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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 628 Session of  
2017

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INTRODUCED BY RESCENTIALER, BOSCOLA, WHITE, BLAKE AND REGAN,  
APRIL 17, 2017

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REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,  
APRIL 17, 2017

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AN ACT

1 Amending Titles 4 (Amusements) and 18 (Crimes and Offenses) of  
2 the Pennsylvania Consolidated Statutes, in Pennsylvania  
3 Gaming Control Board, further providing for general and  
4 specific powers; in licensees, further providing for Category  
5 1 slot machine license, for number of slot machine licenses  
6 and for change in ownership or control of slot machine  
7 licensee, repealing provisions related to multiple slot  
8 machine license prohibition and prohibiting undue economic  
9 concentration; in revenues, further providing for gross  
10 terminal revenue deductions and for establishment of State  
11 Gaming Fund and net slot machine revenue distribution; in  
12 administration and enforcement, further providing for  
13 investigations and enforcement; providing for video gaming;  
14 establishing the Video Gaming Fund, the Slot Machine Licensee  
15 Loss Mitigation Fund and the Fire Company and Emergency  
16 Responder Grant Fund; and, in riot, disorderly conduct and  
17 related offenses, further providing for the offense of  
18 gambling devices, gambling, etc.

19 The General Assembly of the Commonwealth of Pennsylvania  
20 hereby enacts as follows:

21 Section 1. Section 1202(b) of Title 4 of the Pennsylvania  
22 Consolidated Statutes is amended by adding a paragraph to read:

23 § 1202. General and specific powers.

24 \* \* \*

25 (b) Specific powers.--The board shall have the specific

1 power and duty:

2 \* \* \*

3 (35) At the board's discretion, to periodically require  
4 a licensed gaming entity to submit to the board its security  
5 and surveillance measures and ensure the adequacy of such  
6 measures as the Pennsylvania State Police reduce and  
7 eliminate permanent onsite personnel and offices from  
8 licensed facilities as required under section 1517(g).

9 Section 2. Sections 1302(a) and 1307 of Title 4 are amended  
10 to read:

11 § 1302. Category 1 slot machine license.

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

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

21 (2) has been approved or issued a license from either  
22 the State Horse Racing Commission or the State Harness Racing  
23 Commission to conduct thoroughbred or harness race meetings  
24 respectively with pari-mutuel wagering within 18 months  
25 immediately preceding the effective date of this part and  
26 will successfully conduct live racing pursuant to the  
27 requirements of section 1303 (relating to additional Category  
28 1 slot machine license requirements);

29 (3) has been approved by the State Harness Racing  
30 Commission, after the effective date of this part, to conduct

1 harness race meetings with pari-mutuel wagering and will  
2 conduct live racing pursuant to the requirements of section  
3 1303; or

4 (4) is a successor in interest to persons eligible under  
5 paragraph (1), (2) or (3) who comply with the requirements of  
6 section 1328 (relating to change in ownership or control of  
7 slot machine licensee) or is a successor in interest to  
8 persons otherwise eligible under paragraph (1), (2) or (3)  
9 but precluded from eligibility under the provisions of  
10 section [1330] 1330.1 (relating to undue economic  
11 concentration prohibited).

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

15 \* \* \*

16 § 1307. Number of slot machine licenses.

17 (a) Limitation.--The board may license no more than seven  
18 Category 1 licensed facilities and no more than five Category 2  
19 licensed facilities, as it may deem appropriate, as long as two,  
20 and not more, Category 2 licensed facilities are located by the  
21 board within the city of the first class and that one, and not  
22 more, Category 2 licensed facility is located by the board  
23 within the city of the second class. The board may at its  
24 discretion increase the total number of Category 2 licensed  
25 facilities permitted to be licensed by the board by an amount  
26 not to exceed the total number of Category 1 licenses not  
27 applied for within five years following the effective date of  
28 this part. Except as permitted by section 1328 (relating to  
29 change in ownership or control of slot machine licensee), any  
30 Category 1 license may be reissued by the board at its

1 discretion as a Category 2 license if an application for  
2 issuance of such license has not been made to the board. The  
3 board may license no more than [three] two Category 3 licensed  
4 facilities.

5 (b) Delay of issuance.--Notwithstanding subsection (a) or  
6 any other provisions of this part, the board may not:

7 (1) Accept an application for a Category 1 slot machine  
8 license for a period starting on the effective date of this  
9 subsection through July 1, 2020.

10 (2) Issue a Category 1 slot machine license for a period  
11 starting on the effective date of this subsection through  
12 July 1, 2020.

13 (c) Applicability.--Subsection (b) shall not apply to a  
14 change of ownership or control of a Category 1 slot machine  
15 license as permitted by section 1328.

16 Section 3. Section 1328 of Title 4 is amended by adding a  
17 subsection to read:

18 § 1328. Change in ownership or control of slot machine  
19 licensee.

20 \* \* \*

21 (f) Undue economic concentration prohibited.--A change in  
22 ownership or control of a slot machine licensee shall comply  
23 with section 1330.1 (relating to undue economic concentration  
24 prohibited).

25 Section 4. Section 1330 of Title 4 is repealed:

26 [§ 1330. Multiple slot machine license prohibition.

27 No slot machine licensee, its affiliate, intermediary,  
28 subsidiary or holding company may possess an ownership or  
29 financial interest that is greater than 33.3% of another slot  
30 machine licensee or person eligible to apply for a Category 1

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

21 Section 5. Title 4 is amended by adding a section to read:

22 § 1330.1. Undue economic concentration prohibited.

23 (a) General rule.--No slot machine licensee, its affiliate,  
24 intermediary, subsidiary or holding company may possess an  
25 ownership or financial interest of another slot machine licensee  
26 or person eligible to apply for a Category 1 license, its  
27 affiliate, intermediary, subsidiary or holding company if the  
28 ownership or financial interest would result in undue economic  
29 concentration in this Commonwealth.

30 (b) Board to establish criteria.--The board shall establish

1 through regulation criteria for determining whether the issuance  
2 of a slot machine license or a change in ownership or control of  
3 a slot machine licensee occurring under section 1328 (relating  
4 to change in ownership or control of slot machine licensee)  
5 constitutes undue economic concentration. The criteria shall  
6 include:

7 (1) The percentage share of the market presently  
8 controlled by the applicant.

9 (2) The estimated increase in the market share if the  
10 applicant is issued the slot machine license.

11 (3) The relative position of other slot machine  
12 licensees.

13 (4) The current and projected financial condition of the  
14 gaming industry in this Commonwealth.

15 (5) Current market conditions, including level of  
16 competition, consumer demand, market concentration, any  
17 consolidation trends in the industry and any other relevant  
18 characteristics of the market.

19 (6) Whether the applicant has separate organizational  
20 structures or other independent obligations.

21 (7) Potential impact on the projected future growth and  
22 development of the gaming industry in this Commonwealth.

23 (8) Whether the issuance or holding of the slot machine  
24 license by the applicant will adversely impact consumer  
25 interests.

26 (9) Any other criteria the board may require.

27 (c) Divestiture.--No applicant shall be issued a slot  
28 machine license or approved for a change in ownership or control  
29 until the applicant has completely divested a portion of  
30 ownership or financial interest of another slot machine licensee

1 or person eligible to apply for a Category 1 license, its  
2 affiliate, intermediary, subsidiary or holding company  
3 determined by the board to be necessary to meet the requirements  
4 of this section. The board shall approve the terms and  
5 conditions of any divestiture that may be required under this  
6 section.

7 (d) Definition.--For the purpose of this section, "undue  
8 economic concentration" means that a slot machine licensee, its  
9 affiliate, intermediary, subsidiary or holding company would  
10 have such actual or potential domination of the gaming market in  
11 this Commonwealth as to substantially impede or suppress  
12 competition among slot machine licensees or adversely impact the  
13 economic stability of the gaming industry in this Commonwealth.

14 Section 6. Sections 1402(b) and 1403(b) of Title 4 are  
15 amended to read:

16 § 1402. Gross terminal revenue deductions.

17 \* \* \*

18 (b) [(Reserved).] Assessment limitation.--

19 (1) Beginning July 1, 2017, the assessment rate  
20 determined by the department under subsection (a) shall not  
21 exceed an amount equal to 1.7% of the slot machine licensee's  
22 gross terminal revenue.

23 (2) Beginning July 1, 2018, and each year thereafter,  
24 the assessment rate determined by the department under  
25 subsection (a) shall not exceed an amount equal to 1.5% of  
26 the slot machine licensee's gross terminal revenue.

27 § 1403. Establishment of State Gaming Fund and net slot machine  
28 revenue distribution.

29 \* \* \*

30 (b) Slot machine tax.--

1       (1) (i) The department shall determine and each slot  
2 machine licensee shall pay a daily tax of 34% from its  
3 daily gross terminal revenue from the slot machines in  
4 operation at its facility and a local share assessment as  
5 provided in subsection (c).

6           (ii) This paragraph shall expire June 30, 2018.

7       (2) Beginning July 1, 2018, the department shall  
8 determine and each slot machine licensee shall pay a daily  
9 tax of 29% from its daily gross terminal revenue from the  
10 slot machines in operation at its facility and a local share  
11 assessment as provided in subsection (c).

12       (3) All funds owed to the Commonwealth, a county or a  
13 municipality under this section shall be held in trust by the  
14 licensed gaming entity for the Commonwealth, the county and  
15 the municipality until the funds are paid or transferred to  
16 the fund.

17       (4) Unless otherwise agreed to by the board, a licensed  
18 gaming entity shall establish a separate bank account to  
19 maintain gross terminal revenue until such time as the funds  
20 are paid or transferred under this section.

21       (5) Moneys in the fund are hereby appropriated to the  
22 department on a continuing basis for the purposes set forth  
23 in subsection (c).

24       \* \* \*

25       Section 7. Section 1517 of Title 4 is amended by adding a  
26 subsection to read:

27       § 1517. Investigations and enforcement.

28       \* \* \*

29       (g) Permanent Pennsylvania State Police presence.--

30       (1) The Pennsylvania State Police shall:





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

3 "Cash." United States currency and coin.

4 "Cash equivalent." A ticket, token, chip, card or other  
5 similar instrument or representation of value that the board  
6 deems a cash equivalent in accordance with this part.

7 "Central control computer." A central site computer  
8 controlled by the department and accessible by the board to  
9 which all video gaming terminals communicate for the purpose of  
10 auditing capacity, real-time information retrieval of the  
11 details of any financial event that occurs in the operation of a  
12 video gaming terminal or redemption terminal, including, but not  
13 limited to, coin in, coin out, ticket in, ticket out, jackpots,  
14 video gaming terminal and redemption terminal door openings and  
15 power failure and remote video gaming terminal or redemption  
16 terminal activation and disabling of video gaming terminals or  
17 redemption terminals.

18 "Cheat."

19 (1) Any of the following:

20 (i) To defraud or steal from a player, terminal  
21 operator licensee, establishment licensee or the  
22 Commonwealth while operating or playing a video gaming  
23 terminal, including causing, aiding, abetting or  
24 conspiring with another person to do so.

25 (ii) To alter or causing, aiding, abetting or  
26 conspiring with another person to alter the elements of  
27 chance, method of selection or criteria that determine:

28 (A) The result of a video gaming terminal game.

29 (B) The amount or frequency of payment in a  
30 video gaming terminal game.

1                   (C) The value of a wagering instrument.

2                   (D) The value of a wagering credit.

3                   (iii) The term does not include altering a video  
4 gaming terminal or associated equipment for maintenance  
5 or repair with the approval of a terminal operator  
6 licensee.

7 "Cheating or thieving device." A device:

8                   (1) used or possessed with the intent to be used to  
9 cheat during the operation or play of a video gaming  
10 terminal; or

11                   (2) used to alter a video gaming terminal without the  
12 terminal operator licensee's approval.

13 "Compensation." Anything of value, money or a financial  
14 benefit conferred on or received by a person in return for  
15 services rendered or to be rendered whether by the person or  
16 another.

17 "Complimentary service." A lodging, service or item that is  
18 provided to an individual at no cost or at a reduced cost that  
19 is not generally available to the public under similar  
20 circumstances. Group rates, including convention and government  
21 rates, shall be deemed to be generally available to the public.

22 "Conduct of video gaming." The licensed placement, operation  
23 and play of video gaming terminals under this part, as  
24 authorized and approved by the board.

25 "Controlling interest." Any of the following:

26                   (1) For a publicly traded domestic or foreign  
27 corporation, the term means a person has a controlling  
28 interest in a legal entity, applicant or licensee if a  
29 person's sole voting rights under State law or corporate  
30 articles or bylaws entitle the person to elect or appoint one

1 or more of the members of the board of directors or other  
2 governing board or the person holds an ownership or  
3 beneficial holding of 5% or more of the securities of the  
4 publicly traded corporation, partnership, limited liability  
5 company or other form of publicly traded legal entity, unless  
6 this presumption of control or ability to elect is rebutted  
7 by clear and convincing evidence.

8 (2) For a privately held domestic or foreign  
9 corporation, partnership, limited liability company or other  
10 form of privately held legal entity, the term means the  
11 holding of any securities in the legal entity, unless this  
12 presumption of control is rebutted by clear and convincing  
13 evidence.

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

21 "Corporation." The term includes a publicly traded  
22 corporation.

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

24 "Establishment." A liquor establishment, nonprimary location  
25 or truck stop establishment.

26 "Establishment license." A license issued by the board  
27 authorizing an establishment to permit a terminal operator  
28 licensee to place and operate video gaming terminals on the  
29 establishment's premises pursuant to this part and the rules and  
30 regulations promulgated under this part.

1 "Establishment licensee." An establishment that holds an  
2 establishment license.

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

5 (1) A deputy secretary of the Commonwealth and the  
6 Governor's Office executive staff.

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

14 (3) An employee of a county or municipality with  
15 discretionary powers that may affect or influence the outcome  
16 of the county's or municipality's action or decision related  
17 to this part or who is involved in the development of law,  
18 regulation or policy relating to matters regulated under this  
19 part. The term includes an employee with law enforcement  
20 authority.

21 (4) An employee of a department, agency, board,  
22 commission, authority or other governmental body not included  
23 in paragraph (1), (2) or (3) with discretionary power that  
24 may affect or influence the outcome of the governmental  
25 body's action or decision related to this part or who is  
26 involved in the development of regulation or policy relating  
27 to matters regulated under this part. The term includes an  
28 employee with law enforcement authority.

29 "Financial backer." An investor, mortgagee, bondholder,  
30 noteholder or other sources of equity or capital provided to an

1 applicant or licensed entity.

2 "Fire Company and Emergency Responder Grant Fund." The fund  
3 established in section 4106 (relating to Fire Company and  
4 Emergency Responder Grant Fund).

5 "Gambling game." A game that plays or simulates the play of  
6 video poker, bingo, keno, reel games, blackjack or other similar  
7 game authorized by the board.

8 "Gaming employee."

9 (1) Any of the following:

10 (i) An employee of a terminal operator licensee or  
11 supplier licensee that is not a key employee but has  
12 direct contact with establishment licensees or is  
13 otherwise involved in the conduct of video gaming.

14 (ii) An employee of a supplier licensee whose duties  
15 are directly involved with the repair or distribution of  
16 video gaming terminals or associated equipment sold or  
17 provided to a terminal operator licensee within this  
18 Commonwealth as determined by the board.

19 (2) The term does not include nongaming personnel as  
20 determined by the board or an employee of an establishment  
21 licensee.

22 "Gaming school." An educational institution approved by the  
23 Department of Education as an accredited college or university,  
24 community college, Pennsylvania private licensed school or its  
25 equivalent and whose curriculum guidelines are approved by the  
26 Department of Labor and Industry to provide education and job  
27 training related to employment opportunities associated with  
28 video gaming terminals and associated equipment maintenance and  
29 repair.

30 "Gaming service provider." A person that is not required to

1 be licensed as a terminal operator, manufacturer, supplier or  
2 establishment licensee and provides goods or services to a  
3 terminal operator licensee that directly relates to the  
4 operation and security of a video gaming terminal or redemption  
5 terminal. The term shall not include a person that supplies  
6 goods or services that, at the discretion of the board, does not  
7 impact the integrity of video gaming, video gaming terminals or  
8 the connection of video gaming terminals to the central control  
9 computer system, including:

10 (1) Seating to accompany video gaming terminals.

11 (2) Structural or cosmetic renovations, improvements or  
12 other alterations to a video gaming area.

13 "Grocery store." Any of the following:

14 (1) A retail establishment, commonly known as a grocery  
15 store, supermarket or delicatessen, where food, food products  
16 and supplies are sold for human consumption on or off the  
17 premises.

18 (2) A restaurant with an interior connection to, and the  
19 separate and segregated portion of, another retail  
20 establishment that is dedicated solely to the sale of food,  
21 food products and supplies for the table for human  
22 consumption on or off the premises.

23 "Gross terminal revenue." The total of cash or cash  
24 equivalents received by a video gaming terminal minus the total  
25 of cash or cash equivalents paid out to players as a result of  
26 playing a video gaming terminal. The term does not include  
27 counterfeit cash or cash taken in a fraudulent act perpetrated  
28 against a terminal operator licensee for which the terminal  
29 operator licensee is not reimbursed.

30 "Holding company." A person, other than an individual,

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

7 "Incentive." Consideration, including a promotion or prize,  
8 provided to a player or potential player as an enticement to  
9 play a video gaming terminal. The term shall not include  
10 consideration, promotions, prizes or complimentary play provided  
11 to a player or potential player through a customer loyalty or  
12 rewards card program approved by the board.

13 "Inducement."

14 (1) Any of the following:

15 (i) Consideration paid directly or indirectly, from  
16 a manufacturer, supplier, terminal operator, procurement  
17 agent, gaming employee, nongaming employee or another  
18 person on behalf of an applicant or licensee, to an  
19 establishment licensee, establishment licensee owner or  
20 an employee of the establishment licensee, directly or  
21 indirectly as an enticement to solicit or maintain the  
22 establishment licensee or establishment licensee owner's  
23 business.

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

29 (2) The term shall not include costs paid by a terminal  
30 operator applicant or licensee related to:

1           (i) Structural changes necessary to segregate the  
2 video gaming area or maintain the security of video  
3 gaming terminals and redemption terminals as required by  
4 the board that do not exceed \$2,500, provided, however  
5 that any changes in excess of \$2,500 may be shared  
6 equally between the terminal applicant or licensee and  
7 the establishment applicant or licensee.

8           (ii) Surveillance technology to monitor only the  
9 video gaming area.

10           (iii) Making video gaming terminals operate at a  
11 licensed establishment, including wiring and rewiring,  
12 software updates, ongoing video gaming terminal  
13 maintenance, redemption terminals, network connections,  
14 site controllers and costs associated with communicating  
15 with the central control computer system.

16           (iv) Installation of security and alarm system at an  
17 establishment licensee's premises that are reasonably  
18 necessary to protect video gaming terminals and  
19 redemption terminals outside normal business hours,  
20 provided that the cost does not exceed \$1,000.

21           (v) Any requirement established by the board  
22 regarding minimum standards for a video gaming area.

23           (vi) Any cosmetic renovations or improvements within  
24 a video gaming area that are reasonably necessary, as  
25 determined by the board, to provide a suitable  
26 environment for players.

27           (vii) Fees established by the board to cover costs  
28 associated with the mandatory employee training program  
29 established under section 3706 (relating to compulsive  
30 and problem gambling).

1 "Institutional investor." A retirement fund administered by  
2 a public agency for the exclusive benefit of Federal, State or  
3 local public employees, investment company registered under the  
4 Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1  
5 et seq.), collective investment trust organized by banks under  
6 Part Nine of the Rules of the Comptroller of the Currency,  
7 closed-end investment trust, chartered or licensed life  
8 insurance company or property and casualty insurance company,  
9 banking and other chartered or licensed lending institution,  
10 investment advisor registered under The Investment Advisers Act  
11 of 1940 (54 Stat. 847, 15 U.S.C. § 80b-1 et seq.) and such other  
12 person as the board may determine consistent with this part.

13 "Intermediary." A person, other than an individual, that:

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

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

18 "Key employee." An individual employed by a manufacturer  
19 licensee, supplier licensee, terminal operator licensee or  
20 establishment licensee that is determined by the board to be a  
21 director or department head or otherwise empowered to make  
22 discretionary decisions that regulate the conduct of video  
23 gaming.

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

26 "Licensed entity." A terminal operator licensee,  
27 establishment licensee, manufacturer licensee or supplier  
28 licensee.

29 "Licensed entity representative." A person, including an  
30 attorney, agent or lobbyist, acting on behalf of or authorized

1 to represent the interest of an applicant, licensee or other  
2 person authorized by the board to engage in an act or activity  
3 that is regulated under this part regarding a matter before or  
4 that may reasonably be expected to come before the board.

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

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

8 "Licensed racing entity." As defined in 3 Pa.C.S. § 9301  
9 (relating to definitions).

10 "Liquor establishment." A person that operates under a valid  
11 liquor or malt or brewed beverage license under Article IV of  
12 the act of April 12, 1951 (P.L.90, No.21), known as the Liquor  
13 Code. The term does not include a grocery store, hotel,  
14 nonprimary location or restaurant whose place of business is  
15 located in a licensed facility.

16 "Manufacturer." A person that manufactures, builds,  
17 rebuilds, fabricates, assembles, produces, programs, designs or  
18 otherwise makes modifications to a video gaming terminal,  
19 redemption terminal or associated equipment for use or play in  
20 this Commonwealth for gaming purposes and provides such products  
21 to a supplier.

22 "Manufacturer license." A license issued by the board  
23 authorizing a manufacturer to manufacture or produce video  
24 gaming terminals, redemption terminals or associated equipment  
25 for use in this Commonwealth for gaming purposes.

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

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

30 "Non-key employee." An individual employed by a terminal

1 operator licensee who, unless otherwise designated by the board,  
2 is not a key employee.

3 "Nonprimary location." As defined in 3 Pa.C.S. § 9301.

4 "Occupation license." A license authorizing an individual to  
5 be employed or to work as a gaming employee.

6 "Party." The bureau or an applicant, licensee, registrant or  
7 other person appearing of record in any proceeding before the  
8 board.

9 "Permittee." A holder of a permit issued under this part.

10 "Person." A natural person, corporation, foundation,  
11 organization, business trust, estate, limited liability company,  
12 licensed corporation, trust, partnership, limited liability  
13 partnership, association or other form of legal business entity.

14 "Player." An individual who wagers cash or a cash equivalent  
15 in the play or operation of a video gaming terminal and the play  
16 or operation of which may deliver or entitle the individual  
17 playing or operating the video gaming terminal to receive cash  
18 or a cash equivalent from a terminal operator licensee.

19 "Principal." An officer, director, person who directly holds  
20 a beneficial interest in or ownership of the securities of an  
21 applicant or licensee, person who has a controlling interest in  
22 an applicant or licensee or has the ability to elect a majority  
23 of the board of directors of a licensee or to otherwise control  
24 a licensee, lender or other licensed financial institution of an  
25 applicant or licensee, other than a bank or lending institution  
26 which makes a loan or holds a mortgage or other lien acquired in  
27 the ordinary course of business, underwriter of an applicant or  
28 licensee or other person or employee of an applicant, terminal  
29 operator licensee, manufacturer licensee or supplier licensee  
30 deemed to be a principal by the board.

1 "Procurement agent." A person that shares in the gross  
2 terminal revenue or is otherwise compensated for the purpose of  
3 soliciting or procuring a terminal placement agreement.

4 "Property Tax Relief Fund." The fund established in section  
5 1409 (relating to Property Tax Relief Fund).

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

8 (1) has a class or series of securities registered under  
9 the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.  
10 § 78a et seq.);

11 (2) is a registered management company under the  
12 Investment Company Act of 1940; or

13 (3) is subject to the reporting obligations imposed by  
14 section 15(d) of the Securities Exchange Act of 1934 by  
15 reason of having filed a registration statement that has  
16 become effective under the Securities Act of 1933 (48 Stat.  
17 74, 15 U.S.C. § 77a et seq.).

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

22 "Security." As defined in the act of December 5, 1972  
23 (P.L.1280, No.284), known as the Pennsylvania Securities Act of  
24 1972.

25 "Slot machine." As defined in section 1103.

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

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

29 (1) a corporation, a significant part of whose  
30 outstanding equity securities are owned, subject to a power

1 or right of control or held with power to vote by a holding  
2 company or an intermediary company;

3 (2) a significant interest in a person, other than an  
4 individual, that is owned, subject to a power or right of  
5 control or held with power to vote by a holding company or an  
6 intermediary company; or

7 (3) a person deemed to be a subsidiary by the board.

8 "Supplier." A person that sells, leases, offers or otherwise  
9 provides, distributes or services any video gaming terminal,  
10 redemption terminal or associated equipment to a terminal  
11 operator licensee for use or play in this Commonwealth.

12 "Supplier license." A license issued by the board  
13 authorizing a supplier to provide products or services related  
14 to video gaming terminals, redemption terminals or associated  
15 equipment to terminal operator licensees for use in this  
16 Commonwealth for gaming purposes.

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

19 "Terminal operator." A person that owns, services or  
20 maintains video gaming terminals for placement and operation in  
21 an establishment licensee.

22 "Terminal operator license." A license issued by the board  
23 authorizing a terminal operator to place and operate video  
24 gaming terminals in an establishment licensee's premises  
25 pursuant to this part and the rules and regulations promulgated  
26 under this part.

27 "Terminal operator licensee." A terminal operator that holds  
28 a terminal operator license.

29 "Terminal placement agreement." The formal written agreement  
30 or contract between a terminal operator applicant or licensee

1 and an establishment applicant or licensee that establishes the  
2 terms and conditions regarding the conduct of video gaming.

3 "Truck stop establishment." A premises that:

4 (1) Is equipped with diesel islands used for fueling  
5 commercial motor vehicles.

6 (2) Has sold on average 50,000 gallons of diesel or  
7 biodiesel fuel each month for the previous 12 months or is  
8 projected to sell an average of 50,000 gallons of diesel or  
9 biodiesel fuel each month for the next 12 months.

10 (3) Has parking spaces dedicated for commercial motor  
11 vehicles.

12 (4) Has a convenience store.

13 (5) Is situated on a parcel of land of not less than  
14 three acres that the truck stop establishment owns or leases.

15 "Video gaming area." The area of an establishment licensee's  
16 premises where video gaming terminals are installed for  
17 operation and play.

18 "Video gaming employees." The term includes key employees  
19 and non-key employees.

20 "Video Gaming Fund." The fund established in section 4102  
21 (relating to taxes and assessments).

22 "Video gaming terminal."

