse race meetings from an in-State sending racetrack, out-of-State sending racetrack or a satellite facility, regardless of licensure status or whether the horse race meetings originate within this Commonwealth or any other state or jurisdiction, to a simulcasting facility in this Commonwealth by satellite devices, television cables, telephone lines or any other telecommunications technology for the purposes of conducting pari-mutuel wagering.

"Casino simulcasting permit" or "simulcasting permit." A permit awarded by the board under section 13F12 (relating to casino simulcasting permit) which authorizes a licensed gaming entity to conduct casino simulcasting.

"Casino simulcasting permit holder." A licensed gaming entity that holds a casino simulcasting permit issued by the board in accordance with section 13F12 (relating to casino simulcasting permit).

\* \* \*

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

- (1) The result of a slot machine game [or], table game or authorized interactive game.
- (2) The amount or frequency of payment in a slot machine game [or], table game or authorized interactive game.
- (3) The value of a wagering instrument.
- (4) The value of a wagering credit.

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

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

\* \* \*

["Commission" or "commissions." "Commission." The State Horse Racing Commission [or the State Harness Racing Commission, or both as the context may require.] as defined in section 2801-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

\* \* \*

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

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

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

\* \* \*

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

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

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

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

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

\* \* \*

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

\* \* \*

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

\* \* \*

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

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

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

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

\* \* \*

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

\* \* \*

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

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

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

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

\* \* \*

"Gross interactive gaming revenue." The total of all cash or cash equivalent wagers paid by registered players to an interactive gaming certificate holder in consideration for the play of authorized interactive games, minus:

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

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

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

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

\* \* \*

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

\* \* \*

"In-State sending track." A racetrack within this Commonwealth which is operated by a licensed racing entity and is permitted to conduct casino simulcasting.

\* \* \*

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

(1) A lottery game or Internet instant game as defined in

the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law.

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

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

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

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

"Interactive gaming account agreement." An agreement entered into between an interactive gaming certificate holder or other person on behalf of an interactive gaming certificate holder and an individual which governs the terms and conditions of the individual's interactive gaming account and the use of the Internet for purposes of placing bets or wagers on authorized interactive games operated by an interactive gaming certificate holder or other person on behalf of an interactive gaming certificate holder.

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

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

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

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

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

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

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

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

Board.

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

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

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

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

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

\* \* \*

"Key employee." Any individual who is employed in a director or department head capacity and who is empowered to make discretionary decisions that regulate slot machine or table game operations or interactive gaming operations or casino simulcasting, including the general manager and assistant manager of the licensed facility, director of slot operations, director of table game operations, director of interactive gaming, director of cage and/or credit operations, director of surveillance, director of marketing, director of management information systems, director of interactive gaming system programs or other similar job classifications associated with interactive gaming and casino simulcasting, persons who manage, control or administer interactive gaming and casino simulcasting or the bets and wagers associated with authorized interactive games and casino simulcasting, director of security, comptroller and any employee who is not otherwise designated as a gaming employee and who supervises the operations of these departments or to whom these department directors or department heads report and such other positions not otherwise designated or defined under this part which the Pennsylvania Gaming Control Board shall determine based on detailed analyses of job descriptions as provided in the internal controls of the licensee as approved by the Pennsylvania Gaming Control Board. All other gaming employees unless otherwise designated by the Pennsylvania Gaming Control Board shall be classified as non-key employees.

\* \* \*

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

- (1) area of a licensed racetrack at which a slot machine licensee was previously authorized pursuant to section 1207(17) (relating to regulatory authority of board) to operate slot machines prior to the effective date of this paragraph;
  - (2) board-approved interim facility or temporary facility;
- [and]
- (3) area of a hotel which the Pennsylvania Gaming Control Board determines is suitable to conduct table games[.];
  - (4) area of a licensed facility where casino simulcasting is conducted, as approved by the Pennsylvania Gaming Control

Board; and

(5) for the purposes of Chapter 13D (relating to slot machines at nonprimary locations), the area of a nonprimary location in which a Category 1 slot machine licensee is authorized to place and make slot machines available for play.

The term shall not include a redundancy facility or an interactive gaming restricted area which is not located on the premises of a licensed facility as approved by the Pennsylvania Gaming Control Board and which is maintained and operated by an interactive gaming certificate holder in connection with interactive gaming or by a Category 1 slot machine licensee in connection with the operation of slot machines at a nonprimary location or in connection with casino simulcasting.

\* \* \*

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

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

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

\* \* \*

"Multi-use computing device." As follows:

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

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

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

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

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

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

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

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

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

\* \* \*

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

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

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

\* \* \*

"Nonprimary location permit." The permit issued to a Category 1 slot machine licensee authorizing the placement and operation of slot machines at a nonprimary location in accordance with Chapter 13D (relating to slot machines at nonprimary locations).

"Nonprimary location permit holder." A Category 1 slot machine licensee that has been approved for and issued a permit to place and make slot machines available for play at a nonprimary location in accordance with Chapter 13D (relating to slot machines at nonprimary locations).

\* \* \*

"Out-of-State sending track." An interstate or international racetrack in a state or jurisdiction other than this Commonwealth which is equipped to conduct casino simulcasting and the operator of which is lawfully permitted to conduct horse race meetings and to provide simulcast horse races to slot machine licensees in this Commonwealth.

\* \* \*

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

\* \* \*

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

"Progressive system." A computerized system linking slot machines in one or more licensed facilities within this Commonwealth and offering one or more common progressive payouts based on the amounts wagered. The term shall include the linking of slot machines in a licensed facility in this Commonwealth with a multistate wide-area progressive system operated by gaming entities in one or more states or jurisdictions as approved by the Pennsylvania Gaming Control Board.

\* \* \*

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

\* \* \*

"Race Horse Industry Reform Act." [The act of December 17, 1981 (P.L.435, No.135), known as the Race Horse Industry Reform Act.] Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

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

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

\* \* \*

"Simulcast horse race." A thoroughbred or harness horse race meeting conducted at a racetrack, whether within or outside this Commonwealth, which is simultaneously transmitted by an approved telecommunications technology to racetracks or simulcasting facilities

in this Commonwealth in accordance with regulations of the commission.

"Simulcasting facility." An area of a licensed facility established and maintained by a slot machine licensee for the conduct of casino simulcasting in accordance with Chapter 13F (relating to casino simulcasting), Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, and regulations of the board and the commission.

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

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

"Slot machine." Includes:

(1) Any mechanical, electrical or computerized contrivance, terminal, machine or other device approved by the Pennsylvania Gaming Control Board which, upon insertion of a coin, bill, ticket, token or similar object therein or upon payment of any consideration whatsoever, including the use of any electronic payment system except a credit card or debit card, is available to play or operate, the play or operation of which, whether by reason of skill or application of the element of chance or both, may deliver or entitle the person or persons playing or operating the contrivance, terminal, machine or other device to receive cash, billets, tickets, tokens or electronic credits to be exchanged for cash or to receive merchandise or anything of value whatsoever, whether the payoff is made automatically from the machine or manually. A slot machine:

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

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

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

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

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

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

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

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

\* \* \*

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

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

\* \* \*

"Table game device." Includes gaming tables, cards, dice, chips, shufflers, tiles, dominoes, wheels[, drop boxes] or any mechanical, electrical or computerized contrivance, terminal, machine or other

device, apparatus, equipment or supplies approved by the Pennsylvania Gaming Control Board and used to conduct a table game or that is capable, through the use of digital, electronic or other communications technology, of simulating play of a table game.

\* \* \*

Section 3.1. Title 4 is amended by adding a chapter to read:

CHAPTER 11A  
VIDEO GAMING

Sec.

11A01. Definitions.

11A02. Powers and duties.

11A03. Licensing of manufacturers, terminal operators and service technicians.

11A04. Video gaming license.

11A05. License prohibitions.

11A06. Video gaming limitations.

11A07. Central computer system.

11A08. Video gaming terminal and redemption terminal.

11A09. Unlawful acts.

11A10. Enforcement.

11A11. Multiple types of licenses prohibited.

11A12. Establishment of account and distribution of funds.

11A12.1. Licensed establishment fee refund.

11A13. Initial funding.

11A14. Preemption of local taxes and license fees.

11A15. Exemption from State gaming laws.

11A16. Exemption from Federal regulation.

11A17. Preemption.

11A18. Compulsive and problem gambling.

11A19. Provisional licenses.

11A20. Temporary video gaming regulations.

11A21. City of the First Class Nuisance Bar Enforcement Task Force Account.

§ 11A01. Definitions.

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

"Central computer system." A central site computer system controlled by the department and accessible by the board that at all times is connected to video gaming terminals at licensed establishments and that, at a minimum, is capable of monitoring, communicating, auditing, retrieving information, generating games, activating and disabling each video gaming terminal.

"Coin-operated amusement game." A machine that requires the insertion of a coin, currency or token to play or activate a game, the outcome of which is predominantly and primarily determined by the skill of the player. The term does not include a video gaming terminal.

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

"Enforcement Bureau." The Bureau of Liquor Control Enforcement of the Pennsylvania State Police.

"Gaming machine." A device or game that has the outcome of play primarily determined by chance. The term includes an antique slot machine under 18 Pa.C.S. § 5513(c) (relating to gambling devices, gambling, etc.) when used for profit. The term shall not include any of the following:

(1) A coin-operated amusement game.

(2) A video gaming terminal that has all of its seals or identification plates.

(3) A slot machine as defined under section 1103 (relating to definitions).

(4) A game of chance under the act of December 19, 1988 (P.L.1262, No.156), known as the Local Option Small Games of Chance Act.

(5) A lottery terminal used under the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law.

"Grocery store." A retail establishment, commonly known as a grocery store, supermarket or delicatessen, where food, food products

and supplies are sold for human consumption on or off the premises. The term shall include a restaurant with an interior connection to, and the separate and segregated portion of, any other retail establishment which is dedicated solely to the sale of food, food products and supplies for the table for human consumption on or off the premises.

"Gross revenue." The total of cash or cash equivalents used for the play of a video gaming terminal minus cash or cash equivalent paid players as a result of playing a video gaming terminal.

"Incentive." Any consideration, including a promotion or prize, provided from a licensee under this chapter or an employee of a licensee to a patron of a licensed establishment as an enticement to play a video gaming terminal.

"Inducement." Any consideration paid directly or indirectly, from a terminal operator, employee of the terminal operator or any other person on behalf of the terminal operator, to a licensed establishment owner or an employee of the licensed establishment, directly or indirectly as an enticement to solicit or maintain the licensed establishment owner's business. The term includes cash, a gift, loan and prepayment of gross revenue.

"Licensed establishment." A licensed liquor establishment or a truck stop establishment with a video gaming license granted under § 11A05 (relating to license prohibitions).

"Licensed liquor establishment." A brew pub, club, privately owned public golf course or restaurant as defined or licensed under the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, that operates under a valid liquor or malt or brewed beverage license under Article IV of the Liquor Code. The term shall not include a grocery store or a hotel or restaurant whose place of business is located in a licensed facility as defined in 4 Pa.C.S. § 1103 (relating to definitions). The term shall not include a hotel as defined in section 102 of the Liquor Code that operates under a valid liquor or malt or brewed beverage license under Article IV of the Liquor Code.

"Manufacturer." A person that:

(1) is licensed by the board; and

(2) manufactures, produces or assembles video gaming terminals or major parts and components of video gaming terminals.

"Minor." An individual who is less than 21 years of age.

"Redemption terminal." The collective hardware, software, communications technology and other ancillary equipment used to facilitate the payment of cash or cash equivalent to a player as a result of playing a video gaming terminal.

"Service technician." An individual licensed by the board to service, maintain and repair video gaming terminals.

"State Lottery." The lottery established and operated under the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law.

"Terminal operator." A person that:

(1) is licensed by the board; and

(2) owns, services or maintains video gaming terminals for placement in licensed establishments.

"Truck stop establishment." A premises that is equipped with diesel islands used for fueling commercial motor vehicles, has sold on average 50,000 gallons of diesel or biodiesel fuel each month for the previous 12 months or is projected to sell an average of 50,000 gallons of diesel or biodiesel fuel each month for the next 12 months, has parking spaces dedicated for commercial motor vehicles, has a convenience store and is situated on a parcel of land not less than three acres.

"Video gaming license." A license issued by the board authorizing the placement and operation of video gaming terminals at the licensed establishment specified in the application for licensure.

"Video gaming terminal." A device or terminal:

(1) that, upon insertion of a coin or currency, will play or simulate the play of a video poker, bingo, keno, slot machine, blackjack or any other game authorized by the board;

(2) that utilizes a video display and microprocessor; and

(3) in which, by the skill of the player or by chance, the

player may receive a free game or credit that may be redeemed for cash at a redemption terminal.

§ 11A02. Powers and duties.

(a) General powers.—The board shall regulate and adopt standards for video gaming as authorized under this chapter.

(b) Specific powers.—The board shall have the specific powers and duties:

(1) To authorize acceptable forms of identification that each video game terminal must utilize to establish a person's identity and age prior to play of a video gaming terminal.

(2) To determine the adequacy of a licensed establishment's site plans for identifying the proposed video gaming terminal area and security and surveillance measures related to the operation of video gaming terminals.

§ 11A03. Licensing of manufacturers, terminal operators and service technicians.

(a) Application.—A person that applies to the board for a manufacturer, terminal operator or service technician license related to video gaming under this section shall do so on a form prescribed by the board.

(b) Application fee.—

(1) An applicant for a manufacturer license must pay a nonrefundable application fee of \$50,000.

(2) An applicant for a terminal operator license must pay a nonrefundable application fee of \$10,000.

(3) An applicant for a service technician license must pay a nonrefundable application fee of \$100.

(c) Production of information.—An applicant must produce information, documentation and assurances as required by the board, including:

(1) Written consent by the applicant to provide for the examination of financial and business accounts, bank accounts, tax returns and related records in the applicant's possession or under the applicant's control that establish the financial stability, integrity and responsibility of the license applicant.

(2) Written authorization by the applicant for third parties in possession or control of accounts or records under paragraph (1) to allow for examination of such documents as deemed necessary by the board or the Pennsylvania State Police in conducting background investigations.

(3) If the applicant has conducted a gaming operation in a jurisdiction that permits such activity, a letter of reference from the gaming or casino enforcement or control agency that specifies the experience of the agency with the applicant, the applicant's associates and the applicant's gaming operations. If the applicant is unable to obtain the letter within 60 days of the request, the applicant may submit a copy of the letter requesting the information, together with a statement under oath or affirmation that, during the period activities were conducted, the applicant was in good standing with the appropriate gambling or casino enforcement control agency.

(4) Information, documentation and assurances as required by the board to establish the applicant's good character, honesty and integrity. Information under this paragraph may relate to family, habits, character, reputation, business affairs, financial affairs, business associates, professional associates and personal associates, covering the 10-year period immediately preceding the filing of the application.

(d) Background investigation.—Pennsylvania State Police shall conduct, at the request of the board, a background investigation of an applicant for a manufacturer or terminal operator license as follows:

(1) The applicant shall consent to a background investigation and provide any and all information requested by the Pennsylvania State Police and consent to a release of any and all information necessary for the completion of the background investigation, which information shall include fingerprints.

(2) The background investigation shall include a security, criminal and credit investigation by the Pennsylvania

State Police, which shall include records of criminal arrests and convictions, in any jurisdiction, including Federal criminal history record information. The investigation may utilize information about the applicant compiled by the Pennsylvania Liquor Control Board. The Pennsylvania State Police may share investigation information with the board to the extent permitted by Federal and State law as determined by the Pennsylvania State Police. None of the information obtained by the Pennsylvania State Police may be disclosed publicly nor be subject to disclosure under the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

(3) The background investigation shall include an examination of personal, financial or business records, including tax returns, bank accounts, business accounts, mortgages and contracts to which the applicant is a party or has an interest.

(4) The background investigation shall include an examination of personal or business relationships that:

(i) Include a partial ownership or voting interest in a partnership, association or corporation.

(ii) Bear on the fitness of the applicant for licensure.

(5) The applicant shall reimburse the bureau for the actual costs of conducting the background investigation. The board may not approve an applicant that has not fully reimbursed the Pennsylvania State Police for the investigation.

(e) Eligibility.—To be eligible for a license under this section, an applicant for a manufacturer, terminal operator or service technician license must comply with all of the following:

(1) Be of good moral character and reputation in the community.

(2) Be 18 years of age or older.

(3) Be current in the payment of all taxes, interest and penalties owed to the Commonwealth and political subdivisions of the Commonwealth. This paragraph excludes taxes subject to a timely administrative or judicial appeal or subject to a duly authorized deferred payment plan.

(4) An applicant for a manufacturer or terminal operator license must also demonstrate sufficient financial resources to support the activities required of, respectively, a manufacturer or terminal operator related to video gaming terminals.

(f) Review and approval.—The board shall review the information submitted by the applicant and the investigation information provided by the Pennsylvania State Police. If being satisfied that the requirements of subsection (e) have been met, the board may approve the application and grant the applicant a manufacturer or terminal operator license consistent with all of the following:

(1) The license shall be valid for a period of two years. Nothing in this paragraph shall be construed to relieve the licensee of the affirmative duty to notify the board of any change relating to the status of its license or to any other information contained in application materials on file with the board.

(2) The license shall be nontransferable.

(3) Any other condition established by the board.

(g) Annual fees.—

(1) The annual fee for a terminal operator license shall be \$25,000 for a terminal operator that has placed 50 or fewer video gaming terminals at licensed establishments in this Commonwealth. The annual fee shall be \$30,000 for a terminal operator that has placed more than 50 video gaming terminals at licensed establishments in this Commonwealth.

(1.1) A terminal operator shall pay an additional fee of \$250 per video gaming terminal located at licensed establishments in a city of the first class. The funds collected from this additional fee shall be deposited in the City of the First Class Nuisance Bar Enforcement Task Force Account.

(2) The annual fee for a manufacturer license shall be \$10,000.

(3) The annual fee for a service technician license shall be \$100.

(h) Renewal and late filing fees.—

(1) Sixty days prior to expiration of the license, the licensee seeking renewal of the license shall submit a renewal application accompanied by the annual fee or the license shall be subject to appropriate late filing fees.

(2) If the renewal application satisfies the requirements of subsection (e), the board may renew the license.

(3) If the board receives a complete renewal application but fails to act upon the renewal application prior to the expiration of the license, the license shall continue in effect for an additional six-month period or until acted upon by the board, whichever occurs first.

(4) The board may accept renewal applications filed less than 60 days before the effective date of renewal upon the payment of the requisite annual fees and an additional late filing fee of \$100. A renewal application filed on or after the effective date of renewal shall be accompanied by the requisite annual fee and an additional late filing fee of \$250. A renewal application may not be considered for approval unless accompanied by the requisite annual and late filing fees, tax clearance and any other information required by the board.

(i) Validation of licenses and late filing fees.—

(1) One year after the issuance or renewal of a license, the licensee shall file an application for validation of the license with the requisite annual fees and tax clearance, at least 60 days before the effective date of the validation or the license shall be subject to appropriate late filing fees.

(2) The board may accept a validation application filed less than 60 days before the effective date of renewal upon the payment of the requisite annual fee and an additional late filing fee of \$100. A validation application filed on or after the effective date of validation shall be accompanied by the requisite annual fee and an additional late filing fee of \$250. A validation application may not be considered for approval unless accompanied by the requisite annual and late filing fees, tax clearance and any other information required by the board.

(j) Third-party disclosure.—An applicant must accept any risk of adverse public notice, embarrassment, criticism, damages or financial loss, which may result from disclosure or publication by a third party of material or information requested by the board pursuant to action on an application. The applicant expressly must waive a claim against the board or the Commonwealth and the applicant's employees from damages as a result of disclosure or publication by a third party.

(k) Hearing upon denial.—A person that is denied a license or the renewal of a license under this section has the right to a hearing before the board in accordance with the provisions of 2 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of Commonwealth agencies) and 7 Subch. A (relating to judicial review of Commonwealth agency action).

§ 11A04. Video gaming license.

(a) Application.—A person that applies to the board for a video gaming license under this section shall do so on a form prescribed by the board. The form shall be accompanied by detailed site plans of the proposed video gaming terminal area and a description of the proposed security and surveillance measures for ensuring the integrity of video gaming and preventing underage video gaming within the establishment.

(b) Licensed liquor establishment.—Except as provided in section 11A05 (relating to license prohibitions), the board shall issue a video gaming license to a licensed liquor establishment upon a showing that the establishment's liquor or retail dispenser license is valid and is in good standing with the Pennsylvania Liquor Control Board.

(c) Truck stop establishment.—The board shall issue a license to a truck stop establishment if the person who owns establishment meets the following requirements:

(1) Is of good moral character and reputation in the

community.

(2) Is 18 years of age or older.

(3) Is current in the payment of all taxes, interest and penalties owed to the Commonwealth and political subdivisions of the Commonwealth. This paragraph excludes taxes subject to a timely administrative or judicial appeal or subject to a duly authorized deferred payment plan.

(4) Demonstrates sufficient financial resources to support the activities required of a manufacturer or terminal operator related to video gaming terminals.

(5) Produces information, documentation and assurances as required by the board, including:

(i) Written consent by the applicant to provide for the examination of financial and business accounts, bank accounts, tax returns and related records in the applicant's possession or under the applicant's control that establish the financial stability, integrity and responsibility of the license applicant.

(ii) Written authorization by the applicant for third parties in possession or control of accounts or records under paragraph (1) to allow for examination of such documents as deemed necessary by the board or the Pennsylvania State Police in conducting background investigations.

(iii) If the applicant has conducted a gaming operation in a jurisdiction that permits such activity, a letter of reference from the gaming or casino enforcement or control agency that specifies the experience of the agency with the applicant, the applicant's associates and the applicant's gaming operations. If the applicant is unable to obtain the letter within 60 days of the request, the applicant may submit a copy of the letter requesting the information, together with a statement under oath or affirmation that, during the period activities were conducted, the applicant was in good standing with the appropriate gambling or casino enforcement control agency.

(iv) The applicant must provide information, documentation and assurances as required by the board to establish the applicant's good character, honesty and integrity. Information under this paragraph may relate to family, habits, character, reputation, business affairs, financial affairs, business associates, professional associates and personal associates, covering the 10-year period immediately preceding the filing of the application.

(6) Consent to a background investigation and provide any and all information requested by the Pennsylvania State Police and consent to a release to obtain any and all information necessary for the completion of the background investigation, which information shall include fingerprints. The background investigation shall include the following:

(i) A security, criminal and credit investigation by the Pennsylvania State Police, which shall include records of criminal arrests and convictions, in any jurisdiction, including Federal criminal history record information. The investigation may utilize information about the applicant compiled by the Pennsylvania Liquor Control Board. The Pennsylvania State Police may share investigation information with the board to the extent permitted by Federal and State law as determined by the Pennsylvania State Police. None of the information obtained by the Pennsylvania State Police shall be disclosed publicly nor be subject to disclosure under the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

(ii) An examination of personal, financial or business records, including tax returns, bank accounts,



business accounts, mortgages and contracts to which the applicant is a party or has an interest.

(iii) An examination of personal or business relationships that include a partial ownership or voting interest in a partnership, association or corporation and bear on the fitness of the applicant for licensure.

(iv) The applicant shall reimburse the bureau for the actual costs of conducting the background investigation. The board may not approve an applicant that has not fully reimbursed the Pennsylvania State Police for the investigation.

(d) Application fee.—A licensed establishment shall pay an application fee of \$100.

(d.1) License fee.—Upon approval for a video gaming license, a licensed establishment shall pay a licensing fee equal to \$7,500 per video gaming terminal that will be operated at the licensed establishment. Subject to the limitation contained in section 11A06(a)(1), if a licensed establishment increases the number of video gaming terminals in operation at the licensed establishment's premises after the payment of the licensing fee, the licensed establishment shall pay a licensing fee of \$7,500 for each additional video gaming terminal. The fees under this subsection shall not apply to a licensed establishment that is a volunteer fire company.

(e) Annual fees.—Except for a year in which the licensed establishment pays the fee under subsection (d.1), a licensed establishment shall pay an annual fee of \$1,000 and an annual fee of \$500 per video gaming terminal.

(e.1) Additional annual fee in cities of the first class.—A licensed establishment in a city of the first class shall pay an additional annual fee of \$500 per video gaming terminal. The funds generated from the additional fee shall be deposited in the City of the First Class Nuisance Bar Enforcement Task Force Account.

(f) Review and approval.—The board shall review the information submitted by the applicant and, if the applicant is a truck stop establishment, the investigation information provided by the Pennsylvania State Police. If satisfied that the requirements for a video gaming license have been met, the board shall approve the application and grant the applicant a video gaming license consistent with all of the following:

(1) The license shall be valid for a period of two years. Nothing in this paragraph shall be construed to relieve the licensee of the affirmative duty to notify the board of any change relating to the status of its license or to any other information contained in application materials on file with the board.

(2) The license shall be nontransferable.

(3) Any other condition established by the board.

(g) Renewal and late filing fees.—

(1) Sixty days prior to expiration of the license, the licensee seeking renewal of the license shall submit a renewal application accompanied by the renewal fee or the license shall be subject to appropriate late filing fees.

(2) If the renewal application satisfies the requirements for the video gaming license, the board may renew the license.

(3) If the board receives a complete renewal application but fails to act upon the renewal application prior to the expiration of the license, the license shall continue in effect for an additional six-month period or until acted upon by the board, whichever occurs first.

(4) The board may accept a renewal application filed less than 60 days before the effective date of renewal upon the payment of the requisite license and filing fee and an additional late filing fee of \$100. A renewal application filed on or after the effective date of renewal shall be accompanied by the requisite license and filing fee and an additional late filing fee of \$250. A renewal application may not be considered for approval unless accompanied by the requisite annual and late filing fees, tax clearance and any other information required by the board.

(h) Validation of licenses and late filing fees.—

(1) One year after the issuance or renewal of a license, the licensee shall file an application for validation of the license with the requisite annual fees and tax clearance, at least 60 days before the effective date of the validation or the license shall be subject to appropriate late filing fees.

(2) The board may accept a validation application filed less than 60 days before the effective date of renewal upon the payment of the requisite annual fee and an additional late filing fee of \$100. A validation application filed on or after the effective date of validation shall be accompanied by the requisite annual fee and an additional late filing fee of \$250. A validation application will not be considered for approval unless accompanied by the requisite filing, license and late filing fees, tax clearance and any other information required by the board.

(i) Third-party disclosure.—An applicant must accept any risk of adverse public notice, embarrassment, criticism, damages or financial loss, which may result from disclosure or publication by a third party of material or information requested by the board pursuant to action on an application. The applicant expressly must waive a claim against the board or the Commonwealth and the applicant's employees from damages as a result of disclosure or publication by a third party.

(j) Hearing upon denial.—A person who is denied a license or the renewal of a license under this section has the right to a hearing before the board in accordance with the provisions of 2 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of Commonwealth agencies) and 7 Subch. A (relating to judicial review of Commonwealth agency action).

(k) Prerequisite.—Notwithstanding any other provision of this chapter, the board may not issue a video gaming license to an applicant for a video gaming license until the board has determined the adequacy of the applicant's proposed site plans for identifying the proposed video gaming terminal area and proposed security and surveillance measures relating to the operation of video gaming terminals. § 11A05. License prohibitions.

(a) Felony conviction prohibition.—A person that has been convicted of a felony in any jurisdiction may not be issued a license under this chapter.

(b) Gambling offense prohibition.—A person that has been convicted in any jurisdiction of a gambling offense, including a violation of 18 Pa.C.S. § 5516 (relating to gambling devices, gambling, etc.), unless 15 years have elapsed from the date of conviction for the offense, may not be issued a license under this chapter.

(c) Factors to be considered.—Following the expiration of any prohibition period applicable to an applicant under subsection (b), in determining whether to issue a license, the board shall consider the following factors:

(1) The nature and seriousness of the offense or conduct.

(2) The circumstances under which the offense or conduct occurred.

(3) The age of the applicant when the offense or conduct was committed.

(4) Whether the offense or conduct was an isolated or repeated incident.

(5) Any evidence of rehabilitation, including good conduct in the community, counseling or psychiatric treatment received and the recommendation of persons who have substantial contact with the applicant.

(d) Felony offenses.—For purposes of this section, a felony offense is any of the following:

(1) An offense punishable under the laws of this Commonwealth by imprisonment for more than five years.

(2) An offense which, under the laws of another jurisdiction, is:

(i) classified as a felony; or

(ii) punishable by imprisonment for more than five years.

(3) An offense under the laws of another jurisdiction which, if committed in this Commonwealth, would be subject to

imprisonment for more than five years.

§ 11A06. Video gaming limitations.

(a) General rule.—A licensed establishment shall be subject to the following limitations:

(1) No more than five video gaming terminals may be placed on the premises of the licensed establishment.

(2) With the exception of tickets indicating amounts won, which are redeemable for cash, or which can be reinserted into video gaming machines for play of games authorized by the board, no video gaming terminal may directly dispense a coin, cash, token or anything else of value. The winning ticket may, however, be used in other video gaming terminals in the same licensed establishment.

(3) (i) Video gaming terminals may only be placed in a licensed establishment by a terminal operator pursuant to a written placement agreement with a minimum 60-month term and a maximum 120-month term. The form of the agreement shall be approved by the board and on file and available for inspection at the licensed establishment. A licensed liquor establishment or truck stop establishment, whether or not a licensed establishment, may only sign, or agree to sign, a written agreement with a terminal operator or terminal operator applicant.

(ii) Any person soliciting the execution of a video gaming terminal placement agreement on behalf of an applicant or licensee shall be disclosed to the board.

(iii) No video gaming terminal placement agreement may be transferred or assigned unless the individual or entity making the assignment and the individual or entity receiving the assignment of the video gaming terminal placement agreement are both applicants or licensees under this chapter.

(iv) No payment may be made to an individual or entity for or with respect to the procurement of a video gaming terminal placement agreement to an individual or entity which or whom is not licensed by or disclosed to the board.

(v) If an application for a terminal operator license is denied or withdrawn, the video gaming terminal placement agreement shall be null and void.

(vi) A video gaming terminal placement agreement not in strict compliance with this section is void.

(vii) Any agreement entered into by a licensed liquor establishment or truck stop establishment, prior to the effective date of this section, with any person or entity for the placement, operation, service or maintenance of video gaming terminals, including any agreement granting a person or entity the right to enter into an agreement or match any offer made after the effective date of this section, is void.

(4) (i) No video gaming terminal may be in an area easily accessible to a minor. A floor-to-ceiling wall is not required.

(ii) The entrance to the video gaming area must be secure and easily seen and observed by the employees or management of the licensed establishment.

(iii) The video gaming area must at all times be monitored by an employee of the licensed establishment, who is at least 18 years of age, either directly or through video surveillance.

(5) (i) Except as may be approved by the board, no licensed establishment with a video gaming license may generally advertise gaming to the general public.

(ii) A customer of a licensed establishment may opt in to receive written advertising materials from a licensed establishment.

(6) No licensed establishment or employee of a licensed establishment may offer an incentive to a patron of the licensed establishment related to the play of a video gaming terminal.

(b) Fines.—A person found in violation of any of the limitations in subsection (a) shall be subject to the following fines:

(1) A fine of not less than \$300, nor more than \$500 for the first violation.

(2) For more than one violation or subsequent violations, a fine of not less than \$500, nor more than \$1,000.

(3) The right to suspend and revoke licenses granted under this chapter shall be in addition to the fines enumerated in this subsection.

§ 11A07. Central computer system.

The department shall establish and procure a central computer system capable of monitoring and communicating with each video gaming terminal. The following shall apply:

(1) All video gaming terminals shall be linked to the central computer system under the control of the department and accessible by the board.

(2) The department may utilize the central control computer system employed by the department to monitor slot machine gaming or the State Lottery.

(3) All communications data collected by the central computer system may be provided to the terminal operator.

(4) Interconnection of jackpots, pursuant to a wide area progressive system, shall be allowed.

§ 11A08. Video gaming terminal and redemption terminal.

(a) Specifications.—

(1) The board shall approve one or more video gaming terminals and redemption terminals that include hardware and software specifications. All video gaming terminals and redemption terminals offered for play or use in this Commonwealth shall conform to the approved specifications.

(2) The board may utilize the standards and models approved by other states and may contract for the services of the board's testing laboratory.

(b) Service contracts authorized.—The board may also contract for services of one or more independent outside testing laboratories that have been accredited by a national accreditation body and that, in the judgment of the board, are qualified to perform such examinations and tests.

(c) Contents of specifications.—The specifications shall include:

(1) All video gaming terminals shall have the ability to interact with the central communications system.

(2) Unremovable identification plates shall appear on the exterior of the video gaming terminal containing the name of the manufacturer and the serial and model number of the video gaming terminal.

(3) Rules of play shall be displayed on the video gaming terminal face or screen as promulgated by the board.

(4) A video gaming terminal may not directly dispense coins, cash, tokens or any other article of exchange or value except for tickets. Such tickets shall be dispensed by pressing the ticket dispensing button on the video gaming terminal at the end of one's turn or play. The ticket shall indicate the total amount of the cash award. The player shall be permitted to insert the ticket into another terminal in the same licensed establishment or turn in the ticket for redemption. Redemption shall be made by giving the ticket to the responsible person in charge who is over 18 years of age at the licensed establishment or through the use of an approved redemption machine. A redemption machine is required at the licensed establishment if the establishment has three or more terminals.

(5) The cost of a credit shall be 1¢, 5¢, 10¢ or 25¢ and the maximum wager played per game shall not exceed \$2.50. A game may result in one or more prizes.

(6) No cash award for any individual game may exceed \$1,000.

(7) All video gaming terminals must be designed and manufactured with total accountability to include gross proceeds, net profits, winning percentages and any other information the board requires.

(8) Each video gaming terminal shall pay out a minimum of 85% of the amount wagered.

(9) Each video gaming terminal shall be designed to verify a person's identity and age prior to play of the video gaming terminal. The board shall approve acceptable forms of identification a video gaming terminal may utilize to verify identity and age.

§ 11A09. Unlawful acts.

(a) General rule.—It shall be unlawful for any person to do any of the following:

(1) To operate or attempt to operate a video gaming terminal or to receive or attempt to receive payment from a redemption terminal if the person is under 21 years of age.

(2) To permit a person under 21 years of age to play a video gaming terminal or to provide payment as a result of playing video gaming to a person under 21 years of age.

(3) To permit a visibly intoxicated person to play a video gaming terminal.

(4) To possess a gaming machine.

(5) To install or operate more video gaming terminals in a licensed establishment than permitted by this chapter or the board.

(6) To tamper with the connection of a video gaming terminal to the central communications system.

(7) To sell, distribute, service, own, operate or place on location a video gaming terminal unless the person holds the appropriate license under this chapter and is in compliance with all requirements of this chapter.

(8) As a terminal operator, to give, or offer to give, directly or indirectly, any type of inducement to a licensed liquor establishment or truck stop establishment to secure a video gaming terminal placement agreement.

(9) As a licensed liquor establishment or truck stop establishment, to accept any inducement from a terminal operator or any other third party, directly or indirectly, associated with a terminal operator.

(b) Penalties and fines.—In addition to any other penalty provided by law, the following shall apply:

(1) A person convicted of violating subsection (a)(1) or (3) is guilty of a summary offense. A person convicted of a second or subsequent violation of subsection (a)(1) is guilty of a misdemeanor of the third degree and shall pay a fine of not less than \$5,000.

(2) A person convicted of violating subsection (a)(4) is guilty of a felony of the third degree and shall be subject to additional penalties as provided in subsection (c).

(3) Except for subsection (a)(1), (3) or (4):

(i) A person convicted of violating any other provision of subsection (a) is guilty of a misdemeanor of the third degree and shall pay fine of not less than \$5,000.

(ii) A person convicted of violating any other provision of subsection (a) that is convicted of a second or subsequent violation is guilty of a misdemeanor of the second degree and shall pay a fine of not less than \$15,000.

(c) Seizure, forfeiture and destruction of gaming machines and fines.—

(1) A licensee under this chapter shall consent to seizure of its gaming machines. Gaming machines and the proceeds of gaming machines shall be subject to seizure under sections 1517(e) (relating to investigations and enforcement) and 1518(f) (relating to prohibited acts; penalties).

(2) In the case of a gaming machine seized from a

licensed establishment:

(i) For a first violation, the penalty shall be a fine of at least \$10,000 and not more than \$25,000 and a suspension of the licensed establishment owner's liquor license for not less than seven consecutive days.

(ii) For a second or subsequent violation, the penalty shall be a fine of \$50,000 and a suspension of the liquor license for not less than 60 consecutive days, or a revocation of the establishment's license.

(3) In the case of a gaming machine seized from a place of business other than a licensed establishment:

(i) For a first violation, the penalty shall be a fine of at least \$10,000 and not more than \$25,000 against the owner of the business from which the gaming machine was seized, and a suspension of the licensed establishment owner's liquor license for not less than 30 consecutive days.

(ii) For a second or subsequent violation, the penalty shall be a fine of \$50,000, and a suspension of the liquor license for not less than 60 consecutive days.

(d) Enforcing void agreements.—In addition to any other penalty authorized by law, if any person or entity attempts to enforce an agreement entered into prior to the effective date of this section related to the placement, operation, service or maintenance of video gaming terminals, including any agreement granting a person or entity the right to enter into an agreement or match any offer made after the effective date of this section, the board shall assess an administrative penalty on the applicant and, if applicable, revoke any license issued to the applicant by the board under this chapter.

§ 11A10. Enforcement.

In addition to any other law enforcement agency with jurisdiction, the enforcement bureau shall have the jurisdiction and the authority to enter a business in order to enforce the provisions of this chapter.

§ 11A11. Multiple types of licenses prohibited.

(a) Manufacturer restriction.—A manufacturer may not be licensed as a terminal operator, or own, manage or control a licensed establishment.

(b) Terminal operator restriction.—A terminal operator may not be licensed as a manufacturer and shall be licensed only to contract with licensed establishments. A slot machine licensee may be licensed as a terminal operator.

(c) Licensed establishment restriction.—An owner of a licensed establishment may not be licensed as a manufacturer or terminal operator.

§ 11A12. Establishment of account and distribution of funds.

(a) Video Gaming Account.—The Video Gaming Account is established as a separate account in the State Treasury. Except as otherwise provided in this chapter, fees and fines collected under this chapter and the portion of gross revenue distributable to the Commonwealth under subsection (c)(3) shall be deposited in the Video Gaming Account.

(b) Video operator accounts.—A video operator shall establish and maintain an account in a State depository in this Commonwealth into which the video operator shall deposit gross revenue generated by the play of all video gaming terminals for which the operator has been issued a video operator license. The sums in the video operator account shall be withdrawn weekly by the department and deposited as provided in subsection (a).

(c) Distribution of gross revenue.—The gross revenue from each video gaming terminal shall be distributed in the following manner:

(1) The licensed establishment, 32%.

(2) The terminal operator, 32%.

(3) The Commonwealth, 36%.

(d) Video Gaming Account appropriations.—

(1) Money from the Video Gaming Account shall be appropriated to:

(i) The board for its operations related to the

licensing and regulation of video gaming.

(ii) The department for operation of the central management system.

(iii) The bureau for enforcement of this chapter upon appropriation by the General Assembly.

(iv) The department for refunds under section 11A12.1 (relating to licensed establishment fee refund).

(2) The board, department and bureau shall prepare and annually submit to the chairperson and minority chairperson of the Appropriations Committee of the Senate and the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives, an itemized budget consisting of amounts to be appropriated out of the Video Gaming Account necessary to pay such costs.

(e) Payments to municipalities.—On an annual basis, each municipality that has one or more licensed establishments within the municipality shall be paid \$1,000 per licensed terminal located in the municipality from the Video Gaming Account.

(f) Funding for compulsive gambling programs.—The board shall allocate from the Video Gaming Account \$1,000,000 annually for the purpose of treating compulsive gambling in this Commonwealth.

§ 11A12.1. Licensed establishment fee refund.

(a) General rule.—Beginning July 1, 2017, and each fiscal year thereafter, a licensed establishment may apply to the department, on a form and in a manner as the department requires, for a refund in an amount not to exceed 10% of the licensed establishment's gross revenue for the previous fiscal year.

(b) Limitation.—The total dollar amount of refunds issued by the department to a licensed establishment under this section may not exceed the total of all licensing fees paid by the licensed establishment under section 11A04(d.1) (relating to video gaming license).

§ 11A13. Initial funding.

The sum of \$10,000,000 is hereby appropriated from the General Fund to the board for the purpose of paying costs associated with the licensing and regulation of video gaming and the initial implementation of this chapter and other costs associated with this chapter by the board. The appropriated amount shall be repaid from the Video Gaming Account to the General Fund by June 30, 2017.

§ 11A14. Preemption of local taxes and license fees.

(a) Statutes.—Video gaming terminals shall be exempt from taxes levied under the following:

(1) The act of August 5, 1932 (Sp.Sess., P.L.45, No.45), referred to as the Sterling Act.

(2) The act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act.

(3) 53 Pa.C.S. Pt. III Subpt. E (relating to home rule and optional plan government).

(4) Any statute that confers taxing authority to a political subdivision.

(b) Licensing fees.—

(1) Video gaming terminals are exempt from local licensing fees.

(2) Local licensing fees imposed on all other coin-operated amusement games shall not exceed \$100.

§ 11A15. Exemption from State gaming laws.

Video gaming terminals authorized under this chapter and the use of video gaming terminals as authorized under this chapter are exempt from 18 Pa.C.S. § 5513 (relating to gambling devices, gambling, etc.).

§ 11A16. Exemption from Federal regulation.

The General Assembly declares that the Commonwealth is exempt from section 2 of the Gambling Devices Transportation Act (64 Stat. 1134, 15 U.S.C. § 1172). Shipments of approved video gaming terminals into this Commonwealth in compliance with sections 3 and 4 of the Gambling Devices Transportation Act (15 U.S.C. §§ 1173 and 1174) shall be deemed legal shipments into this Commonwealth.

§ 11A17. Preemption.

This chapter shall preempt all laws of units of local government

to the extent they are inconsistent with this chapter.

§ 11A18. Compulsive and problem gambling.

(a) Establishment of program.—

(1) The Department of Health shall develop program guidelines for public education, awareness and training regarding compulsive and problem gambling and the treatment and prevention of compulsive and problem gambling specifically in the area of video gaming. The program shall supplement and be complimentary to the existing program under section 1509 (relating to compulsive and problem gambling program).

(2) Except as otherwise provided in this subsection, the provisions of section 1509 shall be fully applicable to video gaming. The guidelines shall include strategies for the prevention of compulsive and problem gambling. The Department of Health may consult with the board and licensed gaming entities to develop such strategies.

(3) The program shall include the following, specifically with respect to video gaming:

(i) Maintenance of a compulsive gamblers assistance organization's toll-free problem gambling telephone number to provide crisis counseling and referral services to families experiencing difficulty as a result of problem or compulsive gambling.

(ii) The promotion of public awareness regarding the recognition and prevention of problem or compulsive gambling.

(iii) Facilitation, through in-service training and other means, of the availability of effective assistance programs for problem and compulsive gamblers and family members affected by problem and compulsive gambling.

(iv) Conducting studies to identify adults and juveniles in this Commonwealth who are, or are at risk of becoming, problem or compulsive gamblers.

(v) Providing grants to and contracting with organizations which provide services as provided in this section.

(vi) Providing reimbursement for organizations for reasonable expenses in assisting the Department of Health in carrying out the purposes of this section.

(b) Notice of availability of assistance.—

(1) A licensed establishment shall obtain a toll-free telephone number to be used to provide persons with information on assistance for compulsive or problem gambling. A licensed establishment shall conspicuously post at least two signs containing language similar to the following statement: If you or someone you know has a gambling problem, help is available. Call (toll-free telephone number). The signs shall be posted within 50 feet of each entrance and exit and, within 50 feet of each automated video gaming area within the licensed establishment and in other appropriate public areas of the licensed establishment as determined by the licensed establishment.

(2) A licensed establishment shall have available in its establishment written handout materials in a format prescribed by the Department of Health which contain the same information as the signs referenced in paragraph (1).

(3) A licensed establishment that fails to post or print the warning sign or provide the written materials in accordance with paragraph (1) or (2) shall be assessed a fine of \$1,000 per day for each day the minimum number of signs are not posted as required in this subsection.

(c) Mandatory training.—The board's Office of Compulsive and Problem Gambling shall develop mandatory training for employees and management of a licensed establishment who oversee the video gaming terminal to identify and address compulsory gambling behaviors and provide assistance to problem gamblers. The board shall establish a fee to cover the cost of the training.

§ 11A19. Provisional licenses.

(a) General rule.—The General Assembly has determined that prompt and expedited implementation of video gaming in this Commonwealth is desirable, to the extent that such expedited implementation can be accomplished without compromising the integrity of gaming. The provisional licensing provisions of this section are found to strike the correct balance between assuring that licensees meet the licensing criteria without causing an undue delay in implementation of this chapter.

(b) Provisional licensing of licensed liquor establishments.—

(1) Within 60 days after the effective date of this section, the board shall make applications for a video gaming license as a licensed liquor establishment available to applicants.

(2) The board shall issue a provisional license to an applicant for a video gaming license as a licensed liquor establishment if the applicant satisfies, as determined by the board, all of the following criteria:

(i) The applicant has never been convicted of a felony.

(ii) The applicant is current on all State taxes.

(iii) The applicant has submitted a completed application for licensure as a licensed establishment, which may be submitted concurrently with the applicant's request for a provisional license.

(iv) The applicant held a valid liquor license under Article IV of the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, on the date of application and has never had the liquor license revoked.

(v) The applicant has never been convicted of any gambling law violation in any jurisdiction.

(3) The board shall issue a provisional license to an applicant for a video gaming license as a licensed liquor establishment, within 60 days after the application has been received by the board, provided that the board determines that the criteria contained in paragraph (2) has been satisfied. If the board has determined that the criteria contained in paragraph (2) has not been satisfied, the board shall give a written explanation to the applicant as to why it has determined the criteria has not been satisfied.

(4) A provisional license shall be valid until:

(i) the board either approves or denies the applicant's application for licensure;

(ii) the provisional license is terminated for a violation of this chapter; or

(iii) one calendar year has passed since the provisional license was issued.

If the board fails to act upon the application for a video gaming license as a licensed liquor establishment, within 60 days after the expiration of a provisional license, the applicant may apply for a renewal of the provisional license.

(5) Each applicant shall attest by way of affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure according to the requirements of this section or any other provision of this chapter.

(6) All requests for provisional licensure under this subsection shall include payment of a \$100 fee, which is in addition to the applicable fee required for an application for licensure as a licensed establishment.

(7) If the board fails to act upon a request for provisional licensure within 60 days after receipt of the request, the request shall be deemed approved and the board shall issue the applicant a provisional video gaming license as a licensed liquor establishment.

(b) Provisional licensing of terminal operators.—

(1) Within 60 days after the effective date of this section, the board shall make applications for licensure as terminal operator available to applicants.

(2) The board shall accept applications for licensure as a

terminal operator beginning 14 days after applications become available.

(3) The board shall issue a provisional license to an applicant for licensure as a terminal operator if the applicant satisfies, as determined by the board, all of the following criteria:

(i) The applicant has never been convicted of a felony.

(ii) The applicant is current on all State taxes.

(iii) The applicant has submitted a completed application for licensure as a licensed terminal operator, which may be submitted concurrently with the applicant's request for a provisional license.

(iv) The applicant has never had its terminal operator license or similar gaming license revoked in another jurisdiction.

(v) The applicant has never been convicted of any gambling law violation in any jurisdiction.

(4) The board shall issue a provisional license to an applicant for licensure as a licensed terminal operator, within 60 days after such application has been received by the board, provided that the board determines that the criteria contained in paragraph (3) has been satisfied. If the board has determined that the criteria contained in paragraph (3) has not been satisfied, the board shall give a written explanation to the applicant as to why it has determined the criteria has not been satisfied.

(5) A provisional license shall be valid until:

(i) the board either approves or denies the applicant's application for licensure;

(ii) the provisional license is terminated for a violation of this chapter; or

(iii) one calendar year has passed since the provisional license was issued.

If the board fails to act upon the application for licensure as a terminal operator, within 60 days after the expiration of a provisional license, the applicant may apply for a renewal of the provisional license.

(6) Each applicant shall attest by way of affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure according to the requirements of this subsection or any other provision of this chapter.

(7) All requests for provisional licensure under this subsection shall include payment of a \$5,000 fee, which is in addition to the applicable fee required for an application for licensure as a terminal operator.

(8) The board shall initially issue no fewer than 10 provisional licenses to terminal operator applicants, unless the board receives less than 10 applications for provisional licenses.

(9) If the board fails to act upon a request for provisional licensure within 60 days after receipt of the request, the request shall be deemed approved and the board shall issue the applicant a provisional license as a licensed terminal operator.

(c) Provisional licensing of service technicians.—

(1) Within 60 days after the effective date of this section, the board shall make applications for licensure as a service technician available to applicants.

(2) The board shall issue a provisional license to an applicant for licensure as a service technician if the applicant satisfies, as determined by the board, all of the following criteria:

(i) The applicant has never been convicted of a felony.

(ii) The applicant is current on all State taxes.

(iii) The applicant has submitted a completed application for licensure as a service technician, which may be submitted concurrently with the applicant's request for a provisional license.

(iv) The applicant has never been convicted of any gambling law violation in any jurisdiction.

An individual who has a valid license issued by the

Commonwealth that allows the individual to serve as a service technician in a Pennsylvania casino shall be exempt from the requirements of this section and shall automatically be eligible for a provisional license as a service technician.

(3) The board shall issue a provisional license to an applicant for licensure as a service technician, within 60 days after the application has been received by the board, provided that the board determines that the criteria contained in paragraph (2) has been satisfied. If the board has determined that the criteria contained in paragraph (2) of this subsection has not been satisfied, the board shall give a written explanation to the applicant as to why it has determined the criteria has not been satisfied.

(4) A provisional license shall be valid until:

(i) the board either approves or denies the applicant's application for licensure;

(ii) the provisional license is terminated for a violation of this chapter; or

(iii) one calendar year has passed since the provisional license was issued.

If the board fails to act upon the application for licensure as a service technician, within 60 days after the expiration of a provisional license, the applicant may apply for a renewal of the provisional license.

(5) Each applicant shall attest by way of affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure according to the requirements of this subsection or any other provision of this chapter.

(6) All requests for provisional licensure under this subsection shall include payment of a \$100 fee, which is in addition to the applicable fee required for an application for licensure as a service technician.

(7) If the board fails to act upon a request for provisional licensure within 60 days after receipt of the request, the request shall be deemed approved and the board shall issue the applicant a provisional license as a service technician.

(d) Provisional licensing of manufacturers.—

(1) Within 60 days after the effective date of this section, the board shall make applications for licensure as manufacturers available to applicants.

(2) The board shall issue a provisional license to an applicant for licensure as a licensed manufacturer if the applicant satisfies, as determined by the board, all of the following criteria:

(i) The applicant has never been convicted of a felony.

(ii) The applicant is current on all State taxes.

(iii) The applicant has submitted a completed application for licensure as a manufacturer, which may be submitted concurrently with the applicant's request for a provisional license;

(iv) The applicant has never been convicted of any gambling law violation in any jurisdiction.

(3) The board shall issue a provisional license to an applicant for licensure as a manufacturer, within 60 days after such application has been received by the board, provided that the board determines that the criteria contained in paragraph (2) has been satisfied. If the board has determined that the criteria contained in paragraph (2) has not been satisfied, the board shall give a written explanation to the applicant as to why it has determined the criteria has not been satisfied.

(4) A provisional license shall be valid until:

(i) the board either approves or denies the applicant's application for licensure;

(ii) the provisional license is terminated for a violation of this chapter; or

(iii) one calendar year has passed since the provisional license was issued.

If the board fails to act upon the application for licensure

as a manufacturer, within 60 days after the expiration of a provisional license, the applicant may apply for a renewal of the provisional license.

(5) Each applicant shall attest by way of affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure according to the requirements of this subsection or any other provision of this chapter.

(6) All requests for provisional licensure under this subsection shall include payment of a \$1,000 fee, which is in addition to the applicable fee required for an application for licensure as a manufacturer.

(7) If the board has not acted upon a request for provisional licensure within 60 days after receipt of the request, the request shall be deemed approved and the board shall issue the applicant a provisional license as a licensed manufacturer.

§ 11A20. Temporary video gaming regulations.

(a) General rule.—Regulations promulgated by the board under this chapter shall be deemed temporary regulations which shall expire not later than two years following the publication of the temporary regulation. The board may promulgate temporary regulations not subject to:

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

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

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

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

(c) Temporary regulations.—The board shall begin publishing temporary regulations governing video gaming within 120 days after the effective date of this section.

§ 11A21. City of the First Class Nuisance Bar Enforcement Task Force Account.

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

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

(c) Purpose.—The Pennsylvania State Police, in consultation with the Pennsylvania Liquor Control Board, shall form a Nuisance Bar Enforcement Task Force to operate in a city of the first class. The task force shall consist of law enforcement officers and personnel that are dedicated to liquor code enforcement in a city of the first class.

Section 4. Section 1202(a)(1) and (b)(20) and (23) of Title 4 are amended and subsection (b) is amended by adding paragraphs to read: § 1202. General and specific powers.

(a) General powers.—

(1) The board shall have general and sole regulatory authority over the conduct of gaming [or] and related activities as described in this part. The board shall ensure the integrity of the acquisition and operation of slot machines, table games, table game devices and associated equipment and authorized interactive games and interactive gaming devices and associated equipment and shall have sole regulatory authority over every aspect of the authorization, operation and play of slot machines [and], including the operation of slot machines at nonprimary locations, table games and interactive gaming devices and associated equipment and the implementation and regulation of airport gaming.

\*\*\*

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

\* \* \*

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

(12.3) To award, revoke, suspend, condition or deny a casino simulcasting permit in accordance with Chapter 13F (relating to casino simulcasting).

(12.4) At its discretion, to award, revoke, suspend, condition or deny authorization for the placement and operation of slot machines at a nonprimary location in accordance with Chapter 13D (relating to slot machines at nonprimary locations).

\* \* \*

(20) In addition to the power of the board regarding license and permit applicants, to determine at its discretion the suitability of any person who furnishes or seeks to furnish to a slot machine licensee directly or indirectly any goods, services or property related to slot machines, table games, table game devices or associated equipment, interactive games and interactive gaming devices and associated equipment or casino simulcasting technology and equipment or through any arrangements under which that person receives payment based directly or indirectly on earnings, profits or receipts from the slot machines, table games, table game devices and associated equipment, interactive games, interactive gaming devices and associated equipment or casino simulcasting technology and equipment. The board may require any such person to comply with the requirements of this part and the regulations of the board and may prohibit the person from furnishing the goods, services or property except that, in determining the suitability of a person who furnishes or seeks to furnish casino simulcasting technology and equipment, the board shall consult the commission.

\* \* \*

(23) The board shall not approve an application for or issue or renew a license, certificate, registration or permit unless it is satisfied that the applicant has demonstrated by clear and convincing evidence that the applicant is a person of good character, honesty and integrity and is a person whose prior activities, criminal record, if any, reputation, habits and associations do not pose a threat to the public interest or the effective regulation and control of slot machine [or], including the operation of slot machines at nonprimary locations and qualified airports, table game operations or interactive gaming operations or casino simulcasting, or create or enhance the danger of unsuitable, unfair or illegal practices, methods and activities in the conduct of slot machine or table game operations, interactive gaming operations, casino simulcasting or the carrying on of the business and financial arrangements incidental thereto.

\* \* \*

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

\* \* \*

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

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

(i) the name of any person, entity or firm to whom any payment, remuneration or other benefit or thing of value has been made or conferred for

professional services, including, but not limited to, interactive gaming system operations or management, legal, consulting and lobbying services;

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

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

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

(37) To review and approve detailed site and architectural plans identifying the area of a licensed facility where a slot machine licensee proposes to manage, control and administer casino simulcasting in order to determine the adequacy of proposed internal and external controls, security and surveillance measures.

(38) To review and approve detailed site and architectural plans identifying the area of a nonprimary location where a Category 1 slot machine licensee proposes to place and make slot machines available for play in accordance with Chapter 13D in order to determine the adequacy of proposed internal and external controls, security and proposed surveillance measures.

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

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

§ 1204. Licensed gaming entity application appeals from board.

The Supreme Court of Pennsylvania shall be vested with exclusive appellate jurisdiction to consider appeals of any final order, determination or decision of the board involving the approval, issuance, denial or conditioning of a slot machine license [or], the award, denial or conditioning of a table game operation certificate [.] or the award, denial or conditioning of an interactive gaming certificate, an interactive gaming license, a casino simulcasting permit, a nonprimary location permit or an airport gaming operation certificate. Notwithstanding the provisions of 2 Pa.C.S. Ch. 7 Subch. A (relating to judicial review of Commonwealth agency action) and 42 Pa.C.S. § 763 (relating to direct appeals from government agencies), the Supreme Court shall affirm all final orders, determinations or decisions of the board involving the approval, issuance, denial or conditioning of a slot machine license [or], the award, denial or conditioning of a table game operation certificate or the award, denial or conditioning of an interactive gaming certificate, an interactive gaming license, a casino simulcasting permit, a nonprimary location permit or an airport gaming operation certificate, unless it shall find that the board committed an error of law or that the order, determination or decision of the board was arbitrary and there was a capricious disregard of the evidence.

§ 1206. Board minutes and records.

\* \* \*

(f) Confidentiality of information.—

(1) The following information submitted by an applicant, permittee, certificate holder or licensee pursuant to section 1310(a) (relating to slot machine license application character requirements) [or], 1308(a.1) (relating to applications for license or permit), 13B12 (relating to interactive gaming certificate required and content of petition), 13B14 (relating to interactive gaming operators), 13D11 (relating to application for nonprimary location permit), 13E12 (relating to application) or 13F12 (relating to casino simulcasting permit) or obtained by the board or the bureau as part of a background or other investigation from any source shall be confidential and withheld from public disclosure:

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

(ii) Nonpublic personal information, including home addresses, telephone numbers and other personal contact information, Social Security numbers, educational records, memberships, medical records, tax returns and declarations, actual or proposed compensation, financial account records, creditworthiness or financial condition relating to an applicant, licensee [or], permittee, including the holder of an interactive gaming certificate, interactive gaming license, casino simulcasting permit, nonprimary location permit or airport gaming operation certificate or the immediate family thereof.

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

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

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

(vi) Records of an applicant or licensee not required to be filed with the Securities and Exchange Commission by issuers that either have securities registered under section 12 of the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. § 781) or are required to file reports under section 15(d) of the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. § 780).

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

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

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

§ 1207. Regulatory authority of board.

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

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

license [or], permit, certificate, registration or other authorizations.

\*\*\*

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

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

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

(6) Prescribe criteria and conditions for the operation of slot machine progressive systems, including multistate wide-area progressive slot machine systems. A wide area progressive slot system shall be collectively administered by participating slot machine licensees in accordance with the terms of a written agreement executed by each participating slot machine licensee and, in the case of a multistate wide-area progressive slot machine system, in accordance with the terms of an agreement executed by the slot machine licensee and authorized gaming entities in other states or jurisdictions, as approved by the board.

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

\*\*\*

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

(7.3) In consultation with the commission, enforce prescribed hours of operation of casino simulcasting by slot machine licensees and the operation of slot machines at a nonprimary location by a Category 1 slot machine licensee.

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

(9) Establish procedures for the inspection and certification of compliance of each slot machine, table game, table game device and associated equipment, interactive game and interactive gaming device and associated equipment and casino simulcasting technology and equipment prior to being placed into use by a slot machine licensee. However, the board shall collaborate with the commission to facilitate the inspection and certification of casino simulcasting technology and equipment.

(10) Require that no slot machine or authorized interactive game that replicates the play of a slot machine may be set to pay out less than the theoretical payout percentage, which shall be no less than 85%, as specifically approved by the board. The board shall adopt regulations that define the theoretical payout percentage of a slot machine game based on the total value of the jackpots expected to be paid by a play or a slot machine game divided by the total value of slot machine wagers expected to be made on that play or slot machine game during



the same portion of the game cycle. In so doing, the board shall decide whether the calculation shall include the entire cycle of a slot machine game or any portion thereof. Except that, in the case of skill slot machines and hybrid slot machines, the board shall adopt regulations to define the player's win percentage based on the relative skill of the player or the combination of skill and the elements of chance of the game. In the case of multistate wide-area progressive slot machine system, the theoretical payout percentage or a player's win percentage shall be as set forth in the agreement, as approved by the board.

\* \* \*

(21) Authorize, in its discretion, a slot machine licensee to conduct slot machine contests or tournaments, table game tournaments or contests in accordance with section 13A22.1 (relating to table game tournaments) or interactive gaming contests or tournaments and adopt regulations governing the conduct of such tournaments and contests.

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

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

(22) License, regulate, investigate and take any other action determined necessary regarding all aspects of interactive gaming, casino simulcasting and the operation of slot machines at nonprimary locations and qualified airports.

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

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

(25) Ensure, in consultation with the commission, that the wagering at casino simulcasting facilities is conducted in conformance with the pari-mutuel system of wagering regulated by the commission pursuant to Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

(26) Negotiate and enter into interactive gaming reciprocal agreements on behalf of the Commonwealth to govern the conduct of interactive gaming between interactive gaming certificate holders in this Commonwealth and gaming entities of other states or jurisdictions. Notwithstanding any provision of this part, wagers may be accepted in accordance with this part and regulations of the board from persons in other states or jurisdictions if the board determines that such wagering is not inconsistent with Federal law or the law of the state or jurisdiction, including a foreign jurisdiction, in which the person is located, or such wagering is conducted pursuant to an interactive gaming reciprocal agreement to which this Commonwealth is a party that is not inconsistent with Federal law. The board, with the approval of the Governor, is hereby designated as the agency of the Commonwealth with the sole power and authority to enter into interactive gaming reciprocal agreements with other states or jurisdictions.

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

(28) Authorize a Category 2 or Category 3 slot machine licensee to enter into an agreement with a Category 1 slot machine licensee for the conduct of casino simulcasting under the Category 1 slot machine licensee's authority as a licensed racing entity, if such agreement is approved by the board and by the commission, pursuant to the commission's authority under Article XXVIII-D of The Administrative Code of 1929.

(29) Adopt, in consultation with the commission, regulations to govern the conduct of casino simulcasting by a Category 2 or Category 3 slot machine licensee in accordance with paragraph (28).

(30) Adopt and promulgate regulations to govern the installation of video display technology in approved areas of a Category 1 licensed facility to enable the delivery of simulcast horse race meetings to patrons through video walls and other such video display technology. The board may consult with the commission to facilitate the installation of video display monitors in accordance with this paragraph and to facilitate the conduct of casino simulcasting under paragraph (28).

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

§ 1209. Slot machine license fee.

\* \* \*

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

\* \* \*

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

§ 1211. Reports of board.

\* \* \*

(a.4) Interactive gaming reporting requirements.—

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

(i) Total gross interactive gaming revenue.

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

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

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

\* \* \*

(d.1) Impact of interactive gaming, annual report.—One year after the issuance of the first interactive gaming certificate, an annual report shall be prepared and distributed to the Governor and the standing committees of the General Assembly with jurisdiction over this part on the impact of interactive gaming on compulsive and problem gambling and gambling addiction in this Commonwealth. The report shall be prepared by a private organization or entity with expertise in serving and treating the needs of persons with compulsive gambling addictions, which organization or entity shall be selected by the Department of Drug and Alcohol Programs. The report may be prepared and distributed in coordination with the board. Any costs associated with

the preparation and distribution of the report shall be borne by slot machine licensees who have been authorized by the board to conduct interactive gaming. The board shall be authorized to assess a fee against each slot machine licensee for these purposes.

(d.2) Additional information and annual reporting.—

(1) One year after the commencement of casino simulcasting in accordance with Chapter 13F (relating to casino simulcasting), the operation of skill slot machines, hybrid slot machines, the operation of slot machines at nonprimary locations in accordance with Chapter 13D (relating to slot machines at nonprimary locations) and the operation of a multistate wide-area slot machine system, the report required under subsection (a) shall include information related to the following:

(i) The conduct of casino simulcasting.

(ii) The operation of skill slot machines and hybrid slot machines.

(iii) The operation of a multistate wide-area progressive slot machine system.

(iv) The operation of slot machines at nonprimary locations.

(2) Information on revenue, taxes, fees and fines, if any, collected during the preceding calendar year and any other information, data or recommendations related to the conduct of casino simulcasting, the operation of multistate wide-area progressive slot machines, skill slot machines and hybrid slot machines and the operation of slot machines at nonprimary locations as determined by the board, in consultation with the commission, to be necessary under this part shall be included in the report.

(d.3) Annual report.—In addition to its duties under subsection (d), the board shall have the continuing duty to study and annually report to the chairperson and minority chairperson of the Community, Economic and Recreational Development Committee of the Senate and to the chairperson and minority chairperson of the Gaming Oversight Committee of the House of Representatives on developments in gaming technology and the impact, if any, new technologies are having or will have on the sustainability and competitiveness of the commercial gaming industry in this Commonwealth. The report shall specifically address the following:

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

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

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

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

(d.4) Time of submission and reports.—Notwithstanding any provision of this part, all reports and studies required to be submitted under subsections (d.1), (d.2) and (d.3) after the effective date of this subsection shall be submitted initially by October 1, 2017, and by October 1 of each year thereafter.

\* \* \*

Section 9. Section 1212(e) of Title 4 is amended by adding paragraphs to read:

§ 1212. Diversity goals of board.

\* \* \*

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

\* \* \*

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

(10) Technology related to casino simulcasting.

Section 10. Section 1305 of Title 4 is amended to read:

§ 1305. Category 3 slot machine license.

(a) Eligibility.—

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

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

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

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

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

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

(i) The duration of the membership.

(ii) The amenity covered by the membership.

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

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

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

(b) Location.—The following shall apply:

(1) [Except as provided in paragraph (1.1), no] No Category 3 license shall be located by the board within 15 linear miles of another licensed facility.

(1.1) A Category 3 license established on or after [July

20, 2017] January 1, 2016, shall [not be located by the board within 30 linear miles of another licensed facility.] only be located in a county that:

(i) does not contain a licensed facility; and

(ii) does not share a geographic border at any point with a county where a licensed facility, regardless of category, is located or may be located.

(2) Within five days of approving a license for an applicant with a proposed licensed facility consisting of land designated a subzone, an expansion subzone or an improvement subzone under the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act for a slot machine license under this section, the board shall notify the Department of Community and Economic Development. The notice shall include a description of the land of the proposed licensed facility which is designated a subzone, an expansion subzone or an improvement subzone. Within five days of receiving the notice required by this paragraph, the Secretary of Community and Economic Development shall decertify the land of the proposed license facility as being a subzone, an expansion subzone or an improvement subzone. Upon decertification in accordance with this paragraph and notwithstanding Chapter 3 of the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act, a political subdivision may amend the ordinance, resolution or other required action which granted the exemptions, deductions, abatements or credits required by the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act to repeal the exemptions, deductions, abatements or credits for the land decertified.

(c) Number of slot machines.—Notwithstanding the number of permissible slot machines as set forth in section 1210 (relating to number of slot machines), a Category 3 license granted under the provisions of this section shall entitle the licensed entity to operate no more than 500 slot machines at the licensed facility, provided, however, a Category 3 slot machine licensee holding a table game operation certificate shall be entitled to operate no more than 600 slot machines at its licensed facility.

(c.1) Additional slot machines.—Upon submission of a petition to the board, in such form and manner as the board may require, the board may authorize the Category 3 slot machine licensee to increase the number of slot machines at its licensed facility. An increase in the number of slot machines by a Category 3 slot machine licensee pursuant to this subsection may not, at the discretion of the board, exceed 250 additional slot machines, which shall be in addition to the number of permissible slot machines authorized under subsection (c).

(c.2) Increase in number.—Upon submission of a petition to the board in such form and manner as the board may require, the board may authorize the Category 3 slot machine licensee to increase the number of slot machines at its licensed facility for the conduct of a slot machine tournament or contest. An increase in the number of slot machines by a Category 3 slot machine licensee under this subsection may not, at the discretion of the board, exceed 75 additional slot machines, which shall be in addition to the number of permissible slot machines authorized under subsections (c) and (c.1).

(d) Category 3 license fee.—The board shall impose a one-time Category 3 license fee to be paid by each successful applicant in the amount of \$5,000,000 to be deposited in the State Gaming Fund. The provisions of section 1209(b), (c), (d) and (e) shall apply to a Category 3 licensee[.], except that the holder of a Category 3 slot machine license approved and issued by the board on or after January 1, 2016, shall pay a fee of \$8,500,000 for deposit in the General Fund.

(d.1) Additional fee.—Notwithstanding subsection (d), no later than 60 days after the effective date of subsection (a), each holder of an existing Category 3 slot machine license issued by the board before January 1, 2016, shall pay a one-time fee of \$1,000,000 for deposit in the General Fund.

(d.2) Fee for additional slot machines.—Notwithstanding subsection (d), no later than 60 days after the board approves a request for an increase in the number of slot machines submitted by a Category 3 slot machine licensee in accordance with subsection (c.1), the Category 3 slot machine licensee shall pay a one-time fee of \$2,500,000 for deposit into the General Fund.

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

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

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

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

§ 1309. Slot machine license application.

\*\*\*

(a.1) Table games and interactive gaming information.—

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(3) Notwithstanding paragraph (2), the board may permit an applicant for a slot machine license that has an application pending before the board to supplement its application with all information required under Chapters 13B (relating to interactive gaming) and 13D (relating to slot machines at nonprimary locations) and to request that the board consider its application for a slot machine license, a table game operation certificate, an interactive gaming certificate or a nonprimary location permit concurrently. All fees for an interactive gaming certificate and a nonprimary location permit shall be paid by the applicant in accordance with the requirements of this part.

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

§ 1317. Supplier licenses.

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

\*\*\*

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

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

(2) The license shall be nontransferable.

(3) Any other condition established by the board.

\* \* \*

(c.2) Abbreviated process for supplier.—

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

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

\* \* \*

§ 1317.1. Manufacturer licenses.

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

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

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

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

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

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

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

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

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

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

(2) The license shall be nontransferable.

(3) Any other condition established by the board.

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

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

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

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

(c.2) Abbreviated process for manufacturer.—

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

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

\* \* \*

(d.1) Authority.—The following shall apply to a licensed manufacturer:

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

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

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

(4) A manufacturer may contract with a supplier under section 1317 to provide slot machines used in a multistate wide-area progressive system, skill or hybrid slot machines or

associated equipment, interactive gaming devices or associated equipment to a slot machine licensee, provided that the manufacturer is licensed to manufacture slot machines used in a multistate wide-area progressive slot machine system, skill or hybrid slot machines or associated equipment or interactive gaming devices or associated equipment used in connection with interactive games.

(e) Prohibitions.—

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

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

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

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

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

§ 1317.3. Nongaming service provider.

(a) Notification required.—

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

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

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

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

(b) Contents of notification.—Notification under this section shall include:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(f) (Reserved).

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

(h) Emergency notification.—

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

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

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

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

(i) Nongaming service provider list.—

(1) The board shall have the authority to prohibit a

nongaming service provider from engaging in business with a slot machine licensee upon a finding by the board that the prohibition is necessary to protect the public interest and the integrity of gaming.

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

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

(j) Duties of nongaming service provider.—A nongaming service provider shall:

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

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

(3) Report any change in circumstances to the slot machine licensee or applicant for a slot machine license that may render the nongaming service provider ineligible, unqualified or unsuitable for the provision of goods or services at a licensed facility or use in the operation of a licensed facility. The slot machine licensee shall report any such change in circumstances to the board in such form and manner as the board may establish.

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

Section 14. Section 1320(a) of Title 4 is amended and the section is amended by adding a subsection to read:  
§ 1320. Slot machine testing and certification standards.

(a) Use of other state standards.—[Until such time as the board establishes an independent testing and certification facility pursuant to subsection (b), the] The board may determine, at its discretion, whether the slot machine testing and certification standards of another jurisdiction within the United States in which an applicant for a manufacturer license is licensed are comprehensive and thorough and provide similar adequate safeguards as those required by this part. If the board makes that determination, it may permit a manufacturer through a licensed supplier as provided in section 1317 (relating to supplier [and manufacturer licenses application] licenses) to deploy those slot machines which have met the slot machine testing and certification standards in such other jurisdictions without undergoing the full testing and certification process by a board-established independent facility. In the event slot machines of an applicant for a manufacturer license are licensed in such other jurisdiction, the board may determine to use an abbreviated process requiring only that information determined by the board to be necessary to consider the issuance of a slot machine certification to such an applicant. [Alternatively, the board in its discretion may also rely upon the certification of a slot machine that has met the testing and certification standards of a board-approved private testing and certification facility until such time as the board establishes an independent testing and certification facility pursuant to subsection (b). Nothing in this section shall be construed to waive any fees associated with obtaining a license through the normal application process.]

\* \* \*

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

(1) Provide for the registration of private testing and

certification facilities. Persons seeking registration under this subsection shall be subject to section 1202(b)(9) (relating to specific powers).

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

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

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

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

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

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

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

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

\* \* \*

Section 15. Sections 1326, 13A11(b), 13A22.1(c) and 13A27(c) of Title 4 are amended to read:

§ 1326. [License renewals] Renewals.

(a) Renewal.—All permits [and], licenses, registrations or certificates issued under this part unless otherwise provided shall be subject to renewal every [three] five years. Nothing in this subsection shall relieve a licensee of the affirmative duty to notify the board of any changes relating to the status of its license, permit, certificate or registration or to any other information contained in the application materials on file with the board. The application for renewal shall be submitted at least [60] 180 days prior to the expiration of the permit [or], license, registration or certificate and shall include an update of the information contained in the initial and any prior renewal applications and the payment of any renewal fee required by this part. Unless otherwise specifically provided in this part, the amount of any renewal fee shall be calculated by the board to reflect the longer renewal period. A permit [or], license, registration or certificate for which a completed renewal application and fee, if required, has been received by the board will continue in effect unless and until the board sends written notification to the holder of the permit [or], license, registration or certificate that the board has denied the renewal of such permit [or], license, registration or certificate.

