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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 1142 Session of  
2024

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INTRODUCED BY FARRY, FONTANA, PENNYCUICK, DILLON, SANTARSIERO,  
MILLER AND LAUGHLIN, APRIL 5, 2024

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REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,  
APRIL 5, 2024

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AN ACT

1 Amending Titles 4 (Amusements), 18 (Crimes and Offenses) and 35  
2 (Health and Safety) of the Pennsylvania Consolidated  
3 Statutes, in revenues, further providing for establishment of  
4 State Gaming Fund and net slot machine revenue distribution;  
5 adding provisions relating to local gaming terminals by  
6 providing for general provisions, for application and  
7 licensure, for operation, for enforcement and for revenue;  
8 imposing the local gaming terminal tax; establishing the  
9 Local Gaming Fund; providing for ethics; in riot, disorderly  
10 conduct and related offenses, further providing for the  
11 offense of gambling devices, gambling, etc.; in Commonwealth  
12 services, establishing the Pennsylvania Emergency Management  
13 Programs Fund; prescribing penalties; and making  
14 appropriations.

15 The General Assembly of the Commonwealth of Pennsylvania  
16 hereby enacts as follows:

17 Section 1. Section 1403(b) of Title 4 of the Pennsylvania  
18 Consolidated Statutes is amended to read:

19 § 1403. Establishment of State Gaming Fund and net slot machine  
20 revenue distribution.

21 \* \* \*

22 (b) Slot machine tax.--The department shall determine and  
23 each slot machine licensee, other than a Category 4 slot machine

1 licensee, shall pay a daily tax of [~~34%~~] 32% from its daily  
2 gross terminal revenue from the slot machines in operation at  
3 its facility and a local share assessment as provided in  
4 subsection (c). All funds owed to the Commonwealth, a county or  
5 a municipality under this section shall be held in trust by the  
6 licensed gaming entity for the Commonwealth, the county and the  
7 municipality until the funds are paid or transferred to the  
8 fund. Unless otherwise agreed to by the board, a licensed gaming  
9 entity shall establish a separate bank account to maintain gross  
10 terminal revenue until such time as the funds are paid or  
11 transferred under this section. Moneys in the fund are hereby  
12 appropriated to the department on a continuing basis for the  
13 purposes set forth in subsection (c).

14 \* \* \*

15 Section 2. Title 4 is amended by adding a part to read:

16 PART IV

17 LOCAL GAMING TERMINALS

18 Chapter

19 51. General Provisions

20 53. Administration

21 55. Application and Licensure

22 57. Operation

23 59. Enforcement

24 61. Revenues

25 63. Ethics

26 65. Miscellaneous Provisions

27 CHAPTER 51

28 GENERAL PROVISIONS

29 Sec.

30 5101. Scope of part.

1 5102. Legislative intent.

2 5103. Definitions.

3 § 5101. Scope of part.

4 This part relates to local gaming terminals.

5 § 5102. Legislative intent.

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

9 (1) It is the intent of the General Assembly to occupy  
10 the field of gaming in Pennsylvania and to prohibit all forms  
11 of gaming, wagering and gambling in this Commonwealth that  
12 have not been expressly authorized by statute.

13 (2) The authorization of local gaming in this part is  
14 intended to provide a significant source of new revenue to  
15 the Commonwealth and to licensed clubs, fraternal  
16 organizations and small businesses and to provide for new  
17 employment opportunities by creating skilled jobs for  
18 individuals related to the conduct of local gaming at  
19 licensed facilities in this Commonwealth, as well as  
20 supporting property tax relief, economic development  
21 opportunities and other similar initiatives.

22 § 5103. Definitions.

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

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

30 "Applicant." A person that, on the person's own behalf or on

1 behalf of another, applies for permission to engage in an act or  
2 activity that is regulated under the provisions of this part.

3 "Associated equipment." Equipment or a mechanical,  
4 electromechanical or electronic contrivance, component or  
5 machine used in connection with local gaming terminals or  
6 redemption terminals, including replacement parts, hardware and  
7 software.

8 "Background investigation." A security, criminal, credit and  
9 suitability investigation of a person as provided for in this  
10 part that includes the status of taxes owed to the United  
11 States, the Commonwealth and a political subdivision of the  
12 Commonwealth.

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

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

18 "Cash." United States currency and coin, including cash  
19 equivalent.

20 "Cash equivalent." A ticket, token, chip, gift card,  
21 voucher, billet, electronic credit, prepaid debit card or other  
22 similar instrument or representation of more than nominal value  
23 that the board deems a cash equivalent in accordance with this  
24 part.

25 "Central control computer." A central site computer  
26 controlled by the department and accessible by the board to  
27 which all local gaming terminals communicate for the purpose of  
28 auditing capacity, real-time information retrieval of the  
29 details of any financial event that occurs in the operation of a  
30 local gaming terminal or redemption terminal, including, but not

1 limited to, coin in, coin out, ticket in, ticket out, jackpots,  
2 local gaming terminal and redemption terminal door openings and  
3 power failure and remote local gaming terminal or redemption  
4 terminal activation and disabling of local gaming terminals or  
5 redemption terminals.

6 "Cheat." Any of the following:

7 (1) To defraud or steal from a player, terminal operator  
8 licensee, establishment licensee or the Commonwealth while  
9 operating or playing a local gaming terminal, including  
10 causing, aiding, abetting or conspiring with another person  
11 to do so.

12 (2) To alter or causing, aiding, abetting or conspiring  
13 with another person to alter the elements of chance, method  
14 of selection or criteria that determine:

15 (i) The result of a local gaming terminal game.

16 (ii) The amount or frequency of payment in a local  
17 gaming terminal game.

18 (iii) The value of a wagering instrument.

19 (iv) The value of a wagering credit.

20 (3) The term does not include altering a local gaming  
21 terminal or associated equipment for maintenance or repair  
22 with the approval of a terminal operator licensee and the  
23 board.

24 "Cheating or thieving device." A device:

25 (1) used or possessed with the intent to be used to  
26 cheat during the operation or play of a local gaming  
27 terminal; or

28 (2) used to alter a local gaming terminal without the  
29 terminal operator licensee's and the board's approval.

30 "Coin-operated amusement game." A machine that requires the

1 insertion of a coin, currency or token to play or activate a  
2 game the outcome of which is predominantly and primarily  
3 determined by the skill of the player and does not pay, award or  
4 offer a prize in the form of cash or merchandise. The term does  
5 not include a slot machine, hybrid slot machine, video gaming  
6 terminal or local gaming terminal.

7 "Compensation." Anything of value, money or a financial  
8 benefit conferred on or received by a person in return for  
9 services rendered or to be rendered whether by the person or  
10 another.

11 "Complimentary service." A lodging, service or item provided  
12 to an individual at no cost or at a reduced cost that is not  
13 generally available to the public under similar circumstances. A  
14 group rate, including a convention and government rate, shall be  
15 deemed to be generally available to the public.

16 "Conduct of local gaming." The licensed placement, operation  
17 and play of local gaming terminals under this part, as  
18 authorized and approved by the board.

19 "Controlling interest." Any of the following:

20 (1) For a publicly traded domestic or foreign  
21 corporation, the term means a person has a controlling  
22 interest in a legal entity, applicant or licensee if the  
23 person's sole voting rights under State law or corporate  
24 articles or bylaws entitle the person to elect or appoint one  
25 or more of the members of the board of directors or other  
26 governing board or the person holds an ownership or  
27 beneficial holding of 5% or more of the securities of the  
28 publicly traded corporation, partnership, limited liability  
29 company or other form of publicly traded legal entity, unless  
30 this presumption of control or ability to elect is rebutted

1 by clear and convincing evidence.

2 (2) For a privately held domestic or foreign  
3 corporation, partnership, limited liability company or other  
4 form of privately held legal entity, the term means the  
5 holding of a security in the legal entity, unless this  
6 presumption of control is rebutted by clear and convincing  
7 evidence.

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

15 "Corporation." The term includes a publicly traded  
16 corporation.

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

18 "Eligible establishment." An establishment that meets the  
19 eligibility criteria specified in section 5513(f) (relating to  
20 local gaming establishment licenses).

21 "Establishment license." A local gaming establishment  
22 license.

23 "Establishment licensee." A local gaming establishment  
24 licensee.

25 "Executive-level public employee." The term includes the  
26 following:

27 (1) A deputy secretary of the Commonwealth and a member  
28 of the Governor's Office executive staff.

29 (2) An employee of the executive branch:

30 (i) whose duties substantially involve licensing or

1 enforcement under this part, who has discretionary power  
2 that may affect or influence the outcome of a  
3 Commonwealth agency's action or decision or who is  
4 involved in the development of regulations or policies  
5 relating to a licensed entity; or

6 (ii) with law enforcement authority.

7 (3) An employee of a county or municipality with:

8 (i) discretionary powers that may affect or  
9 influence the outcome of the county's or municipality's  
10 action or decision related to this part or who is  
11 involved in the development of law, regulation or policy  
12 relating to matters regulated under this part; or

13 (ii) law enforcement authority.

14 (4) An employee of a department, agency, board,  
15 commission, authority or other governmental body not included  
16 in paragraph (1), (2) or (3) with:

17 (i) discretionary power that may affect or influence  
18 the outcome of the governmental body's action or decision  
19 related to this part or who is involved in the  
20 development of regulation or policy relating to matters  
21 regulated under this part; or

22 (ii) law enforcement authority.

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

26 "Fund." The Local Gaming Fund established in section 6104  
27 (relating to Local Gaming Fund).

28 "Gaming area." The area of an establishment licensee's  
29 premises where local gaming terminals and redemption terminals  
30 are installed for operation and play.

1 "Gaming employee." Either of the following:

2 (1) An employee of a terminal operator licensee or  
3 manufacturer licensee who is not a key employee and who the  
4 board determines is involved in the conduct of local gaming.

5 (2) An employee of an establishment licensee whom the  
6 establishment licensee designates as the gaming manager in  
7 accordance with this part.

8 "Gaming manager." An individual employed by an establishment  
9 licensee and primarily responsible for the management of local  
10 gaming at the licensed premises as required by this part. A  
11 gaming manager may not be licensed as an employee of more than  
12 one licensed eligible establishment.

13 "Gaming service provider." A person not required to be  
14 licensed as a terminal operator, manufacturer, supplier or  
15 establishment licensee and provides goods or services to a  
16 terminal operator licensee that the board determines directly  
17 relates to the operation and security of a local gaming terminal  
18 or redemption terminal. The term shall not include a person that  
19 supplies goods or services that, at the discretion of the board,  
20 does not impact the integrity of local gaming, local gaming  
21 terminals or the connection of local gaming terminals to the  
22 central control computer system, including:

23 (1) Seating to accompany local gaming terminals.

24 (2) Structural or cosmetic renovations, improvements or  
25 other alterations to a local gaming area.

26 "Gross terminal revenue." The total of cash or cash  
27 equivalents received by a local gaming terminal minus the total  
28 of cash or cash equivalents paid out to players as a result of  
29 playing a local gaming terminal. The term does not include  
30 counterfeit cash or cash taken in a fraudulent act perpetrated

1 against a terminal operator licensee for which the terminal  
2 operator licensee is not reimbursed.

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

10 "Incentive." Consideration, including a promotion or prize,  
11 provided to a player or potential player as an enticement to  
12 play a local gaming terminal.

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, employee or another person on behalf of an  
18 applicant or a licensee under this part to an eligible  
19 establishment, establishment licensee, establishment  
20 licensee owner or an employee of the establishment  
21 licensee, directly or indirectly as an enticement to  
22 enter into a terminal placement agreement with the  
23 terminal operator and solicit or maintain the  
24 establishment licensee or establishment licensee owner's  
25 business.

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

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

9           "Institutional investor." A retirement fund administered by  
10 a public agency for the exclusive benefit of Federal, State or  
11 local public employees, investment company registered under the  
12 Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1  
13 et seq.), collective investment trust organized by banks under  
14 Part Nine of the Rules of the Comptroller of the Currency,  
15 closed-end investment trust, chartered or licensed life  
16 insurance company or property and casualty insurance company,  
17 banking and other chartered or licensed lending institution,  
18 investment advisor registered under the Investment Advisers Act  
19 of 1940 (54 Stat. 847, 15 U.S.C. § 80b-1 et seq.) and any other  
20 person as the board determines is consistent with this part.

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

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

25           (2) a subsidiary with respect to a holding company.

26           "Key employee." The term includes the following:

27           (1) An individual employed by a manufacturer licensee or  
28 a terminal operator licensee and designated by the licensee  
29 to have primary authority to make decisions regarding the  
30 conduct of local gaming.

1           (2) A gaming manager.

2           (3) Any other individual employed by a manufacturer  
3           licensee or terminal operator licensee whom the board, in its  
4           reasonable discretion, determines holds primary authority to  
5           make decisions regarding the conduct of local gaming.

6           "Key employee licensee." An individual who holds a key  
7           employee license.

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

10          "Licensed entity." A terminal operator licensee,  
11          establishment licensee or manufacturer licensee under this part.

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

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

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

21          "Licensee." A person licensed under this part.

22          "Local gaming terminal."

23                 (1) Any of the following:

24                         (i) A mechanical, computerized or electrical  
25                         contrivance, game, terminal, machine or other device  
26                         approved by the board which, upon insertion or payment of  
27                         cash or cash equivalent as a wager, is available to play  
28                         or operate one or more games, the play or outcome of  
29                         which is determined by any element of either chance or  
30                         skill, and may deliver or entitle the player to receive

1 cash or cash equivalent, or any instrument or  
2 representation of value that is more than nominal, as  
3 determined by the board in its sole discretion.

4 (ii) A redemption terminal or other associated  
5 equipment necessary to operate or utilize a machine or  
6 device described in subparagraph (i).

7 (iii) A slot machine, a hybrid slot machine or a  
8 skill slot machine as those terms are defined in section  
9 1103 that is not in operation at a licensed facility  
10 under Part II (relating to gaming).

11 (iv) A video gaming terminal that is not in  
12 operation at a truck stop establishment as defined in  
13 section 3102 (relating to definitions).

14 (2) The term does not include:

15 (i) A lottery game, as that term is defined under  
16 the act of August 26, 1971 (P.L.351, No.91), known as the  
17 State Lottery Law.

18 (ii) A gambling-style device or game made available  
19 for play at a family entertainment center in accordance  
20 with the provisions of 18 Pa.C.S. (relating to crimes and  
21 offenses).

22 (iii) A coin-operated amusement game.

23 (iv) A device used to play multiplayer video gaming  
24 competitions where the element of chance does not have a  
25 material effect on the play or outcome of the game.

26 (v) Any game determined by the board, in its sole  
27 discretion, to fall within subparagraph (i), (ii), (iii)  
28 or (iv).

29 "Manufacturer." A person that manufactures, builds,  
30 rebuilds, fabricates, assembles, produces, programs, designs or

1 otherwise makes modifications to a local gaming terminal,  
2 redemption terminal or associated equipment for use or play of  
3 local gaming terminals in this Commonwealth.

4 "Manufacturer license." A license issued by the board  
5 authorizing a manufacturer to manufacture or produce local  
6 gaming terminals, redemption terminals or associated equipment  
7 for use in this Commonwealth.

8 "Manufacturer licensee." A person that holds a manufacturer  
9 license issued under this part.

10 "Minor." An individual under 21 years of age.

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

13 "Party." The bureau or an applicant, licensee, registrant or  
14 other person appearing of record in a proceeding before the  
15 board.

16 "Person." A natural person, corporation, foundation,  
17 organization, business trust, estate, limited liability company,  
18 trust, partnership, limited liability partnership, association  
19 or other form of legal business entity.

20 "Player." An individual who wagers cash or a cash equivalent  
21 in the play or operation of a local gaming terminal.

22 "Principal." Any of the following:

23 (1) An officer, director, person that directly holds a  
24 beneficial interest in or ownership of the securities of an  
25 applicant or anyone licensed under this part.

26 (2) A person that has a controlling interest in an  
27 applicant or anyone licensed under this part or has the  
28 ability to elect a majority of the board of directors of a  
29 licensee or to otherwise control anyone licensed under this  
30 part.

1       (3) A procurement agent, lender or other licensed  
2 financial institution of an applicant or anyone licensed  
3 under this part, other than a bank or lending institution  
4 which makes a loan or holds a mortgage or other lien acquired  
5 in the ordinary course of business.

6       (4) An underwriter of an applicant or anyone licensed  
7 under this part or other person or employee of an applicant.

8       (5) A terminal operator licensee, manufacturer licensee  
9 or supplier licensee deemed to be a principal by the board,  
10 including a procurement agent.

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

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

16       (1) has a class or series of securities registered under  
17 the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.  
18 § 78a et seq.);

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

21       (3) is subject to the reporting obligations imposed by  
22 section 15(d) of the Securities Exchange Act of 1934 by  
23 reason of having filed a registration statement that has  
24 become effective under the Securities Act of 1933 (48 Stat.  
25 74, 15 U.S.C. § 77a et seq.).