23 (1) A mechanical or electrical contrivance, terminal,  
24 machine or other device approved by the board that, upon  
25 insertion of cash or cash equivalents, is available to play  
26 or operate one or more gambling games, the play of which is  
27 primarily based on chance and:

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

1           (ii) May utilize video displays.

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

5           (2) Associated equipment necessary to conduct the  
6           operation of the contrivance, terminal, machine or other  
7           device.

8           (3) The term does not include a slot machine operated at  
9           a licensed facility in accordance with Part II (relating to  
10           gaming) or a coin-operated amusement game.

11                                   CHAPTER 33

12                                   ADMINISTRATION

13   Sec.

14   3301. Powers of board.

15   3302. Regulatory authority of board.

16   3303. Temporary regulations.

17   3304. Appeals.

18   3305. Records and confidentiality of information.

19   3306. Reporting.

20   3307. Diversity goals of board.

21   3308. Authority of department.

22   3309. Central control computer system.

23   3310. Department of Drug and Alcohol Programs.

24   § 3301. Powers of board.

25       (a) General powers.--

26           (1) The board shall have general and sole regulatory  
27           authority over the conduct of video gaming terminal or  
28           related activities as described in this part. The board shall  
29           ensure the integrity of the acquisition and operation of  
30           video gaming terminals, redemption terminals and associated

1 equipment and shall have sole regulatory authority over every  
2 aspect of the authorization, operation and play of video  
3 gaming terminals.

4 (2) The board may employ individuals as necessary to  
5 carry out the requirements of this part who shall serve at  
6 the board's pleasure.

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

9 (1) To require background investigations on applicants,  
10 licensees, principals, key employees, procurement agents or  
11 gaming employees under the jurisdiction of the board.

12 (2) At its discretion, to issue, approve, renew, revoke,  
13 suspend, condition or deny issuance or renewal of terminal  
14 operator licenses.

15 (3) At its discretion, to award, revoke, suspend,  
16 condition or deny issuance or renewal of establishment  
17 licenses.

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

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

25 (6) At its discretion, to issue, approve, renew, revoke,  
26 suspend, condition or deny issuance or renewal of additional  
27 licenses or permits that may be required by the board under  
28 this part.

29 (7) At its discretion, to suspend, condition or deny the  
30 issuance or renewal of a license or permit or levy a fine or

1 other sanction for a violation of this part.

2 (8) To require prospective and existing video gaming  
3 employees, independent contractors, applicants and licensees  
4 to submit to fingerprinting by the Pennsylvania State Police.  
5 The Pennsylvania State Police shall submit the fingerprints  
6 to the Federal Bureau of Investigation for purposes of  
7 verifying the identity of the individual and obtaining  
8 records of criminal arrests and convictions.

9 (9) To require prospective and existing video gaming  
10 employees, independent contractors, applicants and licensees  
11 to submit photographs consistent with the standards of the  
12 Commonwealth Photo Imaging Network.

13 (10) In addition to the power of the board relating to  
14 license and permit applicants, to determine at its discretion  
15 the suitability of a person who furnishes or seeks to furnish  
16 to a terminal operator licensee directly or indirectly goods,  
17 services or property related to video gaming terminals,  
18 redemption terminals or associated equipment.

19 (11) To approve an application for or issue or renew a  
20 license, certificate, registration or permit if the board is  
21 satisfied that the applicant or licensee has demonstrated by  
22 clear and convincing evidence that the applicant is a person  
23 of good character, honesty and integrity whose prior  
24 activities, criminal record, if any, reputation, habits and  
25 associations do not pose a threat to the public interest or  
26 the effective regulation and control of video gaming terminal  
27 operations or create or enhance the danger of unsuitable,  
28 unfair or illegal practices, methods and activities in the  
29 conduct of video gaming or the carrying on of the business  
30 and financial arrangements incidental thereto.

1           (12) To publish each January in the Pennsylvania  
2 Bulletin and on the board's publicly accessible Internet  
3 website a complete list of persons or entities who applied  
4 for or held a terminal operator license, establishment  
5 license, manufacturer license or supplier license at any time  
6 during the preceding calendar year and affiliates,  
7 intermediaries, subsidiaries and holding companies thereof  
8 and the status of the application or license.

9           (13) To prepare and, through the Governor, submit  
10 annually to the General Assembly an itemized budget  
11 consistent with Article VI of the act of April 9, 1929  
12 (P.L.177, No.175), known as The Administrative Code of 1929,  
13 consisting of the amounts necessary to be appropriated by the  
14 General Assembly out of the accounts established under  
15 section 4104 (relating to regulatory assessments) required to  
16 meet the obligations under this part accruing during the  
17 fiscal period beginning July 1 of the following year. The  
18 budget shall include itemized recommendations for the  
19 Attorney General, the department and the Pennsylvania State  
20 Police as to the amount needed to meet their obligations  
21 under this part.

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

30           (15) To collect and post information on the board's

1 publicly accessible Internet website with sufficient detail  
2 to inform the public of persons with a controlling interest  
3 or ownership interest in an applicant for a terminal operator  
4 license or terminal operator licensee or affiliate,  
5 intermediary, subsidiary or holding company of an applicant  
6 for a terminal operator license. The posting shall include:

7 (i) If the applicant for a terminal operator license  
8 or terminal operator licensee or an affiliate,  
9 intermediary, subsidiary or holding company of the  
10 applicant for a terminal operator license or terminal  
11 operator licensee is a publicly traded domestic or  
12 foreign corporation, partnership, limited liability  
13 company or other legal entity, the names of persons with  
14 a controlling interest.

15 (ii) If the applicant for a terminal operator  
16 license or terminal operator licensee or an affiliate,  
17 intermediary, subsidiary or holding company of the  
18 applicant for a terminal operator license or terminal  
19 operator licensee is a privately held domestic or foreign  
20 corporation, partnership, limited liability company or  
21 other legal entity, the names of all persons with an  
22 ownership interest equal to or greater than 1%.

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

25 (iv) The names of officers, directors and principals  
26 of the applicant for a terminal operator license or  
27 terminal operator licensee.

28 (16) Determine, designate and classify employees of a  
29 terminal operator licensee as key employees and non-key  
30 employees.

1 § 3302. Regulatory authority of board.

2 (a) General rule.--The board shall have the power and duty:

3 (1) To deny, deny the renewal, revoke, condition or  
4 suspend a license provided for in this part if the board  
5 finds in its sole discretion that a licensee under this part  
6 or its officers, employees or agents have intentionally  
7 furnished false or misleading information to the board or  
8 failed to comply with the provisions of this part or the  
9 rules and regulations of the board and that it would be in  
10 the public interest to deny, deny the renewal, revoke,  
11 condition or suspend the license.

12 (2) To restrict access to confidential information in  
13 the possession of the board that has been obtained under this  
14 part and ensure that the confidentiality of information is  
15 maintained and protected. The board shall retain records for  
16 seven years.

17 (3) To prescribe and require periodic financial  
18 reporting and internal control requirements for terminal  
19 operator licensees.

20 (4) To require that each terminal operator licensee  
21 provide to the board its annual financial statements, with  
22 such additional detail as the board from time to time shall  
23 require, which information shall be submitted not later than  
24 90 days after the end of the licensee's fiscal year.

25 (5) To prescribe the procedures to be followed by  
26 terminal operator licensees for a financial event that occurs  
27 in the operation and play of video gaming terminals.

28 (6) To require that each establishment licensee  
29 prohibits minors from operating or using video gaming  
30 terminals or redemption terminals.

1       (7) To establish procedures for the inspection and  
2 certification of compliance of video gaming terminals,  
3 redemption terminals and associated equipment prior to being  
4 placed into use by a terminal operator licensee.

5       (8) To require that no video gaming terminal may be set  
6 to pay out less than the theoretical payout percentage, which  
7 percentage shall be no less than 85%, as specifically  
8 approved by the board. The board shall adopt regulations that  
9 define the theoretical payout percentage of a video gaming  
10 terminal game based on the total value of the jackpots  
11 expected to be paid by a play on a video gaming terminal game  
12 divided by the total value of video gaming terminals wagers  
13 expected to be made on that play or video gaming terminal  
14 game during the same portion of the game cycle. In so doing,  
15 the board shall specify whether the calculation includes a  
16 portion of or the entire cycle of a video gaming terminal  
17 game.

18       (9) To require that an establishment license applicant  
19 provide detailed site plans of its proposed video gaming area  
20 for review and approval by the board for the purpose of  
21 determining the adequacy of the proposed security and  
22 surveillance measures. The applicant shall cooperate with the  
23 board in making changes to the plans suggested by the board  
24 and shall ensure that the plans as modified and approved are  
25 implemented. The board may not require a floor-to-ceiling  
26 wall to segregate the video gaming area, but may adopt rules  
27 to establish segregation requirements.

28       (10) To consult with members of the Pennsylvania State  
29 Police, the Office of Attorney General, the department and  
30 other persons the board deems necessary for advice regarding

1 the various aspects of the powers and duties imposed on the  
2 board under this part and the board's jurisdiction over the  
3 authorization, operation and play of video gaming terminals.

4 (11) To enter into contracts with persons for the  
5 purposes of carrying out the powers and duties of the board  
6 under this part.

7 (12) To adopt regulations governing the postemployment  
8 limitations and restrictions applicable to members and  
9 employees of the board subject to section 4302 (relating to  
10 additional board restrictions). In developing the  
11 regulations, the board may consult with the State Ethics  
12 Commission, governmental agencies and the disciplinary board  
13 of the Supreme Court regarding postemployment limitations and  
14 restrictions on members and employees of the board who are  
15 members of the Pennsylvania Bar.

16 (13) To review and approve all cash handling policies  
17 and procedures employed by terminal operator licensees.

18 (14) To establish the minimum amount of insurance  
19 coverage for:

20 (i) each terminal operator licensee for a video  
21 gaming terminal placed in a video gaming area; and

22 (ii) each establishment licensee for a video gaming  
23 terminal located on the establishment licensee's  
24 premises.

25 (15) To promulgate rules and regulations governing the  
26 placement of automated teller machines within video gaming  
27 areas.

28 (16) To establish reasonable age-verification procedures  
29 for establishment licensees and their employees to ensure  
30 minors do not access a video gaming area or terminal,

1 provided that the board may not require video gaming  
2 terminals to be equipped with identification card-reading  
3 devices or require establishment licensees to purchase  
4 identification card-reading devices.

5 (17) To promulgate rules and regulations governing  
6 customer loyalty or rewards card programs operated by  
7 terminal operator licensees.

8 (18) To promulgate rules and regulations governing the  
9 interconnection of video gaming terminals with a single  
10 establishment for progressive payouts.

11 (19) To promulgate rules and regulations necessary for  
12 the administration and enforcement of this part.

13 (b) Applicable law.--Except as provided in section 3303  
14 (relating to temporary regulations), regulations shall be  
15 adopted the act of July 31, 1968 (P.L.769, No.240), referred to  
16 as the Commonwealth Documents Law, and the act of June 25, 1982  
17 (P.L.633, No.181), known as the Regulatory Review Act.  
18 § 3303. Temporary regulations.

19 (a) Promulgation.--In order to facilitate the prompt  
20 implementation of this part, regulations promulgated by the  
21 board shall be deemed temporary regulations which shall expire  
22 no later than three years following the effective date of this  
23 section. The board may promulgate temporary regulations not  
24 subject to:

25 (1) Sections 201, 202 and 203 of the act of July 31,  
26 1968 (P.L.769, No.240), referred to as the Commonwealth  
27 Documents Law.

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

30 (b) Expiration.--The authority provided to the board to

1 adopt temporary regulations in subsection (a) shall expire July  
2 1, 2020. Regulations adopted after that date shall be  
3 promulgated as provided by law.

4 (c) Special consideration.--When promulgating temporary  
5 regulations regarding the application, background investigation  
6 and renewal process for an establishment license or regulations  
7 regarding an establishment licensee's duties and  
8 responsibilities regarding the conduct of video gaming under  
9 this part, the board shall consider promulgating regulations  
10 that minimize the regulatory burden on establishment licensees  
11 and establishment license applicants to the extent that:

12 (1) All requirements, duties and responsibilities are  
13 fulfilled under this part.

14 (2) The temporary regulations adequately protect the  
15 public interest and integrity of video gaming.

16 § 3304. Appeals.

17 An applicant or licensee may appeal a final order,  
18 determination or decision of the board involving the approval,  
19 issuance, denial, revocation, nonrenewal, suspension or  
20 conditioning, including any disciplinary actions, of a license,  
21 permit or authorization under this part in accordance with 2  
22 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of  
23 Commonwealth agencies) and 7 Subch. A (relating to judicial  
24 review of Commonwealth agency action).

25 § 3305. Records and confidentiality of information.

26 (a) Records.--The board shall maintain files and records  
27 deemed necessary for the administration and enforcement of this  
28 part.

29 (b) Confidentiality of information.--

30 (1) The following information submitted by an applicant

1 or licensee under Chapter 35 (relating to application and  
2 licensure) or obtained by the board or the bureau as part of  
3 a background or other investigation from any source shall be  
4 confidential and withheld from public disclosure:

5 (i) Information relating to character, honesty and  
6 integrity, including family, habits, reputation, history  
7 of criminal activity, business activities, financial  
8 affairs and business, professional and personal  
9 associations submitted to or otherwise obtained by the  
10 board or the bureau.

11 (ii) Nonpublic personal information, including home  
12 addresses, telephone numbers and other personal contact  
13 information, Social Security numbers, educational  
14 records, memberships, medical records, tax returns and  
15 declarations, actual or proposed compensation, financial  
16 account records, creditworthiness or financial condition  
17 relating to an applicant or licensee or the immediate  
18 family thereof.

19 (iii) Information relating to proprietary  
20 information, trade secrets, patents or exclusive  
21 licenses, architectural and engineering plans and  
22 information relating to competitive marketing materials  
23 and strategies, including customer-identifying  
24 information or customer prospects for services subject to  
25 competition.

26 (iv) Security information, including risk prevention  
27 plans, detection and countermeasures, location of count  
28 rooms, emergency management plans, security and  
29 surveillance plans, equipment and usage protocols and  
30 theft and fraud prevention plans and countermeasures.

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

6           (vi) Records of an applicant or licensee not  
7           required to be filed with the Securities and Exchange  
8           Commission by issuers that either have securities  
9           registered under section 12 of the Securities Exchange  
10           Act of 1934 (48 Stat. 881, 15 U.S.C. § 781) or are  
11           required to file reports under section 15(d) of the  
12           Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.  
13           § 78o).

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

18           (viii) Financial information provided to the board  
19           by an applicant or licensee.

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

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

28           (4) Except as provided in section 3904(h) (relating to  
29           investigations and enforcement), the information made  
30           confidential under this section shall be withheld from public

1 disclosure in whole or in part, except that confidential  
2 information shall be released upon the order of a court of  
3 competent jurisdiction or, with the approval of the Attorney  
4 General, to a duly authorized law enforcement agency or shall  
5 be released to the public, in whole or in part, to the extent  
6 that the release is requested by an applicant or licensee and  
7 does not otherwise contain confidential information about  
8 another person.

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

15 (6) (i) No current or former member and no current or  
16 former employee, agent or independent contractor of the  
17 board, the department, the Pennsylvania State Police, the  
18 Office of Attorney General or other executive branch  
19 office who has obtained confidential information in the  
20 performance of duties under this part shall intentionally  
21 and publicly disclose the information to a person,  
22 knowing that the information being disclosed is  
23 confidential under this subsection, unless the person is  
24 authorized by law to receive it.

25 (ii) A violation of this subsection shall constitute  
26 a misdemeanor of the third degree.

27 (iii) In addition to any penalty under subparagraph  
28 (ii), an employee, agent or independent contractor who  
29 violates this subsection shall be administratively  
30 disciplined by discharge, suspension, termination of

1 contract or other formal disciplinary action as  
2 appropriate. If a current member violates this paragraph,  
3 the other members shall refer the matter to the current  
4 member's appointing authority.

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

9 (d) Information held by other agencies.--Files, records,  
10 reports and other information in the possession of the  
11 department or the Pennsylvania Liquor Control Board pertaining  
12 to a licensee shall be made available to the board as may be  
13 necessary to the effective administration of this part.

14 § 3306. Reporting.

15 (a) Report required.--Beginning October 1, 2018, and every  
16 year thereafter, the annual report submitted to the Governor and  
17 the General Assembly by the board under section 1211 (relating  
18 to reports of board) shall include information on the conduct of  
19 video gaming terminals for the previous calendar year:

20 (1) Total gross terminal revenue.

21 (2) Total number of terminal operator licensees and  
22 establishment licensees.

23 (3) All taxes, fees, fines and other revenue collected  
24 and, where appropriate, revenue disbursed. The department  
25 shall collaborate with the board to carry out the  
26 requirements of this paragraph.

27 (4) Other information related to the conduct of video  
28 gaming terminals that the board deems appropriate.

29 (b) Participation.--The board may require terminal operator  
30 licensees to provide information to the board to assist in the

1 preparation of the report.

2 § 3307. Diversity goals of board.

3 (a) Intent.--It is the intent and goal of the General  
4 Assembly that the board promote and ensure diversity in all  
5 aspects of the gaming activities authorized under this part.

6 (b) Reports by applicants.--An applicant for a terminal  
7 operator license shall submit a diversity plan to the board. At  
8 a minimum, the diversity plan shall contain a summary of:

9 (1) All employee recruitment and retention efforts  
10 undertaken to promote the participation of diverse groups in  
11 employment with the applicant if issued a terminal operator  
12 license.

13 (2) Other information deemed necessary by the board to  
14 assess the diversity plan.

15 (c) Review.--The board shall conduct a review of a diversity  
16 plan. When reviewing the adequacy of a diversity plan, the board  
17 shall take into consideration the total number of video gaming  
18 terminals the applicant proposes to operate within the  
19 Commonwealth.

20 (d) Periodic review.--Upon an applicant receiving a terminal  
21 operator license, the board, in its discretion, may periodically  
22 review the terminal operator licensee's diversity plan and  
23 recommend changes to the diversity plan.

24 (e) Terminal operator responsibility.--An applicant for a  
25 terminal operator license or a terminal operator licensee shall  
26 provide information as required by the board to enable the board  
27 to complete the reviews required under subsections (c) and (d).

28 § 3308. Authority of department.

29 (a) General rule.--The department shall administer and  
30 collect taxes imposed under this part and interest imposed under

1 section 806 of the act of April 9, 1929 (P.L.343, No.176), known  
2 as The Fiscal Code, and promulgate and enforce rules and  
3 regulations to carry out its prescribed duties in accordance  
4 with this part, including the collection of taxes, penalties and  
5 interest imposed by this part.

6 (b) Application of rules and regulations.--The department  
7 may prescribe the extent, if any, to which any rules and  
8 regulations shall be applied without retroactive effect. The  
9 department shall prescribe the forms and the system of  
10 accounting and recordkeeping to be employed and through its  
11 representative shall at all times have power of access to and  
12 examination and audit of any equipment and records relating to  
13 all aspects of the operation of video gaming terminals and  
14 redemption terminals under this part.

15 (c) Procedure.--For purposes of implementing this part, the  
16 department may promulgate regulations in the same manner in  
17 which the board is authorized as provided in section 3303  
18 (relating to temporary regulations).

19 (d) Additional penalty.--A person who fails to timely remit  
20 to the department or the State Treasurer amounts required under  
21 this part shall be liable, in addition to liability imposed  
22 elsewhere in this part, to a penalty of 5% per month up to a  
23 maximum of 25% of the amounts ultimately found to be due, to be  
24 recovered by the department.

25 (e) Liens and suits for taxes.--The provisions of this part  
26 shall be subject to the provisions of sections 242 and 243 of  
27 the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform  
28 Code of 1971.

29 § 3309. Central control computer system.

30 (a) General rule.--To facilitate the auditing and security

1 programs critical to the integrity of video gaming terminals in  
2 this Commonwealth, the department shall have overall control of  
3 video gaming terminals and all video gaming terminals:

4 (1) Shall be linked, at an appropriate time to be  
5 determined by the department, to a central control computer  
6 under the control of the department and accessible by the  
7 board to provide auditing program capacity and individual  
8 terminal information as approved by the department.

9 (2) Shall include real-time information retrieval and  
10 terminal activation and disabling programs.

11 (b) System requirements.--The central control computer  
12 employed by the department shall provide:

13 (1) A fully operational Statewide video gaming terminal  
14 control system that has the capability of supporting up to  
15 the maximum number of video gaming terminals that is  
16 permitted to be in operation under this part.

17 (2) The employment of a widely accepted gaming industry  
18 protocol to facilitate a video gaming terminal manufacturers'  
19 ability to communicate with the Statewide system.

20 (3) The delivery of a system that has the ability to  
21 verify software, detect alterations in payout and detect  
22 other methods of fraud in all aspects of the operation of  
23 video gaming terminals.

24 (4) The delivery of a system that has the capability to  
25 support progressive video gaming terminals as approved by the  
26 board.

27 (5) The delivery of a system that does not alter the  
28 statistical awards of video gaming terminal games as designed  
29 by the manufacturer and approved by the board.

30 (6) The delivery of a system that provides redundancy so

1 that each component of the network is capable of operating  
2 independently by the department if any component of the  
3 network, including the central control computer, fails or  
4 cannot be operated for any reason as determined by the  
5 department, and to assure that all transactional data is  
6 captured and secured. Costs associated with a computer system  
7 required by the department to operate within a video gaming  
8 area, whether independent or as part of the central control  
9 computer, shall be paid by the terminal operator licensee.  
10 The computer system shall be controlled by the department and  
11 accessible to the board.

12 (7) The ability to meet all reporting and control  
13 requirements as prescribed by the board and department.

14 (8) The delivery of a system that provides centralized  
15 issuance of cash redemption tickets and facilitates the  
16 acceptance of the tickets by video gaming terminals and  
17 redemption terminals.

18 (9) Other capabilities as determined by the department  
19 in consultation with the board.

20 (c) Personal information.--The central control computer may  
21 not provide for the monitoring or reading of personal or  
22 financial information concerning a patron of a terminal operator  
23 licensee.

24 (d) Initial acquisition of central control computer.--

25 (1) Notwithstanding any other provision of law to the  
26 contrary and in order to facilitate the prompt implementation  
27 of this part, initial contracts entered into by the  
28 department for a central control computer, including  
29 necessary computer hardware, software, licenses or related  
30 services shall not be subject to the provisions of 62 Pa.C.S.

1 (relating to procurement).

2 (2) Contracts made pursuant to the provisions of this  
3 section may not exceed five years.

4 (e) Resolution of contract disputes.--The process specified  
5 in 62 Pa.C.S. Ch. 17 Subch. B (relating to prelitigation  
6 resolution of controversies) shall be the sole means of  
7 resolution for controversies arising with respect to contracts  
8 executed under this section.

9 (f) Existing central control computer system.--The  
10 department, in its discretion, may alter or utilize the central  
11 control computer system controlled by the department under  
12 section 1323 (relating to central control computer system) to  
13 fulfill the requirements of this section.

14 § 3310. Department of Drug and Alcohol Programs.

15 (a) Program update.--

16 (1) The Department of Drug and Alcohol Programs shall  
17 update the compulsive and problem gambling program  
18 established in section 1509 (relating to compulsive and  
19 problem gambling program) to address public education,  
20 awareness and training regarding compulsive and problem  
21 gambling and the treatment and prevention of compulsive and  
22 problem gambling related to video gaming terminals.

23 (2) The updated guidelines shall include strategies for  
24 the prevention of compulsive and problem gambling related to  
25 video gaming terminals.

26 (3) The Department of Drug and Alcohol Programs may  
27 consult with the board and terminal operator licensee to  
28 develop the strategies.

29 (b) Duties of Department of Drug and Alcohol Programs.--From  
30 funds available in the Compulsive and Problem Gambling Treatment

1 Fund, the Department of Drug and Alcohol Programs shall with  
2 respect to video gaming terminals:

3 (1) Maintain one compulsive gamblers assistance  
4 organization's toll-free problem gambling telephone number,  
5 which number shall be 1-800-GAMBLER, to provide crisis  
6 counseling and referral services to individuals and families  
7 experiencing difficulty as a result of problem or compulsive  
8 gambling. If the Department of Drug and Alcohol Programs  
9 determines that it is unable to adopt the number 1-800-  
10 GAMBLER, the Department of Drug and Alcohol Programs shall  
11 maintain another number.

12 (2) Maintain one compulsive gambler's assistance  
13 organization's telephone number, which shall be accessible  
14 via a free text message service, to provide crisis counseling  
15 and referral services to individuals and families  
16 experiencing difficulty as a result of problem or compulsive  
17 gambling.

18 (3) Facilitate, through in-service training and other  
19 means, the availability of effective assistance programs for  
20 problem and compulsive gamblers and family members affected  
21 by problem and compulsive gambling.

22 (4) At its discretion, conduct studies to identify  
23 individuals in this Commonwealth who are or are at risk of  
24 becoming problem or compulsive gamblers.

25 (5) Provide grants to and contract with single county  
26 authorities and other organizations that provide services  
27 specified in this section.

28 (6) Reimburse organizations for reasonable expenses  
29 incurred assisting the Department of Drug and Alcohol  
30 Programs with implementing this section.

1 (c) Additional duties.--Within 60 days following the  
2 effective date of this section, the Department of Drug and  
3 Alcohol Programs and the board's Office of Compulsive and  
4 Problem Gambling shall jointly collaborate with other  
5 appropriate offices and agencies of State or local government,  
6 including single county authorities and providers and other  
7 persons, public or private, with expertise in compulsive and  
8 problem gambling treatment with respect to video gaming  
9 terminals:

10 (1) Implement a strategic plan for the prevention and  
11 treatment of compulsive and problem gambling.

12 (2) Adopt compulsive and problem gambling treatment  
13 standards to be integrated with the Department of Drug and  
14 Alcohol Programs' uniform Statewide guidelines that govern  
15 the provision of addiction treatment services.

16 (3) Develop a method to coordinate compulsive and  
17 problem gambling data collection and referral information to  
18 crisis response hotlines, child welfare and domestic violence  
19 programs and providers and other appropriate programs and  
20 providers.

21 (4) Develop and disseminate educational materials to  
22 provide public awareness related to the prevention,  
23 recognition and treatment of compulsive and problem gambling.

24 (5) Develop demographic-specific compulsive and problem  
25 gambling prevention, intervention and treatment programs.

26 (6) Prepare an itemized budget outlining how funds will  
27 be allocated to fulfill the responsibilities under this  
28 section.

29 (d) Report.--The Department of Drug and Alcohol Programs  
30 shall include in the report required under section 1509

1 information involving video gaming terminals.

2 CHAPTER 35

3 APPLICATION AND LICENSURE

4 Sec.

5 3501. General prohibition.