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

## § 13A11. Authorization to conduct table games.

\* \* \*

## (b) Number of authorized gaming tables.—

(1) A Category 1 and Category 2 slot machine licensee awarded a table game operation certificate may operate up to 250 gaming tables at any one time at its licensed facility. No more than 30% of these gaming tables may be used to play nonbanking games at any one time. Six months following the date of commencement of table game operations, the board may permit a Category 1 or Category 2 certificate holder to increase the number of gaming tables above the number authorized under this paragraph. The certificate holder shall petition the board for the increase at its licensed facility. The board, in considering the petition, shall take into account the appropriateness of the physical space where the gaming tables will be located and the convenience of the public attending the facility. The board may also take into account the potential benefit to the Commonwealth.

(2) A Category 3 slot machine licensee awarded a table game operation certificate may operate up to 50 gaming tables at any one time at its licensed facility. [No more than 30% of these gaming tables may be used to play nonbanking games at any one time.]

(2.1) A Category 3 slot machine licensee awarded a table game operation certificate may petition the board for additional table games at its licensed facility. The board may authorize up to 15 additional gaming tables. The additional tables shall be used to play nonbanking games. The board, in considering the petition, shall take into account the appropriateness of the physical space where the gaming tables will be located and the convenience of the public attending the facility. The board may also take into account the potential benefit to the Commonwealth.

(3) Nonbanking gaming tables shall seat a maximum of ten players.

## § 13A22.1. Table game tournaments.

\* \* \*

## (c) Exemptions and additional tables.—The following shall apply:

(1) For a Category 1 or Category 2 licensed facility, gaming tables used in tournaments shall be exempt from section 13A11 (b)(1) (relating to authorization to conduct table games) and shall not be used in any calculation of the total number of gaming tables authorized in the table game authorization certificate.

(2) For a Category 3 licensed facility, the executive director may authorize the licensed facility to operate up to 15 additional gaming tables for use in tournaments. [The executive director may grant the use of the additional gaming tables for tournaments authorized under this paragraph only one day per month.] Additional gaming tables for use in tournaments shall be exempt from section 13A11(b)(2) (relating to authorization to conduct table games) and shall not be used in any calculation of the total number of gaming tables authorized in the table game authorization certificate. The executive director may grant the use of additional gaming tables on the dates and times listed in the proposed schedule of tournaments submitted by the Category 3 slot machine licensee in accordance with subsection (b).

\* \* \*

## § 13A27. Other financial transactions.

\* \* \*

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

(1) The identity, creditworthiness and indebtedness information of the applicant by conducting a comprehensive review of the information submitted with the application and any information regarding the applicant's credit activity at other licensed facilities which the certificate holder may obtain through a casino credit bureau and, if appropriate, through direct contact

with other slot machine licensees.

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

\* \* \*

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

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

\* \* \*

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

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

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

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

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

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

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

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

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

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

Section 17. Sections 13A61(a) and (f) and 13A63(b)(4) of Title 4 are amended to read:

§ 13A61. Table game authorization fee.

(a) Amount of authorization fee.—

(1) A Category 1 or a Category 2 slot machine licensee that submits a petition for a table game operation certificate under section 13A12 (relating to petition requirements) on or before June 1, 2010, shall pay a one-time nonrefundable authorization fee in the amount of \$16,500,000. A Category 1 or a Category 2 slot machine licensee that submits a petition for a table game operation certificate under section 13A12 after June 1, 2010, shall pay a one-time nonrefundable authorization fee in the amount of \$24,750,000.

(2) A Category 3 slot machine licensee that submits a petition for a table game operation certificate under section 13A12 on or before June 1, 2010, shall pay a one-time nonrefundable authorization fee in the amount of \$7,500,000. A Category 3 slot machine licensee that submits a petition for a table game operation certificate under section 13A12 after June 1, 2010, shall pay a one-time nonrefundable authorization fee in the amount of \$11,250,000.

(3) Notwithstanding paragraphs (1) and (2), the holder of a Category 1 or Category 3 slot machine license issued after June 1, 2010, that submits a petition for a table game operation certificate shall pay a one-time nonrefundable authorization fee in the amount of \$16,500,000 or \$7,500,000, respectively.

(3.1) Notwithstanding paragraphs (2) and (3), the holder of a Category 3 slot machine license issued on or after January 1, 2016, that submits a petition for a table game operation certificate shall pay a one-time nonrefundable authorization fee in the amount of \$8,500,000.

(3.2) Notwithstanding any other provision of this part, no later than 60 days after the board approves a request for additional table games in accordance with section 13A11 (relating to authorization to conduct table games) submitted by the holder of a Category 3 slot machine license issued prior to January 1, 2016, the Category 3 slot machine licensee shall pay a one-time nonrefundable fee in the amount of \$1,000,000.

(4) A table game operation certificate shall not be subject to renewal or payment of an additional authorization fee.

\* \* \*

(f) Deposit of fees.—Notwithstanding section 1208 (relating to collection of fees and fines), all table game authorization fees and other fees or penalties received by the board under this subchapter, all table game device and associated equipment manufacturer and supplier license fees, all table game device or associated equipment manufacturer and supplier renewal fees and fees for licenses issued under Chapter 16 (relating to junkets) shall be deposited in the General Fund.

§ 13A63. Local share assessment.

\* \* \*

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

\* \* \*

(4) The following apply:

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

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

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

located.

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

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

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Section 18. Title 4 is amended by adding chapters to read:

#### CHAPTER 13B

#### INTERACTIVE GAMING

##### Subchapter

##### A. General Provisions

##### B. Interactive Gaming Authorized

##### B.1. Multi-use Computing Devices

##### C. Conduct of Interactive Gaming

##### D. Facilities and Equipment

##### E. Testing and Certification

##### F. Taxes and Fees

##### G. Miscellaneous Provisions

#### SUBCHAPTER A

#### GENERAL PROVISIONS

##### Sec.

##### 13B01. Legislative findings.

##### 13B02. Regulatory authority.

##### 13B03. Temporary interactive gaming regulations.

##### § 13B01. Legislative findings.

The General Assembly finds and declares that:

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

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

(3) Legalized gaming was seen as a means to provide a source of revenue for property and wage tax relief, promote economic development and enhance development of tourism markets throughout this Commonwealth.

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

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

(6) Since its development, the Internet has provided the opportunity for millions of people worldwide to engage in online gambling, mostly through illegal, unregulated off-shore gambling operations.

(7) In 2006, the United States Congress passed and the



President of the United States signed the Unlawful Internet Gambling Enforcement Act of 2006 (Public Law 109-347, 31 U.S.C. § 5361 et seq.), which generally prohibits the use of banking instruments, including credit cards, checks and money transfers for interstate Internet gambling.

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

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

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

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

(12) By legalizing interactive gaming and subjecting it to the regulatory oversight of the Pennsylvania Gaming Control Board, the General Assembly is assuring the citizens of this Commonwealth that only those persons licensed by the board to conduct slot machine gaming and table games and to operate interactive games or interactive gaming systems, in accordance with the requirements of this part, have been determined to be suitable to facilitate and conduct interactive gaming activities in this Commonwealth.

(13) An effective regulatory, licensing and enforcement system to govern interactive gaming in this Commonwealth is consistent with the original objectives and intent of the Pennsylvania Race Horse Development and Gaming Act, thereby ensuring the public trust and confidence in the commercial gaming industry in this Commonwealth.

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

#### § 13B02. Regulatory authority.

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

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

(2) Establishing standards and procedures for testing and approving interactive games and interactive gaming devices and associated equipment, and any variations or composites of authorized interactive games, provided that the board determines that the interactive games and any new interactive games or any variations or composites are suitable for use after a test or experimental period under any terms and conditions as the board may deem appropriate. The board may give priority to the testing of interactive games, interactive gaming devices and associated equipment or other gaming equipment which a slot machine licensee has certified that it will use to conduct interactive gaming in this Commonwealth. Nothing in this paragraph shall

be construed to prohibit the board from using the testing and certification standards of another state or jurisdiction in which interactive gaming is conducted, if it determines that the standards of the jurisdiction are comprehensive, thorough and provide similar and adequate safeguards as those required under this part. If the board makes such a determination and the applicant for an interactive gaming certificate or an interactive gaming license is licensed in another state or jurisdiction to operate interactive gaming, it may use an abbreviated process requiring only the information determined by it to be necessary to consider the issuance of a certification under this chapter. The board, in its discretion, may also rely upon the certification of interactive games that have met the testing and certification standards of a board-approved private testing and certification facility.

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

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

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

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

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

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

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

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

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

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

(10) Establishing procedures for:

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

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

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

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

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

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

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

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

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

(15) Requiring each interactive gaming certificate holder to:

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

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

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

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

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

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

(vii) Adopt data security standards to verify the age, identity and location of persons engaged in interactive gaming activity and prevent unauthorized access by any person whose age and location have not been verified or whose age and location cannot be verified in accordance with regulations adopted by the board.

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

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

by regulation require.

(b) Additional authority.—

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

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

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

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

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

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

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

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

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

(c) Definition.—For the purposes of subsection (a)(12), (14) and (15)(viii) and (ix), the term "person" shall mean a natural person. § 13B03. Temporary interactive gaming regulations.

(a) Promulgation.—

(1) In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board shall be deemed temporary regulations which shall expire not later than two years following the publication of the temporary regulation in the Pennsylvania Bulletin and on the board's publicly accessible Internet website.

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

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

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

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

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

(c) Expiration of temporary regulations.—Except for temporary regulations governing the rules for issuing certificates and licenses under this chapter, for new interactive games, for approving interactive games or variations thereof, interactive gaming devices and associated

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

#### SUBCHAPTER B

#### INTERACTIVE GAMING AUTHORIZED

Sec.

13B11. Authorization to conduct interactive gaming.

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

13B13. Issuance of interactive gaming certificate.

13B14. Interactive gaming operators.

13B15. Interactive gaming certificate and license.

13B16. Timing of initial interactive gaming authorizations.

§ 13B11. Authorization to conduct interactive gaming.

(a) Authority of board.—

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

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

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

(2) Except as provided in this part, all individuals playing authorized interactive games must be physically located within this Commonwealth or within a state or jurisdiction in which the board has entered an interactive gaming reciprocal agreement. No individual under 21 years of age shall open, maintain, use or have access to an interactive gaming account.

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

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

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

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

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

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

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

(4) The name and business address, job title and a photograph of each principal and key employee of the interactive

gaming certificate holder and interactive gaming licensee, if any, who will be involved in the conduct of interactive gaming and who is currently licensed by the board.

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

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

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

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

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

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

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

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

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

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

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

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

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

(B) Appropriate data security standards to prevent unauthorized access by any person whose age, identity and location have not been

verified or whose age, identity and location cannot be verified in accordance with this chapter and applicable regulations of the board.

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

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

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

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

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

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

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

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

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

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

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

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

(i) Interactive gaming accounts.

(ii) Per-hand charges, if applicable.

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

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

(v) Ongoing auditing and internal control compliance reviews.

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

(18) Any other information the board may require.

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

§ 13B13. Issuance of interactive gaming certificate.

(a) Requirements for approval of petition.—

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

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

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

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

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

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

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

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

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

(b) Issuance of interactive gaming certificate.—

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

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

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

(d) Sanctions.—A slot machine licensee that fails to abide by the requirements of this chapter or any condition contained in the slot

machine licensee's statement of conditions governing the operation of interactive gaming shall be subject to board-imposed administrative sanctions or other penalties authorized under this part. The imposition of administrative sanctions in accordance with this subsection shall apply to any interactive gaming operator that fails to abide by the requirements of this chapter and regulations of the board.

(e) Background investigations.—Each petition for an interactive gaming certificate shall be accompanied by a nonrefundable fee established by the board to cover the cost of background investigations. The board shall determine by regulation the persons involved, directly or indirectly, in a slot machine licensee's interactive gaming operations and persons involved in the operations of an interactive gaming operator who shall be subject to background investigation. Any additional costs and expenses incurred in any background investigation or other investigation or proceeding under this chapter shall be reimbursed to the board.

§ 13B14. Interactive gaming operators.

(a) License required.—No person shall serve or attempt to serve as an interactive gaming operator without first obtaining an interactive gaming license from the board. A person may seek approval to serve as an interactive gaming operator by filing an application with the board. The board shall prescribe the form and manner to govern the submission of an application for an interactive gaming license. The board shall provide for the licensure of interactive gaming operators that operate interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder. The board shall:

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

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

(b) Classification and approval of employees.—

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

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

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

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

(e) Interactive gaming license and conditional authorization.—

(1) The following shall apply:

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

(ii) Conditional authorization awarded to an interactive gaming operator may remain in effect until the shorter of 12 months after the date of issue or the date by which the board considers the subject application.

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

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

(2) No conditional authorization may be issued unless:

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

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

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

(3) Within 45 days of the date that the bureau receives the completed application for an interactive gaming license from an applicant for investigation, the bureau shall conduct a preliminary investigation of the applicant and any key interactive gaming employee of the applicant, as determined by the board, which shall include a criminal background investigation of the applicant and any interactive gaming employees of the applicant, as determined by the board in accordance with section 1202(b) (relating to general and specific powers).

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

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

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

§ 13B15. Interactive gaming certificate and license.

The following shall apply:

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

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

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

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

(iv) The slot machine licensee does not seek renewal of its interactive gaming certificate.

(2) The interactive gaming certificate may include an initial itemized list by number and type of authorized interactive games for interactive gaming to be conducted by the interactive gaming certificate holder or interactive gaming operator or other

person on behalf of an interactive gaming certificate holder. The slot machine licensee may increase or decrease the number of interactive games authorized for play on its interactive gaming skin or Internet website or change the type of authorized interactive games played on its interactive gaming skin or Internet website upon notice, if required by the board, to the board and approval by the board or a designated employee of the board. Unless approved by the board or a designated employee of the board, the total number and type of authorized interactive games offered for play by an interactive gaming certificate holder may not differ from the number and type approved by the board and authorized in the interactive gaming certificate.

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

§ 13B16. Timing of initial interactive gaming authorizations.

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

SUBCHAPTER B.1

MULTI-USE COMPUTING DEVICES

Sec.

13B20. Authorization.

13B20.1. Board authorization required.

13B20.2. Standard for review of applications.

13B20.3. Fees.

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

13B20.5. Local share assessment.

13B20.6. Regulations.

13B20.7. Construction.

§ 13B20. Authorization.

(a) Authority.—

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

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

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

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

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

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

(3) The interactive gaming certificate holder or

interactive gaming operator, as the case may be, has entered into an agreement with the concession operator at the qualified airport for the conduct of interactive gaming through the use of multi-use computing devices within the airport gaming area.

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

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

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

(d) Agreement required.—The following shall apply:

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

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

§ 13B20.1. Board authorization required.

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

(1) The name, business address and contact information of the interactive gaming certificate holder or the name, business address and contact information of the interactive gaming operator, if an interactive gaming operator will manage the operation of interactive gaming at a qualified airport on behalf of an interactive gaming certificate holder pursuant to an interactive gaming agreement.

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

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

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

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

(6) The brand name of the multi-use computing devices that will be placed in operation at the qualified airport. The board, at its discretion, may require any additional information related to the conduct of interactive gaming at a qualified airport through the use of multi-use computing devices or persons that manufacture or supply multi-use computing devices that it may determine necessary and appropriate to ensure the integrity of

interactive gaming at a qualified airport and protect the public interest.

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

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

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

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

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

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

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

(c) Approval of petition.—Upon approval of a petition as required under this section, the board shall authorize an interactive gaming certificate holder or an interactive gaming operator, as applicable, to conduct interactive gaming at a qualified airport through the use of multi-use computing devices. The authorization of an interactive gaming certificate holder or an interactive gaming operator, as applicable, to conduct interactive gaming at a qualified airport in accordance with this chapter prior to the full payment of the authorization fee under section 13B20.3 (relating to fees) shall not relieve the interactive gaming certificate holder or interactive gaming operator, as applicable, from the obligation to pay the authorization fee in accordance with section 13B20.3.

§ 13B20.2. Standard for review of petitions.

The board shall approve a petition under section 13B20.1 (relating to board authorization required) if the interactive gaming operator has been or will be issued an interactive gaming license under section 13B14 (relating to interactive gaming operators), and if it establishes, by clear and convincing evidence, all of the following:

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

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

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

(4) The interactive gaming operator has paid the authorization fee under section 13B51 (relating to interactive gaming authorization fee).

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

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

§ 13B20.3. Fees.

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

chapter.

(b) Deposit of fees.—Notwithstanding section 1208 (relating to collection of fees and fines), all fees or penalties received by the board under this chapter shall be deposited in the General Fund.  
§ 13B20.4. Multi-use gaming device tax.

(a) Imposition.—

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

(2) The tax imposed under subsection (a) shall be payable to the department on a daily basis and shall be based upon the gross interactive gaming revenue generated from multi-use computing devices at a qualified airport derived during the previous week.

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

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

§ 13B20.5. Local share assessment.

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

(b) Distributions to qualified airports.—

(1) The department shall make quarterly distributions from the local share assessments deposited into the fund under subsection (a) to qualified airports.

(2) Notwithstanding paragraph (1) or any other provision of law, the multi-use computing device local share assessment generated at a qualified airport located in a city of the first class which regulates the use and control of a qualified airport shall be distributed to the school district of the city of the first class for pre-kindergarten programs.

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

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

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

(2) Procedures to govern credits, debits, deposits and payments to interactive gaming accounts established through multi-use computing devices at qualified airports.

(3) Procedures, in consultation with the department, to

govern financial transactions between an interactive gaming certificate holder, an interactive gaming operator or other persons that relates to the reporting of gross interactive gaming revenue generated through the use of multi-use computing devices at qualified airports.

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

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

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

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

#### § 13B20.7. Construction.

Nothing in this subchapter shall be construed to:

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

(2) Limit the board's authority to determine the suitability of any person who may be directly or indirectly involved in or associated with the operation of interactive gaming at a qualified airport to ensure the integrity of interactive gaming and protect the public interest.

### SUBCHAPTER C

#### CONDUCT OF INTERACTIVE GAMING

#### Sec.

13B21. Situs of interactive gaming operations.

13B22. Establishment of interactive gaming accounts.

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

13B24. Acceptance of account wagers.

13B25. Dormant interactive gaming accounts.

13B26. Log-in procedure required.

13B27. Information provided at login.

13B28. Prohibitions.

13B29. Commencement of interactive gaming operations.

#### § 13B21. Situs of interactive gaming operations.

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

#### § 13B22. Establishment of interactive gaming accounts.

(a) Registration restrictions.—Only a natural person who has first established an interactive gaming account shall be permitted to play an authorized interactive game or place any bet or wager associated with an authorized interactive game. An interactive gaming account shall be in the name of a natural person and may not be in the name of any beneficiary, custodian, joint trust, corporation, partnership or other organization or entity. An interactive gaming certificate holder shall not permit an individual to establish an interactive gaming account unless the person is 21 years of age or older.

(b) Establishment of interactive gaming accounts.—

(1) An interactive gaming account may be executed in person, provided that the board shall, through regulations, provide procedures for the establishment of interactive gaming accounts over the Internet through the interactive gaming certificate holder's interactive gaming skin or portal or Internet website. Each interactive gaming account shall comply with the internal controls of the interactive gaming certificate holder that,

at a minimum, require the following:

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

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

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

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

(v) An acknowledgment under penalty of perjury that false or misleading statements made in regard to an application for an interactive gaming account may subject the applicant to civil and criminal penalties.

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

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

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

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

(d) Grounds for rejection.—Any individual who provides false or misleading information in the application for an interactive gaming account may be subject to rejection of the application or cancellation of the account by the interactive gaming certificate holder.

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

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

(1) Any person under 21 years of age.

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

(3) Any gaming employee, key employee or principal employee of a slot machine licensee and any employee or key employee of an interactive gaming operator or any other person directly involved in the operation of interactive gaming or an interactive gaming system on behalf of a slot machine licensee.



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

(a) Duty of board.—The board shall, by regulation, develop procedures to govern credits, debits and deposits to interactive gaming accounts. Notwithstanding any provision of this part to the contrary, all credits, debits and deposits to interactive gaming accounts shall be made in accordance with regulations promulgated by the board, in consultation with the department, and all payments of winnings shall be made in accordance with the rules of each particular authorized interactive game.

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

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

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

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

§ 13B24. Acceptance of account wagers.

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

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

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

(b) Nonacceptance.—An interactive gaming certificate holder may not accept an account wager in an amount in excess of funds on deposit in an interactive gaming account of the registered player placing the bet or wager. Funds on deposit include amounts credited to a registered player's interactive gaming account in accordance with regulations of the board and any funds in the account at the time the wager is placed.

§ 13B25. Dormant interactive gaming accounts.

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

§ 13B26. Log-in procedure required.

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

§ 13B27. Information provided at login.

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

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

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

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

(4) The complete text in searchable format of the rules of each authorized interactive game offered by the interactive gaming certificate holder and any other information as the board may require.

§ 13B28. Prohibitions.

Except as provided in this part, no interactive gaming certificate

holder or any person licensed under this part to operate interactive gaming or an interactive gaming system and no person acting on behalf of, or under any arrangement with, an interactive gaming certificate holder or other person licensed under this part shall:

(1) Make any loan to any person for the purpose of crediting an interactive gaming account,

(2) Release or discharge any debt, either in whole or in part, or make any loan which represents any losses incurred by any registered player while playing authorized interactive games without maintaining a written record thereof in accordance with regulations of the board.

§ 13B29. Commencement of interactive gaming operations.

An interactive gaming certificate holder may not operate or offer interactive games for play on its interactive gaming skin until the board determines that:

(1) The interactive gaming certificate holder is in compliance with the requirements of this chapter.

(2) The interactive gaming certificate holder's internal, administrative and accounting controls are sufficient to meet the requirements of section 13B32 (relating to internal, administrative and accounting controls).

(3) The interactive gaming certificate holder's interactive gaming employees, where applicable, are licensed, permitted, registered, certified or otherwise authorized by the board to perform their respective duties.

(4) The employees of the interactive gaming operator are, where applicable, licensed, permitted or otherwise authorized by the board to perform their duties.

(5) The interactive gaming certificate holder is prepared in all respects to offer interactive gaming to the public over its interactive gaming skin.

(6) The interactive gaming certificate holder has implemented necessary internal, administrative and accounting controls, security arrangements and surveillance systems for the operation of interactive gaming.

(7) The interactive gaming certificate holder is in compliance with or will comply with section 13B31 (relating to responsibilities of interactive gaming certificate holder).

(8) The board has approved an agreement entered between the interactive gaming certificate holder and an interactive gaming operator or other person related to the operation of interactive gaming or the operation of an interactive gaming system on behalf of such interactive gaming certificate holder.

#### SUBCHAPTER D FACILITIES AND EQUIPMENT

Sec.

13B31. Responsibilities of interactive gaming certificate holder.

13B32. Internal, administrative and accounting controls.

§ 13B31. Responsibilities of interactive gaming certificate holder.

(a) Facilities and equipment.—All facilities and interactive gaming devices and associated equipment shall:

(1) Be arranged in a manner promoting appropriate security for interactive gaming.

(2) Include a closed-circuit video monitoring system according to rules or specifications approved by the board, with board absolute access to the interactive gaming certificate holder's interactive gaming skin, Internet website and platform, signal or transmission used in connection with interactive gaming.

(3) Not be designed in any way that might interfere with or impede the board in its regulation of interactive gaming.

(4) Comply in all respects with regulations of the board.

(b) Location of equipment and interactive gaming restricted areas.—

(1) All interactive gaming devices and associated equipment used by an interactive gaming certificate holder or an interactive gaming licensee to conduct interactive gaming may be

located, with the prior approval of the board, in an interactive gaming restricted area on the premises of the licensed facility, in an interactive gaming restricted area within the geographic limits of the county in this Commonwealth where the licensed facility is situated or in any other area approved by the board.

(2) All wagers associated with interactive gaming shall be deemed to be placed when received by the interactive gaming certificate holder.

§ 13B32. Internal, administrative and accounting controls.

(a) Submissions to board.—Notwithstanding any provision of this part, each slot machine licensee who holds or has applied for an interactive gaming certificate in accordance with this chapter shall submit a description of its system of internal procedures and administrative and accounting controls for interactive gaming to the board, including provisions that provide for real-time monitoring, recordation or storage of all interactive games and a description of any changes to its procedures and controls. The submission shall be made at least 90 days before authorized interactive gaming is to commence or at least 90 days before any change in those procedures or controls is to take effect, unless otherwise directed by the board.

(b) Filing.—Notwithstanding subsection (a), the procedures and controls may be implemented by an interactive gaming certificate holder upon the filing of the procedures and controls with the board. Each procedure or control submission shall contain both narrative and diagrammatic representations of the system to be utilized with regard to interactive gaming, including, but not limited to:

(1) Accounting controls, including the standardization of forms and definition of terms to be utilized in the interactive gaming operations.

(2) Procedures, forms and, where appropriate, formulas to govern the following:

- (i) calculation of hold percentages;
- (ii) revenue drops;
- (iii) expense and overhead schedules;
- (iv) complimentary services; and
- (v) cash-equivalent transactions.

(3) Job descriptions and the system of personnel and chain of command, establishing a diversity of responsibility among employees engaged in interactive gaming operations, including employees of an interactive gaming operator, and identifying primary and secondary management and supervisory positions for areas of responsibility, salary structure and personnel practices.

(4) Procedures for the registration of players and establishment of interactive gaming accounts, including a procedure for authenticating the age, identity and location of applicants for interactive gaming accounts.

(5) Procedures for terminating a registered player's interactive gaming account and the return of any funds remaining in the interactive gaming account to the registered player.

(6) Procedures for suspending or terminating a dormant interactive gaming account.

(7) Procedures for the logging in and authentication of a registered player in order to enable the player to commence interactive gaming and the logging off of the registered player when the player has completed play, including a procedure to automatically log a registered player out of the player's interactive gaming account after a specified period of inactivity.

(8) Procedures for the crediting and debiting of registered players' interactive gaming accounts.

(9) Procedures for cashing checks, receiving electronic negotiable instruments and for redeeming chips, tokens or other cash equivalents.

(10) Procedures for withdrawing funds from an interactive gaming account by the registered player.

(11) Procedures for the protection of player funds, including the segregation of player funds from operating funds.

(12) Procedures for recording transactions pertaining to

interactive gaming.

(13) Procedures for the security and sharing of personal identifiable information of registered players and other information as required by the board and funds in interactive gaming accounts. The procedures shall include the means by which an interactive gaming certificate holder or interactive gaming operator will provide notice to registered players related to its sharing of personal identifiable information. For the purpose of this paragraph, "personal identifiable information" shall mean any data or information that can be used, on its own or with other data or information, to identify, contact or otherwise locate a registered player, including a registered player's name, address, date of birth and Social Security number.

(14) Procedures and security for the calculation and recordation of revenue.

(15) Procedures for the security of interactive gaming devices and associated equipment within an interactive gaming restricted area on the premises of the licensed facility or in a secure facility inaccessible to the public and specifically designed for that purpose off the premises of a licensed facility as approved by the board.

(16) Procedures and security standards as to receipt of and the handling and storage of interactive gaming devices and associated equipment.

(17) Procedures and security standards to protect the interactive gaming certificate holder's interactive gaming skin or Internet website and interactive gaming devices and associated equipment from hacking or tampering by any person.

(18) Procedures for responding to suspected or actual hacking or tampering with an interactive gaming certificate holder's interactive gaming skin or Internet website and interactive gaming devices and associated equipment, including partial or complete suspension of interactive gaming or the suspension of any or all interactive gaming accounts when warranted.

(19) Procedures to verify each registered player's physical location each time a wager is placed on an interactive game.

(20) Procedures to ensure, to a reasonable degree of certainty, that the interactive games are fair and honest and that appropriate measures are in place to deter, detect and, to the extent reasonably possible, to prevent cheating, including collusion, and use of cheating devices, including the use of software programs that make bets or wagers according to algorithms.

(21) Procedures to assist problem and compulsive gamblers, including procedures reasonably intended to prevent a person from participating in interactive gaming activities in accordance with sections 1514 (relating to regulation requiring exclusion, ejection or denial of access of certain persons), 1515 (relating to repeat offenders excludable from licensed gaming facility) and 1516 (relating to list of persons self excluded from gaming activities).

(22) Procedures to govern emergencies, including suspected or actual cyber attacks, hacking or tampering with the interactive gaming certificate holder's interactive gaming portal, platform or Internet website.

(c) Review of submissions.—

(1) The board shall review each submission required by subsections (a) and (b) and shall determine whether the submission conforms to the requirements of this chapter and regulations promulgated by the board and whether the system submitted provides adequate and effective controls for interactive gaming of the particular interactive gaming certificate holder.

(2) If the board determines that insufficiencies exist, it shall specify the insufficiencies in writing to the interactive gaming certificate holder, who shall make appropriate alterations to ensure compliance with the requirements of this chapter and

regulations of the board. When the board determines a submission to be adequate in all respects, it shall notify the interactive gaming certificate holder.

(3) Except as otherwise provided in subsection (a), no interactive gaming certificate holder, interactive gaming operator or other person shall commence or alter interactive gaming operations unless and until the system of procedures, controls and alternations is approved by the board.

#### SUBCHAPTER E TESTING AND CERTIFICATION

Sec.

13B41. Interactive games and interactive gaming devices and associated equipment testing and certification standards.

§ 13B41. Interactive games and interactive gaming devices and associated equipment testing and certification standards.

(a) Testing required.—

(1) No interactive game or interactive gaming device or associated equipment shall be used to conduct interactive gaming unless it has been tested and approved by the board. The board may, in its discretion and for the purpose of expediting the approval process, refer testing to any testing laboratory as approved by the board.

(2) The board shall establish, by regulation, technical standards for approval of interactive games and interactive gaming devices and associated equipment, including standards to govern mechanical, electrical or program reliability and security against tampering and threats, as it may deem necessary to protect the registered player from fraud or deception and to ensure the integrity of interactive gaming.

(b) Independent testing and certification facility.—Any costs associated with the board's testing and certification facility shall be assessed on persons authorized by the board to manufacture, supply, distribute or otherwise provide interactive games and interactive gaming devices and associated equipment to interactive gaming certificate holders or to interactive gaming operators in this Commonwealth. The costs shall be assessed in accordance with a schedule adopted by the board.

(c) Use of other state standards.—The board may determine whether the testing and certification standards for interactive games and interactive gaming devices and associated equipment as adopted by another jurisdiction within the United States or any of the testing and certification standards used by an interactive gaming certificate holder are comprehensive and thorough and provide similar and adequate safeguards as those required by this chapter and regulations of the board. If the board makes that determination, it may permit the person authorized to manufacture, supply, distribute or otherwise provide interactive games and interactive gaming devices or associated equipment to furnish interactive games or interactive gaming devices and associated equipment to interactive gaming certificate holders in this Commonwealth without undergoing the full testing and certification process by the board's independent testing and certification facility.

#### SUBCHAPTER F TAXES AND FEES

Sec.

13B51. Interactive gaming authorization fee.

13B52. Interactive gaming tax.

13B53. Local share assessment.

13B54. Compulsive and problem gambling.

§ 13B51. Interactive gaming authorization fee.

(a) Amount of authorization fee.—

(1) Each slot machine licensee that is issued an interactive gaming certificate to conduct interactive gaming in accordance with section 13B11 (relating to authorization to conduct interactive gaming) shall pay a one-time nonrefundable authorization fee in the amount of \$8,000,000.

(2) Each interactive gaming operator or an affiliate of an interactive gaming certificate holder that is issued an interactive gaming license under this chapter to operate interactive gaming or an interactive gaming system on behalf of a slot machine licensee pursuant to an interactive gaming agreement and that is not owned, affiliated with or otherwise controlled by a slot machine licensee shall pay a one-time nonrefundable authorization fee in the amount of \$2,000,000.

(3) Each interactive gaming operator that has been approved by the board to provide for the conduct of interactive gaming on behalf of an interactive gaming certificate holder at a qualified airport in accordance with Subchapter B.1 shall pay a one-time nonrefundable authorization fee in the amount of \$1,000,000.

(b) Payment of fee.—Persons required to pay the authorization fee under subsection (a) shall remit the fee to the board within 60 days of the board's approval of its petition, license or conditional license to conduct interactive gaming or to operate interactive gaming or an interactive gaming system. The board may allow the fee to be paid in installments, provided that all such installments are paid within the 60-day period and that the installment payments are made in accordance with the terms of an agreement between the board and the interactive gaming certificate holder or an interactive gaming operator under subsection (a)(2) that sets forth the terms of the installment payment.

(c) Renewal fee.—

(1) Notwithstanding any other provision of this chapter, an interactive gaming certificate holder shall pay a renewal fee in the amount of \$250,000 upon the renewal of its interactive gaming certificate in accordance with sections 1326 (relating to renewals) and 13B13(c) (relating to issuance of interactive gaming certificate).

(2) Each interactive gaming operator under subsection (a)(2) shall pay a renewal fee of \$100,000 upon the renewal of its interactive gaming license in accordance with this chapter.

(d) Deposit of fees.—The fees imposed and collected under this section shall be deposited in the General Fund.

§ 13B52. Interactive gaming tax.

(a) Imposition of tax.—Each interactive gaming certificate holder that conducts interactive gaming shall report to the department and pay from its daily gross interactive gaming revenue, on a form and in the manner prescribed by the department, a tax of 14% of its daily gross interactive gaming revenue and a local share assessment as provided in section 13B53 (relating to local share assessment).

(b) Deposits and distributions.—

(1) The tax imposed under subsection (a) shall be payable to the department on a weekly basis and shall be based upon gross interactive gaming revenue derived during the previous week.

(2) All funds owed to the Commonwealth under this section shall be held in trust for the Commonwealth by the interactive gaming certificate holder until the funds are paid to the department for deposit in the General Fund. An interactive gaming certificate holder shall establish a separate bank account into which gross interactive gaming revenue shall be deposited and maintained until such time as the funds are paid to the department under this section.

(c) Taxes on out-of-State wagering.—The tax rate which shall be assessed and collected by the department with respect to any wagers placed by registered players located in this Commonwealth with an interactive gaming operator outside of this Commonwealth, but authorized under an interactive gaming reciprocal agreement shall be governed by the agreement but may not exceed 16% of gross interactive gaming revenue derived from registered players located in this Commonwealth.

(d) Deposit of funds.—The tax imposed under subsection (a) shall be collected by the department for deposit in the General Fund.

§ 13B53. Local share assessment.

(a) Required payment.—

(1) In addition to the tax imposed under section 13B52 (relating to interactive gaming tax), each interactive gaming certificate holder that conducts interactive gaming shall pay on a weekly basis and on a form and in a manner prescribed by the department a local share assessment into a restricted receipts account established in the Department of Community and Economic Development to be used exclusively for grants to all counties in this Commonwealth, to economic development authorities or redevelopment authorities within each county, for grants for economic development projects, community improvement projects and other projects in the public interest.

(2) The Department of Community and Economic Development shall develop policies and procedures to govern the distribution of grants from the local share assessment established under paragraph (1). The policies and procedures shall be of sufficient scope to ensure equal access to grant funds by all counties in this Commonwealth.

(b) Definitions.—As used in this section, the following words and phrases shall have the meaning given to them in this subsection:

"Local share assessment." Two percent of an interactive gaming certificate holder's daily gross interactive gaming revenue.  
 § 13B54. Compulsive and problem gambling.

The following shall apply:

(1) Each year, from the tax imposed in section 13B52 (relating to interactive gaming tax), \$2,000,000 or an amount equal to .002 multiplied by the total gross interactive gaming revenue of all active and operating interactive gaming certificate holders, whichever is greater, shall be transferred into the Compulsive and Problem Gambling Treatment Fund established in section 1509 (relating to compulsive and problem gambling program).

(2) Each year, from the tax imposed in section 13B52, \$2,000,000 or an amount equal to .002 multiplied by the total gross interactive gaming revenue of all active and operating interactive gaming certificate holders, whichever is greater, shall be transferred to the Department of Drug and Alcohol Programs to be used for drug and alcohol addiction treatment services, including treatment for drug and alcohol addiction related to compulsive and problem gambling, as set forth in section 1509.1 (relating to drug and alcohol treatment).

#### SUBCHAPTER G

#### MISCELLANEOUS PROVISIONS

Sec.

13B61. Participation in interactive gaming by persons outside Commonwealth.

13B62. Institutional investors.

13B63. Internet cafes and prohibition.

§ 13B61. Participation in interactive gaming by persons outside Commonwealth.

Notwithstanding any other provision of this chapter to the contrary, an interactive gaming certificate holder may accept interactive gaming wagers from a person who is not physically present in this Commonwealth, if the board determines the following:

(1) Participation in interactive gaming and acceptance of wagers associated with interactive gaming from a person not physically present in this Commonwealth is not inconsistent with Federal law or regulation or the law or regulation of the jurisdiction, including any foreign jurisdiction, in which the person is located.

(2) Participation in interactive gaming is conducted pursuant to an interactive gaming reciprocal agreement between the Commonwealth and another state or jurisdiction, including a foreign jurisdiction, to which the Commonwealth is a party and the interactive gaming reciprocal agreement is not inconsistent with Federal law or regulation.

§ 13B62. Institutional investors.

(a) Declaration of investment intent.—Notwithstanding any other provision of this part, the following shall apply:

(1) An institutional investor holding 20% or less of the equity securities of an interactive gaming certificate holder's, interactive gaming operator's or applicant's holding, subsidiary or intermediary companies shall be granted a waiver of any investigation of suitability or other requirement if the securities are those of a corporation, whether publicly traded or privately held, and the holdings of the securities were purchased for investment purposes only. The institutional investor shall file a certified statement that it has no intention of influencing or affecting the affairs of the interactive gaming certificate holder, interactive gaming operator, applicant or any holding, subsidiary or intermediary company of an interactive gaming certificate holder, interactive gaming operator or applicant. However, an institutional investor shall be permitted to vote on matters put to the vote of the outstanding security holders.

(2) The board may grant a waiver to an institutional investor holding a higher percentage of securities upon a showing of good cause and if the conditions specified in paragraph (1) are met.

(3) An institutional investor granted a waiver under this subsection who subsequently decides to influence or affect the affairs of an interactive gaming certificate holder, interactive gaming operator or applicant's holding, subsidiary or intermediary company of an interactive gaming certificate holder, interactive gaming operator or applicant shall provide not less than 30 days' notice of intent and shall file with the board a request for determination of suitability before taking any action that may influence or affect the affairs of the issuer. An institutional investor shall be permitted to vote on matters put to the vote of the outstanding security holders.

(4) If an institutional investor changes its investment intent or if the board finds reasonable cause to believe that the institutional investor may be found unsuitable, no action other than divestiture shall be taken by the institutional investor with respect to its security holdings until there has been compliance with any requirements established by the board, which may include the execution of a trust agreement in accordance with section 1332 (relating to appointment of trustee).

(5) The interactive gaming certificate holder or interactive gaming operator or applicant or any holding, intermediary or subsidiary company of an interactive gaming certificate holder, interactive gaming operator or applicant shall notify the board immediately of any information about, or actions of, an institutional investor holding its equity securities where the information or action may impact the eligibility of the institutional investor for a waiver under this subsection.

(b) Failure to declare.—If the board finds:

(1) that an institutional investor holding any security of a holding or intermediary company of an interactive gaming certificate holder or interactive gaming operator or applicant or, where relevant, of another subsidiary company of a holding or intermediary company of an interactive gaming certificate holder or interactive gaming operator or applicant which is related in any way to the financing of the interactive gaming certificate holder or interactive gaming operator or applicant, fails to comply with the provisions of subsection (a); or

(2) by reason of the extent or nature of its holdings, an institutional investor is in a position to exercise such a substantial impact upon the controlling interests of an interactive gaming certificate holder or interactive gaming operator or applicant that investigation and determination of suitability of the institutional investor is necessary to protect the public interest;

then the board may take any necessary action otherwise authorized under this chapter to protect the public interest.

§ 13B63. Internet cafes and prohibition.

(a) General rule.—No organization or commercial enterprise shall operate a place of public accommodation, club, including a club or association limited to dues-paying members or similar restricted

groups, or similar establishment in which computer terminals or similar access devices are advertised or made available to be used principally for the purpose of accessing authorized interactive games. No interactive gaming certificate holder or interactive gaming operator shall offer or make available computer terminals or similar access devices to be used principally for the purpose of accessing interactive games within a licensed facility.

(b) Construction.—Nothing in this section shall be construed to:

(1) require the owner or operator of a hotel or motel or other public place of general use in this Commonwealth to prohibit or block guests from playing interactive games; or

(2) require an interactive gaming certificate holder or an interactive gaming operator to prohibit registered players within a licensed facility from playing interactive games.

#### CHAPTER 13C

#### (RESERVED)

#### CHAPTER 13D

#### SLOT MACHINES AT NONPRIMARY LOCATIONS

#### Subchapter

A. General Provisions

B. Category 1 Licensed Gaming Entities and Nonprimary Locations

C. Application and Issuance of Nonprimary Location Permit

D. Fees and Taxes

#### SUBCHAPTER A

#### GENERAL PROVISIONS

#### Sec.

13D01. (Reserved).

13D02. Authority to place slot machines at nonprimary locations.

13D03. Temporary regulations.

§ 13D01. (Reserved).

§ 13D02. Authority to place slot machines at nonprimary locations.

(a) Placement of slot machines at nonprimary locations.—Notwithstanding any provision of this part, Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, or any other law or regulation to the contrary, a Category 1 licensed gaming entity that is a licensed racing entity under Article XXVIII-D of The Administrative Code of 1929 shall apply to the board for a nonprimary location permit to place and make slot machines available for play at nonprimary locations.

(b) Duty of the board and commission.—The board shall have general and regulatory authority over the placement and operation of slot machines at nonprimary locations and shall, in consultation with the commission, promulgate regulations to govern the placement and operation of slot machines at nonprimary locations. Except that, any regulations specific to the operation of nonprimary locations by licensed racing entities promulgated under 58 Pa. Code Ch. 171 (relating to nonprimary locations) or any regulations related to the operation of nonprimary locations which may be adopted by the commission subsequent to the effective date of this chapter shall be adopted as regulations under this chapter, unless the board, in consultation with the commission, determine that such regulations are not sufficient for the administration and enforcement of this chapter. In that event, the board shall, in consultation with the commission, promulgate such regulations specific to the operation of slot machines at nonprimary locations as the board and commission deem necessary to facilitate the administration and enforcement of this chapter.

§ 13D03. Temporary regulations.

(a) Promulgation.—In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board or commission shall be deemed temporary regulations which shall expire not later than two years after the publication of the temporary regulation in the Pennsylvania Bulletin. The board may promulgate temporary regulations not subject to:

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

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

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

(b) Expiration.—The authority of the board and the commission to adopt temporary regulations under subsection (a) shall expire two years after the effective date of this section. Regulations adopted after this period shall be promulgated as provided by law.

(c) Temporary regulations.—The board, in consultation with the commission, shall begin publishing temporary regulations governing placement and operation of slot machines at nonprimary locations in the Pennsylvania Bulletin within 60 days of the effective date of this section.

#### SUBCHAPTER B

#### CATEGORY 1 LICENSED GAMING ENTITIES AND NONPRIMARY LOCATIONS

#### Sec.

13D07. Authority to place slot machines at nonprimary locations.

§ 13D07. Authority to place slot machines at nonprimary locations.

(a) Category 1 licensed gaming entity and operation of slot machines at nonprimary locations.—The following shall apply:

(1) Each Category 1 licensed gaming entity that is a licensed racing entity under section 13D02 (relating to authority to place slot machines at nonprimary locations) that is authorized to hold horse race meetings at a racetrack at which more than one license is authorized may be granted approval to place and make slot machines available for play at four nonprimary locations, if the board, in consultation with the commission, determines that a nonprimary location newly proposed or approved by the commission in accordance with Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, and regulations of the commission will benefit economic development, employment, tourism, the race horse industry and result in enhanced revenues to the Commonwealth and the municipality where the newly proposed or approved nonprimary location will be or is situated.

(2) Each Category 1 licensed gaming entity under section 13D02 that is authorized to hold horse race meetings at a racetrack at which only one license is authorized may be granted approval to place and make slot machines available for play at four nonprimary locations, if the board, in consultation with the commission, determines that a nonprimary location newly proposed or approved by the commission in accordance with Article XXVIII-D of The Administrative Code of 1929, and regulations of the commission will benefit economic development, employment, tourism, the race horse industry and result in enhanced revenues to the Commonwealth and the municipality where the newly proposed or approved nonprimary location will be or is situated.

(3) A Category 1 licensed gaming entity, which is also a licensed racing entity as set forth in section 13D02(a), shall not be authorized to place and make slot machines available for play at any nonprimary location which is within the primary market area of another licensed racing entity, regardless of whether the licensed racing entity is authorized to conduct horse race meetings or harness horse race meetings, or both, at the racetrack.

(4) No Category 1 licensed gaming entity, which is also a licensed racing entity as set forth in section 13D02(a), shall be authorized to place and make slot machines available for play at a nonprimary location which is located within the primary market area of another licensed facility or another nonprimary location.

(5) A nonprimary location may be located within the primary market area of a licensed facility if the Category 1 licensed gaming entity owns the nonprimary location and the licensed gaming entity enters into an agreement with the affected

licensed gaming entity or entities and the agreement is filed with the commission and the board.

(6) A Category 1 licensed gaming entity that places and makes slot machines available for play at a nonprimary location shall be subject to the requirements of section 1303(a), (b) and (d) (relating to additional Category 1 slot machine license requirements).

(8) For the purposes of this subsection, the term "primary market area" shall mean the area within 50 linear miles of a licensed facility or nonprimary location.

(b) Existing and newly established nonprimary locations.—Notwithstanding any provision of Article XXVIII-D of The Administrative Code of 1929 or any other law or regulation to the contrary, the following shall apply:

(1) A licensed racing entity that operated nonprimary locations prior to the effective date of this subsection shall not be prohibited from reopening a previously closed nonprimary location or relocating an existing nonprimary location in order to place and make slot machines available for play in a reopened or relocated nonprimary location:

Provided, that, the previously closed or a relocated nonprimary location is approved by the commission in accordance with Article XXVIII-D of The Administrative Code of 1929 and regulations adopted by the commission pursuant to Article XXVIII-D and complies with the location requirements set forth in subsection (a)(3), (4) and (5).

(2) A licensed racing entity may establish a new nonprimary location in accordance with Article XXVIII-D of The Administrative Code of 1929 and regulations of the commission in order to place and make slot machines available for play and operate race horse simulcasting:

Provided, that, the new nonprimary location is approved by the commission in accordance with Article XXVIII-D of The Administrative Code of 1929 and regulations adopted by the commission pursuant to Article XXVIII-D and complies with the location requirements set forth in subsection (a)(3), (4) and (5).

(c) Permissible number of slot machines.—

(1) Notwithstanding section 1210 (relating to number of slot machines), a Category 1 licensed gaming entity, upon approval of the board and remittance of the fee under section 13D17 (relating to nonprimary location permit fee), may place and make available for play no more than 250 slot machines at a nonprimary location.

(2) The permissible number of slot machines that may be placed and made available for play at a nonprimary location under this subsection shall not be included in the complement of slot machines authorized for a Category 1 licensed facility under section 1210.

(3) In determining the permissible number of slot machines that may be placed at a nonprimary location in accordance with this subsection, the board shall consider the appropriateness of the physical space of the nonprimary location where the slot machines will be placed and the convenience of the public patronizing the nonprimary location. The board may also consider the potential benefit to economic development, employment, tourism, the race horse industry and enhanced revenues to the Commonwealth and the municipality where the nonprimary location is situated.

#### SUBCHAPTER C

#### APPLICATION AND ISSUANCE OF NONPRIMARY LOCATION PERMIT

Sec.

13D11. Application for nonprimary location permit.

13D12. Issuance and terms of nonprimary location permit.

13D13. Confidentiality.

13D14. Key employees and occupation permits.

§ 13D11. Application for nonprimary location permit.

(a) Application.—An application for a nonprimary location

permit to place and make slot machines available for play at a nonprimary location shall be submitted on a form and in a manner as shall be required by the board. In reviewing and approving each application, the board shall:

(1) Ensure that the proposed location of the nonprimary location is approved by the commission in accordance with 13D07 (relating to authority to place slot machine at nonprimary locations) and complies with the location requirements set forth in section 13D07(a)(3), (4) and (5).

(2) Confirm that the nonprimary location permit fee under section 13D17 (relating to nonprimary location permit fee) has been paid or will be paid in accordance section 13D17.

(b) Required information.—An application for a nonprimary location permit shall include, at a minimum:

(1) The name of the Category 1 slot machine licensee and the licensed racing entity and location of the existing nonprimary location, if any, or the location of any proposed relocated or new nonprimary location approved by the commission.

(2) The name, address and current photograph of the applicant and of all directors and owners and key employees and their positions within the licensed racing entity, if required by the board.

(3) The proposed location of the slot machine area or areas in the nonprimary location, if known.

(4) Detailed site and architectural plans of the proposed area or areas within the nonprimary location where slot machines will be placed and made available for play.

(5) The number of slot machines requested.

(6) The current status of the licensed racing entity's horse racing license, if required by the board.

(7) The current status of the slot machine license issued under this part, if required by the board.

(8) The details of any loans or other financing obtained or that will be obtained to fund an expansion, modification or construction project at an existing nonprimary location, a relocated nonprimary location or a proposed or newly approved nonprimary location to accommodate slot machines at the nonprimary location.

(9) The consent to conduct a background investigation by the bureau, the scope of which shall be determined by the bureau at its discretion consistent with the provisions of this part, and a release signed by all persons subject to the investigation of all information required to complete the investigation, if the bureau, at its discretion, determines that a background investigation is necessary under this chapter.

(10) Any other information determined to be necessary and appropriate by the board.

§ 13D12. Issuance and terms of nonprimary location permit.

(a) Issuance of permit.—Upon approval of an application for a nonprimary location permit and payment of the nonprimary location permit fee under section 13D17 (relating to nonprimary location permit fee), the board shall issue a nonprimary location permit to a Category 1 licensed gaming entity authorizing it to place and make slot machines available for play at a nonprimary location.

(b) Terms of permit.—A nonprimary location permit approved and issued by the board in accordance with subsection (a) shall be in effect unless suspended or revoked by the board upon good cause consistent with the requirements of this part, regulations promulgated pursuant to this part or regulations of the commission.

(c) Notification of change in status.—Nothing in this section shall relieve a nonprimary location permit holder of the affirmative duty to notify the board of any changes relating to the status of its nonprimary location permit, its horse racing license or to any other information contained in the application materials on file with the board.

§ 13D13. Confidentiality.

Information submitted to the board under section 13D11 (relating to application for nonprimary location permit) may be considered

confidential by the board if the information would be confidential under section 1206(f) (relating to board minutes and records).

§ 13D14. Key employees and occupation permits.

Nothing in this subchapter shall be construed to require any individual who holds a principal license, a key employee license or gaming employee license under Chapters 13 (relating to licensees) and 13A (relating to table games) or who holds a license, permit or registration under Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, to obtain a separate license, permit or registration to be employed in a slot machine licensee's slot machine operation at a nonprimary location under this chapter, if the board determines, in consultation with the commission, that licensure under the provisions of this part or Article XXVIII-D of The Administrative Code of 1929 is sufficient and will not compromise the integrity of the operation of slot machines at nonprimary locations.

#### SUBCHAPTER D FEES AND TAXES

Sec.

13D17. Nonprimary location permit fee.

13D18. Nonprimary location taxes, imposition, deposits and distributions.

§ 13D17. Nonprimary location permit fee.

(a) Amount of fee.—At the time a nonprimary location permit is issued under section 13D12(a) (relating to issuance and terms of nonprimary location permit), the board shall impose a one-time fee of \$5,000,000 to be paid by the Category 1 licensed gaming entity for each nonprimary location where it will place and make slot machines available for play.

(b) Renewal fee not required.—A nonprimary location permit shall not be subject to renewal or payment of any nonprimary location permit renewal fee.

(c) Deposit of fee into General Fund.—Notwithstanding section 1208 (relating to collection of fees and fines), all nonprimary location permit fees and penalties collected by the board under this section shall be deposited in the General Fund.

§ 13D18. Nonprimary location taxes, imposition, deposits and distributions.

(a) Imposition.—The department shall determine and each nonprimary location permit holder shall pay a daily tax of 54% from its daily gross terminal revenue from the slot machines in operation at its nonprimary location.

(b) Distribution.—

(1) The tax imposed and collected under subsection (a) shall be distributed as follows:

(i) Ninety-two percent of the tax shall be deposited by the department in the General Fund.

(ii) Eight percent shall constitute a local share assessment and be distributed by the department on a quarterly basis as follows:

(A) Four percent to the county in which the nonprimary location is located.

(B) Four percent to the municipality in which the nonprimary location is located.

(2) All money owed to the Commonwealth, a county or a municipality under this section shall be held in trust by the licensed racing entity or licensed gaming entity for the Commonwealth, county or municipality until all funds are distributed by the department in accordance with this subsection.

(c) Payments and deposits.—

(1) The tax imposed under subsection (a) shall be payable to the department on a weekly basis and shall be based upon gross slot machine revenue derived from the operation of slot machines at a nonprimary location during the previous week.

(2) All money owed to the Commonwealth and collected by the department in accordance with this subchapter shall be deposited in the General Fund.

#### CHAPTER 13E

### SLOT MACHINES IN QUALIFIED AIRPORTS

Subchapter

A. Preliminary Provisions

B. Airport Gaming Authorized

C. Conduct of Airport Gaming

D. Airport Gaming Fees and Taxes

E. Miscellaneous Provisions

#### SUBCHAPTER A

#### PRELIMINARY PROVISIONS

Sec.

13E01. Definitions.

§ 13E01. Definitions.

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

"Airport authority." The governing body of a municipal authority organized and incorporated in accordance with 53 Pa.C.S. Ch. 56 (relating to municipal authorities) to oversee the operations of a qualified airport. The term shall include the governing body of any joint municipal authority which operates a qualified airport and the governing body of a city of the first class which owns and operates a qualified airport located in a county of the first class.

"Airport gaming." The licensed placement, operation and play of slot machines in a qualified airport as authorized and approved by the board.

"Airport gaming certificate holder." The authorization issued under this chapter to conduct airport gaming.

"Airport gaming operation certificate." A certificate issued by the Pennsylvania Gaming Control Board under Chapter 13B (relating to interactive gaming) that authorizes a slot machine licensee to conduct airport gaming in accordance with this chapter.

"Airport gaming revenue." The daily gross terminal revenue derived from the conduct of airport gaming.

"Applicant." A slot machine licensee.

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

"Specified area." The secure area of a qualified airport where slot machines are placed and made available to play and members of the public, other than passengers, are prohibited from entering.

#### SUBCHAPTER B

#### AIRPORT GAMING AUTHORIZED

Sec.

13E11. Authorization.

13E12. Application.

13E13. Standard for review of applications.

13E14. Approval of application.

13E15. Airport gaming operation certificate.

13E16. Timing of initial airport gaming authorizations.

§ 13E11. Authorization.

(a) General rule.—Upon application of a slot machine licensee, the board may authorize the slot machine licensee to conduct airport gaming. A slot machine licensee seeking authorization to conduct airport gaming must enter into an agreement with the governing body of a qualified airport and submit the agreement to the board for approval. No person shall cause or make slot machines available for play at a qualified airport without first obtaining an airport gaming operation certificate in accordance with the provisions of this chapter.

(b) Conditions.—Authorization shall be contingent upon the slot machine licensee's agreement to ensure that slot machine operations will be conducted in accordance with this part and any other conditions established by the board. The agreement shall specify the fees to be paid to the qualified airport by the slot machine licensee for the privilege of conducting airport gaming. Nothing in this part shall be construed to create a separate license governing the conduct of airport gaming by slot machine licensees within this Commonwealth.

(c) Number of slot machines.—The board shall approve the maximum number of slot machines that a slot machine licensee may

operate at a qualified airport. The board, in making its determination, shall consider the physical space where the slot machines will be located and the convenience of passengers. The board may also consider the potential employment, enhanced revenues to the Commonwealth and other economic indicators it deems applicable in making its decision.

§ 13E12. Application.

(a) Information to be provided.—An applicant seeking authorization to conduct airport gaming shall provide the following information to the board:

(1) The name, business address and contact information of the applicant, and the name, business address and contact information of the airport authority and the location of the qualified airport.

(2) The name and business address, job title and a photograph of each principal and key employee of the applicant who will be involved in the conduct of airport gaming and who is not currently licensed by the board, if known.

(3) The number of slot machines for which authorization is being sought.

(4) The estimated number of full-time and part-time employment positions that will be created at the qualified airport if the slot machine licensee is authorized to operate slot machines under this chapter and an updated hiring plan under section 1510(a) (relating to labor hiring preferences) which outlines the applicant's plan to promote the employment representation of diverse groups and Commonwealth residents.

(5) The details of any financing obtained or that will be obtained to fund an expansion or modification of the qualified airport to accommodate the conduct of airport gaming and to otherwise fund the cost of commencing airport gaming operations.

(6) Information and documentation concerning financial background and resources, as the board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant.

(7) Information and documentation, as the board may require, to establish by clear and convincing evidence that the applicant has sufficient business ability and experience to conduct airport gaming. In making this determination, the board may consider the results of the applicant's slot machine operation, including financial information, employment data and capital investment.

(8) Information and documentation, as the board may require, to establish by clear and convincing evidence that the applicant has or will have the financial ability to pay the required fee under section 13E51 (relating to fees).

(9) Detailed site plans identifying the applicant's proposed specified area.

(10) A copy of the agreement entered into by the slot machine licensee and the qualified airport. The agreement shall identify the members of the governing board of the airport authority and all employees of the airport authority who, directly or indirectly, regulate the use and control of the qualified airport and who will oversee airport gaming at the qualified airport.

(11) Other information as the board may require.

(b) Confidentiality.—Information submitted to the board under subsection (a)(6), (7), (8), (9) and (10) may be considered confidential by the board if the information would be confidential under section 1206(f) (relating to board minutes and records).

§ 13E13. Standard for review of applications.

The board shall approve an application if the applicant establishes, by clear and convincing evidence, all of the following:

(1) The applicant's slot machine license is in good standing with the board, and the applicant has an agreement with the airport authority authorizing the placement of slot machines at the qualified airport.

(2) The applicant possesses adequate funds or has

secured adequate financing to:

(i) Fund any necessary expansion or modification of the qualified airport to accommodate the conduct of airport gaming if required in the agreement with the governing body of the airport authority.

(ii) Pay the required fee in accordance with section 13E51 (relating to fees).

(iii) Commence airport gaming operations at the qualified airport.

(3) The applicant has the financial stability, integrity and responsibility to conduct airport gaming.

(4) The applicant has sufficient business ability and experience to create and maintain airport gaming.

(5) The applicant's proposed internal and external security and proposed surveillance measures within the specified area where the applicant seeks to conduct airport gaming are adequate.

(6) The applicant agrees that the number of slot machines in operation at its licensed facility will not be permanently reduced in order to conduct airport gaming.

§ 13E14. Approval of application.

Upon approval of an application, the board shall issue an airport gaming operation certificate to the applicant. Issuing an airport gaming operation certificate prior to the payment in full of the fee required by section 13E51 (relating to fees) shall not relieve the applicant from complying with the provisions of section 13E51.

§ 13E15. Airport gaming operation certificate.

The following shall apply:

(1) An airport gaming operation certificate shall be in effect unless:

(i) Suspended or revoked by the board consistent with the requirements of this part.

(ii) The slot machine license held by the airport gaming certificate holder is suspended, revoked or not renewed by the board consistent with the requirements of this part.

(iii) The airport gaming certificate holder relinquishes or does not seek renewal of its slot machine license.

(iv) The agreement between the airport gaming certificate holder and the governing body of the authority is not renewed.

(2) The airport gaming operation certificate shall include the maximum number of slot machines approved by the board and permitted in the specified area. The airport gaming certificate holder may increase or decrease the number of slot machines permitted in the specified area or change the configuration of the slot machines upon notice to and approval by the board. Unless approved by the board, the total number of slot machines in operation in the specified area may not exceed the number authorized in the airport gaming operation certificate.

(3) A airport gaming certificate holder shall be required to update the information in its initial airport gaming application at times prescribed by the board.

§ 13E16. Timing of initial airport gaming authorizations.

The board shall approve or deny an application within 180 days following receipt of the completed application.

SUBCHAPTER C  
CONDUCT OF AIRPORT GAMING

Sec.

13E31. Authorized locations for operation.

13E32. Commencement of airport gaming operations.

13E33. Condition of continued operation.

13E34. Airport gaming accounting controls and audit protocols.

13E35. Cash equivalents.

13E36. Occupation permits.

§ 13E31. Authorized locations for operation.

(a) Restriction.—An airport gaming certificate holder shall only



be permitted to operate slot machines in the specified area authorized by the board.

(b) Powers and duties of board.—No airport gaming certificate holder may be approved to operate slot machines unless the specified area is equipped with adequate security and surveillance equipment to ensure the integrity of the conduct of airport gaming. An authorization granted under this section may not impose any criteria or requirements regarding the contents or structure of a qualified airport which are unrelated to the conduct of airport gaming.

§ 13E32. Commencement of airport gaming operations.

An airport gaming certificate holder may not operate or offer slot machines for play at a qualified airport until the board determines that:

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

(2) The airport gaming certificate holder's internal controls and audit protocols are sufficient to meet the requirements of section 13E34 (relating to airport gaming accounting controls and audit protocols).

(3) The airport gaming certificate holder's gaming employees, where applicable, are licensed, permitted or otherwise authorized by the board to perform their respective duties.

(4) The airport gaming certificate holder is prepared in all respects to offer slot machine play to eligible passengers at the qualified airport.

(5) The airport gaming certificate holder has implemented necessary internal and management controls and security arrangements and surveillance systems for the conduct of airport gaming.

(6) The airport gaming certificate holder is in compliance with or has complied with section 13E51 (relating to fees).

(7) All slot machines certified and approved for use under this chapter have been approved by the board and are compatible with the central control computer and protocol specifications approved by the department.

(8) The airport gaming certificate holder has implemented or will implement the necessary procedures and safeguards to ensure that no individual under 21 years of age will be permitted to enter the specified area of the qualified airport.

§ 13E33. Condition of continued operation.

As a condition of continued operation, an airport gaming certificate holder shall maintain all books, records and documents pertaining to airport gaming in a manner and location within this Commonwealth as approved by the board. All books, records and documents related to airport gaming shall:

(1) be segregated by separate accounts within the slot machine licensee's books, records and documents, except for any books, records or documents that are common to the licensee's slot machine operations at a licensed facility and a qualified airport;

(2) be immediately available for inspection upon request of the board, the bureau, the department, the Pennsylvania State Police or the Attorney General, or agents thereof, during all hours of operation at the qualified airport in accordance with regulations promulgated by the board; and

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

§ 13E34. Airport gaming accounting controls and audit protocols.

(a) Approval.—Prior to the commencement of airport gaming operations, an airport gaming certificate holder shall submit to the board for approval all proposed site plans, internal and accounting control systems and audit protocols for the airport gaming certificate holder's airport gaming operations.

(b) Minimum requirements.—The airport gaming certificate holder's internal and accounting controls and audit protocols shall meet the requirements set forth in section 1322(b) and (c) (relating to slot machine accounting controls and audits).

§ 13E35. Cash equivalents.

Notwithstanding any other provisions of this part, the board may, through regulations, determine the cash equivalents that may be authorized and accepted by an airport gaming certificate holder in the conduct of airport gaming.

§ 13E36. Occupation permits.

(a) Application.—Any person who desires to be a gaming employee and has a bona fide offer of employment from a airport gaming certificate holder authorized to operate slot machines under this chapter shall apply to the board for an occupation permit. A person may not be employed as a gaming employee unless and until that person holds an appropriate occupation permit issued under this section. The board may promulgate regulations to reclassify a category of nongaming employees or gaming employees upon a finding that the reclassification is in the public interest and consistent with the objectives of this part.

(b) Requirements.—The application for an occupation permit shall include, at a minimum:

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

(2) The previous employment history of the person.

(3) The criminal history record of the person, as well as the person's consent for the Pennsylvania State Police to conduct a background investigation.

(4) A current photograph of the person.

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

(6) The details of any occupation permit or similar license granted or denied to the person in other jurisdictions.

(7) Any other information determined by the board to be appropriate.

(c) Prohibition.—No airport gaming certificate holder may employ or permit any person under 18 years of age to render any service in any specified area where slot machines are physically located.

(d) Construction.—Nothing in this part shall be construed to require any person who holds a principal license, a key employee license or gaming employee occupation permit under Chapter 13 (relating to licensees) to obtain a separate license, permit, certificate, registration or other authorization to be employed in an airport gaming certificate holder's airport gaming operations.

#### SUBCHAPTER D

#### AIRPORT GAMING FEES AND TAXES

Sec.

13E51. Fees.

13E52. Airport gaming tax and assessment.

§ 13E51. Fees.

(a) Required fees.—A slot machine licensee shall pay:

(1) Except as set forth in paragraph (2) or (3), a one-time, nonrefundable fee of \$1,000,000 upon the issuance of a certificate to operate slot machines under this chapter in a qualified airport.

(2) A one-time, nonrefundable fee of \$5,000,000 upon the issuance of a certificate to operate slot machines under this chapter in a qualified airport located in a city of the first class.

(3) A one-time, nonrefundable fee of \$2,500,000 upon the issuance of a certificate to operate slot machines under this chapter in a qualified airport located in a county of the second class.

(b) Deposit of fees.—Notwithstanding section 1208 (relating to collection of fees and fines), all fees or penalties received by the board under this chapter shall be deposited in the General Fund.

§ 13E52. Airport gaming tax and assessment.

(a) Imposition.—Each airport gaming certificate holder shall report to the department and pay from its airport gaming revenue, on a form and in the manner prescribed by the department, a tax of 34% of its airport gaming revenue and an airport local share assessment.

(b) Deposits and distributions.—

(1) The tax and local share assessment imposed under

subsection (a) shall be payable to the department on a weekly basis and shall be based upon gross terminal revenue derived during the previous week.

(2) All funds owed to the Commonwealth under this section shall be held in trust for the Commonwealth by the airport gaming certificate holder until the funds are paid to the department. Unless otherwise agreed to by the board, a airport gaming certificate holder shall establish a separate bank account into which gross terminal revenue shall be deposited and maintained until such time as the funds are paid to the department under this section.

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

(4) The department shall quarterly distribute to each qualified airport the airport local share assessment from the airport gaming revenue generated from airport gaming at each qualified airport.

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

"Airport local share assessment." Twenty percent of an airport gaming certificate holder's airport gaming revenue.

#### SUBCHAPTER E

#### MISCELLANEOUS PROVISIONS

Sec.

13E91. Regulations.

§ 13E91. Regulations.

(a) Regulations.—The board shall promulgate regulations consistent with the provisions of this part to govern the conduct of airport gaming at qualified airports.

(b) Temporary regulations.—In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board in accordance with subsection (a) shall be deemed temporary regulations which shall expire not later than two years following the publication of the temporary regulation. The board may promulgate temporary regulations not subject to:

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

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

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

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

#### CHAPTER 13F

#### CASINO SIMULCASTING

Subchapter

A. General Provisions

B. Casino Simulcasting Authorized

C. Application and Issuance of Permit and Establishment of Simulcasting Facility

D. Conduct of Casino Simulcasting

E. Fees and Taxes

#### SUBCHAPTER A

#### GENERAL PROVISIONS

Sec.

13F01. Legislative intent and purpose.

13F02. Definitions.

§ 13F01. Legislative intent and purpose.

The General Assembly finds as follows:

(1) The people of this Commonwealth have a vital economic interest in the continued success of this Commonwealth's gaming industry, including the race horse industry. Due to this economic interest, enhancements to current

gaming activities must be authorized to ensure the ongoing competitiveness, viability and stability of the gaming industry in this Commonwealth.

(2) A primary intent of the Race Horse Development and Gaming Act, as codified in this part, is to enhance live horse racing. However, the legalization of commercial gaming in states on the geographic borders of this Commonwealth makes it imperative to authorize new and innovative gaming activities related to horse racing and commercial casino-style gaming, which could be implemented by licensed gaming entities, and which could help ensure the viability of both horse racing and commercial gaming.

(3) The intent of this chapter is to give licensed gaming entities the authority to conduct casino simulcasting at Category 2 and Category 3 licensed facilities in order to expand horse racing opportunities through simulcasting and, thereby, enhancing the viability of this Commonwealth's race horse and commercial gaming industry.

§ 13F02. Definitions.

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

"Licensed gaming entity." A person who has been approved for and issued a Category 2 slot machine license or a Category 3 slot machine license in accordance with sections 1304 (relating to Category 2 slot machine license), 1305 (relating to Category 3 slot machine license) and 1325 (relating to license or permit issuance) and who holds a casino simulcasting permit.

#### SUBCHAPTER B

#### CASINO SIMULCASTING AUTHORIZED

Sec.

13F05. Authorization to conduct simulcasting.

13F06. Regulations.

13F07. Temporary regulations.

13F08. Simulcast agreements.

§ 13F05. Authorization to conduct simulcasting.

(a) Authority to conduct.—Notwithstanding any other provision of law or regulation, it shall be lawful for a licensed gaming entity to conduct casino simulcasting or enter into an agreement or agreements with a licensed racing entity or other person for the conduct of casino simulcasting in accordance with the provisions of this chapter, Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, and the applicable regulations of the board and the commission promulgated under this chapter.

(b) Administration and enforcement.—The board shall administer and enforce the provisions of this chapter as they relate to the conduct of casino simulcasting by a slot machine licensee and, except as provided in this chapter, shall adopt and promulgate regulations to carry out and enforce the provisions of this chapter.

§ 13F06. Regulations.

(a) Adoption of regulations.—The board, in consultation with the commission, shall adopt and promulgate regulations to govern the conduct of casino simulcasting by licensed gaming entities in this Commonwealth. Such regulations shall establish the following:

(1) The method and form of the application which a licensed gaming entity must follow and complete before consideration of the licensed gaming entity's application to conduct casino simulcasting.

(2) The permissible communications technology which must be used to facilitate the conduct of casino simulcasting in accordance with regulations of the board, the commission and applicable Federal law and regulations.

(3) The times during which a licensed gaming entity may conduct casino simulcasting shall be the same as the times authorized for the conduct of casino simulcasting by Category 1 slot machine licensees.

(4) The approval of the terms and conditions of any agreement between a licensed gaming entity and a licensed

racing entity or other person related to the management or operation of casino simulcasting and the pari-mutuel system of wagering, including the percentage of the money retained by a licensed racing entity for pari-mutuel pools which may be distributed to the licensed gaming entity.

(5) The required contents of agreements entered into between a licensed gaming entity, a licensed racing entity or other person for the management or operation of casino simulcasting and the pari-mutuel system of wagering.

(6) A requirement that wagering on simulcast horse race meetings shall only be conducted within an enclosed location of an authorized licensed gaming entity's licensed facility which has been approved by the board, in consultation with the commission.

(7) The standards and rules to govern the conduct of casino simulcasting and the system of pari-mutuel wagering associated with race horse simulcasting.

(8) The reporting procedures and records which will be required from a licensed gaming entity to ensure that all money generated from casino simulcasting is accounted for and winners' names, when required under applicable Federal or State law, are filed with the appropriate taxing authorities.

(9) Notwithstanding section 2840-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, or any other provision of law or regulation, the policies and procedures which will be adopted, implemented and followed to ensure that individuals under 21 years of age will be prohibited from participating in casino simulcasting or entering simulcasting areas of licensed facilities.

(10) Any other requirements, conditions or controls which the board, in consultation with the commission, deems necessary and appropriate to administer and enforce the provisions of this chapter and to facilitate the implementation of this chapter.

(b) Uniform regulation.—In adopting regulations under this chapter, the commission shall cooperate and work with the board to develop uniform regulations to govern the operation of casino simulcasting in this Commonwealth. Except as herein provided, the provisions of this chapter and any regulations promulgated under this chapter shall be considered as establishing uniform requirements and regulations for casino simulcasting at licensed facilities in this Commonwealth.

(c) Adoption of existing regulations.—Notwithstanding subsection (b) or any other law or regulation to the contrary, the provisions of section 2835-D of The Administrative Code of 1929 and all regulations and supplements thereto or revisions thereof adopted by the commission under section 2835-D of The Administrative Code of 1929, which relate to the retention of money in pari-mutuel pools and the pari-mutuel system of wagering on, before or after the effective date of this chapter are adopted as regulations under this chapter and shall remain in effect unless subsequently modified or superseded by regulations promulgated by the commission.

§ 13F07. Temporary regulations.

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

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

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

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

(b) Expiration.—The authority to adopt temporary regulations under subsection (a) shall expire two years after the effective date of

this section. Regulations adopted by the board and commission after the two-year period shall be promulgated as provided by law.

(c) Publication of temporary regulations.—The board and the commission shall begin publishing temporary regulations governing casino simulcasting in the Pennsylvania Bulletin no later than February 1, 2016.

§ 13F08. Simulcast agreements.

(a) Manner of agreement.—Any agreement entered into between a licensed gaming entity and a licensed racing entity or other person to facilitate casino simulcasting shall be in writing and shall be filed with and approved by the board and the commission in accordance with regulations promulgated by the board in consultation with the commission.

(b) Wager provisions.—Notwithstanding section 2834-D or 2835-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, the following shall apply:

(1) If a licensed gaming entity offers casino simulcasting at its licensed facility through an agreement with a licensed racing entity, the agreement shall specify the percentage of the money wagered each racing day at the casino simulcasting facility and remaining in the wagering pools after the required distributions under section 2834-D of The Administrative Code of 1929, that will be paid to the licensed gaming entity. The amount retained by a licensed gaming entity shall not exceed 25% of the money retained by the licensed racing entity under section 2835-D of The Administrative Code of 1929.

(2) If a licensed gaming entity chooses to offer casino simulcasting through its own resources or through an agreement with another person, as approved by the board and the commission, the board, in consultation with the commission, shall, through regulation, establish the percentage of money wagered each racing day at the casino simulcasting facility and remaining in the wagering pools after the required distributions under section 2834-D of The Administrative Code of 1929 that will be paid to the licensed gaming entity or other person, provided that the percentage of money to be paid to a licensed gaming entity or other person under this paragraph shall be, if determined appropriate by the board and the commission, the same percentage of money remaining in the wagering pools that is retained by a licensed racing entity in accordance with section 2835-D of The Administrative Code of 1929.

