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TITLE 4 AMUSEMENTS

Part

- I. Amusements Generally
- II. Gaming
- III. Video Gaming

Enactment. Unless otherwise noted, the provisions of Title 4 were added July 5, 2004, P.L.572, No.71, effective immediately.

PART I AMUSEMENTS GENERALLY

Chapter

- 1. Preliminary Provisions (Reserved)
- 3. Fantasy Contests
- 5. Lottery

Enactment. Part I was added October 30, 2017, P.L.419, No.42, effective immediately.

CHAPTER 1 PRELIMINARY PROVISIONS (Reserved)

Enactment. Chapter 1 (Reserved) was added October 30, 2017, P.L.419, No.42, effective immediately.

CHAPTER 3

FANTASY CONTESTS

Subchapter

- A. General Provisions
- B. Administration
- C. Licensure
- D. Fiscal Provisions
- E. Miscellaneous Provisions

Enactment. Chapter 3 was added October 30, 2017, P.L.419, No.42, effective in 180 days.

Cross References. Chapter 3 is referred to in section 1103 of this title.

SUBCHAPTER A GENERAL PROVISIONS

Sec.

301. Scope of chapter.

302. Definitions.

§ 301. Scope of chapter.

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:

"Applicant." A person who, on his own behalf or on behalf of another, is applying for permission to engage in any act or activity which is regulated under the provisions of this chapter. If the applicant is a person other than an individual, the board shall determine the associated persons whose qualifications are necessary as a precondition to the licensing of the applicant.

"Beginner." A participant who has entered fewer than 51 contests offered by a single licensed operator or who does not meet the definition of a highly experienced player.

"Board." The Pennsylvania Gaming Control Board.

"Bureau." The Bureau of Investigations and Enforcement of the board.

"Conduct of gaming." As defined in section 1103 (relating to definitions).

"Controlling interest." Either of the following:

(1) For a publicly traded domestic or foreign corporation, partnership, limited liability company or other form of publicly traded legal entity, a controlling interest is an interest 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." As follows:

(1) An online fantasy or simulated game or contest with an entry fee and a prize or award in which:

(i) The value of all prizes or awards offered to winning participants is established and made known to participants in advance of the contest and the value is not determined by the number of participants or the amount of any fees paid by those participants.

(ii) 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.

(iii) 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.

(2) The term does not include social fantasy contests.

"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 computerized or electronic terminal or similar device within a licensed facility that allows participants to:

- (1) register for a fantasy contest account;
- (2) pay an entry fee;
- (3) select athletes for a fantasy contest;
- (4) receive winnings; or
- (5) otherwise participate in a fantasy contest.

"Gaming service provider." As defined in section 1103.

"Highly experienced player." As follows:

(1) Any participant who has:

- (i) entered more than 1,000 fantasy contests; or
- (ii) won more than three fantasy contest prizes or awards valued at \$1,000 or more.

(2) Once a participant is classified as a highly experienced player, a player shall remain classified as a highly experienced player.

"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.

"Institutional investor." As defined in section 1103.

"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 or 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.

"Licensed gaming entity." As defined in section 1103.

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

"Licensee." A licensed operator, a principal or key employee of a licensed operator.

"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 or 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, a 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 requirements under 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 software 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.

"Season-long fantasy contest." A fantasy contest offered by a licensed operator that is conducted over an entire sports season.

"Social fantasy contest." A fantasy contest which meets one or more of the following criteria:

(1) Nothing is offered to participants other than game-based virtual currency that cannot be redeemed for cash, merchandise or anything of value outside the context of game play.

(2) The contest is free to all participants.

(3) The entity offering the contest receives no compensation, other than an administrative fee for the maintenance of statistical information, in connection with the contest.

(4) The winnings offered are of no greater value than the lowest individual fee charged to a single participant for entering or participating in the contest.

(5) The contest encompasses an entire season of the activity in which the underlying competition is being conducted and the winnings offered, if any, are determined by agreement of the participants only in order to distribute fully the participants' contributions to a fund established to grant the winnings for the contest.

"Suspicious transaction." A transaction between a licensed operator or an employee of a licensed operator and an individual that involves the acceptance or redemption by a person of cash or cash equivalent involving or aggregating \$5,000 or more which a licensed operator or employee of a licensed operator knows, suspects or has reason to believe:

(1) involves funds derived from illegal activities or is intended or conducted in order to conceal or disguise funds or assets derived from illegal activities;

(2) is part of a plan to violate or evade a law or regulation to avoid a transaction reporting requirement under the laws or regulations of the United States or this Commonwealth, including a plan to structure a series of transactions to avoid a transaction reporting requirement under the laws of the United States or this Commonwealth; or

(3) has no apparent lawful purpose or is not the type of transaction in which a person would normally be expected to engage and the licensed operator or employee knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction.

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 general and sole regulatory authority over the conduct of fantasy contests and related activities as described in this chapter. The board shall

ensure the integrity of fantasy contests offered in this Commonwealth.

(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 specific powers:

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

(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 period beginning July 1 of the following fiscal 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.

(7.1) To require prospective and existing employees, independent contractors, applicants and licensees to submit to fingerprinting by the Pennsylvania State Police or an authorized agent of the Pennsylvania State Police. The Pennsylvania State Police or authorized agent of the Pennsylvania State Police shall submit the fingerprints to the Federal Bureau of Investigation for purposes of verifying the identity of the individual and obtaining records of criminal arrests and convictions.

(7.2) To require prospective and existing employees, independent contractors, applicants and licensees to submit photographs consistent with the standards established by the board.

(7.3) To require licensed operators to maintain an office or place of business within this Commonwealth.

(7.4) To exempt certain prospective and existing employees or independent contractors from the requirements under paragraphs (7.1) and (7.2) that are not inconsistent with the proper regulation of fantasy contests under 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, except for a licensed operator operating season-long fantasy contests that generate less than \$250,000 in season-long fantasy contest adjusted revenue, unless the board determines otherwise, to:

(i) contract with a certified public accountant to conduct an annual 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) contract with a testing laboratory approved by the board to annually 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 or successor agency, 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.

(12) To promulgate regulations regarding 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 a registration 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 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 to require any additional permits or licenses 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 publication of temporary regulations. 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) Section 204(b) 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.--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 publication of temporary regulations. Regulations adopted after this period shall be promulgated as provided by law.

Cross References. Section 312 is referred to in sections 311, 333 of this title.

§ 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 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 available on the board's publicly accessible Internet website.

(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 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.

(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 or licensee.

(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) Except as provided in paragraph (1), no claim of confidentiality shall 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) Except as provided in paragraph (1), no claim of confidentiality shall be made regarding a record in possession of the board that is otherwise publicly available from the board under the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

(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 or applicants 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 in subsection (b), no person may offer or otherwise make available for play in this Commonwealth a fantasy contest without a fantasy contest license.

(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 or licensed operator is or may be in violation of the provisions of this chapter.

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

§ 322. Application.

(a) Form and information.--An application for a fantasy contest 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) (i) if the applicant is an individual, the name, Federal employer identification number and business address of the applicant;

(ii) if the applicant is a corporation, the name and business address of the corporation, the state of

its incorporation and the full name and business address of each officer and director thereof;

(iii) if the applicant is a foreign corporation, the name and business address of the corporation, whether it is qualified to do business in this Commonwealth and the full name and business address of each officer and director thereof; and

(iv) if the applicant is a partnership or joint venture, the name and business address of each officer thereof.

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

(3) The names and business addresses of the applicant's key employees.

(4) The names and business 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).

(c) Additional information.--A person applying for a fantasy contest license shall have an ongoing 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 applicants 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.

Cross References. Section 322 is referred to in sections 314, 323, 327 of this title.

§ 323. Issuance and denial of license.

(a) Duty to review applications.--The board shall review all applications for a fantasy contest license and may 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 an application for a fantasy contest license under subsection (b).

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

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

(2) employs a principal or key employee who has been convicted in any jurisdiction of any of the following:

(i) a felony;

(ii) an offense under the laws of another jurisdiction which, if committed in this Commonwealth, would be subject to imprisonment for more than five years; or

(iii) a misdemeanor gambling offense, unless 15 years have elapsed from the date of conviction for the offense.

(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;

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

(7) is found by the board to be unsuitable for licensure or inimicable to the interest of the Commonwealth to offer fantasy contests in this 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 fantasy contest license is not issued, the board shall provide the applicant with the justification for not issuing the fantasy contest license.

(d) License fee.--

(1) Within 30 days of the board issuing a fantasy contest license, a successful applicant 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 a licensed operator fails to pay the fee required by this subsection, the board shall suspend or revoke the licensed operator'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 under Chapter 13 (relating to licensees) and table game operation certificate under Chapter 13A (relating to table games) are in good standing.

Cross References. Section 323 is referred to in sections 322, 327 of this title.

§ 324. License renewal.

(a) Renewal.--

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

(2) Nothing in this subsection 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 180 days prior to the expiration of the fantasy contest 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 fantasy contest 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 licensed operator or the licensed operator's key employees or principals are in violation of any provision of this chapter;

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

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

(iv) the licensed operator 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 licensed operator 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 licensed operator'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 licensed operator's authorization to conduct fantasy contests shall immediately cease until the board has notified the licensed operator 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 \$10,000.

(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, the board shall require each licensed operator to establish and implement procedures to govern the conduct of fantasy contests in this Commonwealth. The procedures, at a minimum, shall:

(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

according to regulations established by the board. 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 and prize and award values are not determined by the number of participants nor the amount of any fees paid by those participants.

(4.1) Develop and offer fantasy contests that are limited to beginners as follows:

(i) Except as provided in subparagraph (ii), a licensed operator shall prohibit participants who are not beginners from participating, directly or through another person as a proxy, in beginner fantasy contests.

(ii) A licensed operator may allow a participant who is not a beginner to enter up to 10 beginner fantasy contests in any sport in which that participant has not already entered 20 fantasy contests.

(iii) A licensed operator shall suspend the account of a participant who is not a beginner, except as provided for in subparagraph (ii), that enters a beginner fantasy contest and shall ban the participant from further participation in beginner fantasy contests offered by the licensed operator.

(4.2) Develop and offer fantasy contests in which highly experienced players cannot, either directly or through another person as a proxy, participate. A licensed operator shall suspend the account of any highly experienced player who enters a fantasy contest which excludes highly experienced players, directly or through another person as a proxy, and shall ban the individual from further participation in fantasy contests offered by the licensed operator.

(4.3) Establish a procedure for receiving and responding to participant complaints and reconciling a participant's fantasy contest account. The licensed operator shall forward to the board on a quarterly basis a copy of each complaint received.

(4.4) Submit, in the manner as the board requires, a description of the licensed operator's administrative and accounting procedures in detail, including its written system of internal control. Each written system of internal control shall include:

(i) An organizational chart depicting appropriate segregation of employee functions and responsibilities.

(ii) A description of the duties and responsibilities of each employee position shown on the organizational chart.

(iii) A detailed narrative description of the administrative and accounting procedures designed to satisfy the requirements of this section.

(iv) Record retention policy.

(v) A statement signed by the chief financial officer of the proposed licensed operator or other competent person and the chief executive officer of the proposed licensed operator or other competent person

attesting that the officers believe, in good faith, that the system satisfies the requirements of this section.

(vi) Any other item that the board may require in its discretion.

(4.5) File a report of any suspicious transaction with the bureau. The following shall apply:

(i) A licensed operator or a person acting on behalf of a licensed operator who knowingly fails to file a report of a suspicious transaction commits a misdemeanor of the third degree.

(ii) A licensed operator or a person acting on behalf of a licensed operator who fails to file a report or a person who causes another person required under this section to fail to file a report of a suspicious transaction shall be strictly liable for his actions and may be subject to sanctions as determined by the board.

(iii) The bureau shall maintain a record of all reports made under this paragraph for a period of five years. The bureau shall make the reports available to any Federal or State law enforcement agency without necessity of subpoena.

(iv) A person who is required to file a report of a suspicious transaction shall not notify an individual suspected of committing the suspicious transaction that the transaction has been reported. A person that violates this subsection commits a misdemeanor of the third degree and may be subject to sanctions as determined by the board.

(v) A person who is required to file a report of a suspicious transaction who in good faith makes the report shall not be liable in any civil action brought by a person for making the report, regardless of whether the transaction is later determined to be suspicious.

(5) Ensure that an individual 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 sport in which the individual 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 procedures to prevent the person from participating in the licensed operator's fantasy contests. The following shall apply to self-exclusions:

(i) A person may request placement on the list of self-excluded persons and agree that, during any period of voluntary exclusion, the person may not collect any winnings nor recover any losses resulting from any fantasy contest activity.

(ii) 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 shall be construed to prohibit a licensed operator from disclosing the identity of persons self-excluded under this paragraph to affiliated licensed gaming entities or licensed operators in this Commonwealth or other jurisdictions for the limited purpose of assisting in the proper administration of responsible programs operated by affiliated licensed gaming entities or licensed operators.

(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 procedures to prevent the participant from exceeding the limit.

(8) Conspicuously post compulsive and problem play notices at fantasy contest registration points and provide the toll-free telephone number to participants. 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 or a successor agency.

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

(10) Prohibit the licensed operator's principals, employees and relatives living in the same household of an employee or principal 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 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. To satisfy this paragraph, a licensed operator that only offers season-long fantasy contests that generate less than \$250,000 in season-long fantasy contest adjusted revenue may contract with a third party to hold prizes and awards in an escrow account until after the season is concluded and prizes and awards are distributed.

(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 prohibit participants found to have used such scripts from participation in future fantasy contests.

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

Cross References. Section 325 is referred to in section 322 of this title.

§ 326. Prohibitions.

(a) **General rule.**--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, unless the licensed operator is also a licensed gaming entity and the participant enters a fantasy contest through a fantasy contest terminal located within the licensed gaming entity's licensed facility;

(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 market to a participant during the time period in which the participant has self-excluded from the licensed operator's 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;

(8.1) knowingly allow a self-excluded person to keep a prize or award.

(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 a principal, an employee of a licensed operator or a relative living in the same household of an employee or principal of a licensed operator 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) the value of the prize or award is determined by the number of participants or the amount of any fees paid by those participants;

(iii) the winning outcome does not reflect the relative knowledge and skill of participants;

(iv) 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

(v) 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) 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);

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

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

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

(b) Deposit.--The licensed operator shall forward the amount of the prize or award under subsection (a)(8.1) to the board which shall transfer the amount to the State Treasurer for deposit in the General Fund.

§ 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. However, 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) 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.

(d) 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:

"Change in control of a licensed operator." 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.

§ 328. Penalties.

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

(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.

(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.

(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.

334. Compulsive and problem gambling.

§ 331. Fantasy contest tax.

(a) Imposition.--Each licensed operator shall report to the department and pay from its monthly fantasy contest adjusted revenues, on a form and in the manner prescribed by the

department, a tax of 15% of its monthly fantasy contest adjusted revenues.

(b) Deposits and distributions.--

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

(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 and collected by the department under subsection (a) shall be deposited into the General Fund.

(c) Penalty.--

(1) A licensed operator who fails to timely remit to the department the tax imposed under this section shall be liable, in addition to any sanction or penalty imposed under this chapter, for the payment of 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 and collected by the department or the board under this subsection shall be deposited into the General Fund.

Cross References. Section 331 is referred to in sections 324, 325, 326, 333, 334 of this title.

§ 332. Licensed operator deposits.

(a) Accounts established.--The State Treasurer shall establish within the State Treasury an account for each licensed operator for the deposits required under subsection (b) to 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).

(b) Deposits.--

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

(2) The percentage assessed by the department shall not exceed an amount necessary to 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).

(c) Itemized budget reporting.--

(1) The board and the department 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 accounts established under this section necessary to administer this chapter.

(2) The itemized budget required under paragraph (1) shall be submitted in conjunction with the budget required to be submitted under section 1202(b)(28) (relating to general and specific powers).

(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 the tax imposed under this section shall be liable, in addition to any sanction or penalty imposed under this chapter, for the payment of 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 and collected by the department under this subsection shall be deposited into the General Fund.

Cross References. Section 332 is referred to in sections 311, 324, 325, 326, 333 of this title.

§ 333. Responsibility and authority of department.

(a) General rule.--The department shall 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).

Cross References. Section 333 is referred to in sections 324, 325, 326 of this title.

§ 334. Compulsive and problem gambling.

Each year, from the tax imposed under section 331, the amount equal to .002 multiplied by the total fantasy contest adjusted revenue of all active and operating licensed operators shall be transferred to the Department of Drug and Alcohol Programs or a successor agency to be used for drug and alcohol addiction treatment services, including treatment for drug and alcohol addiction related to compulsive and problem gambling as provided under section 1509.1 (relating to drug and alcohol treatment).

SUBCHAPTER E
MISCELLANEOUS PROVISIONS

Sec.

341. Applicability of other statutes.

341.1. Liability.

342. Licensed gaming entities.

§ 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 or iLottery under Chapter 5 (relating to lottery).

§ 341.1. Liability.

A licensed operator or employee of a licensed operator 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 operator to withhold fantasy contest privileges from or restore fantasy contest privileges to a self-excluded person; or

(2) otherwise permitting or not permitting a self-excluded person to engage in fantasy contest activity while on the list of self-excluded persons.

§ 342. Licensed gaming entities.

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

(b) Applicability.--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 a gaming service provider.

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

(d) Promotional play.--For a restricted fantasy contest under subsection (c), a licensed gaming entity may offer slot machine promotional play or table game match 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.

(e) 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 requirements of this section.

(f) Fantasy contest terminals.--

(1) A licensed gaming entity may petition the board, on a form and in a manner as required by the board, to place and operate fantasy contest terminals within the licensed gaming entity's licensed facility.

(2) The board may, according to regulations adopted by the board, approve the placement and operation of fantasy contest terminals at one or more locations within a licensed facility, provided that fantasy contest terminals may not be placed on the gaming floor.

(3) The board may not require a participant to establish a fantasy contest account prior to entering a fantasy contest through a fantasy contest terminal.

Cross References. Section 342 is referred to in sections 311, 326 of this title.

Sec.

- 501. Scope of chapter.
- 502. Definitions.
- 503. iLottery authorization.
- 504. Retail Incentive Program.
- 505. Lottery Sales Advisory Council.

Enactment. Chapter 5 was added October 30, 2017, P.L.419, No.42, effective immediately.

Cross References. Chapter 5 is referred to in sections 341, 1103, 13C01 of this title.

§ 501. Scope of chapter.

This chapter relates to lottery.

§ 502. 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:

"Agent" or "lottery sales agent." A person licensed under section 305 of the State Lottery Law.

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

"iLottery." A system that provides for the distribution of lottery products through numerous channels that include, but are not limited to, web applications, mobile applications, mobile web, tablets and social media platforms that allow players to interface through a portal for the purpose of obtaining lottery products and ancillary services, such as account management, game purchase, game play and prize redemption.

"iLottery game." Internet instant games and other lottery products offered through iLottery. The term does not include games that represent physical, Internet-based or monitor-based interactive lottery games which simulate casino-style lottery games, specifically including poker, roulette, slot machines or blackjack.

"Internet instant game." A lottery game of chance in which, by the use of a computer, tablet computer or other mobile device, a player purchases a lottery play, with the result of play being a reveal on the device of numbers, letters or symbols indicating whether a lottery prize has been won according to an established methodology as provided by the lottery.

"Lottery" or "State Lottery." The lottery established under the State Lottery Law.

"Lottery products." Plays, shares or chances offered by the State Lottery as well as lottery property that may be exchanged for plays, shares or chances. The term includes instant tickets, terminal-based tickets, raffle games, play-for-fun games, lottery vouchers, subscription services and gift cards authorized for sale under the State Lottery Law.

"Secretary." The Secretary of Revenue of the Commonwealth.

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

"Subscription services." A payment, advance payment or promise of payment for multiple lottery products over a specified period of time, including payment through iLottery.

§ 503. iLottery authorization.

(a) Authority.--Notwithstanding any provision of law to the contrary, the department may operate iLottery games.

(b) Temporary regulatory authority.--

(1) In order to facilitate the prompt implementation of iLottery or new sales methods of traditional lottery

products over the Internet, regulations promulgated by the secretary shall be deemed temporary regulations which shall expire not later than two years following the publication of the temporary regulations. The secretary 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) Section 204(b) 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.

(2) Regulations adopted after the two-year time period shall be promulgated as provided by law.

(c) Prompt implementation.--Notwithstanding any other provision of law to the contrary and in order to facilitate the prompt implementation of iLottery in this Commonwealth, initial contracts entered into by the department for iLottery and related gaming systems, including any necessary hardware, software, licenses or related services, shall not be subject to the provisions of 62 Pa.C.S. (relating to procurement). Contracts entered into under this subsection may not exceed two years.

(d) Player identifiable information.--With the exception of certain information released by the department to notify the public of the identity of a prize recipient or to perform any other obligation of the lottery under laws or regulations related to the payment of lottery prizes, personal identifying information obtained by the department as a result of a player's purchase of lottery products or the claim of a lottery prize, such as name, address, telephone number or player financial information, shall be considered confidential and otherwise exempt from public disclosure whether retained by the department, an agent of the department or a lottery sales agent.

(e) Lottery confidential proprietary information.--

(1) Information obtained by the department as a result of a player's purchase of lottery products or entering a lottery drawing, such as aggregate statistical data which may include play history or player tendencies, shall be considered confidential proprietary information of the department and otherwise exempt from public disclosure whether retained by the department, an agent of the lottery or a lottery sales agent.

(2) Confidential proprietary information shall include any research or study conducted by the lottery or a lottery vendor that utilizes confidential proprietary information obtained under this section.

(f) Revenues.--

(1) Notwithstanding any provision of law to the contrary, revenues accruing from the sale of lottery products under this chapter shall be dedicated to and deposited in the State Lottery Fund as provided for in section 311 of the State Lottery Law. The revenues shall be apportioned as provided for in section 303(a)(11) of the State Lottery Law.

(2) For fiscal years beginning after June 30, 2017, revenues raised under this chapter shall not be subject to the profit margin limitations specified in section 303(a)(11)(iv) of the State Lottery Law.

(g) iLottery game cards.--iLottery game cards or other similar mechanisms that allow players to prepurchase lottery products offered through iLottery sold by a lottery sales agent

shall result in the lottery sales agent receiving a commission on the sale as provided for under the State Lottery Law.

(h) Restrictions.--

(1) An iLottery player must be at least 18 years of age to establish an account with the department and must be physically located within the geographical boundaries of this Commonwealth to play iLottery games. A player establishing an account must agree to the terms and conditions presented by the department which must require the player to affirm that the account is limited solely to that player's use for iLottery gaming purposes and that other use is unlawful.

(2) No iLottery game shall be sold, and no prize shall be awarded, to an officer or employee of the division of State Lottery in the department or a spouse, child, brother, sister or parent residing as a member of the same household in the principal place of abode of the officer or employee.

(i) Self-exclusion.--The department shall promulgate regulations regarding the establishment of an iLottery self-exclusion program that would allow individuals to voluntarily exclude themselves from iLottery.

§ 504. Retail Incentive Program.

(a) Establishment.--The department shall establish a Retail Incentive Program to reward lottery sales agents that engage in department-recommended best practices which result in increased lottery sales at the agent's lottery sales location. Consistent with the State Lottery's responsibilities to older Pennsylvanians and the Lottery's commitment to helping agents achieve success in selling lottery products, the Retail Incentive Program shall be designed to generate incremental revenue that exceeds the cost of the program. The program shall be reviewed annually to determine the benefit to older Pennsylvanians and the consistency to the State Lottery's mission.

(b) Funding.--The department shall fund the program with 0.5% of the sale of traditional lottery products at lottery sales agents' physical lottery sales location within the prior fiscal year. The funds administered under this chapter shall not be counted toward the profit margin limitation under section 303(a)(11)(iv) of the State Lottery Law.

(c) Notice.--Prior to the commencement of the Retail Incentive Program, and for each year thereafter that the Retail Incentive Program is in effect, the department shall publish a notice in the Pennsylvania Bulletin detailing the Retail Incentive Program for that fiscal year. The notice shall include program goals, requirements and the assessment metrics that will be used for measuring program effectiveness. A modification in the program must be submitted for publication as a notice in the Pennsylvania Bulletin.

(d) Review.--The notices under subsection (c) shall not be subject to review under any of the following:

(1) Section 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.

(e) Contents.--The Retail Incentive Program shall include regular and varied incentives for lottery sales agents to increase sales by a predetermined percentage over a base period, increase State Lottery signage, keep ticket displays stocked,

pay winning tickets and actively promote the sale of lottery products.

(f) Participation.--Participation in the Retail Incentive Program shall be voluntary for lottery sales agents.

(g) Nonlapse.--Amounts remaining in the Retail Incentive Program at the end of a fiscal year shall not lapse, but shall be used to fund retail sales initiatives, including, but not limited to, new equipment, signage, training, coupons, consumer and agent in-store promotions and sales makeovers, designed to improve in-store merchandising, foot traffic and sales.

§ 505. Lottery Sales Advisory Council.

(a) Establishment.--

(1) The department shall establish a Lottery Sales Advisory Council which shall be comprised of the secretary, the Director of the Division of the State Lottery, a representative from the Department of Aging or a successor agency, members of a Statewide food merchants association, lottery sales agents and any other individual, at the discretion of the department.

(2) The Lottery Sales Advisory Council shall meet at times and in a manner at the department's discretion for the purposes of increasing the partnership between the State Lottery and lottery sales agents and developing policy recommendations for increased lottery sales.

(3) The Lottery Sales Advisory Council shall operate in an advisory, nonbinding capacity.

(b) Compensation.--A non-Commonwealth employee member of the Lottery Sales Advisory Council shall not be entitled to any form of compensation from the Commonwealth for the performance of any duty that may be required by the Lottery Sales Advisory Council.

**PART II
GAMING**

Chapter

11. General Provisions
12. Pennsylvania Gaming Control Board
13. Licensees
- 13A. Table Games
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- 13C. Sports Wagering
- 13D. (Reserved)
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19. Miscellaneous Provisions

Enactment. Part II was added July 5, 2004, P.L.572, No.71, effective immediately.

**CHAPTER 11
GENERAL PROVISIONS**

Sec.

1101. Short title of part.

- 1102. Legislative intent.
- 1103. Definitions.

Enactment. Chapter 11 was added July 5, 2004, P.L.572, No.71, effective immediately.

§ 1101. Short title of part.

This part shall be known and may be cited as the Pennsylvania Race Horse Development and Gaming Act.

§ 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:

(1) The primary objective of this part to which all other objectives and purposes 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) The authorization of limited gaming by the installation and operation of slot machines as authorized in this part is intended to enhance live horse racing, breeding programs, entertainment and employment in this Commonwealth.

(2.1) The authorization of table games and interactive gaming in this part is intended to supplement slot machine gaming by increasing revenues to the Commonwealth and providing new employment opportunities by creating skilled jobs for individuals related to the conduct of table games at licensed facilities in this Commonwealth and related to the conduct of interactive gaming.

(3) The authorization of limited gaming is intended to provide a significant source of new revenue to the Commonwealth to support property tax relief, wage tax reduction, economic development opportunities and other similar initiatives.

(3.1) The authorization of limited gaming in this Commonwealth impacts this Commonwealth as a whole, including the geographic regions of this Commonwealth where licensed facilities are located. Requiring licensed facilities to make annual payments for the privilege of operating in this Commonwealth's counties and municipalities furthers a legitimate government interest of ensuring benefits to not only the host county and host municipality but the region where the licensed facility is located.

(3.2) Requiring annual payments to both host counties and host municipalities recognizes that these two separate units of local government have separate governing bodies, different jurisdictions and may face distinct issues related to the authorization of limited gaming within their boundaries. This distinction applies in all regions, except a city and county of the first class, which are governed by one governing body and where the territorial limits of the jurisdictions are identical and unique.

(4) The authorization of limited gaming is intended to positively assist the Commonwealth's horse racing industry, support programs intended to foster and promote horse breeding and improve the living and working conditions of personnel who work and reside in and around the stable and backside areas of racetracks.

(5) The authorization of limited gaming is intended to provide broad economic opportunities to the citizens of this Commonwealth and shall be implemented in such a manner as to prevent possible monopolization by establishing reasonable

restrictions on the control of multiple licensed gaming facilities in this Commonwealth.

(6) The authorization of limited gaming is intended to enhance the further development of the tourism market throughout this Commonwealth, including, but not limited to, year-round recreational and tourism locations in this Commonwealth.

(7) Participation in limited gaming authorized under this part by any licensee, permittee, registrant or certificate holder shall be deemed a privilege, conditioned upon the proper and continued qualification of the licensee, permittee, registrant or certificate holder and upon the discharge of the affirmative responsibility of each licensee, permittee, registrant and certificate holder to provide the regulatory and investigatory authorities of the Commonwealth with assistance and information necessary to assure that the policies declared by this part are achieved.

(8) Strictly monitored and enforced control over all limited gaming authorized by this part shall be provided through regulation, licensing and appropriate enforcement actions of specified locations, persons, associations, practices, activities, licensees, permittees, registrants and certificate holders.

(9) Strict financial monitoring and controls shall be established and enforced by all licensees, permittees, registrants and certificate holders.

(10) The public interest of the citizens of this Commonwealth and the social effect of gaming shall be taken into consideration in any decision or order made pursuant to this part.

(10.1) The General Assembly has a compelling interest in protecting the integrity of both the electoral process and the legislative process by preventing corruption and the appearance of corruption which may arise through permitting any type of political campaign contributions by certain persons involved in the gaming industry and regulated under this part.

(10.2) Banning all types of political campaign contributions by certain persons subject to this part is necessary to prevent corruption and the appearance of corruption that may arise when political campaign contributions and gaming regulated under this part are intermingled.

(11) It is necessary to maintain the integrity of the regulatory control and legislative oversight over the operation and play of slot machines, table games and interactive gaming in this Commonwealth; to ensure the bipartisan administration of this part; and avoid actions that may erode public confidence in the system of representative government.

(12) It is the intent of the General Assembly to authorize the operation and play of slot machines, table games and interactive gaming under a single slot machine license issued to a slot machine licensee when a slot machine licensee has been issued a table game operation certificate and an interactive gaming certificate under 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.

(12.3) It is also the intent of the General Assembly to authorize the operation and play of interactive gaming in conformance with Federal law, including the Unlawful Internet Gambling Enforcement Act of 2006 (Title VIII of Public Law 109-347, 31 U.S.C. §§ 5361-5367).

(12.4) It is also the intent of the General Assembly to authorize sports wagering when Federal law is enacted or repealed or a Federal court decision is filed that permits a state to regulate sports wagering.

(12.5) It is further the intent of the General Assembly to:

(i) Auction Category 4 locations and the right to apply for Category 4 locations in this Commonwealth to ensure the sustainability and competitiveness of the commercial gaming industry.

(ii) Authorize Category 4 locations in a manner to avoid the cannibalization of existing commercial gaming locations.

(13) The authorization of limited gaming in this Commonwealth requires the Commonwealth to take steps to increase awareness of compulsive and problem gambling and to develop and implement effective strategies for prevention, assessment and treatment of this behavioral disorder.

(14) Research indicates that compulsive and problem gambling and drug and alcohol addiction are related. Therefore, the General Assembly intends to establish an approach to compulsive and problem gambling prevention, assessment and treatment that will ensure the provision of adequate resources to identify, assess and treat both compulsive and problem gambling and drug and alcohol addiction.

(Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

§ 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:

"Affiliate," "affiliate of" or "person affiliated with." A person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with a specified person.

"Airport authority." Any of the following:

(1) 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

(2) a city of the first class that regulates the use and control of a qualified airport located partially in a county of the first class and partially in a county contiguous to a county of the first class.

"Airport gaming area." A location or locations within a qualified airport approved by the airport authority and the Pennsylvania Gaming Control Board for the conduct of interactive gaming through the use of multi-use computing devices by eligible passengers.

"Applicant." Any person who, on his own behalf or on behalf of another, is applying for permission to engage in any act or activity which is regulated under the provisions of this part. In cases in which the applicant is a person other than an individual, the Pennsylvania Gaming Control Board shall determine the associated persons whose qualifications are necessary as a precondition to the licensing of the applicant.

"Approved," "approval" or "approve." When used in reference to an application submitted to the State Horse Racing Commission or the State Harness Racing Commission to conduct harness or thoroughbred race meetings or the Pennsylvania Gaming Control Board to authorize and regulate the placement and operation of slot machines, the terms refer to the date that an application to the State Horse Racing Commission, State Harness Racing Commission or the board is granted regardless of the pendency of any administrative or judicial appeals or other legal action challenging the decision of either commission or the 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 machine replacement parts, equipment which affects the proper reporting and counting of gross terminal revenue, gross table game revenue and gross interactive gaming revenue, computerized systems for controlling and monitoring slot machines, table games or interactive games, including, but not limited to, the central control computer to which all slot machines communicate, devices for weighing or counting money and interactive gaming devices necessary for the operation of interactive games as approved by the Pennsylvania Gaming Control Board. The term shall not include count room equipment.

"Auction." A public meeting of the board to receive and open sealed bids submitted in accordance with section 1305.2 (relating to conduct of auctions).

"Authority." An authority created by the Commonwealth which purchases State gaming receipts under section 1202 (relating to general and specific powers).

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

"Background investigation." A security, criminal, credit and suitability investigation of a person as provided for in this part. The investigation shall include the status of taxes owed to the United States and to the Commonwealth and its political subdivisions.

"Backside area." Those areas of the racetrack facility that are not generally accessible to the public and which include, but are not limited to, those facilities commonly referred to as barns, track kitchens, recreation halls, backside employee quarters and training tracks, and roadways providing access thereto. The term does not include those areas of the racetrack facility which are generally accessible to the public, including the various buildings commonly referred to as the grandstand or the racing surfaces, paddock enclosures and walking rings.

"Banking game." Any table game in which a player competes against a certificate holder rather than against another player.

"Bid." An offer to pay for the right to select a Category 4 location and apply for a Category 4 slot machine license.

"Board." The Pennsylvania Gaming Control Board established under section 1201 (relating to Pennsylvania Gaming Control Board established).

"Bonds." Bonds, notes, instruments, refunding notes and bonds and other evidences of indebtedness or obligations, which an authority issues to fund the purchase of State gaming receipts.

"Bureau." The Bureau of Investigations and Enforcement of the Pennsylvania Gaming Control Board.

"Cash." United States currency and coin.

"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, an interactive gaming operator or a financial institution.

(6.1) A prepaid access instrument.

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

"Category 4 location." A specific geographic point established by geographic coordinates in this Commonwealth with a 15-linear mile radius.

"Central control computer." A central site computer controlled by the Department of Revenue and accessible by the Pennsylvania Gaming Control Board to which all slot machines communicate for the purpose of auditing capacity, real-time information retrieval of the details of any financial event that occurs in the operation of a slot machine, including, but not limited to, coin in, coin out, ticket in, ticket out, jackpots, machine door openings and power failure, and remote machine activation and disabling of slot machines.

"Certificate holder." A slot machine licensee that holds a table game operation certificate awarded by the Pennsylvania Gaming Control Board in accordance with Chapter 13A (relating to table games).

"Cheat." To defraud or steal from any player, slot machine licensee or the Commonwealth while operating or playing a slot machine, 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, table game or authorized interactive game.
- (2) The amount or frequency of payment in a slot machine game, 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, table game or authorized interactive game. The term shall also include any device used to alter a slot machine, 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.

"Chip." A representation of value, including a plaque, issued by a certificate holder for use in playing a table game at the certificate holder's licensed facility and redeemable with the issuing certificate holder for cash or cash equivalent.

"Commission." The State Horse Racing Commission as defined in 3 Pa.C.S. § 9301 (relating to definitions).

"Communications technology." 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.

"Compensation." Any thing of value, money or a financial benefit conferred on or received by a person in return for services rendered, or to be rendered, whether by that person or another.

"Complimentary service." Any lodging, service or item which is provided to an individual at no cost or at a reduced cost which is not generally available to the public under similar circumstances. Group rates, including convention and government rates, shall be deemed to be generally available to the public.

"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, 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 under Subchapter B.1 of Chapter 13B (relating to multi-use computing devices).

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

"Controlling interest." For a publicly traded domestic or foreign corporation, a controlling interest is an interest in a legal entity, applicant or licensee 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. 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 any securities in the legal entity,

unless this presumption of control is rebutted by clear and convincing evidence.

"Conviction." A finding of guilt or a plea of guilty or nolo contendere, whether or not a judgment of sentence has been imposed as determined by the law of the jurisdiction in which the prosecution was held. The term does not include a conviction that has been expunged or overturned or for which an individual has been pardoned or had an order of Accelerated Rehabilitative Disposition entered.

"Corporation." Includes a publicly traded corporation.

"Count room." A secured room at a licensed facility designated for the counting, wrapping and recording of slot machine and table game receipts.

"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;

(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 interactive gaming operator.

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

"Electronic gaming table." A gaming table approved by the Pennsylvania Gaming Control Board that is a mechanical, electrical or computerized contrivance, terminal, machine or other device which, upon insertion or placement of cash or cash equivalents therein or thereon, or upon a wager or payment of any consideration whatsoever, is available for play or operation by one or more players as a table game. The term shall include any gaming table where a wager or payment is made using an electronic or computerized wagering or payment system. The term shall not include a slot machine.

"Eligible 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.

"Executive-level public employee." The term shall include the following:

(1) Deputy Secretaries of the Commonwealth and the Governor's Office executive staff.

(2) An employee of the executive branch whose duties substantially involve licensing or enforcement under this part, who has discretionary power which may affect or influence the outcome of a Commonwealth agency's action or decision or who is involved in the development of regulations or policies relating to a licensed entity. The term shall include an employee with law enforcement authority.

(3) An employee of a county or municipality with discretionary powers which may affect or influence the outcome of the county's or municipality's action or decision related to this part or who is involved in the development of law, regulation or policy relating to matters regulated under this part. The term shall include an employee with law enforcement authority.

(4) An employee of a department, agency, board, commission, authority or other governmental body not included in paragraph (1), (2) or (3) with discretionary power which

may affect or influence the outcome of the governmental body's action or decision related to this part or who is involved in the development of regulation or policy relating to matters regulated under this part. The term shall include an employee with law enforcement authority.

"Financial backer." An investor, mortgagee, bondholder, noteholder or other sources of equity or capital provided to an applicant or licensed entity.

"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.

"Fund." The State Gaming Fund established under section 1403 (relating to establishment of State Gaming Fund and net slot machine revenue distribution).

"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 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 or any subcontractor or an employee of a subcontractor that supplies interactive gaming devices, including multi-use computing devices, or associated equipment to an interactive gaming certificate holder or interactive gaming operator who are directly involved in the operations of interactive gaming. 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 junket." A gaming arrangement made by a gaming junket enterprise or a gaming junket representative for an individual who:

(1) Is selected or approved for participation in the arrangement based on the individual's ability to satisfy specific financial qualifications and the likelihood that the individual will participate in playing slot machines or table games and patronize a licensed facility for the purpose of gaming.

(2) Receives complimentary services or gifts from a slot machine licensee for participation in the arrangement, including the costs of transportation, food, lodging or entertainment.

"Gaming junket enterprise." A person, other than a slot machine licensee, who employs or otherwise engages the services of a gaming junket representative to arrange gaming junkets to a licensed facility, regardless of whether the activities of the person or the gaming junket representative occur within this Commonwealth.

"Gaming junket representative." An individual, other than an employee of a slot machine licensee, who arranges and negotiates the terms of a gaming junket or selects individuals to participate in a gaming junket to a licensed facility, regardless of whether the activities of the individual occur within this Commonwealth.

"Gaming-related restricted area." Any room or area of a licensed facility 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, table games 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 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; and

(2) provides goods or services 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.

"Gross interactive airport gaming revenue." The following shall apply:

(1) Revenue shall be the total of all cash or cash equivalent wagers paid by an eligible passenger to an interactive gaming certificate holder at a qualified airport through the use of multi-use computing devices in consideration for the play of authorized interactive games at a qualified airport through the use of multi-use computing devices, including cash received as entry fees for contests or tournaments, minus:

(i) The total of cash or cash equivalents paid out to an eligible passenger as winnings.

(ii) The actual cost paid by the interactive gaming certificate holder at a qualified airport through the use of multi-use computing devices for personal property distributed to a player as a result of playing an authorized interactive game. This subparagraph does not include travel expenses, food, refreshments, lodging or services.

(2) Amounts deposited with an interactive gaming certificate holder for purposes of interactive gaming at a qualified airport through the use of multi-use computing devices and amounts taken in fraudulent acts perpetrated against an interactive gaming certificate holder for which the interactive gaming certificate holder is not reimbursed and shall not be considered to have been paid to the interactive gaming certificate holder for purposes of calculating gross interactive airport gaming revenue.

"Gross interactive gaming revenue." As follows:

(1) 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, including cash received as entry fees for contests or tournaments, minus:

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

(ii) The actual cost paid by the interactive gaming certificate holder for any personal property distributed to a player as a result of playing an authorized interactive game. This subparagraph does not include travel expenses, food, refreshments, lodging or services.

(2) 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 shall not be considered to have been paid to the interactive gaming certificate holder for purposes of calculating gross interactive gaming revenue.

"Gross table game revenue." The total of:

(1) Cash or cash equivalents received in the playing of a table game minus the total of:

(i) Cash or cash equivalents paid to players as a result of playing a table game.

(ii) Cash or cash equivalents paid to purchase annuities to fund prizes payable to players over a period of time as a result of playing a table game.

(iii) The actual cost paid by the certificate holder for any personal property distributed to a player as a result of playing a table game. This does not include travel expenses, food, refreshments, lodging or services.

(2) Contest or tournament fees or payments, including entry fees, buy-ins, re-buys and administrative fees, imposed by a certificate holder to participate in a table game contest or tournament, less cash paid or actual cost paid by a certificate holder for prizes awarded to the contest or tournament winners.

(3) The total amount of the rake collected by a certificate holder.

The term does not include counterfeit cash or chips; coins or currency of other countries received in the playing of a table game, 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.

"Gross terminal revenue." The total of:

(1) cash or cash equivalent wagers received by a slot machine minus the total of:

(i) Cash or cash equivalents paid out to players as a result of playing a slot machine, whether paid manually or paid out by the slot machine.

(ii) Cash or cash equivalents paid to purchase annuities to fund prizes payable to players over a period of time as a result of playing a slot machine.

(iii) Any personal property distributed to a player as a result of playing a slot machine. This does not include travel expenses, food, refreshments, lodging or services.

(2) cash received as entry fees for slot machine contests or slot machine tournaments.

The term does not include counterfeit cash or tokens; coins or currency of other countries received in slot machines, except to the extent that the coins or currency are readily convertible to cash; or cash taken in a fraudulent act perpetrated against a slot machine licensee for which the licensee is not reimbursed.

"Holding company." A person, other than an individual, which, directly or indirectly, owns or has the power or right to control or to vote any significant part of the outstanding voting securities of a corporation or other form of business organization. A holding company indirectly has, holds or owns any such power, right or security if it does so through an interest in a subsidiary or successive subsidiaries.

"Horsemen of this Commonwealth." A thoroughbred or standardbred horse owner or trainer who enters and runs his or her horse at a licensed racing entity in the current or prior calendar year and meets the requirements of the horsemen's organization of which he or she is a member to participate in the receipt of benefits therefrom; or an employee of a trainer who meets the requirements of the horsemen's organization of which he or she is a member to participate in the receipt of benefits therefrom.

"Horsemen's organization." A trade association which represents the majority of owners and trainers who own and race horses at a licensed racetrack.

"Hotel." As follows:

(1) Except as provided under paragraph (2), one or more buildings owned or operated by a certificate holder which are attached to, physically connected to or adjacent to the certificate holder's licensed facility in which members of the public may, for a consideration, obtain sleeping accommodations.

(2) When the term is used in section 1305 (relating to Category 3 slot machine license) or 1407(d) (relating to Pennsylvania Gaming Economic Development and Tourism Fund), a building or buildings in which members of the public may, for a consideration, obtain sleeping accommodations.

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

"Independent contractor." A person who performs professional, scientific, technical, advisory or consulting services for the Pennsylvania Gaming Control Board for a fee, honorarium or similar compensation pursuant to a contract.

"Initial auction." An auction at which a Category 1 and Category 2 slot machine licensee may submit a bid.

"Institutional investor." Any retirement fund administered by a public agency for the exclusive benefit of Federal, State or local public employees, investment company registered under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1 et seq.), collective investment trust organized by banks under Part Nine of the Rules of the Comptroller of the Currency, closed-end investment trust, chartered or licensed life insurance company or property and casualty insurance company, banking and other chartered or licensed lending institution, investment advisor registered under The Investment Advisors Act of 1940 (54 Stat. 847, 15 U.S.C. § 80b-1 et seq.) and such other persons as the Pennsylvania Gaming Control Board may determine consistent with this part.

"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) iLottery under Chapter 5 (relating to lottery).

(3) A nongambling game that does not otherwise require a license under the laws of this Commonwealth.

(4) A fantasy contest under Chapter 3 (relating to fantasy contests).

"Interactive gaming." The placing of wagers with an interactive gaming certificate holder or interactive gaming operator 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 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 financial activity related to interactive gaming.

"Interactive gaming account agreement." An agreement entered into between an interactive gaming certificate holder and a registered player which governs the terms and conditions of the registered player's interactive gaming account and the use of the Internet for purposes of placing wagers on authorized interactive games operated by an interactive gaming certificate holder or interactive gaming operator.

"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 by the interactive gaming operator on behalf of the interactive gaming certificate holder. The term shall include an interactive gaming agreement entered into 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 Chapter 13B (relating to interactive gaming).

"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 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 interactive gaming 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 an interactive gaming operator by the Pennsylvania Gaming Control Board under Chapter 13B (relating to interactive gaming).

"Interactive gaming operator." A person licensed by the Pennsylvania Gaming Control Board to operate interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder. The term shall include a person that has received conditional authorization under section 13B14 (relating to interactive gaming operators) for so long as such authorization is effective.

"Interactive gaming platform." The combination of hardware and software or other technology designed and used to manage, conduct and record interactive games and the 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 and approved by the Governor on behalf of the Commonwealth with the regulatory 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 operator 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 interactive gaming website through which authorized interactive games are made available by an interactive gaming certificate holder or interactive gaming operator to registered players in this Commonwealth or registered players in any other state or jurisdiction which has entered into an interactive gaming reciprocal agreement.

"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.

"Interactive gaming website." The interactive gaming skin or skins through which an interactive gaming certificate holder or interactive gaming operator makes authorized interactive games available for play.

"Intermediary." A person, other than an individual, which:

(1) is a holding company with respect to a corporation or other form of business organization, which holds or applies for a license under this part; and

(2) is a subsidiary with respect to any holding company.

"Issued," "issuance" or "issue." When used in reference to an application submitted to the State Horse Racing Commission or the State Harness Racing Commission to conduct harness or thoroughbred race meetings or the Pennsylvania Gaming Control Board to authorize the placement and operation of slot machines, the terms refer to the date when a determination by the commissions or the board approving an application brought before the agencies becomes final, binding and nonappealable and is not subject to a pending legal challenge.

"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 operations, table game operations, 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.

"Law enforcement authority." The power to conduct investigations of or to make arrests for criminal offenses.

"Licensed entity." Any slot machine licensee, manufacturer licensee, supplier licensee or other person licensed by the Pennsylvania Gaming Control Board under this part.

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

"Licensed facility." As follows:

(1) 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:

(i) 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;

(ii) board-approved interim facility or temporary facility;

(iii) area of a hotel which the Pennsylvania Gaming Control Board determines is suitable to conduct table games; and

(iv) area of a licensed facility where casino simulcasting is conducted, as approved by the Pennsylvania Gaming Control Board.

(2) 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 casino simulcasting.

"Licensed gaming entity" or "slot machine licensee." A person that holds a slot machine license pursuant to this part.

"Licensed racetrack" or "racetrack." The physical facility and grounds where a person has obtained a license from either the State Horse Racing Commission or the State Harness Racing Commission to conduct live thoroughbred or harness race meetings respectively with pari-mutuel wagering. The term "racetrack" or "its racetrack" shall mean the physical land-based location at which live horse racing is conducted even if not owned by the person.

"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 the State Horse Racing Commission pursuant to 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, 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.

"Manufacturer licensee." A manufacturer that obtains a manufacturer license.

"Member." An individual appointed to and sworn in as a member of the board in accordance with section 1201(b) (relating to Pennsylvania Gaming Control Board established).

"Multi-use computing device." As follows:

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

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

(ii) Allows an eligible passenger to play an authorized interactive game.

(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 skin or skins or interactive gaming platforms.

"Multistate agreement." The written agreement, approved by the Governor, between the Pennsylvania Gaming Control Board and regulatory agencies in other states or jurisdictions for the operation of a multistate wide-area progressive slot machine system.

"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 whose regulatory agencies have entered into written agreements with the Pennsylvania Gaming Control Board for the operation of the system.

"Municipal authority." A body politic and corporate created under the former act of June 28, 1935 (P.L.463, No.191), known as the Municipality Authorities Act of one thousand nine hundred and thirty-five, the former act of May 2, 1945 (P.L.382, No.164), known as the Municipality Authorities Act of 1945, the act of July 29, 1953 (P.L.1034, No.270), known as the Public Auditorium Authorities Law, or 53 Pa.C.S. Ch. 56 (relating to municipal authorities).

"Municipality." A city, borough, incorporated town or township.

"Net terminal revenue." The net amount of the gross terminal revenue less the tax and assessments imposed by sections 1402 (relating to gross terminal revenue deductions), 1403 (relating to establishment of State Gaming Fund and net slot machine revenue distribution), 1405 (relating to Pennsylvania Race Horse Development Trust Fund) and 1407 (relating to Pennsylvania Gaming Economic Development and Tourism Fund).

"Nonbanking game." Any table game in which a player competes against another player and in which the certificate holder collects a rake.

"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 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.

"Non-peer-to-peer interactive game." An authorized interactive game in which the player does not compete against players and which is not a peer-to-peer interactive game.

"Nonprimary location." Any facility in which pari-mutuel wagering is conducted by a licensed racing entity other than the racetrack where live racing is conducted.

"Occupation permit." A permit authorizing an individual to be employed or work as a gaming employee at a licensed facility.

"Party." The Bureau of Investigations and Enforcement of the Pennsylvania Gaming Control Board or any applicant, licensee, permittee, registrant or other person appearing of record in any proceeding before the Pennsylvania Gaming Control Board.

"Peer-to-peer interactive game." An authorized interactive game which is nonbanking, in which a player competes against one or more players and in which the interactive gaming certificate holder collects a rake.

"Permittee." A holder of a permit issued pursuant to this part.

"Person." Any natural person, 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.

"Player." An individual wagering cash, a cash equivalent or other thing of value in the play or operation of a slot machine, 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, 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.

"Prepaid access instrument." A card, code, electronic serial number, mobile identification number, personal identification number or similar device that:

(1) Allows patron access to funds that have been paid in advance and can be retrieved or transferred through the use of the device.

(2) Qualifies as an access device for purposes of Regulation E issued by the Board of Governors of the Federal Reserve System under 12 CFR Pt. 205 (relating to electronic fund transfers (Regulation E));

(3) Must be distributed by a slot machine licensee or its affiliates in order to be considered a cash equivalent at the slot machine licensee's licensed facility or the location of the slot machine licensee's affiliates.

(4) Must be used in conjunction with an approved cashless wagering system or electronic credit system in order to transfer funds for gaming purposes.

"Principal." An officer; director; person who directly holds a beneficial interest in or ownership of the securities of an applicant or licensee; person who has a controlling interest in an applicant or licensee, or has the ability to elect a majority of the board of directors of a licensee or to otherwise control a licensee; lender or other licensed financial institution of an applicant or licensee, 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 or licensee; or other person or employee of an applicant, slot machine licensee, manufacturer licensee or supplier licensee deemed to be a principal by the Pennsylvania Gaming Control Board.

"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 a multistate wide-area progressive system.

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

(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 which has become effective under the Securities Act of 1933 (48 Stat. 74, 15 U.S.C. § 77a et seq.).

"Qualified airport." A publicly owned commercial service airport.

"Qualified entity." An entity which is not a Category 1, Category 2 or Category 3 slot machine licensee who may participate in an auction under section 1305.2(b.1) (relating to conduct of auctions) and who has satisfied the requirements of this part and any criteria established by the Pennsylvania Gaming Control Board for licensure, including but not limited to, financial and character suitability requirements, and has been approved by the board.

"Race Horse Industry Reform Act." 3 Pa.C.S. Ch. 93 (relating to race horse industry reform).

"Rake." A set fee or percentage assessed by a certificate holder for providing the services of a dealer, gaming table or location, to allow the play or operation of any nonbanking game.

"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.

"Revenue- or tourism-enhanced location." Any location within this Commonwealth determined by the Pennsylvania Gaming Control Board, in its discretion, which will maximize net revenue to the Commonwealth or enhance year-round recreational tourism within this Commonwealth, in comparison to other proposed facilities and is otherwise consistent with the provisions of this part and its declared public policy purposes.

"Security." As defined in the act of December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania Securities Act of 1972.

"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 element of chance, is the predominant factor in affecting the outcome of the game.

"Slot machine."

(1) The term includes:

(i) 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:

(A) 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.

(B) May utilize spinning reels or video displays or both.

(C) May or may not dispense coins, tickets or tokens to winning patrons.

(D) May use an electronic credit system for receiving wagers and making payouts.

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

(iii) 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.

(iv) A slot machine used in a multistate wide-area progressive slot machine system and devices and associated equipment as defined by the Pennsylvania Gaming Control Board through regulations.

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

(2) The term does not include a fantasy contest terminal within the meaning of Chapter 3.

"Slot machine contest." A slot machine competition among players for cash, cash equivalents or prizes.

"Slot machine license." A license issued by the Pennsylvania Gaming Control Board authorizing a person to place and operate slot machines pursuant to this part and the rules and regulations under this part.

"Slot machine licensee." A person that holds a slot machine license.

"Slot machine tournament." An organized series of slot machine contests approved by the Pennsylvania Gaming Control Board in which an overall winner is ultimately determined.

"State gaming receipts." Revenues and receipts required by this part to be paid into the State Gaming Fund, the Pennsylvania Race Horse Development Trust Fund and the Pennsylvania Gaming Economic Development and Tourism Fund, and all rights, existing on the effective date of this section or coming into existence later, to receive any of those revenues and receipts.

"State Treasurer." The State Treasurer of the Commonwealth.

"Subsequent auction." An auction at which a Category 1, Category 2 and Category 3 slot machine licensee may submit a bid for a Category 4 license that remains available after an initial auction.

"Subsidiary." A person other than an individual. The term includes:

(1) a corporation, any significant part of whose outstanding equity securities are owned, subject to a power or right of control, or held with power to vote, by a holding company or an intermediary company;

(2) a significant interest in a person, other than an individual, which is owned, subject to a power or right of

control, or held with power to vote, by a holding company or an intermediary company; or

(3) a person deemed to be a subsidiary by the Pennsylvania Gaming Control Board.

"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, 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 devices, including any multi-use computing device or associated equipment, to slot machine licensees for use in this Commonwealth for gaming purposes.

"Supplier licensee." A supplier that holds a supplier license.

"Suspicious transaction." A transaction between a slot machine licensee or an employee of a slot machine licensee and an individual that involves the acceptance or redemption by a person of cash or a cash equivalent involving or aggregating \$5,000 or more which a slot machine licensee or employee of a slot machine licensee knows, suspects or has reason to believe:

(1) involves funds derived from illegal activities or is intended or conducted in order to conceal or disguise funds or assets derived from illegal activities;

(2) is part of a plan to violate or evade any law or regulation or to avoid any transaction reporting requirement under the laws or regulations of this Commonwealth or the United States, including a plan to structure a series of transactions to avoid any transaction reporting requirement under the laws or regulations of this Commonwealth or the United States; or

(3) has no apparent lawful purpose or is not the type of transaction in which a person would normally be expected to engage and the slot machine licensee or employee knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction.

"Table game." Any banking or nonbanking game approved by the Pennsylvania Gaming Control Board. The term includes roulette, baccarat, blackjack, poker, craps, big six wheel, mini-baccarat, red dog, pai gow, twenty-one, casino war, acey-ducey, sic bo, chuck-a-luck, Panguingue, Fan-tan, Asia poker, Boston 5 stud poker, Caribbean stud poker, Colorado hold'em poker, double attack blackjack, double cross poker, double down stud poker, fast action hold'em, flop poker, four card poker, let it ride poker, mini-craps, mini-dice, pai gow poker, pokette, Spanish 21, Texas hold'em bonus poker, three card poker, two card joker poker, ultimate Texas hold'em, winner's pot poker and any other banking or nonbanking game. The term shall 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 horse race meetings as authorized under the Race Horse Industry Reform Act.

(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) A fantasy contest terminal within the meaning of Chapter 3 (relating to fantasy contests).

(8) iLottery under Chapter 5 (relating to lottery).

"Table game device." Includes gaming tables, cards, dice, chips, shufflers, tiles, dominoes, wheels 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.

"Table game operation certificate." A certificate awarded by the Pennsylvania Gaming Control Board under Chapter 13A (relating to table games) that authorizes a slot machine licensee to conduct table games in accordance with this part.

"Tournament." An organized series of contests approved by the Pennsylvania Gaming Control Board in which an overall winner is ultimately determined.

"Trustee." A person appointed by the Pennsylvania Gaming Control Board under section 1332 (relating to appointment of trustee) to manage and control the operations of a licensed facility and who has the fiduciary responsibility to make decisions to preserve the viability of a licensed facility and the integrity of gaming in this Commonwealth.

"Underwriter." As defined in the act of December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania Securities Act of 1972.

"Winning bid." The single highest bid received at an auction.

"Winning bidder." The slot machine licensee or qualified entity with the winning bid.
(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 amended the defs. of "associated equipment," "cash equivalent," "cheat," "cheating or thieving device," "commission," "conduct of gaming," "contest," "counterfeit chip," "gaming employee," "gaming school," "gaming service provider," "key employee," "licensed facility," "licensed racing entity," "manufacturer," "manufacturer license," "net terminal revenue," "player," "progressive payout," "progressive system," "Race Horse Industry Reform Act," "slot machine," "State gaming receipts," "supplier," "supplier license," "table game" and "table game device" and added the defs. of "airport authority," "airport gaming area," "auction," "authorized interactive game," "bid," "category 4 location," "communications technology," "concession operator," "eligible passenger," "gaming floor," "gaming-related restricted area," "gross interactive airport gaming revenue," "gross interactive gaming revenue," "hybrid slot machine," "initial auction," "interactive game," "interactive gaming," "interactive gaming account," "interactive gaming account agreement," "interactive gaming agreement," "interactive gaming certificate,"

"interactive gaming certificate holder," "interactive gaming device," "interactive gaming license," "interactive gaming operator," "interactive gaming platform," "interactive gaming reciprocal agreement," "interactive gaming restricted area," "interactive gaming skin or skins," "interactive gaming system," "interactive gaming website," "multi-use computing device," "multistate agreement," "multistate wide-area progressive slot machine system," "nongaming service provider," "non-peer-to-peer interactive game," "peer-to-peer interactive game," "prepaid access instrument," "qualified airport," "qualified entity," "redundancy facilities," "registered player," "skill," "skill slot machine," "subsequent auction," "winning bid" and "winning bidder."

2010 Amendment. Act 1 amended the defs. of "associated equipment," "cheat," "conduct of gaming," "conviction," "gaming employee," "gross terminal revenue," "key employee," "licensed facility," "manufacturer," "manufacturer license," "slot machine," "supplier" and "supplier license" and added the defs. of "banking game," "cash," "cash equivalent," "certificate holder," "cheating or thieving device," "chip," "contest," "count room," "counterfeit chip," "electronic gaming table," "executive-level public employee," "fully automated electronic gaming table," "gaming junket," "gaming junket enterprise," "gaming junket representative," "gaming school," "gaming service provider," "gross table game revenue," "hotel," "law enforcement authority," "licensed entity representative," "municipal authority," "nonbanking game," "party," "player," "rake," "slot machine contest," "slot machine tournament," "suspicious transaction," "table game," "table game device," "table game operation certificate," "tournament" and "trustee."

2006 Amendment. Act 135 amended the defs. of "affiliate" or "affiliated company," "applicant," "controlling interest," "gross terminal revenue" and "licensed facility" and added the defs. of "compensation," "complimentary service," "conduct of gaming," "corporation," "holding company," "independent contractor," "intermediary," "member," "principal," "publicly traded corporation," "subsidiary" and "underwriter."

Cross References. Section 1103 is referred to in sections 302, 3102 of this title; 9301 of Title 3 (Agriculture).

CHAPTER 12

PENNSYLVANIA GAMING CONTROL BOARD

Sec.

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Enactment. Chapter 12 was added July 5, 2004, P.L.572, No.71, effective immediately.

§ 1201. Pennsylvania Gaming Control Board established.

(a) Board established.--There is established an independent board which shall be a body corporate and politic to be known as the Pennsylvania Gaming Control Board.

(b) Membership.--The board shall consist of the following members:

- (1) Three members appointed by the Governor.
- (2) One member appointed by each of the following:
 - (i) The President pro tempore of the Senate.
 - (ii) The Minority Leader of the Senate.
 - (iii) The Speaker of the House of Representatives.
 - (iv) The Minority Leader of the House of Representatives.

(b.1) Removal.--A member of the board shall be removed from office by the appointing authority:

- (1) for misconduct in office, willful neglect of duty or conduct evidencing unfitness for office or incompetence; or
- (2) upon conviction of an offense graded as a felony, an infamous crime, an offense under this part or an equivalent offense under Federal law or the law of another jurisdiction.

(c) Initial appointments to board.--

(1) Gubernatorial appointees initially appointed under subsection (b)(1) shall serve an initial term of one, two and three years respectively as designated by the Governor at the time of appointment and until their successors are appointed and qualified.

(2) Legislative appointees initially appointed under subsection (b)(2) shall serve until the third Tuesday in January 2007 and until their successors are appointed and qualified.

(3) An appointment to fill a vacancy created by a member appointed in accordance with paragraph (1) or (2) shall be for the remainder of the unexpired term.

(d) Terms of office.--Upon the expiration of a term of a member appointed under subsection (c), the following shall apply:

(1) The term of office of a gubernatorial appointee shall be three years and until a successor is appointed and qualified.

(2) The term of office of a legislative appointee shall be two years and until a successor is appointed and qualified.

(3) A legislative appointee shall serve no more than three full consecutive terms.

(4) A gubernatorial appointee shall serve no more than two full consecutive terms.

(5) An appointment to fill a vacancy shall be for the remainder of the unexpired term.

(6) A member appointed to fill a vacancy under paragraph (3) may serve three full terms following the expiration of the term related to the vacancy.

(7) A member appointed to fill a vacancy under paragraph (4) may serve two full terms following the expiration of the term related to the vacancy.

(e) Ex officio members.--The Secretary of Revenue, the Secretary of Agriculture and the State Treasurer, or their

designees, shall serve on the board as nonvoting ex officio members of the board. The designee shall be a deputy secretary or an equivalent position within the agency.

(f) Qualified majority vote.--

(1) Except as permitted in paragraphs (2) and (3), any action, including, but not limited to, the approval, issuance, denial or conditioning of any license by the board under this part or the making of any order or the ratification of any permissible act done or order made by one or more of the members, shall require a qualified majority vote consisting of at least one gubernatorial appointee and the four legislative appointees.

(2) Any action to suspend or revoke, not renew, void or require forfeiture of a license or permit issued under this part, to impose any administrative fine or penalty under this part or to issue cease and desist orders or similar enforcement actions shall require a majority vote of all the members appointed to the board.

(3) Notwithstanding any other provision of this part or 65 Pa.C.S. § 1103(j) (relating to restricted activities), a member shall disclose the nature of his disqualifying interest, disqualify himself and abstain from voting in a hearing or proceeding under this part in which his objectivity, impartiality, integrity or independence of judgment may be reasonably questioned, as provided in subsection (h)(6) or section 1202.1(c)(3) (relating to code of conduct). If a legislative appointee has disqualified himself, the qualified majority shall consist of all of the remaining legislative appointees and at least two gubernatorial appointees.

(g) Background investigation.--Appointees shall be subject to a background investigation conducted by the Pennsylvania State Police in accordance with this part.

(h) Qualifications and restrictions.--

(1) Each member at the time of appointment shall be at least 25 years of age and shall have been a resident of this Commonwealth for a period of at least one year immediately preceding appointment. Each member shall continue to remain a resident of this Commonwealth during the term of membership on the board.

(2) Except for ex officio members, no person shall be appointed a member of the board or be employed by or be an independent contractor of the board if that person is a public official or party officer as defined in section 1512 (relating to financial and employment interests) in this Commonwealth or any of its political subdivisions.

(3) Each member, employee and independent contractor of the board shall sign an agreement not to disclose confidential information.

(4) No member, employee or independent contractor of the board or other agency having regulatory authority over the board or over forms of gaming regulated by this part shall be employed, hold any office or position or be engaged in any activity which is incompatible with the position, employment or contract.

(4.1) No member shall engage in any business, employment or vocation for which the member receives a salary, compensation or fee for services rendered which is in excess of 15% of the member's gross annual salary as a member of the board. For purposes of this paragraph, the terms "salary," "compensation" and "fee" do not include any of the following:

(i) Passive or unearned income, including interest, dividends or capital gains from the sale of assets or securities held for investment purposes.

(ii) Health care benefits or retirement, pension or annuity payments.

(iii) Amounts received from a family-controlled trade or business in which both personal services and capital are income-producing factors, provided that the personal services actually rendered by the member do not generate a significant amount of income.

(iv) Director's fees attributable to board membership of a corporate or nonprofit body or board or reimbursement for expenses incurred in connection with board membership.

(5) No member shall be paid or receive any fee or other compensation for any activity related to the duties or authority of the board other than salary and expenses provided by law.

(6) No member, employee or independent contractor of the board shall participate in a hearing, proceeding or other matter in which the member, employee or independent contractor, or the immediate family thereof, has a financial interest in the subject matter of the hearing or proceeding or other interest that could be substantially affected by the outcome of the hearing or proceeding without first fully disclosing the nature of the interest to the board and other persons participating in the hearing or proceeding. The board shall determine if the interest is a disqualifying interest that requires the disqualification or nonparticipation of an employee or independent contractor. For purposes of this paragraph, the term "immediate family" shall mean spouse, parent, brother, sister or child.

(7) At the time of appointment and annually thereafter, each member shall disclose the existence of any financial interest in any applicant, licensed entity or licensed facility and in an affiliate, intermediary, subsidiary or holding company thereof held by the member or known to be held by the member's immediate family. The disclosure statement shall be filed with the executive director of the board and with the appointing authority for such member and shall be open to inspection by the public at the office of the board during the normal business hours of the board for the duration of the member's term and for two years after the member leaves office. For purposes of this paragraph, the term "immediate family" shall mean spouse, parent, brother, sister or child.

(7.1) Prior to being sworn as a member, an appointee and his immediate family shall divest any financial interest in any applicant, licensed facility or licensed entity and in an affiliate, intermediary, subsidiary or holding company thereof owned or held by the appointee or known to be held by the appointee's immediate family. For the duration of the member's term and for two years thereafter, the member and the member's immediate family may not acquire a financial interest in any applicant, licensed facility or licensed entity or in an affiliate, intermediary, subsidiary or holding company of an applicant, licensed facility or licensed entity. For purposes of this paragraph, the term "immediate family" shall mean spouse and any minor or unemancipated child.

(7.2) Prior to entering into employment or a contract with the board and annually thereafter, an employee or

independent contractor shall disclose the existence of any financial interest in any applicant, licensed facility or licensed entity and in an affiliate, intermediary, subsidiary or holding company thereof owned or held by the employee or independent contractor or known to be held by the immediate family of the employee or independent contractor. The disclosure statement shall be filed with the board and shall be open to inspection by the public at the office of the board during the normal business hours of the board and for two years after termination of employment or a contract with the board. For purposes of this paragraph, the term "immediate family" shall mean spouse, parent, brother, sister or child.

(7.3) Prior to entering into employment or contracting with the board, an employee or independent contractor and the employee's or independent contractor's immediate family shall divest any financial interest in any applicant, licensed facility or licensed entity, and in an affiliate, intermediary, subsidiary or holding company thereof, owned or held by the employee or independent contractor or known to be held by the immediate family of the employee or independent contractor. For the duration of the employee's employment with the board or the independent contractor's contract with the board and for one year thereafter, the employee or independent contractor and the immediate family thereof shall not acquire, by purchase, gift, exchange or otherwise, any financial interest in any applicant, licensed facility or licensed entity and in any affiliate, intermediary, subsidiary or holding company thereof. For purposes of this paragraph, the term "immediate family" shall mean spouse and any minor or unemancipated child.

(8) No member, employee or independent contractor of the board may directly or indirectly solicit, request, suggest or recommend to any applicant, licensed entity, or an affiliate, intermediary, subsidiary or holding company thereof or to any principal, employee, independent contractor or agent thereof, the appointment or employment of any person in any capacity by the applicant, licensed entity, or an affiliate, intermediary, subsidiary or holding company thereof for a period of two years from the termination of term of office, employment or contract with the board.

(9) No member may accept employment with any applicant, licensed entity, or an affiliate, intermediary, subsidiary or holding company thereof, for a period of two years from the termination of term of office.

(10) No former member may appear before the board in any hearing or proceeding or participate in any other activity on behalf of any applicant, licensed entity, or an affiliate, intermediary, subsidiary or holding company of an applicant or licensed entity, or any other licensee or permittee, for a period of two years from the termination of term of office.

(11) No member, employee of the board or independent contractor shall accept a complimentary service, wager or be paid any prize from any wager at any licensed facility within this Commonwealth, at any other facility outside this Commonwealth which is owned or operated by a licensed gaming entity or any of its affiliates, intermediaries, subsidiaries or holding companies or as a result of playing an interactive game including on a multi-use computing device for the duration of their term of office, employment or contract with the board and for a period of two years from the

termination of term of office, employment or contract with the board. The provisions of this paragraph prohibiting wagering during the term of employment shall not apply to employees or independent contractors while utilizing slot machines, table game devices, interactive gaming devices or multi-use computing devices for testing purposes or while verifying the performance of a slot machine, table game, interactive gaming device or multi-use computing device as part of an enforcement investigation.

(12) A member who has been convicted during his term in any domestic or foreign jurisdiction of a felony, infamous crime or gambling offense shall, upon conviction, be automatically removed from the board and shall be ineligible to become a member in the future. If an ex officio member is convicted during his term in any domestic or foreign jurisdiction of a felony, infamous crime or gambling offense, the ex officio member shall, upon conviction, be automatically removed from the board, and a designee shall be designated pursuant to subsection (e) to serve the remainder of the ex officio member's term.

(13) The following shall apply to an employee of the board whose duties substantially involve licensing, enforcement, development of law, promulgation of regulations or development of policy, relating to gaming under this part or who has other discretionary authority which may affect or influence the outcome of an action, proceeding or decision under this part, including the executive director, bureau directors and attorneys:

(i) The individual may not, for a period of two years following termination of employment, accept employment with or be retained by an applicant or a licensed entity or by an affiliate, intermediary, subsidiary or holding company of an applicant or a licensed entity.

(ii) The individual may not, for a period of two years following termination of employment, appear before the board in a hearing or proceeding or participate in activity on behalf of any applicant, licensee, permittee or licensed entity or on behalf of an affiliate, intermediary, subsidiary or holding company of any applicant, licensee, permittee or licensed entity.

(iii) An applicant or a licensed entity or an affiliate, intermediary, subsidiary or holding company of an applicant or a licensed entity may not, until the expiration of two years following termination of employment, employ or retain the individual. Violation of this subparagraph shall result in termination of the individual's employment and subject the violator to section 1518(c) (relating to prohibited acts; penalties).