6 3502. Terminal operator licenses.

7 3503. (Reserved).

8 3504. Principal licenses.

9 3505. Key employee licenses.

10 3505.1. Procurement agent licenses.

11 3506. Divestiture of disqualifying applicant.

12 3507. Supplier licenses.

13 3508. Manufacturer licenses.

14 3509. Gaming service provider.

15 3510. Occupation license.

16 3511. Alternative terminal operator licensing standards.

17 3512. Alternative manufacturer licensing standards.

18 3513. Alternative supplier licensing standards.

19 3514. Establishment licenses.

20 3515. License or permit prohibition.

21 3516. Issuance and renewal.

22 3517. Change in ownership or control of terminal operator

23 licensee.

24 3518. Video gaming accounting controls and audits.

25 3519. Multiple licenses prohibited.

26 3520. Conditional licenses.

27 § 3501. General prohibition.

28 No person may offer or otherwise make available for play in

29 this Commonwealth a video gaming terminal unless the person is

30 licensed under this part and according to regulations

1 promulgated by the board under this part.

2 § 3502. Terminal operator licenses.

3 (a) General requirements.--An application for a terminal  
4 operator license shall be on the form required by the board and  
5 shall include, at a minimum, all of the following:

6 (1) The name, address and photograph of the applicant  
7 and of all directors and owners and key employees and their  
8 positions within the corporation or organization, as well as  
9 additional financial information required by the board.

10 (2) A current tax lien certificate issued by the  
11 department.

12 (3) The details of any gaming license applied for,  
13 granted to or denied to the applicant by another jurisdiction  
14 where the form of gaming is legal and the consent for the  
15 board to acquire copies of the application submitted or  
16 license issued in connection with the application.

17 (4) The details of any loan obtained from a financial  
18 institution or not obtained from a financial institution.

19 (5) The consent to conduct a background investigation by  
20 the board, the scope of which investigation shall be  
21 determined by the board in its discretion consistent with the  
22 provisions of this part, and a release signed by all persons  
23 subject to the investigation of all information required to  
24 complete the investigation.

25 (6) The details of the applicant's diversity plan to  
26 assure that all persons are accorded equality of opportunity  
27 in employment and contracting by the applicant, its  
28 contractors, subcontractors, assignees, lessees, agents,  
29 vendors and suppliers.

30 (7) Any other information determined to be appropriate

1 by the board.

2 (b) Character requirements.--

3 (1) An application for a terminal operator license shall  
4 include such information, documentation and assurances as may  
5 be required to establish by clear and convincing evidence of  
6 the applicant's suitability, including good character,  
7 honesty and integrity. The application shall include, without  
8 limitation, information pertaining to family, habits,  
9 character, reputation, criminal history background, business  
10 activities, financial affairs and business, professional and  
11 personal associates, covering at least the 10-year period  
12 immediately preceding the filing date of the application.

13 (2) Notwithstanding 18 Pa.C.S. § 9124(b) (relating to  
14 use of records by licensing agencies), in addition to the  
15 information submitted under section 1308(a.1) (relating to  
16 applications for license or permit), a conviction that has  
17 been expunged or overturned or for which a person has been  
18 pardoned or an order of Accelerated Rehabilitative  
19 Disposition has been issued shall be included with an  
20 application.

21 (c) Civil judgments and law enforcement agency  
22 information.--

23 (1) An applicant shall notify the board of any civil  
24 judgment obtained against the applicant pertaining to  
25 antitrust or security regulation laws of the Federal  
26 Government, this Commonwealth or another state, jurisdiction,  
27 province or country.

28 (2) An applicant shall produce a letter of reference  
29 from law enforcement agencies having jurisdiction in the  
30 applicant's place of residence and principal place of

1 business, which letter of reference shall indicate that the  
2 law enforcement agencies do not have any pertinent  
3 information concerning the applicant or, if the law  
4 enforcement agency does have information pertaining to the  
5 applicant, shall specify the nature and content of that  
6 information.

7 (3) If no letter of reference is received within 30 days  
8 of the request, the applicant may submit a statement under  
9 oath which is subject to the penalty for false swearing under  
10 18 Pa.C.S. § 4903 (relating to false swearing) that the  
11 applicant is or was during the period the activities were  
12 conducted in good standing with the gaming or casino  
13 enforcement or control agency.

14 (d) Gaming enforcement agency information.--

15 (1) If the applicant has held a gaming license in a  
16 jurisdiction where gaming activities are permitted, the  
17 applicant shall produce a letter of reference from the gaming  
18 or casino enforcement or control agency specifying the  
19 experiences of that agency with the applicant, the  
20 applicant's associates and the applicant's gaming operation.

21 (2) If no letter of reference is received within 30 days  
22 of the request, the applicant may submit a statement under  
23 oath which is subject to the penalty for false swearing under  
24 18 Pa.C.S. § 4903 that the applicant is or was during the  
25 period the activities were conducted in good standing with  
26 the gaming or casino enforcement or control agency.

27 (e) Agency records.--

28 (1) An applicant for a terminal operator license,  
29 principal license or key employee license shall be required  
30 to apply to each Federal agency deemed appropriate by the

1 board or bureau for agency records under the Freedom of  
2 Information Act (Public Law 89-554, 5 U.S.C. § 552)  
3 pertaining to the applicant and provide the bureau with the  
4 complete record received from the Federal agency.

5 (2) The board may issue a license to the applicant prior  
6 to the receipt of information under this subsection.

7 (f) Additional eligibility requirements.--In order to be  
8 eligible for a terminal operator license under this part, the  
9 principals and key employees of the applicant must obtain a  
10 license to meet the character requirements of this section or  
11 other eligibility requirements established by the board.

12 (g) Classification system.--The board shall develop a  
13 classification system for other agents, employees or persons who  
14 directly or indirectly hold or are deemed to be holding debt or  
15 equity securities or other financial interest in the applicant  
16 and for other persons that the board considers appropriate for  
17 review under this section.

18 (h) Related entities.--

19 (1) Except as provided in paragraph (2), no person shall  
20 be eligible to receive a terminal operator license unless the  
21 principals and key employees of each intermediary, subsidiary  
22 or holding company of the person meet the requirements of  
23 subsection (f).

24 (2) The board may require that lenders and underwriters  
25 of intermediaries, subsidiaries or holding companies of a  
26 terminal operator license applicant meet the requirements of  
27 subsection (f) if the board determines that the suitability  
28 of a lender or underwriter is at issue and necessary to  
29 consider a pending application for a terminal operator  
30 license.

1 (i) Revocable privilege.--The issuance or renewal of a  
2 license or other authorization by the board under this section  
3 shall be a revocable privilege.

4 (j) Waiver for publicly traded corporations.--The board may  
5 waive the requirements of subsection (f) for a person directly  
6 or indirectly holding ownership of securities in a publicly  
7 traded corporation if the board determines that the holder of  
8 the securities:

9 (1) Is not significantly involved in the activities of  
10 the corporation.

11 (2) Does not have the ability to control the corporation  
12 or elect one or more directors thereof.

13 (k) Waiver for subsidiaries.--If the applicant is a  
14 subsidiary, the board may waive the requirements of subsection  
15 (f) for a holding company or intermediary as follows:

16 (1) If the applicant is a publicly traded corporation,  
17 the board may issue a waiver under this subsection if it  
18 determines that the principal or key employee does not have  
19 the ability to control, have a controlling interest in or  
20 elect one or more directors of the holding company or  
21 intermediary and is not actively involved in the activities  
22 of the applicant.

23 (2) If the applicant is a noncorporate organization, the  
24 board may issue a waiver under this subsection for a person  
25 who directly or indirectly holds a beneficial or ownership  
26 interest in the applicant if it determines that the person  
27 does not have the ability to control the applicant.

28 (l) Ongoing duty.--A person applying for a license or other  
29 authorization under this part shall continue to provide  
30 information required by the board or the bureau and cooperate in

1 any inquiry or investigation.

2 (m) Criminal history record check.--The board may conduct a  
3 criminal history record check on a person for whom a waiver is  
4 granted under this section.

5 (n) Applicant financial information.--

6 (1) The board shall require an applicant for a terminal  
7 operator license to produce the information, documentation  
8 and assurances concerning financial background and resources  
9 as the board deems necessary to establish by clear and  
10 convincing evidence the financial stability, integrity and  
11 responsibility of the applicant, its affiliate, intermediary,  
12 subsidiary or holding company, including, but not limited to,  
13 bank references, business and personal income and  
14 disbursement schedules, tax returns and other reports filed  
15 with governmental agencies and business and personal  
16 accounting and check records and ledgers.

17 (2) An applicant shall in writing authorize the  
18 examination of all bank accounts and records as may be deemed  
19 necessary by the board.

20 (o) Financial backer information.--

21 (1) The board shall require an applicant for a terminal  
22 operator license to produce the information, documentation  
23 and assurances as may be necessary to establish by clear and  
24 convincing evidence the integrity of all financial backers,  
25 investors, mortgagees, bondholders and holders of indentures,  
26 notes or other evidences of indebtedness, either in effect or  
27 proposed.

28 (2) The board may waive the qualification requirements  
29 for banking or lending institution and institutional  
30 investors.

1       (3) A banking or lending institution or institutional  
2 investor shall produce for the board upon request any  
3 document or information that bears relation to the proposal  
4 submitted by the applicant or applicants.

5       (4) The integrity of the financial sources shall be  
6 judged upon the same standards as the applicant. Any such  
7 person or entity shall produce for the board upon request any  
8 document or information which bears any relation to the  
9 application.

10       (5) The applicant shall produce whatever information,  
11 documentation or assurances the board requires to establish  
12 by clear and convincing evidence the adequacy of financial  
13 resources.

14 (p) Applicant's business experience.--

15       (1) The board shall require an applicant for a terminal  
16 operator license to produce the information, documentation  
17 and assurances as the board may require to establish by clear  
18 and convincing evidence that the applicant has sufficient  
19 business ability and experience to create and maintain a  
20 successful, efficient operation.

21       (2) An applicant shall produce the names of all proposed  
22 key employees and a description of their respective or  
23 proposed responsibilities as they become known.

24 (q) Additional information.--In addition to other  
25 information required by this part, a person applying for a  
26 terminal operator license shall provide the following  
27 information:

28       (1) The organization, financial structure and nature of  
29 all businesses operated by the person, including any  
30 affiliate, intermediary, subsidiary or holding companies, the

1 names and personal employment and criminal histories of all  
2 officers, directors and key employees of the corporation; the  
3 names of all holding, intermediary, affiliate and subsidiary  
4 companies of the corporation; and the organization, financial  
5 structure and nature of all businesses operated by such  
6 holding, intermediary and subsidiary companies as the board  
7 may require, including names and personal employment and  
8 criminal histories of such officers, directors and principal  
9 employees of such corporations and companies as the board may  
10 require.

11 (2) The extent of securities held in the corporation by  
12 all officers, directors and underwriters and their  
13 remuneration in the form of salary, wages, fees or otherwise.

14 (3) Copies of all management and service contracts.

15 (r) Review and approval.--Upon being satisfied that the  
16 requirements of subsections (a), (b), (c), (d), (e), (f), (g),  
17 (h), (i), (j), (k), (l), (m), (n), (o), (p) and (q) have been  
18 met, the board may approve the application and issue the  
19 applicant a terminal operator license consistent with all of the  
20 following:

21 (1) (i) The initial license shall be for a period of  
22 one year, and, if renewed under subsection (s), the board  
23 shall have discretion to renew the license for a period  
24 of up to three years.

25 (ii) Nothing in this paragraph shall be construed to  
26 relieve a licensee of the affirmative duty to notify the  
27 board of any changes relating to the status of its  
28 license or to any information contained in the  
29 application materials on file with the board.

30 (2) The license shall be nontransferable.

1       (3) Any other condition established by the board.

2       (s) Renewal.--

3       (1) At least two months prior to expiration of a  
4       terminal operator license, the terminal operator licensee  
5       seeking renewal of its license shall submit a renewal  
6       application to the board.

7       (2) If the renewal application satisfies the  
8       requirements of subsections (a), (b), (c), (d), (e), (f),  
9       (g), (h), (i), (j), (k), (l), (m), (n), (o), (p) and (q), the  
10      board may renew the licensee's terminal operator license.

11      (3) If the board receives a complete renewal application  
12      but fails to act upon the renewal application prior to the  
13      expiration of the terminal operator license, the terminal  
14      operator license shall continue in effect until acted upon by  
15      the board.

16      § 3503. (Reserved).

17      § 3504. Principal licenses.

18      (a) License required.--All principals shall obtain a  
19      principal license from the board.

20      (b) Application.--A principal license application shall be  
21      in a form prescribed by the board and shall include the  
22      following:

23      (1) Verification of status as a principal from a  
24      terminal operator licensee, manufacturer licensee or supplier  
25      licensee.

26      (2) A description of responsibilities as a principal.

27      (3) All releases necessary to obtain information from  
28      governmental agencies, employers and other organizations.

29      (4) Fingerprints, which shall be submitted to the  
30      Pennsylvania State Police.

1           (5) A photograph that meets the standards of the  
2           Commonwealth Photo Imaging Network.

3           (6) Details relating to a similar license, permit or  
4           other authorization obtained in another jurisdiction.

5           (7) Additional information required by the board.

6           (c) Issuance.--Following review of the application and the  
7           background investigation, the board may issue a principal  
8           license if the applicant has proven by clear and convincing  
9           evidence that the applicant is a person of good character,  
10           honesty and integrity and is eligible and suitable to be  
11           licensed as a principal.

12           (d) Nontransferability.--A license issued under this section  
13           shall be nontransferable.

14           (e) Principals.--An individual who receives a principal  
15           license need not obtain a key employee license.

16           § 3505. Key employee licenses.

17           (a) License required.--All key employees shall obtain a key  
18           employee license from the board.

19           (b) Application.--A key employee license application shall  
20           be in a form prescribed by the board and shall include the  
21           following:

22                   (1) Verification of status as a key employee from a  
23                   terminal operator licensee, manufacturer licensee or supplier  
24                   licensee.

25                   (2) A description of employment responsibilities.

26                   (3) All releases necessary to obtain information from  
27                   governmental agencies, employers and other organizations.

28                   (4) Fingerprints, which shall be submitted to the  
29                   Pennsylvania State Police.

30                   (5) A photograph that meets the standards of the

1 Commonwealth Photo Imaging Network.

2 (6) Details relating to a similar license or other  
3 authorization obtained in another jurisdiction.

4 (7) Additional information required by the board.

5 (c) Issuance.--Following review of the application and the  
6 background investigation, the board may issue a key employee  
7 license if the applicant has proven by clear and convincing  
8 evidence that the applicant is a person of good character,  
9 honesty and integrity and is eligible and suitable to be  
10 licensed as a key employee.

11 (d) Nontransferability.--A license issued under this section  
12 shall be nontransferable.

13 § 3505.1. Procurement agent licenses.

14 (a) License required.--All procurement agents shall obtain a  
15 procurement agent license from the board.

16 (b) Application.--A procurement agent license application  
17 shall be in a form prescribed by the board and shall include the  
18 following:

19 (1) Verification of status as a procurement agent from a  
20 terminal operator licensee.

21 (2) A description of responsibilities.

22 (3) All releases necessary to obtain information from  
23 governmental agencies, employers and other organizations.

24 (4) Fingerprints, which shall be submitted to the  
25 Pennsylvania State Police.

26 (5) A photograph that meets the standards of the  
27 Commonwealth Photo Imaging Network.

28 (6) Details relating to a similar license or other  
29 authorization obtained in another jurisdiction.

30 (7) Additional information required by the board.

1 (c) Issuance.--Following review of the application and the  
2 background investigation, the board may issue a procurement  
3 agent license if the applicant has proven by clear and  
4 convincing evidence that the applicant is a person of good  
5 character, honesty and integrity and is eligible and suitable to  
6 be licensed as a procurement agent.

7 (d) Nontransferability.--A license issued under this section  
8 shall be nontransferable.

9 § 3506. Divestiture of disqualifying applicant.

10 (a) Board power to require.--

11 (1) In the event that any establishment license  
12 application, terminal operator license application, supplier  
13 license application or manufacturer license application is  
14 not approved by the board based on a finding that an  
15 individual who is a principal or has an interest in the  
16 person applying for the license does not meet the character  
17 requirements of this part or any of the eligibility  
18 requirements under this part or a person who purchases a  
19 controlling interest in the applicant in violation of section  
20 3517 (relating to change in ownership or control of terminal  
21 operator licensee), the board may afford the individual the  
22 opportunity to completely divest his interest in the person,  
23 its affiliate, intermediary, subsidiary or holding company  
24 seeking the license and, after such divestiture, reconsider  
25 the person's or applicant's suitability for licensure in an  
26 expedited proceeding and may, after such proceeding, issue  
27 the person or applicant a terminal operator license.

28 (2) The board shall approve the terms and conditions of  
29 any divestiture under this section.

30 (b) Limitation.--Under no circumstances shall any

1 divestiture be approved by the board if the compensation for the  
2 divested interest exceeds the cost of the interest.

3 § 3507. Supplier licenses.

4 (a) Application.--

5 (1) A manufacturer that elects to contract with a  
6 supplier under section 3508 (relating to manufacturer  
7 licenses) shall ensure that the supplier is appropriately  
8 licensed under this section.

9 (2) A person seeking to provide video gaming terminals,  
10 redemption terminals or associated equipment to a terminal  
11 operator licensee within this Commonwealth through a contract  
12 with a licensed manufacturer must apply to the board for the  
13 appropriate supplier license.

14 (b) Requirements.--An application for a supplier license  
15 shall be on the form required by the board and shall include all  
16 of the following:

17 (1) The name and business address of the applicant and  
18 the applicant's affiliates, intermediaries, subsidiaries and  
19 holding companies; the principals and key employees of each  
20 business; and a list of employees and their positions within  
21 each business, as well as financial information required by  
22 the board.

23 (2) A statement that the applicant and each affiliate,  
24 intermediary, subsidiary or holding company of the applicant  
25 are not terminal operator licensees.

26 (3) Proof that the applicant has or will establish a  
27 place of business in this Commonwealth. A supplier licensee  
28 shall maintain its place of business in this Commonwealth to  
29 remain eligible for licensure.

30 (4) The consent to a background investigation of the

1 applicant, its principals and key employees or other persons  
2 required by the board and a release to obtain the information  
3 necessary for the completion of the background investigation.

4 (5) The details of any supplier license issued by the  
5 board to the applicant under section 1317 (relating to  
6 supplier licenses), if applicable.

7 (6) The details of any equivalent license granted or  
8 denied by other jurisdictions where gaming activities as  
9 authorized by this part are permitted.

10 (7) The type of goods and services to be supplied and  
11 whether those goods and services will be provided through  
12 purchase, lease, contract or otherwise.

13 (8) Other information determined by the board to be  
14 appropriate.

15 (c) Review and approval.--Upon being satisfied that the  
16 requirements of subsection (b) have been met, the board may  
17 approve the application and issue the applicant a supplier  
18 license consistent with all of the following:

19 (1) (i) The initial license shall be for a period of  
20 one year, and, if renewed under subsection (d), the board  
21 shall have discretion to renew the license for a period  
22 up to three years.

23 (ii) Nothing in this paragraph shall be construed to  
24 relieve a licensee of the affirmative duty to notify the  
25 board of a change relating to the status of its license  
26 or to information contained in the application materials  
27 on file with the board.

28 (2) The license shall be nontransferable.

29 (3) Other conditions established by the board.

30 (d) Renewal.--

1           (1) At least two months prior to expiration of a  
2 supplier license, the supplier licensee seeking renewal of  
3 its license shall submit a renewal application to the board.

4           (2) If the renewal application satisfies the  
5 requirements of subsection (b), the board may renew the  
6 licensee's supplier license.

7           (3) If the board receives a complete renewal application  
8 but fails to act upon the renewal application prior to the  
9 expiration of the supplier license, the supplier license  
10 shall continue in effect until acted upon by the board.

11 § 3508. Manufacturer licenses.

12           (a) Application.--A person seeking to manufacture video  
13 gaming terminals, redemption terminals and associated equipment  
14 for use in this Commonwealth must apply to the board for a  
15 manufacturer license.

16           (b) Requirements.--An application for a manufacturer license  
17 shall be on the form required by the board and shall include all  
18 of the following:

19           (1) The name and business address of the applicant and  
20 the applicant's affiliates, intermediaries, subsidiaries and  
21 holding companies; the principals and key employees of each  
22 business; and a list of employees and their positions within  
23 each business, as well as financial information required by  
24 the board.

25           (2) A statement that the applicant and each affiliate,  
26 intermediary, subsidiary or holding company of the applicant  
27 are not terminal operator licensees.

28           (3) The consent to a background investigation of the  
29 applicant, its principals, its key employees, its  
30 intermediaries, its subsidiaries or other persons required by

1 the board and a release to obtain the information necessary  
2 for the completion of the background investigation.

3 (4) The details of any equivalent license granted or  
4 denied by other jurisdictions where gaming activities as  
5 authorized by this part are permitted.

6 (5) The details of any manufacturer license issued by  
7 the board to the applicant under section 1317.1 (relating to  
8 manufacturer licenses), if applicable.

9 (6) The type of video gaming terminals, redemption  
10 terminals or associated equipment to be manufactured or  
11 repaired.

12 (7) Other information determined by the board to be  
13 appropriate.

14 (c) Review and approval.--Upon being satisfied that the  
15 requirements of subsection (b) have been met, the board may  
16 approve the application and grant the applicant a manufacturer  
17 license consistent with all of the following:

18 (1) (i) The initial license shall be for a period of  
19 one year, and, if renewed under subsection (d), the board  
20 shall have discretion to renew the license for a period  
21 up to three years.

22 (ii) Nothing in this paragraph shall be construed to  
23 relieve the licensee of the affirmative duty to notify  
24 the board of a change relating to the status of its  
25 license or to other information contained in application  
26 materials on file with the board.

27 (2) The license shall be nontransferable.

28 (3) Other conditions established by the board.

29 (d) Renewal.--

30 (1) At least two months prior to expiration of a

1 manufacturer license, the manufacturer licensee seeking  
2 renewal of its license shall submit a renewal application  
3 accompanied by the renewal fee to the board.

4 (2) If the renewal application satisfies the  
5 requirements of subsection (b), the board may renew the  
6 licensee's manufacturer license.

7 (3) If the board receives a complete renewal application  
8 but fails to act upon the renewal application prior to the  
9 expiration of the manufacturer license, the manufacturer  
10 license shall continue in effect until acted upon by the  
11 board.

12 (e) Authority.--The following shall apply to a licensed  
13 manufacturer:

14 (1) A manufacturer or its designee, as licensed by the  
15 board, may supply or repair a video gaming terminal,  
16 redemption terminal or associated equipment manufactured by  
17 the manufacturer, provided the manufacturer holds the  
18 appropriate manufacturer license.

19 (2) A manufacturer of video gaming terminals or  
20 redemption terminals may contract with a supplier under  
21 section 3507 (relating to supplier licenses) to provide video  
22 gaming terminals, redemption terminals or associated  
23 equipment to a terminal operator licensee within this  
24 Commonwealth, provided the supplier is licensed to supply  
25 video gaming terminals, redemption terminals or associated  
26 equipment.

27 (f) Prohibitions.--

28 (1) No person may manufacture video gaming terminals,  
29 redemption terminals or associated equipment for use within  
30 this Commonwealth by a terminal operator licensee unless the

1 person has been issued the appropriate manufacturer license  
2 under this section.

3 (2) No person issued a license under this section may  
4 apply for or be issued a terminal operator license or  
5 establishment license under section 1317 (relating to  
6 supplier licenses).

7 § 3509. Gaming service provider.

8 (a) Development of classification system.--The board shall  
9 develop a classification system governing the certification,  
10 registration and regulation of gaming service providers and  
11 individuals and entities associated with them. The  
12 classification system shall be based upon the following:

13 (1) Whether the employees of the gaming service provider  
14 will have access to the video gaming area of an establishment  
15 or the video gaming terminals or redemption terminals prior  
16 to or after installation.

17 (2) Whether the goods or services provided or to be  
18 provided by the gaming service provider would impact the  
19 integrity of video gaming terminals, redemption terminals or  
20 the conduct of video gaming.

21 (b) Authority to exempt.--The board may exempt a person or  
22 type of business from the requirements of this section if the  
23 board determines:

24 (1) the person or type of business is regulated by an  
25 agency of the Federal Government, an agency of the  
26 Commonwealth or the Pennsylvania Supreme Court; or

27 (2) the regulation of the person or type of business is  
28 determined not to be necessary in order to protect the public  
29 interest or the integrity of gaming.

30 (c) Duties of gaming service providers.--A gaming service

1 provider shall have a continuing duty to:

2 (1) Provide all information, documentation and  
3 assurances as the board may require.

4 (2) Cooperate with the board in investigations, hearings  
5 and enforcement and disciplinary actions.

6 (3) Comply with all conditions, restrictions,  
7 requirements, orders and rulings of the board in accordance  
8 with this part.

9 (4) Report a change in circumstances that may render the  
10 gaming service provider ineligible, unqualified or unsuitable  
11 for continued registration or certification.

12 (d) Requirement for permit.--The board may require employees  
13 of a gaming service provider to obtain a permit or other  
14 authorization if, after an analysis of duties, responsibilities  
15 and functions, the board determines that a permit or other  
16 authorization is necessary to protect the integrity of gaming.

17 (e) Interim authorization.--The board or a designated  
18 employee of the board may permit a gaming service provider  
19 applicant to engage in business with an applicant for a terminal  
20 operator license or a terminal operator licensee prior to  
21 approval of the gaming service provider application if the  
22 following criteria have been satisfied:

23 (1) A completed application has been filed with the  
24 board by the gaming service provider.

25 (2) The terminal operator license applicant or terminal  
26 operator licensee contracting or doing business with the  
27 gaming service provider certifies that it has performed due  
28 diligence on the gaming service provider and believes that  
29 the applicant meets the qualification to be a gaming service  
30 provider pursuant to this section.

1       (3) The gaming service provider applicant agrees in  
2 writing that the grant of interim authorization to conduct  
3 business prior to board approval of the application does not  
4 create a right to continue to engage in business if the board  
5 determines that the applicant is not suitable or continued  
6 authorization is not in the public interest.

7       (f) Construction.--Nothing in this section shall be  
8 construed to prohibit the board from rescinding a grant of  
9 interim authorization if, at any time, the suitability of the  
10 person subject to interim authorization is at issue or if the  
11 person fails to cooperate with the board, the bureau or an agent  
12 of the board or bureau.

13       (g) Gaming service provider lists.--

14           (1) The board shall:

15               (i) Develop and maintain a list of approved gaming  
16 service providers who are authorized to provide goods or  
17 services whether under a grant of interim or continued  
18 authorization.