(c) Regulations.—The board, in consultation with the commission, shall establish regulations to administer the retention requirements under this section.

#### SUBCHAPTER C

#### APPLICATION AND ISSUANCE OF PERMIT AND ESTABLISHMENT OF SIMULCASTING FACILITY

Sec.

13F11. Application for permit and requirements.

13F12. Casino simulcasting permit.

13F13. Casino simulcasting facilities.

13F14. License or registration of employees required.

13F15. Key employees and occupation permits.

§ 13F11. Application for permit and requirements.

(a) Applications.—A licensed gaming entity shall file an application for a casino simulcasting permit with the board. The application shall include the following:

(1) The name, business address and contact information of the applicant.

(2) The name and location of the applicant's licensed facility.

(3) The name and business address, job title and a photograph of each principal and key employee of the applicant who will be involved in the conduct of casino simulcasting and who is not currently licensed by the board or the commission, if known.

(4) The estimated number of full-time and part-time employment positions that will be created at the licensed facility

if casino simulcasting is authorized and an updated hiring plan under section 1510(a) (relating to labor hiring preferences) which outlines the applicant's plan to promote the representation of diverse groups and Commonwealth residents in the employment positions.

(5) A brief description of the economic benefits expected to be realized by the Commonwealth, the Department of Agriculture and the race horse industry in this Commonwealth if casino simulcasting is authorized at the applicant's licensed facility.

(6) The details of any financing, if applicable, obtained or that will be obtained to fund an expansion or modification of the licensed facility to accommodate casino simulcasting or construct a simulcasting facility or to otherwise fund the cost of commencing casino simulcasting operations.

(7) Information and documentation concerning financial background and resources, as the board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant.

(8) A copy of or a detailed description of the terms and conditions of any agreement or agreements the licensed gaming entity has entered into or will enter into with a licensed corporation or other person to facilitate the conduct of casino simulcasting.

(9) A detailed description of any financial arrangements between a licensed gaming entity and a licensed racing entity or other person related to the conduct of casino simulcasting.

(10) Detailed site and architectural plans of the proposed simulcasting facility within the applicant's licensed facility.

(11) Any other information as the board may require.

(b) Review and approval of application.—The board shall review and approve an application for a simulcasting permit if the applicant establishes, by clear and convincing evidence, all of the following:

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

(2) The conduct of casino simulcasting at the applicant's licensed facility will have a positive economic impact on the Commonwealth and the race horse industry in this Commonwealth through increased revenues, increased purses and employment opportunities.

(3) The applicant possesses adequate funds or has secured adequate financing to:

(i) Fund any necessary expansion or modification of the applicant's licensed facility or to construct a simulcasting facility to accommodate the conduct of casino simulcasting.

(ii) Pay the costs of establishing, maintaining and operating the simulcasting facility.

(iii) Commence casino simulcasting operations.

(4) The applicant has entered into or will enter into an agreement with a licensed racing entity or other person to manage or operate casino simulcasting operations, and the agreement has been approved by the commission.

(5) The applicant has the expertise to manage casino simulcasting.

(6) The applicant has the financial stability, integrity and responsibility to conduct casino simulcasting.

(7) The applicant has sufficient business ability and experience to create and maintain a successful casino simulcasting operation.

(8) The applicant's proposed internal and external security controls and proposed surveillance measures within the area of the licensed facility where the applicant seeks to conduct casino simulcasting are adequate.

(c) Confidentiality.—Information submitted to the board under subsection (a)(6), (7) and (8) may be considered confidential by the board if the information would be confidential under section 1206(f) (relating to board minutes and records).

§ 13F12. Casino simulcasting permit.

(a) Issuance of permit.—Upon review and approval of an application submitted to the board in accordance with section 13F11 (relating to application for permit and requirements), the board shall issue a casino simulcasting permit to the applicant.

(b) Content of permit.—

(1) A casino simulcasting permit shall include a list of the horse race meetings which are proposed to be simulcast by the casino simulcasting permit holder at its simulcasting facility, including the names and locations of the in-State sending racetracks and out-of-State sending racetracks, and the start date and expiration date of any agreement or agreements the permit holder has entered into or will enter into with a licensed racing entity or other person for the operation of casino simulcasting.

(2) A casino simulcasting permit holder shall be required to update the initial casino simulcasting application at times prescribed by the board, in consultation with the commission.

§ 13F13. Casino simulcasting facilities.

(a) Establishment of simulcasting facility.—A licensed gaming entity approved for and issued a permit to operate casino simulcasting under this chapter shall establish a simulcasting facility as part of its licensed facility. The simulcasting facility may be adjacent to, but shall not be part of, any room or location in which slot machines or table games are operated or conducted in accordance with the provisions of this part. The following shall apply:

(1) The simulcasting facility shall conform to all requirements concerning square footage, equipment, security measures and related matters which the board, in consultation with the commission, shall by regulation prescribe.

(2) The space or area required for the establishment of a simulcasting facility shall not be used to decrease the number of slot machines or table games in operation at the licensed facility or to reduce the space approved by the board for the operation of slot machines and the conduct of table games.

(3) The cost of establishing, maintaining and operating a simulcasting facility shall be the sole responsibility of the licensed gaming entity.

(b) Video display monitors.—Notwithstanding Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, or regulations promulgated pursuant to Article XXVIII-D, the regulations promulgated by the board shall provide for the installation of video display technology in approved areas of licensed facilities to deliver simulcast horse race meetings to patrons via video walls and other such innovative video display technology. The board may collaborate with the commission in developing regulations to govern the installation and operation of video display monitors in accordance with this subsection.

§ 13F14. License or registration of employees required.

Except as provided in this part, all persons engaged directly in wagering-related activities at a simulcasting facility, whether employed by the licensed gaming entity, licensed racing entity or by a person or entity conducting casino simulcasting in the simulcasting facility under an agreement with the licensed gaming entity and all other employees of the licensed gaming entity, licensed racing entity or of the person or entity conducting casino simulcasting who work or will work in the simulcasting facility, shall be licensed or registered in accordance with regulations promulgated by the board in collaboration with the commission.

§ 13F15. Key employees and occupation permits.

Nothing in this subchapter shall be construed to require any individual who holds a principal license, a key employee license or gaming employee license under Chapters 13 (relating to licensees) and 13A (relating to table games) or who holds a license under Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, to obtain a separate license, permit or registration to be employed in a casino simulcasting permit holder's casino simulcasting operation authorized under this chapter, if the board, in consultation with the commission, determines that licensure

under the provisions of this part or Article XXVIII-D of The Administrative Code of 1929, is sufficient and will not compromise the integrity of casino simulcasting.

**SUBCHAPTER D  
CONDUCT OF CASINO SIMULCASTING**

Sec.

13F31. Conduct of casino simulcasting.

13F32. Transmission of live races.

13F33. Accounting controls and audit protocols.

13F34. Condition of continued operation.

13F35. Application of Liquor Code.

§ 13F31. Conduct of casino simulcasting.

(a) Wagering.—Wagering on simulcast horse races shall be conducted only in the simulcasting facility.

(b) Required security.—

(1) The security measures for a simulcasting facility shall include, but may not be limited to, the installation by the licensed gaming entity of a closed-circuit television system according to specifications promulgated by the board, in consultation with the commission.

(2) The board and the commission shall have access to the simulcast system or its signal in accordance with regulations promulgated by the board, in consultation with the commission.

§ 13F32. Transmission of live races.

The following shall apply:

(1) A licensed racing entity which operates interstate or international simulcasting of horse race meetings in this Commonwealth shall have discretion to transmit all or some of the live races conducted at the racetrack to the licensed facility of a licensed gaming entity which has established a simulcasting facility under this chapter. Any race which is transmitted from an in-State sending track shall be transmitted to all licensed gaming entities which have established simulcasting facilities.

(2) A licensed gaming entity which establishes a simulcasting facility and conducts casino simulcasting in accordance with this chapter shall, as a condition of continued operation of casino simulcasting, receive all live races which are transmitted by in-State sending tracks.

§ 13F33. Accounting controls and audit protocols.

(a) Approval.—Prior to the commencement of casino simulcasting, a casino simulcasting permit holder shall submit to the board for approval all proposed site and architectural plans, internal control systems and audit protocols for the permit holder's casino simulcasting operations.

(b) Minimum requirements.—A casino simulcasting permit holder's internal controls and audit protocols shall:

(1) Provide for reliable records, accounts and reports of any financial event that occurs in the conduct of casino simulcasting, including reports to the board and commission related to casino simulcasting, as may be required by regulation of the board, in consultation with the commission.

(2) Provide for accurate and reliable financial records related to the conduct of casino simulcasting and the pari-mutuel system of wagering.

(3) Establish procedures and security for the counting, recording and storage of money generated from the conduct of casino simulcasting.

(4) Establish procedures and security standards for the maintenance of telecommunications equipment and video display technology used in connection with the conduct of casino simulcasting.

(5) Establish procedures and rules to govern the conduct of casino simulcasting and the responsibility of employees related to casino simulcasting.

(6) Establish procedures for the collection, recording and deposit of revenue from the conduct of casino simulcasting, including the roles of the commission, the department, licensed racing entities and licensed gaming entities in the collection and

recording of the revenue.

(7) Ensure that the system of pari-mutuel wagering used in the conduct of casino simulcasting is in accordance with Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, and regulations of the commission promulgated under The Administrative Code of 1929.

(8) Ensure, in consultation with the commission, the proper and timely accounting for and retention of percentages for pari-mutuel pools and the proper and timely distribution of money in any pari-mutuel pool generated from casino simulcasting.

(9) Ensure that all functions, duties and responsibilities related to casino simulcasting are appropriately segregated and performed in accordance with sound financial practices by qualified employees.

(10) Permit use of its casino simulcasting facility by the board, the bureau, the commission and other persons authorized under this part or by the board and the commission to facilitate their ability to perform regulatory and oversight functions under this chapter.

(c) Submission to board.—The submission required under subsection (a) shall include a detailed description of the casino simulcasting permit holder's administrative and accounting procedures related to casino simulcasting, including its written system of internal controls. Each written system of internal controls shall include:

(1) An organizational chart depicting appropriate functions and responsibilities of employees involved in casino simulcasting.

(2) A description of the duties and responsibilities of each position shown on the organizational chart.

(3) The record retention policy of the permit holder.

(4) The procedure to be utilized to ensure that money generated from the conduct of casino simulcasting is safeguarded, including mandatory counting and recording procedures.

(5) A statement signed by the casino simulcasting permit holder's chief financial officer or other competent person attesting that the signatory believes, in good faith, that the system satisfies the requirements of this section.

(d) Review.—Prior to authorizing a permit holder to conduct casino simulcasting, the board, in consultation with the commission, shall review the system of internal controls submitted under subsection (c) to determine whether it conforms to the requirements of this subchapter and whether it provides adequate and effective controls for the conduct of casino simulcasting.

(e) License or registration of employees required.—Except as provided in section 13F15 (relating to key employees and occupation permits), persons engaged directly in wagering-related activities at a simulcasting facility, whether employed by the licensed gaming entity, a licensed racing entity or by a person or entity conducting casino simulcasting under an agreement with the licensed gaming entity, licensed racing entity and all other employees of the licensed gaming entity or of the person or entity conducting casino simulcasting who work or will work in the simulcasting facility shall be licensed or registered in accordance with regulations promulgated by the board in collaboration with the commission.

§ 13F34. Condition of continued operation.

As a condition of continued operation, a casino simulcasting permit holder shall agree to maintain all books, records and documents pertaining to casino simulcasting in a manner and location within this Commonwealth as approved by the board, in consultation with the commission. All books, records and documents related to casino simulcasting shall:

(1) Be organized in a manner to clearly depict by separate record the total amount of money contributed to every pari-mutuel pool in accordance with the applicable provisions of Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175),

known as The Administrative Code of 1929, and any regulation promulgated under Article XXVIII-D of The Administrative Code of 1929.

(2) Be segregated by separate accounts within the licensed gaming entity's books, records and documents, except for any books, records or documents that are common to slot machine operations, table game operations and casino simulcasting, as determined by the board in consultation with the commission.

(3) Be immediately available for inspection upon request of the board, the commission, the bureau, the department, the Pennsylvania State Police or the Attorney General, or agents thereof, during all hours of operation of the permit holder's simulcasting facility in accordance with regulations promulgated by the board in consultation with the commission.

(4) Be maintained for a specific period of time as the board, in consultation with the commission, by regulation, may require.

#### § 13F35. Application of Liquor Code.

The provisions of section 493(24)(ii) of the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, shall also apply to casino simulcasting.

### SUBCHAPTER E FEES AND TAXES

#### Sec.

13F41. Casino simulcasting authorization fee.

13F42. Retention and distribution of money and pari-mutuel pools.

13F43. Casino simulcasting taxes.

13F44. Construction.

§ 13F41. Casino simulcasting authorization fee.

A casino simulcasting permit shall not be subject to the payment of an authorization fee, renewal or a renewal fee or the payment of an additional permit fee.

§ 13F42. Retention and distribution of money and pari-mutuel pools.

(a) Wagers included in pari-mutuel pools.—

(1) Sums wagered at a simulcasting facility on the results of a simulcast horse race shall be included in the appropriate pari-mutuel pool generated for the race being transmitted in accordance with section 2835-D of The Administrative Code of 1929 and shall be distributed in accordance with section 2835-D of The Administrative Code of 1929 or any regulations promulgated under section 2835-D of The Administrative Code of 1929. All remaining money shall be paid to the General Fund.

(2) Payments to persons holding winning tickets at a licensed facility shall be made according to the same odds as those generated at the in-State sending track.

(3) A person placing a wager on a simulcast horse race at a simulcasting facility shall not be charged a fee for placing the wager in addition to the amount wagered.

(b) Computation of money wagered.—All money wagered by players on horse race meetings at a simulcasting facility shall be computed in the amount of money wagered each racing day for purposes of taxation under section 2834-D of The Administrative Code of 1929, all thoroughbred races shall be considered a part of a thoroughbred horse race meeting and all harness races shall be considered a part of a harness horse race meeting for purposes of section 2834-D of The Administrative Code of 1929.

§ 13F43. Casino simulcasting taxes.

(a) Imposition.—

(1) All licensed gaming entities that conduct casino simulcasting shall pay a tax through the department for credit to the State Racing Fund.

(2) The tax imposed on all licensed gaming entities shall be a percentage tax in the amount of 2% of the amount wagered each racing day on casino simulcasting and shall be paid from the money retained by the licensed gaming entity. The tax imposed under this paragraph shall be paid to the department on

a form and in the manner prescribed by the department for deposit into the State Racing Fund.

(3) The casino simulcasting tax imposed under this section shall be paid to the department by the casino simulcasting permit holder for deposit into the State Racing Fund.

(b) Deposits and distributions.—

(1) The tax imposed under subsection (a) shall be payable to the department on a weekly basis and shall be based upon the amounts retained by the casino simulcasting permit holder from the amount wagered on casino simulcasting each racing day during the previous week.

(2) All money owed to the Commonwealth under this section shall be held in trust for the Commonwealth by the permit holder until the funds are paid to the department. Unless otherwise agreed to by the board, a casino simulcasting permit holder shall establish a separate bank account into which casino simulcasting revenue shall be deposited and maintained until such time as the funds are paid to the department under this section.

§ 13F44. Construction.

Nothing in this chapter and section 1207 (relating to regulatory authority of board), as it relates to slot machines at nonprimary locations and casino simulcasting, shall be construed to alter, preempt or otherwise impinge the authority of the commission pursuant to Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

### CHAPTER 13G SPORTS WAGERING

#### Subchapter

A. General Provisions

B. Sports Wagering Authorized

C. Conduct of Sports Wagering

D. Sports Wagering Taxes and Fees

E. Miscellaneous Provisions

### SUBCHAPTER A GENERAL PROVISIONS

#### Sec.

13G01. Definitions.

13G02. Regulatory authority.

13G03. Temporary sports wagering regulations.

13G04. Unauthorized sports wagering.

§ 13G01. Definitions.

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

"Certificate holder." A person to whom the board has awarded a sports wagering certificate.

"Gross sports wagering revenue." The total of cash or cash equivalents received from sports wagering minus the total of:

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

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

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

The term does not include counterfeit cash or chips; coins or currency of other countries received in as a result of sports wagering, except to the extent that the coins or currency are readily convertible to cash; or cash taken in a fraudulent act perpetrated against a certificate holder for which the certificate holder is not reimbursed.

"Sporting events." Any professional or collegiate sports or athletic event, or motor race event.

"Sports wagering." The business of accepting wagers on sporting events or on the individual performance statistics of athletes in a sporting event or combination of sporting events by any system or

method of wagering, including, but not limited to, exchange wagering, parlays, over-under, moneyline, pools and straight bets. The term does not include:

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

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

(3) Pari-mutuel betting on the outcome of thoroughbred or harness horse racing as authorized under the act of Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

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

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

(6) Keno.

(7) Fantasy contests as authorized under Chapter 3 (relating to fantasy contests).

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

"Sports wagering device." The term includes any mechanical, electrical or computerized contrivance, terminal, machine or other device, apparatus, equipment or supplies approved by the board and used to conduct sports wagering.

§ 13G02. Regulatory authority.

The board shall promulgate regulations:

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

(2) Establishing standards and rules to govern the conduct of sports wagering and the system of wagering, including the manner in which wagers are received and payouts are remitted and point spreads, lines and odds are determined. The board may also establish standards and rules to govern the conduct of sports wagering and the system of wagering as a form of interactive gaming authorized by the Commonwealth.

(3) Establishing the method for calculating gross sports wagering revenue and standards for the daily counting and recording of cash and cash equivalents received in the conduct of sports wagering, including the conduct of sports wagering and the system of wagering as a form of interactive gaming authorized by the Commonwealth, and ensuring that internal controls are followed, the maintenance of financial books and records and the conduct of audits. The board shall consult with the department in establishing the regulations under this paragraph.

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

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

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

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

(8) Requiring each certificate holder to:

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

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

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

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

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

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

(vii) Ensure that no person under 21 years of age participates in sports wagering.

§ 13G03. Temporary sports wagering regulations.

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

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

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

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

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

§ 13G04. Unauthorized sports wagering.

(a) Offense defined.—

(1) It shall be unlawful for any person to willfully and knowingly operate, carry on, offer or expose for play any sports wagering or to accept a bet or wager associated with sports wagering from any person physically located in this Commonwealth at the time of play that is not within the scope of a valid and current sports wagering certificate issued by the board under this chapter or by another state, territory or possession of the United States with which the Commonwealth has a sports wagering agreement.

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

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

(c) Penalties.—

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

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

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

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

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

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

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

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

(d) Forfeiture.—If a person engages in sports wagering from a location in which the activity is unauthorized, the person shall forfeit all entitlement to any winnings and the money associated with any forfeited winnings shall be deposited into the Compulsive and Problem Gambling Treatment Fund established under section 1509(b) (relating to compulsive and problem gambling program).

(e) Tax liability.—

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

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

#### SUBCHAPTER B

#### SPORTS WAGERING AUTHORIZED

Sec.

13G11. Authorization to conduct sports wagering.

13G12. Petition requirements.

13G13. Standard for review of petitions.

13G14. Award of certificate.

13G15. Sports wagering certificate.

13G16. Sports wagering by suppliers and manufacturers.

§ 13G11. Authorization to conduct sports wagering.

(a) Persons who may be authorized.—

(1) (i) The board may authorize a slot machine licensee to conduct sports wagering and to operate a system of wagering associated with the conduct of sports wagering at the slot machine licensee's licensed facility, a temporary facility authorized under section 13G21(a.1) (relating to authorized locations for operation) or an area authorized under section 13G21(b).

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

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

(2) The board may authorize a sports wagering certificate holder to conduct sports wagering and to operate a system of wagering associated with the conduct of sports wagering as a form of interactive gaming authorized by the Commonwealth.

(3) (i) Except as provided in this part, all individuals wagering on sporting events through authorized sports wagering must be physically located within this Commonwealth or within a state or jurisdiction in which the board has entered a sports wagering agreement.

(ii) No individual under 21 years of age may make a wager or bet on sporting events through authorized sports wagering or have access to the

designated area of the licensed facility authorized to host sports wagering.

(b) Federal authorization.—

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

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

§ 13G12. Petition requirements.

(a) General rule.—Unless otherwise prohibited under section 13A13 (relating to prohibitions), a slot machine licensee may seek approval to conduct sports wagering by filing a petition with the board.

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

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

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

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

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

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

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

(7) Information and documentation, as the board may require, to establish by clear and convincing evidence that the petitioner has or will have the financial ability to pay the authorization fee under section 13G61 (relating to sports wagering authorization fee).

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

(9) Other information as the board may require.

(c) Confidentiality.—Information submitted to the board under subsection (b)(4), (5), (6), (7) and (8) may be considered confidential by the board if the information would be confidential under section 1206(f) (relating to board minutes and records).

§ 13G13. Standard for review of petitions.

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

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

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

(3) The petitioner possesses adequate funds or has secured adequate financing to:

(i) Fund any necessary expansion or modification of the petitioner's licensed facility to



accommodate the conduct of sports wagering.

(ii) Pay the authorization fee in accordance with section 13G61 (relating to sports wagering authorization fee).

(iii) Commence sports wagering operations at its licensed facility.

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

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

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

(7) The petitioner has satisfied the petition application requirements and provided any other information required by section 13G12(b) (relating to petition requirements).

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

§ 13G14. Award of certificate.

(a) General rule.—Upon approval of a petition, the board shall award a sports wagering certificate to the petitioner. The award of a sports wagering certificate prior to the payment in full of the authorization fee required by section 13G61 (relating to sports wagering authorization fee) shall not relieve the petitioner from complying with the provisions of section 13G61.

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

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

§ 13G15. Sports wagering certificate.

The following shall apply:

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

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

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

(iii) the certificate holder relinquishes or does not seek renewal of its slot machine license.

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

§ 13G16. Sports wagering by suppliers and manufacturers.

(a) Suppliers.—A person that sells, leases, offers or otherwise provides, distributes or services any sports wagering device or associated equipment for use or operation in this Commonwealth for sports wagering purposes shall be licensed by the board pursuant to section 1317 (relating to supplier licenses) and shall be subject to application and licensure fees and fines as prescribed under section 1208 (relating to collection of fees and fines), as determined by the board.

(b) Manufacturers.—A person who manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to any sports wagering device or associated equipment for use or operation in this Commonwealth for sports wagering purposes shall be licensed by the board pursuant to section 1317.1 (relating to manufacturer licenses) and shall be subject

to application and licensure fees and fines as prescribed under section 1208, as determined by the board.

#### SUBCHAPTER C

#### CONDUCT OF SPORTS WAGERING

Sec.

13G21. Authorized locations for operation.

13G22. Commencement of sports wagering operations.

13G23. Condition of continued operation.

13G24. Key employees and occupation permits.

13G25. Application of Clean Indoor Air Act.

13G25.1. Application of Liquor Code.

§ 13G21. Authorized locations for operation.

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

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

(b) Powers and duties of board.—

(1) Upon request made by a certificate holder, the board may determine the suitability of a category 1 licensed gaming entity that is also a licensed racing entity authorized to conduct pari-mutuel wagering at nonprimary locations under the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, to conduct sports wagering at nonprimary locations.

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

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

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

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

§ 13G22. Commencement of sports wagering operations.

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

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

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

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

(4) The certificate holder is in compliance with or has complied with section 13A61 (relating to sports wagering authorization fee).

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

§ 13G23. Condition of continued operation.

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

(1) be segregated by separate accounts within the certificate holder's books, records and documents, except for any books, records or documents that are common to slot machine, table game and sports wagering operations;

(2) be immediately available for inspection upon request of the board, the bureau, the department, the Pennsylvania State Police or the Attorney General, or agents thereof, during all hours of operation of the certificate holder in accordance with

regulations promulgated by the board; and

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

§ 13G24. Key employees and occupation permits.

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

§ 13G25. Application of Clean Indoor Air Act.

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

§ 13G25.1. Application of Liquor Code.

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

#### SUBCHAPTER D

#### SPORTS WAGERING TAXES AND FEES

Sec.

13G61. Sports wagering authorization fee.

13G62. Sports wagering tax.

13G63. Local share assessment.

13G64. Compulsive and problem gambling.

§ 13G61. Sports wagering authorization fee.

(a) Amount.—Each slot machine licensee that is issued a sports wagering certificate to conduct sports wagering in accordance with section 13G11 (relating to authorization to conduct sports wagering) shall pay a one-time nonrefundable authorization fee in the amount of \$5,000,000.

(b) Payment of fee.—The authorization fee under subsection (a) shall remit the fee to the board within 60 days of the approval of a petition to conduct sports wagering. The board may allow the fee to be paid in installments, provided all installments are paid within the 60-day period. In that event, the board and the slot machine licensee shall enter into a written agreement setting forth the terms of payment. Sports wagering may not be conducted until the fee under subsection (a) is paid in full.

(c) Renewal fee.—Notwithstanding any other provision of this chapter, a slot machine licensee that is issued a sports wagering certificate shall pay a renewal fee in the amount of \$250,000 upon the renewal of its sports wagering certificate in accordance with sections 1326 (relating to license renewals) and 13G14(c) (relating to award of certificate).

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

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

(f) Deposit of fees.—Notwithstanding section 1208 (relating to collection of fees and fines), all sports wagering authorization fees or penalties received by the board under this subchapter, all sports wagering device and associated equipment manufacturer and supplier license fees, all sports wagering device or associated equipment manufacturer and supplier renewal fees and fees for licenses issued under Chapter 16 (relating to junkets) shall be deposited in the General Fund.

§ 13G62. Sports wagering tax.

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

department and pay from its daily gross sports wagering revenue, on a form and in the manner prescribed by the department, a tax of 16% of its daily gross sports wagering revenue.

(b) Deposits and distributions.—

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

(2) All funds owed to the Commonwealth under this section shall be held in trust for the Commonwealth by the certificate holder until the funds are paid to the department. Unless otherwise agreed to by the board, a certificate holder shall establish a separate bank account into which gross sports wagering revenue shall be deposited and maintained until such time as the funds are paid to the department under this section or paid into the fund under section 13G63(a) (relating to local share assessment).

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

§ 13G63. Local share assessment.

(a) Required payment.—In addition to the tax imposed under section 13G62 (relating to sports wagering tax), each certificate holder shall pay on a weekly basis and on a form and in a manner prescribed by the department a local share assessment into a restricted receipts account established within the fund. All money owed under this section shall be held in trust by the certificate holder until the money is paid into the restricted account. Funds in the restricted account are hereby appropriated to the department on a continuing basis for the purposes set forth in this section.

(b) Distributions.—Except as provided under subsections (b.1) and (b.2), the department shall make quarterly distributions from the local share assessments deposited into the restricted account to counties, including home rule counties, and to municipalities, including home rule municipalities, hosting a licensed facility authorized to conduct sports wagering in the following manner:

(1) Fifty percent of the local share assessment under this chapter shall be added to and distributed with the funds distributed under section 13A63(b) (relating to local share assessment).

(2) Fifty percent of the local share assessment under this chapter shall be added to and distributed with the funds distributed under section 13A63(c).

(b.1) Nonprimary locations.—For sports wagering conducted at nonprimary locations, the local share assessment imposed under subsection (a) shall be distributed as follows:

(1) Fifty percent to the county in which the nonprimary location is located.

(2) Fifty percent to the municipality in which the nonprimary location is located.

(b.2) Interactive gaming.—For sports wagering conducted as a form of interactive gaming, the local share assessment imposed under subsection (a) shall be added to and distributed with the funds distributed under section 13B53 (relating to local share assessment).

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

§ 13G64. Compulsive and problem gambling.

The following shall apply:

(1) Each year, from the tax imposed in section 13G62 (relating to sports wagering tax), \$2,000,000 or an amount equal to .002 multiplied by the total gross sports wagering revenue of all active and operating sports wagering certificate holders, whichever is greater, shall be transferred into the Compulsive and Problem Gambling Treatment Fund established in section 1509 (relating to compulsive and problem gambling program).

(2) Each year, from the tax imposed in section 13G62, \$2,000,000 or an amount equal to .002 multiplied by the total gross sports wagering revenue of all active and operating sports wagering certificate holders, whichever is greater, shall be

transferred to the Department of Health to be used for drug and alcohol addiction treatment services, including treatment for drug and alcohol addiction related to compulsive and problem gambling, as set forth in section 1509.1 (relating to drug and alcohol treatment).

SUBCHAPTER E  
MISCELLANEOUS PROVISIONS

Sec.

13G71. Criminal activity.

§ 13G71. Criminal activity.

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

Section 19. Sections 1403(b), (c)(2)(ii)(D), (iii)(A) and (iv)(B), 1405 and 1407 of Title 4 are amended to read:

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

\* \* \*

(b) Slot machine tax.—The department shall determine and each slot machine licensee shall pay a daily tax of 34% from its daily gross terminal revenue from the slot machines in operation at its licensed facility and a local share assessment as provided in subsection (c). All funds owed to the Commonwealth, a county or a municipality under this section shall be held in trust by the licensed gaming entity for the Commonwealth, the county and the municipality until the funds are paid or transferred to the fund. Unless otherwise agreed to by the board, a licensed gaming entity shall establish a separate bank account to maintain gross terminal revenue until such time as the funds are paid or transferred under this section. Moneys in the fund are hereby appropriated to the department on a continuing basis for the purposes set forth in subsection (c). For the purpose of this subsection, the term licensed facility shall not be construed to include a nonprimary location at which a Category 1 slot machine licensee is authorized to place and make slot machines available for play in accordance with Chapter 13D (relating to slot machines at nonprimary locations) or the physical land-based location of a qualified airport under Chapter 13E (relating to slot machines in qualified airports).

(c) Transfers and distributions.—The department shall:

\* \* \*

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

\* \* \*

(ii) If the licensed facility is a Category 1 licensed facility and is located at a thoroughbred racetrack and the county in which the licensed facility is located is:

\* \* \*

(D) A county of the third class: 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. An additional 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility for the purpose of municipal grants within the county in which the licensee is located. Notwithstanding the provisions of the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act, grants made under this clause may be utilized as local matching funds for other grants or loans from the Commonwealth.

\* \* \*

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

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

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

\* \* \*

(iv) \* \* \*

(B) If the facility is a Category 3 licensed facility located in a county of the second class A, 2% of the gross terminal revenue [from the licensed facility shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants or guarantees for projects in the host county that qualify under 64 Pa.C.S. §§ 1551 (relating to Business in Our Sites Program), 1556 (relating to Tax Increment Financing Guarantee Program) and 1558 (relating to Water Supply and Wastewater Infrastructure Program).] to the county hosting the licensed facility from each such licensed facility shall be deposited as follows:

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

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

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

\* \* \*

§ 1405. Pennsylvania Race Horse Development Fund.

(b) Pennsylvania race horse improvement assessment.—Each active and operating licensed gaming entity shall pay a daily assessment to the Pennsylvania Race Horse Development Fund as determined by the department. Subject to the daily assessment cap established under subsection (c), the licensed gaming entity's assessment shall be a percentage of each licensed gaming entity's gross terminal revenue from the slot machines in operation at its licensed facility, equal to an amount calculated as "A" multiplied by "B", with "A" being equal to each licensed gaming entity's gross terminal revenue for that day divided by the total gross terminal revenue for that day from all licensed gaming entities, and "B" being equal to 18% of that day's gross terminal revenue for all active and operating Category 1 licensees conducting live racing.

(c) Daily assessment cap.—If the resulting daily assessment for a licensed gaming entity exceeds 12% of that licensed gaming entity's gross terminal revenue from the slot machines in operation at its licensed facility for the day, the licensed gaming entity shall pay a daily assessment of 12% of its gross terminal revenue for that day.

(e) Definition.—For the purposes of this section, the term

"licensed facility" shall not include the physical land-based location at which a licensed gaming entity is authorized to place and operate slot machines in a nonprimary location under Chapter 13D (relating to slot machines at nonprimary locations) or in a qualified airport under Chapter 13E (relating to slot machines in qualified airports).

§ 1407. Pennsylvania Gaming Economic Development and Tourism Fund.

(a) Fund established.—There is hereby established a Pennsylvania Gaming Economic Development and Tourism Fund within the State Treasury.

(b) Fund administration and distribution.—The Pennsylvania Gaming Economic Development and Tourism Fund shall be administered by the Department of Community and Economic Development. All moneys in the Pennsylvania Gaming Economic Development and Tourism Fund shall be distributed pursuant to a subsequently enacted Economic Development Capital Budget that appropriates money from the fund pursuant to this section. The procedures for enactment, authorization and release of economic development and tourism funds authorized under this section for both capital projects and operational expenditures shall be the same as those provided for in sections 303(a), (b) and (c) and 318(a) of the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act, without reference to the nature or purpose of the project, and any other statutory provision, if any, necessary to effectuate the release of funds appropriated in such economic development capital budget.

(c) Pennsylvania Gaming Economic Development and Tourism Fund Assessment.—Each licensed gaming entity shall pay a daily assessment of 5% of its gross terminal revenue from the slot machines in operation at its licensed facility to the Pennsylvania Gaming Economic Development and Tourism Fund.

(d) Restrictions on projects for certain counties and cities.—Except as set forth in subsection (d.1), [for a ten-year period beginning with the first fiscal year during which deposits are made into this fund], no moneys from the Pennsylvania Gaming Economic Development and Tourism Fund shall be distributed for any project located in a city or county of the first or second class except as authorized by this subsection. Moneys not used for the authorized projects in cities and counties of the first and second classes may be used throughout this Commonwealth. Moneys from the fund for projects within cities and counties of the first and second classes may only be used for the following projects [during this ten-year period]:

(1) for reimbursement to a city of the first class for debt service made by such city to the extent that such payments have been made for the expansion of the Pennsylvania Convention Center;

(2) for distribution to the General Fund to the extent that the Commonwealth has made debt service payments for the expansion of the Pennsylvania Convention Center;

(3) for reimbursement to a city of the first class for payments made by such city for the operation expenses of the Pennsylvania Convention Center during the prior calendar year;

(4) for debt service and for development and economic development projects for an international airport located in a county of the second class;

(5) for distribution to a community infrastructure development fund of a county of the second class to fund construction, development, improvement and maintenance of infrastructure projects;

(6) for the retirement of the indebtedness of an urban redevelopment authority created pursuant to the act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law, in a city of the second class which is financed in part with the utilization of funds transferred to the regional asset district pursuant to Article XXXI-B of the act of July 28, 1953 (P.L.723, No.230), known as the Second Class County Code;

(8) for retirement of indebtedness of a county of the second class development fund created pursuant to the authority

of Article XXXI-B of the Second Class County Code and the Urban Redevelopment Law;

(9) for retirement of indebtedness of a convention center in a city of the second class established pursuant to the authority of the Public Auditorium Authorities Law;

(10) for payment of the operating deficit for the operation of a convention center in a city of the second class established pursuant to the Public Auditorium Authorities Law.

(d.1) Community and economic development.—

(1) Notwithstanding subsection (b) or any other provision of law to the contrary, the money authorized but not expended under former subsection (d)(7) as of the effective date of this subsection shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority exclusively for eligible applications submitted by the redevelopment authority of a county of the second class created pursuant to the act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law, for economic development, infrastructure development, job training, community improvement, public safety or other projects in the public interest located in a county of the second class. Community development corporations, political subdivisions, urban redevelopment authorities, municipal authorities, for-profit entities and nonprofit entities located in a county of the second class shall be eligible to receive funds made available under this paragraph.

(2) Notwithstanding the Capital Facilities Debt Enabling Act, funding under the paragraph (1) may be utilized as local matching funds for grants or loans from the Commonwealth.

(e) Annual report.—The Office of the Budget, in cooperation with the Department of Community and Economic Development and the Commonwealth Financing Authority, shall submit an annual report of all distribution of funds under this section to the chairman and minority chairman of the Appropriations Committee of the Senate, the chairman and minority chairman of the Community, Economic and Recreational Development Committee of the Senate, the chairman and minority chairman of the Appropriations Committee of the House of Representatives and the chairman and minority chairman of the Gaming Oversight Committee of the House of Representatives. The report shall include detailed information relating to transfers made from the Pennsylvania Gaming Economic Development and Tourism Fund and all reimbursements, distributions and payments made under subsection (b) or the act of July 25, 2007 (P.L.342, No.53), known as Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007. The report shall be submitted by August 31, 2010, and by August 31 of each year thereafter.

(f) Local report.—A city of the first class, city of the second class, county of the second class, convention center or convention center authority, sports and exhibition authority of a county of the second class, urban redevelopment authority, airport authority or other entity that receives money from the fund pursuant to an Economic Development Capital Budget under subsection (b) or the Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007 shall submit an annual report to the Office of the Budget. The report shall include detailed information, including records of expenditures, payments and other distributions made from funds received under subsection (b). The initial report shall include information on all funds received prior to August 31, 2010. The report shall be submitted by August 31, 2010, and by August 31 of each year thereafter until all funds under this section are distributed or received. An entity that receives funds for the first time after the effective date of this section shall submit its initial report by August 31 of the year following receipt of the funds.

(g) Distribution to international airport.—Notwithstanding the provisions of section 7(d) of the Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007, following the distribution of \$42.5 million of funds allocated to a county of the second class for debt service and economic development projects for an international airport in the county under section

3(2)(i)(E) of the Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007, all remaining funds shall be distributed directly to an authority that operates an international airport in the county.

(h) Definition.—For the purposes of this section, the term "licensed facility" shall not include the physical land-based location at which a licensed gaming entity is authorized to place and operate slot machines in a nonprimary location under Chapter 13D (relating to slot machines at nonprimary locations) or in a qualified airport under Chapter 13E (relating to slot machines in qualified airports).

Section 20. Title 4 is amended by adding a section to read:  
§ 1410. Public School Employees' Retirement Contribution Fund.

(a) Establishment.—The Public School Employees' Retirement Contribution Fund is established within the State Treasury.

(b) Contents of fund.—The fund shall contain the money transferred to the fund under subsection (c) and any other money transferred to or deposited into the fund.

(c) Transfers to fund.—Notwithstanding any provision of this part, the following shall apply:

(1) For the 2016-2017 fiscal year, \$303,000,000 of the receipts deposited into the General Fund under Chapters 13A (relating to table games), 13B (relating to interactive gaming), 13D (relating to slot machines at nonprimary locations) and 13E (relating to slot machines in qualified airports) shall be transferred annually to the fund. The transfers required by this paragraph shall be made in equal monthly amounts by the 20th day of each month following the effective date of this paragraph.

(2) For the 2017-2018 fiscal year and each fiscal year thereafter, \$310,000,000 of the receipts deposited into the General Fund under Chapters 13A, 13B, 13D and 13E shall be transferred annually to the fund. The transfers required by this paragraph shall be made in equal monthly amounts by the 20th day of each month.

(d) Use of money in fund.—Money in the fund is hereby appropriated to the Department of Education as an augmentation to the appropriation for required contribution for public school employees' retirement.

(e) Definition.—As used in this section, the term "fund" means the Public School Employees' Retirement Contribution Fund.

Section 21. Sections 1501(b) and 1509(c) of Title 4 are amended to read:

§ 1501. Responsibility and authority of department.

\* \* \*

(b) Application of rules and regulations.—The department may prescribe the extent, if any, to which any rules and regulations shall be applied without retroactive effect. The department shall have authority to prescribe the forms and the system of accounting and recordkeeping to be employed and through its representative shall at all times have power of access to and examination and audit of any equipment and records relating to all aspects of the operation of slot machines [and], including slot machines at nonprimary locations and qualified airports, table games, casino simulcasting and interactive gaming under this part.

\* \* \*

§ 1509. Compulsive and problem gambling program.

\* \* \*

(c) Notice of availability of assistance.—

(1) Each slot machine licensee shall obtain a toll-free telephone number to be used to provide persons with information on assistance for compulsive or problem gambling. Each licensee shall conspicuously post at least 20 signs similar to the following statement:

If you or someone you know has a gambling problem, help is available. Call (Toll-free telephone number).

The signs must be posted within 50 feet of each entrance and exit, within 50 feet of each automated teller machine location within the licensed facility and in other appropriate public areas of the licensed facility, including areas of a casino simulcasting

facility, as determined by the slot machine licensee.

(2) Each racetrack where slot machines or table games are operated shall print a statement on daily racing programs provided to the general public that is similar to the following:

If you or someone you know has a gambling problem, help is available. Call (Toll-free telephone number).

(2.1) Each interactive gaming certificate holder, interactive gaming operator or other person that operates interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder:

(i) Shall cause the words:

If you or someone you know has a gambling problem, help is available. Call (Toll-free telephone number).

or some comparable language approved by the board, which language shall include the words "gambling problem" and "call 1-800-XXXX," to be prominently and continuously displayed to any person visiting or logged onto the interactive gaming certificate holder's interactive gaming skin or Internet website.

(ii) Shall provide a mechanism by which an interactive gaming account holder may establish the following controls on wagering activity through the interactive gaming account:

(A) A limit on the amount of money lost within a specified period of time and the length of time the account holder will be unable to participate in gaming if the holder reaches the established loss limit.

(B) A limit on the maximum amount of any single wager on any interactive game.

(C) A temporary suspension of interactive gaming through the account for any number of hours or days.

(iii) Shall not mail or otherwise forward any gaming-related promotional material or e-mail to a registered player during any period in which interactive gaming through the registered players' interactive gaming account has been suspended or terminated. The interactive gaming certificate holder shall provide a mechanism by which a registered player may change the controls, except that, while interactive gaming through the interactive gaming account is suspended, the registered player may not change gaming controls until the suspension expires, but the registered player shall continue to have access to the account and shall be permitted to withdraw funds from the account upon proper application for the funds to the interactive gaming certificate holder.

(3) A [licensed facility] licensed gaming entity which fails to post or print the warning sign in accordance with paragraph (1) [or], (2) or (2.1)(i) shall be assessed a fine of \$1,000 a day for each day the minimum number of signs are not posted or the required statement is not printed as provided in this subsection.

(4) An interactive gaming certificate holder or interactive gaming license holder, as the case may be, that fails to establish the mechanisms, controls and systems in accordance with paragraph (2.1)(ii) and (iii) shall be assessed a fine of not less than \$5,000 per day for each day the mechanisms, controls and systems are not available to interactive gaming account holders.

\* \* \*

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

§ 1509.2. Child endangerment protection.

(a) Posting of signs.—The following shall apply:

(1) Each licensed gaming entity shall post the necessary signage to notify patrons of the prohibition against leaving a

child unattended in a vehicle under section 1518(a)(18) (relating to prohibited acts; penalties) and underage gambling under section 1518(a)(13) and (13.1) and the penalty for violations.

(2) The signs shall be conspicuously posted in clear view of all parking areas and other public areas of the licensed facility and, including where applicable, nonprimary locations, as determined by the licensed gaming entity and approved by the board.

(3) The board shall determine the written content and minimum number of signs to be posted at each licensed facility.

(b) Fine.—A licensed gaming entity that fails to post signage in accordance with subsection (a) shall be assessed a fine of \$1,000 per day for each day the minimum number of signs as prescribed by the board are not posted.

Section 23. Section 1512 of Title 4 is amended by adding a subsection to read:

§ 1512. Financial and employment interests.

\* \* \*

(a.6) Prohibition related to interactive gaming.—

(1) Except as may be provided by rule or order of the Pennsylvania Supreme Court and except as provided in section 1202.1 (relating to code of conduct) or 1512.1 (relating to additional restrictions), no executive-level public employee, public official or party officer or immediate family member thereof shall hold, directly or indirectly, a financial interest in, be employed by or represent, appear for, or negotiate on behalf of, or derive any remuneration, payment, benefit or any other thing of value for any services, including, but not limited to, consulting or similar services from any holder of or applicant for an interactive gaming certificate, holder or applicant for an interactive gaming license or other authorization to conduct interactive gaming or any holding, subsidiary or intermediary company with respect thereto, or any business, association, enterprise or other entity that is organized in whole or in part for the purpose of promoting, advocating for or advancing the interests of the interactive gaming industry generally or any interactive gaming-related business or businesses in connection with any cause, application or matter. The financial interest and employment prohibitions under this paragraph shall remain in effect for one year following termination of the individual's status as an executive-level public employee, public official or party officer.

(2) Notwithstanding paragraph (1), a member of the immediate family of an executive-level public employee, public official or party officer may hold employment with the holder of or applicant for an interactive gaming certificate, holder or applicant for an interactive gaming license or other authorization to conduct interactive gaming or any holding, subsidiary or intermediary company with respect thereto, if in the judgment of the State Ethics Commission or the Supreme Court, as appropriate, employment will not interfere with the responsibilities of the executive-level public employee, public official or party officer and will not create a conflict of interest or reasonable risk of the public perception of a conflict of interest on the part of the executive-level public employee, public official or party officer.

(3) The financial interest and employment prohibitions specified in paragraphs (1) and (2) shall apply to casino simulcasting under Chapter 13F (relating to casino simulcasting), slot machines at nonprimary locations under Chapter 13D (relating to slot machines at nonprimary locations) and airport gaming under Chapter 13-E (relating to slot machines in qualified airports).

\* \* \*

Section 24. Sections 1513(a), 1514 heading, (a), (d), (e) and (f), 1515, 1516 and 1517(b)(1), (c)(12) and (e)(1) of Title 4 are amended to read:

§ 1513. Political influence.

(a) Contribution restriction.—The following persons shall be prohibited from contributing any money or in-kind contribution to a candidate for nomination or election to any public office in this Commonwealth, or to any political party committee or other political committee in this Commonwealth or to any group, committee or association organized in support of a candidate, political party committee or other political committee in this Commonwealth:

(1) An applicant for a slot machine license, manufacturer license, supplier license, principal license, key employee license, interactive gaming license or horse or harness racing license.

(2) A slot machine licensee, licensed manufacturer, licensed supplier, interactive gaming operator or licensed racing entity.

(3) A licensed principal or licensed key employee of a slot machine licensee, licensed manufacturer, licensed supplier, interactive gaming operator or licensed racing entity.

(4) An affiliate, intermediary, subsidiary or holding company of a slot machine licensee, licensed manufacturer, licensed supplier, interactive gaming operator or licensed racing entity.

(5) A licensed principal or licensed key employee of an affiliate, intermediary, subsidiary or holding company of a slot machine licensee, licensed manufacturer, licensed supplier, interactive gaming operator or licensed racing entity.

(6) A person who holds a similar gaming license in another jurisdiction and the affiliates, intermediaries, subsidiaries, holding companies, principals or key employees thereof.

\* \* \*

§ 1514. Regulation requiring exclusion [or], ejection or denial of access of certain persons.

(a) General rule.—The board shall by regulation provide for the establishment of a list of persons who are to be excluded or ejected from any licensed facility or who may be denied access to interactive gaming, casino simulcasting or slot machines at nonprimary locations. The provisions shall define the standards for exclusion and shall include standards relating to persons who are career or professional offenders as defined by regulations of the board or whose presence in a licensed facility or whose access to interactive gaming, casino simulcasting and slot machines at nonprimary locations would, in the opinion of the board, be inimical to the interest of the Commonwealth or of licensed gaming therein, or both.

\* \* \*

(d) Sanctions.—The board may impose sanctions upon a licensed gaming entity or interactive gaming licensee in accordance with this part if the licensed gaming entity knowingly fails to exclude or eject from the premises of any licensed facility or deny access to interactive gaming, casino simulcasting or to slot machines at a nonprimary location any person placed by the board on the list of persons to be excluded [or], ejected or denied access.

(e) List not all-inclusive.—Any list compiled by the board of persons to be excluded [or], ejected or denied access shall not be deemed an all-inclusive list, and a licensed gaming entity shall have a duty to keep from the licensed facility and from interactive gaming, casino simulcasting and slot machines at a nonprimary location persons known to it to be within the classifications declared in this section and the regulations promulgated under this section whose presence in a licensed facility or whose participation in interactive gaming, casino simulcasting and the play of slot machines at a nonprimary location would be inimical to the interest of the Commonwealth or of licensed gaming therein, or both, as defined in standards established by the board.

(f) Notice.—Whenever the bureau seeks to place the name of any person on a list pursuant to this section, the bureau shall serve notice of this fact to such person by personal service or certified mail at the last known address of the person. The notice shall inform the person of the right to request a hearing under subsection (g). The bureau may also

provide notice by e-mail, if the electronic mail address of the person is known to the bureau.

\* \* \*

§ 1515. Repeat offenders excludable from licensed gaming facility.

A licensed gaming entity may exclude or eject from its licensed facility or deny access to interactive gaming, casino simulcasting and slot machines at a nonprimary location any person who is known to it to have been convicted of a misdemeanor or felony committed in or on the premises of any licensed facility. Nothing in this section or in any other law of this Commonwealth shall limit the right of a licensed gaming entity to exercise its common law right to exclude or eject permanently from its licensed facility or permanently deny access to its interactive gaming, casino simulcasting and slot machines at a nonprimary location any person who disrupts the operations of its premises or its interactive gaming, casino simulcasting or the operation of slot machines at a nonprimary location, threatens the security of its premises or its occupants or is disorderly or intoxicated[,] or who threatens the security of its licensed facility, including the area of a nonprimary location where slot machines are placed and made available for play or the area of a licensed facility where interactive gaming operations are managed, administered or controlled or casino simulcasting is conducted.

§ 1516. List of persons self excluded from gaming activities.

(a) General rule.—The board shall provide by regulation for the establishment of a list of persons self excluded from gaming activities, including interactive gaming, casino simulcasting and the play of slot machines at nonprimary locations, at all licensed facilities. Any person may request placement on the list of self-excluded persons by acknowledging in a manner to be established by the board that the person is a problem gambler and by agreeing that, during any period of voluntary exclusion, the person may not collect any winnings or recover any losses resulting from any gaming activity at licensed facilities, including interactive gaming, casino simulcasting and the play of slot machines at a nonprimary location.

(b) Regulations.—The regulations of the board shall establish procedures for placements on and removals from the list of self-excluded persons. The regulations shall establish procedures for the transmittal to licensed gaming entities of identifying information concerning self-excluded persons and shall require licensed gaming entities to establish procedures designed at a minimum to deny self-excluded persons access to interactive gaming, casino simulcasting and the play of slot machines at nonprimary locations and to remove self-excluded persons from targeted mailings or other forms of advertising or promotions and deny self-excluded persons access to complimentary, check cashing privileges, club programs and other similar benefits.

(c) Liability.—A licensed gaming entity or employee thereof shall not be liable to any self-excluded person or to any other party in any judicial proceeding for any harm, monetary or otherwise, which may arise as a result of:

(1) the failure of a licensed gaming entity to withhold gaming privileges from or restore gaming privileges to a self-excluded person; [or]

(1.1) the failure of a interactive gaming certificate holder or interactive gaming licensee to withhold interactive gaming privileges from or restore interactive gaming privileges to a self-excluded person;

(1.2) the failure of a casino simulcasting permit holder to withhold casino simulcasting privileges from or restore such privileges to a self-excluded person;

(1.3) the failure of a Category 1 licensed gaming entity to withhold or restore access to slot machines at a nonprimary location to a self-excluded person; or

(2) otherwise permitting or not permitting a self-excluded person to engage in gaming activity in the facility or participate in interactive gaming, casino simulcasting or slot machine play at a nonprimary location while on the list of self-excluded persons.

(d) Disclosure.—Notwithstanding any other law to the contrary, the board's list of self-excluded persons shall not be open to public inspection. Nothing in this section, however, shall be construed to prohibit a licensed gaming entity from disclosing the identity of persons self excluded pursuant to this section to affiliated gaming entities in this Commonwealth or other jurisdictions for the limited purpose of assisting in the proper administration of responsible gaming programs operated by affiliated licensed gaming entities.

§ 1517. Investigations and enforcement.

\* \* \*

(b) Powers and duties of department.—

(1) The department shall at all times have the power of access to examine and audit equipment and records relating to all aspects of the operation of slot machines [or], including slot machines at nonprimary locations and, consistent with airport security rules and procedures, at qualified airports, table games or interactive games and casino simulcasting under this part.

\* \* \*

(c) Powers and duties of the Pennsylvania State Police.—The Pennsylvania State Police shall have the following powers and duties:

\* \* \*

(12) Conduct audits or verification of information of slot machine [or], table game operations, including the operation of slot machines used in a multistate wide-area progressive slot machine system and in the operation of skill or hybrid slot machines, interactive gaming operations and casino simulcasting operations and the operation of slot machines at a nonprimary location and in the specified area of a qualified airport at such times, under such circumstances and to such extent as the bureau determines. This paragraph includes reviews of accounting, administrative and financial records and management control systems, procedures and records utilized by a slot machine licensee.

\* \* \*

(e) Inspection, seizure and warrants.—

(1) The bureau, the department and the Pennsylvania State Police shall have the authority without notice and without warrant to do all of the following in the performance of their duties:

(i) Inspect and examine all premises, including the premises of a nonprimary location and the specified area of a qualified airport, consistent with airport security rules and procedures, where slot machine [or], table game and interactive gaming and casino simulcasting operations are conducted, slot machines, table game devices and associated equipment, interactive gaming devices and associated equipment or casino simulcasting technology or equipment are manufactured, sold, distributed or serviced or where records of these activities are prepared or maintained.

(ii) Inspect all equipment and supplies in, about, upon or around premises referred to in subparagraph (i).

(iii) Seize, summarily remove and impound equipment and supplies from premises referred to in subparagraph (i) for the purposes of examination and inspection.

(iv) Inspect, examine and audit all books, records and documents pertaining to a slot machine licensee's operation.

(v) Seize, impound or assume physical control of any book, record, ledger, game, device, cash box and its contents, count room or its equipment, interactive gaming devices and associated equipment or casino simulcasting technology or equipment or slot machine [or], table game or interactive gaming or casino simulcasting operations.

\* \* \*

Section 25. Section 1518(a)(1), (2), (3), (4), (5), (7.1), (11), (13),

(13.1), (15) and (17) and (b)(1), (2) and (3) of Title 4 are amended, subsections (a) and (b) are amended by adding paragraphs and subsection (c)(1) is amended by adding a subparagraph to read: § 1518. Prohibited acts; penalties.

(a) Criminal offenses.—

(1) The provisions of 18 Pa.C.S. § 4902 (relating to perjury), 4903 (relating to false swearing) or 4904 (relating to unsworn falsification to authorities) shall apply to any person providing information or making any statement, whether written or oral, to the board, the commission, the bureau, the department, the Pennsylvania State Police or the Office of Attorney General, as required by this part.

(2) It shall be unlawful for a person to willfully:

(i) fail to report, pay or truthfully account for and pay over any license fee, authorization fee, permit fee, tax or assessment imposed under this part; or

(ii) attempt in any manner to evade or defeat any license fee, authorization fee, permit fee, registration fee, tax or assessment or any other fee imposed under this part.

(3) It shall be unlawful for any licensed entity, gaming employee, key employee or any other person to permit a slot machine, table game or table game device, interactive game or interactive gaming device or associated equipment to be operated, transported, repaired or opened on the premises of a licensed facility by a person other than a person licensed or permitted by the board pursuant to this part.

(3.1) It shall be unlawful for any person who does not possess a valid and then effective interactive gaming certificate or interactive gaming license issued by the board in accordance with Chapter 13B (relating to interactive gaming) to accept any wager associated with any authorized interactive game from any individual without verifying the age, identity and physical location of the player at the time of play or wager.

(3.2) It shall be unlawful for any person who does not possess a valid and then effective casino simulcasting permit issued by the board in accordance with section 13F12 (relating to casino simulcasting permit) to operate or permit an individual to participate in casino simulcasting at a Category 2 licensed facility in this Commonwealth.

(3.3) It shall be unlawful for any person who does not possess a valid nonprimary location permit issued by the board in accordance with section 13D12 (relating to issuance and terms of nonprimary location permit) to place and make slot machines available for play at a nonprimary location.

(4) It shall be unlawful for any licensed entity or other person to manufacture, supply or place slot machines, table games, table game devices or associated equipment, authorized interactive game or interactive gaming devices or associated equipment or casino simulcasting technology or equipment into play or display slot machines, including slot machines at a nonprimary location or in a specified area of a qualified airport, table games, table game devices or associated equipment on the premises of a licensed facility without the authority of the board.

(4.1) It shall be unlawful for any slot machine licensee to offer interactive games into play or display such games on its interactive gaming skin or Internet website without the approval of the board.

(4.2) It shall be unlawful for any licensed entity or other person to manufacture, supply or place interactive gaming devices or associated equipment into operation at a licensed facility without the approval of the board.

(4.3) It shall be unlawful for any slot machine licensee to conduct casino simulcasting without the approval of the board, in consultation with the commission.

(4.4) It shall be unlawful for any slot machine licensee to place and make slot machines available for play at a nonprimary location or in a specified area of a qualified airport

without the approval of the board.

(5) Except as provided for in section 1326 (relating to [license] renewals), it shall be unlawful for a licensed entity or other person to manufacture, supply, operate, carry on or expose for play any slot machine, including slot machines at a nonprimary location, table game, table game device or associated equipment, interactive game or interactive gaming device or associated equipment or casino simulcasting technology or equipment after the person's license has expired and prior to the actual renewal of the license.

\* \* \*

(7.1) It shall be unlawful for an individual to do any of the following:

(i) Use or possess counterfeit, marked, loaded or tampered with table game devices or associated equipment, chips or other cheating devices in the conduct of gaming under this part, except that an authorized employee of a licensee or an authorized employee of the board may possess and use counterfeit chips or table game devices or associated equipment that have been marked, loaded or tampered with, or other cheating devices or any unauthorized interactive gaming device or associated equipment in performance of the duties of employment for training, investigative or testing purposes only.

(ii) Knowingly, by a trick or sleight of hand performance or by fraud or fraudulent scheme, or manipulation, table game device or other device, or interactive gaming device for himself or for another, win or attempt to win any cash, property or prize at a licensed facility or to reduce or attempt to reduce a losing wager.

(7.2) It shall be unlawful for a person to knowingly alter, tamper or manipulate interactive gaming devices or associated equipment, including software, system programs, hardware and any other device or associated equipment used in interactive gaming operations, in order to alter the odds or the payout of an interactive game or to disable the interactive game from operating according to the rules of the game as authorized by the board.

(7.3) It shall be unlawful for a person to knowingly offer or allow to be offered any authorized interactive game that has been altered, tampered with or manipulated in a way that affects the odds or the payout of an authorized interactive game or disables the interactive game from operating according to the authorized rules of the game as authorized by the board.

\* \* \*

(11) It shall be unlawful for a licensed gaming entity that is a licensed racing entity and that has lost the license issued to it by [either] the State Horse Racing Commission or the State Harness Racing Commission under the Race Horse Industry Reform Act or that has had that license suspended to operate slot machines [or], table games or authorized interactive games at the racetrack or nonprimary location for which its slot machine license was issued unless the license issued to it by either the State Horse Racing Commission or the State Harness Racing Commission will be subsequently reissued or reinstated within 30 days after the loss or suspension.

\* \* \*

(13) It shall be unlawful for an individual under 21 years of age to enter and remain in any area of a licensed facility where slot machines are operated, including any area of a nonprimary location or a specified area of a qualified airport, or the play of table games is conducted or where casino simulcasting is conducted, except that an individual 18 years of age or older employed by a slot machine licensee, a gaming service provider, the board or any other regulatory or emergency response agency may enter and remain in any such area while engaged in the performance of the individual's employment duties.



(13.1) It shall be unlawful for an individual under 21 years of age to wager, play or attempt to play a slot machine or table game, or casino simulcasting at a licensed facility, including at a nonprimary location and the specified area of a qualified airport or to wager, play or attempt to play an interactive game.

(13.2) It shall be unlawful to allow a person under 21 years of age to open, maintain or use in any way an interactive gaming account. Any interactive gaming certificate holder, interactive gaming licensee or employee of an interactive gaming certificate holder or interactive gaming licensee or other such person who knowingly allows a person under 21 years of age to open, maintain or use an interactive gaming account shall be subject to the penalty set forth in this section, except that the establishment of all of the following facts by an interactive gaming certificate holder, interactive gaming licensee or employee of an interactive gaming certificate holder, interactive gaming licensee or other such person shall constitute a defense to any regulatory action by the board or the penalty authorized under this section:

(i) the underage person falsely represented that he was of the permitted 21 years of age in the application for an interactive gaming account; and

(ii) the establishment of the interactive gaming account was made in good faith reliance upon such representation and in the reasonable belief that the underage person was 21 years of age.

\* \* \*

(15) It shall be unlawful for a licensed gaming entity to require a wager to be greater than the stated minimum wager or less than the stated maximum wager. However, a wager made by a player and not rejected by a licensed gaming entity prior to commencement of play shall be treated as a valid wager. A wager accepted by a dealer or through an authorized interactive game shall be paid or lost in its entirety in accordance with the rules of the game, notwithstanding that the wager exceeded the current table maximum wager or authorized interactive game wager or was lower than the current table minimum wager or minimum interactive game wager.

\* \* \*

(17) It shall be unlawful for an individual to claim, collect or take, or attempt to claim, collect or take, money or anything of value in or from a slot machine, including a slot machine at a nonprimary location or in a specified area of a qualified airport, gaming table or other table game device, interactive game or interactive gaming device or from casino simulcasting operations with the intent to defraud, or to claim, collect or take an amount greater than the amount won, or to manipulate with the intent to cheat, any component of any slot machine, including slot machines at a nonprimary location or in a specified area of a qualified airport, table game or table game device, interactive game or interactive gaming device in a manner contrary to the designed and normal operational purpose.

(18) Notwithstanding any other provision of law, it shall be unlawful for an individual driving or in charge of a motor vehicle to permit a child under 14 years of age to remain unattended in the vehicle if the vehicle is located on property owned, leased or controlled by a licensed gaming entity or its affiliate, intermediary, subsidiary or holding company. In addition to the penalties in subsection (b), the individual shall be subject to exclusion or ejection from licensed facilities under sections 1514 (relating to regulation requiring exclusion, ejection or denial of access of certain persons) and 1515 (relating to repeat offenders excludable from licensed gaming facility). Notwithstanding any of the provisions of 18 Pa.C.S. Ch. 91 (relating to criminal history record information), the investigating officer in the jurisdiction in which the vehicle is located shall be responsible for providing written notice of the violation within

48 hours to the director of the county children and youth service agency of the county where the violation occurred. The notice shall contain:

(i) The name of the individual charged under this section.

(ii) The address or addresses at which the individual resides.

(iii) The name of the child or children left unattended.

(b) Criminal penalties and fines.—

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

(ii) A person that violates subsection (a)(2), (3) and (4) through (12) or (17) commits a misdemeanor of the first degree. A person that is convicted of a second or subsequent violation of subsection (a)(2), (3) and (4) through (12) or (17) commits a felony of the second degree.

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

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

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

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

(ii) For a second or subsequent violation of subsection (a)(1), (2), (3) and (4) through (12) or (17), a person shall be sentenced to pay a fine of:

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

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

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

(2.1) A person that commits an offense in violation of subsection (a)(3.1) or (3.2) commits a felony and, upon conviction, shall be sentenced to pay a fine of not less than \$500,000 nor more than \$1,000,000. A person that is convicted of a second or subsequent violation of subsection (a)(3.1) commits a felony of the first degree and shall be sentenced to pay a fine of not less than \$1,000,000 nor more than \$2,500,000.

(3) An individual who commits an offense in violation of subsection (a)(13) [or], (13.1) or (13.2) commits a nongambling summary offense and upon conviction of a first offense shall be sentenced to pay a fine of not less than \$200 nor more than \$1,000. An individual that is convicted of a second or subsequent offense under subsection (a)(13) [or], (13.1) or (13.2) shall be sentenced to pay a fine of not less than \$500 nor more than \$1,500. In addition to the fine imposed, an individual convicted of an offense under subsection (a)(13) [or], (13.1) or

(13.2) may be sentenced to perform a period of community service not to exceed 40 hours.

(3.1) Notwithstanding paragraph (3), whenever an individual is convicted of a second or subsequent offense under subsection (a)(13) or (13.1), the court, including a court not of record if it is exercising jurisdiction pursuant to 42 Pa.C.S. § 1515(a) (relating to jurisdiction and venue), shall order the operating privileges of the individual suspended. A copy of the court order shall be transmitted to the Department of Transportation.

(3.2) When the department suspends the operating privilege of a person under paragraph (3.1), the duration of the suspension shall be as follows:

(i) For a first offense, a period of 90 days from the date of suspension.

(ii) For a second offense, a period of one year from the date of suspension.

(iii) For a third offense, and any offense thereafter, a period of two years from the date of suspension. Any multiple sentences imposed shall be served consecutively.

Reinstatement of operating privilege shall be governed by 75 Pa.C.S. § 1545 (relating to restoration of operating privilege).

\* \* \*

(5) An individual who commits an offense in violation of subsection (a)(18) commits a misdemeanor of the third degree for the first offense. A person that is convicted of a second or subsequent violation of subsection (a)(18) commits a misdemeanor of the second degree.

(c) Board-imposed administrative sanctions.—

(1) In addition to any other penalty authorized by law, the board may impose without limitation the following sanctions upon any licensee or permittee:

\* \* \*

(x) Assess a fine for failure to report a violation under subsection (a)(18), of which the licensed gaming entity knew or should have known, to the appropriate law enforcement authority. The amount of the fine shall be not less than \$75,000 nor more than \$150,000 for a first violation of this subparagraph, and not less than \$150,000 nor more than \$300,000 for a second or subsequent violation of this subparagraph.

\* \* \*

Section 26. Section 1901(a) of Title 4 is amended by adding a paragraph to read:

§ 1901. Appropriations.

(a) Appropriation to board.—

\* \* \*

(3) The sum of \$5,000,000 is hereby appropriated from the State Gaming Fund to the Pennsylvania Gaming Control Board for salaries, wages and all necessary expenses for the proper operation and administration of the board for the activities authorized under this act. This appropriation shall be a supplemental appropriation for fiscal year 2016-2017 and shall be in addition to the appropriation contained in the act of 2016 (P.L. , No. A), known as the Gaming Control Appropriation Act of 2016.

\* \* \*

Section 27. The amendment of 4 Pa.C.S. § 1305 in the act of January 7, 2010 (P.L.1, No.1), entitled "An act amending Title 4 (Amusements) of the Pennsylvania Consolidated Statutes, making extensive revisions to provisions on gaming, in the areas of legislative intent, definitions, the Pennsylvania Gaming Control Board, applicability of other statutes, powers of the board, code of conduct, expenses of regulatory agencies, licensed gaming entity application appeals from board, license or permit application hearing process and public hearings, board minutes and records, regulatory authority, collection of fees and fines, slot machine license fee, number of slot

machines, reports of board, diversity goals of board, license or permit prohibition, specific authority to suspend slot machine license, Category 2 slot machine license, Category 3 slot machine license, number of slot machine licenses, applications for license or permit, slot machine license application, slot machine license application character requirements, supplier licenses, manufacturer licenses, gaming service provider, occupation permit application, alternative manufacturer licensing standards, alternative supplier licensing standards, additional licenses and permits and approval of agreements, license renewals, change in ownership or control of slot machine licensee, nonportability of slot machine license, appointment of trustee, table games, slot machine licensee deposits, gross terminal revenue deductions, itemized budget reporting, establishment of State Gaming Fund and net slot machine revenue distribution, distributions from Pennsylvania Race Horse Development Fund, Pennsylvania Gaming Economic Development and Tourism Fund, transfers from State Gaming Fund, responsibility and authority of Department of Revenue, wagering on credit, eminent domain authority, compulsive and problem gambling program, drug and alcohol treatment, labor hiring preferences, declaration of exemption from Federal laws prohibiting slot machines, financial and employment interests, additional restrictions, political influence, regulation requiring exclusion of certain persons, prosecutorial and adjudicative functions, investigations and enforcement, conduct of public officials and employees, prohibited acts and penalties, report of suspicious transactions, additional authority, applicability of Clean Indoor Air Act, liquor licenses at licensed facilities, interception of oral communications, electronic funds transfer terminals, junkets, gaming schools, appropriations and Commonwealth Financing Authority; and making related repeals," shall take effect on January 1, 2016, if all Category 3 licensed facilities authorized by 4 Pa.C.S. Pt. II before the effective date of this section have commenced the operation of slot machines.

Section 28. Repeals are as follows:

(1) The General Assembly finds that the repeal under paragraph (2) is necessary to effectuate this act.

(2) Section 21(2) of the act of January 7, 2010 (P.L.1, No.1), entitled "An act amending Title 4 (Amusements) of the Pennsylvania Consolidated Statutes, making extensive revisions to provisions on gaming, in the areas of legislative intent, definitions, the Pennsylvania Gaming Control Board, applicability of other statutes, powers of the board, code of conduct, expenses of regulatory agencies, licensed gaming entity application appeals from board, license or permit application hearing process and public hearings, board minutes and records, regulatory authority, collection of fees and fines, slot machine license fee, number of slot machines, reports of board, diversity goals of board, license or permit prohibition, specific authority to suspend slot machine license, Category 2 slot machine license, Category 3 slot machine license, number of slot machine licenses, applications for license or permit, slot machine license application, slot machine license application character requirements, supplier licenses, manufacturer licenses, gaming service provider, occupation permit application, alternative manufacturer licensing standards, alternative supplier licensing standards, additional licenses and permits and approval of agreements, license renewals, change in ownership or control of slot machine licensee, nonportability of slot machine license, appointment of trustee, table games, slot machine licensee deposits, gross terminal revenue deductions, itemized budget reporting, establishment of State Gaming Fund and net slot machine revenue distribution, distributions from Pennsylvania Race Horse Development Fund, Pennsylvania Gaming Economic Development and Tourism Fund, transfers from State Gaming Fund, responsibility and authority of Department of Revenue, wagering on credit, eminent domain authority, compulsive and problem gambling program, drug and alcohol treatment, labor hiring preferences, declaration of exemption from Federal laws prohibiting slot machines, financial and employment interests,

additional restrictions, political influence, regulation requiring exclusion of certain persons, prosecutorial and adjudicative functions, investigations and enforcement, conduct of public officials and employees, prohibited acts and penalties, report of suspicious transactions, additional authority, applicability of Clean Indoor Air Act, liquor licenses at licensed facilities, interception of oral communications, electronic funds transfer terminals, junkets, gaming schools, appropriations and Commonwealth Financing Authority; and making related repeals," is repealed.

Section 29. This act shall take effect as follows:

(1) Except as set forth in paragraph (2), the addition of 4 Pa.C.S. Ch. 3 shall take effect in 180 days.

(2) The addition of 4 Pa.C.S. § 343 shall take effect immediately.

(3) The remainder of this act shall take effect immediately.

On the question,

Will the House agree to the amendment?

The SPEAKER. On that question, the Chair recognizes Representative George Dunbar.

Mr. DUNBAR. Thank you, Mr. Speaker.

Amendment A08621 essentially takes HB 649 and the fantasy bill, HB 2150, and puts it together with VGTs (video gaming terminals) as well. So everything included in the bill is iGaming, Internet poker, OTB (offtrack betting) slot machines for Category 1s, airport slot machines, tablets in airports, simulcasting of horse racing for Cat 2s, some changes to the Category 3 licensing, removing of their patron access fee, did 250 additional slot machines and 15 additional table games for the Category 3 licenses. It also allows out-of-State testing of machines. There are some changes to some of the local share agreements, and it also allows for sports wagering once it is approved at the Federal level.

As far as the VGT amendments, it essentially allows for VGTs in our liquor establishments and truckstops. There is a fee, upfront fee of \$7,500 per machine. This fee will be waived for volunteer fire departments. There is also a 36-percent tax rate. There also are additional security provisions for age verification and identity verification as well as an increase in the penalties for illegal machines to a felony level. This is in addition to what is originally in HB 2150. Thank you.

The SPEAKER. Any members wishing to speak on the amendment?

We have Representative Mustio, Representative Masser. All members who wish to speak on this amendment: Representative Sainato? Okay. Representative Mustio, Representative Masser, Representative Sainato, Representative Costa, Representative Kirkland, Representative Neilson, Representative Fabrizio, Representative Samuelson. I know there will be others, but I just – Representative Kortz and then Representative Dunbar will finish. Representative Pashinski, we have you down. Thank you, sir.

Representative Mustio has asked to hold off on talking now.

Representative Masser, are you prepared to speak at this time?

Representative Thaddeus Kirkland, are you prepared to speak at this time, sir?

Representative Sainato, are you ready to speak at this time? No; okay.

Representative Kirkland is prepared to speak.

Members, members, please, if you could, please take your seats.

Mr. KIRKLAND. Thank you, Mr. Speaker.

Mr. Speaker—

The SPEAKER. Sir, just suspend; not because of you. I need to get everybody in their seats here.

Members, please take your seats. Members, please take your seats. This is certainly an important policy debate for the citizens of Pennsylvania. Everybody is entitled to be heard. I would ask all members to please take their seats.

Representative Kirkland, the floor is yours, sir.

Mr. KIRKLAND. Thank you, Mr. Speaker.

Mr. Speaker, I rise in opposition to HB 2150 and some amendments, and I do so for a number of reasons. Mr. Speaker, some years ago we stood in this House chamber – and many of my colleagues who are here today were not here – and we began the process of debating gaming in the Commonwealth of Pennsylvania, and as I stood on the floor some years ago, Mr. Speaker, I did what I would call a Pontius Pilate address when it came to gaming in our communities. I simply came on the floor and I washed my hands of the situation, and I washed my hands of the situation because many of the folks in my community and my district were in support of gaming, and it was not that I was not in support of gaming, but there were some other issues that I thought that were more relevant and more needed at the time within my community, but because of the community that I represent, the district that I represent, the 159th Legislative District, and the people whom I represent, they were the ones that spoke on that day and said that they wanted to see a casino in their community. Why? Because it would generate jobs in the community. Why? Because it would generate revenue, not only for the city of Chester but also for the county, Delaware County. And so I stood on this floor with a clear understanding that revenues and jobs would be created in the 159th Legislative District, and lo and behold that happened. Harrah's Casino – they call it Harrah's Philadelphia, located in Chester, Casino – has been an economic helping engine for the Chester community and the Delaware County area, and they have been very helpful to our various communities.