(iv) A prospective employee who, upon employment, would be subject to this paragraph must, as a condition of employment, sign an affidavit that the prospective employee will not violate subparagraph (i) or (ii). If the prospective employee fails to sign the affidavit, the board shall rescind any offer of employment and shall not employ the individual.

(13.1) The following shall apply to an independent contractor and to an employee of an independent contractor whose duties substantially involve consultation relating to licensing, enforcement, development of law, promulgation of regulations or development of policy, relating to gaming under this part:

(i) The person may not, for a period of one year following termination of the contract with the board, be retained by an applicant or a licensed entity or by an affiliate, intermediary, subsidiary or holding company of an applicant or a licensed entity.

(ii) The person may not, for a period of two years following termination of the contract with the board, appear before the board in a hearing or proceeding or participate in activity on behalf of any applicant, licensee, permittee or licensed entity or on behalf of an affiliate, intermediary, subsidiary or holding company of any applicant, licensee, permittee or licensed entity.

(iii) An applicant or a licensed entity or an affiliate, intermediary, subsidiary or holding company of an applicant or a licensee may not, until the expiration of one year following termination of the contract with the board, employ or retain the person. A knowing violation of this subparagraph shall result in termination of the person's employment and subject the violator to section 1518(c).

(iv) Each contract between the board and an independent contractor which involves the duties set forth in this paragraph shall contain a provision requiring the independent contractor to sign an affidavit that the independent contractor will not violate subparagraph (i) or (ii). If the independent contractor fails to sign the affidavit, the board shall not enter into the contract.

(v) An independent contractor shall require a prospective employee whose employment would involve the duties set forth in this paragraph to sign an affidavit that the prospective employee will not violate subparagraph (i) or (ii). If the prospective employee fails to sign the affidavit, the independent contractor shall rescind any offer of employment and shall not employ the individual.

(13.2) Nothing under paragraph (13) or (13.1) shall prevent a current or former employee of the board, a current or former independent contractor or a current or former employee of an independent contractor from appearing before the board in any hearing or proceeding as a witness or testifying as to any fact or information.

(14) The State Ethics Commission shall issue a written determination of whether a person is subject to paragraph (13) or (13.1) upon the written request of the person or the person's employer or potential employer. A person that relies in good faith on a determination issued under this paragraph shall not be subject to any penalty for an action taken, provided that all material facts set forth in the request for the determination are correct.

(14.1) The State Ethics Commission shall publish a list of all employment positions within the board and employment positions within independent contractors whose duties would subject the individuals in those positions to the provisions of paragraphs (13) and (13.1). The board and each independent contractor shall assist the State Ethics Commission in the development of the list, which shall be published by the State Ethics Commission in the Pennsylvania Bulletin biennially and posted by the board on the board's Internet website. Upon request, employees of the board and each independent contractor shall have a duty to provide the State Ethics Commission with adequate information to accurately

develop and maintain the list. The State Ethics Commission may impose a civil penalty under 65 Pa.C.S. § 1109(f) (relating to penalties) upon an individual who fails to cooperate with the State Ethics Commission under this paragraph. An individual who relies in good faith on the list published by the State Ethics Commission shall not be subject to any penalty for a violation of paragraph (13) or (13.1).

(15) If a member of the board violates any provision of this section, the appointing authority may remove the person from the board. A member removed under this paragraph shall, for a period of five years following removal, be prohibited from future appointment to the board and shall be prohibited from applying for a license, permit or other authorization under this part and from becoming an independent contractor or registering as a licensed entity representative.

(h.1) Fiduciary relationship.--A member or employee of the board shall serve as a fiduciary of the Commonwealth.

(h.2) Standard of care.--Members shall exercise the standard of care required by 20 Pa.C.S. Ch. 73 (relating to municipalities investments) in the performance of their duties under this part.

(h.3) Liability.--Members shall not be personally liable for any of the following:

(1) Obligations of the board.

(2) Actions which were within the scope of their office and made in good faith.

(i) Compensation.--

(1) The Executive Board as established in the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, shall establish the compensation of the members.

(2) Members shall be reimbursed for all necessary and actual expenses.

(3) Members shall be eligible for retirement under the State Employees' Retirement Code and shall, if the member elects to participate, be considered a State employee for the purposes of 71 Pa.C.S. Pt. XXV (relating to retirement for State employees and officers).

(j) Chairman.--The chairman of the board shall be selected by the Governor.

(k) Appointments.--The appointing authorities shall make their initial appointments within 60 days of the effective date of this part. Appointments to fill a vacancy shall be made within 60 days of the creation of the vacancy. No appointment shall be final until receipt by the appointing authority of the required background investigation of the appointee by the Pennsylvania State Police which shall be completed within 30 days. No person who has been convicted in any domestic or foreign jurisdiction of a felony, infamous crime or gaming offense shall be appointed to the board.

(l) Prohibition against nepotism.--No member may solicit, request, suggest or recommend the employment by the board of any individual related within the second degree of consanguinity to the member as set forth in 23 Pa.C.S. § 1304(e) (relating to restrictions on issuance of license) or the spouse of the individual.

(m) Employment requirements.--

(1) Prospective employees shall submit an application and a personal disclosure form to the board which shall

include a complete criminal history, including convictions and current charges for all felonies and misdemeanors.

(2) Prospective employees shall be required to undergo testing which detects the presence of illegal substances in the body.

(3) The board shall obtain fingerprints and photographs for each prospective employee consistent with the standards adopted by the Pennsylvania State Police.

(4) The board shall verify the identification, employment and education of each prospective employee, including:

(i) Legal name, including any alias.

(ii) All educational institutions attended regardless of graduation status.

(iii) Places of residence for the past ten years.

(iv) Employment history for the past 15 years.

(5) The board shall not hire a prospective employee if the prospective employee:

(i) has been convicted of a crime that bears a close relationship to the duties and responsibilities of the position for which employment is sought;

(ii) has been dismissed from other employment for gross misconduct; or

(iii) has intentionally made a false statement concerning a material fact in connection with the application to the board.

(6) The board shall not employ a person unless the requirements of paragraphs (1), (2), (3) and (4) have been met. This paragraph shall apply only to persons employed after the effective date of this subsection.

(7) The board shall:

(i) Immediately refer any criminal matter involving an employee to law enforcement.

(ii) Develop a disciplinary process for an employee charged with a crime or with gross misconduct.

(iii) Immediately suspend from employment any employee charged with a felony.

(iv) Develop a process to discipline all other instances of misconduct.

(8) Disciplinary action shall be instituted promptly against an employee who, while on or off duty, engages in serious misconduct which may bring the board into disrepute.

(m.1) Budgetary impasse.--If, in the event of a budgetary or other fiscal crisis, the Governor orders the furlough of Commonwealth employees, the board and its employees and all employees of the department and the Pennsylvania State Police whose duties involve the regulation and oversight of gaming under this part shall not be subject to furlough and shall continue to perform their duties of employment.

(n) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection:

"Financial interest." An ownership, property, leasehold or other beneficial interest in an entity. The term shall not include an interest which is held or deemed to be held in any of the following:

(1) Securities that are held in a pension plan, profit-sharing plan, individual retirement account, tax-sheltered annuity, a plan established pursuant to section 457 of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.), or any successor provision, deferred compensation plan whether qualified or not qualified under

the Internal Revenue Code of 1986, or any successor provision, or other retirement plan that:

- (i) is not self-directed by the individual; and
- (ii) is advised by an independent investment adviser who has sole authority to make investment decisions with respect to contributions made by the individual to these plans.

(2) A tuition account plan organized and operated pursuant to section 529 of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 529) that is not self-directed by the individual.

(3) A mutual fund where the interest owned by the mutual fund in a licensed entity does not constitute a controlling interest as defined in this part.

"Ownership interest." Owning or holding, or being deemed to hold, debt or equity securities or other ownership interest or profit interest.

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 amended subsec. (h)(11).

2010 Amendment. Act 1 amended subsecs. (f)(3), (h)(5), (7.1), (10), (11), (13), (14) and (15) and (k) and added subsecs. (h)(4.1), (13.1), (13.2) and (14.1) and (m.1). See sections 19.4 and 20(3) of Act 1 in the appendix to this title for special provisions relating to Pennsylvania Gaming Control Board employees and applicability.

Cross References. Section 1201 is referred to in sections 1103, 1202, 1202.1, 1209, 1902, 3102, 4301 of this title.

§ 1201.1. Applicability of other statutes.

(a) **General rule.--**The following acts shall apply to the board:

(1) The act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

(2) The act of July 19, 1957 (P.L.1017, No.451), known as the State Adverse Interest Act.

(3) The provisions of 65 Pa.C.S. Chs. 7 (relating to open meetings) and 11 (relating to ethics standards and financial disclosure).

(b) **Status of board.--**

(1) The board shall be considered an independent agency for the purposes of the following:

(i) 62 Pa.C.S. Pt. I (relating to Commonwealth Procurement Code). The expediting of the payment of revenue to the Commonwealth shall not be grounds for an emergency procurement by the board.

(ii) The act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act.

(2) The board shall be considered an agency for the purposes of the following:

(i) The act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law.

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

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. Act 1 amended subsec. (a)(1).

2006 Amendment. Act 135 added section 1201.1.

§ 1202. General and specific powers.

(a) **General powers.--**

(1) The board shall have general and sole regulatory authority over the conduct of gaming 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, table games and interactive gaming devices and associated equipment.

(2) The board shall employ individuals as necessary to carry out the powers and duties of the board, 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). For the purposes of this paragraph, the board shall not be considered an executive or independent agency under the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act. The board shall not take final action to fill any vacancy in the position of executive director of the board, director of the bureau, chief counsel of the board or director of the Office of Enforcement Counsel until receipt and review of the results of the individual's background investigation under section 1517(c) (1.1) (relating to investigations and enforcement).

(3) In addition to employees authorized by the board, each member may employ one special assistant whose classification and compensation shall be established by the board. A special assistant shall be a State employee for purposes of 71 Pa.C.S. Pt. XXV, shall serve at the pleasure of the member and may only be removed by the board for cause.

(4) The board shall establish a system of classification and compensation of its employees and shall not be subject to the provisions of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, as to classification and compensation for its employees and conduct its activities consistent with the practices and procedures of Commonwealth agencies.

(5) Within 90 days of the effective date of this paragraph, the board shall publish in the Pennsylvania Bulletin and on the board's Internet website the classification system for all employees of the board.

(6) A request for proposal to conduct investigations of employees and applicants under this part shall include a requirement that an offeror provide the number of employees of the offeror who will be engaged in the conduct of investigations and who are residents of this Commonwealth and annuitants of a Federal, State or local law enforcement agency. Preference shall be given to an offeror with a substantial number of employees who will be engaged in the conduct of investigations and who are residents of this Commonwealth and annuitants of a Federal, State or local law enforcement agency.

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

- (1) To adopt, use and alter a corporate seal.
- (2) To pay or satisfy obligations of the board.
- (3) To sue or be sued, implead and be impleaded, or interplead.
- (4) To contract and execute instruments as necessary to carry out the powers and duties of the board. Contracts

for the purchase of supplies, services and construction shall be for a term not to exceed two years.

(5) To sell, transfer, convey and dispose of tangible or intangible property owned by the board.

(6) To establish, charge and collect fees and fines as authorized by this part.

(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 these duties.

(8) To purchase insurance against a loss related to the board's property or assets.

(8.1) To retain attorneys, accountants, auditors and financial and other experts to render services as necessary. For the purposes of this paragraph, the board shall be considered an independent agency for purposes of the Commonwealth Attorneys Act.

(9) To require background investigations on applicants, licensees, principals, key employees or permittees under the jurisdiction of the board.

(10) To enter into an agreement with the Pennsylvania State Police for the reimbursement of actual costs as approved by the board to the Pennsylvania State Police for the investigations. Investigations shall include information in the possession of the Attorney General.

(11) For purposes of licensing and enforcement and for purposes of the background investigation, to receive information otherwise protected by 18 Pa.C.S. Ch. 91 (relating to criminal history record information).

(12) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of slot machine licenses.

(12.1) At its discretion, to award, revoke, suspend, condition or deny a table game operation certificate to a slot machine licensee in accordance with Chapter 13A (relating to table games).

(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) At its discretion, 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 a sports wagering certificate in accordance with Chapter 13C (relating to sports wagering).

(13) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of supplier and manufacturer licenses.

(14) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of a license or permit for various classes of employees as required under this part.

(15) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of any additional licenses or permits which may be required by the board under this part.

(16) At its discretion, to suspend, condition or deny the issuance or renewal of any license or permit or levy fines or other sanctions for any violation of this part.

(17) To require prospective and existing employees, independent contractors, applicants, licensees and permittees

to submit to fingerprinting by the Pennsylvania State Police or an authorized agent of the Pennsylvania State Police. The Pennsylvania State Police or an authorized agent of the Pennsylvania State Police shall submit the fingerprints to the Federal Bureau of Investigation for purposes of verifying the identity of the individual and obtaining records of criminal arrests and convictions.

(18) To require prospective and existing employees, independent contractors, applicants, licensees and permittees to submit photographs consistent with the standards established by the board.

(19) To levy fines or other sanctions against an applicant, licensed entity or other licensee, permittee or employee of the board who possesses, uses, sells or offers for sale any device, equipment or material subject to this part in a manner which constitutes a violation of this part.

(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, casino simulcasting technology and equipment or sports wagering and sports wagering devices 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, casino simulcasting technology and equipment or sports wagering and sports wagering devices. 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.

(21) Within six months after the effective date of this part, in a manner that does not impede the immediate implementation of the duties and responsibilities of the board under this part during the immediate two years after the effective date of this part, to develop and implement an affirmative action plan to assure that all persons are accorded equality of opportunity in employment and contracting by the board, its contractors, subcontractors, assignees, lessees, agents, vendors and suppliers.

(22) Except for contracts related to the central control computer, all contracts entered into by the board during the two-year period following the effective date of this part shall not exceed a term of two years.

(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 operations, table game operations, interactive gaming operations, casino simulcasting or sports wagering, or create or enhance the danger of unsuitable,

unfair or illegal practices, methods and activities in the conduct of slot machine operations, table game operations, interactive gaming operations, casino simulcasting or sports wagering or the carrying on of the business and financial arrangements incidental thereto.

(24) Notwithstanding any other provision of law, to sell, in whole or in part, the Commonwealth's right, title and interest in State gaming receipts to the authority. The sale shall be subject to the terms and conditions contained in agreements between the board and the authority. Proceeds from the sale of State gaming receipts shall be allocated and used in the manner otherwise provided by this part for the distribution of State gaming receipts. The authority is authorized to purchase State gaming receipts upon terms and conditions agreed to by the board and to issue bonds to fund the purchase of State gaming receipts in the manner provided for the issuance of authority indebtedness in the law establishing the authority. The State Treasurer is authorized and directed to enter into any agreements with the board and the authority and establish accounts and funds, that shall not be in the State Treasury, as the authority may direct as being necessary or appropriate to effect the sale of State gaming receipts to the authority and the collection and transfer of the State gaming receipts sold to the authority. State gaming receipts sold to the authority shall be the property of the authority and shall not be the property of the Commonwealth.

(25) To promulgate regulations pertaining to the operation of the bureau to insure separation of functions between the bureau and the board. The board shall provide the employees necessary to the bureau for enforcement of this part.

(26) To enter into an agreement with the district attorneys of the counties wherein licensed facilities are located and the Office of Attorney General for the reimbursement of actual costs for prosecutions of criminal violations and for investigating a person applying for a determination that an individual has been rehabilitated under this part.

(27) To publish each January in the Pennsylvania Bulletin and on the board's Internet website a complete list of all persons or entities who applied for or held a slot machine license, manufacturer license, supplier license or racetrack license at any time during the preceding calendar year and all affiliates, intermediaries, subsidiaries and holding companies thereof and the status of the application or license.

(27.1) To publish each January in the Pennsylvania Bulletin and on the Pennsylvania Gaming Control Board's Internet website a complete list of all slot machine licensees who filed a petition seeking authorization to conduct table games and the status of each petition or table game operation certificate.

(27.2) Within six months of the effective date of this section, to publish on the board's publicly accessible 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.

(28) 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 1401 (relating to slot machine licensee deposits) required to meet the obligations accruing during the fiscal period beginning July 1 of the following year. The budget shall include itemized recommendations for the Attorney General, the department and the Pennsylvania State Police as to the amount needed to meet their obligations under this part.

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

(30) To promulgate rules and regulations necessary for the administration and enforcement of this part, including regulations in cooperation with the Pennsylvania Liquor Control Board and regulations relating to the sale and service of liquor and malt and brewed beverages by licensees. Except as provided in section 1203 (relating to temporary regulations), regulations shall be adopted pursuant to 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.

(31) To collect and post information on its Internet website with sufficient detail to inform the public of each person with a controlling interest or ownership interest in an applicant for a slot machine license or a licensed gaming entity, or affiliate, intermediary, subsidiary or holding company of an applicant or licensed gaming entity. The posting shall include:

(i) If the applicant or licensed gaming entity, or any affiliate, intermediary, subsidiary or holding company of the applicant or licensed gaming entity, is a publicly traded domestic or foreign corporation, partnership, limited liability company or other legal entity, the names of all persons with a controlling interest.

(ii) If the applicant or licensed gaming entity, or any affiliate, intermediary, subsidiary or holding company of the applicant or licensed gaming entity, is a privately held domestic or foreign corporation, partnership, limited liability company or other legal entity, the names of all persons with an ownership interest equal to or greater than 1%.

(iii) The name of any person entitled to cast the vote of a person named under subparagraph (i) or (ii).

(iv) The names of all officers, directors and principals of the applicant or licensed gaming entity.

(32) To appoint a trustee as prescribed in section 1332 (relating to appointment of trustee).

(33) To adopt regulations governing the postemployment limitations and restrictions applicable to members and to employees of the board subject to section 1201(h)(13) (relating to Pennsylvania Gaming Control Board established). In developing these regulations, the board may consult with the State Ethics Commission, other governmental agencies and the disciplinary board of the Supreme Court of Pennsylvania

regarding postemployment limitations and restrictions on members and employees of the board who are members of the Pennsylvania Bar.

(34) To review detailed site plans identifying a petitioner's proposed table game area within a licensed facility to determine the adequacy of the proposed internal and external security and proposed surveillance measures.

(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 place slot machines that are or will be used in a multistate wide-area progressive slot machine system, skill slot machines or hybrid slot machines or administer casino simulcasting and make them available for play in order to determine the adequacy of proposed internal and external controls, security and proposed surveillance measures.

(38) To conduct auctions under section 1305.2 (relating to conduct of auctions).

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 amended subsecs. (a)(1) and (b)(17), (18), (20) and (23) and added subsec. (b)(12.2), (12.3), (12.4), (27.2), (35), (36), (37) and (38).

2010 Amendment. Act 1 amended subsecs. (a)(1) and (2) and (b)(7), (20) and (23) and added subsec. (b)(12.1), (27.1), (31), (32), (33) and (34). See section 20(2) of Act 1 in the appendix to this title for special provisions relating to applicability.

Cross References. Section 1202 is referred to in sections 332, 1103, 1209, 1317.3, 1320, 13A41, 13B55, 1512, 1517, 4104 of this title.

§ 1202.1. Code of conduct.

(a) **Scope.**--The board shall adopt a comprehensive code of conduct prior to the consideration of any license, permit or registration application. The code of conduct shall supplement all other requirements under this part and 65 Pa.C.S. Pt. II (relating to accountability) and shall provide guidelines applicable to members, employees of the board, independent contractors and the immediate family of the members, employees

and independent contractors to enable them to avoid any perceived or actual conflict of interest and to promote public confidence in the integrity and impartiality of the board. At a minimum, the code of conduct adopted under this section shall include registration of licensed entity representatives under subsection (b) and the restrictions under subsections (c) and (c.1).

(b) Registration.--

(1) A licensed entity representative shall register with the board in a manner prescribed by the board, which shall include the name, employer or firm, business address and business telephone number of both the licensed entity representative and any licensed entity, 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, and failure to do so shall be punishable by the board.

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

(c) Restrictions.--In addition to the other prohibitions contained in this part, a member shall:

(1) (Reserved).

(2) Not accept any discount, gift, gratuity, compensation, travel, lodging or other thing of value, directly or indirectly, from any applicant, licensed entity, affiliate, subsidiary or intermediary of an applicant or a licensed entity, permittee, registrant or licensed entity representative.

(3) Disclose and recuse himself from any hearing or other proceeding in which the member's objectivity, impartiality, integrity or independence of judgment may be reasonably questioned due to the member's relationship or association with a party connected to any hearing or proceeding or a person appearing before the board.

(4) Refrain from any financial or business dealing which would tend to reflect adversely on the member's objectivity, impartiality or independence of judgment.

(5) Not hold or campaign for public office, hold an office in any political party or political committee, as defined in section 1513(d) (relating to political influence), contribute to or solicit contributions to a political campaign, political party, political committee or candidate, publicly endorse a candidate or actively participate in a political campaign.

(6) Not solicit funds for any charitable, educational, religious, health, fraternal, civic or other nonprofit entity from any applicant, licensed entity, party, permittee, registrant or licensed entity representative, or from any affiliate, subsidiary, intermediary or holding company of any applicant, licensed entity, party or licensed entity representative. Subject to the provisions of section 1201(h)(4.1) (relating to Pennsylvania Gaming Control Board established), a member may serve as an officer, employee or member of the governing body of a nonprofit entity and may attend, make personal contributions to and plan or preside over the entity's fundraising events. A member may permit his name to appear on the letterhead used for fundraising events if the letterhead contains only the member's name and position with the nonprofit entity.

(7) Not meet or engage in discussions with any applicant, licensed entity, permittee, registrant, licensed entity representative, person who provides goods, property or services to a slot machine licensee or any other person or entity under the jurisdiction of the board unless the meeting or discussion occurs on the business premises of the board and is recorded in a log. The log shall be available for public inspection during the regular business hours of the board and shall be posted on the board's Internet website. The log shall include the date and time of the meeting or discussion, the names of the participants and the subject discussed. The provisions of this paragraph shall not apply to meetings to consider matters requiring the physical inspection of the equipment or premises of an applicant or a licensed entity provided the meeting is entered in the log.

(8) Avoid impropriety and the appearance of impropriety at all times and observe standards and conduct that promote public confidence in the oversight of gaming.

(9) Comply with any other laws, rules or regulations relating to the conduct of a member.

(c.1) Ex parte communications.--

(1) No member or hearing officer of the board shall engage in any ex parte communication with any person. No attorney of the Office of Chief Counsel advising the board on a particular licensing issue or proceeding shall engage in any ex parte communication with any person.

(2) No attorney representing the bureau or the Office of Enforcement Counsel or an applicant, licensee or permittee in any proceeding shall engage in an ex parte communication with a member, an attorney of the Office of Chief Counsel who is advising the board on a proceeding or a hearing officer of the board.

(3) No employee of the bureau or the Office of Enforcement Counsel shall engage in an ex parte communication with a member, an attorney of the Office of Chief Counsel who is advising the board on a proceeding or a hearing officer of the board.

(c.2) Procedures relating to ex parte communications.--

(1) An ex parte communication received or engaged in by a member or hearing officer shall be recorded in a log. The log shall be available for public inspection during the regular business hours of the board and shall be posted on the board's Internet website. The log shall include:

(i) The name of the individual documenting the ex parte communication.

(ii) The date and time of the ex parte communication.

(iii) The names of all individuals involved in the ex parte communication.

(iv) The subject discussed.

(2) In addition to documenting an ex parte communication under paragraph (1), notification of the substance of the communication and an opportunity to respond shall be provided to all parties to a hearing or other proceeding directly affected by the anticipated vote or action of the hearing officer or board related to the ex parte communication.

(3) (i) A member or hearing officer who engaged in or received an ex parte communication shall recuse himself from any hearing or other proceeding related to the ex parte communication if the context and substance of the ex parte communication creates substantial reasonable

doubt as to the individual's ability to act objectively, independently or impartially.

(ii) A member or hearing officer who engaged in or received an ex parte communication who elects not to recuse himself from a hearing or other proceeding shall state his reasons for not recusing himself on the record prior to the commencement of the hearing or proceeding.

(iii) If a legislative appointee recuses himself from any hearing or other proceeding under this section, any qualified majority vote required under this part shall consist of all of the remaining legislative appointees and at least two gubernatorial appointees.

(iv) Failure of a hearing officer who engaged in or received an ex parte communication to recuse himself from a hearing or other proceeding when required under subparagraph (i) shall be grounds for appeal to the board.

(v) Failure of a member who engaged in or received an ex parte communication to recuse himself from a hearing or other proceeding when required under subparagraph (i) shall be grounds for appeal to a court of competent jurisdiction if the board action being appealed could not have occurred without the participation of the member.

(4) This subsection shall not preclude a member from consulting with other members individually if the consultation complies with 65 Pa.C.S. Ch. 7 (relating to open meetings) or with employees or independent contractors whose functions are to assist the board in carrying out its adjudicative functions.

(d) Ex officio members.--The restrictions under subsection (c)(5) shall not apply to ex officio members.

(e) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection:

"Ex parte communication." An off-the-record communication engaged in or received by a member or hearing officer of the board regarding the merits of or any fact in issue relating to a pending matter before the board or hearing officer or which may reasonably be expected to come before the board or hearing officer in a contested on-the-record proceeding. The term shall not include off-the-record communications by or between a member or hearing officer of the board, department, Pennsylvania State Police, Attorney General or other law enforcement official prior to the beginning of the proceeding solely for the purpose of seeking clarification or correction to evidentiary materials intended for use in the proceedings. The term shall also not include communications between the board or a member and the office of chief counsel.

"Licensed entity representative." (Deleted by amendment). (Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.)

Cross References. Section 1202.1 is referred to in sections 1201, 1512, 1512.1, 1516.1, 4301, 4303, 4304 of this title.

§ 1202.2. Expenses of regulatory agencies.

(a) Reimbursement.--Members and employees of the board, employees of the department and the Office of Attorney General, and troopers and employees of the Pennsylvania State Police, whose duties involve the regulation or enforcement of gaming under this part who are seeking reimbursement from funds which are or will be paid by an applicant for a slot machine license

or a slot machine licensee or from the assessments made by the department under section 1402(a) (relating to gross terminal revenue deductions) may be reimbursed only for actual and reasonable expenses incurred during the performance of their duties under this part.

(b) Receipts.--In order to receive reimbursement for an expense under subsection (a), the individual seeking reimbursement must submit a receipt to the appropriate agency documenting the expense incurred. Receipts and requests for reimbursement shall be financial records for purposes of, and subject to redaction under, the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law. (Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. Act 1 added section 1202.2.

§ 1203. Temporary regulations.

(a) Promulgation.--In order to facilitate the prompt implementation of this part, regulations promulgated by the board shall be deemed temporary regulations which shall expire no later than three years following the effective date of this part. 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.--The authority provided to the board to adopt temporary regulations in subsection (a) shall expire April 15, 2007. Regulations adopted after this period shall be promulgated as provided by law.

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.)

Cross References. Section 1203 is referred to in sections 1202, 1501 of this title.

§ 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, 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 or a sports wagering 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, 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 or a sports wagering 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.

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

§ 1205. License or permit application hearing process; public input hearings.

(a) General rule.--The board's consideration and resolution of all license or permit applications shall be conducted in accordance with 2 Pa.C.S. (relating to administrative law and procedure) or with procedures adopted by order of the board. Notwithstanding the requirements of 2 Pa.C.S. §§ 504 (relating to hearing and record) and 505 (relating to evidence and cross-examination) as they relate to the conduct of oral hearings, the board may adopt procedures to provide parties before it with a documentary hearing, and the board may resolve disputed material facts without conducting an oral hearing where constitutionally permissible.

(b) Public input hearing requirement.--

(1) The board shall hold at least one public input hearing prior to:

(i) Approving a slot machine license application or renewing a slot machine license.

(ii) Approving the structural redesign of a licensed facility located in a city of the first class.

(2) All public input hearings under paragraph (1) shall be held in the municipality where the licensed facility will be, or is, located and shall be organized in cooperation with the municipality.

(3) A list of all witnesses scheduled to testify at a public input hearing shall be made public at least seven days prior to the hearing. The list shall be updated at least three days prior to the hearing. Additional witnesses shall be posted on the board's Internet website as they are added to the list.

(4) In addition to any witnesses scheduled to testify under paragraph (3), the board shall establish a public comment period during which time members of the public may address the board regarding the application, license or proposed structural redesign. The board, in its discretion, may place reasonable time limits on an individual's comments. (Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. Act 1 amended subsec. (b)(1) and (2) and added subsec. (b)(4).

2006 Amendment. Section 19 of Act 135 provided that subsec. (b) shall apply to any slot machine license application filed on or after the effective date of section 19.

§ 1206. Board minutes and records.

(a) Open proceedings and records.--(Deleted by amendment).

(b) Record of proceedings.--The board shall cause to be made and kept a record of all proceedings held at public meetings of the board. The verbatim transcript of those 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.

(c) Information delivered to Governor and General Assembly.--(Deleted by amendment).

(d) Applicant information.--

(1) The board shall maintain a list of all applicants for licenses and permits. 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 any applicant whose license or permit has been denied, revoked

or not renewed shall be removed from such list after seven years from the date of the action.

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

(f) Confidentiality of information.--

(1) The following information submitted by an applicant, permittee, certificate holder, interactive gaming certificate holder or licensee pursuant to section 1310(a) (relating to slot machine license application character requirements), 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), 13C12 (relating to petition requirements) 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, permittee, certificate holder, interactive gaming certificate holder, interactive gaming operator, casino simulcasting permit holder or sports wagering certificate holder, 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. § 78o).

(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.

(2) No claim of confidentiality shall 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.

(3.1) Notwithstanding paragraph (1)(iii), for purposes of a public input hearing under this part, the board may release architectural renderings or models depicting a proposed structural design or redesign of the licensed facility that is the subject of the hearing.

(4) Except as provided in section 1517(f) (relating to investigations and enforcement), the information made confidential pursuant to 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 or licensee and does not otherwise contain confidential information about another person.

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

(6) No current or former member and no current or former employee, agent or independent contractor of the board, the department, the Pennsylvania State Police, the Office of Attorney General or any other executive branch office who has obtained confidential information in the performance of duties under this part shall intentionally and publicly disclose the information to any person, knowing that the information being disclosed is confidential under this subsection, unless the person is authorized by law to receive it. A violation of this subsection constitutes a misdemeanor of the third degree. In addition, an employee, agent or independent contractor who violates this subsection shall be administratively disciplined by discharge, suspension, termination of contract or other formal disciplinary action as appropriate. If a current member violates this paragraph, the other members shall refer the matter to the current member's appointing authority.

(g) Notice.--Notice of the contents of any information, except to a duly authorized law enforcement agency pursuant to this section, shall be given to any applicant or licensee in a manner prescribed by the rules and regulations adopted by the board.

(h) Information held by department.--Files, records, reports and other information in the possession of the department pertaining to licensees shall be made available to the board

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

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 amended subsec. (f)(1).

2010 Amendment. Act 1 amended subsec. (f).

2006 Amendment. Act 135 amended subsecs. (b), (d) and (f) and deleted subsecs. (a) and (c).

Cross References. Section 1206 is referred to in sections 13A12, 13B12, 13B20, 13C12, 13F11 of this title.

§ 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, permit, certificate, registration or other authorization provided for in this part if the board finds in its sole discretion that a licensee, permittee, registrant, certificate holder, or interactive gaming certificate holder, 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, permit, certificate, registration or other authorization.

(2) Restrict access to confidential information in the possession of the board which has been obtained under this part and ensure that the confidentiality of information is maintained and protected. Records shall be retained by the board for seven years.

(3) Prescribe and require periodic financial reporting and internal control requirements for all licensed entities.

(4) Require that each licensed entity 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, table games, authorized interactive games, casino simulcasting, multi-use computing devices or sports wagering.

(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 multistate agreement, as approved by the board.

(6.1) Collaborate with the appropriate regulatory agencies 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 multistate agreements.

(7) Enforce prescribed hours for the operation of slot machines so that slot machine licensees may operate slot machines on any day during the year in order to meet the needs of patrons or to meet competition.

(7.1) Enforce prescribed hours for the operation of table games so that a certificate holder may conduct table games on any day during the year in order to meet the needs of patrons or to meet competition.

(7.2) Enforce prescribed hours for the operation of authorized interactive games so that an interactive gaming certificate holder or interactive gaming operator 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.

(8) Require that each licensed gaming entity prohibit persons under 21 years of age from operating or using slot machines, playing table games or participating in interactive gaming, casino simulcasting and sports wagering.

(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, casino simulcasting technology and equipment and sports wagering and sports wagering devices prior to being placed into use by a slot machine licensee. The board shall collaborate with the commission to facilitate the inspection and certification of casino simulcasting technology and equipment.

(10) Subject to paragraph (10.1), require that no slot machine or authorized interactive game that replicates the play of a slot machine, other than a slot machine or authorized interactive game that replicates the play of a slot machine that is used in a multistate wide-area progressive slot machine system, 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 based on the total value of the jackpots expected to be paid by a play or a slot machine game or an authorized interactive game that replicates the play of a slot machine divided by the total value of wagers expected to be made on that play or slot machine game or an authorized interactive game that replicates the play of a slot machine 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 an authorized interactive game that replicates the play of a slot machine or any portion thereof. Subject to paragraph (10.1), in the case of a slot machine that is used in a multistate wide-area progressive slot machine system, the theoretical payout percentage shall be as set forth in the multistate agreement.

(10.1) For each of the following, 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:

(i) A skill slot machine or an authorized interactive game that replicates the play of a skill slot machine. For a skill slot machine or authorized interactive game that replicates the play of a skill slot machine that is used in a multistate wide-area progressive slot machine system, the player's win percentage shall be as set forth in the multistate agreement.

(ii) A hybrid slot machine or an authorized interactive game that replicates the play of a hybrid slot machine. For a hybrid slot machine or an authorized interactive game that replicates the play of a hybrid slot machine that is used in a multistate wide-area progressive slot machine system, the player's win percentage shall be set forth in the multistate agreement.

(11) Require each slot machine license applicant to provide detailed site plans of its proposed licensed facility which shall be reviewed and approved by the board for the purpose of determining the adequacy of the proposed security and surveillance measures inside and outside the facility. Applicants will cooperate with the board in making changes to the plans suggested by the board and will ensure that the plans as modified and approved are implemented.

(12) Upon request, provide background investigation reports of applicants for licenses and permits for use at racetracks to the State Horse Racing Commission and the State Harness Racing Commission.

(13) Require slot machine licensees to provide onsite facilities for use by the board and other appropriate persons for the purpose of carrying out their respective responsibilities under this part.

(14) Consult with members of the Pennsylvania State Police, the Office of Attorney General, the department and such other persons it deems necessary for advice regarding the various aspects of the powers and duties imposed on it under this part and its jurisdiction over the authorization, operation and play of slot machines, table games and licensed facilities.

(15) Enter into contracts with any person for the purposes of carrying out the powers and duties of the board under this part.

(16) Require each slot machine licensee to sell Pennsylvania State Lottery tickets at its licensed facility at a location as near as practicable to the pay windows.

(17) Permit, in its discretion and upon application or petition, the use of a temporary facility within which slot machines and table games may be available for play or operation at a licensed gaming facility, for a period not to exceed 24 months, provided that, upon good cause shown, the board may extend permission to operate a temporary facility for an additional 24-month period.

(18) (Reserved).

(19) Authorize an employee of the board to approve, deny or condition a request to decrease the number of slot machines in operation at a licensed facility. An employee may not approve a requested decrease in the number of slot machines under this paragraph if the requested decrease exceeds 2% of the total number of slot machines in operation at a licensed facility. Except as provided under paragraph (20), at no time shall the number of slot machines in operation at a Category 1 or Category 2 licensed facility be less than 1,500 or less than 250 slot machines at a Category 3 licensed facility.

(20) Approve or authorize an employee of the board to approve a temporary reduction in the number of slot machines in operation at a licensed facility under the following circumstances:

(i) For the duration of any renovation, remodeling or modification of an area of a licensed facility where slot machines are located.

(ii) To enable the licensed facility to respond to an emergency.

(21) Authorize, in its discretion, a slot machine licensee to conduct slot machine contests or tournaments, table game contests or tournaments 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 contests and tournaments.

(21.1) Authorize, at its discretion, a slot machine licensee to place slot machines that are used in a multistate wide-area progressive slot machine system, skill slot machines or hybrid slot machines and make them 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 the same manner as provided in section 13B03 (relating to regulations).

(22) License, regulate, investigate and take any other action determined necessary regarding all aspects of interactive gaming, casino simulcasting and sports wagering.

(23) Define and limit the rules of authorized interactive games, including odds, interactive gaming 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 an interactive gaming website display 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 under 3 Pa.C.S. Ch. 93 (relating to race horse industry reform).

(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 in 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 and wagers from persons in this Commonwealth may be made through an interactive gaming platform to a state or jurisdiction with which the Commonwealth has an interactive gaming reciprocal agreement if the board determines that such wagering is not inconsistent with Federal law or the law of the state or jurisdiction in which the person or gaming entity 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 power and authority to enter into interactive gaming reciprocal agreements with other states or jurisdictions.

(27) Enter into multistate agreements with other states or jurisdictions 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 3 Pa.C.S. Ch. 93.

(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).

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 amended pars. (1), (5), (6), (8), (9), (10) and (21) and added pars. (6.1), (7.2), (7.3), (10.1), (21.1), (21.2), (22), (23), (24), (25), (26), (27), (28), (29) and (30).

2010 Amendment. Act 1 amended pars. (4), (5), (8), (9), (14) and (17) and added pars. (7.1), (18), (19), (20) and (21).

Cross References. Section 1207 is referred to in sections 1103, 1317.3, 13A02, 13C02, 13F44 of this title.

§ 1208. Collection of fees and fines.

The board has the following powers and duties:

(1) To levy and collect fees from the various applicants, licensees and permittees to fund the operations of the board. Unless otherwise provided in this part, the fees shall be deposited into the State Gaming Fund as established in section 1403 (relating to establishment of State Gaming Fund and net slot machine revenue distribution) and distributed to the board upon appropriation by the General Assembly. In addition to the fees set forth in sections 1209 (relating to slot machine license fee) and 1305 (relating to Category 3 slot machine license), the board shall assess and collect fees as follows:

(i) Supplier licensees shall pay:

(A) A fee of \$25,000 upon the issuance of a license to supply slot machines or associated equipment used in connection with slot machines.

(B) A fee of \$25,000 upon the issuance of a license to supply table game devices or associated equipment used in connection with table games or table game devices.

(C) A fee of \$15,000 for the annual renewal of the appropriate supplier license. Upon the extension of the renewal period under section 1317(c)(1) (relating to supplier licenses), the fee shall be \$45,000 for the renewal.

(D) Notwithstanding the fees established under clauses (B) and (C), the board may modify the fees upon the board's determination that the fees will unreasonably limit the availability of table game devices or associated equipment used in connection

with table games or table game devices in this Commonwealth.

(ii) Manufacturer licensees shall pay:

(A) A fee of \$50,000 upon the issuance of a license to manufacture slot machines and associated equipment used in connection with slot machines.

(B) A fee of \$50,000 upon the issuance of a license to manufacture table game devices or associated equipment used in connection with table games or table game devices.

(C) A fee of \$30,000 for the annual renewal of the appropriate manufacturer license. Upon the extension of the renewal period under section 1317.1(c)(1) (relating to manufacturer licenses), the fee shall be \$90,000 for the renewal.

(D) Notwithstanding the fees established under clauses (B) and (C), the board may modify the fees upon the board's determination that the fees will unreasonably limit the availability of table game devices or associated equipment used in connection with table games or table game devices in this Commonwealth.

(iii) Each application for a slot machine license, supplier license or manufacturer license must be accompanied by a nonrefundable fee set by the board for the cost of each individual requiring a background investigation. The reasonable and necessary costs and expenses incurred in any background investigation or other investigation or proceeding concerning any applicant, licensee, permittee or registrant shall be reimbursed to the board by those persons.

(1.1) To collect the proceeds of auctions under section 1305.2 (relating to conduct of auctions).

(2) To provide for the assessment and collection of fines and penalties for violations of this part. All fines and penalties shall be credited for deposit to the General Fund. Two years following enactment of this part, the board shall have the authority to increase each year any fee, charge, cost or administrative penalty, but not any criminal fine or penalty, provided in this part by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) for the Pennsylvania, New Jersey, Delaware and Maryland area for the most recent 12-month period for which figures have been officially reported by the United States Department of Labor, Bureau of Labor Statistics, immediately prior to the date the adjustment is due to take effect.

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 added par. (1.1).

2010 Amendment. Act 1 amended par. (1).

Cross References. Section 1208 is referred to in sections 13A61, 13B20.3, 13C16, 13C61 of this title.

§ 1209. Slot machine license fee.

(a) **Imposition.**--Except as provided for a Category 3 licensed gaming entity under section 1305 (relating to Category 3 slot machine license) or a Category 4 slot machine licensee under section 1305.1 (relating to Category 4 slot machine license) and subject to the requirements of this section, at the time of license issuance the board shall impose a one-time

slot machine license fee to be paid by each successful applicant for a conditional Category 1, a Category 1 or a Category 2 license in the amount of \$50,000,000 and deposited in the State Gaming Fund. No fee shall be imposed by the board for a Category 1 license if the applicant has paid a \$50,000,000 fee for a conditional Category 1 license.

(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 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.

(c) Credit against tax for slot machine licensees.--If the rate of the tax imposed by section 1403 (relating to establishment of State Gaming Fund and net slot machine revenue distribution) is increased at any time during the term of ten years following the initial issuance of the slot machine license, the slot machine licensee shall be entitled to a credit against subsequent payment of the tax equal to the difference between the tax calculated at the rate when the license was issued and the tax calculated at the increased rate. This credit shall be applied on a dollar-for-dollar basis as and when the tax is payable as set forth in section 1403 but shall not extend beyond the ten-year period following the initial issuance of the license. The aggregate amount of all credits provided shall not exceed the amount of the licensing fee paid by the licensee. The department shall enter into a contract with each slot machine licensee explicitly setting forth the terms and conditions of this credit and which also specifically incorporates the requirements of subsection (f).

(d) Deposit of license fee.--The total amount of all license fees imposed and collected by the board under this section shall be deposited in the State Gaming Fund.

(e) Change of ownership or control of a license.--In the event that the ownership or control of a slot machine licensee or its affiliate, intermediary, subsidiary or holding company is changed as described in section 1328 (relating to change in ownership or control of slot machine licensee), the new owner shall be entitled to the full remaining amount of the credit set forth in subsection (c) or the return of the license fee in accordance with subsection (f) as if the new owner or controlling interest was the original licensee.

(f) Return of slot machine license fee.--

(1) The entire one-time slot machine license fee of \$50,000,000 for each Category 1 and Category 2 slot machine license shall be returned to each licensee in the event section 1201 (relating to Pennsylvania Gaming Control Board established), 1202 (relating to general and specific powers) or 1307 (relating to number of slot machine licenses) is amended or otherwise altered by an act of the General Assembly, within five years following the date established by the board as the deadline for the initial submission of Category 1 and Category 2 slot machine license applications, to change:

- (i) the composition of the board;
- (ii) the number or voting powers of members of the board;
- (iii) the manner in which members are nominated or appointed to the board;
- (iv) the length of term for which each member serves;
- (v) the general jurisdiction of the board in a manner that impairs or otherwise reduces the board's licensing authority; or
- (vi) section 1307 to increase the statutory maximum number of permissible Category 1 or Category 2 licensed facilities.

(2) In the event that the General Assembly acts in the manner described in paragraph (1):

(i) In the sixth year following the date established by the board as the deadline for the initial submission of Category 1 and Category 2 slot machine license applications, a Category 1 and Category 2 slot machine licensee shall be entitled to a partial return of the one-time slot machine license fee in the amount of \$41,666,667.

(ii) In the seventh year, each Category 1 and Category 2 slot machine licensee shall be entitled to a partial return of the one-time slot machine license fee in the amount of \$33,333,334.

(iii) In the eighth year, each Category 1 and Category 2 slot machine licensee shall be entitled to a partial return of the one-time slot machine license fee in the amount of \$25,000,000.

(iv) In the ninth year, each Category 1 and Category 2 slot machine licensee shall be entitled to a partial return of the one-time slot machine license fee in the amount of \$16,666,668.

(v) In the tenth year, each Category 1 and Category 2 slot machine licensee shall be entitled to a partial return of the one-time machine license fee in the amount of \$8,333,334.

(2.1) In the event that the General Assembly acts in the manner described in paragraph (1) after the expiration of ten years, Category 1 and Category 2 slot machine licensees shall not be entitled to a return of any portion of the one-time slot machine license fee. Notwithstanding the foregoing, no slot machine licensee shall be entitled to the return of any portion of the fee as a result of any act of the General Assembly insofar as it implements a recommendation made by the board pursuant to a qualified majority vote. In the event a full or partial return of the slot machine license fee imposed pursuant to subsection (a) becomes due pursuant to this subsection, the amount to be returned to any slot machine licensee shall be reduced on a dollar-for-dollar basis by the total accumulated tax credits granted to such licensee pursuant to subsection (c). In no event shall the total amount of the slot machine license fee returned to a Category 1 or Category 2 licensee, combined with the total tax credits granted, exceed the amounts set forth in this subsection for any licensee. The total or partial return of the slot machine license fee shall extinguish a licensee's right to claim any further tax credits pursuant to subsection (c) and to make any future claim for the return of the slot machine license fee.

(3) Within ten days following a determination that a slot machine licensee is entitled to the return of any portion of the slot machine license fee paid by the slot machine licensee based on the provisions of this section or based on the contract executed by the slot machine licensee and the department under subsection (c), the board shall immediately assess a one-time slot machine license renewal fee on the slot machine licensee in an amount equal to the amount of the fee returned to the slot machine licensee. The renewal fee shall be paid by the slot machine licensee within two business days following the return of the initial fee. (Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 amended subsecs. (a) and (b).

2010 Amendment. Act 1 amended subsecs. (b) and (f).

Cross References. Section 1209 is referred to in sections 1208, 1305, 1305.1, 1305.2, 1313, 1315, 1326.1, 1328, 13A12, 1902 of this title; section 9352 of Title 3 (Agriculture).

§ 1210. Number of slot machines.

(a) Initial complement.--Except as provided for Category 3 slot machine licensees under section 1305 (relating to Category 3 slot machine license) or a Category 4 slot machine licensee under section 1305.1 (relating to Category 4 slot machine license), the following apply:

(1) All slot machine licensees shall be permitted to operate up to 3,000 slot machines at any one licensed facility.

(2) Each slot machine licensee shall be required to operate and make available to play a minimum of 1,500 slot machines at its licensed facility within one year of the issuance by the board of a slot machine license to the slot machine licensee. The board, upon application and for good cause shown, may grant an extension for an additional period ending on the later of 36 months from the end of the initial one-year period or December 31, 2012.

(3) A Category 1 or Category 2 slot machine licensee that is also a Category 4 slot machine licensee may, upon notification and receipt of approval from the board, install and operate slot machines from the initial complement authorized under paragraph (1) subject to the limitation under section 1305.1(d)(1) at the licensee's Category 4 licensed facility.

(b) Additional slot machines.--Except as provided for Category 3 slot machine licensees under section 1305, six months following the date of commencement of slot machine operations, the board may permit a slot machine licensee to install and operate up to 2,000 additional slot machines at its licensed facility, beyond those machines permitted under subsection (a), upon application by the slot machine licensee. The board, in considering such an application, shall take into account the appropriateness of the physical space where the additional slot machines will be located and the convenience of the public attending the facility. The board may also take into account the potential benefit to economic development, employment and tourism, enhanced revenues to the Commonwealth and other economic indicators it deems applicable in making its decision. Subject to the limitation under section 1305.1(d), slot machines approved under this subsection may be installed and operated at a Category 4 licensed facility.

(c) Limitation.--(Deleted by amendment).

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

Cross References. Section 1210 is referred to in sections 1305, 1305.1 of this title.

§ 1211. Reports of board.

(a) Report of board.--Eighteen months after the effective date of this part and every year on that date thereafter, the board shall issue a report to the Governor and each member of the General Assembly on the general operation of the board and each slot machine licensee's performance, including, but not limited to, number and win per slot machine and total gross terminal revenue at each licensed facility during the previous year, all taxes, fees, fines and other revenues collected and, where appropriate, disbursed, the costs of operation of the board, all hearings conducted and the results of the hearings and other information that the board deems necessary and appropriate.

(a.1) Additional reporting requirements.--No later than 12 months after the effective date of Chapter 13A (relating to table games) and every year thereafter, the annual report submitted by the board shall include information on the conduct of table games as follows:

- (1) Total gross table game revenue.
- (2) The number and win by type of table game at each licensed facility during the previous year.
- (3) 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 paragraph.
- (4) Other information related to the conduct of table games.

The board may require certificate holders to provide information to the board to assist in the preparation of the report.

(a.2) Facility responsibility.--Each Category 1 licensed facility shall provide:

- (1) An annual report to the board and to the respective racing commission summarizing how the introduction and expansion of gaming has fulfilled the intent of this part to enhance live racing at the licensed racetrack.
- (2) Plans to promote live racing and increase live handle and daily attendance at the licensed racetrack in the upcoming year.

(a.3) Expenses.--Beginning 30 days after the effective date of this subsection, the board shall post, within 45 days after the end of each month on its Internet website, a list of all the itemized expenses of employees and members for that month that were or are to be reimbursed from the assessments made by the department under section 1402(a) (relating to gross terminal revenue deductions) and all itemized expenses of employees of the department and the Office of Attorney General and troopers and employees of the Pennsylvania State Police for the preceding month that were or are to be reimbursed from such assessments. The list shall identify the nature of the expense, the employee, member or the agency and employee of the agency to which an expense is attributable. If the expense is directly attributable to or paid by a licensed gaming entity, the list shall identify the licensed gaming entity and if the expense was charged to the licensed gaming entity. By October 1 of each year, a final report of all expenses described in this subsection for the preceding fiscal year shall be posted on the board's Internet website and shall be submitted to the Appropriations Committee

of the Senate, the Community, Economic and Recreational Development Committee of the Senate, the Appropriations Committee of the House of Representatives and the Gaming Oversight Committee of the House of Representatives. Information posted on the Internet website pursuant to this subsection shall be financial records for the purposes of and subject to redaction under the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law. The board, the department, the Office of Attorney General and the Pennsylvania State Police shall collaborate to develop a uniform system that will enable the board to carry out the requirements of this subsection.

(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 related to interactive gaming activities. 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 interactive gaming operators to provide information to the board to assist in the preparation of the report.

(b) Report of the Legislative Budget and Finance

Committee.--No later than March 15 of the year following the effective date of this part and each March 15 thereafter, the Legislative Budget and Finance Committee shall issue a report to the General Assembly analyzing the impact, if any, of this part on the State Lottery.

(c) Interception of gaming winnings.--The board shall conduct a study to determine the feasibility of implementing methods for the interception of the gaming winnings of individuals who are delinquent support obligors or tax delinquent. The study shall be completed by December 31, 2006, and shall contain recommendations which the board determines appropriate.

(d) Reports to General Assembly.--The board shall conduct an ongoing review of the operation of this part and the impact of gaming in this Commonwealth, including review of other jurisdictions, Federal laws, academic research and public input. The board shall submit an annual report to the General Assembly by December 30. The report shall include recommendations for changes to this part or in the operation or regulation of licensed entities. The report shall be submitted to the Majority Leader and Minority Leader of the Senate and the Majority Leader and Minority Leader of the House of Representatives and the chair and minority chair of the standing committees in the Senate and the chair and minority chair of the standing committees in the House of Representatives with jurisdiction over the board. The report shall be posted by the board on its Internet website.

(d.1) Impact of interactive gaming.--

(1) Commencing one year after the issuance of the first interactive gaming certificate and continuing annually thereafter, the Department of Drug and Alcohol Programs or successor agency shall prepare and distribute a report to the Governor and the standing committees of the General

Assembly with jurisdiction over the board 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 or successor agency. 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 all interactive gaming certificate holders. The board shall be authorized to assess a fee against each interactive gaming certificate holder for these purposes.

(2) Commencing one year after the issuance of the first interactive gaming certificate and continuing annually thereafter, the board shall prepare and distribute a report to the Governor and the standing committees of the General Assembly with the jurisdiction over the board on the impact of interactive gaming on licensed gaming entities in this Commonwealth.

(d.2) Additional information for annual report.--

(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 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 the multistate wide-area progressive slot machine system.

(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 and the operation of the multistate wide-area progressive slot machine system, skill slot machines and hybrid slot machines as determined by the board.

(d.3) Study.--The board shall study and annually report to the standing committees of the General Assembly with jurisdiction over the board on developments in gaming technology and the impact, if any, new technologies and expansion of gaming are having or are expected to have on the sustainability and competitiveness of the gaming industry in this Commonwealth. The initial report shall be due one year after the effective date of this subsection. Each 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 states or jurisdictions.

(3) Any gaming products which the board may 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.

(5) Any cannibalization from Category 4 slot machine licensees on Category 1, Category 2 or Category 3 slot machine licensees.

(e) Submission of reports.--Notwithstanding any other provision of this part, all annual reports or studies of the board required to be submitted to the General Assembly under this part after the effective date of this subsection shall be submitted by October 1, 2010, and by October 1 of each year thereafter.

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 added subsecs. (a.4), (d.1), (d.2) and (d.3).

2010 Amendment. Act 1 amended subsec. (a) and added subsecs. (a.1), (a.2), (a.3) and (e).

Cross References. Section 1211 is referred to in sections 315, 13C02, 3306 of this title; section 9311 of Title 3 (Agriculture).

§ 1212. Diversity goals of board.

(a) Intent.--It is the intent and goal of the General Assembly that the board promote and ensure diversity in all aspects of the gaming activities authorized under this part. The board shall work to enhance the representation of diverse groups in:

(1) The ownership of licensed entities in this Commonwealth.

(2) The ownership of business enterprises associated with or utilized by licensed entities and through the provision of goods and services utilized by slot machine licensees under this part.

(3) The operation of licensed entities and the conduct of gaming in this Commonwealth by ensuring licensed entities promote the participation of diverse groups by affording equal access to employment opportunities, including key employee, gaming employee and nongaming employee positions.

(4) The operation of business enterprises associated with or utilized by licensed entities, including business enterprises that provide goods, property and services utilized by slot machine licensees in this Commonwealth, by ensuring these business enterprises promote the participation of diverse groups by affording equal access to employment opportunities.

(5) The construction, renovation or reconstruction of a licensed facility by ensuring that all contracts and subcontracts to be awarded relating to the construction, renovation or reconstruction of a licensed facility contain adequate provisions ensuring all contractors or subcontractors and assignees will promote the participation of diverse groups in any proposed construction, renovation or reconstruction project by affording equal access to employment opportunities.

(6) The rendering of professional services to licensed entities by ensuring licensed entities promote the participation of diverse groups by affording equal access to professional service contractual opportunities.

(a.1) Reports by licensees.--Each slot machine licensee shall submit a quarterly report to the board describing activities undertaken at its licensed facility related to the development and implementation of its diversity plan in accordance with section 1325 (relating to license or permit

issuance) during the prior quarter. At a minimum, the quarterly reports shall contain a summary of:

(1) All employee recruitment and retention efforts undertaken to ensure the participation of diverse groups in employment with the slot machine licensee.

(2) The total number of hires and employment offers made, including data relating to the race, gender and residence of those hired or offered employment.

(3) All contracting and subcontracting data involving the slot machine licensee and minority-owned business enterprises and women-owned business enterprises.

(4) Any other information deemed relevant or necessary by the board to assess the slot machine licensee's diversity plan.

(b) Annual review.--The board shall conduct an annual review of each slot machine licensee's activities related to the implementation of its diversity plan in order to evaluate whether the slot machine licensee has taken effective and meaningful action to implement a diversity plan and whether the licensee's plan and any other actions taken have achieved or will achieve the Commonwealth's goal of enhanced representation of diverse groups in the gaming industry as set forth in subsection (a).

(c) Completion of investigation.--The review required under subsection (b) shall be completed six months following the effective date of this section, if practically possible, and annually thereafter and shall contain recommendations which the board determines appropriate. Each review shall contain, at a minimum, a descriptive summary of the following relating to each slot machine licensee's licensed facility:

(1) Employee recruitment and retention programs designed to ensure the participation of diverse groups.

(2) The total number of hires and employment offers made, including data relating to the race, gender and residence of individuals hired or offered employment.

(3) Minority-owned business enterprise and women-owned business enterprise contracting and subcontracting data.

(d) Facility responsibility.--Each slot machine licensee shall provide information as required by the board to enable the board to complete the reviews required under subsection (b).

(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:

(1) Legal services.

(2) Advertising or public relations services.

(3) Engineering services.

(4) Architectural, landscaping or surveying services.

(5) Accounting, auditing or actuarial services.

(6) Security consultant services.

(7) Computer and information technology services, except telephone service.

(8) Insurance underwriting services.

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

(10) Technology related to casino simulcasting.

(11) Technology related to sports wagering.

(Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 added subsec. (e) (9), (10) and (11).

Cross References. Section 1212 is referred to in section 1510 of this title.

§ 1213. License or permit prohibition.

The following apply:

(1) The board shall be prohibited from granting a principal license or a key employee license to an individual who has been convicted of a felony offense in any jurisdiction.

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

(i) A principal license or key employee license to an individual who has been convicted in any jurisdiction of a misdemeanor gambling offense, unless 15 years have elapsed from the date of conviction for the offense.

(ii) A gaming employee permit or a license other than a principal license or key employee license to an individual who has been convicted in any jurisdiction of a felony offense or of a misdemeanor gambling offense, unless 15 years have elapsed from the date of conviction for the offense.

(3) Following the expiration of any prohibition period applicable to an applicant under paragraph (2), in determining whether to issue a license or permit, the board shall consider the following factors:

(i) The nature and duties of the applicant's position with the licensed entity.

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

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

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

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

(vi) 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.

(4) For purposes of this section, a felony offense is any of the following:

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

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

(A) classified as a felony; or

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

(iii) An offense under the laws of another jurisdiction which, if committed in this Commonwealth, would be subject to imprisonment for more than five years.

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. See section 20(1) of Act 1 in the appendix to this title for special provisions relating to applicability.

§ 1214. Specific authority to suspend slot machine license.

(a) **Conditions.**--Any slot machine licensee that is required as a condition of licensure to make payments to a municipality, municipal authority or other entity for an economic development project, including any project enumerated in 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, shall, within 30 days of the effective date of this section or within 30 days following licensure, whichever is later, enter into a written agreement with the municipality, municipal authority or other entity. The written agreement shall establish and govern the terms of the required payments, including the amounts of each payment, the date on which each payment shall be made and the duration of the payments.

(b) Failure to meet conditions.--If a slot machine licensee fails to enter into a written agreement as required by subsection (a), the board may take any action it deems necessary. An action taken by the board shall remain in effect until the slot machine licensee satisfies the board that it has entered into the written agreement required by subsection (a).

(c) Failure to comply with written agreement.--If a slot machine licensee is in default with respect to a payment obligation contained in a written agreement required by subsection (a), the board may take any action it deems necessary. An action taken by the board shall remain in effect until the slot machine licensee satisfies the board that it is in compliance with the terms of the written agreement.

(d) Other remedies applicable.--Nothing in this section shall prohibit the board from taking any additional action, including suspension or revocation of the slot machine licensee's license, appointing a trustee under section 1332 (relating to appointment of trustee), or imposing any other sanction permitted by this part against a slot machine licensee who violates the provisions of this section.
(Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. Act 1 added section 1214.

Cross References. Section 1214 is referred to in section 13A13 of this title.

CHAPTER 13 LICENSEES

Sec.

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Enactment. Chapter 13 was added July 5, 2004, P.L.572, No.71, effective immediately.

Cross References. Chapter 13 is referred to in sections 323, 13C24, 13F15 of this title.

§ 1301. Authorized slot machine licenses.

Except as provided under section 1305.1 (relating to Category 4 slot machine license), there shall be three distinct classifications of slot machine licenses, designated by category, each permitting a licensed racing entity or person to apply for a qualifying license category and, upon issuance by the board in its discretion, to place and operate slot machines at a licensed facility. Except for conditional Category 1 license applications pursuant to section 1315 (relating to conditional Category 1 licenses), it is mandatory that the board shall consider, approve, condition or deny the approval of all initial applications for each and every category of slot machine licenses collectively and together, in a comprehensive Statewide manner, within 12 months following the time set by the board at which all applications are to be filed and deemed complete by the board. The board shall approve, condition or deny the issuance of a slot machine license of any category within the time period provided for herein. Following approval of an application for a slot machine license, the applicant shall provide formal notification to the board as soon as:

(1) it fulfills all required conditions for issuance of the license; and

(2) the board's decision approving the application is a final, binding, nonappealable determination which is not subject to a pending legal challenge.

Upon receipt of such formal notification and upon conducting any necessary verification, the board shall issue a slot machine license to the applicant.

(Oct. 30, 2017, P.L.419, No.42, eff. imd.)

Cross References. Section 1301 is referred to in sections 1306, 1315 of this title.

§ 1302. Category 1 slot machine license.

(a) **Eligibility.**--A person may be eligible to apply for a Category 1 license to place and operate slot machines at a licensed racetrack facility if the person:

(1) has been issued a license from either the State Horse Racing Commission or the State Harness Racing Commission to conduct thoroughbred or harness race meetings respectively with pari-mutuel wagering and has conducted live horse races for not less than two years immediately preceding the effective date of this part;

(2) has been approved or issued a license from either the State Horse Racing Commission or the State Harness Racing Commission to conduct thoroughbred or harness race meetings respectively with pari-mutuel wagering within 18 months immediately preceding the effective date of this part and will successfully conduct live racing pursuant to the requirements of section 1303 (relating to additional Category 1 slot machine license requirements);

(3) has been approved by the State Harness Racing Commission, after the effective date of this part, to conduct harness race meetings with pari-mutuel wagering and will conduct live racing pursuant to the requirements of section 1303; or

(4) is a successor in interest to persons eligible under paragraph (1), (2) or (3) who comply with the requirements of section 1328 (relating to change in ownership or control of slot machine licensee).

Nothing in this part shall be construed to permit the approval or issuance of more than one slot machine license at a licensed racetrack facility.

(b) Location.--A Category 1 license may only be issued to an eligible person authorizing slot machine operations at the particular licensed racetrack facility identified in the application. No Category 1 licensed facility shall be located within 20 linear miles of another Category 1 licensed facility. (Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 amended subsec. (a)(4).

Cross References. Section 1302 is referred to in sections 1303, 1315 of this title.

§ 1303. Additional Category 1 slot machine license requirements.

(a) Eligibility.--In addition to the criteria prescribed in section 1302 (relating to Category 1 slot machine license), an applicant for a Category 1 slot machine license shall be eligible for a license to place and operate slot machines at a licensed facility only if the applicant meets one of the following criteria:

(1) the licensed racing entity or its predecessor owner of the licensed racetrack has conducted live horse races for not less than two years immediately preceding the effective date of this part; or

(2) the licensed racing entity has not previously conducted live racing at a racetrack but will conduct live racing for a minimum of 150 days to begin in the year which begins two years following the issuance of its slot machine license for the racetrack unless the appropriate commission determines, upon application, that it is not practically feasible for the licensed racing entity to conduct live racing for a minimum of 150 days due to projected or actual weather conditions. Failure to meet the required minimum number of days will result in immediate suspension of the slot machine license.

(b) Required racing days.--Except as provided in subsection (a)(2), a Category 1 slot machine licensee must conduct live racing at the racetrack for at least 100 days per calendar year

for each license held by the licensed racing entity pursuant to the Race Horse Industry Reform Act, and the aggregate number of live racing days at the racetrack where the Category 1 slot machine licensee conducts live racing shall not be less than 95% of the total number of horse or harness racing days that were scheduled in 1986 at that racetrack. If a racing day is canceled for reasons beyond the control of the licensed racing entity, the appropriate commission shall grant the licensee the right to conduct that racing day in the same or next ensuing calendar year. The purse for that racing day shall not be used for the purse of other scheduled racing days of that calendar year and must be used for the purse of such rescheduled day.

(c) Limitations.--The issuance of a Category 1 slot machine license shall entitle the licensee to operate slot machines only within the grounds of a licensed racetrack.

(d) Authorization.--Authorization for a Category 1 slot machine licensee to continue the operation of slot machines shall be limited to those licensees that:

(1) Have a written live racing agreement with a horsemen's organization representing a majority of owners and trainers at the racetrack where the licensed racing entity conducts live racing.

(2) Have 95% of the total number of horse or harness racing days that were scheduled in 1986 by it or its predecessor at the racetrack where the Category 1 slot machine licensee conducts live racing, and the aggregate number of live racing days at the racetrack where the Category 1 slot machine licensee conducts live racing shall not be less than 95% of the total number of horse or harness racing days that were scheduled in 1986 at that racetrack. A new licensee which opens a new racetrack and which will successfully conduct live racing for a minimum of 150 days to begin no later than in the year which begins two years following the issuance of its slot machine license for the racetrack, unless the appropriate commission determines upon application that it is not practically feasible for the licensed racing entity to conduct live racing for a minimum of 150 days due to projected or actual weather conditions, shall be allowed to operate slot machines, from the date its slot machine license is issued and intrastate and interstate simulcast in accordance with the Race Horse Industry Reform Act, from the first day of the calendar year in which it conducts live racing days.

(3) Unless the horsemen's organization representing a majority of the owners and trainers consents to a lower number of required racing days at the racetrack, subject to actions or activities beyond the control of the licensee, conduct not fewer than eight live races per race date during each meet at the racetrack where the licensed racing entity conducts live racing, except for thoroughbred tracks on the day designated as a Breeder's Cup event day when the licensed racing entity shall hold a minimum of five live races. The Category 1 slot machine licensee shall not waive or modify the provisions pertaining to the required number of racing days under paragraph (2) and races per day scheduled in this paragraph without the consent of the horsemen's organization representing a majority of owners and trainers at the racetrack.

(4) Notwithstanding the provisions of paragraph (1), in the event that a written live racing agreement has not been entered into, permission for any licensee to operate slot machines at racetracks shall be granted provided that

the Category 1 slot machine licensee has continued to conduct live racing in accordance with paragraphs (2) and (3) and keeps its racetrack open to the general population of owners, trainers and horses stabled there for training and stabling on a regular basis, when it is normally open for live racing and during such periods, and continues to comply with all provisions of the most recently expired live racing agreement, including recognition of the then existing horsemen's organization at each such racetrack as the sole representative of the horsemen at that time, and pays purses as defined in the most recently expired live racing agreement plus the applicable purse revenue distributed to licensed racing entities from the operation of slot machines under this part. Nothing in this part shall exempt an existing or future licensed racetrack from the requirements of the Race Horse Industry Reform Act requiring a licensed corporation to have a written and unexpired live racing agreement with the horsemen's organization representing a majority of owners and trainers at the racetrack where the licensed corporation conducts or will conduct live racing dates in order to continue or commence any form of simulcasting.

(5) Notwithstanding any other provision of the law to the contrary, account wagers authorized pursuant to section 218(b) of the Race Horse Industry Reform Act shall only be accepted by a licensed corporation in accordance with the provisions of the Race Horse Industry Reform Act, and no entity that is not a licensed corporation under that act shall accept an account wager from any person within this Commonwealth.

References in Text. The act of December 17, 1981, P.L.435, No.135, known as the Race Horse Industry Reform Act, referred to in this section, was repealed by the act of February 23, 2016, P.L.15, No.7.

Cross References. Section 1303 is referred to in section 1302 of this title; sections 9317, 9329 of Title 3 (Agriculture).

§ 1304. Category 2 slot machine license.

(a) Eligibility.--

(1) A person may be eligible to apply for a Category 2 license if the applicant, its affiliate, intermediary, subsidiary or holding company is not otherwise eligible to apply for a Category 1 license and the person is seeking to locate a licensed facility in a city of the first class, a city of the second class or a revenue- or tourism-enhanced location. It shall not be a condition of eligibility to apply for a Category 2 license to obtain a license from either the State Horse Racing Commission or the State Harness Racing Commission to conduct thoroughbred or harness race meetings respectively with pari-mutuel wagering.

(2) 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.--

(1) Two Category 2 licensed facilities and no more shall be located by the board within a city of the first class, and one Category 2 licensed facility and no more shall be located by the board within a city of the second class. No Category 2 licensed facility located by the board within a city of the first class shall be within ten linear miles of a Category 1 licensed facility regardless of the municipality where the Category 1 licensed facility is located. Except for any Category 2 licensed facility located by the board within a city of the first class or a city of the second class, no Category 2 licensed facility shall be located within 30 linear miles of any Category 1 licensed facility that has conducted over 200 racing days per year for the two calendar years immediately preceding the effective date of this part and not within 20 linear miles of any other Category 1 licensed facility. Except for any Category 2 licensed facility located by the board within a city of the first class, no Category 2 licensed facility shall be located within 20 linear miles of another Category 2 licensed facility.

(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 licensed 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.

(3) Notwithstanding any other provision of law, the governing body of a city of the first class shall not exempt from real property taxation or provide any real property tax abatement under the act of December 1, 1977 (P.L.237, No.76), known as the Local Economic Revitalization Tax Assistance Act, to a Category 2 licensed facility located within the city, or any improvements to such facility, unless the owner of the licensed facility enters into or has entered into a tax settlement agreement or payment in lieu of taxes agreement with the city, including any amendments, supplements or modifications of such agreements.

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. Act 1 amended subsec. (b).

Cross References. Section 1304 is referred to in section 13F02 of this title.

§ 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.

(1.2) The requirements under paragraph (1)(i), (ii) and (iii) and the membership fee required under paragraphs (1)(iv) and (1.1) shall not apply to the licensed facility if the Category 3 slot machine licensee makes notification to the board and a payment of \$1,000,000 to the department for deposit into the General Fund.

(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 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, shall not be located by the board within 30 linear miles of another licensed facility.

(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.--

(1) Upon submission by a Category 3 slot machine licensee 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 the Category 3 slot machine licensee's licensed facility.

(2) An increase in the number of slot machines by a Category 3 slot machine licensee under paragraph (1) may not exceed 250 additional slot machines, which shall be in

addition to the number of permissible slot machines authorized under subsection (c).

(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.

(d.1) 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. (Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 added subsecs. (a)(1.2), (c.1) and (d.1).

2010 Amendment. See section 19.2 of Act 1 in the appendix to this title for special provisions relating to additional applications for Category 3 licenses.

Cross References. Section 1305 is referred to in sections 1103, 1208, 1209, 1210, 1305.1, 1313, 13F02 of this title.

§ 1305.1. Category 4 slot machine license.

(a) Eligibility.--The following apply:

(1) A slot machine licensee may submit a bid if:

(i) the slot machine licensee's license and table game operation certificate are in good standing with the board; and

(ii) the slot machine licensee agrees to locate a Category 4 licensed facility as provided under subsection (b).

(2) A winning bidder of an auction under section 1305.2(a) (relating to conduct of auctions) shall be ineligible to participate in an auction until an auction is conducted under section 1305.2(b) and (b.1).

(a.1) Municipal option.--

(1) Prior to the commencement of an auction under section 1305.2, each municipality shall have the option to prohibit the location of a Category 4 licensed facility within the municipality by delivering a resolution of the municipality's governing body to the board no later than December 31, 2017. No Category 4 licensed facility may be

located in a municipality which has exercised its option under this paragraph.

(2) A municipality that prohibits the location of a Category 4 licensed facility within the municipality under paragraph (1) may rescind that prohibition at any time by delivering a new resolution of the municipality's governing body to the board. A municipality that rescinds its prior prohibition according to this subsection may not subsequently prohibit the location of a Category 4 licensed facility in the municipality.