19               (ii) Develop and maintain a list of prohibited  
20 gaming service providers.

21           (2) An applicant for a terminal operator license or a  
22 terminal operator licensee may not enter into an agreement or  
23 engage in business with a gaming service provider listed on  
24 the prohibited gaming service provider list.

25       (h) Emergency authorization.--

26           (1) A terminal operator licensee may utilize a gaming  
27 service provider that has not been approved by the board when  
28 a threat to public health, welfare or safety exists or  
29 circumstances outside the control of the terminal operator  
30 licensee require immediate action to mitigate damage or loss

1 to the licensee's video gaming terminals.

2 (2) The board shall promulgate regulations to govern the  
3 use of gaming service providers under emergency  
4 circumstances. The regulations shall include a requirement  
5 that the slot machine licensee contact the board immediately  
6 upon utilizing a gaming service provider that has not been  
7 approved by the board.

8 (i) Criminal history record information.--If the  
9 classification system developed by the board in accordance with  
10 subsection (a) requires a gaming service provider or an  
11 individual or entity associated with the gaming service provider  
12 to submit to or provide the bureau with criminal history record  
13 information under 18 Pa.C.S. Ch. 91 (relating to criminal  
14 history record information), the bureau shall notify a slot  
15 machine licensee that submitted a certification under subsection  
16 (e) (2) whether the applicant has been convicted of a felony or  
17 misdeemeanor gambling offense.

18 § 3510. Occupation license.

19 (a) Application.--

20 (1) A person who desires to be a gaming employee and has  
21 a bona fide offer of employment from a terminal operator  
22 licensee shall apply to the board for an occupation license.

23 (2) A person may not be employed as a gaming employee  
24 unless and until that person holds an appropriate occupation  
25 license issued under this section.

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

30 (b) Requirements.--The application for an occupation license

1 shall include, at a minimum:

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

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

4 (3) The criminal history record of the person, as well  
5 as the person's consent for the Pennsylvania State Police to  
6 conduct a background investigation.

7 (4) A photograph of the person.

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

10 (6) The details of an occupation license or similar  
11 license granted or denied to the applicant in other  
12 jurisdictions.

13 (7) Other information determined by the board to be  
14 appropriate.

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

18 § 3511. Alternative terminal operator licensing standards.

19 (a) Determination.--

20 (1) The board may determine whether the licensing  
21 standards of another jurisdiction within the United States or  
22 Canada in which an applicant, its affiliate, intermediary,  
23 subsidiary or holding company for a terminal operator license  
24 is similarly licensed are comprehensive and thorough and  
25 provide similar adequate safeguards as those required by this  
26 part.

27 (2) If the board makes that determination, it may issue  
28 a terminal operator license to an applicant who holds a  
29 terminal operator license in the other jurisdiction after  
30 conducting an evaluation of the information relating to the

1 applicant from the other jurisdictions, as updated by the  
2 board, and evaluating other information related to the  
3 applicant received from that jurisdiction and other  
4 jurisdictions where the applicant may be licensed, the board  
5 may incorporate such information in whole or in part into the  
6 board's evaluation of the applicant.

7 (b) Abbreviated process.--

8 (1) In the event an applicant for a terminal operator  
9 license is licensed in another jurisdiction, the board may  
10 determine to use an alternate process requiring only that  
11 information determined by the board to be necessary to  
12 consider the issuance of a license, including financial  
13 viability of the licensee, to such an applicant.

14 (2) Nothing in this section shall be construed to waive  
15 fees associated with obtaining a license through the normal  
16 application process.

17 (c) Current license holders.--In the event an applicant for  
18 a terminal operator license under this part holds a slot machine  
19 license under Part II (relating to gaming), the board may  
20 determine to use an abbreviated process requiring only that  
21 information determined by the board to be necessary to consider  
22 the issuance of a license, including financial viability of the  
23 applicant.

24 § 3512. Alternative manufacturer licensing standards.

25 (a) Determination.--

26 (1) The board may determine whether the licensing  
27 standards of another jurisdiction within the United States in  
28 which an applicant for a manufacturer license is similarly  
29 licensed are comprehensive and thorough and provide similar  
30 adequate safeguards as those required by this part.

1       (2) If the board makes that determination, it may issue  
2 a manufacturer license to an applicant who holds a similar  
3 manufacturer license in the other jurisdiction after  
4 conducting an evaluation of the information relating to the  
5 applicant from the other jurisdictions, as updated by the  
6 board, and evaluating other information related to the  
7 applicant received from that jurisdiction and other  
8 jurisdictions where the applicant may be licensed, the board  
9 may incorporate such information in whole or in part into the  
10 board's evaluation of the applicant.

11 (b) Abbreviated process.--

12       (1) In the event an applicant for a manufacturer license  
13 is licensed in another jurisdiction, the board may determine  
14 to use an abbreviated process requiring only that information  
15 determined by the board to be necessary to consider the  
16 issuance of a license, including financial viability of the  
17 applicant.

18       (2) Nothing in this section shall be construed to waive  
19 fees associated with obtaining a license through the normal  
20 application process.

21 (c) Current license holders.--In the event an applicant for  
22 a manufacturer license under this part holds a manufacturer  
23 license under section 1317.1 (relating to manufacturer  
24 licenses), the board may determine to use an abbreviated process  
25 requiring only that information determined by the board to be  
26 necessary to consider the issuance of a license, including  
27 financial viability of the applicant.

28 § 3513. Alternative supplier licensing standards.

29 (a) Determination.--

30       (1) The board may determine whether the licensing

1 standards of another jurisdiction within the United States in  
2 which an applicant for a supplier's license is similarly  
3 licensed are comprehensive and thorough and provide similar  
4 adequate safeguards as required by this part.

5 (2) If the board makes that determination, it may issue  
6 a supplier license to an applicant who holds a similar  
7 supplier license in another jurisdiction after conducting an  
8 evaluation of the information relating to the applicant from  
9 the other jurisdictions, as updated by the board, and  
10 evaluating other information related to the applicant  
11 received from that jurisdiction and other jurisdictions where  
12 the applicant may be licensed. The board may incorporate the  
13 information in whole or in part into its evaluation of the  
14 applicant.

15 (b) Abbreviated process.--

16 (1) In the event an applicant for a supplier license is  
17 licensed in another jurisdiction, the board may determine to  
18 use an abbreviated process requiring only that information  
19 determined by the board to be necessary to consider the  
20 issuance of a license, including financial viability of the  
21 applicant.

22 (2) Nothing in this section shall be construed to waive  
23 any fees associated with obtaining a license through the  
24 normal application process.

25 (c) Current license holders.--In the event an applicant for  
26 a supplier license under this part holds a supplier license  
27 under section 1317 (relating to supplier licenses), the board  
28 may determine to use an abbreviated process requiring only that  
29 information determined by the board to be necessary to consider  
30 the issuance of a license, including financial viability of the

1 applicant.

2 § 3514. Establishment licenses.

3 (a) General requirements.--An establishment that submits an  
4 application for an establishment license shall include at a  
5 minimum:

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

8 (2) A description of the proposed surveillance and  
9 security measures to ensure the security of the proposed  
10 video gaming area.

11 (3) A current tax lien certificate issued by the  
12 department.

13 (4) The criminal history record of the applicant,  
14 principal and key employees and a consent for the  
15 Pennsylvania State Police to conduct a background  
16 investigation on the applicant, principals and key employees.

17 (5) If the applicant is a liquor establishment,  
18 documentation showing that the establishment's liquor or  
19 retail dispenser license is valid and is in good standing  
20 with the Pennsylvania Liquor Control Board.

21 (6) If the applicant is a liquor establishment,  
22 disclosure of conditional license agreements entered into  
23 under the act of April 12, 1951 (P.L.90, No.21), known as the  
24 Liquor Code.

25 (7) Other information determined to be appropriate by  
26 the board.

27 (b) Nontransferability.--A license issued under this section  
28 shall be nontransferable.

29 (c) Ongoing duty.--An establishment applying for a license  
30 under this section shall continue to provide information

1 required by the board or the bureau and cooperate in any inquiry  
2 or investigation.

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

7 (1) (i) The initial license shall be for a period of  
8 one year, and, if renewed under subsection (d), the  
9 license shall be for a period of one year.

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

15 (2) The license shall be nontransferable.

16 (3) Other conditions established by the board.

17 (e) Renewal.--

18 (1) At least two months prior to expiration of an  
19 establishment license, the establishment licensee seeking  
20 renewal of its license shall submit a renewal application  
21 accompanied by the renewal fee to the board.

22 (2) If the renewal application satisfies the  
23 requirements of subsection (b), the board may renew the  
24 licensee's establishment license.

25 (3) If the board receives a complete renewal application  
26 but fails to act upon the renewal application prior to the  
27 expiration of the manufacturer license, the establishment  
28 license shall continue in effect until acted upon by the  
29 board.

30 § 3515. License or permit prohibition.

1 The following apply:

2 (1) The board shall be prohibited from granting a  
3 license or permit under this part to any applicant who has  
4 been convicted of a felony offense in any jurisdiction.

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

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

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

17 (iii) An establishment license to an applicant who  
18 has been convicted in a jurisdiction of a misdemeanor  
19 gambling offense, unless three years have elapsed from  
20 the date of conviction for the offense.

21 (iv) An establishment license to an applicant that  
22 is a liquor establishment whose liquor or retail  
23 dispenser license is not in good standing with the  
24 Pennsylvania Liquor Control Board.

25 (v) An establishment license to an applicant that is  
26 a liquor establishment that has been declared a nuisance  
27 under section 611 of the act of April 12, 1951 (P.L.90,  
28 No.21), known as the Liquor Code.

29 (vi) An establishment license to an applicant that  
30 is a liquor establishment with a conditional license

1 agreement entered into under the Liquor Code unless the  
2 agreement has been amended to allow for video gaming.

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

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

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

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

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

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

17 (vi) Evidence of rehabilitation, including good  
18 conduct in the community, counseling or psychiatric  
19 treatment received and the recommendation of persons who  
20 have substantial contact with the applicant.

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

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

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

27 (A) classified as a felony; or

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

30 (iii) An offense under the laws of another

1 jurisdiction which, if committed in this Commonwealth,  
2 would be subject to imprisonment for more than five  
3 years.

4 § 3516. Issuance and renewal.

5 (a) Issuance.--

6 (1) In addition to any other criteria provided under  
7 this part, any terminal operator, establishment, supplier,  
8 manufacturer, gaming employee or other person that the board  
9 approves as qualified to receive a license or a permit under  
10 this part shall be issued a license or permit upon the  
11 payment of a fee required in section 4101 (relating to fees)  
12 and upon the fulfillment of conditions required by the board  
13 or provided for in this part.

14 (2) Nothing contained in this part is intended or shall  
15 be construed to create an entitlement to a license or permit  
16 by a person.

17 (b) Renewal.--

18 (1) All permits and licenses issued under this part  
19 unless otherwise provided shall be subject to renewal every  
20 year.

21 (2) The application for renewal shall be submitted at  
22 least 60 days prior to the expiration of the permit or  
23 license and shall include an update of the information  
24 contained in the initial and any prior renewal applications  
25 and the payment of any renewal fee required by section 4101.

26 (3) Nothing in this subsection shall be construed to  
27 relieve a licensee of the affirmative duty to notify the  
28 board of a change relating to the status of its license or to  
29 other information contained in the application materials on  
30 file with the board.

1 (c) Revocation or failure to renew.--

2 (1) In addition to other sanctions the board may impose  
3 under this part, the board may at its discretion suspend,  
4 revoke or deny renewal of a permit or license issued under  
5 this part if it receives information from any source that the  
6 applicant or any of its officers, directors, owners or key  
7 employees is in violation of any provision of this part, that  
8 the applicant has furnished the board with false or  
9 misleading information or that the information contained in  
10 the applicant's initial application or renewal application is  
11 no longer true and correct such that the applicant is no  
12 longer eligible.

13 (2) In the event of a revocation or failure to renew,  
14 the applicant's authorization to conduct the previously  
15 approved activity shall immediately cease upon receipt of a  
16 final adjudication under 2 Pa.C.S. Chs. 5 Subch. A (relating  
17 to practice and procedure of Commonwealth agencies) and 7  
18 Subch. A (relating to judicial review of Commonwealth agency  
19 action), and all fees paid in connection with the application  
20 shall be deemed to be forfeited.

21 (3) In the event of a suspension, the applicant's  
22 authorization to conduct the previously approved activity  
23 shall immediately cease until the board has notified the  
24 applicant that the suspension is no longer in effect.

25 (d) Nontransferability of licenses.--

26 (1) A license issued by the board is a grant of the  
27 privilege to conduct a business in this Commonwealth.

28 (2) Except as permitted by section 3517 (relating to  
29 change in ownership or control of terminal operator  
30 licensee), no license granted or renewed pursuant to this

1 part may be sold, transferred or assigned to another person.

2 (3) No licensee may pledge or otherwise grant a security  
3 interest in or lien on the license.

4 (4) The board has the sole discretion to issue, renew,  
5 condition or deny the issuance of a terminal operator license  
6 based upon the requirements of this part.

7 (5) Nothing contained in this part is intended or shall  
8 be construed to create in any person an entitlement to a  
9 license.

10 § 3517. Change in ownership or control of terminal operator  
11 licensee.

12 (a) Notification and approval.--

13 (1) A terminal operator licensee shall promptly notify  
14 the board of a proposed or contemplated change of ownership  
15 of the terminal operator licensee by a person or group of  
16 persons acting in concert which involves any of the  
17 following:

18 (i) More than 5% of a terminal operator licensee's  
19 securities or other ownership interests.

20 (ii) More than 5% of the securities or other  
21 ownership interests of a corporation or other form of  
22 business entity that owns directly or indirectly at least  
23 20% of the voting or other securities or other ownership  
24 interests of the licensee.

25 (iii) The sale of all or substantially all of a  
26 licensee's assets.

27 (iv) Other transaction or occurrence deemed by the  
28 board to be relevant to license qualifications.

29 (2) (i) Notwithstanding the provisions of paragraph  
30 (1), no terminal operator licensee may be required to

1 notify the board of an acquisition by an institutional  
2 investor under paragraph (1) (i) or (ii) if the  
3 institutional investor holds less than 10% of the  
4 securities or other ownership interests referred to in  
5 paragraph (1) (i) or (ii), the securities or interests are  
6 publicly traded securities and its holdings of the  
7 securities were purchased for investment purposes only  
8 and the institutional investor files with the board a  
9 certified statement to the effect that it has no  
10 intention of influencing or affecting, directly or  
11 indirectly, the affairs of the licensee, provided,  
12 however, that it shall be permitted to vote on matters  
13 put to the vote of the outstanding security holders.

14 (ii) Notice to the board and board approval shall be  
15 required prior to completion of any proposed or  
16 contemplated change of ownership of a terminal operator  
17 licensee that meets the criteria of this section.

18 (b) Qualification of purchaser of terminal operator  
19 licensee; change of control.--

20 (1) The purchaser of all or substantially all of the  
21 assets of a terminal operator licensee shall, if not already  
22 a terminal operator licensee, independently qualify for a  
23 license in accordance with this part and shall pay the  
24 license fee as required by section 4101 (relating to fees).

25 (2) A change in control of a terminal operator licensee  
26 shall require that the terminal operator licensee  
27 independently qualify for a license in accordance with this  
28 part, and the terminal operator licensee shall pay a new  
29 license fee as required by section 4101, except as otherwise  
30 required by the board pursuant to this section.

1           (3) The new license fee shall be paid upon the  
2           assignment and actual change of control or ownership of the  
3           terminal operator license.

4           (c) Change in control defined.--For purposes of this  
5           section, a change in control of a terminal operator licensee  
6           shall mean the acquisition by a person or group of persons  
7           acting in concert of more than 20% of a terminal operator  
8           licensee's securities or other ownership interests, with the  
9           exception of any ownership interest of the person that existed  
10           at the time of initial licensing and payment of the initial slot  
11           machine license fee, or more than 20% of the securities or other  
12           ownership interests of a corporation or other form of business  
13           entity that owns directly or indirectly at least 20% of the  
14           voting or other securities or other ownership interests of the  
15           licensee.

16           (d) Fee reduction.--The board may in its discretion  
17           eliminate the need for qualification or proportionately reduce,  
18           but not eliminate, the new license fee otherwise required  
19           pursuant to this section in connection with a change of control  
20           of a licensee, depending upon the type of transaction, the  
21           relevant ownership interests and changes to the interests  
22           resulting from the transaction and other considerations deemed  
23           relevant by the board.

24           (e) License revocation.--Failure to comply with this section  
25           may cause the license issued under this part to be revoked or  
26           suspended by the board unless the purchase of the assets or the  
27           change in control that meets the criteria of this section has  
28           been independently qualified in advance by the board and any  
29           required license fee has been paid.

30           § 3518. Video gaming accounting controls and audits.

1 (a) Approval.--Except as otherwise provided by this part, a  
2 terminal operator license applicant shall, in addition to  
3 obtaining a terminal operator license, obtain approval from the  
4 board in consultation with the department of its internal  
5 control systems and audit protocols prior to the installation  
6 and operation of video gaming terminals at licensed  
7 establishments.

8 (b) Minimum requirements.--At a minimum, the applicant's or  
9 person's proposed internal controls and audit protocols shall:

10 (1) Safeguard its assets and revenues, including, but  
11 not limited to, the recording of cash and evidences of  
12 indebtedness related to the video gaming terminals.

13 (2) Provide for reliable records, accounts and reports  
14 of a financial event that occurs in the operation of a video  
15 gaming terminal, including reports to the board related to  
16 the video gaming terminals.

17 (3) Ensure that each video gaming terminal directly  
18 provides or communicates all required activities and  
19 financial details to the central control computer system as  
20 set by the board.

21 (4) Provide for accurate and reliable financial records.

22 (5) Ensure a financial event that occurs in the  
23 operation of a video gaming terminal is performed only in  
24 accordance with the management's general or specific  
25 authorization, as approved by the board.

26 (6) Ensure that a financial event that occurs in the  
27 operation of a video gaming terminal is recorded adequately  
28 to permit proper and timely reporting of gross revenue and  
29 the calculation thereof and of fees and taxes and to maintain  
30 accountability for assets.

1           (7) Ensure that access to assets is permitted only in  
2 accordance with management's specific authorization, as  
3 approved by the board.

4           (8) Ensure that recorded accountability for assets is  
5 compared with actual assets at reasonable intervals and  
6 appropriate action is taken with respect to discrepancies.

7           (9) Ensure that all functions, duties and  
8 responsibilities are appropriately segregated and performed  
9 in accordance with sound financial practices by competent,  
10 qualified personnel.

11       (c) Internal control.--A terminal operator license applicant  
12 shall submit to the board and department, in such manner as the  
13 board requires, a description of its administrative and  
14 accounting procedures in detail, including its written system of  
15 internal control. The written system of internal control shall  
16 include:

17           (1) Records of direct and indirect ownership in the  
18 proposed terminal operator licensee, its affiliate,  
19 intermediary, subsidiary or holding company.

20           (2) An organizational chart depicting appropriate  
21 segregation of functions and responsibilities.

22           (3) A description of the duties and responsibilities of  
23 each position shown on the organizational chart.

24           (4) A detailed narrative description of the  
25 administrative and accounting procedures designed to satisfy  
26 the requirements of this section.

27           (5) Record retention policy.

28           (6) Procedure to ensure that assets are safeguarded,  
29 including mandatory count procedures.

30           (7) A statement signed by the chief financial officer of

1 the terminal operator license applicant or other competent  
2 person and the chief executive officer of the terminal  
3 operator license applicant or other competent person  
4 attesting that the officer believes, in good faith, that the  
5 system satisfies the requirements of this section.

6 (8) Other items that the board may require in its  
7 discretion.

8 § 3519. Multiple licenses prohibited.

9 (a) Manufacturer restriction.--A manufacturer may not be  
10 licensed as a terminal operator or own, manage or control an  
11 establishment licensee, but may also be licensed as a supplier.

12 (b) Supplier restriction.--A supplier may not be licensed as  
13 a terminal operator or own, manage or control an establishment  
14 licensee or terminal operator licensee.

15 (c) Terminal operator restriction.--A terminal operator may  
16 not be licensed as a manufacturer or supplier or own, manage or  
17 control an establishment licensee or own, manage or control  
18 premises used by an establishment licensee.

19 (d) Establishment restriction.--An establishment licensee  
20 may not be licensed as a manufacturer, supplier, terminal  
21 operator or procurement agent.

22 (e) Exception.--Notwithstanding subsections (c) and (d), a  
23 terminal operator that is also a licensed racing entity may be  
24 issued an establishment license for an establishment that is  
25 also a nonprimary location.

26 § 3520. Conditional licenses.

27 (a) Findings.--The General Assembly finds that:

28 (1) Prompt and expedited implementation of video gaming  
29 in this Commonwealth is desirable, to the extent that such  
30 expedited implementation can be accomplished without

1 compromising the integrity of gaming.

2 (2) The conditional licensing provisions of this section  
3 strike the correct balance between assuring that licensees  
4 meet the licensing criteria without causing an undue delay in  
5 implementation of this part.

6 (b) Conditional establishment licenses.--

7 (1) Within 60 days after the effective date of this  
8 section, the board shall make applications for establishment  
9 licenses available to applicants.

10 (2) The board shall issue a conditional license to an  
11 applicant for an establishment license if the applicant  
12 satisfies, as determined by the board, all of the following  
13 criteria:

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

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

17 (iii) The applicant has submitted a completed  
18 application for an establishment license in accordance  
19 with this part, which may be submitted concurrently with  
20 the applicant's request for a conditional license.

21 (iv) For liquor establishment applicants, the  
22 applicant held a valid liquor license under Article IV of  
23 the act of April 12, 1951 (P.L.90, No.21), known as the  
24 Liquor Code, on the date of application and such license  
25 is in good standing.

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

28 (3) (i) The board shall issue a conditional license to  
29 an applicant for an establishment license, within 60 days  
30 after the application has been received by the board,

1 provided that the board determines that the criteria  
2 contained in paragraph (2) has been satisfied.

3 (ii) If the board determines that the criteria  
4 contained in paragraph (2) has not been satisfied, the  
5 board shall give a written explanation to the applicant  
6 as to why it has determined the criteria has not been  
7 satisfied.

8 (4) A conditional license shall be valid until:

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

11 (ii) the conditional license is terminated for a  
12 violation of this part; or

13 (iii) one calendar year has passed since the  
14 conditional license was issued.

15 (5) If the board fails to act upon the application for a  
16 licensed establishment within 60 days after the expiration of  
17 a conditional license, the applicant may apply for a renewal  
18 of the conditional license.

19 (6) An applicant shall attest by way of affidavit under  
20 penalty of perjury that the applicant is not otherwise  
21 prohibited from licensure according to the requirements of  
22 this section or any other provision of this part.

23 (7) A request for conditional licensure under this  
24 subsection shall include payment of a \$100 fee, which fee  
25 shall be in addition to the applicable fee required under  
26 section 4101 (relating to fees).

27 (c) Conditional terminal operator licenses.--

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

1       (2) The board shall accept applications for conditional  
2 terminal operator licenses beginning 14 days after  
3 applications become available.

4       (3) The board shall issue a conditional license to an  
5 applicant for a terminal operator license if the applicant  
6 satisfies, as determined by the board, all of the following  
7 criteria:

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

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

11          (iii) The applicant has submitted a completed  
12 application for a terminal operator license which may be  
13 submitted concurrently with the applicant's request for a  
14 conditional license.

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

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

20       (4) (i) The board shall issue a conditional license to  
21 an applicant for a terminal operator license, within 60  
22 days after the application has been received by the  
23 board, provided that the board determines that the  
24 criteria contained in paragraph (3) has been satisfied.

25           (ii) If the board determines that the criteria  
26 contained in paragraph (3) has not been satisfied, the  
27 board shall give a written explanation to the applicant  
28 as to why it has determined the criteria has not been  
29 satisfied.

30       (5) A conditional license shall be valid until:

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

3           (ii) the conditional license is terminated for a  
4 violation of this chapter; or

5           (iii) one calendar year has passed since the  
6 conditional license was issued.

7           (6) If the board fails to act upon the application,  
8 within 60 days after the expiration of a conditional license,  
9 the applicant may apply for a renewal of the conditional  
10 license.

11           (7) An applicant shall attest by way of affidavit under  
12 penalty of perjury that the applicant is not otherwise  
13 prohibited from licensure according to the requirements of  
14 this subsection or any other provision of this part.

15           (8) A request for conditional licensure under this  
16 subsection shall include payment of a \$5,000 fee, which fee  
17 shall be in addition to the applicable fee required under  
18 section 4101.

19 (d) Conditional manufacturer and supplier licenses.--

20           (1) Within 60 days after the effective date of this  
21 section, the board shall make applications available for  
22 manufacturer and supplier license.

23           (2) The board shall issue a conditional license to an  
24 applicant for a manufacturer or supplier license if the  
25 applicant satisfies, as determined by the board, all of the  
26 following criteria:

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

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

30           (iii) The applicant has submitted a completed

1 application a manufacturer or supplier license, which may  
2 be submitted concurrently with the applicant's request  
3 for a conditional license.

4 (iv) The applicant has never had its manufacturer,  
5 supplier or similar gaming license denied or revoked in  
6 another jurisdiction.

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

9 (3) (i) The board shall issue a conditional license to  
10 an applicant for a manufacturer or supplier license  
11 within 60 days after such application has been received  
12 by the board, provided that the board determines that the  
13 criteria contained in paragraph (2) has been satisfied.

14 (ii) If the board determines that the criteria  
15 contained in paragraph (2) has not been satisfied, the  
16 board shall give a written explanation to the applicant  
17 as to why it has determined the criteria has not been  
18 satisfied.

19 (4) A conditional license shall be valid until:

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

22 (ii) the conditional license is terminated for a  
23 violation of this part; or

24 (iii) one calendar year has passed since the  
25 conditional license was issued.

26 (5) If the board fails to act upon the application for a  
27 manufacturer or supplier license, within 60 days after the  
28 expiration of a conditional license, the applicant may apply  
29 for a renewal of the conditional license.

30 (6) An applicant shall attest by way of affidavit under

1 penalty of perjury that the applicant is not otherwise  
2 prohibited from licensure according to the requirements of  
3 this subsection or any other provision of this part.

4 (7) A request for a conditional license under this  
5 subsection shall include payment of a \$1,000 fee, which fee  
6 shall be in addition to the applicable fee required under  
7 section 4101.

8 (e) Other conditional licenses.--

9 (1) Within 60 days after the effective date of this  
10 section, the board shall make applications available for any  
11 other license required under this part.