Also, Mr. Speaker, a number of jobs were created for persons within the 159th Legislative District, in particular, the city of Chester. We have benefited from Harrah's. They have been a good partner, and we have grown financially because of their partnership.

Today, Mr. Speaker, we are talking about putting video games, these gaming machines in you call them taverns, we call them bars. Not only are you going to put video gaming machines in the bars but in various venues throughout our communities.

Let me tell you why this is a terrible idea. Number one, too much of a good thing is never good for the community. If we begin to place these video gaming machines within our bars, the first thing that happens is you begin to take away from the revenues that are going to Harrah's. Of these casinos, Harrah's, once again, is an economic engine for our community. That is why we stood on this House floor, that is why we voted for the gaming industry, so that it can be a helpmate to the local economy. Having video games will hurt what we have already had in place. Not only will it hurt what we already have in

place, it will cause a spike. Let me say this so you hear me clearly, it will cause a spike in criminal activity. Why? Because there are a number of bars in communities such as mine. A number of persons will find themselves rather than driving to a safer venue, which is Harrah's Casino, but now they can walk out their very back doors and go into the bar and begin the process of gambling, and in the process of gambling, not having secured places or security, the proper security around these individuals, could lead to criminal activity happening to them.

Mr. Speaker, we have invested mightily in our gaming system. We have invested mightily and they have invested mightily in us, meaning the casinos that are throughout the Commonwealth of Pennsylvania. It would simply be a slap in the face to them, to these persons or these organizations that have come together and spent over \$50 million for licenses to now know that the very industries that they have created are now being threatened by having gaming, these video gaming machines, these gaming machines within bars and taverns and barbershops, you name it. This is not the type of society that we want to live in. This is not the thinking or the idea that we had when we first came here on the House floor to begin to put in place the gaming industry. It was all about helping our local communities and helping our counties and helping our State. This will do more harm than help. Trust me, too much of a good thing will hurt.

Let me close by saying this, Mr. Speaker. As I stated when I opened up, I said that I did a Pontius Pilate reenactment and I washed my hands of the situation and I voted in favor of gaming in our communities. Not a Pontius Pilate this time. This time I do not wash my hands. This time I simply throw up my hands and say I am hoping that we will not infect our communities in a negative way by placing these gaming machines in our local taverns, in our local barbershops. Heck, what is next, our local stores, so when families decide that they want to go to the store and buy some milk and eggs, that they can stand there by a gaming machine and begin to throw money into the slot machine, and then when they lose their grocery money, they have got to put their bacon and eggs back on the counter?

So this is a dangerous move, Mr. Speaker, and that is why I rise today in opposition to HB 2150 and its amendments and I am asking my colleagues to do the same. Do not hurt, do not further hurt communities such as mine, the ones that I represent. We finally began to rise up out of the ashes. Now this bill and these amendments will force us back down. Please, vote "no." Thank you, Mr. Speaker.

The SPEAKER. Thank you, Representative.  
Representative Eli Evankovich.

Mr. EVANKOVICH. Thank you, Mr. Speaker.

Mr. Speaker, as people prepare to make their votes on amendment 8621, I think it is important for us all to consider not only is there a budget number at play, not only are there budget implications, not only are there shareholders of which sell video gaming terminals or represent companies that make online portals for gambling, not only casinos, Mr. Speaker, there is a very human aspect to what we are debating today.

I have been approached by more people on this issue, more real people on this issue who do not have a stake hold in a casino, who are not beholden to any organization or are not representing an organization. They are just regular, everyday people who live in Allegheny County or Westmoreland County. Some of them are alcoholics; some of them are gambling

addicts. Mr. Speaker, they have made a plea to me that we need to be very careful with how we mix these two issues, that we need to take into consideration that there are people that have these vices that have some difficulty controlling them.

Mr. Speaker, I understand that video gaming exists, whether it is legalized or not. I understand that casinos exist in Pennsylvania and none of these provisions of this amendment change that. But I think that if we are going to make votes on an issue like this in order to obtain revenue for a budget, that we ought to just put those taxes on the table and vote to raise those taxes, "yes" or "no," rather than putting the vote on a sin tax, a regressive tax on the poor people of this State who might be gambling.

I understand that we probably all have our minds made up on this issue, but I just wanted to remind those in this chamber that there is a human cost to raising revenue in this way. Thank you.

The SPEAKER. Representative Chris Sainato.

Mr. SAINATO. Thank you, Mr. Speaker.

This is an issue that has been going on for the 22 years that I have been in the legislature, many years before I got here, before we had casinos, before we had some of the forms of gaming, which we do today.

I have always supported casinos, Mr. Speaker. I voted for it on July 4, 2001. I voted for the table games and I voted for most gaming bills that have come before this legislature as long as I have been in, and I also support VGTs.

I think the time has come, Mr. Speaker, the time has come where we do something for the mom-and-pops, the small business people, our clubs, our VFWs (Veterans of Foreign Wars), our fire departments, and our bar owners. They have waited all these years, Mr. Speaker. They employ hundreds of thousands of people in this State, but why do we treat them as second-class citizens? It is not right; I am sorry. They are job providers. Those are good jobs. People do a great job, and we all participate going to these facilities, but when it comes to them getting respect, we do not always give them the respect that they deserve.

I support this amendment. I support this bill. I am willing to listen to all sides. But it is June 22, Mr. Speaker. We are working on a budget. Whether you know it or not, we need revenue. I have signed many letters of support to help many organizations that are asking for revenue in this budget. Where do you get revenue? We have to look at every way of doing it without, I repeat, without raising broad-based taxes.

It is funny, we say VGT and for how long did we hear the word PIT (personal income tax)? And I think it is coming to this, Mr. Speaker, VGT versus PIT. Let me assure you, I will support VGT; I will not support PIT. So for those of you who are going to be hearing a very good debate and argument here today and you want to argue against this bill, think about it, because there needs to be alternatives. We do need to raise revenue.

I have got so much literature on this from both sides, from both sides, and I looked at some of that literature. Number one, the effect on our lottery, which I am a strong supporter of, I think that whole case that it is going to drain money from our lottery with VGTs is wrong. Believe it or not, Mr. Speaker, there are a lot of illegal machines throughout the Commonwealth of Pennsylvania we get nothing from. So that is already there; that is already there. So if we are going to go down that path and we put in iGaming with video screens in every household in the State of Pennsylvania, is that going to

drain from the lottery? Maybe it is something we need to look at; maybe we need to discuss it.

But do you know what? I just think it is a very weak argument to say we are going to lose this money. I would be a little bit more concerned of someone gambling in their home and losing their money. Are they going to still go out and buy all the lottery tickets? I do not know. That might not happen, but no one has talked about that. They are talking about clubs, bars having machines. Not every club or bar who has a liquor license is going to have a machine. I do not think many of our chain restaurants are going to want to put in video gaming machines in their establishments. Maybe some of your nicer ones do. It is going to come down to neighborhood taverns, it is going to come down to clubs, it is going to come down to VFWs, fire departments with a liquor license. It is not going to be as proliferated as people think that it is, but we do need revenue, we do need to get this budget resolved, and we need to move this process forward.

Am I happy about the fees that are being charged in this bill? No. I think they are too high. But there is room for negotiation with the Senate. Let us do it. Let us move this process forward today by doing it the way it should be done. Everything needs to be on the table.

I respect the maker of this amendment. We have everything in this amendment. It is going to help the casinos; it is going to help the small business man; it is going to help the clubs, the bars. They should not be fighting with each other. They should all be on the same side, and at the end of the day, the tax revenue that is generated by this is going to help our senior citizens, it is going to help our school districts, it is going to help all the organizations that are out there.

We need to look at it. Is gaming the answer? No, it is not. It is not the all-cure answer to anything. But guess what? We need \$1.2 to \$1.5 billion to raise, and this is a good start to getting those dollars that are out there. When the gaming numbers started back in the early seventies, it was out there illegally. The State started it, and that is what really proliferated all the money that is going into the Lottery Fund today, and I think we have to look at that. There is illegal activity going on and we need to take control of it and we need to have it regulated with legal video machines. It is fair to the player. It is fair to the club; it is the establishment. And local municipalities will benefit from this with the fee they get from every machine that is in that municipality. Many of them are third-class cities; many of them are under Act 47. Yes, they need help. They all need help.

We are going to be making a choice today, and I think everybody needs to think about it. You can think of VGTs and you think of PIT, and let me assure you, this is one legislator who is going to be pushing VGT before I ever think about a PIT. And we may deal with it now. You may have to talk about it again next year. And remember this: This is June 22, 2016. If this fails today, if it fails today, all of you who voted "no" can think about a PIT next year. I will not be. Vote for this amendment, Mr. Speaker.

The SPEAKER. Representative Ed Neilson.

Mr. NEILSON. Thank you, Mr. Speaker.

I was wondering if the maker of the amendment would stand up for brief interrogation.

The SPEAKER. Representative Dunbar will stand for interrogation, and Representative Neilson, you may proceed.

Mr. NEILSON. Thank you, Mr. Speaker.

Mr. Speaker, in regards to your amendment, do you know how many bars, taverns, truckstops there are in Pennsylvania and how many will be eligible for up to at least five machines?

Mr. DUNBAR. Thank you, Mr. Speaker.

There are altogether 12,000 – I am sorry. Total retail licenses in Pennsylvania, there are 15,181. Not all of them would be eligible because of hotels and some of the other ones. The estimate is approximately 13,000 would be eligible.

Mr. NEILSON. Thank you, Mr. Speaker.

Given that today there are about 26,000 slot machines at the 12 State casinos currently running, do you agree that this could potentially move more than double the number of gaming devices in Pennsylvania, in the Commonwealth?

Mr. DUNBAR. Can you repeat the number, please.

Mr. NEILSON. The 26,000 slot machines that are currently in the 12 operating casinos, do you have any estimates on how many more devices this will add? It is like it will more than double the amount of machines we have currently.

Mr. DUNBAR. Mr. Speaker, I do not know if you can equate it to doubling. I believe the number may be accurate, but I believe what you will see is a replacement of illegal machines with legal machines.

Mr. NEILSON. The amendment, does it require any background checks and training, the same as we do for all our other casino employees? Because, I mean, in reality these are VGTs or slot machines, correct?

Mr. DUNBAR. Yes, it does, Mr. Speaker.

Mr. NEILSON. And your amendment does require training?

Mr. DUNBAR. Yes, it does.

Mr. NEILSON. And background checks for all the bar owners or license holders?

Mr. DUNBAR. It is not exactly the same process, and in the bill it delineates between the operators and the establishments. The establishments already, being a liquor establishment, have gone through some of the background checks already. The vendors would have a slightly more intensive background check.

Mr. NEILSON. The bartenders within these establishments who will be making certain that there is no one under 21 or none of the kids will be using these video gaming terminals in these establishments and in these bars and restaurants, they will be trained to do what?

Mr. DUNBAR. Mr. Speaker, there is written into the bill safeguards that establish every machine has to have identity and age requirements, so it would not be a bartender that would be establishing someone's age.

Mr. NEILSON. Thank you, Mr. Speaker.

Your amendment addresses nuisance bars in first-class cities, and you recognize in the amendment that there are plenty of them in the City of Brotherly Love. Are these nuisance bars eligible to get these slot machines and video gaming terminals within?

So these known nuisance bars within the city of the first-class, since there is a task force within your legislation, are they eligible for slot machines or video gaming terminals?

Mr. DUNBAR. They would have to live up to the qualifications that we have already spelled out within the bill, so if you are considering a nuisance bar an establishment that is a problem area, it would be doubtful that they could meet the requirements that are presently listed in the bill to meet approval for a VGT.

Mr. NEILSON. Can you explain that qualification to us, because it is my understanding in order to get one of these licenses, you would only have to apply, pay a fee, and show them a plan of where you are going to put them within the facility, or is there something that I missed?

Mr. DUNBAR. In addition to their application, they also have to submit their safety measures and security measures and meet approval with the board for licensing.

Mr. NEILSON. So the LCB (Liquor Control Board) labels a bar as a nuisance bar and they would still be eligible for these machines. Am I understanding you correctly?

Mr. DUNBAR. That is somewhat of a reach, I would say. With all due respect, Mr. Speaker, I would believe that if the LCB has labeled something a nuisance bar, there are some problems that are associated with it that they would not be mastered with the Gaming Control Board to get approval.

Mr. NEILSON. So, Mr. Speaker—

Mr. DUNBAR. But then again, I could say that if they cleaned up their act and were no longer a nuisance bar and were a reputable establishment, then they could.

Mr. NEILSON. So the Gaming Control Board consults with the LCB to see if that facility is or is not a nuisance bar. Are they working hand in hand, Mr. Speaker? Am I to understand it that way? I am trying to get it, because everything I read and see says these nuisance bars can get them as long as their safety plan of where they put these machines within their facility is approved by the Gaming. I did not read anything about the LCB background check or anything on that within the legislation.

Mr. DUNBAR. Mr. Speaker, there are minimum requirements of information they have to submit. That they cross-check with the LCB as a nuisance bar is not presently listed as one of the checks, but the Gaming Control Board certainly has the authority to coordinate with the LCB to check that.

Mr. NEILSON. Thank you, Mr. Speaker.

And one more question, and thank you for your time indulging me.

When we did the casino legislation, was there any ban on political contributions or employment, the same kind of bans we put on every other type of gaming in Pennsylvania? Is there anything within this to ban that activity as well – contributions, jobs, and affiliations – anything like that within this legislation?

Mr. DUNBAR. Within the VGT portion, Mr. Speaker?

Mr. NEILSON. Within the legislation itself, yes.

Mr. DUNBAR. No, Mr. Speaker.

Mr. NEILSON. Okay. Thank you, sir.

I have no further questions, and thank you. Thank you, Mr. Speaker.

On the bill?

The SPEAKER. Representative Neilson, you are recognized on the bill.

Mr. NEILSON. Thank you, Mr. Speaker.

Today I obviously stand opposed to this legislation for more ways than one. First off, nuisance bars, we just heard that they, too, can put in these gaming machines. There is no local – nothing in there for the local community to have control where these go; nothing, no hearings, no nothing. You can put them anywhere.

I have heard from previous speakers that the VFWs and the nonprofits and the legions need help and assistance. We worked very hard and long, and I think Chairman Kotik and Chairman

Payne should be applauded because we worked hard on this legislation. We wanted to come up with a good bill, all-inclusive with everything in it, and VGTs were not part of the conversation at that time. We thought it should come up in a different venue, but the negotiations were not there. It kind of got jammed at us.

I just want you to think about that neighborhood shopping center right down the street, and I can tell you mine, a place where my kids go weekly to go to the GameStop down there to buy their video games. In that strip store where we go to ACME, just right in that one shopping center right down the street, walking distance – okay? – that center is allowed to have 55 of these machines right there; 55 machines can go there. I know that my kids are not going to go in there for beer or liquor or anything like that. But do you know what? They might go in there for pizza, and then they will see the person over there gaming. There is no protection of our children in this bill; nothing.

And we saw what it will do. We saw what it did in Illinois. At least Illinois made certain that all these VGTs were manufactured in their State, because that is where we are going to have to go buy ours. There is no protection for Pennsylvanians.

We heard from the lottery. They talked about how they are going to hurt. The lottery is going to hurt. They want these VGTs if they run them because they know the millions and millions of dollars they are going to lose, and that is our seniors. We cannot afford to cut PACE (Pharmaceutical Assistance Contract for the Elderly). We cannot afford to cut our seniors' property tax rebates. We cannot afford VGTs.

I am not a big gaming guy. I am not a gambler. I think if you are going to gamble, you might as well be able to burn that money and throw it away. With five kids and two grandkids, I cannot afford that; I cannot afford it. Some can. What I cannot afford the most is going down the street, taking my kid to a restaurant, and just watching people lose their lives trying to see down on Second Street—

Let us talk about Second Street right here in Harrisburg. We have all been to a restaurant on Second Street, everybody in this House, everybody in this House, right? One hundred and twenty machines right on Second Street. You have people out there begging for a couple dollars so they can get a \$30 room to spend overnight. What do you think they are going to do? They only collected \$10. They are going to go and try their luck to get enough money to go and get a room. That is not how we should be treating people.

This legislation is bad. It is bad for all of us. We are a major stakeholder. We have these casinos we charged millions and millions of dollars for, \$10,000 a slot machine. We did not have to put up a penny, did not have to put up a penny, nothing out of our own pocket, and here we are saying we do not care what you did for us last year; it is about this year. This is not about a PIT. To compare it even – VGT/PIT – not even close. Every bit of testimony that we got in the committee over the last 8 months says we will not get a dime out of this gaming expansion bill for at least 12 to 18 months. The only thing we will get is the licensing fee, which is not what you are looking for. That is not the made-up revenue that everybody is saying we are going to get here. Okay? We are not going to see it. Some of it is even longer than that. It is going to take them that long just to set up the process.

I just think it is a bad vote. I mean, I know we get asked to do bad votes a lot of times, but this is one of them. I hope you can stand with me and vote against this legislation. Thank you, Mr. Speaker.

The SPEAKER. Representative Mark Mustio.

Mr. MUSTIO. The sky is falling, the sky is falling.

Just to correct the last speaker, we did actually put up money for the casinos. I believe we actually loaned, we loaned money from the Gaming Board to get casinos up and running in Pennsylvania.

Mr. Speaker, thank you. Good afternoon.

In 2015 as a member of the Appropriations Committee, Chairman Adolph gathered the Republican members in a work session to discuss possible revenue options for our State budget.

Mr. Speaker?

The SPEAKER. Members, would everybody please take their seats. I would ask for all the side conversations to please go to the anterooms off the House floor.

And, Representative Mustio, you may proceed, sir.

Mr. MUSTIO. Thank you, Mr. Speaker.

Some form of gaming expansion was mentioned in those meetings. Around that time, as I said previously in this session, Representative Costa had just returned from a trip to Illinois to learn how that State implemented video gaming. It has been an issue he has worked on for years. In fact, when we voted the original slot machine legislation here on July 4, 2004, Representative Costa tried to suspend the rules to amend the slot legislation to permit video poker in our restaurants, taverns, and clubs on that day.

We have an opportunity to help Pennsylvania by voting "yes" on this amendment – oh, and by the way, help ourselves not just with this budget, but once fully implemented, think about how the \$350 million increase just from the VGT portion of this bill will help our General Fund revenue. Had that legislation been put into the original slots bill that Representative Costa had proposed, then we would have garnered \$3.5 billion since that time.

On June 2 of this year, the Meadows Racetrack and Casino dropped off a letter to our offices.

Mr. Speaker, I was quiet while the gentleman from Philadelphia was speaking.

The SPEAKER. Members—

Mr. MUSTIO. The Representative from Philadelphia, I was quiet while you were speaking. I would appreciate the same.

The SPEAKER. Representative, please suspend. Please, please, please suspend; stop.

Everybody, if all members could please take their seats, we would appreciate it.

Mr. MUSTIO. Some of us have put an awful lot of time on this, as you have on a lot of your issues, and we just would appreciate the opportunity today to make our case. We know there has been a lot of pressure put on all of us from both sides of this issue, but I would like that time to make it, and it will just take about 5 minutes. Thank you.

In the letter that the Meadows wrote, it says, "Last year, Casino Queen in East Saint Louis announced layoffs that brought employment down from a high of 1,200 casinos." I assume they meant – that is a typo – they meant to say 1,200 employees in 2007 to 600 employees. Mr. Speaker, please remember that VGTs did not have their first full year of operation until 2013 in Illinois. So again, they go back and they cite 2007, but VGTs did not go in until 2013.

The deterioration of attendance at Illinois casinos has been happening for years. If you go to the Illinois Gaming Board Web site, the peak attendance at their casinos was 25 million people in 1996 and it dropped to 16 million the year before the first year of VGT operations in Illinois. That is a 10-million reduction in attendance or a 35-percent reduction before VGTs had their first full year of operation. There are more problems in the casino business than VGTs, obviously, by that statement. What possibly could be happening? Look at our State. We passed legislation and have casinos primarily on the borders of our State. Other States have now built casinos that are competing with those. Our Pennsylvania casinos I think had a dramatic impact on those in Atlantic City.

That same letter from the Meadows goes on to say, "The negative impact of VGTs is being felt by local municipalities in Illinois that host the casinos as well. East Saint Louis has struggled to balance its budget following declines in revenues received from the Casino Queen, which have fallen from \$14 million annually to \$6.2 million. The City of Elgin, which receives 5% of the gaming revenue from a local casino, has also been forced to make significant cuts. Similar issues are playing out across communities in Illinois where casinos are located." All of these reductions have taken place before VGTs. What we are trying to do with this legislation is diversify, to get revenues voluntarily from video game terminal players as opposed to going into their pockets for taxes. We are going to see the same thing happen here in Pennsylvania as casinos are built in Baltimore and across the border in New Jersey. We cannot wait. We need to be smart and be proactive and implement this type of smart business diversification model. Once the casinos have control, as they will in other States, then wait until they come back asking for a reduction in our tax rate.

Now, let us dig into those dire statements that were mentioned in the letter. First they referenced east Illinois revenues that have fallen from \$14 million to \$6.2 million. Interestingly, they do not say over what period of time that took place, implying it was directly related to VGTs, but again, going to the Illinois Web site, I had to go back to 2007, the year east Illinois received \$14 million. That is 7 years before VGTs had their first full year of operation. From 2007 through 2012 revenues from the casinos dropped from \$14 million to \$8.4 million. That is a 40-percent drop before VGTs even came into play. Again, what else possibly could be going on?

In 2008 there was a recession and Illinois implemented a smoking ban at all of their casinos. Again, nothing to do with VGTs. The sky was falling for other reasons. In 2010 River City Casino opens across the river in Missouri.

Also stated in the letter was the city of Elgin, which receives 5 percent of the gaming revenue from a local casino, has been forced to make significant cuts, again implying that that is a result of VGTs, but let us dig into that statement too. Their local share revenue was calculated by using two sources of revenue in Illinois: 5 percent of the gaming revenues goes to the host municipality, plus the host municipality receives \$1 from each admission.

Since these letters we received from the casinos like to use the year 2007, let us look at the total in the 2007 local share revenue generated in Illinois: 5 percent plus the \$1 admission equaled \$115 million. After the VGTs were in operation, local share revenues went to \$130 million, Mr. Speaker, revenues going to other parts of Illinois where casinos are not located.

Mr. Speaker, the prior speaker indicated that we have received some information saying that VGTs will hurt the Pennsylvania Lottery, referencing a report from the Innovation Group. Let us actually see what that full report says. Those of you that care about your seniors may want to hear the facts. The report specifically says, "...It is difficult to isolate the impact of introducing new forms of gaming on lottery sales. This is particularly true of VGTs.... ...Lottery sales in Illinois did decline in FY2014 but that followed two years of high growth. Total sales increased in 2015 but that growth came solely from instant tickets, as draw game sales declined," draw games being Powerball, those types of games. "It should be noted that the Illinois Lottery was turned over to private management beginning FY2012,..." thus they saw a significant increase. Because of the controversy of that privatization, they canceled the contract. So "...it is not possible to isolate the effect of events surrounding this contract from potential impacts that VGTs may have had."

The report that we received said, what if VGT development lowers revenues? It is really simply a math equation, is it not? Well, what if VGT development increases it? I did not see that report. But what we do have, Mr. Speaker, and I will close with this, Mr. Speaker, we do have a pilot program and we have one close to home here in Pennsylvania that shows the impact on our lottery. In 2006 when our first casino opened, instant ticket sales, as referenced in the study, were \$1.5 billion. In 2015, Mr. Speaker, lottery sales closed at \$2.5 billion in Pennsylvania, hardly a negative impact from casinos.

All we are asking for today, Mr. Speaker, is to give the opportunity to our small businesses in Pennsylvania that are homegrown, that will give us the opportunity to diversify our portfolio of revenue to our General Fund. Mr. Speaker, if we do not take the positive initiative to do this, then the scare tactics we are hearing about seniors are going to come to fruition from the standpoint that we are not going to have the additional \$350 million to our General Fund year in and year out.

As we think about what we are going to try and do over the next couple days, without getting this passed out of the House of Representatives to have this as part of the budget debate in the Senate, you as members are handcuffing yourselves on what opportunities can take place, what other fine-tuning of this legislation can be done in the Senate, what additional local share revenue can be put in. This bill will not go from here to the Governor's desk, as the original casino legislation in 2003 did not. It ultimately got passed in 2004. The original bill that left here allowed members of this General Assembly to own parts of a casino. Obviously that was changed.

So, Mr. Casino – Mr. Casino, yes. Mr. Casino, I ask you to send letters to all these members saying, tell them the truth. VGTs did not hurt you in other States. You cannibalize yourselves to the expense of Pennsylvania taxpayers and you will be back at this trough asking for more handouts from us in the years to come if we do not take measures under our own control, give ourselves the opportunity to protect ourselves, have this as a legislative-driven bill, not driven by any other interests.

Mr. Speaker, let us think about small Pennsylvania businesses. Thank you.

The SPEAKER. Representative Eddie Pashinski.

Mr. PASHINSKI. Thank you, Mr. Speaker.

I give a great deal of credit to all the good gentlemen that have worked so hard on this bill in an effort to make it fair and just for not only the people of Pennsylvania but also for the businesses that are heavily involved in this incredible industry.

Just to share a few things with you, as a young man I could remember my mom and dad being very excited and looking forward to getting on the bus that would be at the local mall. All the folks from northeastern Pennsylvania would have with them their bags of quarters and they would get on the bus, they would enjoy their ride to New Jersey, they would have their free buffet ticket, and they would spend a day in New Jersey trying to win the big one. And this, every day, every Sunday, especially on the weekends, buses after buses of Pennsylvania citizens would take their quarters and go to Pennsylvania, have a day out, an afternoon out, get a free buffet, and hope for the big one.

The reality is that all of us have our own little vices and so many people enjoy gambling. Some carry it too far and it becomes a problem. Others consider it an adult amusement park when they go to a casino. The fact of the matter is, though, for years, for decades, Pennsylvania citizens went to New Jersey and spent their money. I could not understand how come Pennsylvania did not have their own casino industry. So in 2004 when Pennsylvania took that first big step and passed the casino bill, it was rather exciting because now Pennsylvania dollars, Pennsylvania quarters were now going to stay in Pennsylvania.

I am also privileged to have had the first casino built in Luzerne County, Plains Township – once it was in my district – a great casino, continues to do well, continues to enhance the life, the quality of life for people not only in northeastern Pennsylvania, but for those that come and visit. Ten billion dollars later, \$10 billion later, we now have 12 casinos, several of them are racetracks, and the people of Pennsylvania have spent their dollars in Pennsylvania, and those people from New Jersey and New York and Ohio and Virginia and Maryland and Delaware come to Pennsylvania as a destination to spend their dollars, have a day of enjoyment, and probably get a free buffet.

I am a strong supporter of the casino industry because of the dollars that it has brought back to Pennsylvania. The property tax relief in my district is \$219 off of their taxes. That is a sizable sum. In other areas it is \$100; other areas it is \$800, \$600, \$500. We need to continue to protect that.

The casino industry has also brought into play local dollars for the host municipality, millions of dollars so that they can continue to improve their municipality, \$10 billion back to Pennsylvania. I saw the development, I saw the quality enhancement of life in northeastern Pennsylvania, but I also saw businesses surrounding the casino. Many of my tavern owners, many of the clubs began to see a loss of income. In my discussion with those folks, they indicated to me that if they only had a couple of VGTs – we did not call them that then; video poker machines – that that would help them get through. It was hard for them to compete to the glamorous life in a casino.

I attempted to put a bill together, but I want to share with you the numbers that I had calculated. We have all heard and we learned and we now know that there is an illegal industry in the gaming industry, illegal, and there are VGTs in various clubs and taverns throughout the State of Pennsylvania. So it seems to



me that if there are these VGTs throughout Pennsylvania that are operating now and our casinos are operating at a profit, why could we not have a law that would allow for legal VGTs so that these tavern owners and that these clubs could allow themselves the dollars needed to sustain themselves as well as allowing for Pennsylvania to receive some of those profits?

My bill indicated three, three VGTs as the maximum, and the reason why I had three VGTs as the maximum was because if every single bar and restaurant and club were to have three VGTs, it would not exceed the number of VGTs that are being operated illegally today. I wanted to make sure that the casino industry would be allowed to continue to flourish and produce dollars for Pennsylvania and still help our taverns, clubs, and bars.

We did not get that bill in here. Three would have been a good number. Three would not have flooded the market. We would be able to phase it in, test the market to make sure we would not, we would not weaken the casinos, to make sure that we would not weaken the lottery. No one in this room can deny the advantages that the lottery provides for our senior citizens and the taxpayers of Pennsylvania. No one can deny the value and the profits that come to us from our casino industry.

I leave you with one other thought. There was a time when New Jersey had a monopoly on gambling and New Jersey flourished. Everyone flocked to the Las Vegas of the East Coast. And then Pennsylvania passed gaming. Pennsylvania's casinos started out with 1 and 2; we are up to 12. And Pennsylvania garnered \$10 billion. And now the other States are saying, "Well, if they can do it, why can't we do it?" And now Virginia, Ohio, New York, Delaware, they are all increasing the number of casinos. The fact of the matter is, there are only so many dollars available. Whoever gets them is going to get them.

I am asking for caution. I am asking for reconsideration of all the hard work, all the good work that has been done by my fellow legislators who have put these bills together. You have done yeoman's work. But we are not quite there. We are not quite there. A little bit more time, a little bit more thinking, a little bit more conversation. We still have several days. Change that number from five; reduce it to three. Control the numbers. Do not flood the State with so many that we are going to injure, destroy gaming in the casinos or our lottery.

I ask us to take pause, think carefully, think of the future, think of the incredible amount of competition that will be going on around us, and let us do it smart. I ask you no five, vote three, and I ask you not to vote for this today. Thank you.

Thank you, Mr. Speaker.

### **THE SPEAKER PRO TEMPORE (MATTHEW E. BAKER) PRESIDING**

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes the gentleman, Representative Nelson, on the amendment.

Mr. NELSON. Thank you, Mr. Speaker.

As a member of the Gaming Committee, I support gaming and the gaming initiatives for the State of Pennsylvania. I recognize the benefit to us all for increase in revenue. In attending the hearings and listening to the backside of what is happening in gaming, I think both sides of the aisle recognize that video gaming, Internet gaming, fantasy gaming are all happening.

My concern is with the VGT portion. Mr. Speaker, the VGT industry has been the only industry that has not conceded protection for voluntary exclusion. The fantasy gaming, the iGaming, and current casinos all protect our most vulnerable. They all have checks and balances. And as it was confirmed with me today by a lead researcher that, yes, we do identify if they are under age but we do not protect our voluntary exclusion, the most vulnerable in our county, and this technology exists. We have the ability to protect these people. We can do both, but the VGT side refuses to participate with it.

Each of the other aspects of gaming enhances and protects. VGTs do not protect, and as a consequence to that, the very clubs and small businesses and taverns that we are trying to help, we are going to open them up to fines and penalties and consequences, and I am not able, in good conscience, to do that in my district. With VGTs in this bill, I have to vote "no."

But I also would recommend if we are voting "yes" solely for money for the budget, we should consider a decrease in spending. I recognize it is not a welcome concept on either side of the aisle here in this chamber, but if we are spending too much, we cannot gamble our way to security. Next year we are going to be facing the same problem.

We need to spend less and protect our most vulnerable. So with VGTs in this bill, unfortunately, I have to oppose this version. Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Chairman Fabrizio, my good friend, on the amendment.

Mr. FABRIZIO. Thank you, Mr. Speaker.

A number of years ago Representatives Kevin Blaum, Gene DiGirolamo, Ron Marsico, Tim Solobay, and myself were charged by leadership to develop legislation that would simultaneously both bolster the horse racing industry and provide for casino gaming. Our efforts at that time became the genesis of what eventually evolved and developed into the Pennsylvania Race Horse Development and Gaming Act, and I am kind of proud to have served a small measure in the development of that act and the accomplishment of those goals. We essentially created an industry where we became the majority partner, an industry generating billions of dollars for this Commonwealth and it cost us nothing.

Today we are facing an opportunity to open up a store against our store. I understand the plight of the tavern owners, I understand the plight of the clubs, and I understand what the intent of this amendment is trying to do. I do have difficulty, though, opening up competition against something that has been so successful for this Commonwealth. It is an industry that is more regulated than any other industry in this Commonwealth, yet generates a heck of a lot more money for this Commonwealth than most of the other industries, both in total taxation and in fees. We are talking billions of dollars. Eight hundred million dollars a year in property tax relief. Now, I know that some of my esteemed colleagues get up and say, "It doesn't work; there is no property tax relief." Well, \$800 million per year is nothing to be sneezed at. Okay? I also can say that if property taxes were reduced by \$50, somebody would say, "Oh, that is nothing," but if we raise taxes by \$3, it would be moving the earth.

Millions of dollars have gone to the local share. Just last year alone \$120 million went to our local municipalities. There was a creation of 18,000 jobs, jobs that are paying family-sustainable

wages. Okay? What we have to look at in deliberating whether or not we are going to vote for this amendment is a cost-benefit analysis. I understand that this amendment may raise some revenue, but will it counter the revenue that we are going to lose from an absolutely predictable source of revenue? We do not know what the revenue is going to be by this approximate 9,000 minicasinos that we are going to establish, because that is essentially what you are going to be doing. You are going to be establishing about 9,000 minicasinos, you know, to take some money away from the major casino industry. I think that there are other alternatives that we can provide the taverns and our clubs, and hopefully at some point in time in the future we can introduce legislation to do that.

In addition, one of the other goals was to bolster the horse racing industry. You have to realize that before we created this, before we adopted the act, the horse racing industry was on life support in this Commonwealth. We have taken a \$1 billion industry and boosted it to a \$4 billion industry. There are 9,000 jobs that were directly created and 23,000 jobs that are supplementary to it. We have developed hundreds of millions of dollars in the Pennsylvania Economic Development Fund. Charitable contributions exceed \$100 million. For those of you who are concerned about your volunteer fire companies, as we all are, \$250 million has been generated for the volunteer fire companies. Our volunteer fire companies get \$25 million a year from the money generated by the casino industry. I stand here opposed to the VGTs only because they will have a negative impact on something that is absolutely predictable at this point.

In addition, and it has been said, and I do not know what the actual numbers are, but losses to our lottery, and they have been projected anywhere from \$923 million to \$2.3 billion, and anywhere in between. I do not pretend to know the exact number, but I do know it will have an effect on our lottery, which is directly beneficial to our senior citizens.

But lastly, I just want you to think that we are going to create, you know, these thousands of minicasinos, which have no oversight – very important, no oversight – virtually no regulations except for a couple minor details, no predictability of revenue, and that is, you know, that is very important, there is no predictability of revenue because we do not know how many we are going to create, and something that really scares me because this affects the social welfare of our country, there are no mandatory payouts provided in these VGT operations. In our industry we mandate a nearly 90-percent payout. I have been corrected by Chairman Costa, 85 percent. Okay. But I can tell you, without mandatory payouts they can become leeches on society, and I caution you to think about this carefully.

Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes the gentleman, Representative Samuelson, on the amendment.

Mr. SAMUELSON. Thank you, Mr. Speaker.

So here we are having a significant debate on a significant expansion of gambling. I have been here in this House for 18 years. I remember a lot of debates over the years, usually with a process where there is time to review the legislation, where there is a lengthy debate; sometimes that debate is held over a couple of sessions. The original casino legislation was discussed in 1999, again in 2003; it ultimately passed in 2004. There was a 17-hour debate the first time it came up.

So what is the process today when the Republican majority brings this amendment to the House floor? You see this amendment on your computer screens. This amendment is 183 pages long. Now, the citizens watching at home would probably say, "Well, those legislators, they've been studying this for at least a week." This language was not available until 10 o'clock this morning. One hundred and eighty-three pages that the Republican majority is giving us to digest and we have a matter of hours to digest it, to ask questions. As you can imagine, I have 183 questions.

Some might think, "Well, at least the Gaming Oversight Committee had a meeting to talk about this proposal." Well, no, they did not have a meeting. You got an e-mail there was a meeting that was canceled. There was no committee meeting on this proposal.

Well, at least there will be public hearings on the impact of this dramatic expansion of gambling. No, there were no public hearings since 10 o'clock this morning. In fact, if this bill passes, if this amendment passes and video gaming terminals come to your community, this language does not allow for a public hearing where your citizens can speak on the impact in their community. The State of Illinois allowed communities to opt out; about 170 communities opted out. This language does not allow local option; one-size-fits-all video gaming terminals in every community in every place that has a liquor license, plus a number of truckstops as well.

Now, this is a comprehensive amendment. As you have been reviewing these 183 pages, you have probably noticed this has slot machines in offtrack betting sites, this has slot machines in airports, this has sports betting in Pennsylvania. Well, you might say, "Well, no, no, the U.S. Congress has prohibited sports betting." This language includes a provision that if Congress would change its mind – and you know that New Jersey is in court over this issue right now – if Congress would change its mind and allow sports betting, the Gaming Control Board could implement that in Pennsylvania with no further legislative action. They would not come back to us for anything to approve sports betting; it is in this 183 pages that you have before you today.

What about Internet gambling? Well, guess what? That is in here too. You have to be concerned, who is going to be playing the Internet gambling? Is there a protection that would prohibit an 11-year-old or 12-year-old or 13-year-old from getting online and gambling at home? We have had a lot of discussions in the legislature about afterschool programs, the benefits of having afterschool programs and the impact on crime prevention. Some of them are even called Lights on Afterschool. Well, if this passes, I am concerned that some of those Lights on Afterschool are going to be the computer screens that a 12-year-old turns on at home and starts gambling on the Internet. Where is the regulation to protect younger people from going online and participating in Internet gambling?

I have a lot of questions about the video gaming terminals that are part of this legislation. How many, you might ask? Well, the information that was handed out in caucus, in both caucuses, there are some estimates that it could be 60,000. Well, what if every place that has a liquor license wants one, or wants five – I am sorry; you get five if you have a liquor license. Well, that would be 90,000. Maybe they would not all sign up. So is it 60,000? Is it 90,000? We do not know if we get a 183-page amendment with 7 hours to digest it.

The citizens of Pennsylvania may be sitting at home saying, "Well, I'm sure that legislators have put some safeguards in this bill. When they passed the casino bill, there was a long regulatory review process. If you wanted a casino, it was about a 2-year process. You had to go through the Gaming Control Board, provide all kinds of documentation." Where is that process here? Well, if you have a liquor license, you get five video gaming terminals. No further review other than the LCB, not the Gaming Control Board, the Liquor Control Board has to review your site plan. They are not reviewing whether or not you get video gaming terminals; they are just reviewing where you site them. Every establishment with a liquor license in Pennsylvania, perhaps as many as 18,000 liquor licenses, every establishment would be eligible for 5 video gaming terminals.

Well, the citizen might ask, "I'm sure that those legislators put in this bill a prohibition against campaign contributions. I remember reading in the newspaper that they had a prohibition that you cannot donate to a legislator or a mayor or a city council member if you're involved in the casino industry. I'm sure that they put that in this." Well, guess what? It is not there. There is no prohibition on political contributions from people who own the establishments that would have the video gaming terminals or from the terminal operators.

Well, I am sure there is a prohibition on gifts. You know when you go to the casino, they cannot give any kind of – anything of value to a legislator, a mayor, a city council member, a school board member, a Governor. That prohibition on gifts must be here. Well, it is not. There is no prohibition on gifts from people who are the terminal operators or own the establishments that would have these video gaming terminals.

Well, there must be somebody who works at these establishments who would make sure that the people who play the VGTs, the video gaming terminals, would be at least 21 years old. Well, yes, you could have an employee, under this language the employee could be 18 years old. The employee who is in charge of policing the video gaming terminals to make sure that you have to be at least 21, that employee could be as young as 18. Well, that is a recipe for trouble.

The gentleman from Allegheny County mentioned earlier about the casino bill and he even said that it was an earlier version of the casino bill in 2003, which thankfully did not pass; the earlier version had a prohibition that had allowed a legislator to actually own a part of the casino. Thankfully that changed. That was not in the final casino legislation. Well, there must be a prohibition in this language today that says a legislator cannot own an establishment that is getting video gaming terminals or one of the terminal operators that is set to get a 33-percent share of the revenue from this new proposal. There must be a prohibition. You can look through all 183 pages; there is no prohibition on a legislator, a public official, a mayor, a city council member from owning either the establishment or becoming a terminal operator.

As I mentioned earlier, no public hearings at the local level provided for; no local option like Illinois allowed where you can opt out if you choose so as a community.

We talked a little bit about the impact on the lottery, and I wanted to weigh in on that as the Democratic chair of the Aging and Older Adult Services Committee. To put this in perspective, we are talking about, let us say 60,000 video gaming terminals. I will use the lower number. Let us assume that not all 18,000 liquor license owners are going to max out and get five terminals. That would be 90,000. I will use the

lower number of 60,000. Currently we have 26,000 slot machines in Pennsylvania. If you add 60,000 video gaming terminals, that is a dramatic expansion of gambling in Pennsylvania. That has to have an impact on the lottery.

On the Aging and Older Adult Services Committee we talk a lot about the impact of proposals on the Lottery Fund. We know that the Lottery Fund, which was established in 1971, that Lottery Fund funds important senior programs – property tax and rent rebate, PACE and PACENET (Pharmaceutical Assistance Contract for the Elderly Needs Enhancement Tier), area agencies on aging, shared-ride programs. Every time there is a proposal that impacts the Lottery Fund we talk about that. Well, we did not have a meeting on this language since it came out late this morning. But take a look at a letter you received from the area agencies on aging. It is the statewide organization that represents all 52 area agencies on aging. They are citing numbers from the Pennsylvania Department of Revenue and they are talking about lost lottery sales of between 2 and 5 percent. They say that over a 10-year period the lottery sales could be impacted by \$923 million on the low end or \$2.3 billion on the high end. Now, that is a 10-year number. What would it mean if we had a 5-percent hit to the revenue from the lottery program? Well, currently we get about \$1.1 billion in revenue from the lottery program; 1.1 to 1.2 is the projection. If you had a 5-percent hit on the Lottery Fund, that would be about \$60 million a year.

Now, we talk a lot in this legislature about trying to benefit senior citizens, but who among us is going to tell our seniors that we are going to have 5 percent fewer property tax and rent rebates in the future? Who among you is going to say we are going to have 5 percent fewer PACE applications approved by the State, 5 percent fewer shared rides in your community, 5 percent fewer caseworkers on the local level at the area agencies on aging?

We had a meeting last week in our Aging Committee, Representative Hennessey scheduled this meeting, and we talked with the caseworkers who are involved in protective services, making sure that senior citizens are not exploited through financial abuse, through elder abuse. Who among us is going to say we are going to have 5 percent fewer caseworkers out there looking into elder and financial abuse?

Two weeks ago we passed a bill unanimously in this House of Representatives to expand the PACE program, to add 32,000 people to the PACENET program by raising the income limits for PACENET for the first time in 12 years. Let us remain true to the— The primary focus of the Lottery Fund for the last 40 years, the last 45 years has been to benefit senior programs. Let us protect those senior programs, let us expand those senior programs, and let us vote "no" on this amendment.

Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chairs thanks the gentleman and recognizes the minority whip, Representative Hanna, on the amendment.

Mr. HANNA. Thank you, Mr. Speaker.

I rise in opposition to the Dunbar amendment.

Mr. Speaker, every study in actual experience in Illinois shows that VGTs hurt casinos and hurt lottery programs. Mr. Speaker, in Pennsylvania our casino proceeds reduce property taxes and our lottery funds help senior citizen programs. A vote for the Dunbar amendment is a vote to raise your constituents' property taxes and reduce or eliminate senior citizen programs like PACE.

Mr. Speaker, I urge a "no" vote on this amendment. Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman.

The Chair recognizes the gentleman, Representative Kotik, on the amendment.

Mr. KOTIK. Thank you, Mr. Speaker.

Mr. Speaker, I had the opportunity to engage in a very worthwhile enterprise with my colleague, the gentleman from Dauphin County, at the beginning of this term, and the honorable chairman, majority chairman, and I decided that we were going to look at the casino industry in Pennsylvania because we saw what was happening in other States, specifically New Jersey, and we both realized that it would be a significant revenue generator for the Commonwealth of Pennsylvania. So we undertook a series of hearings throughout this Commonwealth on every facet of the casino industry, looking at all the different pluses and all the different minuses and where we are, and some of the facts that came to light from those hearings, which were conducted extensively, was the fact that this Commonwealth generates \$1.4 billion in revenue, which goes into our General Fund, which funds a lot of worthwhile programs to the Commonwealth of Pennsylvania. So we are very cognizant of the facts of why this industry needs to be nurtured, why it needs to continue to thrive or in 5 years we could become another Atlantic City.

I know there have been a lot of arguments, pro and con, on this floor about the whole merits of the bill and about where we are going. But there are a lot of good things that have been incorporated into this amendment today. Now, it is very easy for me to say that I would oppose this amendment strictly because I am generally opposed to VGTs, because I do not think VGTs are all they are made out to be. I do not think it is going to be easily implemented as some people think. I think there are going to be a lot of requirements placed on bars and taverns if and when this legislation is finally enacted into law. So there are a lot of issues there.

But at this point in time after all the work that the committee, the House Gaming Oversight Committee has done, and all the important, good things that are in this legislation, I rise in support of this amendment, hoping that we have conversations in the future with the Senate to work out compromises and find ways to do positive things for people in this Commonwealth.

Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Donatucci, on the amendment.

Ms. DONATUCCI. Thank you, Mr. Speaker.

I rise in opposition of the Dunbar amendment.

Pennsylvania casinos have become a stable and critical source of revenues in Philadelphia, including the Philadelphia School District and wage tax reduction. Casinos have also been a source of revenues in other areas of the Commonwealth, including property tax relief. Mr. Speaker, the Pennsylvania Lottery funds crucial programs for not only Philadelphia senior citizens but for all senior citizens across the Commonwealth.

During the 2016 House Appropriations Committee budget hearing when I posed a question about VGTs in taverns, the chairman of the Gaming Control Board commented that he raised the question of how are we going to adequately police and protect the public when there could be as many as 60,000 slot machines in 12,000 different locations. There is a

possibility of VGTs in 1600 Philadelphia locations. This saturation of gambling threatens lottery funding for senior citizens and casino funding throughout the Commonwealth. Plus, there is no guarantee for viable enforcement. Therefore, I will be a "no" vote on this amendment, and I encourage my colleagues to do the same.

Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the lady and recognizes the gentleman, Representative Wheatley, on the amendment. Waives off. Thanks very much.

Representative Kortz is recognized on the amendment.

Mr. KORTZ. Thank you, Mr. Speaker.

Mr. Speaker, I rise in support of amendment A08621, and I want to thank the good gentleman from Westmoreland County for bringing this forward. I also want to take a moment and thank the majority chairman and the minority chairman of the Gaming Committee for doing an excellent job. Over the past year and a half we have covered a lot of ground, had a lot of hearings, and I want to thank them and the committee for all their hard work.

Mr. Speaker, A08621 is an omnibus amendment. It does many, many things. It regulates the fantasy sports industry, which is what we need to do. It will be good for Pennsylvania. It is a new source of revenue. It will help out with the much-needed revenue to this Commonwealth. It is time to make this happen, Mr. Speaker.

Mr. Speaker, another good part of this amendment, in my opinion, is the legalization of the video game terminals. This amendment allows for a maximum of five VGTs in the American Legions, the VFWs, the volunteer fire companies, and the mom-and-pop taverns. Mr. Speaker, many of these clubs and taverns have these right now as we speak. In fact, during the testimony when we were canvassing the State, it was reported there are upwards of 44,000 of these terminals in service right now, and I am sure many of you have been in the clubs and taverns and have seen one or two or maybe five of these machines. They are there right now.

Now, earlier this evening my good colleague from Philadelphia, on this side of the aisle, would have you believe that legalizing the VGTs would be a bad thing. It would be very negative. It would crush our casinos. It would hurt the seniors. It would hurt the PACE program. It would be a negative impact to the lottery. And to that, Mr. Speaker, I say nonsense. For two reasons, Mr. Speaker: Number one, the machines are there now, and number two, number two, Mr. Speaker, you have two different clienteles. On one hand you have the clientele that want to frequent the casinos. God bless them. They like it down there. They love the atmosphere. Let them have it. But on the other hand you have another clientele, a clientele that wants to go down to the American Legion and VFWs, these are the veterans that want to be with their friends and their buddies, they like being in their neighborhood. There are the firemen that want to be there in their club with their firemen. They have a camaraderie. They want to be with their people. So you have the machines now and you have two different clienteles. It is not impacting it now. Why would it impact it if we legalize it? So, Mr. Speaker, I say let us legalize it.

Another thing that we have going on now is a thing called the budget, and I heard my other colleague from Allegheny County earlier talk about VGT or PIT. Well, I will tell you right now, Mr. Speaker, I do not want to raise broad-based taxes. I do not want to raise the PIT. I do not want to raise the sales and use

tax. I am hoping that we can generate enough money with some of the things we are putting forward on the table like this bill today. This amendment would help us raise some much-needed revenue.

So in summary, Mr. Speaker, a "yes" vote is a vote to support our American Legions and the VFWs and the veterans that want to frequent those clubs. A "yes" vote is a vote to support our volunteer fire companies and our volunteer firemen that want to frequent those clubs and stay with their friends. A "yes" vote, Mr. Speaker, is a vote to support our mom-and-pop taverns, our small businesses of this State. Mr. Speaker, I would ask for a "yes" vote on this amendment.

Thank you, Mr. Speaker.

### THE SPEAKER (MIKE TURZAI) PRESIDING

The SPEAKER. Representative Margo Davidson.

Mrs. DAVIDSON. Thank you, Mr. Speaker.

Will the maker please stand for interrogation?

The SPEAKER. The gentleman has indicated he will stand for interrogation, and you may proceed.

Mrs. DAVIDSON. Thank you, Mr. Speaker.

I am still in the process of reading the new 183 pages, so I do have a number of questions in my quick review.

How many different types of gaming, new types of gaming are being established in this bill, if you could help me with a list? Because previously we had two or three different bills that did different things. This is an omnibus replacement. So I just want to be clear on the numbers of gaming types that we have included in this particular amendment.

Mr. DUNBAR. Yes, Mr. Speaker, and that again would depend on the definition of "new," but I will try to do the best I can to give you a complete list. This bill will have Internet gaming, Internet poker, slot machines and OTB slot machines, which slot machines exist now, but not in OTBs, slots in airports, tablets in airports, VGTs, and that should be the complete list.

Mrs. DAVIDSON. Will there also be gaming established for, new gaming for offtrack betting, and did you say tablets? I just was not clear on one of those.

Mr. DUNBAR. Offtrack betting is the OTBs that I mentioned. Tablets are something that would be utilized. There are some airports that have requested the use of tablets in the airport as opposed to stand-alone slot machines.

Mrs. DAVIDSON. So if I am hearing you correctly, there are at least eight or nine different types of new gaming that this amendment would establish?

Mr. DUNBAR. I have seven, but that is fine.

Mrs. DAVIDSON. Okay. All right. And what types of facilities would have access to apply for all of these different types of new gaming initiatives?

Mr. DUNBAR. Each one is different, Mr. Speaker. For instance, the Internet gaming and Internet poker would be relegated to our current casinos, the OTB slots would be limited to our Category 1 license holders, the simulcasting of horse races will be limited to Cat 2s, VGTs would be at licensed liquor establishments and truckstops, and airport slots would be limited to the casinos that would manage the slot machines at the airport.

Mrs. DAVIDSON. Okay. So the vast majority of the various new initiatives would be run by the casinos or would have casino input except for the VGTs, which would only be allowed, licenses would only be allowed for liquor and truckstops?

Mr. DUNBAR. That is correct, Mr. Speaker.

Mrs. DAVIDSON. And fantasy sports, how does that play in?

Mr. DUNBAR. Fantasy sports right now is presently going on in the Commonwealth. It is legal in the Commonwealth. What we are trying to do with the original bill, which is also replicated in the amendment, is to regulate the industry. Anybody who is a fantasy sports provider can register with the Commonwealth and pay a fee of either \$50,000 or 7 1/2 percent of their revenues. They also would be charged a 5-percent tax. So those are actually individuals that are doing it presently in Pennsylvania. We will just license them and regulate them.

Mrs. DAVIDSON. And what will be our system for collecting the revenues, because I understand this is a revenue-generating bill. I know it is not supposed to be, but it is, we all know. So how are we going to capture the revenues or our taxes from these operators?

Mr. DUNBAR. From the fantasy sports are we still speaking of, Mr. Speaker? They are required to submit quarterly reports to the Commonwealth listing their revenues for that period of time, their total revenues, and from those different contests we will take a percentage of how many of those players were actually in Pennsylvania, which you can determine via geolocation software. So in other words, their total profit would be multiplied by what percentage of the players come from Pennsylvania and that would then be multiplied by a 5-percent tax rate. Those will be submitted on a quarterly basis and audited annually.

Mrs. DAVIDSON. And finally, what is the total projections for all of this? Well, let us separate the fantasy sports. What are the projections for fantasy sports and what are the projections for VGTs?

Mr. DUNBAR. Fantasy sports, Mr. Speaker, it is very difficult to come up with the exact number because right now we really do not know how many people are participating in Pennsylvania. It is a guess. I would say that it can go anywhere from \$2 to \$5 million annually. I am not projecting a windfall from the fantasy sports legislation. From the VGT legislation, our estimate is \$243.8 million in the first year and—

Mrs. DAVIDSON. I am sorry; what was that?

Mr. DUNBAR. From the VGT legislation, our anticipated revenue is \$243.8 million in year 1. From the other ancillary items, I am talking, I do not have it written in front of me, but I believe it was \$270 million additional from the other casino expansions.

Mrs. DAVIDSON. All right. Thank you, Mr. Speaker. Thanks for answering all my questions.

I am going to evaluate that in light of all this new information and make a decision as to whether or not— I have concluded interrogation. On the bill?

The SPEAKER. The lady is in order. You may proceed.

Mrs. DAVIDSON. Mr. Speaker, it is very concerning that we are basing the education of our children, property tax relief, and services to our seniors on estimates that by the makers' own admission we have no idea what they will be, and the wild projection of \$243.8 million, even that is not really based on any statistical data.

So I find this bill very troubling, and I would hope that we would have a more deliberative process in determining how we are going to fund our schools, how we are going to fund senior services, how we are going to fund this budget, and that is not a reason to vote for this legislation. I am in support of our bar and tavern owners and our family-owned businesses, but I do not believe that we can balance a budget on their backs.

Thank you, Mr. Speaker.

The SPEAKER. Representative Paul Costa.

Mr. P. COSTA. Thank you, Mr. Speaker.

And I would hope, again, that the members will bear with us just for a couple more minutes.

There is a lot of discussion that has been going on, but before I start, I first want to thank the majority chairman, John Payne, and the Democratic chairman, Nicky Kotik, for bringing this subject to their committee. It was actually one of the first hearings that they had and they continued to discuss this. And I want to thank both of you gentlemen for putting up with the aggravation I caused you. I also want to thank Representatives Dunbar and Mustio and Masser for all the work that they put into this.

A little bit of background history. Back in 2004 we established a casino bill, and we were told, besides property tax relief, which it does provide, we were going to save the hay haulers. So we wanted to make sure that we did that and we passed that legislation. I voted for it. I supported them. A few years later, I believe it was 2010, the casinos came back to us and they said they needed table games to continue to improve and create more revenue for us. Again, I supported that and voted for it. Now, 2016 they ask for liquor licenses to be able to serve alcohol for 24 hours. Although I was not in favor of that, I did vote for that final passage to give that. So everything the casinos have asked for in my career here I have given them, and I support the casinos because I do believe that they do great work, I do believe that they give a lot of money to our communities, and I do not intend to hurt them.

We have an industry that is going on in our State today that, whether you want to believe it or not, exists. It is illegal video gaming. It is going on in every one of our districts. Look around. If you have ever been to a tavern, a bar, or a social club, look around and you will see the machines and you will see people playing them. The casinos estimate that there are 40,000 to 44,000 of those illegal machines that are out there today. So if these machines are out there today and they are operating, how can they have an impact on our casinos and how could they have an impact on our lottery if it is already going on today?

What we are trying to do is to legitimize a business that is already going on. We are forcing our good citizens and our American Legions and our Veterans of Foreign Wars and our social clubs and our volunteer fire departments and our bars and taverns, we are forcing them to do illegal activities just to stay alive. That should not be the case. We should help them.

We did the same thing back in the seventies when people were running numbers and most – hopefully you all know what that means, that they book numbers off the stock market. It was such a profitable program for the local communities that everyone was doing it and everybody looked the other way until the State took it over. Now, the State runs it and look at all the great benefits that we get off the lottery system. We get the PACE program, PACENET. We get the property tax and rent

rebate program. We get seniors riding buses for free. We do so many great things with the lottery system because it was an illegal activity that we took over as the State and ran it and made it legitimate. We are trying to do the same exact thing here.

As you heard, Representative Dunbar said you could probably raise about \$250 million just in the first year, and obviously it would grow. Again, that is \$250 million from an industry that exists today that is going on under the table.

Another thing that this bill does today, if this bill passes, anyone who has one of these machines, your local municipalities will get \$1,000 per machine per year. That could add up to a lot of dollars for our local municipalities to help them out.

There are a lot of good things in this bill. There was a lot of hard work that was done to get to this point. We do not have very many opportunities to vote for this kind of legislation. And if you are not happy with everything, we still have an opportunity to negotiate if we can move this bill forward or this amendment forward, and I would hope that those of you who are sitting on the fence, you would come over to our side. Please vote in support of Representative Dunbar's amendment. Thank you.

The SPEAKER. Do any other members wish to be recognized? Do any other members wish to be recognized?

Representative Dunbar, the maker of the amendment. Representative Dunbar, the floor is yours.

Mr. DUNBAR. Thank you, Mr. Speaker.

And I promise I will be brief. I know the hour is long.

Before we get into any details, I did want to take a moment and echo some of the sentiments earlier about thanking Chairman Payne and Chairman Kotik in all the efforts they put forth on the Gaming Oversight Committee to get this product to where it is today.

I also wanted to correct a couple misconceptions out there. I had heard somebody mention that there are no mandatory payouts in the VGT legislation. There certainly are. It is the same as the casinos at 85 percent. And for those individuals that tried to allude to the fact that they just got this bill, it is 183 pages, this same language has been introduced and out there for weeks both in HB 649 and HB 1925. The only new language that is input into it is the VGT legislation.

As far as me, I think everybody in the building kind of knows I am pro-gaming. I have never made a secret of it. And for several sessions I have pushed for legislation for Internet gaming and Internet poker. I have always viewed the need for this legislation as a consumer-protection type of thing. Internet gaming is going on now. It is unregulated and untaxed. And I always thought this was a way we can really capture some things. I believe responsible adult PA residents deserve the right to choose how they recreate themselves, what they do with their spare time, and we should be providing them with those protections.

And in addition to all these protections, I think we also get the cherry on top of additional revenues, which we mentioned. And just to mention the comment about not knowing what the revenues are, the only thing I said we could not estimate was the daily fantasy sports revenue, which was \$1 to \$5 million, which is less than 1 percent of the total additional revenues we are talking about.

And for also the comment of not having solid estimates of what the VGT revenues are, just for the edification of the members, we used the number of 32,000 VGTs plus the initial licensing fee of \$7500 to get to the \$243 million of revenue that the VGTs would produce in year 1. We did not even consider them being up and running. We just counted licensing fees. And I would say that 32,000 number is far less than what I heard about the sky is falling about 60,000 machines coming into being.

For those of you that are opposed to gaming of any type, I really understand it, I get it, and I respect your opinion. For those of you that are unsure, which I do not know if there are too many of you left, or think that maybe voting this down will somehow stop gaming, I ask you to be totally aware that this is much like Prohibition. You know, Prohibition did not stop drinking. If we vote this legislation down, it is not going to stop illegal gaming. Gaming will still go on. It will just go, like Prohibition went underground, this is just going to go offshore. It already is offshore. All our dollars are going to the Cayman Islands and other places.

So in conclusion, I am asking you to join with me and vote for this amendment for consumer protection. I am asking you to join with me to allow responsible adults to make their own choices. And if all else fails, at least join with me to get that cherry on top of additional revenues. So I am asking for a "yes" vote on amendment A08621.

Thank you, Mr. Speaker.

**PARLIAMENTARY INQUIRY**

The SPEAKER. Representative Masser is recognized.

Mr. MASSER. Mr. Speaker, parliamentary inquiry.

The SPEAKER. Yes; you may state your parliamentary inquiry, please.

Mr. MASSER. Because I have an "R" license, am I able to vote?

The SPEAKER. Sir, you are a member of a class of owners of those licenses and it is not specific to you. It is not specific to you personally or to your establishment. So you are not in conflict. You certainly may vote.

Mr. MASSER. Thank you.

**PARLIAMENTARY INQUIRY**

The SPEAKER. Representative Mustio. Sir, please state your parliamentary inquiry.

Mr. MUSTIO. Thank you, Mr. Speaker.

I note that I think there are now seven people on leave, and since this is an amendment, how many "yes" votes do we need, assuming everyone votes? If everyone does not vote, what is the rule as far as how many "yes" votes do we need?

The SPEAKER. There are 195 members on the floor. For the amendment to pass, it would need 98 votes of the members voting; 98 votes.

Mr. MUSTIO. But if not everyone votes, we just need a majority of everyone that is voting, right?

The SPEAKER. That is correct. It would be a majority of everybody that does vote. Presuming everybody is voting and they are on the House floor—

Mr. MUSTIO. Right.

The SPEAKER. —there are 195 members and it would be 98 votes to pass. That is presuming that everybody is voting. Mr. MUSTIO. Thank you.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

**YEAS—79**

Adolph	Gibbons	Masser	Reese
Barbin	Gillespie	Matzie	Roae
Barrar	Goodman	McGinnis	Rothman
Benninghoff	Grove	Metzgar	Saccone
Bloom	Harhai	Millard	Sainato
Brown, R.	Harper	Moul	Sankey
Burns	Harris, A.	Mullery	Santora
Causer	Heffley	Mustio	Saylor
Christiana	Hill	Nesbit	Snyder
Conklin	Irvin	Oberlander	Sonney
Costa, D.	James	Ortitay	Stephens
Costa, P.	Jozwiak	Parker, D.	Tobash
Davidson	Kampf	Payne	Toepel
Deasy	Klunk	Petrarca	Topper
Diamond	Kortz	Pyle	Vereb
Dunbar	Kotik	Quigley	Ward
Dush	Lewis	Rader	Wheeland
Ellis	Maher	Ravenstahl	
English	Mahoney	Readshaw	Turzai,
Everett	Marshall	Reed	Speaker
Gabler			

**NAYS—116**

Acosta	Emrick	Keller, M.K.	Quinn
Artis	Evankovich	Keller, W.	Rapp
Baker	Evans	Kim	Regan
Bizzarro	Fabrizio	Kinsey	Roebuck
Boback	Farina	Kirkland	Ross
Boyle	Farry	Krueger	Rozzi
Bradford	Fee	Lawrence	Samuelson
Briggs	Flynn	Longietti	Santarsiero
Brown, V.	Frankel	Mackenzie	Savage
Bullock	Freeman	Major	Schemel
Caltagirone	Gainey	Maloney	Schlossberg
Carroll	Galloway	Markosek	Schreiber
Cohen	Gergely	McCarter	Schweyer
Corbin	Gillen	Mentzer	Simmons
Cox	Gingrich	Metcalfe	Sims
Cruz	Godshall	Miccarelli	Staats
Culver	Greiner	Miller, B.	Sturla
Cutler	Hahn	Miller, D.	Tallman
Daley, M.	Hanna	Milne	Taylor
Davis	Harhart	Murt	Thomas
Dawkins	Harkins	Neilson	Truitt
Day	Harris, J.	Nelson	Vitali
Dean	Helm	Neuman	Warner
DeLissio	Hennessey	O'Brien	Watson
Delozier	Hickernell	O'Neill	Wentling
Dermody	Kaufer	Pashinski	Wheatley
DiGirolamo	Kauffman	Peifer	White
Donatucci	Kavulich	Petri	Youngblood
Driscoll	Keller, F.	Pickett	Zimmerman

**NOT VOTING—0**

**EXCUSED—7**

Daley, P.	Knowles	McClinton	Toohil
DeLuca	Marsico	McNeill	

Less than the majority having voted in the affirmative, the question was determined in the negative and the amendment was not agreed to.

### REPUBLICAN CAUCUS

The SPEAKER. Representative Reed, do you wish to be recognized, sir?

Mr. REED. Thank you very much, Mr. Speaker.

The House Republicans will caucus upon the recess. Thank you. Immediately upon the recess.

The SPEAKER. Members, if you will please, we are going to be at ease.

The Chair is going to be calling on Representative Major and Representative Frankel in just a moment.

We will be coming back to the floor.

Representative Sandra Major, the majority caucus chair, is recognized for a caucus announcement.

Ms. MAJOR. Thank you, Mr. Speaker.

I would like to announce Republicans will caucus immediately. I would ask our Republican members to please report to our caucus immediately. We would be prepared to come back on the floor, Mr. Speaker, at 6:30. Thank you.

### DEMOCRATIC CAUCUS

The SPEAKER. Representative Frankel is recognized for a caucus announcement.

Mr. FRANKEL. Yes, Mr. Speaker.

Democrats will also caucus immediately. I would like to encourage all members to come to caucus immediately. Thank you.

### RECESS

The SPEAKER. Members, we will stand in recess until 6:30.

### AFTER RECESS

The time of recess having expired, the House was called to order.

### HOUSE BILL INTRODUCED AND REFERRED

**No. 2211** By Representatives BAKER, FABRIZIO, SCHLOSSBERG, MILLARD, EVERETT and WARD

An Act amending the act of June 13, 1967 (P.L.31, No.21), known as the Human Services Code, in public assistance, further providing for medical assistance payments for institutional care; in children and youth, further providing for provider submissions; in nursing facility assessments, further providing for definitions and for time periods; in intermediate care facilities for persons with an intellectual disability assessments, further providing for definitions and for time periods; in hospital assessments, further providing for definitions and for time period; in departmental powers and duties as to licensing, further providing for regulations; establishing the Pennsylvania eHealth Partnership Program; providing for the Pennsylvania eHealth Partnership Fund; abrogating a related regulation; and making a related repeal.

Referred to Committee on HEALTH, June 22, 2016.

### BILLS SIGNED BY SPEAKER

Bills numbered and entitled as follows having been prepared for presentation to the Governor, and the same being correct, the titles were publicly read as follows:

#### SB 936, PN 1148

An Act amending Title 23 (Domestic Relations) of the Pennsylvania Consolidated Statutes, in support matters generally, further providing for attachment of income.

#### SB 1205, PN 1727

An Act authorizing the Department of General Services, with the approval of the Governor, to grant and convey to the Borough of East Stroudsburg certain permanent public water supply system easements situate in the Borough of East Stroudsburg, Monroe County; and authorizing the East Stroudsburg University of Pennsylvania of the State System of Higher Education, with the approval of the Governor, to grant and convey to the Borough of East Stroudsburg certain permanent public water supply system easements situate in the Borough of East Stroudsburg, Monroe County.

Whereupon, the Speaker, in the presence of the House, signed the same.

### CONSIDERATION OF HB 2150 CONTINUED

The SPEAKER. We are still on HB 2150, PN 3531. There are other amendments.

On the question recurring,  
Will the House agree to the bill on second consideration?

Ms. **YOUNGBLOOD** offered the following amendment  
No. **A08734**:

Amend Bill, page 1, lines 1 through 18; page 2, lines 1 through 15; by striking out all of said lines on said pages and inserting  
Amending Title 4 (Amusements) of the Pennsylvania Consolidated Statutes, providing for fantasy contests; in general provisions, further providing for legislative intent and for definitions; in Pennsylvania Gaming Control Board, further providing for general and specific powers, for licensed gaming entity application appeals from board, for board minutes and records, for regulatory authority of board, for slot machine license fee, for reports of board and for diversity goals of board; in licensees, further providing for Category 3 slot machine license, for slot machine license application, for supplier licenses and for manufacturer licenses, providing for nongaming service provider and further providing for slot machine testing and certification standards and for license renewals; in table games, further providing for authorization to conduct table games, for table game tournaments, for other financial transactions, for table game device and associated equipment testing and certification standards, for table game authorization fee and for local share assessment; providing for interactive gaming, for slot machines at nonprimary locations, for slot machines in qualified airports, for casino simulcasting and for sports wagering; in revenues, further providing for establishment of State Gaming Fund and net slot machine revenue distribution, for Pennsylvania Race Horse Development Fund and for Pennsylvania Gaming Economic Development and Tourism Fund and establishing the



Public School Employees' Retirement Contribution Fund; in administration and enforcement, further providing for responsibility and authority of the Department of Revenue and for compulsive and problem gambling program, providing for child endangerment protection, further providing for financial and employment interests, for political influence, for regulation requiring exclusion or ejection of certain persons, for repeat offenders excludable from licensed gaming facility, for list of persons self excluded from gaming activities, for investigations and enforcement and for prohibited acts and penalties; in miscellaneous provisions, further providing for appropriations; making an editorial change; and making a related repeal.

Amend Bill, page 2, lines 18 through 30; pages 3 through 35, lines 1 through 30; page 36, lines 1 through 8; by striking out all of said lines on said pages and inserting

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

PART I  
AMUSEMENTS GENERALLY

Chapter

1. Preliminary Provisions (Reserved)
3. Fantasy Contests

CHAPTER 1  
PRELIMINARY PROVISIONS

(Reserved)

CHAPTER 3

FANTASY CONTESTS

Subchapter

- A. General Provisions
- B. Administration
- C. Licensure
- D. Fiscal Provisions
- E. Miscellaneous Provisions

SUBCHAPTER A  
GENERAL PROVISIONS

Sec.

301. Scope.

302. Definitions.

§ 301. Scope.

This chapter relates to fantasy contests.

§ 302. Definitions.

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

"Board." The Pennsylvania Gaming Control Board.

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

"Controlling interest." Either of the following:

(1) For a publicly traded domestic or foreign corporation, a controlling interest is an interest in an applicant for a fantasy contest license or a licensed operator if a person's sole voting rights under State law or corporate articles or bylaws entitle the person to elect or appoint one or more of the members of the board of directors or other governing board or the ownership or beneficial holding of 5% or more of the securities of the publicly traded corporation, partnership, limited liability company or other form of publicly traded legal entity, unless this presumption of control or ability to elect is rebutted by clear and convincing evidence.

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

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

"Entry fee." The cash or cash equivalent paid by a participant to

a licensed operator in order to participate in a fantasy contest.

"Fantasy contest." An online fantasy or simulated game or contest with an entry fee and a prize or award in which:

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

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

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

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

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

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

"Fantasy contest terminal." A physical, land-based computerized or electronic terminal or similar device that allows participants to:

(1) register for a fantasy contest account;

(2) pay an entry fee;

(3) select an imaginary team;

(4) receive winnings; or

(5) otherwise participate in a fantasy contest.

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

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

"In-State participant." An individual who participates in a fantasy contest conducted by a licensed operator and pays a fee to a licensed operator from a location within this Commonwealth. The term includes an individual who pays an entry fee through a fantasy contest terminal within a licensed facility.

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

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

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

"Licensed facility." As defined in section 1103 (relating to definitions).

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

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

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

"Person." A natural person, corporation, publicly traded corporation, foundation, organization, business trust, estate, limited

liability company, licensed corporation, trust, partnership, limited liability partnership, association or any other form of legal business entity.

"Principal." An officer, director, person who directly holds a beneficial interest in or ownership of the securities of an applicant for a fantasy contest license or a licensed operator, person who has a controlling interest in an applicant for a fantasy contest license or a licensed operator or who has the ability to elect a majority of the board of directors of a licensed operator or to otherwise control a licensed operator, lender or other licensed financial institution of an applicant for a fantasy contest license or a licensed operator, other than a bank or lending institution which makes a loan or holds a mortgage or other lien acquired in the ordinary course of business, underwriter of an applicant for a fantasy contest license or a licensed operator or other person or employee of an applicant for a fantasy contest license or a licensed operator deemed to be a principal by the board.

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

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

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

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

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

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

#### SUBCHAPTER B ADMINISTRATION

Sec.

311. General and specific powers of board.

312. Temporary regulations.

313. Fantasy contest license appeals.

314. Board minutes and records.

315. Reports of board.

§ 311. General and specific powers of board.

(a) General powers.—

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

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

(b) Specific powers.—The board shall have the following powers:

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

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

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

(4) To prepare and, through the Governor, submit annually to the General Assembly an itemized budget consistent with Article VI of the act of April 9, 1929 (P.L.177, No.175),

known as The Administrative Code of 1929, consisting of the amounts necessary to be appropriated by the General Assembly out of the accounts established under section 332 (relating to licensed operator deposits) required to meet the obligations under this chapter accruing during the fiscal period beginning July 1 of the following year.

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

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

(7) To administer oaths, examine witnesses and issue subpoenas compelling the attendance of witnesses or the production of documents and records or other evidence or to designate officers or employees to perform duties required by this chapter.

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

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

(10) To require licensed operators to:

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

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

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

(11) In conjunction with the Department of Drug and Alcohol Programs, to develop a process by which licensed operators provide participants with a toll-free telephone number that provides individuals with information on how to access appropriate treatment services for compulsive and problem play.

(12) At the board's discretion, to permit the placement and operation of fantasy contest terminals within licensed facilities and to ensure the integrity of fantasy contest terminals.

(b.1) Licensed entity representative.—

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

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

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

Internet website.

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

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

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

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

§ 312. Temporary regulations.

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

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

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

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

§ 313. Fantasy contest license appeals.

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

§ 314. Board minutes and records.

(a) Record of proceedings.—The board shall maintain a record of all proceedings held at public meetings of the board. The verbatim transcript of the proceedings shall be the property of the board and shall be prepared by the board upon the request of any board member or upon the request of any other person and the payment by that person of the costs of preparation.

(b) Applicant information.—

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

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

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

(d) Confidentiality of information.—

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

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

(ii) Nonpublic personal information, including home addresses, telephone numbers and other personal contact information, Social Security numbers,

educational records, memberships, medical records, tax returns and declarations, actual or proposed compensation, financial account records, creditworthiness or financial condition relating to an applicant.