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

30 "Security." As defined in the act of December 5, 1972

1 (P.L.1280, No.284), known as the Pennsylvania Securities Act of  
2 1972.

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

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

5 "Subsidiary." As defined in section 1103.

6 "Terminal operator." A person that owns, services or  
7 maintains local gaming terminals for placement and operation on  
8 the premises of an establishment licensee.

9 "Terminal operator license." A license issued by the board  
10 authorizing a terminal operator to place and operate local  
11 gaming terminals in an establishment licensee's premises in  
12 accordance with this part and the rules and regulations  
13 promulgated under this part.

14 "Terminal operator licensee." A person that holds a terminal  
15 operator license.

16 "Terminal placement agreement." The formal written agreement  
17 or contract between an applicant for a terminal operator license  
18 or terminal operator licensee and an applicant for an  
19 establishment license or establishment licensee that establishes  
20 the terms and conditions regarding the placement of local gaming  
21 terminals and the conduct of local gaming.

22 CHAPTER 53

23 ADMINISTRATION

24 Sec.

25 5301. Powers of board.

26 5302. Regulatory authority of board.

27 5303. Temporary regulations.

28 5304. Appeals.

29 5305. Records and confidentiality of information.

30 5306. Reporting.

1 5307. Diversity.

2 5308. Authority of department.

3 5309. Central control computer system.

4 5310. Department of Drug and Alcohol Programs or successor  
5 agency.

6 § 5301. Powers of board.

7 (a) General powers.--

8 (1) The board shall have general and sole regulatory  
9 authority over the conduct of local gaming as described in  
10 this part. The board shall ensure the integrity of the  
11 acquisition and operation of local gaming terminals,  
12 redemption terminals and associated equipment and shall have  
13 sole regulatory authority over every aspect of the conduct of  
14 local gaming.

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

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

20 (1) To require background investigations from certain  
21 applicants and licensees.

22 (2) At its discretion, to issue, approve, renew, revoke,  
23 suspend, condition or deny issuance or renewal of licenses or  
24 other authorizations that may be required by the board under  
25 this part.

26 (3) At its discretion, to suspend, condition or deny the  
27 issuance or renewal of a license or other authorization or  
28 levy a fine or other sanction for a violation of this part.

29 (4) To require prospective and licensed gaming employees  
30 to submit to fingerprinting by the Pennsylvania State Police

1 or its authorized designee. The Pennsylvania State Police or  
2 its authorized designee shall submit the fingerprints to the  
3 Federal Bureau of Investigation for purposes of verifying the  
4 identity of the individual and obtaining records of criminal  
5 arrests and convictions.

6 (5) To require prospective and licensed gaming employees  
7 to submit photographs consistent with a statement of policy  
8 developed by the board.

9 (6) To determine the suitability of a person that  
10 furnishes or seeks to furnish to a terminal operator licensee  
11 directly or indirectly goods, services or property related to  
12 the conduct of local gaming.

13 (7) To approve an application for or issue or renew a  
14 license or other authorization that may be required by the  
15 board, if the board is satisfied the person has demonstrated  
16 by clear and convincing evidence that the person is of good  
17 character, honesty and integrity whose prior activities,  
18 criminal record, if any, reputation, habits and associations  
19 do not pose a threat to the public interest or the effective  
20 regulation and control of local gaming or create or enhance  
21 the danger of unsuitable, unfair or illegal practices,  
22 methods and activities in the conduct of local gaming or the  
23 carrying on of the business and financial arrangements  
24 incidental thereto.

25 (8) To publish on the board's publicly accessible  
26 Internet website a complete list of persons or entities who  
27 applied for or held a terminal operator license,  
28 establishment license or manufacturer license at any time  
29 during the preceding calendar year and affiliates,  
30 intermediaries, subsidiaries and holding companies thereof

1 and the status of the applications or licenses.

2 (9) To prepare and, through the Governor, submit  
3 annually to the General Assembly an itemized budget  
4 consistent with Article VI of the act of April 9, 1929  
5 (P.L.177, No.175), known as The Administrative Code of 1929,  
6 consisting of the amounts necessary to be appropriated by the  
7 General Assembly out of the accounts established under  
8 section 6102 (relating to regulatory assessments) required to  
9 meet the obligations under this part accruing during the  
10 fiscal period beginning July 1 of the following year.

11 (10) In the event that appropriations for the  
12 administration of this part are not enacted by June 30 of any  
13 year, funds appropriated for the administration of this part  
14 which are unexpended, uncommitted and unencumbered at the end  
15 of a fiscal year shall remain available for expenditure by  
16 the board or other agency to which the funds were  
17 appropriated until the enactment of an appropriation for the  
18 ensuing fiscal year.

19 (11) To collect and post information on the board's  
20 publicly accessible Internet website with sufficient detail  
21 to inform the public of persons with a controlling interest  
22 or ownership interest in an applicant for a license or  
23 affiliate, intermediary, subsidiary or holding company of an  
24 applicant for a license. The posting shall include:

25 (i) If the applicant is a publicly traded domestic  
26 or foreign corporation, partnership, limited liability  
27 company or other legal entity, the names of persons with  
28 a controlling interest.

29 (ii) If the applicant is a privately held domestic  
30 or foreign corporation, partnership, limited liability

1 company or other legal entity, the names of all persons  
2 with an ownership interest equal to or greater than 1%.

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

5 (iv) The names of officers, directors and principals  
6 of the applicant for a license or licensee.

7 (12) Determine, designate and classify employees of an  
8 applicant entity or licensed entity as key employees.

9 (13) Designate and classify games as local gaming  
10 terminals.

11 (14) Refer potential violations of the criminal  
12 provisions in this part or of 18 Pa.C.S. (relating to crimes  
13 and offenses) to the Pennsylvania State Police for  
14 investigation and initiation of proceedings as specified in  
15 Chapter 59 (relating to enforcement).

16 § 5302. Regulatory authority of board.

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

18 (1) To deny, deny the renewal of, revoke, condition or  
19 suspend a license or permit provided for in this part if the  
20 board finds in its sole discretion that an applicant,  
21 licensee or permittee or its officers, employees or agents  
22 have furnished false or misleading information to the board  
23 or failed to comply with the provisions of this part or the  
24 rules and regulations of the board and that it would be in  
25 the public interest to deny, deny the renewal of, revoke,  
26 condition or suspend the license or permit.

27 (2) To restrict access to confidential information in  
28 the possession of the board that has been obtained under this  
29 part and ensure that the confidentiality of information is  
30 maintained and protected.

1           (3) To prescribe and require periodic financial  
2 reporting and internal control requirements for terminal  
3 operator licensees.

4           (4) To require that a terminal operator licensee provide  
5 to the board its annual financial statements, with such  
6 additional detail as the board requires, which shall be  
7 submitted not later than 180 days after the end of the  
8 licensee's fiscal year.

9           (5) To prescribe the procedures to be followed by  
10 terminal operator licensees for a financial event that occurs  
11 in the operation and play of local gaming terminals.

12           (6) To require that an establishment licensee prohibit  
13 minors from operating or using local gaming terminals or  
14 redemption terminals.

15           (7) To establish procedures for the inspection and  
16 certification of compliance of local gaming terminals,  
17 redemption terminals and associated equipment prior to being  
18 placed into use on the premises of an establishment licensee  
19 by a terminal operator licensee.

20           (8) To require that a local gaming terminal may not be  
21 set to pay out less than the theoretical payout percentage,  
22 which percentage shall be no less than 85% as specifically  
23 approved by the board. The board shall adopt regulations that  
24 define the theoretical payout percentage of a local gaming  
25 terminal game based on the total value of the jackpots  
26 expected to be paid by a play on a local gaming terminal game  
27 divided by the total value of local gaming terminals wagers  
28 expected to be made on that play or local gaming terminal  
29 game during the same portion of the game cycle. In so doing,  
30 the board shall specify whether the calculation includes a

1 portion of or the entire cycle of a local gaming terminal  
2 game.

3 (9) To require that an establishment license applicant  
4 provide detailed site plans of its proposed local gaming area  
5 for review and approval by the board for the purpose of  
6 determining the adequacy of the proposed security and  
7 surveillance measures. The applicant shall cooperate with the  
8 board in making changes to the plans suggested by the board  
9 and shall ensure that the plans as modified and approved are  
10 implemented. The board may not require a floor-to-ceiling  
11 wall to segregate the local gaming area, but may adopt rules  
12 to establish segregation requirements.

13 (10) To promulgate rules and regulations governing the  
14 advertisement of local gaming terminals, provided that the  
15 board shall require all advertisements to display or  
16 reference the toll-free problem gambling telephone number  
17 maintained by the Department of Drug and Alcohol Programs or  
18 successor agency under section 5310(b) (relating to  
19 Department of Drug and Alcohol Programs or successor agency).

20 (11) To enter into contracts with persons for the  
21 purposes of carrying out the powers and duties of the board  
22 under this part.

23 (12) To adopt regulations governing the postemployment  
24 limitations and restrictions applicable to members and  
25 employees of the board subject to section 6302 (relating to  
26 additional board restrictions). In developing the  
27 regulations, the board may consult with the State Ethics  
28 Commission, governmental agencies and the Disciplinary Board  
29 of the Supreme Court regarding postemployment limitations and  
30 restrictions on members and employees of the board who are

1 members of the Pennsylvania Bar.

2 (13) To review and approve all cash and cash equivalent  
3 handling policies and procedures employed by terminal  
4 operator licensees.

5 (14) To promulgate rules and regulations governing the  
6 placement of automated teller machines within or adjacent to  
7 local gaming areas.

8 (15) To establish mandatory age-verification training  
9 and procedures for establishment licensees and their  
10 employees to ensure that minors do not access a local gaming  
11 area, local gaming terminal or redemption terminal.

12 (16) To establish mandatory problem gambling training to  
13 be completed by all employees of licensed entities under this  
14 part.

15 (17) To promulgate rules and regulations necessary for  
16 the administration and enforcement of this part.

17 (b) Applicable law.--Except as provided in section 5303  
18 (relating to temporary regulations), regulations shall be  
19 adopted in accordance with the act of July 31, 1968 (P.L.769,  
20 No.240), referred to as the Commonwealth Documents Law, and the  
21 act of June 25, 1982 (P.L.633, No.181), known as the Regulatory  
22 Review Act.

23 § 5303. Temporary regulations.

24 (a) Promulgation.--In order to facilitate the prompt  
25 implementation of this part, regulations promulgated by the  
26 board shall be deemed temporary regulations which shall expire  
27 no later than two years following the publication of the  
28 temporary regulations. The board may promulgate temporary  
29 regulations not subject to:

30 (1) Section 612 of the act of April 9, 1929 (P.L.177,

1 No.175), known as The Administrative Code of 1929.

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

5 (3) Section 204(b) of the act of October 15, 1980  
6 (P.L.950, No.164), known as the Commonwealth Attorneys Act.

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

9 (b) Expiration.--Except for temporary regulations related to  
10 security and surveillance, the authority provided to the board  
11 to adopt temporary regulations in subsection (a) shall expire  
12 two years following the publication of the temporary  
13 regulations. Regulations adopted after that date shall be  
14 promulgated as provided by law.

15 § 5304. Appeals.

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

24 § 5305. Records and confidentiality of information.

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

28 (b) Confidentiality of information.--

29 (1) The following information submitted by an applicant,  
30 licensee or permittee under Chapter 55 (relating to

1 application and licensure) or obtained by the board or the  
2 bureau as part of a background or other investigation from  
3 any source shall be confidential and withheld from public  
4 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, licensee or permittee or the  
18 immediate 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, emergency  
28 management plans, security and surveillance plans,  
29 equipment and usage protocols and theft and fraud  
30 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, licensee or permittee  
7           not 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 Securities and  
17           Exchange Commission records 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) Except as provided in paragraph (1), no claim of  
25           confidentiality may be made regarding a record in possession  
26           of the board that is otherwise publicly available from the  
27           board under the act of February 14, 2008 (P.L.6, No.3), known  
28           as the Right-to-Know Law.

29           (4) Except as provided in section 5904(h) (relating to  
30           investigations and enforcement), the information made

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

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

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

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

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

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

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

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

15 § 5306. Reporting.

16 (a) Report by board.--Beginning October 1, 2025, and every  
17 year thereafter, the annual report submitted to the Governor and  
18 the General Assembly by the board under section 1211 (relating  
19 to reports of board) shall include information on the conduct of  
20 local gaming for the previous calendar year:

21 (1) Total gross terminal revenue.

22 (2) Total number of terminal operator licensees,  
23 establishment licensees and manufacturer licensees.

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

28 (4) Other information related to the conduct of local  
29 gaming that the board deems appropriate.

30 (b) Participation.--The board may require licensees to

1 provide information to the board to assist in the preparation of  
2 the report under subsection (a).

3 § 5307. Diversity.

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

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

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

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

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

21 (d) Periodic review.--The board shall periodically review  
22 the terminal operator licensee's diversity plan and recommend  
23 changes.

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

28 § 5308. 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 local 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 5303  
18 (relating to temporary regulations).

19 (d) Additional penalty.--A person that 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 § 5309. Central control computer system.

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

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

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

9 (2) Include real-time information retrieval and terminal  
10 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 local gaming terminal  
14 control system that has the capability of supporting up to  
15 30,000 local gaming terminals permitted to be in operation  
16 under this part.

17 (2) The employment of a widely accepted gaming industry  
18 protocol to facilitate a local 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 local gaming terminals.

24 (4) The delivery of a system that does not alter the  
25 statistical awards of local gaming terminal games as designed  
26 by the manufacturer and approved by the board.

27 (5) The delivery of a system that provides redundancy so  
28 that each component of the network is capable of operating  
29 independently by the department if any component of the  
30 network, including the central control computer, fails or

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

9 (6) The ability to meet all reporting and control  
10 requirements as prescribed by the board and department.

11 (7) The delivery of a system that provides centralized  
12 issuance of cash redemption tickets and facilitates the  
13 acceptance of the tickets by local gaming terminals and  
14 redemption terminals.

15 (8) Other capabilities as determined by the department  
16 in consultation with the board.

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

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

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

29 (2) Contracts executed under this section may not exceed  
30 five years.

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

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

11 § 5310. Department of Drug and Alcohol Programs or successor  
12 agency.

13 (a) Program update.--

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

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

25 (3) The Department of Drug and Alcohol Programs or  
26 successor agency may consult with the board and terminal  
27 operator licensees to develop the strategies.

28 (b) Duties of Department of Drug and Alcohol Programs or  
29 successor agency.--From funds available in the Compulsive and  
30 Problem Gambling Treatment Fund, the Department of Drug and

1 Alcohol Programs or successor agency shall, with respect to  
2 local 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.

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

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

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

22 (5) Provide grants to and contract with single county  
23 authorities and other organizations that provide services  
24 specified in this section.

25 (6) Reimburse organizations for reasonable expenses  
26 incurred assisting the Department of Drug and Alcohol  
27 Programs or successor agency with implementing this section.

28 (7) Maintain a comprehensive list of all self-excluded  
29 individuals under section 1516 (relating to list of persons  
30 self excluded from gaming activities), 3903 (relating to

1 self-exclusion) or 5903 (relating to self-exclusion).

2 (c) Additional duties.--Within 90 days following the  
3 effective date of this subsection, the Department of Drug and  
4 Alcohol Programs or successor agency and the board's Office of  
5 Compulsive and Problem Gambling shall jointly collaborate with  
6 other appropriate offices and agencies of State or local  
7 government, including single county authorities and providers  
8 and other persons, public or private, with expertise in  
9 compulsive and problem gambling treatment, and shall, with  
10 respect to local gaming terminals:

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

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

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

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

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

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

1 (d) Report.--The Department of Drug and Alcohol Programs or  
2 successor agency shall include in the report required under  
3 section 1509 information involving local gaming terminals.

4 CHAPTER 55

5 APPLICATION AND LICENSURE

6 Sec.

7 5501. General prohibition.

8 5502. Local gaming terminal operator licenses.

9 5503. Existing licensees.

10 5504. Principal licenses.

11 5505. Key employee licenses.

12 5506. Divestiture of disqualifying applicant.

13 5507. (Reserved).

14 5508. Local gaming manufacturer licenses.

15 5509. Gaming service provider.

16 5510. (Reserved).

17 5511. Alternative local gaming terminal operator licensing  
18 standards.

19 5512. Alternative local gaming manufacturer licensing  
20 standards.

21 5513. Local gaming establishment licenses.

22 5514. License or permit prohibition.

23 5515. Issuance and renewal.

24 5516. Change in ownership or control of licensee.

25 5517. Local gaming terminal accounting controls and audits.

26 5518. Multiple licenses prohibited.

27 5519. Conditional licenses.

28 § 5501. General prohibition.