12 (2) The board shall issue a conditional license to an  
13 applicant if the applicant satisfies, as determined by the  
14 board, all of the following criteria:

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

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

18 (iii) The applicant has submitted a completed  
19 application for licensure, which may be submitted  
20 concurrently with the applicant's request for a  
21 conditional license.

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

24 (3) (i) The board shall issue a conditional license to  
25 an applicant within 60 days after the application has  
26 been received by the board, provided that the board  
27 determines that the criteria contained in paragraph (2)  
28 has been satisfied.

29 (ii) If the board determines that the criteria  
30 contained in paragraph (2) has not been satisfied, the

1 board shall give a written explanation to the applicant  
2 as to why it has determined the criteria has not been  
3 satisfied.

4 (4) A conditional license shall be valid until:

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

7 (ii) the conditional license is terminated for a  
8 violation of this part; or

9 (iii) one calendar year has passed since the  
10 conditional license was issued.

11 (5) If the board fails to act upon the application for  
12 licensure within 60 days after the expiration of a  
13 conditional license, the applicant may apply for a renewal of  
14 the conditional license.

15 (6) An applicant shall attest by way of affidavit under  
16 penalty of perjury that the applicant is not otherwise  
17 prohibited from licensure according to the requirements of  
18 this subsection or any other provision of this part.

19 (7) A request for conditional licensure under this  
20 subsection shall include payment of a \$100 fee, which fee  
21 shall be in addition to the applicable fee required under  
22 section 4101.

23 (f) Prioritization prohibited.--

24 (1) The board may not utilize the alternative licensing  
25 standards for a terminal operator license, manufacturer  
26 license or a supplier license under sections 3511 (relating  
27 to alternative terminal operator licensing standards), 3512  
28 (relating to alternative manufacturer licensing standards)  
29 and 3513 (relating to alternative supplier licensing  
30 standards) to prioritize the issuance of a terminal operator,

1 manufacturer or supplier license under this chapter.

2 (2) The board shall ensure that applications made to the  
3 board according to the alternative standards under sections  
4 3511, 3512 and 3513 are not approved or denied in a time  
5 period that is less than the time period in which an  
6 application for a conditional license is approved or denied  
7 under this section.

8 CHAPTER 37

9 OPERATION

10 3701. Testing and certification of terminals.

11 3702. Video gaming limitations.

12 3703. Hours of operation.

13 3704. Terminal placement agreements.

14 3705. Duties of licensees.

15 3706. Compulsive and problem gambling.

16 § 3701. Testing and certification of terminals.

17 (a) General rule.--No video gaming terminal or redemption  
18 terminal may be made available for use in this Commonwealth  
19 prior to that model of video gaming terminal or redemption  
20 terminal being tested and certified by the board in accordance  
21 with this section.

22 (b) Video gaming terminal specifications.--Video gaming  
23 terminal models shall be tested and certified to meet the  
24 following specifications:

25 (1) The video gaming terminal shall have the ability to  
26 be linked to the central control computer.

27 (2) The video gaming terminal shall be marked with an  
28 irremovable identification plate that is placed in a  
29 conspicuous location on the exterior of the video gaming  
30 terminal. The identification plate shall contain the name of

1 the manufacturer and the serial and model numbers of the  
2 video gaming terminal.

3 (3) The video gaming terminal shall prominently display  
4 the rules of play either on the video gaming terminal face or  
5 screen.

6 (4) The video gaming terminal may not have the ability  
7 to dispense cash, tokens or anything of value, except  
8 redemption tickets which shall only be exchangeable for cash  
9 at a redemption terminal or reinserted into another video  
10 gaming terminal located in the same video gaming area as the  
11 video gaming terminal.

12 (5) The cost of a credit shall only be 1¢, 5¢, 10¢ or  
13 25¢.

14 (6) The maximum wager per individual game shall not  
15 exceed \$5.

16 (7) The maximum prize per individual game shall not  
17 exceed \$1,000.

18 (8) The video gaming terminal shall be designed and  
19 manufactured with total accountability to include gross  
20 proceeds, net profits, winning percentages and other  
21 information the board requires.

22 (9) The video gaming terminal shall pay out a minimum of  
23 85% of the amount wagered.

24 (10) Other specifications the board requires.

25 (c) Redemption terminal specifications.--Redemption terminal  
26 models shall be tested and certified to meet the following  
27 specifications:

28 (1) The redemption terminal shall be marked with an  
29 irremovable identification plate that is placed in a  
30 conspicuous location on the exterior of the redemption

1 terminal. The identification plate shall contain the name of  
2 the manufacturer and the serial and model numbers of the  
3 redemption terminal.

4 (2) The redemption terminal shall only accept redemption  
5 tickets from video gaming terminals located in the same video  
6 gaming area.

7 (3) The redemption terminal shall be designed and  
8 manufactured with total accountability to record information  
9 the board requires.

10 (4) Other specifications the board requires.

11 (d) Use of other state standards.--

12 (1) The board may determine, in its discretion, whether  
13 the video gaming terminal or redemption terminal testing and  
14 certification standards of another jurisdiction within the  
15 United States in which a manufacturer licensee is licensed  
16 are comprehensive and thorough and provide similar adequate  
17 safeguards as those required by this part.

18 (2) If the board makes that determination, the board may  
19 permit a manufacturer licensee through a licensed supplier to  
20 deploy those video gaming terminals or redemption terminals  
21 which have met the video gaming terminal or redemption  
22 terminal testing and certification standards in such other  
23 jurisdictions without undergoing the full testing and  
24 certification process by the board's testing facility.

25 (3) In the event video gaming terminals or redemption  
26 terminals of a manufacturer licensee are licensed in the  
27 other jurisdiction, the board may determine to use an  
28 abbreviated process requiring only that information  
29 determined by the board to be necessary to consider the  
30 issuance of a video gaming terminal or redemption terminal

1 certification to such an applicant.

2 (e) Private testing.--The board may, in its discretion, rely  
3 upon the certification of a video gaming terminal or redemption  
4 terminal that has met the testing and certification standards of  
5 one or more board-approved independent private testing and  
6 certification facilities.

7 (f) Testing and certification fee.--

8 (1) A fee for the testing and certification of a video  
9 gaming terminal or redemption terminal shall be paid by the  
10 manufacturer licensee submitting the terminal, which fee  
11 shall be an amount established by the board according to a  
12 schedule adopted by the board.

13 (2) Fees established by the board shall be exempt from  
14 any fee limitation contained in section 4101 (relating to  
15 fees).

16 (g) Central control computer compatibility.--The board shall  
17 ensure that all video gaming terminals certified and approved  
18 for use in this Commonwealth are compatible and comply with the  
19 central control computer and protocol specifications approved by  
20 the department.

21 § 3702. Video gaming limitations.

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

25 (1) No more than the following number of video gaming  
26 terminals may be placed on the premises of the establishment  
27 licensee:

28 (i) For an establishment licensee that is a truck  
29 stop establishment, no more than 10 video gaming  
30 terminals.

1           (ii) For an establishment licensee that is a  
2           nonprimary location, no more than 10 video gaming  
3           terminals.

4           (iii) For an establishment licensee that is not a  
5           truck stop establishment or nonprimary location, no more  
6           than five video gaming terminals.

7           (2) Redemption tickets shall only be exchanged for cash  
8           through a redemption terminal or reinserted into another  
9           video gaming terminal in the same video gaming area or as  
10           otherwise authorized by the board in the event of a failure  
11           or malfunction in a redemption terminal, and at least one  
12           redemption terminal shall be located in the video gaming  
13           area.

14           (3) Video gaming terminals located on the premises of  
15           the establishment licensee shall be placed and operated by a  
16           terminal operator licensee pursuant to a terminal placement  
17           agreement.

18           (4) No video gaming area may be located in an area that  
19           is not properly segregated from minors.

20           (5) The entrance to the video gaming area shall be  
21           secure and easily seen and observed by at least one employee.

22           (6) The video gaming area shall at all times be  
23           monitored by an employee of the establishment licensee either  
24           directly or through live monitoring of video surveillance.  
25           The employee must be at least 18 years of age and have  
26           completed the mandatory training program required in section  
27           3706 (relating to compulsive and problem gambling).

28           (7) No establishment licensee may generally advertise  
29           video gaming terminals to the general public, unless  
30           otherwise authorized by the board.

1           (8) No establishment licensee may provide an incentive,  
2 unless otherwise authorized by the board.

3           (9) No minor shall be permitted to play a video gaming  
4 terminal or enter the video gaming area.

5           (10) No visibly intoxicated person shall be permitted to  
6 play a video gaming terminal.

7           (11) No establishment licensee may extend credit or  
8 accept a credit card or debit card for play of a video gaming  
9 terminal.

10           (12) No establishment licensee may make structural  
11 alterations or significant renovations to a video gaming area  
12 unless the establishment licensee has notified the terminal  
13 operator licensee and obtained prior approval from the board.

14           (13) No establishment licensee may move a video gaming  
15 terminal or redemption terminal after installation by a  
16 terminal operator licensee.

17           (b) Terminal operator licensee limitations.--A terminal  
18 operator licensee may place and operate video gaming terminals  
19 on the premises of an establishment licensee, subject to the  
20 following:

21           (1) No more than the following number of video gaming  
22 terminals may be placed on the premises of the establishment  
23 licensee:

24           (i) For an establishment licensee that is a truck  
25 stop establishment, no more than 10 video gaming  
26 terminals.

27           (ii) For an establishment licensee that is a  
28 nonprimary location, no more than 10 video gaming  
29 terminals.

30           (iii) For an establishment licensee that is not a

1 truck stop establishment or nonprimary location, no more  
2 than five video gaming terminals.

3 (2) Redemption tickets shall only be exchanged for cash  
4 through a redemption terminal located within the same video  
5 gaming area or reinserted into another video gaming terminal  
6 located in the same video gaming area as the video gaming  
7 terminal.

8 (3) Video gaming terminals located on the premises of  
9 the establishment licensee shall be placed and operated  
10 pursuant to a terminal placement agreement.

11 (4) No terminal operator licensee may generally  
12 advertise video gaming terminals to the general public,  
13 unless otherwise authorized by the board, but may advertise  
14 to a person enrolled in the terminal operator licensee's  
15 customer loyalty or rewards card program.

16 (5) No terminal operator licensee may provide an  
17 incentive.

18 (6) No terminal operator licensee may place and operate  
19 video gaming terminals within a licensed facility.

20 (7) No terminal operator licensee may extend credit or  
21 accept a credit card or debit card for play of a video gaming  
22 terminal.

23 (8) No terminal operator licensee may give or offer to  
24 give, directly or indirectly, any type of inducement to an  
25 establishment to secure or maintain a terminal placement  
26 agreement.

27 (9) No terminal operator licensee may give an  
28 establishment licensee a percentage of gross terminal revenue  
29 that is more than 25% of the gross terminal revenue of the  
30 video gaming terminals operating in the establishment

1 licensee's premises.

2 (10) A terminal operator licensee shall only operate,  
3 install or otherwise make available for public use a video  
4 gaming terminal or redemption terminal that has been obtained  
5 from a supplier licensee.

6 (11) No terminal operator licensee may make structural  
7 alterations or significant renovations to a video gaming area  
8 unless the terminal operator licensee has notified the  
9 establishment licensee and obtained prior approval from the  
10 board.

11 (12) No terminal operator licensee may move a video  
12 gaming terminal or redemption terminal after installation  
13 unless prior approval is obtained from the board.

14 (13) Only a terminal operator licensee that is also a  
15 licensed racing entity may operate a video gaming terminal at  
16 a nonprimary location.

17 § 3703. Hours of operation.

18 (a) Liquor establishments.--An establishment licensee that  
19 is also a liquor establishment may only permit the play of video  
20 gaming terminals during the hours in which the liquor  
21 establishment is authorized by the Pennsylvania Liquor Control  
22 Board to sell alcoholic beverages.

23 (b) Other establishments.--An establishment licensee that is  
24 also a nonprimary location or a truck stop establishment may  
25 permit play of video gaming terminals during normal business  
26 hours.

27 § 3704. Terminal placement agreements.

28 (a) Intent.--It is the intent and goal of the General  
29 Assembly that the board shall have exclusive jurisdiction to  
30 determine the enforceability and validity of a terminal

1 placement agreement as is necessary and appropriate to protect  
2 the integrity of the industry.

3 (b) General rule.--Except as provided for in subsection (j),  
4 no terminal operator licensee may place and operate video gaming  
5 terminals on the premises of an establishment licensee unless  
6 pursuant to a terminal placement agreement approved by the  
7 board. Approval shall be presented upon connection of one or  
8 more video gaming terminals at the establishment licensee to the  
9 central control computer.

10 (c) Form of agreement.--The board shall establish through  
11 regulation minimum standards for terminal placement agreements.

12 (d) Length of agreement.--Terminal placement agreements  
13 shall be valid for a minimum 60-month term but shall not exceed  
14 a 120-month term.

15 (e) Provisions required.--A terminal placement agreement  
16 shall include a provision that:

17 (1) Renders the agreement invalid if either the terminal  
18 operator license or terminal operator application or the  
19 establishment license or establishment licensee application  
20 is denied, revoked, not renewed, withdrawn or surrendered.

21 (2) Provides the establishment licensee no more than 25%  
22 of gross terminal revenue from each video gaming terminal  
23 located on the premises of the establishment licensee.

24 (3) Identifies who solicited the terminal placement  
25 agreement on behalf of a terminal operator licensee or  
26 applicant.

27 (f) Procurement agent.--No person may be compensated for the  
28 solicitation or procurement of a terminal placement agreement on  
29 behalf of a terminal operator licensee or applicant until the  
30 person is licensed as a procurement agent under section 3505.1

1 (relating to procurement agent licenses) or is otherwise  
2 authorized under this part.

3 (g) Parties to agreement.--Only an establishment licensee or  
4 applicant may sign or agree to sign a terminal placement  
5 agreement with an applicant for a terminal operator license or a  
6 terminal operator licensee.

7 (h) Void agreements.--An agreement entered into by an  
8 establishment prior to the effective date of this section with a  
9 person or entity for the placement, operation, service or  
10 maintenance of video gaming terminals, including an agreement  
11 granting a person or entity the right to enter into an agreement  
12 or match any offer made after the effective date of this section  
13 shall be void and may not be approved by the board.

14 (i) Transferability of agreements.--No terminal placement  
15 agreement may be transferred or assigned unless the individual  
16 or entity making the assignment is either a terminal operator  
17 applicant or licensee and the individual or entity receiving the  
18 assignment of the terminal placement agreement is either a  
19 terminal operator applicant or licensee under this chapter.

20 (j) Exception.--A terminal placement agreement may not  
21 require operation of video gaming terminals on the premises of a  
22 nonprimary location.

23 § 3705. Duties of licensees.

24 A person issued a license under this part shall:

25 (1) Provide assistance or information required by the  
26 board or the Pennsylvania State Police and to cooperate in  
27 inquiries, investigations and hearings.

28 (2) Consent to inspections, searches and seizures.

29 (3) Inform the board of actions that the person believes  
30 would constitute a violation of this part.

1           (4) Inform the board of arrests for violations of  
2           offenses enumerated under 18 Pa.C.S. (relating to crimes and  
3           offenses).

4 § 3706. Compulsive and problem gambling.

5           (a) Required posting.--

6           (1) An establishment licensee shall conspicuously post  
7           signs similar to the following statement:

8                   If you or someone you know has a gambling problem,  
9                   help is available. Call (Toll-free telephone number)  
10                   or Text (Toll-free telephone number).

11           (2) At least one sign shall be posted within the video  
12           gaming area and at least one sign shall be posted within five  
13           feet of each automated teller machine located within the  
14           establishment licensee's premises, if applicable.

15           (b) Toll-free telephone number.--The toll-free telephone  
16           number required to be posted in subsection (a) shall be the same  
17           number maintained by the Department of Drug and Alcohol Programs  
18           under section 3310 (relating to Department of Drug and Alcohol  
19           Programs).

20           (c) Problem gambling information.--

21           (1) An establishment licensee shall have available in  
22           its establishment access to materials regarding compulsive  
23           and problem gambling assistance.

24           (2) The available materials required by paragraph (1)  
25           shall be a uniform, Statewide handout developed by the board  
26           in consultation with the Department of Drug and Alcohol  
27           Programs.

28           (3) The available materials required by paragraph (1)  
29           shall be displayed conspicuously at least within the video  
30           gaming area.

1 (d) Mandatory training.--

2 (1) The board's Office of Compulsive and Problem  
3 Gambling, in consultation with the Department of Drug and  
4 Alcohol Programs, shall develop a mandatory training program  
5 for employees and management of an establishment licensee who  
6 oversee the licensee's video gaming area. The training  
7 program shall address responsible gaming and other compulsive  
8 and problem gambling issues related to video gaming  
9 terminals.

10 (2) The board shall establish a fee to cover the cost of  
11 the mandatory training program.

12 (3) At least one employee of the establishment licensee  
13 who has successfully completed the training program shall be  
14 located on the premises and supervising the video gaming area  
15 during all times video gaming terminals are available for  
16 play.

17 (e) Penalty.--An establishment licensee that fails to  
18 fulfill the requirements of subsection (a), (b) or (c) shall be  
19 assessed by the board an administrative penalty and may have its  
20 establishment license suspended. When determining the penalty  
21 and number of suspension days, the board shall consider the  
22 length of time in which the materials were not available or a  
23 trained employee was not located on the premises as required by  
24 subsection (d) (3).

25 CHAPTER 39

26 ENFORCEMENT

27 Sec.

28 3901. Exclusion or ejection of certain persons.

29 3902. Repeat offenders.

30 3903. Self-exclusion.

1 3904. Investigations and enforcement.

2 3905. Prohibited acts and penalties.

3 3906. Report of suspicious transactions.

4 3907. Additional authority.

5 3908. Detention.

6 § 3901. Exclusion or ejection of certain persons.

7 (a) General rule.--The board shall by regulation provide for  
8 the establishment of a list of persons who are to be excluded or  
9 ejected from the video gaming area of an establishment licensee.  
10 The provisions shall define the standards for exclusion and  
11 shall include standards relating to persons who are career or  
12 professional offenders as defined by regulations of the board or  
13 whose presence in a video gaming area would, in the opinion of  
14 the board, be inimical to the interest of the Commonwealth or of  
15 licensed video gaming in this Commonwealth, or both.

16 (b) Categories to be defined.--The board shall promulgate  
17 definitions establishing categories of persons who shall be  
18 excluded or ejected pursuant to this section, including cheats  
19 and persons whose privileges for licensure, certification,  
20 permit or registration have been revoked.

21 (c) Discrimination prohibited.--Race, color, creed, national  
22 origin or ancestry or sex shall not be a reason for placing the  
23 name of a person upon a list under this section.

24 (d) Prevention of access.--The board shall, in consultation  
25 with terminal operator licensees and establishment licensees,  
26 develop policies and procedures to reasonably prevent persons on  
27 the list required by this section from entering a video gaming  
28 area.

29 (e) Sanctions.--The board may impose sanctions upon an  
30 establishment licensee in accordance with this part if the

1 establishment licensee knowingly fails to implement the policies  
2 and procedures established by the board under paragraph (d).

3 (f) List not all-inclusive.--A list compiled by the board  
4 under this section shall not be deemed an all-inclusive list,  
5 and an establishment licensee shall keep from the video gaming  
6 area persons known to the establishment licensee to be within  
7 the classifications declared in this section and the regulations  
8 promulgated under this section whose presence in a video gaming  
9 area would be inimical to the interest of the Commonwealth or of  
10 licensed video gaming in this Commonwealth, or both, as defined  
11 in standards established by the board.

12 (g) Notice.--If the bureau decides to place the name of a  
13 person on a list pursuant to this section, the bureau shall  
14 serve notice of the decision to the person by personal service  
15 or certified mail at the last known address of the person. The  
16 notice shall inform the person of the right to request a hearing  
17 under subsection (h).

18 (h) Hearing.--

19 (1) Within 30 days after receipt of notice in accordance  
20 with subsection (g), the person named for exclusion or  
21 ejection may demand a hearing before the board, at which  
22 hearing the bureau must demonstrate that the person named for  
23 exclusion or ejection satisfies the criteria for exclusion or  
24 ejection established by this section and the board's  
25 regulations.

26 (2) Failure of the person to demand a hearing within 30  
27 days after service shall be deemed an admission of all  
28 matters and facts alleged in the bureau's notice and shall  
29 preclude the person from having an administrative hearing,  
30 but shall in no way affect the right to judicial review as

1 provided in this section.

2 (i) Review.--

3 (1) If, upon completion of a hearing on the notice of  
4 exclusion or ejection, the board determines that placement of  
5 the name of the person on the exclusion or ejection list is  
6 appropriate, the board shall make and enter an order to that  
7 effect, which order shall be served on all licensed gaming  
8 entities.

9 (2) The order shall be subject to review by the  
10 Commonwealth Court in accordance with the rules of court.

11 § 3902. Repeat offenders.

12 (a) Discretion to exclude or eject.--An establishment  
13 licensee may exclude or eject from the establishment licensee's  
14 video gaming area or premises a person who is known to it to  
15 have been convicted of a misdemeanor or felony committed in or  
16 on the premises of a licensed establishment.

17 (b) Construction.--Nothing in this section or in any other  
18 law of this Commonwealth shall be construed to limit the right  
19 of an establishment licensee to exercise its common law right to  
20 exclude or eject permanently from its video gaming area or  
21 premises a person who:

22 (1) disrupts the operations of its premises;

23 (2) threatens the security of its premises or its  
24 occupants; or

25 (3) is disorderly or intoxicated.

26 § 3903. Self-exclusion.

27 (a) Establishment of list.--

28 (1) The board shall provide by regulation for the  
29 establishment of a list of persons self-excluded from video  
30 gaming activities within specific establishment licensees or

1 establishment licensees in geographic areas of the  
2 Commonwealth.

3 (2) A person may request placement on the list of self-  
4 excluded persons by:

5 (i) acknowledging in a manner to be established by  
6 the board that the person is a problem gambler; and

7 (ii) agreeing that, during any period of voluntary  
8 exclusion, the person may not collect any winnings or  
9 recover any losses resulting from any video gaming  
10 activity within establishment licensees.

11 (b) Regulations.--The regulations of the board shall  
12 establish:

13 (1) Procedures for placement on and removal from the  
14 list of a self-excluded person.

15 (2) Procedures for the transmittal to establishment  
16 licensees of identifying information concerning a self-  
17 excluded person and shall require establishment licensees to  
18 establish reasonable procedures designed at a minimum to  
19 prevent entry of a self-excluded person into the video gaming  
20 area of an establishment licensee, provided that the board  
21 may not require video gaming terminals to be equipped with  
22 identification card-reading devices or require establishment  
23 licensees to purchase identification card-reading devices.

24 (3) Procedures for the transmittal to terminal operator  
25 licensees of identifying information concerning a self-  
26 excluded person and shall require terminal operator licensees  
27 to establish procedures to remove self-excluded persons from  
28 customer loyalty or reward card programs and all advertising  
29 related to these programs; provided that the board may not  
30 require video gaming terminals to be equipped with

1 identification card-reading devices or require establishment  
2 licensees to purchase identification card-reading devices.

3 (c) Liability.--An establishment licensee or employee  
4 thereof shall not be liable to a self-excluded person or to  
5 another party in a judicial proceeding for harm, monetary or  
6 otherwise, which may arise as a result of:

7 (1) the failure of the establishment licensee to  
8 withhold video gaming privileges from or restore video gaming  
9 privileges to the self-excluded person; or

10 (2) otherwise permitting or not permitting the self-  
11 excluded person to engage in video gaming activity within the  
12 establishment licensee's premises while on the list of self-  
13 excluded persons.

14 (d) Nondisclosure.--Notwithstanding any other law to the  
15 contrary, the board's list of self-excluded persons shall not be  
16 open to public inspection.

17 § 3904. Investigations and enforcement.

18 (a) Powers and duties of bureau.--The bureau shall have the  
19 following powers and duties:

20 (1) Enforce the provisions of this part.

21 (2) Investigate and review applicants and applications  
22 for a license or registration. The bureau shall be prohibited  
23 from disclosing any portion of a background investigation  
24 report to a member of the board prior to the submission of  
25 the bureau's final background investigation report relating  
26 to the applicant's suitability for licensure to the board.  
27 The Office of Enforcement Counsel, on behalf of the bureau,  
28 shall prepare the final background investigation report for  
29 inclusion in a final report relating to the applicant's  
30 suitability for licensure.

1       (3) Investigate licensees, registrants and other persons  
2 regulated by the board under this part for noncriminal  
3 violations of this part, including potential violations  
4 referred to the bureau by the board or other person.

5       (4) Monitor video gaming operations to ensure compliance  
6 with this part.

7       (5) Inspect and examine licensed entities. Inspections  
8 may include the review and reproduction of documents or  
9 records.

10       (6) Conduct reviews of a licensed entity as necessary to  
11 ensure compliance with this part. A review may include the  
12 review of accounting, administrative and financial records,  
13 management control systems, procedures and other records  
14 utilized by a licensed entity.

15       (7) Refer possible criminal violations to the  
16 Pennsylvania State Police. The bureau shall not have the  
17 power of arrest.

18       (8) Cooperate in the investigation and prosecution of  
19 criminal violations related to this part.

20       (9) Be a criminal justice agency under 18 Pa.C.S. Ch. 91  
21 (relating to criminal history record information).

22       (b) Office of Enforcement Counsel.--The board's Office of  
23 Enforcement Counsel shall act as the prosecutor in all  
24 noncriminal enforcement actions initiated by the bureau under  
25 this part and shall have the following powers and duties:

26       (1) Advise the bureau on all matters, including the  
27 granting of licenses or registrations, the conduct of  
28 background investigations, audits and inspections and the  
29 investigation of potential violations of this part.

30       (2) File on behalf of the bureau recommendations and

1 objections relating to the issuance of licenses and  
2 registrations.

3 (3) Initiate, in its sole discretion, proceedings for  
4 noncriminal violations of this part by filing a complaint or  
5 other pleading with the board.

6 (c) Powers and duties of department.--

7 (1) The department shall at all times have the power of  
8 access to examine and audit equipment and records relating to  
9 all aspects of the operation of video gaming terminals and  
10 redemption terminals under this part.

11 (2) Notwithstanding the provisions of section 353(f) of  
12 the act of March 4, 1971 (P.L.6, No.2), known as the Tax  
13 Reform Code of 1971, the department shall supply the board,  
14 the bureau, the Pennsylvania State Police and the Office of  
15 Attorney General with information concerning the status of  
16 delinquent taxes owned by applicants or licensees.