(b) Location.--The following shall apply:

(1) Ten Category 4 licensed facilities may be located in this Commonwealth.

(2) A winning bidder's Category 4 location may not be within 25 linear miles of another Category 1, Category 2 or Category 3 licensed facility but may be within 25 linear miles of the winning bidder's licensed facility.

(3) After a winning bidder selects a Category 4 location under section 1305.2(c)(9), the selected Category 4 location is reserved and another Category 4 location may not be located within that Category 4 location.

(4) If the winning bidder applying for a Category 4 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, and the application is subsequently approved by the board, the winning bidder shall 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.

(5) Within five days of approving a Category 4 slot machine license for a proposed Category 4 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 Category 4 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 where the proposed Category 4 licensed facility would be situated 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 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 an 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 decertified land.

(6) A Category 4 slot machine license may not be located in a county hosting a Category 3 licensed facility.

(7) A Category 4 slot machine license may not be located in a sixth class county which is contiguous to a county that hosts a Category 2 licensed facility.

(c) Conduct of gaming.--A Category 4 slot machine licensee shall have the authority to install and make slot machines available for play at a Category 4 licensed facility. The holder of a table game certificate that is a Category 4 slot machine licensee may install and make table games available for play at a Category 4 licensed facility.

(d) Number of slot machines.--The following apply:

(1) Subject to paragraphs (2) and (3), a Category 4 slot machine licensee may operate not fewer than 300 and not more than 750 slot machines at the Category 4 licensed facility.

(2) A Category 1 or Category 2 slot machine licensee who is a Category 4 slot machine licensee may not operate slot machines above the authorized complement under section 1210 (relating to number of slot machines).

(3) (i) A Category 3 slot machine licensee who is a Category 4 slot machine licensee may submit a petition to operate slot machines above the Category 3 authorized complement under section 1305 (relating to Category 3 slot machine license).

(ii) No later than 60 days after the board approves a petition to operate slot machines above the Category 3 authorized complement in accordance with subparagraph (i), the Category 3 slot machine licensee shall pay a nonrefundable authorization fee in the amount of \$10,000 per authorized additional slot machine.

(iii) A qualified entity who is a Category 4 slot machine licensee shall submit to the board a petition to operate slot machines not to exceed the limit under paragraph (1). No later than 60 days after the board approves a petition to operate slot machines at a Category 4 licensed facility, the qualified entity must pay a nonrefundable authorization fee in the amount of \$10,000 per authorized slot machine.

(4) A slot machine licensee may not reduce the number of slot machines and table games in operation at a Category 1, Category 2 or Category 3 licensed facility, as of the effective date of this section, unless the board approves of a reduction and the reduction is not a result of the conduct of gaming at a Category 4 licensed facility.

(e) License fee.--

(1) The license fee for a Category 4 slot machine license shall be determined pursuant to an auction under section 1305.2.

(2) An additional license fee for a Category 4 slot machine license shall not be required.

(3) The provisions of section 1209(c) (relating to slot machine license fee) shall not apply to a Category 4 license.

(f) Temporary facilities.--The board, in its discretion and upon application or petition, may permit the use of a temporary facility within which slot machines and table games may be made available for play or operation at a Category 4 licensed facility, for a period not to exceed 18 months.

(g) Pennsylvania State Police.--Notwithstanding section 1517 (relating to investigations and enforcement), the board may not require the Pennsylvania State Police to have an office located within a Category 4 licensed facility.

(Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 added section 1305.1.

Cross References. Section 1305.1 is referred to in sections 1209, 1210, 1301, 13F02 of this title.

§ 1305.2. Conduct of auctions.

(a) Initial auctions.--

(1) Beginning no later than January 15, 2018, and concluding by July 31, 2018, the board shall conduct initial auctions for the 10 available Category 4 slot machine licenses.

(2) The board shall set the date, time and location of the initial auctions at least three weeks prior to the initial auction and make the auction information available on the board's publicly accessible Internet website.

(b) Subsequent auctions.--

(1) If a winning bid is not awarded at an initial auction conducted under subsection (a), the board shall conduct subsequent auctions.

(2) A Category 1 or Category 2 slot machine licensee that submitted a winning bid in an initial auction shall be eligible to submit a bid in all subsequent auctions.

(3) Except as provided under subsection (c)(10)(ii), (11), (12) and (13), the board shall complete all subsequent auctions no later than August 31, 2018.

(b.1) Additional auctions.--If a subsequent auction fails to generate any bids, the board, in its discretion, may determine if it is in the best interests of the Commonwealth whether to conduct additional auctions at which any Category 1, Category 2 or Category 3 slot machine licensee, or other qualified entity, may bid. If the board intends to conduct additional auctions, the board shall first establish criteria and procedures for the qualification of entities to bid and apply for a Category 4 license.

(c) Auction procedures.--The following shall apply to the auctions conducted by the board:

(1) Auctions shall be conducted using a competitive bidding process.

(2) The board shall adopt procedures to prevent bid rigging and collusion among bidders and establish auction conditions, processes or procedures. The procedures shall not be subject to review under section 205 of the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law, sections 204(b) and 301(10) of the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act, or the act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.

(3) The board shall require each prospective bidder to submit a bond or letter of credit in the amount of the minimum bid under paragraph (5).

(4) Each auction shall be conducted separately.

(5) The minimum bid shall be \$7,500,000. In no case may the board accept a bid that is less than \$7,500,000.

(6) If the auction does not result in a winning bid, the highest bidders shall have one hour to submit a final and best bid to the board at the same public meeting. If the submission of the final bids does not result in a winning bid, the highest bidders shall continue to submit final bids, in an amount not less than or equal to a prior bid submission, until a winning bid is received.

(7) The winning bidder shall pay to the board the bid amount within two business days following the auction. Payment shall be by cashier's check, certified check or any other method acceptable to the board.

(8) If the winning bidder does not pay the bid amount within the time period required under paragraph (7), the second highest bidder shall be awarded the right to select a Category 4 location and apply for the Category 4 slot machine license, so long as the second highest bidder's bid amount meets the requirements of paragraph (5). If the second highest bidder declines the award or is ineligible to win, the board shall conduct another auction.

(9) Upon winning an auction, the winning bidder at the public meeting shall select the Category 4 location at which it intends to operate the Category 4 licensed facility. The board shall post the Category 4 location selection on its publicly accessible Internet website. The selected Category 4 location may not be selected by a subsequent winning bidder.

(10) (i) The winning bidder shall submit an application for the Category 4 slot machine license within six months of the payment of the winning bid amount. The board may, in its discretion, extend this deadline for a period not to exceed two additional months.

(ii) Failure of the winning bidder to submit an application within the time under subparagraph (i) shall result in forfeiture of the bidder's right to apply for the license and forfeiture of the winning bid amount. The board shall conduct another auction at a time determined by the board.

(11) Issuance of a Category 4 slot machine license by the board to a winning bidder shall be contingent upon the bidder's ability to meet the requirements of this part.

(12) In the event the board denies the application for the Category 4 slot machine license filed by the winning bidder, the winning bidder shall be entitled to a return of 75% of the winning bid amount the winning bidder submitted under paragraph (7). A refund under this paragraph shall be paid from the General Fund. The board shall conduct another auction at a time determined by the board.

(13) If the board approves the application for the Category 4 slot machine license filed by the winning bidder and the applicant fails to open and operate the Category 4 licensed facility, the bid amount submitted under paragraph (7) is forfeited. The board shall conduct another auction at a time determined by the board.

(d) Deposit of fees.--Notwithstanding section 1209 (relating to slot machine license fee), all Category 4 slot machine license auction fees and authorization fees shall be deposited into the General Fund.

(Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 added section 1305.2.

Cross References. Section 1305.2 is referred to in sections 1103, 1202, 1208, 1305.1, 1307 of this title.

§ 1306. Order of initial license issuance.

In order to facilitate the timely and orderly deployment of licensed gaming operations in this Commonwealth, the board shall adopt a schedule by which applicants for slot machine, manufacturer and supplier licenses shall be filed, considered and resolved in accordance with the provisions of this part. In so doing, the board shall consider, approve, condition or deny the approval of all filed applications for manufacturer and supplier licenses as soon as administratively possible and at least three months prior to the board's approval, conditioning or denial of the approval of any Category 1 license

application pursuant to section 1315 (relating to conditional Category 1 licenses) or any other category of slot machine license pursuant to section 1301 (relating to authorized slot machine licenses). The board shall ensure that an adequate number of suppliers have been licensed pursuant to section 1301 to meet market demand. The board shall approve, approve with condition or deny all initial applications for conditional Category 1 licenses under section 1315 (relating to conditional Category 1 licenses) prior to considering applications for Category 1, Category 2 or Category 3 slot machine licenses. (Nov. 1, 2006, P.L.1243, No.135, eff. imd.)

Cross References. Section 1306 is referred to in sections 1317, 1317.1 of this title.

§ 1307. Number of slot machine licenses.

(a) Category 1, Category 2 and Category 3 licenses.--The board may license no more than seven Category 1 licensed facilities and no more than five Category 2 licensed facilities, as it may deem appropriate, as long as two, and not more, Category 2 licensed facilities are located by the board within the city of the first class and that one, and not more, Category 2 licensed facility is located by the board within the city of the second class. The board may at its discretion increase the total number of Category 2 licensed facilities permitted to be licensed by the board by an amount not to exceed the total number of Category 1 licenses not applied for within five years following the effective date of this part. Except as permitted by section 1328 (relating to change in ownership or control of slot machine licensee), any Category 1 license may be reissued by the board at its discretion as a Category 2 license if an application for issuance of such license has not been made to the board. The board may license no more than two Category 3 licensed facilities.

(b) Category 4 licenses.--The board may license no more than 10 Category 4 licensed facilities. The board shall conduct auctions in accordance with section 1305.2 (relating to conduct of auctions).

(Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

Cross References. Section 1307 is referred to in section 1209 of this title.

§ 1308. Applications for license or permit.

(a) Applications.--An application for a license or permit to be issued by the board shall be submitted on a form and in a manner as shall be required by the board. In reviewing applications, the board shall confirm that all the applicable license or permit fees have been paid in accordance with this part.

(a.1) Submission of information.--An applicant for a license or permit under this part shall disclose in the application all arrests of the applicant and all citations issued to the applicant for nontraffic summary offenses. The information shall include:

(1) A brief description of the circumstances surrounding the arrest or issuance of the citation.

(2) The specific offense charged.

(3) The ultimate disposition of the charge, including the details of any dismissal, plea bargain, conviction, sentence, pardon, expungement or order of Accelerated Rehabilitative Disposition.

No applicant shall be required to provide documentation relating to any summary offense. Failure of the bureau to recover records of a summary offense shall not be grounds for denying an application.

(b) Completeness of applications.--The board shall not consider an incomplete application and shall notify the applicant in writing if an application is incomplete. An application shall be considered incomplete if it does not include all applicable fees and all information and accompanying documentation required by the board, including, but not limited to, a current tax lien certificate issued by the department at the time of filing the application. Any unpaid taxes identified on the tax lien certificate shall be paid before the application is considered complete. A notification of incompleteness shall state the deficiencies in the application that must be corrected prior to consideration of the merits of the application.

(c) Adverse litigation.--Notwithstanding any law to the contrary, the board and the commissions shall not consider any application for a license if the applicant or any person affiliated with or directly related to the applicant is a party in any ongoing civil proceeding in which the party is seeking to overturn or otherwise challenge a decision or order of the board or commissions pertaining to the approval, denial or conditioning of a license to conduct thoroughbred or harness horse race meetings respectively with pari-mutuel wagering or to operate slot machines. This subsection shall not be interpreted to affect the rights of applicants to seek judicial enforcement of mandatory obligations of the board as may be required by this part.

(Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. Act 1 added subsec. (a.1).

Cross References. Section 1308 is referred to in sections 1206, 1310, 1604 of this title.

§ 1309. Slot machine license application.

(a) General requirements.--In addition to any other information required under this part or as may be required by the board, the application for any category of slot machine license shall include at a minimum:

(1) The name, address and photograph of the applicant and of all directors and owners and key employees and their positions within the corporation or organization, as well as any additional financial information required by the board.

(2) The proposed location of the slot machine areas, if known.

(3) The number of slot machines requested.

(4) A current tax lien certificate issued by the department.

(5) In those instances where additional slot machines are being requested, the justification and explanation for the number and proposed location of the slot machine areas within the confines of the licensed facility.

(6) The current status of the horse or harness racing license issued pursuant to the Race Horse Industry Reform Act, if any.

(7) The details of any gaming, slot machine or casino license applied for, granted to or denied to the applicant by other jurisdictions where such form of gaming is legal, and the consent for the board to acquire copies of applications submitted or licenses issued in connection therewith.

(8) The details of any loans obtained from a financial institution or not obtained from a financial institution.

(9) The consent to conduct a background investigation by the board, the scope of which shall be determined by the board in 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.

(10) Any other information determined to be appropriate by the board.

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

(1) An applicant for a slot machine license may submit with its application all information required under Chapter 13A (relating to table games) and request that the board consider its application for a slot machine license and a table game operation certificate concurrently. All fees for a table game operation certificate shall be paid by the applicant in accordance with section 13A61 (relating to table game authorization fee).

(2) The board shall permit any applicant for a slot machine license that has an application pending before the board on the effective date of this subsection to supplement its application with all information required under Chapter 13A and to request that the board consider its application for a slot machine license and a table game operation certificate concurrently. All fees for a table game operation certificate shall be paid by the applicant in accordance with section 13A61.

(3) The board may permit an applicant for a slot machine license that has an application under paragraph (1) or (2) pending before the board to supplement its application with all information required under Chapter 13B (relating to interactive gaming) and to request that the board consider its application for a slot machine license, a table game operation certificate and an interactive gaming certificate concurrently. All fees for an interactive gaming certificate shall be paid by the applicant in accordance with the requirements of this part.

(b) Refusal to cooperate.--Any refusal to provide the information required under this section or to consent to a background investigation shall result in the immediate denial of a license or permit.

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 amended the heading of subsec. (a.1) and added subsec. (a.1)(3).

2010 Amendment. Act 1 added subsec. (a.1).

2006 Amendment. Act 135 amended subsec. (a)(1).

References in Text. The act of December 17, 1981, P.L.435, No.135, known as the Race Horse Industry Reform Act, referred to in subsec. (a)(6), was repealed by the act of February 23, 2016, P.L.15, No.7.

§ 1310. Slot machine license application character requirements.

(a) Application.--

(1) Every application for a slot machine license shall include such information, documentation and assurances as may be required to establish by clear and convincing evidence the applicant's suitability, including good character, honesty and integrity. Information shall include, without limitation, information pertaining to family, habits,

character, reputation, criminal history background, business activities, financial affairs and business, professional and personal associates, covering at least the ten-year period immediately preceding the filing date of the application.

(2) Notwithstanding 18 Pa.C.S. § 9124(b) (relating to use of records by licensing agencies), in addition to the information submitted under section 1308(a.1) (relating to applications for license or permit), a conviction that has been expunged or overturned or for which a person has been pardoned or an order of Accelerated Rehabilitative Disposition has been issued shall be included with an application and considered by the board as part of the review of the applicant's suitability under paragraph (1).

(b) Civil judgments and law enforcement agency information.--Each applicant shall notify the board of any civil judgments obtained against the applicant pertaining to antitrust or security regulation laws of the Federal Government, this Commonwealth or any other state, jurisdiction, province or country. In addition, each applicant shall produce a letter of reference from law enforcement agencies having jurisdiction in the applicant's place of residence and principal place of business, which letter of reference shall indicate that the law enforcement agencies do not have any pertinent information concerning the applicant or, if the law enforcement agency does have information pertaining to the applicant, shall specify the nature and content of that information. If no letters are received within 30 days of the request, the applicant may submit a statement under oath which is subject to the penalty for false swearing under 18 Pa.C.S. § 4903 (relating to false swearing) that the applicant is or was during the period the activities were conducted in good standing with the gaming or casino enforcement or control agency.

(c) Gaming or casino enforcement agency information.--If the applicant has held a gaming license in a jurisdiction where gaming activities are permitted, the applicant shall produce a letter of reference from the gaming or casino enforcement or control agency which shall specify the experiences of that agency with the applicant, the applicant's associates and the applicant's gaming operation. If no letters are received within 30 days of the request, the applicant may submit a statement under oath which is subject to the penalty for false swearing under 18 Pa.C.S. § 4903 that the applicant is or was during the period the activities were conducted in good standing with the gaming or casino enforcement or control agency.

(d) Agency records.--Each applicant for a slot machine license, principal license or key employee license shall be required to apply to each Federal agency deemed appropriate by the board or bureau for agency records under the Freedom of Information Act (Public Law 89-554, 5 U.S.C. § 552) pertaining to the applicant and provide the bureau with the complete record received from the Federal agency. The board may issue a license to the applicant prior to the receipt of information under this subsection.

(Jan. 7, 2010, P.L.1, No.1, eff. imd.)

Cross References. Section 1310 is referred to in sections 1206, 1311, 1312 of this title.

§ 1311. Additional slot machine license requirements.

(a) Additional eligibility requirements.--In order to be eligible for a slot machine license under this part, the principals and key employees of the applicant shall obtain a license to meet the character requirements of section 1310

(relating to slot machine license application character requirements) or other eligibility requirements established by the board.

(b) Classification system.--The board shall develop a classification system for other agents, employees or persons who directly or indirectly hold or are deemed to be holding debt or equity securities or other financial interest in the applicant and for other persons which the board considers appropriate for review under section 1310.

(c) Related entities.--

(1) Except as provided in paragraph (2), no person shall be eligible to receive a slot machine license unless the principals and key employees of each intermediary, subsidiary or holding company of the person meet the requirements of subsection (a).

(2) The board may require that lenders and underwriters of intermediaries, subsidiaries or holding companies of a slot machine license applicant meet the requirements of subsection (a) if the board determines that the suitability of a lender or underwriter is at issue and is necessary to consider a pending application for a slot machine license.

(d) Revocable privilege.--The issuance or renewal of a license, permit or other authorization by the board under this section shall be a revocable privilege.

(e) Waiver for publicly traded corporations.--The board may waive the requirements of subsection (a) for a person directly or indirectly holding ownership of securities in a publicly traded corporation if the board determines that the holder of the securities is not significantly involved in the activities of the corporation and does not have the ability to control the corporation or elect one or more directors thereof.

(f) Waiver for subsidiaries.--If the applicant is a subsidiary, the board may waive the requirements of subsection (a) for a holding company or intermediary as follows:

(1) If the applicant is a publicly traded corporation, the board may issue a waiver under this subsection if it determines that the principal or key employee does not have the ability to control, have a controlling interest in or elect one or more directors of the holding company or intermediary and is not actively involved in the activities of the applicant.

(2) If the applicant is a noncorporate organization, the board may issue a waiver under this subsection for a person who directly or indirectly holds a beneficial or ownership interest in the applicant if it determines that the person does not have the ability to control the applicant.

(g) Ongoing duty.--A person applying for a license, permit or other authorization under this part shall have the continuing duty to provide information required by the board or the bureau and to cooperate in any inquiry or investigation.

(h) Criminal history record check.--The board shall conduct a criminal history record check on any person for whom a waiver is granted under this section.

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.)

§ 1311.1. Licensing of principals.

(a) License required.--All principals shall obtain a principal license from the board.

(b) Application.--A principal license application shall be in a form prescribed by the board and shall include the following:

(1) Verification of status as a principal from a slot machine licensee, manufacturer licensee or supplier licensee.

(2) A description of responsibilities as a principal.

(3) All releases necessary to obtain information from governmental agencies, employers and other organizations.

(4) Fingerprints, which shall be submitted to the Pennsylvania State Police.

(5) A photograph that meets the standards of the Commonwealth Photo Imaging Network.

(6) Details relating to a similar license, permit or other authorization obtained in another jurisdiction.

(7) Any additional information required by the board.

(c) Issuance.--Following review of the application and the background investigation, the board may issue a principal license if the applicant has proven by clear and convincing evidence that the applicant is a person of good character, honesty and integrity and is eligible and suitable to be licensed as a principal.

(d) Nontransferability.--A license issued under this section shall be nontransferable.

(e) Principals.--An individual who receives a principal license need not obtain a key employee license.
(Nov. 1, 2006, P.L.1243, No.135, eff. imd.)

2006 Amendment. Act 135 added section 1311.1.

§ 1311.2. Licensing of key employees.

(a) License required.--All key employees shall obtain a key employee license from the board.

(b) Application.--A key employee license application shall be in a form prescribed by the board and shall include the following:

(1) Verification of status as a key employee from a slot machine licensee, manufacturer licensee or supplier licensee.

(2) A description of employment responsibilities.

(3) All releases necessary to obtain information from governmental agencies, employers and other organizations.

(4) Fingerprints, which shall be submitted to the Pennsylvania State Police.

(5) A photograph that meets the standards of the Commonwealth Photo Imaging Network.

(6) Details relating to a similar license, permit or other authorization obtained in another jurisdiction.

(7) Any additional information required by the board.

(c) Issuance.--Following review of the application and the background investigation, the board may issue a key employee license if the applicant has proven by clear and convincing evidence that the applicant is a person of good character, honesty and integrity and is eligible and suitable to be licensed as a key employee.

(d) Nontransferability.--A license issued under this section shall be nontransferable.

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.)

2006 Amendment. Act 135 added section 1311.2.

§ 1312. Divestiture of disqualifying applicant.

In the event that any slot machine license application is not approved by the board based on a finding that an individual who is a principal or has an interest in the person applying for the license does not meet the character requirements of section 1310 (relating to slot machine license application character requirements) or any of the eligibility requirements

under this part, or a person who purchases a controlling interest in a licensed gaming entity in violation of section 1328 (relating to change in ownership or control of slot machine licensee), the board may afford the individual the opportunity to completely divest his interest in the person, its affiliate, intermediary, subsidiary or holding company seeking the license and, after such divestiture, reconsider the person's or applicant's suitability for licensure in an expedited proceeding and may, after such proceeding, issue the person or applicant a slot machine license. The board shall approve the terms and conditions of any divestiture under this section. Under no circumstances shall any divestiture be approved by the board if the compensation for the divested interest exceeds the cost of the interest.

§ 1313. Slot machine license application financial fitness requirements.

(a) Applicant financial information.--The board shall require each applicant for a slot machine license to produce the information, documentation and assurances concerning financial background and resources as the board deems necessary to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant, its affiliate, intermediary, subsidiary or holding company, including, but not limited to, bank references, business and personal income and disbursement schedules, tax returns and other reports filed with governmental agencies, and business and personal accounting and check records and ledgers. In addition, each applicant shall in writing authorize the examination of all bank accounts and records as may be deemed necessary by the board.

(b) Financial backer information.--The board shall require each applicant for a slot machine license to produce the information, documentation and assurances as may be necessary to establish by clear and convincing evidence the integrity of all financial backers, investors, mortgagees, bondholders and holders of indentures, notes or other evidences of indebtedness, either in effect or proposed. Any such banking or lending institution and institutional investors may be waived from the qualification requirements. A banking or lending institution or institutional investor shall, however, produce for the board upon request any document or information which bears any relation to the proposal submitted by the applicant or applicants. The integrity of the financial sources shall be judged upon the same standards as the applicant. Any such person or entity shall produce for the board upon request any document or information which bears any relation to the application. In addition, the applicant shall produce whatever information, documentation or assurances the board requires to establish by clear and convincing evidence the adequacy of financial resources.

(c) Applicant's ability to pay license fee.--The board shall require each applicant for a Category 1 or 2 slot machine license at the time of application to post a letter of credit or bond in the amount of \$50,000,000 to demonstrate the financial ability to pay the slot machine license fee as required in section 1209 (relating to slot machine license fee) if issued a slot machine license by the board. Each applicant for a Category 3 slot machine license at the time of application shall be required to post a letter of credit or bond in the amount of \$5,000,000 to demonstrate the financial ability to pay the Category 3 slot machine license fee as required in

section 1305 (relating to Category 3 slot machine license) if issued a slot machine license by the board.

(d) Applicant's business experience.--The board shall require each applicant for a slot machine license to produce the information, documentation and assurances as the board may require to establish by clear and convincing evidence that the applicant has sufficient business ability and experience to create and maintain a successful, efficient operation. Applicants shall produce the names of all proposed key employees and a description of their respective or proposed responsibilities as they become known.

(e) Applicant's operational viability.--In assessing the financial viability of the proposed licensed facility, the board shall make a finding, after review of the application, that the applicant is likely to maintain a financially successful, viable and efficient business operation and will likely be able to maintain a steady level of growth of revenue to the Commonwealth pursuant to section 1403 (relating to establishment of State Gaming Fund and net slot machine revenue distribution). Notwithstanding any provision of this part to the contrary, an applicant that includes a commitment or promise to pay a slot machine license fee in excess of the amount provided in section 1209 or a distribution of terminal revenue in excess of the amounts provided in sections 1403, 1405 (relating to Pennsylvania Race Horse Development Trust Fund) and 1407 (relating to Pennsylvania Gaming Economic Development and Tourism Fund) shall not be deemed a financially successful, viable or efficient business operation and shall not be approved for a slot machine license.

(f) Additional information.--In addition to other information required by this part, a person applying for a slot machine license shall provide the following information:

(1) The organization, financial structure and nature of all businesses operated by the person, including any affiliate, intermediary, subsidiary or holding companies, the names and personal employment and criminal histories of all officers, directors and key employees of the corporation; the names of all holding, intermediary, affiliate and subsidiary companies of the corporation; and the organization, financial structure and nature of all businesses operated by such holding, intermediary and subsidiary companies as the board may require, including names and personal employment and criminal histories of such officers, directors and principal employees of such corporations and companies as the board may require.

(2) The extent of securities held in the corporation by all officers, directors and underwriters and their remuneration in the form of salary, wages, fees or otherwise.

(3) Copies of all management and service contracts.
(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 amended subsec. (e).

§ 1314. Alternative Category 1 licensing standards.

(a) Determination.--The board may determine whether the licensing standards of another jurisdiction within the United States or Canada in which an applicant, its affiliate, intermediary, subsidiary or holding company for a Category 1 slot machine license is similarly licensed are comprehensive and thorough and provide similar adequate safeguards as those required by this part. If the board makes that determination, it may issue a slot machine license to an applicant who holds

a slot machine license in such other jurisdiction after conducting an evaluation of the information relating to the applicant from such other jurisdictions, as updated by the board, and evaluating other information related to the applicant received from that jurisdiction and other jurisdictions where the applicant may be licensed, the board may incorporate such information in whole or in part into its evaluation of the applicant.

(b) Abbreviated process.--In the event an applicant for a slot machine license is licensed in another jurisdiction, the board may determine to use an alternate process requiring only that information determined by the board to be necessary to consider the issuance of a license, including financial viability of the licensee, to such an applicant. Nothing in this section shall be construed to waive any fees associated with obtaining a license through the normal application process.

§ 1315. Conditional Category 1 licenses.

(a) Issuance.--Notwithstanding any provisions of this part to the contrary, upon a finding that it is in the public interest, the board may issue a conditional slot machine license to a person who qualifies as a Category 1 license applicant upon payment of the fee pursuant to section 1209 (relating to slot machine license fee). This license may be issued after the completion of a background investigation of the applicant and each key employee and prior to full compliance by the applicant with section 1325 (relating to license or permit issuance).

(b) Suitability; financial capability.--An applicant shall provide the board with satisfactory evidence of suitability and financial capability of the applicant to be a slot machine licensee prior to the board granting the conditional license.

(c) Complete application.--No later than upon issuance of a conditional license, the applicant shall submit a complete application for a Category 1 license pursuant to section 1302 (relating to Category 1 slot machine license) as set forth by this part.

(d) Expiration.--If the holder of a conditional license does not receive board approval for the issuance of a Category 1 slot machine license under the standards set forth in this part within 18 months from the time set by the board pursuant to section 1301 (relating to authorized slot machine licenses) at which all applications are to be filed and deemed complete, the conditional license shall expire. Failure to meet the requirements of this part for licensure shall cause immediate forfeiture of the conditional slot machine license and revocation of authorization to operate slot machines at the licensed facility.

(e) Return of fee.--In the event of the expiration of a conditional license or the denial of an application for a slot machine license pursuant to section 1302, the applicant shall be entitled to a return of 85% of the conditional slot machine license fee it submitted with its application.

Cross References. Section 1315 is referred to in sections 1301, 1306 of this title.

§ 1316. Bond for issuance of slot machine license.

Before any category of slot machine license is issued, the licensee shall post a bond in an amount not less than the sum of \$1,000,000, as set by the board, payable to the Commonwealth. The bond shall be used to guarantee that the slot machine licensee faithfully makes the payments, keeps books and records, makes reports and conducts operations in conformity with this part and rules, regulations and orders promulgated by the board.

The bond shall not be canceled by a surety on less than 30 days' notice in writing to the board. If a bond is canceled and the slot machine licensee fails to file a new bond with the board in the required amount on or before the effective date of cancellation, the licensee's license shall be revoked or suspended. The total and aggregate liability of the surety on the bond is limited to the amount specified in the bond.

§ 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, an interactive gaming certificate holder or an interactive gaming operator within this Commonwealth through a contract with a licensed manufacturer shall apply to the board for the appropriate supplier license.

(b) Requirements.--An application for a supplier 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.

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

(1.2) Proof that the applicant has or will establish a principal place of business in this Commonwealth. A supplier licensee shall maintain its principal place of business in this Commonwealth to remain eligible for licensure.

(2) 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.

(3) 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.

(4) The type of goods and services to be supplied and whether those goods and services will be provided through purchase, lease, contract or otherwise.

(5) 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 issue the applicant a supplier license consistent with all of the following:

(1) The license shall be issued for a period of 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.1) Abbreviated process.--In the event an applicant for a supplier license to supply table game devices or associated equipment used in connection with table games is licensed by the board under this section to supply 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 supply 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 through the normal application process. The board may only use the abbreviated process if all of the following apply:

(1) The supplier license was issued by the board within a 36-month period immediately preceding the date the supplier licensee files an initial application to supply table game devices or associated equipment.

(2) The person to whom the supplier 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 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 slot machines 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 or 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 slot machines 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) Renewal.--

(1) Six months prior to expiration of a supplier license, the supplier licensee seeking renewal of its license shall submit a renewal application accompanied by the renewal fee to the board.

(2) If the renewal application satisfies the requirements of subsection (b), the board may renew the licensee's supplier license.

(3) If the board receives a complete renewal application but fails to act upon the renewal application prior to the expiration of the supplier license, the supplier license shall continue in effect until acted upon by the board.

(e) Prohibitions.--No limitation shall be placed on the number of supplier 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). (Nov. 1, 2006, P.L.1243, No.135, eff. imd; Jan. 7, 2010, P.L.1, No.1, eff. imd; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 amended subsecs. (a), (c) and (d) and added subsec. (c.2).

2010 Amendment. Act 1 amended subsecs. (a) and (c)(1) and added subsec. (c.1).

Cross References. Section 1317 is referred to in sections 1208, 1317.1, 1320, 13A23.1, 3507, 3513 of this title.

§ 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 license shall be issued for a period of 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 slot machines used in multistate wide-area progressive slot machine systems, skill slot machines, hybrid slot machines or associated equipment used in connection with multistate wide-area progressive slot machine systems, skill slot machines 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 manufacture 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) Renewal.--

(1) Six months prior to expiration of a manufacturer license, the manufacturer licensee seeking renewal of its license shall submit a renewal application accompanied by the renewal fee to the board.

(2) If the renewal application satisfies the requirements of subsection (b), the board may renew the licensee's manufacturer license.

(3) If the board receives a complete renewal application but fails to act upon the renewal application prior to the expiration of the manufacturer license, the manufacturer license shall continue in effect until acted upon by the board.

(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 slot machines or hybrid slot machines or associated equipment, interactive gaming devices or associated equipment, provided that the manufacturer is licensed to manufacture slot machines used in a multistate wide-area progressive slot machine system, skill slot machines 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 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 person 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).

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

Cross References. Section 1317.1 is referred to in sections 1208, 1317, 13A23.1, 13A41, 13C16, 3508, 3512 of this title.

§ 1317.2. Gaming service provider.

(a) Development of classification system.--The board shall develop a classification system governing the certification, registration and regulation of gaming service providers and individuals and entities associated with them. The classification system shall be based upon the following:

(1) The monetary value or amount of business conducted or expected to be conducted by the gaming service provider with an applicant for a slot machine license or a slot machine licensee in any consecutive 12-month period.

(2) Whether the employees of the gaming service provider will have access to the gaming floor or any gaming-related restricted area of a licensed facility.

(3) The board's analysis of the goods or services provided or to be provided by the gaming service provider.

(b) Authority to exempt.--The board may exempt any person or type of business from the requirements of this section if the board determines:

(1) the person or type of business is regulated by an agency of the Federal Government, an agency of the Commonwealth or the Pennsylvania Supreme Court; or

(2) the regulation of the person or type of business is determined not to be necessary in order to protect the public interest or the integrity of gaming.

(c) Duties of gaming service providers.--Each gaming service provider shall have a continuing duty to:

(1) Provide all information, documentation and assurances as the board may require.

(2) Cooperate with the board in investigations, hearings and enforcement and disciplinary actions.

(3) Comply with all conditions, restrictions, requirements, orders and rulings of the board in accordance with this part.

(4) Report any change in circumstances that may render the gaming service provider ineligible, unqualified or unsuitable for continued registration or certification.

(d) Requirement for permit.--The board may require employees of a gaming service provider to obtain a permit or other authorization if, after an analysis of duties, responsibilities and functions, the board determines that a permit or other authorization is necessary to protect the integrity of gaming.

(e) Interim authorization.--The board or a designated employee of the board may permit a gaming service provider applicant to engage in business with an applicant for a slot machine license or a slot machine licensee prior to approval of the gaming service provider application if the following criteria have been satisfied:

(1) A completed application has been filed with the board by the gaming service provider.

(2) The slot machine applicant or slot machine licensee contracting or doing business with the gaming service provider certifies that it has performed due diligence on the gaming service provider and believes that the applicant meets the qualification to be a gaming service provider pursuant to this section.

(3) The gaming service provider applicant agrees in writing that the grant of interim authorization to conduct business prior to board approval of its application does not create a right to continue to engage in business if the board determines that the applicant is not suitable or continued authorization is not in the public interest.

(f) Construction.--Nothing in this section shall be construed to prohibit the board from rescinding a grant of interim authorization if, at any time, the suitability of the person subject to interim authorization is at issue or if the person fails to cooperate with the board, the bureau or an agent of the board or bureau.

(g) Gaming service provider lists.--The board shall:

(1) Develop and maintain a list of approved gaming service providers who are authorized to provide goods or services whether under a grant of interim or continued authorization.

(2) Develop and maintain a list of prohibited gaming service providers. An applicant for a slot machine license or a slot machine licensee may not enter into an agreement or engage in business with a gaming service provider listed on the prohibited gaming service provider list.

(h) Emergency authorization.--A slot machine licensee may utilize a gaming service provider that has not been approved by the board 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 licensee's licensed facility or to the Commonwealth. The board shall promulgate regulations to govern the use of gaming service providers under emergency circumstances. The regulations shall include a requirement that the slot machine licensee contact the board immediately upon utilizing a gaming service provider that has not been approved by the board.

(i) Criminal history record information.--If the classification system developed by the board in accordance with subsection (a) requires a gaming service provider or an individual or entity associated with the gaming service provider to submit to or provide the bureau with criminal history record information under 18 Pa.C.S. Ch. 91 (relating to criminal history record information), the bureau shall notify a slot machine licensee that submitted a certification under subsection (e)(2) whether the applicant has been convicted of a felony or misdemeanor gambling offense.

(Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. Act 1 added section 1317.2.

Cross References. Section 1317.2 is referred to in section 342 of this title.

§ 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, in connection with 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.

(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 neither the

nongaming service provider nor its employees will adversely affect the public interest or integrity of gaming.

(5) Any other information that the board deems necessary.

(c) Duration of notification.--Subject to subsection (d) (5), the nongaming service provider notification required under subsection (a) shall be valid for five years.

(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 and 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 while providing the goods or services described in subsection (b) (2).

(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 or any of its employees from providing goods or services to a slot machine licensee or applicant for a slot machine license at a licensed facility upon a finding by the board that the prohibition is necessary to protect the public interest or integrity of gaming.

(e) Authority to exempt.--The board may exempt a slot machine licensee or applicant for a slot machine license 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 obtain from the Pennsylvania State Police and provide to the board the results of a criminal history record information check under 18 Pa.C.S. Ch. 91 (relating to criminal history record information).

(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 and make it available upon request to a slot machine licensee or an applicant for a slot machine license.

(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 described in paragraph (2).

(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 issued under this part or regulation of the board.

(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 or applicant for a slot machine license shall report any 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) or the regulatory authority of the board under section 1207 (relating to regulatory authority of board).

(Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 added section 1317.3.

§ 1318. Occupation permit application.

(a) Application.--Any person who desires to be a gaming employee and has a bona fide offer of employment from a licensed gaming entity 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 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 applicant in other jurisdictions and consent for the board to obtain copies of applications submitted or permits or licenses issued in connection therewith.
- (7) Any other information determined by the board to be appropriate.

(c) Prohibition.--No slot machine licensee may employ or permit any person under 18 years of age to render any service whatsoever in any area of its licensed facility where slot machines or table games are physically located. (Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. Act 1 amended subsec. (c).

2006 Amendment. Act 135 amended subsec. (b)(4).

Cross References. Section 1318 is referred to in section 1604 of this title.

§ 1319. Alternative manufacturer licensing standards.

(a) General rule.--The board may determine whether the licensing standards of another jurisdiction within the United States in which an applicant for a manufacturer license is similarly licensed are comprehensive and thorough and provide similar adequate safeguards as those required by this part. If the board makes that determination, it may issue a manufacturer license to an applicant who holds a similar manufacturer license in such other jurisdiction after conducting an evaluation of the information relating to the applicant from such other jurisdictions, as updated by the board, and evaluating other information related to the applicant received from that jurisdiction and other jurisdictions where the applicant may be licensed, the board may incorporate such information in whole or in part into its evaluation of the applicant.

(b) Abbreviated process.--In the event an applicant for a manufacturer license is licensed in another 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 license, including financial viability of the applicant. Nothing in this section shall be construed to waive any fees associated with obtaining a license through the normal application process. (Jan. 7, 2010, P.L.1, No.1, eff. imd.)

§ 1319.1. Alternative supplier licensing standards.

(a) General rule.--The board may determine whether the licensing standards of another jurisdiction within the United States in which an applicant for a supplier's license is similarly licensed are comprehensive and thorough and provide similar adequate safeguards as required by this part. If the board makes that determination, it may issue a supplier license to an applicant who holds a similar supplier license in another jurisdiction after conducting an evaluation of the information relating to the applicant from the other jurisdictions, as updated by the board, and evaluating other information related to the applicant received from that jurisdiction and other

jurisdictions where the applicant may be licensed; the board may incorporate the information in whole or in part into its evaluation of the applicant.

(b) Abbreviated process.--In the event an applicant for a supplier license is licensed in another 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 license, including financial viability of the applicant. Nothing in this section shall be construed to waive any fees associated with obtaining a license through the normal application process.

(Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. Act 1 added section 1319.1.

§ 1320. Slot machine testing and certification standards.

(a) Use of other state standards.--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 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.

(b) Facility in Commonwealth.--Within three years immediately following the effective date of this part, the board shall establish and maintain an independent slot machine testing and certification facility. The cost for the establishment and operation of an independent slot machine testing and certification facility shall be paid by each licensed manufacturer in accordance with a schedule adopted by the board. The facility shall be made available to each slot machine manufacturer and supplier as determined by the board.

(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 general and 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.

(c) Central control computer compatibility.--The board shall ensure that all slot machines certified and approved for use in this Commonwealth are compatible and comply with the central control computer and protocol specifications approved by the department.

(Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 amended subsec. (a) and added subsec. (b.1).

Cross References. Section 1320 is referred to in section 13A41 of this title.

§ 1321. Additional licenses and permits and approval of agreements.

(a) Requirements.--In addition to the requirements for a license or permit specifically set forth in this part, the board may require a license, permit or other authorization, and set a fee for the same, for any key employee or gaming employee or any person who satisfies any of the following criteria:

(1) The person transacts business within this Commonwealth with a slot machine licensee as a ticket purveyor, tour operator, operator of a bus trip program or operator of any other type of travel program or promotional business related to slot machines or table games. The board may also review, deny, order modification or approve, at its discretion, proposed tours, bus routes and travel programs.

(2) The person is presently not required to be licensed or permitted under this part and provides any goods, property or services, including, but not limited to, management services for compensation to a slot machine licensee at the licensed facility.

(b) Agreement.--Any agreement to conduct business within this Commonwealth between a person and a slot machine licensee relating to slot machines, table games, table game devices or associated equipment is subject to the approval of the board in accordance with rules and regulations promulgated by the board. Every agreement shall be in writing and shall include a provision for its termination without liability on the part of the slot machine licensee upon a finding by the board that the agreement is not approved or that it is terminated. Failure to expressly include this condition in the agreement is not a

defense in any action brought under this section relating to the termination of the agreement.

(Jan. 7, 2010, P.L.1, No.1, eff. imd.)

§ 1322. Slot machine accounting controls and audits.

(a) Approval.--Except as otherwise provided by this part, each slot machine license applicant shall, in addition to obtaining a slot machine license, obtain approval from the board in consultation with the department of its proposed site plans and internal control systems and audit protocols prior to the installation and operation of slot machines at the licensed facility.

(b) Minimum requirements.--At a minimum, the applicant's or person's proposed internal controls and audit protocols shall:

(1) Safeguard its assets and revenues, including, but not limited to, the recording of cash and evidences of indebtedness related to the slot machines.

(2) Provide for reliable records, accounts and reports of any financial event that occurs in the operation of a slot machine, including reports to the board related to the slot machines.

(3) Ensure as provided in section 1323 (relating to central control computer system) that each slot machine directly provides or communicates all required activities and financial details to the central control computer as set by the board.

(4) Provide for accurate and reliable financial records.

(5) Ensure any financial event that occurs in the operation of a slot machine is performed only in accordance with the management's general or specific authorization, as approved by the board.

(6) Ensure that any financial event that occurs in the operation of a slot machine is recorded adequately to permit proper and timely reporting of gross revenue and the calculation thereof and of fees and taxes and to maintain accountability for assets.

(7) Ensure that access to assets is permitted only in accordance with management's specific authorization, as approved by the board.

(8) Ensure that recorded accountability for assets is compared with actual assets at reasonable intervals and appropriate action is taken with respect to any discrepancies.

(9) Ensure that all functions, duties and responsibilities are appropriately segregated and performed in accordance with sound financial practices by competent, qualified personnel.

(c) Internal control.--Each slot machine license applicant shall submit to the board and department, in such manner as the board shall require, a description of its administrative and accounting procedures in detail, including its written system of internal control. Each written system of internal control shall include:

(1) Records of direct and indirect ownership in the proposed slot machine licensee, its affiliate, intermediary, subsidiary or holding company.

(2) An organizational chart depicting appropriate segregation of functions and responsibilities.

(3) A description of the duties and responsibilities of each position shown on the organizational chart.

(4) A detailed narrative description of the administrative and accounting procedures designed to satisfy the requirements of this section.

(5) Record retention policy.

(6) Procedure to ensure that assets are safeguarded, including mandatory count procedures.

(7) A statement signed by the chief financial officer of the proposed licensed gaming entity or other competent person and the chief executive officer of the proposed licensed gaming entity or other competent person attesting that the officer believes, in good faith, that the system satisfies the requirements of this section.

(8) Any other item that the board may require in its discretion.

§ 1323. Central control computer system.

(a) **General rule.**--To facilitate the auditing and security programs critical to the integrity of slot machine gaming in this Commonwealth, the department shall have overall control of slot machines, and all slot machine terminals shall be linked, at an appropriate time to be determined by the department, to a central control computer under the control of the department and accessible by the board to provide auditing program capacity and individual terminal information as approved by the department and shall include real-time information retrieval and terminal activation and disabling programs. The central control computer selected and employed by the department shall not unduly limit or favor the participation of a vendor or manufacturer of a slot machine as a result of the cost or difficulty of implementing the necessary program modifications to communicate with and link to the central control computer. The central control computer employed by the department shall provide:

(1) A fully operational Statewide slot machine control system that has the capability of supporting up to the maximum number of slot machines that could be permitted to be in operation under this part.

(2) The employment of a widely accepted gaming industry protocol to facilitate slot machine manufacturers' ability to communicate with the Statewide system.

(2.1) The delivery of a system that has the ability to verify software, detect alterations in payout and detect other methods of fraud in all aspects of the operation of slot machines.

(3) The delivery of a system that has the capability to support in-house and wide-area progressive slot machines as approved by the board.

(4) The delivery of a system that allows the slot machine licensee to install independent player tracking systems and cashless technology as approved by the board.

(5) The delivery of a system that does not alter the statistical awards of slot machine games as designed by the slot machine manufacturer and approved by the board.

(6) The delivery of a system that provides redundancy so that each component of the network will be capable of operating independently by the department if any component of the network, including the central control computer, fails or cannot be operated for any reason as determined by the department, and to assure that all transactional data is captured and secured. Costs associated with any computer system required by the department to operate at a licensed facility, whether independent or as part of the central control computer, shall be paid by the slot machine licensee.

The computer system will be controlled by the department and accessible to the board.

(7) The ability to meet all reporting and control requirements as prescribed by the board and department.

(8) Any other capabilities as determined by the department in consultation with the board.

(b) Personal information.--Except as provided for in subsection (a)(4), the central control computer shall not provide for the monitoring or reading of personal or financial information concerning a patron of a slot machine licensee.

(c) Initial acquisition of central control computer.--Notwithstanding any other provision of law to the contrary and in order to facilitate the prompt implementation of this part, initial contracts entered into by the department for a central control computer, including any necessary computer hardware, software, licenses or related services shall not be subject to the provisions of 62 Pa.C.S. (relating to procurement). Contracts made pursuant to the provisions of this section shall not exceed five years.

(d) Resolution of contract disputes.--The process specified in 62 Pa.C.S. Ch. 17 Subch. B (relating to prelitigation resolution of controversies) shall be the sole means of resolution for controversies arising with respect to contracts executed under this section.

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.)

2006 Amendment. Act 135 amended subsec. (a).

Cross References. Section 1323 is referred to in sections 1103, 1322, 3309 of this title.

§ 1324. Protocol information.

The department shall provide, upon request and in advance of the operation of a central control computer, to a licensed slot machine supplier or manufacturer the comprehensive protocol specifications necessary to enable the respective slot machine suppliers or manufacturers of slot machine terminals to communicate with the department's central control computer for the purpose of transmitting auditing program information and for activating and disabling of slot machine terminals.

Manufacturers and suppliers shall be afforded a reasonable period of time to comment upon the protocol in advance of the operation of the central control computer. Once adopted, the department shall provide suppliers and manufacturers a reasonable period of time to review and comment on any changes and on documentation data for all proposed changes to the original protocol specifications of the central control computer. Manufacturers and suppliers shall be afforded a reasonable period of time to comment upon and employ all proposed changes to the protocol in advance of its implementation and operation with the central control computer. Notwithstanding the foregoing, the department may expedite changes in the protocol as may be needed to ensure the integrity and stability of the entire system.

§ 1325. License or permit issuance.

(a) Issuance.--In addition to any other criteria provided under this part, any licensed gaming entity, supplier, manufacturer, gaming employee or other person that the board approves as qualified to receive a license or a permit under this part shall be issued a license or permit upon the payment of any fee required and upon the fulfillment of any conditions required by the board or provided for in this part. Nothing contained in this part is intended or shall be construed to create an entitlement to a license or permit by any person. The

board shall in its sole discretion issue, renew, condition or deny a slot machine license based upon the requirements of this part and whether the issuance of a license will enhance tourism, economic development or job creation is in the best interests of the Commonwealth and advances the purposes of this part.

(b) Eligibility.--A license or permit shall not be granted or renewed unless the board finds that the applicant satisfies all of the following criteria:

(1) The applicant has developed and implemented or agreed to develop and implement a diversity plan to assure that all persons are accorded equality of opportunity in employment and contracting by the applicant, its contractors, subcontractors, assignees, lessees, agents, vendors and suppliers.

(2) The applicant in all other respects is found suitable consistent with the laws of this Commonwealth and is otherwise qualified to be issued a license or permit.

(c) Additional requirements.--In addition to the eligibility requirements otherwise provided in this part, the board may also take into account the following factors when considering an application for a slot machine license:

(1) The location and quality of the proposed facility, including, but not limited to, road and transit access, parking and centrality to market service area.

(2) The potential for new job creation and economic development which will result from granting a license to an applicant.

(3) The applicant's good faith plan to recruit, train and upgrade diversity in all employment classifications in the facility.

(4) The applicant's good faith plan for enhancing the representation of diverse groups in the operation of its facility through the ownership and operation of business enterprises associated with or utilized by its facility or through the provision of goods or services utilized by its facility and through the participation in the ownership of the applicant.

(5) The applicant's good faith effort to assure that all persons are accorded equality of opportunity in employment and contracting by it and any contractors, subcontractors, assignees, lessees, agents, vendors and suppliers it may employ directly or indirectly.

(6) The history and success of the applicant in developing tourism facilities ancillary to gaming development if applicable to the applicant.

(7) The degree to which the applicant presents a plan for the project which will likely lead to the creation of quality, living-wage jobs and full-time permanent jobs for residents of this Commonwealth generally and for residents of the host political subdivision in particular.

(8) The record of the applicant and its developer in meeting commitments to local agencies, community-based organizations and employees in other locations.

(9) The degree to which potential adverse effects which might result from the project, including costs of meeting the increased demand for public health care, child care, public transportation, affordable housing and social services, will be mitigated.

(10) The record of the applicant and its developer regarding compliance with:

(i) Federal, State and local discrimination, wage and hour, disability and occupational and environmental health and safety laws; and

(ii) State and local labor relations and employment laws.

(11) The applicant's record in dealing with its employees and their representatives at other locations.

(d) Trusts and similar business entities.--The board shall determine the eligibility of a trust or similar business entity to be a licensed entity in accordance with the following:

(1) No trust or similar business entity shall be eligible to hold any beneficial interest in a licensed entity under this part unless each trustee, grantor and beneficiary of the trust, including a minor child beneficiary, qualifies for and is granted a license as a principal. The board may waive compliance with this paragraph if the trustee is a banking or lending institution and the board is satisfied that the trustee is not significantly involved in the activities of the licensed entity. In addition to other information required by the board, a banking or lending institution acting as a trustee shall produce at the request of the board any documentation or information relating to the trust.

(2) No beneficiary of a trust or similar business entity who is a minor child shall control or be significantly involved in the activities of a licensed entity or its holding company or intermediary. No beneficiary of a trust or similar business entity who is a minor child shall be permitted to vote to elect directors of a licensed entity or its holding company or intermediary.

(3) No trust or similar business entity may hold any beneficial interest in a licensed entity unless the board determines that the trust or similar business entity is not engaged in any activity or otherwise being used to evade the public protections under this part, including sections 1512 (relating to financial and employment interests) and 1513 (relating to political influence).

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.)

2006 Amendment. Act 135 added subsec. (d).

Cross References. Section 1325 is referred to in sections 1212, 1315, 13F02 of this title.

§ 1326. Renewals.

(a) Renewal.--All permits, licenses, registrations or certificates issued under this part unless otherwise provided shall be subject to renewal every five years. Nothing in this subsection shall relieve a licensee, permittee or holder of a certificate or registration 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 180 days prior to the expiration of the permit, 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, 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, license, registration or certificate that the board has denied the renewal of such permit, 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, 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.

(Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

Cross References. Section 1326 is referred to in sections 13B13, 13B14, 13B15, 13C14, 13C61, 1518 of this title.

§ 1326.1. Slot machine license operation fee.

(a) Imposition.--Beginning January 1, 2017, the board shall impose an annual slot machine license operation fee on each Category 1 and Category 2 licensed gaming entity in an amount equal to 20% of the slot machine license fee paid at the time of issuance under section 1209(a) (relating to slot machine license fee).

(b) Payment of fee.--The department shall develop a payment schedule for the slot machine license operation fee imposed under subsection (a).

(c) Credit for payment.--The department shall credit against the slot machine license operation fee imposed under subsection (a) any amount paid by a:

(1) Except as provided in subparagraph (2), Category 1 or 2 licensed gaming entity:

(i) under section 1403(c)(3) (relating to the establishment of State Gaming Fund and net slot machine revenue distribution) between January 1, 2017, and May 27, 2017; and

(ii) to a municipality under an agreement between the Category 1 or 2 licensed gaming entity and the municipality in lieu of a payment under section 1403(c)(3), as certified to the department by the municipality receiving the funds.

(2) Category 2 licensed gaming entity located in a city of the first class:

(i) under section 1403(c)(2) between January 1, 2017, and May 27, 2017; and

(ii) to a city of the first class under an agreement between the Category 2 licensed gaming entity and the city in lieu of a payment under section 1403(c)(2), as certified to the department by the city.

(d) Failure to pay.--The board may at its discretion suspend, revoke or deny a permit or license issued under this part if a Category 1 or Category 2 licensed gaming entity fails

to pay the slot machine license operation fee imposed under subsection (a).

(e) Deposit of slot machine license operation fee.--The total amount of all slot machine license operation fees imposed and collected by the board under this section shall be deposited in the fund and shall be appropriated to the department on a continuing basis for the purposes under section 1403(c) (3) and (4).

(Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 added section 1326.1. Section 34(1) of Act 42 provided that the addition of section 1326.1 shall be retroactive to January 1, 2017.

Cross References. Section 1326.1 is referred to in section 1403 of this title.

§ 1327. Nontransferability of licenses.

A license or permit issued by the board is a grant of the privilege to conduct a business in this Commonwealth. Except as permitted by section 1328 (relating to change in ownership or control of slot machine licensee), a license or permit granted or renewed pursuant to this part shall not be sold, transferred or assigned to any other person; nor shall a licensee or permittee pledge or otherwise grant a security interest in or lien on the license or permit. Nothing contained in this part is intended or shall be construed to create in any person an entitlement to a license. The board has the sole discretion to issue, renew, condition or deny the issuance of a slot machine license based upon the purposes and requirements of this part.

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.)

§ 1328. Change in ownership or control of slot machine licensee.

(a) Notification and approval.--

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

(i) More than 5% of a slot machine licensee's securities or other ownership interests.

(ii) More than 5% 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 licensee.

(iii) The sale other than in the ordinary course of business of a licensee's assets.

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

(2) Notwithstanding the provisions of paragraph (1), a slot machine licensee shall not be required to notify the board of any acquisition by an institutional investor pursuant to 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 it has no intention of influencing or affecting, directly or indirectly, the affairs of the licensee, provided, however, that it shall be permitted to vote on matters put to the

vote of the outstanding security holders. Notice to the board and board approval shall be required prior to completion of any proposed or contemplated change of ownership of a slot machine licensee that meets the criteria of this section.

(b) Qualification of purchaser of slot machine licensee; change of control.--The purchaser of the assets, other than in the ordinary course of business, of any slot machine licensee shall independently qualify for a license in accordance with this part and shall pay the license fee as required by section 1209 (relating to slot machine license fee). A change in control of any slot machine licensee shall require that the slot machine licensee independently qualify for a license in accordance with this part, and the slot machine licensee shall pay a new license fee as required by section 1209, except as otherwise required by the board pursuant to this section. The new license fee shall be paid upon the assignment and actual change of control or ownership of the slot machine license.

(c) Change in control defined.--For purposes of this section, a change in control of a slot machine licensee shall mean the acquisition by a person or group of persons acting in concert of more than 20% of a slot machine licensee'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 slot machine license fee, or more than 20% of the securities or other ownership interests of a corporation or other form of business entity which owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the licensee.

(d) Fee reduction.--The board may in its discretion eliminate the need for qualification and/or proportionately reduce, but not eliminate, the new license fee otherwise required pursuant to this section in connection with a change of control of a licensee, depending upon the type of transaction, the relevant ownership interests and changes thereto resulting from the transaction and other considerations deemed relevant by the board.

(e) License revocation.--Failure to comply with this section may cause the license issued under this part 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 license fee has been paid.
(Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. Act 1 amended subsecs. (a)(1) and (b).

Cross References. Section 1328 is referred to in sections 1209, 1302, 1307, 1312, 1327 of this title.

§ 1329. Portability and relocation of slot machine license.

(a) General rule.--Except as otherwise provided in this section, each slot machine license shall only be valid for the specific physical location within the municipality and county for which it was originally granted.

(b) Petition.--An applicant for a slot machine license or a slot machine licensee may petition the board to relocate its facility. In determining whether to grant a petition to relocate, the board shall:

(1) Evaluate the proposed new location and the reason for the relocation.

(2) Conduct an analysis comparing estimated gross terminal revenues and estimated gross table game revenues at the proposed new location with estimated or actual gross

terminal revenues and estimated or actual gross table game revenues at the approved current location.

(3) Conduct an analysis comparing the economic impact of the licensed facility at the proposed new location with the estimated or actual economic impact at the approved current location. The comparative analysis shall include the total cost of the project and projected direct and indirect employment figures.

(4) Commission a comprehensive traffic study for the proposed new location.

(5) Evaluate community support or opposition.

(6) Consider any other information submitted by the petitioner or requested by the board.

(c) Relocation.--A slot machine licensee may move or relocate the licensed facility with board approval upon good cause shown if the relocation of the licensed facility:

(1) remains within the same county as when it was originally licensed;

(2) will facilitate the timely commencement or the continued conduct of gaming operations;

(3) complies with all other provisions of this part related to the siting and location of a licensed facility; and

(4) is in the best interests of the Commonwealth.

(d) Public input hearing.--The board shall hold at least one public input hearing in the municipality where the licensed facility will be located prior to ruling on the petition.

(e) Restriction.--No grant or loan from the Commonwealth may be awarded for the purpose of relocating or developing the relocated licensed facility to comply with any conditions of approval of the relocation.

(Jan. 7, 2010, P.L.1, No.1, eff. imd.)

§ 1330. Multiple slot machine license prohibition (Repealed).

2017 Repeal. Section 1330 was repealed Oct. 30, 2017, P.L.419, No.42, effective immediately.

§ 1331. Duty of licensees, key employees and gaming employees.

Any licensee, key employee or gaming employee shall have the duty to:

(1) provide any assistance or information required by the board or the Pennsylvania State Police and to cooperate in any inquiry, investigation or hearing;

(2) consent to inspections, searches and seizures;

(3) inform the board of any actions which they believe would constitute a violation of this part; and

(4) inform the board of any arrests for any violations of offenses enumerated under 18 Pa.C.S. (relating to crimes and offenses).

§ 1332. Appointment of trustee.

(a) Appointment.--Upon petition of the Office of Enforcement Counsel, the board may appoint a trustee from the list required under subsection (j) to act on behalf of the interests of the Commonwealth and the board to ensure compliance with this part and any conditions imposed upon the slot machine license. A trustee may be appointed only in the following circumstances:

(1) Upon the revocation, suspension or nonrenewal of a slot machine license or a principal license if the principal licensee is the only principal who exercises operational control of the licensed facility.

(2) Upon the failure to renew a slot machine license or a principal license if the principal licensee is the only

principal who exercises operational control of the licensed facility.

(3) If necessary to protect the best interests of the Commonwealth.

(b) Qualifications.--The following shall apply:

(1) A trustee shall be required to qualify as a principal and obtain a principal license. The board may appoint a trustee and award the trustee a temporary principal license as prescribed in board regulations.

(2) Before assuming duties, a trustee shall execute and file a bond for the faithful performance of the trustee's duties. The bond shall be payable to the board with sureties and in the amount and form as required by board order. The cost of the bond shall be paid by the former or suspended licensee.

(3) A trustee shall be a resident of this Commonwealth.

(c) Powers.--A trustee appointed under this section shall exercise only those powers, duties and responsibilities expressly conferred upon the trustee by the board. The board's order appointing the trustee shall set forth the powers, duties and responsibilities of the trustee which may include:

(1) Maintaining and operating the licensed facility in a manner that complies with this part and any conditions imposed by the board.

(2) Maintaining and operating the licensed facility consistent with the measures generally taken in the ordinary course of business including:

(i) Entering into contracts.

(ii) Borrowing money.

(iii) Pledging, mortgaging or otherwise encumbering the licensed facility or property thereof as security for the repayment of loans subject to any provisions and restrictions in any existing credit documents.

(iv) Hiring, firing and disciplining employees.

(3) Exercising the rights and obligations of the former or suspended licensee.

(4) Taking possession of all of the assets of the slot machine licensee, including its books, records and papers.

(5) Establishing accounts with financial institutions. An account may not be established with a financial institution in which the licensee, an affiliate of the former or suspended licensee, the trustee or an immediate family member of the trustee has a controlling interest.

(6) Meeting with the former or suspended licensee.

(7) Meeting with principals and key employees at the licensed facility.

(8) Meeting with the independent audit committee.

(9) Meeting with the board's executive director and keeping the board's executive director apprised of actions taken and the trustee's plans and goals for the future.

(10) Hiring legal counsel, accountants or other consultants or assistants, with prior approval of the board, as necessary to carry out the trustee's duties and responsibilities.

(11) Settling or compromising with any debtor or creditor of the former or suspended licensee, including any taxing authority.

(12) Reviewing outstanding agreements to which the former or suspended licensee is a party and advising the board as to which, if any, of the agreements should be the subject of scrutiny, examination or investigation by the board.

(13) Obtaining board approval prior to any sale, change of ownership, change of control, change of financial status, restructuring, transfer of assets or execution of a contract or any other action taken outside of the ordinary course of business.

(14) Obtaining board approval for any payments outside of those made in the ordinary course of business.

Notwithstanding any provision contained in this subsection to the contrary, the trustee shall have the duty to conserve and preserve the assets of the licensed gaming entity.

(d) Compensation.--The board shall establish the compensation of a trustee and shall review and approve actual and reasonable costs and expenses of the trustee, legal counsel, accountants or other consultants or assistants hired by the trustee. The compensation, costs and expenses shall be paid by the former or suspended licensee. Total compensation for the trustee and all persons hired or retained by the trustee under subsection (c)(10) shall not exceed \$600 per hour in the aggregate unless otherwise increased by the board pursuant to subsection (d.2).

(d.1) Calculation of compensation.--In determining the aggregate hourly rate of compensation to be paid to the trustee and all other persons hired or retained by the trustee, the board shall consider:

(1) The time and labor required, the difficulty of the questions involved and the skill required to properly perform the required services.

(2) Whether the acceptance of the position by the trustee or other person will preclude the trustee or other person from other employment.

(3) The fee customarily charged for similar services.

(4) The nature and potential length of the duties.

(5) The experience, reputation and ability of the trustee or other person selected to perform the services.

(d.2) Compensation exceptions.--

(1) On January 1 of each year, the board may adjust the aggregate hourly rate of compensation authorized under subsection (d) for inflation. The adjustment shall not exceed the percentage change in the Consumer Price Index for All Urban Consumers for the Pennsylvania, New Jersey, Delaware and Maryland area for the most recent 12-month period for which figures have been officially reported by the United States Department of Labor, Bureau of Labor Statistics. When adjusted, the board shall publish the adjusted aggregate hourly rate of compensation in the Pennsylvania Bulletin.

(2) Upon petition by the Director of the Office of Enforcement Counsel, the board may increase the total hourly rate of compensation above the limitation contained in subsection (d) for good cause shown. The board shall consider the factors under subsection (d.1) when calculating any increase requested by the office.

(e) Reports.--A trustee shall file reports relating to the administration of the trusteeship with the board in the form and at intervals as the board orders. The board may direct that copies or portions of the trustee's reports be mailed to creditors or other parties in interest and make summaries of the reports available to the public and shall post them on the board's Internet website.

(f) Review of actions.--A creditor or other party in interest aggrieved by any alleged breach of a delegated power or duty or responsibility of a trustee in the discharge of the trustee's duties may request a review of the trustee's action

or inaction by filing a petition in accordance with board regulations. The petition must set forth in detail the pertinent facts and the reasons why the facts constitute the alleged breach. The board shall review any petition filed under this section and take whatever action, if any, it deems appropriate.

(g) Effect of the trusteeship.--After issuance of an order to appoint a trustee, the former or suspended principal or slot machine licensee may not exercise any of its privileges, collect or receive any debts or pay out, sell, assign or transfer any of its assets to anyone without prior approval of the appointed trustee and the board.

(h) Disposition of net income.--During the period of trusteeship, net income from the licensed facility shall be deposited in an escrow account maintained for that purpose. Payments from the escrow account during the period of trusteeship may not be made without the prior approval of the board. A suspended or former principal or slot machine licensee may request distribution of all or a portion of the funds in the escrow account during the period of trusteeship by filing a petition in accordance with board regulation. The suspended or former principal or slot machine licensee shall have the burden of demonstrating good cause for the distribution of the funds requested.

(i) Discontinuuation.--The board may issue an order to discontinue a trusteeship when:

(1) the board determines that circumstances requiring the appointment of the trustee no longer exist; or

(2) the trustee has, with the prior approval of the board, consummated the sale, assignment, conveyance or other disposition of all the assets or interest of the former principal or slot machine licensee relating to the slot machine license.

(j) List of approved trustees.--The board shall promulgate regulations governing establishment of a list of persons approved by the board and qualified to serve as a trustee. At a minimum, the regulations shall provide for the following:

(1) The minimum qualifications a person must possess to be approved as a trustee, which shall include the qualifications set forth in subsection (b).

(2) The procedure for placement on or removal from the approved trustee list.

(3) Any other information the board deems necessary to carry out the intent of this section.

(Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. Act 1 added section 1332.

Cross References. Section 1332 is referred to in sections 1103, 1202, 1214, 13B62, 1513, 1517 of this title.

CHAPTER 13A

TABLE GAMES

Subchapter

- A. General Provisions
- B. Table Games Authorized
- C. Conduct of Table Games
- D. (Reserved)
- E. Table Game Testing and Certification
- F. (Reserved)
- G. Table Game Taxes and Fees

Enactment. Chapter 13A was added January 7, 2010, P.L.1, No.1, effective immediately.

Cross References. Chapter 13A is referred to in sections 323, 1103, 1202, 1211, 1309, 13C24, 13F15, 1401 of this title.

SUBCHAPTER A
GENERAL PROVISIONS

Sec.

- 13A01. (Reserved).
- 13A02. Regulatory authority.
- 13A03. Temporary table game regulations.
- 13A04. Commonwealth resident employment goals.

§ 13A01. (Reserved).

§ 13A02. Regulatory authority.

The board shall promulgate regulations:

(1) Establishing standards and procedures for table games and table game devices or associated equipment, including standards distinguishing electronic gaming tables, fully automated electronic gaming tables and traditional gaming tables. The standards and procedures shall provide for any new table games or gaming tables and variations or composites of approved table games or gaming tables, provided the board determines that the new table game, gaming table or any variations or composites or other approved table games or gaming tables 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 table games and the system of wagering associated with table games, including the conduct of table games and the system of wagering on electronic gaming tables and fully automated electronic gaming tables.

(2.1) Establishing the method for calculating gross table game revenue and standards for the daily counting and recording of cash and cash equivalents received in the conduct of table games, including the conduct of table games on electronic gaming tables and fully automated electronic gaming tables, and ensuring that internal controls are followed, including observation by employees of the board of that process, the maintenance of financial books and records and the conduct of audits. The board shall consult with the department in establishing these regulations.

(3) Establishing notice requirements pertaining to minimum and maximum wagers on table games. Minimum and maximum wagers may be adjusted by the certificate holder in the normal course of conducting table games, except that changes in minimum wagers at any given gaming table shall not apply to players already engaged in wagering at that gaming table when the minimum wager is changed, unless 30 minutes' notice is provided at that gaming table.

(4) Requiring each certificate holder to:

(i) Provide written information at each operational gaming table about table game rules, payoffs 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 table games are 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 to conduct table games.

(iv) Ensure that visibility in a licensed facility 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 table games.

(v) Integrate the licensed facility's count room for slot machine and table game operations to ensure maximum security of the counting and storage of cash and cash equivalents.

(vi) Equip each operational gaming table with a sign indicating the permissible minimum and maximum wagers at the gaming table.

(vii) Adopt policies or procedures to prohibit any table game device or associated equipment from being possessed, maintained or exhibited by any person on the premises of a licensed facility except in the areas of a licensed facility where the conduct of table games is authorized or in a restricted area designated to be used for the inspection, service, repair or storage of table game devices or associated equipment by the certificate holder or in an area used for employee training and instruction by the certificate holder.

(viii) Equip all drop boxes in which cash, cash equivalents, fill slips, credit slips or inventory slips are deposited at the gaming tables, and all areas where drop boxes are kept while in use, with two locking devices or keys, of which one locking device or key shall be under the exclusive control of the board, and the second locking device or key shall be under the exclusive control of the certificate holder's designated employees. The drop boxes shall be brought into or removed from an area where table games are conducted or locked or unlocked in accordance with procedures established by the board.

(ix) Designate secure locations for the inspection and storage of table game devices and associated equipment as may be approved by the board.

(5) Establishing the size and uniform color by denomination of all chips used in the conduct of table games, including tournaments, and a policy for the use of promotional or commemorative chips used in the conduct of table games. All types of chips shall be approved by the board prior to being used for play at a table game at a licensed facility.

(5.1) Establishing the procedure to be used by a certificate holder to determine and extract a rake for the purposes of generating gross table game revenue from nonbanking games. The rake may be calculated using a percentage or a flat fee methodology.

(6) Establishing minimum standards relating to the acceptance of tips or gratuities by dealers and croupiers at a table game, which shall include:

(i) The requirement that tips or gratuities accepted by dealers and croupiers at banking games be placed in a common pool for complete distribution pro rata among all dealers and croupiers.

(ii) The right of the certificate holder to establish policies under which tips or gratuities accepted by dealers and croupiers at nonbanking games are not required to be pooled and may be retained by the dealers and croupiers.

Nothing in this paragraph shall prohibit a certificate holder from adopting a formal policy relating to acceptance of tips and gratuities, provided that the policy meets the minimum standards established by the board under this paragraph.

(7) Establishing the minimal proficiency requirements for individuals to successfully complete a course of training at a gaming school. The regulations shall not prohibit a slot machine licensee from establishing a course of training for its employees or potential employees or prohibit a certificate holder from offering employment to an individual who has not attended or completed a course of instruction at a gaming school and shall require a slot machine licensee that elects to train its gaming employees or potential table game employees to submit a detailed summary of the training program to the board and to demonstrate the adequacy of the training. The regulations shall prohibit a slot machine licensee from charging its employees or potential employees a fee to complete a course of training.

(8) Establishing the practices and procedures governing the conduct of tournaments under this chapter.

(9) Establishing minimum standards relating to the extension of credit to a player by a certificate holder.

Prior to extending credit, the certificate holder shall consider an individual's financial fitness, including annual income, debt-to-income ratio, prior credit history, average monthly bank balance or level of play.

§ 13A03. Temporary table game 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 table games 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.

(c) Temporary regulations.--The board shall begin publishing temporary regulations governing table game rules, licensing of manufacturers and suppliers and surveillance standards in the Pennsylvania Bulletin no later than February 1, 2010.

2020 Partial Repeal. Section 18 of Act 114 provided that the provisions of section 13A03 are repealed insofar as they are inconsistent with the addition of section 1724.1-E(f) of the act of April 9, 1929, P.L.343, No.176, known as The Fiscal Code.

Cross References. Section 13A03 is referred to in section 1501 of this title.

§ 13A04. Commonwealth resident employment goals.