(iii) Information relating to proprietary information, trade secrets, patents or exclusive licenses, architectural and engineering plans and information relating to competitive marketing materials and strategies that may include customer-identifying information or customer prospects for services subject to competition.

(iv) Information with respect to which there is a reasonable possibility that public release or inspection of the information would constitute an unwarranted invasion into personal privacy of an individual as determined by the board.

(v) Records of an applicant for a fantasy contest license or a licensed operator not required to be filed with the Securities and Exchange Commission by issuers that either have securities registered under section 12 of the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. § 781) or are required to file reports under section 15(d) of the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. § 78o)

(vi) Records considered nonpublic matters or information by the Securities and Exchange Commission as provided by 17 CFR 200.80 (relating to commission records and information).

(vii) Financial or security information deemed confidential by the board upon a showing of good cause by the applicant for a fantasy contest license or licensed operator.

(2) No claim of confidentiality may be made regarding any criminal history record information that is available to the public under 18 Pa.C.S. § 9121(b) (relating to general regulations).

(3) No claim of confidentiality shall be made regarding any record in possession of the board that is otherwise publicly available from a Commonwealth agency, local agency or another jurisdiction.

(4) The information made confidential under this section shall be withheld from public disclosure, in whole or in part, except that any confidential information shall be released upon the order of a court of competent jurisdiction or, with the approval of the Attorney General, to a duly authorized law enforcement agency or shall be released to the public, in whole or in part, to the extent that such release is requested by an applicant for a fantasy contest license or licensed operator and does not otherwise contain confidential information about another person.

(5) The board may seek a voluntary waiver of confidentiality from an applicant for a fantasy contest license or a licensed operator, but may not require an applicant or licensed operator to waive any confidentiality provided for in this subsection as a condition for the approval of an application, renewal of a fantasy contest license or any other action of the board.

(e) Notice.—Notice of the contents of any information, except to a duly authorized law enforcement agency under this section, shall be given to an applicant or licensee in a manner prescribed by the rules and regulations adopted by the board.

(f) Information held by department.—Files, records, reports and other information in the possession of the department pertaining to licensed operators shall be made available to the board as may be necessary for the effective administration of this chapter.

§ 315. Reports of board.

(a) General rule.— The annual report submitted by the board under section 1211 (relating to reports of board) shall include the

following information on the conduct of fantasy contests:

(1) Total fantasy contest adjusted revenues.

(2) All taxes, fees, fines and other revenue collected from licensed operators during the previous year. The department shall collaborate with the board to carry out the requirements of this section.

(3) At the board's discretion, any other information related to the conduct of fantasy contests or licensed operators.

(b) Licensed operators.—The board may require licensed operators to provide information to the board to assist in the preparation of the report.

#### SUBCHAPTER C LICENSURE

Sec.

321. General prohibition.

322. Application.

323. Issuance and denial of license.

324. License renewal.

325. Conditions of licensure.

326. Prohibitions.

327. Change in ownership or control of licensed operators.

328. Penalties.

§ 321. General prohibition.

(a) General rule.—Except as provided for in subsection (b), no person may offer or otherwise make available for play in this Commonwealth a fantasy contest without a fantasy contest license issued by the board.

(b) Existing activity.—A person who applies for or renews a fantasy contest license in accordance with this chapter may operate during the application or renewal period unless:

(1) The board has reasonable cause to believe the person is or may be in violation of the provisions of this chapter.

(2) The board requires the person to suspend the operation of any fantasy contest until the license is issued or renewed.

§ 322. Application.

(a) Form and information.—An application for a license shall be submitted on a form and in manner as shall be required by the board. An application for a fantasy contest license shall contain the following information:

(1) The name, Federal employer identification number and principal address of the applicant; if a corporation, the state of its incorporation, the full name and address of each officer and director thereof, and, if a foreign corporation, whether it is qualified to do business in this Commonwealth; if a partnership or joint venture, the name and address of each officer thereof.

(2) The name and address of the person having custody of the applicant's financial records.

(3) The names and addresses of key employees.

(4) The names and addresses of each of the applicant's principals.

(5) Information, documentation and assurances related to financial and criminal history as the board deems necessary to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant and the applicant's key employees and principals.

(6) Information and documentation necessary to establish the applicant's ability to comply with section 325 (relating to conditions of licensure).

(7) Any other information required by the board.

(b) Nonrefundable application fee.—Each application submitted under this chapter shall be accompanied by a nonrefundable application fee, which shall be established by the board, and which may not exceed the amount necessary to reimburse the board for all costs incurred by the board for fulfilling the requirements of this section and section 323 (relating to issuance and denial of license) or exceed an amount equal to 5% of the applicant's fantasy contest adjusted revenues for the previous calendar year if the applicant is not a licensed gaming entity.

(c) Additional information.—A person applying for a fantasy contest license shall have the continuing duty to provide information required by the board and to cooperate in any inquiry or investigation.

(d) Abbreviated application process.—The board, at its discretion, may establish an abbreviated application process for a fantasy contest license for persons that are also licensed gaming entities. The abbreviated application may only require information not in possession of the board that is necessary to fulfill the requirements of this chapter.

§ 323. Issuance and denial of license.

(a) Duty to review applications.—The board shall review all applications for a license and shall issue a license to any applicant that:

(1) Has submitted a completed application and paid the nonrefundable application fee as required by the board under section 322 (relating to application).

(2) Has demonstrated that the applicant has the financial stability, integrity and responsibility to comply with the provisions of this chapter and regulations established by the board.

(3) Has not been denied a license under subsection (b).

(b) Reasons to deny applications.—The board may deny an application for a license if the applicant:

(1) has knowingly made a false statement of material fact or has deliberately failed to disclose any information requested;

(2) employs a principal or key employee who has been convicted of a felony, a crime of moral turpitude or any criminal offense involving dishonesty or breach of trust within 10 years prior to the date of the application for license;

(3) has at any time knowingly failed to comply with the provisions of this chapter or of any requirements of the board;

(4) has had a registration, permit or license to conduct fantasy contests denied or revoked in any other jurisdiction;

(5) has legally defaulted in the payment of any obligation or debt due to the Commonwealth or is not compliant with taxes due to the department; or

(6) is not qualified to do business in this Commonwealth or is not subject to the jurisdiction of the courts of the Commonwealth.

(c) Time period for review.—The board shall conclude its review of an application for a fantasy contest license within 120 days of receipt of the completed application. If the license is not issued, the board shall provide the applicant with the justification for not issuing such license with specificity.

(d) License fee.—

(1) Within 30 days of the board issuing a fantasy contest license, an applicant shall pay to the board a license fee of \$50,000 or an amount equivalent to 7.5% of the applicant's fantasy contest adjusted revenues for the previous calendar year, whichever is less, except that an applicant who is also a licensed gaming entity shall pay to the board a license fee of \$50,000.

(2) The license fee collected under this subsection shall be deposited into the General Fund.

(3) If an applicant fails to pay the fee required by this subsection, the board shall suspend or revoke the applicant's fantasy contest license until payment of the license fee is received.

(e) Abbreviated approval process.—The board, at its discretion, may establish an abbreviated approval process for the issuance of a fantasy contest license to a licensed gaming entity whose slot machine license and table game certificate are in good standing.

§ 324. License renewal.

(a) Renewal.—

(1) A license issued under this chapter shall be valid for a period of five years.

(2) Nothing in this paragraph shall be construed to relieve a licensed operator of the affirmative duty to notify the board of any changes relating to the status of its fantasy contest license or to any other information contained in the application

materials on file with the board.

(3) The application for renewal of a fantasy contest license must be submitted at least 90 days prior to the expiration of the license and include an update of the information contained in the initial application for a fantasy contest license. A fantasy contest license for which a completed renewal application and fee as required under subsection (c) has been received by the board shall continue in effect unless and until the board sends written notification to the licensed operator that the board has denied the renewal of the license.

(b) Revocation or failure to renew.—

(1) In addition to any other sanction the board may impose under this chapter, the board may at its discretion suspend, revoke or deny renewal of a fantasy contest license issued under this chapter if it receives information that:

(i) the applicant or any of the applicant's key employees or principals are in violation of any provision of this chapter;

(ii) the applicant has furnished the board with false or misleading information;

(iii) the information contained in the applicant's initial application or any renewal application is no longer true and correct;

(iv) the applicant has failed to remit taxes or assessments required under section 331 (relating to fantasy contest tax), 332 (relating to licensed operator deposits) or 333 (relating to responsibility and authority of department); or

(v) the applicant has legally defaulted in the payment of any obligation or debt due to the Commonwealth.

(2) In the event of a revocation or failure to renew, the applicant's authorization to conduct fantasy contests shall immediately cease and all fees paid in connection with the application shall be deemed to be forfeited.

(3) In the event of a suspension, the applicant's authorization to conduct fantasy contests shall immediately cease until the board has notified the applicant that the suspension is no longer in effect.

(c) Renewal fee.—

(1) Within 30 days of the board renewing a fantasy contest license, the licensed operator shall pay to the board a renewal fee of \$5,000.

(2) The renewal fee collected by the board under this subsection shall be deposited into the General Fund.

(3) If a licensed operator fails to pay the renewal fee required under this subsection, the board shall suspend or revoke the licensed operator's fantasy contest license until payment of the renewal fee is received.

#### § 325. Conditions of licensure.

As a condition of licensure, a licensed operator shall establish and implement the following procedures related to conduct of fantasy contests in this Commonwealth:

(1) Permit only participants who have established a fantasy contest account with the licensed operator to participate in a fantasy contest conducted by the licensed operator.

(2) Verify the age, location and identity of any participant prior to making a deposit into a fantasy contest account for a participant located in this Commonwealth. No participant under 18 years of age may be permitted to establish a fantasy contest account with a licensed operator.

(3) Verify the identity of a participant by requiring the participant to provide the licensed operator a unique user name and password prior to accessing a fantasy contest account.

(4) Ensure rules and prizes and awards established by the licensed operator for a fantasy contest are made known to a participant prior to the acceptance of any entry fee.

(5) Ensure that a player who is the subject of a fantasy

contest is restricted from entering as a participant in a fantasy contest that is determined, in whole or part, on the accumulated statistical results of a team of individuals in the league in which the player is a member.

(6) Allow a person to restrict himself from entering a fantasy contest or accessing a fantasy contest account for a specific period of time as determined by the participant and implement reasonable procedures to prevent the individual from participating in the licensed operator's fantasy contests.

(7) Allow a person to restrict the total amount of deposits that the participant may pay to the licensed operator for a specific time period established by the participant and implement reasonable procedures to prevent the participant from exceeding the limit.

(8) Conspicuously post compulsive and problem play notices at fantasy contest registration points and provide a toll-free telephone number to participants who have expressed to the licensed operator issues with compulsive and problem play of fantasy contests. The toll-free telephone number and the compulsive and problem play notice shall be approved by the board, in consultation with the Department of Drug and Alcohol Programs.

(9) Disclose the number of entries a single participant may submit to each fantasy contest and take commercially reasonable steps to prevent such participants from submitting more than the allowable number.

(10) Prevent the licensed operator's employees and relatives living in the same household of an employee from competing in a fantasy contest offered by any licensed operator to the general public and in which fantasy contest the licensed operator offers a prize or award.

(11) Prevent the sharing of confidential information that could affect fantasy contest play with third parties until the information is made publicly available.

(12) Take commercially reasonable steps to maintain the confidentiality of a participant's personal and financial information.

(13) Segregate participant funds from operational funds in separate accounts and maintain a reserve in the form of cash, cash equivalents, security deposits held by banks and processors, an irrevocable letter of credit, payment processor reserves and receivables, a bond or a combination thereof in an amount sufficient to pay all prizes and awards offered to winning participants.

(14) Provide winning in-State participants with information and documentation necessary to ensure the proper reporting of winnings by in-State participants to the department.

(15) Remit taxes or assessments to the department in accordance with sections 331 (relating to fantasy contest tax), 332 (relating to licensed operator deposits) and 333 (relating to responsibility and authority of department).

(16) Prohibit the use of scripts by participants and implement technologies to prevent the use of scripts.

(17) Monitor fantasy contests for the use of scripts and restrict players found to have used such scripts from participation in future fantasy contests.

(18) Establish any other condition deemed appropriate by the board.

#### § 326. Prohibitions.

No licensed operator may:

(1) accept an entry fee from or permit a natural person under 18 years of age to become a participant in a fantasy contest;

(2) offer a fantasy contest based, in whole or in part, on collegiate or high school athletic events or players;

(3) permit a participant to enter a fantasy contest prior to establishing a fantasy contest account;

(4) establish a fantasy contest account for a person who

is not an individual:

(5) alter rules established for a fantasy contest after a participant has entered the fantasy contest;

(6) issue credit to a participant to establish or fund a fantasy contest account;

(7) knowingly directly market to a participant during the time period in which the participant has self-excluded from the licensed operators' fantasy contests;

(8) knowingly permit a participant to enter the licensed operator's fantasy contests during the time period in which the participant has self-excluded from the licensed operators' fantasy contests;

(9) knowingly accept a deposit in excess of a limit established by a participant for the specific time period established by the participant;

(10) share confidential information that could affect fantasy contest play with third parties until the information is made publicly available;

(11) knowingly permit an employee or relative living in the same household of an employee to become a participant in a fantasy contest offered by any licensed operator in which a licensed operator offers a prize or award;

(12) offer a fantasy contest where:

(i) the value of all prizes or awards offered to winning participants is not established and made known to participants in advance of the fantasy contest;

(ii) winning outcomes do not reflect the relative knowledge and skill of participants;

(iii) the winning outcome is based on the score, point spread or performance of a single actual team or combination of teams or solely on a single performance of an individual athlete or player in a single actual event; or

(iv) the winning outcome is not based on statistical results accumulated from fully completed athletic sports contests or events, except that participants may be credited for statistical results accumulated in a suspended or shortened sports event which has been partially completed on account of weather or other natural or unforeseen event;

(13) except as permitted under section 342 (relating to licensed gaming entities), offer or make available in this Commonwealth a fantasy contest terminal;

(14) fail to remit taxes or assessments to the department in accordance with sections 331 (relating to fantasy contest tax), 332 (relating to licensed operator deposits) and 333 (relating to responsibility and authority of department);

(15) knowingly allow a participant to use a script during a fantasy contest; and

(16) perform any other action prohibited by the board.

#### § 327. Change in ownership or control of licensed operators.

(a) Notification and approval.—

(1) A licensed operator shall notify the board upon becoming aware of any proposed change of ownership of the licensed operator by a person or group of persons acting in concert which involves any of the following:

(i) More than 15% of a licensed operator's securities or other ownership interests.

(ii) The sale other than in the ordinary course of business of a licensed operator's assets.

(iii) Any other transaction or occurrence deemed by the board to be relevant to fantasy contest license qualifications.

(2) Notwithstanding the provisions of paragraph (1), a licensed operator shall not be required to notify the board of any acquisition by an institutional investor under paragraph (1)(i) or (ii) if the institutional investor holds less than 10% of the securities or other ownership interests referred to in paragraph

(1)(i) or (ii), the securities or interests are publicly traded securities and its holdings of such securities were purchased for investment purposes only and the institutional investor files with the board a certified statement to the effect that the institutional investor has no intention of influencing or affecting, directly or indirectly, the affairs of the licensed operator, provided, however, that the institutional investor may vote on matters put to the vote of the outstanding security holders. Notice to the board shall be required prior to completion of any proposed or contemplated change of ownership of a licensed operator that meets the criteria of this section.

(b) Qualification of purchaser and change of control.—

(1) A purchaser of the assets, other than in the ordinary course of business, of a licensed operator shall independently qualify for a fantasy contest license in accordance with this chapter and shall pay the application fee and license fee as required by sections 322 (relating to application) and 323 (relating to issuance and denial of license), except that if the purchaser of assets is another licensed operator, the purchaser of assets shall not be required to requalify for a fantasy contest license or pay another application fee and license fee.

(2) A change in control of any licensed operator shall require that the licensed operator independently qualify for a fantasy contest license in accordance with this chapter, and the licensed operator shall pay a new application and license fee as required by sections 322 and 323, except that if the new controller is another licensed operator, the new controller shall not be required to requalify for a fantasy contest license or pay another application fee and license fee.

(c) Change in control defined.—For purposes of this section, a change in control of a licensed operator shall mean the acquisition by a person or group of persons acting in concert of more than 20% of a licensed operator's securities or other ownership interests, with the exception of any ownership interest of the person that existed at the time of initial licensing and payment of the initial fantasy contest license fee, or more than 20% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the licensed operator.

(d) License revocation.—Failure to comply with this section may cause the fantasy contest license issued under this chapter to be revoked or suspended by the board unless the purchase of the assets or the change in control that meets the criteria of this section has been independently qualified in advance by the board and any required application or license fee has been paid.

#### § 328. Penalties.

(a) Suspension or revocation of license.—

(1) After a public hearing with at least 15 days' notice, the board may suspend or revoke a licensed operator's fantasy contest license in any case where a violation of this chapter has been shown by a preponderance of the evidence.

(2) The board may revoke a fantasy contest license if the board finds that facts not known by the board at the time the board considered the application indicate that such license should not have been issued.

(b) Administrative penalties.—

(1) In addition to suspension or revocation of a fantasy contest license, the board may impose administrative penalties on a licensed operator for violations of this chapter not to exceed \$5,000 for each violation.

(2) A violation of this chapter that is determined to be an offense of a continuing nature shall be deemed to be a separate offense on each event or day during which the violation occurs, except that the total administrative penalty for an offense of a continuing nature may not exceed \$25,000.

(3) The licensed operator shall have the right to appeal administrative penalties in accordance with 2 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of Commonwealth

agencies) and 7 Subch. A (relating to judicial review of Commonwealth agency action).

(4) Penalties imposed under this subsection shall be deposited into the General Fund.

(c) Civil penalties.—

(1) In addition to the provisions of this section, a person who knowingly violates a provision of this chapter shall be liable for a civil penalty of not more than \$1,000 for each such violation.

(2) The civil penalty shall be recovered in a civil action brought by the board and shall be paid into the General Fund.

#### SUBCHAPTER D FISCAL PROVISIONS

Sec.

331. Fantasy contest tax.

332. Licensed operator deposits.

333. Responsibility and authority of department.

§ 331. Fantasy contest tax.

(a) Imposition.—Each licensed operator shall report to the department and pay from its quarterly fantasy contest adjusted revenues, on a form and in the manner prescribed by the department, a tax of 5% of its quarterly fantasy contest adjusted revenues.

(b) Deposits and distributions.—

(1) The tax imposed under subsection (a) shall be payable to the department on a quarterly basis and shall be based upon quarterly fantasy contest adjusted revenue derived during the previous quarter.

(2) All funds owed to the Commonwealth under this section shall be held in trust for the Commonwealth by the licensed operator until the funds are paid to the department.

(3) The tax imposed under subsection (a) shall be deposited into the General Fund.

(c) Penalty.—

(1) A licensed operator who fails to timely remit to the department amounts required under this section shall be liable, in addition to any liability imposed elsewhere in this chapter, to a penalty of 5% per month up to a maximum of 25% of the amounts ultimately found to be due, to be recovered by the department.

(2) Penalties imposed under this subsection shall be deposited into the General Fund.

§ 332. Licensed operator deposits.

(a) Accounts established.—The State Treasurer shall establish within the State Treasury an account for each licensed operator for the deposit of sums required under subsection (b) to:

(1) recover costs or expenses incurred by the board and the department in carrying out their powers and duties under this chapter based upon a budget submitted by the board and the department under subsection (c); and

(2) repay any loans made by the General Fund to the board or the department in connection with carrying out its powers and duties under this chapter.

(b) Deposits.—

(1) The department shall determine the appropriate assessment amount for each licensed operator, which shall be a percentage assessed on the licensed operator's fantasy contest adjusted revenues. Each licensed operator shall deposit funds into its account on a quarterly basis.

(2) The percentage assessed shall not exceed an amount necessary to:

(i) recover costs or expenses incurred by the board and the department in carrying out their powers and duties under this chapter based on a budget submitted by the board and the department under subsection (c); and

(ii) repay any loans made from the General Fund to the board in connection with carrying out its powers and duties under this chapter.

(c) Itemized budget reporting.—

(1) The board and the department shall prepare and annually submit to the chairman of the Appropriations Committee of the Senate and the chairman of the Appropriations Committee of the House of Representatives an itemized budget consisting of amounts to be appropriated out of the accounts established under this section necessary to administer this chapter.

(2) As soon as practicable after submitting copies of the itemized budget, the board and the department shall jointly prepare and submit to the chairmen of the committees analyses of and make recommendations regarding the itemized budget.

(d) Appropriation.—Costs and expenses from accounts established under subsection (a) shall only be disbursed upon appropriation by the General Assembly.

(e) Penalty.—

(1) A licensed operator who fails to timely remit to the department amounts required under this section shall be liable, in addition to any liability imposed elsewhere in this chapter, to a penalty of 5% per month up to a maximum of 25% of the amounts ultimately found to be due, to be recovered by the department.

(2) Penalties imposed under this subsection shall be deposited into the General Fund.

§ 333. Responsibility and authority of department.

(a) General rule.—The department may administer and collect taxes imposed under section 331 (relating to fantasy contest tax) and interest imposed under section 806 of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, and promulgate and enforce rules and regulations to carry out its prescribed duties in accordance with sections 331 and 332 (relating to licensed operator deposits), including the collection of taxes, penalties, assessments and interest.

(b) Procedure.—For purposes of implementing sections 331 and 332, the department may promulgate regulations in the same manner in which the board is authorized as provided in section 312 (relating to temporary regulations).

#### SUPCHAPTER E MISCELLANEOUS PROVISIONS

Sec.

341. Applicability of other statutes.

342. Licensed gaming entities.

343. Funding.

§ 341. Applicability of other statutes.

(a) Unlawful gambling.—The provisions of 18 Pa.C.S. § 5513 (relating to gambling devices, gambling, etc.) shall not apply to a fantasy contest conducted in accordance with this chapter.

(b) Pool selling and bookmaking.—The provisions of 18 Pa.C.S. § 5514 (relating to pool selling and bookmaking) shall not apply to a fantasy contest conducted in accordance with this chapter.

(c) Lotteries.—The provisions of 18 Pa.C.S. § 5512 (relating to lotteries, etc.) shall not apply to a fantasy contest conducted in accordance with this chapter.

(d) State Lottery Law.—This chapter shall not apply to a fantasy contest or similar product authorized under the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law, and authorized solely by the department and the Division of the State Lottery.

§ 342. Licensed gaming entities.

(a) Scope.—This section shall apply to a licensed gaming entity that holds a fantasy contest license.

(b) Applicability.—

(1) Nothing in this chapter shall be construed to limit the board's general and sole regulatory authority over the conduct of gaming or related activities under Part II (relating to gaming), including, but not limited to, the certification, registration and regulation of gaming service providers and individuals and entities associated with them.

(2) A fantasy contest terminal shall not be considered a "slot machine" or "table game" under section 1103 (relating to

definitions).

(c) Fantasy contest terminals.—

(1) Upon approval of a fantasy contest license application, a licensed gaming entity may place and operate fantasy contest terminals within the licensed gaming entity's licensed facility.

(2) At its discretion, the board may approve the placement and operation of fantasy contest terminals at a location within the licensed facility, provided that fantasy contest terminals shall not be placed on the gaming floor.

(d) Restricted contests.—A licensed gaming entity may offer fantasy contests that are exclusive to participants who are at least 21 years of age.

(e) Promotional play.—For a restricted contest under subsection (d), a licensed gaming entity may offer slot machine or table game promotional play to a participant who is at least 21 years of age as a prize or award or for participating in a fantasy contest conducted by the licensed gaming entity.

(f) Gaming service providers.—A licensed operator who is not a licensed gaming entity may, at the discretion of the board, be certificated or registered as a gaming service provider under section 1317.2 (relating to gaming service provider) in order to operate fantasy contests subject to the restrictions of subsection (d) on behalf of a licensed gaming entity.

§ 343. Funding.

(a) Appropriation.—The following amounts are appropriated:

(1) The sum of \$1,250,000 is appropriated to the board for the fiscal year period July 1, 2016, to June 30, 2017, for the purpose of implementing and administering the provisions of this chapter.

(2) The sum of \$500,000 is appropriated to the department for the fiscal period July 1, 2016, to June 30, 2017, for the purpose of implementing and administering the provisions of this chapter.

(b) Repayment.—The appropriations in this section shall be considered loans from the General Fund and shall be repaid to the General Fund quarterly through assessments on licensed operators authorized under section 332 (relating to licensed operator deposits) by the department. The total amounts appropriated to the board and department under this section shall be repaid to the General Fund no later than 10 years from the date the board issues the first fantasy contest license.

(c) Unused amounts.—On July 1, 2017, any portion of amounts appropriated under subsection (a) that is unexpended, unencumbered or uncommitted as of June 30 of the prior fiscal year shall automatically be transferred to the General Fund.

Section 2. Section 1102 of Title 4 is amended by adding paragraphs to read:

§ 1102. Legislative intent.

The General Assembly recognizes the following public policy purposes and declares that the following objectives of the Commonwealth are to be served by this part:

\*\*\*

(12.1) The continued growth and success of the commercial gaming industry in this Commonwealth is dependent upon a regulatory environment which promotes and fosters technological advances and encourages the development and delivery of innovative gaming products.

(12.2) It is also the intent of the General Assembly to ensure the sustainability and competitiveness of the commercial gaming industry in this Commonwealth by authorizing interactive gaming, the operation of multistate wide-area progressive slot machines, skill and hybrid slot machines and casino simulcasting and the operation of slot machines at nonprimary locations.

\*\*\*

Section 3. The definitions of "associated equipment," "cash equivalent," "cheat," "cheating or thieving device," "commission" or

"commissions," "conduct of gaming," "contest," "counterfeit chip," "fully automated electronic gaming table," "gaming employee," "gaming school," "gaming service provider," "key employee," "licensed facility," "manufacturer," "manufacturer license," "player," "progressive payout," "progressive system," "slot machine," "supplier," "supplier license" and "table game device" in section 1103 of Title 4 are amended and the section is amended by adding definitions to read: § 1103. Definitions.

The following words and phrases when used in this part shall have the meanings given to them in this section unless the context clearly indicates otherwise:

\*\*\*

"Airport authority." The governing body of a municipal authority organized and incorporated to oversee the operations of a qualified airport under 53 Pa.C.S. Ch. 56 (relating to municipal authorities) or the governing body of a city of the first class, which regulates the use and control of a qualified airport.

"Airport gaming area." A location or locations within a qualified airport approved for the conduct of authorized interactive games through the use of multi-use computing devices by eligible passengers as approved by the airport authority or in the case of a qualified airport located in a city of the first class, as approved by the governing body of the city of the first class, and the Pennsylvania Gaming Control Board.

\*\*\*

"Associated equipment." Any equipment or mechanical, electromechanical or electronic contrivance, component or machine used in connection with slot machines or table games, including linking devices which connect to progressive slot machines and multistate wide-area progressive slot machines or slot [machines, replacement] machine replacement parts, equipment which affects the proper reporting and counting of gross terminal revenue [and], gross table game revenue and gross interactive gaming revenue, computerized systems for controlling and monitoring slot machines [or], table games or interactive games, including, but not limited to, the central control computer to which all slot machines communicate [and], devices for weighing or counting money[,] and interactive gaming devices and associated equipment necessary for the operation of interactive games as approved by the Pennsylvania Gaming Control Board. The term shall not include count room equipment.

\*\*\*

"Authorized interactive game." An interactive game approved by regulation of the Pennsylvania Gaming Control Board to be suitable for interactive gaming offered by an interactive gaming certificate holder or other persons on behalf of a slot machine licensee in accordance with Chapter 13B (relating to interactive gaming). The term shall include any interactive game approved by regulation of the Pennsylvania Control Board to be suitable for interactive gaming through the use of a multi-use computing device.

\*\*\*

"Cash equivalent." An asset that is readily convertible to cash, including, but not limited to, any of the following:

- (1) Chips or tokens.
- (2) Travelers checks.
- (3) Foreign currency and coin.
- (4) Certified checks, cashier's checks and money orders.
- (5) Personal checks or drafts.
- (6) A negotiable instrument applied against credit extended by a certificate holder, an interactive gaming certificate holder, a holder of an interactive gaming license or a financial institution.

(7) Any other instrument or representation of value that the Pennsylvania Gaming Control Board deems a cash equivalent.

"Casino simulcasting." The simultaneous transmission of live thoroughbred or harness horse race meetings from an in-State sending racetrack, out-of-State sending racetrack or a satellite facility, regardless of licensure status or whether the horse race meetings originate within this Commonwealth or any other state or jurisdiction.



to a simulcasting facility in this Commonwealth by satellite devices, television cables, telephone lines or any other telecommunications technology for the purposes of conducting pari-mutuel wagering.

"Casino simulcasting permit" or "simulcasting permit." A permit awarded by the board under section 13F12 (relating to casino simulcasting permit) which authorizes a licensed gaming entity to conduct casino simulcasting.

"Casino simulcasting permit holder." A licensed gaming entity that holds a casino simulcasting permit issued by the board in accordance with section 13F12 (relating to casino simulcasting permit).

\* \* \*

"Cheat." To defraud or steal from any player, slot machine licensee or the Commonwealth while operating or playing a slot machine [or], table game[,] or authorized interactive game, including causing, aiding, abetting or conspiring with another person to do so. The term shall also mean to alter or causing, aiding, abetting or conspiring with another person to alter the elements of chance, method of selection or criteria which determine:

- (1) The result of a slot machine game [or], table game or authorized interactive game.
- (2) The amount or frequency of payment in a slot machine game [or], table game or authorized interactive game.
- (3) The value of a wagering instrument.
- (4) The value of a wagering credit.

The term does not include altering a slot machine, table game device or associated equipment or interactive gaming device or associated equipment for maintenance or repair with the approval of a slot machine licensee.

"Cheating or thieving device." A device, software or hardware used or possessed with the intent to be used to cheat during the operation or play of any slot machine [or], table game or authorized interactive game. The term shall also include any device used to alter a slot machine [or], a table game device or associated equipment, an authorized interactive game or interactive gaming device or associated equipment without the slot machine licensee's approval.

\* \* \*

["Commission" or "commissions."] "Commission." The State Horse Racing Commission [or the State Harness Racing Commission, or both as the context may require.] as defined in section 2801-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

\* \* \*

"Concession operator." A person engaged in the sale or offering for sale of consumer goods or services to the public at a qualified airport, or authorized to conduct other commercial activities related to passenger services at a qualified airport, in accordance with the terms and conditions of an agreement or contract with an airport authority, government entity or other person.

"Conduct of gaming." The licensed placement, operation and play of slot machines [and], table games and interactive games and casino simulcasting under this part, as authorized and approved by the Pennsylvania Gaming Control Board. The term shall include the licensed placement, operation and play of authorized interactive games through the use of multi-use computing devices at a qualified airport, as authorized and approved by the Pennsylvania Gaming Control Board.

"Contest." A slot machine, table game or authorized interactive game competition among players for cash, cash equivalents or prizes.

\* \* \*

"Counterfeit chip." Any object or thing that is:

- (1) used or intended to be used to play a table game at a certificate holder's licensed facility and which was not issued by that certificate holder for such use; [or]
- (2) presented to a certificate holder for redemption if the object was not issued by the certificate holder[.];
- (3) used or intended to be used to play an authorized interactive game which was not approved by the interactive gaming certificate holder for such use; or

(4) presented during play of an authorized interactive game for redemption, if the object or thing was not issued by the interactive gaming certificate holder or other person on behalf of an interactive gaming certificate holder.

\* \* \*

"Eligible passenger" or "passenger." An individual 21 years of age or older who has cleared security check points with a valid airline boarding pass for travel from one destination to another by airplane.

\* \* \*

"Fully automated electronic gaming table." An electronic gaming table determined by the Pennsylvania Gaming Control Board to be playable or operable as a table game without the assistance or participation of a person acting on behalf of a certificate holder. The term shall include a multi-use computing device, which through the use of digital, electronic or other communications technology, is capable of simulating a table game.

\* \* \*

"Gaming employee." Any employee of a slot machine licensee, including, but not limited to:

- (1) Cashiers.
- (2) Change personnel.
- (3) Count room personnel.
- (4) Slot attendants.
- (5) Hosts or other individuals authorized to extend complimentary services, including employees performing functions similar to those performed by a gaming junket representative.
- (6) Machine mechanics, computer machine technicians or table game device technicians.
- (7) Security personnel.
- (8) Surveillance personnel.
- (9) Promotional play supervisors, credit supervisors, pit supervisors, cashier supervisors, shift supervisors, table game managers and assistant managers and other supervisors and managers, except for those specifically identified in this part as key employees.
- (10) Boxmen.
- (11) Dealers or croupiers.
- (12) Floormen.
- (13) Personnel authorized to issue promotional play.
- (14) Personnel authorized to issue credit.

The term shall include employees of a person holding a supplier's license whose duties are directly involved with the repair or distribution of slot machines, table game devices or associated equipment or interactive gaming devices or associated equipment or casino simulcasting technology and equipment sold or provided to a licensed facility within this Commonwealth as determined by the Pennsylvania Gaming Control Board. The term shall further include employees of a person authorized by the board to supply goods and services related to interactive gaming and casino simulcasting or any subcontractor or an employee of a subcontractor that supplies interactive gaming devices, including multi-use computing devices, or associated equipment to a holder of an interactive gaming certificate or interactive gaming license or that supplies casino simulcasting technology or equipment. The term does not include bartenders, cocktail servers or other persons engaged solely in preparing or serving food or beverages, clerical or secretarial personnel, parking attendants, janitorial, stage, sound and light technicians and other nongaming personnel as determined by the board.

"Gaming floor." Any portion of a licensed facility where slot machines or table games have been installed for use or play.

\* \* \*

"Gaming-related restricted area." Any room or area of a licensed facility and which is specifically designated by the Pennsylvania Gaming Control Board as restricted or by the slot machine licensee as restricted in its board-approved internal controls.

\* \* \*

"Gaming school." Any educational institution approved by the

Department of Education as an accredited college or university, community college, Pennsylvania private licensed school or its equivalent and whose curriculum guidelines are approved by the Department of Labor and Industry to provide education and job training related to employment opportunities associated with slot machines [or], table games, casino simulcasting or interactive games, including slot machine, table game device and associated equipment maintenance and repair and interactive gaming devices and associated equipment maintenance and repair.

"Gaming service provider." A person that is not required to be licensed as a manufacturer, supplier, management company or gaming junket enterprise under this part or regulations of the Pennsylvania Gaming Control Board and:

(1) provides goods or services, including, but not limited to, count room equipment, to a slot machine licensee or an applicant for a slot machine license for use in the operation of a licensed facility; [or] and

(2) provides goods or services [at] to a slot machine licensee or an applicant for a slot machine license that requires access to the gaming floor or a gaming-related restricted area of a licensed facility as determined by the Pennsylvania Gaming Control Board.

\* \* \*

"Gross interactive gaming revenue." The total of all cash or cash equivalent wagers paid by registered players to an interactive gaming certificate holder in consideration for the play of authorized interactive games, minus:

(1) The total of cash or cash equivalents paid out to registered players as winnings.

(2) The cash equivalent value of any personal property or other noncash items or things of value included in a drawing, contest or tournament and distributed to registered players as a result of playing authorized interactive games.

(3) Any administrative fee, operations fee or tax paid to another state or jurisdiction pursuant to an interactive gaming reciprocal agreement.

Amounts deposited with an interactive gaming certificate holder for purposes of interactive gaming and amounts taken in fraudulent acts perpetrated against an interactive gaming certificate holder for which the interactive gaming certificate holder is not reimbursed may not be considered to have been paid to the interactive gaming certificate holder for purposes of calculating gross interactive gaming revenue.

\* \* \*

"Hybrid slot machine." A slot machine in which a combination of the skill of the player and elements of chance affects the outcome of the game.

\* \* \*

"In-State sending track." A racetrack within this Commonwealth which is operated by a licensed racing entity and is permitted to conduct casino simulcasting.

\* \* \*

"Interactive game." Any gambling game offered through the use of communications technology that allows a person, utilizing money, checks, electronic checks, electronic transfers of money, credit cards or any other instrumentality to transmit electronic information to assist in the placement of a bet or wager and corresponding information related to the display of the game, game outcomes or other similar information. The term shall not include:

(1) A lottery game or Internet instant game as defined in the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law.

(2) Nongambling games that do not otherwise require a license under the laws of this Commonwealth.

For the purposes of this definition, the term "communications technology" shall mean any method used and the components employed to facilitate the transmission and receipt of information, including transmission and reception by systems using wire, wireless, cable, radio, microwave, light, fiber optics, satellite or computer data

networks, including the Internet and intranets, as approved by the board.

"Interactive gaming." The placing of bets or wagers with an interactive gaming certificate holder or interactive gaming licensee located in this Commonwealth using a computer network of both Federal and non-Federal interoperable packet switched data networks through which an interactive gaming certificate holder may offer authorized interactive games to registered players. The term shall include the placing of bets or wagers through the use of a multi-use computing device.

"Interactive gaming account." The formal, electronic system implemented by an interactive gaming certificate holder to record the balance of a registered player's debits, credits and other activity related to interactive gaming.

"Interactive gaming account agreement." An agreement entered into between an interactive gaming certificate holder or other person on behalf of an interactive gaming certificate holder and an individual which governs the terms and conditions of the individual's interactive gaming account and the use of the Internet for purposes of placing bets or wagers on authorized interactive games operated by an interactive gaming certificate holder or other person on behalf of an interactive gaming certificate holder.

"Interactive gaming agreement." An agreement entered into by or between an interactive gaming certificate holder and an interactive gaming operator related to the offering or operation of interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder. The term shall include an interactive gaming agreement entered into by or between an interactive gaming certificate holder and an interactive gaming operator for the conduct of interactive gaming through the use of multi-use computing devices at a qualified airport in accordance with this part.

"Interactive gaming certificate." The authorization issued to a slot machine licensee by the Pennsylvania Gaming Control Board authorizing the operation and conduct of interactive gaming by a slot machine licensee or other person on behalf of a slot machine licensee in accordance with Chapter 13B (relating to interactive gaming).

"Interactive gaming certificate holder." A slot machine licensee that has been granted authorization by the Pennsylvania Gaming Control Board to operate authorized interactive games in accordance with Chapter 13B (relating to interactive gaming).

"Interactive gaming device." All hardware and software and other technology, equipment or device of any kind as determined by the Pennsylvania Gaming Control Board to be necessary for the conduct of authorized interactive games.

"Interactive gaming license." A license issued to a person by the Pennsylvania Gaming Control Board under Chapter 13B.

"Interactive gaming licensee." A person who has been issued a license to act as an interactive gaming operator under Chapter 13B.

"Interactive gaming operator." A person, including an affiliate of a slot machine licensee, licensed by the Pennsylvania Gaming Control Board to operate interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder.

"Interactive gaming platform." The combination of hardware and software or other technology designed and used to manage, conduct and record interactive games and the bets or wagers associated with interactive games, as approved by the Pennsylvania Gaming Control Board. The term shall include any emerging or new technology deployed to advance the conduct and operation of interactive gaming, as approved through regulation by the Pennsylvania Gaming Control Board.

"Interactive gaming reciprocal agreement." An agreement negotiated by the Pennsylvania Gaming Control Board on behalf of the Commonwealth with the authorized agency of one or more states or jurisdictions where interactive gaming is legally authorized which will permit the conduct of interactive gaming between interactive gaming certificate holders in this Commonwealth and gaming entities in the states or jurisdictions that are parties to the agreement.

"Interactive gaming restricted area." Any room or area, as

approved by the Pennsylvania Gaming Control Board, used by an interactive gaming certificate holder or interactive gaming license holder to manage, control and operate interactive gaming, including, where approved by the board, redundancy facilities.

"Interactive gaming skin or skins." The portal or portals to an interactive gaming platform or Internet website through which authorized interactive games are made available to registered players by an interactive gaming certificate holder or other person on behalf of an interactive gaming certificate holder in this Commonwealth or players in any other state or jurisdiction in which an interactive gaming reciprocal agreement has been entered.

"Interactive gaming system." All hardware, software and communications that comprise a type of server-based gaming system for the purpose of offering authorized interactive games.

"Internet website." The interactive gaming skin or skins or Internet portal or portals through which an interactive gaming certificate holder or other person makes authorized interactive games available for play.

\* \* \*

"Key employee." Any individual who is employed in a director or department head capacity and who is empowered to make discretionary decisions that regulate slot machine or table game operations or interactive gaming operations or casino simulcasting, including the general manager and assistant manager of the licensed facility, director of slot operations, director of table game operations, director of interactive gaming, director of cage and/or credit operations, director of surveillance, director of marketing, director of management information systems, director of interactive gaming system programs or other similar job classifications associated with interactive gaming and casino simulcasting, persons who manage, control or administer interactive gaming and casino simulcasting or the bets and wagers associated with authorized interactive games and casino simulcasting, director of security, comptroller and any employee who is not otherwise designated as a gaming employee and who supervises the operations of these departments or to whom these department directors or department heads report and such other positions not otherwise designated or defined under this part which the Pennsylvania Gaming Control Board shall determine based on detailed analyses of job descriptions as provided in the internal controls of the licensee as approved by the Pennsylvania Gaming Control Board. All other gaming employees unless otherwise designated by the Pennsylvania Gaming Control Board shall be classified as non-key employees.

\* \* \*

"Licensed facility." The physical land-based location at which a licensed gaming entity is authorized to place and operate slot machines and, if authorized by the Pennsylvania Gaming Control Board under Chapter 13A (relating to table games), to conduct table games and if authorized under Chapter 13B (relating to interactive gaming), to conduct interactive gaming. The term includes any:

(1) area of a licensed racetrack at which a slot machine licensee was previously authorized pursuant to section 1207(17) (relating to regulatory authority of board) to operate slot machines prior to the effective date of this paragraph;

(2) board-approved interim facility or temporary facility;

[and]

(3) area of a hotel which the Pennsylvania Gaming Control Board determines is suitable to conduct table games[.];

(4) area of a licensed facility where casino simulcasting is conducted, as approved by the Pennsylvania Gaming Control Board; and

(5) for the purposes of Chapter 13D (relating to slot machines at nonprimary locations), the area of a nonprimary location in which a Category 1 slot machine licensee is authorized to place and make slot machines available for play.

The term shall not include a redundancy facility or an interactive gaming restricted area which is not located on the premises of a licensed facility as approved by the Pennsylvania Gaming Control Board and which is maintained and operated by an interactive gaming

certificate holder in connection with interactive gaming or by a Category 1 slot machine licensee in connection with the operation of slot machines at a nonprimary location or in connection with casino simulcasting.

\* \* \*

"Licensed racing entity." Any legal entity that has obtained a license to conduct live thoroughbred or harness horse race meetings respectively with pari-mutuel wagering from [either] the State Horse Racing Commission [or the State Harness Racing Commission] pursuant to [the act of December 17, 1981 (P.L.435, No.135), known as] the Race Horse Industry Reform Act.

"Manufacturer." A person who manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to any slot machine, table game device or associated equipment or authorized interactive games for use or play of slot machines [or], table games or authorized interactive games in this Commonwealth for gaming purposes. The term shall not include a person who manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to multi-use computing devices used in connection with the conduct of interactive gaming at a qualified airport.

"Manufacturer license." A license issued by the Pennsylvania Gaming Control Board authorizing a manufacturer to manufacture or produce slot machines, table game devices or associated equipment, interactive gaming devices or associated equipment for use in this Commonwealth for gaming purposes.

\* \* \*

"Multi-use computing device." As follows:

(1) A computing device, including, but not limited to, a tablet computer, that:

(i) Allows a player to access an authorized interactive game.

(ii) Is located and accessible to eligible passengers only in an airport gaming area.

(iii) Communicates with a server that is in a location approved by the Pennsylvania Gaming Control Board.

(iv) Is approved by the Pennsylvania Gaming Control Board.

(v) Has the capability of being linked to and monitored by the department's central control computer system, as applicable for any particular interactive game, in accordance with section 1323 (relating to central control computer system).

(vi) Offers a player additional functions which shall include Internet browsing, the capability of checking flight status and ordering food or beverages.

(2) The term shall not include any tablet or computing device that restricts, prohibits or is incapable of providing access to interactive gaming, interactive gaming skins or interactive gaming platforms.

"Multistate wide-area progressive slot machine system." The linking of slot machines located in this Commonwealth with slot machines located in one or more states or jurisdictions in which the Pennsylvania Gaming Control Board has entered into an agreement authorizing the conduct of a multistate wide-area progressive slot machine system by slot machine licensees in this Commonwealth with gaming entities in such other state or jurisdiction, as approved by the Pennsylvania Gaming Control Board.

\* \* \*

"Nongaming service provider." A person that is not a gaming service provider or required to be licensed as a manufacturer, supplier, management company or gaming junket enterprise under this part or regulations of the Pennsylvania Gaming Control Board and that provides goods or services:

(1) to a slot machine licensee or applicant for a slot machine license for use in the operation of a licensed facility; and

(2) that does not require access to the gaming floor or a gaming-related restricted area of a licensed facility.

\* \* \*

"Nonprimary location permit." The permit issued to a Category 1 slot machine licensee authorizing the placement and operation of slot machines at a nonprimary location in accordance with Chapter 13D (relating to slot machines at nonprimary locations).

"Nonprimary location permit holder." A Category 1 slot machine licensee that has been approved for and issued a permit to place and make slot machines available for play at a nonprimary location in accordance with Chapter 13D (relating to slot machines at nonprimary locations).

\* \* \*

"Out-of-State sending track." An interstate or international racetrack in a state or jurisdiction other than this Commonwealth which is equipped to conduct casino simulcasting and the operator of which is lawfully permitted to conduct horse race meetings and to provide simulcast horse races to slot machine licensees in this Commonwealth.

\* \* \*

"Player." An individual wagering cash, a cash equivalent or other thing of value in the play or operation of a slot machine [or], an authorized interactive game or a table game, including during a contest or tournament, the play or operation of which may deliver or entitle the individual playing or operating the slot machine [or], authorized interactive game or table game to receive cash, a cash equivalent or other thing of value from another player or a slot machine licensee.

\* \* \*

"Progressive payout." A slot machine wager payout that increases in a monetary amount based on the amounts wagered in a progressive system, including a multistate wide-area progressive slot machine system.

"Progressive system." A computerized system linking slot machines in one or more licensed facilities within this Commonwealth and offering one or more common progressive payouts based on the amounts wagered. The term shall include the linking of slot machines in a licensed facility in this Commonwealth with a multistate wide-area progressive system operated by gaming entities in one or more states or jurisdictions as approved by the Pennsylvania Gaming Control Board.

\* \* \*

"Qualified airport." A publicly owned commercial service airport that is designated by the Federal Government as an international airport.

\* \* \*

"Race Horse Industry Reform Act." [The act of December 17, 1981 (P.L.435, No.135), known as the Race Horse Industry Reform Act.] Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

"Redundancy facilities." Any and all rooms or areas used by a slot machine licensee for emergency backup, redundancy or secondary operations attendant to interactive gaming as approved by the Pennsylvania Gaming Control Board.

"Registered player." An individual who has entered into an interactive gaming account agreement with an interactive gaming certificate holder.

\* \* \*

"Simulcast horse race." A thoroughbred or harness horse race meeting conducted at a racetrack, whether within or outside this Commonwealth, which is simultaneously transmitted by an approved telecommunications technology to racetracks or simulcasting facilities in this Commonwealth in accordance with regulations of the commission.

"Simulcasting facility." An area of a licensed facility established and maintained by a slot machine licensee for the conduct of casino simulcasting in accordance with Chapter 13F (relating to casino simulcasting), Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, and regulations of the board and the commission.

"Skill." The knowledge, dexterity, adroitness, acumen or other

mental skill of an individual.

"Skill slot machine." A slot machine in which the skill of the player, rather than the elements of chance, is the predominant factor in affecting the outcome of the game.

"Slot machine." Includes:

(1) Any mechanical, electrical or computerized contrivance, terminal, machine or other device approved by the Pennsylvania Gaming Control Board which, upon insertion of a coin, bill, ticket, token or similar object therein or upon payment of any consideration whatsoever, including the use of any electronic payment system except a credit card or debit card, is available to play or operate, the play or operation of which, whether by reason of skill or application of the element of chance or both, may deliver or entitle the person or persons playing or operating the contrivance, terminal, machine or other device to receive cash, billets, tickets, tokens or electronic credits to be exchanged for cash or to receive merchandise or anything of value whatsoever, whether the payoff is made automatically from the machine or manually. A slot machine:

[(1)] (i) May utilize spinning reels or video displays or both.

[(2)] (ii) May or may not dispense coins, tickets or tokens to winning patrons.

[(3)] (iii) May use an electronic credit system for receiving wagers and making payouts.

(2) The term shall include [associated equipment] all of the following:

(i) Associated equipment necessary to conduct the operation of the contrivance, terminal, machine or other device.

(ii) A skill slot machine, hybrid slot machine and the devices or associated equipment necessary to conduct the operation of a skill slot machine or hybrid slot machine.

(iii) A multistate wide-area progressive slot machine and devices and associated equipment as defined by the board through regulations.

(iv) A multi-use computing device which is capable of simulating, either digitally or electronically, a slot machine.

\* \* \*

"Supplier." A person that sells, leases, offers or otherwise provides, distributes or services any slot machine, table game device or associated equipment, or interactive gaming device or associated equipment for use or play of slot machines [or], table games or interactive games in this Commonwealth. The term shall include a person that sells, leases, offers or otherwise provides, distributes or services any multi-use computing device as approved by the Pennsylvania Gaming Control Board.

"Supplier license." A license issued by the Pennsylvania Gaming Control Board authorizing a supplier to provide products or services related to slot machines, table game devices or associated equipment, interactive gaming device, including any multi-use computing device or associated equipment, to slot machine licensees for use in this Commonwealth for gaming purposes.

\* \* \*

"Table game device." Includes gaming tables, cards, dice, chips, shufflers, tiles, dominoes, wheels[, drop boxes] or any mechanical, electrical or computerized contrivance, terminal, machine or other device, apparatus, equipment or supplies approved by the Pennsylvania Gaming Control Board and used to conduct a table game or that is capable, through the use of digital, electronic or other communications technology, of simulating play of a table game.

\* \* \*

Section 4. Section 1202(a)(1) and (b)(20) and (23) of Title 4 are amended and subsection (b) is amended by adding paragraphs to read: § 1202. General and specific powers.

(a) General powers.—

(1) The board shall have general and sole regulatory authority over the conduct of gaming [or] and related activities as described in this part. The board shall ensure the integrity of the acquisition and operation of slot machines, table games, table game devices and associated equipment and authorized interactive games and interactive gaming devices and associated equipment and shall have sole regulatory authority over every aspect of the authorization, operation and play of slot machines [and], including the operation of slot machines at nonprimary locations, table games and interactive gaming devices and associated equipment and the implementation and regulation of airport gaming.

\* \* \*

(b) Specific powers.—The board shall have the specific power and duty:

\* \* \*

(12.2) At its discretion, to award, revoke, suspend, condition or deny an interactive gaming certificate or an interactive gaming license in accordance with Chapter 13B (relating to interactive gaming).

(12.3) To award, revoke, suspend, condition or deny a casino simulcasting permit in accordance with Chapter 13F (relating to casino simulcasting).

(12.4) At its discretion, to award, revoke, suspend, condition or deny authorization for the placement and operation of slot machines at a nonprimary location in accordance with Chapter 13D (relating to slot machines at nonprimary locations).

\* \* \*

(20) In addition to the power of the board regarding license and permit applicants, to determine at its discretion the suitability of any person who furnishes or seeks to furnish to a slot machine licensee directly or indirectly any goods, services or property related to slot machines, table games, table game devices or associated equipment, interactive games and interactive gaming devices and associated equipment or casino simulcasting technology and equipment or through any arrangements under which that person receives payment based directly or indirectly on earnings, profits or receipts from the slot machines, table games, table game devices and associated equipment, interactive games, interactive gaming devices and associated equipment or casino simulcasting technology and equipment. The board may require any such person to comply with the requirements of this part and the regulations of the board and may prohibit the person from furnishing the goods, services or property except that, in determining the suitability of a person who furnishes or seeks to furnish casino simulcasting technology and equipment, the board shall consult the commission.

\* \* \*

(23) The board shall not approve an application for or issue or renew a license, certificate, registration or permit unless it is satisfied that the applicant has demonstrated by clear and convincing evidence that the applicant is a person of good character, honesty and integrity and is a person whose prior activities, criminal record, if any, reputation, habits and associations do not pose a threat to the public interest or the effective regulation and control of slot machine [or], including the operation of slot machines at nonprimary locations and qualified airports, table game operations or interactive gaming operations or casino simulcasting, or create or enhance the danger of unsuitable, unfair or illegal practices, methods and activities in the conduct of slot machine or table game operations, interactive gaming operations, casino simulcasting or the carrying on of the business and financial arrangements incidental thereto.

\* \* \*

(27.2) Within six months of the effective date of this section, to publish on the board's Internet website a complete list of all slot machine licensees who filed a petition seeking

authorization to conduct interactive gaming and the status of each petition or interactive gaming certificate.

\* \* \*

(35) To review detailed site plans identifying the interactive gaming restricted area or room where a slot machine licensee proposes to manage, administer or control interactive gaming operations to determine the adequacy of the proposed internal and external security and proposed surveillance measures.

(36) To require each slot machine licensee that holds an interactive gaming certificate to provide on a quarterly basis the following information with respect to interactive gaming:

(i) the name of any person, entity or firm to whom any payment, remuneration or other benefit or thing of value has been made or conferred for professional services, including, but not limited to, interactive gaming system operations or management, legal, consulting and lobbying services;

(ii) the amount or value of the payments, remuneration, benefit or thing of value;

(iii) the date on which the payments, remuneration, benefit or thing of value was submitted; and

(iv) the reason or purpose for the procurement of the services.

(37) To review and approve detailed site and architectural plans identifying the area of a licensed facility where a slot machine licensee proposes to manage, control and administer casino simulcasting in order to determine the adequacy of proposed internal and external controls, security and surveillance measures.

(38) To review and approve detailed site and architectural plans identifying the area of a nonprimary location where a Category 1 slot machine licensee proposes to place and make slot machines available for play in accordance with Chapter 13D in order to determine the adequacy of proposed internal and external controls, security and proposed surveillance measures.

(39) To review and approve detailed site and architectural plans identifying the area of a licensed facility where a slot machine licensee proposes to place and make multistate wide-area progressive slot machines, skill slot machines or hybrid slot machines available for play in order to determine the adequacy of proposed internal and external controls, security and proposed surveillance measures.

Section 5. Sections 1204 and 1206(f)(1) of Title 4 are amended to read:

§ 1204. Licensed gaming entity application appeals from board.

The Supreme Court of Pennsylvania shall be vested with exclusive appellate jurisdiction to consider appeals of any final order, determination or decision of the board involving the approval, issuance, denial or conditioning of a slot machine license [or], the award, denial or conditioning of a table game operation certificate[.] or the award, denial or conditioning of an interactive gaming certificate, an interactive gaming license, a casino simulcasting permit, a nonprimary location permit or an airport gaming operation certificate. Notwithstanding the provisions of 2 Pa.C.S. Ch. 7 Subch. A (relating to judicial review of Commonwealth agency action) and 42 Pa.C.S. § 763 (relating to direct appeals from government agencies), the Supreme Court shall affirm all final orders, determinations or decisions of the board involving the approval, issuance, denial or conditioning of a slot machine license [or], the award, denial or conditioning of a table game operation certificate or the award, denial or conditioning of an interactive gaming certificate, an interactive gaming license, a casino simulcasting permit, a nonprimary location permit or an airport gaming operation certificate, unless it shall find that the board committed an error of law or that the order, determination or decision of the board was arbitrary and there was a capricious disregard of the evidence.

## § 1206. Board minutes and records.

\* \* \*

## (f) Confidentiality of information.—

(1) The following information submitted by an applicant, permittee, certificate holder or licensee pursuant to section 1310(a) (relating to slot machine license application character requirements) [or], 1308(a.1) (relating to applications for license or permit), 13B12 (relating to interactive gaming certificate required and content of petition), 13B14 (relating to interactive gaming operators), 13D11 (relating to application for nonprimary location permit), 13E12 (relating to application) or 13F12 (relating to casino simulcasting permit) or obtained by the board or the bureau as part of a background or other investigation from any source shall be confidential and withheld from public disclosure:

(i) All information relating to character, honesty and integrity, including family, habits, reputation, history of criminal activity, business activities, financial affairs and business, professional and personal associations submitted under section 1310(a) or 1308(a.1) or otherwise obtained by the board or the bureau.

(ii) Nonpublic personal information, including home addresses, telephone numbers and other personal contact information, Social Security numbers, educational records, memberships, medical records, tax returns and declarations, actual or proposed compensation, financial account records, creditworthiness or financial condition relating to an applicant, licensee [or], permittee, including the holder of an interactive gaming certificate, interactive gaming license, casino simulcasting permit, nonprimary location permit or airport gaming operation certificate or the immediate family thereof.

(iii) Information relating to proprietary information, trade secrets, patents or exclusive licenses, architectural and engineering plans and information relating to competitive marketing materials and strategies, which may include customer-identifying information or customer prospects for services subject to competition.

(iv) Security information, including risk prevention plans, detection and countermeasures, location of count rooms, location of interactive gaming restricted areas and redundancy facilities, emergency management plans, security and surveillance plans, equipment and usage protocols and theft and fraud prevention plans and countermeasures.

(v) Information with respect to which there is a reasonable possibility that public release or inspection of the information would constitute an unwarranted invasion into personal privacy of any individual as determined by the board.

(vi) Records of an applicant or licensee not required to be filed with the Securities and Exchange Commission by issuers that either have securities registered under section 12 of the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. § 781) or are required to file reports under section 15(d) of the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C. § 780).

(vii) Records considered nonpublic matters or information by the Securities and Exchange Commission as provided by 17 CFR 200.80 (relating to commission records and information).

(viii) Any financial information deemed confidential by the board upon a showing of good cause by the applicant or licensee.

\* \* \*

Section 6. Section 1207(1), (3), (4), (5), (6), (8), (9), (10) and (21) of Title 4 are amended and the section is amended by adding paragraphs to read:

## § 1207. Regulatory authority of board.

The board shall have the power and its duties shall be to:

(1) Deny, deny the renewal, revoke, condition or suspend any license [or], permit, certificate, registration or other authorizations provided for in this part if the board finds in its sole discretion that a licensee [or], permittee, registrant or certificate holder, including any interactive gaming operator, under this part, or its officers, employees or agents, have furnished false or misleading information to the board or failed to comply with the provisions of this part or the rules and regulations of the board and that it would be in the public interest to deny, deny the renewal, revoke, condition or suspend the license [or], permit, certificate, registration or other authorizations.

\* \* \*

(3) Prescribe and require periodic financial reporting and internal control requirements for all licensed entities, including, in the case of interactive gaming, all interactive gaming operators.

(4) Require that each licensed entity, including, in the case of interactive gaming, each interactive gaming operator, provide to the board its audited annual financial statements, with such additional detail as the board from time to time shall require, which information shall be submitted not later than 90 days after the end of the licensee's fiscal year.

(5) Prescribe the procedures to be followed by slot machine licensees for any financial event that occurs in the operation and play of slot machines [or], table games, authorized interactive games, casino simulcasting or multi-use computing devices.

(6) Prescribe criteria and conditions for the operation of slot machine progressive systems, including multistate wide-area progressive slot machine systems. A wide area progressive slot machine system shall be collectively administered by participating slot machine licensees in accordance with the terms of a written agreement executed by each participating slot machine licensee and, in the case of a multistate wide-area progressive slot machine system, in accordance with the terms of an agreement executed by the slot machine licensee and authorized gaming entities in other states or jurisdictions, as approved by the board.

(6.1) Collaborate with the appropriate gaming authorities in other states or jurisdictions to facilitate the establishment of multistate wide-area progressive slot machine systems by slot machine licensees in this Commonwealth and, if determined necessary, enter into the necessary agreements with such other states or jurisdictions as necessary for the operation of multistate wide-area progressive slot machine systems by slot machine licensees in this Commonwealth.

\* \* \*

(7.2) Enforce prescribed hours for the operation of authorized interactive games so that an interactive gaming certificate holder or interactive gaming licensee may conduct authorized interactive games on any day during the year in order to meet the needs of registered players or to meet competition.

(7.3) In consultation with the commission, enforce prescribed hours of operation of casino simulcasting by slot machine licensees and the operation of slot machines at a nonprimary location by a Category 1 slot machine licensee.

(8) Require that each licensed gaming entity prohibit persons under 21 years of age from operating or using slot machines [or], playing table games or participating in interactive gaming and casino simulcasting.

(9) Establish procedures for the inspection and certification of compliance of each slot machine, table game, table game device and associated equipment, interactive game

and interactive gaming device and associated equipment and casino simulcasting technology and equipment prior to being placed into use by a slot machine licensee. However, the board shall collaborate with the commission to facilitate the inspection and certification of casino simulcasting technology and equipment.

(10) Require that no slot machine or authorized interactive game that replicates the play of a slot machine may be set to pay out less than the theoretical payout percentage, which shall be no less than 85%, as specifically approved by the board. The board shall adopt regulations that define the theoretical payout percentage of a slot machine game based on the total value of the jackpots expected to be paid by a play or a slot machine game divided by the total value of slot machine wagers expected to be made on that play or slot machine game during the same portion of the game cycle. In so doing, the board shall decide whether the calculation shall include the entire cycle of a slot machine game or any portion thereof. Except that, in the case of skill slot machines and hybrid slot machines, the board shall adopt regulations to define the player's win percentage based on the relative skill of the player or the combination of skill and the elements of chance of the game. In the case of multistate wide-area progressive slot machine system, the theoretical payout percentage or a player's win percentage shall be as set forth in the agreement, as approved by the board.

\* \* \*

(21) Authorize, in its discretion, a slot machine licensee to conduct slot machine contests or tournaments, table game tournaments or contests in accordance with section 13A22.1 (relating to table game tournaments) or interactive gaming contests or tournaments and adopt regulations governing the conduct of such tournaments and contests.

(21.1) Authorize, at its discretion, a slot machine licensee to place and make multistate wide-area progressive slot machines, skill slot machines or hybrid slot machines available for play at licensed facilities.

(21.2) Adopt and promulgate regulations to govern the operation and placement of skill slot machines and hybrid slot machines by slot machine licensees at licensed facilities. In order to facilitate the operation and placement of skill and hybrid slot machines at licensed facilities pursuant to this paragraph, regulations promulgated by the board shall be deemed temporary regulations which shall expire two years after the date of publication in the Pennsylvania Bulletin.

(22) License, regulate, investigate and take any other action determined necessary regarding all aspects of interactive gaming, casino simulcasting and the operation of slot machines at nonprimary locations and qualified airports.

(23) Define and limit the areas of operation and the rules of authorized interactive games, including odds, devices and associated equipment permitted and the method of operation of authorized interactive games and interactive gaming devices and associated equipment.

(24) Require, as applicable, that all wagering offered through interactive gaming display online the permissible minimum and maximum wagers associated with each authorized interactive game.

(25) Ensure, in consultation with the commission, that the wagering at casino simulcasting facilities is conducted in conformance with the pari-mutuel system of wagering regulated by the commission pursuant to Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

(26) Negotiate and enter into interactive gaming reciprocal agreements on behalf of the Commonwealth to govern the conduct of interactive gaming between interactive gaming certificate holders in this Commonwealth and gaming entities of other states or jurisdictions. Notwithstanding any provision of

this part, wagers may be accepted in accordance with this part and regulations of the board from persons in other states or jurisdictions if the board determines that such wagering is not inconsistent with Federal law or the law of the state or jurisdiction, including a foreign jurisdiction, in which the person is located, or such wagering is conducted pursuant to an interactive gaming reciprocal agreement to which this Commonwealth is a party that is not inconsistent with Federal law. The board, with the approval of the Governor, is hereby designated as the agency of the Commonwealth with the sole power and authority to enter into interactive gaming reciprocal agreements with other states or jurisdictions.

(27) Enter into agreements with other states for the operation of multistate wide-area progressive slot machine systems.

(28) Authorize a Category 2 or Category 3 slot machine licensee to enter into an agreement with a Category 1 slot machine licensee for the conduct of casino simulcasting under the Category 1 slot machine licensee's authority as a licensed racing entity, if such agreement is approved by the board and by the commission, pursuant to the commission's authority under Article XXVIII-D of The Administrative Code of 1929.

(29) Adopt, in consultation with the commission, regulations to govern the conduct of casino simulcasting by a Category 2 or Category 3 slot machine licensee in accordance with paragraph (28).

(30) Adopt and promulgate regulations to govern the installation of video display technology in approved areas of a Category 1 licensed facility to enable the delivery of simulcast horse race meetings to patrons through video walls and other such video display technology. The board may consult with the commission to facilitate the installation of video display monitors in accordance with this paragraph and to facilitate the conduct of casino simulcasting under paragraph (28).

Section 7. Section 1209(b) of Title 4 is amended to read:

§ 1209. Slot machine license fee.

\* \* \*

(b) Term.—A slot machine license, after payment of the fee, shall be in effect unless suspended, revoked or not renewed by the board upon good cause consistent with the license requirements as provided for in this part. Slot machine licensees shall be required to update the information in their initial applications annually, and the license of a licensee in good standing shall be renewed every [three] five years. Nothing in this subsection shall relieve a licensee of the affirmative duty to notify the board of any changes relating to the status of its license or to any other information contained in the application materials on file with the board. As to the renewal of a license, except as required in subsection (f)(3), no additional license fee pursuant to subsection (a) shall be required.

\* \* \*

Section 8. Section 1211 of Title 4 is amended by adding subsections to read:

§ 1211. Reports of board.

\* \* \*

(a.4) Interactive gaming reporting requirements.—

(1) The annual report submitted by the board in accordance with subsection (a) shall include information on the conduct of interactive games as follows:

(i) Total gross interactive gaming revenue.

(ii) The number and win by type of authorized interactive game at each licensed facility conducting interactive gaming during the previous year.

(iii) All taxes, fees, fines and other revenue collected and, where appropriate, revenue disbursed during the previous year. The department shall collaborate with the board to carry out the requirements of this subparagraph.

(2) The board may require interactive gaming certificate

holders and other persons involved in the operation of interactive gaming on behalf of a slot machine licensee to provide information to the board to assist in the preparation of the report.

\* \* \*

(d.1) Impact of interactive gaming, annual report.—One year after the issuance of the first interactive gaming certificate, an annual report shall be prepared and distributed to the Governor and the standing committees of the General Assembly with jurisdiction over this part on the impact of interactive gaming on compulsive and problem gambling and gambling addiction in this Commonwealth. The report shall be prepared by a private organization or entity with expertise in serving and treating the needs of persons with compulsive gambling addictions, which organization or entity shall be selected by the Department of Drug and Alcohol Programs. The report may be prepared and distributed in coordination with the board. Any costs associated with the preparation and distribution of the report shall be borne by slot machine licensees who have been authorized by the board to conduct interactive gaming. The board shall be authorized to assess a fee against each slot machine licensee for these purposes.

(d.2) Additional information and annual reporting.—

(1) One year after the commencement of casino simulcasting in accordance with Chapter 13F (relating to casino simulcasting), the operation of skill slot machines, hybrid slot machines, the operation of slot machines at nonprimary locations in accordance with Chapter 13D (relating to slot machines at nonprimary locations) and the operation of a multistate wide-area slot machine system, the report required under subsection (a) shall include information related to the following:

(i) The conduct of casino simulcasting.

(ii) The operation of skill slot machines and hybrid slot machines.

(iii) The operation of a multistate wide-area progressive slot machine system.

(iv) The operation of slot machines at nonprimary locations.

(2) Information on revenue, taxes, fees and fines, if any, collected during the preceding calendar year and any other information, data or recommendations related to the conduct of casino simulcasting, the operation of multistate wide-area progressive slot machines, skill slot machines and hybrid slot machines and the operation of slot machines at nonprimary locations as determined by the board, in consultation with the commission, to be necessary under this part shall be included in the report.

(d.3) Annual report.—In addition to its duties under subsection (d), the board shall have the continuing duty to study and annually report to the chairperson and minority chairperson of the Community, Economic and Recreational Development Committee of the Senate and to the chairperson and minority chairperson of the Gaming Oversight Committee of the House of Representatives on developments in gaming technology and the impact, if any, new technologies are having or will have on the sustainability and competitiveness of the commercial gaming industry in this Commonwealth. The report shall specifically address the following:

(1) Awareness and growth, to the extent known, of any unregulated commercial gaming products, such as e-Sports and other such digital-based computer or video technology.

(2) New gaming products, if any, which have been introduced in other jurisdictions, both foreign and domestic.

(3) Any gaming products which the board may have the authority to authorize pursuant to its regulatory authority under this part.

(4) Any legislative or administrative concerns regarding traditional, new or emerging gaming technologies with recommendations regarding resolution of such concerns.

(d.4) Time of submission and reports.—Notwithstanding any provision of this part, all reports and studies required to be submitted under subsections (d.1), (d.2) and (d.3) after the effective date of this

subsection shall be submitted initially by October 1, 2017, and by October 1 of each year thereafter.

\* \* \*

Section 9. Section 1212(e) of Title 4 is amended by adding paragraphs to read:

§ 1212. Diversity goals of board.

\* \* \*

(e) Definition.—As used in this section, the term "professional services" means those services rendered to a slot machine licensee which relate to a licensed facility in this Commonwealth, including, but not limited to:

\* \* \*

(9) Technology related to interactive gaming and interactive gaming devices and associated equipment.

(10) Technology related to casino simulcasting.

Section 10. Section 1305 of Title 4 is amended to read:

§ 1305. Category 3 slot machine license.

(a) Eligibility.—

(1) A person may be eligible to apply for a Category 3 slot machine license if the applicant, its affiliate, intermediary, subsidiary or holding company has not applied for or been approved or issued a Category 1 or Category 2 slot machine license and the person is seeking to locate a Category 3 licensed facility in a well-established resort hotel having no fewer than 275 guest rooms under common ownership and having substantial year-round [recreational] guest amenities. The applicant for a Category 3 license shall be the owner or be a wholly owned subsidiary of the owner of the well-established resort hotel. [A Category 3 license may only be granted upon the express condition that an individual may not enter a gaming area of the licensed facility if the individual is not any of the following:

(i) A registered overnight guest of the well-established resort hotel.

(ii) A patron of one or more of the amenities provided by the well-established resort hotel.

(iii) An authorized employee of the slot machine licensee, of a gaming service provider, of the board or of any regulatory, emergency response or law enforcement agency while engaged in the performance of the employee's duties.

(iv) An individual holding a valid membership approved in accordance with paragraph (1.1) or a guest of such individual.

(1.1) The board may approve a seasonal or year-round membership that allows an individual to use one or more of the amenities provided by the well-established resort hotel holding a Category 3 slot machine license. The membership shall allow the member and one guest to enter the gaming floor at any time as long as the guest is accompanied by the individual owning or holding the membership. The board shall base its approval of a membership on all of the following:

(i) The duration of the membership.

(ii) The amenity covered by the membership.

(iii) Whether the fee charged for the membership represents the fair market value for the use of the amenity.]

(2) Notwithstanding section 1512(a) and (a.1) (relating to public official financial interest), if at the time of application an applicant has terminated public office or employment as an executive-level public employee within the last calendar year, the applicant shall be eligible to apply for a slot machine license under this section but may not be issued a license until one year following the date of termination as a public official or executive-level public employee. An application submitted in accordance with this paragraph shall not constitute a violation of section 1512(a) or (a.1).

(3) If the person seeking a slot machine license proposes



to place the licensed facility upon land designated a subzone, an expansion subzone or an improvement subzone under the act of October 6, 1998 (P.L.705, No.92), known as the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act, the person shall, at any time prior to the application being approved, submit a statement waiving the exemptions, deductions, abatements or credits granted under the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act if the board approves the application.

(b) Location.—The following shall apply:

(1) [Except as provided in paragraph (1.1), no] No Category 3 license shall be located by the board within 15 linear miles of another licensed facility.

(1.1) A Category 3 license established on or after [July 20, 2017] January 1, 2016, shall [not be located by the board within 30 linear miles of another licensed facility.] only be located in a county that:

(i) does not contain a licensed facility; and

(ii) does not share a geographic border at any point with a county where a licensed facility, regardless of category, is located or may be located.

(2) Within five days of approving a license for an applicant with a proposed licensed facility consisting of land designated a subzone, an expansion subzone or an improvement subzone under the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act for a slot machine license under this section, the board shall notify the Department of Community and Economic Development. The notice shall include a description of the land of the proposed licensed facility which is designated a subzone, an expansion subzone or an improvement subzone. Within five days of receiving the notice required by this paragraph, the Secretary of Community and Economic Development shall decertify the land of the proposed license facility as being a subzone, an expansion subzone or an improvement subzone. Upon decertification in accordance with this paragraph and notwithstanding Chapter 3 of the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act, a political subdivision may amend the ordinance, resolution or other required action which granted the exemptions, deductions, abatements or credits required by the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act to repeal the exemptions, deductions, abatements or credits for the land decertified.

(c) Number of slot machines.—Notwithstanding the number of permissible slot machines as set forth in section 1210 (relating to number of slot machines), a Category 3 license granted under the provisions of this section shall entitle the licensed entity to operate no more than 500 slot machines at the licensed facility, provided, however, a Category 3 slot machine licensee holding a table game operation certificate shall be entitled to operate no more than 600 slot machines at its licensed facility.

(c.1) Additional slot machines.—Upon submission of a petition to the board, in such form and manner as the board may require, the board may authorize the Category 3 slot machine licensee to increase the number of slot machines at its licensed facility. An increase in the number of slot machines by a Category 3 slot machine licensee pursuant to this subsection may not, at the discretion of the board, exceed 250 additional slot machines, which shall be in addition to the number of permissible slot machines authorized under subsection (c).

(c.2) Increase in number.—Upon submission of a petition to the board in such form and manner as the board may require, the board may authorize the Category 3 slot machine licensee to increase the number of slot machines at its licensed facility for the conduct of a slot machine tournament or contest. An increase in the number of slot machines by a Category 3 slot machine licensee under this subsection

may not, at the discretion of the board, exceed 75 additional slot machines, which shall be in addition to the number of permissible slot machines authorized under subsections (c) and (c.1).