29 A person who offers or otherwise makes available for play in  
30 this Commonwealth a slot machine, hybrid slot machine, skill

1 slot machine, video gaming terminal, local gaming terminal or  
2 other gambling device or game that offers the player the ability  
3 to place a wager on the outcome of an uncertain event or game,  
4 but is not licensed by the board or expressly authorized by  
5 statute, commits a crime in violation of 18 Pa.C.S. § 5513  
6 (relating to gambling devices, gambling, etc.) and is subject to  
7 the penalties specified in section 5905 (relating to prohibited  
8 acts and penalties).

9 § 5502. Local gaming terminal operator licenses.

10 (a) General requirements.--An application for a local gaming  
11 terminal operator license shall be on the form required by the  
12 board and shall include, at a minimum, all of the following:

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

17 (2) A current tax lien certificate issued by the  
18 department.

19 (3) The details of any gaming license applied for,  
20 granted to or denied to the applicant by another jurisdiction  
21 where the form of gaming is legal and the consent for the  
22 board to acquire copies of the application submitted or  
23 license issued in connection with the application.

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

26 (5) The consent to conduct a background investigation by  
27 the board, the scope of which investigation shall be  
28 determined by the bureau in its discretion consistent with  
29 the provisions of this part, and a release signed by all  
30 persons subject to the investigation of all information

1 required to complete the investigation.

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

7 (7) Any information concerning maintenance and operation  
8 of local gaming terminals in any other jurisdiction.

9 (8) Proof that the applicant has or will establish a  
10 place of business in this Commonwealth. A terminal operator  
11 licensee shall maintain its place of business in this  
12 Commonwealth to remain eligible for licensure.

13 (9) Any other information determined to be appropriate  
14 by the board.

15 (b) Character requirements.--An application for a terminal  
16 operator license shall include such information, documentation  
17 and assurances as may be required to establish by clear and  
18 convincing evidence of the applicant's suitability, including  
19 good character, honesty and integrity. The application shall  
20 include, without limitation, information pertaining to family,  
21 habits, character, reputation, criminal history background,  
22 business activities, financial affairs and business,  
23 professional and personal associates, covering at least the 10-  
24 year period immediately preceding the filing date of the  
25 application.

26 (c) Civil judgments.--An applicant shall notify the board of  
27 any civil judgment obtained against the applicant pertaining to  
28 laws of the Federal Government, this Commonwealth or another  
29 state, jurisdiction, province or country.

30 (d) (Reserved).

1 (e) (Reserved).

2 (f) Additional eligibility requirements.--In order to be  
3 eligible for a terminal operator license under this part, the  
4 principals and key employees of the applicant must obtain a  
5 license to meet the character requirements of this section or  
6 other eligibility requirements established by the board.

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

13 (h) Related entities.--

14 (1) Except as provided in paragraph (2), no person shall  
15 be eligible to receive a terminal operator license unless the  
16 principals and key employees of each intermediary or holding  
17 company of the person meet the requirements of subsection  
18 (f).

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

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

29 (j) Waiver for publicly traded corporations.--The board may  
30 waive the requirements of subsection (f) for a person directly

1 or indirectly holding ownership of securities in a publicly  
2 traded corporation if the board determines that the holder of  
3 the securities does not have the ability to control the  
4 corporation or elect one or more directors of the corporation.

5 (k) (Reserved).

6 (l) Ongoing duty.--A person applying for a license or other  
7 authorization under this part shall continue to provide  
8 information required by the board or the bureau and cooperate in  
9 any inquiry or investigation.

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

13 (n) Applicant financial information.--

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

25 (2) An applicant shall in writing authorize the  
26 examination of all bank accounts and records deemed necessary  
27 by the board.

28 (o) Financial backer information.--

29 (1) The board shall require an applicant for a terminal  
30 operator license to produce the information, documentation

1 and assurances as may be necessary to establish by clear and  
2 convincing evidence the integrity of all financial backers,  
3 institutional investors, investors, mortgagees, bondholders  
4 and holders of indentures, notes or other evidences of  
5 indebtedness, either in effect or proposed.

6 (2) The board may waive the qualification requirements  
7 for banking or lending institution and institutional  
8 investors.

9 (3) A banking or lending institution or institutional  
10 investor shall produce for the board upon request any  
11 document or information that bears relation to the proposal  
12 submitted by the applicant.

13 (4) The integrity of the financial sources shall be  
14 judged upon the same standards as the applicant. Any such  
15 person or entity shall produce for the board upon request any  
16 document or information that bears any relation to the  
17 application.

18 (5) The applicant shall produce the information,  
19 documentation or assurances the board requires to establish  
20 by clear and convincing evidence the adequacy of financial  
21 resources.

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

23 (1) The board shall require an applicant for a terminal  
24 operator license to produce the information, documentation  
25 and assurances as the board may require to establish by clear  
26 and convincing evidence that the applicant has sufficient  
27 business ability and experience to create and maintain a  
28 successful, efficient operation.

29 (2) An applicant shall produce the names of all proposed  
30 key employees and a description of their respective or

1 proposed responsibilities as they become known.

2 (g) Additional information.--In addition to other  
3 information required by this part, a person applying for a  
4 terminal operator license shall provide the following  
5 information:

6 (1) The organization, financial structure and nature of  
7 all businesses operated by the person, including any  
8 affiliate, intermediary, subsidiary or holding companies, the  
9 names and personal employment and criminal histories of all  
10 officers, directors and key employees of the corporation, the  
11 names of all holding, intermediary, affiliate and subsidiary  
12 companies of the corporation and the organization, financial  
13 structure and nature of all businesses operated by such  
14 holding, intermediary and subsidiary companies as the board  
15 may require, including names and personal employment and  
16 criminal histories of such officers, directors and principal  
17 employees of such corporations and companies as the board may  
18 require.

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

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

23 (r) Review and approval.--Upon being satisfied that the  
24 requirements of subsections (a), (b), (c), (f), (g), (h), (i),  
25 (j), (l), (m), (n), (o), (p) and (q) have been met, the board  
26 may approve the application and issue the applicant a terminal  
27 operator license consistent with all of the following:

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

30 (ii) Nothing in this paragraph shall be construed to

1 relieve a licensee of the affirmative duty to notify the  
2 board of any changes relating to the status of its  
3 license or to any information contained in the  
4 application materials on file with the board.

5 (2) The license shall be nontransferable.

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

7 (s) Renewal.--

8 (1) At least six months prior to expiration of a  
9 terminal operator license, the terminal operator licensee  
10 seeking renewal of its license shall submit a renewal  
11 application to the board.

12 (2) If the renewal application satisfies the  
13 requirements of subsections (a), (b), (c), (f), (g), (h),  
14 (i), (j), (l), (m), (n), (o), (p) and (q), the board may  
15 renew the licensee's terminal operator license.

16 (3) If the board receives a complete renewal application  
17 but fails to act upon the renewal application prior to the  
18 expiration of the terminal operator license, the terminal  
19 operator license shall continue in effect until acted upon by  
20 the board.

21 § 5503. Existing licensees.

22 Upon receipt of an application under this part from a  
23 licensee who is already licensed by the board under Part II  
24 (relating to gaming) or III (relating to video gaming), the  
25 board shall subject to the application an abbreviated  
26 application and licensure procedure established by the board.

27 § 5504. Principal licenses.

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

30 (b) Application.--A principal license application shall be

1 in a form prescribed by the board and shall include the  
2 following:

3 (1) Verification of status as a principal from a  
4 terminal operator licensee, manufacturer licensee or supplier  
5 licensee.

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

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

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

11 (5) Additional information required by the board.

12 (c) Issuance.--Following review of the application and the  
13 background investigation, the board may issue a principal  
14 license if the applicant has proven by clear and convincing  
15 evidence that the applicant is a person of good character,  
16 honesty and integrity and is eligible and suitable to be  
17 licensed as a principal.

18 (d) Nontransferability.--A license issued under this section  
19 shall be nontransferable.

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

22 § 5505. Key employee licenses.

23 (a) License required.--A key employee, including a gaming  
24 manager and a procurement agent, shall obtain a key employee  
25 license from the board, regardless of whether employed by a  
26 licensee or serving as an independent contractor to the  
27 licensee.

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

1       (1) Verification of status as a key employee from a  
2 terminal operator licensee, establishment licensee,  
3 manufacturer licensee or supplier licensee.

4       (2) A description of employment responsibilities.

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

7       (4) Details relating to a similar license or other  
8 authorization obtained in another jurisdiction.

9       (5) Additional information required by the board.

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

16      (d) Nontransferability.--A license issued under this section  
17 shall be nontransferable.  
18 § 5506. Divestiture of disqualifying applicant.

19      (a) Board power to require.--

20           (1) In the event that an establishment license  
21 application, terminal operator license application or  
22 manufacturer license application is not approved by the board  
23 based on a finding that an individual who is a principal or  
24 has an interest in the person applying for the license does  
25 not meet the character requirements of this part or any  
26 eligibility requirement under this part or a person who  
27 purchases a controlling interest in the applicant in  
28 violation of section 5516 (relating to change in ownership or  
29 control of licensee), the board may afford the individual the  
30 opportunity to completely divest the individual's interest in

1 the person, its affiliate, intermediary, subsidiary or  
2 holding company seeking the license and, after divestiture,  
3 reconsider the person's or applicant's suitability for  
4 licensure in an expedited proceeding and may, after the  
5 proceeding, issue the person or applicant a terminal operator  
6 license.

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

9 (b) Limitation.--Under no circumstances shall any  
10 divestiture be approved by the board if the compensation for the  
11 divested interest exceeds the cost of the interest.

12 § 5507. (Reserved).

13 § 5508. Local gaming manufacturer licenses.

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

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

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

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

30 (3) The consent to a background investigation by the

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

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

8 (5) The details of any manufacturer license issued by  
9 the board to the applicant under section 1317.1 (relating to  
10 manufacturer licenses) or 3508 (relating to manufacturer  
11 licenses), if applicable.

12 (6) The type of local gaming terminals, redemption  
13 terminals or associated equipment to be manufactured or  
14 repaired.

15 (7) Other information determined by the board to be  
16 appropriate.

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

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

23 (ii) Nothing in this paragraph shall be construed to  
24 relieve the licensee of the affirmative duty to notify  
25 the board of a change relating to the status of its  
26 license or to other information contained in application  
27 materials 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 six months prior to expiration of a  
2 manufacturer license, the manufacturer licensee seeking  
3 renewal of its license shall submit a renewal application  
4 accompanied by the renewal fee to the board.

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

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

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

18       (f) Prohibitions.--

19           (1) No person may manufacture local gaming terminals,  
20 redemption terminals or associated equipment for use within  
21 this Commonwealth by a terminal operator licensee unless the  
22 person has been issued the appropriate manufacturer license  
23 under this section.

24           (2) No person issued a license under this section may  
25 apply for or be issued a terminal operator license under  
26 section 5502 (relating to local gaming terminal operator  
27 licenses) or an establishment license under section 5513  
28 (relating to local gaming establishment licenses).

29 § 5509. Gaming service provider.

30       (a) Development of classification system.--The board shall

1 develop a classification system governing the certification,  
2 registration and regulation of gaming service providers and  
3 individuals and entities associated with them. The  
4 classification system shall be based upon the following:

5 (1) Whether the employees of the gaming service provider  
6 will have access to the local gaming area or local gaming  
7 terminals or redemption terminals prior to or after  
8 installation.

9 (2) Whether the goods or services provided or to be  
10 provided by the gaming service provider would impact the  
11 integrity of local gaming terminals, redemption terminals or  
12 the conduct of local gaming.

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

16 (1) the person or type of business is regulated by an  
17 agency of the Federal Government, an agency of the  
18 Commonwealth or the Pennsylvania Supreme Court; or

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

22 (c) Duties of gaming service providers.--A gaming service  
23 provider shall have a continuing duty to:

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

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

28 (3) Comply with all conditions, restrictions,  
29 requirements, orders and rulings of the board in accordance  
30 with this part.

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

4           (d) (Reserved).

5           (e) Interim authorization.--The board or a designated  
6 employee of the board may permit a gaming service provider  
7 applicant to engage in business with an applicant for a terminal  
8 operator license or a terminal operator licensee prior to  
9 approval of the gaming service provider application if the  
10 following criteria have been satisfied:

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

13           (2) The terminal operator license applicant or terminal  
14 operator licensee contracting or doing business with the  
15 gaming service provider certifies that it has performed due  
16 diligence on the gaming service provider and believes the  
17 applicant meets the qualification to be a gaming service  
18 provider under this section.

19           (3) The gaming service provider applicant agrees in  
20 writing that the grant of interim authorization to conduct  
21 business prior to board approval of the application does not  
22 create a right to continue to engage in business if the board  
23 determines that the applicant is not suitable or continued  
24 authorization is not in the public interest.

25           (f) Construction.--Nothing in this section shall be  
26 construed to prohibit the board from rescinding a grant of  
27 interim authorization if, at any time, the suitability of the  
28 person subject to interim authorization is at issue or if the  
29 person fails to cooperate with the board, the bureau or an agent  
30 of the board or bureau.

1 (g) Gaming service provider lists.--

2 (1) The board shall:

3 (i) Develop and maintain a list of approved gaming  
4 service providers authorized to provide goods or services  
5 whether under a grant of interim or continued  
6 authorization.

7 (ii) Develop and maintain a list of prohibited  
8 gaming service providers.

9 (2) An applicant for a terminal operator license or a  
10 terminal operator licensee may not enter into an agreement or  
11 engage in business with a gaming service provider listed on  
12 the prohibited gaming service provider list.

13 (h) Emergency authorization.--

14 (1) A terminal operator licensee may utilize a gaming  
15 service provider that has not been approved by the board when  
16 a threat to public health, welfare or safety exists or  
17 circumstances outside the control of the terminal operator  
18 licensee require immediate action to mitigate damage or loss  
19 to the licensee's local gaming terminals.

20 (2) The board shall promulgate regulations to govern the  
21 use of gaming service providers under emergency  
22 circumstances. The regulations shall include a requirement  
23 that the terminal operator licensee contact the board  
24 immediately upon utilizing a gaming service provider that has  
25 not been approved by the board.

26 (i) Criminal history record information.--If the  
27 classification system developed by the board in accordance with  
28 subsection (a) requires a gaming service provider or an  
29 individual or entity associated with the gaming service provider  
30 to submit to or provide the bureau with criminal history record

1 information under 18 Pa.C.S. Ch. 91 (relating to criminal  
2 history record information), the bureau shall notify a terminal  
3 operator licensee that submitted a certification under  
4 subsection (e) (2) whether the applicant has been convicted of a  
5 felony or misdemeanor gambling offense.

6 § 5510. (Reserved).

7 § 5511. Alternative local gaming terminal operator licensing  
8 standards.

9 (a) Determination.--

10 (1) The board may determine whether the licensing  
11 standards of another jurisdiction within the United States in  
12 which an applicant, its affiliate, intermediary, subsidiary  
13 or holding company for a local gaming terminal operator  
14 license is similarly licensed are comprehensive and thorough  
15 and provide similar adequate safeguards as those required by  
16 this part.

17 (2) If the board makes that determination, it may issue  
18 a terminal operator license to an applicant who holds a  
19 terminal operator license in the other jurisdiction after  
20 conducting an evaluation of the information relating to the  
21 applicant from the other jurisdiction, as updated by the  
22 board, and evaluating other information related to the  
23 applicant received from the other jurisdiction and other  
24 jurisdictions where the applicant may be licensed, the board  
25 may incorporate the information in whole or in part into the  
26 board's evaluation of the applicant.

27 (b) Abbreviated process.--

28 (1) In the event an applicant for a terminal operator  
29 license is licensed in another jurisdiction, the board may  
30 determine to use an alternate process requiring only the

1 information determined by the board to be necessary to  
2 consider the issuance of a license, including financial  
3 viability of the licensee, to the applicant.

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

7 (c) Current license holders.--In the event an applicant for  
8 a terminal operator license under this part holds a slot machine  
9 license under Part II (relating to gaming) or III (relating to  
10 video gaming), the board shall use an abbreviated process  
11 requiring only the information determined by the board to be  
12 necessary to consider the issuance of a license, including  
13 financial viability of the applicant.

14 § 5512. Alternative local gaming manufacturer licensing  
15 standards.

16 (a) Determination.--

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

22 (2) If the board makes that determination, it may issue  
23 a manufacturer license to an applicant who holds a similar  
24 manufacturer license in the other jurisdiction after  
25 conducting an evaluation of the information relating to the  
26 applicant from the other jurisdiction, as updated by the  
27 board, and evaluating other information related to the  
28 applicant received from the other jurisdiction and other  
29 jurisdictions where the applicant may be licensed, the board  
30 may incorporate the information in whole or in part into the

1 board's evaluation of the applicant.

2 (b) Abbreviated process.--

3 (1) In the event an applicant for a manufacturer license  
4 is licensed in another jurisdiction, the board may determine  
5 to use an abbreviated process requiring only the information  
6 determined by the board to be necessary to consider the  
7 issuance of a license, including financial viability of the  
8 applicant.