(a) Employment opportunities.--It is the goal of the General Assembly that the board promote and ensure the availability of employment opportunities for Commonwealth residents in table games and table game-related operations as authorized in this chapter. The board shall work with each certificate holder to ensure that a significant number of Commonwealth residents are employed by a certificate holder relating to table games. It is also the goal of the General Assembly that Commonwealth residents comprise at least 85% of each certificate holder's table game-related employees by the end of the third year following commencement of the conduct of table games at each certificate holder's licensed facility.

(b) Review.--The board shall conduct an annual review to ascertain each certificate holder's progress in achieving the goals of this section and whether each certificate holder has taken effective and meaningful action to employ Commonwealth residents in table game-related positions at licensed facilities. The first review shall be completed one year following the award of the first table game operation certificate. Each annual review shall contain recommendations which the board determines appropriate and may be combined with any other review or study required by the board under this part. The review shall be submitted to the chairman and minority chairman of the standing committees of the Senate and of the House of Representatives with jurisdiction over this part.

Cross References. Section 13A04 is referred to in section 1510 of this title.

SUBCHAPTER B
TABLE GAMES AUTHORIZED

Sec.

- 13A11. Authorization to conduct table games.
- 13A12. Petition requirements.
- 13A13. Prohibitions.
- 13A14. Table game authorization hearing process; public input hearings.
- 13A15. Standard for review of petitions.
- 13A16. Award of certificate.
- 13A16.1. Amendment of statement of conditions.
- 13A17. Table game operation certificate.
- 13A18. Timing of initial table game authorizations.

§ 13A11. Authorization to conduct table games.

(a) Authorization.--The board may authorize a slot machine licensee to conduct table games, including table game contests and tournaments, and to operate a system of wagering associated with the conduct of table games at the slot machine licensee's licensed facility. Authorization shall be contingent upon the slot machine licensee's agreement to ensure that slot machine and table game operations will be conducted in accordance with this part and any other conditions established by the board. Nothing in this part shall be construed to create a separate license governing the conduct of table games by slot machine licensees within this Commonwealth.

(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.

(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.

(2.2) The following apply:

(i) A Category 4 slot machine licensee may submit a petition for a table game operation certificate at a Category 4 licensed facility under section 13A12 (relating to petition requirements). A Category 4 slot machine licensee that submits a petition for a table game operation certificate under section 13A12 shall pay, at the time of submission of the petition, a one-time nonrefundable authorization fee in the amount of \$2,500,000.

(ii) A Category 4 slot machine licensee awarded a table game operation certificate at a Category 4 licensed facility by the board may operate up to 30 gaming tables at the licensee's licensed facility.

(iii) Twelve months following the date of commencement of table game operations under subparagraph (ii), a Category 4 slot machine licensee awarded a table game operation certificate may petition the board for an increase in the number of gaming tables at the Category 4 licensed facility. The board may permit the certificate holder under this section to add up to 10 additional gaming tables at a Category 4 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.

(iv) Gaming tables used in tournaments shall not be used in the calculation of the total number of gaming tables authorized in a table game authorization certificate under subparagraphs (ii) and (iii).

(3) Nonbanking gaming tables shall seat a maximum of ten players.

(Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 amended subsec. (b).

Cross References. Section 13A11 is referred to in sections 13A22.1, 13A61 of this title.

§ 13A12. Petition requirements.

(a) General rule.--Unless otherwise prohibited under section 13A13 (relating to prohibitions), a slot machine licensee may seek approval to conduct table games by filing a petition with the board.

(b) Petition contents.--A petition seeking authorization to conduct table games 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 table games and who is not currently licensed by the board, if known.

(3) An itemized list of the number of gaming tables and types of table games for which authorization is being sought.

(4) The estimated number of full-time and part-time employment positions that will be created at the licensed facility if table games are authorized and an updated hiring plan pursuant to section 1510(a) (relating to labor hiring preferences) which outlines the petitioner'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, its municipalities and its residents if table games are authorized at the petitioner's licensed facility.

(6) The details of any financing obtained or that will be obtained to fund an expansion or modification of the licensed facility to accommodate table games and to otherwise fund the cost of commencing table game 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 petitioner.

(8) 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 table game operation. In making this determination, the board may consider the results of the petitioner's slot machine operation, including financial information, employment data and capital investment.

(9) 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 13A61 (relating to table game authorization fee).

(10) Detailed site plans identifying the petitioner's proposed table game area within the licensed facility.

(11) If the petitioner is a Category 1 or Category 2 slot machine licensee, a waiver, on a form prescribed by the board which is signed by the petitioner and acknowledged by each of the petitioner's principals, of the following rights arising as a result of an amendment or addition to this part that took effect at the same time as the effective date of this section:

(i) the petitioner's right under section 1209(f) (relating to slot machine license fee) or under any

contract executed by the applicant and the department under section 1209(c) to receive the return of any portion of the slot machine license fee paid by the petitioner for its slot machine license; and

(ii) the petitioner's right, if any, to sue for the return of any portion of the slot machine license fee paid by the petitioner for its slot machine license.

(12) Other information as the board may require.

(c) Confidentiality.--Information submitted to the board under subsection (b) (6), (7), (9), (10) 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).

Cross References. Section 13A12 is referred to in sections 13A11, 13A13, 13A15, 13A16.1, 13A61 of this title.

§ 13A13. Prohibitions.

(a) Slot machine licensee.--No slot machine licensee that is required as a condition of slot machine licensure to make payments to a municipality, municipal authority or other entity for an economic development project, including any project enumerated in 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, may submit a petition under section 13A12 (relating to petition requirements) until the requirements of section 1214(a) (relating to specific authority to suspend slot machine license) are met.

(b) Duties of board.--The board shall not accept or approve a petition submitted by any slot machine licensee subject to subsection (a) until the written agreement required by section 1214(a) is submitted by the slot machine licensee to the board, which shall ensure the written agreement meets the requirements of section 1214(a) and all conditions relating to the economic development project imposed by the board when awarding the slot machine license to the licensee are satisfied.

(c) Construction.--Nothing in this section shall be construed to relieve a slot machine licensee of its legal obligation to make any required payments referenced under this section if the slot machine licensee elects not to petition the board for authorization to conduct table games.

Cross References. Section 13A13 is referred to in sections 13A12, 13C12 of this title.

§ 13A14. Table game authorization hearing process; public input hearings.

(a) General rule.--The board's consideration and resolution of all petitions to conduct table games shall be conducted in accordance with 2 Pa.C.S. (relating to administrative law and procedure) or with procedures adopted by order of the board. Notwithstanding the requirements of 2 Pa.C.S. §§ 504 (relating to hearing and record) and 505 (relating to evidence and cross-examination) as they relate to the conduct of oral hearings, the board may adopt procedures to provide parties before it with a documentary hearing, and the board may resolve disputed material facts without conducting an oral hearing where constitutionally permissible.

(b) Public input hearing requirement.--

(1) Prior to granting a petition for a slot machine licensee to conduct table games under this chapter, the board shall hold at least one public input hearing on the matter in the municipality where the petitioner's licensed facility is located.

(2) A list of all witnesses scheduled to testify at a public input hearing shall be posted on the board's Internet website at least seven days prior to the hearing. The list shall be updated at least three days prior to the hearing. Additional witnesses shall be posted on the board's Internet website as they are added to the list.

§ 13A15. Standard for review of petitions.

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 table games 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 table games.

(ii) Pay the authorization fee in accordance with section 13A61 (relating to table game authorization fee).

(iii) Commence table game operations at its licensed facility.

(4) The petitioner has the financial stability, integrity and responsibility to conduct table games.

(5) The petitioner has sufficient business ability and experience to create and maintain a successful table game 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 table games are adequate.

(7) The petitioner agrees that the number of slot machines in operation at its licensed facility on October 1, 2009, will not be permanently reduced in order to install gaming tables.

(8) The petitioner has executed the waiver required under section 13A12(b)(11) (relating to petition requirements) and provided any other information required by section 13A12(b).

§ 13A16. Award of certificate.

Upon approval of a petition, the board shall award a table games operation certificate to the petitioner. Awarding of a table game operation certificate prior to the payment in full of the authorization fee required by section 13A61 (relating to table game authorization fee) shall not relieve the petitioner from complying with the provisions of section 13A61.

§ 13A16.1. Amendment of statement of conditions.

(a) Amendment.--Upon awarding a table game operation certificate, the board shall amend the slot machine licensee's statement of conditions governing the slot machine license to include conditions pertaining to the requirements of this part. If the slot machine licensee is a Category 1 or Category 2 slot machine licensee, amendments to the statement of conditions shall include a requirement that the slot machine licensee acknowledge and honor the waiver of rights required to be filed under section 13A12(b)(11) (relating to petition requirements).

(b) Sanctions.--A certificate holder that fails to abide by this part or any condition contained in the licensee's statement of conditions in the conduct of table games shall be

subject to board-imposed administrative sanctions or other penalties authorized under this part.

§ 13A17. Table game operation certificate.

The following shall apply:

(1) A table game 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 certificate holder is suspended, revoked or not renewed by the board consistent with the requirements of this part.

(iii) The certificate holder relinquishes or does not seek renewal of its slot machine license.

(2) The table game operation certificate shall include an itemized list by type of table game and the number of gaming tables approved by the board and permitted in the certificate holder's licensed facility. The certificate holder may increase or decrease the number of gaming tables permitted at the licensed facility, change the type of table games played at a particular gaming table or change the configuration of gaming tables upon notice to the board and approval by a designated employee of the board. Unless approved by the board, the total number of gaming tables in operation at the licensed facility may not exceed the number authorized in the table games operation certificate.

(3) A certificate holder shall be required to update the information in its initial table games petition at times prescribed by the board.

§ 13A18. Timing of initial table game authorizations.

The board shall approve or deny a petition within 60 days following receipt of the petition.

SUBCHAPTER C

CONDUCT OF TABLE GAMES

Sec.

13A21. Authorized locations for operation.

13A22. Commencement of table game operations.

13A22.1. Table game tournaments.

13A23. Training of employees and potential employees.

13A23.1. Training equipment.

13A24. Condition of continued operation.

13A25. Table game accounting controls and audit protocols.

13A26. Cash equivalents.

13A27. Other financial transactions.

13A28. Key employees and occupation permits.

13A29. Application of Clean Indoor Air Act.

13A29.1. Applicaton of Liquor Code.

§ 13A21. Authorized locations for operation.

(a) **Restriction.**--A certificate holder shall only be permitted to operate table games 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 table games at a temporary facility which 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.--Upon request made by a certificate holder, the board may determine the suitability of a hotel for the conduct of table games. The board may authorize the executive director to designate specific areas of a licensed facility, other than the gaming floor, or specific areas of a hotel, including conference rooms, ballrooms or other rooms, in which the certificate holder may conduct contests or tournaments. No certificate holder may be approved to conduct table games in a licensed facility or a hotel unless the areas to be designated are equipped with adequate security and surveillance equipment to ensure the integrity of the conduct of a table game contest or tournament. The certificate holder shall notify the board of the number of gaming tables that the certificate holder intends to operate during a contest or tournament, and the board shall designate an employee of the board to approve or deny the request. An authorization granted under this section may not:

(1) Impose any criteria or requirements regarding the contents or structure of a hotel which are unrelated to the conduct of table games.

(2) Authorize the placement or operation of slot machines in a hotel.

§ 13A22. Commencement of table game operations.

A certificate holder may not operate or offer table games for play at a licensed facility until the board determines that:

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

(2) The certificate holder's internal controls and audit protocols are sufficient to meet the requirements of section 13A25 (relating to table game accounting controls and audit protocols).

(3) The certificate holder's table game employees, where applicable, are licensed, permitted or otherwise authorized by the board to perform their respective duties.

(4) The certificate holder is prepared in all respects to offer table game play to the public at the licensed facility.

(5) The certificate holder has implemented necessary internal and management controls and security arrangements and surveillance systems for the conduct of table games.

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

§ 13A22.1. Table game tournaments.

(a) Authorization.--A certificate holder may conduct tournaments at its licensed facility.

(b) Submission of schedule.--The following shall apply:

(1) A certificate holder that elects to conduct tournaments shall submit to the executive director of the board for approval a proposed schedule of tournaments to be conducted at the licensed facility.

(2) The proposed schedule may be a weekly, monthly or annual schedule and shall include information identifying all of the following:

(i) The type of table game or table games to be played at each tournament.

(ii) The proposed date and time of each tournament.

(iii) The proposed entry fee and any other fees associated with the tournament.

(iv) The maximum number of participants.

(v) Any other information as the board may require.

(3) Submission of a proposed schedule shall not require the certificate holder to conduct all tournaments contained in the schedule. A certificate holder may not conduct a tournament at a date or time not contained in the schedule submitted to the executive director.

(4) A certificate holder may seek to amend or modify the schedule at any time by filing a written request with the executive director.

(c) Exemptions and additional tables.--The following shall apply:

(1) For a Category 1, Category 2 or Category 4 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. Additional gaming tables for use in tournaments at a Category 3 licensed facility shall be exempt from section 13A11(b)(2) 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).

(d) Seating.--A gaming table used in tournament play shall seat a maximum of ten players per table.
(Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 amended subsec. (c).

Cross References. Section 13A22.1 is referred to in section 1207 of this title.

§ 13A23. Training of employees and potential employees.

(a) Adequacy.--A slot machine licensee that elects to offer table game training to its employees or potential employees shall submit to the board a detailed summary of the training program demonstrating the adequacy of the training.

(b) Authorization.--Notwithstanding any provision of this part to the contrary, the executive director of the board may authorize a slot machine licensee to conduct table game training and instruction for the slot machine licensee's employees and potential employees.

(c) Effect.--Authorization granted under subsection (b) shall do all of the following:

(1) Permit a slot machine licensee to conduct training at a location within the licensed facility or at another location.

(2) Require any training authorized on the gaming floor to be conducted in a specified area of the gaming floor that is clearly identified as a training area and not accessible to the public.

(3) Designate a secure area at the location where the training will take place for the storage of table game devices and associated equipment used for training.

(4) Limit the number of table game devices and associated equipment to that necessary to conduct training.

(5) Prohibit the payment of any cash, cash equivalent or other prize to an individual as a result of play conducted during training or play conducted utilizing table game

devices or associated equipment obtained under section 13A23.1 (relating to training equipment).

(6) Prohibit a slot machine licensee from charging its employees or potential employees a fee to participate in the training.

(c.1) Rescission or revocation.--An authorization granted by the executive director under subsection (b) may be rescinded or revoked by the executive director or the board without cause.

The slot machine licensee shall be given notice that the authorization has been rescinded or revoked and afforded a reasonable time to take all necessary actions required by the executive director or the board.

(d) Prohibition.--The board shall be prohibited from charging a fee as a condition of receiving authorization under subsection (b).

Cross References. Section 13A23 is referred to in section 13A23.1 of this title.

§ 13A23.1. Training equipment.

(a) Acquisition.--Notwithstanding section 1317 (relating to supplier licenses) or section 1317.1 (relating to manufacturer licenses), for a one-year period following the effective date of this section, a slot machine licensee may purchase, lease or otherwise obtain table game devices or associated equipment that will be used for the sole purpose of conducting table game training authorized under section 13A23 (relating to training of employees and potential employees) from a manufacturer or supplier, whether or not licensed or otherwise approved by the board under this part, or from an affiliate of the slot machine licensee or a gaming facility in another jurisdiction.

(b) Identification.--Table game devices or associated equipment obtained by a slot machine licensee pursuant to subsection (a) shall have an identification number which shall be kept on file with the board, and the table game devices or associated equipment shall be clearly identified as being used for training purposes only.

(c) Prohibition.--

(1) Table game devices and associated equipment obtained pursuant to this section shall be prohibited from being used on the gaming floor unless being used for training purposes pursuant to section 13A23(c)(2).

(2) The payment of any cash, cash equivalent or other prize to an individual from the play of a table game on table game devices or associated equipment obtained pursuant to this section is prohibited.

Cross References. Section 13A23.1 is referred to in sections 1317.1, 13A23 of this title.

§ 13A24. Condition of continued operation.

As a condition of continued operation, a certificate holder shall agree to maintain all books, records and documents pertaining to table games in a manner and location within this Commonwealth as approved by the board. All books, records and documents related to table games 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 both slot machine and table game 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 licensed facility in accordance with regulations promulgated by the board; and

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

§ 13A25. Table game accounting controls and audit protocols.

(a) Approval.--Prior to the commencement of table game operations, a certificate holder shall submit to the board for approval all proposed site plans, internal control systems and audit protocols for the certificate holder's table game operations.

(b) Minimum requirements.--A certificate holder's internal controls and audit protocols shall:

(1) Safeguard its assets and revenues, including the recording of cash, cash equivalents and evidences of indebtedness related to table games.

(2) Provide for reliable records, accounts and reports of any financial event that occurs in the conduct of table games, including reports to the board related to table games.

(3) Provide for accurate and reliable financial records related to table games.

(4) Establish procedures for all the following:

(i) The receipt, storage and disbursal of chips, cash and cash equivalents used in table games.

(ii) Conversion of cash equivalents to cash.

(iii) The redemption of chips and other representations of value used in table games and the payment of winnings and prizes.

(iv) The recording of financial transactions pertaining to table games.

(5) Establish procedures for the collection and security of cash and cash equivalents at the gaming tables.

(6) Establish procedures for the recording of and transfer of chips and cash equivalents between the gaming tables and the cashier's cage.

(7) Establish procedures for the transfer of drop boxes from the gaming tables to the count room.

(8) Establish procedures and security for the counting and recording of gross table game revenue.

(9) Establish procedures for the security, storage and recording of cash and cash equivalents utilized in table games.

(10) Establish procedures and security standards for the handling and storage of table game devices and associated equipment used in connection with table games.

(11) Establish procedures and rules governing the conduct of each table game and the responsibility of employees related to table games.

(12) Establish procedures for the collection and recording of revenue from poker and other table games when played as nonbanking games, including the type of rake utilized and the methodology for calculating the amount of permissible rake.

(13) Ensure that any wagering permitted in the play of a table game is implemented only in accordance with the certificate holder's general or specific authorization, as approved by the board.

(14) Ensure the proper and timely accounting of gross table game revenue and the calculation of gross table game revenue, fees, taxes and assessments based on the gross table game revenue.

(15) Maintain accountability for assets, ensure that recorded accountability for assets is compared with actual

assets at reasonable intervals and ensure that appropriate action is taken with respect to any discrepancies.

(16) Ensure that all functions, duties and responsibilities related to table game operations are appropriately segregated and performed in accordance with sound financial practices by qualified employees.

(17) Permit use of its licensed facility by the board, the bureau and other persons authorized under this part or by the board 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 certificate holder's administrative and accounting procedures related to table games, 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 both slot machine operations and table game operations.

(2) A description of the duties and responsibilities of each position shown on the organizational chart.

(3) The record retention policy of the certificate holder.

(4) The procedure to be utilized to ensure that assets are safeguarded, including mandatory count procedures.

(5) A detailed narrative description of the administrative and accounting procedures in place to ensure compliance with the requirements of section 13A26 (relating to cash equivalents).

(6) A statement signed by the certificate 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 certificate holder to conduct table games, the board shall review the system of internal controls submitted under subsection (c) to determine whether it conforms to the requirements of this part and whether it provides adequate and effective controls for the conduct of table games.

Cross References. Section 13A25 is referred to in section 13A22 of this title.

§ 13A26. Cash equivalents.

(a) Checks.--

(1) A certificate holder may accept a check from a patron in exchange for cash or chips. The certificate holder shall present each check for payment to the financial institution upon which the check is drawn within ten days of receipt by the certificate holder. No third party checks shall be permitted.

(2) Notwithstanding any law to the contrary, checks cashed in conformity with the requirements of this section or 13 Pa.C.S. Div. 3 (relating to negotiable instruments) shall be valid instruments, enforceable at law in the courts of this Commonwealth. Any check cashed, transferred, conveyed, given or accepted in violation of this section shall be invalid and unenforceable for the purposes of collection by a certificate holder but shall be included in the calculation of gross table game revenue.

(b) Notice of fees.--All fees charged for the conversion of cash equivalents shall be disclosed.

(c) Payment of cash equivalents.--Other than credit extended by a certificate holder, an instrument that constitutes a cash equivalent shall be made payable to the slot machine licensee, to the bearer or to cash. An instrument made payable to a third party shall not be considered a cash equivalent and shall be prohibited.

Cross References. Section 13A26 is referred to in sections 13A25, 1504 of this title.

§ 13A27. Other financial transactions.

(a) Credit.--

(1) Notwithstanding section 1504 (relating to wagering on credit), a certificate holder may extend interest-free, unsecured credit to patrons for the purpose of playing slot machines or table games in accordance with this section; however, a certificate holder shall not accept credit cards, charge cards or debit cards from a patron or player for the exchange or purchase of chips, slot machine or table game credits or for an advance of coins or currency to be utilized by a player to play slot machine or table games. No credit card advance machine may be placed on the gaming floor.

(2) Prepaid access instruments are not deemed to be a credit card, charge card, debit card or any other instrument of credit and are not prohibited under this section. A device or other mechanism that allows or facilitates the funding of a prepaid access instrument shall not be deemed a credit card advance machine under this section.

(b) Credit applications.--Each application for credit submitted by a patron to a certificate holder shall be maintained in a confidential credit file. The application shall include the patron's name, address, telephone number and comprehensive bank account information, the requested credit limit, the patron's approximate amount of current indebtedness, the amount and source of income in support of the application, the patron's signature on the application, a certification of truthfulness and any other information deemed relevant by the certificate holder. The certificate holder shall notify each applicant that, as a condition of receiving credit, the certificate holder will verify identity and indebtedness information through a credit bureau or casino credit bureau and, if appropriate, through direct contact with other slot machine licensees.

(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, 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).

(d) Establishment of credit.--Upon completion of the verification required under subsection (c), a certificate holder may grant a patron credit. The certificate holder shall establish a credit limit for each patron to whom the certificate

holder grants credit. Each applicant's credit limit shall be approved by two or more employees of the certificate holder holding the job positions of credit manager, assistant credit manager, credit shift manager, credit executive or a key employee in a direct reporting line above the manager or credit manager. The approval shall be recorded in the applicant's credit file and shall include the reasons and information relied on for the approval of credit and verification by the employees approving the applicant's credit limit. Increases to an individual's credit limit may be approved following a written request from the individual and reverification of an individual's credit information.

(e) Recordkeeping.--Detailed information pertaining to all transactions affecting an individual's outstanding indebtedness to a certificate holder shall be recorded in chronological order in the individual's credit file.

(f) Reduction or suspension of credit.--A certificate holder may reduce an individual's credit limit or suspend credit to an individual for any reason.

(g) Voluntary credit suspension.--An individual may request a certificate holder to suspend the individual's credit. Each certificate holder shall inform the board when an individual requests a suspension of credit and shall provide the board with all information necessary to maintain the voluntary credit suspension list under subsection (h).

(h) Voluntary credit suspension list.--The board shall maintain a voluntary credit suspension list of all individuals who have requested suspension of credit privileges and shall provide the list on a continuous basis to the credit department of each certificate holder. An individual may request placement on the voluntary credit suspension list by submitting to the board the individual's name, address and date of birth. The individual does not need to provide a reason for the request. Notwithstanding any other provision of law to the contrary, the board's list of individuals who have had credit privileges voluntarily suspended shall be confidential, and neither the board nor the credit department of a certificate holder shall divulge the name of any individual on this list to any person or entity other than those provided for in this subsection. To be removed from the list, the individual shall submit a request to the board. The board shall remove the individual from the list and inform the credit department of each certificate holder not later than three business days after the board's receipt of the request.

(i) Liability.--A certificate holder or employee thereof shall not be liable to any individual on the voluntary credit suspension list 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 certificate holder to restore credit privileges to an individual on the voluntary credit suspension list; or

(2) otherwise permitting an individual on the voluntary credit suspension list to engage in gaming activity in the licensed facility while on the voluntary credit suspension list.

(j) Tax liability.--Draws against unsecured credit extended to patrons pursuant to this section which become uncollectible may not be claimed by a certificate holder as a deduction, credit or any other type of reduction or offset against any tax imposed by this part or the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

(Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 amended subsecs. (a) and (c).

Cross References. Section 13A27 is referred to in section 1611 of this title.

§ 13A28. 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 table game operation authorized under this chapter.

§ 13A29. 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 licensed facility where the slot machine licensee is authorized to place and operate slot machines or conduct table games, except such areas off the gaming floor where contests or tournaments are conducted unless smoking is otherwise permitted in such areas.

§ 13A29.1. 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 table games.

SUBCHAPTER D

(RESERVED)

SUBCHAPTER E

TABLE GAME TESTING AND CERTIFICATION

Sec.

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

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

(a) Expansion of independent testing and certification facility.--Within one year of the effective date of this section, the board shall expand the independent testing and certification facility created under section 1320(b) (relating to slot machine testing and certification standards) to include the testing and certification of table game devices and associated equipment. Costs associated with the expansion of the facility shall be assessed on manufacturers licensed to manufacture table game devices or associated equipment under this part in accordance with a schedule adopted by the board. The expanded facility shall be made available to each table game device manufacturer and supplier as determined by the board.

(b) Use of other state standards.--The board may determine whether the table game device testing and certification standards of another jurisdiction within the United States in which a manufacturer licensed pursuant to section 1317.1 (relating to manufacturer licenses) to manufacture table game devices or associated equipment used in connection with table games 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 the manufacturer appropriately licensed pursuant to section 1317.1 to deploy table game devices or associated equipment it manufactures which have met the table game device testing and

certification standards in another jurisdiction without undergoing the full testing and certification process by the board's independent testing and certification facility.

(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 general and 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 or 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 or 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.

(Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 added subsec. (b.1).

SUBCHAPTER F

(RESERVED)

SUBCHAPTER G

TABLE GAME TAXES AND FEES

Sec.

- 13A61. Table game authorization fee.
- 13A62. Table game taxes.

13A63. Local share assessment.

§ 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 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 a Category 3 slot machine licensee, the Category 3 slot machine licensee shall pay a one-time nonrefundable fee in the amount of \$1,000,000. The fee shall be deposited into the General Fund.

(4) A table game operation certificate shall not be subject to renewal or payment of an additional authorization fee.

(b) Payment of fee.--A slot machine licensee that submits a petition on or before June 1, 2010, shall pay the required authorization fee on or before June 1, 2010. The board may allow the fee to be paid in installments, provided all installments are paid on or before June 1, 2010. In that event, the board and the slot machine licensee shall enter into a written agreement setting forth the terms of payment.

(c) Failure to pay by deadline.--If a petitioner or certificate holder fails to pay the required authorization fee in full by June 1, 2010, 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. The board shall require the petitioner or certificate holder to make weekly payments until the fee and penalty are paid in full.

(d) Suspension of certificate.--The board shall suspend the table game operation 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.

(e) (Reserved).

(f) Deposit of fees.--Notwithstanding section 1208 (relating to collection of fees and fines), all table game authorization 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.

(Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 added subsec. (a)(3.1).

Cross References. Section 13A61 is referred to in sections 1309, 13A12, 13A15, 13A16, 13A22 of this title.

§ 13A62. Table game taxes.

(a) Imposition.--

(1) Except as provided in paragraph (2), each certificate holder and a Category 4 slot machine licensee who is a holder of a table game operation certificate at a Category 4 licensed facility shall report to the department and pay from its daily gross table game revenue, on a form and in the manner prescribed by the department, a tax of 12% of its daily gross table game revenue.

(2) In addition to the tax payable under paragraph (1), each certificate holder and Category 4 slot machine licensee who is a holder of a table game operation certificate at a Category 4 licensed facility shall report to the department and pay from its daily gross table game revenue, on a form and in the manner prescribed by the department, a tax of 34% of its daily gross table game revenue from each table game played on a fully automated electronic gaming table.

(3) (Deleted by amendment).

(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 table game 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 table game 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 13A63(a) (relating to local share assessment).

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

(c) Deposits for property tax relief.--(Repealed).

(Oct. 30, 2017, P.L.419, No.42, eff. imd.; July 8, 2022, P.L.513, No.53, eff. imd.)

2022 Repeal. Act 53 repealed subsec. (c).

2017 Amendment. Act 42 amended subsec. (a).

Cross References. Section 13A62 is referred to in section 13A63 of this title.

§ 13A63. Local share assessment.

(a) Required payment.--In addition to the tax imposed under section 13A62 (relating to table game taxes), 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 funds owed under this section shall be held in trust by the 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.

(a.1) Required payment for Category 4 licensees.--In addition to the tax imposed under section 13A62, each Category 4 slot machine licensee who is a holder of a table game operation certificate at a Category 4 licensed facility 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 funds owed under this section shall be held in trust by the Category 4 slot machine licensee who is a holder of a table game operation certificate at a Category 4 licensed facility until the funds are paid into the account. Funds in the account shall be added to and distributed with the funds distributed under section 1403(c.1) (relating to establishment of State Gaming Fund and net slot machine revenue distribution).

(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:

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

(i) A county of the third class: 50% of the licensed facility's local share assessment shall be added to and distributed with the funds distributed under section 1403(c)(2)(i)(D).

(ii) A county of the second class A: 50% of the licensed facility's local share assessment shall be distributed to the county.

(iii) A county of the fourth class: 50% of the licensed facility's local share assessment shall be added to the funds in the restricted receipts account established pursuant to section 1403(c)(2)(i)(E) for distribution with those funds.

(iv) A county of the fifth class: 50% of the licensed facility's local share assessment shall be added to the funds in the restricted receipts account established pursuant to section 1403(c)(2)(i)(F) for distribution with those funds.

(2) If the facility is a Category 1 licensed facility that is located at a thoroughbred racetrack and the county in which the licensed facility is located is:

(i) A county of the second class A: 50% of the licensed facility's local share assessment shall be distributed to the county to be further distributed as grants to a nonprofit hospital in a first class township that is contiguous to the municipality in which the licensed facility is located. If the nonprofit hospital ceases to exist, 50% of the licensed facility's local share assessment shall be distributed to the county in which the licensed facility is located.

(ii) Except as set forth in subparagraph (iii), a county of the third class: 50% of the licensed facility's local share assessment shall be distributed to the county to be used solely to fund the establishment of a county violent crime task force to reduce gang violence, gun trafficking and violence and drug-related crimes in the county. The district attorney shall

appoint, direct and coordinate the operations and personnel of the task force.

(iii) A county of the third class which is also a home rule county: 100% of the licensed facility's local share assessment shall be distributed to a community college that is established in the county after the effective date of this subparagraph and prior to January 1, 2014, to be used by the community college for organizational, administrative, operating and capital expenditures and the payment of principal, interest and expenses related to indebtedness, subject to the following:

(A) Until January 1, 2014, or until a community college is established after the effective date of this subparagraph prior to January 1, 2014, whichever occurs first, 100% of the licensed facility's local share assessment shall be distributed to the county redevelopment authority to be deposited and maintained by the county redevelopment authority in a restricted receipts account. The funds may be invested by the county redevelopment authority as permitted by law, and any interest earned on the funds and investment income derived from the funds shall be deposited into the restricted receipts account. The funds in the restricted receipts account shall be distributed as provided in clause (B) or used as provided in clause (C), as applicable.

(B) If a community college is established in the county following the effective date of this subparagraph and prior to January 1, 2014, the funds in the restricted receipts account established under clause (A) shall be distributed in their entirety by the county redevelopment authority to the community college no later than 60 days following the date of the establishment of the community college.

(C) If a community college is not established in the county following the effective date of this subparagraph and prior to January 1, 2014, beginning January 1, 2014, 100% of the licensed facility's local share assessment shall be distributed to the county redevelopment authority to be deposited into the restricted receipts account established under clause (A), and all funds in the restricted receipts account shall be used by the county redevelopment authority for a revolving loan program available to municipalities within the county for infrastructure projects, including, but not limited to, water, sewer, storm water management, flood control, roads, broadband Internet access, site remediation and public utility infrastructure in areas other than a public utility's own facilities. The county redevelopment authority may use funds from the revolving loan program for expenses related to the cost to administer the revolving loan program in an amount not in excess of 0.5% of the revolving loan program portfolio in a given calendar year. A municipality may not use funds received under the revolving loan program for general budget or operating expenses. The county redevelopment authority shall develop loan program criteria and

guidelines consistent with the provisions of this clause.

(D) For purposes of this subparagraph, a community college shall be considered to be established on the date on which the proposed community college plan is approved by the State Board of Education within the meaning of section 1903-A(c) of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, notwithstanding the fact that a board of trustees of the community college may not have yet been appointed by the governing bodies of the local sponsor of the community college.

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

(i) A county of the first class: 100% of the licensed facility's local share assessment shall be distributed to a city of the first class.

(ii) A county of the second class: 50% of the licensed facility's local share assessment shall be distributed as follows:

(A) Eighty-five percent shall be deposited into a restricted receipts account to be established in the Department of Education for distribution pursuant to the act of June 14, 1961 (P.L.324, No.188), known as The Library Code, for grants to an established library system in the county but outside a city of the second class. Funds made available under this clause shall be in addition to any funding provided to such libraries pursuant to the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, the Public School Code of 1949 and The Library Code. Notwithstanding The Library Code, in making distributions from funds made available under this clause, the library system shall distribute the funds as follows:

(I) At least 80% shall be distributed to libraries in the library system in the county but outside a city of the second class on a per capita basis of the population of the county based on the most recent decennial census excluding a city of the second class.

(II) At least 15%, but not more than 20%, shall be distributed to libraries in the library system in each city, borough, town or township in the county outside a city of the second class, which has a market value per capita below the fifth percentile of all cities, boroughs, towns or townships, with comparable classifications. The market value per capita and percentiles under this subclause shall be as determined annually by the State Tax Equalization Board.

(III) Not more than 5% may be used to defray the reasonable and necessary administrative costs of the library system in administering the funds, as determined by the Department of Education.

(IV) If, after the distribution and use under subclauses (I), (II) and (III), funds are still available for distribution under this clause, those funds shall be distributed to libraries in the library system in the county

but outside a city of the second class on a per capita basis of the population of the county based on the most recent decennial census excluding a city of the second class.

(B) Fifteen percent to a recognized tourist promotion agency that is established by a home rule municipality that was formerly a township or borough located in the county pursuant to the act of July 4, 2008 (P.L.621, No.50), known as the Tourist Promotion Act, and recognized by the Department of Community and Economic Development and the home rule municipality.

(iii) A county of the third class where a city of the third class hosting the licensed facility is located in two counties of the third class: 50% of the licensed facility's local share assessment shall be distributed as follows:

(A) Sixty percent to the county in which the licensed facility is located for economic development projects, community improvement projects and other projects in the public interest within the county.

(B) Twenty percent to the nonhost city of the third class in the county in which the licensed facility is located.

(C) Twenty percent to the nonhost county in which the host city is located, of which 50% shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for economic development projects, community improvement projects and other projects in the public interest within the nonhost county, with priority given to municipalities contiguous to the host city.

(iv) A county of the fifth class: 50% of the licensed facility's local share assessment shall be distributed as follows:

(A) Fifty percent shall be added to the funds in the restricted receipts account established pursuant to section 1403(c)(2)(iii)(F)(I) for distribution with those funds.

(B) Fifty percent shall be transferred to the Pennsylvania Higher Education Assistance Agency for deposit into a restricted receipts account to be used exclusively for grants to a school of medicine located in a city of the second class A within a county of the third class for operating costs associated with the school of medicine.

(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 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.

(5) Except as otherwise provided in this subsection, if the facility is a Category 1 or a Category 2 licensed facility in a county of any class: 50% of the licensed facility's local share assessment shall be distributed in accordance with section 1403(c) based upon the category and type of licensed facility and the classification of the county where the licensed facility is located.

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

(1) If the licensed facility is a Category 2 licensed facility and is located in a city of the second class, 50% of the licensed facility's local share assessment shall be deposited into a restricted receipts account to be established in the Department of Education for distribution pursuant to The Library Code for grants to an established local library in the city for the purpose of maintaining the library branch system. Funds made available under this clause shall be in addition to any funding provided to such libraries pursuant to The Fiscal Code, the Public School Code of 1949 and The Library Code. Beginning July 1, 2011, if the established local library fails to maintain the number of library branches operating within its system on June 30, 2011, 50% of the licensed facility's local share assessment shall be distributed to the city to be used solely to fund the accrued liability of all pension plans maintained by the city.

(2) If the licensed facility is a Category 1 licensed facility located at a harness racetrack in a city of the third class, 50% of the licensed facility's local share assessment shall be distributed to the city for the purpose of making payments to enable the city and other municipalities in the school district in which the city is located to become and remain local sponsors or members of a community college. Payments may include initial buy-in costs, including payment of debt service to fund the initial buy-in, and annual local sponsor share payments to the community college. Any funds remaining following the payment of all local sponsorship, membership and other costs authorized under this paragraph may be retained by the city and used for any lawful purpose.

(3) If a licensed facility is a Category 2 facility and is located in a city of the third class and the city is

located in more than one county of the third class, 50% of the licensed facility's local share assessment shall be distributed as follows:

- (i) 50% to the host city;
- (ii) 20% to a city of the third class located solely in the nonhost county in which the host city of the third class is also located; and
- (iii) 30% to a nonhost city of the third class located solely in the host county.

(4) If the licensed facility is a Category 1 licensed facility located at a harness racetrack in a township of the first class, 50% of the licensed facility's local share assessment shall be distributed to the township, subject, however, to the budgetary limitation in this paragraph. The amount distributed to the township shall not exceed 50% of the township's total budget for fiscal year 2009, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any funds not distributed to the township because of the budgetary limitation shall be distributed in accordance with subsection (b) based upon the classification of the county where the licensed facility is located.

(5) The following apply:

(i) Except as provided in subparagraphs (ii) and (iii), if the licensed facility is a Category 1 or Category 2 licensed facility and is located in a township of the second class, 50% of the licensed facility's local share assessment shall be distributed to the township, subject, however, to the budgetary limitation in this subparagraph. The amount distributed to the township shall not exceed 50% of the township's total budget for fiscal year 2009, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any funds not distributed to the township because of the budgetary limitation shall be distributed in accordance with subsection (b) based upon the classification of county where the licensed facility is located. No funds shall be distributed under this subparagraph to a township of the second class located in a county of the third class receiving any funds under subsection (b)(2)(iii).

(ii) If the licensed facility is a Category 1 licensed facility located at a thoroughbred racetrack in a township of the second class in a county of the second class A, 50% of the licensed facility's local share assessment shall be distributed to the township of the second class, subject, however, to the budgetary limitation in this subparagraph. The amount distributed shall not exceed 50% of the department's total budget for fiscal year 2009, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any funds not distributed to the recreation department because of the budgetary limitation shall be distributed in accordance with subsection (b) based upon the

classification of county where the licensed facility is located.

(iii) If the licensed facility is a Category 1 licensed facility located at a thoroughbred racetrack in a township of the second class in a county of the third class with a population of not less than 200,000 but not more than 260,000 where the licensed facility and all attached or contiguous acreage owned by the licensed facility is located in more than one township of the second class, 50% of the licensed facility's local share assessment shall be distributed as follows:

(A) \$120,000 of the licensed facility's local share assessment shall be distributed annually to each such township of the second class; and

(B) remaining funds shall be added to and distributed with the funds distributed to the county under subsection (b)(2)(ii).

(6) The following apply:

(i) If the licensed facility is a Category 3 licensed facility and is located in a borough in a county of the third class and the borough is contiguous to a city of the third class:

(A) Twenty-five percent of the licensed facility's local share assessment shall be distributed to the host borough, subject to clause (C).

(B) Twenty-five percent of the licensed facility's local share assessment shall be distributed to the city of the third class that is contiguous to the host borough, subject to clause (C).

(C) The amount distributed to the borough or the city shall not exceed 50% of the borough's or the city's total budget for fiscal year 2009, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any funds not distributed to the borough or the city because of the budgetary limitation shall be distributed in accordance with subsection (b) based upon the classification of the county where the licensed facility is located.

(ii) Except as provided in subparagraph (i), if the licensed facility is a Category 3 licensed facility and is located in a municipality of any class, 50% of the licensed facility's local share assessment shall be distributed to the municipality, subject, however, to the budgetary limitation in this subparagraph. The amount distributed to the municipality shall not exceed 50% of the municipality's total budget for fiscal year 2009, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any funds not distributed to the municipality because of the budgetary limitation shall be distributed in accordance with subsection (b) based upon the classification of county where the licensed facility is located.

(7) Except as otherwise provided in this subsection, if the facility is a Category 1 or a Category 2 licensed facility in a municipality of any class, 50% of the licensed facility's local share assessment shall be distributed to the municipality, subject, however, to the budgetary limitation in this paragraph. The amount distributed to the municipality shall not exceed 50% of the municipality's total budget for fiscal year 2009 adjusted for inflation in subsequent years by an amount not to exceed the annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any funds not distributed to the municipality because of the budgetary limitation shall be distributed in accordance with subsection (b) based upon the classification of county where the licensed facility is located.

(d) Construction.--The following shall apply to distributions provided for in this section:

(1) Distributions to counties shall be based upon county classifications in effect on the effective date of this section, and any reclassification of a county as a result of a Federal decennial census or pursuant to an act of the General Assembly shall not apply to this section unless the act of the General Assembly specifically provides otherwise.

(2) Distributions to municipalities shall be based upon municipal classifications in effect on the effective date of this section, and any reclassification of a municipality as a result of a Federal decennial census or pursuant to an act of the General Assembly shall not apply to this section unless the act of the General Assembly specifically provides otherwise.

(e) Miscellaneous provisions.--

(1) If any provision of this section is found to be unenforceable for any reason, the distribution provided for in such unenforceable provision shall be made to the municipality in which the licensed facility is located.

(2) References to the Consumer Price Index shall mean the Consumer Price Index for All Urban Consumers for the Pennsylvania, New Jersey, Delaware and Maryland area for the most recent 12-month period for which figures have been officially reported by the United States Department of Labor, Bureau of Labor Statistics.

(3) A person or its affiliated entity or a political subdivision may not compensate or incur an obligation to compensate a person to engage in lobbying for compensation contingent in whole or in part upon the approval, award, receipt or denial of funds under this section. A person or its affiliated entity may not engage in or agree to engage in lobbying for compensation contingent in whole or in part upon the approval, award, receipt or denial of funds under this section. A violation of this paragraph shall be considered an intentional violation of 65 Pa.C.S. § 13A09(e) (relating to penalties). This paragraph shall not apply to a county or municipality that compensates a person to prepare a grant application for funds under this section if all of the following requirements are met:

(i) The person is not identified in the application.

(ii) The person has no direct contact with the agency, county or municipality providing the funding.

(iii) The person is paid a fixed fee or percentage of the amount of any funds approved, awarded or received of up to 0.5%.

(4) In cooperation with the department, the Office of the Budget and the Commonwealth Financing Authority, the Department of Community and Economic Development shall submit an annual report on all distributions of local share assessments to counties and municipalities under this section to the chairman and minority chairman of the Appropriations Committee of the Senate, the chairman and the minority chairman of the Community, Economic and Recreational Development Committee of the Senate, the chairman and the 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.

(5) All counties and municipalities receiving distributions of local share assessments under this section shall submit an annual report to the Department of Community and Economic Development on a form prepared by the Department of Community and Economic Development that sets forth the amount and use of the funds received for the prior calendar year. The report shall set forth whether the funds received were deposited into the county's or municipality's general fund or committed to a specific project or use. The report shall be submitted by August 31, 2010, and by August 31 of each year thereafter.

(f) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection:

"Community college." The term shall have the meaning ascribed to it in section 1901-A(4) of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949.

"Local share assessment." Two percent of a certificate holder's daily gross table game revenue.
(Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 amended subsec. (b)(1)(i), (3)(i) and (iii)(C) and (4) and added subsec. (a.1). Section 34(2) of Act 42 provided that the amendment of section 13A63(b)(3)(iii)(C) shall be retroactive to January 1, 2017.

References in Text. The act of June 14, 1961, P.L.324, No.188, known as The Library Code, referred to in this section, was repealed by the act of November 1, 2012, P.L.1683, No.210. The information is now contained in 24 Pa.C.S. Ch. 93.

Cross References. Section 13A63 is referred to in section 13A62 of this title.

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

Enactment. Chapter 13B was added October 30, 2017, P.L.419, No.42, effective immediately.

Cross References. Chapter 13B is referred to in sections 1103, 1202, 1309 of this title.

SUBCHAPTER A
GENERAL PROVISIONS

Sec.

13B01. (Reserved).

13B02. Regulatory authority.

13B03. Regulations.

§ 13B01. (Reserved).

§ 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 or an applicant for an interactive gaming license 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 slot machine licensee or applicant for an interactive gaming license is licensed in another state or jurisdiction to operate interactive gaming or an interactive gaming system, it may use an abbreviated process requiring only the information determined by it to be necessary to consider the issuance of an interactive gaming certificate or interactive gaming license 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 platform and 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, ownership and utilization of interactive gaming accounts by registered players, including the following:

(i) Requiring that an interactive gaming account be created, owned and utilized by a natural person and not in the name of any beneficiary, custodian, joint trust, corporation, partnership or other organization or entity.

(ii) Prohibiting the assignment or other transfer of an interactive gaming account.

(iii) Prohibiting the creation, ownership or utilization of an interactive gaming account by an individual under 21 years of age.

(9) Establishing procedures for a registered player to log into the registered player's interactive gaming account, authenticate the registered player's identity, agree to terms, conditions and rules applicable to authorized interactive games and log out of the registered player's interactive gaming account, including procedures for automatically logging off a registered player 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 an interactive gaming account.

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

(iv) The termination of an interactive gaming account and disposition of funds in the account.

(v) The disposition of unclaimed funds in a dormant interactive gaming account.

(11) Establishing mechanisms by which a registered player may place a limit on the amount of money being wagered on an authorized interactive game or during any specified time period or the amount of money lost 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 interactive gaming 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 interactive gaming 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 interactive gaming 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.

(vii) Adopt data security standards to verify the age, identity and location of persons engaged in interactive gaming and 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 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 shall be required to obtain a license, permit or other authorization:

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

(ii) Identity, location 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.

(v) Any other goods or services related to interactive gaming as the board may determine.

(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) Persons that provide customer lists comprised of persons identified or selected, in whole or in part, because they placed or may place wagers on interactive gaming.

§ 13B03. Regulations.

(a) Promulgation.--

(1) In order to facilitate the prompt implementation of this chapter, the board shall have the authority to promulgate 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) Section 204(b) 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) Publications.--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, identity and location verification software or system programs and security and surveillance standards in the Pennsylvania Bulletin within 45 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 publication of the temporary regulations. Regulations adopted after this period shall be promulgated as provided by law.

2020 Partial Repeal. Section 18 of Act 114 provided that the provisions of section 13B03 are repealed insofar as they are inconsistent with the addition of section 1724.1-E(f) of the act of April 9, 1929, P.L.343, No.176, known as The Fiscal Code.

Cross References. Section 13B03 is referred to in section 1207 of this title.

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 interactive gaming license.

13B16. Timing of initial interactive gaming authorizations.

§ 13B11. Authorization to conduct interactive gaming.

(a) Authority of board.--The board may authorize a slot machine licensee:

(1) To conduct interactive gaming directly or through an interactive gaming operator under an interactive gaming agreement, including contests and tournaments and any other game which is determined by the board to be suitable for interactive gaming.

(2) To deploy interactive gaming skins or interactive gaming websites to facilitate the conduct of interactive gaming activities.

(a.1) Additional authority of board.--Pursuant to section 13B12(a.1) (relating to interactive gaming certificate required and content of petition), the board may authorize a qualified gaming entity to:

(1) Conduct interactive gaming directly or through an interactive gaming operator under an interactive gaming agreement, including contests and tournaments and any other game which is determined by the board to be suitable for interactive gaming.

(2) Deploy interactive gaming skins or interactive gaming websites to facilitate the conduct of interactive gaming activities.

(a.2) Categorization.--The board, in the board's sole discretion, shall categorize each authorized interactive game as one of the following:

(1) A peer-to-peer interactive game.

(2) A non-peer-to-peer interactive game which simulates slot machines.

(3) A non-peer-to-peer interactive game which simulates table games.

(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 this chapter and regulations of the board. Except as provided in Subchapter G (relating to miscellaneous provisions), a registered player must be physically located within this Commonwealth in order to participate in interactive gaming.

Cross References. Section 13B11 is referred to in section 13B51 of this title.

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

(a) Certificate required.--No person shall operate or conduct or attempt to operate or conduct interactive gaming, except for test purposes as approved by the board, or offer interactive gaming for play by 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 the manner in which it shall be filed.

(a.1) Timing of petition and eligibility.--The following shall apply:

(1) No later than 90 days after the date the board begins accepting petitions under this chapter, a slot machine licensee may file a petition with the board for an interactive gaming certificate. If the board approves a petition for an interactive gaming certificate under this paragraph, the board shall authorize the interactive gaming certificate holder to offer any category of interactive gaming.

(2) Between 90 days and 120 days after the date the board begins accepting petitions under this chapter, a slot machine licensee may file a petition with the board for an interactive gaming certificate. If the board approves a petition for an interactive gaming certificate under this paragraph, the board shall authorize the interactive gaming certificate holder to offer the categories of interactive gaming identified in the slot machine licensee's petition under subsection (b) (4.1).

(3) One hundred twenty days after the date the board begins accepting petitions under this chapter, a qualified gaming entity may file a petition with the board for an interactive gaming certificate. If the board approves a petition for an interactive gaming certificate under this paragraph, the board shall authorize the interactive gaming certificate holder to offer the categories of interactive gaming identified in the slot machine licensee's petition under subsection (b) (4.1).

(4) A qualified gaming entity which files a petition for an interactive gaming certificate under paragraph (3) shall be considered a slot machine licensee for the purposes of this subchapter.

(5) Any slot machine licensee who becomes licensed after the effective date of this section shall have 90 days from the date of licensure to submit a petition with the board for an interactive gaming certificate. If the board approves a petition for an interactive gaming certificate under this

paragraph, the board shall authorize the interactive gaming certificate holder to offer any category of interactive gaming. After 90 days but before 120 days from the date of licensure, the slot machine licensee may file a petition with the board for an interactive gaming certificate. If the board approves a petition for an interactive gaming certificate under this paragraph, the board shall authorize the interactive gaming certificate holder to offer the categories of interactive gaming identified in the slot machine licensee's petition under subsection (b)(4.1). After 120 days from the date of licensure, a qualified gaming entity may file a petition with the board for an interactive gaming certificate in the categories of interactive games for which the slot machine licensee did not seek authorization.

(6) For the purposes of this subsection, a "qualified gaming entity" shall be a gaming entity licensed in any jurisdiction which has satisfied the requirements of this chapter and any other criteria established by the board, including financial and character suitability requirements.

(a.2) Number of interactive gaming certificates authorized.--

(1) The board may issue a maximum number of interactive gaming certificates as provided under this subsection:

(i) An amount not to exceed one certificate for peer-to-peer interactive games per Category 1, Category 2 or Category 3 slot machine license.

(ii) An amount not to exceed one certificate for non-peer-to-peer interactive games which simulate table games per Category 1, Category 2 or Category 3 slot machine license.

(iii) An amount not to exceed one certificate for non-peer-to-peer interactive games which simulate slot machines per Category 1, Category 2 or Category 3 slot machine license.

(2) An interactive gaming certificate which authorizes multiple categories of interactive games shall count as an interactive gaming certificate in each category of interactive game authorized under this section.

(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 for an interactive gaming certificate 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 or other person that will be a party to an agreement with the slot machine licensee related to the operation of interactive gaming or an interactive gaming system on behalf of the slot machine licensee, including a person applying for an interactive gaming license.

(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, whether or not the principal or key employee is 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 operator, if any, who will conduct interactive gaming or an interactive gaming system on behalf

of the slot machine licensee, whether or not the principal or key employee is currently licensed by the board, if known.

(4.1) A statement identifying which categories of interactive games the slot machine licensee intends to offer:

- (i) peer-to-peer interactive games;
- (ii) non-peer-to-peer interactive games which simulate slot machines; or
- (iii) non-peer-to-peer interactive games which simulate table games.

(5) An itemized list of the interactive games, including identifying what category each interactive game falls under, and any other game or games the slot machine licensee plans to offer through the slot machine licensee's interactive gaming website for which authorization is being sought. The slot machine licensee shall, in accordance with regulations promulgated by the board, file with the board any changes in the number of authorized interactive games offered through interactive gaming.

(6) The estimated number of full-time and part-time employment positions that will be created at the slot machine licensee's licensed facility or at any interactive gaming restricted area if an interactive gaming certificate is issued 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 if an interactive gaming certificate is issued.

(8) The details of any financing obtained or that will be obtained to fund an expansion or modification of the slot machine licensee's 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 person that will operate interactive gaming or an interactive gaming system on behalf of the slot machine licensee as an interactive gaming operator, as the board may require. The interactive gaming agreement with such person shall be subject to the review and approval of the board.

(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.

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

(C) Except as provided in Subchapter G (relating to miscellaneous provisions), 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 other persons excluded or prohibited from participating in interactive gaming under this chapter.

(v) The procedures the slot machine licensee will use to register individuals as registered players.

(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 known proposed contractors of the slot machine licensee and subcontractors of the contractors.

(14) The interactive gaming devices and associated equipment and 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 the slot machine licensee's proposed 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 to protect the interactive gaming skins or interactive gaming 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).

Cross References. Section 13B12 is referred to in sections 1206, 13B11, 13B13, 13B51 of this title.

§ 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 proposed 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 excluded or 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 by the board.

(iv) The slot machine licensee has implemented or will implement appropriate standards to protect the privacy and security of registered players with a reasonable degree of certainty.

(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 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 interactive gaming.

(2) It shall be an express condition of the issuance and continued validity of an 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, an interactive gaming certificate shall be valid for five years from the date of issuance and may be renewed in accordance with the requirements of section 1326 (relating to renewals).

(d) Sanctions.--An interactive gaming certificate holder that fails to abide by the requirements of this chapter or regulations of the board or any condition contained in the interactive gaming certificate holder'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.

(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 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 by the petitioner.

Cross References. Section 13B13 is referred to in section 13B14 of this title.

§ 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 of the application and the manner in which it shall be filed. The board shall:

(1) Determine suitability of the person filing an application under this section. The board shall determine suitability in accordance with the same requirements of this part applicable to the determination of suitability of the issuance of an interactive gaming certificate to a slot machine licensee. Notwithstanding the provisions of this paragraph, the board may consider a holder of a valid license, permit, registration, certificate or other authorization approved and issued under this part, which is in good standing, as suitable under this section without additional investigation. The consideration shall not relieve the applicant for an interactive gaming license 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 a person applying for an interactive gaming license.

(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, including the provisions of section 13B13(d) (relating to issuance of interactive gaming certificate).

(d) Term of interactive gaming license.--Subject to the power of the board to deny, revoke or suspend an interactive gaming license, an interactive gaming license shall be valid for five years from the date of issuance and may be renewed in accordance with the requirements of section 1326 (relating to renewals).

(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 authorization to a person applying for an interactive gaming license.

(ii) Conditional authorization issued under this subsection shall remain in effect until the earlier of the date occurring 12 months after the issuance of the authorization or the date upon which the board makes a final determination on the person's application.

(iii) The effectiveness of a conditional authorization may be extended 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) A conditional authorization may not 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.

(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 employee of the applicant determined by the board to be included in the investigation, which shall include a criminal background investigation.

(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 the 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 a conditional authorization may not be issued until the bureau's concerns are resolved.

(6) A 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.

Cross References. Section 13B14 is referred to in sections 1103, 1206 of this title.

§ 13B15. Interactive gaming certificate and interactive gaming license.

The following shall apply:

(1) An interactive gaming certificate and an interactive gaming license issued to an interactive gaming operator conducting interactive gaming or an interactive gaming system on behalf of the interactive gaming certificate holder shall be valid unless not renewed in accordance with the provisions of this chapter or:

(i) The certificate or license is suspended or revoked by the board as permitted by this part and regulations of the board.

(ii) The interactive gaming certificate holder's slot machine license is suspended, revoked or not renewed by the board as permitted by this part and regulations of the board.

(iii) The interactive gaming certificate holder slot machine licensee relinquishes or does not seek renewal of its slot machine license.

(iv) The interactive gaming certificate holder 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 to be conducted by the interactive gaming certificate holder or interactive gaming operator. The interactive gaming certificate holder may increase or decrease the number of interactive games authorized for play on its interactive gaming skin or interactive gaming website or change the type of authorized interactive games played on its interactive gaming skin or interactive gaming website consistent with the types of interactive games authorized by the interactive gaming certificate issued by the board, 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 petition for an interactive gaming certificate at times and in the form and manner prescribed by the board.

(4) A valid interactive gaming certificate or interactive gaming license may be renewed in accordance with the procedures set forth in section 1326 (relating to renewals) and upon the payment of the applicable renewal fee required by section 13B51(c) (relating to interactive gaming authorization fee).

§ 13B16. Timing of initial interactive gaming authorizations.

The board shall prescribe the date on which initial 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. (Reserved).

13B20.2. (Reserved).

13B20.3. Fee.

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

13B20.5. Multi-use gaming device local share assessment.

13B20.6. Regulations.

13B20.7. Construction.

Cross References. Subchapter B.1 is referred to in section 1103 of this title.

§ 13B20. Authorization.

(a) Authority.--The board may authorize an interactive gaming certificate holder to provide for the conduct of interactive gaming, either directly or through an interactive gaming operator under an interactive gaming agreement, at a qualified airport through the use of multi-use computing devices by eligible passengers in accordance with this subchapter and the regulations of the board. The following shall apply:

(1) If the interactive gaming certificate holder intends to operate interactive gaming under an interactive gaming agreement, the interactive gaming operator that is a party to the interactive gaming agreement shall have been issued an interactive gaming license or will be issued an interactive gaming license prior to the commencement of operations under the interactive gaming agreement. The interactive gaming agreement shall be subject to the review and approval of the board.

(2) As follows:

(i) The interactive gaming certificate holder or the interactive gaming operator, as appropriate, shall enter into a written agreement for the conduct of interactive gaming through the use of multi-use computing devices within the airport gaming area as follows:

(A) For the conduct of interactive gaming at a qualified airport which is located partially in a county of the first class and partially in a county contiguous to a county of the first class, the written agreement shall be with either the airport authority or its designee or a concession operator, except that, if the written agreement is with a concession operator, the airport authority or its designee must have approved or consented to lawful gaming within the airport gaming area through the

concession operator's concession contract, and the airport authority must have received a copy of the written agreement with the certificate holder or the interactive gaming operator.

(B) For the conduct of interactive gaming at a qualified airport which is not located partially within a county of the first class and partially in a county contiguous to a county of the first class, the written agreement shall be with the airport authority or its designee.

(ii) The written agreement shall be subject to the review and approval of the board.

(3) Notwithstanding any provision to the contrary contained in this part or regulation of the board, an eligible passenger does not need to be a registered player as provided for in section 13B22 (relating to establishment of interactive gaming accounts).

(b) Petition.--An interactive gaming certificate holder desiring to provide interactive gaming at a qualified airport under subsection (a) shall submit a petition for approval to the board. The petition shall be in the form and submitted in the manner prescribed by the board.

(c) Requirements.--The petition filed under subsection (b) shall include the following:

(1) The name, business address and contact information of the interactive gaming certificate holder and the name, business address and contact information of the interactive gaming operator, if applicable.

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

(3) 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 the qualified airport and for reviewing reports of suspicious transactions.

(4) A copy of the interactive gaming agreement, if applicable.

(5) The location of the qualified airport together with detailed site plans indicating the location of the proposed airport gaming area.

(6) Except as provided in paragraph (7), the name and business address of the airport authority governing the qualified airport and the names of the members of the governing body of the airport authority.

(7) If the use and control of the qualified airport is regulated by a city of the first class, an identification of the municipal agency with primary oversight in the city of the first class.

(8) Copies of the agreements required under subsection (a) (2).

(9) The brand name of the multi-use computing devices that will be placed in operation at the qualified airport and any information required by the board, in its discretion, regarding persons that manufacture or will supply the multi-use computing devices as it deems necessary.

(10) The interactive games the interactive gaming certificate holder or the interactive gaming operator, as

applicable, intends to offer for play at the qualified airport.

(11) Information, as the board may require, on any computer applications, including gaming applications, that can be accessed on the multi-use computing devices to be placed into operation at the qualified airport.

(12) Information and documentation evidencing the financial stability, integrity and responsibility of the interactive gaming certificate holder and the interactive gaming operator, if applicable.

(13) The agreement of the interactive gaming certificate holder to pay the fee required by section 13B20.3 (relating to fee).

(14) Any other information required by the board.

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

(e) Approval.--The board shall approve the petition submitted under subsection (b) upon review and approval of the information submitted under subsection (c) and a determination by the board by clear and convincing evidence that:

(1) The interactive gaming certificate holder and the interactive gaming operator, if applicable, have paid all required fees and taxes payable under provisions of this part other than this subchapter to the date of submission of the petition.

(2) The interactive gaming certificate holder, or the interactive gaming operator, as the case may be, possesses the necessary funds or has secured adequate financing to commence the conduct of interactive gaming at the qualified airport.

(3) The proposed internal and external security and surveillance measures at the qualified airport and within the airport gaming area are adequate.

(4) Interactive gaming at the qualified airport will be conducted and operated in accordance with this part and regulations of the board.

§ 13B20.1. **(Reserved).**

§ 13B20.2. **(Reserved).**

§ 13B20.3. **Fee.**

(a) Required fee.--

(1) An interactive gaming certificate holder shall pay a one-time, nonrefundable fee upon the authorization to conduct interactive gaming at a qualified airport through the use of multi-use computing devices in accordance with this subchapter.

(2) The amount of the fee shall be as follows:

(i) If the airport is an international airport located partially in a county of the first class and partially in a county contiguous to a county of the first class, the amount of the fee shall be \$2,500,000.

(ii) If the airport is an international airport located in a county of the second class, the amount of the fee shall be \$1,250,000.

(iii) If the airport is an international airport located in a county other than a county of the first or second class, the amount of the fee shall be \$500,000.

(iv) If the airport is a qualified airport that has not been designated an international airport, the amount of the fee shall be \$125,000.

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

Cross References. Section 13B20.3 is referred to in section 13B20 of this title.

§ 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 airport 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 equal to the tax imposed under section 13B52(a) (relating to interactive gaming tax) of its daily gross interactive airport gaming revenue generated from multi-use computing devices at the qualified airport.

(2) The tax imposed under paragraph (1) shall be payable to the department on a weekly basis and shall be based upon the gross interactive airport gaming revenue generated from multi-use computing devices at the 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 airport gaming revenue from multi-use computing devices at a qualified airport 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 funds collected under this section to the General Fund.

(b) Credit against tax imposed.--A credit against the tax imposed under subsection (a) shall be granted in an amount determined by the department with respect to an amount which is:

(1) paid by a concession operator or airport authority on the daily gross interactive gaming revenue generated from the conduct of interactive gaming through multi-use computing devices at the qualified airport; and

(2) required to remain at the qualified airport pursuant to Federal requirements relating to Federal Aviation Administration funds.

Cross References. Section 13B20.4 is referred to in section 13B20.5 of this title.

§ 13B20.5. Multi-use gaming device 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 authorized to conduct interactive gaming at a qualified airport shall report to the department and pay, on a form and in a manner prescribed by the department, a local share assessment equal to the local share assessment imposed under section 13B53 (relating to local share assessment) of the interactive gaming certificate holder's daily gross interactive airport gaming revenue from multi-use devices at the qualified airport. The funds shall be payable to the department on a weekly basis and shall be based upon the revenue

generated during the previous week. The funds shall be paid into a restricted receipts account established by the department in the fund. All funds owed to the Commonwealth under this section shall be held in trust by the interactive gaming certificate holder until the funds are paid to the department. Funds in the account are hereby appropriated to the department on a continuing basis for the purposes set forth in this section.

(b) Distribution.--The department shall make quarterly distributions from the local share assessments imposed under subsection (a) as follows:

(1) Except as provided under paragraph (2), 50% shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants in the public interest in a county hosting the qualified airport. If a qualified airport is located in more than one county, the grants shall be distributed equally to each county hosting the qualified airport.

(2) For an international airport located partially in a county of the first class and partially in a county contiguous to a county of the first class, 50% shall be distributed as follows:

(i) Fifty percent to a school district of the first class.

(ii) Fifty percent shall be deposited into a restricted receipt account to be established in the Commonwealth Financing Authority to be used exclusively for grants in the public interest in a county contiguous to a county of the first class and in which an international airport is partially located.

(3) Fifty percent shall be added to and distributed with the funds distributed under section 13B53(b)(2).

§ 13B20.6. 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.

(3) In consultation with the department, procedures 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 airport gaming revenue generated through the use of multi-use computing devices at qualified airports.

§ 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 qualified 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 or 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 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 Subchapter G (relating to miscellaneous provisions), 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 registered player who has first established an interactive gaming account shall be permitted to play an authorized interactive game or place a wager associated with an authorized interactive game. The interactive gaming account shall be in the name of a registered player and may not be in the name of any beneficiary, custodian, joint trust, corporation, partnership or other organization or entity. An eligible passenger is not required to comply with this section in order to play or place a wager associated with an interactive game through the use of a multi-use computing device at a qualified airport.

(b) Establishment of interactive gaming accounts.--

(1) An interactive gaming account may be established 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 interactive gaming 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 physical address of the principal residence of the prospective interactive gaming account holder in a method approved by the board through regulation.

(iii) Electronic mail address and other contact information of the prospective account holder, 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

registered 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, identity and physical address 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 prospective interactive gaming account holder.

(4) An interactive gaming account shall be a noninterest bearing account and shall not be assignable or otherwise transferable.

(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 registered player 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 or declare all or any part of an interactive gaming account closed for wagering 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) A person under 21 years of age.

(2) A 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) A gaming employee, key employee or principal employee of a slot machine licensee and any employee or key employee of an interactive gaming operator.

Cross References. Section 13B22 is referred to in sections 13B20, 13B32 of this title.

§ 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 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.

§ 13B24. Acceptance of wagers.

(a) Acceptance.--An interactive gaming certificate holder may accept wagers 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 the identity of the individual seeking to place the wager.

(2) The registered player provides the interactive gaming certificate holder 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 a wager in an amount in excess of funds on deposit in the interactive gaming account of the registered player placing the 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, phone and e-mail to inform the account holder that the interactive gaming account is inactive and may be subject to termination. The time and manner of terminating a dormant interactive gaming account shall be prescribed by regulation of the board.

§ 13B26. Log-in procedure required.

Each interactive gaming certificate holder shall establish a log-in procedure for a registered player 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 registered player's interactive gaming account. The interactive gaming certificate holder shall not allow a registered player to log in and access an 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 or interactive gaming website 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 registered player's interactive gaming account.

(2) The wins and losses since the registered player's 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 an authorized interactive game 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 or interactive gaming website 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) and have been implemented.

(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, if any, that is conducting interactive gaming on behalf of the interactive gaming certificate holder 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 or interactive gaming website.

(6) The interactive gaming certificate holder has implemented necessary 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 the interactive gaming agreement between the interactive gaming certificate holder and the interactive gaming operator, if applicable.

**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, interactive gaming website and interactive gaming 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, initiated and received when received by the interactive gaming certificate holder.

Cross References. Section 13B31 is referred to in section 13B29 of this title.

§ 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 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 and shall include but need not be 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 physical address of an applicant for an interactive gaming account and whether the applicant is a person prohibited from establishing or maintaining an account under section 13B22 (relating to establishment of 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 and the return of any funds remaining in the dormant interactive gaming account to the registered player.

(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 a registered player's interactive gaming account.

(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 a registered player's funds, including the segregation of a registered player's funds from operating funds of the interactive gaming certificate holder.

(12) Procedures for recording transactions pertaining to interactive gaming.

(13) Procedures for the security and sharing of personally identifiable information of a registered player, funds in an interactive gaming account and other information as required by the board. The procedures shall include the means by which an interactive gaming certificate holder or interactive gaming operator will provide notice to a registered player related to the sharing of personally identifiable information. For the purpose of this paragraph, "personally 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.

(16) Procedures and security standards as to receipt, 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 interactive gaming 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 interactive gaming 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 registered player logs into his or her interactive gaming account and at appropriate intervals thereafter as determined by the board.

(20) Procedures to ensure that the interactive games are fair and honest and that appropriate measures are in place to deter, detect and, to the extent possible, to prevent cheating, including collusion, and use of cheating devices, including the use of software programs that make wagers according to algorithms.

(21) Procedures to assist problem and compulsive gamblers, including procedures intended to prevent a person from participating in authorized interactive gaming 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 skin, interactive gaming platform or interactive gaming website. The procedures shall include the process for the reconciliation or repayment of a registered player's interactive gaming account.

(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 interactive gaming certificate holder making the submission.

(2) If the board determines that the submission is not sufficient, 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) or an emergency situation threatening the integrity of the interactive gaming platform, 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 submitted to and approved by the board.

Cross References. Section 13B32 is referred to in section 13B29 of this title.

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 certified 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 a registered player from fraud or deception and to ensure the integrity of interactive gaming.

(b) Cost of testing and certification.--Any costs associated with the board's testing and certification under this section 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 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 that have met the testing and certification standard in such other jurisdiction 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 under this section.

SUBCHAPTER F
TAXES AND FEES

Sec.

13B51. Interactive gaming authorization fee.

13B52. Interactive gaming tax.

13B53. Local share assessment.

13B54. Compulsive and problem gambling.

13B55. Certificate holder deposits.

§ 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 following amount:

(i) \$10,000,000 if the slot machine licensee filed a petition under 13B12 (relating to interactive gaming certificate required and content of petition) within 90 days after the date the board begins accepting petitions under this chapter, or, for a slot machine licensee licensed after the effective date of this section, within 90 days of the issuance of the slot machine license.

(ii) \$4,000,000 for each category of interactive game authorized by the board if the slot machine licensee filed a petition under 13B12 more than 90 days but not more than 120 days after the date the board begins accepting petitions under this chapter, or, for a slot machine licensee licensed after the effective date of this section, more than 90 days but not more than 120 days after the issuance of the slot machine license.

(2) Each qualified gaming entity that is issued an interactive gaming certificate to conduct interactive gaming in accordance with section 13B11 shall pay a one-time nonrefundable authorization fee in the amount of \$4,000,000 for each category of interactive game authorized by the board.

(3) Each interactive gaming operator 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 authorization.

(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.

(2) Each interactive gaming operator shall pay a renewal fee of \$100,000 upon the renewal of its interactive gaming license.

(d) Deposit of fees.--The fees imposed and collected under this section shall be deposited in the General Fund.

Cross References. Section 13B51 is referred to in sections 13B13, 13B14, 13B15 of this title.

§ 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:

(1) 14% of its daily gross interactive gaming revenue from peer-to-peer interactive games;

(2) 14% of its daily gross interactive gaming revenue from non-peer-to-peer interactive games which simulate table games; and

(3) 52% of its daily gross interactive gaming revenue from non-peer-to-peer interactive games which simulate slot machines.

(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) 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 wagers placed by registered players located in this Commonwealth with an interactive gaming operator located outside of this Commonwealth, but authorized under an interactive gaming reciprocal agreement, shall be governed by the agreement but may not be less than the tax imposed under subsection (a).

(d) Deposit of funds.--From the tax imposed under subsections (a) and (c), the following shall apply:

(1) Taxes imposed under subsection (a)(1) and (2) shall be deposited into the General Fund.

(2) Taxes imposed under subsection (a)(3) shall be distributed as follows:

(i) Sixty-five percent shall be deposited into the Property Tax Relief Fund established under section 1409 (relating to Property Tax Relief Fund).