(d) Category 3 license fee.—The board shall impose a one-time Category 3 license fee to be paid by each successful applicant in the amount of \$5,000,000 to be deposited in the State Gaming Fund. The provisions of section 1209(b), (c), (d) and (e) shall apply to a Category 3 licensee[.], except that the holder of a Category 3 slot machine license approved and issued by the board on or after January 1, 2016, shall pay a fee of \$8,500,000 for deposit in the General Fund.

(d.1) Additional fee.—Notwithstanding subsection (d), no later than 60 days after the effective date of subsection (a), each holder of an existing Category 3 slot machine license issued by the board before January 1, 2016, shall pay a one-time fee of \$1,000,000 for deposit in the General Fund.

(d.2) Fee for additional slot machines.—Notwithstanding subsection (d), no later than 60 days after the board approves a request for an increase in the number of slot machines submitted by a Category 3 slot machine licensee in accordance with subsection (c.1), the Category 3 slot machine licensee shall pay a one-time fee of \$2,500,000 for deposit into the General Fund.

(e) Definitions.—For the purpose of subsection (a), the following words and phrases shall have the meaning given to them in this subsection:

"Amenities." Any ancillary activities, services or facilities in which a registered guest or the transient public, in return for non-de minimis consideration as defined by board regulation, may participate at a well-established resort hotel, including, but not limited to, sports and recreational activities and facilities such as a golf course or golf driving range, tennis courts or swimming pool; health spa; convention, meeting and banquet facilities; entertainment facilities; and restaurant facilities.

"Patron of the amenities." Any individual who is a registered attendee of a convention, meeting or banquet event or a participant in a sport or recreational event or any other social, cultural or business event held at a resort hotel or who participates in one or more of the amenities provided to registered guests of the well-established resort hotel.]

Section 11. Section 1309(a.1) heading of Title 4 is amended and the subsection is amended by adding a paragraph to read:

§ 1309. Slot machine license application.

\*\*\*

(a.1) Table games and interactive gaming information.—

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(3) Notwithstanding paragraph (2), the board may permit an applicant for a slot machine license that has an application pending before the board to supplement its application with all information required under Chapters 13B (relating to interactive gaming) and 13D (relating to slot machines at nonprimary locations) and to request that the board consider its application for a slot machine license, a table game operation certificate, an interactive gaming certificate or a nonprimary location permit concurrently. All fees for an interactive gaming certificate and a nonprimary location permit shall be paid by the applicant in accordance with the requirements of this part.

\*\*\*

Section 12. Sections 1317(a) and (c) and 1317.1(a), (b), (c), (c.1), (d.1) and (e) of Title 4 are amended and the sections are amended by adding subsections to read:

§ 1317. Supplier licenses.

(a) Application.—A manufacturer that elects to contract with a supplier under section 1317.1(d.1) (relating to manufacturer licenses) shall ensure that the supplier is appropriately licensed under this section. A person seeking to provide slot machines, table game devices or associated equipment, interactive gaming devices or associated equipment or multi-use computing devices to a slot machine licensee or an interactive gaming licensee within this Commonwealth through a contract with a licensed manufacturer shall apply to the board for the

appropriate supplier license.

\* \* \*

(c) Review and approval.—Upon being satisfied that the requirements of subsection (b) have been met, the board may approve the application and issue the applicant a supplier license consistent with all of the following:

(1) The [initial license shall be for a period of one year, and, if renewed under subsection (d), the] license shall be issued for a period of [three] five years and shall be renewed in accordance with subsection (d). Nothing in this paragraph shall relieve a licensee of the affirmative duty to notify the board of any changes relating to the status of its license or to any information contained in the application materials on file with the board.

(2) The license shall be nontransferable.

(3) Any other condition established by the board.

\* \* \*

(c.2) Abbreviated process for supplier.—

(1) Notwithstanding subsection (c.1)(1) or any regulations of the board to the contrary, the board may extend the use of the abbreviated process authorized under subsection (c.1) to an applicant for a supplier license to supply slot machines used in a multistate wide-area progressive slot machine system, skill slot machines, hybrid slot machines and devices or associated equipment used in connection with multistate wide-area progressive slot machine systems, skill or hybrid slot machines, interactive gaming devices or associated equipment used in connection with interactive gaming, including multi-use computing devices, if the applicant holds a valid supplier license issued by the board to supply slot machines or associated equipment or table games or table game devices and associated equipment. The requirements of subsection (c.1)(2) and (3) shall apply to this subsection.

(2) An applicant for a supplier's license to supply slot machines used in a multistate wide-area progressive systems, skill or hybrid slot machines or associated equipment or interactive gaming devices or associated equipment shall be subject to the applicable provisions of this part.

\* \* \*

§ 1317.1. Manufacturer licenses.

(a) Application.—A person seeking to manufacture slot machines, table game devices and associated equipment or interactive gaming devices and associated equipment for use in this Commonwealth shall apply to the board for a manufacturer license.

(b) Requirements.—An application for a manufacturer license shall be on the form required by the board, accompanied by the application fee, and shall include all of the following:

(1) The name and business address of the applicant and the applicant's affiliates, intermediaries, subsidiaries and holding companies; the principals and key employees of each business; and a list of employees and their positions within each business, as well as any financial information required by the board.

(2) A statement that the applicant and each affiliate, intermediary, subsidiary or holding company of the applicant are not slot machine licensees.

(3) The consent to a background investigation of the applicant, its principals and key employees or other persons required by the board and a release to obtain any and all information necessary for the completion of the background investigation.

(4) The details of any equivalent license granted or denied by other jurisdictions where gaming activities as authorized by this part are permitted and consent for the board to acquire copies of applications submitted or licenses issued in connection therewith.

(5) The type of slot machines, table game devices or associated equipment or interactive gaming devices or associated equipment to be manufactured or repaired.

(6) Any other information determined by the board to be appropriate.

(c) Review and approval.—Upon being satisfied that the requirements of subsection (b) have been met, the board may approve the application and grant the applicant a manufacturer license consistent with all of the following:

(1) The [initial license shall be for a period of one year, and, if renewed under subsection (d), the] license shall be issued for a period of [three] five years and shall be renewed in accordance with subsection (d). Nothing in this paragraph shall relieve the licensee of the affirmative duty to notify the board of any changes relating to the status of its license or to any other information contained in application materials on file with the board.

(2) The license shall be nontransferable.

(3) Any other condition established by the board.

(c.1) Abbreviated process.—In the event an applicant for a manufacturer license to manufacture table game devices or associated equipment used in connection with table games is licensed by the board under this section to manufacture slot machines or associated equipment used in connection with slot machines, the board may determine to use an abbreviated process requiring only that information determined by the board to be necessary to consider the issuance of a license to manufacture table game devices or associated equipment used in connection with table games, including financial viability of the applicant. Nothing in this section shall be construed to waive any fees associated with obtaining a license, certificate or permit through the normal application process. The board may only use the abbreviated process if all of the following apply:

(1) The manufacturer license was issued by the board within a 36-month period immediately preceding the date the manufacturer licensee files an application to manufacture table game devices or associated equipment.

(2) The person to whom the manufacturer license was issued affirms there has been no material change in circumstances relating to the license.

(3) The board determines, in its sole discretion, that there has been no material change in circumstances relating to the licensee that necessitates that the abbreviated process not be used.

(c.2) Abbreviated process for manufacturer.—

(1) Notwithstanding subsection (c.1)(1) or any regulations of the board to the contrary, the board may extend the use of the abbreviated process authorized under subsection (c.1) to an applicant for a manufacturer license to manufacture multistate wide-area progressive slot machines, skill slot machines, hybrid slot machines or associated equipment used in connection with multistate wide-area progressive slot machines, skill or hybrid slot machines or interactive gaming devices or associated equipment used in connection with interactive gaming, if the applicant holds a valid manufacturer license issued by the board to manufacturer slot machines or associated equipment or table games or table game devices or associated equipment. The requirements of subsection (c.1) (2) and (3) shall apply to this subsection.

(2) An applicant for a manufacturer license to manufacture slot machines used in a multistate wide-area progressive system, skill or hybrid slot machines or associated equipment or interactive gaming devices or associated equipment shall be subject to the applicable provisions of this part.

\* \* \*

(d.1) Authority.—The following shall apply to a licensed manufacturer:

(1) A manufacturer or its designee, as licensed by the board, may supply or repair any slot machine, table game device or associated equipment or interactive gaming device or associated equipment manufactured by the manufacturer, provided the manufacturer holds the appropriate manufacturer

license.

(2) A manufacturer of slot machines may contract with a supplier under section 1317 (relating to supplier licenses) to provide slot machines or associated equipment to a slot machine licensee within this Commonwealth, provided the supplier is licensed to supply slot machines or associated equipment used in connection with slot machines.

(3) A manufacturer may contract with a supplier under section 1317 to provide table game devices or associated equipment to a certificate holder, provided the supplier is licensed to supply table game devices or associated equipment used in connection with table games.

(4) A manufacturer may contract with a supplier under section 1317 to provide slot machines used in a multistate wide-area progressive system, skill or hybrid slot machines or associated equipment, interactive gaming devices or associated equipment to a slot machine licensee, provided that the manufacturer is licensed to manufacture slot machines used in a multistate wide-area progressive slot machine system, skill or hybrid slot machines or associated equipment or interactive gaming devices or associated equipment used in connection with interactive games.

(e) Prohibitions.—

(1) No person may manufacture slot machines, table game devices or associated equipment or interactive gaming devices or associated equipment for use within this Commonwealth by a slot machine licensee unless the person has been issued the appropriate manufacturer license under this section.

(2) Except as permitted in section 13A23.1 (relating to training equipment), no slot machine licensee may use slot machines, table game devices or associated equipment, authorized interactive games or interactive gaming devices or associated equipment unless the slot machines, table game devices or associated equipment, interactive games or interactive gaming devices or associated equipment were manufactured by a person that has been issued the appropriate manufacturer license under this section.

(3) No person issued a license under this section shall apply for or be issued a license under section 1317.

(4) No limitation shall be placed on the number of manufacturer licenses issued or the time period to submit applications for licensure, except as required to comply with section 1306 (relating to order of initial license issuance).

Section 13. Title 4 is amended by adding a section to read:

§ 1317.3. Nongaming service provider.

(a) Notification required.—

(1) A slot machine licensee or applicant for a slot machine license that contracts with or otherwise engages in business with a nongaming service provider shall provide notification to the board prior to:

(i) the nongaming service provider's provision of goods or services at the slot machine licensee's licensed facility; or

(ii) the provision of goods or services for use in the operation of the slot machine licensee's licensed facility.

(2) Notification under this section shall be on a form and in a manner as determined by the board. The board may impose a fee, not to exceed \$100, which must accompany the notification.

(b) Contents of notification.—Notification under this section shall include:

(1) The name and business address of the nongaming service provider.

(2) A description of the type or nature of the goods or services to be provided.

(3) An affirmation from the slot machine licensee or applicant for a slot machine license that the goods or services to

be provided by the nongaming service provider will not require access to the gaming floor or a gaming-related restricted area of a licensed facility.

(4) An affirmation from the slot machine licensee or applicant for a slot machine license certifying that the licensee or applicant has performed due diligence regarding the nongaming service provider and believes that the nongaming service provider and its employees will not adversely affect the public interest or integrity of gaming.

(5) Any other information that the board may require.

(c) Duration of notification.—The nongaming service provider notification required under subsection (a) may be valid for three years unless modified by the board. In determining the duration of a nongaming service provider notification, the board shall consider the following:

(1) The type or nature of the goods or services.

(2) The frequency of business transactions related to the provision of such goods or services.

(3) Any other information the board deems necessary and appropriate.

(d) Conditions.—A slot machine licensee or applicant for a slot machine license that contracts or otherwise engages in business with a nongaming service provider shall be subject to the following conditions:

(1) The nongaming service provider or its employees shall only provide the goods and services described in the notification under this section.

(2) The slot machine licensee or applicant for a slot machine license shall notify the board of any material change in the information provided in the notification under this section. No fee shall be required for a subsequent change during the time for which the notification remains valid under subsection (c).

(3) The slot machine licensee or applicant for a slot machine license shall ensure that employees of the nongaming service provider do not enter the gaming floor or a gaming-related restricted area of the licensed facility.

(4) The slot machine licensee or applicant for a slot machine license shall report to the board an employee of a nongaming service provider that does any of the following:

(i) Enters the gaming floor or a gaming-related restricted area of the licensed facility.

(ii) Commits an act that adversely affects the public interest or integrity of gaming.

(5) The board may prohibit a nongaming service provider and any employees from providing goods or services to a slot machine licensee or applicant for a slot machine license at a licensed facility if the board determines the prohibition is necessary to protect the public interest or integrity of gaming.

(e) Authority to exempt.—The board may exempt a nongaming service provider from the notification requirements of this section if the board determines any of the following:

(1) The nongaming service provider or the type or nature of the nongaming service provider's business is regulated by an agency of the Federal Government, an agency of the Commonwealth or the Pennsylvania Supreme Court.

(2) Notification is not necessary to protect the public interest or integrity of gaming.

(f) (Reserved).

(g) Criminal history record information.—Notwithstanding any other provision of this part or regulation of the board, a nongaming service provider shall provide a criminal history record information check obtained from the Pennsylvania State Police as defined in 18 Pa.C.S. § 9102 (relating to definitions) and permitted by 18 Pa.C.S. § 9121(b) (relating to general regulations).

(h) Emergency notification.—

(1) A slot machine licensee may use a nongaming service provider prior to the board receiving notification under this section when a threat to public health, welfare or safety

exists or circumstances outside the control of the slot machine licensee require immediate action to mitigate damage or loss to the slot machine licensee's licensed facility or to the Commonwealth.

(2) A slot machine licensee that uses a nongaming service provider in accordance with paragraph (1) shall:

(i) Notify the board immediately upon engaging a nongaming service provider for which the board has not previously received notification in accordance with subsection (a).

(ii) Provide the notification required under subsection (a) within a reasonable time as established by the board.

(i) Nongaming service provider list.—

(1) The board shall have the authority to prohibit a nongaming service provider from engaging in business with a slot machine licensee upon a finding by the board that the prohibition is necessary to protect the public interest and the integrity of gaming.

(2) The board shall develop and maintain a list of prohibited nongaming service providers.

(3) A slot machine licensee or applicant for a slot machine license may not enter into an agreement or engage in business with a nongaming service provider appearing on the list under this subsection.

(j) Duties of nongaming service provider.—A nongaming service provider shall:

(1) Cooperate with the board and bureau regarding an investigation, hearing, enforcement action or disciplinary action.

(2) Comply with each condition, restriction, requirement, order or ruling of the board in accordance with this part.

(3) Report any change in circumstances to the slot machine licensee or applicant for a slot machine license that may render the nongaming service provider ineligible, unqualified or unsuitable for the provision of goods or services at a licensed facility or use in the operation of a licensed facility. The slot machine licensee shall report any such change in circumstances to the board in such form and manner as the board may establish.

(k) Construction.—Nothing in this section shall be construed to limit the powers and authority of the board under section 1202 (relating to general and specific powers of the board) or the regulatory authority of the board under section 1207 (relating to regulatory authority of the board).

Section 14. Section 1320(a) of Title 4 is amended and the section is amended by adding a subsection to read:  
§ 1320. Slot machine testing and certification standards.

(a) Use of other state standards.—[Until such time as the board establishes an independent testing and certification facility pursuant to subsection (b), the] The board may determine, at its discretion, whether the slot machine testing and certification standards of another jurisdiction within the United States in which an applicant for a manufacturer license is licensed are comprehensive and thorough and provide similar adequate safeguards as those required by this part. If the board makes that determination, it may permit a manufacturer through a licensed supplier as provided in section 1317 (relating to supplier [and manufacturer licenses application] licenses) to deploy those slot machines which have met the slot machine testing and certification standards in such other jurisdictions without undergoing the full testing and certification process by a board-established independent facility. In the event slot machines of an applicant for a manufacturer license are licensed in such other jurisdiction, the board may determine to use an abbreviated process requiring only that information determined by the board to be necessary to consider the issuance of a slot machine certification to such an applicant. [Alternatively, the board in its discretion may also rely upon the certification of a slot machine that has met the testing and certification standards of a board-approved private testing and certification facility

until such time as the board establishes an independent testing and certification facility pursuant to subsection (b). Nothing in this section shall be construed to waive any fees associated with obtaining a license through the normal application process.]

\* \* \*

(b.1) Use of private testing and certification facilities.—Notwithstanding any other provisions of this part or regulation of the board, if a slot machine is tested and certified by a private testing and certification facility registered with the board, the board shall use an abbreviated certification process requiring only that information determined by it to be necessary to consider the issuance of a slot machine certification under this section. Within one year of the effective date of this subsection, the board shall promulgate regulations that:

(1) Provide for the registration of private testing and certification facilities. Persons seeking registration under this subsection shall be subject to section 1202(b)(9) (relating to specific powers).

(2) Specify the form and content of the application for registration.

(3) Establish and collect an application fee for persons seeking registration. The application fee shall include the costs of all background investigations as determined necessary and appropriate by the bureau.

(4) Establish uniform procedures and standards which private testing and certification facilities must comply with during the testing and certification of slot machines.

(5) Utilize information provided by private testing and certification facilities for the abbreviated certification of slot machines.

(6) Establish an abbreviated certification process that may be used by registered private testing and certification facilities to test and certify slot machines.

(7) Establish fees that must be paid by licensed manufacturers.

(8) Require slot machines submitted for abbreviated certification to be approved or denied by the board within 30 days from the date of submission to the board. If the board fails to act within the 30-day period, the abbreviated certification shall be deemed conditionally approved.

(9) Provide procedures and standards for the suspension and revocation of the registration of a private testing and certification facility and the reinstatement of a suspended or revoked registration, as determined appropriate by the board.

\* \* \*

Section 15. Sections 1326, 13A11(b), 13A22.1(c) and 13A27(c) of Title 4 are amended to read:

§ 1326. [License renewals] Renewals.

(a) Renewal.—All permits [and], licenses, registrations or certificates issued under this part unless otherwise provided shall be subject to renewal every [three] five years. Nothing in this subsection shall relieve a licensee of the affirmative duty to notify the board of any changes relating to the status of its license, permit, certificate or registration or to any other information contained in the application materials on file with the board. The application for renewal shall be submitted at least [60] 180 days prior to the expiration of the permit [or], license, registration or certificate and shall include an update of the information contained in the initial and any prior renewal applications and the payment of any renewal fee required by this part. Unless otherwise specifically provided in this part, the amount of any renewal fee shall be calculated by the board to reflect the longer renewal period. A permit [or], license, registration or certificate for which a completed renewal application and fee, if required, has been received by the board will continue in effect unless and until the board sends written notification to the holder of the permit [or], license, registration or certificate that the board has denied the renewal of such permit [or], license, registration or certificate.

(b) Revocation or failure to renew.—In addition to any other

sanctions the board may impose under this part, the board may at its discretion suspend, revoke or deny renewal of any permit [or], license, registration or certificate issued under this part if it receives any information from any source that the applicant or any of its officers, directors, owners or key employees is in violation of any provision of this part, that the applicant has furnished the board with false or misleading information or that the information contained in the applicant's initial application or any renewal application is no longer true and correct. In the event of a revocation or failure to renew, the applicant's authorization to conduct the previously approved activity shall immediately cease, and all fees paid in connection therewith shall be deemed to be forfeited. In the event of a suspension, the applicant's authorization to conduct the previously approved activity shall immediately cease until the board has notified the applicant that the suspension is no longer in effect.

§ 13A11. Authorization to conduct table games.

\* \* \*

(b) Number of authorized gaming tables.—

(1) A Category 1 and Category 2 slot machine licensee awarded a table game operation certificate may operate up to 250 gaming tables at any one time at its licensed facility. No more than 30% of these gaming tables may be used to play nonbanking games at any one time. Six months following the date of commencement of table game operations, the board may permit a Category 1 or Category 2 certificate holder to increase the number of gaming tables above the number authorized under this paragraph. The certificate holder shall petition the board for the increase at its licensed facility. The board, in considering the petition, shall take into account the appropriateness of the physical space where the gaming tables will be located and the convenience of the public attending the facility. The board may also take into account the potential benefit to the Commonwealth.

(2) A Category 3 slot machine licensee awarded a table game operation certificate may operate up to 50 gaming tables at any one time at its licensed facility. [No more than 30% of these gaming tables may be used to play nonbanking games at any one time.]

(2.1) A Category 3 slot machine licensee awarded a table game operation certificate may petition the board for additional table games at its licensed facility. The board may authorize up to 15 additional gaming tables. The additional tables shall be used to play nonbanking games. The board, in considering the petition, shall take into account the appropriateness of the physical space where the gaming tables will be located and the convenience of the public attending the facility. The board may also take into account the potential benefit to the Commonwealth.

(3) Nonbanking gaming tables shall seat a maximum of ten players.

§ 13A22.1. Table game tournaments.

\* \* \*

(c) Exemptions and additional tables.—The following shall apply:

(1) For a Category 1 or Category 2 licensed facility, gaming tables used in tournaments shall be exempt from section 13A11 (b)(1) (relating to authorization to conduct table games) and shall not be used in any calculation of the total number of gaming tables authorized in the table game authorization certificate.

(2) For a Category 3 licensed facility, the executive director may authorize the licensed facility to operate up to 15 additional gaming tables for use in tournaments. [The executive director may grant the use of the additional gaming tables for tournaments authorized under this paragraph only one day per month.] Additional gaming tables for use in tournaments shall be exempt from section 13A11(b)(2) (relating to authorization to conduct table games) and shall not be used in any calculation of the total number of gaming tables authorized in the table game

authorization certificate. The executive director may grant the use of additional gaming tables on the dates and times listed in the proposed schedule of tournaments submitted by the Category 3 slot machine licensee in accordance with subsection (b).

\* \* \*

§ 13A27. Other financial transactions.

\* \* \*

(c) Credit application verification.—Prior to approving an application for credit, a certificate holder shall verify:

(1) The identity, creditworthiness and indebtedness information of the applicant by conducting a comprehensive review of the information submitted with the application and any information regarding the applicant's credit activity at other licensed facilities which the certificate holder may obtain through a casino credit bureau and, if appropriate, through direct contact with other slot machine licensees.

(2) That the applicant's name is not included on an exclusion list under section 1514 (relating to regulation requiring exclusion [or], ejection or denial of access of certain persons) or 1516 (relating to list of persons self excluded from gaming activities) or the voluntary credit suspension list under subsection (h).

\* \* \*

Section 16. Section 13A41 of Title 4 is amended by adding a subsection to read:

§ 13A41. Table game device and associated equipment testing and certification standards.

\* \* \*

(b.1) Use of private testing and certification facilities.—Notwithstanding any provision of this part or regulation of the board, if a table game device or associated equipment is tested and certified by a private testing and certification facility registered with the board, the board shall use an abbreviated certification process requiring only that information determined by it to be necessary to consider the issuance of a table game device or associated equipment certification under this section. Within one year of the effective date of this subsection, the board shall promulgate regulations that:

(1) Provide for the registration of private testing and certification facilities. Persons seeking registration under this subsection shall be subject to section 1202(b)(9) (relating to specific powers).

(2) Specify the form and content of the application for registration.

(3) Establish and collect an application fee for persons seeking registration. The application fee shall include the costs of all background investigations as determined necessary and appropriate by the board.

(4) Establish uniform procedures and standards which private testing and certification facilities must comply with during the testing and certification of table game devices and associated equipment.

(5) Utilize information provided by private testing and certification facilities for the abbreviated certification of table game devices and associated equipment.

(6) Establish an abbreviated certification process that may be used by registered private testing and certification facilities to test and certify table game devices and associated equipment.

(7) Establish fees that must be paid by a licensed manufacturer.

(8) Require table game devices and associated equipment submitted for abbreviated certification to be approved or denied by the board within 30 days from the date of submission to the board. If the board fails to act within the 30-day period, the abbreviated certification shall be deemed conditionally approved.

(9) Provide procedures and standards for the suspension and revocation of the registration of a private testing and

certification facility and the reinstatement of a suspended or revoked registration.

Section 17. Sections 13A61(a) and (f) and 13A63(b)(4) of Title 4 are amended to read:

§ 13A61. Table game authorization fee.

(a) Amount of authorization fee.—

(1) A Category 1 or a Category 2 slot machine licensee that submits a petition for a table game operation certificate under section 13A12 (relating to petition requirements) on or before June 1, 2010, shall pay a one-time nonrefundable authorization fee in the amount of \$16,500,000. A Category 1 or a Category 2 slot machine licensee that submits a petition for a table game operation certificate under section 13A12 after June 1, 2010, shall pay a one-time nonrefundable authorization fee in the amount of \$24,750,000.

(2) A Category 3 slot machine licensee that submits a petition for a table game operation certificate under section 13A12 on or before June 1, 2010, shall pay a one-time nonrefundable authorization fee in the amount of \$7,500,000. A Category 3 slot machine licensee that submits a petition for a table game operation certificate under section 13A12 after June 1, 2010, shall pay a one-time nonrefundable authorization fee in the amount of \$11,250,000.

(3) Notwithstanding paragraphs (1) and (2), the holder of a Category 1 or Category 3 slot machine license issued after June 1, 2010, that submits a petition for a table game operation certificate shall pay a one-time nonrefundable authorization fee in the amount of \$16,500,000 or \$7,500,000, respectively.

(3.1) Notwithstanding paragraphs (2) and (3), the holder of a Category 3 slot machine license issued on or after January 1, 2016, that submits a petition for a table game operation certificate shall pay a one-time nonrefundable authorization fee in the amount of \$8,500,000.

(3.2) Notwithstanding any other provision of this part, no later than 60 days after the board approves a request for additional table games in accordance with section 13A11 (relating to authorization to conduct table games) submitted by the holder of a Category 3 slot machine license issued prior to January 1, 2016, the Category 3 slot machine licensee shall pay a one-time nonrefundable fee in the amount of \$1,000,000.

(4) A table game operation certificate shall not be subject to renewal or payment of an additional authorization fee.  
\* \* \*

(f) Deposit of fees.—Notwithstanding section 1208 (relating to collection of fees and fines), all table game authorization fees and other fees or penalties received by the board under this subchapter, all table game device and associated equipment manufacturer and supplier license fees, all table game device or associated equipment manufacturer and supplier renewal fees and fees for licenses issued under Chapter 16 (relating to junkets) shall be deposited in the General Fund.

§ 13A63. Local share assessment.

\* \* \*

(b) Distributions to counties.—The department shall make quarterly distributions from the local share assessments deposited into the fund under subsection (a) to counties, including home rule counties, hosting a licensed facility authorized to conduct table games under this chapter in accordance with the following:

\* \* \*

(4) The following apply:

(i) If the facility is a Category 3 licensed facility located in a county of the second class A: 50% of the licensed facility's local share assessment shall be [deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants or guarantees for projects in the county that qualify under 64 Pa.C.S. §§ 1551 (relating to Business in Our Sites Program), 1556

(relating to Tax Increment Financing Guarantee Program) and 1558 (relating to Water Supply and Waste Water Infrastructure Program).] distributed as follows:

(A) Seventy-five percent shall be distributed to the county hosting the licensed facility from each such licensed facility for the purpose of supporting the maintenance and refurbishment of the Parks and Heritage sites throughout the county in which the licensee is located.

(B) Twelve and one-half percent shall be distributed to the county hosting the licensed facility from each such licensed facility for the purpose of supporting a child advocacy center located within the county in which the licensee is located.

(C) Twelve and one-half percent shall be distributed to the county hosting the licensed facility from each such licensed facility for the purpose of supporting an organization providing comprehensive support services to victims of domestic violence, including legal and medical aid, shelters, transitional housing and counseling located within the county in which the licensee is located.

(ii) Except as provided in subparagraph (i), if the facility is a Category 3 licensed facility in a county of any class: 50% of the licensed facility's local share assessment shall be added to the funds in the restricted receipts account established under section 1403(c)(2)(iv) for distribution with those funds.

\* \* \*

Section 18. Title 4 is amended by adding chapters to read:

#### CHAPTER 13B

#### INTERACTIVE GAMING

##### Subchapter

- A. General Provisions
- B. Interactive Gaming Authorized
  - B.1. Multi-use Computing Devices
- C. Conduct of Interactive Gaming
- D. Facilities and Equipment
- E. Testing and Certification
- F. Taxes and Fees
- G. Miscellaneous Provisions

#### SUBCHAPTER A

#### GENERAL PROVISIONS

##### Sec.

- 13B01. Legislative findings.
- 13B02. Regulatory authority.
- 13B03. Temporary interactive gaming regulations.
- § 13B01. Legislative findings.

The General Assembly finds and declares that:

(1) The primary objective of the Pennsylvania Race Horse Development and Gaming Act, to which all other objectives are secondary, is to protect the public through the regulation and policing of all activities involving gaming and practices that continue to be unlawful.

(2) Legislative authorization of slot machine gaming and the conduct of table games is intended to enhance live horse racing, breeding programs, entertainment and employment in this Commonwealth.

(3) Legalized gaming was seen as a means to provide a source of revenue for property and wage tax relief, promote economic development and enhance development of tourism markets throughout this Commonwealth.

(4) Legalized gaming in the Category 1, Category 2 and Category 3 licensed facilities geographically dispersed in this Commonwealth has become a critical component of economic

development and, if gaming activities continue to be properly regulated and fostered, it will provide a substantial contribution to the general health, welfare and prosperity of this Commonwealth and its citizens.

(5) The General Assembly remains committed to ensuring a robust gaming industry in this Commonwealth that is capable of competing internationally, nationally and regionally at the highest levels of quality while maintaining strict regulatory oversight to ensure the integrity of all gaming operations as supervised by the board.

(6) Since its development, the Internet has provided the opportunity for millions of people worldwide to engage in online gambling, mostly through illegal, unregulated off-shore gambling operations.

(7) In 2006, the United States Congress passed and the President of the United States signed the Unlawful Internet Gambling Enforcement Act of 2006 (Public Law 109-347, 31 U.S.C. § 5361 et seq.), which generally prohibits the use of banking instruments, including credit cards, checks and money transfers for interstate Internet gambling.

(8) Although the Unlawful Internet Gambling Enforcement Act of 2006 prohibits interstate Internet gambling by United States citizens, it permits individual states to create a regulatory framework to govern intrastate Internet or interactive gambling.

(9) Interactive gaming is illegal in this Commonwealth and without legislative authorization and strict regulation, the public's trust and confidence in legalized commercial gaming may be impacted.

(10) In this Commonwealth, interactive gaming has been conducted without oversight, regulation or enforcement, all of which raises significant concerns for the protection of the health, welfare and safety of the citizens of this Commonwealth.

(11) An effective regulatory, licensing and enforcement system for Interactive gaming in this Commonwealth would inhibit underage wagering and otherwise protect vulnerable individuals, ensure that the games offered through the Internet are fair and safe, stop sending much-needed jobs, tax and other revenue offshore to illegal operators, provide a significant source of taxable revenue, create jobs and economic development and address the concerns of law enforcement.

(12) By legalizing interactive gaming and subjecting it to the regulatory oversight of the Pennsylvania Gaming Control Board, the General Assembly is assuring the citizens of this Commonwealth that only those persons licensed by the board to conduct slot machine gaming and table games and to operate interactive games or interactive gaming systems, in accordance with the requirements of this part, have been determined to be suitable to facilitate and conduct interactive gaming activities in this Commonwealth.

(13) An effective regulatory, licensing and enforcement system to govern interactive gaming in this Commonwealth is consistent with the original objectives and intent of the Pennsylvania Race Horse Development and Gaming Act, thereby ensuring the public trust and confidence in the commercial gaming industry in this Commonwealth.

(14) The Commonwealth has a legitimate State interest in protecting the integrity of State-authorized interactive gaming by licensing those entities already engaged in the conduct of gaming in this Commonwealth, which are subject to the scrutiny and discipline of the board and other regulatory agencies and which are in good standing with those agencies.

#### § 13B02. Regulatory authority.

(a) Authority.—The board shall promulgate and adopt rules and regulations to govern the conduct of interactive gaming in order to ensure that it will be implemented in a manner that provides for the security and effective management, administration and control of interactive gaming, including, but not limited to, regulations:

(1) Ensuring that interactive gaming is offered for play in this Commonwealth in a manner that is consistent with Federal law and the provisions of this chapter.

(2) Establishing standards and procedures for testing and approving interactive games and interactive gaming devices and associated equipment, and any variations or composites of authorized interactive games, provided that the board determines that the interactive games and any new interactive games or any variations or composites are suitable for use after a test or experimental period under any terms and conditions as the board may deem appropriate. The board may give priority to the testing of interactive games, interactive gaming devices and associated equipment or other gaming equipment which a slot machine licensee has certified that it will use to conduct interactive gaming in this Commonwealth. Nothing in this paragraph shall be construed to prohibit the board from using the testing and certification standards of another state or jurisdiction in which interactive gaming is conducted, if it determines that the standards of the jurisdiction are comprehensive, thorough and provide similar and adequate safeguards as those required under this part. If the board makes such a determination and the applicant for an interactive gaming certificate or an interactive gaming license is licensed in another state or jurisdiction to operate interactive gaming, it may use an abbreviated process requiring only the information determined by it to be necessary to consider the issuance of a certification under this chapter. The board, in its discretion, may also rely upon the certification of interactive games that have met the testing and certification standards of a board-approved private testing and certification facility.

(3) Establishing standards and rules to govern the conduct of interactive gaming and the system of and wagering associated with interactive gaming, including internal controls and accounting controls, and the type, number, payout, wagering limits and rules for interactive games.

(4) Establishing the method for calculating gross interactive gaming revenue and standards for the daily counting and recording of cash and cash equivalents received in the conduct of authorized interactive games and ensure that internal controls and accounting controls are followed, including the maintenance of financial books and records and the conduct of audits. The board shall consult with the department in establishing these regulations.

(5) Establishing notice requirements pertaining to minimum and maximum wagers on authorized interactive games.

(6) Ensuring that all facilities and interactive gaming devices and associated equipment are arranged in a manner to promote appropriate security for interactive gaming.

(7) Establishing technical standards for the approval of interactive games, interactive gaming devices and associated equipment, including mechanical, electrical or program reliability, security against tampering and any other standards as it may deem necessary to protect registered players from fraud or deception.

(8) Governing the creation and utilization of interactive gaming accounts by registered players, including requiring that:

(i) Interactive gaming accounts be possessed by a natural person and not in the name of any beneficiary, custodian, joint trust, corporation, partnership or other organization or entity.

(ii) Interactive gaming accounts shall not be assignable or otherwise transferable.

(iii) No account be established for an individual under 21 years of age.

(9) Establishing procedures for registered players to log into their interactive gaming accounts, authenticate identities, agree to terms, conditions and rules applicable to authorized interactive games and log out of interactive gaming accounts.

including procedures for automatically logging off registered players from an interactive game after a specified period of inactivity.

(10) Establishing procedures for:

(i) Depositing funds in an interactive gaming account by cash, transfer or other means, as approved by the board.

(ii) The withdrawal of funds from interactive gaming accounts.

(iii) The suspension of interactive gaming account activity for security reasons.

(iv) The termination of interactive gaming accounts and disposition of proceeds in accounts.

(v) The disposition of unclaimed amounts in dormant interactive gaming accounts.

(11) Establishing mechanisms by which registered players may place limits on the amount of money being wagered per authorized interactive game or during any specified time period or the amount of losses incurred during any specified time period.

(12) Establishing mechanisms to exclude from interactive gaming persons not eligible to play by reason of age, identity or location or inclusion on a list of persons denied access to interactive gaming activities in accordance with sections 1514 (relating to regulation requiring exclusion, ejection or denial of access of certain persons), 1515 (relating to repeat offenders excludable from licensed gaming facility) and 1516 (relating to list of persons self excluded from gaming activities).

(13) Establishing procedures for the protection, security and reliability of interactive gaming accounts, authorized interactive games, interactive gaming devices and associated equipment and mechanisms to prevent tampering or utilization by unauthorized persons.

(14) Establishing data security standards to govern age, identity and location verification of persons engaged in interactive gaming activity.

(15) Requiring each interactive gaming certificate holder to:

(i) Provide written information on its interactive gaming skin or Internet website, which explains the rules for each authorized interactive game, payoffs or winning wagers and other information as the board may require.

(ii) Designate one or more interactive gaming restricted areas where interactive gaming will be managed, administered or controlled.

(iii) Provide the board with access to the interactive gaming skin or website, interactive gaming platform, signal or transmission used in connection with interactive gaming and interactive gaming restricted areas.

(iv) Adopt procedures for the recordation, replication and storage of all play and transactions for a period to be determined by the board.

(v) Provide statements on its interactive gaming skin or website about the permissible minimum and maximum wagers for each authorized interactive game, as applicable.

(vi) Adopt policies or procedures to prohibit any unauthorized person from having access to interactive gaming devices and associated equipment, including software, system programs, hardware and any other gaming equipment or devices which are used to manage, administer or control interactive gaming.

(vii) Adopt data security standards to verify the age, identity and location of persons engaged in interactive gaming activity and prevent unauthorized access by any person whose age and location have not been verified or whose age and location cannot be

verified in accordance with regulations adopted by the board.

(viii) Adopt standards to protect the privacy and security of registered players engaged in interactive gaming.

(ix) Collect, report and pay any and all applicable taxes and fees and maintain all books, records and documents related to the interactive gaming certificate holder's interactive gaming activities in a manner and in a location within this Commonwealth as approved by the board or the department. All books, records and documents shall be immediately available for inspection during all hours of operation in accordance with the regulations of the board and shall be maintained in a manner and during periods of time as the board shall by regulation require.

(b) Additional authority.—

(1) At its discretion, the board may determine whether persons that provide the following goods or services and any other goods or services related to interactive gaming as the board may determine shall be required to obtain a license, permit or other authorization:

(i) Payment processing and related money transmitting and services.

(ii) Customer identity or age verification and geospatial technology services.

(iii) General telecommunications services, which are not specifically designed for or related to interactive gaming.

(iv) Other goods or services that are not specifically designed for use with interactive gaming if the persons providing the goods or services are not paid a percentage of gaming revenue or of money wagered on interactive games or of any fees, not including fees to financial institutions and payment providers for facilitating a deposit by an interactive gaming account holder.

(2) The board shall develop a classification system for the licensure, permitting or other authorization of persons that provide the following goods or services related to interactive gaming:

(i) Persons that provide interactive games and interactive gaming devices and associated equipment.

(ii) Persons that manage, control or administer the interactive games or the wagers associated with interactive games.

(iii) Providers of customer lists comprised of persons identified or selected, in whole or in part, because they placed or may place wagers on interactive gaming.

(c) Definition.—For the purposes of subsection (a)(12), (14) and (15)(viii) and (ix), the term "person" shall mean a natural person. § 13B03. Temporary interactive gaming regulations.

(a) Promulgation.—

(1) In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board shall be deemed temporary regulations which shall expire not later than two years following the publication of the temporary regulation in the Pennsylvania Bulletin and on the board's publicly accessible Internet website.

(2) The board may promulgate temporary regulations not subject to:

(i) Sections 201, 202, 203, 204 and 205 of the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law.

(ii) Sections 204(b) and 301(10) of the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act.



(iii) The act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.

(b) Temporary regulations.—The board shall begin publishing temporary regulations governing the rules for interactive gaming, the issuance of interactive gaming certificates and interactive gaming licenses, standards for approving manufacturers, suppliers and other persons seeking to provide interactive games, interactive gaming devices and associated equipment, including age and location verification software or system programs and security and surveillance standards in the Pennsylvania Bulletin within 30 days of the effective date of this subsection.

(c) Expiration of temporary regulations.—Except for temporary regulations governing the rules for issuing certificates and licenses under this chapter, for new interactive games, for approving interactive games or variations thereof, interactive gaming devices and associated equipment and for approving manufacturers, suppliers and other persons seeking to provide interactive games, interactive gaming devices and associated equipment, the board's authority to adopt temporary regulations under subsection (a) shall expire two years after the effective date of this section. Regulations adopted after this period shall be promulgated as provided by law.

#### SUBCHAPTER B

#### INTERACTIVE GAMING AUTHORIZED

Sec.

13B11. Authorization to conduct interactive gaming.

13B12. Interactive gaming certificate required and content of petition.

13B13. Issuance of interactive gaming certificate.

13B14. Interactive gaming operators.

13B15. Interactive gaming certificate and license.

13B16. Timing of initial interactive gaming authorizations.

§ 13B11. Authorization to conduct interactive gaming.

(a) Authority of board.—

(1) The board may authorize a slot machine licensee:

(i) To conduct interactive gaming, including contests and tournaments and any other game which is determined by the board to be suitable for interactive gaming.

(ii) To deploy interactive gaming skins or Internet websites to facilitate the conduct of interactive gaming activities.

(2) Except as provided in this part, all individuals playing authorized interactive games must be physically located within this Commonwealth or within a state or jurisdiction in which the board has entered an interactive gaming reciprocal agreement. No individual under 21 years of age shall open, maintain, use or have access to an interactive gaming account.

(b) Authority to play interactive games.—Notwithstanding any other provision of law, an individual who is 21 years of age or older is hereby permitted to participate as a registered player in interactive gaming and wagering associated with playing an authorized interactive game offered by an interactive gaming certificate holder in accordance with regulations of the board.

§ 13B12. Interactive gaming certificate required and content of petition.

(a) Certificate required.—No slot machine licensee or any other person associated with or representing a slot machine licensee shall operate or conduct or attempt to operate or conduct interactive gaming, except for test purposes or open interactive gaming to the public in this Commonwealth without first obtaining an interactive gaming certificate or an interactive gaming license from the board. A slot machine licensee may seek approval to conduct interactive gaming by filing a petition for an interactive gaming certificate with the board. The board shall prescribe the form and manner to govern the submission of a petition for an interactive gaming certificate.

(b) Content of petition.—In addition to information and documentation demonstrating that the slot machine licensee is qualified for an interactive gaming certificate under this chapter, a petition seeking board approval to conduct interactive gaming within this

Commonwealth shall include the following:

(1) The name, business address and contact information of the slot machine licensee.

(2) The name, business address and contact information of any affiliate, interactive gaming operator or other person that will be a party to an agreement related to the operation of interactive gaming or an interactive gaming system on behalf of a slot machine licensee.

(3) The name and business address, job title and a photograph of each principal and key employee of the slot machine licensee who will be involved in the conduct of interactive gaming and who is not currently licensed by the board, if known.

(4) The name and business address, job title and a photograph of each principal and key employee of the interactive gaming certificate holder and interactive gaming licensee, if any, who will be involved in the conduct of interactive gaming and who is currently licensed by the board.

(5) An itemized list of the interactive games and any other game or games the slot machine licensee plans to offer over the Internet for which authorization is being sought. The slot machine licensee shall, in accordance with regulations promulgated by the board, file any changes in the number of authorized interactive games offered through interactive gaming with the board.

(6) The estimated number of full-time and part-time employment positions that will be created at the licensed facility if interactive gaming is authorized and an updated hiring plan under section 1510(a) (relating to labor hiring preferences) which outlines the slot machine licensee's plan to promote the representation of diverse groups and Commonwealth residents in the employment positions.

(7) A brief description of the economic benefits expected to be realized by the Commonwealth, the host municipalities and residents if interactive gaming is authorized.

(8) The details of any financing obtained or that will be obtained to fund an expansion or modification of the licensed facility to accommodate interactive gaming and to otherwise fund the cost of commencing interactive gaming.

(9) Information and documentation concerning financial background and resources, as the board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the slot machine licensee, and information or documentation concerning any interactive gaming operator that will operate interactive gaming or an interactive gaming system on behalf of the slot machine licensee, as the board may require.

(10) Information and documentation, as the board may require, to establish by clear and convincing evidence that the slot machine licensee has sufficient business ability and experience to conduct a successful interactive gaming operation. In making this determination, the board may consider the results of the slot machine licensee's slot machine and table game operations, including financial information, employment data and capital investment.

(11) Information and documentation, as the board may require, to establish by clear and convincing evidence that the slot machine licensee has or will have the financial ability to pay the interactive gaming authorization fee.

(12) Detailed site plans identifying the proposed interactive gaming restricted area where interactive gaming operations will be managed, administered or controlled as approved by the board.

(13) A detailed description of all of the following:

(i) The slot machine licensee's initial system of internal and accounting controls applicable to interactive gaming.

(ii) The slot machine licensee's proposed

standards to protect, with a reasonable degree of certainty, the privacy and security of its registered players.

(iii) How the slot machine licensee will facilitate compliance with all of the requirements set forth in this chapter and in section 802(a) of the Unlawful Internet Gambling Enforcement Act of 2006 (Public Law 109-347, 31 U.S.C. § 5362(10)(B)), including, but not limited to, all of the following:

(A) Age, identity and location verification requirements designed to block access to individuals under 21 years of age.

(B) Appropriate data security standards to prevent unauthorized access by any person whose age, identity and location have not been verified or whose age, identity and location cannot be verified in accordance with this chapter and applicable regulations of the board.

(C) Except as provided in this chapter, the requirement that all wagers made in the conduct of interactive gaming be initiated and received or otherwise made exclusively within this Commonwealth.

(iv) The slot machine licensee's proposed age, identity and location verification standards designed to block access to persons under 21 years of age and persons excluded or prohibited from participating in interactive gaming under this chapter.

(v) The procedures the slot machine licensee will use to register individuals who wish to participate in interactive gaming.

(vi) The procedures the slot machine licensee will use to establish interactive gaming accounts for registered players.

(vii) The interactive games and services the slot machine licensee proposes to offer to registered players.

(viii) Documentation and information relating to all proposed subcontractors of the slot machine licensee, including, but not limited to, all of the following:

(A) A description of the services to be provided by each subcontractor.

(B) Information on the experience and qualifications of each subcontractor to provide the services anticipated.

(C) The names of all proposed subcontractors, owners, executives and employees that will be directly or indirectly involved in the slot machine licensee's interactive gaming operations, as well as sufficient personal identifying information on each such person to conduct background checks as may be required by the board.

(14) The interactive gaming devices and associated equipment, including the interactive gaming network, interactive gaming system or systems, that the slot machine licensee plans to or will utilize to manage, administer or control its interactive gaming operations.

(15) Compliance certification of its interactive gaming devices and associated equipment, including interactive gaming software and hardware, by a board-approved gaming laboratory to ensure that the gaming software and hardware comply with the requirements of this chapter and regulations of the board.

(16) Detailed description of accounting systems, including, but not limited to, accounting systems for all of the following:

(i) Interactive gaming accounts.

(ii) Per-hand charges, if applicable.

(iii) Transparency and reporting to the board and

the department.

(iv) Distribution of revenue to the Commonwealth and winnings to registered players.

(v) Ongoing auditing and internal control compliance reviews.

(17) Detailed information on security systems at the licensed facility to protect the interactive gaming skins or Internet website from internal and external breaches and threats.

(18) Any other information the board may require.

(c) Confidentiality.—Information submitted to the board under subsection (b) may be considered confidential by the board if the information would be confidential under section 1206(f) (relating to board minutes and records).

§ 13B13. Issuance of interactive gaming certificate.

(a) Requirements for approval of petition.—

(1) The board may approve a petition under section 13B12 (relating to interactive gaming certificate required and content of petition) upon finding clear and convincing evidence of all of the following:

(i) The slot machine licensee's conduct of interactive gaming complies in all respects with the requirements of this chapter and regulations promulgated by the board.

(ii) Age, identity and location verification requirements designed to block access to individuals under 21 years of age and persons otherwise prohibited from engaging in interactive gaming in accordance with this chapter, as approved by the board, have been implemented by the slot machine licensee.

(iii) The slot machine licensee has implemented or will implement appropriate data security standards to prevent unauthorized access by any person whose age, identity and location has not been verified or cannot be verified in accordance with the regulations promulgated and adopted by the board.

(iv) The slot machine licensee has implemented or will implement appropriate standards to protect the privacy and security of registered players.

(v) The slot machine licensee's initial system of internal and accounting controls applicable to interactive gaming, and the security and integrity of all financial transactions in connection with the system, complies with this chapter and regulations promulgated and adopted by the board.

(vi) The slot machine licensee is in good standing with the board.

(vii) The slot machine licensee agrees that the number of slot machines and table games in operation at its licensed facility, as of the effective date of this section, will not be reduced as a result of the authorization and commencement of interactive gaming.

(2) It shall be an express condition of any interactive gaming certificate that a slot machine licensee shall collect, report and pay all applicable taxes and fees and shall maintain all books, records and documents pertaining to the slot machine licensee's interactive gaming operations in a manner and location within this Commonwealth as approved by the board. All books, records and documents shall be immediately available for inspection by the board and the department during all hours of operation in accordance with the regulations of the board and shall be maintained in a manner and during periods of time as the board shall require.

(b) Issuance of interactive gaming certificate.—

(1) Upon approval of a petition for an interactive gaming certificate, the board shall issue an interactive gaming certificate to the slot machine licensee. The issuance of an interactive gaming certificate prior to the full payment of the authorization fee required under section 13B51 (relating to interactive gaming

authorization fee) shall not relieve the slot machine licensee from the obligation to pay the authorization fee in accordance with the requirements of section 13B51.

(2) Upon issuing an interactive gaming certificate, the board shall amend the slot machine licensee's statement of conditions to include conditions pertaining to the requirements of this chapter.

(c) Term of interactive gaming certificate.—Subject to the power of the board to deny, revoke or suspend an interactive gaming certificate issued in accordance with the requirements of this section, an interactive gaming certificate shall be renewed every five years and shall be subject to the requirements of section 1326 (relating to renewals).

(d) Sanctions.—A slot machine licensee that fails to abide by the requirements of this chapter or any condition contained in the slot machine licensee's statement of conditions governing the operation of interactive gaming shall be subject to board-imposed administrative sanctions or other penalties authorized under this part. The imposition of administrative sanctions in accordance with this subsection shall apply to any interactive gaming operator that fails to abide by the requirements of this chapter and regulations of the board.

(e) Background investigations.—Each petition for an interactive gaming certificate shall be accompanied by a nonrefundable fee established by the board to cover the cost of background investigations. The board shall determine by regulation the persons involved, directly or indirectly, in a slot machine licensee's interactive gaming operations and persons involved in the operations of an interactive gaming operator who shall be subject to background investigation. Any additional costs and expenses incurred in any background investigation or other investigation or proceeding under this chapter shall be reimbursed to the board.

#### § 13B14. Interactive gaming operators.

(a) License required.—No person shall serve or attempt to serve as an interactive gaming operator without first obtaining an interactive gaming license from the board. A person may seek approval to serve as an interactive gaming operator by filing an application with the board. The board shall prescribe the form and manner to govern the submission of an application for an interactive gaming license. The board shall provide for the licensure of interactive gaming operators that operate interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder. The board shall:

(1) Determine suitability and provide for the licensure, permitting, registration or certification, as it deems appropriate, of interactive gaming operators or other persons directly involved in the operation of interactive gaming or an interactive gaming system on behalf of a slot machine licensee. The board shall determine suitability in accordance with the applicable requirements of this part, provided that the board may extend suitability to a holder of a valid license, permit, registration, certificate or other authorizations approved and issued under this part, which is in good standing, without additional investigation. The extension of suitability in accordance with this paragraph shall not relieve the holder of a valid license, permit, registration or certificate issued under this chapter from payment of all fees imposed under this chapter.

(2) Provide for the approval of the terms and conditions of all agreements entered into by or between an interactive gaming certificate holder and an interactive gaming operator or any other person related to the operation of interactive games or an interactive gaming system on behalf of the interactive gaming certificate holder.

(b) Classification and approval of employees.—

(1) The board shall establish a classification system for employees of interactive gaming operators or other persons who provide products or services associated with or related to interactive gaming, interactive gaming platforms and interactive gaming systems.

(2) The board shall provide for the licensure, permitting,

registration or certification, as it deems appropriate, of employees in each employee classification established by it in accordance with paragraph (1).

(c) Applicability of certain provisions.—Interactive gaming operators shall be subject to the applicable provisions of this part that apply to interactive gaming certificate holders, as determined by the board.

(d) Operators owned, controlled by slot machine licensee.—This section shall not apply to an interactive gaming operator that is owned by, affiliated with or otherwise controlled by a slot machine licensee that has been approved for and issued an interactive gaming certificate under this chapter. The board shall determine by regulation the criteria or conditions necessary to determine whether an interactive gaming operator is owned by, affiliated with or otherwise controlled by a slot machine licensee to effectuate the purpose of this subsection.

(e) Interactive gaming license and conditional authorization.—

(1) The following shall apply:

(i) During the first 18 months after the effective date of this section, the board may issue conditional authorizations to persons seeking licensure as interactive gaming operators.

(ii) Conditional authorization awarded to an interactive gaming operator may remain in effect until the shorter of 12 months after the date of issue or the date by which the board considers the subject application.

(iii) Conditional authorization may be renewed by the board not more than once, upon a showing of good cause.

(iv) Conditional authorization shall allow an applicant for an interactive gaming license to engage in all of the functions of a licensed interactive gaming operator for the duration of the conditional authorization.

(2) No conditional authorization may be issued unless:

(i) The applicant has submitted a complete application for an interactive gaming license to the board.

(ii) The applicant agrees to pay or has paid the fee prescribed in section 13B51 (relating to interactive gaming authorization fee) prior to the issuance of conditional authorization, which may be refundable in the event the license is not approved and issued by the board.

(iii) The bureau has no objection to the issuance of a conditional authorization to the applicant.

(3) Within 45 days of the date that the bureau receives the completed application for an interactive gaming license from an applicant for investigation, the bureau shall conduct a preliminary investigation of the applicant and any key interactive gaming employee of the applicant, as determined by the board, which shall include a criminal background investigation of the applicant and any interactive gaming employees of the applicant, as determined by the board in accordance with section 1202(b) (relating to general and specific powers).

(4) If the bureau's preliminary investigation discloses no adverse information that would impact suitability for licensure, the bureau shall provide the board with a statement of no objection to issuance of conditional authorization to the applicant.

(5) If the bureau's preliminary investigation discloses adverse information that would impact suitability for licensure, it shall register an objection and no conditional authorization may be issued until the bureau's concerns are resolved.

(6) Any conditional authorization approved and issued to an applicant for an interactive gaming license under this subsection may be suspended or withdrawn by the board upon a showing of good cause by the bureau.

#### § 13B15. Interactive gaming certificate and license.

The following shall apply:

(1) An interactive gaming certificate and interactive

gaming license shall be in effect unless:

(i) The certificate or license is suspended or revoked by the board consistent with the requirements of this part.

(ii) The slot machine license is suspended, revoked or not renewed by the board consistent with the requirements of this part.

(iii) The slot machine licensee relinquishes or does not seek renewal of its slot machine license.

(iv) The slot machine licensee does not seek renewal of its interactive gaming certificate.

(2) The interactive gaming certificate may include an initial itemized list by number and type of authorized interactive games for interactive gaming to be conducted by the interactive gaming certificate holder or interactive gaming operator or other person on behalf of an interactive gaming certificate holder. The slot machine licensee may increase or decrease the number of interactive games authorized for play on its interactive gaming skin or Internet website or change the type of authorized interactive games played on its interactive gaming skin or Internet website upon notice, if required by the board, to the board and approval by the board or a designated employee of the board. Unless approved by the board or a designated employee of the board, the total number and type of authorized interactive games offered for play by an interactive gaming certificate holder may not differ from the number and type approved by the board and authorized in the interactive gaming certificate.

(3) A slot machine licensee shall be required to update the information in its initial interactive gaming petition at times and in the form and manner as prescribed by the board.

#### § 13B16. Timing of initial interactive gaming authorizations.

The board shall prescribe the date on which petitions for an interactive gaming certificate and applications for an interactive gaming license must be filed with the board and shall approve or deny a petition or application within 90 days following receipt.

### SUBCHAPTER B.1

#### MULTI-USE COMPUTING DEVICES

Sec.

13B20. Authorization.

13B20.1. Board authorization required.

13B20.2. Standard for review of applications.

13B20.3. Fees.

13B20.4. Multi-use gaming device tax.

13B20.5. Local share assessment.

13B20.6. Regulations.

13B20.7. Construction.

§ 13B20. Authorization.

(a) Authority.—

(1) Notwithstanding any provision of this part or regulation of the board, an interactive gaming certificate holder may provide for the conduct of interactive gaming at a qualified airport through the use of multi-use computing devices or enter into a written agreement with an interactive gaming operator that provides for the conduct of such interactive gaming by the interactive gaming operator on behalf of the interactive gaming certificate holder.

(2) An interactive gaming certificate holder seeking to make authorized interactive games available for play through the use of multi-use computing devices at a qualified airport shall file a petition with the board in such form and manner as the board, through regulations, shall require.

(b) Place of conduct.—The board, at its discretion, may authorize an interactive gaming certificate holder or an interactive gaming operator to place and make authorized interactive games available for play at a qualified airport through the use of multi-use computing devices in accordance with the requirements of this subchapter and regulations of the board.

(c) Satisfaction of contingencies.—Authorization for an

interactive gaming certificate holder to conduct interactive gaming at a qualified airport in accordance with subsection (a) shall be contingent upon the following:

(1) The interactive gaming certificate holder has submitted a petition to the board seeking authorization to manage the conduct of interactive gaming at the qualified airport and the board has approved the petition.

(2) The interactive gaming certificate holder has disclosed that it has or will enter into an agreement with an interactive gaming operator who will manage, operate and control the conduct of interactive gaming at a qualified airport on behalf of the interactive gaming certificate holder and the interactive gaming operator has petitioned the board for approval and the board has approved the agreement and the petition.

(3) The interactive gaming certificate holder or interactive gaming operator, as the case may be, has entered into an agreement with the concession operator at the qualified airport for the conduct of interactive gaming through the use of multi-use computing devices within the airport gaming area.

(4) The interactive gaming certificate holder or interactive gaming operator, as applicable, has provided adequate assurances that the conduct of interactive gaming at the qualified airport will be conducted and operated in accordance with this part and regulations promulgated by the board.

(5) The interactive gaming certificate holder has paid or will pay all applicable taxes and fees.

(6) In the case of a qualified airport that is governed by a municipal authority or joint municipal authority organized and incorporated to oversee the operations of an airport in accordance with 53 Pa.C.S. Ch. 56 (relating to municipal authorities), the interactive gaming certificate holder or interactive gaming operator, as the case may be, has entered into an agreement with the municipal authority or joint municipal authority for the conduct of interactive gaming through the use of multi-use computing devices within the gaming area of the qualified airport and the board has approved the agreement.

(d) Agreement required.—The following shall apply:

(1) An interactive gaming certificate holder may seek authorization for the operation and placement of authorized interactive games at a qualified airport or may enter into an agreement with an interactive gaming operator to provide for the conduct of interactive gaming at the qualified airport.

(2) An agreement entered into in accordance with this subsection shall be in writing and shall be submitted to the board for review and approval.

#### § 13B20.1. Board authorization required.

(a) Contents of petition.—An interactive gaming certificate holder seeking authorization to conduct interactive gaming at a qualified airport through the use of a multi-use computing device shall petition the board for approval. The petition shall include:

(1) The name, business address and contact information of the interactive gaming certificate holder or the name, business address and contact information of the interactive gaming operator, if an interactive gaming operator will manage the operation of interactive gaming at a qualified airport on behalf of an interactive gaming certificate holder pursuant to an interactive gaming agreement.

(2) The name and business address, job title and a photograph of each principal and key employee of the interactive gaming certificate holder and, if relevant, the interactive gaming operator who will be directly involved in the conduct of authorized interactive games at the qualified airport and who is not currently licensed by the board, if known.

(3) The name and business address of the airport authority, the location of the qualified airport and the names of the governing body of the airport authority, if the airport authority is incorporated in accordance with 53 Pa.C.S. Ch. 56 (relating to municipal authorities).

(4) If the use and control of a qualified airport is regulated by a city of the first class, an identification of the municipal agency and primary officials of a city of the first class, which regulates the use and control of the qualified airport.

(5) The name and job title of the person or persons who will be responsible for ensuring the operation and integrity of the conduct of interactive gaming at a qualified airport and reviewing reports of suspicious transactions.

(6) The brand name of the multi-use computing devices that will be placed in operation at the qualified airport. The board, at its discretion, may require any additional information related to the conduct of interactive gaming at a qualified airport through the use of multi-use computing devices or persons that manufacture or supply multi-use computing devices that it may determine necessary and appropriate to ensure the integrity of interactive gaming at a qualified airport and protect the public interest.

(7) An itemized list of the interactive games for which authorization is being sought.

(8) Information, as the board may require, on any computer applications or apps, including gaming apps, which can be accessed on the multi-use computing devices.

(9) Information on the terms and conditions of any interactive gaming agreement entered into by or between an interactive gaming certificate holder and interactive gaming operator or other person related to the conduct of interactive gaming through the use of multi-use computing devices at a qualified airport, if the board deems necessary and appropriate.

(10) Detailed site plans illustrating the location of the proposed airport gaming area at the qualified airport.

(11) Information and documentation concerning financial background and resources, as the board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the petitioner.

(12) Any other information as the board may require.

(b) Confidentiality.—Information submitted to the board under subsection (a)(8), (9), (11) and (12) may be considered confidential by the board if the information would be confidential under section 1206(f) (relating to board minutes and records).

(c) Approval of petition.—Upon approval of a petition as required under this section, the board shall authorize an interactive gaming certificate holder or an interactive gaming operator, as applicable, to conduct interactive gaming at a qualified airport through the use of multi-use computing devices. The authorization of an interactive gaming certificate holder or an interactive gaming operator, as applicable, to conduct interactive gaming at a qualified airport in accordance with this chapter prior to the full payment of the authorization fee under section 13B20.3 (relating to fees) shall not relieve the interactive gaming certificate holder or interactive gaming operator, as applicable, from the obligation to pay the authorization fee in accordance with section 13B20.3.

§ 13B20.2. Standard for review of petitions.

The board shall approve a petition under section 13B20.1 (relating to board authorization required) if the interactive gaming operator has been or will be issued an interactive gaming license under section 13B14 (relating to interactive gaming operators), and if it establishes, by clear and convincing evidence, all of the following:

(1) The interactive gaming certificate holder or interactive gaming operator, as the case may be, has entered into an agreement with a concession operator for the conduct of interactive gaming through the use of multi-use computing devices within the airport gaming area of a qualified airport.

(2) The interactive gaming operator has an agreement with an interactive gaming certificate holder relating to the conduct of authorized interactive games by the interactive gaming operator on behalf of the interactive gaming certificate holder.

(3) The board has approved the agreements under

paragraphs (1) and (2), as applicable.

(4) The interactive gaming operator has paid the authorization fee under section 13B51 (relating to interactive gaming authorization fee).

(5) The interactive gaming operator possesses the necessary funds or has secured adequate financing to commence the conduct of interactive gaming at the qualified airport.

(6) The proposed internal and external security and surveillance measures within the airport gaming area of the qualified airport are adequate.

§ 13B20.3. Fees.

(a) Required fees.—An interactive gaming certificate holder shall pay a one-time, nonrefundable fee of \$1,000,000 upon the authorization to conduct interactive gaming at a qualified airport through the use of multi-use computing devices in accordance with this chapter.

(b) Deposit of fees.—Notwithstanding section 1208 (relating to collection of fees and fines), all fees or penalties received by the board under this chapter shall be deposited in the General Fund.

§ 13B20.4. Multi-use gaming device tax.

(a) Imposition.—

(1) Each interactive gaming certificate holder authorized to conduct interactive gaming at a qualified airport in accordance with the provisions of this subchapter shall report to the department and pay from its daily gross interactive gaming revenue generated from the conduct of interactive gaming through multi-use computing devices at the qualified airport, on a form and in the manner prescribed by the department, a tax of 14% of its daily gross interactive gaming revenue generated from multi-use computing devices at the qualified airport and a local share assessment.

(2) The tax imposed under subsection (a) shall be payable to the department on a daily basis and shall be based upon the gross interactive gaming revenue generated from multi-use computing devices at a qualified airport derived during the previous week.

(3) All funds owed to the Commonwealth under this section shall be held in trust for the Commonwealth by the interactive gaming certificate holder until the funds are paid to the department. An interactive gaming certificate holder shall establish a separate bank account into which gross interactive gaming revenue from multi-use computing devices shall be deposited and maintained until such time as the funds are paid to the department under this section.

(4) The department shall transfer the tax revenues collected under this section to the General Fund.

§ 13B20.5. Local share assessment.

(a) Required payment.—In addition to the tax imposed under section 13B20.4 (relating to multi-use gaming device tax), each interactive gaming certificate holder shall pay on a weekly basis and on a form and in a manner prescribed by the department a local share assessment into a restricted receipts account established in the fund. All funds owed under this section shall be held in trust by the interactive gaming certificate holder until the funds are paid into the account. Funds in the account are hereby appropriated to the department on a continuing basis for the purposes set forth in this section.

(b) Distributions to qualified airports.—

(1) The department shall make quarterly distributions from the local share assessments deposited into the fund under subsection (a) to qualified airports.

(2) Notwithstanding paragraph (1) or any other provision of law, the multi-use computing device local share assessment generated at a qualified airport located in a city of the first class which regulates the use and control of a qualified airport shall be distributed to the school district of the city of the first class for pre-kindergarten programs.

(c) Definition.—As used in this section, the term "multi-use computing device local share assessment" means 20% of an interactive

gaming certificate holder's gross interactive gaming revenue from multi-use computing devices at qualified airports.

§ 13B20.6. Regulations.

(a) Regulations.—The board shall promulgate regulations related to the operation of authorized interactive games through the use of multi-use computing devices at qualified airports, including, but not limited to:

(1) Procedures for the creation of temporary or provisional interactive gaming accounts that take into consideration the nature of interactive gaming through multi-use computing devices at qualified airports.

(2) Procedures to govern credits, debits, deposits and payments to interactive gaming accounts established through multi-use computing devices at qualified airports.

(3) Procedures, in consultation with the department, to govern financial transactions between an interactive gaming certificate holder, an interactive gaming operator or other persons that relates to the reporting of gross interactive gaming revenue generated through the use of multi-use computing devices at qualified airports.

(b) Temporary regulations.—In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board in accordance with subsection (a) shall be deemed temporary regulations. The board and the commission may promulgate temporary regulations not subject to:

(1) Sections 201, 202, 203, 204 and 205 of the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law.

(2) Sections 204(b) and 301(10) of the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act.

(3) The act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.

§ 13B20.7. Construction.

Nothing in this subchapter shall be construed to:

(1) Create a separate license governing the use of multi-use computing devices for the conduct of interactive games at eligible airports by interactive gaming certificate holders within this Commonwealth.

(2) Limit the board's authority to determine the suitability of any person who may be directly or indirectly involved in or associated with the operation of interactive gaming at a qualified airport to ensure the integrity of interactive gaming and protect the public interest.

#### SUBCHAPTER C

#### CONDUCT OF INTERACTIVE GAMING

Sec.

13B21. Situs of interactive gaming operations.

13B22. Establishment of interactive gaming accounts.

13B23. Interactive gaming account credits, debits, deposits and payments.

13B24. Acceptance of account wagers.

13B25. Dormant interactive gaming accounts.

13B26. Log-in procedure required.

13B27. Information provided at login.

13B28. Prohibitions.

13B29. Commencement of interactive gaming operations.

§ 13B21. Situs of interactive gaming operations.

Except as provided in this chapter, all wagers made through interactive gaming shall be deemed to be initiated, received or otherwise made within the geographic boundaries of this Commonwealth. The intermediate routing of electronic data associated or in connection with interactive gaming shall not determine the location or locations in which a bet or wager is initiated, received or otherwise made.

§ 13B22. Establishment of interactive gaming accounts.

(a) Registration restrictions.—Only a natural person who has first established an interactive gaming account shall be permitted to play an

authorized interactive game or place any bet or wager associated with an authorized interactive game. An interactive gaming account shall be in the name of a natural person and may not be in the name of any beneficiary, custodian, joint trust, corporation, partnership or other organization or entity. An interactive gaming certificate holder shall not permit an individual to establish an interactive gaming account unless the person is 21 years of age or older.

(b) Establishment of interactive gaming accounts.—

(1) An interactive gaming account may be executed in person, provided that the board shall, through regulations, provide procedures for the establishment of interactive gaming accounts over the Internet through the interactive gaming certificate holder's interactive gaming skin or portal or Internet website. Each interactive gaming account shall comply with the internal controls of the interactive gaming certificate holder that, at a minimum, require the following:

(i) The filing and execution of an interactive gaming account application, the form of which has been preapproved by the board.

(ii) Proof of age, identity and residency as demonstrated by at least two forms of identification approved by the board through regulation.

(iii) Physical address or the principal residence of the prospective account holder, e-mail address of the prospective account holder and other contact information, as the board or interactive gaming certificate holder may require.

(iv) Password or other secured identification provided by the interactive gaming certificate holder to access the interactive gaming account or some other mechanism approved by the board to authenticate the player as the holder to the interactive gaming account.

(v) An acknowledgment under penalty of perjury that false or misleading statements made in regard to an application for an interactive gaming account may subject the applicant to civil and criminal penalties.

(2) The interactive gaming certificate holder may accept or reject an application after receipt and review of the application and verification of age and identity for compliance with the provisions of this chapter. The interactive gaming certificate holder shall have the right, at any time with or without cause, to suspend or close any interactive gaming account at its sole discretion.

(3) The address provided by the applicant in the application for an interactive gaming account shall be deemed the address of record for the purposes of mailing checks, account withdrawals, notices and other materials to the interactive gaming account holder.

(4) An interactive gaming account shall not be assignable or otherwise transferable and an interactive gaming certificate holder may, at any time, declare all or any part of an interactive gaming account to be closed for wagering.

(c) Password required.—As part of the application process, the interactive gaming certificate holder shall provide the prospective interactive gaming account holder with a password to access the interactive gaming account or shall establish some other method approved by the board to authenticate the individual as the holder of the interactive gaming account and allow the registered player access to the interactive gaming account.

(d) Grounds for rejection.—Any individual who provides false or misleading information in the application for an interactive gaming account may be subject to rejection of the application or cancellation of the account by the interactive gaming certificate holder.

(e) Suspension of interactive gaming account.—The interactive gaming certificate holder shall have the right to suspend or close any interactive gaming account at its discretion.

(f) Persons prohibited from establishing or maintaining an

interactive gaming account.—The following persons shall not be entitled to establish or maintain an interactive gaming account:

(1) Any person under 21 years of age.

(2) Any person on the list of persons who are or will be excluded or ejected from or denied access to any licensed facility under section 1514 (relating to regulation requiring exclusion, ejection or denial of access of certain persons), 1515 (relating to repeat offenders excludable from licensed gaming facility) or 1516 (relating to list of persons self excluded from gaming activities).

(3) Any gaming employee, key employee or principal employee of a slot machine licensee and any employee or key employee of an interactive gaming operator or any other person directly involved in the operation of interactive gaming or an interactive gaming system on behalf of a slot machine licensee.

§ 13B23. Interactive gaming account credits, debits, deposits and payments.

(a) Duty of board.—The board shall, by regulation, develop procedures to govern credits, debits and deposits to interactive gaming accounts. Notwithstanding any provision of this part to the contrary, all credits, debits and deposits to interactive gaming accounts shall be made in accordance with regulations promulgated by the board, in consultation with the department, and all payments of winnings shall be made in accordance with the rules of each particular authorized interactive game.

(b) Rights of interactive gaming certificate holder.—An interactive gaming certificate holder shall have the right to:

(1) Credit an interactive gaming account as part of a promotion.

(2) Refuse all or part of any wager or deposit to the interactive gaming account of a registered player.

(c) Interest prohibited.—Funds deposited in a registered player's interactive gaming account shall not bear interest to the account holder.

§ 13B24. Acceptance of account wagers.

(a) Acceptance.—An interactive gaming certificate holder may accept interactive gaming wagers or bets only as follows:

(1) The wager shall be placed directly with the interactive gaming certificate holder by the registered player, after the interactive gaming certificate holder has verified that the individual seeking to place a wager or bet is the registered player.

(2) The registered player provides the slot machine licensee with the correct password or other authentication information for access to the interactive gaming account.

(b) Nonacceptance.—An interactive gaming certificate holder may not accept an account wager in an amount in excess of funds on deposit in an interactive gaming account of the registered player placing the bet or wager. Funds on deposit include amounts credited to a registered player's interactive gaming account in accordance with regulations of the board and any funds in the account at the time the wager is placed.

§ 13B25. Dormant interactive gaming accounts.

Before closing a dormant interactive gaming account, the interactive gaming certificate holder shall attempt to contact the interactive gaming account holder by mail and phone or e-mail to inform the account holder that the interactive gaming account is inactive and may be subject to termination at such time and manner as determined by regulation of the board.

§ 13B26. Log-in procedure required.

Each interactive gaming certificate holder shall establish a log-in procedure for registered players to access interactive gaming. The log-in procedure shall include the provision of the appropriate authentication information by the registered player for access to the interactive gaming account. The interactive gaming certificate holder shall not allow a registered player to log in and access the interactive gaming account unless the correct password or other authentication information is provided.

§ 13B27. Information provided at login.

The interactive gaming certificate holder shall configure its

interactive gaming skin to include a link that, upon login, will allow a registered player to access all of the following information:

(1) The current amount of funds in the interactive gaming account.

(2) The wins and losses since the interactive gaming account was established.

(3) The wins and losses at the beginning of the current gaming session and the wins and losses at the end of the current gaming session.

(4) The complete text in searchable format of the rules of each authorized interactive game offered by the interactive gaming certificate holder and any other information as the board may require.

§ 13B28. Prohibitions.

Except as provided in this part, no interactive gaming certificate holder or any person licensed under this part to operate interactive gaming or an interactive gaming system and no person acting on behalf of, or under any arrangement with, an interactive gaming certificate holder or other person licensed under this part shall:

(1) Make any loan to any person for the purpose of crediting an interactive gaming account.

(2) Release or discharge any debt, either in whole or in part, or make any loan which represents any losses incurred by any registered player while playing authorized interactive games without maintaining a written record thereof in accordance with regulations of the board.

§ 13B29. Commencement of interactive gaming operations.

An interactive gaming certificate holder may not operate or offer interactive games for play on its interactive gaming skin until the board determines that:

(1) The interactive gaming certificate holder is in compliance with the requirements of this chapter.