17 (d) Powers and duties of the Pennsylvania State Police.--The  
18 Pennsylvania State Police shall have the following powers and  
19 duties:

20 (1) Promptly conduct background investigations on  
21 persons as directed by the board under this part. The  
22 Pennsylvania State Police may contract with other law  
23 enforcement annuitants to assist in the conduct of  
24 investigations under this paragraph.

25 (2) Initiate proceedings for criminal violations of this  
26 part.

27 (3) Provide the board with all information necessary for  
28 all actions under this part for all proceedings involving  
29 criminal enforcement of this part.

30 (4) Inspect, when appropriate, a licensee's person and

1 personal effects present within an establishment licensee's  
2 premises under this part while that licensee is present.

3 (5) Enforce the criminal provisions of this part and all  
4 other criminal laws of this Commonwealth.

5 (6) Fingerprint applicants for licenses.

6 (7) Exchange fingerprint data with and receive national  
7 criminal history record information from the Federal Bureau  
8 of Investigation for use in investigating applications for  
9 any license under this part.

10 (8) Receive and take appropriate action on any referral  
11 from the board relating to criminal conduct.

12 (9) Require the production of information, material and  
13 other data from a licensee or other applicant seeking  
14 approval from the board.

15 (10) Conduct administrative inspections on the premises  
16 of an establishment licensee at such times, under such  
17 circumstances and to such extent as the bureau determines to  
18 ensure compliance with this part and the regulations of the  
19 board and, in the course of inspections, review and make  
20 copies of all documents and records required by the  
21 inspection through onsite observation and other reasonable  
22 means to assure compliance with this part and regulations  
23 promulgated under this part.

24 (11) Conduct audits or verification of information of  
25 video gaming terminal operations at such times, under such  
26 circumstances and to such extent as the bureau determines.  
27 This paragraph includes the review of accounting,  
28 administrative and financial records and management control  
29 systems, procedures and records utilized by a terminal  
30 operator licensee.

1       (12) Assign members of the Pennsylvania State Police to  
2 duties of enforcement under this part. Those members shall  
3 not be counted toward the complement as provided in section  
4 205 of the act of April 9, 1929 (P.L.177, No.175), known as  
5 The Administrative Code of 1929.

6       (13) Report to the General Assembly. By March 1 of each  
7 year, the Commissioner of the Pennsylvania State Police shall  
8 submit a report to the Appropriations Committee of the  
9 Senate, the Community, Economic and Recreational Development  
10 Committee of the Senate, the Appropriations Committee of the  
11 House of Representatives and the Gaming Oversight Committee  
12 of the House of Representatives. The report shall summarize  
13 all law enforcement activities at each establishment licensee  
14 during the previous calendar year and shall include all of  
15 the following:

16           (i) The number of arrests made and citations issued  
17 at each establishment licensee and the name of the law  
18 enforcement agency making the arrests or issuing the  
19 citations.

20           (ii) A list of specific offenses charged for each  
21 arrest made or citation issued.

22           (iii) The number of criminal prosecutions resulting  
23 from arrests made or citations issued.

24           (iv) The number of convictions resulting from  
25 prosecutions reported under subparagraph (iii).

26       (14) Report violations of this part to the bureau that  
27 are found during the normal course of duties required under  
28 any law of this Commonwealth.

29       (15) Require the Bureau of Liquor Control Enforcement to  
30 report violations of this part to the bureau that are found

1 during the normal course of duties required under any law of  
2 this Commonwealth.

3 (e) Powers and duties of Attorney General.--The Gaming Unit  
4 within the Office of Attorney General shall investigate and  
5 institute criminal proceedings as authorized under subsection  
6 (f).

7 (f) Criminal action.--

8 (1) The district attorneys of the several counties shall  
9 have authority to investigate and to institute criminal  
10 proceedings for a violation of this part.

11 (2) In addition to the authority conferred upon the  
12 Attorney General under the act of October 15, 1980 (P.L.950,  
13 No.164), known as the Commonwealth Attorneys Act, the  
14 Attorney General shall have the authority to investigate and,  
15 following consultation with the appropriate district  
16 attorney, to institute criminal proceedings for a violation  
17 of this part.

18 (3) A person charged with a violation of this part by  
19 the Attorney General shall not have standing to challenge the  
20 authority of the Attorney General to investigate or prosecute  
21 the case, and, if any such challenge is made, the challenge  
22 shall be dismissed and no relief shall be available in the  
23 courts of this Commonwealth to the person making the  
24 challenge.

25 (g) Regulatory action.--Nothing contained in subsection (e)  
26 shall be construed to limit the existing regulatory or  
27 investigative authority of an agency or the Commonwealth whose  
28 functions relate to persons or matters within the scope of this  
29 part.

30 (h) Inspection, seizure and warrants.--

1       (1) The bureau, the department and the Pennsylvania  
2 State Police shall have the authority without notice and  
3 without warrant to do all of the following in the performance  
4 of their duties under this part:

5           (i) Inspect and examine all premises where video  
6 gaming operations are conducted; where video gaming  
7 terminals, redemption terminals and associated equipment  
8 are manufactured, sold, distributed or serviced; or where  
9 records of these activities are prepared or maintained.

10          (ii) Inspect all equipment and supplies in, about,  
11 upon or around premises referred to in subparagraph (i).

12          (iii) Seize, summarily remove and impound equipment  
13 and supplies from premises referred to in subparagraph  
14 (i) for the purposes of examination and inspection.

15          (iv) Inspect, examine and audit all books, records  
16 and documents pertaining to a terminal operator  
17 licensee's video gaming operation.

18          (v) Seize, impound or assume physical control of any  
19 book, record, ledger or device related to video gaming  
20 operations or the video gaming terminals or redemption  
21 terminals.

22       (2) The provisions of paragraph (1) shall not be  
23 construed to limit warrantless inspections except in  
24 accordance with constitutional requirements.

25       (3) To further effectuate the purposes of this part, the  
26 bureau and the Pennsylvania State Police may obtain  
27 administrative warrants for the inspection and seizure of  
28 property possessed, controlled, bailed or otherwise held by  
29 an applicant, licensee, intermediary, subsidiary, affiliate  
30 or holding company.

1 (i) Information sharing and enforcement referral.--With  
2 respect to the administration, supervision and enforcement of  
3 this part, the bureau, the department, the Pennsylvania State  
4 Police or the Office of Attorney General may obtain or provide  
5 pertinent information regarding applicants or licensees from or  
6 to law enforcement entities or gaming authorities of the  
7 Commonwealth and other domestic, foreign or federally approved  
8 jurisdictions, including the Federal Bureau of Investigation,  
9 and may transmit the information to each other electronically.

10 (j) Liquor control board.--Nothing in this part shall be  
11 construed as conferring on the Pennsylvania Liquor Control Board  
12 the authority to assess penalties under the act of April 12,  
13 1951 (P.L.90, No.21), known as the Liquor Code, against a liquor  
14 establishment that holds an establishment license for violations  
15 of this part that are not a criminal offense.

16 (k) Information sharing and enforcement referral.--With  
17 respect to the administration, supervision and enforcement of  
18 this part, the bureau, the department, the Pennsylvania State  
19 Police or the Office of Attorney General may obtain or provide  
20 pertinent information regarding applicants or licensees from or  
21 to law enforcement entities or gaming authorities of the  
22 Commonwealth and other domestic, foreign or federally approved  
23 jurisdictions, including the Federal Bureau of Investigation,  
24 and may transmit such information to each other electronically.

25 § 3905. Prohibited acts and penalties.

26 (a) Criminal offenses.--

27 (1) The provisions of 18 Pa.C.S. § 4902 (relating to  
28 perjury), 4903 (relating to false swearing) or 4904 (relating  
29 to unsworn falsification to authorities) shall apply to a  
30 person providing information or making a statement, whether

1 written or oral, to the board, the bureau, the department,  
2 the Pennsylvania State Police or the Office of Attorney  
3 General, as required by this part.

4 (2) It shall be unlawful for a person to willfully:

5 (i) fail to report, pay or truthfully account for  
6 and pay over a license fee, authorization fee, tax or  
7 assessment imposed under this part; or

8 (ii) attempt in any manner to evade or defeat a  
9 license fee, authorization fee, tax or assessment imposed  
10 under this part.

11 (3) It shall be unlawful for a licensed entity, gaming  
12 employee, key employee or any other person to permit a video  
13 gaming terminal to be operated, transported, repaired or  
14 opened on the premises of an establishment licensee by a  
15 person other than a person licensed or permitted by the board  
16 pursuant to this part.

17 (4) It shall be unlawful for a licensed entity or other  
18 person to manufacture, supply or place video gaming  
19 terminals, redemption terminals or associated equipment into  
20 play or display video gaming terminals, redemption terminals  
21 or associated equipment on the premises of an establishment  
22 licensee without the authority of the board.

23 (5) It shall be unlawful for a licensed entity or other  
24 person to manufacture, supply, operate, carry on or expose  
25 for play a video gaming terminal or associated equipment  
26 after the person's license has expired or failed to be  
27 renewed in accordance with this part.

28 (6) It shall be unlawful for an individual while on the  
29 premises of an establishment licensee to knowingly use  
30 currency other than lawful coin or legal tender of the United

1 States or a coin not of the same denomination as the coin  
2 intended to be used in the video gaming terminal or use a  
3 counterfeit or altered redemption tickets with the intent to  
4 cheat or defraud a terminal operator licensee or the  
5 Commonwealth or damage the video gaming terminal or  
6 redemption terminal.

7 (7) (i) Except as set forth in subparagraph (ii), it  
8 shall be unlawful for an individual to use or possess a  
9 cheating or thieving device, counterfeit or altered  
10 billet, ticket, token or similar object accepted by a  
11 video gaming terminal or counterfeit or altered  
12 redemption ticket on the premises of an establishment  
13 licensee.

14 (ii) An authorized employee of a licensee or an  
15 employee of the board may possess and use a cheating or  
16 thieving device, counterfeit or altered billet, ticket,  
17 token or similar object accepted by a video gaming  
18 terminal or counterfeit or altered redemption ticket in  
19 performance of the duties of employment.

20 (8) (i) Except as set forth in subparagraph (ii), it  
21 shall be unlawful for an individual to knowingly possess  
22 or use while on the premises of an establishment licensee  
23 a key or device designed for the purpose of and suitable  
24 for opening or entering a video gaming terminal or  
25 redemption terminal that is located on the premises of  
26 the establishment licensee.

27 (ii) An authorized employee of a licensee or a  
28 member of the board may possess and use a device referred  
29 to in subparagraph (i) in the performance of the duties  
30 of employment.

1       (9) It shall be unlawful for a person or licensed entity  
2 to possess a device, equipment or material which the person  
3 or licensed entity knows has been manufactured, distributed,  
4 sold, tampered with or serviced in violation of this part  
5 with the intent to use the device, equipment or material as  
6 though it had been manufactured, distributed, sold, tampered  
7 with or serviced pursuant to this part.

8       (10) It shall be unlawful for a person to sell, offer  
9 for sale, represent or pass off as lawful any device,  
10 equipment or material that the person or licensed entity  
11 knows has been manufactured, distributed, sold, tampered with  
12 or serviced in violation of this part.

13       (11) It shall be unlawful for an individual to work or  
14 be employed in a position the duties of which would require  
15 licensing under this part without first obtaining the  
16 requisite license issued under this part.

17       (12) It shall be unlawful for a licensed entity to  
18 employ or continue to employ an individual in a position the  
19 duties of which require a license under this part if the  
20 individual:

21           (i) Is not licensed under this part.

22           (ii) Is prohibited from accepting employment from a  
23 licensee.

24       (13) It shall be unlawful for a minor to enter and  
25 remain in any video gaming area, except that an individual at  
26 least 18 years of age employed by a terminal operator  
27 licensee, a gaming service provider, an establishment  
28 licensee, the board or another regulatory or emergency  
29 response agency may enter and remain in the area while  
30 engaged in the performance of the individual's employment

1 duties.

2 (14) It shall be unlawful for a minor to wager, play or  
3 attempt to play a video gaming terminal or submit a  
4 redemption ticket into a redemption terminal.

5 (15) It shall be unlawful for a terminal operator  
6 licensee to require a video gaming terminal wager to be  
7 greater than the stated minimum wager or greater than the  
8 stated maximum wager.

9 (16) An individual who engages in conduct prohibited by  
10 18 Pa.C.S. § 6308 (relating to purchase, consumption,  
11 possession or transportation of liquor or malt or brewed  
12 beverages) on the premises of an establishment licensee  
13 commits a nongambling offense.

14 (17) It shall be unlawful for an individual to claim,  
15 collect or take, or attempt to claim, collect or take, money  
16 or anything of value in or from a video gaming terminal or  
17 redemption terminal with the intent to defraud, or to claim,  
18 collect or take an amount greater than the amount won, or to  
19 manipulate with the intent to cheat, a component of a video  
20 gaming terminal or redemption terminal in a manner contrary  
21 to the designed and normal operational purpose.

22 (b) Criminal penalties and fines.--

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

1 that is convicted of a second or subsequent violation of  
2 18 Pa.C.S. § 4902, 4903 or 4904 in connection with  
3 providing information or making any statement, whether  
4 written or oral, to the board, the bureau, the  
5 department, the Pennsylvania State Police, the Office of  
6 Attorney General or a district attorney as required by  
7 this part commits a felony of the second degree.

8 (ii) A person that violates subsection (a) (2), (3),  
9 (4), (5), (6), (7), (8), (9), (10), (11), (12) or (17)  
10 commits a misdemeanor of the first degree. A person that  
11 is convicted of a second or subsequent violation of  
12 subsection (a) (2), (3), (4), (5), (6), (7), (8), (9),  
13 (10), (11), (12) or (17) commits a felony of the second  
14 degree.

15 (2) (i) For a first violation of subsection (a) (1),  
16 (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12)  
17 or (17), a person shall be sentenced to pay a fine of:

18 (A) not less than \$75,000 nor more than \$150,000  
19 if the person is an individual or establishment  
20 licensee;

21 (B) not less than \$300,000 nor more than  
22 \$600,000 if the person is a terminal operator  
23 licensee; or

24 (C) not less than \$150,000 nor more than  
25 \$300,000 if the person is a licensed manufacturer or  
26 supplier.

27 (ii) For a second or subsequent violation of  
28 subsection (a) (1), (2), (3), (4), (5), (6), (7), (8),  
29 (9), (10), (11), (12) or (17), a person shall be  
30 sentenced to pay a fine of:

1           (A) not less than \$150,000 nor more than  
2           \$300,000 if the person is an individual or  
3           establishment licensee;

4           (B) not less than \$600,000 nor more than  
5           \$1,200,000 if the person is a terminal operator  
6           licensee; or

7           (C) not less than \$300,000 nor more than  
8           \$600,000 if the person is a licensed manufacturer or  
9           supplier.

10          (3) An individual who commits an offense in violation of  
11          subsection (a) (13) or (14) commits a nongambling summary  
12          offense and upon conviction of a first offense shall be  
13          sentenced to pay a fine of not less than \$200 nor more than  
14          \$1,000. An individual who is convicted of a second or  
15          subsequent offense under subsection (a) (13) or (14) shall be  
16          sentenced to pay a fine of not less than \$500 nor more than  
17          \$1,500. In addition to the fine imposed, an individual  
18          convicted of an offense under subsection (a) (13) or (14) may  
19          be sentenced to perform a period of community service not to  
20          exceed 40 hours.

21          (4) An individual who commits an offense in violation of  
22          subsection (a) (16) commits a nongambling offense to be graded  
23          in accordance with 18 Pa.C.S. § 6308 and shall be subject to  
24          the same penalties imposed pursuant to 18 Pa.C.S. §§ 6308 and  
25          6310.4 (relating to restriction of operating privileges)  
26          except that the fine imposed for a violation of subsection  
27          (a) (16) shall be not less than \$350 nor more than \$1,000.

28          (c) Board-imposed administrative sanctions.--

29          (1) In addition to any other penalty authorized by law,  
30          the board may impose without limitation the following

1 sanctions:

2 (i) Revoke the license of a person convicted of a  
3 criminal offense under this part or regulations  
4 promulgated under this part or committing any other  
5 offense or violation of this part or applicable law that  
6 would otherwise disqualify the person from holding the  
7 license.

8 (ii) Revoke the license of a person determined to  
9 have violated a provision of this part or regulations  
10 promulgated under this part that would otherwise  
11 disqualify the person from holding the license.

12 (iii) Revoke the license of a person for willfully  
13 and knowingly violating or attempting to violate an order  
14 of the board directed to the person.

15 (iv) Subject to subsection (g), assess  
16 administrative penalties as necessary to punish  
17 violations of this part.

18 (v) Order restitution of money or property  
19 unlawfully obtained or retained by a licensee.

20 (vi) Enter cease and desist orders which specify the  
21 conduct which is to be discontinued, altered or  
22 implemented by a licensee.

23 (vii) Issue letters of reprimand or censure, which  
24 letters shall be made a permanent part of the file of the  
25 licensee so sanctioned.

26 (2) (i) If the board refuses to issue or renew a  
27 license, suspends or revokes a license, assesses civil  
28 penalties, orders restitution, enters a cease and desist  
29 order or issues a letter of reprimand or censure, the  
30 board shall provide the applicant or licensee with

1 written notification of its decision, including a  
2 statement of the reasons for its decision, by certified  
3 mail within five business days of the decision of the  
4 board.

5 (ii) The applicant or licensee shall have the right  
6 to appeal the decision in accordance with 2 Pa.C.S. Chs.  
7 5 Subch. A (relating to practice and procedure of  
8 Commonwealth agencies) and 7 Subch. A (relating to  
9 judicial review of Commonwealth agency action).

10 (d) Aiding and abetting.--A person who aids, abets,  
11 counsels, commands, induces, procures or causes another person  
12 to violate this part shall be subject to all sanctions and  
13 penalties, both civil and criminal, provided under this part.

14 (e) Continuing offenses.--A violation of this part that is  
15 determined to be an offense of a continuing nature shall be  
16 deemed to be a separate offense on each event or day during  
17 which the violation occurs.

18 (f) Property subject to seizure, confiscation, destruction  
19 or forfeiture.--Any equipment, device or apparatus, money,  
20 material, gaming proceeds or substituted proceeds or real or  
21 personal property used, obtained or received or an attempt to  
22 use, obtain or receive the device, apparatus, money, material,  
23 proceeds or real or personal property in violation of this part  
24 shall be subject to seizure, confiscation, destruction or  
25 forfeiture.

26 (g) Penalty limitation.--

27 (1) Administrative penalties assessed by the board on an  
28 establishment licensee shall not exceed \$5,000 for each  
29 noncriminal violation of this part.

30 (2) When imposing an administrative penalty on an

1 establishment licensee for a noncriminal violation of this  
2 part, the board shall take into consideration the  
3 establishment licensee's annual taxable income and whether  
4 the penalty amount would cause the establishment licensee to  
5 cease non-video gaming operations.

6 (h) Deposit of fines.--Fines imposed and collected by the  
7 board under subsection (c) shall be deposited into the General  
8 Fund.

9 § 3906. Report of suspicious transactions.

10 (a) Duty.--An establishment licensee or a person acting on  
11 behalf of an establishment licensee shall, on a form and in a  
12 manner as required by the bureau, notify the bureau of a  
13 suspicious transaction.

14 (b) Failure to report.--

15 (1) A person that is required to file a report of a  
16 suspicious transaction under this section and knowingly fails  
17 to file the report or that knowingly causes another person  
18 having that responsibility to fail to file the report commits  
19 a misdemeanor of the third degree.

20 (2) A person required to file a report of a suspicious  
21 transaction under this section and fails to file the report  
22 or a person that causes another person required under this  
23 section to file the report to fail to file the report shall  
24 be strictly liable for the person's actions and may be  
25 subject to sanction under section 3905(c) (relating to  
26 prohibited acts and penalties).

27 (c) Bureau.--The bureau shall maintain a record of all  
28 reports made under this section for a period of five years. The  
29 bureau shall make the reports available to any Federal or State  
30 law enforcement agency upon written request and without

1 necessity of subpoena.

2 (d) Notice prohibited.--

3 (1) A person that is required to file a report of a  
4 suspicious transaction under this section may not notify an  
5 individual suspected of committing the suspicious transaction  
6 that the transaction has been reported.

7 (2) A person that violates this subsection commits a  
8 misdemeanor of the third degree and may be subject to  
9 sanction under section 3905(c).

10 (e) Immunity.--A person that is required to file a report of  
11 a suspicious transaction under this section and in good faith  
12 makes the report shall not be liable in any civil action brought  
13 by a person for making the report, regardless of whether the  
14 transaction is later determined to be a suspicious transaction.

15 (f) Sanctions.--

16 (1) In considering appropriate administrative sanctions  
17 against a person for violating this section, the board shall  
18 consider all of the following:

19 (i) The risk to the public and to the integrity of  
20 gaming operations created by the conduct of the person.

21 (ii) The seriousness of the conduct of the person  
22 and whether the conduct was purposeful and with knowledge  
23 that it was in contravention of the provisions of this  
24 part or regulations promulgated under this part.

25 (iii) Justification or excuse for the conduct by the  
26 person.

27 (iv) The prior history of the particular licensee or  
28 person involved with respect to video gaming terminal  
29 activity.

30 (v) The corrective action taken by the establishment

1 licensee to prevent future misconduct of a like nature  
2 from occurring.

3 (vi) In the case of a monetary penalty, the amount  
4 of the penalty in relation to the severity of the  
5 misconduct and the financial means of the licensee or  
6 person. The board may impose any schedule or terms of  
7 payment of such penalty as it may deem appropriate.

8 (2) It shall be no defense to disciplinary action before  
9 the board that a person inadvertently, unintentionally or  
10 unknowingly violated this section. The factors enumerated  
11 under paragraph (1) shall only apply to the degree of the  
12 penalty to be imposed by the board and not to a finding of a  
13 violation itself.

14 (g) Regulations.--The board shall promulgate regulations to  
15 effectuate the purposes of this section.

16 § 3907. Additional authority.

17 (a) Petition for access to agency information.--

18 (1) The director of the Office of Enforcement Counsel  
19 within the bureau may petition a court of record having  
20 jurisdiction over information in the possession of an agency  
21 in this Commonwealth or, if there is no such court, then the  
22 Commonwealth Court for authorization to review or obtain  
23 information in the possession of an agency in this  
24 Commonwealth by averring specific facts demonstrating that:

25 (i) The agency has in its possession information  
26 material to a pending investigation or inquiry being  
27 conducted by the bureau pursuant to this part.

28 (ii) Disclosure or release of the information is in  
29 the best interest of the Commonwealth.

30 (2) The petition shall request that the court enter a

1 rule upon the agency to show cause why the agency should not  
2 be directed to disclose to the bureau, or identified agents  
3 thereof, information in the agency's possession about any  
4 pending matter under the jurisdiction of the bureau pursuant  
5 to this part.

6 (3) If the respondent is a local agency, a copy of a  
7 rule issued pursuant to this section shall be provided to the  
8 district attorney of the county in which the local agency is  
9 located and the Office of Attorney General.

10 (4) Upon request of a local agency, the district  
11 attorney or the Attorney General may elect to enter an  
12 appearance to represent the local agency in the proceedings.

13 (b) Procedure.--

14 (1) The filing of a petition pursuant to this section  
15 and related proceedings shall be in accordance with court  
16 rule, including issuance as of course.

17 (2) A party to the proceeding may not disclose the  
18 filing of a petition or answer or the receipt, content or  
19 disposition of a rule or order issued pursuant to this  
20 section, without leave of court.

21 (3) A party to the proceedings may request that the  
22 record be sealed and proceedings be closed. The court shall  
23 grant the request if it is in the best interest of a person  
24 or the Commonwealth to do so.

25 (c) Court determination.--

26 (1) Following review of the record, the court shall  
27 grant the relief sought by the director of the Office of  
28 Enforcement Counsel if the court determines that:

29 (i) The agency has in its possession information  
30 material to the investigation or inquiry.

1           (ii) Disclosure or release of the information is in  
2 the best interest of the Commonwealth.

3           (iii) The disclosure or release of the information  
4 is not otherwise prohibited by statute or regulation.

5           (iv) The disclosure or release of the information  
6 would not inhibit an agency in the performance of the  
7 agency's duties.

8           (2) If the court so determines, the court shall enter an  
9 order authorizing and directing the information be made  
10 available for review in camera.

11 (d) Release of materials or information.--

12           (1) If, after an in-camera review by the court, the  
13 director of the Office of Enforcement Counsel seeks to obtain  
14 copies of materials in the agency's possession, the court  
15 may, if not otherwise prohibited by statute or regulation,  
16 enter an order that the requested materials be provided.

17           (2) An order authorizing the release of materials or  
18 other information shall contain direction regarding the  
19 safekeeping and use of the materials or other information  
20 sufficient to satisfy the court that the materials or  
21 information will be sufficiently safeguarded.

22           (3) In making the determination under paragraph (2) the  
23 court shall consider input of the agency in possession of the  
24 information and input from any agency with which the  
25 information originated concerning a pending investigation or  
26 ongoing matter and the safety of person and property.

27 (e) Modification of order.--

28           (1) If subsequent investigation or inquiry by the bureau  
29 warrants modification of an order entered pursuant to this  
30 section, the director of the Office of Enforcement Counsel

1 may petition to request modification of the order.

2 (2) Upon the request, the court may modify the order at  
3 any time and in any manner it deems necessary and  
4 appropriate.

5 (3) The agency named in the original petition shall be  
6 given notice and an opportunity to be heard.

7 (f) Use of information or materials.--A person who, by any  
8 means authorized by this section, has obtained knowledge of  
9 information or materials solely pursuant to this section may use  
10 the information or materials in a manner consistent with any  
11 direction imposed by the court and appropriate to the proper  
12 performance of the person's duties under this part.

13 (g) Violation.--In addition to the remedies and penalties  
14 provided in this part, a violation of the provisions of this  
15 section may be punished as contempt of court.

16 (h) Definition.--As used in this section, the term "agency"  
17 shall mean a "Commonwealth agency" or a "local agency" as those  
18 terms are defined in section 102 of the act of February 14, 2008  
19 (P.L.6, No.3), known as the Right-to-Know Law.

20 § 3908. Detention.

21 (a) General rule.--A peace officer who has probable cause to  
22 believe that criminal violation of this part has occurred or is  
23 occurring on or about an establishment licensee's premises and  
24 who has probable cause to believe that a specific individual has  
25 committed or is committing the criminal violation may detain the  
26 individual in a reasonable manner for a reasonable time on the  
27 premises of the establishment licensee to require the suspect to  
28 identify himself, to verify such identification or to inform a  
29 peace officer.