(ii) Ten percent shall be deposited into a restricted receipt account within the State Treasury. Money in the restricted receipt account is appropriated to the department on a continuing basis for the purposes under this paragraph. Beginning in fiscal year 2018-2019 and each fiscal year thereafter, distributions from the restricted receipt account shall be as follows:

(A) The department shall determine whether a county hosting a licensed facility received less than the amount the county received during fiscal year 2017-2018 under section 1403(c) (relating to establishment of State Gaming Fund and net slot machine revenue distribution). If the department determines that the county hosting a licensed facility received less than the amount the county received during fiscal year 2017-2018 under section 1403(c), the department shall calculate the difference.

(B) The department shall make distributions from the restricted receipt account to any county determined under clause (A) to receive less in the current fiscal year than the county did in fiscal year 2017-2018. The amount distributed to a county under this paragraph may not exceed the difference between the amount received under 1403(c) in the current fiscal year and the amount received under 1403(c) in fiscal year 2017-2018.

(C) If more than one county is owed funds under clause (B) and there are insufficient funds in the account to pay each county the entire amount of the decrease experienced by that county, each county shall receive funds in proportion of that county's decrease to the total amount of all decreases.

(D) The department shall make distributions required under this paragraph no later than within 60 days after the end of the fiscal year.

(E) Undistributed funds shall remain in the account and not lapse.

(3) Twenty-five percent shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants for projects in the public interest in the Commonwealth.

Cross References. Section 13B52 is referred to in sections 13B20.4, 13B53, 13B54, 1403 of this title.

§ 13B53. Local share assessment.

(a) **Required payment.**--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, on a form and in a manner prescribed by the department, a local share assessment equal to 2% of the interactive gaming certificate holder's daily gross interactive gaming revenue.

(b) **Deposit and distribution.**--The department shall, on a quarterly basis, deposit the local share assessment imposed under subsection (a) as follows:

(1) The following shall apply:

(i) Except as provided under subparagraphs (ii), (iii) and (iv), 50% shall be added to and distributed according to the county classification of the host county and the slot machine license category of the interactive gaming certificate holder under section 1403(c)(2) (relating to establishment of State Gaming Fund and net slot machine revenue distribution).

(ii) If a host county is both a county of the first class and a city of the first class which is coterminous, 50% shall be distributed to a school district of the first class.

(iii) If a host county of the interactive gaming certificate holder is a home rule county of the second class A where a Category 1 slot machine licensee is located at a harness racetrack, 50% shall be distributed to an authority created by the host county under 53 Pa.C.S. Ch. 56 (relating to municipal authorities), to be used for grants within the interactive gaming certificate holder's host county. Grants awarded by the authority shall be used for economic development, municipal police and emergency services and other purposes in the public interest.

(iv) If an interactive gaming certificate holder does not have a licensed gaming facility located in this Commonwealth, 50% shall be added to and distributed with the amount deposited under subsection (b)(2).

(2) Fifty percent shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants for projects in the public interest in the Commonwealth.

Cross References. Section 13B53 is referred to in section 13B20.5 of this title.

§ 13B54. Compulsive and problem gambling.

The following shall apply:

(1) Each year, from the tax imposed in section 13B52 (relating to interactive gaming tax), an amount equal to .002 multiplied by the total gross interactive gaming revenue of all active and operating interactive gaming certificate holders 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, an amount equal to .002 multiplied by the total gross interactive gaming revenue of all active and operating interactive gaming certificate holders shall be transferred to the Department of Drug and Alcohol Programs or successor agency 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).

§ 13B55. Certificate holder deposits.

(a) Deposits.--

(1) The department shall determine the appropriate assessment amount for each interactive gaming certificate holder, which amount shall be a percentage assessed on the interactive gaming certificate holder's gross interactive gaming revenues. Each interactive gaming certificate holder shall deposit funds into its account under section 1401 (relating to slot machine licensee deposits) on a weekly basis.

(2) The percentage assessed shall not exceed an amount necessary to recover costs or expenses incurred by the board and the department in carrying out powers and duties under this chapter based on a budget submitted by the board and the department under subsection (b).

(b) Itemized budget reporting.--

(1) The board and the department 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 accounts established under this section as necessary to administer this chapter.

(2) The itemized budget required under paragraph (1) shall be submitted in conjunction with the budget required to be submitted under section 1202(b)(28) (relating to general and specific powers).

(c) Appropriation.--Costs and expenses from accounts established under section 1401 shall only be disbursed upon appropriation by the General Assembly.

(d) Penalty.--

(1) An interactive gaming certificate holder that fails to timely remit to the department amounts required under this section shall be subject to, in addition to liability imposed in this chapter, a penalty of 5% per month up to a maximum of 25% of the amounts ultimately found to be due. The penalty shall be recovered by the department.

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

SUBCHAPTER G
MISCELLANEOUS PROVISIONS

Sec.

- 13B61. Participation in interactive gaming outside Commonwealth.
- 13B62. Institutional investors.
- 13B63. Internet cafes and prohibition.

Cross References. Subchapter G is referred to in sections 13B11, 13B12, 13B21 of this title.

§ 13B61. Participation in interactive gaming 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 located in this Commonwealth or may accept interactive gaming wagers from a person physically present in this Commonwealth and transmit such wagers to an interactive gaming platform operated by one or more operators licensed in a foreign jurisdiction where interactive gaming is permitted if the board determines the following:

(1) participation in interactive gaming and acceptance of wagers associated with interactive gaming from a person not physically located in this Commonwealth or accepting interactive gaming wagers from a person physically present in this Commonwealth and transmitting such wagers to an interactive gaming platform operated by one or more operators licensed in a foreign jurisdiction where interactive gaming is permitted is not inconsistent with Federal law or regulation or the law or regulation of the state or jurisdiction in which the person or operator is located; and

(2) participation in interactive gaming is conducted pursuant to an interactive gaming reciprocal agreement with the state or jurisdiction where the person is located 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 other 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 such affairs. 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 person 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 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 authorized interactive games on their own computers or other devices.

(c) Computer access.--An interactive gaming certificate holder or interactive gaming operator shall prevent registered players within a licensed facility from accessing authorized interactive games on the registered player's own computers or other devices through the use of geospatial technologies.

CHAPTER 13C
SPORTS WAGERING

Subchapter

- A. General Provisions
- B. Sports Wagering Authorized
- C. Conduct of Sports Wagering
- D. Sports Wagering Taxes and Fees
- E. Miscellaneous Provisions

Enactment. Chapter 13C was added October 30, 2017, P.L.419, No.42, effective in 60 days.

Cross References. Chapter 13C is referred to in section 1202 of this title.

SUBCHAPTER A
GENERAL PROVISIONS

Sec.

- 13C01. Definitions.
- 13C02. Regulatory authority.
- 13C03. Temporary sports wagering regulations.
- 13C04. Unauthorized sports wagering.

§ 13C01. 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:

"Gross sports wagering revenue."

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

- (i) Cash or cash equivalents paid to players as a result of sports wagering.
- (ii) 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.
- (iii) The actual cost paid by the sports wagering certificate holder for any personal property distributed to a player as a result of sports wagering. This subparagraph does not include travel expenses, food, refreshments, lodging or services.

(2) The term does not include any of the following:

- (i) Counterfeit cash or chips.
- (ii) Coins or currency of other countries received as a result of sports wagering, except to the extent that the coins or currency are readily convertible to cash.
- (iii) Cash taken in a fraudulent act perpetrated against a sports wagering certificate holder for which the sports wagering certificate holder is not reimbursed.

"Sporting event." A professional or collegiate sports or athletic event or a 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 over the Internet through websites and mobile applications. The term includes, but is not limited to, exchange wagering, parlays, over-under, moneyline, pools and straight bets. The term does not include:

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

(2) 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.

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

(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.

(8) iLottery under Chapter 5 (relating to lottery).

"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 certificate holder." A slot machine licensee to whom the board has awarded a sports wagering certificate.

"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.

§ 13C02. 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 by slot machine licensees, including any new sports wagering or variations or composites of approved sports wagering, provided that 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 procedures to govern the conduct of sports wagering and the system of wagering, including the manner in which wagers are received, payouts are remitted and point spreads, lines and odds are determined. The board may also promulgate regulations 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 ensuring that internal controls are followed and financial books and records are maintained and audits are conducted. 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 sports wagering 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 in the licensed facility 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 surveillance system or its signal.

(iii) Designate one or more locations within the licensed facility to conduct sports wagering.

(iv) Ensure that visibility of each sports wagering area in the licensed facility of the sports wagering certificate holder is not obstructed in any way that could interfere with the ability of the sports wagering 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 sports wagering area within the licensed facility 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.

§ 13C03. 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 regulations. 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) Section 204(b) 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.--Except for temporary regulations governing the rules of sports wagering approved by the board, the board's authority to adopt temporary regulations under subsection (a) shall expire two years after publication of the temporary regulations. Regulations adopted after this period shall be promulgated as provided by law.

2020 Partial Repeal. Section 18 of Act 114 provided that the provisions of section 13C03 are repealed insofar as they are inconsistent with the addition of section 1724.1-E(f) of the act of April 9, 1929, P.L.343, No.176, known as The Fiscal Code.

§ 13C04. Unauthorized sports wagering.

(a) Offense defined.--

(1) It shall be unlawful for any person to operate, conduct, offer or expose sports wagering for play or to accept a bet or wager associated with sports wagering from any person physically located in this Commonwealth which at the time of play that is not within the scope of a valid sports wagering certificate issued by the board under this chapter.

(2) It shall be unlawful for any person to 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 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 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 where sports wagering is unauthorized, the person shall forfeit all winnings and 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.--A person who offers sports wagering without a valid sports wagering certificate shall be liable for all taxes required by this chapter in the same manner and amounts as if the person were a licensee.

SUBCHAPTER B

SPORTS WAGERING AUTHORIZED

Sec.

13C11. Authorization to conduct sports wagering.

13C12. Petition requirements.

13C13. Standard for review of petitions.

13C14. Award of certificate.

13C15. Sports wagering certificate.

13C16. Sports wagering by manufacturers.

§ 13C11. **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 13C21(b)

(relating to authorized locations for operation), an area authorized under section 13C21(c) or through an Internet-based system.

(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 with 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 sports wagering area of the licensed facility.

(b) Federal authorization.--

(1) The board shall, when Federal law is enacted or repealed or a Federal court decision is filed that permits a state to regulate sports wagering, publish a notice in the Pennsylvania Bulletin certifying the enactment or repeal or the 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).

Cross References. Section 13C11 is referred to in section 13C61 of this title.

§ 13C12. 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, in a form and in a manner prescribed by 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, 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 13C61 (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).

Cross References. Section 13C12 is referred to in sections 1206, 13C13 of this title.

§ 13C13. 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 and table game operation certificate are in good standing with the board.

(2) The conduct of sports wagering at the petitioner's licensed facility will increase 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 13C61 (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 13C12(b) (relating to petition requirements).

(b) **Timing of approval.**--The board shall approve or deny a petition within 120 days following receipt of the completed petition.

§ 13C14. 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 13C61 (relating to sports wagering authorization fee) shall not relieve the petitioner from complying with the provisions of section 13C61.

(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 renewals).

Cross References. Section 13C14 is referred to in section 13C61 of this title.

§ 13C15. 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 sports wagering certificate holder is suspended, revoked or not renewed by the board consistent with the requirements of this part; or

(iii) the sports wagering certificate holder relinquishes or does not seek renewal of its slot machine license.

(2) A sports wagering 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.

§ 13C16. Sports wagering manufacturers.

A person who manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs, sells, leases, offers 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 under section 1317.1 (relating to manufacturer 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.

SUBCHAPTER C

CONDUCT OF SPORTS WAGERING

Sec.

13C21. Authorized locations for operation.

13C22. Commencement of sports wagering operations.

13C23. Condition of continued operation.

13C24. Principals, key employees and occupation permits.

13C25. Application of Clean Indoor Air Act.

13C26. Application of Liquor Code.

§ 13C21. Authorized locations for operation.

(a) **Restriction.**--A sports wagering certificate holder may only be permitted to conduct sports wagering at a licensed facility, a temporary facility authorized under subsection (b), an area authorized under subsection (c) or through an Internet-based system.

(b) **Temporary facilities.**--The board may permit a sports wagering certificate holder to conduct sports wagering at a temporary facility that is physically connected to, attached to or adjacent to a licensed facility, as approved by the board, for a period not to exceed 18 months.

(c) **Powers and duties of board.**--

(1) Upon request made by a sports wagering certificate holder, the board, in consultation with the commission, 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 3 Pa.C.S. Ch. 93 (relating to race horse industry reform) to conduct sports wagering at nonprimary locations.

(2) No sports wagering certificate holder may be approved to conduct sports wagering in a nonprimary location unless the areas of the nonprimary location where sports wagering will be conducted 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.

Cross References. Section 13C21 is referred to in section 13C11 of this title.

§ 13C22. Commencement of sports wagering operations.

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

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

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

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

(4) The sports wagering certificate holder is in compliance with or has complied with section 13C61 (relating to sports wagering authorization fee).

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

§ 13C23. Condition of continued operation.

As a condition of continued operation, a sports wagering certificate holder shall 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 be:

(1) segregated by separate accounts within the sports wagering 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 and approved by the board;

(2) immediately available for inspection upon request of the board, the bureau, the department, the Pennsylvania State Police or the Attorney General, or agents thereof and, if the sports wagering certificate holder is conducting sports wagering at a nonprimary location, upon the request of the commission, during all hours of operation of the sports wagering certificate holder in accordance with regulations promulgated by the board; and

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

§ 13C24. Principals, key employees and occupation permits.

The following shall apply:

(1) Except as provided under paragraph (2), each applicant for a principal license, key employee license or gaming employee occupation permit shall:

(i) Consent to a background investigation to be conducted by the bureau.

(ii) Submit to fingerprinting by the Pennsylvania State Police or an authorized agent of the Pennsylvania State Police. The Pennsylvania State Police or the authorized agent shall submit the fingerprints to the Federal Bureau of Investigation for purposes of verifying the identity of the individual and obtaining records of criminal arrests and convictions.

(iii) Submit photographs consistent with the standards established by the board.

(2) Nothing in this part shall be construed to require any individual who holds a principal license, a key employee license or a gaming employee occupation permit under Chapters 13 (relating to licensees), 13A (relating to table games) and 16 (relating to junkets) to obtain a separate license or permit to be employed in a sports wagering certificate holder's sports wagering operation authorized under this chapter.

§ 13C25. 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 sports wagering 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.

§ 13C26. 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.

13C61. Sports wagering authorization fee.

13C62. Sports wagering tax.

13C63. Local share assessment.

13C64. Compulsive and problem gambling.

§ 13C61. 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 13C11 (relating to authorization to conduct sports wagering) shall pay a one-time nonrefundable authorization fee in the amount of \$10,000,000.

(b) Payment of fee.--A slot machine licensee shall remit the authorization fee under subsection (a) to the board within 60 days of the approval of a petition to conduct sports wagering. 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 renewals) and 13C14(c) (relating to award of certificate).

(d) Failure to pay by deadline.--If a petitioner or sports wagering 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 sports wagering 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 sports wagering certificate holder fails to pay the total authorization fee and the penalty prior to the expiration of an extension period granted under subsection (d). 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, manufacturer license fees, manufacturer renewal fees and all fees for licenses issued under Chapter 16 (relating to junkets) and all money collected by the board for violations of this subchapter shall be deposited into the General Fund.

Cross References. Section 13C61 is referred to in sections 13C12, 13C13, 13C14, 13C22 of this title.

§ 13C62. Sports wagering tax.

(a) Imposition.--Each sports wagering 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 34% 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 sports wagering certificate holder until the funds are paid to the department. A sports wagering 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 13C63(a) (relating to local share assessment).

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

Cross References. Section 13C62 is referred to in sections 13C63, 13C64 of this title.

§ 13C63. Local share assessment.

(a) Required payment.--In addition to the tax imposed under section 13C62 (relating to sports wagering tax), each sports wagering certificate holder shall pay on a weekly basis, on a form and in the 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 sports wagering 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 under this section.

(b) Distributions.--The department shall, on a quarterly basis, make distributions from the local share assessments deposited into the restricted account under subsection (a) into a restricted receipt account to be established in the Commonwealth Financing Authority to be used exclusively for grants for projects in the public interest in this Commonwealth.

(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:

"Local share assessment." Two percent of a sports wagering certificate holder's daily gross sports wagering revenue.

Cross References. Section 13C63 is referred to in section 13C62 of this title.

§ 13C64. Compulsive and problem gambling.

The following shall apply:

(1) Each year, from the tax imposed under section 13C62 (relating to sports wagering tax), an amount equal to 0.002 multiplied by the total gross sports wagering revenue of all active and operating sports wagering certificate holders shall be transferred into the Compulsive and Problem Gambling Treatment Fund established under section 1509 (relating to compulsive and problem gambling program).

(2) Each year, from the tax imposed under section 13C62, an amount equal to 0.002 multiplied by the total gross sports wagering revenue of all active and operating sports wagering certificate holders shall be transferred to the Department of Drug and Alcohol Programs or successor agency 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 under section 1509.1 (relating to drug and alcohol treatment).

SUBCHAPTER E

MISCELLANEOUS PROVISIONS

Sec.

13C71. Criminal activity.

§ 13C71. Criminal activity.

Sports wagering conducted by a sports wagering 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).

CHAPTER 13D

(Reserved)

Enactment. Chapter 13D (Reserved) was added October 30, 2017, P.L.419, No.42, effective immediately.

CHAPTER 13E
(Reserved)

Enactment. Chapter 13E (Reserved) was added October 30, 2017, P.L.419, No.42, effective immediately.

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

Enactment. Chapter 13F was added October 30, 2017, P.L.419, No.42, effective immediately.

Cross References. Chapter 13F is referred to in sections 1202, 1211 of this title.

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, Category 3 and Category 4 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:

"Casino simulcasting." The simultaneous transmission of live thoroughbred or harness horse race meetings from an in-State sending track, out-of-State sending track 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.

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

"Licensed gaming entity." A person who has been approved for and issued a Category 2 slot machine license, a Category 3 slot machine license or a Category 4 slot machine license in accordance with sections 1304 (relating to Category 2 slot machine license), 1305 (relating to Category 3 slot machine license), 1305.1 (relating to Category 4 slot machine license) and 1325 (relating to license or permit issuance) and who holds a casino simulcasting permit.

"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.

"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 licensed gaming entity for the conduct of casino simulcasting in accordance with this chapter, 3 Pa.C.S. Ch. 93 (relating to race horse industry reform) and regulations of the board and the commission.

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 by agreement or agreements with a licensed racing entity for the conduct of casino simulcasting in accordance with the provisions of this chapter, 3 Pa.C.S. Ch. 93 (relating to race horse

industry reform) 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 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 and a licensed racing entity 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 a simulcasting 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 3 Pa.C.S. § 9340 (relating to prohibition of wagering) 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 a simulcasting facility.

(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 3 Pa.C.S. § 9335 (relating to pari-mutuel pool distribution) and all regulations and supplements thereto or revisions thereof adopted by the commission under 3 Pa.C.S. § 9335, 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 and commission 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) Section 204(b) 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 publication of the temporary regulations. 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 within 60 days of the effective date of this subsection.

2020 Partial Repeal. Section 18 of Act 114 provided that the provisions of section 13F07 are repealed insofar as they are inconsistent with the addition of section 1724.1-E(f) of the act of April 9, 1929, P.L.343, No.176, known as The Fiscal Code.

§ 13F08. Simulcast agreements.

(a) Manner of agreement.--Any agreement entered into between a licensed gaming entity and a licensed racing entity 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 3 Pa.C.S. § 9334 (relating to State Racing Fund and tax rate) or 9335 (relating to pari-mutuel pool distribution), 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

simulcasting facility and remaining in the wagering pools after the required distributions under 3 Pa.C.S. § 9335 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 3 Pa.C.S. § 9335.

(2) (Reserved).

(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, registration or permitting 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 racing entity 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 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 and table game operation certificate are 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 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).

Cross References. Section 13F11 is referred to in section 13F12 of this title.

§ 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 tracks and out-of-State sending tracks, and the start date and expiration date of any agreement or agreements the casino simulcasting permit holder has entered into or will enter into with a licensed racing entity 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.

Cross References. Section 13F12 is referred to in sections 1206, 13F02 of this title.

§ 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 3 Pa.C.S. Ch. 93 (relating to race horse industry reform) or regulations promulgated pursuant to 3 Pa.C.S. Ch. 93, 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, registration or permitting 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 or licensed racing entity and all other employees of the licensed gaming entity or licensed racing entity who work or will work in the simulcasting facility, shall be licensed, registered or permitted 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 3 Pa.C.S. Ch. 93 (relating to race horse industry reform) 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 3 Pa.C.S. Ch. 93 is sufficient and will not compromise the integrity of casino simulcasting.

Cross References. Section 13F15 is referred to in section 13F33 of this title.

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.

§ 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 may 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 casino simulcasting 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 3 Pa.C.S. Ch. 93 (relating to race horse industry reform) and regulations of the commission promulgated under 3 Pa.C.S. (relating to agriculture).

(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 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 casino simulcasting 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 casino simulcasting 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, registration or permitting 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 or a licensed racing entity and all other employees of the licensed gaming entity who work or will work in the simulcasting facility shall be licensed, registered or permitted 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 3 Pa.C.S. Ch. 93 (relating to race horse industry reform) and any regulation promulgated under 3 Pa.C.S. Ch. 93.

(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 casino simulcasting 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.

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 3 Pa.C.S. § 9335 (relating to pari-mutuel pool distribution) and shall be distributed in accordance with 3 Pa.C.S. § 9335 or any regulations promulgated under 3 Pa.C.S. § 9335.

(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 3 Pa.C.S. § 9334 (relating to State Racing Fund and tax rate), 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 3 Pa.C.S. § 9334.

§ 13F43. Casino simulcasting taxes.

All money wagered by players on horse race meetings under this chapter shall be subject to the tax imposed under 3 Pa.C.S. § 9334 (relating to State Racing Fund and tax rate).

§ 13F44. Construction.

Nothing in this chapter and section 1207 (relating to regulatory authority of board), as it relates to casino simulcasting, shall be construed to alter, preempt or otherwise impinge the authority of the commission under 3 Pa.C.S. Ch. 93 (relating to race horse industry reform).

CHAPTER 14
REVENUES

Sec.

- 1401. Slot machine licensee deposits.
- 1402. Gross terminal revenue deductions.
- 1402.1. Itemized budget reporting.
- 1403. Establishment of State Gaming Fund and net slot machine revenue distribution.
- 1404. Distributions from licensee's revenue receipts.
- 1405. Pennsylvania Race Horse Development Trust Fund.
- 1405.1. Protection of funds.
- 1406. Distributions from Pennsylvania Race Horse Development Trust Fund.
- 1407. Pennsylvania Gaming Economic Development and Tourism Fund.
- 1407.1. Casino Marketing and Capital Development Account.
- 1408. Transfers from State Gaming Fund.
- 1409. Property Tax Relief Fund.

Enactment. Chapter 1 was added July 5, 2004, P.L.572, No.71, effective immediately.

§ 1401. Slot machine licensee deposits.

(a) Account established.--There is established within the State Treasury an account for each slot machine licensee for the deposit of sums under this section.

(b) Initial deposit of funds.--Not later than two business days prior to the commencement of slot machine operations by a slot machine licensee, a slot machine licensee shall deposit and maintain the following sums in its account to guarantee the payment of funds to the Commonwealth under this part and as

security for its obligations under section 1405 (relating to Pennsylvania Race Horse Development Trust Fund):

(1) For a Category 1 or Category 2 slot machine licensee, \$1,500,000.

(2) For a Category 3 slot machine licensee, \$1,000,000.

(3) For a Category 4 slot machine licensee, \$1,250,000.

No additional minimum deposit shall be required from a slot machine licensee if a slot machine licensee is granted a table game operation certificate under Chapter 13A (relating to table games).

(c) Weekly deposits.--Each slot machine licensee shall deposit funds into its account on a weekly basis equal to the amounts deducted by the department under section 1402 (relating to gross terminal revenue deductions) and for reimbursement of any funds expended due to the slot machine licensee's failure to comply with its obligations under section 1405. The department shall notify each licensee of the amounts deducted. If at any time the amount held in the account attributable to a slot machine licensee is not sufficient to make the payments required of the licensee under section 1402 and for reimbursement of any funds expended due to the slot machine licensee's failure to comply with its obligations under section 1405, the department shall notify the slot machine licensee, and the slot machine licensee shall immediately deposit necessary funds into the account as directed by the department.

(d) Return of funds.--The funds deposited into its account shall not be returned to a slot machine licensee unless the slot machine licensee ceases conducting business under its license and relinquishes all rights to do so in the future. In that case, the balance of funds in the account attributable to such licensee, minus any unpaid amounts due and payable to the Commonwealth under this part or due and payable under section 1405, shall be returned to the licensee.

(Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 amended subsec. (b).

2010 Amendment. See section 19.1 of Act 1 in the appendix to this title for special provisions relating to payments to Category 1 and Category 2 slot machine licensees.

Cross References. Section 1401 is referred to in sections 1202, 13B55, 1402, 1402.1 of this title.

§ 1402. Gross terminal revenue deductions.

(a) Deductions.--After determining the appropriate assessments for each slot machine licensee, the department shall determine costs, expenses or payments from each account established under section 1401 (relating to slot machine licensee deposits). The following costs and expenses shall be transferred to the appropriate agency upon appropriation by the General Assembly:

(1) The costs and expenses to be incurred by the department in administering this part at each slot machine licensee's licensed facility based upon a budget submitted by the department under section 1402.1 (relating to itemized budget reporting).

(2) The other costs and expenses to be incurred by the department in administering this part based upon a budget submitted by the department under section 1402.1.

(3) Sums necessary to repay any loans made by the General Fund to the department in connection with carrying out its responsibilities under this part, including the costs

of the initial acquisition of the central control computer and any accessories or associated equipment.

(4) The costs and expenses to be incurred by the Pennsylvania State Police and the Office of Attorney General and not otherwise reimbursed under this part in carrying out their respective responsibilities under this part based upon budgets submitted by the Pennsylvania State Police and the Attorney General under section 1402.1.

(5) Sums necessary to repay any loans made by the General Fund to the Pennsylvania State Police in connection with carrying out its responsibilities under this part.

(6) The costs and expenses to be incurred by the board in carrying out its responsibilities under this part based upon a budget submitted by the board under section 1402.1.

(7) Sums necessary to repay any loans made by the General Fund to the board in connection with carrying out its responsibilities under this part.

(b) (Reserved).

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. Act 1 amended subsec. (a).

Cross References. Section 1402 is referred to in sections 1103, 1202.2, 1211, 1401 of this title.

§ 1402.1. Itemized budget reporting.

(a) **Submission.**--The board, department, Pennsylvania State Police and Office of Attorney General 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 section 1401 (relating to slot machine licensee deposits) necessary to administer this part. The department, Pennsylvania State Police and Office of Attorney General shall provide copies of their itemized budgets to the board at the same time they are submitted to the chairmen of the committees.

(b) **Analyses and recommendations.**--As soon as practicable after receiving copies of the itemized budgets submitted under subsection (a), the board shall prepare and submit to the chairmen of the committees analyses of and make recommendations regarding the itemized budgets.

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.)

Cross References. Section 1402.1 is referred to in section 1402 of this title.

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

(a) **Fund established.**--There is hereby established the State Gaming Fund within the State Treasury.

(b) **Slot machine tax.**--The department shall determine and each slot machine licensee, other than a Category 4 slot machine licensee, shall pay a daily tax of 34% from its daily gross terminal revenue from the slot machines in operation at its 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).

(b.1) Slot machine tax at Category 4 licensed facilities.--

(1) The department shall determine and each Category 4 slot machine licensee shall pay a daily tax of 50% from its daily gross terminal revenue from the slot machines in operation at the Category 4 licensed facility and a local share assessment as provided in subsection (c.1). All money 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 money is 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 money is paid or transferred under this section. Money in the fund is appropriated to the department on a continuing basis for the purposes set forth in paragraph (2).

(2) The tax imposed under paragraph (1) shall be deposited as follows:

(i) Sixty-eight percent into the Property Tax Relief Fund established under section 1409 (relating to Property Tax Relief Fund).

(ii) Ten percent added to and distributed under section 13B52(d)(2)(ii) (relating to interactive gaming tax).

(iii) Ten percent into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants for projects in the public interest in the Commonwealth.

(iv) Twelve percent added to and distributed under section 1407 (relating to Pennsylvania Gaming Economic Development and Tourism Fund).

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

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

(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:

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

(A) (Deleted by amendment).

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

(C) A county of the second class A: 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.

(D) (I) A county of the third class: Except as provided in subclause (II), 2% of the gross terminal revenue from each such licensed facility shall be deposited into a restricted receipts account to be established in the Commonwealth

Financing Authority to be used exclusively for grants for projects in the public interest to municipalities within the county where the licensed facility is located.

(I.1) Priority shall be given to multiyear projects approved or awarded by the Department of Community and Economic Development under subclause (I) on or before January 7, 2010.

(I.2) (Repealed).

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

(II) If a licensed facility is located in one of two counties of the third class where a city of the third class is located in both counties of the third class, the county in which the licensed facility is located shall receive 1.2% of the gross terminal revenue to be distributed as follows: 20% to the host city, 30% to the host county and 50% to the host county for the purpose of making municipal grants within the county, with priority given to municipalities contiguous to the host city. The county of the third class, which includes a city of the third class that is located in two counties of the third class and is not the host county for the licensed facility, shall receive .8% of the gross terminal revenue to be distributed as follows:

60% to a nonhost city of the third class located solely in the nonhost county in which the host city of the third class is also located or 60% to the nonhost city of the third class located both in the host and nonhost counties of the third class, 35% to the nonhost county and 5% to the nonhost county for the purpose of making municipal grants within the county.

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

(I) The department shall make distributions directly to each municipality within the county, except the host municipality, by using a formula equal to the sum of \$25,000 plus \$10 per resident of the municipality using the most recent population figures provided by the Department of Community and Economic Development, provided, however, that the amount so distributed to any municipality shall not exceed 50% of its total budget for fiscal year 2009 or 2013, whichever is greater, adjusted for inflation in subsequent fiscal years by an amount not to exceed an annual cost-of-living adjustment calculated by applying any upward percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Distributions to a municipality in accordance with this subclause shall be deposited into a special fund which shall be established by the municipality. The governing body of the municipality shall have

the right to draw upon the special fund for any lawful purpose provided that the municipality identifies the fund as the source of the expenditure. Each municipality shall annually submit a report to the Department of Community and Economic Development detailing the amount and purpose of each expenditure made from the special fund during the prior fiscal year.

(II) Any funds not distributed under subclause (I) shall be deposited into a restricted receipts account established in the Department of Community and Economic Development to be used exclusively for grants to the county, to economic development authorities or redevelopment authorities within the county for grants for economic development projects, infrastructure projects, job training, community improvement projects, other projects in the public interest, and necessary and reasonable administrative costs. 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.

(F) Counties of the fifth through eighth classes:

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

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

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

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

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

(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:

(A) (Deleted by amendment).

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

(C) A county of the second class A: 1% of the gross terminal revenue to the county hosting the

licensed facility from each such licensed facility for the purpose of funding nonprofit entities fulfilling a human service, victim assistance or drug and alcohol prevention and treatment within the county in which the licensed facility is located. An additional 1% of the gross terminal revenue to a redevelopment authority in 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. The redevelopment authority shall retain 5% of the total funds administered to cover the costs and expenses of administration of the grants. For purposes of this subparagraph, a municipality that is wholly within the boundaries of a contiguous municipality shall be considered a contiguous municipality and eligible to receive municipal grants under this subparagraph.

(D) A county of the third class which is also a home rule county: 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 minus the amount contained in clause (D.1) 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.

(D.1) \$1,000,000 of the gross terminal revenue annually to a land bank jurisdiction established by a county of the third class which is also a home rule county. Until a land bank jurisdiction is established by a county of the third class which is also a home rule county after the effective date of this subclause, \$1,000,000 to the county redevelopment authority.

(D.2) An economic or redevelopment authority which administers local share assessment funds for a county of the third class, which is also a home rule county in which a Category 1 licensed facility is located at a thoroughbred racetrack, shall be subject to the following:

(I) Each expenditure of the local share assessment funds by the authority shall be disclosed on the authority's publicly accessible Internet website.

(II) Local share assessment funds received by the authority may not be used to pay for tuition or other educational expenses of an officer or employee of the authority.

(III) Each expenditure of local share assessment funds by the authority shall include a disclosure that the funds originated from licensed gaming activities.

(IV) The authority shall be subject to audit by the Auditor General.

(D.3) A county of the third class which is not a home rule county: 1% of the gross terminal revenue to the county hosting the licensed facility from each such licensed facility minus amounts in clauses (D.4), (D.5), (D.6) and (D.7). 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 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.

(D.4) \$220,000 of the gross terminal revenue annually shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants for projects in the public interest within a contiguous county containing a township that receives a portion of the licensed facility's slot machine operation fee under paragraph (3)(v)(C) for the purpose of municipal grants within the county. Notwithstanding the provisions of 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.

(D.5) \$50,000 of the gross terminal revenue annually to a contiguous county of the fourth class for fire and emergency services and economic development. Notwithstanding the provisions of 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.

(D.6) \$30,000 of the gross terminal revenue annually to a township of the second class with a population between 2,000 and 2,500 as of the 2010 decennial census that is contiguous to a township in a county of the fifth class that receives a portion of the licensed facility's slot machine operation fee under paragraph (3)(v)(C).

(D.7) \$30,000 of the gross terminal revenue annually to a township of the second class with a population between 8,000 and 8,100 as of the 2010 decennial census that is contiguous to a township in a county of the fifth class that receives a portion of the licensed facility's slot machine operation fee under paragraph (3)(v)(C). The township may use the amount for any purpose, provided that funding for fire and other emergency services is prioritized.

(E) A county of the fourth class: 2% of the gross terminal revenue from each such licensed facility shall be deposited into a restricted account established in the Department of Community and Economic Development to be used exclusively for grants to the county, to economic development authorities or redevelopment authorities within the county for grants for economic development projects, community improvement projects, job training, other projects in the public interest and reasonable administrative costs. Notwithstanding 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.

(F) Counties of the fifth through eighth classes: 2% of the gross terminal revenue from each such licensed facility shall be deposited into a restricted account established in the Department of

Community and Economic Development to be used exclusively for grants to the county.

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

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

(A) (Deleted by amendment).

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

(C) A county of the second class A: 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.

(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.

(D.1) If a licensed facility is located in one of two counties of the third class where a city of the third class is located in both counties of the third class, the following shall apply:

(I) The county in which the licensed facility is located shall receive 1.2% of the gross terminal revenue to be distributed as follows:

(a) 20% shall be distributed to the host city.

(b) 30% shall be distributed to the host county.

(c) 50% shall be distributed as follows:

(1) Beginning January 1, 2018, the sum of \$250,000 shall be distributed annually for a period of 20 years to a city of the third class located in two counties of the third class for purposes of funding the redevelopment of an existing arts and education center that has professional artist space and studios and is located within the city of the third class that is located in two counties of the third class.

(2) After the distribution under subunit (1), the remaining funds shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority for distribution within the host county to be used exclusively for economic development projects, community

improvement projects and other projects in the public interest within the host county, with priority given to municipalities contiguous to the host city.

(II) The county of the third class, which includes a city of the third class that is located in two counties of the third class and is not the host county for the licensed facility, shall receive .8% of the gross terminal revenue to be distributed as follows:

(a) 60% shall be distributed to a nonhost city of the third class located solely in the nonhost county in which the host city of the third class is also located or 60% to the nonhost city of the third class located both in the host and nonhost counties of the third class.

(b) 35% shall be distributed to the nonhost county.

(c) 5% shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority for distribution within the nonhost county to be used exclusively for economic development projects, community improvement projects and other projects in the public interest within the nonhost county, with priority given to municipalities contiguous to the host city.

(E) A county of the fourth class: 2% of the gross terminal revenue from each such licensed facility shall be deposited into a restricted account established in the Department of Community and Economic Development to be used exclusively for grants to the county, to economic development authorities or redevelopment authorities within the county for grants for economic development projects, community improvement projects, job training, other projects in the public interest and reasonable administrative costs. Notwithstanding 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.

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

(I) One percent to be distributed as follows:

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

(b) Any funds not distributed under subclause (a) shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants within the county for economic development projects, road projects located within a 20-mile radius

of the licensed facility and located within the county, community improvement projects and other projects in the public interest within the county. The amount under this subclause includes reasonable administrative costs.

(II) One percent shall be distributed as follows:

(a) Beginning January 1, 2018, the sum of \$250,000 shall be distributed annually for a period of 20 years to a contiguous county of the third class that hosts a Category 2 licensed facility, for the purpose of funding the construction of a pool and indoor recreation facility at an existing nonprofit recreation center within the contiguous county in a borough with a population between 3,400 and 3,800 at the 2010 decennial census.

(b) After the distribution under subunit (a), the remaining funds shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants within contiguous counties for economic development projects, community improvement projects and other projects in the public interest within contiguous counties. The amount under this subclause includes reasonable administrative costs. A contiguous county that hosts a Category 1 licensed facility shall be ineligible to receive grants under this subclause.

(II.1) Priority shall be given to multiyear projects approved or awarded by the Department of Community and Economic Development under subclause (I) (b) or (II) on or before January 7, 2010.

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

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

(iv) (A) Except as provided in clause (B) or (C), if the facility is a Category 3 licensed facility, 2% of the gross terminal revenue from the licensed facility shall be deposited into a restricted receipts account established in the Department of Community and Economic Development to be used exclusively for grants to the county, to economic development authorities or redevelopment authorities within the county for grants for economic development

projects, community improvement projects and other projects in the public interest.

(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 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.

(C) If the facility is a Category 3 licensed facility located in a county of the fifth class that is contiguous to a county of the seventh class, 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 within the county for economic development projects, infrastructure projects, community improvement projects and other projects in the public interest within the county and for infrastructure projects within a 20-mile radius of the licensed facility in a contiguous county of the seventh class.

(v) Unless otherwise specified, for the purposes of this paragraph money designated for municipal grants within a county, other than a county of the first class, in which a licensed facility is located shall be used to fund grants to the municipality in which the licensed facility is located, to the county in which the licensed facility is located and to the municipalities which are contiguous to the municipality in which the licensed facility is located and which are located within the county in which the licensed facility is located. Grants shall be administered by the county through its economic development or redevelopment authority in which the licensed facility is located. Grants shall be used to fund the costs of human services, infrastructure improvements, facilities, emergency services, health and public safety expenses associated with licensed facility operations. If at the end of a fiscal year uncommitted funds exist, the county shall pay to the economic development or redevelopment authority of the county in which the licensed facility is located the uncommitted funds.

(vi) If the licensed facility is located in more than one county, the amount available shall be distributed on a pro rata basis determined by the

percentage of acreage located in each county to the total acreage of all counties occupied by the licensed facility.

(vii) The distributions provided in this paragraph shall be based upon county classifications in effect on July 5, 2004. Any reclassification of counties as a result of a Federal decennial census or of a State statute shall not apply to this subparagraph.

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

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

(x) The department shall credit against the amount imposed under this paragraph any amount paid by a licensed facility from May 27, 2017, until the effective date of this paragraph to a county under an agreement between the Category 1, Category 2 or Category 3 licensed gaming entity and the county in lieu of a payment under this paragraph, as certified to the department by the county receiving the funds.

(3) From the slot machine license operation fees deposited into the fund under section 1326.1(e) (relating to slot machine license operation fee), make quarterly distributions among the municipalities, including home rule municipalities, hosting a licensed facility in accordance with the following schedule:

(i) To a city of the second class hosting a licensed facility, other than a Category 3 or Category 4 licensed facility, \$10,000,000 annually shall be distributed to the city treasury.

(ii) To a city of the second class A hosting a licensed facility, other than a Category 3 or Category 4 licensed facility, \$10,000,000 annually shall be distributed to the city, subject, however, to the budgetary limitation in this subparagraph. The amount allocated to the designated municipalities shall not exceed 50% of their total budget for fiscal year 2003-2004, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any remaining moneys shall be distributed in accordance with paragraph (2) based upon the classification of county where the licensed facility is located.

(iii) To a city of the third class hosting a licensed facility, other than a Category 3 or Category 4 licensed facility, \$10,000,000 annually, less any amount up to \$5,000,000 received pursuant to a written agreement with a licensed gaming entity executed prior to the effective date of this part, shall be distributed to the city, subject, however, to the budgetary limitation in this subparagraph. In the event that the city has a written agreement with a licensed gaming

entity executed prior to July 5, 2004, the amount paid under the agreement to the city shall be applied and credited, up to \$5,000,000, to the slot machine license operation fee owed under section 1326.1. The amount allocated to the designated municipalities shall not exceed 50% of their total budget for fiscal year 2003-2004, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any remaining moneys shall be distributed in accordance with paragraph (2) based upon the classification of county where the licensed facility is located.

(iii.1) If a licensed facility, other than a Category 3 or Category 4 licensed facility, is located in a city of the third class and the city is located in more than one county of the third class, \$10,000,000 annually shall be distributed as follows: 80% to the host city and 20% to the city of the third class located solely in a nonhost county in which the host city of the third class is also located. If a licensed facility, other than a Category 3 or Category 4 licensed facility, is located in a city of the third class and that city is located solely in a host county of the third class in which a nonhost city of the third class is also located, \$10,000,000 annually shall be distributed as follows: 80% to the host city and 20% to a city of the third class located both in a nonhost county of the third class and in a host county of the third class in which the host city of the third class is located.

(iv) To a township of the first class hosting a licensed facility, other than a Category 3 or Category 4 licensed facility, \$10,000,000 annually shall be distributed to the township, subject, however, to the budgetary limitation in this subparagraph. The amount allocated to the designated municipalities shall not exceed 50% of their total budget for fiscal year 2003-2004, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any remaining money shall be distributed in accordance with paragraph (2) based upon the classification of county where the licensed facility is located.

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

(A) \$10,000,000 annually shall be distributed to the township of the second class hosting a licensed facility, other than a Category 3 or Category 4 licensed facility or a licensed facility located in more than one township of the second class, subject, however, to the budgetary limitation in this subparagraph. The amount allocated to the designated municipalities shall not exceed 50% of their total budget for fiscal year 2003-2004, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect.

Any remaining money shall be distributed in accordance with paragraph (2) based upon the classification of county where the licensed facility is located.

(B) \$10,000,000 annually, less the amount paid under clause (C), shall be distributed to the township of the second class hosting a licensed facility which owns land adjacent to the licensed facility located in more than one township of the second class, other than a Category 3 or Category 4 licensed facility, subject, however, to the budgetary limitation in this subparagraph. The amount allocated to the designated municipalities may not exceed 50% of their total budget for the fiscal year 2003-2004, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any remaining money shall be distributed in accordance with paragraph (2) based upon the classification of the county where the licensed facility is located. The county commissioners of a county of the third class in which the licensed facility is located shall appoint an advisory committee for the purpose of advising the county as to the need for municipal grants for health, safety, transportation and other projects in the public interest to be comprised of two individuals from the host municipality, two from contiguous municipalities within the county of the third class and one from the host county.

(C) For land owned by a licensed gaming entity, other than a Category 3 or Category 4 licensed facility, and located in more than one township of the second class: \$160,000 shall be distributed annually to the township of the second class which is located in a county of the fifth class if the land owned, including racetracks, grazing fields and other adjoining real property, is adjacent to the licensed facility.

(vi) To a borough hosting a licensed facility, other than a Category 3 or Category 4 licensed facility, \$10,000,000 annually shall be distributed to the borough, subject, however, to the budgetary limitation in this subparagraph. The amount allocated to the designated municipalities shall not exceed 50% of their total budget for fiscal year 2003-2004, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any remaining money shall be distributed in accordance with paragraph (2) based upon the classification of county where the licensed facility is located.

(vii) To an incorporated town hosting a licensed facility, other than a Category 3 or Category 4 licensed facility, \$10,000,000 annually shall be distributed to the incorporated town, subject, however, to the budgetary limitation in this subparagraph. The amount allocated to the designated municipalities shall not exceed 50% of their total budget for fiscal year 2003-2004, adjusted

for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any remaining money shall be distributed in accordance with paragraph (2) based upon the classification of county where the licensed facility is located.

(viii) (A) (Deleted by amendment).

(B) (Deleted by amendment).

(C) (Deleted by amendment).

(ix) (Deleted by amendment).

(x) (Deleted by amendment).

(xi) (Deleted by amendment).

(xii) (Deleted by amendment).

(xiii) (Deleted by amendment).

(xiv) (Deleted by amendment).

(xv) (Deleted by amendment).

(A) (Deleted by amendment).

(B) (Deleted by amendment).

(C) (Deleted by amendment).

(4) From the slot machine license operation fee deposited into the fund under section 1326.1(e), make quarterly distributions totaling \$10,000,000 for each licensed facility located within a county and city of the first class which is coterminous as follows:

(i) If a licensed facility is a Category 1 or Category 2 licensed facility and is operating in a county and city of the first class which is coterminous on the effective date of this paragraph, the first \$5,000,000 shall be distributed annually to a school district of the first class. Of the remaining funds, 60% shall be distributed to the county and city of the first class which is coterminous and 40% shall be deposited into a restricted receipts account established in the Department of Community and Economic Development to be used exclusively for grants for economic development projects, neighborhood revitalization projects, community improvement projects and other projects in the public interest within the county and city of the first class which is coterminous.

(ii) If a licensed facility is a Category 1 or Category 2 licensed facility and begins operating in a county and city of the first class which is coterminous after the effective date of this paragraph, 70% of the slot machine license operation fee shall be distributed to the county and city of the first class which is coterminous and 30% of the slot machine license operation fee shall be deposited into a restricted receipts account established in the Department of Community and Economic Development to be used exclusively for grants for economic development projects, neighborhood revitalization projects, community improvement projects and other projects in the public interest within the county and city of the first class which is coterminous.

(iii) Notwithstanding any other provision of this part to the contrary, slot machine license operation fees from licensed gaming entities located within a county and city of the first class shall not be distributed outside a county and city of the first class.

(5) From the local share assessment established in subsection (b), make quarterly distributions among the

municipalities, including home rule municipalities, hosting a licensed facility in accordance with the following schedule:

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

(ii) If the municipality hosting a Category 3 licensed facility is a borough located in a county of the third class and the borough is contiguous to a city of the third class, 1% of gross terminal revenue shall be distributed to the host borough and 1% of gross terminal revenue shall be distributed to the city of the third class that is contiguous to the host borough, subject, however, to the budgetary limitation in this subparagraph. The amount allocated to each designated municipality shall not exceed 50% of its total budget for fiscal year 2009, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage increase, if any, in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any remaining money shall be collected by the department from each licensed gaming entity and distributed in accordance with paragraph (2) based upon the classification of county where the licensed facility is located.

(iii) If the municipality hosting a Category 3 licensed facility is a township of the second class in a county of the fifth class which is contiguous to a county of the seventh class, 2% of the gross terminal revenue from the Category 3 licensed facility located in the municipality shall be distributed to the municipality, subject, however, to the budgetary limitation in this subparagraph. The amount allocated to the designated municipalities shall not exceed the lesser of \$1,000,000 or 50% of their total budget for fiscal year 2009, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any remaining money shall be collected by the department from each licensed gaming entity and distributed in equal amounts to each municipality contiguous to the host municipality. The amount to be allocated to any contiguous municipality shall not exceed the lesser of \$1,000,000 or 50% of the municipality's total budget for fiscal year 2009, adjusted for inflation in subsequent years by an amount

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

(iv) The department shall credit against the amount imposed under this paragraph any amount paid by a licensed facility from May 27, 2017, until the effective date of this paragraph, to a municipality under an agreement between a Category 3 licensed gaming entity and the municipality in lieu of a payment under this paragraph, as certified to the department by the municipality receiving the funds.

(6) From the slot machine license operation fees deposited in the fund under section 1326.1(e), make quarterly distributions to any municipality not specifically enumerated in paragraph (3) or (4) hosting a Category 1 or Category 2 licensed facility, other than a Category 1 or Category 2 licensed facility located in a city of the first class, equal to \$10,000,000 annually.

(7) From the local share assessment established in subsection (b), make quarterly distributions to any municipality not enumerated in paragraph (5) hosting a Category 3 licensed facility: 2% of the gross terminal revenue paid by each licensed gaming entity operating a Category 3 licensed facility.

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

(9) If a licensed facility is located at a resort which is also an incorporated municipality, the municipality shall not be eligible to receive any distribution under paragraph (3), (4), (5), (6) or (7). The distribution it would have otherwise been entitled to under paragraph (3), (4), (5), (6) or (7) shall instead be distributed in accordance with paragraph (2) based upon the classification of county where the licensed facility is located.

(10) The distributions provided in paragraph (3), (4), (5), (6) or (7) shall be based upon municipal classifications in effect on July 5, 2004. For the purposes of paragraphs (3), (4), (5), (6) and (7), any reclassification of municipalities as a result of a Federal decennial census or of a State statute shall not apply to paragraphs (3), (4), (5), (6) and (7).

(11) If any provision of paragraph (3), (4), (5), (6) or (7) is found to be unenforceable for any reason, the distribution provided for in the unenforceable provision shall be made to the municipality in which the licensed facility is located.

(12) Nothing in paragraph (3), (4), (5), (6) or (7) shall be construed to prevent any of the above municipalities from entering into intergovernmental cooperative agreements with other jurisdictions for sharing the funds distributed to them.

(13) Notwithstanding any other law, agreement or provision in this part to the contrary, all revenues

provided, directed or earmarked under this section to or for the benefit of a city of the second class in which an intergovernmental cooperation authority has been established and is in existence under the act of February 12, 2004 (P.L.73, No.11), known as the Intergovernmental Cooperation Authority Act for Cities of the Second Class, shall be directed to and under the exclusive control of the intergovernmental cooperation authority to be used:

- (i) to reduce the debt of the city of the second class;
- (ii) to increase the level of funding of the municipal pension funds of the city of the second class; or
- (iii) for any other purposes as determined to be in the best interest of the city of the second class by the intergovernmental cooperation authority. The revenues shall not be directed to or under the control of the city of the second class or any coordinator appointed under the act of July 10, 1987 (P.L.246, No.47), known as the Municipalities Financial Recovery Act, for the city of the second class.

(c.1) Local share assessment.--

(1) In addition to the tax imposed under paragraph (b.1), each Category 4 slot machine licensee 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 funds owed under this section shall be held in trust by the Category 4 slot machine licensee 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 paragraph (2).

(2) From the local share assessment established in paragraph (1), make quarterly distributions as follows:

(i) Fifty percent shall be deposited into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants for projects in the public interest in the county hosting the Category 4 licensed facility.

(ii) Fifty percent to the municipality hosting the Category 4 licensed facility from each Category 4 licensed facility shall be paid by each licensed gaming entity operating a Category 4 licensed facility in the municipality, subject to the budgetary limitation in this subparagraph. The amount allocated to the designated municipalities shall not exceed 50% of the municipality's total budget for fiscal year 2016-2017, adjusted for inflation in subsequent years by an amount not to exceed an annual cost-of-living adjustment calculated by applying the percentage change in the Consumer Price Index immediately prior to the date the adjustment is due to take effect. Any remaining money shall be collected by the department from each licensed gaming entity and distributed in accordance with subparagraph (i).

(3) For purposes of this subsection, local share assessment shall be 4% of the gross terminal revenues generated at a Category 4 licensed facility.

(d) Consumer Price Index.--For purposes of subsection (c), references to the Consumer Price Index shall mean the Consumer Price Index for All Urban Consumers for the Pennsylvania, New Jersey, Delaware and Maryland area for the most recent 12-month

period for which figures have been officially reported by the United States Department of Labor, Bureau of Labor Statistics.

(e) Reporting.--

(1) In cooperation with the department and the Commonwealth Financing Authority, the Department of Community and Economic Development shall submit an annual report on all distributions of local share assessments and slot machine license operation fees to counties and municipalities 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 be submitted by March 31, 2018, and by March 31 of each year thereafter.

(2) All counties and municipalities receiving distributions of local share assessments or slot machine license operation fees under this section shall submit information to the Department of Community and Economic Development on a form prepared by the Department of Community and Economic Development that sets forth the amount and use of the funds received in the prior calendar year. The form shall set forth whether the funds received were deposited in the county's or municipality's General Fund or committed to a specific project or use.

(f) Prohibited activities.--

(1) A person or its affiliated entity or a political subdivision shall not compensate or incur an obligation to compensate a person to engage in lobbying for compensation contingent in whole or in part upon the approval, award, receipt or denial of funds under this section. A person or its affiliated entity shall not engage in or agree to engage in lobbying for compensation contingent in whole or in part upon the approval, award, receipt or denial of funds under this section. This subsection shall not apply to a county or municipality that compensates a person to prepare a grant application for funds under this section if the following requirements are met:

(i) The person is not identified in the application.

(ii) The person has no direct contact with the agency, county or municipality providing the funding.

(iii) The person is paid a fixed fee or percentage of the amount of any funds approved, awarded or received up to .5%.

(2) A violation of this section shall be considered an intentional violation of 65 Pa.C.S. § 13A09(e) (relating to penalties).

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42; June 30, 2021, P.L.62, No.24, eff. July 1, 2021)

2021 Repeal. Act 24 repealed subsec. (c) (2) (i) (D) (I.2).

2017 Amendment. Act 42 reenacted and amended section 1403. Except as set forth in section 33 of Act 42, section 34(3) of Act 42 provided that the reenactment and amendment of section 1403 shall be retroactive to January 1, 2017. See section 33 of Act 42 in the appendix to this title for special provisions relating to duties of Department of Revenue.

Cross References. Section 1403 is referred to in sections 1103, 1208, 1209, 1313, 1326.1, 13A63, 13B52, 13B53 of this title.

§ 1404. Distributions from licensee's revenue receipts.

For holders of Category 1 licenses, an amount not less than \$5,000,000 over the initial five-year period following the initial issuance of a Category 1 slot machine license and an amount not less than \$250,000 nor more than \$1,000,000 per year for five years thereafter shall be deposited by each licensee into a segregated account and used for improvement and maintenance of the backside area and related buildings and structures at the racetrack at which the licensee operates. The licensed racing entity designee and the designee of the recognized horsemen's organization at each racetrack shall jointly consider the appropriate amount of the funds and how the money shall be spent at the racetrack. Disputes involving the amount and expenditure of funds under this section shall be resolved by the State Horse Racing Commission or the State Harness Racing Commission, whichever is appropriate, which shall oversee the use of these funds. Notwithstanding other provisions of this section, a licensed racing entity that has not previously conducted live racing and is constructing a new racetrack, backside area and related buildings and structures that can establish to the satisfaction of the board that the licensed racing entity has spent no less than \$5,000,000 in the construction of the new racetrack's backside area, related buildings and structures shall not be subject to the expenditures required by this section until the tenth year after the completion of such construction at the new racetrack. The board may extend the time frame for distributions under this section for a newly constructed racetrack for up to an additional two years if, upon inspection, either the State Horse Racing Commission or the State Harness Racing Commission, whichever is applicable, determines that the physical condition of the backside area and related buildings and structures of the racetrack is sufficient to protect the health and safety of backside employees.

Cross References. Section 1404 is referred to in section 9318 of Title 3 (Agriculture).

§ 1405. Pennsylvania Race Horse Development Trust Fund.

(a) Fund established.--The Pennsylvania Race Horse Development Fund is converted into a trust fund and shall be known as the Pennsylvania Race Horse Development Trust Fund within the State Treasury.

(b) Pennsylvania race horse improvement assessment.--Each active and operating licensed gaming entity, other than a Category 4 slot machine licensee, shall pay a daily assessment to the Pennsylvania Race Horse Development Trust 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, 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 for the day, the licensed gaming

entity shall pay a daily assessment of 12% of its gross terminal revenue for that day.

(d) Distributions.--In accordance with section 1406 (relating to distributions from Pennsylvania Race Horse Development Trust Fund), the department shall make distributions from the Pennsylvania Race Horse Development Trust Fund to each of the active and operating Category 1 licensees conducting live racing.
(July 18, 2013, P.L.574, No.71, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

Cross References. Section 1405 is referred to in sections 1103, 1313, 1401, 1405.1, 1406 of this title.

§ 1405.1. Protection of funds.

(a) Payment.--Daily assessments collected or received by the department under section 1405 (relating to Pennsylvania Race Horse Development Trust Fund) are not funds of the Commonwealth. The daily assessments shall be paid by the State Treasurer as directed by the department to each active and operating Category 1 licensee conducting live racing for the obligations of Category 1 licensees in accordance with section 1406 (relating to distributions from Pennsylvania Race Horse Development Trust Fund). The Commonwealth shall not be rightfully entitled to any money described under this section and sections 1405 and 1406.

(b) Eligible recipients.--Funds allocated to the horsemen's organization under this part must be used to benefit all horsemen. Funds acquired from other sources shall be kept separate and apart from funds obtained under this part.

(c) Applicability.--This section shall not apply to 3 Pa.C.S. § 9313 (relating to budget) for promotion of horse racing, 3 Pa.C.S. § 9374 (relating to costs of enforcement of medication rules or regulations) and the annual transfer of \$19,659,000 under section 1723-A.1 of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code.
(Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 added section 1405.1.

§ 1406. Distributions from Pennsylvania Race Horse Development Trust Fund.

(a) Distributions.--Funds from the Pennsylvania Race Horse Development Trust Fund shall be distributed to each active and operating Category 1 licensee conducting live racing in the following manner:

(1) An amount equal to 18% of the daily gross terminal revenue of each Category 1 licensee shall be distributed to each active and operating Category 1 licensee conducting live racing unless the daily assessments are affected by the daily assessment cap provided for in section 1405(c) (relating to Pennsylvania Race Horse Development Trust Fund). In cases in which the daily assessment cap affects daily assessments, the distribution to each active and operating Category 1 licensee conducting live racing for that day shall be a percentage of the total daily assessments paid into the Pennsylvania Race Horse Development Trust Fund for that day equal to the gross terminal revenue of each active and operating Category 1 licensee conducting live racing for that day divided by the total gross terminal revenue of all active and operating Category 1 licensees conducting live racing for that day. The distributions to licensed racing entities from the Pennsylvania Race Horse Development Trust Fund shall be allocated as follows:

(i) Eighty percent to be deposited weekly into a separate, interest-bearing purse account to be established by and for the benefit of the horsemen. The earned interest on the account shall be credited to the purse account. Licensees shall combine these funds with revenues from existing purse agreements to fund purses for live races consistent with those agreements with the advice and consent of the horsemen.

(ii) From licensees that operate at thoroughbred tracks, 16% to be deposited on a monthly basis into the Pennsylvania Breeding Fund as defined in 3 Pa.C.S. § 9336 (relating to Pennsylvania Breeding Fund). From licensees that operate at standardbred tracks, 8% to be deposited on a monthly basis in the Pennsylvania Sire Stakes Fund as defined in 3 Pa.C.S. § 9337 (relating to Pennsylvania Sire Stakes Fund) and 8% to be deposited on a monthly basis into a restricted account in the State Racing Fund to be known as the Pennsylvania Standardbred Breeders Development Trust Fund. The State Horse Racing Commission shall, in consultation with the Secretary of Agriculture by rule or by regulation, adopt a standardbred breeders program that will include the administration of a Pennsylvania Stallion Award, Pennsylvania Bred Award and a Pennsylvania Sired and Bred Award.

(iii) Four percent to be used to fund health and pension benefits for the members of the horsemen's organizations representing the owners and trainers at the racetrack at which the licensed racing entity operates for the benefit of the organization's members, their families, employees and others in accordance with the rules and eligibility requirements of the organization, as approved by the State Horse Racing Commission. This amount shall be deposited within five business days of the end of each month into a separate account to be established by each respective horsemen's organization at a banking institution of its choice. Of this amount, \$250,000 shall be paid annually by the horsemen's organization to the thoroughbred jockeys or standardbred drivers organization at the racetrack at which the licensed racing entity operates for health insurance, life insurance or other benefits to active and disabled thoroughbred jockeys or standardbred drivers in accordance with the rules and eligibility requirements of that organization.

(2) (Reserved).

(b) Guidelines.--The board shall establish guidelines that ensure that funds allocated to the horsemen's organization are used to finance the programs to benefit all horsemen of this Commonwealth and that administrative and overhead costs are reasonably related to such programs.

(c) Eligible recipients.--(Deleted by amendment).

(d) Reasonableness.--Funding for benevolent programs, including, but not limited to, pension, health and insurance plans, will be considered reasonable if such program funding on an annual basis is at least 85% of the total statutory allocation.

(e) Filing of audit.--(Repealed).

(f) Contracts.--All health and pension benefits contracts shall be reviewed and approved by the board.

(g) Penalty.--Any violation of the provisions of this section may subject the horsemen's organization to a fine not to exceed \$10,000 per violation.

(h) Unauthorized use of funds.--If any funds from the Pennsylvania Race Horse Development Trust Fund are diverted, redirected, taken or allocated for any purpose other than the purposes authorized under this section through legislative or administrative action, the General Assembly shall within 30 days of the diversion, redirection, taking or allocation restore all funds that have been diverted, redirected, taken or allocated from the Pennsylvania Race Horse Development Fund since 2009 for any purpose other than the purposes authorized under this section.

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.; July 2, 2012, P.L.823, No.87, eff. imd.; July 18, 2013, P.L.574, No.71, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment . Act 42 amended the section heading, added subsecs. (a) and (h) and deleted subsec. (c).

2012 Repeal. Act 87 repealed subsec. (e).

Cross References. Section 1406 is referred to in sections 1405, 1405.1 of this title.

§ 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. Except as provided under subsection (c.1), 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, other than a Category 4 slot machine licensee, shall pay a daily assessment of 5.5% of its gross terminal revenue to the Pennsylvania Gaming Economic Development and Tourism Fund.

(c.1) Supplemental Pennsylvania Gaming Economic Development and Tourism Fund Assessment.--In addition to subsection (c), beginning January 1, 2018, each licensed gaming entity, other than a Category 4 slot machine licensee, shall pay a supplemental daily assessment of 0.5% of its gross terminal revenue to the Casino Marketing and Capital Development Account. The following shall apply:

(1) The board shall submit notice to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin when the gross terminal revenue for each Category 1 and Category 2 slot machine licensee for the previous fiscal year exceeds \$200,000,000 and the gross terminal revenue for

each Category 3 slot machine licensee for the previous fiscal year exceeds \$50,000,000.

(2) This subsection shall expire on the earlier of:

- (i) ten years after the effective date of this subsection; or
- (ii) the date of publication of the notice under paragraph (1).

(d) Restrictions on projects for certain counties and cities.--Except as set forth in subsections (d.1), (d.2), (d.3) and (d.4), 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;

(7) (Deleted by amendment).

(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.

(d.2) Project extension.--Notwithstanding any provision of this title or the act of July 25, 2007 (P.L.342, No.53), known as the Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007, the projects under subsections (d)(4) and (5) and (d.1) shall be authorized beyond the expiration date of each of the projects set forth in the Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007. The following shall apply:

(1) Annual allocations for projects under subsection (d)(4) and (5), and under the former subsection (d)(7) as of the effective date of subsection (d.1), shall continue in accordance with the amounts set forth in section 4 of the Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007.

(2) Annual allocations under subsection (d)(5) shall be deposited into the restricted receipts account established under subsection (d.1) and used for projects as set forth in subsection (d.1)(1).

(d.3) Regional economic development corporation.--For a ten-year period beginning with fiscal year 2019-2020, the amount of \$2,000,000 annually shall be allocated from the Pennsylvania Gaming Economic Development and Tourism Fund for distribution to a regional economic development corporation in two contiguous counties of the third class where a city of the third class is located in more than one county of the third class for debt service on the construction of a science and education center in a city of the third class that is also the county seat located in a county of the third class in which a Category 2 licensed facility is located in a city of the third class which is located in more than one county of the third class. Unused funds from this allocation shall be distributed by the same regional economic development corporation located in two contiguous counties of the third class where a city of the third class is located in more than one county of the third class for debt service on the construction of one or more facilities that provide a science, education, arts, technology or recreational use in one or both contiguous counties of the third class where a city of the third class is located in more than one county of the third class. The funds allocated under this subsection shall be distributed in accordance with subsection (b).

(d.4) Regional Sports Commission.--Notwithstanding any provision of this title or the Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of

2007, the annual allocation authorized under subsection (d) (10) on and after the effective date of this subsection shall continue in accordance with the amounts under section 4 of the Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007 and shall be deposited into a restricted receipts account to be used exclusively by an authority created under Article XXV-A of the act of July 28, 1953 (P.L.723, No.230), known as the Second Class County Code, in a county of the second class for the establishment, administration and maintenance of a Regional Sports Commission.

(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.
(Jan. 7, 2010, P.L.1, No.1, eff. July 1, 2011; Oct. 30, 2017, P.L.419, No.42)

2017 Amendment. Act 42 amended subsections (b), (c) and (d) intro. par. and added subsections (c.1), (d.2), (d.3) and (d.4), effective January 1, 2018, as to subsections (b), (c), (c.1), (d) intro. par., (d.2) and (d.3) and immediately as to subsection (d.4).

2010 Amendment. Act 1 amended subsection (d) intro. par., added subsections (d.1), (e), (f) and (g) and deleted subsection (d) (7).

2008 Partial Repeal. Section 5104 of Act 63 of 2008, known as the H2O PA Act, provided that section 1407 is repealed insofar as it is inconsistent with Act 63.

Cross References. Section 1407 is referred to in sections 1103, 1313, 1403 of this title.

§ 1407.1. Casino Marketing and Capital Development Account.

(a) Establishment.--There is established in the Pennsylvania Gaming Economic Development and Tourism Fund a restricted account to be known as the Casino Marketing and Capital Development Account.

(b) Administration and distribution.--The Casino Marketing and Capital Development Account shall be administered by the board. All money in the Casino Marketing and Capital Development Account shall be distributed as grants in accordance with this section. The Department of Community and Economic Development shall make payments to grant recipients as directed by the board.

(c) Grant procedures.--The board shall establish procedures for a slot machine licensee, other than a Category 4 slot machine licensee, to apply for grants from the Casino Marketing and Capital Development Account. The board shall determine the form and manner in which an application for a grant may be filed with the board.

(d) Program guidelines.--The board shall establish program guidelines. Each slot machine licensee, other than a Category 4 slot machine licensee, that has been licensed for at least two years, may apply to the board for a grant under this section. Each grant awarded under this section shall be used by the slot machine licensee for marketing or capital development.

(e) Distribution of grants.--

(1) Each year, before the board awards a grant under this section, the following distributions shall be made:

(i) Each Category 1 or Category 2 slot machine licensee with gross terminal revenues of \$150,000,000 or less for the previous fiscal year shall receive \$4,000,000.

(ii) Each Category 1 or Category 2 slot machine licensee with gross terminal revenues of more than \$150,000,000 but less than \$200,000,000 for the previous fiscal year shall receive \$2,500,000.

(iii) Each Category 3 slot machine licensee with gross terminal revenue of less than \$50,000,000 for the previous fiscal year shall receive \$500,000.

(iv) If there is insufficient money in the Casino Marketing and Capital Development Account to make the required distributions under subparagraphs (i), (ii) and (iii), distributions shall be made in the proportion of:

(A) the eligible licensees under each subparagraph; to

(B) the total amount of money in the Casino Marketing and Capital Development Account.

(2) After distribution under paragraph (1), remaining money in the Casino Marketing and Capital Development Account shall be distributed by the board to other slot machine

licensees, other than Category 4 slot machine licensees, that have applied for grants.

(3) (i) No slot machine licensee may receive more than \$4,000,000 from the Casino Marketing and Capital Development Account in one year.

(ii) A slot machine licensee may not receive any funds from the Casino Marketing and Capital Development Account during the first two years following licensure.

(f) Expiration.--

(1) The board shall submit notice to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin when the gross terminal revenue for each Category 1 and Category 2 slot machine licensee for the previous fiscal year exceeds \$200,000,000 and the gross terminal revenue for each Category 3 slot machine licensee for the previous fiscal year exceeds \$50,000,000.

(2) This section shall expire on the earlier of:

(i) ten years after the effective date of this subsection; or

(ii) the date of publication of the notice under paragraph (1).

(g) Definition.--As used in this section, the term "capital development" shall include, but not be limited to, expansion or renovation of an existing licensed facility or constructing or expanding amenities at a licensed facility.
(Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 added section 1407.1.

Cross References. Section 1407.1 is referred to in section 1408 of this title.

§ 1408. Transfers from State Gaming Fund.

(a) Transfer for compulsive and problem gambling treatment.--Each year, the sum of \$2,000,000 or an amount equal to .002 multiplied by the total gross terminal revenue of all active and operating licensed gaming entities, 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). Gross terminal revenue generated at a Category 4 licensed facility shall not be included in calculating the assessment under this subsection.

(a.1) Transfer.--Beginning on the first business day of January 2010 and annually thereafter, the sum of \$3,000,000 shall be transferred to the Department of Health to be used to provide 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).

(b) Transfer for Volunteer Fire Company Grant Program.--Annually, the sum of \$25,000,000 shall be transferred from the State Gaming Fund to the Volunteer Fire Company Grant Program established under 35 Pa.C.S. Ch. 78 (relating to grants to volunteer fire companies and volunteer services).

(c) Local law enforcement grants.-- Except as provided in subsection (c.1), annually, the sum of \$2,000,000 shall be transferred to the board for the purpose of issuing grants to local law enforcement agencies to investigate violations of and enforce laws relating to unlawful gambling in this Commonwealth. For purposes of this subsection, the term "local law enforcement agency" shall include the Pennsylvania State Police when conducting unlawful gambling enforcement and prevention activities in a municipality which does not have a municipal

police department and in which the Pennsylvania State Police provide the municipality with primary police coverage.

(c.1) Transfer to the Casino Marketing and Capital Development Account.--Beginning July 1, 2017, and each year thereafter, \$2,000,000 shall be transferred to the Casino Marketing and Capital Development Account established in section 1407.1 (relating to Casino Marketing and Capital Development Account). Any money not committed for local law enforcement grants under subsection (c) on the effective date of this subsection shall be transferred to the Casino Marketing and Capital Development Account. The following shall apply:

(1) The board shall submit notice to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin when the gross terminal revenue for each Category 1 and Category 2 slot machine licensee for the previous fiscal year exceeds \$200,000,000 and the gross terminal revenue for each Category 3 slot machine licensee for the previous fiscal year exceeds \$50,000,000.

(2) This subsection shall expire on the earlier of:

(i) ten years after the effective date of this subsection; or

(ii) the date of publication of the notice under paragraph (1).

(d) Annual transfers.--(Unconstitutional).

(e) Transfer to Property Tax Relief Fund.--Monthly, the State Treasurer shall transfer the remaining balance in the State Gaming Fund which is not allocated in subsections (a), (a.1), (b), (c) and (d) to the Property Tax Relief Fund established in section 1409 (relating to Property Tax Relief Fund).

(Jan. 7, 2010, P.L.1, No.1, eff. imd.; Nov. 23, 2010, P.L.1181, No.118, eff. 60 days; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 amended subsecs. (a) and (c) and added subsec. (c.1)

2017 Correction. The Legislative Reference Bureau made a 2017 correction to reverse the erroneous effectuation of the unconstitutionality of subsec. (b).

2012 Effectuation of Declaration of Unconstitutionality.

The Legislative Reference Bureau:

(1) erroneously effectuated the 2005 unconstitutionality of subsec. (b) by overlooking the amendment of Act 118 of 2010; and

(2) effectuated the 2005 unconstitutionality as to subsec. (d).

2010 Amendments. Act 1 amended subsecs. (a), (c) and (e) and added subsec. (a.1) and Act 118 amended subsec. (b). See section 19 of Act 1 in the appendix of this title for special provisions relating to transfer of sums.