(2) The interactive gaming certificate holder's internal administrative and accounting controls are sufficient to meet the requirements of section 13B32 (relating to internal administrative and accounting controls).

(3) The interactive gaming certificate holder's interactive gaming employees, where applicable, are licensed, permitted, registered, certified or otherwise authorized by the board to perform their respective duties.

(4) The employees of the interactive gaming operator are, where applicable, licensed, permitted or otherwise authorized by the board to perform their duties.

(5) The interactive gaming certificate holder is prepared in all respects to offer interactive gaming to the public over its interactive gaming skin.

(6) The interactive gaming certificate holder has implemented necessary internal, administrative and accounting controls, security arrangements and surveillance systems for the operation of interactive gaming.

(7) The interactive gaming certificate holder is in compliance with or will comply with section 13B31 (relating to responsibilities of interactive gaming certificate holder).

(8) The board has approved an agreement entered between the interactive gaming certificate holder and an interactive gaming operator or other person related to the operation of interactive gaming or the operation of an interactive gaming system on behalf of such interactive gaming certificate holder.

#### SUBCHAPTER D FACILITIES AND EQUIPMENT

Sec.

13B31. Responsibilities of interactive gaming certificate holder.

13B32. Internal, administrative and accounting controls.

§ 13B31. Responsibilities of interactive gaming certificate holder.

(a) Facilities and equipment.—All facilities and interactive gaming devices and associated equipment shall:

(1) Be arranged in a manner promoting appropriate

security for interactive gaming.

(2) Include a closed-circuit video monitoring system according to rules or specifications approved by the board, with board absolute access to the interactive gaming certificate holder's interactive gaming skin, Internet website and platform, signal or transmission used in connection with interactive gaming.

(3) Not be designed in any way that might interfere with or impede the board in its regulation of interactive gaming.

(4) Comply in all respects with regulations of the board.

(b) Location of equipment and interactive gaming restricted areas.—

(1) All interactive gaming devices and associated equipment used by an interactive gaming certificate holder or an interactive gaming licensee to conduct interactive gaming may be located, with the prior approval of the board, in an interactive gaming restricted area on the premises of the licensed facility, in an interactive gaming restricted area within the geographic limits of the county in this Commonwealth where the licensed facility is situated or in any other area approved by the board.

(2) All wagers associated with interactive gaming shall be deemed to be placed when received by the interactive gaming certificate holder.

§ 13B32. Internal, administrative and accounting controls.

(a) Submissions to board.—Notwithstanding any provision of this part, each slot machine licensee who holds or has applied for an interactive gaming certificate in accordance with this chapter shall submit a description of its system of internal procedures and administrative and accounting controls for interactive gaming to the board, including provisions that provide for real-time monitoring, recordation or storage of all interactive games and a description of any changes to its procedures and controls. The submission shall be made at least 90 days before authorized interactive gaming is to commence or at least 90 days before any change in those procedures or controls is to take effect, unless otherwise directed by the board.

(b) Filing.—Notwithstanding subsection (a), the procedures and controls may be implemented by an interactive gaming certificate holder upon the filing of the procedures and controls with the board. Each procedure or control submission shall contain both narrative and diagrammatic representations of the system to be utilized with regard to interactive gaming, including, but not limited to:

(1) Accounting controls, including the standardization of forms and definition of terms to be utilized in the interactive gaming operations.

(2) Procedures, forms and, where appropriate, formulas to govern the following:

(i) calculation of hold percentages;

(ii) revenue drops;

(iii) expense and overhead schedules;

(iv) complimentary services; and

(v) cash-equivalent transactions.

(3) Job descriptions and the system of personnel and chain of command, establishing a diversity of responsibility among employees engaged in interactive gaming operations, including employees of an interactive gaming operator, and identifying primary and secondary management and supervisory positions for areas of responsibility, salary structure and personnel practices.

(4) Procedures for the registration of players and establishment of interactive gaming accounts, including a procedure for authenticating the age, identity and location of applicants for interactive gaming accounts.

(5) Procedures for terminating a registered player's interactive gaming account and the return of any funds remaining in the interactive gaming account to the registered player.

(6) Procedures for suspending or terminating a dormant interactive gaming account.

(7) Procedures for the logging in and authentication of a

registered player in order to enable the player to commence interactive gaming and the logging off of the registered player when the player has completed play, including a procedure to automatically log a registered player out of the player's interactive gaming account after a specified period of inactivity.

(8) Procedures for the crediting and debiting of registered players' interactive gaming accounts.

(9) Procedures for cashing checks, receiving electronic negotiable instruments and for redeeming chips, tokens or other cash equivalents.

(10) Procedures for withdrawing funds from an interactive gaming account by the registered player.

(11) Procedures for the protection of player funds, including the segregation of player funds from operating funds.

(12) Procedures for recording transactions pertaining to interactive gaming.

(13) Procedures for the security and sharing of personal identifiable information of registered players and other information as required by the board and funds in interactive gaming accounts. The procedures shall include the means by which an interactive gaming certificate holder or interactive gaming operator will provide notice to registered players related to its sharing of personal identifiable information. For the purpose of this paragraph, "personal identifiable information" shall mean any data or information that can be used, on its own or with other data or information, to identify, contact or otherwise locate a registered player, including a registered player's name, address, date of birth and Social Security number.

(14) Procedures and security for the calculation and recordation of revenue.

(15) Procedures for the security of interactive gaming devices and associated equipment within an interactive gaming restricted area on the premises of the licensed facility or in a secure facility inaccessible to the public and specifically designed for that purpose off the premises of a licensed facility as approved by the board.

(16) Procedures and security standards as to receipt of and the handling and storage of interactive gaming devices and associated equipment.

(17) Procedures and security standards to protect the interactive gaming certificate holder's interactive gaming skin or Internet website and interactive gaming devices and associated equipment from hacking or tampering by any person.

(18) Procedures for responding to suspected or actual hacking or tampering with an interactive gaming certificate holder's interactive gaming skin or Internet website and interactive gaming devices and associated equipment, including partial or complete suspension of interactive gaming or the suspension of any or all interactive gaming accounts when warranted.

(19) Procedures to verify each registered player's physical location each time a wager is placed on an interactive game.

(20) Procedures to ensure, to a reasonable degree of certainty, that the interactive games are fair and honest and that appropriate measures are in place to deter, detect and, to the extent reasonably possible, to prevent cheating, including collusion, and use of cheating devices, including the use of software programs that make bets or wagers according to algorithms.

(21) Procedures to assist problem and compulsive gamblers, including procedures reasonably intended to prevent a person from participating in interactive gaming activities in accordance with sections 1514 (relating to regulation requiring exclusion, ejection or denial of access of certain persons), 1515 (relating to repeat offenders excludable from licensed gaming facility) and 1516 (relating to list of persons self excluded from gaming activities).



(22) Procedures to govern emergencies, including suspected or actual cyber attacks, hacking or tampering with the interactive gaming certificate holder's interactive gaming portal, platform or Internet website.

(c) Review of submissions.—

(1) The board shall review each submission required by subsections (a) and (b) and shall determine whether the submission conforms to the requirements of this chapter and regulations promulgated by the board and whether the system submitted provides adequate and effective controls for interactive gaming of the particular interactive gaming certificate holder.

(2) If the board determines that insufficiencies exist, it shall specify the insufficiencies in writing to the interactive gaming certificate holder, who shall make appropriate alterations to ensure compliance with the requirements of this chapter and regulations of the board. When the board determines a submission to be adequate in all respects, it shall notify the interactive gaming certificate holder.

(3) Except as otherwise provided in subsection (a), no interactive gaming certificate holder, interactive gaming operator or other person shall commence or alter interactive gaming operations unless and until the system of procedures, controls and alternations is approved by the board.

#### SUBCHAPTER E TESTING AND CERTIFICATION

Sec.

13B41. Interactive games and interactive gaming devices and associated equipment testing and certification standards.

§ 13B41. Interactive games and interactive gaming devices and associated equipment testing and certification standards.

(a) Testing required.—

(1) No interactive game or interactive gaming device or associated equipment shall be used to conduct interactive gaming unless it has been tested and approved by the board. The board may, in its discretion and for the purpose of expediting the approval process, refer testing to any testing laboratory as approved by the board.

(2) The board shall establish, by regulation, technical standards for approval of interactive games and interactive gaming devices and associated equipment, including standards to govern mechanical, electrical or program reliability and security against tampering and threats, as it may deem necessary to protect the registered player from fraud or deception and to ensure the integrity of interactive gaming.

(b) Independent testing and certification facility.—Any costs associated with the board's testing and certification facility shall be assessed on persons authorized by the board to manufacture, supply, distribute or otherwise provide interactive games and interactive gaming devices and associated equipment to interactive gaming certificate holders or to interactive gaming operators in this Commonwealth. The costs shall be assessed in accordance with a schedule adopted by the board.

(c) Use of other state standards.—The board may determine whether the testing and certification standards for interactive games and interactive gaming devices and associated equipment as adopted by another jurisdiction within the United States or any of the testing and certification standards used by an interactive gaming certificate holder are comprehensive and thorough and provide similar and adequate safeguards as those required by this chapter and regulations of the board. If the board makes that determination, it may permit the person authorized to manufacture, supply, distribute or otherwise provide interactive games and interactive gaming devices or associated equipment to furnish interactive games or interactive gaming devices and associated equipment to interactive gaming certificate holders in this Commonwealth without undergoing the full testing and certification process by the board's independent testing and

certification facility.

#### SUBCHAPTER F TAXES AND FEES

Sec.

13B51. Interactive gaming authorization fee.

13B52. Interactive gaming tax.

13B53. Local share assessment.

13B54. Compulsive and problem gambling.

§ 13B51. Interactive gaming authorization fee.

(a) Amount of authorization fee.—

(1) Each slot machine licensee that is issued an interactive gaming certificate to conduct interactive gaming in accordance with section 13B11 (relating to authorization to conduct interactive gaming) shall pay a one-time nonrefundable authorization fee in the amount of \$8,000,000.

(2) Each interactive gaming operator or an affiliate of an interactive gaming certificate holder that is issued an interactive gaming license under this chapter to operate interactive gaming or an interactive gaming system on behalf of a slot machine licensee pursuant to an interactive gaming agreement and that is not owned, affiliated with or otherwise controlled by a slot machine licensee shall pay a one-time nonrefundable authorization fee in the amount of \$2,000,000.

(3) Each interactive gaming operator that has been approved by the board to provide for the conduct of interactive gaming on behalf of an interactive gaming certificate holder at a qualified airport in accordance with Subchapter B.1 shall pay a one-time nonrefundable authorization fee in the amount of \$1,000,000.

(b) Payment of fee.—Persons required to pay the authorization fee under subsection (a) shall remit the fee to the board within 60 days of the board's approval of its petition, license or conditional license to conduct interactive gaming or to operate interactive gaming or an interactive gaming system. The board may allow the fee to be paid in installments, provided that all such installments are paid within the 60-day period and that the installment payments are made in accordance with the terms of an agreement between the board and the interactive gaming certificate holder or an interactive gaming operator under subsection (a)(2) that sets forth the terms of the installment payment.

(c) Renewal fee.—

(1) Notwithstanding any other provision of this chapter, an interactive gaming certificate holder shall pay a renewal fee in the amount of \$250,000 upon the renewal of its interactive gaming certificate in accordance with sections 1326 (relating to renewals) and 13B13(c) (relating to issuance of interactive gaming certificate).

(2) Each interactive gaming operator under subsection (a)(2) shall pay a renewal fee of \$100,000 upon the renewal of its interactive gaming license in accordance with this chapter.

(d) Deposit of fees.—The fees imposed and collected under this section shall be deposited in the General Fund.

§ 13B52. Interactive gaming tax.

(a) Imposition of tax.—Each interactive gaming certificate holder that conducts interactive gaming shall report to the department and pay from its daily gross interactive gaming revenue, on a form and in the manner prescribed by the department, a tax of 14% of its daily gross interactive gaming revenue and a local share assessment as provided in section 13B53 (relating to local share assessment).

(b) Deposits and distributions.—

(1) The tax imposed under subsection (a) shall be payable to the department on a weekly basis and shall be based upon gross interactive gaming revenue derived during the previous week.

(2) All funds owed to the Commonwealth under this section shall be held in trust for the Commonwealth by the interactive gaming certificate holder until the funds are paid to the department for deposit in the General Fund. An interactive gaming certificate holder shall establish a separate bank account

into which gross interactive gaming revenue shall be deposited and maintained until such time as the funds are paid to the department under this section.

(c) Taxes on out-of-State wagering.—The tax rate which shall be assessed and collected by the department with respect to any wagers placed by registered players located in this Commonwealth with an interactive gaming operator outside of this Commonwealth, but authorized under an interactive gaming reciprocal agreement shall be governed by the agreement but may not exceed 16% of gross interactive gaming revenue derived from registered players located in this Commonwealth.

(d) Deposit of funds.—The tax imposed under subsection (a) shall be collected by the department for deposit in the General Fund.  
§ 13B53. Local share assessment.

(a) Required payment.—

(1) In addition to the tax imposed under section 13B52 (relating to interactive gaming tax), each interactive gaming certificate holder that conducts interactive gaming shall pay on a weekly basis and on a form and in a manner prescribed by the department a local share assessment into a restricted receipts account established in the Department of Community and Economic Development to be used exclusively for grants to all counties in this Commonwealth, to economic development authorities or redevelopment authorities within each county, for grants for economic development projects, community improvement projects and other projects in the public interest.

(2) The Department of Community and Economic Development shall develop policies and procedures to govern the distribution of grants from the local share assessment established under paragraph (1). The policies and procedures shall be of sufficient scope to ensure equal access to grant funds by all counties in this Commonwealth.

(b) Definitions.—As used in this section, the following words and phrases shall have the meaning given to them in this subsection:

"Local share assessment." Two percent of an interactive gaming certificate holder's daily gross interactive gaming revenue.  
§ 13B54. Compulsive and problem gambling.

The following shall apply:

(1) Each year, from the tax imposed in section 13B52 (relating to interactive gaming tax), \$2,000,000 or an amount equal to .002 multiplied by the total gross interactive gaming revenue of all active and operating interactive gaming certificate holders, whichever is greater, shall be transferred into the Compulsive and Problem Gambling Treatment Fund established in section 1509 (relating to compulsive and problem gambling program).

(2) Each year, from the tax imposed in section 13B52, \$2,000,000 or an amount equal to .002 multiplied by the total gross interactive gaming revenue of all active and operating interactive gaming certificate holders, whichever is greater, shall be transferred to the Department of Drug and Alcohol Programs to be used for drug and alcohol addiction treatment services, including treatment for drug and alcohol addiction related to compulsive and problem gambling, as set forth in section 1509.1 (relating to drug and alcohol treatment).

#### SUBCHAPTER G

#### MISCELLANEOUS PROVISIONS

Sec.

13B61. Participation in interactive gaming by persons outside Commonwealth.

13B62. Institutional investors.

13B63. Internet cafes and prohibition.

§ 13B61. Participation in interactive gaming by persons outside Commonwealth.

Notwithstanding any other provision of this chapter to the contrary, an interactive gaming certificate holder may accept interactive gaming wagers from a person who is not physically present in this Commonwealth, if the board determines the following:

(1) Participation in interactive gaming and acceptance of wagers associated with interactive gaming from a person not physically present in this Commonwealth is not inconsistent with Federal law or regulation or the law or regulation of the jurisdiction, including any foreign jurisdiction, in which the person is located.

(2) Participation in interactive gaming is conducted pursuant to an interactive gaming reciprocal agreement between the Commonwealth and another state or jurisdiction, including a foreign jurisdiction, to which the Commonwealth is a party and the interactive gaming reciprocal agreement is not inconsistent with Federal law or regulation.

§ 13B62. Institutional investors.

(a) Declaration of investment intent.—Notwithstanding any other provision of this part, the following shall apply:

(1) An institutional investor holding 20% or less of the equity securities of an interactive gaming certificate holder's, interactive gaming operator's or applicant's holding, subsidiary or intermediary companies shall be granted a waiver of any investigation of suitability or other requirement if the securities are those of a corporation, whether publicly traded or privately held, and the holdings of the securities were purchased for investment purposes only. The institutional investor shall file a certified statement that it has no intention of influencing or affecting the affairs of the interactive gaming certificate holder, interactive gaming operator, applicant or any holding, subsidiary or intermediary company of an interactive gaming certificate holder, interactive gaming operator or applicant. However, an institutional investor shall be permitted to vote on matters put to the vote of the outstanding security holders.

(2) The board may grant a waiver to an institutional investor holding a higher percentage of securities upon a showing of good cause and if the conditions specified in paragraph (1) are met.

(3) An institutional investor granted a waiver under this subsection who subsequently decides to influence or affect the affairs of an interactive gaming certificate holder, interactive gaming operator or applicant's holding, subsidiary or intermediary company of an interactive gaming certificate holder, interactive gaming operator or applicant shall provide not less than 30 days' notice of intent and shall file with the board a request for determination of suitability before taking any action that may influence or affect the affairs of the issuer. An institutional investor shall be permitted to vote on matters put to the vote of the outstanding security holders.

(4) If an institutional investor changes its investment intent or if the board finds reasonable cause to believe that the institutional investor may be found unsuitable, no action other than divestiture shall be taken by the institutional investor with respect to its security holdings until there has been compliance with any requirements established by the board, which may include the execution of a trust agreement in accordance with section 1332 (relating to appointment of trustee).

(5) The interactive gaming certificate holder or interactive gaming operator or applicant or any holding, intermediary or subsidiary company of an interactive gaming certificate holder, interactive gaming operator or applicant shall notify the board immediately of any information about, or actions of, an institutional investor holding its equity securities where the information or action may impact the eligibility of the institutional investor for a waiver under this subsection.

(b) Failure to declare.—If the board finds:

(1) that an institutional investor holding any security of a holding or intermediary company of an interactive gaming certificate holder or interactive gaming operator or applicant or, where relevant, of another subsidiary company of a holding or intermediary company of an interactive gaming certificate holder or interactive gaming operator or applicant which is related in

any way to the financing of the interactive gaming certificate holder or interactive gaming operator or applicant, fails to comply with the provisions of subsection (a); or

(2) by reason of the extent or nature of its holdings, an institutional investor is in a position to exercise such a substantial impact upon the controlling interests of an interactive gaming certificate holder or interactive gaming operator or applicant that investigation and determination of suitability of the institutional investor is necessary to protect the public interest;

then the board may take any necessary action otherwise authorized under this chapter to protect the public interest.

§ 13B63. Internet cafes and prohibition.

(a) General rule.—No organization or commercial enterprise shall operate a place of public accommodation, club, including a club or association limited to dues-paying members or similar restricted groups, or similar establishment in which computer terminals or similar access devices are advertised or made available to be used principally for the purpose of accessing authorized interactive games. No interactive gaming certificate holder or interactive gaming operator shall offer or make available computer terminals or similar access devices to be used principally for the purpose of accessing interactive games within a licensed facility.

(b) Construction.—Nothing in this section shall be construed to:

(1) require the owner or operator of a hotel or motel or other public place of general use in this Commonwealth to prohibit or block guests from playing interactive games; or

(2) require an interactive gaming certificate holder or an interactive gaming operator to prohibit registered players within a licensed facility from playing interactive games.

#### CHAPTER 13C

#### (RESERVED)

#### CHAPTER 13D

#### SLOT MACHINES AT NONPRIMARY LOCATIONS

#### Subchapter

#### A. General Provisions

#### B. Category 1 Licensed Gaming Entities and Nonprimary Locations

#### C. Application and Issuance of Nonprimary Location Permit

#### D. Fees and Taxes

#### SUBCHAPTER A GENERAL PROVISIONS

#### Sec.

13D01. (Reserved).

13D02. Authority to place slot machines at nonprimary locations.

13D03. Temporary regulations.

§ 13D01. (Reserved).

§ 13D02. Authority to place slot machines at nonprimary locations.

(a) Placement of slot machines at nonprimary locations.—Notwithstanding any provision of this part, Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, or any other law or regulation to the contrary, a Category 1 licensed gaming entity that is a licensed racing entity under Article XXVIII-D of The Administrative Code of 1929 shall apply to the board for a nonprimary location permit to place and make slot machines available for play at nonprimary locations.

(b) Duty of the board and commission.—The board shall have general and regulatory authority over the placement and operation of slot machines at nonprimary locations and shall, in consultation with the commission, promulgate regulations to govern the placement and operation of slot machines at nonprimary locations. Except that, any regulations specific to the operation of nonprimary locations by licensed racing entities promulgated under 58 Pa. Code Ch. 171 (relating to nonprimary locations) or any regulations related to the operation of nonprimary locations which may be adopted by the commission subsequent to the effective date of this chapter shall be adopted as regulations under this chapter, unless the board, in consultation with the commission, determine that such regulations are

not sufficient for the administration and enforcement of this chapter. In that event, the board shall, in consultation with the commission, promulgate such regulations specific to the operation of slot machines at nonprimary locations as the board and commission deem necessary to facilitate the administration and enforcement of this chapter.

§ 13D03. Temporary regulations.

(a) Promulgation.—In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board or commission shall be deemed temporary regulations which shall expire not later than two years after the publication of the temporary regulation in the Pennsylvania Bulletin. The board may promulgate temporary regulations not subject to:

(1) Sections 201, 202, 203, 204 and 205 of the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law.

(2) Sections 204(b) and 301(10) of the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act.

(3) The act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.

(b) Expiration.—The authority of the board and the commission to adopt temporary regulations under subsection (a) shall expire two years after the effective date of this section. Regulations adopted after this period shall be promulgated as provided by law.

(c) Temporary regulations.—The board, in consultation with the commission, shall begin publishing temporary regulations governing placement and operation of slot machines at nonprimary locations in the Pennsylvania Bulletin within 60 days of the effective date of this section.

#### SUBCHAPTER B

#### CATEGORY 1 LICENSED GAMING ENTITIES AND NONPRIMARY LOCATIONS

#### Sec.

13D07. Authority to place slot machines at nonprimary locations.

§ 13D07. Authority to place slot machines at nonprimary locations.

(a) Category 1 licensed gaming entity and operation of slot machines at nonprimary locations.—The following shall apply:

(1) Each Category 1 licensed gaming entity that is a licensed racing entity under section 13D02 (relating to authority to place slot machines at nonprimary locations) that is authorized to hold horse race meetings at a racetrack at which more than one license is authorized may be granted approval to place and make slot machines available for play at four nonprimary locations, if the board, in consultation with the commission, determines that a nonprimary location newly proposed or approved by the commission in accordance with Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, and regulations of the commission will benefit economic development, employment, tourism, the race horse industry and result in enhanced revenues to the Commonwealth and the municipality where the newly proposed or approved nonprimary location will be or is situated.

(2) Each Category 1 licensed gaming entity under section 13D02 that is authorized to hold horse race meetings at a racetrack at which only one license is authorized may be granted approval to place and make slot machines available for play at four nonprimary locations, if the board, in consultation with the commission, determines that a nonprimary location newly proposed or approved by the commission in accordance with Article XXVIII-D of The Administrative Code of 1929, and regulations of the commission will benefit economic development, employment, tourism, the race horse industry and result in enhanced revenues to the Commonwealth and the municipality where the newly proposed or approved nonprimary location will be or is situated.

(3) A Category 1 licensed gaming entity, which is also a licensed racing entity as set forth in section 13D02(a), shall not be authorized to place and make slot machines available for play

at any nonprimary location which is within the primary market area of another licensed racing entity, regardless of whether the licensed racing entity is authorized to conduct horse race meetings or harness horse race meetings, or both, at the racetrack.

(4) No Category 1 licensed gaming entity, which is also a licensed racing entity as set forth in section 13D02(a), shall be authorized to place and make slot machines available for play at a nonprimary location which is located within the primary market area of another licensed facility or another nonprimary location.

(5) A nonprimary location may be located within the primary market area of a licensed facility if the Category 1 licensed gaming entity owns the nonprimary location and the licensed gaming entity enters into an agreement with the affected licensed gaming entity or entities and the agreement is filed with the commission and the board.

(6) A Category 1 licensed gaming entity that places and makes slot machines available for play at a nonprimary location shall be subject to the requirements of section 1303(a), (b) and (d) (relating to additional Category 1 slot machine license requirements).

(8) For the purposes of this subsection, the term "primary market area" shall mean the area within 50 linear miles of a licensed facility or nonprimary location.

(b) Existing and newly established nonprimary locations.—Notwithstanding any provision of Article XXVIII-D of The Administrative Code of 1929 or any other law or regulation to the contrary, the following shall apply:

(1) A licensed racing entity that operated nonprimary locations prior to the effective date of this subsection shall not be prohibited from reopening a previously closed nonprimary location or relocating an existing nonprimary location in order to place and make slot machines available for play in a reopened or relocated nonprimary location:

Provided, that, the previously closed or a relocated nonprimary location is approved by the commission in accordance with Article XXVIII-D of The Administrative Code of 1929 and regulations adopted by the commission pursuant to Article XXVIII-D and complies with the location requirements set forth in subsection (a)(3), (4) and (5).

(2) A licensed racing entity may establish a new nonprimary location in accordance with Article XXVIII-D of The Administrative Code of 1929 and regulations of the commission in order to place and make slot machines available for play and operate race horse simulcasting:

Provided, that, the new nonprimary location is approved by the commission in accordance with Article XXVIII-D of The Administrative Code of 1929 and regulations adopted by the commission pursuant to Article XXVIII-D and complies with the location requirements set forth in subsection (a)(3), (4) and (5).

(c) Permissible number of slot machines.—

(1) Notwithstanding section 1210 (relating to number of slot machines), a Category 1 licensed gaming entity, upon approval of the board and remittance of the fee under section 13D17 (relating to nonprimary location permit fee), may place and make available for play no more than 250 slot machines at a nonprimary location.

(2) The permissible number of slot machines that may be placed and made available for play at a nonprimary location under this subsection shall not be included in the complement of slot machines authorized for a Category 1 licensed facility under section 1210.

(3) In determining the permissible number of slot machines that may be placed at a nonprimary location in accordance with this subsection, the board shall consider the appropriateness of the physical space of the nonprimary location where the slot machines will be placed and the convenience of

the public patronizing the nonprimary location. The board may also consider the potential benefit to economic development, employment, tourism, the race horse industry and enhanced revenues to the Commonwealth and the municipality where the nonprimary location is situated.

#### SUBCHAPTER C APPLICATION AND ISSUANCE OF NONPRIMARY LOCATION PERMIT

Sec.

13D11. Application for nonprimary location permit.

13D12. Issuance and terms of nonprimary location permit.

13D13. Confidentiality.

13D14. Key employees and occupation permits.

§ 13D11. Application for nonprimary location permit.

(a) Application.—An application for a nonprimary location permit to place and make slot machines available for play at a nonprimary location shall be submitted on a form and in a manner as shall be required by the board. In reviewing and approving each application, the board shall:

(1) Ensure that the proposed location of the nonprimary location is approved by the commission in accordance with 13D07 (relating to authority to place slot machine at nonprimary locations) and complies with the location requirements set forth in section 13D07(a)(3), (4) and (5).

(2) Confirm that the nonprimary location permit fee under section 13D17 (relating to nonprimary location permit fee) has been paid or will be paid in accordance section 13D17.

(b) Required information.—An application for a nonprimary location permit shall include, at a minimum:

(1) The name of the Category 1 slot machine licensee and the licensed racing entity and location of the existing nonprimary location, if any, or the location of any proposed relocated or new nonprimary location approved by the commission.

(2) The name, address and current photograph of the applicant and of all directors and owners and key employees and their positions within the licensed racing entity, if required by the board.

(3) The proposed location of the slot machine area or areas in the nonprimary location, if known.

(4) Detailed site and architectural plans of the proposed area or areas within the nonprimary location where slot machines will be placed and made available for play.

(5) The number of slot machines requested.

(6) The current status of the licensed racing entity's horse racing license, if required by the board.

(7) The current status of the slot machine license issued under this part, if required by the board.

(8) The details of any loans or other financing obtained or that will be obtained to fund an expansion, modification or construction project at an existing nonprimary location, a relocated nonprimary location or a proposed or newly approved nonprimary location to accommodate slot machines at the nonprimary location.

(9) The consent to conduct a background investigation by the bureau, the scope of which shall be determined by the bureau at its discretion consistent with the provisions of this part, and a release signed by all persons subject to the investigation of all information required to complete the investigation, if the bureau, at its discretion, determines that a background investigation is necessary under this chapter.

(10) Any other information determined to be necessary and appropriate by the board.

§ 13D12. Issuance and terms of nonprimary location permit.

(a) Issuance of permit.—Upon approval of an application for a nonprimary location permit and payment of the nonprimary location permit fee under section 13D17 (relating to nonprimary location permit fee), the board shall issue a nonprimary location permit to a Category 1

licensed gaming entity authorizing it to place and make slot machines available for play at a nonprimary location.

(b) Terms of permit.—A nonprimary location permit approved and issued by the board in accordance with subsection (a) shall be in effect unless suspended or revoked by the board upon good cause consistent with the requirements of this part, regulations promulgated pursuant to this part or regulations of the commission.

(c) Notification of change in status.—Nothing in this section shall relieve a nonprimary location permit holder of the affirmative duty to notify the board of any changes relating to the status of its nonprimary location permit, its horse racing license or to any other information contained in the application materials on file with the board.

§ 13D13. Confidentiality.

Information submitted to the board under section 13D11 (relating to application for nonprimary location permit) may be considered confidential by the board if the information would be confidential under section 1206(f) (relating to board minutes and records).

§ 13D14. Key employees and occupation permits.

Nothing in this subchapter shall be construed to require any individual who holds a principal license, a key employee license or gaming employee license under Chapters 13 (relating to licensees) and 13A (relating to table games) or who holds a license, permit or registration under Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, to obtain a separate license, permit or registration to be employed in a slot machine licensee's slot machine operation at a nonprimary location under this chapter, if the board determines, in consultation with the commission, that licensure under the provisions of this part or Article XXVIII-D of The Administrative Code of 1929 is sufficient and will not compromise the integrity of the operation of slot machines at nonprimary locations.

#### SUBCHAPTER D FEES AND TAXES

Sec.

13D17. Nonprimary location permit fee.

13D18. Nonprimary location taxes, imposition, deposits and distributions.

§ 13D17. Nonprimary location permit fee.

(a) Amount of fee.—At the time a nonprimary location permit is issued under section 13D12(a) (relating to issuance and terms of nonprimary location permit), the board shall impose a one-time fee of \$5,000,000 to be paid by the Category 1 licensed gaming entity for each nonprimary location where it will place and make slot machines available for play.

(b) Renewal fee not required.—A nonprimary location permit shall not be subject to renewal or payment of any nonprimary location permit renewal fee.

(c) Deposit of fee into General Fund.—Notwithstanding section 1208 (relating to collection of fees and fines), all nonprimary location permit fees and penalties collected by the board under this section shall be deposited in the General Fund.

§ 13D18. Nonprimary location taxes, imposition, deposits and distributions.

(a) Imposition.—The department shall determine and each nonprimary location permit holder shall pay a daily tax of 54% from its daily gross terminal revenue from the slot machines in operation at its nonprimary location.

(b) Distribution.—

(1) The tax imposed and collected under subsection (a) shall be distributed as follows:

(i) Ninety-two percent of the tax shall be deposited by the department in the General Fund.

(ii) Eight percent shall constitute a local share assessment and be distributed by the department on a quarterly basis as follows:

(A) Four percent to the county in which the nonprimary location is located.

(B) Four percent to the municipality in

which the nonprimary location is located.

(2) All money owed to the Commonwealth, a county or a municipality under this section shall be held in trust by the licensed racing entity or licensed gaming entity for the Commonwealth, county or municipality until all funds are distributed by the department in accordance with this subsection.

(c) Payments and deposits.—

(1) The tax imposed under subsection (a) shall be payable to the department on a weekly basis and shall be based upon gross slot machine revenue derived from the operation of slot machines at a nonprimary location during the previous week.

(2) All money owed to the Commonwealth and collected by the department in accordance with this subchapter shall be deposited in the General Fund.

#### CHAPTER 13E

#### SLOT MACHINES IN QUALIFIED AIRPORTS

Subchapter

A. Preliminary Provisions

B. Airport Gaming Authorized

C. Conduct of Airport Gaming

D. Airport Gaming Fees and Taxes

E. Miscellaneous Provisions

#### SUBCHAPTER A

#### PRELIMINARY PROVISIONS

Sec.

13E01. Definitions.

§ 13E01. Definitions.

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Airport authority." The governing body of a municipal authority organized and incorporated in accordance with 53 Pa.C.S. Ch. 56 (relating to municipal authorities) to oversee the operations of a qualified airport. The term shall include the governing body of any joint municipal authority which operates a qualified airport and the governing body of a city of the first class which owns and operates a qualified airport located in a county of the first class.

"Airport gaming." The licensed placement, operation and play of slot machines in a qualified airport as authorized and approved by the board.

"Airport gaming certificate holder." The authorization issued under this chapter to conduct airport gaming.

"Airport gaming operation certificate." A certificate issued by the Pennsylvania Gaming Control Board under Chapter 13B (relating to interactive gaming) that authorizes a slot machine licensee to conduct airport gaming in accordance with this chapter.

"Airport gaming revenue." The daily gross terminal revenue derived from the conduct of airport gaming.

"Applicant." A slot machine licensee.

"Qualified airport." A publicly owned commercial service airport that is designated by the Federal Government as an international airport.

"Specified area." The secure area of a qualified airport where slot machines are placed and made available to play and members of the public, other than passengers, are prohibited from entering.

#### SUBCHAPTER B

#### AIRPORT GAMING AUTHORIZED

Sec.

13E11. Authorization.

13E12. Application.

13E13. Standard for review of applications.

13E14. Approval of application.

13E15. Airport gaming operation certificate.

13E16. Timing of initial airport gaming authorizations.

§ 13E11. Authorization.

(a) General rule.—Upon application of a slot machine licensee, the board may authorize the slot machine licensee to conduct airport gaming. A slot machine licensee seeking authorization to conduct

airport gaming must enter into an agreement with the governing body of a qualified airport and submit the agreement to the board for approval. No person shall cause or make slot machines available for play at a qualified airport without first obtaining an airport gaming operation certificate in accordance with the provisions of this chapter.

(b) Conditions.—Authorization shall be contingent upon the slot machine licensee's agreement to ensure that slot machine operations will be conducted in accordance with this part and any other conditions established by the board. The agreement shall specify the fees to be paid to the qualified airport by the slot machine licensee for the privilege of conducting airport gaming. Nothing in this part shall be construed to create a separate license governing the conduct of airport gaming by slot machine licensees within this Commonwealth.

(c) Number of slot machines.—The board shall approve the maximum number of slot machines that a slot machine licensee may operate at a qualified airport. The board, in making its determination, shall consider the physical space where the slot machines will be located and the convenience of passengers. The board may also consider the potential employment, enhanced revenues to the Commonwealth and other economic indicators it deems applicable in making its decision.

#### § 13E12. Application.

(a) Information to be provided.—An applicant seeking authorization to conduct airport gaming shall provide the following information to the board:

(1) The name, business address and contact information of the applicant, and the name, business address and contact information of the airport authority and the location of the qualified airport.

(2) The name and business address, job title and a photograph of each principal and key employee of the applicant who will be involved in the conduct of airport gaming and who is not currently licensed by the board, if known.

(3) The number of slot machines for which authorization is being sought.

(4) The estimated number of full-time and part-time employment positions that will be created at the qualified airport if the slot machine licensee is authorized to operate slot machines under this chapter and an updated hiring plan under section 1510(a) (relating to labor hiring preferences) which outlines the applicant's plan to promote the employment representation of diverse groups and Commonwealth residents.

(5) The details of any financing obtained or that will be obtained to fund an expansion or modification of the qualified airport to accommodate the conduct of airport gaming and to otherwise fund the cost of commencing airport gaming operations.

(6) Information and documentation concerning financial background and resources, as the board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant.

(7) Information and documentation, as the board may require, to establish by clear and convincing evidence that the applicant has sufficient business ability and experience to conduct airport gaming. In making this determination, the board may consider the results of the applicant's slot machine operation, including financial information, employment data and capital investment.

(8) Information and documentation, as the board may require, to establish by clear and convincing evidence that the applicant has or will have the financial ability to pay the required fee under section 13E51 (relating to fees).

(9) Detailed site plans identifying the applicant's proposed specified area.

(10) A copy of the agreement entered into by the slot machine licensee and the qualified airport. The agreement shall identify the members of the governing board of the airport authority and all employees of the airport authority who, directly

or indirectly, regulate the use and control of the qualified airport and who will oversee airport gaming at the qualified airport.

(11) Other information as the board may require.

(b) Confidentiality.—Information submitted to the board under subsection (a)(6), (7), (8), (9) and (10) may be considered confidential by the board if the information would be confidential under section 1206(f) (relating to board minutes and records).

#### § 13E13. Standard for review of applications.

The board shall approve an application if the applicant establishes, by clear and convincing evidence, all of the following:

(1) The applicant's slot machine license is in good standing with the board, and the applicant has an agreement with the airport authority authorizing the placement of slot machines at the qualified airport.

(2) The applicant possesses adequate funds or has secured adequate financing to:

(i) Fund any necessary expansion or modification of the qualified airport to accommodate the conduct of airport gaming if required in the agreement with the governing body of the airport authority.

(ii) Pay the required fee in accordance with section 13E51 (relating to fees).

(iii) Commence airport gaming operations at the qualified airport.

(3) The applicant has the financial stability, integrity and responsibility to conduct airport gaming.

(4) The applicant has sufficient business ability and experience to create and maintain airport gaming.

(5) The applicant's proposed internal and external security and proposed surveillance measures within the specified area where the applicant seeks to conduct airport gaming are adequate.

(6) The applicant agrees that the number of slot machines in operation at its licensed facility will not be permanently reduced in order to conduct airport gaming.

#### § 13E14. Approval of application.

Upon approval of an application, the board shall issue an airport gaming operation certificate to the applicant. Issuing an airport gaming operation certificate prior to the payment in full of the fee required by section 13E51 (relating to fees) shall not relieve the applicant from complying with the provisions of section 13E51.

#### § 13E15. Airport gaming operation certificate.

The following shall apply:

(1) An airport gaming operation certificate shall be in effect unless:

(i) Suspended or revoked by the board consistent with the requirements of this part.

(ii) The slot machine license held by the airport gaming certificate holder is suspended, revoked or not renewed by the board consistent with the requirements of this part.

(iii) The airport gaming certificate holder relinquishes or does not seek renewal of its slot machine license.

(iv) The agreement between the airport gaming certificate holder and the governing body of the authority is not renewed.

(2) The airport gaming operation certificate shall include the maximum number of slot machines approved by the board and permitted in the specified area. The airport gaming certificate holder may increase or decrease the number of slot machines permitted in the specified area or change the configuration of the slot machines upon notice to and approval by the board. Unless approved by the board, the total number of slot machines in operation in the specified area may not exceed the number authorized in the airport gaming operation certificate.

(3) A airport gaming certificate holder shall be required to update the information in its initial airport gaming application

at times prescribed by the board.

§ 13E16. Timing of initial airport gaming authorizations.

The board shall approve or deny an application within 180 days following receipt of the completed application.

SUBCHAPTER C

CONDUCT OF AIRPORT GAMING

Sec.

13E31. Authorized locations for operation.

13E32. Commencement of airport gaming operations.

13E33. Condition of continued operation.

13E34. Airport gaming accounting controls and audit protocols.

13E35. Cash equivalents.

13E36. Occupation permits.

§ 13E31. Authorized locations for operation.

(a) Restriction.—An airport gaming certificate holder shall only be permitted to operate slot machines in the specified area authorized by the board.

(b) Powers and duties of board.—No airport gaming certificate holder may be approved to operate slot machines unless the specified area is equipped with adequate security and surveillance equipment to ensure the integrity of the conduct of airport gaming. An authorization granted under this section may not impose any criteria or requirements regarding the contents or structure of a qualified airport which are unrelated to the conduct of airport gaming.

§ 13E32. Commencement of airport gaming operations.

An airport gaming certificate holder may not operate or offer slot machines for play at a qualified airport until the board determines that:

(1) The airport gaming certificate holder is in compliance with the requirements of this part.

(2) The airport gaming certificate holder's internal controls and audit protocols are sufficient to meet the requirements of section 13E34 (relating to airport gaming accounting controls and audit protocols).

(3) The airport gaming certificate holder's gaming employees, where applicable, are licensed, permitted or otherwise authorized by the board to perform their respective duties.

(4) The airport gaming certificate holder is prepared in all respects to offer slot machine play to eligible passengers at the qualified airport.

(5) The airport gaming certificate holder has implemented necessary internal and management controls and security arrangements and surveillance systems for the conduct of airport gaming.

(6) The airport gaming certificate holder is in compliance with or has complied with section 13E51 (relating to fees).

(7) All slot machines certified and approved for use under this chapter have been approved by the board and are compatible with the central control computer and protocol specifications approved by the department.

(8) The airport gaming certificate holder has implemented or will implement the necessary procedures and safeguards to ensure that no individual under 21 years of age will be permitted to enter the specified area of the qualified airport.

§ 13E33. Condition of continued operation.

As a condition of continued operation, an airport gaming certificate holder shall maintain all books, records and documents pertaining to airport gaming in a manner and location within this Commonwealth as approved by the board. All books, records and documents related to airport gaming shall:

(1) be segregated by separate accounts within the slot machine licensee's books, records and documents, except for any books, records or documents that are common to the licensee's slot machine operations at a licensed facility and a qualified airport;

(2) be immediately available for inspection upon request of the board, the bureau, the department, the Pennsylvania State

Police or the Attorney General, or agents thereof, during all hours of operation at the qualified airport in accordance with regulations promulgated by the board; and

(3) be maintained for a period as the board, by regulation, may require.

§ 13E34. Airport gaming accounting controls and audit protocols.

(a) Approval.—Prior to the commencement of airport gaming operations, an airport gaming certificate holder shall submit to the board for approval all proposed site plans, internal and accounting control systems and audit protocols for the airport gaming certificate holder's airport gaming operations.

(b) Minimum requirements.—The airport gaming certificate holder's internal and accounting controls and audit protocols shall meet the requirements set forth in section 1322(b) and (c) (relating to slot machine accounting controls and audits).

§ 13E35. Cash equivalents.

Notwithstanding any other provisions of this part, the board may, through regulations, determine the cash equivalents that may be authorized and accepted by an airport gaming certificate holder in the conduct of airport gaming.

§ 13E36. Occupation permits.

(a) Application.—Any person who desires to be a gaming employee and has a bona fide offer of employment from a airport gaming certificate holder authorized to operate slot machines under this chapter shall apply to the board for an occupation permit. A person may not be employed as a gaming employee unless and until that person holds an appropriate occupation permit issued under this section. The board may promulgate regulations to reclassify a category of nongaming employees or gaming employees upon a finding that the reclassification is in the public interest and consistent with the objectives of this part.

(b) Requirements.—The application for an occupation permit shall include, at a minimum:

(1) The name and home address of the person.

(2) The previous employment history of the person.

(3) The criminal history record of the person, as well as the person's consent for the Pennsylvania State Police to conduct a background investigation.

(4) A current photograph of the person.

(5) Evidence of the offer of employment and the nature and scope of the proposed duties of the person, if known.

(6) The details of any occupation permit or similar license granted or denied to the person in other jurisdictions.

(7) Any other information determined by the board to be appropriate.

(c) Prohibition.—No airport gaming certificate holder may employ or permit any person under 18 years of age to render any service in any specified area where slot machines are physically located.

(d) Construction.—Nothing in this part shall be construed to require any person who holds a principal license, a key employee license or gaming employee occupation permit under Chapter 13 (relating to licensees) to obtain a separate license, permit, certificate, registration or other authorization to be employed in an airport gaming certificate holder's airport gaming operations.

SUBCHAPTER D

AIRPORT GAMING FEES AND TAXES

Sec.

13E51. Fees.

13E52. Airport gaming tax and assessment.

§ 13E51. Fees.

(a) Required fees.—A slot machine licensee shall pay:

(1) Except as set forth in paragraph (2) or (3), a one-time, nonrefundable fee of \$1,000,000 upon the issuance of a certificate to operate slot machines under this chapter in a qualified airport.

(2) A one-time, nonrefundable fee of \$5,000,000 upon the issuance of a certificate to operate slot machines under this

chapter in a qualified airport located in a city of the first class.

(3) A one-time, nonrefundable fee of \$2,500,000 upon the issuance of a certificate to operate slot machines under this chapter in a qualified airport located in a county of the second class.

(b) Deposit of fees.—Notwithstanding section 1208 (relating to collection of fees and fines), all fees or penalties received by the board under this chapter shall be deposited in the General Fund.

§ 13E52. Airport gaming tax and assessment.

(a) Imposition.—Each airport gaming certificate holder shall report to the department and pay from its airport gaming revenue, on a form and in the manner prescribed by the department, a tax of 34% of its airport gaming revenue and an airport local share assessment.

(b) Deposits and distributions.—

(1) The tax and local share assessment imposed under subsection (a) shall be payable to the department on a weekly basis and shall be based upon gross terminal revenue derived during the previous week.

(2) All funds owed to the Commonwealth under this section shall be held in trust for the Commonwealth by the airport gaming certificate holder until the funds are paid to the department. Unless otherwise agreed to by the board, a airport gaming certificate holder shall establish a separate bank account into which gross terminal revenue shall be deposited and maintained until such time as the funds are paid to the department under this section.

(3) The department shall transfer the tax revenues collected under this section to the General Fund.

(4) The department shall quarterly distribute to each qualified airport the airport local share assessment from the airport gaming revenue generated from airport gaming at each qualified airport.

(c) Definitions.—As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Airport local share assessment." Twenty percent of an airport gaming certificate holder's airport gaming revenue.

#### SUBCHAPTER E

#### MISCELLANEOUS PROVISIONS

Sec.

13E91. Regulations.

§ 13E91. Regulations.

(a) Regulations.—The board shall promulgate regulations consistent with the provisions of this part to govern the conduct of airport gaming at qualified airports.

(b) Temporary regulations.—In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board in accordance with subsection (a) shall be deemed temporary regulations which shall expire not later than two years following the publication of the temporary regulation. The board may promulgate temporary regulations not subject to:

(1) Sections 201, 202, 203, 204 and 205 of the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law.

(2) The act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.

(3) Sections 204(b) and 301(10) of the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act.

(c) Expiration.—The board's authority to adopt temporary regulations under subsection (a) shall expire two years after the effective date of this section. Regulations adopted after this period shall be promulgated as provided by law.

#### CHAPTER 13F

#### CASINO SIMULCASTING

Subchapter

A. General Provisions

B. Casino Simulcasting Authorized

C. Application and Issuance of Permit and Establishment of Simulcasting Facility

D. Conduct of Casino Simulcasting

E. Fees and Taxes

#### SUBCHAPTER A GENERAL PROVISIONS

Sec.

13F01. Legislative intent and purpose.

13F02. Definitions.

§ 13F01. Legislative intent and purpose.

The General Assembly finds as follows:

(1) The people of this Commonwealth have a vital economic interest in the continued success of this Commonwealth's gaming industry, including the race horse industry. Due to this economic interest, enhancements to current gaming activities must be authorized to ensure the ongoing competitiveness, viability and stability of the gaming industry in this Commonwealth.

(2) A primary intent of the Race Horse Development and Gaming Act, as codified in this part, is to enhance live horse racing. However, the legalization of commercial gaming in states on the geographic borders of this Commonwealth makes it imperative to authorize new and innovative gaming activities related to horse racing and commercial casino-style gaming, which could be implemented by licensed gaming entities, and which could help ensure the viability of both horse racing and commercial gaming.

(3) The intent of this chapter is to give licensed gaming entities the authority to conduct casino simulcasting at Category 2 and Category 3 licensed facilities in order to expand horse racing opportunities through simulcasting and, thereby, enhancing the viability of this Commonwealth's race horse and commercial gaming industry.

§ 13F02. Definitions.

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Licensed gaming entity." A person who has been approved for and issued a Category 2 slot machine license or a Category 3 slot machine license in accordance with sections 1304 (relating to Category 2 slot machine license), 1305 (relating to Category 3 slot machine license) and 1325 (relating to license or permit issuance) and who holds a casino simulcasting permit.

#### SUBCHAPTER B

#### CASINO SIMULCASTING AUTHORIZED

Sec.

13F05. Authorization to conduct simulcasting.

13F06. Regulations.

13F07. Temporary regulations.

13F08. Simulcast agreements.

§ 13F05. Authorization to conduct simulcasting.

(a) Authority to conduct.—Notwithstanding any other provision of law or regulation, it shall be lawful for a licensed gaming entity to conduct casino simulcasting or enter into an agreement or agreements with a licensed racing entity or other person for the conduct of casino simulcasting in accordance with the provisions of this chapter, Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, and the applicable regulations of the board and the commission promulgated under this chapter.

(b) Administration and enforcement.—The board shall administer and enforce the provisions of this chapter as they relate to the conduct of casino simulcasting by a slot machine licensee and, except as provided in this chapter, shall adopt and promulgate regulations to carry out and enforce the provisions of this chapter.

§ 13F06. Regulations.

(a) Adoption of regulations.—The board, in consultation with the commission, shall adopt and promulgate regulations to govern the conduct of casino simulcasting by licensed gaming entities in this



Commonwealth. Such regulations shall establish the following:

(1) The method and form of the application which a licensed gaming entity must follow and complete before consideration of the licensed gaming entity's application to conduct casino simulcasting.

(2) The permissible communications technology which must be used to facilitate the conduct of casino simulcasting in accordance with regulations of the board, the commission and applicable Federal law and regulations.

(3) The times during which a licensed gaming entity may conduct casino simulcasting shall be the same as the times authorized for the conduct of casino simulcasting by Category 1 slot machine licensees.

(4) The approval of the terms and conditions of any agreement between a licensed gaming entity and a licensed racing entity or other person related to the management or operation of casino simulcasting and the pari-mutuel system of wagering, including the percentage of the money retained by a licensed racing entity for pari-mutuel pools which may be distributed to the licensed gaming entity.

(5) The required contents of agreements entered into between a licensed gaming entity, a licensed racing entity or other person for the management or operation of casino simulcasting and the pari-mutuel system of wagering.

(6) A requirement that wagering on simulcast horse race meetings shall only be conducted within an enclosed location of an authorized licensed gaming entity's licensed facility which has been approved by the board, in consultation with the commission.

(7) The standards and rules to govern the conduct of casino simulcasting and the system of pari-mutuel wagering associated with race horse simulcasting.

(8) The reporting procedures and records which will be required from a licensed gaming entity to ensure that all money generated from casino simulcasting is accounted for and winners' names, when required under applicable Federal or State law, are filed with the appropriate taxing authorities.

(9) Notwithstanding section 2840-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, or any other provision of law or regulation, the policies and procedures which will be adopted, implemented and followed to ensure that individuals under 21 years of age will be prohibited from participating in casino simulcasting or entering simulcasting areas of licensed facilities.

(10) Any other requirements, conditions or controls which the board, in consultation with the commission, deems necessary and appropriate to administer and enforce the provisions of this chapter and to facilitate the implementation of this chapter.

(b) Uniform regulation.—In adopting regulations under this chapter, the commission shall cooperate and work with the board to develop uniform regulations to govern the operation of casino simulcasting in this Commonwealth. Except as herein provided, the provisions of this chapter and any regulations promulgated under this chapter shall be considered as establishing uniform requirements and regulations for casino simulcasting at licensed facilities in this Commonwealth.

(c) Adoption of existing regulations.—Notwithstanding subsection (b) or any other law or regulation to the contrary, the provisions of section 2835-D of The Administrative Code of 1929 and all regulations and supplements thereto or revisions thereof adopted by the commission under section 2835-D of The Administrative Code of 1929, which relate to the retention of money in pari-mutuel pools and the pari-mutuel system of wagering on, before or after the effective date of this chapter are adopted as regulations under this chapter and shall remain in effect unless subsequently modified or superseded by regulations promulgated by the commission.

§ 13F07. Temporary regulations.

(a) Promulgation.—In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board shall be deemed temporary regulations which shall expire not later than two years following the publication of the temporary regulation. The board may promulgate temporary regulations not subject to:

(1) Sections 201, 202, 203, 204 and 205 of the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law.

(2) Sections 204(b) and 301(10) of the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act.

(3) The act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.

(b) Expiration.—The authority to adopt temporary regulations under subsection (a) shall expire two years after the effective date of this section. Regulations adopted by the board and commission after the two-year period shall be promulgated as provided by law.

(c) Publication of temporary regulations.—The board and the commission shall begin publishing temporary regulations governing casino simulcasting in the Pennsylvania Bulletin no later than February 1, 2016.

§ 13F08. Simulcast agreements.

(a) Manner of agreement.—Any agreement entered into between a licensed gaming entity and a licensed racing entity or other person to facilitate casino simulcasting shall be in writing and shall be filed with and approved by the board and the commission in accordance with regulations promulgated by the board in consultation with the commission.

(b) Wager provisions.—Notwithstanding section 2834-D or 2835-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, the following shall apply:

(1) If a licensed gaming entity offers casino simulcasting at its licensed facility through an agreement with a licensed racing entity, the agreement shall specify the percentage of the money wagered each racing day at the casino simulcasting facility and remaining in the wagering pools after the required distributions under section 2834-D of The Administrative Code of 1929, that will be paid to the licensed gaming entity. The amount retained by a licensed gaming entity shall not exceed 25% of the money retained by the licensed racing entity under section 2835-D of The Administrative Code of 1929.

(2) If a licensed gaming entity chooses to offer casino simulcasting through its own resources or through an agreement with another person, as approved by the board and the commission, the board, in consultation with the commission, shall, through regulation, establish the percentage of money wagered each racing day at the casino simulcasting facility and remaining in the wagering pools after the required distributions under section 2834-D of The Administrative Code of 1929 that will be paid to the licensed gaming entity or other person, provided that the percentage of money to be paid to a licensed gaming entity or other person under this paragraph shall be, if determined appropriate by the board and the commission, the same percentage of money remaining in the wagering pools that is retained by a licensed racing entity in accordance with section 2835-D of The Administrative Code of 1929.

(c) Regulations.—The board, in consultation with the commission, shall establish regulations to administer the retention requirements under this section.

#### SUBCHAPTER C

#### APPLICATION AND ISSUANCE OF PERMIT AND ESTABLISHMENT OF SIMULCASTING FACILITY

Sec.

13F11. Application for permit and requirements.

13F12. Casino simulcasting permit.

13F13. Casino simulcasting facilities.

13F14. License or registration of employees required.

13F15. Key employees and occupation permits.

§ 13F11. Application for permit and requirements.

(a) Applications.—A licensed gaming entity shall file an application for a casino simulcasting permit with the board. The application shall include the following:

(1) The name, business address and contact information of the applicant.

(2) The name and location of the applicant's licensed facility.

(3) The name and business address, job title and a photograph of each principal and key employee of the applicant who will be involved in the conduct of casino simulcasting and who is not currently licensed by the board or the commission, if known.

(4) The estimated number of full-time and part-time employment positions that will be created at the licensed facility if casino simulcasting is authorized and an updated hiring plan under section 1510(a) (relating to labor hiring preferences) which outlines the applicant's plan to promote the representation of diverse groups and Commonwealth residents in the employment positions.

(5) A brief description of the economic benefits expected to be realized by the Commonwealth, the Department of Agriculture and the race horse industry in this Commonwealth if casino simulcasting is authorized at the applicant's licensed facility.

(6) The details of any financing, if applicable, obtained or that will be obtained to fund an expansion or modification of the licensed facility to accommodate casino simulcasting or construct a simulcasting facility or to otherwise fund the cost of commencing casino simulcasting operations.

(7) Information and documentation concerning financial background and resources, as the board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant.

(8) A copy of or a detailed description of the terms and conditions of any agreement or agreements the licensed gaming entity has entered into or will enter into with a licensed corporation or other person to facilitate the conduct of casino simulcasting.

(9) A detailed description of any financial arrangements between a licensed gaming entity and a licensed racing entity or other person related to the conduct of casino simulcasting.

(10) Detailed site and architectural plans of the proposed simulcasting facility within the applicant's licensed facility.

(11) Any other information as the board may require.

(b) Review and approval of application.—The board shall review and approve an application for a simulcasting permit if the applicant establishes, by clear and convincing evidence, all of the following:

(1) The applicant's slot machine license is in good standing with the board.

(2) The conduct of casino simulcasting at the applicant's licensed facility will have a positive economic impact on the Commonwealth and the race horse industry in this Commonwealth through increased revenues, increased purses and employment opportunities.

(3) The applicant possesses adequate funds or has secured adequate financing to:

(i) Fund any necessary expansion or modification of the applicant's licensed facility or to construct a simulcasting facility to accommodate the conduct of casino simulcasting.

(ii) Pay the costs of establishing, maintaining and operating the simulcasting facility.

(iii) Commence casino simulcasting operations.

(4) The applicant has entered into or will enter into an agreement with a licensed racing entity or other person to manage or operate casino simulcasting operations, and the agreement has been approved by the commission.

(5) The applicant has the expertise to manage casino simulcasting.

(6) The applicant has the financial stability, integrity and responsibility to conduct casino simulcasting.

(7) The applicant has sufficient business ability and experience to create and maintain a successful casino simulcasting operation.

(8) The applicant's proposed internal and external security controls and proposed surveillance measures within the area of the licensed facility where the applicant seeks to conduct casino simulcasting are adequate.

(c) Confidentiality.—Information submitted to the board under subsection (a)(6), (7) and (8) may be considered confidential by the board if the information would be confidential under section 1206(f) (relating to board minutes and records).

§ 13F12. Casino simulcasting permit.

(a) Issuance of permit.—Upon review and approval of an application submitted to the board in accordance with section 13F11 (relating to application for permit and requirements), the board shall issue a casino simulcasting permit to the applicant.

(b) Content of permit.—

(1) A casino simulcasting permit shall include a list of the horse race meetings which are proposed to be simulcast by the casino simulcasting permit holder at its simulcasting facility, including the names and locations of the in-State sending racetracks and out-of-State sending racetracks, and the start date and expiration date of any agreement or agreements the permit holder has entered into or will enter into with a licensed racing entity or other person for the operation of casino simulcasting.

(2) A casino simulcasting permit holder shall be required to update the initial casino simulcasting application at times prescribed by the board, in consultation with the commission.

§ 13F13. Casino simulcasting facilities.

(a) Establishment of simulcasting facility.—A licensed gaming entity approved for and issued a permit to operate casino simulcasting under this chapter shall establish a simulcasting facility as part of its licensed facility. The simulcasting facility may be adjacent to, but shall not be part of, any room or location in which slot machines or table games are operated or conducted in accordance with the provisions of this part. The following shall apply:

(1) The simulcasting facility shall conform to all requirements concerning square footage, equipment, security measures and related matters which the board, in consultation with the commission, shall by regulation prescribe.

(2) The space or area required for the establishment of a simulcasting facility shall not be used to decrease the number of slot machines or table games in operation at the licensed facility or to reduce the space approved by the board for the operation of slot machines and the conduct of table games.

(3) The cost of establishing, maintaining and operating a simulcasting facility shall be the sole responsibility of the licensed gaming entity.

(b) Video display monitors.—Notwithstanding Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, or regulations promulgated pursuant to Article XXVIII-D, the regulations promulgated by the board shall provide for the installation of video display technology in approved areas of licensed facilities to deliver simulcast horse race meetings to patrons via video walls and other such innovative video display technology. The board may collaborate with the commission in developing regulations to govern the installation and operation of video display monitors in accordance with this subsection.

§ 13F14. License or registration of employees required.

Except as provided in this part, all persons engaged directly in wagering-related activities at a simulcasting facility, whether employed by the licensed gaming entity, licensed racing entity or by a person or entity conducting casino simulcasting in the simulcasting facility under an agreement with the licensed gaming entity and all other employees

of the licensed gaming entity, licensed racing entity or of the person or entity conducting casino simulcasting who work or will work in the simulcasting facility, shall be licensed or registered in accordance with regulations promulgated by the board in collaboration with the commission.

§ 13F15. Key employees and occupation permits.

Nothing in this subchapter shall be construed to require any individual who holds a principal license, a key employee license or gaming employee license under Chapters 13 (relating to licensees) and 13A (relating to table games) or who holds a license under Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, to obtain a separate license, permit or registration to be employed in a casino simulcasting permit holder's casino simulcasting operation authorized under this chapter, if the board, in consultation with the commission, determines that licensure under the provisions of this part or Article XXVIII-D of The Administrative Code of 1929, is sufficient and will not compromise the integrity of casino simulcasting.

#### SUBCHAPTER D

#### CONDUCT OF CASINO SIMULCASTING

Sec.

13F31. Conduct of casino simulcasting.

13F32. Transmission of live races.

13F33. Accounting controls and audit protocols.

13F34. Condition of continued operation.

13F35. Application of Liquor Code.

§ 13F31. Conduct of casino simulcasting.

(a) Wagering.—Wagering on simulcast horse races shall be conducted only in the simulcasting facility.

(b) Required security.—

(1) The security measures for a simulcasting facility shall include, but may not be limited to, the installation by the licensed gaming entity of a closed-circuit television system according to specifications promulgated by the board, in consultation with the commission.

(2) The board and the commission shall have access to the simulcast system or its signal in accordance with regulations promulgated by the board, in consultation with the commission.

§ 13F32. Transmission of live races.

The following shall apply:

(1) A licensed racing entity which operates interstate or international simulcasting of horse race meetings in this Commonwealth shall have discretion to transmit all or some of the live races conducted at the racetrack to the licensed facility of a licensed gaming entity which has established a simulcasting facility under this chapter. Any race which is transmitted from an in-State sending track shall be transmitted to all licensed gaming entities which have established simulcasting facilities.

(2) A licensed gaming entity which establishes a simulcasting facility and conducts casino simulcasting in accordance with this chapter shall, as a condition of continued operation of casino simulcasting, receive all live races which are transmitted by in-State sending tracks.

§ 13F33. Accounting controls and audit protocols.

(a) Approval.—Prior to the commencement of casino simulcasting, a casino simulcasting permit holder shall submit to the board for approval all proposed site and architectural plans, internal control systems and audit protocols for the permit holder's casino simulcasting operations.

(b) Minimum requirements.—A casino simulcasting permit holder's internal controls and audit protocols shall:

(1) Provide for reliable records, accounts and reports of any financial event that occurs in the conduct of casino simulcasting, including reports to the board and commission related to casino simulcasting, as may be required by regulation of the board, in consultation with the commission.

(2) Provide for accurate and reliable financial records related to the conduct of casino simulcasting and the pari-mutuel

system of wagering.

(3) Establish procedures and security for the counting, recording and storage of money generated from the conduct of casino simulcasting.

(4) Establish procedures and security standards for the maintenance of telecommunications equipment and video display technology used in connection with the conduct of casino simulcasting.

(5) Establish procedures and rules to govern the conduct of casino simulcasting and the responsibility of employees related to casino simulcasting.

(6) Establish procedures for the collection, recording and deposit of revenue from the conduct of casino simulcasting, including the roles of the commission, the department, licensed racing entities and licensed gaming entities in the collection and recording of the revenue.

(7) Ensure that the system of pari-mutuel wagering used in the conduct of casino simulcasting is in accordance with Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, and regulations of the commission promulgated under The Administrative Code of 1929.

(8) Ensure, in consultation with the commission, the proper and timely accounting for and retention of percentages for pari-mutuel pools and the proper and timely distribution of money in any pari-mutuel pool generated from casino simulcasting.

(9) Ensure that all functions, duties and responsibilities related to casino simulcasting are appropriately segregated and performed in accordance with sound financial practices by qualified employees.

(10) Permit use of its casino simulcasting facility by the board, the bureau, the commission and other persons authorized under this part or by the board and the commission to facilitate their ability to perform regulatory and oversight functions under this chapter.

(c) Submission to board.—The submission required under subsection (a) shall include a detailed description of the casino simulcasting permit holder's administrative and accounting procedures related to casino simulcasting, including its written system of internal controls. Each written system of internal controls shall include:

(1) An organizational chart depicting appropriate functions and responsibilities of employees involved in casino simulcasting.

(2) A description of the duties and responsibilities of each position shown on the organizational chart.

(3) The record retention policy of the permit holder.

(4) The procedure to be utilized to ensure that money generated from the conduct of casino simulcasting is safeguarded, including mandatory counting and recording procedures.

(5) A statement signed by the casino simulcasting permit holder's chief financial officer or other competent person attesting that the signatory believes, in good faith, that the system satisfies the requirements of this section.

(d) Review.—Prior to authorizing a permit holder to conduct casino simulcasting, the board, in consultation with the commission, shall review the system of internal controls submitted under subsection (c) to determine whether it conforms to the requirements of this subchapter and whether it provides adequate and effective controls for the conduct of casino simulcasting.

(e) License or registration of employees required.—Except as provided in section 13F15 (relating to key employees and occupation permits), persons engaged directly in wagering-related activities at a simulcasting facility, whether employed by the licensed gaming entity, a licensed racing entity or by a person or entity conducting casino simulcasting under an agreement with the licensed gaming entity, licensed racing entity and all other employees of the licensed gaming

entity or of the person or entity conducting casino simulcasting who work or will work in the simulcasting facility shall be licensed or registered in accordance with regulations promulgated by the board in collaboration with the commission.

§ 13F34. Condition of continued operation.

As a condition of continued operation, a casino simulcasting permit holder shall agree to maintain all books, records and documents pertaining to casino simulcasting in a manner and location within this Commonwealth as approved by the board, in consultation with the commission. All books, records and documents related to casino simulcasting shall:

(1) Be organized in a manner to clearly depict by separate record the total amount of money contributed to every pari-mutuel pool in accordance with the applicable provisions of Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, and any regulation promulgated under Article XXVIII-D of The Administrative Code of 1929.

(2) Be segregated by separate accounts within the licensed gaming entity's books, records and documents, except for any books, records or documents that are common to slot machine operations, table game operations and casino simulcasting, as determined by the board in consultation with the commission.

(3) Be immediately available for inspection upon request of the board, the commission, the bureau, the department, the Pennsylvania State Police or the Attorney General, or agents thereof, during all hours of operation of the permit holder's simulcasting facility in accordance with regulations promulgated by the board in consultation with the commission.

(4) Be maintained for a specific period of time as the board, in consultation with the commission, by regulation, may require.

§ 13F35. Application of Liquor Code.

The provisions of section 493(24)(ii) of the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, shall also apply to casino simulcasting.

#### SUBCHAPTER E FEES AND TAXES

Sec.

13F41. Casino simulcasting authorization fee.

13F42. Retention and distribution of money and pari-mutuel pools.

13F43. Casino simulcasting taxes.

13F44. Construction.

§ 13F41. Casino simulcasting authorization fee.

A casino simulcasting permit shall not be subject to the payment of an authorization fee, renewal or a renewal fee or the payment of an additional permit fee.

§ 13F42. Retention and distribution of money and pari-mutuel pools.

(a) Wagers included in pari-mutuel pools.—

(1) Sums wagered at a simulcasting facility on the results of a simulcast horse race shall be included in the appropriate pari-mutuel pool generated for the race being transmitted in accordance with section 2835-D of The Administrative Code of 1929 and shall be distributed in accordance with section 2835-D of The Administrative Code of 1929 or any regulations promulgated under section 2835-D of The Administrative Code of 1929. All remaining money shall be paid to the General Fund.

(2) Payments to persons holding winning tickets at a licensed facility shall be made according to the same odds as those generated at the in-State sending track.

(3) A person placing a wager on a simulcast horse race at a simulcasting facility shall not be charged a fee for placing the wager in addition to the amount wagered.

(b) Computation of money wagered.—All money wagered by players on horse race meetings at a simulcasting facility shall be computed in the amount of money wagered each racing day for

purposes of taxation under section 2834-D of The Administrative Code of 1929, all thoroughbred races shall be considered a part of a thoroughbred horse race meeting and all harness races shall be considered a part of a harness horse race meeting for purposes of section 2834-D of The Administrative Code of 1929.

§ 13F43. Casino simulcasting taxes.

(a) Imposition.—

(1) All licensed gaming entities that conduct casino simulcasting shall pay a tax through the department for credit to the State Racing Fund.

(2) The tax imposed on all licensed gaming entities shall be a percentage tax in the amount of 2% of the amount wagered each racing day on casino simulcasting and shall be paid from the money retained by the licensed gaming entity. The tax imposed under this paragraph shall be paid to the department on a form and in the manner prescribed by the department for deposit into the State Racing Fund.

(3) The casino simulcasting tax imposed under this section shall be paid to the department by the casino simulcasting permit holder for deposit into the State Racing Fund.

(b) Deposits and distributions.—

(1) The tax imposed under subsection (a) shall be payable to the department on a weekly basis and shall be based upon the amounts retained by the casino simulcasting permit holder from the amount wagered on casino simulcasting each racing day during the previous week.

(2) All money owed to the Commonwealth under this section shall be held in trust for the Commonwealth by the permit holder until the funds are paid to the department. Unless otherwise agreed to by the board, a casino simulcasting permit holder shall establish a separate bank account into which casino simulcasting revenue shall be deposited and maintained until such time as the funds are paid to the department under this section.

§ 13F44. Construction.

Nothing in this chapter and section 1207 (relating to regulatory authority of board), as it relates to slot machines at nonprimary locations and casino simulcasting, shall be construed to alter, preempt or otherwise impinge the authority of the commission pursuant to Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

#### CHAPTER 13G SPORTS WAGERING

Subchapter

- A. General Provisions
- B. Sports Wagering Authorized
- C. Conduct of Sports Wagering
- D. Sports Wagering Taxes and Fees
- E. Miscellaneous Provisions

#### SUBCHAPTER A GENERAL PROVISIONS

Sec.

13G01. Definitions.

13G02. Regulatory authority.

13G03. Temporary sports wagering regulations.

13G04. Unauthorized sports wagering.

§ 13G01. Definitions.

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Certificate holder." A person to whom the board has awarded a sports wagering certificate.

"Gross sports wagering revenue." The total of cash or cash equivalents received from sports wagering minus the total of:

(1) Cash or cash equivalents paid to players as a result of sports wagering.

(2) Cash or cash equivalents paid to purchase annuities to fund prizes payable to players over a period of time as a result

of sports wagering.

(3) The actual cost paid by the certificate holder for any personal property distributed to a player as a result of sports wagering. This paragraph does not include travel expenses, food, refreshments, lodging or services.

The term does not include counterfeit cash or chips; coins or currency of other countries received in as a result of sports wagering, except to the extent that the coins or currency are readily convertible to cash; or cash taken in a fraudulent act perpetrated against a certificate holder for which the certificate holder is not reimbursed.

"Sporting events." Any professional or collegiate sports or athletic event, or motor race event.

"Sports wagering." The business of accepting wagers on sporting events or on the individual performance statistics of athletes in a sporting event or combination of sporting events by any system or method of wagering, including, but not limited to, exchange wagering, parlays, over-under, moneyline, pools and straight bets. The term does not include:

(1) Lottery games of the Pennsylvania State Lottery as authorized under the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law.

(2) Bingo as authorized under the act of July 10, 1981 (P.L.214, No.67), known as the Bingo Law.

(3) Pari-mutuel betting on the outcome of thoroughbred or harness horse racing as authorized under the act of Article XXVIII-D of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

(4) Small games of chance as authorized under the act of December 19, 1988 (P.L.1262, No.156), known as the Local Option Small Games of Chance Act.

(5) Slot machine gaming and progressive slot machine gaming as defined and authorized under this part.

(6) Keno.

(7) Fantasy contests as authorized under Chapter 3 (relating to fantasy contests).

"Sports wagering certificate." A certificate awarded by the board under this chapter that authorizes a slot machine licensee to conduct sports wagering in accordance with this chapter.

"Sports wagering device." The term includes any mechanical, electrical or computerized contrivance, terminal, machine or other device, apparatus, equipment or supplies approved by the board and used to conduct sports wagering.

§ 13G02. Regulatory authority.

The board shall promulgate regulations:

(1) Establishing standards and procedures for sports wagering. The standards and procedures shall provide for the conduct and implementation of sports wagering within licensed facilities, including any new sports wagering or variations or composites of approved sports wagering, provided the board determines that the new sports wagering or any variations or composites or other approved sports wagering are suitable for use after a test or experimental period under the terms and conditions as the board may deem appropriate.

(2) Establishing standards and rules to govern the conduct of sports wagering and the system of wagering, including the manner in which wagers are received and payouts are remitted and point spreads, lines and odds are determined. The board may also establish standards and rules to govern the conduct of sports wagering and the system of wagering as a form of interactive gaming authorized by the Commonwealth.

(3) Establishing the method for calculating gross sports wagering revenue and standards for the daily counting and recording of cash and cash equivalents received in the conduct of sports wagering, including the conduct of sports wagering and the system of wagering as a form of interactive gaming authorized by the Commonwealth, and ensuring that internal controls are followed, the maintenance of financial books and records and the conduct of audits. The board shall consult with

the department in establishing the regulations under this paragraph.

(4) Establishing notice requirements pertaining to minimum and maximum wagers on sports wagering.

(5) Establishing compulsive and problem gambling standards pertaining to sports wagering consistent with this part.

(6) Establishing standards prohibiting persons under 21 years of age from participating in sports wagering.

(7) Providing information pertaining to sports wagering in the board's annual report required under section 1211(a.1) (relating to reports of board).

(8) Requiring each certificate holder to:

(i) Provide written information about sports wagering rules, payouts or winning wagers and other information as the board may require.

(ii) Provide specifications approved by the board under section 1207(11) (relating to regulatory authority of board) to integrate and update the licensed facility's surveillance system to cover all areas where sports wagering is conducted. The specifications shall include provisions providing the board and other persons authorized by the board with onsite access to the system or its signal.

(iii) Designate one or more locations within the licensed facility of the certificate holder to conduct sports wagering.

(iv) Ensure that visibility in the licensed facility of the certificate holder is not obstructed in any way that could interfere with the ability of the certificate holder, the board and other persons authorized under this part or by the board to oversee the surveillance of the conduct of sports wagering.

(v) Integrate the licensed facility's count room to ensure maximum security of the counting and storage of cash and cash equivalents.

(vi) Equip each designated location within the licensed facility providing sports wagering with a sign indicating the permissible sports wagering minimum and maximum wagers.