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

12 (c) Current license holders.--In the event an applicant for  
13 a manufacturer license under this part holds a manufacturer  
14 license under section 1317.1 (relating to manufacturer licenses)  
15 or 3507 (relating to supplier licenses), the board may determine  
16 to use an abbreviated process requiring only the information  
17 determined by the board to be necessary to consider the issuance  
18 of a license, including financial viability of the applicant.  
19 § 5513. Local gaming establishment licenses.

20 (a) General requirements.--An eligible establishment that  
21 submits an application for a local gaming establishment license  
22 under this part shall include, at a minimum:

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

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

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

30 (4) The criminal history record of the applicant,

1 principal and key employees and a consent for the bureau to  
2 conduct a background investigation on the applicant,  
3 principals and key employees.

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

6 (b) Nontransferability.--A license issued under this section  
7 shall be nontransferable.

8 (c) Ongoing duty.--An eligible establishment applying for a  
9 license under this section shall continue to provide information  
10 required by the board or the bureau and cooperate in any inquiry  
11 or investigation.

12 (d) Review and approval.--Upon being satisfied that the  
13 requirements of subsection (a) have been met, the board may  
14 approve the application and issue the applicant a local gaming  
15 establishment license consistent with all of the following:

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

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

23 (2) The license shall be nontransferable.

24 (3) Other conditions established by the board.

25 (e) Renewal.--

26 (1) At least three months prior to expiration of an  
27 establishment license, the establishment licensee seeking  
28 renewal of its license shall submit a renewal application  
29 accompanied by the renewal fee to the board.

30 (2) If the renewal application satisfies the

1 requirements of subsection (d), the board may renew the  
2 licensee's establishment license.

3 (3) If the board receives a complete renewal application  
4 but fails to act upon the renewal application prior to the  
5 expiration of the establishment license, the establishment  
6 license shall continue in effect until acted upon by the  
7 board.

8 (f) Eligibility requirements.--In order to be eligible for a  
9 local gaming establishment license, an establishment must hold  
10 an active club license, restaurant license, hotel license or  
11 brewery pub license in compliance and in good standing with the  
12 Pennsylvania Liquor Control Board, as determined in the sole  
13 discretion of the board.

14 (g) Ineligible establishments.--The board may not issue an  
15 establishment license to:

16 (1) a licensed facility under Part II (relating to  
17 gaming); or

18 (2) a licensed truck stop establishment under Part III  
19 (relating to video gaming).

20 § 5514. License or permit prohibition.

21 (a) Limitations on power of board.--

22 (1) The board shall be prohibited from granting a  
23 license under this part to an applicant who has been  
24 convicted of a felony offense in any jurisdiction.

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

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

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

6           (iii) An establishment license to an applicant who  
7 has been convicted in a jurisdiction of a misdemeanor  
8 gambling offense, unless 15 years have elapsed from the  
9 date of conviction for the offense.

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

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

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

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

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

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

24           (vi) Evidence of rehabilitation, including good  
25 conduct in the community, counseling or psychiatric  
26 treatment received and the recommendation of individuals  
27 who have substantial contact with the applicant.

28          (b) Definition.--For purposes of this section, the term  
29 "felony offense" means:

30           (1) an offense classified as a felony or punishable

1 under the laws of this Commonwealth by imprisonment for more  
2 than five years;

3 (2) an offense which, under the laws of another  
4 jurisdiction, is:

5 (i) classified as a felony; or

6 (ii) punishable by imprisonment for more than five  
7 years; or

8 (3) an offense under the laws of another jurisdiction  
9 which, if committed in this Commonwealth, would be subject to  
10 imprisonment for more than five years.

11 § 5515. Issuance and renewal.

12 (a) Issuance.--

13 (1) In addition to any other criteria provided under  
14 this part, a terminal operator, eligible local gaming  
15 establishment, manufacturer, gaming employee, gaming manager,  
16 key employee, principal or other person that the board  
17 approves as qualified to receive a license or other  
18 authorization under this part shall be issued a license or  
19 permit upon the payment of a fee required in section 6101  
20 (relating to fees) and fulfillment of conditions required by  
21 the board or provided for in this part.

22 (2) Nothing contained in this part is intended or shall  
23 be construed to create an entitlement to a license or other  
24 authorization by a person.

25 (b) Renewal.--

26 (1) A license issued under this part unless otherwise  
27 provided shall be subject to renewal every five years.

28 (2) The application for renewal of a license, unless  
29 otherwise provided, must be submitted at least 180 days prior  
30 to the expiration of the permit or license and include an

1 update of the information contained in the initial and any  
2 prior renewal applications and the payment of any renewal fee  
3 required under section 6101.

4 (3) Nothing in this subsection shall be construed to  
5 relieve a licensee of the affirmative duty to notify the  
6 board of a change relating to the status of its license or to  
7 other information contained in the application materials on  
8 file with the board.

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

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

20 (2) In the event of a revocation or failure to renew,  
21 the licensee's authorization to conduct the previously  
22 approved activity shall immediately cease the activity and  
23 all fees paid in connection with the license shall be  
24 forfeited.

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

29 (d) Nontransferability of licenses.--

30 (1) A license issued by the board is a grant of the

1 privilege to conduct a business in this Commonwealth.

2 (2) Except as permitted by section 5516 (relating to  
3 change in ownership or control of licensee), a license  
4 granted or renewed under this part may not be sold,  
5 transferred or assigned to another person.

6 (3) A licensee may not pledge or otherwise grant a  
7 security interest in or lien on the license.

8 (4) The board has the sole discretion to issue, renew,  
9 condition or deny the issuance of a license based upon the  
10 requirements of this part.

11 § 5516. Change in ownership or control of licensee.

12 (a) Notification and approval.--

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

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

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

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

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

28 (2) (i) Notwithstanding the provisions of paragraph  
29 (1), a licensee may not be required to notify the board  
30 of an acquisition by an institutional investor under

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

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

17 (b) Qualification of purchaser of licensee; change of  
18 control.--

19 (1) The purchaser of all or substantially all of the  
20 assets of a licensee shall, if not already a licensee,  
21 independently qualify for a license in accordance with this  
22 part and shall pay the license fee as required by section  
23 6101 (relating to fees).

24 (2) A change in control of a licensee shall require that  
25 the licensee independently qualify for a license in  
26 accordance with this part, and the licensee shall pay a new  
27 license fee as required by section 6101, except as otherwise  
28 required by the board under this section.

29 (3) The new license fee shall be paid upon the  
30 assignment and actual change of control or ownership of the

1 license.

2 (4) The transferee shall be eligible for a conditional  
3 license if the transferee meets the requirements in section  
4 5519 (relating to conditional licenses), pending final  
5 approval.

6 (c) Fee reduction.--The board may, in its discretion,  
7 eliminate the need for qualification or proportionately reduce,  
8 but not eliminate, the new license fee otherwise required under  
9 this section in connection with a change of control of a  
10 licensee, depending upon the type of transaction, the relevant  
11 ownership interests and changes to the interests resulting from  
12 the transaction and other considerations deemed relevant by the  
13 board.

14 (d) License revocation.--The board shall revoke or suspend a  
15 license if the licensee fails to comply with this section,  
16 unless the purchase of the assets or the change in control that  
17 meets the criteria of this section has been independently  
18 qualified in advance by the board and any required license fee  
19 has been paid.

20 (e) Definition.--For purposes of this section, the term  
21 "change in control of a licensee" means the acquisition by a  
22 person or group of persons acting in concert of more than 20% of  
23 a licensee's securities or other ownership interests, with the  
24 exception of any ownership interest of the person that existed  
25 at the time of initial licensing and payment of the initial  
26 gaming terminal license fee, or more than 20% of the securities  
27 or other ownership interests of a corporation or other form of  
28 business entity that owns directly or indirectly at least 20% of  
29 the voting or other securities or other ownership interests of  
30 the licensee.

1 § 5517. Local gaming terminal accounting controls and audits.

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

9 (b) Minimum requirements.--The applicant's proposed internal  
10 controls and audit protocols shall, at a minimum:

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

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

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

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

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

28 (6) Ensure that a financial event that occurs in the  
29 operation of a local gaming terminal is recorded adequately  
30 to permit proper and timely reporting of gross revenue and

1 the calculation thereof and of fees and taxes and to maintain  
2 accountability for assets.

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

6 (8) Ensure that recorded accountability for assets is  
7 compared with actual assets at intervals as required by the  
8 board and appropriate action is taken with respect to  
9 discrepancies.

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

14 (10) Meet any other requirement of the board or the  
15 department.

16 (c) Internal control.--The applicant shall submit to the  
17 board and department, in such manner as the board requires, a  
18 description of its administrative and accounting procedures in  
19 detail, including its written system of internal control. The  
20 written system of internal control shall include:

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

24 (2) An organizational chart depicting appropriate  
25 segregation of employee functions and responsibilities.

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

28 (4) A detailed narrative description of the  
29 administrative and accounting procedures designed to satisfy  
30 the requirements of this section.

1           (5) Record retention policy.

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

4           (7) A statement signed by the chief financial officer of  
5           the applicant or other competent person and the chief  
6           executive officer of the terminal operator license applicant  
7           or other competent person attesting that the officer  
8           believes, in good faith, that the system satisfies the  
9           requirements of this section.

10           (8) Other items that the board or department may require  
11           in its discretion.

12 § 5518. Multiple licenses prohibited.

13           (a) Manufacturer restriction.--A manufacturer licensee may  
14           not be licensed as an establishment or terminal operator and may  
15           not own, manage or control an establishment licensee or terminal  
16           operator licensee.

17           (b) Terminal operator restriction.--A terminal operator  
18           licensee may not be licensed as an establishment or a  
19           manufacturer and may not own, manage or control an establishment  
20           licensee or a terminal operator licensee.

21           (c) Establishment restriction.--An establishment licensee  
22           may not be licensed as a manufacturer or a terminal operator.

23           (d) Existing license.--Subject to subsections (a), (b) and  
24           (c), nothing in this part shall be construed to prohibit a  
25           person or entity that has been approved by the board for  
26           licensure under Part II (relating to gaming) or III (relating to  
27           video gaming) from applying for and receiving a license under  
28           this part.

29 § 5519. Conditional licenses.

30           (a) Conditional establishment licenses.--

1           (1) Within 90 days after the effective date of this  
2 paragraph, the board shall make applications for local gaming  
3 establishment licenses available to applicants.

4           (2) Within 90 days after receipt of a complete  
5 application for a local gaming establishment license, the  
6 board shall issue a conditional license to an applicant for  
7 an establishment license if the applicant satisfies, as  
8 determined by the board, all of the following criteria:

9           (i) The applicant has never been convicted of a  
10 felony in any jurisdiction.

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

12           (iii) The applicant has submitted a completed  
13 application for an establishment license in accordance  
14 with this part, which may be submitted concurrently with  
15 the applicant's request for a conditional license.

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

18           (v) The applicant attests that it does not have any  
19 unauthorized or illegal gambling devices at the premises  
20 or elsewhere within its control.

21           (3) (i) The board shall issue a conditional license to  
22 an applicant for an establishment license within 60 days  
23 after the completed application has been received by the  
24 board, provided that the board determines that the  
25 criteria contained in paragraph (2) have been satisfied.

26           (ii) If the board determines that the criteria  
27 contained in paragraph (2) have not been satisfied, the  
28 board shall give a written explanation to the applicant  
29 as to why it has determined the criteria have not been  
30 satisfied.

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

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

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

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

8           (5) The board may extend the duration of the conditional  
9           license for one calendar year.

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

14          (7) A request for conditional licensure under this  
15          subsection shall include payment of a \$100 fee, which fee  
16          shall be in addition to the applicable fee required under  
17          section 6101 (relating to fees).

18          (b) Conditional terminal operator licenses.--

19          (1) Within 90 days after the effective date of this  
20          paragraph, the board shall make applications for terminal  
21          operator licenses available to applicants.

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

26                (i) The applicant has never been convicted of a  
27                felony in any jurisdiction.

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

29                (iii) The applicant has submitted a completed  
30                application for a terminal operator license which may be

1 submitted concurrently with the applicant's request for a  
2 conditional license.

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

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

8 (3) (i) The board shall issue a conditional license to  
9 an applicant for a terminal operator license within 90  
10 days after the completed application has been received by  
11 the board, provided that the board determines that the  
12 criteria contained in paragraph (2) have been satisfied.

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

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

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

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

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

25 (5) The board may extend the duration of the conditional  
26 license for one calendar year.

27 (6) An applicant must attest by way of affidavit under  
28 penalty of perjury that the applicant is not otherwise  
29 prohibited from licensure according to the requirements of  
30 this subsection or any other provision of this part.

1           (7) A request for conditional licensure under this  
2 subsection shall include payment of a \$100 fee, which fee  
3 shall be in addition to the applicable fee required under  
4 section 6101.

5 (c) Conditional manufacturer licenses.--

6           (1) Within 90 days after the effective date of this  
7 paragraph, the board shall make applications available for  
8 manufacturer licenses.

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

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

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

16           (iii) The applicant has submitted a completed  
17 application for a manufacturer or supplier license, which  
18 may be submitted concurrently with the applicant's  
19 request for a conditional license.

20           (iv) The applicant has never had its manufacturer or  
21 similar gaming license denied or revoked in another  
22 jurisdiction.

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

25           (3) (i) The board shall issue a conditional license to  
26 an applicant for a manufacturer or supplier license  
27 within 90 days after the completed application has been  
28 received by the board, provided that the board determines  
29 that the criteria contained in paragraph (2) have been  
30 satisfied.

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

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

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

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

11           (iii) one calendar year has passed since the  
12           conditional license was issued.

13           (5) The board may extend the duration of the conditional  
14           license for one calendar year.

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 a conditional license under this  
20           subsection shall include payment of a \$1,000 fee, which fee  
21           shall be in addition to the applicable fee required under  
22           section 6101.

23           (d) Other conditional licenses.--

24           (1) Within 90 days after the effective date of this  
25           paragraph, the board shall make applications available for  
26           any other license required under this part.

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

30           (i) The applicant has never been convicted of a

1 felony in any jurisdiction.

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

3 (iii) The applicant has submitted a completed  
4 application for licensure, which may be submitted  
5 concurrently with the applicant's request for a  
6 conditional license.

7 (iv) 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 within 60 days after the completed  
11 application has been received by the board, provided that  
12 the board determines that the criteria contained in  
13 paragraph (2) have been satisfied.

14 (ii) If the board determines that the criteria  
15 contained in paragraph (2) have not been satisfied, the  
16 board shall give a written explanation to the applicant  
17 as to why it has determined the criteria have 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) The board may extend the duration of the conditional  
27 license for one calendar year.

28 (6) An applicant must attest by way of affidavit under  
29 penalty of perjury that the applicant is not otherwise  
30 prohibited from licensure according to the requirements of

1 this subsection or any other provision of this part.

2 (7) A request for conditional licensure under this  
3 subsection shall include payment of a \$100 fee, which fee  
4 shall be in addition to the applicable fee required under  
5 section 6101.

6 (e) Prioritization prohibited.--

7 (1) The board may not utilize the alternative licensing  
8 standards for a terminal operator license or a manufacturer  
9 license under section 5511 (relating to alternative local  
10 gaming terminal operator licensing standards), 5512 (relating  
11 to alternative local gaming manufacturer licensing standards)  
12 or 5513 (relating to local gaming establishment licenses) to  
13 prioritize the issuance of a terminal operator or  
14 manufacturer license.

15 (2) The board shall ensure that applications made to the  
16 board according to the alternative standards under sections  
17 5511, 5512 and 5513 are not approved or denied in a time  
18 period that is less than the time period in which an  
19 application for a conditional license is approved or denied  
20 under this section.

21 (f) Incomplete applications.--If the board receives an  
22 application that is incomplete, the board shall, within seven  
23 days of receiving the incomplete application, notify the  
24 applicant of additional information required by the board.

25 CHAPTER 57

26 OPERATION

27 Sec.

28 5701. Testing and certification of terminals.

29 5702. Local gaming limitations.

30 5703. (Reserved).

1 5704. Terminal placement agreements.

2 5705. Duties of licensees.

3 5706. Compulsive and problem gambling.

4 § 5701. Testing and certification of terminals.

5 (a) General rule.--A local gaming terminal or redemption  
6 terminal or associated equipment may not be made available for  
7 use in this Commonwealth prior to being tested and certified by  
8 the board in accordance with this section.

9 (b) Local gaming terminal specifications.--The board shall  
10 test and certify whether a local gaming terminal meets the  
11 following specifications:

12 (1) The local gaming terminal shall have the ability to  
13 be linked to the central control computer.

14 (2) The local gaming terminal shall be marked with an  
15 irremovable identification plate that is placed in a  
16 conspicuous location on the exterior of the local gaming  
17 terminal. The identification plate shall contain the name of  
18 the manufacturer and the serial and model numbers of the  
19 local gaming terminal.

20 (3) The local gaming terminal shall prominently display  
21 the rules of play either on the local gaming terminal face or  
22 screen.