2005 Unconstitutionality. Subsections (b) and (d) were declared unconstitutional. *Pennsylvanians Against Gambling Expansion Funds, Inc. v. Commonwealth*, 877 A.2d 383 (Pa. 2005).

Cross References. Section 1408 is referred to in sections 1509, 1509.1 of this title.

§ 1409. Property Tax Relief Fund.

(a) Establishment.--There is hereby established in the State Treasury a special fund to be known as the Property Tax Relief Fund, which shall receive money from the State Gaming Fund and any other money from any source designated for deposit in the Property Tax Relief Fund.

(b) Use of money.--Money in the Property Tax Relief Fund shall be used for local property and wage tax relief as specified by law and is hereby appropriated.

Cross References. Section 1409 is referred to in sections 13A62, 13B52, 1403, 1408 of this title.

CHAPTER 15

ADMINISTRATION AND ENFORCEMENT

Sec.

- 1501. Responsibility and authority of department.
- 1502. Liens and suits for taxes.
- 1503. Applicants to provide tax information.
- 1504. Wagering on credit.
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- 1506. Licensed facility zoning and land use appeals.
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- 1519. Detention.
- 1520. Automated teller machines.
- 1521. Liquor licenses at licensed facilities.
- 1522. Interception of oral communications.
- 1523. Electronic funds transfer terminals.

Enactment. Chapter 15 was added July 5, 2004, P.L.572, No.71, effective immediately.

§ 1501. Responsibility and authority of department.

(a) General rule.--The department is authorized to administer and collect taxes imposed under this part 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 this part, including the collection of taxes, penalties and interest imposed by this part.

(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, table games and interactive gaming under this part.

(c) Procedure.--For purposes of implementing this part, the department may promulgate regulations in the same manner in which the board is authorized as provided in section 1203 (relating to temporary regulations) and section 13A03 (relating to temporary table game regulations).

(d) Additional penalty.--Any person who fails to timely remit to the department or the State Treasurer amounts required under this part shall be liable, in addition to any liability imposed elsewhere in this part, 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.

(Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 amended subsec. (b).

2010 Amendment. Act 1 amended subsecs. (b) and (c).

§ 1502. Liens and suits for taxes.

The provisions of this part shall be subject to the provisions of sections 242 and 243 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

§ 1503. Applicants to provide tax information.

The provisions of section 477 of the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, shall apply to all applicants for the grant, renewal or transfer of any license or permit issued by the Pennsylvania Liquor Control Board under the Liquor Code consistent with this part.

§ 1504. Wagering on credit.

(a) General rule.--Except as otherwise provided in this section, slot machine licensees shall not extend credit. Slot machine licensees shall not accept credit cards, charge cards or debit cards from a patron or a player for the exchange or purchase of slot machine credits or for an advance of coins or currency to be utilized by a player to play slot machine games or extend credit in any manner to a player so as to enable the player to play slot machines. Slot machine licensees who hold a table game operation certificate may extend credit for slot machine gaming in accordance with section 13A26 (relating to cash equivalents).

(b) Prepaid access instruments.--Prepaid access instruments are not deemed to be a credit card, charge card, debit card or any other instrument of credit and are not prohibited under this section.

(Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

Cross References. Section 1504 is referred to in section 13A27 of this title.

§ 1505. No eminent domain authority.

Neither the Commonwealth nor any political subdivision thereof shall have the right to acquire, with or without compensation, through the power of eminent domain any property, easement or land use right for the siting or construction of a licensed facility.

(Jan. 7, 2010, P.L.1, No.1, eff. imd.)

§ 1506. Licensed facility zoning and land use appeals.

In order to facilitate timely implementation of casino gaming as provided in this part, notwithstanding 42 Pa.C.S. § 933(a)(2) (relating to appeals from government agencies), the Supreme Court of Pennsylvania is vested with exclusive appellate jurisdiction to consider appeals of a final order, determination or decision of a political subdivision or local instrumentality involving zoning, usage, layout, construction or occupancy, including location, size, bulk and use of a licensed facility. The court, as appropriate, may appoint a master to hear an appeal under this section.
(Nov. 1, 2006, P.L.1243, No.135, eff. imd.)

2017 Correction. The Legislative Reference Bureau made a 2017 correction to reverse the erroneous effectuation of unconstitutionality by overlooking the amendment by Act 135 of 2006.

2012 Erroneous Effectuation of Declaration of Unconstitutionality. The Legislative Reference Bureau erroneously effectuated the 2005 unconstitutionality.

2005 Unconstitutionality. Section 1506 was declared unconstitutional. *Pennsylvanians Against Gambling Expansion Funds, Inc. v. Commonwealth*, 877 A.2d 383 (Pa. 2005).

§ 1507. Inapplicability of Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act.

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, shall not apply to taxes or fees payable under this part.

§ 1508. Athletic event gaming.

Nothing in this part shall be construed to permit the receiving, recording or the registering of bets or wagers or selling pools which may involve any professional or amateur athletic event. Nothing in this part shall be construed to prohibit staging or conducting athletic events at licensed facilities.

§ 1509. Compulsive and problem gambling program.

(a) Establishment of program.--The Department of Drug and Alcohol Programs or successor agency, in consultation with organizations similar to the Mid-Atlantic Addiction Training Institute, 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. The guidelines shall include strategies for the prevention of compulsive and problem gambling. The Department of Drug and Alcohol Programs or successor agency may consult with the board and licensed gaming entities to develop such strategies.

(a.1) Duties of Department of Drug and Alcohol Programs or successor agency.--From funds available in the Compulsive and Problem Gambling Treatment Fund, the Department of Drug and Alcohol Programs or successor agency shall:

(1) Maintain one compulsive gamblers assistance organization's toll-free problem gambling telephone number, which shall be the number 1-800-GAMBLER, to provide crisis counseling and referral services to individuals and families experiencing difficulty as a result of problem or compulsive gambling. If the Department of Drug and Alcohol Programs or successor agency determines that it is unable to adopt the number 1-800-GAMBLER, the Department of Drug and Alcohol Programs or successor agency shall maintain another number.

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

(3) At its discretion, conduct studies to identify individuals in this Commonwealth who are or are at risk of becoming problem or compulsive gamblers.

(4) Provide grants to and contract with single county authorities and other organizations which provide services as set forth in this section.

(5) Reimburse organizations for reasonable expenses incurred assisting the Department of Drug and Alcohol Programs or successor agency with implementing this section.

(a.2) Duties of Department of Drug and Alcohol Programs or successor agency and board.--The Department of Drug and Alcohol Programs or successor agency and the board's Office of Compulsive and Problem Gambling shall jointly collaborate with other appropriate offices and agencies of State or local government, including single county authorities, and providers and other persons, public or private, with expertise in compulsive and problem gambling treatment to do the following:

(1) Implement a strategic plan for the prevention and treatment of compulsive and problem gambling.

(2) Adopt compulsive and problem gambling treatment standards to be integrated with the Department of Drug and Alcohol Program's or successor agency's uniform Statewide guidelines that govern the provision of addiction treatment services.

(3) Develop a method to coordinate compulsive and problem gambling data collection and referral information to crisis response hotlines, child welfare and domestic violence programs and providers and other appropriate programs and providers.

(4) Develop and disseminate educational materials to provide public awareness related to the prevention, recognition and treatment of compulsive and problem gambling.

(5) Develop demographic-specific compulsive and problem gambling prevention, intervention and treatment programs.

(6) Prepare an itemized budget outlining how funds will be allocated to fulfill the responsibilities under this section.

(b) Compulsive and Problem Gambling Treatment Fund.--There is hereby established in the State Treasury a special fund to be known as the Compulsive and Problem Gambling Treatment Fund. All moneys in the fund shall be administered by the Department of Drug and Alcohol Programs or successor agency and expended solely for programs for the prevention and treatment of gambling addiction and other emotional and behavioral problems associated with or related to gambling addiction and for the administration of the compulsive and problem gambling program, provided that the Department of Drug and Alcohol Programs or successor agency shall annually distribute at least 50% of the money in the fund to single county authorities under subsection (d). The fund shall consist of money annually allocated to it from the annual payment established under section 1408(a) (relating to transfers from State Gaming Fund), money which may be allocated by the board, interest earnings on moneys in the fund and any other contributions, payments or deposits which may be made to the fund.

(c) Notice of availability of assistance.--

(1) Except as otherwise provided for in paragraph (4), each slot machine licensee shall use the toll-free telephone

number established by the Department of Drug and Alcohol Programs or successor agency in subsection (a.1)(1) 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 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).

Except as otherwise provided for in paragraph (4), the toll-free telephone number shall be the same telephone number established by the Department of Drug and Alcohol Programs or successor agency under subsection (a.1)(1).

(2.1) Each interactive gaming certificate holder and interactive gaming operator:

(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 displayed to any person visiting or logging onto the interactive gaming certificate holder's interactive gaming skin or interactive gaming 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 knowingly 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. Notwithstanding any other provision of this subparagraph, 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 gaming entity, interactive gaming certificate holder or interactive gaming operator, as the case may be, which fails to post or print the warning sign in accordance with paragraph (1), (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.

(3.1) An interactive gaming certificate holder or interactive gaming operator, 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.

(4) Slot machine licensees or racetracks utilizing a toll-free telephone number other than the number established by the Department of Drug and Alcohol Programs or successor agency under subsection (a.1)(1) prior to the effective date of this paragraph may continue to use that number for a period not to exceed three years from the effective date of this paragraph upon showing good cause to the Department of Drug and Alcohol Programs or successor agency.

(d) Single county authorities.--The Department of Drug and Alcohol Programs or successor agency shall make grants from the fund established under subsection (b) to single county authorities created pursuant to the act of April 14, 1972 (P.L.221, No.63), known as the Pennsylvania Drug and Alcohol Abuse Control Act, for the purpose of providing compulsive gambling and gambling addiction prevention, treatment and education programs. Treatment may include financial counseling, irrespective of whether the financial counseling is provided by the single county authority, the treatment service provider or subcontracted to a third party. It is the intention of the General Assembly that any grants made by the Department of Drug and Alcohol Programs or successor agency to any single county authority in accordance with the provisions of this subsection be used exclusively for the development and implementation of compulsive and problem gambling programs authorized under this section.

(d.1) Eligibility.--Eligibility to receive treatment services for treatment of compulsive and problem gambling under this section shall be determined using financial eligibility and other requirements of the single county authorities as approved by the Department of Drug and Alcohol Programs or successor agency.

(d.2) Report.--Annually on October 1, the Department of Drug and Alcohol Programs or successor agency, in consultation with the board, shall prepare and submit a report on the impact of the programs funded by the Compulsive and Problem Gambling Treatment Fund to the Governor and to the members of the General Assembly. The report shall include aggregate demographic-specific data, including race, gender, geography and income of those individuals treated.

(e) Definition.--As used in subsection (d), the term "single county authority" means the agency designated by the Department of Health pursuant to the Pennsylvania Drug and Alcohol Abuse Control Act, to plan and coordinate drug and alcohol prevention, intervention and treatment services for a geographic area, which may consist of one or more counties.

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. 60 days)

Cross References. Section 1509 is referred to in section 13B54, 13C04, 13C64, 1408, 3310, 4105 of this title.

§ 1509.1. Drug and alcohol treatment.

(a) Duties of Department of Health.--Annually, the Department of Health shall allocate and transfer all funds received by it under section 1408(a.1) (relating to transfers from State Gaming Fund) to the single county authorities.

(b) Duties of single county authorities.--The funds allocated and transferred to the single county authorities under subsection (a) shall be used by the single county authorities solely for drug and alcohol addiction assessments, including drug and alcohol addiction assessment associated or related to compulsive and problem gambling, and for the related addiction treatment, in nonhospital residential detoxification facilities, nonhospital residential rehabilitation facilities and halfway houses licensed by the Department of Health to provide addiction treatment services.

(c) Eligibility.--Eligibility to receive treatment services for treatment of drug and alcohol addiction or drug and alcohol addiction associated with or related to compulsive and problem gambling shall be determined using financial eligibility and other requirements of the single county authorities as approved by the Department of Health.

(d) Report.--No later than October 1, 2010, and each October 1 thereafter, the Bureau of Drug and Alcohol Programs shall prepare and submit a report to the Governor and to the members of the General Assembly on the data and progress on activities initiated under this section.

(Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. Act 1 added section 1509.1.

Cross References. Section 1509.1 is referred to in sections 334, 13B54, 13C64, 1408 of this title.

§ 1510. Labor hiring preferences.

(a) Category 1, Category 2, Category 3 and Category 4 licensed facilities, generally.--Each licensed gaming entity shall prepare a hiring plan for employees of its respective licensed facility which promotes a diverse work force, minority participation and personnel from within the surrounding geographical area. The hiring plan shall be approved by the board and shall be consistent with the goals outlined in sections 1212 (relating to diversity goals of board) and 13A04 (relating to Commonwealth resident employment goals) and shall be updated annually.

(b) Category 1 licensed facilities.--All current employees of a racetrack who meet the employment qualifications, if applicable, within this part and all those covered by a collective bargaining agreement as defined in the National Labor Relations Act (49 Stat. 449, 29 U.S.C. § 151 et seq.) where the licensed racing entity conducts racing shall be given a one-time preference of an offer of employment for a similar position at the licensed facility in a manner consistent with Federal law. If a similar position does not exist at the licensed facility, the employee or person covered by a collective bargaining agreement shall have a one-time preference of an offer of a position at comparable level at the licensed facility. All current employees and all those covered by a collective bargaining agreement shall have a period of 30 days from the issuance of a slot machine license to request employment at the licensed facility under this section. No current employee covered by this section shall suffer a reduction of salary,

benefits or status as a result of an acceptance of new employment in the new facility.

(Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 amended subsec. (a).

Cross References. Section 1510 is referred to in sections 13A12, 13B12, 13F11 of this title.

§ 1511. Declaration of exemption from Federal laws prohibiting slot machines.

(a) Declaration.--Pursuant to the Gambling Devices Transportation Act (64 Stat. 1134, 15 U.S.C. § 1171 et seq.), the Commonwealth declares that it is exempt from section 2 of that act.

(b) Legal shipments.--All shipments of gambling devices, as defined in section 1 of the Gambling Devices Transportation Act (64 Stat. 1134, 15 U.S.C. § 1171), into this Commonwealth, the registering, recording and labeling of which has been effected by the manufacturer and supplier of those devices, in accordance with sections 3 and 4 of the Gambling Devices Transportation Act (64 Stat. 1134, 15 U.S.C. §§ 1173 and 1174), shall be deemed legal shipments of gambling devices into this Commonwealth.

(Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. Act 1 amended subsec. (b).

§ 1512. Financial and employment interests.

(a) Financial interests.--Except as may be provided for the judiciary by rule or order of the Pennsylvania Supreme Court, an executive-level public employee, public official or party officer, or an immediate family member thereof, shall not intentionally or knowingly hold a financial interest in an applicant or a slot machine licensee, manufacturer licensee, supplier licensee or licensed racing entity, or in a holding company, affiliate, intermediary or subsidiary thereof, while the individual is an executive-level public employee, public official or party officer and for one year following termination of the individual's status as an executive-level public employee, public official or party officer.

(a.1) Employment.--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 an immediate family member thereof, shall be employed by an applicant or a slot machine licensee, manufacturer licensee, supplier licensee or licensed racing entity, or by any holding company, affiliate, intermediary or subsidiary thereof, while the individual is an executive-level public employee, public official or party officer and for one year following termination of the individual's status as an executive-level public employee, public official or party officer.

(a.2) Complimentary services.--

(1) No executive-level public employee, public official or party officer, or an immediate family member thereof, shall solicit or accept any complimentary service from an applicant or a slot machine licensee, manufacturer licensee, supplier licensee or licensed racing entity, or from any affiliate, intermediary, subsidiary or holding company thereof, which the executive-level public employee, public official or party officer, or an immediate family member thereof, knows or has reason to know is other than a service

or discount which is offered to members of the general public in like circumstances.

(2) No applicant, slot machine licensee, manufacturer licensee, supplier licensee or licensed racing entity, or any affiliate, intermediary, subsidiary or holding company thereof, shall offer or deliver to an executive-level public employee, public official or party officer, or an immediate family member thereof, any complimentary service from the applicant or slot machine licensee, manufacturer licensee, supplier licensee or licensed racing entity, or an affiliate, intermediary, subsidiary or holding company thereof, that the applicant or slot machine licensee, manufacturer licensee, supplier licensee or licensed racing entity, or any affiliate, intermediary, subsidiary or holding company thereof, knows or has reason to know is other than a service or discount that is offered to members of the general public in like circumstances.

(a.3) Grading.--An individual who violates this section commits a misdemeanor and shall, upon conviction, be sentenced to pay a fine of not more than \$1,000 or to imprisonment for not more than one year, or both.

(a.4) Divestiture.--An executive-level public employee, public official or party officer, or an immediate family member thereof, who holds a financial interest prohibited by this section shall divest the financial interest within three months of the effective date of the restrictions set forth in subsection (a), as applicable. Thereafter, any executive-level public employee, public official, party officer or immediate family member shall have 30 days from the date the individual knew or had reason to know of the violation or 30 days from the publication in the Pennsylvania Bulletin under § 1202(b)(27) (relating to general and specific powers) of the application or licensure of the executive-level public employee, public official, party officer or immediate family member, whichever occurs earlier, to divest the financial interest. The Ethics Commission may, for good cause, extend the time period under this subsection.

(a.5) State Ethics Commission.--The State Ethics Commission shall do all of the following:

(1) Issue a written determination of whether a person is subject to subsections (a), (a.1) or (a.2) upon the written request of the person or any other person that may have liability for an action taken with respect to such person. A person that relies in good faith on a determination made under this paragraph shall not be subject to any penalty for an action taken, provided that all material facts set forth in the request for the determination are correct.

(2) Publish a list of all State, county, municipal and other government positions that meet the definitions of "public official" as defined under subsection (b) or "executive-level public employee". The Office of Administration shall assist the State Ethics Commission in the development of the list, which shall be published by the State Ethics Commission in the Pennsylvania Bulletin biennially and posted by the board on the board's Internet website. Upon request, each public official shall have a duty to provide the State Ethics Commission with adequate information to accurately develop and maintain the list. The State Ethics Commission may impose a civil penalty under 65 Pa.C.S. § 1109(f) (relating to penalties) upon any individual, including any public official or executive-level public employee, who fails to cooperate with the State Ethics

Commission under this subsection. A person that relies in good faith on the list published by the State Ethics Commission shall not be subject to any penalty for a violation of this section.

(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 of 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 of 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.

(b) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection:

"Executive-level public employee." (Deleted by amendment).

"Financial interest." Owning or holding, or being deemed to hold, debt or equity securities or other ownership interest or profits interest. A financial interest shall not include any debt or equity security, or other ownership interest or profits interest, which is held or deemed to be held in any of the following:

(1) A blind trust over which the executive-level public employee, public official, party officer or immediate family member thereof may not exercise any managerial control or receive income during the tenure of office and the period under subsection (a). The provisions of this paragraph shall apply only to blind trusts established prior to the effective date of this paragraph.

(2) Securities that are held in a pension plan, profit-sharing plan, individual retirement account, tax-sheltered annuity, a plan established pursuant to section 457 of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.) or any successor provision deferred compensation plan whether qualified or not qualified under the Internal Revenue Code of 1986 or any successor provision or other retirement plan that:

(i) is not self-directed by the individual; and

(ii) is advised by an independent investment adviser who has sole authority to make investment decisions with respect to contributions made by the individual to these plans.

(3) A tuition account plan organized and operated pursuant to section 529 of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 529) that is not self-directed by the individual.

(4) A mutual fund where the interest owned by the mutual fund in a licensed entity does not constitute a controlling interest as defined in this part.

"Immediate family." A spouse, minor child or unemancipated child.

"Law enforcement authority." (Deleted by amendment).

"Party officer." A member of a national committee; a chairman, vice chairman, secretary, treasurer or counsel of a State committee or member of the executive committee of a State committee; a county chairman, vice chairman, counsel, secretary or treasurer of a county committee in which a licensed facility is located; or a city chairman, vice chairman, counsel, secretary or treasurer of a city committee of a city in which a licensed facility is located.

"Public official." The term shall include the following:

(1) The Governor, Lieutenant Governor, a member of the Governor's cabinet, Treasurer, Auditor General and Attorney General of the Commonwealth.

(2) A member of the Senate or House of Representatives of the Commonwealth.

(3) An individual elected or appointed to any office of a county or municipality that directly receives a distribution of revenue under this part.

(4) An individual elected or appointed to a department, agency, board, commission, authority or other governmental body not included in paragraph (1), (2) or (3) that directly receives a distribution of revenue under this part.

(5) An individual elected or appointed to a department, agency, board, commission, authority, county, municipality or other governmental body not included in paragraph (1), (2) or (3) with discretionary power which may influence or affect the outcome of an action or decision and who is involved in the development of regulation or policy relating to a licensed entity or who is involved in other matters under this part.

The term does not include a member of a school board or an individual who held an uncompensated office with a governmental body prior to January 1, 2006, and who no longer holds the office as of January 1, 2006. The term includes a member of an advisory board or commission which makes recommendations relating to a licensed facility.

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 added subsec. (a.6).

2010 Amendment. Act 1 amended subsecs. (a.1), (a.5) and (b).

Cross References. Section 1512 is referred to in sections 1201, 1305, 1325 of this title; section 9311 of Title 3 (Agriculture).

§ 1512.1. Additional restrictions.

(a) Restrictions.--No individual trooper or employee of the Pennsylvania State Police or employee of the Office of Attorney General or the department whose duties substantially involve licensing or enforcement, the development of laws or the development or adoption of regulations or policy related to gaming under this part or who has other discretionary authority which may affect or influence the outcome of an action, proceeding or decision under this part shall do any of the following:

(1) Accept employment with or be retained by an applicant or licensed entity, or an affiliate, intermediary, subsidiary or holding company of an applicant or licensed entity, for a period of two years after the termination of employment.

(2) Appear before the board in any hearing or proceeding or participate in any other activity on behalf of any applicant, licensee, permittee or licensed entity, or an affiliate, intermediary, subsidiary or holding company of an applicant, licensee or licensed entity, for a period of two years after termination of employment. Nothing in this paragraph shall prevent a current or former trooper or employee of the Pennsylvania State Police, the Office of Attorney General or the department from appearing before the board in any proceeding or hearing as a witness or testifying as to any fact or information.

(3) As a condition of employment, a potential employee who would be subject to this subsection shall sign an affidavit that the individual will not accept employment with or be retained by any applicant or licensed entity, or an affiliate, intermediary, subsidiary or holding company of an applicant or licensed entity, for a period of two years after the termination of employment.

(b) Employment or retention.--An applicant or licensed entity or an affiliate, intermediary, subsidiary or holding company of an applicant or licensed entity shall not employ or retain an individual subject to subsection (a) until the expiration of the period required in subsection (a)(1). An applicant or licensed entity, or an affiliate, intermediary, subsidiary or holding company of an applicant or licensed entity, that knowingly employs or retains an individual in violation of this subsection shall terminate the employment of the individual and be subject to a penalty under section 1518(c) (relating to prohibited acts; penalties).

(c) Violation.--If an individual subject to subsection (a) refuses or otherwise fails to sign an affidavit, the individual's potential employer shall rescind the offer of employment.

(d) Code of conduct.--The Pennsylvania State Police, Office of Attorney General and department each shall adopt a comprehensive code of conduct which shall supplement all other requirements under this part and 65 Pa.C.S. Pt. II (relating to accountability), as applicable, and shall provide guidelines applicable to troopers, employees, independent contractors of the agency whose duties substantially involve licensing or enforcement, the development of laws or the development or adoption of regulations or policy related to gaming under this

part or who have other discretionary authority which may affect the outcome of an action, proceeding or decision under this part, and the immediate families of these individuals to enable them to avoid any perceived or actual conflict of interest and to promote public confidence in the integrity and impartiality of gaming enforcement and regulation. At a minimum, the code of conduct adopted under this section shall apply the types of restrictions applicable to members under section 1202.1(c) (relating to code of conduct), except that the restrictions under section 1202.1(c)(5) shall not apply to an elected Attorney General.

(e) State Ethics Commission.--The State Ethics Commission shall do all of the following:

(1) Issue a written determination of whether an individual is subject to subsection (a) upon the written request of the individual or the individual's employer or potential employer. A person that relies in good faith on a determination made under this paragraph shall not be subject to any penalty for an action taken, provided that all material facts set forth in the request for the determination are correct.

(2) Publish a list of all positions within the Pennsylvania State Police, the Office of Attorney General and the department whose duties would subject the individuals in those positions to the provisions of subsection (a). Each agency subject to this subsection shall assist the State Ethics Commission in the development of the list, which shall be published by the State Ethics Commission in the Pennsylvania Bulletin biennially, shall be posted by the board on the board's Internet website and shall be posted by each agency on the agency's Internet website. Upon request by the State Ethics Commission, members and employees of each agency subject to this subsection shall have a duty to provide the State Ethics Commission with adequate information to accurately develop and maintain the list. The State Ethics Commission may impose a civil penalty under 65 Pa.C.S. § 1109(f) (relating to penalties) upon any individual who fails to cooperate with the State Ethics Commission under this subsection. A person who relies in good faith on the list published by the State Ethics Commission shall not be subject to any penalty for a violation of subsection (a).

(Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. Act 1 added section 1512.1.

Cross References. Section 1512.1 is referred to in section 1512 of this title.

§ 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.

(a.1) Contributions to certain associations and organizations barred.--The individuals prohibited from making political contributions under subsection (a) shall not make a political contribution of money or an in-kind contribution to any association or organization, including a nonprofit organization, that has been solicited by, or knowing that the contribution or a portion thereof will be contributed to, the elected official, executive-level public employee or candidate for nomination or election to a public office in this Commonwealth.

(a.2) Internet website.--

(1) The board shall establish an Internet website that includes a list of all applicants for and holders of a slot machine license, manufacturer license, supplier license or racing entity license, and the affiliates, intermediaries, subsidiaries, holding companies, principals and key employees thereof, all persons holding a similar gaming license in another jurisdiction, and the affiliates, intermediaries, subsidiaries, holding companies, principals and key employees thereof, and any other entity in which the applicant or licensee has any debt or equity security or other ownership or profits interest. An applicant or licensee shall notify the board within seven days of the discovery of any change in or addition to the information. The list shall be published semiannually in the Pennsylvania Bulletin.

(2) An individual who acts in good faith and in reliance on the information on the Internet website shall not be subject to any penalties or liability imposed for a violation of this section.

(3) The board shall request the information required under paragraph (1) from persons licensed in another jurisdiction who do not hold a license in this Commonwealth and from regulatory agencies in the other jurisdiction. If a licensee in another jurisdiction refuses to provide the information required under paragraph (1), the person and its officers, directors or persons with a controlling interest shall be ineligible to receive any license under this part.

(b) Annual certification.--The chief executive officer, or other appropriate individual, of each applicant for a slot machine license, manufacturer license or supplier license, licensed racing entity, licensed supplier, licensed manufacturer or licensed gaming entity shall annually certify under oath to the board and the Department of State that such applicant or licensed racing entity, licensed supplier, licensed manufacturer or licensed gaming entity has developed and implemented internal

safeguards and policies intended to prevent a violation of this provision and that such applicant or licensed racing entity or licensed gaming entity has conducted a good faith investigation that has not revealed any violation of this provision during the past year.

(c) Penalties.--

(1) The first violation of this section by a licensed gaming entity or any person that holds a controlling interest in such gaming entity, or a subsidiary company thereof, or any officer, director or management-level employee of such licensee shall be punishable by a fine equal to an amount not less than the average single day's gross terminal revenue and gross table game revenue of the licensed gaming entity; a second violation of this section, within five years of the first violation, shall be punishable by at least a one-day suspension of the license held by the licensed gaming entity and a fine equal to an amount not less than two times the average single day's gross terminal revenue and gross table game revenue of the licensed gaming entity; a third violation of this section within five years of the second violation shall be punishable by the immediate revocation of the license held by the licensed gaming entity. Following revocation, the board shall consider appointing a trustee in accordance with section 1332 (relating to appointment of trustee).

(2) The first violation of this section by a manufacturer or supplier licensed pursuant to this part or by any person that holds a controlling interest in such manufacturer or supplier, or a subsidiary company thereof, or any officer, director or management-level employee of such a licensee shall be punishable by a fine equal to an amount not less than a single day's average of the gross profit from sales made by the manufacturer or supplier in Pennsylvania during the preceding 12-month period or portion thereof in the event the manufacturer or supplier has not operated in Pennsylvania for 12 months; a subsequent violation of this section within five years of a prior violation shall be punishable by a one-month suspension of the license held by the manufacturer or supplier and a fine equal to an amount not less than two times a single day's average of the gross profit from sales made by the manufacturer or supplier in Pennsylvania during the preceding 12-month period or portion thereof in the event the manufacturer or supplier has not operated in Pennsylvania for 12 months.

(3) In no event shall the fine imposed under this section be an amount less than \$100,000 for each violation. In addition to any fine or sanction that may be imposed by the board under this subsection, any individual who makes a contribution in violation of this section commits a misdemeanor of the third degree.

(d) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection:

"Contribution." Any payment, gift, subscription, assessment, contract, payment for services, dues, loan, forbearance, advance or deposit of money or any valuable thing made to a candidate or political committee for the purpose of influencing any election in this Commonwealth or for paying debts incurred by or for a candidate or committee before or after any election. The term shall include the purchase of tickets for events including dinners, luncheons, rallies and other fundraising

events; the granting of discounts or rebates not available to the general public; or the granting of discounts or rebates by television and radio stations and newspapers not extended on an equal basis to all candidates for the same office; and any payments provided for the benefit of any candidate, including payments for the services of a person serving as an agent of a candidate or committee by a person other than the candidate or committee or person whose expenditures the candidate or committee must report. The term also includes any receipt or use of anything of value received by a political committee from another political committee and also includes any return on investments by a political committee.

"Political committee." Any committee, club, association or other group of persons which receives contributions or makes expenditures.

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 amended subsec. (a).

2010 Amendment. Act 1 amended subsec. (c).

2006 Amendment. Act 135 amended subsec. (a) and added subsecs. (a.1), (a.2) and (d).

Cross References. Section 1513 is referred to in sections 1202.1, 1325 of this title; section 9319 of Title 3 (Agriculture).

§ 1514. Regulation requiring exclusion, 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. 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 would, in the opinion of the board, be inimical to the interest of the Commonwealth or of licensed gaming therein, or both.

(b) Categories to be defined.--The board shall promulgate definitions establishing those categories of persons who shall be excluded or ejected pursuant to this section, including cheats and persons whose privileges for licensure, certification, permit or registration have been revoked.

(c) Discrimination prohibited.--Race, color, creed, national origin or ancestry or sex shall not be a reason for placing the name of any person upon a list under this section.

(d) Sanctions.--The board may impose sanctions upon a licensed gaming entity or interactive gaming operator 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 any person placed by the board on the list of persons to be excluded, ejected or denied access.

(e) List not all-inclusive.--Any list compiled by the board of persons to be excluded, 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 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 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 electronic mail, if the electronic mail address of the person is known to the bureau.

(g) Hearing.--Within 30 days after receipt of notice in accordance with subsection (f), the person named for exclusion or ejection may demand a hearing before the board, at which hearing the bureau shall have the affirmative obligation to demonstrate that the person named for exclusion or ejection satisfies the criteria for exclusion or ejection established by this section and the board's regulations. Failure of the person to demand a hearing within 30 days after service shall be deemed an admission of all matters and facts alleged in the bureau's notice and shall preclude the person from having an administrative hearing, but shall in no way affect the right to judicial review as provided in this section.

(h) Review.--If, upon completion of a hearing on the notice of exclusion or ejection, the board determines that placement of the name of the person on the exclusion or ejection list is appropriate, the board shall make and enter an order to that effect, which order shall be served on all licensed gaming entities. The order shall be subject to review by the Commonwealth Court in accordance with the rules of court. (Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 amended the section heading and subsecs. (a), (d), (e) and (f).

2010 Amendment. Act 1 amended the section heading and subsecs. (b), (f), (g) and (h).

Cross References. Section 1514 is referred to in sections 13A27, 13B02, 13B22, 13B32 of this title.

§ 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 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 any person who disrupts the operations of its premises or its interactive gaming, threatens the security of its premises or its occupants or is disorderly or intoxicated or who threatens the security of its licensed facility or the area of a licensed facility where interactive gaming operations are managed, administered or controlled. (Oct. 30, 2017, P.L.419, No.42, eff. imd.)

Cross References. Section 1515 is referred to in sections 13B02, 13B22, 13B32 of this title.

§ 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, 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.

(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 and to remove self-excluded persons from targeted mailings or other forms of advertising or promotions and deny self-excluded persons access to complimentaries, 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;

(1.1) the failure of an interactive gaming certificate holder or interactive gaming operator to withhold interactive gaming privileges from or restore interactive gaming privileges 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 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.
(Oct. 30, 2017, P.L.419, No.42, eff. imd.)

Cross References. Section 1516 is referred to in section 13A27, 13B02, 13B22, 13B32 of this title.

§ 1516.1. Prosecutorial and adjudicatory functions.

The board shall promulgate regulations and adopt procedures necessary to ensure that the bureau is a distinct entity and to prevent commingling of the investigatory and prosecutorial functions of the bureau under section 1517 (relating to investigations and enforcement) and the adjudicatory functions of the board. Regulations and procedures promulgated or adopted under this section shall do all of the following:

(1) Provide that neither the executive director nor the chief counsel of the board shall direct or limit the scope of a background investigation conducted by the bureau.

(2) Incorporate section 1202.1(c.1) (relating to code of conduct) and any other applicable provisions of section 1202.1.

(Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. Act 1 added section 1516.1.

§ 1517. Investigations and enforcement.

(a) Establishment.--There is hereby established within the board a Bureau of Investigations and Enforcement which shall be independent of the board in matters relating to the enforcement of this part. The bureau shall have the powers and duties set forth in subsection (a.1).

(a.1) Powers and duties of bureau.--The Bureau of Investigations and Enforcement shall have the following powers and duties:

(1) Enforce the provisions of this part.

(2) Investigate and review all applicants and applications for a license, permit or registration. The bureau shall be prohibited from disclosing any portion of a background investigation report to any member prior to the submission of the bureau's final background investigation report relating to the applicant's suitability for licensure to the board. The Office of Enforcement Counsel, on behalf of the bureau, shall prepare the final background investigation report for inclusion in a final report relating to the applicant's suitability for licensure.

(3) Investigate licensees, permittees, registrants and other persons regulated by the board for noncriminal violations of this part, including potential violations referred to the bureau by the board or other person.

(4) Monitor gaming operations to ensure all of the following:

(i) Compliance with this part, the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, and the other laws of this Commonwealth.

(ii) The implementation of adequate security measures by a licensed entity.

(5) Inspect and examine licensed entities as provided in subsection (e). Inspections may include the review and reproduction of any document or record.

(6) Conduct reviews of a licensed entity as necessary to ensure compliance with this part. A review may include the review of accounting, administrative and financial records, management control systems, procedures and other records utilized by a licensed entity.

(7) Refer possible criminal violations to the Pennsylvania State Police. The bureau shall not have the power of arrest.

(8) Cooperate in the investigation and prosecution of criminal violations related to this part.

(9) Be a criminal justice agency under 18 Pa.C.S. Ch. 91 (relating to criminal history record information).

(a.2) Office of Enforcement Counsel.--

(1) There is established within the bureau an Office of Enforcement Counsel which shall act as the prosecutor in all noncriminal enforcement actions initiated by the bureau under this part and shall have the following powers and duties:

(i) Advise the bureau on all matters, including the granting of licenses, permits or registrations, the conduct of background investigations, audits and

inspections and the investigation of potential violations of this part.

(ii) File recommendations and objections relating to the issuance of licenses, permits and registrations on behalf of the bureau.

(iii) Initiate, in its sole discretion, proceedings for noncriminal violations of this part by filing a complaint or other pleading with the board.

(iv) Petition the board for the appointment of a trustee under section 1332 (relating to appointment of trustee).

(2) The director of the Office of Enforcement Counsel shall report to the executive director of the board on administrative matters. The director shall be selected by the board and shall be an attorney admitted to practice before the Pennsylvania Supreme Court.

(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, table games or interactive games under this part.

(2) Notwithstanding the provisions of section 353(f) of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, the department shall supply the board, the bureau, the Pennsylvania State Police and the Office of Attorney General with information concerning the status of delinquent taxes owned by the applicant, licensee or permittee.

(c) Powers and duties of the Pennsylvania State Police.--The Pennsylvania State Police shall have the following powers and duties:

(1) Promptly conduct background investigations on persons as directed by the board in accordance with the provisions of section 1202 (relating to general and specific powers). The Pennsylvania State Police may contract with other law enforcement annuitants to assist in the conduct of investigations under this paragraph.

(1.1) Promptly conduct a background investigation on an individual selected by the board to fill the position of executive director of the board, director of the bureau, chief counsel of the board or the director of the Office of Enforcement Counsel and submit the results to the board.

(2) (Deleted by amendment).

(3) Initiate proceedings for criminal violations of this part.

(4) Provide the board with all information necessary for all actions under this part for all proceedings involving criminal enforcement of this part.

(5) Inspect, when appropriate, a licensee's or permittee's person and personal effects present in a licensed facility under this part while that licensee or permittee is present at a licensed facility.

(6) Enforce the criminal provisions of this part and all other criminal laws of the Commonwealth, including, but not limited to, within a licensed facility and parking lots under control of a slot machine licensee adjacent to a licensed facility.

(7) Fingerprint applicants for licenses and permits.

(8) Exchange fingerprint data with and receive national criminal history record information from the FBI for use in investigating applications for any license or permit under this part.

(9) Receive and take appropriate action on any referral from the board relating to criminal conduct.

(10) Require the production of any information, material and other data from any licensee, permittee or other applicant seeking approval from the board.

(11) Conduct administrative inspections on the premises of licensed racetrack or nonprimary location or licensed facility at such times, under such circumstances and to such extent as the bureau determines to ensure compliance with this part and the regulations of the board and, in the course of inspections, review and make copies of all documents and records required by the inspection through onsite observation and other reasonable means to assure compliance with this part and regulations promulgated under this part.

(12) Conduct audits or verification of information of slot machine, 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 and interactive gaming operations 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.

(13) A member of the Pennsylvania State Police assigned to duties of enforcement under this part shall not be counted toward the complement as defined in the act of December 13, 2001 (P.L.903, No.100), entitled "An act repealing in part a limitation on the complement of the Pennsylvania State Police."

(14) By March 1 of each year, the Commissioner of the Pennsylvania State Police shall submit a report to the Appropriations Committee of the Senate, the Community, Economic and Recreational Development Committee of the Senate, the Appropriations Committee of the House of Representatives and the Gaming Oversight Committee of the House of Representatives. The report shall summarize all law enforcement activities at each licensed facility during the previous calendar year and shall include all of the following:

(i) The number of arrests made and citations issued at each licensed facility and the name of the law enforcement agency making the arrest or issuing the citation.

(ii) A list of specific offenses charged for each arrest made or citation issued.

(iii) The number of criminal prosecutions resulting from arrests made or citations issued.

(iv) The number of convictions resulting from prosecutions reported under subparagraph (iii).

(v) The number of Pennsylvania State Police troopers assigned to each licensed facility and to the gaming unit at the Pennsylvania State Police headquarters.

(vi) The number and the subject matter of complaints made against Pennsylvania State Police troopers in licensed facilities and the type of disciplinary actions taken by the Pennsylvania State Police, if any, against the Pennsylvania State Police troopers.

(vii) The closest local police station, Pennsylvania State Police station and regional Pennsylvania State Police headquarters to each licensed facility.

(c.1) Powers and duties of Attorney General.--Within the Office of Attorney General, the Attorney General shall establish a gaming unit. The unit shall investigate and institute criminal proceedings as authorized by subsection (d).

(d) Criminal action.--

(1) The district attorneys of the several counties shall have authority to investigate and to institute criminal proceedings for a violation of this part.

(2) In addition to the authority conferred upon the Attorney General under the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act, the Attorney General shall have the authority to investigate and, following consultation with the appropriate district attorney, to institute criminal proceedings for a violation of this part. A person charged with a violation of this part by the Attorney General shall not have standing to challenge the authority of the Attorney General to investigate or prosecute the case, and, if any such challenge is made, the challenge shall be dismissed and no relief shall be available in the courts of this Commonwealth to the person making the challenge.

(d.1) Regulatory action.--Nothing contained in subsection (d) shall be construed to limit the existing regulatory or investigative authority of an agency or the Commonwealth whose functions relate to persons or matters within the scope of this part.

(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 where slot machine, table game and interactive gaming operations are conducted, slot machines, table game devices and associated equipment and interactive gaming devices and associated 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 slot machine, table game or interactive gaming operations.

(2) The provisions of paragraph (1) shall not be deemed to limit warrantless inspections except in accordance with constitutional requirements.

(3) To further effectuate the purposes of this part, the bureau and the Pennsylvania State Police may obtain administrative warrants for the inspection and seizure of property possessed, controlled, bailed or otherwise held by an applicant, licensee, permittee, intermediary, subsidiary, affiliate or holding company.

(f) Information sharing and enforcement referral.--With respect to the administration, supervision and enforcement of

this part, the bureau, the department, the Pennsylvania State Police or the Office of Attorney General may obtain or provide pertinent information regarding applicants, licensees or permittees from or to law enforcement entities or gaming authorities of the Commonwealth and other domestic, foreign or federally approved jurisdictions, including the Federal Bureau of Investigation, and may transmit such information to each other electronically.

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 amended subsecs. (b)(1), (c)(6) and (12) and (e)(1).

2010 Amendment. Act 1 amended subsecs. (a.1)(2) and (6), (b)(1), (c)(12) and (e)(1) and added subsec. (a.2)(1)(iv) and (c)(1.1) and (14).

2006 Amendment. Act 135 amended the section heading and subsecs. (a), (c) and (d) and added subsecs. (a.1), (a.2), (c.1) and (d.1).

Cross References. Section 1517 is referred to in sections 1202, 1206, 1305.1, 1516.1 of this title.

§ 1517.1. (Reserved).

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.)

2006 Amendment. Act 135 added section 1517.1.

§ 1517.2. Conduct of board employees.

(a) (Reserved).

(b) (Reserved).

(c) Disqualification.--If it becomes necessary for the chief counsel or a member to become involved on behalf of the board in any enforcement proceeding, the chief counsel or the member shall be prohibited from participating in the adjudication of that matter and shall designate appropriate individuals to exercise adjudicatory functions.

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.)

§ 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 title.

(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 title; 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 title.

(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 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.

(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 into play or display slot machines, 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.

(5) Except as provided for in section 1326 (relating to 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, table game, table game device or associated equipment, interactive game or interactive gaming device or associated equipment after the person's license has expired and prior to the actual renewal of the license.

(6) (i) Except as set forth in subparagraph (ii), it shall be unlawful for an individual while on the premises of a licensed facility to knowingly use currency other than lawful coin or legal tender of the United States or a coin not of the same denomination as the coin intended to be used in the slot machine with the intent to cheat or defraud a licensed gaming entity or the Commonwealth or damage the slot machine.

(ii) In the playing of a slot machine, it shall be lawful for an individual to use gaming billets, tokens or similar objects issued by the licensed gaming entity which are approved by the board.

(7) (i) Except as set forth in subparagraph (ii), it shall be unlawful for an individual to use or possess a cheating or thieving device, counterfeit or altered billet, ticket, token or similar objects accepted by a slot machine or counterfeit or altered slot machine-issued tickets or vouchers at a licensed facility.

(ii) An authorized employee of a licensee or an employee of the board may possess and use a cheating or thieving device, counterfeit or altered billet, ticket, token or similar objects accepted by a slot machine or counterfeit or altered slot machine-issued tickets or vouchers in performance of the duties of employment.

(iii) (Deleted by amendment).

(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.

(8) (i) Except as set forth in subparagraph (ii), it shall be unlawful for an individual to knowingly possess or use while on the premises of a licensed facility a key or device designed for the purpose of and suitable for opening or entering any slot machine, drop box or coin box which is located on the premises of the licensed facility.

(ii) An authorized employee of a licensee or a member of the board may possess and use a device referred to in subparagraph (i) in the performance of the duties of employment.

(9) It shall be unlawful for a person or licensed entity to possess any device, equipment or material which the person or licensed entity knows has been manufactured, distributed, sold, tampered with or serviced in violation of the provisions of this part with the intent to use the device, equipment or material as though it had been manufactured, distributed, sold, tampered with or serviced pursuant to this part.

(9.1) It shall be unlawful for a person to sell, offer for sale, represent or pass off as lawful any device, equipment or material which the person or licensed entity knows has been manufactured, distributed, sold, tampered with or serviced in violation of this part.

(10) It shall be unlawful for an individual to work or be employed in a position the duties of which would require licensing or permitting under the provisions of this part without first obtaining the requisite license or permit issued under the provisions of this part.

(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 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, table games or authorized

interactive games at the racetrack 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.

(12) It shall be unlawful for a licensed entity to employ or continue to employ an individual in a position the duties of which require a license or permit under the provisions of this part if the individual:

(i) Is not licensed or permitted under the provisions of this part.

(ii) Is prohibited from accepting employment from a licensee.

(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 or the play of table games 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 at a licensed facility 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 operator or employee of an interactive gaming certificate holder or interactive gaming operator 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 operator or employee of an interactive gaming certificate holder, interactive gaming operator 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 the person was at least 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 at least 21 years of age.

(14) (Reserved).

(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.

(16) An individual that engages in conduct prohibited by 18 Pa.C.S. § 6308 (relating to purchase, consumption, possession or transportation of liquor or malt or brewed beverages) in a licensed facility commits a nongambling offense.

(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, gaming table or other table game device, interactive game or interactive gaming device 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, table game or table game device, interactive game or interactive gaming device in a manner contrary to the designed and normal operational purpose.

(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 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 operator; 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 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) 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), (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), (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), (13.1) or (13.2) may be sentenced to perform a period of community service not to exceed 40 hours.

(4) An individual that commits an offense in violation of subsection (a) (16) commits a nongambling offense to be graded in accordance with 18 Pa.C.S. § 6308, and the fine imposed for a violation of subsection (a) (16) shall be not less than \$350 nor more than \$1,000.

(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:

(i) Revoke the license or permit of any person convicted of a criminal offense under this part or regulations promulgated under this part or committing any other offense or violation of this part or applicable law which would otherwise disqualify such person from holding the license or permit.

(ii) Revoke the license or permit of any person determined to have violated a provision of this part or regulations promulgated under this part which would otherwise disqualify such person from holding the license or permit.

(iii) Revoke the license or permit of any person for willfully and knowingly violating or attempting to violate an order of the board directed to such person.

(iv) Suspend the license or permit of any person pending the outcome of a hearing in any case in which license or permit revocation could result.

(v) Suspend the license of any licensed gaming entity for violation of or attempting to violate any provisions of this part or regulations promulgated under this part relating to its slot machine or table game operations.

(vi) Assess administrative penalties as necessary to punish misconduct and to deter future violations.

(vii) Order restitution of any moneys or property unlawfully obtained or retained by a licensee or permittee.

(viii) Enter cease and desist orders which specify the conduct which is to be discontinued, altered or implemented by the licensee or permittee.

(ix) Issue letters of reprimand or censure, which letters shall be made a permanent part of the file of each licensee or permittee so sanctioned.

(2) If the board refuses to issue or renew a license or permit, suspends or revokes a license or permit, assesses civil penalties, orders restitution, enters a cease and desist order or issues a letter of reprimand or censure, it

shall provide the applicant or licensee or permittee with written notification of its decision, including a statement of the reasons for its decision by certified mail within five business days of the decision of the board. The applicant, licensee or permittee shall have the right to appeal the decision 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).

(3) In addition to any other fines or penalties that the board may impose under this part or regulation, if a person violates subsection (a)(2), the board shall impose an administrative penalty of three times the amount of the license fee, authorization fee, tax or other assessment evaded and not paid, collected or paid over. This subsection is subject to 2 Pa.C.S. Chs. 5 Subch. A and 7 Subch. A.

(d) Aiding and abetting.--A person who aids, abets, counsels, commands, induces, procures or causes another person to violate a provision of this part shall be subject to all sanctions and penalties, both civil and criminal, provided under this part.

(e) Continuing offenses.--A violation of this part 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. Nothing in this section shall be construed to preclude the commission of multiple violations of the provisions of this part in any one day that establish offenses consisting of separate and distinct acts or violations of the provisions of this part or regulations promulgated under this part.

(f) Property subject to seizure, confiscation, destruction or forfeiture.--Any equipment, device or apparatus, money, material, gaming proceeds or substituted proceeds or real or personal property used, obtained or received or any attempt to use, obtain or receive the device, apparatus, money, material, proceeds or real or personal property in violation of this part shall be subject to the provisions of 42 Pa.C.S. §§ 5803 (relating to asset forfeiture), 5805 (relating to forfeiture procedure), 5806 (relating to motion for return of property), 5807 (relating to restrictions on use), 5807.1 (relating to prohibition on adoptive seizures) and 5808 (relating to exceptions).

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.; June 29, 2017, P.L.247, No.13, eff. July 1, 2017; Oct. 30, 2017, P.L.419, No.42, eff. imd.; Oct. 24, 2018, P.L.659, No.95, eff. 180 days)

2018 Amendment. Act 95 amended subsec. (b)(4).

2017 Amendments. Act 13 amended subsec. (f) and Act 42 amended subsecs. (a)(1), (2), (3), (4), (5), (7.1), (11), (13.1), (15) and (17) and (b)(1), (2) and (3), added subsecs. (a)(3.1), (4.1), (4.2), (7.2), (7.3) and (13.2) and (b)(2.1) and carried without amendment subsec. (a)(13).

2010 Amendment. Act 1 amended subsecs. (a)(2), (3), (4), (5), (7), (8), (11) and (13), (b)(1) and (2) and (c)(1)(v) and (3) and added subsecs. (a)(7.1), (13.1), (14), (15), (16) and (17), (b)(3) and (4), (d), (e) and (f).

References in Text. The act of December 17, 1981, P.L.435, No.135, known as the Race Horse Industry Reform Act, referred to in this section, was repealed by the act of February 23, 2016, P.L.15, No.7.

Cross References. Section 1518 is referred to in sections 1201, 1512.1, 1518.1, 1607, 4304 of this title; section 5803 of Title 42 (Judiciary and Judicial Procedure).

§ 1518.1. Report of suspicious transactions.

(a) Duty.--A slot machine licensee or a person acting on behalf of a slot machine licensee shall file a report of any suspicious transaction with the bureau. The filing with the bureau of a copy of a report made under 31 CFR 103.21 (relating to reports by casinos of suspicious transactions) shall satisfy this requirement.

(b) Failure to report.--

(1) A person required under this section to file a report of a suspicious transaction who knowingly fails to file a report of a suspicious transaction or who knowingly causes another person having that responsibility to fail to file a report commits a misdemeanor of the third degree.

(2) A person required under this section to file a report of a suspicious transaction who fails to file a report or a person who causes another person required under this section to file a report of a suspicious transaction to fail to file a report shall be strictly liable for his actions and may be subject to sanction under section 1518(c) (relating to prohibited acts; penalties).

(c) Bureau.--The bureau shall maintain a record of all reports made under this section for a period of five years. The bureau shall make the reports available to any Federal or State law enforcement agency upon written request and without necessity of subpoena.

(d) Notice prohibited.--A person who is required to file a report of a suspicious transaction under this section shall not notify any individual suspected of committing the suspicious transaction that the transaction has been reported. Any person that violates this subsection commits a misdemeanor of the third degree and may be subject to sanction under section 1518(c).

(e) Immunity.--A person who is required to file a report of a suspicious transaction under this section who in good faith makes the report shall not be liable in any civil action brought by any person for making the report, regardless of whether the transaction is later determined to be suspicious.

(f) Sanctions.--

(1) In considering appropriate administrative sanctions against any person for a violation of this section, the board shall consider all of the following:

(i) The risk to the public and to the integrity of gaming operations created by the conduct of the person.

(ii) The seriousness of the conduct of the person and whether the conduct was purposeful and with knowledge that it was in contravention of the provisions of this part or regulations promulgated under this part.

(iii) Any justification or excuse for the conduct by the person.

(iv) The prior history of the particular licensee or person involved with respect to gaming activity.

(v) The corrective action taken by the slot machine licensee to prevent future misconduct of a like nature from occurring.

(vi) In the case of a monetary penalty, the amount of the penalty in relation to the severity of the misconduct and the financial means of the licensee or person. The board may impose any schedule or terms of payment of such penalty as it may deem appropriate.

(2) It shall be no defense to disciplinary action before the board that a person inadvertently, unintentionally or unknowingly violated a provision of this section. The factors under paragraph (1) shall only go to the degree of the penalty to be imposed by the board and not to a finding of a violation itself.

(g) Regulations.--The board shall promulgate regulations to effectuate the purposes of this section.
(Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. Act 1 added section 1518.1.

§ 1518.2. Additional authority.

(a) General rule.--The director of the Office of Enforcement Counsel within the bureau may petition a court of record having jurisdiction over information in the possession of an agency in this Commonwealth or, if there is no such court, then the Commonwealth Court for authorization to review or obtain information in the possession of an agency in this Commonwealth by averring specific facts demonstrating that the agency has in its possession information material to a pending investigation or inquiry being conducted by the bureau pursuant to this part and that disclosure or release is in the best interest of the Commonwealth. The petition shall request that the court enter a rule upon the agency to show cause why the agency should not be directed to disclose to the bureau, or identified agents thereof, information in its possession about any pending matter under the jurisdiction of the bureau pursuant to this part. If a respondent is a local agency, a copy of any rule issued pursuant to this section shall be provided to the district attorney of the county in which the local agency is located and the Office of Attorney General. Upon request of a local agency, the district attorney or the Attorney General may elect to enter an appearance to represent the local agency in the proceedings.

(b) Procedure.--The filing of a petition pursuant to this section and related proceedings shall be in accordance with court rule, including issuance as of course. A party to the proceeding shall not disclose the filing of a petition or answer or the receipt, content or disposition of a rule or order issued pursuant to this section without leave of court. Any party to the proceedings may request that the record be sealed and proceedings be closed. The court shall grant the request if it is in the best interest of any person or the Commonwealth to do so.

(c) Court determination.--Following review of the record, the court shall grant the relief sought by the director of the Office of Enforcement Counsel if the court determines that the agency has in its possession information material to the investigation or inquiry and that disclosure or release of the information is in the best interest of the Commonwealth, that the disclosure or release of the information is not otherwise prohibited by statute or regulation and that the disclosure or release of the information would not inhibit an agency in the performance of the agency's duties. If the court so determines, the court shall enter an order authorizing and directing the information be made available for review in camera.

(d) Release of materials or information.--If, after an in camera review by the court, the director of the Office of Enforcement Counsel seeks to obtain copies of materials in the agency's possession, the court may, if not otherwise prohibited by statute or regulation, enter an order that the requested materials be provided. Any order authorizing the release of

materials or other information shall contain direction regarding the safekeeping and use of the materials or other information sufficient to satisfy the court that the materials or information will be sufficiently safeguarded. In making this determination the court shall consider the input of the agency in possession of the information and any input from any agency with which the information originated concerning any pending investigation or ongoing matter and the safety of person and property.

(e) Modification of order.--If subsequent investigation or inquiry by the bureau warrants modification of any order entered pursuant to this section, the director of the Office of Enforcement Counsel may petition to request the modification. Upon such request, the court may modify its orders at any time and in any manner it deems necessary and appropriate. The agency named in the original petition shall be given notice and an opportunity to be heard.

(f) Use of information or materials.--Any person who, by any means authorized by this section, has obtained knowledge of information or materials solely pursuant to this section may use such information or materials in a manner consistent with any directions imposed by the court and appropriate to the proper performance of the person's official duties under this part.

(g) Violation.--In addition to any remedies and penalties provided in this part, any violation of the provisions of this section may be punished as contempt of the court.

(h) Definition.--As used in this section the term "agency" shall mean a "Commonwealth agency" or a "local agency" as those terms are defined in section 102 of the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law. (Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. Act 1 added section 1518.2.

§ 1518.3. Applicability of Clean Indoor Air Act.

Notwithstanding section 11(b) of the act of June 13, 2008 (P.L.182, No.27), known as the Clean Indoor Air Act, the provisions of section 3(b)(11) of the Clean Indoor Air Act shall apply to all licensed facilities. (Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. Act 1 added section 1518.3.

§ 1519. Detention.

A peace officer, licensee or licensee's security employee or an agent under contract with the licensee who has probable cause to believe that criminal violation of this part has occurred or is occurring on or about a licensed facility and who has probable cause to believe that a specific individual has committed or is committing the criminal violation may detain the suspect in a reasonable manner for a reasonable time on the premises of the licensed facility for all or any of the following purposes: to require the suspect to identify himself, to verify such identification or to inform a peace officer. Such detention shall not impose civil or criminal liability upon the peace officer, licensee, licensee's employee or agent so detaining.

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.)

§ 1520. Automated teller machines.

The board shall promulgate rules and regulations governing the placement of automated teller machines (ATMs).

§ 1521. Liquor licenses at licensed facilities.

(a) Reapplication.--Nothing in this part shall require a person already licensed to sell liquor or malt or brewed beverages to reapply for the license except in the manner set forth in the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code.

(b) License authority.--Notwithstanding any other provision of law, a person holding a slot machine license which is also licensed to sell liquor or malt or brewed beverages pursuant to the Liquor Code shall be permitted to sell, furnish or give liquor or malt or brewed beverages on the unlicensed portion of the licensed gaming facility so long as the liquor or malt or brewed beverages remain on the facility.

(b.1) Liquor Code sanctions.--Notwithstanding any other provision of law, a person holding a slot machine license that also holds a license issued by the Pennsylvania Liquor Control Board shall not be subject to the provisions of section 471(c) of the Liquor Code. In addition, if a fine is imposed under section 471(b) of the Liquor Code, it shall be for not less than \$250 nor more than \$25,000. The prior citation history of the slot machine licensee shall be considered in determining the amount of the fine.

(c) Nonlicensees.--Notwithstanding any other provision of law, a slot machine licensee which is not licensed to sell liquor or malt or brewed beverages shall be entitled to apply to the Pennsylvania Liquor Control Board for a restaurant liquor or eating place retail dispenser license as permitted by section 472 of the Liquor Code. The following shall apply:

(1) Licenses issued under this section shall not be subject to:

(i) The proximity provisions of sections 402 and 404 of the Liquor Code.

(ii) The quota restrictions of section 461 of the Liquor Code.

(iii) The provisions of section 493(10) of the Liquor Code except as they relate to lewd, immoral or improper entertainment.

(iv) The prohibition against minors frequenting as described in section 493(14) of the Liquor Code.

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

In addition, licenses issued under this section shall not be subject to the provisions defining "restaurant" or "eating place" in section 102 of the Liquor Code.

(2) Absent good cause shown consistent with the purposes of this part, the Pennsylvania Liquor Control Board shall approve an application for the license filed by a licensed gaming entity within 60 days.

(Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. Act 1 added subsec. (b.1).

§ 1522. Interception of oral communications.

The interception and recording of oral communications made in a count room of a licensed facility by a licensee shall not be subject to the provisions of 18 Pa.C.S. Ch. 57 (relating to wiretapping and electronic surveillance). Notice that oral communications are being intercepted and recorded shall be posted conspicuously in the count room.

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Jan. 7, 2010, P.L.1, No.1, eff. imd.)

§ 1523. Electronic funds transfer terminals.

(a) Prohibition.--A slot machine licensee may not install, own or operate or allow another person to install, own or

operate on the premises of the licensed facility a slot machine or table game that is played with a device that allows a player to operate the slot machine or table game by transferring funds electronically from a debit card, credit card or by means of an electronic funds transfer terminal.

(b) 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:

"Electronic funds transfer terminal." An information-processing device or an automatic teller machine used for executing deposit account transactions between financial institutions and their account holders by either the direct transmission of electronic impulses or the recording of electronic impulses for delayed processing. The fact that a device is used for other purposes shall not prevent it from being considered an electronic funds transfer terminal under this definition.

(Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. Act 1 added section 1523.

CHAPTER 16

JUNKETS

Sec.

- 1601. Gaming junkets authorized.
- 1602. Gaming junket enterprise license.
- 1603. Classification system.
- 1604. Gaming junket representatives.
- 1605. Junket agreements.
- 1606. Conduct of junket.
- 1607. Violation of terms.
- 1608. Records.
- 1609. Report.
- 1610. Gaming junket arrangement.
- 1611. Prohibitions.

Enactment. Chapter 16 was added January 7, 2010, P.L.1, No.1, effective immediately.

Cross References. Chapter 16 is referred to in sections 13A61, 13C24, 13C61 of this title.

§ 1601. Gaming junkets authorized.

The board may authorize the organization and conduct of gaming junkets subject to the provisions of this chapter. No gaming junket shall be organized or permitted to operate in this Commonwealth and no person shall act as a gaming junket representative or gaming junket enterprise except in accordance with this chapter. The board shall establish a reasonable application and authorization fee for any license, permit or other authorization issued under this chapter.

Cross References. Section 1601 is referred to in sections 1602, 1604 of this title.

§ 1602. Gaming junket enterprise license.

(a) Gaming junket enterprise license required.--All gaming junket enterprises shall obtain a license from the board prior to acting as a gaming junket enterprise in this Commonwealth.

(b) Application.--A gaming junket enterprise license application shall be in a form prescribed by the board and shall include the following:

(1) The name, address and photograph of the applicant and all owners, directors, managers and supervisory employees of a gaming junket enterprise.

(2) The details of a gaming junket enterprise license or similar license applied for or granted or denied to the applicant by another jurisdiction.

(3) Consent for the bureau to conduct a background investigation, the scope of which shall be determined by the board.

(4) All releases necessary for the bureau and the board to acquire licensing documents and other information necessary to conduct a background investigation or otherwise evaluate the application.

(5) A list of all civil judgments obtained against the applicant pertaining to any gaming junket enterprise with which the applicant has been associated.

(6) A description of the operation and organization of the gaming junket enterprise.

(7) Any additional information required by the board.

(c) Enforcement information.--If the applicant has held a gaming junket license or other gaming license in another jurisdiction, the applicant may submit a letter of reference from the gaming enforcement agency in the other jurisdiction. The letter shall specify the experiences of the agency with the applicant, the applicant's associates and the applicant's gaming junket enterprise or gaming activity. If no letter is received within 30 days following the applicant's request, the applicant may submit a statement under oath, subject to the penalty for false swearing under 18 Pa.C.S. § 4903 (relating to false swearing), that the applicant is in good standing with the gaming enforcement agency in the other jurisdiction.

(d) Issuance.--Following review of the application, completion of the background investigation and payment of the license fee established by the board under section 1601(a) (relating to gaming junkets authorized), the board may issue a gaming junket enterprise license to the applicant if the applicant has proven by clear and convincing evidence that the applicant is a person of good character, honesty and integrity and that the applicant's activities, criminal record, reputation, habits and associations do not pose a threat to the public interest or suitable or legitimate operation of gaming.

(e) Failure to cooperate.--Failure to provide required information or releases under this section shall result in the immediate denial of an application for a license.

(f) Nontransferability.--A license issued under this section shall be nontransferable.

§ 1603. Classification system.

The board shall develop a classification system for the regulation of gaming junket enterprises and the individuals and entities associated with gaming junket enterprises.

§ 1604. Gaming junket representatives.

(a) Occupation permit.--Except as otherwise provided in subsection (e), a gaming junket representative shall obtain an occupation permit from the board in accordance with section 1318 (relating to occupation permit application).

(b) Application.--In addition to the requirements of section 1308 (relating to applications for license or permit), the application for a gaming junket representative occupation permit shall be in a form prescribed by the board and shall include the following:

(1) Verification of employment status as a gaming junket representative with a licensed gaming junket enterprise or an applicant for a gaming junket enterprise license.

(2) A description of employment responsibilities.

(3) A consent form to allow the bureau to conduct a background investigation, the scope of which shall be determined by the board.

(4) A release for the bureau and the board to acquire copies of information from government agencies, employers and others as necessary to complete the investigation.

(5) Fingerprints which shall be submitted to the Pennsylvania State Police.

(6) A photograph that meets the standards of the Commonwealth Photo Imaging Network.

(7) Details relating to a similar license, permit or other authorization obtained in another jurisdiction, if any.

(8) Any additional information required by the board.

(c) Issuance.--Following review of the application, background investigation and payment of the permit fee established by the board under section 1601(a) (relating to gaming junkets authorized), the board may issue an occupation permit if the applicant has proven by clear and convincing evidence that the applicant is a person of good character, honesty and integrity and is eligible and suitable to receive an occupation permit.

(d) Nontransferability.--An occupation permit issued under this section shall be nontransferable.

(e) Holder of occupation permit.--Nothing in this section shall be construed to prohibit an individual who holds a valid occupation permit and who is employed by a slot machine licensee from acting as a junket representative. A gaming junket representative need not be a resident of this Commonwealth.

§ 1605. Junket agreements.

Agreements entered into between a slot machine licensee and a gaming junket enterprise or a gaming junket representative shall include a provision for the termination of the agreement without liability on the part of the slot machine licensee if:

(1) The board orders the suspension, limitation, conditioning, denial or revocation of the license of a gaming junket representative license or occupation permit of a gaming junket representative.

(2) The board disapproves the agreement and requires its termination.

Failure to expressly include the termination requirement under this section in the agreement shall not constitute a defense in an action brought relating to the termination of the agreement.

§ 1606. Conduct of junket.

A slot machine licensee shall be responsible for the conduct of a gaming junket representative or gaming junket enterprise with which the slot machine licensee has an agreement and for the terms and conditions of a gaming junket on its premises.

§ 1607. Violation of terms.

Notwithstanding any other provision of this part, if the board determines that the terms of an agreement to conduct a gaming junket were violated by a slot machine licensee, gaming junket enterprise or gaming junket representative, the board may do any or all of the following:

(1) Order restitution to the gaming junket participant.

(2) Assess civil penalties or sanctions under section 1518 (relating to prohibited acts; penalties) for a violation or deviation from the terms of the junket agreement.

§ 1608. Records.

The board shall prescribe procedures and forms to retain records relating to the conduct of a gaming junket by a slot machine licensee. A slot machine licensee shall:

(1) Maintain a current report of the operations of gaming junkets conducted at its licensed facility.

(2) Submit to the board and the bureau a list of all its employees who conduct business on behalf of the slot machine licensee with gaming junket representatives on a full-time, part-time or temporary basis.

(3) Maintain records of all agreements entered into with a gaming junket enterprise or gaming junket representative for a minimum of five years.

(4) Provide any other information relating to a gaming junket required by the board or bureau.

§ 1609. Report.

A slot machine licensee, gaming junket representative or gaming junket enterprise shall file a report with the bureau on each list of gaming junket participants or potential gaming junket participants purchased by the slot machine licensee, gaming junket representative or gaming junket enterprise. The report shall include the source of the list and zip codes of participants or potential participants on a list purchased directly or indirectly by a slot machine licensee, gaming junket representative or gaming junket enterprise. Nothing in this section shall require the reporting or maintenance of personal identifying information pertaining to participants or potential participants.

§ 1610. Gaming junket arrangement.

Upon petition by a slot machine licensee, the board may grant an exemption from the permit requirements of this chapter to a gaming junket representative. The board shall consult with the bureau prior to granting an exemption under this section and shall consider the following:

(1) The terms of the gaming junket arrangement.

(2) The number and scope of gaming junkets.

(3) Whether the exemption is consistent with the policies and purposes of this part.

(4) Any other factor deemed necessary by the bureau or board.

The board may condition, limit or restrict the exemption.

§ 1611. Prohibitions.

A gaming junket enterprise or gaming junket representative shall not do any of the following:

(1) Engage in efforts to collect on any check provided by a gaming junket participant that has been returned by a financial institution without payment.

(2) Exercise approval authority over the authorization or issuance of credit under section 13A27 (relating to other financial transactions).

(3) Receive or retain a fee from an individual for the privilege of participating in a gaming junket.

(4) Pay for any service, including transportation, or other thing of value provided to a participant participating in a gaming junket except as authorized by this part.

Sec.

- 1701. Curriculum.
- 1701.1. (Reserved).
- 1702. Gaming school gaming equipment.

Enactment. Chapter 17 was added January 7, 2010, P.L.1, No.1, effective immediately.

§ 1701. Curriculum.

The Department of Labor and Industry, in consultation with the Department of Education and the board, shall, within 60 days following the effective date of this section, develop curriculum guidelines, including minimum proficiency requirements established by the board, for gaming school instruction. The guidelines shall, at a minimum, establish courses of instruction that will provide individuals with adequate job training necessary to obtain employment as a gaming employee with a licensed gaming entity.

§ 1701.1. (Reserved).

§ 1702. Gaming school gaming equipment.

(a) Use of gaming equipment.--All gaming equipment utilized by a gaming school, including slot machines, table game devices, associated equipment and all representations of value, shall be used for training, instructional and practice purposes only. The use of any such gaming equipment for actual gaming by any person is prohibited.

(b) Chips.--Unless the board otherwise determines, all gaming chips and other representations of value utilized by a gaming school shall be distinctly dissimilar to any chips utilized by a slot machine licensee.

(c) Possession, removal and transport of equipment.--No gaming school shall possess, remove or transport, or cause to be removed or transported, any slot machine, table game device or associated equipment except in accordance with this part.

(d) Serial numbers.--Each slot machine, table game device and associated equipment on the premises of a gaming school shall have permanently affixed on it a serial number which, together with the location of the machine or table game device, shall be filed with the board.

(e) Security.--Each gaming school shall provide adequate security for the slot machines, table games, table game devices and associated equipment on the gaming school premises.

(f) Notice to board and bureau.--No gaming school shall sell or transfer any slot machine, table game, table game device or associated equipment except upon prior written notice to the board and the bureau.

(g) Additional training.--Each individual attending gaming school shall be trained in cardiopulmonary resuscitation.

CHAPTER 18
FINGERPRINTING

Sec.

- 1801. Duty to provide.
- 1802. Submission of fingerprints and photographs.
- 1803. Commission exemption.
- 1804. Board exemption.
- 1805. Reimbursement.

Enactment. Chapter 18 was added July 5, 2004, P.L.572, No.71, effective immediately.

§ 1801. Duty to provide.

Notwithstanding the provisions of the Race Horse Industry Reform Act or this part, the Pennsylvania State Police shall, at the request of the commissions or the board, provide criminal history background investigations, which shall include records of criminal arrests and convictions, no matter where occurring, including Federal criminal history record information, on applicants for licensure and permit applicants by the respective agencies pursuant to the Race Horse Industry Reform Act or this part. Requests for criminal history background investigations may, at the direction of the commissions or the board, include, but not be limited to, officers, directors and stockholders of licensed corporations, key employees, financial backers, principals, gaming employees, horse owners, trainers, jockeys, drivers and other persons participating in thoroughbred or harness horse meetings and other persons and vendors who exercise their occupation or employment at such meetings, licensed facilities or licensed racetracks. For the purposes of this part, the board and commissions may receive and retain information otherwise protected by 18 Pa.C.S. Ch. 91 (relating to criminal history record information).
(Nov. 1, 2006, P.L.1243, No.135, eff. imd.)

References in Text. The act of December 17, 1981, P.L.435, No.135, known as the Race Horse Industry Reform Act, referred to in this section, was repealed by the act of February 23, 2016, P.L.15, No.7.

Cross References. Section 1801 is referred to in section 1802 of this title.

§ 1802. Submission of fingerprints and photographs.