(vii) Ensure that no person under 21 years of age participates in sports wagering.

§ 13G03. Temporary sports wagering regulations.

(a) Promulgation.—In order to facilitate the prompt implementation of this chapter, regulations promulgated by the board shall be deemed temporary regulations which shall expire not later than two years following the publication of the temporary regulation. The board may promulgate temporary regulations not subject to:

(1) Sections 201, 202, 203, 204 and 205 of the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law.

(2) The act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.

(3) Sections 204(b) and 301(10) of the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act.

(b) Expiration.—Except for temporary regulations governing the rules of new sports wagering approved by the board, the board's authority to adopt temporary regulations under subsection (a) shall expire two years after the effective date of this section. Regulations adopted after this period shall be promulgated as provided by law.

§ 13G04. Unauthorized sports wagering.

(a) Offense defined.—

(1) It shall be unlawful for any person to willfully and knowingly operate, carry on, offer or expose for play any sports wagering or to accept a bet or wager associated with sports wagering from any person physically located in this Commonwealth at the time of play that is not within the scope of a valid and current sports wagering certificate issued by the

board under this chapter or by another state, territory or possession of the United States with which the Commonwealth has a sports wagering agreement.

(2) It shall be unlawful for any person to willfully and knowingly provide services with respect to any sports wagering or bet or wager specified in paragraph (1).

(b) Grading of offense.—A person who violates subsection (a) commits a misdemeanor of the first degree. For a second or subsequent violation of subsection (a), a person commits a felony of the second degree.

(c) Penalties.—

(1) For a first violation of subsection (a), a person shall be sentenced to pay a fine of:

(i) not less than \$75,000 nor more than \$150,000, if the person is an individual;

(ii) not less than \$150,000 nor more than \$300,000, if the person is a licensed manufacturer or supplier; or

(iii) not less than \$300,000 nor more than \$600,000, if the person is a licensed gaming entity.

(2) For a second or subsequent violation of subsection (a), a person shall be sentenced to pay a fine of:

(i) not less than \$150,000 nor more than \$300,000, if the person is an individual;

(ii) not less than \$300,000 nor more than \$600,000, if the person is a licensed manufacturer or supplier; or

(iii) not less than \$600,000 nor more than \$1,200,000, if the person is a licensed gaming entity.

(d) Forfeiture.—If a person engages in sports wagering from a location in which the activity is unauthorized, the person shall forfeit all entitlement to any winnings and the money associated with any forfeited winnings shall be deposited into the Compulsive and Problem Gambling Treatment Fund established under section 1509(b) (relating to compulsive and problem gambling program).

(e) Tax liability.—

(1) An unlicensed person who offers sports wagering to persons in this Commonwealth shall be liable for all taxes required by this chapter in the same manner and amounts as if the person were a licensee.

(2) Timely payment of the taxes may not constitute a defense to any prosecution or other proceeding in connection with unauthorized sports wagering, except for a prosecution or proceeding alleging failure to make such payment.

#### **SUBCHAPTER B**

#### **SPORTS WAGERING AUTHORIZED**

Sec.

13G11. Authorization to conduct sports wagering.

13G12. Petition requirements.

13G13. Standard for review of petitions.

13G14. Award of certificate.

13G15. Sports wagering certificate.

13G16. Sports wagering by suppliers and manufacturers.

§ 13G11. Authorization to conduct sports wagering.

(a) Persons who may be authorized.—

(1) (i) The board may authorize a slot machine licensee to conduct sports wagering and to operate a system of wagering associated with the conduct of sports wagering at the slot machine licensee's licensed facility, a temporary facility authorized under section 13G21(a.1) (relating to authorized locations for operation) or an area authorized under section 13G21(b).

(ii) Authorization shall be contingent upon the slot machine licensee's agreement to ensure that sports wagering will be conducted in accordance with this part and any other conditions established by the board.

(iii) Nothing in this part shall be construed to create a separate license governing the conduct of sports

wagering by slot machine licensees within this Commonwealth.

(2) The board may authorize a sports wagering certificate holder to conduct sports wagering and to operate a system of wagering associated with the conduct of sports wagering as a form of interactive gaming authorized by the Commonwealth.

(3) (i) Except as provided in this part, all individuals wagering on sporting events through authorized sports wagering must be physically located within this Commonwealth or within a state or jurisdiction in which the board has entered a sports wagering agreement.

(ii) No individual under 21 years of age may make a wager or bet on sporting events through authorized sports wagering or have access to the designated area of the licensed facility authorized to host sports wagering.

(b) Federal authorization.—

(1) The Secretary of State of the Commonwealth shall, when Federal law is enacted or Federal court decision is filed that affirms the authority of a state to regulate sports wagering, publish a notice in the Pennsylvania Bulletin certifying the enactment or filing of the decision.

(2) The board may not authorize the conduct of sports wagering in this Commonwealth until the notice is published as prescribed in paragraph (1).

§ 13G12. Petition requirements.

(a) General rule.—Unless otherwise prohibited under section 13A13 (relating to prohibitions), a slot machine licensee may seek approval to conduct sports wagering by filing a petition with the board.

(b) Petition contents.—A petition seeking authorization to conduct sports wagering shall include the following:

(1) The name, business address and contact information of the petitioner.

(2) The name and business address, job title and a photograph of each principal and key employee of the petitioner who will be involved in the conduct of sports wagering and who is not currently licensed by the board, if known.

(3) A brief description of the economic benefits expected to be realized by the Commonwealth, its municipalities and its residents if sports wagering is authorized at the petitioner's licensed facility.

(4) The details of any financing obtained or that will be obtained to fund an expansion or modification of the licensed facility to accommodate sports wagering and to otherwise fund the cost of commencing sports wagering.

(5) Information and documentation concerning financial background and resources, as the board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the petitioner.

(6) Information and documentation, as the board may require, to establish by clear and convincing evidence that the petitioner has sufficient business ability and experience to create and maintain a successful sports wagering operation. In making this determination, the board may consider the performance of the petitioner's slot machine and table game operation, including financial information, employment data and capital investment.

(7) Information and documentation, as the board may require, to establish by clear and convincing evidence that the petitioner has or will have the financial ability to pay the authorization fee under section 13G61 (relating to sports wagering authorization fee).

(8) Detailed site plans identifying the petitioner's proposed sports wagering area within the licensed facility.

(9) Other information as the board may require.

(c) Confidentiality.—Information submitted to the board under subsection (b)(4), (5), (6), (7) and (8) may be considered confidential by the board if the information would be confidential under section

1206(f) (relating to board minutes and records).

§ 13G13. Standard for review of petitions.

(a) General rule.—The board shall approve a petition if the petitioner establishes, by clear and convincing evidence, all of the following:

(1) The petitioner's slot machine license is in good standing with the board.

(2) The conduct of sports wagering at the petitioner's licensed facility will have a positive economic impact on the Commonwealth, its municipalities and residents through increased revenues and employment opportunities.

(3) The petitioner possesses adequate funds or has secured adequate financing to:

(i) Fund any necessary expansion or modification of the petitioner's licensed facility to accommodate the conduct of sports wagering.

(ii) Pay the authorization fee in accordance with section 13G61 (relating to sports wagering authorization fee).

(iii) Commence sports wagering operations at its licensed facility.

(4) The petitioner has the financial stability, integrity and responsibility to conduct sports wagering.

(5) The petitioner has sufficient business ability and experience to create and maintain a successful sports wagering operation.

(6) The petitioner's proposed internal and external security and proposed surveillance measures within the area of the licensed facility where the petitioner seeks to conduct sports wagering are adequate.

(7) The petitioner has satisfied the petition application requirements and provided any other information required by section 13G12(b) (relating to petition requirements).

(b) Timing of approval.—The board shall approve or deny a petition within 90 days following receipt of the petition.

§ 13G14. Award of certificate.

(a) General rule.—Upon approval of a petition, the board shall award a sports wagering certificate to the petitioner. The award of a sports wagering certificate prior to the payment in full of the authorization fee required by section 13G61 (relating to sports wagering authorization fee) shall not relieve the petitioner from complying with the provisions of section 13G61.

(b) Statement of conditions.—Upon awarding a sports wagering operation certificate, the board shall amend the slot machine licensee's statement of conditions pertaining to the requirements of this chapter.

(c) Term of sports wagering certificate.—Subject to the power of the board to deny, revoke or suspend a sports wagering certificate issued in accordance with the requirements of this section, a sports wagering certificate shall be renewed every five years and shall be subject to the requirements of section 1326 (relating to license renewals).

§ 13G15. Sports wagering certificate.

The following shall apply:

(1) A sports wagering certificate shall be in effect unless:

(i) suspended or revoked by the board consistent with the requirements of this part;

(ii) the slot machine license held by the certificate holder is suspended, revoked or not renewed by the board consistent with the requirements of this part; or

(iii) the certificate holder relinquishes or does not seek renewal of its slot machine license.

(2) A certificate holder that fails to abide by this chapter or any condition contained in the slot machine licensee's statement of conditions governing the conduct of sports wagering shall be subject to board-imposed administrative sanctions or other penalties authorized under this part.

§ 13G16. Sports wagering by suppliers and manufacturers.

(a) Suppliers.—A person that sells, leases, offers or otherwise provides, distributes or services any sports wagering device or associated equipment for use or operation in this Commonwealth for sports wagering purposes shall be licensed by the board pursuant to section 1317 (relating to supplier licenses) and shall be subject to application and licensure fees and fines as prescribed under section 1208 (relating to collection of fees and fines), as determined by the board.

(b) Manufacturers.—A person who manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to any sports wagering device or associated equipment for use or operation in this Commonwealth for sports wagering purposes shall be licensed by the board pursuant to section 1317.1 (relating to manufacturer licenses) and shall be subject to application and licensure fees and fines as prescribed under section 1208, as determined by the board.

#### SUBCHAPTER C

#### CONDUCT OF SPORTS WAGERING

Sec.

13G21. Authorized locations for operation.

13G22. Commencement of sports wagering operations.

13G23. Condition of continued operation.

13G24. Key employees and occupation permits.

13G25. Application of Clean Indoor Air Act.

13G25.1. Application of Liquor Code.

§ 13G21. Authorized locations for operation.

(a) Restriction.—A certificate holder may only be permitted to conduct sports wagering at the licensed facility, a temporary facility authorized under subsection (a.1) or an area authorized under subsection (b).

(a.1) Temporary facilities.—The board may permit a certificate holder to conduct sports wagering at a temporary facility that is physically connected to, attached to or adjacent to a licensed facility for a period not to exceed 24 months.

(b) Powers and duties of board.—

(1) Upon request made by a certificate holder, the board may determine the suitability of a category 1 licensed gaming entity that is also a licensed racing entity authorized to conduct pari-mutuel wagering at nonprimary locations under the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, to conduct sports wagering at nonprimary locations.

(2) No certificate holder may be approved to conduct sports wagering in a nonprimary location unless the areas are equipped with adequate security and surveillance equipment to ensure the integrity of the conduct of sports wagering.

(3) An authorization granted under this subsection may not:

(i) Impose any criteria or requirements regarding the contents or structure of a nonprimary location that are unrelated to the conduct of sports wagering.

(ii) Authorize the placement or operation of slot machines or table games in a nonprimary location.

§ 13G22. Commencement of sports wagering operations.

No certificate holder may operate or offer sports wagering until the board determines that:

(1) The certificate holder is in compliance with the requirements of this part.

(2) The certificate holder is prepared in all respects to offer sports wagering play to the public at the licensed facility.

(3) The certificate holder has implemented necessary internal and management controls and security arrangements and surveillance systems for the conduct of sports wagering.

(4) The certificate holder is in compliance with or has complied with section 13A61 (relating to sports wagering authorization fee).

(5) Other conditions as the board may require to

implement the conduct of sports wagering.  
§ 13G23. Condition of continued operation.

As a condition of continued operation, a certificate holder shall agree to maintain all books, records and documents pertaining to sports wagering in a manner and location within this Commonwealth as approved by the board. All books, records and documents related to sports wagering shall:

(1) be segregated by separate accounts within the certificate holder's books, records and documents, except for any books, records or documents that are common to slot machine, table game and sports wagering operations;

(2) be immediately available for inspection upon request of the board, the bureau, the department, the Pennsylvania State Police or the Attorney General, or agents thereof, during all hours of operation of the certificate holder in accordance with regulations promulgated by the board; and

(3) be maintained for a period as the board, by regulation, may require.

§ 13G24. Key employees and occupation permits.

Nothing in this part shall be construed to require any individual who holds a principal license, a key employee license or gaming employee license under Chapter 13 (relating to licensees) to obtain a separate license or permit to be employed in a certificate holder's sports wagering operation authorized under this chapter.

§ 13G25. Application of Clean Indoor Air Act.

For the purpose of section 3(b)(11) of the act of June 13, 2008 (P.L.182, No.27), known as the Clean Indoor Air Act, the term "gaming floor" shall include the areas of any facility where the certificate holder is authorized to conduct sports wagering, except such areas off the gaming floor where contests or tournaments are conducted unless smoking is otherwise permitted in such areas.

§ 13G25.1. Application of Liquor Code.

The provisions of section 493(24)(ii) of the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, shall also apply to sports wagering.

#### SUBCHAPTER D SPORTS WAGERING TAXES AND FEES

Sec.

13G61. Sports wagering authorization fee.

13G62. Sports wagering tax.

13G63. Local share assessment.

13G64. Compulsive and problem gambling.

§ 13G61. Sports wagering authorization fee.

(a) Amount.—Each slot machine licensee that is issued a sports wagering certificate to conduct sports wagering in accordance with section 13G11 (relating to authorization to conduct sports wagering) shall pay a one-time nonrefundable authorization fee in the amount of \$5,000,000.

(b) Payment of fee.—The authorization fee under subsection (a) shall remit the fee to the board within 60 days of the approval of a petition to conduct sports wagering. The board may allow the fee to be paid in installments, provided all installments are paid within the 60-day period. In that event, the board and the slot machine licensee shall enter into a written agreement setting forth the terms of payment. Sports wagering may not be conducted until the fee under subsection (a) is paid in full.

(c) Renewal fee.—Notwithstanding any other provision of this chapter, a slot machine licensee that is issued a sports wagering certificate shall pay a renewal fee in the amount of \$250,000 upon the renewal of its sports wagering certificate in accordance with sections 1326 (relating to license renewals) and 13G14(c) (relating to award of certificate).

(d) Failure to pay by deadline.—If a petitioner or certificate holder fails to pay the required authorization fee in full within the 60-day time period, the board shall impose a penalty and may grant the petitioner or certificate holder up to a six-month extension to pay the authorization fee or any remaining portion of the authorization fee and the penalty.

(e) Suspension of certificate.—The board shall suspend the sports wagering certificate if the certificate holder fails to pay the total authorization fee and the penalty prior to the expiration of an extension period granted under subsection (c). The suspension shall remain in effect until final payment is made.

(f) Deposit of fees.—Notwithstanding section 1208 (relating to collection of fees and fines), all sports wagering authorization fees or penalties received by the board under this subchapter, all sports wagering device and associated equipment manufacturer and supplier license fees, all sports wagering device or associated equipment manufacturer and supplier renewal fees and fees for licenses issued under Chapter 16 (relating to junkets) shall be deposited in the General Fund.

§ 13G62. Sports wagering tax.

(a) Imposition.—Each certificate holder shall report to the department and pay from its daily gross sports wagering revenue, on a form and in the manner prescribed by the department, a tax of 16% of its daily gross sports wagering revenue.

(b) Deposits and distributions.—

(1) The tax imposed under subsection (a) shall be payable to the department on a weekly basis and shall be based upon gross sports wagering revenue derived during the previous week.

(2) All funds owed to the Commonwealth under this section shall be held in trust for the Commonwealth by the certificate holder until the funds are paid to the department. Unless otherwise agreed to by the board, a certificate holder shall establish a separate bank account into which gross sports wagering revenue shall be deposited and maintained until such time as the funds are paid to the department under this section or paid into the fund under section 13G63(a) (relating to local share assessment).

(3) The tax imposed under subsection (a) shall be deposited into the General Fund.

§ 13G63. Local share assessment.

(a) Required payment.—In addition to the tax imposed under section 13G62 (relating to sports wagering tax), each certificate holder shall pay on a weekly basis and on a form and in a manner prescribed by the department a local share assessment into a restricted receipts account established within the fund. All money owed under this section shall be held in trust by the certificate holder until the money is paid into the restricted account. Funds in the restricted account are hereby appropriated to the department on a continuing basis for the purposes set forth in this section.

(b) Distributions.—Except as provided under subsections (b.1) and (b.2), the department shall make quarterly distributions from the local share assessments deposited into the restricted account to counties, including home rule counties, and to municipalities, including home rule municipalities, hosting a licensed facility authorized to conduct sports wagering in the following manner:

(1) Fifty percent of the local share assessment under this chapter shall be added to and distributed with the funds distributed under section 13A63(b) (relating to local share assessment).

(2) Fifty percent of the local share assessment under this chapter shall be added to and distributed with the funds distributed under section 13A63(c).

(b.1) Nonprimary locations.—For sports wagering conducted at nonprimary locations, the local share assessment imposed under subsection (a) shall be distributed as follows:

(1) Fifty percent to the county in which the nonprimary location is located.

(2) Fifty percent to the municipality in which the nonprimary location is located.

(b.2) Interactive gaming.—For sports wagering conducted as a form of interactive gaming, the local share assessment imposed under subsection (a) shall be added to and distributed with the funds distributed under section 13B53 (relating to local share assessment).



(c) Definitions.—As used in this section, "local share assessment" means 2% of a certificate holder's daily gross sports wagering revenue. § 13G64. Compulsive and problem gambling.

The following shall apply:

(1) Each year, from the tax imposed in section 13G62 (relating to sports wagering tax), \$2,000,000 or an amount equal to .002 multiplied by the total gross sports wagering revenue of all active and operating sports wagering certificate holders, whichever is greater, shall be transferred into the Compulsive and Problem Gambling Treatment Fund established in section 1509 (relating to compulsive and problem gambling program).

(2) Each year, from the tax imposed in section 13G62, \$2,000,000 or an amount equal to .002 multiplied by the total gross sports wagering revenue of all active and operating sports wagering certificate holders, whichever is greater, shall be transferred to the Department of Health to be used for drug and alcohol addiction treatment services, including treatment for drug and alcohol addiction related to compulsive and problem gambling, as set forth in section 1509.1 (relating to drug and alcohol treatment).

#### SUBCHAPTER E MISCELLANEOUS PROVISIONS

Sec.

13G71. Criminal activity.

§ 13G71. Criminal activity.

Sports wagering conducted by a certificate holder in accordance with this chapter shall not constitute a criminal activity under 18 Pa.C.S. § 5514 (relating to pool selling and bookmaking).

Section 19. Sections 1403(b), (c)(2)(ii)(D), (iii)(A) and (iv)(B), 1405 and 1407 of Title 4 are amended to read:

§ 1403. Establishment of State Gaming Fund and net slot machine revenue distribution.

\* \* \*

(b) Slot machine tax.—The department shall determine and each slot machine licensee shall pay a daily tax of 34% from its daily gross terminal revenue from the slot machines in operation at its licensed facility and a local share assessment as provided in subsection (c). All funds owed to the Commonwealth, a county or a municipality under this section shall be held in trust by the licensed gaming entity for the Commonwealth, the county and the municipality until the funds are paid or transferred to the fund. Unless otherwise agreed to by the board, a licensed gaming entity shall establish a separate bank account to maintain gross terminal revenue until such time as the funds are paid or transferred under this section. Moneys in the fund are hereby appropriated to the department on a continuing basis for the purposes set forth in subsection (c). For the purpose of this subsection, the term licensed facility shall not be construed to include a nonprimary location at which a Category 1 slot machine licensee is authorized to place and make slot machines available for play in accordance with Chapter 13D (relating to slot machines at nonprimary locations) or the physical land-based location of a qualified airport under Chapter 13E (relating to slot machines in qualified airports).

(c) Transfers and distributions.—The department shall:

\* \* \*

(2) From the local share assessment established in subsection (b), make quarterly distributions among the counties hosting a licensed facility in accordance with the following schedule:

\* \* \*

(ii) If the licensed facility is a Category 1 licensed facility and is located at a thoroughbred racetrack and the county in which the licensed facility is located is:

\* \* \*

(D) A county of the third class: 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. An additional 1% of the gross terminal

revenue to the county hosting the licensed facility from each such licensed facility for the purpose of municipal grants within the county in which the licensee is located. Notwithstanding the provisions of the act of February 9, 1999 (P.L.L. No.1), known as the Capital Facilities Debt Enabling Act, grants made under this clause may be utilized as local matching funds for other grants or loans from the Commonwealth.

\* \* \*

(iii) If the facility is a Category 2 licensed facility and if the county in which the licensed facility is located is:

(A) A county of the first class: 4% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility. Notwithstanding any other provision to the contrary, funds from licensed gaming entities located within a county of the first class shall not be distributed outside of a county of the first class. [The first \$5,000,000] Fifty percent or \$5,000,000, whichever is greater, of the total amount distributed annually to the county of the first class shall be distributed to the Philadelphia School District.

\* \* \*

(iv) \* \* \*

(B) If the facility is a Category 3 licensed facility located in a county of the second class A, 2% of the gross terminal revenue [from the licensed facility shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants or guarantees for projects in the host county that qualify under 64 Pa.C.S. §§ 1551 (relating to Business in Our Sites Program), 1556 (relating to Tax Increment Financing Guarantee Program) and 1558 (relating to Water Supply and Wastewater Infrastructure Program).] to the county hosting the licensed facility from each such licensed facility shall be deposited as follows:

(I) Seventy-five percent shall be deposited for the purpose of supporting the maintenance and refurbishment of the parks and heritage sites throughout the county in which the licensed facility is located.

(II) Twelve and one-half percent shall be deposited for the purpose of supporting a child advocacy center located within the county in which the licensed facility is located.

(III) Twelve and one-half percent shall be deposited for the purpose of supporting an organization providing comprehensive support services to victims of domestic violence, including legal and medical aid, shelters, transitional housing and counseling located within the county in which the licensed facility is located.

\* \* \*

§ 1405. Pennsylvania Race Horse Development Fund.

(b) Pennsylvania race horse improvement assessment.—Each active and operating licensed gaming entity shall pay a daily assessment to the Pennsylvania Race Horse Development Fund as determined by the department. Subject to the daily assessment cap

established under subsection (c), the licensed gaming entity's assessment shall be a percentage of each licensed gaming entity's gross terminal revenue from the slot machines in operation at its licensed facility, equal to an amount calculated as "A" multiplied by "B", with "A" being equal to each licensed gaming entity's gross terminal revenue for that day divided by the total gross terminal revenue for that day from all licensed gaming entities, and "B" being equal to 18% of that day's gross terminal revenue for all active and operating Category 1 licensees conducting live racing.

(c) Daily assessment cap.—If the resulting daily assessment for a licensed gaming entity exceeds 12% of that licensed gaming entity's gross terminal revenue from the slot machines in operation at its licensed facility for the day, the licensed gaming entity shall pay a daily assessment of 12% of its gross terminal revenue for that day.

(e) Definition.—For the purposes of this section, the term "licensed facility" shall not include the physical land-based location at which a licensed gaming entity is authorized to place and operate slot machines in a nonprimary location under Chapter 13D (relating to slot machines at nonprimary locations) or in a qualified airport under Chapter 13E (relating to slot machines in qualified airports).

§ 1407. Pennsylvania Gaming Economic Development and Tourism Fund.

(a) Fund established.—There is hereby established a Pennsylvania Gaming Economic Development and Tourism Fund within the State Treasury.

(b) Fund administration and distribution.—The Pennsylvania Gaming Economic Development and Tourism Fund shall be administered by the Department of Community and Economic Development. All moneys in the Pennsylvania Gaming Economic Development and Tourism Fund shall be distributed pursuant to a subsequently enacted Economic Development Capital Budget that appropriates money from the fund pursuant to this section. The procedures for enactment, authorization and release of economic development and tourism funds authorized under this section for both capital projects and operational expenditures shall be the same as those provided for in sections 303(a), (b) and (c) and 318(a) of the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act, without reference to the nature or purpose of the project, and any other statutory provision, if any, necessary to effectuate the release of funds appropriated in such economic development capital budget.

(c) Pennsylvania Gaming Economic Development and Tourism Fund Assessment.—Each licensed gaming entity shall pay a daily assessment of 5% of its gross terminal revenue from the slot machines in operation at its licensed facility to the Pennsylvania Gaming Economic Development and Tourism Fund.

(d) Restrictions on projects for certain counties and cities.—Except as set forth in subsection (d.1), [for a ten-year period beginning with the first fiscal year during which deposits are made into this fund], no moneys from the Pennsylvania Gaming Economic Development and Tourism Fund shall be distributed for any project located in a city or county of the first or second class except as authorized by this subsection. Moneys not used for the authorized projects in cities and counties of the first and second classes may be used throughout this Commonwealth. Moneys from the fund for projects within cities and counties of the first and second classes may only be used for the following projects [during this ten-year period]:

(1) for reimbursement to a city of the first class for debt service made by such city to the extent that such payments have been made for the expansion of the Pennsylvania Convention Center;

(2) for distribution to the General Fund to the extent that the Commonwealth has made debt service payments for the expansion of the Pennsylvania Convention Center;

(3) for reimbursement to a city of the first class for payments made by such city for the operation expenses of the Pennsylvania Convention Center during the prior calendar year;

(4) for debt service and for development and economic

development projects for an international airport located in a county of the second class;

(5) for distribution to a community infrastructure development fund of a county of the second class to fund construction, development, improvement and maintenance of infrastructure projects;

(6) for the retirement of the indebtedness of an urban redevelopment authority created pursuant to the act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law, in a city of the second class which is financed in part with the utilization of funds transferred to the regional asset district pursuant to Article XXXI-B of the act of July 28, 1953 (P.L.723, No.230), known as the Second Class County Code;

(8) for retirement of indebtedness of a county of the second class development fund created pursuant to the authority of Article XXXI-B of the Second Class County Code and the Urban Redevelopment Law;

(9) for retirement of indebtedness of a convention center in a city of the second class established pursuant to the authority of the Public Auditorium Authorities Law;

(10) for payment of the operating deficit for the operation of a convention center in a city of the second class established pursuant to the Public Auditorium Authorities Law.

(d.1) Community and economic development.—

(1) Notwithstanding subsection (b) or any other provision of law to the contrary, the money authorized but not expended under former subsection (d)(7) as of the effective date of this subsection shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority exclusively for eligible applications submitted by the redevelopment authority of a county of the second class created pursuant to the act of May 24, 1945 (P.L.991, No.385), known as the Urban Redevelopment Law, for economic development, infrastructure development, job training, community improvement, public safety or other projects in the public interest located in a county of the second class. Community development corporations, political subdivisions, urban redevelopment authorities, municipal authorities, for-profit entities and nonprofit entities located in a county of the second class shall be eligible to receive funds made available under this paragraph.

(2) Notwithstanding the Capital Facilities Debt Enabling Act, funding under the paragraph (1) may be utilized as local matching funds for grants or loans from the Commonwealth.

(e) Annual report.—The Office of the Budget, in cooperation with the Department of Community and Economic Development and the Commonwealth Financing Authority, shall submit an annual report of all distribution of funds under this section to the chairman and minority chairman of the Appropriations Committee of the Senate, the chairman and minority chairman of the Community, Economic and Recreational Development Committee of the Senate, the chairman and minority chairman of the Appropriations Committee of the House of Representatives and the chairman and minority chairman of the Gaming Oversight Committee of the House of Representatives. The report shall include detailed information relating to transfers made from the Pennsylvania Gaming Economic Development and Tourism Fund and all reimbursements, distributions and payments made under subsection (b) or the act of July 25, 2007 (P.L.342, No.53), known as Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007. The report shall be submitted by August 31, 2010, and by August 31 of each year thereafter.

(f) Local report.—A city of the first class, city of the second class, county of the second class, convention center or convention center authority, sports and exhibition authority of a county of the second class, urban redevelopment authority, airport authority or other entity that receives money from the fund pursuant to an Economic Development Capital Budget under subsection (b) or the Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007 shall submit an annual report to the Office of

the Budget. The report shall include detailed information, including records of expenditures, payments and other distributions made from funds received under subsection (b). The initial report shall include information on all funds received prior to August 31, 2010. The report shall be submitted by August 31, 2010, and by August 31 of each year thereafter until all funds under this section are distributed or received. An entity that receives funds for the first time after the effective date of this section shall submit its initial report by August 31 of the year following receipt of the funds.

(g) Distribution to international airport.—Notwithstanding the provisions of section 7(d) of the Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007, following the distribution of \$42.5 million of funds allocated to a county of the second class for debt service and economic development projects for an international airport in the county under section 3(2)(i)(E) of the Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007, all remaining funds shall be distributed directly to an authority that operates an international airport in the county.

(h) Definition.—For the purposes of this section, the term "licensed facility" shall not include the physical land-based location at which a licensed gaming entity is authorized to place and operate slot machines in a nonprimary location under Chapter 13D (relating to slot machines at nonprimary locations) or in a qualified airport under Chapter 13E (relating to slot machines in qualified airports).

Section 20. Title 4 is amended by adding a section to read:  
§ 1410. Public School Employees' Retirement Contribution Fund.

(a) Establishment.—The Public School Employees' Retirement Contribution Fund is established within the State Treasury.

(b) Contents of fund.—The fund shall contain the money transferred to the fund under subsection (c) and any other money transferred to or deposited into the fund.

(c) Transfers to fund.—Notwithstanding any provision of this part, the following shall apply:

(1) For the 2016-2017 fiscal year, \$303,000,000 of the receipts deposited into the General Fund under Chapters 13A (relating to table games), 13B (relating to interactive gaming), 13D (relating to slot machines at nonprimary locations) and 13E (relating to slot machines in qualified airports) shall be transferred annually to the fund. The transfers required by this paragraph shall be made in equal monthly amounts by the 20th day of each month following the effective date of this paragraph.

(2) For the 2017-2018 fiscal year and each fiscal year thereafter, \$310,000,000 of the receipts deposited into the General Fund under Chapters 13A, 13B, 13D and 13E shall be transferred annually to the fund. The transfers required by this paragraph shall be made in equal monthly amounts by the 20th day of each month.

(d) Use of money in fund.—Money in the fund is hereby appropriated to the Department of Education as an augmentation to the appropriation for required contribution for public school employees' retirement.

(e) Definition.—As used in this section, the term "fund" means the Public School Employees' Retirement Contribution Fund.

Section 21. Sections 1501(b) and 1509(c) of Title 4 are amended to read:

§ 1501. Responsibility and authority of department.

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(b) Application of rules and regulations.—The department may prescribe the extent, if any, to which any rules and regulations shall be applied without retroactive effect. The department shall have authority to prescribe the forms and the system of accounting and recordkeeping to be employed and through its representative shall at all times have power of access to and examination and audit of any equipment and records relating to all aspects of the operation of slot machines [and], including slot machines at nonprimary locations and qualified airports, table games, casino simulcasting and interactive gaming under this part.

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§ 1509. Compulsive and problem gambling program.

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(c) Notice of availability of assistance.—

(1) Each slot machine licensee shall obtain a toll-free telephone number to be used to provide persons with information on assistance for compulsive or problem gambling. Each licensee shall conspicuously post at least 20 signs similar to the following statement:

If you or someone you know has a gambling problem, help is available. Call (Toll-free telephone number).

The signs must be posted within 50 feet of each entrance and exit, within 50 feet of each automated teller machine location within the licensed facility and in other appropriate public areas of the licensed facility, including areas of a casino simulcasting facility, as determined by the slot machine licensee.

(2) Each racetrack where slot machines or table games are operated shall print a statement on daily racing programs provided to the general public that is similar to the following:

If you or someone you know has a gambling problem, help is available. Call (Toll-free telephone number).

(2.1) Each interactive gaming certificate holder, interactive gaming operator or other person that operates interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder:

(i) Shall cause the words:

If you or someone you know has a gambling problem, help is available. Call (Toll-free telephone number).

or some comparable language approved by the board, which language shall include the words "gambling problem" and "call 1-800-XXXX," to be prominently and continuously displayed to any person visiting or logged onto the interactive gaming certificate holder's interactive gaming skin or Internet website.

(ii) Shall provide a mechanism by which an interactive gaming account holder may establish the following controls on wagering activity through the interactive gaming account:

(A) A limit on the amount of money lost within a specified period of time and the length of time the account holder will be unable to participate in gaming if the holder reaches the established loss limit.

(B) A limit on the maximum amount of any single wager on any interactive game.

(C) A temporary suspension of interactive gaming through the account for any number of hours or days.

(iii) Shall not mail or otherwise forward any gaming-related promotional material or e-mail to a registered player during any period in which interactive gaming through the registered players' interactive gaming account has been suspended or terminated. The interactive gaming certificate holder shall provide a mechanism by which a registered player may change the controls, except that, while interactive gaming through the interactive gaming account is suspended, the registered player may not change gaming controls until the suspension expires, but the registered player shall continue to have access to the account and shall be permitted to withdraw funds from the account upon proper application for the funds to the interactive gaming certificate holder.

(3) A [licensed facility] licensed gaming entity which fails to post or print the warning sign in accordance with paragraph (1) [or], (2) or (2.1)(i) shall be assessed a fine of \$1,000 a day for each day the minimum number of signs are not

posted or the required statement is not printed as provided in this subsection.

(4) An interactive gaming certificate holder or interactive gaming license holder, as the case may be, that fails to establish the mechanisms, controls and systems in accordance with paragraph (2.1)(ii) and (iii) shall be assessed a fine of not less than \$5,000 per day for each day the mechanisms, controls and systems are not available to interactive gaming account holders.

\* \* \*

Section 22. Title 4 is amended by adding a section to read:

§ 1509.2. Child endangerment protection.

(a) Posting of signs.—The following shall apply:

(1) Each licensed gaming entity shall post the necessary signage to notify patrons of the prohibition against leaving a child unattended in a vehicle under section 1518(a)(18) (relating to prohibited acts; penalties) and underage gambling under section 1518(a)(13) and (13.1) and the penalty for violations.

(2) The signs shall be conspicuously posted in clear view of all parking areas and other public areas of the licensed facility and, including where applicable, nonprimary locations, as determined by the licensed gaming entity and approved by the board.

(3) The board shall determine the written content and minimum number of signs to be posted at each licensed facility.

(b) Fine.—A licensed gaming entity that fails to post signage in accordance with subsection (a) shall be assessed a fine of \$1,000 per day for each day the minimum number of signs as prescribed by the board are not posted.

Section 23. Section 1512 of Title 4 is amended by adding a subsection to read:

§ 1512. Financial and employment interests.

\* \* \*

(a.6) Prohibition related to interactive gaming.—

(1) Except as may be provided by rule or order of the Pennsylvania Supreme Court and except as provided in section 1202.1 (relating to code of conduct) or 1512.1 (relating to additional restrictions), no executive-level public employee, public official or party officer or immediate family member thereof shall hold, directly or indirectly, a financial interest in, be employed by or represent, appear for, or negotiate on behalf of, or derive any remuneration, payment, benefit or any other thing of value for any services, including, but not limited to, consulting or similar services from any holder of or applicant for an interactive gaming certificate, holder or applicant for an interactive gaming license or other authorization to conduct interactive gaming or any holding, subsidiary or intermediary company with respect thereto, or any business, association, enterprise or other entity that is organized in whole or in part for the purpose of promoting, advocating for or advancing the interests of the interactive gaming industry generally or any interactive gaming-related business or businesses in connection with any cause, application or matter. The financial interest and employment prohibitions under this paragraph shall remain in effect for one year following termination of the individual's status as an executive-level public employee, public official or party officer.

(2) Notwithstanding paragraph (1), a member of the immediate family of an executive-level public employee, public official or party officer may hold employment with the holder of or applicant for an interactive gaming certificate, holder or applicant for an interactive gaming license or other authorization to conduct interactive gaming or any holding, subsidiary or intermediary company with respect thereto, if in the judgment of the State Ethics Commission or the Supreme Court, as appropriate, employment will not interfere with the responsibilities of the executive-level public employee, public official or party officer and will not create a conflict of interest or

reasonable risk of the public perception of a conflict of interest on the part of the executive-level public employee, public official or party officer.

(3) The financial interest and employment prohibitions specified in paragraphs (1) and (2) shall apply to casino simulcasting under Chapter 13F (relating to casino simulcasting), slot machines at nonprimary locations under Chapter 13D (relating to slot machines at nonprimary locations) and airport gaming under Chapter 13-E (relating to slot machines in qualified airports).

\* \* \*

Section 24. Sections 1513(a), 1514 heading, (a), (d), (e) and (f), 1515, 1516 and 1517(b)(1), (c)(12) and (e)(1) of Title 4 are amended to read:

§ 1513. Political influence.

(a) Contribution restriction.—The following persons shall be prohibited from contributing any money or in-kind contribution to a candidate for nomination or election to any public office in this Commonwealth, or to any political party committee or other political committee in this Commonwealth or to any group, committee or association organized in support of a candidate, political party committee or other political committee in this Commonwealth:

(1) An applicant for a slot machine license, manufacturer license, supplier license, principal license, key employee license, interactive gaming license or horse or harness racing license.

(2) A slot machine licensee, licensed manufacturer, licensed supplier, interactive gaming operator or licensed racing entity.

(3) A licensed principal or licensed key employee of a slot machine licensee, licensed manufacturer, licensed supplier, interactive gaming operator or licensed racing entity.

(4) An affiliate, intermediary, subsidiary or holding company of a slot machine licensee, licensed manufacturer, licensed supplier, interactive gaming operator or licensed racing entity.

(5) A licensed principal or licensed key employee of an affiliate, intermediary, subsidiary or holding company of a slot machine licensee, licensed manufacturer, licensed supplier, interactive gaming operator or licensed racing entity.

(6) A person who holds a similar gaming license in another jurisdiction and the affiliates, intermediaries, subsidiaries, holding companies, principals or key employees thereof.

\* \* \*

§ 1514. Regulation requiring exclusion [or], ejection or denial of access of certain persons.

(a) General rule.—The board shall by regulation provide for the establishment of a list of persons who are to be excluded or ejected from any licensed facility or who may be denied access to interactive gaming, casino simulcasting or slot machines at nonprimary locations. The provisions shall define the standards for exclusion and shall include standards relating to persons who are career or professional offenders as defined by regulations of the board or whose presence in a licensed facility or whose access to interactive gaming, casino simulcasting and slot machines at nonprimary locations would, in the opinion of the board, be inimical to the interest of the Commonwealth or of licensed gaming therein, or both.

\* \* \*

(d) Sanctions.—The board may impose sanctions upon a licensed gaming entity or interactive gaming licensee in accordance with this part if the licensed gaming entity knowingly fails to exclude or eject from the premises of any licensed facility or deny access to interactive gaming, casino simulcasting or to slot machines at a nonprimary location any person placed by the board on the list of persons to be excluded [or], ejected or denied access.

(e) List not all-inclusive.—Any list compiled by the board of persons to be excluded [or], ejected or denied access shall not be

deemed an all-inclusive list, and a licensed gaming entity shall have a duty to keep from the licensed facility and from interactive gaming, casino simulcasting and slot machines at a nonprimary location persons known to it to be within the classifications declared in this section and the regulations promulgated under this section whose presence in a licensed facility or whose participation in interactive gaming, casino simulcasting and the play of slot machines at a nonprimary location would be inimical to the interest of the Commonwealth or of licensed gaming therein, or both, as defined in standards established by the board.

(f) Notice.—Whenever the bureau seeks to place the name of any person on a list pursuant to this section, the bureau shall serve notice of this fact to such person by personal service or certified mail at the last known address of the person. The notice shall inform the person of the right to request a hearing under subsection (g). The bureau may also provide notice by e-mail, if the electronic mail address of the person is known to the bureau.

\* \* \*

§ 1515. Repeat offenders excludable from licensed gaming facility.

A licensed gaming entity may exclude or eject from its licensed facility or deny access to interactive gaming, casino simulcasting and slot machines at a nonprimary location any person who is known to it to have been convicted of a misdemeanor or felony committed in or on the premises of any licensed facility. Nothing in this section or in any other law of this Commonwealth shall limit the right of a licensed gaming entity to exercise its common law right to exclude or eject permanently from its licensed facility or permanently deny access to its interactive gaming, casino simulcasting and slot machines at a nonprimary location any person who disrupts the operations of its premises or its interactive gaming, casino simulcasting or the operation of slot machines at a nonprimary location, threatens the security of its premises or its occupants or is disorderly or intoxicated[.] or who threatens the security of its licensed facility, including the area of a nonprimary location where slot machines are placed and made available for play or the area of a licensed facility where interactive gaming operations are managed, administered or controlled or casino simulcasting is conducted.

§ 1516. List of persons self excluded from gaming activities.

(a) General rule.—The board shall provide by regulation for the establishment of a list of persons self excluded from gaming activities, including interactive gaming, casino simulcasting and the play of slot machines at nonprimary locations, at all licensed facilities. Any person may request placement on the list of self-excluded persons by acknowledging in a manner to be established by the board that the person is a problem gambler and by agreeing that, during any period of voluntary exclusion, the person may not collect any winnings or recover any losses resulting from any gaming activity at licensed facilities, including interactive gaming, casino simulcasting and the play of slot machines at a nonprimary location.

(b) Regulations.—The regulations of the board shall establish procedures for placements on and removals from the list of self-excluded persons. The regulations shall establish procedures for the transmittal to licensed gaming entities of identifying information concerning self-excluded persons and shall require licensed gaming entities to establish procedures designed at a minimum to deny self-excluded persons access to interactive gaming, casino simulcasting and the play of slot machines at nonprimary locations and to remove self-excluded persons from targeted mailings or other forms of advertising or promotions and deny self-excluded persons access to complimentary, check cashing privileges, club programs and other similar benefits.

(c) Liability.—A licensed gaming entity or employee thereof shall not be liable to any self-excluded person or to any other party in any judicial proceeding for any harm, monetary or otherwise, which may arise as a result of:

(1) the failure of a licensed gaming entity to withhold gaming privileges from or restore gaming privileges to a self-excluded person; [or]

(1.1) the failure of a interactive gaming certificate holder or interactive gaming licensee to withhold interactive gaming privileges from or restore interactive gaming privileges to a self-excluded person;

(1.2) the failure of a casino simulcasting permit holder to withhold casino simulcasting privileges from or restore such privileges to a self-excluded person;

(1.3) the failure of a Category 1 licensed gaming entity to withhold or restore access to slot machines at a nonprimary location to a self-excluded person; or

(2) otherwise permitting or not permitting a self-excluded person to engage in gaming activity in the facility or participate in interactive gaming, casino simulcasting or slot machine play at a nonprimary location while on the list of self-excluded persons.

(d) Disclosure.—Notwithstanding any other law to the contrary, the board's list of self-excluded persons shall not be open to public inspection. Nothing in this section, however, shall be construed to prohibit a licensed gaming entity from disclosing the identity of persons self excluded pursuant to this section to affiliated gaming entities in this Commonwealth or other jurisdictions for the limited purpose of assisting in the proper administration of responsible gaming programs operated by affiliated licensed gaming entities.

§ 1517. Investigations and enforcement.

\* \* \*

(b) Powers and duties of department.—

(1) The department shall at all times have the power of access to examine and audit equipment and records relating to all aspects of the operation of slot machines [or], including slot machines at nonprimary locations and, consistent with airport security rules and procedures, at qualified airports, table games or interactive games and casino simulcasting under this part.

\* \* \*

(c) Powers and duties of the Pennsylvania State Police.—The Pennsylvania State Police shall have the following powers and duties:

\* \* \*

(12) Conduct audits or verification of information of slot machine [or], table game operations, including the operation of slot machines used in a multistate wide-area progressive slot machine system and in the operation of skill or hybrid slot machines, interactive gaming operations and casino simulcasting operations and the operation of slot machines at a nonprimary location and in the specified area of a qualified airport at such times, under such circumstances and to such extent as the bureau determines. This paragraph includes reviews of accounting, administrative and financial records and management control systems, procedures and records utilized by a slot machine licensee.

\* \* \*

(e) Inspection, seizure and warrants.—

(1) The bureau, the department and the Pennsylvania State Police shall have the authority without notice and without warrant to do all of the following in the performance of their duties:

(i) Inspect and examine all premises, including the premises of a nonprimary location and the specified area of a qualified airport, consistent with airport security rules and procedures, where slot machine [or], table game and interactive gaming and casino simulcasting operations are conducted, slot machines, table game devices and associated equipment, interactive gaming devices and associated equipment or casino simulcasting technology or equipment are manufactured, sold, distributed or serviced or where records of these activities are prepared or maintained.

(ii) Inspect all equipment and supplies in, about, upon or around premises referred to in subparagraph (i).

(iii) Seize, summarily remove and impound

equipment and supplies from premises referred to in subparagraph (i) for the purposes of examination and inspection.

(iv) Inspect, examine and audit all books, records and documents pertaining to a slot machine licensee's operation.

(v) Seize, impound or assume physical control of any book, record, ledger, game, device, cash box and its contents, count room or its equipment, interactive gaming devices and associated equipment or casino simulcasting technology or equipment or slot machine [or], table game or interactive gaming or casino simulcasting operations.

\* \* \*

Section 25. Section 1518(a)(1), (2), (3), (4), (5), (7.1), (11), (13), (13.1), (15) and (17) and (b)(1), (2) and (3) of Title 4 are amended, subsections (a) and (b) are amended by adding paragraphs and subsection (c)(1) is amended by adding a subparagraph to read:

§ 1518. Prohibited acts; penalties.

(a) Criminal offenses.—

(1) The provisions of 18 Pa.C.S. § 4902 (relating to perjury), 4903 (relating to false swearing) or 4904 (relating to unsworn falsification to authorities) shall apply to any person providing information or making any statement, whether written or oral, to the board, the commission, the bureau, the department, the Pennsylvania State Police or the Office of Attorney General, as required by this part.

(2) It shall be unlawful for a person to willfully:

(i) fail to report, pay or truthfully account for and pay over any license fee, authorization fee, permit fee, tax or assessment imposed under this part; or

(ii) attempt in any manner to evade or defeat any license fee, authorization fee, permit fee, registration fee, tax or assessment or any other fee imposed under this part.

(3) It shall be unlawful for any licensed entity, gaming employee, key employee or any other person to permit a slot machine, table game or table game device, interactive game or interactive gaming device or associated equipment to be operated, transported, repaired or opened on the premises of a licensed facility by a person other than a person licensed or permitted by the board pursuant to this part.

(3.1) It shall be unlawful for any person who does not possess a valid and then effective interactive gaming certificate or interactive gaming license issued by the board in accordance with Chapter 13B (relating to interactive gaming) to accept any wager associated with any authorized interactive game from any individual without verifying the age, identity and physical location of the player at the time of play or wager.

(3.2) It shall be unlawful for any person who does not possess a valid and then effective casino simulcasting permit issued by the board in accordance with section 13F12 (relating to casino simulcasting permit) to operate or permit an individual to participate in casino simulcasting at a Category 2 licensed facility in this Commonwealth.

(3.3) It shall be unlawful for any person who does not possess a valid nonprimary location permit issued by the board in accordance with section 13D12 (relating to issuance and terms of nonprimary location permit) to place and make slot machines available for play at a nonprimary location.

(4) It shall be unlawful for any licensed entity or other person to manufacture, supply or place slot machines, table games, table game devices or associated equipment, authorized interactive game or interactive gaming devices or associated equipment or casino simulcasting technology or equipment into play or display slot machines, including slot machines at a nonprimary location or in a specified area of a qualified airport, table games, table game devices or associated equipment on the

premises of a licensed facility without the authority of the board.

(4.1) It shall be unlawful for any slot machine licensee to offer interactive games into play or display such games on its interactive gaming skin or Internet website without the approval of the board.

(4.2) It shall be unlawful for any licensed entity or other person to manufacture, supply or place interactive gaming devices or associated equipment into operation at a licensed facility without the approval of the board.

(4.3) It shall be unlawful for any slot machine licensee to conduct casino simulcasting without the approval of the board, in consultation with the commission.

(4.4) It shall be unlawful for any slot machine licensee to place and make slot machines available for play at a nonprimary location or in a specified area of a qualified airport without the approval of the board.

(5) Except as provided for in section 1326 (relating to [license] renewals), it shall be unlawful for a licensed entity or other person to manufacture, supply, operate, carry on or expose for play any slot machine, including slot machines at a nonprimary location, table game, table game device or associated equipment, interactive game or interactive gaming device or associated equipment or casino simulcasting technology or equipment after the person's license has expired and prior to the actual renewal of the license.

\* \* \*

(7.1) It shall be unlawful for an individual to do any of the following:

(i) Use or possess counterfeit, marked, loaded or tampered with table game devices or associated equipment, chips or other cheating devices in the conduct of gaming under this part, except that an authorized employee of a licensee or an authorized employee of the board may possess and use counterfeit chips or table game devices or associated equipment that have been marked, loaded or tampered with, or other cheating devices or any unauthorized interactive gaming device or associated equipment in performance of the duties of employment for training, investigative or testing purposes only.

(ii) Knowingly, by a trick or sleight of hand performance or by fraud or fraudulent scheme, or manipulation, table game device or other device, or interactive gaming device for himself or for another, win or attempt to win any cash, property or prize at a licensed facility or to reduce or attempt to reduce a losing wager.

(7.2) It shall be unlawful for a person to knowingly alter, tamper or manipulate interactive gaming devices or associated equipment, including software, system programs, hardware and any other device or associated equipment used in interactive gaming operations, in order to alter the odds or the payout of an interactive game or to disable the interactive game from operating according to the rules of the game as authorized by the board.

(7.3) It shall be unlawful for a person to knowingly offer or allow to be offered any authorized interactive game that has been altered, tampered with or manipulated in a way that affects the odds or the payout of an authorized interactive game or disables the interactive game from operating according to the authorized rules of the game as authorized by the board.

\* \* \*

(11) It shall be unlawful for a licensed gaming entity that is a licensed racing entity and that has lost the license issued to it by [either] the State Horse Racing Commission or the State Harness Racing Commission under the Race Horse Industry Reform Act or that has had that license suspended to operate slot machines [or], table games or authorized interactive games at the racetrack or nonprimary location for which its slot machine

license was issued unless the license issued to it by either the State Horse Racing Commission or the State Harness Racing Commission will be subsequently reissued or reinstated within 30 days after the loss or suspension.

\* \* \*

(13) It shall be unlawful for an individual under 21 years of age to enter and remain in any area of a licensed facility where slot machines are operated, including any area of a nonprimary location or a specified area of a qualified airport, or the play of table games is conducted or where casino simulcasting is conducted, except that an individual 18 years of age or older employed by a slot machine licensee, a gaming service provider, the board or any other regulatory or emergency response agency may enter and remain in any such area while engaged in the performance of the individual's employment duties.

(13.1) It shall be unlawful for an individual under 21 years of age to wager, play or attempt to play a slot machine or table game, or casino simulcasting at a licensed facility, including at a nonprimary location and the specified area of a qualified airport or to wager, play or attempt to play an interactive game.

(13.2) It shall be unlawful to allow a person under 21 years of age to open, maintain or use in any way an interactive gaming account. Any interactive gaming certificate holder, interactive gaming licensee or employee of an interactive gaming certificate holder or interactive gaming licensee or other such person who knowingly allows a person under 21 years of age to open, maintain or use an interactive gaming account shall be subject to the penalty set forth in this section, except that the establishment of all of the following facts by an interactive gaming certificate holder, interactive gaming licensee or employee of an interactive gaming certificate holder, interactive gaming licensee or other such person shall constitute a defense to any regulatory action by the board or the penalty authorized under this section:

(i) the underage person falsely represented that he was of the permitted 21 years of age in the application for an interactive gaming account; and

(ii) the establishment of the interactive gaming account was made in good faith reliance upon such representation and in the reasonable belief that the underage person was 21 years of age.

\* \* \*

(15) It shall be unlawful for a licensed gaming entity to require a wager to be greater than the stated minimum wager or less than the stated maximum wager. However, a wager made by a player and not rejected by a licensed gaming entity prior to commencement of play shall be treated as a valid wager. A wager accepted by a dealer or through an authorized interactive game shall be paid or lost in its entirety in accordance with the rules of the game, notwithstanding that the wager exceeded the current table maximum wager or authorized interactive game wager or was lower than the current table minimum wager or minimum interactive game wager.

\* \* \*

(17) It shall be unlawful for an individual to claim, collect or take, or attempt to claim, collect or take, money or anything of value in or from a slot machine, including a slot machine at a nonprimary location or in a specified area of a qualified airport, gaming table or other table game device, interactive game or interactive gaming device or from casino simulcasting operations with the intent to defraud, or to claim, collect or take an amount greater than the amount won, or to manipulate with the intent to cheat, any component of any slot machine, including slot machines at a nonprimary location or in a specified area of a qualified airport, table game or table game device, interactive game or interactive gaming device in a manner contrary to the designed and normal operational purpose.

(18) Notwithstanding any other provision of law, it shall be unlawful for an individual driving or in charge of a motor vehicle to permit a child under 14 years of age to remain unattended in the vehicle if the vehicle is located on property owned, leased or controlled by a licensed gaming entity or its affiliate, intermediary, subsidiary or holding company. In addition to the penalties in subsection (b), the individual shall be subject to exclusion or ejection from licensed facilities under sections 1514 (relating to regulation requiring exclusion, ejection or denial of access of certain persons) and 1515 (relating to repeat offenders excludable from licensed gaming facility). Notwithstanding any of the provisions of 18 Pa.C.S. Ch. 91 (relating to criminal history record information), the investigating officer in the jurisdiction in which the vehicle is located shall be responsible for providing written notice of the violation within 48 hours to the director of the county children and youth service agency of the county where the violation occurred. The notice shall contain:

(i) The name of the individual charged under this section.

(ii) The address or addresses at which the individual resides.

(iii) The name of the child or children left unattended.

(b) Criminal penalties and fines.—

(1) (i) A person that commits a first offense in violation of 18 Pa.C.S. § 4902, 4903 or 4904 in connection with providing information or making any statement, whether written or oral, to the board, the bureau, the department, the Pennsylvania State Police, the Office of Attorney General or a district attorney as required by this part commits an offense to be graded in accordance with the applicable section violated. A person that is convicted of a second or subsequent violation of 18 Pa.C.S. § 4902, 4903 or 4904 in connection with providing information or making any statement, whether written or oral, to the board, the bureau, the department, the Pennsylvania State Police, the Office of Attorney General or a district attorney as required by this part commits a felony of the second degree.

(ii) A person that violates subsection (a)(2), (3) and (4) through (12) or (17) commits a misdemeanor of the first degree. A person that is convicted of a second or subsequent violation of subsection (a)(2), (3) and (4) through (12) or (17) commits a felony of the second degree.

(2) (i) For a first violation of subsection (a)(1) through (12) or (17), a person shall be sentenced to pay a fine of:

(A) not less than \$75,000 nor more than \$150,000 if the person is an individual;

(B) not less than \$300,000 nor more than \$600,000 if the person is a licensed gaming entity or an interactive gaming licensee; or

(C) not less than \$150,000 nor more than \$300,000 if the person is a licensed manufacturer or supplier.

(ii) For a second or subsequent violation of subsection (a)(1), (2), (3) and (4) through (12) or (17), a person shall be sentenced to pay a fine of:

(A) not less than \$150,000 nor more than \$300,000 if the person is an individual;

(B) not less than \$600,000 nor more than \$1,200,000 if the person is a licensed gaming entity; or

(C) not less than \$300,000 nor more than \$600,000 if the person is a licensed manufacturer or supplier.

(2.1) A person that commits an offense in violation of

subsection (a)(3.1) or (3.2) commits a felony and, upon conviction, shall be sentenced to pay a fine of not less than \$500,000 nor more than \$1,000,000. A person that is convicted of a second or subsequent violation of subsection (a)(3.1) commits a felony of the first degree and shall be sentenced to pay a fine of not less than \$1,000,000 nor more than \$2,500,000.

(3) An individual who commits an offense in violation of subsection (a)(13) [or], (13.1) or (13.2) commits a nongambling summary offense and upon conviction of a first offense shall be sentenced to pay a fine of not less than \$200 nor more than \$1,000. An individual that is convicted of a second or subsequent offense under subsection (a)(13) [or], (13.1) or (13.2) shall be sentenced to pay a fine of not less than \$500 nor more than \$1,500. In addition to the fine imposed, an individual convicted of an offense under subsection (a)(13) [or], (13.1) or (13.2) may be sentenced to perform a period of community service not to exceed 40 hours.

(3.1) Notwithstanding paragraph (3), whenever an individual is convicted of a second or subsequent offense under subsection (a)(13) or (13.1), the court, including a court not of record if it is exercising jurisdiction pursuant to 42 Pa.C.S. § 1515(a) (relating to jurisdiction and venue), shall order the operating privileges of the individual suspended. A copy of the court order shall be transmitted to the Department of Transportation.

(3.2) When the department suspends the operating privilege of a person under paragraph (3.1), the duration of the suspension shall be as follows:

(i) For a first offense, a period of 90 days from the date of suspension.

(ii) For a second offense, a period of one year from the date of suspension.

(iii) For a third offense, and any offense thereafter, a period of two years from the date of suspension. Any multiple sentences imposed shall be served consecutively.

Reinstatement of operating privilege shall be governed by 75 Pa.C.S. § 1545 (relating to restoration of operating privilege).

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(5) An individual who commits an offense in violation of subsection (a)(18) commits a misdemeanor of the third degree for the first offense. A person that is convicted of a second or subsequent violation of subsection (a)(18) commits a misdemeanor of the second degree.

(c) Board-imposed administrative sanctions.—

(1) In addition to any other penalty authorized by law, the board may impose without limitation the following sanctions upon any licensee or permittee:

\*\*\*

(x) Assess a fine for failure to report a violation under subsection (a)(18), of which the licensed gaming entity knew or should have known, to the appropriate law enforcement authority. The amount of the fine shall be not less than \$75,000 nor more than \$150,000 for a first violation of this subparagraph, and not less than \$150,000 nor more than \$300,000 for a second or subsequent violation of this subparagraph.

\*\*\*

Section 26. Section 1901(a) of Title 4 is amended by adding a paragraph to read:

§ 1901. Appropriations.

(a) Appropriation to board.—

\*\*\*

(3) The sum of \$5,000,000 is hereby appropriated from the State Gaming Fund to the Pennsylvania Gaming Control Board for salaries, wages and all necessary expenses for the proper operation and administration of the board for the activities authorized under this act. This appropriation shall be a

supplemental appropriation for fiscal year 2016-2017 and shall be in addition to the appropriation contained in the act of 2016 (P.L. \_\_\_\_\_, No. A), known as the Gaming Control Appropriation Act of 2016.

\*\*\*

Section 27. The amendment of 4 Pa.C.S. § 1305 in the act of January 7, 2010 (P.L.1, No.1), entitled "An act amending Title 4 (Amusements) of the Pennsylvania Consolidated Statutes, making extensive revisions to provisions on gaming, in the areas of legislative intent, definitions, the Pennsylvania Gaming Control Board, applicability of other statutes, powers of the board, code of conduct, expenses of regulatory agencies, licensed gaming entity application appeals from board, license or permit application hearing process and public hearings, board minutes and records, regulatory authority, collection of fees and fines, slot machine license fee, number of slot machines, reports of board, diversity goals of board, license or permit prohibition, specific authority to suspend slot machine license, Category 2 slot machine license, Category 3 slot machine license, number of slot machine licenses, applications for license or permit, slot machine license application, slot machine license application character requirements, supplier licenses, manufacturer licenses, gaming service provider, occupation permit application, alternative manufacturer licensing standards, alternative supplier licensing standards, additional licenses and permits and approval of agreements, license renewals, change in ownership or control of slot machine licensee, nonportability of slot machine license, appointment of trustee, table games, slot machine licensee deposits, gross terminal revenue deductions, itemized budget reporting, establishment of State Gaming Fund and net slot machine revenue distribution, distributions from Pennsylvania Race Horse Development Fund, Pennsylvania Gaming Economic Development and Tourism Fund, transfers from State Gaming Fund, responsibility and authority of Department of Revenue, wagering on credit, eminent domain authority, compulsive and problem gambling program, drug and alcohol treatment, labor hiring preferences, declaration of exemption from Federal laws prohibiting slot machines, financial and employment interests, additional restrictions, political influence, regulation requiring exclusion of certain persons, prosecutorial and adjudicative functions, investigations and enforcement, conduct of public officials and employees, prohibited acts and penalties, report of suspicious transactions, additional authority, applicability of Clean Indoor Air Act, liquor licenses at licensed facilities, interception of oral communications, electronic funds transfer terminals, junkets, gaming schools, appropriations and Commonwealth Financing Authority; and making related repeals," shall take effect on January 1, 2016, if all Category 3 licensed facilities authorized by 4 Pa.C.S. Pt. II before the effective date of this section have commenced the operation of slot machines.

Section 28. Repeals are as follows:

(1) The General Assembly finds that the repeal under paragraph (2) is necessary to effectuate this act.

(2) Section 21(2) of the act of January 7, 2010 (P.L.1, No.1), entitled "An act amending Title 4 (Amusements) of the Pennsylvania Consolidated Statutes, making extensive revisions to provisions on gaming, in the areas of legislative intent, definitions, the Pennsylvania Gaming Control Board, applicability of other statutes, powers of the board, code of conduct, expenses of regulatory agencies, licensed gaming entity application appeals from board, license or permit application hearing process and public hearings, board minutes and records, regulatory authority, collection of fees and fines, slot machine license fee, number of slot machines, reports of board, diversity goals of board, license or permit prohibition, specific authority to suspend slot machine license, Category 2 slot machine license, Category 3 slot machine license, number of slot machine licenses, applications for license or permit, slot machine license application, slot machine license application character requirements, supplier licenses, manufacturer licenses, gaming service provider, occupation permit application, alternative



manufacturer licensing standards, alternative supplier licensing standards, additional licenses and permits and approval of agreements, license renewals, change in ownership or control of slot machine licensee, nonportability of slot machine license, appointment of trustee, table games, slot machine licensee deposits, gross terminal revenue deductions, itemized budget reporting, establishment of State Gaming Fund and net slot machine revenue distribution, distributions from Pennsylvania Race Horse Development Fund, Pennsylvania Gaming Economic Development and Tourism Fund, transfers from State Gaming Fund, responsibility and authority of Department of Revenue, wagering on credit, eminent domain authority, compulsive and problem gambling program, drug and alcohol treatment, labor hiring preferences, declaration of exemption from Federal laws prohibiting slot machines, financial and employment interests, additional restrictions, political influence, regulation requiring exclusion of certain persons, prosecutorial and adjudicative functions, investigations and enforcement, conduct of public officials and employees, prohibited acts and penalties, report of suspicious transactions, additional authority, applicability of Clean Indoor Air Act, liquor licenses at licensed facilities, interception of oral communications, electronic funds transfer terminals, junkets, gaming schools, appropriations and Commonwealth Financing Authority; and making related repeals," is repealed.

Section 29. This act shall take effect as follows:

(1) Except as set forth in paragraph (2), the addition of 4 Pa.C.S. Ch. 3 shall take effect in 180 days.

(2) The addition of 4 Pa.C.S. § 343 shall take effect immediately.

(3) The remainder of this act shall take effect immediately.

On the question,  
Will the House agree to the amendment?

The SPEAKER. I do not see anybody who wishes to speak on the amendment.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—115

Acosta	English	Kirkland	Regan
Adolph	Evankovich	Kortz	Roae
Artis	Evans	Kotik	Roebuck
Barbin	Everett	Lewis	Ross
Benninghoff	Fabrizio	Mahoney	Rozzi
Bizzarro	Farina	Markosek	Saccone
Boyle	Flynn	Marshall	Sankey
Briggs	Frankel	Masser	Santora
Brown, R.	Gabler	Matzie	Savage
Brown, V.	Gainey	Miccarelli	Schreiber
Bullock	Galloway	Millard	Sims
Caltagirone	Gergely	Milne	Snyder
Carroll	Gibbons	Moul	Sonney
Causar	Goodman	Mustio	Stephens
Cohen	Grove	Neilson	Sturla
Conklin	Hanna	Nelson	Taylor
Corbin	Harkins	Nesbit	Tobash
Costa, D.	Harper	O'Brien	Toepel
Costa, P.	Harris, A.	Oberlander	Topper
Cruz	Harris, J.	Ortitay	Truitt
Daley, M.	Helm	Parker, D.	Vereb

Dawkins	Hennessey	Pashinski	Ward
Deasy	Irvin	Payne	Warner
DeLissio	James	Pyle	Whealand
Dermody	Jozwiak	Quigley	White
Diamond	Kampf	Ravenstahl	Youngblood
Donatucci	Keller, W.	Readshaw	
Driscoll	Kim	Reed	Turzai,
Dunbar	Kinsey	Reese	Speaker
Ellis			

NAYS—80

Baker	Freeman	Longietti	Quinn
Barrar	Gillen	Mackenzie	Rader
Bloom	Gillespie	Maher	Rapp
Boback	Gingrich	Major	Rothman
Bradford	Godshall	Maloney	Sainato
Burns	Greiner	McCarter	Samuelson
Christiana	Hahn	McGinnis	Santarsiero
Cox	Harhai	Mentzer	Saylor
Culver	Harhart	Metcalfe	Schemel
Cutler	Heffley	Metzgar	Schlossberg
Davidson	Hickernell	Miller, B.	Schweyer
Davis	Hill	Miller, D.	Simmons
Day	Kaufer	Mullery	Staats
Dean	Kauffman	Murt	Tallman
Delozier	Kavulich	Neuman	Thomas
DiGirolamo	Keller, F.	O'Neill	Vitali
Dush	Keller, M.K.	Peifer	Watson
Emrick	Klunk	Petrarca	Wentling
Farry	Krueger	Petri	Wheatley
Fee	Lawrence	Pickett	Zimmerman

NOT VOTING—0

EXCUSED—7

Daley, P.	Knowles	McClinton	Toohil
DeLuca	Marsico	McNeill	

The majority having voted in the affirmative, the question was determined in the affirmative and the amendment was agreed to.

On the question,  
Will the House agree to the bill on second consideration as amended?

The SPEAKER. There is amendment 8626 by Representative Wheatley. Is that withdrawn? Amendment 8626 by Representative Wheatley is withdrawn.

Members, all other amendments are late-filed amendments. They are all late-filed amendments. I am glad to read through them to see if people are still offering them or if they are going to pull off.

Representative Mark Keller has amendment 8879.

Representative Keller, on the amendment.

Mr. M. KELLER. Yeah; I want to run it.

The SPEAKER. Okay. That would require a two-thirds suspension because it is late-filed.

PARLIAMENTARY INQUIRY

Mr. M. KELLER. Parliamentary inquiry, sir.

The SPEAKER. Yes, sir. Please proceed.

Mr. M. KELLER. I have the document that says that it was filed on time.

The SPEAKER. Representative Keller, we have all the amendments from the calendar room, and we just do the listing that we receive. We just receive from the calendar room. We do not do anything with them. We just get them.

(Conference held at Speaker's podium.)

The SPEAKER. Members, what I would like to do is I am going to go through the amendments—

Members, the House is going to be at ease.

The House will come to order.

As we go through the amendments that have been filed – some that are timely, some that are late – I just want to, as I am going through them and talking to the leaders, articulate for the record certain amendments.

Representative Neuman had filed amendments 8795, 8796, 8801, and 8802, as well as 8864 and 8865. They are all, as reported from the desk, late-filed. Representative Neuman, it is my understanding that you are withdrawing those amendments. Is that accurate? All those amendments are withdrawn.

Representative Neilson has filed amendments 8811, 8812, 8813, 8814, 8815, 8816, 8817, 8818. They are all late-filed. Representative Neilson, are you withdrawing those amendments? Where is Representative Neilson? Okay; it is my understanding that they have been withdrawn from the Democratic leader's office.

Representative Matzie had filed amendments 8832, 8827, 8825, 8819. They are all late-filed.

Representative Matzie, are all those withdrawn? They are all withdrawn.

I know that Representative Reed had filed amendments 8881 and 8884. They were late-filed and they are withdrawn.

Representative Donatucci filed amendment 8722. That is a timely filed amendment, but I understand Representative Donatucci is withdrawing her amendment. Representative Donatucci, will you be withdrawing that amendment? Yes.

Representative Jake Wheatley is recognized.

Representative Wheatley has filed amendments 8626, 8628, 8630, 8635, 8638, 8640, 8645, 8646, and 8647. Those amendments are timely filed.

### INTERROGATION

The SPEAKER. The Chair recognizes Representative Wheatley on the floor.

Mr. WHEATLEY. Thank you, Mr. Speaker.

Mr. Speaker, if I can ask the maker of the prior amendment if she would stand for interrogation?

The SPEAKER. Under unanimous consent, you may do that.

Representative Youngblood, will you stand for the questioning?

Ms. YOUNGBLOOD. Yes, I will.

The SPEAKER. Yes; okay.

So, Representative Wheatley, you may proceed.

Mr. WHEATLEY. Thank you, Mr. Speaker.

Mr. Speaker, I just want to, before I make the decision to pull or not pull my amendments, I want to be clear that I understand what we did with the prior amendment. It is my understanding that under the prior passage of the prior

amendment, that we are also, under Title 4, making sure any of these new expenses of gaming are prohibited from participation in political contributions.

Ms. YOUNGBLOOD. Yes, we are, Mr. Speaker. We are making sure the iGaming and all the others, that they are prohibited from political contributions, employment, and financial interests.

Mr. WHEATLEY. And are they also subject to the Gaming Control Board's diversity requirements as well?

Ms. YOUNGBLOOD. Yes; that is all part of the Gaming Act.

Mr. WHEATLEY. Thank you.

Thank you, Mr. Speaker.

### STATEMENT BY MR. WHEATLEY

Mr. WHEATLEY. Could I speak on—

The SPEAKER. Yes, sir; on unanimous consent you may speak.

Mr. WHEATLEY. Thank you, Mr. Speaker.

Mr. Speaker, I will withdraw all of my amendments because I believe they have been taken care of with the prior passage of the amendments before. Thank you, Mr. Speaker.

The SPEAKER. Thank you, sir.

Representative Jake Wheatley has withdrawn his amendments.

Representative John Taylor has amendment 8721, which is timely filed. Representative Taylor, that is withdrawn; that is withdrawn.

Representative Bryan Barbin has filed two amendments – 8558 and 8569. They are timely filed amendments. Representative Barbin, they are withdrawn.

Representative Saylor has filed two amendments. One is timely filed, 8732, and one is late-filed, 8791. Representative Saylor has filed two amendments – 8732 and 8791. Representative Saylor's amendments have been withdrawn.

Representative Jordan Harris has filed amendments 8850 and 8851. They are both late-filed. Representative Harris, are they withdrawn? They are both withdrawn. Amendments 8850 and 8851 are withdrawn.

Representative Parker has filed – there are no timely amendments – but Representative Parker has filed amendments 8828, 8829, 8830, 8831, 8836, 8842, 8843, 8844, 8845, 8846, 8847, 8820, 8822, 8824, and 8826. Representative Parker, those are all late-filed amendments. They would require a motion. Could you please tell us if you want to proceed on any of those amendments?

(Conference held at Speaker's podium.)

The SPEAKER. Representative Mark Keller has filed two amendments – 8728 and 8879. Representative Mark Keller is recognized at this time.

In consultation with the Parliamentarian, amendments 8728 and 8879, filed by Representative Mark Keller, are being ruled out of order; 8728 and 8879 are ruled out of order.

Representative Kaufer has three amendments that are timely filed – 8723, 8724, and 8725 – but he has withdrawn those amendments.

Representative Kaufer, do you wish to be recognized? No. He waives off.

Representative Dave Parker is recognized.

Mr. PARKER. Thank you, Mr. Speaker.

Mr. Speaker, I had some amendments drafted to address the inequities in Monroe County. When the first gaming law was passed, for some reason our local sheriff for Monroe County was split in half with the surrounding counties. Since then, other surrounding counties have gotten casinos as well. They get to keep all their revenue. And a few years ago one county did stop getting their revenue, but it went to the surrounding counties. So I had an amendment to say, look; let us have that revenue come back to Monroe County, where we have the highest percentage of our income going to school property taxes in the State, highest foreclosure rate in the State, and I wanted to give that money back to the taxpayers.

But I understand it was a late-filed amendment, and we are not going to have an opportunity because I know the two-thirds vote is very difficult to overcome. So I withdraw my amendments and hope to address this at a future time.

Thank you, Mr. Speaker.

The SPEAKER. Representative Parker's amendments have been withdrawn.

Members, in reviewing all the timely filed amendments and the late-filed amendments, I do believe that they have all been withdrawn and that there are no other amendments in front of us. If we are mistaken in that, please, this is the time to tell us now if we are missing an amendment that was filed, whether on time or late-filed.

The record is clear that nobody has indicated that there are any further amendments.

On the question recurring,

Will the House agree to the bill on second consideration as amended?

Bill as amended was agreed to.

The SPEAKER. The bill as amended will be reprinted.

### **BILLS RECOMMITTED**

The SPEAKER. The Chair recognizes the majority leader, who moves that the following bills be recommitted to the Committee on Appropriations:

HB 2150;  
 HB 2175;  
 HB 2176;  
 HB 2177;  
 HB 2178;  
 HB 2179;  
 HB 2180;  
 HB 2182;  
 HB 2183; and  
 HB 2184.

On the question,

Will the House agree to the motion?

Motion was agreed to.

### **BILLS REMOVED FROM TABLE**

The SPEAKER. The Chair recognizes the majority leader, who moves that the following bills be removed from the tabled calendar and placed on the active calendar:

SB 1154;  
 SB 1192; and  
 SB 1225.

On the question,

Will the House agree to the motion?

Motion was agreed to.

### **BILLS AND RESOLUTIONS PASSED OVER**

The SPEAKER. Without objection, all remaining bills and resolutions on today's calendar will be passed over. The Chair hears no objection.

### **ADJOURNMENT**

The SPEAKER. Representative George Dunbar moves that the House now be adjourned until Thursday, June 23, 2016, at 11 a.m., e.d.t., unless sooner recalled by the Speaker.

On the question,

Will the House agree to the motion?

Motion was agreed to, and at 7:05 p.m., e.d.t., the House adjourned.