23 (4) The local gaming terminal may not have the ability  
24 to dispense cash, tokens or anything of value, except  
25 redemption tickets which shall only be exchangeable for cash  
26 at a redemption terminal or reinserted into another local  
27 gaming terminal located in the same local gaming area as the  
28 local gaming terminal.

29 (5) The cost of a credit shall only be 1¢, 5¢, 10¢ or  
30 25¢.

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

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

5           (8) The local gaming terminal shall be designed and  
6 manufactured with total accountability to include gross  
7 proceeds, net profits, winning percentages and other  
8 information the board requires.

9           (9) The local gaming terminal shall pay out a minimum of  
10 85% of the amount wagered.

11           (10) Other specifications the board requires.

12       (c) Redemption terminal specifications.--The board shall  
13 test and certify whether a redemption terminal meets the  
14 following specifications:

15           (1) The redemption terminal shall be marked with an  
16 irremovable identification plate that is placed in a  
17 conspicuous location on the exterior of the redemption  
18 terminal. The identification plate shall contain the name of  
19 the manufacturer and the serial and model numbers of the  
20 redemption terminal.

21           (2) The redemption terminal shall only accept redemption  
22 tickets from local gaming terminals located in the same local  
23 gaming area.

24           (3) The redemption terminal shall be designed and  
25 manufactured with total accountability to record information  
26 the board requires.

27           (4) Other specifications the board requires.

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

29           (1) The board may determine, in its discretion, whether  
30 the local gaming terminal or redemption terminal testing and

1 certification standards of another jurisdiction within the  
2 United States in which a manufacturer licensee is licensed  
3 are comprehensive and thorough and provide similar adequate  
4 safeguards as those required by this part.

5 (2) If the board makes the determination under paragraph  
6 (1), the board may permit a manufacturer licensee to deploy  
7 the local gaming terminals or redemption terminals which have  
8 met the local gaming terminal or redemption terminal testing  
9 and certification standards in such other jurisdictions  
10 without undergoing the full testing and certification process  
11 by the board's testing facility.

12 (3) In the event local gaming terminals or redemption  
13 terminals of a manufacturer licensee are licensed in the  
14 other jurisdiction, the board may determine to use an  
15 abbreviated process requiring only that information  
16 determined by the board to be necessary to consider the  
17 issuance of a local gaming terminal or redemption terminal  
18 certification to the applicant.

19 (e) Private testing.--The board may, in its discretion, rely  
20 upon the certification of a local gaming terminal or redemption  
21 terminal that has met the testing and certification standards of  
22 one or more board-approved independent private testing and  
23 certification facilities.

24 (f) Testing and certification fee.--

25 (1) A fee for the testing and certification of a local  
26 gaming terminal or redemption terminal shall be paid by the  
27 manufacturer licensee submitting the terminal. The fee shall  
28 be an amount established by the board according to a schedule  
29 adopted by the board.

30 (2) Fees established by the board shall be exempt from

1 any fee limitation contained in section 6101 (relating to  
2 fees).

3 (g) Central control computer compatibility.--The board shall  
4 ensure that all local gaming terminals certified and approved  
5 for use in this Commonwealth are compatible and comply with the  
6 central control computer and protocol specifications approved by  
7 the department.

8 § 5702. Local gaming limitations.

9 (a) Establishment licensee limitations.--A local gaming  
10 establishment licensee may offer local gaming terminals for play  
11 within its premises, subject to the following:

12 (1) No more than three local gaming terminals may be  
13 placed on the premises of a licensed establishment that holds  
14 an active restaurant liquor license, hotel liquor license,  
15 brewery liquor license, limited distillery liquor license,  
16 limited winery liquor license or brewery pub license that is  
17 in good standing with the Pennsylvania Liquor Control Board.

18 (1.1) No more than five local gaming terminals may be  
19 placed on the premises of a licensed establishment that holds  
20 an active club liquor license that is in good standing with  
21 the Pennsylvania Liquor Control Board.

22 (2) Redemption tickets shall only be exchanged for cash  
23 through a redemption terminal or reinserted into another  
24 local gaming terminal in the same local gaming area or as  
25 otherwise authorized by the board in the event of a failure  
26 or malfunction in a redemption terminal, and at least one  
27 redemption terminal shall be located in the local gaming  
28 area.

29 (3) Local gaming terminals located on the premises of  
30 the establishment licensee shall be placed and operated by a

1 terminal operator licensee in accordance with a terminal  
2 placement agreement executed on or after the effective date  
3 of this paragraph.

4 (4) A local gaming terminal may not be located in an  
5 area that is not properly segregated from minors.

6 (5) A local gaming terminal shall be secure and visible  
7 by employees of the establishment licensee at all times.

8 (6) The local gaming area shall at all times be  
9 monitored by an employee of the establishment licensee,  
10 either directly or through live monitoring of video  
11 surveillance. The employee monitor must be at least 18 years  
12 of age and have completed the mandatory training program  
13 required in section 5706 (relating to compulsive and problem  
14 gambling).

15 (7) An establishment licensee may not provide an  
16 incentive.

17 (8) A minor may not be permitted to play a local gaming  
18 terminal or enter the local gaming area.

19 (9) A visibly intoxicated person may not be permitted to  
20 play a local gaming terminal.

21 (10) An establishment licensee may not extend credit or  
22 accept a credit card or debit card for play of a local gaming  
23 terminal.

24 (11) An establishment licensee may not make structural  
25 alterations or significant renovations to a local gaming area  
26 unless the establishment licensee has notified the terminal  
27 operator licensee and obtained prior approval from the board.

28 (12) An establishment licensee may not move or  
29 disconnect a local gaming terminal or redemption terminal  
30 after installation by a terminal operator licensee.

1       (13) An eligible establishment located within 15 linear  
2 miles of the licensed facility of a Category 1, Category 2,  
3 Category 3 or Category 4 slot machine licensee located in a  
4 county other than a county of the first class, second class  
5 or second class A may not enter into a terminal operator  
6 agreement or place or operate local gaming terminals.

7       (14) An eligible establishment located within one linear  
8 mile of the licensed facility of a Category 2 slot machine  
9 licensee located in a county of the first class or second  
10 class may not enter into a terminal operator agreement or  
11 place or operate local gaming terminals.

12       (15) An eligible establishment located within five  
13 linear miles of the licensed facility of a Category 1,  
14 Category 2, Category 3 or Category 4 slot machine licensee  
15 located in a county of the second class A may not enter into  
16 a terminal operator agreement or place or operate local  
17 gaming terminals.

18       (16) Notwithstanding paragraph (13), an eligible  
19 establishment located within 15 linear miles of the licensed  
20 facility of a Category 1, Category 2, Category 3 or Category  
21 4 slot machine licensee located in a county other than a  
22 county of the first class, second class or second class A may  
23 enter into a terminal operator agreement with a slot machine  
24 licensee or its designee that has been approved by the board  
25 as a terminal operator licensee to place and operate local  
26 gaming terminals.

27       (17) Notwithstanding paragraph (14), an eligible  
28 establishment located within one linear mile of the licensed  
29 facility of a Category 2 slot machine licensee located in a  
30 county of the first class or second class may enter into a

1 terminal operator agreement with a slot machine licensee or  
2 its designee that has been approved by the board as a  
3 terminal operator licensee to place and operate local gaming  
4 terminals.

5 (18) Notwithstanding paragraph (15), an eligible  
6 establishment located within five linear miles of the  
7 licensed facility of a Category 1, Category 2, Category 3 or  
8 Category 4 slot machine licensee located in a county of the  
9 second class A may enter into a terminal operator agreement  
10 with a slot machine licensee or its designee that has been  
11 approved by the board as a terminal operator licensee to  
12 place and operate local gaming terminals.

13 (19) Notwithstanding any other provision of this  
14 subsection to the contrary, if a slot machine licensee or its  
15 designee does not offer an eligible establishment described  
16 in paragraph (13), (14) or (15) the opportunity to enter into  
17 a terminal operator agreement to place and operate local  
18 gaming terminals within one year from the effective date of  
19 this section, the eligible establishment may enter into a  
20 terminal operator agreement with a licensed terminal operator  
21 that is not a slot machine licensee or its designee.

22 (b) Terminal operator licensee limitations.--A terminal  
23 operator licensee may place and operate local gaming terminals  
24 on the premises of an establishment licensee, subject to the  
25 following:

26 (1) No more than three local gaming terminals may be  
27 placed on the premises of the establishment licensee that  
28 holds an active restaurant, hotel, brewery, limited  
29 distillery, limited winery or brewery pub liquor license that  
30 is in good standing with the Pennsylvania Liquor Control

1 Board.

2 (1.1) No more than five local gaming terminals may be  
3 placed on the premises of the establishment licensee that  
4 holds a club liquor license from the Pennsylvania Liquor  
5 Control Board.

6 (2) Redemption tickets shall only be exchanged for cash  
7 through a redemption terminal located within the same local  
8 gaming area or reinserted into another local gaming terminal  
9 located in the same local gaming area as the local gaming  
10 terminal.

11 (3) Local gaming terminals located on the premises of  
12 the establishment licensee shall be placed and operated in  
13 accordance with a terminal placement agreement.

14 (4) A terminal operator licensee may not provide an  
15 incentive.

16 (5) A terminal operator licensee may not extend credit  
17 or accept a credit card or debit card for play of a local  
18 gaming terminal.

19 (6) A terminal operator licensee may not give or offer  
20 to give, directly or indirectly, any type of inducement to a  
21 local gaming establishment to secure or maintain a terminal  
22 placement agreement.

23 (7) A terminal operator licensee may not give an  
24 establishment licensee a percentage of net terminal revenue  
25 other than 45% of the net terminal revenue of the local  
26 gaming terminals operating in the establishment licensee's  
27 premises.

28 (8) A terminal operator licensee may only operate,  
29 install or otherwise make available for public use a local  
30 gaming terminal or redemption terminal that has been obtained

1 from a manufacturer licensee or supplier licensee.

2 (9) A terminal operator licensee may not make structural  
3 alterations or significant renovations to a local gaming area  
4 unless the terminal operator licensee has notified the  
5 establishment licensee and obtained prior approval from the  
6 board.

7 (10) A terminal operator licensee may not move a local  
8 gaming terminal or redemption terminal after installation  
9 unless prior approval is obtained from the board.

10 § 5703. (Reserved).

11 § 5704. Terminal placement agreements.

12 (a) General rule.--A terminal operator licensee may not  
13 place and operate local gaming terminals on the premises of an  
14 establishment licensee unless in accordance with a terminal  
15 placement agreement approved by the board and executed after the  
16 effective date of this subsection. Approval shall be presented  
17 upon connection of one or more local gaming terminals at the  
18 establishment licensee to the central control computer.

19 (b) Form of agreement.--The board shall establish through  
20 regulation minimum standards for terminal placement agreements.

21 (c) Length of agreement.--Terminal placement agreements  
22 shall be valid for a minimum 60-month term and not exceed a 120-  
23 month term.

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

26 (1) Renders the agreement invalid if either the terminal  
27 operator license or terminal operator application or the  
28 establishment license or establishment licensee application  
29 is denied, revoked, not renewed, withdrawn or surrendered.

30 (2) Provides the establishment licensee no more or less

1 than 45% of net terminal revenue from each local gaming  
2 terminal located on the premises of the establishment  
3 licensee.

4 (3) Provides the terminal operator licensee no more or  
5 less than 55% of net terminal revenue from each local gaming  
6 terminal placed at a licensed establishment.

7 (4) Identifies the procurement agent who solicited the  
8 terminal placement agreement on behalf of a terminal operator  
9 licensee or applicant.

10 (e) Parties to agreement.--Only an eligible establishment or  
11 establishment licensee may sign or agree to sign a terminal  
12 placement agreement with an applicant for a terminal operator  
13 license or a terminal operator licensee.

14 (f) Void agreements.--An agreement entered into by an  
15 eligible establishment prior to the effective date of this  
16 subsection with a person or entity for the placement, operation,  
17 service or maintenance of local gaming terminals, including an  
18 agreement granting a person or entity the right to enter into an  
19 agreement or match any offer made after the effective date of  
20 this subsection shall be void and may not be approved by the  
21 board.

22 (g) Transferability of agreements.--A terminal placement  
23 agreement may not be transferred or assigned unless the  
24 individual or entity making the assignment is either a terminal  
25 operator applicant or terminal operator licensee and the  
26 individual or entity receiving the assignment of the terminal  
27 placement agreement is either a terminal operator applicant or  
28 terminal operator licensee under this chapter.

29 § 5705. Duties of licensees.

30 A person issued a license shall:

1       (1) Provide assistance or information required by the  
2 board, the bureau, the department or the Pennsylvania State  
3 Police, and to cooperate in inquiries, investigations and  
4 hearings.

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

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

8       (4) Inform the board of arrests for violations of  
9 offenses enumerated under 18 Pa.C.S. (relating to crimes and  
10 offenses).

11       (5) Report illegal or unlicensed games or devices to the  
12 board.

13 § 5706. Compulsive and problem gambling.

14       (a) Required posting.--

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

17               If you or someone you know has a gambling problem,  
18               help is available. Call (Toll-free telephone number)  
19               or Text (Toll-free telephone number).

20       (2) At least one sign shall be posted within the local  
21 gaming area and at least one sign shall be posted within five  
22 feet of each automated teller machine located within the  
23 establishment licensee's premises, if applicable.

24       (b) Toll-free telephone number.--The toll-free telephone  
25 number required to be posted under subsection (a) shall be the  
26 same number maintained by the Department of Drug and Alcohol  
27 Programs or successor agency under section 5310 (relating to  
28 Department of Drug and Alcohol Programs or successor agency).

29       (c) Problem gambling information.--

30       (1) An establishment licensee shall have available on

1 its premises access to materials regarding compulsive and  
2 problem gambling assistance.

3 (2) The available materials required by paragraph (1)  
4 shall be a uniform, Statewide handout developed by the board  
5 in consultation with the Department of Drug and Alcohol  
6 Programs or successor agency.

7 (3) The available materials required by paragraph (1)  
8 shall be displayed conspicuously at least within the local  
9 gaming area.

10 (d) Mandatory training.--

11 (1) The board's Office of Compulsive and Problem  
12 Gambling, in consultation with the Department of Drug and  
13 Alcohol Programs or successor agency, shall develop a  
14 mandatory training program for employees and management of an  
15 establishment licensee. The training program shall address  
16 responsible gaming and other compulsive and problem gambling  
17 issues related to local gaming terminals.

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

20 (e) Penalty.--An establishment licensee that fails to  
21 fulfill the requirements of subsection (a), (b), (c) or (d)  
22 shall be assessed by the board an administrative penalty in an  
23 amount established by the board in its discretion and may have  
24 its establishment license suspended depending on the severity  
25 and length of noncompliance.

26 CHAPTER 59

27 ENFORCEMENT

28 Sec.

29 5901. Exclusion or ejection of certain persons.

30 5902. Repeat offenders.

1 5903. Self-exclusion.

2 5904. Investigations and enforcement.

3 5905. Prohibited acts and penalties.

4 5906. Report of suspicious transactions.

5 5907. Additional authority.

6 5908. Detention.

7 § 5901. Exclusion or ejection of certain persons.

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

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

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

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

30 (e) Sanctions.--The board may impose sanctions upon an

1 establishment licensee in accordance with this part if the  
2 establishment licensee knowingly fails to implement the policies  
3 and procedures established by the board under subsection (d).

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

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

19 (h) Hearing.--

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

27 (2) Failure of the person to demand a hearing within 30  
28 days after service shall be deemed an admission of all  
29 matters and facts alleged in the bureau's notice and shall  
30 preclude the person from having an administrative hearing,

1 but shall in no way affect the right to judicial review as  
2 provided in this section.

3 (i) Review.--

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

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

11 § 5902. Repeat offenders.

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

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

23 (1) disrupts the operations of its premises;

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

26 (3) is disorderly or intoxicated.

27 § 5903. Self-exclusion.

28 (a) Establishment of list.--

29 (1) The board shall provide by regulation for the  
30 establishment of a list of persons self-excluded from local

1 gaming activities within specific establishment licensees or  
2 establishment licensees in geographic areas of this  
3 Commonwealth.

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

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

8 (ii) agreeing that, during any period of voluntary  
9 exclusion, the person may not collect any winnings or  
10 recover any losses resulting from any local gaming  
11 activity within establishment licensees and that person  
12 may be subject to arrest for trespass; and

13 (iii) agreeing to another condition established by  
14 the board.

15 (b) Regulations.--The regulations of the board shall  
16 establish:

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

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

28 (3) Procedures for the transmittal to terminal operator  
29 licensees of identifying information concerning a self-  
30 excluded person and shall require terminal operator licensees

1 to establish procedures to remove self-excluded persons from  
2 customer loyalty or reward card programs and targeted  
3 mailings or other forms of advertising or promotions.

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

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

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

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

18 § 5904. Investigations and enforcement.

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

21 (1) Enforce the provisions of this part.