Appointees, employees and prospective employees engaged in the service of the commissions or the board and applicants under this part shall submit to fingerprinting and photographing by the Pennsylvania State Police or by a local law enforcement agency capable of submitting fingerprints and photographs electronically to the Pennsylvania State Police utilizing the Integrated Automated Fingerprint Identification System and the Commonwealth Photo Imaging Network or in a manner and in such form as may be provided by the Pennsylvania State Police. Fingerprinting pursuant to this part shall require, at a minimum, the submission of a full set of fingerprints. Photographing pursuant to this part shall require submission to photographs of the face and any scars, marks or tattoos for purposes of comparison utilizing an automated biometric imaging system. The Pennsylvania State Police shall submit fingerprints when requested by the commissions or the board to the Federal Bureau of Investigation for purposes of verifying the identity of the applicants and obtaining records of criminal arrests and convictions in order to prepare criminal history background investigations under section 1801 (relating to duty to provide). Fingerprints and photographs obtained pursuant to this part may be maintained by the commissions, the board and the Pennsylvania State Police for use pursuant to this part and for general law enforcement purposes. In addition to any other fee or cost assessed by the commissions or the board, an applicant shall pay for the cost of fingerprinting and photographing.
(Nov. 1, 2006, P.L.1243, No.135, eff. imd.)

§ 1803. Commission exemption.

A commission may exempt applicants for positions not related to the care or training of horses, racing, wagering, security or the management of licensed corporations from the provisions of this chapter.

§ 1804. Board exemption.

The board may exempt applicants who are not gaming employees or key employees from the provisions of this chapter.

§ 1805. Reimbursement.

The commissions and board shall reimburse the Pennsylvania State Police for actual costs incurred as approved by the board for the conducting of investigations under this part.

CHAPTER 19

MISCELLANEOUS PROVISIONS

Sec.

1901. Appropriations.

1901.1. Repayments to General Fund.

1901.2. Commonwealth Financing Authority.

1901.3. Adverse litigation.

1902. Severability.

1903. Repeals.

1904. Exclusive jurisdiction of Supreme Court.

Enactment. Chapter 19 was added July 5, 2004, P.L.572, No.71, effective immediately.

§ 1901. Appropriations.

(a) Appropriation to board.--

(1) The sum of \$7,500,000 is hereby appropriated to the Pennsylvania Gaming Control Board for the fiscal period July 1, 2004, to June 30, 2006, to implement and administer the provisions of this part. The money appropriated in this subsection shall be considered a loan from the General Fund. This appropriation shall be a two-year appropriation and shall not lapse until June 30, 2006.

(2) The sum of \$2,100,000 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 Pennsylvania Gaming Control Board for the expansion of gaming associated with table games. This appropriation shall be a supplemental appropriation for fiscal year 2009-2010 and shall be in addition to the appropriation contained in the act of August 19, 2009 (P.L.777, No.9A), known as the Gaming Control Appropriation Act of 2009.

(b) Appropriation to department.--The sum of \$21,100,000 is hereby appropriated from the General Fund to the Department of Revenue for the fiscal period July 1, 2004, to June 30, 2006, to prepare for, implement and administer the provisions of this part. The money appropriated under this subsection shall be considered a loan from the General Fund. This appropriation shall be a two-year appropriation and shall not lapse until June 30, 2006.

(c) Appropriation to Pennsylvania State Police.--The sum of \$7,500,000 is hereby appropriated from the General Fund to the Pennsylvania State Police for the fiscal period July 1, 2004, to June 30, 2006, to prepare for, implement and administer the provisions of this part. The money appropriated under this subsection shall be considered a loan from the General Fund. This appropriation shall be a two-year appropriation and shall not lapse until June 30, 2006.

(Jan. 7, 2010, P.L.1, No.1, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

Cross References. Section 1901 is referred to in section 1901.1 of this title.

§ 1901.1. Repayments to General Fund.

(a) Establishment of repayment schedule.--

(1) No later than December 1, 2017, the board, in consultation with all licensed gaming entities, shall establish a schedule governing the repayment by licensed gaming entities of loans provided under section 1901 (relating to appropriations).

(2) The repayment of loans provided under section 1901 by licensed gaming entities shall begin no later than January 1, 2018.

(3) The repayment schedule shall, at a minimum:

(i) Specify the dates upon which the repayments shall be due. Payments may be required on a quarterly, semiannual or annual basis.

(ii) Assess each slot machine licensee's costs for repayment of loans under section 1901 in an amount that is proportional to each slot machine licensee's gross terminal revenue.

(iii) Result in the total amounts loaned under section 1901 being repaid by June 30, 2019.

(b) Deposit.--Payments received under subsection (a) shall be deposited into the General Fund.

(Nov. 1, 2006, P.L.1243, No.135, eff. imd.; Oct. 30, 2017, P.L.419, No.42, eff. imd.)

§ 1901.2. Commonwealth Financing Authority.

The Commonwealth Financing Authority shall establish accounts, administer and distribute the funds deposited into the accounts and perform all other duties of the Commonwealth Financing Authority required under this part.

(Jan. 7, 2010, P.L.1, No.1, eff. imd.)

2010 Amendment. Act 1 added section 1901.2.

§ 1901.3. Adverse litigation.

Notwithstanding any law to the contrary, the board may not consider any application for a Category 4 slot machine license, interactive gaming certificate, interactive gaming license, casino simulcasting certificate or sports wagering certificate if the applicant or any person affiliated with or directly related to the applicant is a party in any ongoing civil proceeding in which the party is seeking to overturn or otherwise challenge a decision or order of the board pertaining to the approval, denial or conditioning of a license to operate slot machines. This section shall not be interpreted to affect the rights of applicants to seek judicial enforcement of mandatory obligations of the board as may be required by this part.

(Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Amendment. Act 42 added section 1901.3.

§ 1902. Severability.

(a) General rule.--Except as provided in subsection (b), the provisions of this title are severable. If any provision of this title or its application to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of this title which can be given effect without the invalid provision or application.

(b) Limitation.--If any of the provisions of section 1201 (relating to Pennsylvania Gaming Control Board established) or 1209 (relating to slot machine license fee) or their application to any person or circumstance are held to be invalid by any

court, the remaining provisions of this title and its application shall be void.

(Oct. 30, 2017, P.L.419, No.42, eff. imd.)

§ 1903. Repeals.

(a) Inconsistent.--The following acts and parts of acts are repealed as follows:

(1) (Unconstitutional).

(2) The provisions of 18 Pa.C.S. § 5513(a) are repealed insofar as they are inconsistent with this part.

(b) General.--All other acts and parts of acts are repealed insofar as they are inconsistent with this part.

2012 Effectuation of Declaration of Unconstitutionality.

The Legislative Reference Bureau effectuated the 2005 unconstitutionality.

2005 Unconstitutionality. Subsection (a)(1) was declared unconstitutional. *Pennsylvanians Against Gambling Expansion Funds, Inc. v. Commonwealth*, 877 A.2d 383 (Pa. 2005).

§ 1904. Exclusive jurisdiction of Supreme Court.

The Pennsylvania Supreme Court shall have exclusive jurisdiction to hear any challenge to or to render a declaratory judgment concerning the constitutionality of this part. The Supreme Court is authorized to take such action as it deems appropriate, consistent with the Supreme Court retaining jurisdiction over such a matter, to find facts or to expedite a final judgment in connection with such a challenge or request for declaratory relief.

PART III

VIDEO GAMING

Chapter

- 31. General Provisions
- 33. Administration
- 35. Application and Licensure
- 37. Operation
- 39. Enforcement
- 41. Revenues
- 43. Ethics
- 45. Miscellaneous Provisions

Enactment. Part III was added October 30, 2017, P.L.419, No.42, effective immediately.

CHAPTER 31

GENERAL PROVISIONS

Sec.

- 3101. Scope of part.
- 3102. Definitions.

Enactment. Chapter 31 was added October 30, 2017, P.L.419, No.42, effective immediately.

§ 3101. Scope of part.

This part relates to video gaming terminals.

§ 3102. 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:

"Affiliate," "affiliate of" or "person affiliated with." A person who directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with a specified person.

"Applicant." A person who, on his own behalf or on behalf of another, applies for permission to engage in an act or activity that is regulated under the provisions of this part.

"Associated equipment." Equipment or a mechanical, electromechanical or electronic contrivance, component or machine used in connection with video gaming terminals or redemption terminals, including replacement parts, hardware and software.

"Background investigation." A security, criminal, credit and suitability investigation of a person as provided for in this part that includes the status of taxes owed to the United States, the Commonwealth and its political subdivisions.

"Board." The Pennsylvania Gaming Control Board established under section 1201 (relating to Pennsylvania Gaming Control Board established).

"Bureau." The Bureau of Investigations and Enforcement of the board.

"Cash." United States currency and coin.

"Cash equivalent." A ticket, token, chip, card or other similar instrument or representation of value that the board deems a cash equivalent in accordance with this part.

"Central control computer." A central site computer controlled by the department and accessible by the board to which all video gaming terminals communicate for the purpose of auditing capacity, real-time information retrieval of the details of any financial event that occurs in the operation of a video gaming terminal or redemption terminal, including, but not limited to, coin in, coin out, ticket in, ticket out, jackpots, video gaming terminal and redemption terminal door openings and power failure and remote video gaming terminal or redemption terminal activation and disabling of video gaming terminals or redemption terminals.

"Cheat."

(1) Any of the following:

(i) To defraud or steal from a player, terminal operator licensee, establishment licensee or the Commonwealth while operating or playing a video gaming terminal, including causing, aiding, abetting or conspiring with another person to do so.

(ii) To alter or causing, aiding, abetting or conspiring with another person to alter the elements of chance, method of selection or criteria that determine:

(A) The result of a video gaming terminal game.

(B) The amount or frequency of payment in a video gaming terminal game.

(C) The value of a wagering instrument.

(D) The value of a wagering credit.

(iii) The term does not include altering a video gaming terminal or associated equipment for maintenance or repair with the approval of a terminal operator licensee and the board.

"Cheating or thieving device." A device:

(1) used or possessed with the intent to be used to cheat during the operation or play of a video gaming terminal; or

(2) used to alter a video gaming terminal without the terminal operator licensee's and the board's approval.

"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.

"Compensation." Anything of value, money or a financial benefit conferred on or received by a person in return for services rendered or to be rendered whether by the person or another.

"Complimentary service." A lodging, service or item that is provided to an individual at no cost or at a reduced cost that is not generally available to the public under similar circumstances. Group rates, including convention and government rates, shall be deemed to be generally available to the public.

"Conduct of video gaming." The licensed placement, operation and play of video gaming terminals under this part, as authorized and approved by the board.

"Controlling interest." Any of the following:

(1) For a publicly traded domestic or foreign corporation, the term means a person has a controlling interest in a legal entity, applicant or licensee 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 person holds an 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, the term means the holding of any securities in the legal entity, unless this presumption of control is rebutted by clear and convincing evidence.

"Conviction." A finding of guilt or a plea of guilty or nolo contendere, whether or not a judgment of sentence has been imposed as determined by the law of the jurisdiction in which the prosecution was held. The term does not include a conviction that has been expunged or overturned or for which an individual has been pardoned or had an order of Accelerated Rehabilitative Disposition entered.

"Corporation." The term includes a publicly traded corporation.

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

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

"Establishment licensee." A truck stop establishment that holds an establishment license.

"Executive-level public employee." The term shall include the following:

(1) A deputy secretary of the Commonwealth and the Governor's Office executive staff.

(2) An employee of the executive branch whose duties substantially involve licensing or enforcement under this part, who has discretionary power that may affect or influence the outcome of a Commonwealth agency's action or decision or who is involved in the development of regulations

or policies relating to a licensed entity. The term includes an employee with law enforcement authority.

(3) An employee of a county or municipality with discretionary powers that may affect or influence the outcome of the county's or municipality's action or decision related to this part or who is involved in the development of law, regulation or policy relating to matters regulated under this part. The term includes an employee with law enforcement authority.

(4) An employee of a department, agency, board, commission, authority or other governmental body not included in paragraph (1), (2) or (3) with discretionary power that may affect or influence the outcome of the governmental body's action or decision related to this part or who is involved in the development of regulation or policy relating to matters regulated under this part. The term includes an employee with law enforcement authority.

"Financial backer." An investor, mortgagee, bondholder, noteholder or other sources of equity or capital provided to an applicant or licensed entity.

"Gambling game." A game that plays or simulates the play of video poker, reel games, blackjack or other similar game authorized by the board.

"Gaming employee."

(1) Any of the following:

(i) An employee of a terminal operator licensee, establishment licensee or supplier licensee that is not a key employee and is involved in the conduct of video gaming.

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

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

"Gaming service provider." A person that is not required to be licensed as a terminal operator, manufacturer, supplier or establishment licensee and provides goods or services to a terminal operator licensee that directly relates to the operation and security of a video gaming terminal or redemption terminal. The term shall not include a person that supplies goods or services that, at the discretion of the board, does not impact the integrity of video gaming, video gaming terminals or the connection of video gaming terminals to the central control computer system, including:

(1) Seating to accompany video gaming terminals.

(2) Structural or cosmetic renovations, improvements or other alterations to a video gaming area.

"Gross terminal revenue." The total of cash or cash equivalents received by a video gaming terminal minus the total of cash or cash equivalents paid out to players as a result of playing a video gaming terminal. The term does not include counterfeit cash or cash taken in a fraudulent act perpetrated against a terminal operator licensee for which the terminal operator licensee is not reimbursed.

"Holding company." A person, other than an individual, which, directly or indirectly, owns or has the power or right to control or to vote a significant part of the outstanding voting securities of a corporation or other form of business organization. A holding company indirectly has, holds or owns

any such power, right or security if it does so through an interest in a subsidiary or successive subsidiaries.

"Incentive." Consideration, including a promotion or prize, provided to a player or potential player as an enticement to play a video gaming terminal.

"Inducement."

(1) Any of the following:

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

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

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

"Institutional investor." A retirement fund administered by a public agency for the exclusive benefit of Federal, State or local public employees, investment company registered under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1 et seq.), collective investment trust organized by banks under Part Nine of the Rules of the Comptroller of the Currency, closed-end investment trust, chartered or licensed life insurance company or property and casualty insurance company, banking and other chartered or licensed lending institution, investment advisor registered under The Investment Advisers Act of 1940 (54 Stat. 847, 15 U.S.C. § 80b-1 et seq.) and such other person as the board may determine consistent with this part.

"Intermediary." A person, other than an individual, that:

(1) is a holding company with respect to a corporation or other form of business organization, that holds or applies for a license under this part; and

(2) is a subsidiary with respect to a holding company.

"Key employee." An individual employed by a manufacturer licensee, supplier licensee, terminal operator licensee or establishment licensee that is determined by the board to be a director or department head or otherwise empowered to make discretionary decisions that regulate the conduct of video gaming.

"Key employee licensee." An individual who holds a key employee license.

"Law enforcement authority." The power to conduct investigations of or to make arrests for criminal offenses.

"Licensed entity." A terminal operator licensee, establishment licensee, manufacturer licensee or supplier licensee under this part.

"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 that is regulated under this part regarding a matter before or that may 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.

"Licensee." A person listed under this part.

"Manufacturer." A person that manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to a video gaming terminal, redemption terminal or associated equipment for use or play of video gaming terminals in this Commonwealth for video gaming purposes.

"Manufacturer license." A license issued by the board authorizing a manufacturer to manufacture or produce video gaming terminals, redemption terminals or associated equipment for use in this Commonwealth for video gaming purposes.

"Manufacturer licensee." A person that holds a manufacturer license.

"Minor." An individual under 21 years of age.

"Municipality." A city, township, borough or incorporated town.

"Non-key employee." An individual employed by a terminal operator licensee who, unless otherwise designated by the board, is not a key employee.

"Occupation permit." A permit authorizing an individual to be employed or to work as a gaming employee.

"Party." The bureau or an applicant, licensee, registrant or other person appearing of record in any proceeding before the board.

"Permittee." A holder of a permit issued under this part.

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

"Player." An individual who wagers cash or a cash equivalent in the play or operation of a video gaming terminal and the play or operation of which may deliver or entitle the individual playing or operating the video gaming terminal to receive cash or a cash equivalent from a terminal operator licensee.

"Principal." An officer, director, person who directly holds a beneficial interest in or ownership of the securities of an applicant or anyone licensed under this part, person who has a controlling interest in an applicant or anyone licensed under this part or has the ability to elect a majority of the board of directors of a licensee or to otherwise control anyone licensed under this part, procurement agent, lender or other licensed financial institution of an applicant or anyone licensed under this part, 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 or anyone licensed under this part or other person or employee of an applicant, terminal operator licensee, manufacturer licensee or supplier licensee deemed to be a principal by the board, including a procurement agent.

"Procurement agent." A person that shares in the gross terminal revenue or is otherwise compensated for the purpose of soliciting or procuring a terminal placement agreement.

"Progressive payout." A video game terminal wager payout that increases in a monetary amount based on the amounts wagered in a progressive system.

"Progressive system." A computerized system linking video gaming terminals on the premises of an establishment licensee and offering one or more common progressive payouts based on the amounts wagered.

"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; 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.).

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

"Security." As defined in the act of December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania Securities Act of 1972.

"Slot machine." As defined in section 1103.

"State Treasurer." The State Treasurer of the Commonwealth.

"Subsidiary." As defined in section 1103.

"Supplier." A person that sells, leases, offers or otherwise provides, distributes or services any video gaming terminal, redemption terminal or associated equipment to a terminal operator licensee for use or play in this Commonwealth.

"Supplier license." A license issued by the board authorizing a supplier to provide products or services related to video gaming terminals, redemption terminals or associated equipment to terminal operator licensees for use in this Commonwealth for the conduct of video gaming.

"Supplier licensee." A person that holds a supplier license.

"Terminal operator." A person that owns, services or maintains video gaming terminals for placement and operation on the premises of an establishment licensee.

"Terminal operator license." A license issued by the board authorizing a terminal operator to place and operate video gaming terminals in an establishment licensee's premises pursuant to this part and the rules and regulations promulgated under this part.

"Terminal operator licensee." A person that holds a terminal operator license.

"Terminal placement agreement." The formal written agreement or contract between an applicant for a terminal operator license or terminal operator licensee and an applicant for an establishment license or establishment licensee that establishes the terms and conditions regarding the conduct of video gaming.

"Truck stop establishment." A premises that:

(1) Is equipped with diesel islands used for fueling commercial motor vehicles.

(2) 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.

(3) Has at least 20 parking spaces dedicated for commercial motor vehicles.

(4) Has a convenience store.

(5) Is situated on a parcel of land of not less than three acres that the truck stop establishment owns or leases.

(6) Is not located on any property owned by the Pennsylvania Turnpike.

"Video gaming area." The area of an establishment licensee's premises where video gaming terminals and redemption terminals are installed for operation and play.

"Video gaming employees." The term includes gaming employees, key employees and non-key employees.

"Video Gaming Fund." The fund established in section 4102 (relating to taxes and assessments).

"Video gaming terminal."

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

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

(ii) May utilize video displays.

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

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

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

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

Cross References. Section 3102 is referred to in section 4303 of this title; section 501 of Title 53 (Municipalities Generally).

CHAPTER 33 ADMINISTRATION

Sec.

- 3301. Powers of board.
- 3302. Regulatory authority of board.
- 3303. Temporary regulations.
- 3304. Appeals.
- 3305. Records and confidentiality of information.
- 3306. Reporting.
- 3307. Diversity.
- 3308. Authority of department.
- 3309. Central control computer system.
- 3310. Department of Drug and Alcohol Programs or successor agency.

Enactment. Chapter 33 was added October 30, 2017, P.L.419, No.42, effective immediately.

§ 3301. Powers of board.

(a) General powers.--

(1) The board shall have general and sole regulatory authority over the conduct of video gaming or related activities as described in this part. The board shall ensure

the integrity of the acquisition and operation of video gaming terminals, redemption terminals and associated equipment and shall have sole regulatory authority over every aspect of the conduct of video gaming.

(2) The board may employ individuals as necessary to carry out the requirements of this part who shall serve at the board's pleasure.

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

(1) To require background investigations on applicants, licensees, principals, key employees, procurement agents or gaming employees under the jurisdiction of the board.

(2) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of terminal operator licenses.

(3) At its discretion, to award, revoke, suspend, condition or deny issuance or renewal of establishment licenses.

(4) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of supplier and manufacturer licenses.

(5) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of a license or permit for various classes of employees as required under this part.

(6) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of additional licenses, permits or other authorization that may be required by the board under this part.

(7) At its discretion, to suspend, condition or deny the issuance or renewal of a license or permit or levy a fine or other sanction for a violation of this part.

(8) To require prospective and existing video gaming employees, independent contractors, applicants, permittees and licensees to submit to fingerprinting by the Pennsylvania State Police or its authorized designee. The Pennsylvania State Police or its authorized designee shall submit the fingerprints to the Federal Bureau of Investigation for purposes of verifying the identity of the individual and obtaining records of criminal arrests and convictions.

(9) To require prospective and existing video gaming employees, independent contractors, applicants, permittees and licensees to submit photographs consistent with a statement of policy developed by the board.

(10) In addition to the power of the board relating to license and permit applicants, to determine at its discretion the suitability of a person who furnishes or seeks to furnish to a terminal operator licensee directly or indirectly goods, services or property related to video gaming terminals, redemption terminals or associated equipment.

(11) To approve an application for or issue or renew a license, certificate, registration, permit or other authorization that may be required by the board, if the board is satisfied that the person has demonstrated by clear and convincing evidence that the person is of good character, honesty and integrity 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 video gaming terminal operations or create or enhance the danger of unsuitable, unfair or illegal practices, methods and activities in the conduct of

video gaming or the carrying on of the business and financial arrangements incidental thereto.

(12) To publish on the board's publicly accessible Internet website a complete list of persons or entities who applied for or held a terminal operator license, establishment license, manufacturer license or supplier license at any time during the preceding calendar year and affiliates, intermediaries, subsidiaries and holding companies thereof and the status of the application or license.

(13) 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 4104 (relating to regulatory assessments) required to meet the obligations under this part accruing during the fiscal period beginning July 1 of the following year.

(14) In the event that appropriations for the administration of this part are not enacted by June 30 of any year, funds appropriated for the administration of this part which are unexpended, uncommitted and unencumbered at the end of a fiscal year shall remain available for expenditure by the board or other agency to which they were appropriated until the enactment of an appropriation for the ensuing fiscal year.

(15) To collect and post information on the board's publicly accessible Internet website with sufficient detail to inform the public of persons with a controlling interest or ownership interest in an applicant for a terminal operator license or terminal operator licensee or affiliate, intermediary, subsidiary or holding company of an applicant for a terminal operator license. The posting shall include:

(i) If the applicant for a terminal operator license or terminal operator licensee or an affiliate, intermediary, subsidiary or holding company of the applicant for a terminal operator license or terminal operator licensee is a publicly traded domestic or foreign corporation, partnership, limited liability company or other legal entity, the names of persons with a controlling interest.

(ii) If the applicant for a terminal operator license or terminal operator licensee or an affiliate, intermediary, subsidiary or holding company of the applicant for a terminal operator license or terminal operator licensee is a privately held domestic or foreign corporation, partnership, limited liability company or other legal entity, the names of all persons with an ownership interest equal to or greater than 1%.

(iii) The name of a person entitled to cast the vote of a person named under subparagraph (i) or (ii).

(iv) The names of officers, directors and principals of the applicant for a terminal operator license or terminal operator licensee.

(16) Determine, designate and classify employees of a terminal operator licensee as key employees and non-key employees.

Cross References. Section 3301 is referred to in section 4303 of this title.

§ 3302. Regulatory authority of board.

(a) General rule.--The board shall have the power and duty:

(1) To deny, deny the renewal of, revoke, condition or suspend a license or permit provided for in this part if the board finds in its sole discretion that an applicant, licensee or permittee 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 of, revoke, condition or suspend the license or permit.

(2) To restrict access to confidential information in the possession of the board that has been obtained under this part and ensure that the confidentiality of information is maintained and protected.

(3) To prescribe and require periodic financial reporting and internal control requirements for terminal operator licensees.

(4) To require that each terminal operator licensee provide to the board its annual financial statements, with such additional detail as the board shall require, which shall be submitted not later than 180 days after the end of the licensee's fiscal year.

(5) To prescribe the procedures to be followed by terminal operator licensees for a financial event that occurs in the operation and play of video gaming terminals.

(6) To require that each establishment licensee prohibits minors from operating or using video gaming terminals or redemption terminals.

(7) To establish procedures for the inspection and certification of compliance of video gaming terminals, redemption terminals and associated equipment prior to being placed into use on the premises of an establishment licensee by a terminal operator licensee.

(8) To require that no video gaming terminal may be set to pay out less than the theoretical payout percentage, which percentage 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 video gaming terminal game based on the total value of the jackpots expected to be paid by a play on a video gaming terminal game divided by the total value of video gaming terminal wagers expected to be made on that play or video gaming terminal game during the same portion of the game cycle. In so doing, the board shall specify whether the calculation includes a portion of or the entire cycle of a video gaming terminal game.

(9) To require that an establishment license applicant provide detailed site plans of its proposed video gaming area for review and approval by the board for the purpose of determining the adequacy of the proposed security and surveillance measures. The applicant shall cooperate with the board in making changes to the plans suggested by the board and shall ensure that the plans as modified and approved are implemented. The board may not require a floor-to-ceiling wall to segregate the video gaming area, but may adopt rules to establish segregation requirements.

(10) To promulgate rules and regulations governing the advertisement of video gaming terminals, provided that the board shall require all advertisements to display or reference the toll-free problem gambling telephone number maintained by the Department of Drug and Alcohol Programs

or successor agency under section 3310(b) (relating to duties of Department of Drug and Alcohol Programs or successor agency).

(11) To enter into contracts with persons for the purposes of carrying out the powers and duties of the board under this part.

(12) To adopt regulations governing the postemployment limitations and restrictions applicable to members and employees of the board subject to section 4302 (relating to additional board restrictions). In developing the regulations, the board may consult with the State Ethics Commission, governmental agencies and the Disciplinary Board of the Supreme Court regarding postemployment limitations and restrictions on members and employees of the board who are members of the Pennsylvania Bar.

(13) To review and approve all cash and cash equivalent handling policies and procedures employed by terminal operator licensees.

(14) To promulgate rules and regulations governing the placement of automated teller machines within video gaming areas.

(15) To establish age-verification procedures for establishment licensees and their employees to ensure minors do not access a video gaming area, video gaming terminal or redemption terminal.

(16) To promulgate rules and regulations governing the interconnection of video gaming terminals within the premises of an establishment licensee for a progressive system.

(17) To promulgate rules and regulations necessary for the administration and enforcement of this part.

(b) Applicable law.--Except as provided in section 3303 (relating to temporary regulations), regulations shall be adopted in accordance with 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.

§ 3303. Temporary regulations.

(a) Promulgation.--In order to facilitate the prompt implementation of this part, regulations promulgated by the board shall be deemed temporary regulations which shall expire no later than two years following the publication of the temporary regulations. 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) Section 204(b) 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.--Except for temporary regulations related to security and surveillance, the authority provided to the board to adopt temporary regulations in subsection (a) shall expire two years following the publication of the temporary regulations. Regulations adopted after that date shall be promulgated as provided by law.

2020 Partial Repeal. Section 18 of Act 114 provided that the provisions of section 3303 are repealed insofar as they are inconsistent with the addition of section 1724.1-E(f) of the act of April 9, 1929, P.L.343, No.176, known as The Fiscal Code.

Cross References. Section 3303 is referred to in sections 3302, 3308 of this title.

§ 3304. Appeals.

An applicant, licensee or permittee may appeal a final order, determination or decision of the board involving the approval, issuance, denial, revocation, nonrenewal, suspension or conditioning, including any disciplinary actions, of a license, permit or authorization under this part 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).

§ 3305. Records and confidentiality of information.

(a) Records.--The board shall maintain files and records deemed necessary for the administration and enforcement of this part.

(b) Confidentiality of information.--

(1) The following information submitted by an applicant, licensee or permittee under Chapter 35 (relating to application and licensure) 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) 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 to 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 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, including customer-identifying information or customer prospects for services subject to competition.

(iv) Security information, including risk prevention plans, detection and countermeasures, 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 an individual as determined by the board.

(vi) Records of an applicant, licensee or permittee 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) Financial information provided to the board by an applicant, licensee or permittee.

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

(3) Except as provided in paragraph (1), no claim of confidentiality may be made regarding a record in possession of the board that is otherwise publicly available from the board under the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

(4) Except as provided in section 3904(h) (relating to investigations and enforcement), the information made confidential under this section shall be withheld from public disclosure in whole or in part, except that 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 the release is requested by an applicant, licensee or permittee and does not otherwise contain confidential information about another person.

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

(6) (i) No current or former member and no current or former employee, agent or independent contractor of the board, the department, the Pennsylvania State Police, the Office of Attorney General or other executive branch office who has obtained confidential information in the performance of duties under this part shall intentionally disclose the information to a person, knowing that the information being disclosed is confidential under this subsection, unless the person is authorized by law to receive it.

(ii) A violation of this subsection shall constitute a misdemeanor of the third degree.

(iii) In addition to any penalty under subparagraph (ii), an employee, agent or independent contractor who violates this subsection shall be administratively disciplined by discharge, suspension, termination of contract or other formal disciplinary action as appropriate. If a current member violates this paragraph, the other members shall refer the matter to the current member's appointing authority.

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

(d) Information held by other agencies.--Files, records, reports and other information in the possession of the department pertaining to an applicant, licensee or permittee shall be made available to the board as may be necessary to the effective administration of this part.

§ 3306. Reporting.

(a) Report by board.--Beginning October 1, 2018, and every year thereafter, the annual report submitted to the Governor and the General Assembly by the board under section 1211 (relating to reports of board) shall include information on the conduct of video gaming for the previous calendar year:

(1) Total gross terminal revenue.

(2) Total number of terminal operator licensees and establishment licensees.

(3) All taxes, fees, fines and other revenue collected and, where appropriate, revenue disbursed. The department shall collaborate with the board to carry out the requirements of this paragraph.

(4) Other information related to the conduct of video gaming that the board deems appropriate.

(b) Participation.--The board may require terminal operator licensees to provide information to the board to assist in the preparation of the report under subsection (a).

§ 3307. Diversity.

(a) Intent.--It is the intent and goal of the General Assembly that the board promote and ensure diversity in all aspects of the gaming activities authorized under this part.

(b) Reports by applicants.--An applicant for a terminal operator license or establishment license shall submit a diversity plan to the board. At a minimum, the diversity plan shall contain a summary of:

(1) All employee recruitment and retention efforts undertaken to promote the participation of diverse groups in employment with the applicant if issued a terminal operator license or establishment license.

(2) Other information deemed necessary by the board to assess the diversity plan.

(c) Review.--The board shall conduct a review of a diversity plan. When reviewing the adequacy of a diversity plan, the board shall take into consideration the total number of video gaming terminals the applicant proposes to operate within the Commonwealth.

(d) Periodic review.--The board shall periodically review the terminal operator licensee's or establishment licensee's diversity plan and recommend changes.

(e) Applicant or licensee responsibility.--An applicant for a terminal operator license or establishment license or a terminal operator licensee or establishment licensee shall provide information as required by the board to enable the board to complete the reviews required under subsections (c) and (d).

§ 3308. Authority of department.

(a) General rule.--The department shall administer and collect taxes imposed under this part 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 this part, including the collection of taxes, penalties and interest imposed by this part.

(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 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 video gaming terminals and redemption terminals under this part.

(c) Procedure.--For purposes of implementing this part, the department may promulgate regulations in the same manner in which the board is authorized as provided in section 3303 (relating to temporary regulations).

(d) Additional penalty.--A person who fails to timely remit to the department or the State Treasurer amounts required under this part shall be liable, in addition to liability imposed elsewhere in this part, 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.

(e) Liens and suits for taxes.--The provisions of this part shall be subject to the provisions of sections 242 and 243 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

§ 3309. Central control computer system.

(a) General rule.--To facilitate the auditing and security programs critical to the integrity of video gaming terminals in this Commonwealth, the department shall have overall control of video gaming terminals that:

(1) Shall be linked, at an appropriate time to be determined by the department, to a central control computer under the control of the department and accessible by the board to provide auditing program capacity and individual terminal information as approved by the department.

(2) Shall include real-time information retrieval and terminal activation and disabling programs.

(b) System requirements.--The central control computer employed by the department shall provide:

(1) A fully operational Statewide video gaming terminal control system that has the capability of supporting up to the maximum number of video gaming terminals that is permitted to be in operation under this part.

(2) The employment of a widely accepted gaming industry protocol to facilitate a video gaming terminal manufacturers' ability to communicate with the Statewide system.

(3) The delivery of a system that has the ability to verify software, detect alterations in payout and detect other methods of fraud in all aspects of the operation of video gaming terminals.

(4) The delivery of a system that has the capability to support progressive video gaming terminals as approved by the board.

(5) The delivery of a system that does not alter the statistical awards of video gaming terminal games as designed by the manufacturer and approved by the board.

(6) The delivery of a system that provides redundancy so that each component of the network is capable of operating independently by the department if any component of the network, including the central control computer, fails or cannot be operated for any reason as determined by the department, and to assure that all transactional data is captured and secured. Costs associated with a computer system required by the department to operate within a video gaming area, whether independent or as part of the central control computer, shall be paid by the terminal operator licensee. The computer system shall be controlled by the department and accessible to the board.

(7) The ability to meet all reporting and control requirements as prescribed by the board and department.

(8) The delivery of a system that provides centralized issuance of cash redemption tickets and facilitates the

acceptance of the tickets by video gaming terminals and redemption terminals.

(9) Other capabilities as determined by the department in consultation with the board.

(c) Personal information.--The central control computer may not provide for the monitoring or reading of personal or financial information concerning a patron of a terminal operator licensee.

(d) Initial acquisition of central control computer.--

(1) Notwithstanding any other provision of law to the contrary and in order to facilitate the prompt implementation of this part, initial contracts entered into by the department for a central control computer, including necessary computer hardware, software, licenses or related services shall not be subject to the provisions of 62 Pa.C.S. (relating to procurement).

(2) Contracts made pursuant to the provisions of this section may not exceed five years.

(e) Resolution of contract disputes.--The process specified in 62 Pa.C.S. Ch. 17 Subch. B (relating to prelitigation resolution of controversies) shall be the sole means of resolution for controversies arising with respect to contracts executed under this section.

(f) Existing central control computer system.--The department, in its discretion, may alter or utilize the central control computer system controlled by the department under section 1323 (relating to central control computer system) to fulfill the requirements of this section.

§ 3310. Department of Drug and Alcohol Programs or successor agency.

(a) Program update.--

(1) The Department of Drug and Alcohol Programs or successor agency shall update the compulsive and problem gambling program established in section 1509 (relating to compulsive and problem gambling program) to address public education, awareness and training regarding compulsive and problem gambling and the treatment and prevention of compulsive and problem gambling related to video gaming terminals.

(2) The updated guidelines shall include strategies for the prevention of compulsive and problem gambling related to video gaming terminals.

(3) The Department of Drug and Alcohol Programs or successor agency may consult with the board and terminal operator licensees to develop the strategies.

(b) Duties of Department of Drug and Alcohol Programs or successor agency.--From funds available in the Compulsive and Problem Gambling Treatment Fund, the Department of Drug and Alcohol Programs or successor agency shall, with respect to video gaming terminals:

(1) Maintain one compulsive gamblers assistance organization's toll-free problem gambling telephone number, which number shall be 1-800-GAMBLER, to provide crisis counseling and referral services to individuals and families experiencing difficulty as a result of problem or compulsive gambling. If the Department of Drug and Alcohol Programs or successor agency determines that it is unable to adopt the number 1-800-GAMBLER, the Department of Drug and Alcohol Programs or successor agency shall maintain another number.

(2) Maintain one compulsive gambler's assistance organization's telephone number, which shall be accessible via a free text message service, to provide crisis counseling

and referral services to individuals and families experiencing difficulty as a result of problem or compulsive gambling.

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

(4) At its discretion, conduct studies to identify individuals in this Commonwealth who are or are at risk of becoming problem or compulsive gamblers.

(5) Provide grants to and contract with single county authorities and other organizations that provide services specified in this section.

(6) Reimburse organizations for reasonable expenses incurred assisting the Department of Drug and Alcohol Programs or successor agency with implementing this section.

(c) Additional duties.--Within 60 days following the effective date of this section, the Department of Drug and Alcohol Programs or successor agency and the board's Office of Compulsive and Problem Gambling shall jointly collaborate with other appropriate offices and agencies of State or local government, including single county authorities and providers and other persons, public or private, with expertise in compulsive and problem gambling treatment, and shall, with respect to video gaming terminals:

(1) Implement a strategic plan for the prevention and treatment of compulsive and problem gambling.

(2) Adopt compulsive and problem gambling treatment standards to be integrated with the Department of Drug and Alcohol Programs' or successor agency's uniform Statewide guidelines that govern the provision of addiction treatment services.

(3) Develop a method to coordinate compulsive and problem gambling data collection and referral information to crisis response hotlines, child welfare and domestic violence programs and providers and other appropriate programs and providers.

(4) Develop and disseminate educational materials to provide public awareness related to the prevention, recognition and treatment of compulsive and problem gambling.

(5) Develop demographic-specific compulsive and problem gambling prevention, intervention and treatment programs.

(6) Prepare an itemized budget outlining how funds will be allocated to fulfill the responsibilities under this section.

(d) Report.--The Department of Drug and Alcohol Programs or successor agency shall include in the report required under section 1509 information involving video gaming terminals.

Cross References. Section 3310 is referred to in sections 3302, 3706 of this title.

CHAPTER 35 APPLICATION AND LICENSURE

- Sec.**
- 3501. General prohibition.
 - 3502. Terminal operator licenses.
 - 3503. (Reserved).
 - 3504. Principal licenses.
 - 3505. Key employee licenses.

- 3506. Divestiture of disqualifying applicant.
- 3507. Supplier licenses.
- 3508. Manufacturer licenses.
- 3509. Gaming service provider.
- 3510. Occupation permit.
- 3511. Alternative terminal operator licensing standards.
- 3512. Alternative manufacturer licensing standards.
- 3513. Alternative supplier licensing standards.
- 3514. Establishment licenses.
- 3515. License or permit prohibition.
- 3516. Issuance and renewal.
- 3517. Change in ownership or control of terminal operator licensee.
- 3518. Video gaming accounting controls and audits.
- 3519. Multiple licenses prohibited.
- 3520. Conditional licenses.

Enactment. Chapter 35 was added October 30, 2017, P.L.419, No.42, effective immediately.

Cross References. Chapter 35 is referred to in sections 3305, 4101 of this title.

§ 3501. General prohibition.

No person may offer or otherwise make available for play in this Commonwealth a video gaming terminal unless the person is licensed under this part and according to regulations promulgated by the board under this part.

§ 3502. Terminal operator licenses.

(a) General requirements.--An application for a terminal operator license shall be on the form required by the board and shall include, at a minimum, all of the following:

(1) The name, address and photograph of the applicant and of all directors and owners and key employees and their positions within the corporation or organization, as well as additional financial information required by the board.

(2) A current tax lien certificate issued by the department.

(3) The details of any gaming license applied for, granted to or denied to the applicant by another jurisdiction where the form of gaming is legal and the consent for the board to acquire copies of the application submitted or license issued in connection with the application.

(4) The details of any loan obtained from a financial institution or not obtained from a financial institution.

(5) The consent to conduct a background investigation by the board, the scope of which investigation shall be determined by the bureau in 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.

(6) The details of the applicant's diversity plan to assure that all persons are accorded equality of opportunity in employment and contracting by the applicant, its contractors, subcontractors, assignees, lessees, agents, vendors and suppliers.

(7) Any information concerning maintenance and operation of video gaming terminals in any other jurisdiction.

(8) Proof that the applicant has or will establish a place of business in this Commonwealth. A terminal operator licensee shall maintain its place of business in this Commonwealth to remain eligible for licensure.

(9) Any other information determined to be appropriate by the board.

(b) Character requirements.--An application for a terminal operator license shall include such information, documentation and assurances as may be required to establish by clear and convincing evidence of the applicant's suitability, including good character, honesty and integrity. The application shall include, without limitation, information pertaining to family, habits, character, reputation, criminal history background, business activities, financial affairs and business, professional and personal associates, covering at least the 10-year period immediately preceding the filing date of the application.

(c) Civil judgments.--An applicant shall notify the board of any civil judgment obtained against the applicant pertaining to laws of the Federal Government, this Commonwealth or another state, jurisdiction, province or country.

(d) (Reserved).

(e) (Reserved).

(f) Additional eligibility requirements.--In order to be eligible for a terminal operator license under this part, the principals and key employees of the applicant must obtain a license to meet the character requirements of this section or other eligibility requirements established by the board.

(g) Classification system.--The board shall develop a classification system for other agents, employees or persons who directly or indirectly hold or are deemed to be holding debt or equity securities or other financial interest in the applicant and for other persons that the board considers appropriate for review under this section.

(h) Related entities.--

(1) Except as provided in paragraph (2), no person shall be eligible to receive a terminal operator license unless the principals and key employees of each intermediary or holding company of the person meet the requirements of subsection (f).

(2) The board may require that lenders and underwriters of intermediaries, subsidiaries or holding companies of a terminal operator license applicant meet the requirements of subsection (f) if the board determines that the suitability of a lender or underwriter is at issue and necessary to consider a pending application for a terminal operator license.

(i) Revocable privilege.--The issuance or renewal of a license or other authorization by the board under this section shall be a revocable privilege.

(j) Waiver for publicly traded corporations.--The board may waive the requirements of subsection (f) for a person directly or indirectly holding ownership of securities in a publicly traded corporation if the board determines that the holder of the securities does not have the ability to control the corporation or elect one or more directors thereof.

(k) (Reserved).

(l) Ongoing duty.--A person applying for a license or other authorization under this part shall continue to provide information required by the board or the bureau and cooperate in any inquiry or investigation.

(m) Criminal history record check.--The board may conduct a criminal history record check on a person for whom a waiver is granted under this section.

(n) Applicant financial information.--

(1) The board shall require an applicant for a terminal operator license to produce the information, documentation and assurances concerning financial background and resources

as the board deems necessary to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant, its affiliate, intermediary, subsidiary or holding company, including, but not limited to, bank references, business and personal income and disbursement schedules, tax returns and other reports filed with governmental agencies and business and personal accounting and check records and ledgers.

(2) An applicant shall in writing authorize the examination of all bank accounts and records as may be deemed necessary by the board.

(o) Financial backer information.--

(1) The board shall require an applicant for a terminal operator license to produce the information, documentation and assurances as may be necessary to establish by clear and convincing evidence the integrity of all financial backers, institutional investors, investors, mortgagees, bondholders and holders of indentures, notes or other evidences of indebtedness, either in effect or proposed.

(2) The board may waive the qualification requirements for banking or lending institution and institutional investors.

(3) A banking or lending institution or institutional investor shall produce for the board upon request any document or information that bears relation to the proposal submitted by the applicant or applicants.

(4) The integrity of the financial sources shall be judged upon the same standards as the applicant. Any such person or entity shall produce for the board upon request any document or information which bears any relation to the application.

(5) The applicant shall produce whatever information, documentation or assurances the board requires to establish by clear and convincing evidence the adequacy of financial resources.

(p) Applicant's business experience.--

(1) The board shall require an applicant for a terminal operator license to produce the information, documentation and assurances as the board may require to establish by clear and convincing evidence that the applicant has sufficient business ability and experience to create and maintain a successful, efficient operation.

(2) An applicant shall produce the names of all proposed key employees and a description of their respective or proposed responsibilities as they become known.

(q) Additional information.--In addition to other information required by this part, a person applying for a terminal operator license shall provide the following information:

(1) The organization, financial structure and nature of all businesses operated by the person, including any affiliate, intermediary, subsidiary or holding companies, the names and personal employment and criminal histories of all officers, directors and key employees of the corporation; the names of all holding, intermediary, affiliate and subsidiary companies of the corporation; and the organization, financial structure and nature of all businesses operated by such holding, intermediary and subsidiary companies as the board may require, including names and personal employment and criminal histories of such officers, directors and principal employees of such corporations and companies as the board may require.

(2) The extent of securities held in the corporation by all officers, directors and underwriters and their remuneration in the form of salary, wages, fees or otherwise.

(3) Copies of all management and service contracts.

(r) Review and approval.--Upon being satisfied that the requirements of subsections (a), (b), (c), (f), (g), (h), (i), (j), (l), (m), (n), (o), (p) and (q) have been met, the board may approve the application and issue the applicant a terminal operator license consistent with all of the following:

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

(ii) Nothing in this paragraph shall be construed to 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.

(s) Renewal.--

(1) At least six months prior to expiration of a terminal operator license, the terminal operator licensee seeking renewal of its license shall submit a renewal application to the board.

(2) If the renewal application satisfies the requirements of subsections (a), (b), (c), (f), (g), (h), (i), (j), (l), (m), (n), (o), (p) and (q), the board may renew the licensee's terminal operator license.

(3) If the board receives a complete renewal application but fails to act upon the renewal application prior to the expiration of the terminal operator license, the terminal operator license shall continue in effect until acted upon by the board.

Cross References. Section 3502 is referred to in section 3508 of this title.

§ 3503. (Reserved).

§ 3504. Principal licenses.

(a) License required.--All principals shall obtain a principal license from the board.

(b) Application.--A principal license application shall be in a form prescribed by the board and shall include the following:

(1) Verification of status as a principal from a terminal operator licensee, manufacturer licensee or supplier licensee.

(2) A description of responsibilities as a principal.

(3) All releases necessary to obtain information from governmental agencies, employers and other organizations.

(4) Details relating to a similar license, permit or other authorization obtained in another jurisdiction.

(5) Additional information required by the board.

(c) Issuance.--Following review of the application and the background investigation, the board may issue a principal license if the applicant has proven by clear and convincing evidence that the applicant is a person of good character, honesty and integrity and is eligible and suitable to be licensed as a principal.

(d) Nontransferability.--A license issued under this section shall be nontransferable.

(e) Principals.--An individual who receives a principal license need not obtain a key employee license.

§ 3505. Key employee licenses.

(a) License required.--All key employees shall obtain a key employee license from the board.

(b) Application.--A key employee license application shall be in a form prescribed by the board and shall include the following:

(1) Verification of status as a key employee from a terminal operator licensee, establishment licensee, manufacturer licensee or supplier licensee.

(2) A description of employment responsibilities.

(3) All releases necessary to obtain information from governmental agencies, employers and other organizations.

(4) Details relating to a similar license or other authorization obtained in another jurisdiction.

(5) Additional information required by the board.

(c) Issuance.--Following review of the application and the background investigation, the board may issue a key employee license if the applicant has proven by clear and convincing evidence that the applicant is a person of good character, honesty and integrity and is eligible and suitable to be licensed as a key employee.

(d) Nontransferability.--A license issued under this section shall be nontransferable.

§ 3506. Divestiture of disqualifying applicant.

(a) Board power to require.--

(1) In the event that any establishment license application, terminal operator license application, supplier license application or manufacturer license application is not approved by the board based on a finding that an individual who is a principal or has an interest in the person applying for the license does not meet the character requirements of this part or any of the eligibility requirements under this part or a person who purchases a controlling interest in the applicant in violation of section 3517 (relating to change in ownership or control of terminal operator licensee), the board may afford the individual the opportunity to completely divest his interest in the person, its affiliate, intermediary, subsidiary or holding company seeking the license and, after such divestiture, reconsider the person's or applicant's suitability for licensure in an expedited proceeding and may, after such proceeding, issue the person or applicant a terminal operator license.

(2) The board shall approve the terms and conditions of any divestiture under this section.

(b) Limitation.--Under no circumstances shall any divestiture be approved by the board if the compensation for the divested interest exceeds the cost of the interest.

§ 3507. Supplier licenses.

(a) Application.--

(1) A manufacturer that elects to contract with a supplier under section 3508 (relating to manufacturer licenses) shall ensure that the supplier is appropriately licensed under this section.

(2) A person seeking to provide video gaming terminals, redemption terminals or associated equipment to a terminal operator licensee within this Commonwealth through a contract with a licensed manufacturer must apply to the board for the appropriate supplier license.

(b) Requirements.--An application for a supplier license shall be on the form required by the board 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 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 terminal operator licensees.

(3) Proof that the applicant has or will establish a place of business in this Commonwealth. A supplier licensee shall maintain its place of business in this Commonwealth to remain eligible for licensure.

(4) The consent to a background investigation by the bureau of the applicant, its principals and key employees or other persons required by the board and a release to obtain the information necessary for the completion of the background investigation.

(5) The details of any supplier license issued by the board to the applicant under section 1317 (relating to supplier licenses), if applicable.

(6) The details of any equivalent license granted or denied by other jurisdictions where gaming activities as authorized by this part are permitted.

(7) The type of goods and services to be supplied and whether those goods and services will be provided through purchase, lease, contract or otherwise.

(8) 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 issue the applicant a supplier license consistent with all of the following:

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

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

(2) The license shall be nontransferable.

(3) Other conditions established by the board.

(d) Renewal.--

(1) At least six months prior to expiration of a supplier license, the supplier licensee seeking renewal of its license shall submit a renewal application to the board.

(2) If the renewal application satisfies the requirements of subsection (b), the board may renew the licensee's supplier license.

(3) If the board receives a complete renewal application but fails to act upon the renewal application prior to the expiration of the supplier license, the supplier license shall continue in effect until acted upon by the board.

Cross References. Section 3507 is referred to in section 3508 of this title.

§ 3508. Manufacturer licenses.

(a) Application.--A person seeking to manufacture video gaming terminals, redemption terminals and associated equipment for use in this Commonwealth must 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 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 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 terminal operator licensees.

(3) The consent to a background investigation by the bureau of the applicant, its principals, its key employees, its intermediaries, its subsidiaries or other persons required by the board and a release to obtain the 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.

(5) The details of any manufacturer license issued by the board to the applicant under section 1317.1 (relating to manufacturer licenses), if applicable.

(6) The type of video gaming terminals, redemption terminals or associated equipment to be manufactured or repaired.

(7) 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) (i) The license shall be valid for a period of five years.

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

(2) The license shall be nontransferable.

(3) Other conditions established by the board.

(d) Renewal.--

(1) At least six months prior to expiration of a manufacturer license, the manufacturer licensee seeking renewal of its license shall submit a renewal application accompanied by the renewal fee to the board.

(2) If the renewal application satisfies the requirements of subsection (b), the board may renew the licensee's manufacturer license.

(3) If the board receives a complete renewal application but fails to act upon the renewal application prior to the expiration of the manufacturer license, the manufacturer license shall continue in effect until acted upon by the board.

(e) Authority.--The following shall apply to a licensed manufacturer:

(1) A manufacturer or its designee, as licensed by the board, may supply or repair a video gaming terminal, redemption terminal or associated equipment manufactured by the manufacturer, provided the manufacturer holds the appropriate manufacturer license.

(2) A manufacturer of video gaming terminals or redemption terminals may contract with a supplier under section 3507 (relating to supplier licenses) to provide video gaming terminals, redemption terminals or associated

equipment to a terminal operator licensee within this Commonwealth, provided the supplier is licensed to supply video gaming terminals, redemption terminals or associated equipment.

(f) Prohibitions.--

(1) No person may manufacture video gaming terminals, redemption terminals or associated equipment for use within this Commonwealth by a terminal operator licensee unless the person has been issued the appropriate manufacturer license under this section.

(2) No person issued a license under this section may apply for or be issued a terminal operator license under section 3502 (relating to terminal operator licenses) or establishment license under section 3514 (relating to establishment licenses).

Cross References. Section 3508 is referred to in section 3507 of this title.

§ 3509. Gaming service provider.

(a) Development of classification system.--The board shall develop a classification system governing the certification, registration and regulation of gaming service providers and individuals and entities associated with them. The classification system shall be based upon the following:

(1) Whether the employees of the gaming service provider will have access to the video gaming area or video gaming terminals or redemption terminals prior to or after installation.

(2) Whether the goods or services provided or to be provided by the gaming service provider would impact the integrity of video gaming terminals, redemption terminals or the conduct of video gaming.

(b) Authority to exempt.--The board may exempt a person or type of business from the requirements of this section if the board determines:

(1) the person or type of business is regulated by an agency of the Federal Government, an agency of the Commonwealth or the Pennsylvania Supreme Court; or

(2) the regulation of the person or type of business is determined not to be necessary in order to protect the public interest or the integrity of gaming.

(c) Duties of gaming service providers.--A gaming service provider shall have a continuing duty to:

(1) Provide all information, documentation and assurances as the board may require.

(2) Cooperate with the board in investigations, hearings and enforcement and disciplinary actions.

(3) Comply with all conditions, restrictions, requirements, orders and rulings of the board in accordance with this part.

(4) Report a change in circumstances that may render the gaming service provider ineligible, unqualified or unsuitable for continued registration or certification.

(d) Requirement for permit.--The board may require employees of a gaming service provider to obtain a permit or other authorization if, after an analysis of duties, responsibilities and functions, the board determines that a permit or other authorization is necessary to protect the integrity of gaming.

(e) Interim authorization.--The board or a designated employee of the board may permit a gaming service provider applicant to engage in business with an applicant for a terminal operator license or a terminal operator licensee prior to

approval of the gaming service provider application if the following criteria have been satisfied:

(1) A completed application has been filed with the board by the gaming service provider.

(2) The terminal operator license applicant or terminal operator licensee contracting or doing business with the gaming service provider certifies that it has performed due diligence on the gaming service provider and believes that the applicant meets the qualification to be a gaming service provider pursuant to this section.

(3) The gaming service provider applicant agrees in writing that the grant of interim authorization to conduct business prior to board approval of the application does not create a right to continue to engage in business if the board determines that the applicant is not suitable or continued authorization is not in the public interest.

(f) Construction.--Nothing in this section shall be construed to prohibit the board from rescinding a grant of interim authorization if, at any time, the suitability of the person subject to interim authorization is at issue or if the person fails to cooperate with the board, the bureau or an agent of the board or bureau.

(g) Gaming service provider lists.--

(1) The board shall:

(i) Develop and maintain a list of approved gaming service providers who are authorized to provide goods or services whether under a grant of interim or continued authorization.

(ii) Develop and maintain a list of prohibited gaming service providers.

(2) An applicant for a terminal operator license or a terminal operator licensee may not enter into an agreement or engage in business with a gaming service provider listed on the prohibited gaming service provider list.

(h) Emergency authorization.--

(1) A terminal operator licensee may utilize a gaming service provider that has not been approved by the board when a threat to public health, welfare or safety exists or circumstances outside the control of the terminal operator licensee require immediate action to mitigate damage or loss to the licensee's video gaming terminals.

(2) The board shall promulgate regulations to govern the use of gaming service providers under emergency circumstances. The regulations shall include a requirement that the terminal operator licensee contact the board immediately upon utilizing a gaming service provider that has not been approved by the board.

(i) Criminal history record information.--If the classification system developed by the board in accordance with subsection (a) requires a gaming service provider or an individual or entity associated with the gaming service provider to submit to or provide the bureau with criminal history record information under 18 Pa.C.S. Ch. 91 (relating to criminal history record information), the bureau shall notify a terminal operator licensee that submitted a certification under subsection (e)(2) whether the applicant has been convicted of a felony or misdemeanor gambling offense.

§ 3510. Occupation permit.

(a) Application.--

(1) A person who desires to be a gaming employee and has a bona fide offer of employment from a terminal operator

licensee, establishment licensee or supplier licensee shall apply to the board for an occupation permit.

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

(3) 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 bureau to conduct a background investigation.

(4) A 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 an occupation permit or similar license granted or denied to the applicant in other jurisdictions.

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

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

§ 3511. Alternative terminal operator licensing standards.

(a) Determination.--

(1) The board may determine whether the licensing standards of another jurisdiction within the United States in which an applicant, its affiliate, intermediary, subsidiary or holding company for a terminal operator license is similarly licensed are comprehensive and thorough and provide similar adequate safeguards as those required by this part.

(2) If the board makes that determination, it may issue a terminal operator license to an applicant who holds a terminal operator license in the other jurisdiction after conducting an evaluation of the information relating to the applicant from the other jurisdictions, as updated by the board, and evaluating other information related to the applicant received from that jurisdiction and other jurisdictions where the applicant may be licensed, the board may incorporate such information in whole or in part into the board's evaluation of the applicant.

(b) Abbreviated process.--

(1) In the event an applicant for a terminal operator license is licensed in another jurisdiction, the board may determine to use an alternate process requiring only that information determined by the board to be necessary to consider the issuance of a license, including financial viability of the licensee, to such an applicant.

(2) Nothing in this section shall be construed to waive fees associated with obtaining a license through the normal application process.

(c) Current license holders.--In the event an applicant for a terminal operator license under this part holds a slot machine license under Part II (relating to gaming), 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, including financial viability of the applicant.

Cross References. Section 3511 is referred to in section 3520 of this title.

§ 3512. Alternative manufacturer licensing standards.

(a) Determination.--

(1) The board may determine whether the licensing standards of another jurisdiction within the United States in which an applicant for a manufacturer license is similarly licensed are comprehensive and thorough and provide similar adequate safeguards as those required by this part.

(2) If the board makes that determination, it may issue a manufacturer license to an applicant who holds a similar manufacturer license in the other jurisdiction after conducting an evaluation of the information relating to the applicant from the other jurisdictions, as updated by the board, and evaluating other information related to the applicant received from that jurisdiction and other jurisdictions where the applicant may be licensed, the board may incorporate such information in whole or in part into the board's evaluation of the applicant.

(b) Abbreviated process.--

(1) In the event an applicant for a manufacturer license is licensed in another 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 license, including financial viability of the applicant.

(2) Nothing in this section shall be construed to waive fees associated with obtaining a license through the normal application process.

(c) Current license holders.--In the event an applicant for a manufacturer license under this part holds a manufacturer license under section 1317.1 (relating to manufacturer licenses), 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, including financial viability of the applicant.

Cross References. Section 3512 is referred to in section 3520 of this title.

§ 3513. Alternative supplier licensing standards.

(a) Determination.--

(1) The board may determine whether the licensing standards of another jurisdiction within the United States in which an applicant for a supplier's license is similarly licensed are comprehensive and thorough and provide similar adequate safeguards as required by this part.

(2) If the board makes that determination, it may issue a supplier license to an applicant who holds a similar supplier license in another jurisdiction after conducting an evaluation of the information relating to the applicant from the other jurisdictions, as updated by the board, and evaluating other information related to the applicant received from that jurisdiction and other jurisdictions where the applicant may be licensed. The board may incorporate the information in whole or in part into its evaluation of the applicant.

(b) Abbreviated process.--

(1) In the event an applicant for a supplier license is licensed in another 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 license, including financial viability of the applicant.

(2) Nothing in this section shall be construed to waive any fees associated with obtaining a license through the normal application process.

(c) Current license holders.--In the event an applicant for a supplier license under this part holds a supplier license under section 1317 (relating to supplier licenses), 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, including financial viability of the applicant.

Cross References. Section 3513 is referred to in section 3520 of this title.

§ 3514. Establishment licenses.

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

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

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

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

(4) The criminal history record of the applicant, principal and key employees and a consent for the bureau to conduct a background investigation on the applicant, principals and key employees.

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

(b) Nontransferability.--A license issued under this section shall be nontransferable.

(c) Ongoing duty.--An establishment applying for a license under this section shall continue to provide information required by the board or the bureau and cooperate in any inquiry or investigation.

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

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

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

(2) The license shall be nontransferable.

(3) Other conditions established by the board.

(e) Renewal.--

(1) At least three months prior to expiration of an establishment license, the establishment licensee seeking renewal of its license shall submit a renewal application accompanied by the renewal fee to the board.

(2) If the renewal application satisfies the requirements of subsection (d), the board may renew the licensee's establishment license.

(3) If the board receives a complete renewal application but fails to act upon the renewal application prior to the expiration of the establishment license, the establishment license shall continue in effect until acted upon by the board.

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

Cross References. Section 3514 is referred to in section 3508 of this title; section 502 of Title 53 (Municipalities Generally).

§ 3515. License or permit prohibition.

The following apply:

(1) The board shall be prohibited from granting a license under this part to any applicant who has been convicted of a felony offense in any jurisdiction.

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

(i) A principal license or key employee license to an individual who has been convicted in a jurisdiction of a misdemeanor gambling offense, unless 15 years have elapsed from the date of conviction for the offense.

(ii) A gaming employee permit or a license other than a principal license or key employee license to an individual who has been convicted in a jurisdiction of a misdemeanor gambling offense, unless 15 years have elapsed from the date of conviction for the offense.

(iii) An establishment license to an applicant who has been convicted in a jurisdiction of a misdemeanor gambling offense, unless 15 years have elapsed from the date of conviction for the offense.

(3) Following the expiration of any prohibition period applicable to an applicant under paragraph (2), in determining whether to issue a license or permit, the board shall consider the following factors:

(i) The nature and duties of the applicant's position with the licensed entity.

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

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

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

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

(vi) 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.

(4) For purposes of this section, a felony offense is any of the following:

(i) An offense classified as a felony or punishable under the laws of this Commonwealth by imprisonment for more than five years.

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

(A) classified as a felony; or

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

(iii) An offense under the laws of another jurisdiction which, if committed in this Commonwealth, would be subject to imprisonment for more than five years.

§ 3516. Issuance and renewal.

(a) Issuance.--

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

(2) Nothing contained in this part is intended or shall be construed to create an entitlement to a license, permit or other authorization by a person.

(b) Renewal.--

(1) All permits and licenses issued under this part unless otherwise provided shall be subject to renewal every five years.

(2) The application for renewal of a license or permit, unless otherwise provided, shall be submitted at least 180 days prior to the expiration of the permit or license 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 section 4101.

(3) Nothing in this subsection shall be construed to relieve a licensee or permittee of the affirmative duty to notify the board of a change relating to the status of its license or permit or to other information contained in the application materials on file with the board.

(c) Revocation or failure to renew.--

(1) In addition to other sanctions the board may impose under this part, the board may at its discretion suspend, revoke or deny renewal of a permit or license issued under this part if it receives 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 renewal application is no longer true and correct such that the applicant is no longer eligible.

(2) In the event of a revocation or failure to renew, the licensee's authorization to conduct the previously approved activity shall immediately cease the activity and all fees paid in connection with the license shall be deemed to be forfeited.

(3) 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.

(d) Nontransferability of licenses.--

(1) A license issued by the board is a grant of the privilege to conduct a business in this Commonwealth.

(2) Except as permitted by section 3517 (relating to change in ownership or control of terminal operator

licensee), no license granted or renewed pursuant to this part may be sold, transferred or assigned to another person.

(3) No licensee may pledge or otherwise grant a security interest in or lien on the license.

(4) The board has the sole discretion to issue, renew, condition or deny the issuance of a license based upon the requirements of this part.

(5) Nothing contained in this part is intended or shall be construed to create in any person an entitlement to a license.

§ 3517. Change in ownership or control of terminal operator licensee.

(a) Notification and approval.--

(1) A terminal operator licensee shall promptly notify the board of a proposed or contemplated change of ownership of the terminal operator licensee by a person or group of persons acting in concert which involves any of the following:

(i) More than 5% of a terminal operator licensee's securities or other ownership interests.

(ii) More than 5% 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 licensee.

(iii) The sale of all or substantially all of a licensee's assets.

(iv) Other transaction or occurrence deemed by the board to be relevant to license qualifications.

(2) (i) Notwithstanding the provisions of paragraph (1), no terminal operator licensee may be required to notify the board of an 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 the securities were purchased for investment purposes only and the institutional investor files with the board a certified statement to the effect that it has no intention of influencing or affecting, directly or indirectly, the affairs of the licensee, provided, however, that it shall be permitted to vote on matters put to the vote of the outstanding security holders.

(ii) Notice to the board and board approval shall be required prior to completion of any proposed or contemplated change of ownership of a terminal operator licensee that meets the criteria of this section.

(b) Qualification of purchaser of terminal operator licensee; change of control.--

(1) The purchaser of all or substantially all of the assets of a terminal operator licensee shall, if not already a terminal operator licensee, independently qualify for a license in accordance with this part and shall pay the license fee as required by section 4101 (relating to fees).

(2) A change in control of a terminal operator licensee shall require that the terminal operator licensee independently qualify for a license in accordance with this part, and the terminal operator licensee shall pay a new license fee as required by section 4101, except as otherwise required by the board pursuant to this section.

(3) The new license fee shall be paid upon the assignment and actual change of control or ownership of the terminal operator license.

(c) Change in control defined.--For purposes of this section, a change in control of a terminal operator licensee shall mean the acquisition by a person or group of persons acting in concert of more than 20% of a terminal operator licensee'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 slot machine 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 licensee.

(d) Fee reduction.--The board may, in its discretion, eliminate the need for qualification or proportionately reduce, but not eliminate, the new license fee otherwise required pursuant to this section in connection with a change of control of a licensee, depending upon the type of transaction, the relevant ownership interests and changes to the interests resulting from the transaction and other considerations deemed relevant by the board.

(e) License revocation.--Failure to comply with this section may cause the license issued under this part 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 license fee has been paid.

Cross References. Section 3517 is referred to in sections 3506, 3516 of this title.

§ 3518. Video gaming accounting controls and audits.

(a) Approval.--Except as otherwise provided by this part, a terminal operator license applicant shall, in addition to obtaining a terminal operator license, obtain approval from the board in consultation with the department of its internal control systems and audit protocols prior to the installation and operation of video gaming terminals at licensed establishments.

(b) Minimum requirements.--At a minimum, the applicant's proposed internal controls and audit protocols shall:

(1) Safeguard its assets and revenues, including, but not limited to, the recording of cash and cash equivalents and evidences of indebtedness related to the video gaming terminals.

(2) Provide for reliable records, accounts and reports of a financial event that occurs in the operation of a video gaming terminal, including reports to the board related to the video gaming terminals.

(3) Ensure that each video gaming terminal directly provides or communicates all required activities and financial details to the central control computer system as set by the board and the department.

(4) Provide for accurate and reliable financial records.

(5) Ensure a financial event that occurs in the operation of a video gaming terminal is performed only in accordance with the management's general or specific authorization, as approved by the board.

(6) Ensure that a financial event that occurs in the operation of a video gaming terminal is recorded adequately to permit proper and timely reporting of gross revenue and

the calculation thereof and of fees and taxes and to maintain accountability for assets.

(7) Ensure that access to assets is permitted only in accordance with management's specific authorization, as approved by the board.

(8) Ensure that recorded accountability for assets is compared with actual assets at intervals as required by the board and appropriate action is taken with respect to discrepancies.

(9) Ensure that all functions, duties and responsibilities are appropriately segregated and performed in accordance with sound financial practices by competent, qualified personnel.

(10) Any other requirement of the board or the department.

(c) Internal control.--A terminal operator license applicant shall submit to the board and department, in such manner as the board requires, a description of its administrative and accounting procedures in detail, including its written system of internal control. The written system of internal control shall include:

(1) Records of direct and indirect ownership in the proposed terminal operator licensee, its affiliate, intermediary, subsidiary or holding company.

(2) An organizational chart depicting appropriate segregation of employee functions and responsibilities.

(3) A description of the duties and responsibilities of each employee position shown on the organizational chart.

(4) A detailed narrative description of the administrative and accounting procedures designed to satisfy the requirements of this section.

(5) Record retention policy.

(6) Procedure to ensure that assets are safeguarded, including mandatory count procedures.

(7) A statement signed by the chief financial officer of the terminal operator license applicant or other competent person and the chief executive officer of the terminal operator license applicant or other competent person attesting that the officer believes, in good faith, that the system satisfies the requirements of this section.

(8) Other items that the board or department may require in its discretion.

§ 3519. Multiple licenses prohibited.

(a) Manufacturer restriction.--A manufacturer may not be licensed as a terminal operator or own, manage or control an establishment licensee or terminal operator licensee, but may also be licensed as a supplier.

(b) Supplier restriction.--A supplier may not be licensed as a terminal operator or own, manage or control an establishment licensee or terminal operator licensee.

(c) Terminal operator restriction.--A terminal operator may not be licensed as a manufacturer or supplier or own, manage or control an establishment licensee or own, manage or control premises used by an establishment licensee.

(d) Establishment restriction.--An establishment licensee may not be licensed as a manufacturer, supplier or terminal operator.

§ 3520. Conditional licenses.

(a) Conditional establishment licenses.--

(1) Within 90 days after the effective date of this section, the board shall make applications for establishment licenses available to applicants.

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

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

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

(iii) The applicant has submitted a completed application for an establishment license in accordance with this part, which may be submitted concurrently with the applicant's request for a conditional license.

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

(3) (i) The board shall issue a conditional license to an applicant for an establishment license within 60 days after the completed application has been received by the board, provided that the board determines that the criteria contained in paragraph (2) has been satisfied.

(ii) If the board determines 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 conditional license shall be valid until:

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

(ii) the conditional license is terminated for a violation of this part; or

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

(5) The board may extend the duration of the conditional license for one calendar year.

(6) An 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 part.

(7) A request for conditional licensure under this subsection shall include payment of a \$100 fee, which fee shall be in addition to the applicable fee required under section 4101 (relating to fees).

(b) Conditional terminal operator licenses.--

(1) Within 90 days after the effective date of this section, the board shall make applications for terminal operator licenses available to applicants.

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

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

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

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

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

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

(3) (i) The board shall issue a conditional license to an applicant for a terminal operator license within 60 days after the completed application has been received by the board, provided that the board determines that the criteria contained in paragraph (2) has been satisfied.

(ii) If the board determines 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 conditional license shall be valid until:

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

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

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

(5) The board may extend the duration of the conditional license for one calendar year.

(6) An 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 part.

(7) A request for conditional licensure under this subsection shall include payment of a \$100 fee, which fee shall be in addition to the applicable fee required under section 4101.

(c) Conditional manufacturer and supplier licenses.--

(1) Within 90 days after the effective date of this section, the board shall make applications available for manufacturer and supplier licenses.

(2) The board shall issue a conditional license to an applicant for a manufacturer or supplier license 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 a manufacturer or supplier license, which may be submitted concurrently with the applicant's request for a conditional license.

(iv) The applicant has never had its manufacturer, supplier or similar gaming license denied or revoked in another jurisdiction.

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

(3) (i) The board shall issue a conditional license to an applicant for a manufacturer or supplier license within 60 days after the completed application has been received by the board, provided that the board determines that the criteria contained in paragraph (2) has been satisfied.

(ii) If the board determines 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 conditional license shall be valid until:

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

(ii) the conditional license is terminated for a violation of this part; or

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

(5) The board may extend the duration of the conditional license for one calendar year.

(6) An 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 part.

(7) A request for a conditional license under this subsection shall include payment of a \$1,000 fee, which fee shall be in addition to the applicable fee required under section 4101.

(d) Other conditional licenses.--

(1) Within 90 days after the effective date of this section, the board shall make applications available for any other license required under this part.

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

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

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

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

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

(3) (i) The board shall issue a conditional license to an applicant within 60 days after the completed application has been received by the board, provided that the board determines that the criteria contained in paragraph (2) has been satisfied.

(ii) If the board determines 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 conditional license shall be valid until:

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

(ii) the conditional license is terminated for a violation of this part; or

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

(5) The board may extend the duration of the conditional license for one calendar year.

(6) An 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 part.

(7) A request for conditional licensure under this subsection shall include payment of a \$100 fee, which fee shall be in addition to the applicable fee required under section 4101.

(e) Prioritization prohibited.--

(1) The board may not utilize the alternative licensing standards for a terminal operator license, manufacturer license or a supplier license under sections 3511 (relating to alternative terminal operator licensing standards), 3512

(relating to alternative manufacturer licensing standards) and 3513 (relating to alternative supplier licensing standards) to prioritize the issuance of a terminal operator, manufacturer or supplier license under this chapter.