30 (b) Immunity.--A peace officer shall not be subject to civil

1 or criminal liability for detention of an individual in  
2 accordance with subsection (a).

3 CHAPTER 41

4 REVENUES

5 Sec.

6 4101. Fees.

7 4102. Taxes and assessments.

8 4103. Distribution of local share.

9 4104. Regulatory assessments.

10 4105. Transfers from Video Gaming Fund.

11 4106. Fire Company and Emergency Responder Grant Fund.

12 4107. Club licensees.

13 § 4101. Fees.

14 (a) Application fees.--The following nonrefundable  
15 application fees shall accompany an application for the  
16 following licenses or permits applied for under Chapter 35  
17 (relating to application and licensure):

18 (1) For a manufacturer or supplier license, \$50,000.

19 (2) For a terminal operator license, \$25,000.

20 (3) For an establishment license, \$100.

21 (4) For a key employee or principal license, \$500.

22 (5) For any other authorization or permit authorized by  
23 this part, an amount established by the board, through  
24 regulation, which may not exceed \$100.

25 (b) Initial license and renewal fees.--The following  
26 nonrefundable fees shall be required upon issuance of an initial  
27 license and shall accompany an application for renewal for the  
28 following licenses or permits under Chapter 35:

29 (1) For a manufacturer or supplier license, \$10,000.

30 (2) For a terminal operator license, \$5,000.

1       (3) For an establishment license, an amount equal to  
2       \$250 per each video gaming terminal in operation at the  
3       premises of the establishment licensee.

4       (4) For a key employee, procurement agent license or  
5       principal license, \$500.

6       (5) For any other authorization or license authorized by  
7       this part, an amount established by the board, through  
8       regulation, which may not exceed \$100.

9       (c) Terminal increase fee.--An establishment licensee that  
10      increases the total number of video gaming terminals within the  
11      establishment after submission of the renewal fee required in  
12      subsection (b) shall provide the board with a \$250 renewal fee  
13      for each additional video gaming terminal added to the  
14      establishment within 60 days of installation of each additional  
15      video gaming terminal.

16      (d) Deposit of fees.--Fees collected under this section  
17      shall be deposited into the General Fund.  
18      § 4102. Taxes and assessments.

19      (a) Fund established.--The Video Gaming Fund is established  
20      in the State Treasury. Money in the fund is hereby appropriated  
21      to the department on a continuing basis for the purposes under  
22      subsection (c).

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

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

26                   (i) A tax of 34% of its gross terminal revenue from  
27                   all video gaming terminals operated by the terminal  
28                   operator licensee within this Commonwealth.

29                   (ii) A 4% local share assessment from its gross  
30                   terminal revenue.

1           (iii) A regulatory assessment established in section  
2           4104 (relating to regulatory assessments) from the  
3           terminal operator licensee's weekly gross terminal  
4           revenue.

5           (2) All money owed under this section shall be held in  
6           trust by the terminal operator licensee until the money is  
7           paid or transferred to the Video Gaming Fund.

8           (3) Unless otherwise agreed to by the board, a terminal  
9           operator licensee shall establish a separate bank account to  
10           maintain gross terminal revenue until such time as the money  
11           is paid or transferred under this section.

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

13           (1) Transfer the tax imposed under subsection (b) to the  
14           Video Gaming Fund.

15           (2) From the local share assessment established under  
16           subsection (b), make distributions among the municipalities  
17           that host establishment licensees in accordance with section  
18           4103 (relating to distribution of local share).

19           (3) Transfer the regulatory assessment imposed under  
20           subsection (b) in accordance with section 4104.

21 § 4103. Distribution of local share.

22           (a) Distribution.--

23           (1) Subject to the limitation under subsection (c), the  
24           department shall distribute, in a manner and according to a  
25           schedule adopted by the department, to each municipality 2%  
26           of the gross terminal revenue of each video gaming terminal  
27           operating within the municipality.

28           (2) The department shall distribute, in a manner and  
29           according to a schedule adopted by the department, to each  
30           county 2% of the gross terminal revenue of each video gaming

1 terminal operating within the county.

2 (b) Duty of terminal operator.--A terminal operator licensee  
3 shall continuously provide the department with records,  
4 documents or other information necessary to effectuate the  
5 requirements of subsection (a).

6 (c) Limitation.--The department may not distribute a local  
7 share amount to a municipality in excess of 50% of the  
8 municipality's total budget for fiscal year 2017, adjusted for  
9 inflation in subsequent fiscal years by an amount not to exceed  
10 an annual cost-of-living adjustment calculated by applying an  
11 upward percentage change in the Consumer Price Index immediately  
12 prior to the date the adjustment is due to take effect.

13 (d) Transfers to fund.--Local share amounts not distributed  
14 by the department to a municipality due to the limitation  
15 established under subsection (c) shall be transferred to the  
16 host county.

17 (e) Use of assessments.--A municipality or county that  
18 receives assessments from the department under subsection (a)  
19 may use the funds for any purpose and as local matching funds  
20 for other grants or loans from the Commonwealth.

21 (f) Reporting.--

22 (1) In cooperation with the department, the Department  
23 of Community and Economic Development shall submit an annual  
24 report on all distributions of local share assessments to  
25 municipalities and counties under this section to the  
26 chairperson and minority chairperson of the Appropriations  
27 Committee of the Senate, the chairperson and minority  
28 chairperson of the Community, Economic and Recreational  
29 Development Committee of the Senate, the chairperson and  
30 minority chairperson of the Appropriations Committee of the

1 House of Representatives and the chairperson and minority  
2 chairperson of the Gaming Oversight Committee of the House of  
3 Representatives. The report shall be submitted by August 31,  
4 2018, and by August 31 of each year thereafter.

5 (2) A municipality or county that receives distributions  
6 of local share assessments under this section shall submit  
7 information to the Department of Community and Economic  
8 Development on a form prepared by the Department of Community  
9 and Economic Development that states the amount and use of  
10 the funds received in the prior fiscal year. The form shall  
11 specify whether the funds received were deposited in the  
12 municipality's or county's General Fund or committed to a  
13 specific project or use.

14 (g) Definition.--As used in this section, the term "Consumer  
15 Price Index" means the Consumer Price Index for All Urban  
16 Consumers for the Pennsylvania, New Jersey, Delaware and  
17 Maryland area for the most recent 12-month period for which  
18 figures have been officially reported by the United States  
19 Department of Labor, Bureau of Labor Statistics.

20 § 4104. Regulatory assessments.

21 (a) Accounts established.--The State Treasurer shall  
22 establish within the State Treasury an account for each terminal  
23 operator for the deposit of a regulatory assessment amount  
24 required under subsection (b) to recover costs or expenses  
25 incurred by the board, the department, the Pennsylvania State  
26 Police and the Office of Attorney General in carrying out their  
27 powers and duties under this part based upon a budget submitted  
28 by the department under subsection (c).

29 (b) Weekly deposits.--

30 (1) The department shall determine the appropriate

1 assessment amount for each terminal operator licensee, which  
2 shall be a percentage assessed on the terminal operator  
3 licensee's weekly gross terminal revenue.

4 (2) The percentage assessed shall not exceed an amount  
5 equal to the lesser of:

6 (i) the costs or expenses incurred by the board, the  
7 department, the Pennsylvania State Police or the Office  
8 of Attorney General in carrying out their powers and  
9 duties under this part based upon a budget submitted by  
10 the department under subsection (c); or

11 (ii) one and one-half percent of the terminal  
12 operator licensee's weekly gross terminal revenue.

13 (c) Itemized budget reporting.--

14 (1) The department shall prepare and annually submit to  
15 the chairperson of the Appropriations Committee of the Senate  
16 and the chairperson of the Appropriations Committee of the  
17 House of Representatives an itemized budget consisting of  
18 amounts to be appropriated out of the accounts established  
19 under this section necessary to administer this part.

20 (2) As soon as practicable after submitting copies of  
21 the itemized budget, the department shall submit to the  
22 chairperson of the Appropriations Committee of the Senate and  
23 the chairperson of the Appropriations Committee of the House  
24 of Representatives analyses of and recommendations regarding  
25 the itemized budget.

26 (d) Appropriation.--Costs and expenses may be paid from the  
27 accounts established under subsection (a) only upon  
28 appropriation by the General Assembly.

29 § 4105. Transfers from Video Gaming Fund.

30 (a) Transfer to Property Tax Relief Fund.--

1       (1) On June 30, 2018, and on the last day of each fiscal  
2 year thereafter, the State Treasurer shall transfer from the  
3 Video Gaming Fund to the Property Tax Relief Fund an amount  
4 equal to:

5           (i) The total amount of money in the Property Tax  
6 Relief Fund on the last day of the prior fiscal year  
7 adjusted for inflation by applying the percentage change  
8 in the Consumer Price Index, minus:

9           (ii) The total amount of money in the Property Tax  
10 Relief Fund on the last day of the current fiscal year.

11       (2) The transfer under this subsection shall be made  
12 prior to the transfers under subsections (b), (c) and (d).

13       (b) Transfer for compulsive and problem gambling  
14 treatment.--On June 30, 2018, and on the last day of each fiscal  
15 year thereafter, the State Treasurer shall transfer from the  
16 Video Gaming Fund the sum of \$2,500,000 or an amount equal to  
17 0.002 multiplied by the total gross terminal revenue of all  
18 terminal operator licensees, whichever is greater, to the  
19 Compulsive and Problem Gambling Treatment Fund established in  
20 section 1509 (relating to compulsive and problem gambling  
21 program).

22       (c) Transfer to Fire Company and Emergency Responder Grant  
23 Fund.--On June 30, 2018, and on the last day of each fiscal year  
24 thereafter, the State Treasurer shall transfer from the Video  
25 Gaming Fund the sum of \$2,500,000 to the Fire Company and  
26 Emergency Responder Grant Fund established in section 4106  
27 (relating to Fire Company and Emergency Responder Grant Fund).

28       (d) Transfer for drug and alcohol treatment.--On June 30,  
29 2018, and on the last day of each fiscal year thereafter, the  
30 State Treasurer shall transfer from the Video Gaming Fund the

1 sum of \$2,500,000 to the Department of Drug and Alcohol Programs  
2 to be used to provide drug and alcohol addiction treatment  
3 services, including treatment for drug and alcohol addiction  
4 related to compulsive and problem gambling, as set forth in  
5 section 1509.1 (relating to drug and alcohol treatment)

6 (e) General Fund transfer.--On June 30, 2018, and on the  
7 last day of each fiscal year thereafter, the State Treasurer  
8 shall transfer the remaining balance in the Video Gaming Fund  
9 that is not transferred under subsections (a), (b), (c) and (d)  
10 to the General Fund.

11 (f) Consumer Price Index.--For purposes of subsection (a),  
12 references to the Consumer Price Index shall mean the Consumer  
13 Price Index for All Urban Consumers for the Pennsylvania, New  
14 Jersey, Delaware and Maryland area for the most recent 12-month  
15 period for which figures have been officially reported by the  
16 United States Department of Labor, Bureau of Labor Statistics.  
17 § 4106. Fire Company and Emergency Responder Grant Fund.

18 (a) Establishment.--The Fire Company and Emergency Responder  
19 Grant Fund is established in the State Treasury. The fund shall  
20 receive money from the Video Gaming Fund in accordance with  
21 section 4105 (relating to transfers from Video Gaming Fund).

22 (b) Use of money.--Money in the fund shall be used to fund  
23 programs that provide grants to fire companies and other  
24 emergency responders as specified through a separate act of the  
25 General Assembly.

26 § 4107. Club licensees.

27 (a) Distribution.--The gross terminal revenue received by a  
28 club licensee shall be distributed as follows:

29 (1) No less than 60% of the gross terminal revenue shall  
30 be paid for public interest purposes within one year of the

1 end of the calendar year in which the gross terminal revenue  
2 was obtained.

3 (2) No more than 40% of the gross terminal revenue  
4 obtained in a calendar year may be retained by a club  
5 licensee.

6 (b) Definitions.--As used in this section, the following  
7 words and phrases shall have the meanings given to them in this  
8 subsection unless the context clearly indicates otherwise:

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

12 "Public interest purpose." As defined in section 103 of the  
13 Local Option Small Games of Chance Act.

14 CHAPTER 43

15 ETHICS

16 Sec.

17 4301. Board code of conduct.

18 4302. Additional board restrictions.

19 4303. Financial and employment interests.

20 4304. Additional restrictions.

21 4305. Political influence.

22 § 4301. Board code of conduct.

23 (a) Update required.--The board shall update the  
24 comprehensive code of conduct established under section 1202.1  
25 (relating to code of conduct) prior to the consideration of a  
26 license, permit or other authorization under this part in order  
27 to avoid a perceived or actual conflict of interest and to  
28 promote public confidence in the integrity and impartiality of  
29 the board as related to video gaming. At a minimum, the updated  
30 code of conduct adopted under this section shall include

1 registration of licensed entity representatives under subsection  
2 (b) and the restrictions under subsection (c) as they relate to  
3 video gaming.

4 (b) Registration.--

5 (1) A licensed entity representative shall register with  
6 the board in a manner prescribed by the board. The  
7 registration shall include the name, employer or firm,  
8 business address and business telephone number of both the  
9 licensed entity representative and any licensed entity,  
10 applicant for licensure or other person being represented.

11 (2) A licensed entity representative shall update the  
12 registration information on an ongoing basis and failure to  
13 do so shall be punishable by the board.

14 (3) The board shall maintain a registration list that  
15 contains the information required under paragraph (1). The  
16 list shall be available for public inspection at the offices  
17 of the board and on the board's publicly accessible Internet  
18 website.

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

21 (1) Not accept a discount, gift, gratuity, compensation,  
22 travel, lodging or other thing of value, directly or  
23 indirectly, from an applicant, licensed entity, affiliate,  
24 subsidiary or intermediary of an applicant or a licensed  
25 entity, registrant or licensed entity representative.

26 (2) Disclose and recuse himself from a hearing or other  
27 proceeding in which the member's objectivity, impartiality,  
28 integrity or independence of judgment may be reasonably  
29 questioned due to the member's relationship or association  
30 with a party connected to a hearing or proceeding or a person

1 appearing before the board.

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

5 (4) (i) Not solicit funds for a charitable,  
6 educational, religious, health, fraternal, civic or other  
7 nonprofit entity from an applicant, licensed entity,  
8 party, registrant or licensed entity representative or  
9 from an affiliate, subsidiary, intermediary or holding  
10 company of an applicant, licensed entity, party or  
11 licensed entity representative.

12 (ii) Subject to the provisions of section 1201(h)  
13 (4.1) (relating to Pennsylvania Gaming Control Board  
14 established), a member may serve as an officer, employee  
15 or member of the governing body of a nonprofit entity and  
16 may attend, make personal contributions to and plan or  
17 preside over the entity's fundraising events.

18 (iii) A member may permit their name to appear on  
19 the letterhead used for fundraising events if the  
20 letterhead contains only the member's name and position  
21 with the nonprofit entity.

22 (5) (i) Not meet or engage in discussions with an  
23 applicant, licensed entity, registrant, licensed entity  
24 representative, person who provides goods, property or  
25 services to a terminal operator licensee or another  
26 person or entity under the jurisdiction of the board  
27 unless the meeting or discussion occurs on the business  
28 premises of the board and is recorded in a log.

29 (ii) The log must be available for public inspection  
30 during the regular business hours of the board and shall

1 be posted on the board's publicly accessible Internet  
2 website.

3 (iii) The log must include the date and time of the  
4 meeting or discussion, the names of the participants and  
5 the subject discussed.

6 (iv) The provisions of this paragraph shall not  
7 apply to a meeting that considers matters requiring the  
8 physical inspection of the equipment or premises of an  
9 applicant or a licensed entity, if the meeting is entered  
10 in the log.

11 (6) Avoid impropriety and the appearance of impropriety  
12 at all times and observe standards and conduct that promote  
13 public confidence in the oversight of video gaming.

14 (7) Comply with other laws, rules or regulations  
15 relating to the conduct of a member.

16 § 4302. Additional board restrictions.

17 (a) Board restrictions.--The following shall apply to a  
18 board member or employee of the board whose duties substantially  
19 involve licensing, enforcement, development of law, promulgation  
20 of regulations or development of policy relating to gaming under  
21 this part or who has other discretionary authority which may  
22 affect or influence the outcome of an action, proceeding or  
23 decision under this part, including the executive director,  
24 bureau directors and attorneys:

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

30 (2) The individual may not, for a period of two years

1 following termination of employment, appear before the board  
2 in a hearing or proceeding or participate in activity on  
3 behalf of an applicant, licensee or licensed entity or on  
4 behalf of an affiliate, intermediary, subsidiary or holding  
5 company of an applicant, licensee or licensed entity.

6 (3) (i) An applicant or a licensed entity or an  
7 affiliate, intermediary, subsidiary or holding company of  
8 an applicant or a licensed entity may not, until the  
9 expiration of two years following termination of  
10 employment, employ or retain the individual.

11 (ii) Violation of this subparagraph shall result in  
12 termination of the individual's employment and subject  
13 the violator to section 3905(c) (relating to prohibited  
14 acts and penalties).

15 (4) (i) A prospective employee who, upon employment,  
16 would be subject to this subsection must, as a condition  
17 of employment, sign an affidavit that the prospective  
18 employee will not violate paragraph (1) or (2).

19 (ii) If the prospective employee fails to sign the  
20 affidavit, the board shall rescind an offer of employment  
21 and may not employ the individual.

22 (b) Contractor restrictions.--The following shall apply to  
23 an independent contractor of the board and to an employee of an  
24 independent contractor whose duties substantially involve  
25 consultation relating to licensing, enforcement, development of  
26 law, promulgation of regulations or development of policy  
27 relating to video gaming under this part:

28 (1) The person may not, for a period of one year  
29 following termination of the contract with the board, be  
30 retained by an applicant or a licensed entity or by an

1 affiliate, intermediary, subsidiary or holding company of an  
2 applicant or a licensed entity.

3 (2) The person may not, for a period of two years  
4 following termination of the contract with the board, appear  
5 before the board in a hearing or proceeding or participate in  
6 activity on behalf of an applicant, licensee or licensed  
7 entity or on behalf of an affiliate, intermediary, subsidiary  
8 or holding company of an applicant, licensee or licensed  
9 entity.

10 (3) (i) An applicant or a licensed entity or an  
11 affiliate, intermediary, subsidiary or holding company of  
12 an applicant or a licensee may not, until the expiration  
13 of one year following termination of the contract with  
14 the board, employ or retain the person.

15 (ii) A knowing violation of this subparagraph shall  
16 result in termination of the person's employment and  
17 subject the violator to section 3905(c).

18 (4) (i) Each contract between the board and an  
19 independent contractor that involves the duties specified  
20 in this subsection shall contain a provision requiring  
21 the independent contractor to sign an affidavit that the  
22 independent contractor will not violate paragraph (1) or  
23 (2).

24 (ii) If the independent contractor fails to sign the  
25 affidavit, the board may not enter into the contract or  
26 must terminate the contract.

27 (5) (i) An independent contractor shall require a  
28 prospective employee whose employment would involve the  
29 duties specified in this subsection to sign an affidavit  
30 that the prospective employee will not violate paragraph

1           (1) or (2).

2           (ii) If the prospective employee fails to sign the  
3           affidavit, the independent contractor shall rescind an  
4           offer of employment and may not employ the individual.

5           (c) Construction.--Nothing under subsection (a) or (b) shall  
6           be construed to prevent a current or former employee of the  
7           board, a current or former independent contractor or a current  
8           or former employee of an independent contractor from appearing  
9           before the board in a hearing or proceeding as a witness or  
10          testifying as to any fact or information.

11          (d) Ethics commission.-

12           (1) The State Ethics Commission shall issue a written  
13           determination of whether a person is subject to subsection  
14           (a) or (b) upon the written request of the person or the  
15           person's employer or potential employer. A person that relies  
16           in good faith on a determination issued under this paragraph  
17           shall not be subject to a penalty for an action taken,  
18           provided that all material facts specified in the request for  
19           the determination are correct.

20           (2) (i) The State Ethics Commission shall publish a  
21           list of all employment positions within the board and  
22           employment positions within independent contractors whose  
23           duties would subject the individuals in those positions  
24           to the provisions of subsections (a) and (b).

25           (ii) The board and each independent contractor shall  
26           assist the State Ethics Commission in the development of  
27           the list, which shall be published by the State Ethics  
28           Commission in the Pennsylvania Bulletin biennially and  
29           posted by the board on the board's publicly accessible  
30           Internet website.

1           (iii) Upon request, employees of the board and each  
2           independent contractor shall provide the State Ethics  
3           Commission with adequate information to accurately  
4           develop and maintain the list.

5           (iv) The State Ethics Commission may impose a civil  
6           penalty under 65 Pa.C.S. § 1109(f) (relating to  
7           penalties) upon an individual who fails to cooperate with  
8           the State Ethics Commission under this paragraph.

9           (v) An individual who relies in good faith on the  
10           list published by the State Ethics Commission shall not  
11           be subject to a penalty for a violation of subsection (a)  
12           or (b).

13 § 4303. Financial and employment interests.

14           (a) Financial interests.--Except as may be provided for the  
15           judiciary by rule or order of the Pennsylvania Supreme Court, an  
16           executive-level public employee, public official or party  
17           officer, or an immediate family member thereof, shall not  
18           intentionally or knowingly hold a financial interest in an  
19           applicant or a licensee, or in a holding company, affiliate,  
20           intermediary or subsidiary thereof, while the individual is an  
21           executive-level public employee, public official or party  
22           officer and for one year following termination of the  
23           individual's status as an executive-level public employee,  
24           public official or party officer.

25           (b) Employment.--Except as may be provided by rule or order  
26           of the Pennsylvania Supreme Court and except as provided in  
27           section 1202.1 (relating to code of conduct) or 4304 (relating  
28           to additional restrictions), no executive-level public employee,  
29           public official or party officer, or an immediate family member  
30           thereof, shall be employed by an applicant or licensee, or by a

1 holding company, affiliate, intermediary or subsidiary thereof,  
2 while the individual is an executive-level public employee,  
3 public official or party officer and for one year following  
4 termination of the individual's status as an executive-level  
5 public employee, public official or party officer.

6 (c) Complimentary services.--

7 (1) No executive-level public employee, public official  
8 or party officer, or an immediate family member thereof,  
9 shall solicit or accept a complimentary service from an  
10 applicant or licensee, or from an affiliate, intermediary,  
11 subsidiary or holding company thereof, which the executive-  
12 level public employee, public official or party officer, or  
13 an immediate family member thereof, knows or has reason to  
14 know is other than a service or discount which is offered to  
15 members of the general public in like circumstances.

16 (2) No applicant or licensee, or an affiliate,  
17 intermediary, subsidiary or holding company thereof, shall  
18 offer or deliver to an executive-level public employee,  
19 public official or party officer, or an immediate family  
20 member thereof, a complimentary service from the applicant or  
21 licensee, or an affiliate, intermediary, subsidiary or  
22 holding company thereof, that the applicant or licensee, or  
23 an affiliate, intermediary, subsidiary or holding company  
24 thereof, knows or has reason to know is other than a service  
25 or discount that is offered to members of the general public  
26 in like circumstances.

27 (d) Grading.--An individual who violates this section  
28 commits a misdemeanor of the third degree and shall, upon  
29 conviction, be sentenced to pay a fine of not more than \$1,000  
30 or to imprisonment for not more than one year, or both.

1 (e) Divestiture.--

2 (1) An executive-level public employee, public official  
3 or party officer, or an immediate family member thereof, who  
4 holds a financial interest prohibited by this section shall  
5 divest the financial interest within three months of the  
6 effective date of this section, as applicable.

7 (2) An executive-level public employee, public official,  
8 party officer or immediate family member shall have 30 days  
9 from the date the individual knew or had reason to know of  
10 the violation or 30 days from the publication in the  
11 Pennsylvania Bulletin under section 3301(b)(12) (relating to  
12 powers of board) of the application or licensure of the  
13 executive-level public employee, public official, party  
14 officer or immediate family member, whichever occurs earlier,  
15 to divest the financial interest.

16 (3) The State Ethics Commission may, for good cause,  
17 extend the time period under this subsection.

18 (f) State Ethics Commission.--The State Ethics Commission  
19 shall do all of the following:

20 (1) (i) Issue a written determination of whether a  
21 person is subject to subsection (a), (b) or (c) upon the  
22 written request of the person or another person that may  
23 have liability for an action taken with respect to the  
24 person.

25 (ii) A person that relies in good faith on a  
26 determination made under this paragraph shall not be  
27 subject to penalty for an action taken, provided that all  
28 material facts specified in the request for the  
29 determination are correct.

30 (2) (i) Publish a list of all State, county, municipal

1 and other government positions that meet the definitions  
2 of "public official" as defined under subsection (g) or  
3 "executive-level public employee" as defined under  
4 section 3102 (relating to definitions).

5 (ii) The Office of Administration shall assist the  
6 State Ethics Commission in the development of the list,  
7 which list shall be published by the State Ethics  
8 Commission in the Pennsylvania Bulletin biennially and  
9 posted by the board on the board's publicly accessible  
10 Internet website.

11 (iii) Upon request, a public official shall provide  
12 the State Ethics Commission with adequate information to  
13 accurately develop and maintain the list.

14 (iv) The State Ethics Commission may impose a civil  
15 penalty under 65 Pa.C.S. § 1109(f) (relating to  
16 penalties) upon an individual, including a public  
17 official or executive-level public employee, who fails to  
18 cooperate with the State Ethics Commission under this  
19 subsection.

20 (v) A person that relies in good faith on the list  
21 published by the State Ethics Commission shall not be  
22 subject to penalty for a violation of this section.

23 (g) Definitions.--As used in this section, the following  
24 words and phrases shall have the meanings given to them in this  
25 subsection unless the context clearly indicates otherwise:

26 "Applicant." A person applying for a manufacturer license,  
27 supplier license or terminal operator license under this part.

28 "Financial interest." Owning or holding, or being deemed to  
29 hold, debt or equity securities or other ownership interest or  
30 profits interest. A financial interest shall not include a debt

1 or equity security, or other ownership interest or profits  
2 interest, which is held or deemed to be held in any of the  
3 following:

4 (1) A blind trust over which the executive-level public  
5 employee, public official, party officer or immediate family  
6 member thereof may not exercise any managerial control or  
7 receive income during the tenure of office and the period  
8 under subsection (a). The provisions of this paragraph shall  
9 apply only to blind trusts established prior to the effective  
10 date of this section.