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

1 suitability for licensure.

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

6 (4) Monitor local gaming operations to ensure compliance  
7 with this part.

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

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

16 (7) Refer possible criminal violations of this title or  
17 18 Pa.C.S. (relating to crimes and offenses) to the  
18 Pennsylvania State Police. The bureau shall not have the  
19 power of arrest.

20 (8) Cooperate in the investigation and prosecution of  
21 criminal violations related to this part or 18 Pa.C.S.

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

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

28 (1) Advise the bureau on all matters, including the  
29 granting of licenses or registrations, the conduct of  
30 background investigations, audits and inspections and the

1 investigation of potential violations of this part and the  
2 referral of criminal violations of 18 Pa.C.S. or this title  
3 to the Pennsylvania State Police.

4 (2) File on behalf of the bureau recommendations and  
5 objections relating to the issuance of licenses and  
6 registrations.

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

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

11 (1) The department shall at all times have the power of  
12 access to examine and audit equipment and records relating to  
13 all aspects of the operation of local gaming terminals and  
14 redemption terminals under this part.

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

21 (d) Powers and duties of Pennsylvania State Police.--The  
22 Pennsylvania State Police shall have the following powers and  
23 duties:

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

29 (2) Initiate proceedings for criminal violations of this  
30 part or 18 Pa.C.S.

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

4       (4) Inspect, when appropriate, a licensee's person and  
5 personal effects present within an establishment licensee's  
6 premises under this part while that licensee is present.

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

9       (6) Fingerprint applicants.

10       (7) Exchange fingerprint data with and receive national  
11 criminal history record information from the Federal Bureau  
12 of Investigation for use in background investigations  
13 performed by the bureau under this part.

14       (8) Receive and take appropriate action on any referral  
15 relating to criminal conduct in violation of this title or 18  
16 Pa.C.S.

17       (9) Conduct administrative inspections on the premises  
18 of an establishment licensee at such times, under such  
19 circumstances and to such extent as the bureau determines to  
20 ensure compliance with this part and the regulations of the  
21 board and, in the course of inspections, review and make  
22 copies of all documents and records required by the  
23 inspection through onsite observation and other reasonable  
24 means to ensure compliance with this part and regulations  
25 promulgated under this part.

26       (10) Conduct audits or verification of information of  
27 local gaming terminal operations at such times, under such  
28 circumstances and to such extent as the bureau determines.  
29 This paragraph includes the review of accounting,  
30 administrative and financial records and management control

1 systems, procedures and records utilized by a terminal  
2 operator licensee.

3 (11) Assign members of the Pennsylvania State Police to  
4 duties of enforcement under this part. The assigned members  
5 shall not be counted toward the complement as provided in  
6 section 205 of the act of April 9, 1929 (P.L.177, No.175),  
7 known as The Administrative Code of 1929.

8 (12) Report to the General Assembly. By March 1 of each  
9 year, the Commissioner of Pennsylvania State Police shall  
10 submit a report to the Appropriations Committee of the  
11 Senate, the Appropriations Committee of the House of  
12 Representatives, the Community, Economic and Recreational  
13 Development Committee of the Senate and the Gaming Oversight  
14 Committee of the House of Representatives. The report shall  
15 summarize all law enforcement activities at each  
16 establishment licensee during the previous calendar year and  
17 shall include all of the following:

18 (i) The number of arrests made and citations issued  
19 at each licensed establishment and unlicensed  
20 establishment and the name of the law enforcement agency  
21 making the arrests or issuing the citations.

22 (ii) A list of specific offenses charged for each  
23 arrest made or citation issued.

24 (iii) The number of criminal prosecutions resulting  
25 from arrests made or citations issued.

26 (iv) The number of convictions resulting from  
27 prosecutions reported under subparagraph (iii).

28 (13) Report violations of this part to the bureau that  
29 are found during the normal course of duties required under  
30 any law of this Commonwealth.

1 (e) Powers and duties of Attorney General.--The Gaming Unit  
2 within the Office of Attorney General shall investigate and  
3 institute criminal proceedings as authorized under subsection  
4 (f).

5 (f) Criminal action.--

6 (1) The district attorneys of the several counties shall  
7 have authority to investigate and institute criminal  
8 proceedings for a violation of this part, 18 Pa.C.S. or any  
9 other law of this Commonwealth.

10 (2) In addition to the authority conferred upon the  
11 Attorney General under the act of October 15, 1980 (P.L.950,  
12 No.164), known as the Commonwealth Attorneys Act, the  
13 Attorney General shall have the authority to investigate and,  
14 following consultation with the appropriate district  
15 attorney, institute criminal proceedings for a violation of  
16 this part.

17 (3) A person charged with a violation of this part by  
18 the Attorney General shall not have standing to challenge the  
19 authority of the Attorney General to investigate or prosecute  
20 the case, and, if any such challenge is made, the challenge  
21 shall be dismissed and no relief shall be available in the  
22 courts of this Commonwealth to the person making the  
23 challenge.

24 (g) Regulatory action.--Nothing contained in subsection (e)  
25 shall be construed to limit the existing regulatory or  
26 investigative authority of an agency or the Commonwealth whose  
27 functions relate to persons or matters within the scope of this  
28 part.

29 (h) Inspection, seizure and warrants.--

30 (1) The board, the bureau, the department and the

1 Pennsylvania State Police shall have the authority without  
2 notice and without warrant to do all of the following in the  
3 performance of their duties under this part:

4 (i) Inspect and examine all premises where local  
5 gaming operations are conducted, where local gaming  
6 terminals, redemption terminals and associated equipment  
7 are manufactured, sold, distributed or serviced or where  
8 records of these activities are prepared or maintained.

9 (ii) Inspect all equipment and supplies in, about,  
10 upon or around premises referred to in subparagraph (i).

11 (iii) Seize, summarily remove and impound equipment  
12 and supplies from premises referred to in subparagraph  
13 (i) for the purposes of examination and inspection.

14 (iv) Inspect, examine and audit all books, records  
15 and documents pertaining to a terminal operator  
16 licensee's local gaming operation.

17 (v) Seize, impound or assume physical control of any  
18 book, record, ledger or device related to local gaming  
19 operations or the local gaming terminals or redemption  
20 terminals.

21 (2) The provisions of paragraph (1) shall not be  
22 construed to limit warrantless inspections except in  
23 accordance with constitutional requirements.

24 (3) To further effectuate the purposes of this part, the  
25 bureau and the Pennsylvania State Police may obtain  
26 administrative warrants for the inspection and seizure of  
27 property possessed, controlled, bailed or otherwise held by  
28 an applicant, licensee, intermediary, subsidiary, affiliate  
29 or holding company.

30 (i) Information sharing and enforcement referral.--With

1 respect to the administration, supervision and enforcement of  
2 this part, the bureau, the department, the Pennsylvania State  
3 Police or the Office of Attorney General may obtain or provide  
4 pertinent information regarding applicants or licensees from or  
5 to law enforcement entities or gaming authorities of the  
6 Commonwealth and other domestic, foreign or federally approved  
7 jurisdictions, including the Federal Bureau of Investigation,  
8 and may transmit the information to each other electronically.  
9 § 5905. Prohibited acts and penalties.

10 (a) Criminal offenses.--

11 (1) The provisions of 18 Pa.C.S. § 4902 (relating to  
12 perjury), 4903 (relating to false swearing) or 4904 (relating  
13 to unsworn falsification to authorities) shall apply to a  
14 person providing information or making a statement, whether  
15 written or oral, to the board, the bureau, the department,  
16 the Pennsylvania State Police or the Office of Attorney  
17 General, as required by this part.

18 (2) It shall be unlawful for a person to willfully:

19 (i) fail to report, pay or truthfully account for  
20 and pay over a license fee, authorization fee, tax or  
21 assessment imposed under this part; or

22 (ii) attempt in any manner to evade or defeat a  
23 license fee, authorization fee, tax or assessment imposed  
24 under this part.

25 (3) It shall be unlawful for a licensed entity, key  
26 employee or any other person to permit a local gaming  
27 terminal to be operated, transported, repaired or opened on  
28 the premises of an establishment licensee by a person other  
29 than a person licensed or permitted by the board under this  
30 part.

1           (4) In accordance with 18 Pa.C.S. § 5513 (relating to  
2 gambling devices, gambling, etc.), it shall be unlawful for a  
3 licensed entity or other person to manufacture, supply or  
4 place any illegal gambling device or any local gaming  
5 terminal, redemption terminal or associated equipment into  
6 play or display local gaming terminal, redemption terminal or  
7 associated equipment on the premises of an establishment  
8 without the authority of the board.

9           (5) It shall be unlawful for a licensed entity or other  
10 person to manufacture, supply, operate, carry on or expose  
11 for play an illegal gambling device or local gaming terminal  
12 or associated equipment after the person's license has  
13 expired or failed to be renewed in accordance with this part.

14           (6) It shall be unlawful for an individual while on the  
15 premises of an establishment licensee to knowingly use  
16 currency other than lawful coin or legal tender of the United  
17 States or a coin not of the same denomination as the coin  
18 intended to be used in the local gaming terminal or use a  
19 counterfeit or altered redemption ticket with the intent to  
20 cheat or defraud a terminal operator licensee or the  
21 Commonwealth or damage the local gaming terminal or  
22 redemption terminal.

23           (7) (i) Except as provided in subparagraph (ii), it  
24 shall be unlawful for an individual to use or possess a  
25 cheating or thieving device, counterfeit or altered  
26 billet, ticket, token or similar object accepted by a  
27 local gaming terminal or counterfeit or altered  
28 redemption ticket on the premises of an establishment  
29 licensee.

30           (ii) An authorized employee of a licensee or an

1 employee of the board may possess and use a cheating or  
2 thieving device, counterfeit or altered billet, ticket,  
3 token or similar object accepted by a local gaming  
4 terminal or counterfeit or altered redemption ticket in  
5 performance of the duties of employment.

6 (8) (i) Except as provided in subparagraph (ii), it  
7 shall be unlawful for an individual to knowingly possess  
8 or use while on the premises of an establishment licensee  
9 a key or device designed for the purpose of and suitable  
10 for opening or entering a local gaming terminal or  
11 redemption terminal that is located on the premises of  
12 the establishment licensee.

13 (ii) An authorized employee of a licensee or a  
14 member of the board may possess and use a device referred  
15 to in subparagraph (i) in the performance of the duties  
16 of employment.

17 (9) It shall be unlawful for a person or licensed entity  
18 to possess a device, equipment or material which the person  
19 or licensed entity knows has been manufactured, distributed,  
20 sold, tampered with or serviced in violation of this part  
21 with the intent to use the device, equipment or material as  
22 though it had been manufactured, distributed, sold, tampered  
23 with or serviced under this part.

24 (10) It shall be unlawful for a person to sell, offer  
25 for sale, represent or pass off as lawful any device,  
26 equipment or material that the person or licensed entity  
27 knows has been manufactured, distributed, sold, tampered with  
28 or serviced in violation of this part.

29 (11) It shall be unlawful for an individual to work or  
30 be employed in a position the duties of which would require

1 licensing under this part without first obtaining the  
2 requisite license issued under this part.

3 (12) It shall be unlawful for a licensed entity to  
4 employ or continue to employ an individual in a position the  
5 duties of which require a license under this part if the  
6 individual:

7 (i) Is not licensed under this part.

8 (ii) Is prohibited from accepting employment from a  
9 licensee.

10 (13) It shall be unlawful for a minor to enter and  
11 remain in a local gaming area, except that an individual at  
12 least 18 years of age employed by a terminal operator  
13 licensee, a gaming service provider, an establishment  
14 licensee, the board or another regulatory or emergency  
15 response agency may enter and remain in the area while  
16 engaged in the performance of the individual's employment  
17 duties.

18 (14) It shall be unlawful for a minor to wager, play or  
19 attempt to play a local gaming terminal or submit a  
20 redemption ticket into a redemption terminal.

21 (15) It shall be unlawful for a terminal operator  
22 licensee to require a local gaming terminal wager to be  
23 greater than the stated minimum wager or greater than the  
24 stated maximum wager.

25 (16) An individual who engages in conduct prohibited by  
26 18 Pa.C.S. § 6308 (relating to purchase, consumption,  
27 possession or transportation of liquor or malt or brewed  
28 beverages) on the premises of an establishment licensee  
29 commits a nongambling offense.

30 (17) It shall be unlawful for an individual to claim,

1 collect or take, or attempt to claim, collect or take, money  
2 or anything of value in or from a local gaming terminal or  
3 redemption terminal with the intent to defraud, or to claim,  
4 collect or take an amount greater than the amount won, or to  
5 manipulate with the intent to cheat, a component of a local  
6 gaming terminal or redemption terminal in a manner contrary  
7 to the designed and normal operational purpose.

8 (b) Criminal penalties and fines.--

9 (1) (i) A person that commits a first offense in  
10 violation of 18 Pa.C.S. § 4902, 4903 or 4904 in  
11 connection with providing information or making a  
12 statement, whether written or oral, to the board, the  
13 bureau, the department, the Pennsylvania State Police,  
14 the Office of Attorney General or a district attorney as  
15 required by this part commits an offense to be graded in  
16 accordance with the applicable section violated. A person  
17 that is convicted of a second or subsequent violation of  
18 18 Pa.C.S. § 4902, 4903 or 4904 in connection with  
19 providing information or making any statement, whether  
20 written or oral, to the board, the bureau, the  
21 department, the Pennsylvania State Police, the Office of  
22 Attorney General or a district attorney as required by  
23 this part commits a felony of the second degree.

24 (ii) A person that violates subsection (a) (2), (3),  
25 (4), (5), (6), (7), (8), (9), (10), (11), (12) or (17)  
26 commits a misdemeanor of the first degree. A person that  
27 is convicted of a second or subsequent violation of  
28 subsection (a) (2), (3), (4), (5), (6), (7), (8), (9),  
29 (10), (11), (12) or (17) commits a felony of the second  
30 degree.

1           (2) (i) For a first violation of subsection (a) (1),  
2           (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12)  
3           or (17), a person shall be sentenced to pay a fine of:

4                   (A) not less than \$75,000 nor more than \$150,000  
5                   if the person is an individual or establishment  
6                   licensee;

7                   (B) not less than \$300,000 nor more than  
8                   \$600,000 if the person is a terminal operator  
9                   licensee; or

10                   (C) not less than \$150,000 nor more than  
11                   \$300,000 if the person is a licensed manufacturer or  
12                   supplier.

13           (ii) For a second or subsequent violation of  
14           subsection (a) (1), (2), (3), (4), (5), (6), (7), (8),  
15           (9), (10), (11), (12) or (17), a person shall be  
16           sentenced to pay a fine of:

17                   (A) not less than \$150,000 nor more than  
18                   \$300,000 if the person is an individual or  
19                   establishment licensee;

20                   (B) not less than \$600,000 nor more than  
21                   \$1,200,000 if the person is a terminal operator  
22                   licensee; or

23                   (C) not less than \$300,000 nor more than  
24                   \$600,000 if the person is a licensed manufacturer or  
25                   supplier.

26           (3) An individual who commits an offense in violation of  
27           subsection (a) (13) or (14) commits a nongambling summary  
28           offense and upon conviction of a first offense shall be  
29           sentenced to pay a fine of not less than \$200 nor more than  
30           \$1,000. An individual who is convicted of a second or

1 subsequent offense under subsection (a) (13) or (14) shall be  
2 sentenced to pay a fine of not less than \$500 nor more than  
3 \$1,500. In addition to the fine imposed, an individual  
4 convicted of an offense under subsection (a) (13) or (14) may  
5 be sentenced to perform a period of community service not to  
6 exceed 40 hours.

7 (4) An individual who commits an offense in violation of  
8 subsection (a) (16) commits a nongambling offense to be graded  
9 in accordance with 18 Pa.C.S. § 6308 and shall be subject to  
10 the same penalties imposed under 18 Pa.C.S. § 6308 except  
11 that the fine imposed for a violation of subsection (a) (16)  
12 shall be not less than \$350 nor more than \$1,000.

13 (c) Board-imposed administrative sanctions.--

14 (1) In addition to any other penalty authorized by law,  
15 the board may impose without limitation the following  
16 sanctions:

17 (i) Revoke the license of a person convicted of a  
18 criminal offense under this part or regulations  
19 promulgated under this part or committing any other  
20 offense or violation of this part or applicable law that  
21 would otherwise disqualify the person from holding the  
22 license.

23 (ii) Revoke the license of a person determined to  
24 have violated a provision of this part or regulations  
25 promulgated under this part that would otherwise  
26 disqualify the person from holding the license.

27 (iii) Revoke the license of a person for willfully  
28 and knowingly violating or attempting to violate an order  
29 of the board directed to the person.

30 (iv) Subject to subsection (g), assess

1 administrative penalties as necessary to punish  
2 violations of this part.

3 (v) Order restitution of money or property  
4 unlawfully obtained or retained by a licensee.