(2) The board shall ensure that applications made to the board according to the alternative standards under sections 3511, 3512 and 3513 are not approved or denied in a time period that is less than the time period in which an application for a conditional license is approved or denied under this section.

(f) Incomplete applications.--If the board receives an application that is incomplete, the board shall, within seven days of receiving the incomplete application, notify the applicant of additional information required by the board.

CHAPTER 37

OPERATION

Sec.

- 3701. Testing and certification of terminals.
- 3702. Video gaming limitations.
- 3703. (Reserved).
- 3704. Terminal placement agreements.
- 3705. Duties of licensees.
- 3706. Compulsive and problem gambling.

Enactment. Chapter 37 was added October 30, 2017, P.L.419, No.42, effective immediately.

§ 3701. Testing and certification of terminals.

(a) General rule.--No video gaming terminal or redemption terminal or associated equipment may be made available for use in this Commonwealth prior to being tested and certified by the board in accordance with this section.

(b) Video gaming terminal specifications.--Video gaming terminals shall be tested and certified to meet the following specifications:

(1) The video gaming terminal shall have the ability to be linked to the central control computer.

(2) The video gaming terminal shall be marked with an irremovable identification plate that is placed in a conspicuous location on the exterior of the video gaming terminal. The identification plate shall contain the name of the manufacturer and the serial and model numbers of the video gaming terminal.

(3) The video gaming terminal shall prominently display the rules of play either on the video gaming terminal face or screen.

(4) The video gaming terminal may not have the ability to dispense cash, tokens or anything of value, except redemption tickets which shall only be exchangeable for cash at a redemption terminal or reinserted into another video gaming terminal located in the same video gaming area as the video gaming terminal.

(5) The cost of a credit shall only be 1¢, 5¢, 10¢ or 25¢.

(6) The maximum wager per individual game shall not exceed \$5.

(7) The maximum prize per individual game shall not exceed \$1,000.

(8) The video gaming terminal shall be designed and manufactured with total accountability to include gross

proceeds, net profits, winning percentages and other information the board requires.

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

(10) Other specifications the board requires.

(c) Redemption terminal specifications.--Redemption terminals shall be tested and certified to meet the following specifications:

(1) The redemption terminal shall be marked with an irremovable identification plate that is placed in a conspicuous location on the exterior of the redemption terminal. The identification plate shall contain the name of the manufacturer and the serial and model numbers of the redemption terminal.

(2) The redemption terminal shall only accept redemption tickets from video gaming terminals located in the same video gaming area.

(3) The redemption terminal shall be designed and manufactured with total accountability to record information the board requires.

(4) Other specifications the board requires.

(d) Use of other state standards.--

(1) The board may determine, in its discretion, whether the video gaming terminal or redemption terminal testing and certification standards of another jurisdiction within the United States in which a manufacturer licensee is licensed are comprehensive and thorough and provide similar adequate safeguards as those required by this part.

(2) If the board makes the determination under paragraph (1), the board may permit a manufacturer licensee to deploy those video gaming terminals or redemption terminals which have met the video gaming terminal or redemption terminal testing and certification standards in such other jurisdictions without undergoing the full testing and certification process by the board's testing facility.

(3) In the event video gaming terminals or redemption terminals of a manufacturer licensee are licensed in the 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 video gaming terminal or redemption terminal certification to such an applicant.

(e) Private testing.--The board may, in its discretion, rely upon the certification of a video gaming terminal or redemption terminal that has met the testing and certification standards of one or more board-approved independent private testing and certification facilities.

(f) Testing and certification fee.--

(1) A fee for the testing and certification of a video gaming terminal or redemption terminal shall be paid by the manufacturer licensee submitting the terminal, which fee shall be an amount established by the board according to a schedule adopted by the board.

(2) Fees established by the board shall be exempt from any fee limitation contained in section 4101 (relating to fees).

(g) Central control computer compatibility.--The board shall ensure that all video gaming terminals certified and approved for use in this Commonwealth are compatible and comply with the central control computer and protocol specifications approved by the department.

§ 3702. Video gaming limitations.

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

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

(2) Redemption tickets shall only be exchanged for cash through a redemption terminal or reinserted into another video gaming terminal in the same video gaming area or as otherwise authorized by the board in the event of a failure or malfunction in a redemption terminal, and at least one redemption terminal shall be located in the video gaming area.

(3) Video gaming terminals located on the premises of the establishment licensee shall be placed and operated by a terminal operator licensee pursuant to a terminal placement agreement.

(4) No video gaming area may be located in an area that is not properly segregated from minors.

(5) The entrance to the video gaming area shall be secure and easily seen and observed by at least one employee of the establishment licensee.

(6) The video gaming area shall at all times be monitored by an employee of the establishment licensee, either directly or through live monitoring of video surveillance. The employee must be at least 18 years of age and have completed the mandatory training program required in section 3706 (relating to compulsive and problem gambling).

(7) No establishment licensee may provide an incentive.

(8) No minor shall be permitted to play a video gaming terminal or enter the video gaming area.

(9) No visibly intoxicated person shall be permitted to play a video gaming terminal.

(10) No establishment licensee may extend credit or accept a credit card or debit card for play of a video gaming terminal.

(11) No establishment licensee may make structural alterations or significant renovations to a video gaming area unless the establishment licensee has notified the terminal operator licensee and obtained prior approval from the board.

(12) No establishment licensee may move a video gaming terminal or redemption terminal after installation by a terminal operator licensee.

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

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

(2) Redemption tickets shall only be exchanged for cash through a redemption terminal located within the same video gaming area or reinserted into another video gaming terminal located in the same video gaming area as the video gaming terminal.

(3) Video gaming terminals located on the premises of the establishment licensee shall be placed and operated pursuant to a terminal placement agreement.

(4) No terminal operator licensee may provide an incentive.

(5) No terminal operator licensee may extend credit or accept a credit card or debit card for play of a video gaming terminal.

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

(7) No terminal operator licensee may give an establishment licensee a percentage of gross terminal revenue other than 15% of the gross terminal revenue of the video gaming terminals operating in the establishment licensee's premises.

(8) A terminal operator licensee shall only operate, install or otherwise make available for public use a video gaming terminal or redemption terminal that has been obtained from a manufacturer licensee or supplier licensee.

(9) No terminal operator licensee may make structural alterations or significant renovations to a video gaming area unless the terminal operator licensee has notified the establishment licensee and obtained prior approval from the board.

(10) No terminal operator licensee may move a video gaming terminal or redemption terminal after installation unless prior approval is obtained from the board.

§ 3703. (Reserved).

§ 3704. **Terminal placement agreements.**

(a) **General rule.**--No terminal operator licensee may place and operate video gaming terminals on the premises of an establishment licensee unless pursuant to a terminal placement agreement approved by the board. Approval shall be presented upon connection of one or more video gaming terminals at the establishment licensee to the central control computer.

(b) **Form of agreement.**--The board shall establish through regulation minimum standards for terminal placement agreements.

(c) **Length of agreement.**--Terminal placement agreements shall be valid for a minimum 60-month term but shall not exceed a 120-month term.

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

(1) Renders the agreement invalid if either the terminal operator license or terminal operator application or the establishment license or establishment licensee application is denied, revoked, not renewed, withdrawn or surrendered.

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

(3) Identifies who solicited the terminal placement agreement on behalf of a terminal operator licensee or applicant.

(e) **Parties to agreement.**--Only an establishment licensee or applicant may sign or agree to sign a terminal placement agreement with an applicant for a terminal operator license or a terminal operator licensee.

(f) **Void agreements.**--An agreement entered into by a truck stop establishment prior to the effective date of this section with a person or entity for the placement, operation, service or maintenance of video gaming terminals, including an 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 shall be void and may not be approved by the board.

(g) Transferability of agreements.--No terminal placement agreement may be transferred or assigned unless the individual or entity making the assignment is either a terminal operator applicant or terminal operator licensee and the individual or entity receiving the assignment of the terminal placement agreement is either a terminal operator applicant or terminal operator licensee under this chapter.

§ 3705. Duties of licensees.

A person issued a license under this part shall:

(1) Provide assistance or information required by the board, the bureau, the department or the Pennsylvania State Police and to cooperate in inquiries, investigations and hearings.

(2) Consent to inspections, searches and seizures.

(3) Inform the board of actions that the person believes would constitute a violation of this part.

(4) Inform the board of arrests for violations of offenses enumerated under 18 Pa.C.S. (relating to crimes and offenses).

§ 3706. Compulsive and problem gambling.

(a) Required posting.--

(1) An establishment licensee shall conspicuously post signs similar to the following statement:

If you or someone you know has a gambling problem, help is available. Call (Toll-free telephone number) or Text (Toll-free telephone number).

(2) At least one sign shall be posted within the video gaming area and at least one sign shall be posted within five feet of each automated teller machine located within the establishment licensee's premises, if applicable.

(b) Toll-free telephone number.--The toll-free telephone number required to be posted in subsection (a) shall be the same number maintained by the Department of Drug and Alcohol Programs or successor agency under section 3310 (relating to Department of Drug and Alcohol Programs).

(c) Problem gambling information.--

(1) An establishment licensee shall have available on its premises access to materials regarding compulsive and problem gambling assistance.

(2) The available materials required by paragraph (1) shall be a uniform, Statewide handout developed by the board in consultation with the Department of Drug and Alcohol Programs or successor agency.

(3) The available materials required by paragraph (1) shall be displayed conspicuously at least within the video gaming area.

(d) Mandatory training.--

(1) The board's Office of Compulsive and Problem Gambling, in consultation with the Department of Drug and Alcohol Programs or successor agency, shall develop a mandatory training program for employees and management of an establishment licensee who oversee the establishment licensee's video gaming area. The training program shall address responsible gaming and other compulsive and problem gambling issues related to video gaming terminals.

(2) The board shall establish a fee to cover the cost of the mandatory training program.

(3) At least one employee of the establishment licensee who holds a valid occupation permit and has successfully completed the training program shall be located on the premises and supervising the video gaming area during all times video gaming terminals are available for play.

(e) Penalty.--An establishment licensee that fails to fulfill the requirements of subsection (a), (b), (c) or (d) shall be assessed by the board an administrative penalty and may have its establishment license suspended. When determining the penalty and number of suspension days, the board shall consider the length of time in which the materials were not available or a trained employee was not located on the premises as required by subsection (d) (3).

Cross References. Section 3706 is referred to in section 3702 of this title.

CHAPTER 39

ENFORCEMENT

Sec.

- 3901. Exclusion or ejection of certain persons.
- 3902. Repeat offenders.
- 3903. Self-exclusion.
- 3904. Investigations and enforcement.
- 3905. Prohibited acts and penalties.
- 3906. Report of suspicious transactions.
- 3907. Additional authority.
- 3908. Detention.

Enactment. Chapter 39 was added October 30, 2017, P.L.419, No.42, effective immediately.

§ 3901. Exclusion or ejection 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 the video gaming area of an establishment licensee. 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 video gaming area would, in the opinion of the board, be inimical to the interest of the Commonwealth or of licensed video gaming in this Commonwealth, or both.

(b) Categories to be defined.--The board shall promulgate definitions establishing categories of persons who shall be excluded or ejected pursuant to this section, including cheats and persons whose privileges for licensure, certification, permit or registration have been revoked.

(c) Discrimination prohibited.--Race, color, creed, national origin or ancestry or sex shall not be a reason for placing the name of a person upon a list under this section.

(d) Prevention of access.--The board shall, in consultation with terminal operator licensees and establishment licensees, develop policies and procedures to reasonably prevent persons on the list required by this section from entering a video gaming area.

(e) Sanctions.--The board may impose sanctions upon an establishment licensee in accordance with this part if the establishment licensee knowingly fails to implement the policies and procedures established by the board under paragraph (d).

(f) List not all-inclusive.--A list compiled by the board under this section shall not be deemed an all-inclusive list, and an establishment licensee shall keep from the video gaming area persons known to the establishment licensee to be within the classifications declared in this section and the regulations promulgated under this section whose presence in a video gaming

area would be inimical to the interest of the Commonwealth or of licensed video gaming in this Commonwealth, or both, as defined in standards established by the board.

(g) Notice.--If the bureau decides to place the name of a person on a list pursuant to this section, the bureau shall serve notice of the decision to the 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 (h).

(h) Hearing.--

(1) Within 30 days after receipt of notice in accordance with subsection (g), the person named for exclusion or ejection may demand a hearing before the board, at which hearing the bureau must demonstrate that the person named for exclusion or ejection satisfies the criteria for exclusion or ejection established by this section and the board's regulations.

(2) Failure of the person to demand a hearing within 30 days after service shall be deemed an admission of all matters and facts alleged in the bureau's notice and shall preclude the person from having an administrative hearing, but shall in no way affect the right to judicial review as provided in this section.

(i) Review.--

(1) If, upon completion of a hearing on the notice of exclusion or ejection, the board determines that placement of the name of the person on the exclusion or ejection list is appropriate, the board shall make and enter an order to that effect.

(2) The order shall be subject to review by the Commonwealth Court in accordance with the rules of court.

§ 3902. Repeat offenders.

(a) Discretion to exclude or eject.--An establishment licensee may exclude or eject from the establishment licensee's video gaming area or premises a person who is known to it to have been convicted of a misdemeanor or felony committed in or on the premises of a licensed establishment.

(b) Construction.--Nothing in this section or in any other law of this Commonwealth shall be construed to limit the right of an establishment licensee to exercise its common law right to exclude or eject permanently from its video gaming area or premises a person who:

(1) disrupts the operations of its premises;

(2) threatens the security of its premises or its occupants; or

(3) is disorderly or intoxicated.

§ 3903. Self-exclusion.

(a) Establishment of list.--

(1) The board shall provide by regulation for the establishment of a list of persons self-excluded from video gaming activities within specific establishment licensees or establishment licensees in geographic areas of the Commonwealth.

(2) A person may request placement on the list of self-excluded persons by:

(i) acknowledging in a manner to be established by the board that the person is a problem gambler;

(ii) agreeing that, during any period of voluntary exclusion, the person may not collect any winnings or recover any losses resulting from any video gaming activity within establishment licensees and that person may be subject to arrest for trespass; and

(iii) agreeing to another condition established by the board.

(b) Regulations.--The regulations of the board shall establish:

(1) Procedures for placement on and removal from the list of a self-excluded person.

(2) Procedures for the transmittal to establishment licensees of identifying information concerning a self-excluded person and shall require establishment licensees to establish reasonable procedures designed at a minimum to prevent entry of a self-excluded person into the video gaming area of an establishment licensee, provided that the board may not require video gaming terminals to be equipped with identification card-reading devices or require establishment licensees to purchase identification card-reading devices.

(3) Procedures for the transmittal to terminal operator licensees of identifying information concerning a self-excluded person and shall require terminal operator licensees to establish procedures to remove self-excluded persons from customer loyalty or reward card programs and targeted mailings or other forms of advertising or promotions.

(c) Liability.--An establishment licensee or employee thereof shall not be liable to a self-excluded person or to another party in a judicial proceeding for harm, monetary or otherwise, which may arise as a result of:

(1) the failure of the establishment licensee to withhold video gaming privileges from or restore video gaming privileges to the self-excluded person; or

(2) otherwise permitting or not permitting the self-excluded person to engage in video gaming activity within the establishment licensee's premises while on the list of self-excluded persons.

(d) Nondisclosure.--Notwithstanding any other law to the contrary, the board's list of self-excluded persons shall not be open to public inspection.

§ 3904. Investigations and enforcement.

(a) Powers and duties of bureau.--The bureau shall have the following powers and duties:

(1) Enforce the provisions of this part.

(2) Investigate and review applicants and applications for a license or registration. The bureau shall be prohibited from disclosing any portion of a background investigation report to a member of the board prior to the submission of the bureau's final background investigation report relating to the applicant's suitability for licensure to the board. The Office of Enforcement Counsel, on behalf of the bureau, shall prepare the final background investigation report for inclusion in a final report relating to the applicant's suitability for licensure.

(3) Investigate licensees, registrants and other persons regulated by the board under this part for noncriminal violations of this part, including potential violations referred to the bureau by the board or other person.

(4) Monitor video gaming operations to ensure compliance with this part.

(5) Inspect and examine licensed entities. Inspections may include the review and reproduction of documents or records.

(6) Conduct reviews of a licensed entity as necessary to ensure compliance with this part. A review may include

the review of accounting, administrative and financial records, management control systems, procedures and other records utilized by a licensed entity.

(7) Refer possible criminal violations to the Pennsylvania State Police. The bureau shall not have the power of arrest.

(8) Cooperate in the investigation and prosecution of criminal violations related to this part.

(9) Be a criminal justice agency under 18 Pa.C.S. Ch. 91 (relating to criminal history record information).

(b) Office of Enforcement Counsel.--The board's Office of Enforcement Counsel shall act as the prosecutor in all noncriminal enforcement actions initiated by the bureau under this part and shall have the following powers and duties:

(1) Advise the bureau on all matters, including the granting of licenses or registrations, the conduct of background investigations, audits and inspections and the investigation of potential violations of this part.

(2) File on behalf of the bureau recommendations and objections relating to the issuance of licenses and registrations.

(3) Initiate, in its sole discretion, proceedings for noncriminal violations of this part by filing a complaint or other pleading with the board.

(c) 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 video gaming terminals and redemption terminals under this part.

(2) Notwithstanding the provisions of section 353(f) of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, the department shall supply the board, the bureau, the Pennsylvania State Police and the Office of Attorney General with information concerning the status of delinquent taxes owed by applicants or licensees.

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

(1) Promptly conduct background investigations on persons as directed by the board under this part. The Pennsylvania State Police may contract with other law enforcement annuitants to assist in the conduct of investigations under this paragraph.

(2) Initiate proceedings for criminal violations of this part.

(3) Provide the board with all information necessary for all actions under this part for all proceedings involving criminal enforcement of this part.

(4) Inspect, when appropriate, a licensee's person and personal effects present within an establishment licensee's premises under this part while that licensee is present.

(5) Enforce the criminal provisions of this part and all other criminal laws of this Commonwealth.

(6) Fingerprint applicants.

(7) Exchange fingerprint data with and receive national criminal history record information from the Federal Bureau of Investigation for use in background investigations performed by the bureau under this part.

(8) Receive and take appropriate action on any referral from the bureau relating to criminal conduct.

(9) Conduct administrative inspections on the premises of an establishment licensee at such times, under such

circumstances and to such extent as the bureau determines to ensure compliance with this part and the regulations of the board and, in the course of inspections, review and make copies of all documents and records required by the inspection through onsite observation and other reasonable means to assure compliance with this part and regulations promulgated under this part.

(10) Conduct audits or verification of information of video gaming terminal operations at such times, under such circumstances and to such extent as the bureau determines. This paragraph includes the review of accounting, administrative and financial records and management control systems, procedures and records utilized by a terminal operator licensee.

(11) Assign members of the Pennsylvania State Police to duties of enforcement under this part. Those members shall not be counted toward the complement as provided in section 205 of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

(12) Report to the General Assembly. By March 1 of each year, the Commissioner of the Pennsylvania State Police shall submit a report to the Appropriations Committee of the Senate, the Community, Economic and Recreational Development Committee of the Senate, the Appropriations Committee of the House of Representatives and the Gaming Oversight Committee of the House of Representatives. The report shall summarize all law enforcement activities at each establishment licensee during the previous calendar year and shall include all of the following:

(i) The number of arrests made and citations issued at each establishment licensee and the name of the law enforcement agency making the arrests or issuing the citations.

(ii) A list of specific offenses charged for each arrest made or citation issued.

(iii) The number of criminal prosecutions resulting from arrests made or citations issued.

(iv) The number of convictions resulting from prosecutions reported under subparagraph (iii).

(13) Report violations of this part to the bureau that are found during the normal course of duties required under any law of this Commonwealth.

(e) Powers and duties of Attorney General.--The Gaming Unit within the Office of Attorney General shall investigate and institute criminal proceedings as authorized under subsection (f).

(f) Criminal action.--

(1) The district attorneys of the several counties shall have authority to investigate and to institute criminal proceedings for a violation of this part.

(2) In addition to the authority conferred upon the Attorney General under the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act, the Attorney General shall have the authority to investigate and, following consultation with the appropriate district attorney, to institute criminal proceedings for a violation of this part.

(3) A person charged with a violation of this part by the Attorney General shall not have standing to challenge the authority of the Attorney General to investigate or prosecute the case, and, if any such challenge is made, the challenge shall be dismissed and no relief shall be available

in the courts of this Commonwealth to the person making the challenge.

(g) Regulatory action.--Nothing contained in subsection (e) shall be construed to limit the existing regulatory or investigative authority of an agency or the Commonwealth whose functions relate to persons or matters within the scope of this part.

(h) Inspection, seizure and warrants.--

(1) The board, 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 under this part:

(i) Inspect and examine all premises where video gaming operations are conducted; where video gaming terminals, redemption terminals and associated 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 terminal operator licensee's video gaming operation.

(v) Seize, impound or assume physical control of any book, record, ledger or device related to video gaming operations or the video gaming terminals or redemption terminals.

(2) The provisions of paragraph (1) shall not be construed to limit warrantless inspections except in accordance with constitutional requirements.

(3) To further effectuate the purposes of this part, the bureau and the Pennsylvania State Police may obtain administrative warrants for the inspection and seizure of property possessed, controlled, bailed or otherwise held by an applicant, licensee, intermediary, subsidiary, affiliate or holding company.

(i) Information sharing and enforcement referral.--With respect to the administration, supervision and enforcement of this part, the bureau, the department, the Pennsylvania State Police or the Office of Attorney General may obtain or provide pertinent information regarding applicants or licensees from or to law enforcement entities or gaming authorities of the Commonwealth and other domestic, foreign or federally approved jurisdictions, including the Federal Bureau of Investigation, and may transmit the information to each other electronically.

Cross References. Section 3904 is referred to in section 3305 of this title.

§ 3905. Prohibited acts and 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 a person providing information or making a statement, whether written or oral, to the board, 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 a license fee, authorization fee, tax or assessment imposed under this part; or

(ii) attempt in any manner to evade or defeat a license fee, authorization fee, tax or assessment imposed under this part.

(3) It shall be unlawful for a licensed entity, gaming employee, key employee or any other person to permit a video gaming terminal to be operated, transported, repaired or opened on the premises of an establishment licensee by a person other than a person licensed or permitted by the board pursuant to this part.

(4) It shall be unlawful for a licensed entity or other person to manufacture, supply or place video gaming terminals, redemption terminals or associated equipment into play or display video gaming terminals, redemption terminals or associated equipment on the premises of an establishment licensee without the authority of the board.

(5) It shall be unlawful for a licensed entity or other person to manufacture, supply, operate, carry on or expose for play a video gaming terminal or associated equipment after the person's license has expired or failed to be renewed in accordance with this part.

(6) It shall be unlawful for an individual while on the premises of an establishment licensee to knowingly use currency other than lawful coin or legal tender of the United States or a coin not of the same denomination as the coin intended to be used in the video gaming terminal or use a counterfeit or altered redemption tickets with the intent to cheat or defraud a terminal operator licensee or the Commonwealth or damage the video gaming terminal or redemption terminal.

(7) (i) Except as set forth in subparagraph (ii), it shall be unlawful for an individual to use or possess a cheating or thieving device, counterfeit or altered billet, ticket, token or similar object accepted by a video gaming terminal or counterfeit or altered redemption ticket on the premises of an establishment licensee.

(ii) An authorized employee of a licensee or an employee of the board may possess and use a cheating or thieving device, counterfeit or altered billet, ticket, token or similar object accepted by a video gaming terminal or counterfeit or altered redemption ticket in performance of the duties of employment.

(8) (i) Except as set forth in subparagraph (ii), it shall be unlawful for an individual to knowingly possess or use while on the premises of an establishment licensee a key or device designed for the purpose of and suitable for opening or entering a video gaming terminal or redemption terminal that is located on the premises of the establishment licensee.

(ii) An authorized employee of a licensee or a member of the board may possess and use a device referred to in subparagraph (i) in the performance of the duties of employment.

(9) It shall be unlawful for a person or licensed entity to possess a device, equipment or material which the person or licensed entity knows has been manufactured, distributed, sold, tampered with or serviced in violation of this part with the intent to use the device, equipment or material as

though it had been manufactured, distributed, sold, tampered with or serviced pursuant to this part.

(10) It shall be unlawful for a person to sell, offer for sale, represent or pass off as lawful any device, equipment or material that the person or licensed entity knows has been manufactured, distributed, sold, tampered with or serviced in violation of this part.

(11) It shall be unlawful for an individual to work or be employed in a position the duties of which would require licensing under this part without first obtaining the requisite license issued under this part.

(12) It shall be unlawful for a licensed entity to employ or continue to employ an individual in a position the duties of which require a license under this part if the individual:

(i) Is not licensed under this part.

(ii) Is prohibited from accepting employment from a licensee.

(13) It shall be unlawful for a minor to enter and remain in any video gaming area, except that an individual at least 18 years of age employed by a terminal operator licensee, a gaming service provider, an establishment licensee, the board or another regulatory or emergency response agency may enter and remain in the area while engaged in the performance of the individual's employment duties.

(14) It shall be unlawful for a minor to wager, play or attempt to play a video gaming terminal or submit a redemption ticket into a redemption terminal.

(15) It shall be unlawful for a terminal operator licensee to require a video gaming terminal wager to be greater than the stated minimum wager or greater than the stated maximum wager.

(16) An individual who engages in conduct prohibited by 18 Pa.C.S. § 6308 (relating to purchase, consumption, possession or transportation of liquor or malt or brewed beverages) on the premises of an establishment licensee commits a nongambling offense.

(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 video gaming terminal or redemption terminal 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, a component of a video gaming terminal or redemption terminal in a manner contrary to the designed and normal operational purpose.

(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), (4), (5), (6), (7), (8), (9), (10), (11), (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), (4), (5), (6), (7), (8), (9), (10), (11), (12) or (17) commits a felony of the second degree.

(2) (i) For a first violation of subsection (a) (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (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 or establishment licensee;

(B) not less than \$300,000 nor more than \$600,000 if the person is a terminal operator 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), (4), (5), (6), (7), (8), (9), (10), (11), (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 or establishment licensee;

(B) not less than \$600,000 nor more than \$1,200,000 if the person is a terminal operator licensee; or

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

(3) An individual who commits an offense in violation of subsection (a) (13) or (14) 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 who is convicted of a second or subsequent offense under subsection (a) (13) or (14) 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 (14) may be sentenced to perform a period of community service not to exceed 40 hours.

(4) An individual who commits an offense in violation of subsection (a) (16) commits a nongambling offense to be graded in accordance with 18 Pa.C.S. § 6308 and shall be subject to the same penalties imposed pursuant to 18 Pa.C.S. §§ 6308 and 6310.4 (relating to restriction of operating privileges) except that the fine imposed for a violation of subsection (a) (16) shall be not less than \$350 nor more than \$1,000.

(c) Board-imposed administrative sanctions.--

(1) In addition to any other penalty authorized by law, the board may impose without limitation the following sanctions:

(i) Revoke the license of a person convicted of a criminal offense under this part or regulations promulgated under this part or committing any other offense or violation of this part or applicable law that

would otherwise disqualify the person from holding the license.

(ii) Revoke the license of a person determined to have violated a provision of this part or regulations promulgated under this part that would otherwise disqualify the person from holding the license.

(iii) Revoke the license of a person for willfully and knowingly violating or attempting to violate an order of the board directed to the person.

(iv) Subject to subsection (g), assess administrative penalties as necessary to punish violations of this part.

(v) Order restitution of money or property unlawfully obtained or retained by a licensee.

(vi) Enter cease and desist orders which specify the conduct which is to be discontinued, altered or implemented by a licensee.

(vii) Issue letters of reprimand or censure, which letters shall be made a permanent part of the file of the licensee so sanctioned.

(2) (i) If the board refuses to issue or renew a license, suspends or revokes a license, assesses civil penalties, orders restitution, enters a cease and desist order or issues a letter of reprimand or censure, the board shall provide the applicant or licensee with written notification of its decision, including a statement of the reasons for its decision, by certified mail within five business days of the decision of the board.

(ii) The applicant or licensee shall have the right to appeal the decision 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).

(d) Aiding and abetting.--A person who aids, abets, counsels, commands, induces, procures or causes another person to violate this part shall be subject to all sanctions and penalties, both civil and criminal, provided under this part.

(e) Continuing offenses.--A violation of this part 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.

(f) Property subject to seizure, confiscation, destruction or forfeiture.--Any equipment, device or apparatus, money, material, gaming proceeds or substituted proceeds or real or personal property used, obtained or received or an attempt to use, obtain or receive the device, apparatus, money, material, proceeds or real or personal property in violation of this part shall be subject to seizure, confiscation, destruction or forfeiture.

(g) Penalty limitation.--

(1) Administrative penalties assessed by the board on an establishment licensee shall not exceed \$5,000 for each noncriminal violation of this part.

(2) When imposing an administrative penalty on an establishment licensee for a noncriminal violation of this part, the board shall take into consideration the establishment licensee's annual taxable income and whether the penalty amount would cause the establishment licensee to cease non-video gaming operations.

(h) Deposit of fines.--Fines imposed and collected by the board under subsection (c) shall be deposited into the General Fund.

References in Text. 18 Pa.C.S. § 6310.4, referred to in subsec. (b)(4), was repealed by the act of October 24, 2018, P.L.659, No.95.

Cross References. Section 3905 is referred to in sections 3906, 4302 of this title.

§ 3906. Report of suspicious transactions.

(a) Duty.--An establishment licensee or terminal operator licensee or a person acting on behalf of an establishment licensee or terminal operator licensee shall, on a form and in a manner as required by the bureau, notify the bureau of a suspicious transaction.

(b) Failure to report.--

(1) A person that is required to file a report of a suspicious transaction under this section and knowingly fails to file the report or that knowingly causes another person having that responsibility to fail to file the report commits a misdemeanor of the third degree.

(2) A person required to file a report of a suspicious transaction under this section and fails to file the report or a person that causes another person required under this section to file the report to fail to file the report shall be strictly liable for the person's actions and may be subject to sanction under section 3905(c) (relating to prohibited acts and penalties).

(c) Bureau.--The bureau shall maintain a record of all reports made under this section for a period of five years. The bureau shall make the reports available to any Federal or State law enforcement agency upon written request and without necessity of subpoena.

(d) Notice prohibited.--

(1) A person that is required to file a report of a suspicious transaction under this section may not notify an individual suspected of committing the suspicious transaction that the transaction has been reported.

(2) A person that violates this subsection commits a misdemeanor of the third degree and may be subject to sanction under section 3905(c).

(e) Immunity.--A person that is required to file a report of a suspicious transaction under this section and in good faith makes the report shall not be liable in any civil action brought by a person for making the report, regardless of whether the transaction is later determined to be a suspicious transaction.

(f) Sanctions.--

(1) In considering appropriate administrative sanctions against a person for violating this section, the board shall consider all of the following:

(i) The risk to the public and to the integrity of gaming operations created by the conduct of the person.

(ii) The seriousness of the conduct of the person and whether the conduct was purposeful and with knowledge that it was in contravention of the provisions of this part or regulations promulgated under this part.

(iii) Justification or excuse for the conduct by the person.

(iv) The prior history of the particular licensee or person involved with respect to video gaming terminal activity.

(v) The corrective action taken by the establishment licensee or terminal operator licensee to prevent future misconduct of a like nature from occurring.

(vi) In the case of a monetary penalty, the amount of the penalty in relation to the severity of the misconduct and the financial means of the licensee or person. The board may impose any schedule or terms of payment of such penalty as it may deem appropriate.

(2) It shall be no defense to disciplinary action before the board that a person inadvertently, unintentionally or unknowingly violated this section. The factors enumerated under paragraph (1) shall only apply to the degree of the penalty to be imposed by the board and not to a finding of a violation itself.

(g) Regulations.--The board shall promulgate regulations to effectuate the purposes of this section.

§ 3907. Additional authority.

(a) Petition for access to agency information.--

(1) The director of the Office of Enforcement Counsel within the bureau may petition a court of record having jurisdiction over information in the possession of an agency in this Commonwealth or, if there is no such court, then the Commonwealth Court for authorization to review or obtain information in the possession of an agency in this Commonwealth by averring specific facts demonstrating that:

(i) The agency has in its possession information material to a pending investigation or inquiry being conducted by the bureau pursuant to this part.

(ii) Disclosure or release of the information is in the best interest of the Commonwealth.

(2) The petition shall request that the court enter a rule upon the agency to show cause why the agency should not be directed to disclose to the bureau, or identified agents thereof, information in the agency's possession about any pending matter under the jurisdiction of the bureau pursuant to this part.

(3) If the respondent is a local agency, a copy of a rule issued pursuant to this section shall be provided to the district attorney of the county in which the local agency is located and the Office of Attorney General.

(4) Upon request of a local agency, the district attorney or the Attorney General may elect to enter an appearance to represent the local agency in the proceedings.

(b) Procedure.--

(1) The filing of a petition pursuant to this section and related proceedings shall be in accordance with court rule, including issuance as of course.

(2) A party to the proceeding may not disclose the filing of a petition or answer or the receipt, content or disposition of a rule or order issued pursuant to this section, without leave of court.

(3) A party to the proceedings may request that the record be sealed and proceedings be closed. The court shall grant the request if it is in the best interest of a person or the Commonwealth to do so.

(c) Court determination.--

(1) Following review of the record, the court shall grant the relief sought by the director of the Office of Enforcement Counsel if the court determines that:

(i) The agency has in its possession information material to the investigation or inquiry.

(ii) Disclosure or release of the information is in the best interest of the Commonwealth.

(iii) The disclosure or release of the information is not otherwise prohibited by statute or regulation.

(iv) The disclosure or release of the information would not inhibit an agency in the performance of the agency's duties.

(2) If the court so determines, the court shall enter an order authorizing and directing the information be made available for review in camera.

(d) Release of materials or information.--

(1) If, after an in-camera review by the court, the director of the Office of Enforcement Counsel seeks to obtain copies of materials in the agency's possession, the court may, if not otherwise prohibited by statute or regulation, enter an order that the requested materials be provided.

(2) An order authorizing the release of materials or other information shall contain direction regarding the safekeeping and use of the materials or other information sufficient to satisfy the court that the materials or information will be sufficiently safeguarded.

(3) In making the determination under paragraph (2) the court shall consider input of the agency in possession of the information and input from any agency with which the information originated concerning a pending investigation or ongoing matter and the safety of person and property.

(e) Modification of order.--

(1) If subsequent investigation or inquiry by the bureau warrants modification of an order entered pursuant to this section, the director of the Office of Enforcement Counsel may petition to request modification of the order.

(2) Upon the request, the court may modify the order at any time and in any manner it deems necessary and appropriate.

(3) The agency named in the original petition shall be given notice and an opportunity to be heard.

(f) Use of information or materials.--A person who, by any means authorized by this section, has obtained knowledge of information or materials solely pursuant to this section may use the information or materials in a manner consistent with any direction imposed by the court and appropriate to the proper performance of the person's duties under this part.

(g) Violation.--In addition to the remedies and penalties provided in this part, a violation of the provisions of this section may be punished as contempt of court.

(h) Definition.--As used in this section, the term "agency" shall mean a "Commonwealth agency" or a "local agency" as those terms are defined in section 102 of the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

§ 3908. Detention.

(a) General rule.--A peace officer who has probable cause to believe that criminal violation of this part has occurred or is occurring on or about an establishment licensee's premises and who has probable cause to believe that a specific individual has committed or is committing the criminal violation may detain the individual in a reasonable manner for a reasonable time on the premises of the establishment licensee to require the suspect to identify himself, to verify such identification or to inform a peace officer.

(b) Immunity.--A peace officer shall not be subject to civil or criminal liability for detention of an individual in accordance with subsection (a).

CHAPTER 41
REVENUES

Sec.

- 4101. Fees.
- 4102. Taxes and assessments.
- 4103. Distribution of local share.
- 4104. Regulatory assessments.
- 4105. Transfers from Video Gaming Fund.

Enactment. Chapter 41 was added October 30, 2017, P.L.419, No.42, effective immediately.

§ 4101. Fees.

(a) Application fees.--The following nonrefundable application fees shall accompany an application for the following licenses or permits applied for under Chapter 35 (relating to application and licensure):

- (1) For a manufacturer or supplier license, \$50,000.
- (2) For a terminal operator license, \$25,000.
- (3) For an establishment license, \$1,000.
- (4) For a key employee or principal license, \$500.
- (5) For any other authorization or permit authorized by this part, an amount established by the board, through regulation, which may not exceed \$100.

(b) Initial license and renewal fees.--The following nonrefundable fees shall be required upon issuance of an initial license and shall accompany an application for renewal for the following licenses or permits under Chapter 35:

- (1) For a manufacturer or supplier license, \$10,000.
- (2) For a terminal operator license, \$5,000.
- (3) For an establishment license, an amount equal to \$250 per each video gaming terminal in operation at the premises of the establishment licensee.
- (4) For a key employee, procurement agent license or principal license, \$500.
- (5) For any other authorization or license authorized by this part, an amount established by the board, through regulation, which may not exceed \$100.

(c) Terminal increase fee.--An establishment licensee that increases the total number of video gaming terminals within the establishment after submission of the renewal fee required in subsection (b) shall provide the board with a \$250 renewal fee for each additional video gaming terminal added to the establishment within 60 days of installation of each additional video gaming terminal.

(d) Deposit of fees.--Fees collected under this section shall be deposited into the General Fund.

Cross References. Section 4101 is referred to in sections 3516, 3517, 3520, 3701 of this title; section 502 of Title 53 (Municipalities Generally).

§ 4102. Taxes and assessments.

(a) Fund established.--The Video Gaming Fund is established in the State Treasury. Money in the fund is hereby appropriated to the department on a continuing basis for the purposes under subsection (c).

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

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

(i) A tax of 42% of its gross terminal revenue from all video gaming terminals operated by the terminal operator licensee within this Commonwealth.

(ii) A 10% local share assessment from its gross terminal revenue.

(iii) A regulatory assessment established in section 4104 (relating to regulatory assessments) from the terminal operator licensee's weekly gross terminal revenue.

(2) All money owed under this section shall be held in trust by the terminal operator licensee until the money is paid or transferred to the Video Gaming Fund.

(3) Unless otherwise agreed to by the board, a terminal operator licensee shall establish a separate bank account to maintain gross terminal revenue until such time as the money is paid or transferred under this section.

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

(1) Transfer the tax imposed under subsection (b) to the Video Gaming Fund.

(2) (Reserved).

(3) Transfer the regulatory assessment imposed under subsection (b) in accordance with section 4104.

Cross References. Section 4102 is referred to in sections 3102, 4103 of this title.

§ 4103. Distribution of local share.

(a) Distribution.--

(1) (Reserved).

(2) The department shall on a quarterly basis deposit the local share assessment imposed under section 4102(b)(1)(ii) (relating to taxes and assessments) into a restricted receipts account to be established in the Commonwealth Financing Authority to be used exclusively for grants for projects in the public interest within the Commonwealth.

(b) Duty of terminal operator.--A terminal operator licensee shall continuously provide the department with records, documents or other information necessary to effectuate the requirements of subsection (a).

§ 4104. Regulatory assessments.

(a) Accounts established.--The State Treasurer shall establish within the State Treasury an account for each terminal operator for the deposit of a regulatory assessment amount required under subsection (b) to recover costs or expenses incurred by the board, the department, the Pennsylvania State Police and the Office of Attorney General in carrying out their powers and duties under this part based upon a budget submitted by the department under subsection (c).

(b) Bi-monthly deposits.--

(1) The department shall determine the appropriate assessment amount for each terminal operator licensee, which shall be a percentage assessed on the terminal operator licensee's bi-monthly gross terminal revenue.

(2) The percentage assessed shall not exceed an amount equal to the costs or expenses incurred by the board, the department, the Pennsylvania State Police or the Office of Attorney General in carrying out their powers and duties under this part based upon a budget submitted by the department under subsection (c).

(c) Itemized budget reporting.--

(1) The department 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 accounts established under this section necessary to administer this part.

(2) As soon as practicable after submitting copies of the itemized budget, the department shall 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 analyses of and recommendations regarding the itemized budget.

(3) The itemized budget required under paragraph (1) shall be submitted in conjunction with the budget required to be submitted under section 1202(b)(28) (relating to general and specific powers).

(d) Appropriation.--

(1) Costs and expenses may be paid from the accounts established under subsection (a) only upon appropriation by the General Assembly.

(2) If the total costs or expenses incurred by the board, the department, the Pennsylvania State Police or the Office of Attorney General exceed the amounts available in the accounts established under subsection (a), the General Assembly may appropriate additional amounts to the board, the department, the Pennsylvania State Police or the Office of Attorney General from the Video Gaming Fund.

Cross References. Section 4104 is referred to in sections 3301, 4102 of this title.

§ 4105. Transfers from Video Gaming Fund.

(a) Transfer for compulsive and problem gambling treatment.--On June 30, 2018, and on the last day of each fiscal year thereafter, the State Treasurer shall transfer from the Video Gaming Fund an amount equal to 0.002 multiplied by the total gross terminal revenue of all terminal operator licensees to the Compulsive and Problem Gambling Treatment Fund established in section 1509 (relating to compulsive and problem gambling program).

(b) General Fund transfer.--On June 30, 2018, and on the last day of each fiscal year thereafter, the State Treasurer shall transfer the remaining balance in the Video Gaming Fund that is not transferred under subsection (a) to the General Fund.

CHAPTER 43

ETHICS

Sec.

- 4301. Board code of conduct.
- 4302. Additional board restrictions.
- 4303. Financial and employment interests.
- 4304. Additional restrictions.
- 4305. Political influence.

Enactment. Chapter 43 was added October 30, 2017, P.L.419, No.42, effective immediately.

§ 4301. Board code of conduct.

(a) Update required.--The board shall update the comprehensive code of conduct established under section 1202.1 (relating to code of conduct) prior to the consideration of a

license, permit or other authorization under this part in order to avoid a perceived or actual conflict of interest and to promote public confidence in the integrity and impartiality of the board as related to video gaming. At a minimum, the updated code of conduct adopted under this section shall include registration of licensed entity representatives under subsection (b) and the restrictions under subsection (c) as they relate to video gaming.

(b) Registration.--

(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 entity, applicant for licensure or other person being represented.

(2) A licensed entity representative shall update the registration information on an ongoing basis and failure to do so shall be punishable by the board.

(3) The board shall maintain a registration list that contains the information required under paragraph (1). The list shall be available on the board's publicly accessible Internet website.

(c) Restrictions.--In addition to the other prohibitions contained in this part, a member of the board shall:

(1) Not accept a discount, gift, gratuity, compensation, travel, lodging or other thing of value, directly or indirectly, from an applicant, licensed entity, affiliate, subsidiary or intermediary of an applicant or a licensed entity, registrant or licensed entity representative.

(2) Disclose and recuse himself from a hearing or other proceeding in which the member's objectivity, impartiality, integrity or independence of judgment may be reasonably questioned due to the member's relationship or association with a party connected to a hearing or proceeding or a person appearing before the board.

(3) Refrain from financial or business dealings that would tend to reflect adversely on the member's objectivity, impartiality or independence of judgment.

(4) (i) Not solicit funds for a charitable, educational, religious, health, fraternal, civic or other nonprofit entity from an applicant, licensed entity, party, registrant or licensed entity representative or from an affiliate, subsidiary, intermediary or holding company of an applicant, licensed entity, party or licensed entity representative.

(ii) Subject to the provisions of section 1201(h)(4.1) (relating to Pennsylvania Gaming Control Board established), a member may serve as an officer, employee or member of the governing body of a nonprofit entity and may attend, make personal contributions to and plan or preside over the entity's fundraising events.

(iii) A member may permit their name to appear on the letterhead used for fundraising events if the letterhead contains only the member's name and position with the nonprofit entity.

(5) (i) Not meet or engage in discussions with an applicant, licensed entity, registrant, licensed entity representative, person who provides goods, property or services to a terminal operator licensee or another person or entity under the jurisdiction of the board unless the meeting or discussion occurs on the business premises of the board and is recorded in a log.

(ii) The log shall be posted on the board's publicly accessible Internet website.

(iii) The log must include the date and time of the meeting or discussion, the names of the participants and the subject discussed.

(iv) The provisions of this paragraph shall not apply to a meeting that considers matters requiring the physical inspection of the equipment or premises of an applicant or a licensed entity, if the meeting is entered in the log.

(6) Avoid impropriety and the appearance of impropriety at all times and observe standards and conduct that promote public confidence in the oversight of video gaming.

(7) Comply with other laws, rules or regulations relating to the conduct of a member.

§ 4302. Additional board restrictions.

(a) Board restrictions.--The following shall apply to a board member or employee of the board whose duties substantially involve licensing, enforcement, development of law, promulgation of regulations or development of policy relating to gaming under this part or who has other discretionary authority which may affect or influence the outcome of an action, proceeding or decision under this part:

(1) The individual may not, for a period of two years following termination of employment, accept employment with or be retained by an applicant or a licensed entity or by an affiliate, intermediary, subsidiary or holding company of an applicant or a licensed entity.

(2) The individual may not, for a period of two years following termination of employment, appear before the board in a hearing or proceeding or participate in activity on behalf of an applicant, licensee or licensed entity or on behalf of an affiliate, intermediary, subsidiary or holding company of an applicant, licensee or licensed entity.

(3) (i) An applicant or a licensed entity or an affiliate, intermediary, subsidiary or holding company of an applicant or a licensed entity may not, until the expiration of two years following termination of employment, employ or retain the individual.

(ii) Violation of this subparagraph shall result in termination of the individual's employment and subject the violator to section 3905(c) (relating to prohibited acts and penalties).

(4) (i) A prospective employee who, upon employment, would be subject to this subsection must, as a condition of employment, sign an affidavit that the prospective employee will not violate paragraph (1) or (2).

(ii) If the prospective employee fails to sign the affidavit, the board shall rescind an offer of employment and may not employ the individual.

(b) Contractor restrictions.--The following shall apply to an independent contractor of the board and to an employee of an independent contractor whose duties substantially involve consultation relating to licensing, enforcement, development of law, promulgation of regulations or development of policy relating to video gaming under this part:

(1) The person may not, for a period of one year following termination of the contract with the board, be retained by an applicant or a licensed entity or by an affiliate, intermediary, subsidiary or holding company of an applicant or a licensed entity.

(2) The person may not, for a period of two years following termination of the contract with the board, appear before the board in a hearing or proceeding or participate in activity on behalf of an applicant, licensee or licensed entity or on behalf of an affiliate, intermediary, subsidiary or holding company of an applicant, licensee or licensed entity.

(3) (i) An applicant or a licensed entity or an affiliate, intermediary, subsidiary or holding company of an applicant or a licensee may not, until the expiration of one year following termination of the contract with the board, employ or retain the person.

(ii) A knowing violation of this subparagraph shall result in termination of the person's employment and subject the violator to section 3905(c).

(4) (i) Each contract between the board and an independent contractor that involves the duties specified in this subsection shall contain a provision requiring the independent contractor to sign an affidavit that the independent contractor will not violate paragraph (1) or (2).

(ii) If the independent contractor fails to sign the affidavit, the board may not enter into the contract or must terminate the contract.

(5) (i) An independent contractor shall require a prospective employee whose employment would involve the duties specified in this subsection to sign an affidavit that the prospective employee will not violate paragraph (1) or (2).

(ii) If the prospective employee fails to sign the affidavit, the independent contractor shall rescind an offer of employment and may not employ the individual.

(c) Construction.--Nothing under subsection (a) or (b) shall be construed to prevent a current or former employee of the board, a current or former independent contractor or a current or former employee of an independent contractor from appearing before the board in a hearing or proceeding as a witness or testifying as to any fact or information.

(d) Ethics commission.--

(1) The State Ethics Commission shall issue a written determination of whether a person is subject to subsection (a) or (b) upon the written request of the person or the person's employer or potential employer. A person that relies in good faith on a determination issued under this paragraph shall not be subject to a penalty for an action taken, provided that all material facts specified in the request for the determination are correct.

(2) (i) The State Ethics Commission shall publish a list of all employment positions within the board and employment positions within independent contractors whose duties would subject the individuals in those positions to the provisions of subsections (a) and (b).

(ii) The board and each independent contractor shall assist the State Ethics Commission in the development of the list, which shall be published by the State Ethics Commission in the Pennsylvania Bulletin biennially and posted by the board on the board's publicly accessible Internet website.

(iii) Upon request, employees of the board and each independent contractor shall provide the State Ethics Commission with adequate information to accurately develop and maintain the list.

(iv) The State Ethics Commission may impose a civil penalty under 65 Pa.C.S. § 1109(f) (relating to penalties) upon an individual who fails to cooperate with the State Ethics Commission under this paragraph.

(v) An individual who relies in good faith on the list published by the State Ethics Commission shall not be subject to a penalty for a violation of subsection (a) or (b).

Cross References. Section 4302 is referred to in section 3302 of this title.

§ 4303. Financial and employment interests.

(a) Financial interests.--Except as may be provided for the judiciary by rule or order of the Pennsylvania Supreme Court, an executive-level public employee, public official or party officer, or an immediate family member thereof, shall not intentionally or knowingly hold a financial interest in an applicant or a licensee, or in a holding company, affiliate, intermediary or subsidiary thereof, while the individual is an executive-level public employee, public official or party officer and for one year following termination of the individual's status as an executive-level public employee, public official or party officer.

(b) Employment.--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 4304 (relating to additional restrictions), no executive-level public employee, public official or party officer, or an immediate family member thereof, shall be employed by an applicant or licensee, or by a holding company, affiliate, intermediary or subsidiary thereof, while the individual is an executive-level public employee, public official or party officer and for one year following termination of the individual's status as an executive-level public employee, public official or party officer.

(c) Complimentary services.--

(1) No executive-level public employee, public official or party officer, or an immediate family member thereof, shall solicit or accept a complimentary service from an applicant or licensee, or from an affiliate, intermediary, subsidiary or holding company thereof, which the executive-level public employee, public official or party officer, or an immediate family member thereof, knows or has reason to know is other than a service or discount which is offered to members of the general public in like circumstances.

(2) No applicant or licensee, or an affiliate, intermediary, subsidiary or holding company thereof, shall offer or deliver to an executive-level public employee, public official or party officer, or an immediate family member thereof, a complimentary service from the applicant or licensee, or an affiliate, intermediary, subsidiary or holding company thereof, that the applicant or licensee, or an affiliate, intermediary, subsidiary or holding company thereof, knows or has reason to know is other than a service or discount that is offered to members of the general public in like circumstances.

(d) Grading.--An individual who violates this section commits a misdemeanor of the third degree and shall, upon conviction, be sentenced to pay a fine of not more than \$1,000 or to imprisonment for not more than one year, or both.

(e) Divestiture.--

(1) An executive-level public employee, public official or party officer, or an immediate family member thereof, who holds a financial interest prohibited by this section shall divest the financial interest within three months of the effective date of this section, as applicable.

(2) An executive-level public employee, public official, party officer or immediate family member shall have 30 days from the date the individual knew or had reason to know of the violation or 30 days from the publication in the Pennsylvania Bulletin under section 3301(b)(12) (relating to powers of board) of the application or licensure of the executive-level public employee, public official, party officer or immediate family member, whichever occurs earlier, to divest the financial interest.

(3) The State Ethics Commission may, for good cause, extend the time period under this subsection.

(f) State Ethics Commission.--The State Ethics Commission shall do all of the following:

(1) (i) Issue a written determination of whether a person is subject to subsection (a), (b) or (c) upon the written request of the person or another person that may have liability for an action taken with respect to the person.

(ii) A person that relies in good faith on a determination made under this paragraph shall not be subject to penalty for an action taken, provided that all material facts specified in the request for the determination are correct.

(2) (i) Publish a list of all State, county, municipal and other government positions that meet the definitions of "public official" as defined under subsection (g) or "executive-level public employee" as defined under section 3102 (relating to definitions).

(ii) The Office of Administration shall assist the State Ethics Commission in the development of the list, which list shall be published by the State Ethics Commission in the Pennsylvania Bulletin biennially and posted by the board on the board's publicly accessible Internet website.

(iii) Upon request, a public official shall provide the State Ethics Commission with adequate information to accurately develop and maintain the list.

(iv) The State Ethics Commission may impose a civil penalty under 65 Pa.C.S. § 1109(f) (relating to penalties) upon an individual, including a public official or executive-level public employee, who fails to cooperate with the State Ethics Commission under this subsection.

(v) A person that relies in good faith on the list published by the State Ethics Commission shall not be subject to penalty for a violation of this section.

(g) 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:

"Applicant." A person applying for a manufacturer license, supplier license or terminal operator license under this part.

"Financial interest." Owning or holding, or being deemed to hold, debt or equity securities or other ownership interest or profits interest. A financial interest shall not include a debt or equity security, or other ownership interest or profits interest, which is held or deemed to be held in any of the following:

(1) A blind trust over which the executive-level public employee, public official, party officer or immediate family member thereof may not exercise any managerial control or receive income during the tenure of office and the period under subsection (a). The provisions of this paragraph shall apply only to blind trusts established prior to the effective date of this section.

(2) Securities that are held in a pension plan, profit-sharing plan, individual retirement account, tax-sheltered annuity, a plan established pursuant to section 457 of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.) or a successor provision deferred compensation plan whether qualified or not qualified under the Internal Revenue Code of 1986 or any successor provision or other retirement plan that:

(i) is not self-directed by the individual; and

(ii) is advised by an independent investment adviser who has sole authority to make investment decisions with respect to contributions made by the individual to these plans.

(3) A tuition account plan organized and operated under section 529 of the Internal Revenue Code of 1986 that is not self-directed by the individual.

(4) A mutual fund where the interest owned by the mutual fund in a licensed entity does not constitute a controlling interest as defined in this part.

"Immediate family." A spouse, minor child or unemancipated child.

"Licensee." A manufacturer licensee, supplier licensee or a terminal operator licensee.

"Party officer." A member of a national committee; a chairperson, vice chairperson, secretary, treasurer or counsel of a State committee or member of the executive committee of a State committee; a county chairperson, vice chairperson, counsel, secretary or treasurer of a county committee in which a licensed facility is located; or a city chairperson, vice chairperson, counsel, secretary or treasurer of a city committee of a city in which a licensed facility is located.

"Public official." The term shall include the following:

(1) The Governor, Lieutenant Governor, a member of the Governor's cabinet, State Treasurer, Auditor General and Attorney General of the Commonwealth.

(2) A member of the Senate or House of Representatives of the Commonwealth.

(3) An individual elected or appointed to an office of a county or municipality that directly receives a distribution of revenue under this part.

(4) An individual elected or appointed to a department, agency, board, commission, authority or other governmental body not included in paragraph (1), (2) or (3) that directly receives a distribution of revenue under this part.

(5) An individual elected or appointed to a department, agency, board, commission, authority, county, municipality or other governmental body not included in paragraph (1), (2) or (3) with discretionary power that may influence or affect the outcome of an action or decision and who is involved in the development of regulation or policy relating to a licensed entity or is involved in other matters under this part.

§ 4304. Additional restrictions.

(a) Restrictions.--

(1) No individual trooper or employee of the Pennsylvania State Police or employee of the Office of Attorney General or the department whose duties substantially involve licensing or enforcement, the development of laws or the development or adoption of regulations or policy related to gaming under this part or who has other discretionary authority that may affect or influence the outcome of an action, proceeding or decision under this part may do any of the following:

(i) Accept employment with or be retained by an applicant or licensed entity, or an affiliate, intermediary, subsidiary or holding company of an applicant or licensed entity, for a period of two years after the termination of employment.

(ii) (A) Appear before the board in a hearing or proceeding or participate in other activity on behalf of an applicant, licensee or licensed entity, or an affiliate, intermediary, subsidiary or holding company of an applicant, licensee or licensed entity, for a period of two years after termination of employment.

(B) Nothing in this paragraph shall be construed to prevent a current or former trooper or employee of the Pennsylvania State Police, the Office of Attorney General or the department from appearing before the board in a proceeding or hearing as a witness or testifying as to a fact or information.

(2) As a condition of employment, a potential employee who would be subject to this subsection shall sign an affidavit that the individual will not accept employment with or be retained by an applicant or licensed entity, or an affiliate, intermediary, subsidiary or holding company of an applicant or licensed entity, for a period of two years after the termination of employment.

(b) Employment or retention.--

(1) No applicant or licensed entity or an affiliate, intermediary, subsidiary or holding company of an applicant or licensed entity may employ or retain an individual subject to subsection (a) until the expiration of the period required in subsection (a)(1)(i).

(2) An applicant or licensed entity, or an affiliate, intermediary, subsidiary or holding company of an applicant or licensed entity, that knowingly employs or retains an individual in violation of this subsection shall terminate the employment of the individual and be subject to penalty under section 1518(c) (relating to prohibited acts; penalties).

(c) Violation.--If an individual subject to subsection (a) refuses or otherwise fails to sign an affidavit, the individual's potential employer shall rescind the offer of employment.

(d) Code of conduct.--

(1) The Pennsylvania State Police, Office of Attorney General and department each shall adopt a comprehensive code of conduct that supplements all other requirements under this part and 65 Pa.C.S. Pt. II (relating to accountability), as applicable, and shall provide guidelines applicable to troopers, employees, independent contractors of the agency whose duties substantially involve licensing or enforcement, the development of laws or the development or adoption of regulations or policy related to video gaming under this part or who have other discretionary authority that may

affect the outcome of an action, proceeding or decision under this part, and the immediate families of these individuals to enable them to avoid a perceived or actual conflict of interest and to promote public confidence in the integrity and impartiality of video gaming enforcement and regulation.

(2) At a minimum, the code of conduct adopted under this section shall apply the types of restrictions applicable to members under section 1202.1(c) (relating to code of conduct), except that the restrictions under section 1202.1(c)(5) shall not apply to an elected Attorney General.

(e) State Ethics Commission.--The State Ethics Commission shall do all of the following:

(1) (i) Issue a written determination of whether an individual is subject to subsection (a) upon the written request of the individual or the individual's employer or potential employer.

(ii) A person that relies in good faith on a determination made under this paragraph shall not be subject to penalty for an action taken, provided that all material facts specified in the request for the determination are correct.

(2) (i) Publish a list of all positions within the Pennsylvania State Police, the Office of Attorney General and the department the duties of which would subject the individuals in those positions to the provisions of subsection (a).

(ii) Each agency subject to this subsection shall assist the State Ethics Commission in the development of the list, which list shall be published by the State Ethics Commission in the Pennsylvania Bulletin biennially, shall be posted by the board on the board's publicly accessible Internet website and shall be posted by each agency on the agency's publicly accessible Internet website.

(iii) Upon request by the State Ethics Commission, members and employees of each agency subject to this subsection shall provide the State Ethics Commission with adequate information to accurately develop and maintain the list.

(iv) The State Ethics Commission may impose a civil penalty under 65 Pa.C.S. § 1109(f) (relating to penalties) upon an individual who fails to cooperate with the State Ethics Commission under this subsection.

(v) A person who relies in good faith on the list published by the State Ethics Commission shall not be subject to penalty for a violation of subsection (a).

Cross References. Section 4304 is referred to in section 4303 of this title.

§ 4305. Political influence.

(a) Contribution restriction.--The following persons shall be prohibited from contributing money or an in-kind contribution to a candidate for nomination or election to a public office in this Commonwealth, to a political party committee or other political committee in this Commonwealth or to a 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 terminal operator license, manufacturer license, supplier license, principal license or a key employee license.

(2) A terminal operator licensee, manufacturer licensee or supplier licensee.

(3) A licensed principal or licensed key employee of a terminal operator licensee, manufacturer licensee or supplier licensee.

(4) An affiliate, intermediary, subsidiary or holding company of a terminal operator licensee, manufacturer licensee or supplier licensee.

(5) A licensed principal or licensed key employee of an affiliate, intermediary, subsidiary or holding company of a terminal operator licensee, manufacturer licensee or supplier licensee.

(6) A person who holds a similar video gaming license in another jurisdiction and the affiliates, intermediaries, subsidiaries, holding companies, principals or key employees thereof.

(b) Contributions to certain associations and organizations barred.--No individual prohibited from making political contributions under subsection (a) may make a political contribution of money or an in-kind contribution to an association or organization, including a nonprofit organization, that has been solicited by, or knowing that the contribution or a portion thereof will be contributed to, the elected official, executive-level public employee or candidate for nomination or election to a public office in this Commonwealth.

(c) Internet website.--

(1) The board shall establish a publicly accessible Internet website that includes a list of all applicants for and holders of a terminal operator license, manufacturer license or supplier license and the affiliates, intermediaries, holding companies, principals and key employees thereof, all persons holding a similar video gaming license in another jurisdiction, and the affiliates, intermediaries, holding companies, principals and key employees thereof, and other entities in which the applicant or licensee has a debt or an equity security or other ownership or profits interest. An applicant or licensee shall notify the board within seven days of the discovery of a change in or addition to the information.

(2) No individual who acts in good faith and in reliance on the information on the board's publicly accessible Internet website shall be subject to penalty or liability imposed for a violation of this section.

(3) The board shall request the information required under paragraph (1) from a person licensed in another jurisdiction who does not hold a license in this Commonwealth and from regulatory agencies in the other jurisdiction. If a person who is a licensee in another jurisdiction refuses to provide the information required under paragraph (1), the person and its officers, directors or persons with a controlling interest shall be ineligible to receive a license under this part.

(d) Annual certification.--The chief executive officer, or other appropriate individual, of each applicant for a terminal operator license, manufacturer license or supplier license, or manufacturer licensee, supplier licensee or terminal operator licensee, shall annually certify under oath to the board and the Department of State that the applicant or supplier licensee, manufacturer licensee or terminal operator licensee has developed and implemented internal safeguards and policies intended to prevent a violation of this provision and that the applicant or supplier licensee, manufacturer licensee or

terminal operator licensee has conducted a good faith investigation that has not revealed a violation of this subsection during the past year.

(e) Penalties.--

(1) A violation of this section by a terminal operator licensee or a person that holds a controlling interest in the licensee, or a subsidiary company thereof, or an officer, director or management-level employee of the licensee shall be punishable as follows:

(i) A first violation of this section shall be punishable by a fine equal to an amount not less than the average single-day gross terminal revenue of the terminal operator licensee.

(ii) A second violation of this section, within five years of the first violation, shall be punishable by at least a one-day suspension of the license held by the terminal operator licensee and a fine equal to an amount not less than two times the average single-day gross terminal revenue of the terminal operator licensee.

(iii) A third violation of this section within five years of the second violation shall be punishable by the immediate revocation of the license held by the terminal operator licensee.

(2) A violation of this section by a manufacturer or supplier licensed under this part or by a person that holds a controlling interest in such manufacturer or supplier, or a subsidiary company thereof, or an officer, a director or a management-level employee of such a licensee shall be punishable as follows:

(i) A first violation of this section shall be punishable by a fine equal to an amount not less than a single-day average of the gross profit from sales made by the manufacturer or supplier in this Commonwealth during the preceding 12-month period or portion thereof in the event the manufacturer or supplier has not operated in this Commonwealth for 12 months.

(ii) A second or subsequent violation of this section within five years of a prior violation shall be punishable by a one-month suspension of the license held by the manufacturer or supplier and a fine equal to an amount not less than two times a single-day average of the gross profit from sales made by the manufacturer or supplier in this Commonwealth during the preceding 12-month period or portion thereof in the event the manufacturer or supplier has not operated in this Commonwealth for 12 months.

(3) In no event shall the fine imposed under this section be an amount less than \$100,000 for each violation. In addition to a fine or sanction that may be imposed by the board under this subsection, an individual who makes a contribution in violation of this section commits a misdemeanor of the third degree.

(f) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection:

"Contribution." A payment, gift, subscription, assessment, contract, payment for services, dues, loan, forbearance, advance or deposit of money or a valuable thing made to a candidate or political committee for the purpose of influencing an election in this Commonwealth or for paying debts incurred by or for a candidate or committee before or after an election. The term includes:

(1) The purchase of tickets for events, including dinners, luncheons, rallies and other fundraising events.

(2) The granting of discounts or rebates not available to the general public.

(3) The granting of discounts or rebates by television and radio stations and newspapers not extended on an equal basis to all candidates for the same office.

(4) A payment provided for the benefit of a candidate, including payment for the services of a person serving as an agent of a candidate or committee by a person other than the candidate or committee or person whose expenditures the candidate or committee must report.

(5) The receipt or use of anything of value by a political committee from another political committee and a return on investments by a political committee.

"Political committee." A committee, club, association or other group of persons that receives contributions or makes expenditures.

CHAPTER 45

MISCELLANEOUS PROVISIONS

Sec.

4501. (Reserved).

4502. Declaration of exemption from Federal laws prohibiting video gaming terminals.

4503. Preemption of local taxes and license fees.

4504. Exclusive jurisdiction of Supreme Court.

4505. Commonwealth Financing Authority.

4506. Host county option.

Enactment. Chapter 45 was added October 30, 2017, P.L.419, No.42, effective immediately.

§ 4501. (Reserved).

§ 4502. Declaration of exemption from Federal laws prohibiting video gaming terminals.

(a) Declaration.--Under the Gambling Devices Transportation Act (64 Stat. 1134, 15 U.S.C. § 1171 et seq.), the Commonwealth declares that it is exempt from section 2 of that act.

(b) Legal shipments.--All shipments of gambling devices, as defined in section 1 of the Gambling Devices Transportation Act, into this Commonwealth, the registering, recording and labeling of which has been effected by the manufacturer and supplier of those devices in accordance with sections 3 and 4 of the Gambling Devices Transportation Act, shall be deemed legal shipments of gambling devices into this Commonwealth.

§ 4503. 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.--Video gaming terminals are exempt from local licensing fees.

§ 4504. Exclusive jurisdiction of Supreme Court.

The Pennsylvania Supreme Court shall have exclusive jurisdiction to hear a challenge to or to render a declaratory judgment concerning the constitutionality of this part. The Pennsylvania Supreme Court may take such action as it deems appropriate, consistent with the Pennsylvania Supreme Court retaining jurisdiction over the matter, to find facts or to expedite a final judgment in connection with a challenge or request for declaratory relief.

§ 4505. Commonwealth Financing Authority.

The Commonwealth Financing Authority shall establish accounts, administer and distribute the funds deposited into the accounts and perform all other duties required of it under this part.

§ 4506. Host county option.

(a) General rule.--A county that hosts a Category 1, Category 2 or Category 3 licensed facility on the effective date of this section shall have the option to prohibit the placement of video gaming terminals within the host county by delivering a resolution of the county governing body to the board within 60 days of the effective date of this section. No video gaming terminals may be operated in a host county that has exercised the option to prohibit video gaming terminals under this section.

(b) Rescission of prohibition.--

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

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

2020 Partial Repeal. Section 18 of Act 114 of 2020 provided that section 13F07 is repealed insofar as it is inconsistent with the addition of section 1724.1-E(f) of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code.

**APPENDIX TO TITLE 4
AMUSEMENTS**

Supplementary Provisions of Amendatory Statutes

2010, JANUARY 7, P.L.1, NO.1

§ 19. Transfer of sums.

No later than 90 days after the effective date of this section, the Pennsylvania Gaming Control Board shall transfer the sum of \$12,500,000 from the amounts previously appropriated to the Pennsylvania Gaming Control Board pursuant to 4 Pa.C.S. § 1408 to the General Fund.

Explanatory Note. Act 1 amended or added sections 1102, 1103, 1201, 1201.1, 1202, 1202.1, 1202.2, 1204, 1205, 1206, 1207, 1208, 1209, 1210, 1211, 1212, 1213, 1214, 1304, 1305, 1307, 1308, 1309, 1310, 1317, 1317.1, 1317.2, 1318, 1319, 1319.1, 1321, 1326, 1328, 1329 and 1332, Chapter 13A, sections

1401, 1402, 1402.1, 1403, 1406, 1407, 1408, 1501, 1504, 1505, 1509, 1509.1, 1510, 1511, 1512, 1512.1, 1513, 1514, 1516.1, 1517, 1517.2, 1518, 1518.1, 1518.2, 1518.3, 1521, 1522 and 1523, Chapters 16 and 17 and sections 1901 and 1901.2 of Title 4.

§ 19.1. Payments to Category 1 and Category 2 slot machine licensees.

No later than ten business days after the effective date of this section, the Department of Revenue shall pay to each Category 1 and Category 2 slot machine licensee from its existing account established under 4 Pa.C.S. § 1401(a) an amount sufficient to bring the balance in the account to \$1,500,000.

§ 19.2. Additional applications for Category 3 licenses.

The Pennsylvania Gaming Control Board shall receive and accept for consideration additional applications for a Category 3 license in accordance with 4 Pa.C.S. § 1305 if the license has not been approved by the board on the effective date of this section. An applicant that filed an application for a Category 3 license prior to the effective date of this section shall not be required to resubmit the application. The additional application period shall be for 90 days from the effective date of this section. This section shall supersede any prior application period established under 4 Pa.C.S. Pt. II.

§ 19.4. Pennsylvania Gaming Control Board employees.

The amendment of 4 Pa.C.S. § 1201(h)(13)(i) shall not apply to individuals employed on the effective date of this section by the Pennsylvania Gaming Control Board until July 1, 2010.

§ 20. Applicability.

The following shall apply:

(1) The amendment of 4 Pa.C.S. § 1213 shall not apply to any of the following:

(i) An application submitted before the effective date of this section.

(ii) Any license or permit issued prior to the effective date of this section.

(iii) The renewal of any license or permit issued or applied for prior to the effective date of this section.

(2) The amendment of 4 Pa.C.S. § 1202(a)(2) and the addition of 4 Pa.C.S. § 1517(c)(1.1) shall not apply to an individual:

(i) who, on July 1, 2009, was serving officially or acting as Executive Director of the Pennsylvania Gaming Control Board, Chief Counsel of the board or the Director of the Office of Enforcement Counsel within the Bureau of Investigations and Enforcement; and

(ii) on whom the bureau or the Pennsylvania State Police completed a background investigation as a condition of employment with the board.

(3) The amendment or addition of 4 Pa.C.S. § 1201(h)(4.1) and (5) shall not apply to:

(i) an individual appointed to the Pennsylvania Gaming Control Board before July 1, 2010; or

(ii) an individual under subparagraph (i) who is reappointed to the Pennsylvania Gaming Control Board.

§ 21. Effective date.

This act shall take effect as follows:

* * *
(2) (Repealed).
* * *

(Oct. 30, 2017, P.L.419, No.42, eff. imd.)

2017 Repeal. Act 42 repealed par. (2).

2017, OCTOBER 30, P.L.419, NO.42

§ 33. Duties of Department of Revenue.

Section 27 of this act reenacts and amends 4 Pa.C.S. § 1403(c)(2). The Department of Revenue shall implement the reenactment and amendment of the provision as follows:

(1) The department shall apply the reenactment without the amendment retroactively to May 27, 2017.

(2) The department shall apply the reenactment with the amendment prospectively after December 31, 2017.

Explanatory Note. Act 42 amended, added, reenacted or repealed sections 9313, 9330, 9352, 9356, 9374 of Title 3; Part I, sections 1102, 1103, 1201, 1202, 1204, 1206, 1207, 1208, 1209, 1210, 1211, 1212, 1301, 1302, 1305, 1305.1, 1305.2, 1307, 1309, 1313, 1317, 1317.1, 1317.3, 1320, 1326, 1326.1, 1330, 13A11, 13A22.1, 13A27, 13A41, 13A61, 13A62 and 13A63, Chapters 13B, 13C, 13D (Reserved), 13E (Reserved) and 13F, sections 1401, 1403, 1405, 1405.1, 1406, 1407, 1407.1, 1408, 1501, 1504, 1509, 1510, 1512, 1513, 1514, 1515, 1516, 1517, 1518, 1901, 1901.1, 1901.3 and 1902 and Part III of Title 4.