11 (2) Securities that are held in a pension plan, profit-  
12 sharing plan, individual retirement account, tax-sheltered  
13 annuity, a plan established pursuant to section 457 of the  
14 Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §  
15 1 et seq.) or a successor provision deferred compensation  
16 plan whether qualified or not qualified under the Internal  
17 Revenue Code of 1986 or any successor provision or other  
18 retirement plan that:

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

24 (3) A tuition account plan organized and operated under  
25 section 529 of the Internal Revenue Code of 1986 that is not  
26 self-directed by the individual.

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

30 "Immediate family." A spouse, minor child or unemancipated

1 child.

2 "Licensee." A manufacturer licensee, supplier licensee or a  
3 terminal operator licensee.

4 "Party officer." A member of a national committee; a  
5 chairperson, vice chairperson, secretary, treasurer or counsel  
6 of a State committee or member of the executive committee of a  
7 State committee; a county chairperson, vice chairperson,  
8 counsel, secretary or treasurer of a county committee in which a  
9 licensed facility is located; or a city chairperson, vice  
10 chairperson, counsel, secretary or treasurer of a city committee  
11 of a city in which a licensed facility is located.

12 "Public official." The term shall include the following:

13 (1) The Governor, Lieutenant Governor, a member of the  
14 Governor's cabinet, State Treasurer, Auditor General and  
15 Attorney General of the Commonwealth.

16 (2) A member of the Senate or House of Representatives  
17 of the Commonwealth.

18 (3) An individual elected or appointed to an office of a  
19 county or municipality that directly receives a distribution  
20 of revenue under this part.

21 (4) An individual elected or appointed to a department,  
22 agency, board, commission, authority or other governmental  
23 body not included in paragraph (1), (2) or (3) that directly  
24 receives a distribution of revenue under this part.

25 (5) An individual elected or appointed to a department,  
26 agency, board, commission, authority, county, municipality or  
27 other governmental body not included in paragraph (1), (2) or  
28 (3) with discretionary power that may influence or affect the  
29 outcome of an action or decision and who is involved in the  
30 development of regulation or policy relating to a licensed

1 entity or is involved in other matters under this part.

2 § 4304. Additional restrictions.

3 (a) Restrictions.--

4 (1) No individual trooper or employee of the  
5 Pennsylvania State Police or employee of the Office of  
6 Attorney General or the department whose duties substantially  
7 involve licensing or enforcement, the development of laws or  
8 the development or adoption of regulations or policy related  
9 to gaming under this part or who has other discretionary  
10 authority that may affect or influence the outcome of an  
11 action, proceeding or decision under this part may do any of  
12 the following:

13 (i) Accept employment with or be retained by an  
14 applicant or licensed entity, or an affiliate,  
15 intermediary, subsidiary or holding company of an  
16 applicant or licensed entity, for a period of two years  
17 after the termination of employment.

18 (ii) (A) Appear before the board in a hearing or  
19 proceeding or participate in other activity on behalf  
20 of an applicant, licensee or licensed entity, or an  
21 affiliate, intermediary, subsidiary or holding  
22 company of an applicant, licensee or licensed entity,  
23 for a period of two years after termination of  
24 employment.

25 (B) Nothing in this paragraph shall be construed  
26 to prevent a current or former trooper or employee of  
27 the Pennsylvania State Police, the Office of Attorney  
28 General or the department from appearing before the  
29 board in a proceeding or hearing as a witness or  
30 testifying as to a fact or information.

1           (2) As a condition of employment, a potential employee  
2 who would be subject to this subsection shall sign an  
3 affidavit that the individual will not accept employment with  
4 or be retained by an applicant or licensed entity, or an  
5 affiliate, intermediary, subsidiary or holding company of an  
6 applicant or licensed entity, for a period of two years after  
7 the termination of employment.

8           (b) Employment or retention.--

9           (1) No applicant or licensed entity or an affiliate,  
10 intermediary, subsidiary or holding company of an applicant  
11 or licensed entity may employ or retain an individual subject  
12 to subsection (a) until the expiration of the period required  
13 in subsection (a)(1)(i).

14           (2) An applicant or licensed entity, or an affiliate,  
15 intermediary, subsidiary or holding company of an applicant  
16 or licensed entity, that knowingly employs or retains an  
17 individual in violation of this subsection shall terminate  
18 the employment of the individual and be subject to penalty  
19 under section 1518(c) (relating to prohibited acts;  
20 penalties).

21           (c) Violation.--If an individual subject to subsection (a)  
22 refuses or otherwise fails to sign an affidavit, the  
23 individual's potential employer shall rescind the offer of  
24 employment.

25           (d) Code of conduct.--

26           (1) The Pennsylvania State Police, Office of Attorney  
27 General and department each shall adopt a comprehensive code  
28 of conduct that supplements all other requirements under this  
29 part and 65 Pa.C.S. Pt. II (relating to accountability), as  
30 applicable, and shall provide guidelines applicable to

1 troopers, employees, independent contractors of the agency  
2 whose duties substantially involve licensing or enforcement,  
3 the development of laws or the development or adoption of  
4 regulations or policy related to video gaming under this part  
5 or who have other discretionary authority that may affect the  
6 outcome of an action, proceeding or decision under this part,  
7 and the immediate families of these individuals to enable  
8 them to avoid a perceived or actual conflict of interest and  
9 to promote public confidence in the integrity and  
10 impartiality of video gaming enforcement and regulation.

11 (2) At a minimum, the code of conduct adopted under this  
12 section shall apply the types of restrictions applicable to  
13 members under section 1202.1(c) (relating to code of  
14 conduct), except that the restrictions under section  
15 1202.1(c) (5) shall not apply to an elected Attorney General.

16 (e) State Ethics Commission.--The State Ethics Commission  
17 shall do all of the following:

18 (1) (i) Issue a written determination of whether an  
19 individual is subject to subsection (a) upon the written  
20 request of the individual or the individual's employer or  
21 potential employer.

22 (ii) A person that relies in good faith on a  
23 determination made under this paragraph shall not be  
24 subject to penalty for an action taken, provided that all  
25 material facts specified in the request for the  
26 determination are correct.

27 (2) (i) Publish a list of all positions within the  
28 Pennsylvania State Police, the Office of Attorney General  
29 and the department the duties of which would subject the  
30 individuals in those positions to the provisions of

1 subsection (a).

2 (ii) Each agency subject to this subsection shall  
3 assist the State Ethics Commission in the development of  
4 the list, which list shall be published by the State  
5 Ethics Commission in the Pennsylvania Bulletin  
6 biennially, shall be posted by the board on the board's  
7 publicly accessible Internet website and shall be posted  
8 by each agency on the agency's publicly accessible  
9 Internet website.

10 (iii) Upon request by the State Ethics Commission,  
11 members and employees of each agency subject to this  
12 subsection shall provide the State Ethics Commission with  
13 adequate information to accurately develop and maintain  
14 the list.

15 (iv) The State Ethics Commission may impose a civil  
16 penalty under 65 Pa.C.S. § 1109(f) (relating to  
17 penalties) upon an individual who fails to cooperate with  
18 the State Ethics Commission under this subsection.

19 (v) A person who relies in good faith on the list  
20 published by the State Ethics Commission shall not be  
21 subject to penalty for a violation of subsection (a).

22 § 4305. Political influence.

23 (a) Contribution restriction.--The following persons shall  
24 be prohibited from contributing money or an in-kind contribution  
25 to a candidate for nomination or election to a public office in  
26 this Commonwealth, to a political party committee or other  
27 political committee in this Commonwealth or to a group,  
28 committee or association organized in support of a candidate,  
29 political party committee or other political committee in this  
30 Commonwealth:

1           (1) An applicant for a terminal operator license,  
2 manufacturer license, supplier license, principal license or  
3 a key employee license.

4           (2) A terminal operator licensee, manufacturer licensee  
5 or supplier licensee.

6           (3) A licensed principal or licensed key employee of a  
7 terminal operator licensee, manufacturer licensee or supplier  
8 licensee.

9           (4) An affiliate, intermediary, subsidiary or holding  
10 company of a terminal operator licensee, manufacturer  
11 licensee or supplier licensee.

12           (5) A licensed principal or licensed key employee of an  
13 affiliate, intermediary, subsidiary or holding company of a  
14 terminal operator licensee, manufacturer licensee or supplier  
15 licensee.

16           (6) A person who holds a similar video gaming license in  
17 another jurisdiction and the affiliates, intermediaries,  
18 subsidiaries, holding companies, principals or key employees  
19 thereof.

20           (b) Contributions to certain associations and organizations  
21 barred.--No individual prohibited from making political  
22 contributions under subsection (a) may make a political  
23 contribution of money or an in-kind contribution to an  
24 association or organization, including a nonprofit organization,  
25 that has been solicited by, or knowing that the contribution or  
26 a portion thereof will be contributed to, the elected official,  
27 executive-level public employee or candidate for nomination or  
28 election to a public office in this Commonwealth.

29           (c) Internet website.--

30           (1) The board shall establish a publicity accessible

1 Internet website that includes a list of all applicants for  
2 and holders of a terminal operator license, manufacturer  
3 license or supplier license and the affiliates,  
4 intermediaries, subsidiaries, holding companies, principals  
5 and key employees thereof, all persons holding a similar  
6 video gaming license in another jurisdiction, and the  
7 affiliates, intermediaries, subsidiaries, holding companies,  
8 principals and key employees thereof, and other entity in  
9 which the applicant or licensee has a debt or an equity  
10 security or other ownership or profits interest. An applicant  
11 or licensee shall notify the board within seven days of the  
12 discovery of a change in or addition to the information. The  
13 list shall be published semiannually in the Pennsylvania  
14 Bulletin.

15 (2) No individual who acts in good faith and in reliance  
16 on the information on the board's publicly accessible  
17 Internet website shall be subject to penalty or liability  
18 imposed for a violation of this section.

19 (3) The board shall request the information required  
20 under paragraph (1) from a person licensed in another  
21 jurisdiction who does not hold a license in this Commonwealth  
22 and from regulatory agencies in the other jurisdiction. If a  
23 person who is a licensee in another jurisdiction refuses to  
24 provide the information required under paragraph (1), the  
25 person and its officers, directors or persons with a  
26 controlling interest shall be ineligible to receive a license  
27 under this part.

28 (d) Annual certification.--The chief executive officer, or  
29 other appropriate individual, of each applicant for a terminal  
30 operator license, manufacturer license or supplier license, or

1 manufacturer licensee, supplier licensee or terminal operator  
2 licensee, shall annually certify under oath to the board and the  
3 Department of State that the applicant or supplier licensee,  
4 manufacturer licensee or terminal operator licensee has  
5 developed and implemented internal safeguards and policies  
6 intended to prevent a violation of this provision and that the  
7 applicant or supplier licensee, manufacturer licensee or  
8 terminal operator licensee has conducted a good faith  
9 investigation that has not revealed a violation of this  
10 subsection during the past year.

11 (e) Penalties.--

12 (1) A violation of this section by a terminal operator  
13 licensee or a person that holds a controlling interest in the  
14 license, or a subsidiary company thereof, or an officer,  
15 director or management-level employee of the licensee shall  
16 be punishable as follows:

17 (i) A first violation of this section shall be  
18 punishable by a fine equal to an amount not less than the  
19 average single-day gross terminal revenue of the terminal  
20 operator licensee.

21 (ii) A second violation of this section, within five  
22 years of the first violation, shall be punishable by at  
23 least a one-day suspension of the license held by the  
24 terminal operator licensee and a fine equal to an amount  
25 not less than two times the average single-day gross  
26 terminal revenue of the terminal operator licensee.

27 (iii) A third violation of this section within five  
28 years of the second violation shall be punishable by the  
29 immediate revocation of the license held by the terminal  
30 operator licensee.

1       (2) A violation of this section by a manufacturer or  
2 supplier licensed under this part or by a person that holds a  
3 controlling interest in such manufacturer or supplier, or a  
4 subsidiary company thereof, or an officer, a director or  
5 management-level employee of such a licensee shall be  
6 punishable as follows:

7           (i) A first violation of this section shall be  
8 punishable by a fine equal to an amount not less than a  
9 single-day average of the gross profit from sales made by  
10 the manufacturer or supplier in this Commonwealth during  
11 the preceding 12-month period or portion thereof in the  
12 event the manufacturer or supplier has not operated in  
13 this Commonwealth for 12 months.

14           (ii) A second or subsequent violation of this  
15 section within five years of a prior violation shall be  
16 punishable by a one-month suspension of the license held  
17 by the manufacturer or supplier and a fine equal to an  
18 amount not less than two times a single-day average of  
19 the gross profit from sales made by the manufacturer or  
20 supplier in this Commonwealth during the preceding 12-  
21 month period or portion thereof in the event the  
22 manufacturer or supplier has not operated in this  
23 Commonwealth for 12 months.

24           (3) In no event shall the fine imposed under this  
25 section be an amount less than \$100,000 for each violation.  
26 In addition to a fine or sanction that may be imposed by the  
27 board under this subsection, an individual who makes a  
28 contribution in violation of this section commits a  
29 misdemeanor of the third degree.

30           (d) Definitions.--As used in this section, the following

1 words and phrases shall have the meanings given to them in this  
2 subsection:

3 "Contribution." A payment, gift, subscription, assessment,  
4 contract, payment for services, dues, loan, forbearance, advance  
5 or deposit of money or a valuable thing made to a candidate or  
6 political committee for the purpose of influencing an election  
7 in this Commonwealth or for paying debts incurred by or for a  
8 candidate or committee before or after an election. The term  
9 includes:

10 (1) The purchase of tickets for events, including  
11 dinner, luncheons, rallies and other fundraising events.

12 (2) The granting of discounts or rebates not available  
13 to the general public.

14 (3) The granting of discounts or rebates by television  
15 and radio stations and newspapers not extended on an equal  
16 basis to all candidates for the same office.

17 (4) A payment provided for the benefit of a candidate,  
18 including payment for the services of a person serving as an  
19 agent of a candidate or committee by a person other than the  
20 candidate or committee or person whose expenditures the  
21 candidate or committee must report.

22 (5) The receipt or use of anything of value by a  
23 political committee from another political committee and a  
24 return on investments by a political committee.

25 "Political committee." A committee, club, association or  
26 other group of persons that receives contributions or makes  
27 expenditures.

28 CHAPTER 45

29 MISCELLANEOUS PROVISIONS

30 Sec.

1 4501. Gaming schools.

2 4502. Declaration of exemption from Federal laws prohibiting  
3 video gaming terminals.

4 4503. Preemption of local taxes and license fees.

5 4504. Exclusive jurisdiction of Supreme Court.

6 4505. Funding.

7 § 4501. Gaming schools.

8 (a) Curriculum.--The Department of Labor and Industry, in  
9 consultation with the Department of Education and the board,  
10 shall, within 60 days following the effective date of this  
11 section, develop curriculum guidelines, including minimum  
12 proficiency requirements established by the board, for gaming  
13 school instruction related to video gaming terminals. The  
14 guidelines shall, at a minimum, establish courses of instruction  
15 that will provide individuals with adequate job training  
16 necessary to obtain employment as video gaming employees.

17 (b) Gaming equipment.--All gaming equipment utilized by a  
18 gaming school, including video gaming and associated equipment  
19 and all representations of value, shall be used for training,  
20 instructional and practice purposes only. The use of the gaming  
21 equipment for actual gaming by a person is prohibited.

22 (c) Possession, removal and transport of equipment.--No  
23 gaming school shall possess, remove or transport, or cause to be  
24 removed or transported, a video gaming terminal or associated  
25 equipment except in accordance with this part.

26 (d) Serial numbers.--Each video gaming terminal and  
27 associated equipment on the premises of a gaming school shall  
28 have permanently affixed on it a serial number that, together  
29 with the location of the video gaming terminal, is filed with  
30 the board.

1 (e) Security.--Each gaming school shall provide adequate  
2 security for video gaming terminals and associated equipment on  
3 the gaming school premises.

4 (f) Notice to board and bureau.--No gaming school shall sell  
5 or transfer a video gaming terminal or associated equipment  
6 except upon prior written notice to the board and the bureau.  
7 § 4502. Declaration of exemption from Federal laws prohibiting  
8 video gaming terminals.

9 (a) Declaration.--Under the Gambling Devices Transportation  
10 Act (64 Stat. 1134, 15 U.S.C. § 1171 et seq.), the Commonwealth  
11 declares that it is exempt from section 2 of that act.

12 (b) Legal shipments.--All shipments of gambling devices, as  
13 defined in section 1 of the Gambling Devices Transportation Act,  
14 into this Commonwealth, the registering, recording and labeling  
15 of which has been effected by the manufacturer and supplier of  
16 those devices in accordance with sections 3 and 4 of the  
17 Gambling Devices Transportation Act, shall be deemed legal  
18 shipments of gambling devices into this Commonwealth.  
19 § 4503. Preemption of local taxes and license fees.

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

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

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

26 (3) 53 Pa.C.S. Pt. III Subpt. E (relating to home rule  
27 and optional plan government).

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

30 (b) Licensing fees.--Video gaming terminals are exempt from

1 local licensing fees.

2 § 4504. Exclusive jurisdiction of Supreme Court.

3 The Pennsylvania Supreme Court shall have exclusive  
4 jurisdiction to hear a challenge to or to render a declaratory  
5 judgment concerning the constitutionality of this part. The  
6 Pennsylvania Supreme Court may take such action as it deems  
7 appropriate, consistent with the Pennsylvania Supreme Court  
8 retaining jurisdiction over the matter, to find facts or to  
9 expedite a final judgment in connection with a challenge or  
10 request for declaratory relief.

11 § 4505. Funding.

12 (a) Appropriation.--The General Assembly appropriates the  
13 following:

14 (1) The sum of \$5,000,000 is hereby appropriated to the  
15 board for the fiscal period July 1, 2017, to June 30, 2018,  
16 to implement and administer the provisions of this part.

17 (2) The sum of \$3,000,000 is hereby appropriated from  
18 the General Fund to the department for the fiscal period July  
19 1, 2017, to June 30, 2018, to prepare for, implement and  
20 administer the provisions of this part.

21 (3) The sum of \$2,000,000 is hereby appropriated from  
22 the General Fund to the Pennsylvania State Police for the  
23 fiscal period July 1, 2017, to June 30, 2018, to prepare for,  
24 implement and administer the provisions of this part.

25 (b) Repayment required.--The money appropriated under this  
26 section shall be repaid to the General Fund from the Video  
27 Gaming Fund according to a schedule adopted by the board under  
28 subsection (c).

29 (c) Repayment schedule.--

30 (1) The board shall assess terminal operator licensees

1 for payment to the Video Gaming Fund in an aggregate amount  
2 equal to the appropriations under subsection (a) beginning  
3 two years from the date the board authorizes the first video  
4 gaming terminal to be connected to the central control  
5 computer system and is made available for public use.

6 (2) The board shall adopt a repayment schedule that  
7 assesses to each terminal licensee the amount that is  
8 proportional to each terminal operator licensee's gross  
9 terminal revenue.

10 (3) The repayment schedule adopted by the board shall  
11 require payments made under this section to be repaid to the  
12 General Fund no later than July 1, 2022.

13 (d) Unused amounts.--On July 1, 2018, any portion of amounts  
14 appropriated under this section that are unexpended,  
15 unencumbered or uncommitted as of June 30 of the prior fiscal  
16 year shall automatically be transferred to the General Fund.

17 Section 9. Section 5513 of Title 18 is amended to read:  
18 § 5513. Gambling devices, gambling, etc.

19 (a) Offense defined.--[A] Except as otherwise provided for  
20 in subsections (a.1) and (a.2), a person is guilty of a  
21 misdemeanor of the first degree if he:

22 (1) intentionally or knowingly makes, assembles, sets  
23 up, maintains, sells, lends, leases, gives away, or offers  
24 for sale, loan, lease or gift, any punch board, drawing  
25 card[, slot machine] or any device to be used for gambling  
26 purposes, except playing cards;

27 (2) allows persons to collect and assemble for the  
28 purpose of unlawful gambling at any place under his control;

29 (3) solicits or invites any person to visit any unlawful  
30 gambling place for the purpose of gambling; or

1 (4) being the owner, tenant, lessee or occupant of any  
2 premises, knowingly permits or suffers the same, or any part  
3 thereof, to be used for the purpose of unlawful gambling.

4 (a.1) Electronic video monitor.--A person commits a  
5 [misdemeanor of the first] felony of the third degree if he  
6 owns, operates, maintains, places into operation or has a  
7 financial interest in an electronic video monitor or business  
8 that owns, operates, maintains or places into operation or has a  
9 financial interest in an electronic video monitor:

10 (1) which is offered or made available to persons to  
11 play or participate in a simulated gambling program for  
12 direct or indirect consideration, including consideration  
13 associated with a related product, service or activity; and

14 (2) for which the person playing the simulated gambling  
15 program may become eligible for a cash or cash-equivalent  
16 prize, whether or not the eligibility for or value of the  
17 cash or cash-equivalent prize is determined by or has any  
18 relationship to the outcome of or play of the simulated  
19 gambling program.

20 (a.2) Gaming machine.--A person commits a felony of the  
21 third degree if he owns, operates, maintains, places into  
22 operation or has a financial interest in a gaming machine or  
23 business that owns, operates, maintains or places into  
24 operation or has a financial interest in a gaming machine.

25 (b) Confiscation of gambling devices.--Any gambling device  
26 or gaming machine possessed or used in violation of the  
27 provisions of [subsection (a)] subsections (a), (a.1) and (a.2)  
28 of this section shall be seized and forfeited to the  
29 Commonwealth. All provisions of law relating to the seizure,  
30 summary and judicial forfeiture, and condemnation of

1 intoxicating liquor shall apply to seizures and forfeitures  
2 under the provisions of this section.

3 (c) Antique slot machines.--

4 (1) [A slot machine shall be established as an] An  
5 antique slot machine shall not be considered a gaming machine  
6 or an illegal gambling device if the defendant shows by a  
7 preponderance of the evidence that it was manufactured at  
8 least 25 years before the current year and that it was not  
9 used or attempted to be used for any unlawful purposes.  
10 Notwithstanding subsection (b), no antique slot machine  
11 seized from any defendant shall be destroyed or otherwise  
12 altered until the defendant is given an opportunity to  
13 establish that the slot machine is an antique slot machine.  
14 After a final court determination that the slot machine is an  
15 antique slot machine, the slot machine shall be returned  
16 pursuant to the provisions of law providing for the return of  
17 property; otherwise, the slot machine shall be destroyed.

18 (2) It is the purpose of this subsection to protect the  
19 collection and restoration of antique slot machines not  
20 presently utilized for gambling purposes.

21 (d) Shipbuilding business.--Notwithstanding any other  
22 provisions of this section, a person may construct, deliver,  
23 convert or repair a vessel that is equipped with gambling  
24 devices if all of the following conditions are satisfied:

25 (1) The work performed on the vessel is ordered by a  
26 customer who uses or possesses the vessel outside of this  
27 Commonwealth in a locality where the use or possession of the  
28 gambling devices on the vessel is lawful.

29 (2) The work performed on the vessel that is equipped  
30 with gambling devices is performed at a shipbuilding or

1 repair yard located within a port facility under the  
2 jurisdiction of any port authority organized under the act of  
3 December 6, 1972 (P.L.1392, No.298), known as the Third Class  
4 City Port Authority Act.

5 (3) The person provides the Office of Attorney General,  
6 prior to the importation of the gambling devices into this  
7 Commonwealth, records that account for the gambling devices,  
8 including the identification number affixed to each gambling  
9 device by the manufacturer, and that identify the location  
10 where the gambling devices will be stored prior to the  
11 installation of the gambling devices on the vessel.

12 (4) The person stores the gambling devices at a secured  
13 location and permits any person authorized to enforce the  
14 gambling laws to inspect the location where the gambling  
15 devices are stored and records relating to the storage of the  
16 gambling devices.

17 (5) If the person removes used gambling devices from a  
18 vessel, the person shall provide the Office of Attorney  
19 General of Pennsylvania with an inventory of the used  
20 gambling devices prior to their removal from the vessel. The  
21 inventory shall include the identification number affixed to  
22 each gambling device by the manufacturer.

23 (6) The person submits documentation to the Office of  
24 Attorney General of Pennsylvania no later than 30 days after  
25 the date of delivery that the vessel equipped with gambling  
26 devices has been delivered to the customer who ordered the  
27 work performed on the vessel.

28 (7) The person does not sell a gambling device to any  
29 other person except to a customer who shall use or possess  
30 the gambling device outside of this Commonwealth in a

1 locality where the use or possession of the gambling device  
2 is lawful. If a person sells a gambling device to such a  
3 customer, the person shall submit documentation to the Office  
4 of Attorney General of Pennsylvania no later than 30 days  
5 after the date of delivery that the gambling device has been  
6 delivered to the customer.

7 (e) Penalty.--Any person who fails to provide records as  
8 provided in subsection (d) commits a summary offense.

9 (e.1) Construction.--Nothing in this section shall be  
10 construed to prohibit any activity that is lawfully conducted  
11 under any of the following:

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

14 (2) The act of July 10, 1981 (P.L.214, No.67), known as  
15 the Bingo Law.

16 (3) The act of December 19, 1988 (P.L.1262, No.156),  
17 known as the Local Option Small Games of Chance Act.

18 (4) 4 Pa.C.S. (relating to amusements).

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

22 "Coin-operated amusement game." A machine that requires the  
23 insertion of a coin, currency or token to play or activate a  
24 game, the outcome of which is predominantly and primarily  
25 determined by the skill of the player.

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

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

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

5 "Gaming machine." An electronic or mechanical device or game  
6 that directly or indirectly requires consideration to play, has  
7 the outcome of play determined primarily by chance and rewards a  
8 player cash, prize or anything of value. The term includes a  
9 video gaming terminal as defined in 4 Pa.C.S. § 3102 (relating  
10 to definitions) that does not contain an irremovable  
11 identification plate as specified in 4 Pa.C.S. § 3701 (relating  
12 to testing and certification of terminals).

13 "Simulated gambling program." Any method intended to be used  
14 by a person interacting with an electronic video monitor in a  
15 business establishment that directly or indirectly implements  
16 the predetermination of sweepstakes cash or cash-equivalent  
17 prizes or otherwise connects the sweepstakes player or  
18 participant with the cash or cash-equivalent prize.

19 Section 10. No person may be charged with a violation of 18  
20 Pa.C.S. § 5513 involving a gambling device or gaming machine if  
21 the person surrenders the gambling device or gaming machine to  
22 the Pennsylvania State Police within 60 days of the effective  
23 date of this section.

24 Section 11. Repeals are as follows:

25 (1) The General Assembly finds that the repeal under  
26 paragraph (2) is necessary to effectuate the amendment of 4  
27 Pa.C.S. § 1307(a).

28 (2) Section 21(2) of the act of January 1, 2010 (P.L.1,  
29 No.1), is repealed.

30 Section 12. This act shall take effect immediately.