5 (vi) Enter cease and desist orders which specify the  
6 conduct to be discontinued, altered or implemented by a  
7 licensee.

8 (vii) Issue letters of reprimand or censure, which  
9 letters shall be made a permanent part of the file of the  
10 licensee so sanctioned.

11 (2) (i) If the board refuses to issue or renew a  
12 license, suspends or revokes a license, assesses civil  
13 penalties, orders restitution, enters a cease and desist  
14 order or issues a letter of reprimand or censure, the  
15 board shall provide the applicant or licensee with  
16 written notification of its decision, including a  
17 statement of the reasons for its decision, by certified  
18 mail within five business days of the decision of the  
19 board.

20 (ii) The applicant or licensee shall have the right  
21 to appeal the decision in accordance with 2 Pa.C.S. Chs.  
22 5 Subch. A (relating to practice and procedure of  
23 Commonwealth agencies) and 7 Subch. A (relating to  
24 judicial review of Commonwealth agency action).

25 (d) Aiding and abetting.--A person who aids, abets,  
26 counsels, commands, induces, procures or causes another person  
27 to violate this part shall be subject to all sanctions and  
28 penalties, both civil and criminal, provided under this part.

29 (e) Continuing offenses.--A violation of this part that is  
30 determined to be an offense of a continuing nature shall be

1 deemed to be a separate offense on each event or day during  
2 which the violation occurs.

3 (f) Property subject to seizure, confiscation, destruction  
4 or forfeiture.--Any equipment, device or apparatus, money,  
5 material, gaming proceeds or substituted proceeds or real or  
6 personal property used, obtained or received or an attempt to  
7 use, obtain or receive the device, apparatus, money, material,  
8 proceeds or real or personal property in violation of this part  
9 shall be subject to seizure, confiscation, destruction or  
10 forfeiture.

11 (g) Penalty limitation.--

12 (1) Administrative penalties assessed by the board on an  
13 establishment licensee shall not exceed \$5,000 for each  
14 noncriminal violation of this part.

15 (2) When imposing an administrative penalty on an  
16 establishment licensee for a noncriminal violation of this  
17 part, the board shall take into consideration the  
18 establishment licensee's annual taxable income and whether  
19 the penalty amount would cause the establishment licensee to  
20 cease nonlocal gaming operations.

21 (h) Deposit of fines.--Fines imposed and collected by the  
22 board under subsection (c) shall be deposited into the General  
23 Fund.

24 § 5906. Report of suspicious transactions.

25 (a) Duty.--An establishment licensee or terminal operator  
26 licensee or a person acting on behalf of an establishment  
27 licensee or terminal operator licensee shall, on a form and in a  
28 manner as required by the bureau, notify the bureau of a  
29 suspicious transaction.

30 (b) Failure to report.--

1           (1) A person that is required to file a report of a  
2 suspicious transaction under this section and knowingly fails  
3 to file the report or that knowingly causes another person  
4 having that responsibility to fail to file the report commits  
5 a misdemeanor of the third degree.

6           (2) A person required to file a report of a suspicious  
7 transaction under this section and fails to file the report  
8 or a person that causes another person required under this  
9 section to file the report to fail to file the report shall  
10 be strictly liable for the person's actions and may be  
11 subject to sanction under section 5905(c) (relating to  
12 prohibited acts and penalties).

13       (c) Bureau.--The bureau shall maintain a record of all  
14 reports made under this section for a period of five years. The  
15 bureau shall make the reports available to any Federal or State  
16 law enforcement agency upon written request and without  
17 necessity of subpoena.

18       (d) Notice prohibited.--

19           (1) A person that is required to file a report of a  
20 suspicious transaction under this section may not notify an  
21 individual suspected of committing the suspicious transaction  
22 that the transaction has been reported.

23           (2) A person that violates this subsection commits a  
24 misdemeanor of the third degree and may be subject to  
25 sanction under section 5905(c).

26       (e) Immunity.--A person that is required to file a report of  
27 a suspicious transaction under this section and in good faith  
28 makes the report shall not be liable in any civil action brought  
29 by a person for making the report, regardless of whether the  
30 transaction is later determined to be a suspicious transaction.

1 (f) Sanctions.--

2 (1) In considering appropriate administrative sanctions  
3 against a person for violating this section, the board shall  
4 consider all of the following factors:

5 (i) The risk to the public and to the integrity of  
6 gaming operations created by the conduct of the person.

7 (ii) The seriousness of the conduct of the person  
8 and whether the conduct was purposeful and with knowledge  
9 that it was in contravention of this part or regulations  
10 promulgated under this part.

11 (iii) Justification or excuse for the conduct by the  
12 person.

13 (iv) The prior history of the particular licensee or  
14 person involved with respect to local gaming terminal  
15 activity.

16 (v) The corrective action taken by the establishment  
17 licensee or terminal operator licensee to prevent future  
18 misconduct of a like nature from occurring.

19 (vi) In the case of a monetary penalty, the amount  
20 of the penalty in relation to the severity of the  
21 misconduct and the financial means of the licensee or  
22 person. The board may impose any schedule or terms of  
23 payment of such penalty as it may deem appropriate.

24 (2) It shall be no defense to disciplinary action before  
25 the board that a person inadvertently, unintentionally or  
26 unknowingly violated this section. The factors enumerated  
27 under paragraph (1) shall only apply to the degree of the  
28 penalty to be imposed by the board and not to a finding of a  
29 violation itself.

30 (g) Regulations.--The board shall promulgate regulations to

1 effectuate the purposes of this section.

2 § 5907. Additional authority.

3 (a) Petition for access to agency information.--

4 (1) The director of the Office of Enforcement Counsel  
5 within the bureau may petition a court of record having  
6 jurisdiction over information in the possession of an agency  
7 in this Commonwealth or, if there is no such court, the  
8 Commonwealth Court for authorization to review or obtain  
9 information in the possession of an agency in this  
10 Commonwealth by averring specific facts demonstrating that:

11 (i) The agency has in its possession information  
12 material to a pending investigation or inquiry being  
13 conducted by the bureau pursuant to this part.

14 (ii) Disclosure or release of the information is in  
15 the best interest of the Commonwealth.

16 (2) The petition shall request that the court enter a  
17 rule upon the agency to show cause why the agency should not  
18 be directed to disclose to the bureau, or identified agents  
19 of the bureau, information in the agency's possession about  
20 any pending matter under the jurisdiction of the bureau under  
21 this part.

22 (3) If the respondent is a local agency, a copy of a  
23 rule issued under this section shall be provided to the  
24 district attorney of the county in which the local agency is  
25 located and the Office of Attorney General.

26 (4) Upon request of a local agency, the district  
27 attorney or the Attorney General may elect to enter an  
28 appearance to represent the local agency in the proceedings.

29 (b) Procedure.--

30 (1) The filing of a petition under this section and

1 related proceedings shall be in accordance with court rule,  
2 including issuance as of course.

3 (2) A party to the proceeding may not disclose the  
4 filing of a petition or answer or the receipt, content or  
5 disposition of a rule or order issued under this section,  
6 without leave of court.

7 (3) A party to the proceedings may request that the  
8 record be sealed and proceedings be closed. The court shall  
9 grant the request if it is in the best interest of a person  
10 or the Commonwealth to do so.

11 (c) Court determination.--

12 (1) Following review of the record, the court shall  
13 grant the relief sought by the director of the Office of  
14 Enforcement Counsel if the court determines that:

15 (i) The agency has in its possession information  
16 material to the investigation or inquiry.

17 (ii) Disclosure or release of the information is in  
18 the best interest of the Commonwealth.

19 (iii) The disclosure or release of the information  
20 is not otherwise prohibited by statute or regulation.

21 (iv) The disclosure or release of the information  
22 would not inhibit an agency in the performance of the  
23 agency's duties.

24 (2) If the court so determines, the court shall enter an  
25 order authorizing and directing the information be made  
26 available for review in camera.

27 (d) Release of materials or information.--

28 (1) If, after an in-camera review by the court, the  
29 director of the Office of Enforcement Counsel seeks to obtain  
30 copies of materials in the agency's possession, the court

1 may, if not otherwise prohibited by statute or regulation,  
2 enter an order that the requested materials be provided.

3 (2) An order authorizing the release of materials or  
4 other information shall contain direction regarding the  
5 safekeeping and use of the materials or other information  
6 sufficient to satisfy the court that the materials or  
7 information will be sufficiently safeguarded.

8 (3) In making the determination under paragraph (2) the  
9 court shall consider input of the agency in possession of the  
10 information and input from any agency with which the  
11 information originated concerning a pending investigation or  
12 ongoing matter and the safety of person and property.

13 (e) Modification of order.--

14 (1) If subsequent investigation or inquiry by the bureau  
15 warrants modification of an order entered under this section,  
16 the director of the Office of Enforcement Counsel may  
17 petition to request modification of the order.

18 (2) Upon the request, the court may modify the order at  
19 any time and in any manner it deems necessary and  
20 appropriate.

21 (3) The agency named in the original petition shall be  
22 given notice and an opportunity to be heard.

23 (f) Use of information or materials.--An individual who, by  
24 any means authorized by this section, has obtained knowledge of  
25 information or materials solely under this section may use the  
26 information or materials in a manner consistent with any  
27 direction imposed by the court and appropriate to the proper  
28 performance of the individual's duties under this part.

29 (g) Violation.--In addition to the remedies and penalties  
30 provided in this part, a violation of the provisions of this

1 section may be punished as contempt of court.

2 (h) Definition.--As used in this section, the term "agency"  
3 shall mean a "Commonwealth agency" or a "local agency" as those  
4 terms are defined in section 102 of the act of February 14, 2008  
5 (P.L.6, No.3), known as the Right-to-Know Law.

6 § 5908. Detention.

7 (a) General rule.--A peace officer who has probable cause to  
8 believe that criminal violation of this part has occurred or is  
9 occurring on or about an establishment licensee's premises and  
10 who has probable cause to believe that a specific individual has  
11 committed or is committing the criminal violation may detain the  
12 individual in a reasonable manner for a reasonable time on the  
13 premises of the establishment licensee to require the suspect to  
14 identify himself, to verify the identification or to inform a  
15 peace officer.

16 (b) Immunity.--A peace officer shall not be subject to civil  
17 or criminal liability for detention of an individual in  
18 accordance with subsection (a).

19 CHAPTER 61

20 REVENUES

21 Sec.

22 6101. Fees.

23 6102. Regulatory assessments.

24 6103. Local gaming terminal tax.

25 6104. Local Gaming Fund.

26 § 6101. Fees.

27 (a) Application fees.--Subject to section 5511 (relating to  
28 alternative local gaming terminal operator licensing standards),  
29 the following nonrefundable application fees shall accompany an  
30 application for the following licenses or permits applied for

1 under Chapter 55 (relating to application and licensure):

2 (1) For a manufacturer or supplier license, \$25,000.

3 (2) For a terminal operator license, \$1,000,000.

4 (3) For an establishment license, \$250.

5 (4) For a key employee or principal license, \$500.

6 (5) For any other authorization or permit authorized by  
7 this part, an amount established by the board, through  
8 regulation, which may not exceed \$100.

9 (b) Initial license and renewal fees.--The following  
10 nonrefundable fees shall be required upon issuance of an initial  
11 license and shall accompany an application for renewal for the  
12 following licenses or permits under Chapter 55:

13 (1) For a manufacturer or supplier license, \$5,000.

14 (2) For a terminal operator license, \$10,000.

15 (3) For an establishment license, an amount equal to \$50  
16 per each local gaming terminal in operation at the premises  
17 of the establishment licensee.

18 (4) For a key employee, procurement agent license or  
19 principal license, \$500.

20 (5) For any other authorization or license authorized by  
21 this part, an amount established by the board, through  
22 regulation, which may not exceed \$100.

23 (c) Terminal increase fee.--An establishment licensee that  
24 increases the total number of local gaming terminals within the  
25 establishment after submission of the renewal fee required in  
26 subsection (b) shall provide the board with a \$50 renewal fee  
27 for each additional local gaming terminal added to the  
28 establishment within 60 days of installation of each additional  
29 local gaming terminal.

30 (d) Deposit of fees.--Fees collected under this section

1 shall be deposited into the fund.

2 § 6102. Regulatory assessments.

3 (a) Accounts established.--The State Treasurer shall  
4 establish within the State Treasury an account for each terminal  
5 operator for the deposit of a regulatory assessment amount  
6 required under subsection (b) to recover costs or expenses  
7 incurred by the board, the department, the Pennsylvania State  
8 Police and the Office of Attorney General in carrying out their  
9 powers and duties under this part based upon a budget submitted  
10 by the department under subsection (c).

11 (b) Bimonthly deposits.--

12 (1) The department shall determine the appropriate  
13 assessment amount for each terminal operator licensee, which  
14 shall be a percentage assessed on the terminal operator  
15 licensee's bimonthly gross terminal revenue.

16 (2) The percentage assessed shall not exceed an amount  
17 equal to the costs or expenses incurred by the board, the  
18 department, the Pennsylvania State Police or the Office of  
19 Attorney General in carrying out their powers and duties  
20 under this part based upon a budget submitted by the  
21 department under subsection (c).

22 (c) Itemized budget reporting.--

23 (1) The department shall prepare and annually submit to  
24 the chairperson and minority chairperson of the  
25 Appropriations Committee of the Senate and the chairperson  
26 and minority chairperson of the Appropriations Committee of  
27 the House of Representatives an itemized budget consisting of  
28 amounts to be appropriated out of the accounts established  
29 under this section necessary to administer this part.

30 (2) As soon as practicable after submitting copies of

1 the itemized budget, the department shall submit to the  
2 chairperson and minority chairperson of the Appropriations  
3 Committee of the Senate and the chairperson and minority  
4 chairperson of the Appropriations Committee of the House of  
5 Representatives analyses of and recommendations regarding the  
6 itemized budget.

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

11 (d) Appropriation.--

12 (1) Costs and expenses may be paid from the accounts  
13 established under subsection (a) only upon appropriation by  
14 the General Assembly.

15 (2) If the total costs or expenses incurred by the  
16 board, the department, the Pennsylvania State Police or the  
17 Office of Attorney General exceed the amounts available in  
18 the accounts established under subsection (a), the General  
19 Assembly may appropriate additional amounts to the board, the  
20 department, the Pennsylvania State Police or the Office of  
21 Attorney General from the fund.

22 § 6103. Local gaming terminal tax.

23 The department shall determine and each terminal operator  
24 licensee shall pay on a bimonthly basis a tax of 54% of its  
25 gross terminal revenue from all local gaming terminals operated  
26 by the terminal operator licensee within this Commonwealth.

27 § 6104. Local Gaming Fund.

28 (a) Establishment.--The Local Gaming Fund is established in  
29 the State Treasury. The money in the fund is appropriated on a  
30 continuing basis as provided in this section.

1 (b) Deposits.--The following shall be deposited into the  
2 fund:

3 (1) Licensing fees collected under section 6101  
4 (relating to fees).

5 (2) Regulatory and enforcement assessments collected  
6 under section 6102 (relating to regulatory assessments).

7 (3) The local gaming terminal tax collected under  
8 section 6103 (relating to local gaming terminal tax).

9 (c) Use and distribution.--Beginning in fiscal year 2025-  
10 2026 and continuing each fiscal year thereafter, the money in  
11 the fund shall be used and distributed as follows:

12 (1) The first \$250,000,000 shall be disbursed as  
13 follows:

14 (i) The amount of \$125,000,000 is allocated to the  
15 Pennsylvania State Police for general operations.

16 (ii) The amount of \$50,000,000 is transferred to the  
17 Property Tax Relief Fund.

18 (iii) The amount of \$6,000,000 is allocated to the  
19 Pennsylvania Emergency Management Agency to fund PA Task  
20 Force 1 and urban search and rescue teams in accordance  
21 with a funding formula established by statute enacted  
22 after the effective date of this paragraph.

23 (iv) The amount of \$25,000,000 is transferred to a  
24 fund, established by statute enacted after the effective  
25 date of this section, that provides property tax relief  
26 to disabled veterans.

27 (v) An amount equal to 0.0002 multiplied by gross  
28 terminal revenue in accordance with section 1509  
29 (relating to compulsive and problem gambling program) is  
30 allocated for compulsive and problem gambling treatment.

1           (vi) Any remaining balance is transferred to the  
2           General Fund.

3           (2) The second \$250,000,000 shall be disbursed as  
4           follows:

5           (i) The amount of \$125,000,000 is allocated to the  
6           Pennsylvania State Police for general operations.

7           (ii) The amount of \$6,000,000 is allocated for the  
8           purpose of making grants under 35 Pa.C.S. Ch. 78 Subch. B  
9           (relating to Fire Company Grant Program).

10          (iii) The amount of \$6,000,000 is allocated for the  
11          purpose of making grants under 35 Pa.C.S. Ch. 78 Subch. C  
12          (relating to Emergency Medical Services Grant Program).

13          (iv) The amount of \$25,000,000 is transferred to a  
14          fund, established by statute enacted after the effective  
15          date of this paragraph, that provides property tax relief  
16          to disabled veterans.

17          (v) The amount of \$25,000,000 is transferred to the  
18          State Lottery Fund.

19          (vi) The amount of \$6,000,000 is transferred to the  
20          Pennsylvania Race Horse Development Trust Fund  
21          established in section 1405 (relating to Pennsylvania  
22          Race Horse Development Trust Fund) for distribution in  
23          accordance with section 1406 (relating to distributions  
24          from Pennsylvania Race Horse Development Trust Fund).

25          (vii) Any remaining balance is transferred to the  
26          General Fund.

27          (3) The third \$250,000,000 shall be disbursed as  
28          follows:

29          (i) The amount of \$125,000,000 is allocated to the  
30          Pennsylvania State Police for general operations.

1           (ii) The amount of \$25,000,000 is transferred to the  
2 State Lottery Fund.

3           (iii) The amount of \$25,000,000 is transferred to  
4 the Property Tax Relief Fund.

5           (iv) The amount of \$6,000,000 is transferred to the  
6 Pennsylvania Race Horse Development Trust Fund  
7 established in section 1405 for distribution in  
8 accordance with section 1406.

9           (v) Any remaining balance is transferred to the  
10 General Fund.

11           (4) After disbursements under paragraphs (1), (2) and  
12 (3), any balance shall be disbursed as follows:

13           (i) The first \$125,000,000 is allocated to the  
14 Pennsylvania State Police for general operations.

15           (ii) The next \$6,000,000 is transferred to the  
16 Pennsylvania Race Horse Development Trust Fund  
17 established in section 1405.

18           (iii) Any remaining balance is transferred to the  
19 General Fund.

20           (5) In the event that:

21           (i) The money in the fund is insufficient to pay the  
22 distribution under paragraph (1), the distribution shall  
23 be prorated and no transfer shall be made to the General  
24 Fund.

25           (ii) The money in the fund is insufficient to pay  
26 the distribution under paragraph (2), the distribution  
27 shall be prorated and no transfer shall be made to the  
28 General Fund.

29           (iii) The money in the fund is insufficient to pay  
30 the distribution under paragraph (3), the distribution

1 shall be prorated and no transfer shall be made to the  
2 General Fund.

3 (6) Money remaining in the fund after the use and  
4 distribution under paragraphs (1), (2), (3), (4) and (5) is  
5 transferred to the General Fund.

6 CHAPTER 63

7 ETHICS

8 Sec.

9 6301. Board code of conduct.

10 6302. Additional board restrictions.

11 6303. Financial and employment interests.

12 6304. Additional restrictions.

13 § 6301. Board code of conduct.

14 (a) Update required.--The board shall update the  
15 comprehensive code of conduct established under section 1202.1  
16 (relating to code of conduct) prior to the consideration of a  
17 license, permit or other authorization under this part in order  
18 to avoid a perceived or actual conflict of interest and to  
19 promote public confidence in the integrity and impartiality of  
20 the board as related to local gaming. At a minimum, the updated  
21 code of conduct adopted under this section shall include  
22 registration of licensed entity representatives under subsection  
23 (b) and the restrictions under subsection (c) as they relate to  
24 local gaming.

25 (b) Registration.--

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

1 applicant for licensure or other person being represented.

2 (2) A licensed entity representative shall update the  
3 registration information on an ongoing basis and failure to  
4 do so shall be punishable by the board.

5 (3) The board shall maintain a registration list that  
6 contains the information required under paragraph (1). The  
7 list shall be available on the board's publicly accessible  
8 Internet website.

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

11 (1) Not accept a discount, gift, gratuity, compensation,  
12 travel, lodging or other thing of value, directly or  
13 indirectly, from an applicant, licensed entity, affiliate,  
14 subsidiary or intermediary of an applicant or a licensed  
15 entity, registrant or licensed entity representative.

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

22 (3) Refrain from financial or business dealings that  
23 would tend to reflect adversely on the member's objectivity,  
24 impartiality or independence of judgment.

25 (4) (i) Not solicit funds for a charitable,  
26 educational, religious, health, fraternal, civic or other  
27 nonprofit entity from an applicant, licensed entity,  
28 party, registrant or licensed entity representative or  
29 from an affiliate, subsidiary, intermediary or holding  
30 company of an applicant, licensed entity, party or

1 licensed entity representative.

2 (ii) Subject to the provisions of section 1201(h)  
3 (4.1) (relating to Pennsylvania Gaming Control Board  
4 established), a member may serve as an officer, employee  
5 or member of the governing body of a nonprofit entity and  
6 may attend, make personal contributions to and plan or  
7 preside over the entity's fundraising events.

8 (iii) A member may permit the member's name to  
9 appear on the letterhead used for fundraising events if  
10 the letterhead contains only the member's name and  
11 position with the nonprofit entity.

12 (5) (i) Not meet or engage in discussions with an  
13 applicant, licensed entity, registrant, licensed entity  
14 representative, person who provides goods, property or  
15 services to a terminal operator licensee or another  
16 person or entity under the jurisdiction of the board  
17 unless the meeting or discussion occurs on the business  
18 premises of the board and is recorded in a log.

19 (ii) The log shall be posted on the board's publicly  
20 accessible Internet website.

21 (iii) The log shall include the date and time of the  
22 meeting or discussion, the names of the participants and  
23 the subject discussed.

24 (iv) This paragraph shall not apply to a meeting  
25 that considers matters requiring the physical inspection  
26 of the equipment or premises of an applicant or a  
27 licensed entity, if the meeting is entered in the log.

28 (6) Avoid impropriety and the appearance of impropriety  
29 at all times and observe standards and conduct that promote  
30 public confidence in the oversight of local gaming.

1           (7) Comply with other laws, rules or regulations  
2           relating to the conduct of a member.

3   § 6302. Additional board restrictions.

4           (a) Board restrictions.--The following shall apply to a  
5   board member or employee of the board whose duties substantially  
6   involve licensing, enforcement, development of law, promulgation  
7   of regulations or development of policy relating to gaming under  
8   this part or who has other discretionary authority which may  
9   affect or influence the outcome of an action, proceeding or  
10 decision under this part:

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

16           (2) The individual may not, for a period of two years  
17           following termination of employment, appear before the board  
18           in a hearing or proceeding or participate in activity on  
19           behalf of an applicant, licensee or licensed entity or on  
20           behalf of an affiliate, intermediary, subsidiary or holding  
21           company of an applicant, licensee or licensed entity.

22           (3) (i) An applicant or a licensed entity or an  
23           affiliate, intermediary, subsidiary or holding company of  
24           an applicant or a licensed entity may not, until the  
25           expiration of two years following termination of  
26           employment, employ or retain the individual.

27           (ii) Violation of this paragraph shall result in  
28           termination of the individual's employment and subject  
29           the violator to section 5905(c) (relating to prohibited  
30           acts and penalties).

1       (4) (i) A prospective employee who, upon employment,  
2       would be subject to this subsection must, as a condition  
3       of employment, sign an affidavit that the prospective  
4       employee will not violate paragraph (1) or (2).

5       (ii) If the prospective employee fails to sign the  
6       affidavit, the board shall rescind an offer of employment  
7       and may not employ the individual.

8       (b) Contractor restrictions.--The following shall apply to  
9       an independent contractor of the board and to an employee of an  
10       independent contractor whose duties substantially involve  
11       consultation relating to licensing, enforcement, development of  
12       law, promulgation of regulations or development of policy  
13       relating to local gaming under this part:

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

19       (2) The person may not, for a period of two years  
20       following termination of the contract with the board, appear  
21       before the board in a hearing or proceeding or participate in  
22       activity on behalf of an applicant, licensee or licensed  
23       entity or on behalf of an affiliate, intermediary, subsidiary  
24       or holding company of an applicant, licensee or licensed  
25       entity.

26       (3) (i) An applicant or a licensed entity or an  
27       affiliate, intermediary, subsidiary or holding company of  
28       an applicant or a licensed entity may not, until the  
29       expiration of one year following termination of the  
30       contract with the board, employ or retain the person.

1           (ii) A knowing violation of this subparagraph shall  
2 result in termination of the individual's employment and  
3 subject the violator to section 5905(c).

4           (4) (i) A contract between the board and an independent  
5 contractor that involves the duties specified in this  
6 subsection shall contain a provision requiring the  
7 independent contractor to sign an affidavit that the  
8 independent contractor will not violate paragraph (1) or  
9 (2).

10           (ii) If the independent contractor fails to sign the  
11 affidavit, the board may not enter into the contract or  
12 must terminate the contract.

13           (5) (i) An independent contractor shall require a  
14 prospective employee whose employment would involve the  
15 duties specified in this subsection to sign an affidavit  
16 that the prospective employee will not violate paragraph  
17 (1) or (2).

18           (ii) If the prospective employee fails to sign the  
19 affidavit, the independent contractor shall rescind an  
20 offer of employment and may not employ the individual.

21           (c) Construction.--Nothing under subsection (a) or (b) shall  
22 be construed to prevent a current or former employee of the  
23 board, a current or former independent contractor or a current  
24 or former employee of an independent contractor, from appearing  
25 before the board in a hearing or proceeding as a witness or  
26 testifying as to any fact or information.

27           (d) State Ethics Commission.--

28           (1) The State Ethics Commission shall issue a written  
29 determination of whether a person is subject to subsection  
30 (a) or (b) upon the written request of the person or the

1 person's employer or potential employer. A person that relies  
2 in good faith on a determination issued under this paragraph  
3 shall not be subject to a penalty for an action taken,  
4 provided that all material facts specified in the request for  
5 the determination are correct.

6 (2) (i) The State Ethics Commission shall publish a  
7 list of all employment positions within the board and  
8 employment positions within independent contractors whose  
9 duties would subject the individuals in those positions  
10 to the provisions of subsections (a) and (b).

11 (ii) The board and each independent contractor shall  
12 assist the State Ethics Commission in the development of  
13 the list, which shall be published by the State Ethics  
14 Commission in the Pennsylvania Bulletin biennially and  
15 posted by the board on the board's publicly accessible  
16 Internet website.

17 (iii) Upon request, employees of the board and each  
18 independent contractor shall provide the State Ethics  
19 Commission with adequate information to accurately  
20 develop and maintain the list.

21 (iv) The State Ethics Commission may impose a civil  
22 penalty under 65 Pa.C.S. § 1109(f) (relating to  
23 penalties) upon an individual who fails to cooperate with  
24 the State Ethics Commission under this paragraph.

25 (v) An individual who relies in good faith on the  
26 list published by the State Ethics Commission shall not  
27 be subject to a penalty for a violation of subsection (a)  
28 or (b).

29 § 6303. Financial and employment interests.

30 (a) Financial interests.--Except as may be provided for the

1 judiciary by rule or order of the Pennsylvania Supreme Court, an  
2 executive-level public employee, public official or party  
3 officer, or an immediate family member thereof, shall not  
4 intentionally or knowingly hold a financial interest in an  
5 applicant or a licensee, or in a holding company, affiliate,  
6 intermediary or subsidiary thereof, while the individual is an  
7 executive-level public employee, public official or party  
8 officer and for one year following termination of the  
9 individual's status as an executive-level public employee,  
10 public official or party officer.

11 (b) Employment.--Except as may be provided by rule or order  
12 of the Pennsylvania Supreme Court and except as provided in  
13 section 1202.1 (relating to code of conduct) or 4304 (relating  
14 to additional restrictions), no executive-level public employee,  
15 public official or party officer, or an immediate family member  
16 thereof, shall be employed by an applicant or licensee, or by a  
17 holding company, affiliate, intermediary or subsidiary thereof,  
18 while the individual is an executive-level public employee,  
19 public official or party officer and for one year following  
20 termination of the individual's status as an executive-level  
21 public employee, public official or party officer.

22 (c) Complimentary services.--

23 (1) No executive-level public employee, public official  
24 or party officer, or an immediate family member thereof,  
25 shall solicit or accept a complimentary service from an  
26 applicant or licensee, or from an affiliate, intermediary,  
27 subsidiary or holding company thereof, which the executive-  
28 level public employee, public official or party officer, or  
29 an immediate family member thereof, knows or has reason to  
30 know is other than a service or discount which is offered to

1 members of the general public in like circumstances.

2 (2) No applicant or licensee, or an affiliate,  
3 intermediary, subsidiary or holding company thereof, shall  
4 offer or deliver to an executive-level public employee,  
5 public official or party officer, or an immediate family  
6 member thereof, a complimentary service from the applicant or  
7 licensee, or an affiliate, intermediary, subsidiary or  
8 holding company thereof, that the applicant or licensee, or  
9 an affiliate, intermediary, subsidiary or holding company  
10 thereof, knows or has reason to know is other than a service  
11 or discount that is offered to members of the general public  
12 in like circumstances.

13 (d) Grading.--An individual who violates this section  
14 commits a misdemeanor of the third degree and shall, upon  
15 conviction, be sentenced to pay a fine of not more than \$1,000  
16 or to imprisonment for not more than one year, or both.

17 (e) Divestiture.--

18 (1) An executive-level public employee, public official  
19 or party officer, or an immediate family member thereof, who  
20 holds a financial interest prohibited by this section shall  
21 divest the financial interest within three months of the  
22 effective date of this paragraph, as applicable.

23 (2) An executive-level public employee, public official,  
24 party officer or immediate family member shall have 30 days  
25 from the date the individual knew or had reason to know of  
26 the violation or 30 days from publication on the board's  
27 publicly accessible Internet website under section 5301(b)  
28 (12) (relating to powers of board) of the application or  
29 licensure of the executive-level public employee, public  
30 official, party officer or immediate family member, whichever

1 occurs earlier, to divest the financial interest.

2 (3) The State Ethics Commission may, for good cause,  
3 extend the time period under this subsection.

4 (f) State Ethics Commission.--The State Ethics Commission  
5 shall do all of the following:

6 (1) (i) Issue a written determination of whether a  
7 person is subject to subsection (a), (b) or (c) upon the  
8 written request of the person or another person that may  
9 have liability for an action taken with respect to the  
10 person.

11 (ii) A person that relies in good faith on a  
12 determination made under this paragraph shall not be  
13 subject to penalty for an action taken, provided that all  
14 material facts specified in the request for the  
15 determination are correct.

16 (2) (i) Publish a list of all State, county, municipal  
17 and other government positions that meet the definitions  
18 of "public official" as defined under subsection (g) or  
19 "executive-level public employee" as defined under  
20 section 5103 (relating to definitions).

21 (ii) The Office of Administration shall assist the  
22 State Ethics Commission in the development of the list,  
23 which list shall be published by the State Ethics  
24 Commission in the Pennsylvania Bulletin biennially and  
25 posted by the board on the board's publicly accessible  
26 Internet website.

27 (iii) Upon request, a public official shall provide  
28 the State Ethics Commission with adequate information to  
29 accurately develop and maintain the list.

30 (iv) The State Ethics Commission may impose a civil

1 penalty under 65 Pa.C.S. § 1109(f) (relating to  
2 penalties) upon an individual, including a public  
3 official or executive-level public employee, who fails to  
4 cooperate with the State Ethics Commission under this  
5 subsection.

6 (v) A person that relies in good faith on the list  
7 published by the State Ethics Commission shall not be  
8 subject to penalty for a violation of this section.

9 (g) Definitions.--As used in this section, the following  
10 words and phrases shall have the meanings given to them in this  
11 subsection unless the context clearly indicates otherwise:

12 "Applicant." A person that applies for a manufacturer  
13 license, supplier license or terminal operator license under  
14 this part.

15 "Financial interest." Owning or holding, or being deemed to  
16 hold, debt or equity securities or other ownership interest or  
17 profits interest. A financial interest shall not include a debt  
18 or equity security, or other ownership interest or profits  
19 interest, which is held or deemed to be held in any of the  
20 following:

21 (1) A blind trust over which the executive-level public  
22 employee, public official, party officer or immediate family  
23 member thereof may not exercise any managerial control or  
24 receive income during the tenure of office and the period  
25 under subsection (a). The provisions of this paragraph shall  
26 apply only to blind trusts established prior to the effective  
27 date of this paragraph.

28 (2) Securities that are held in a pension plan, profit-  
29 sharing plan, individual retirement account, tax-sheltered  
30 annuity, a plan established in accordance with section 457 of

1 the Internal Revenue Code of 1986 (Public Law 99-514, 26  
2 U.S.C. § 1 et seq.) or a successor provision deferred  
3 compensation plan whether qualified or not qualified under  
4 the Internal Revenue Code of 1986 or any successor provision  
5 or other retirement plan that:

6 (i) is not self-directed by the individual; and

7 (ii) is advised by an independent investment adviser  
8 who has sole authority to make investment decisions with  
9 respect to contributions made by the individual to these  
10 plans.

11 (3) A tuition account plan organized and operated under  
12 section 529 of the Internal Revenue Code of 1986 that is not  
13 self-directed by the individual.

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

17 "Immediate family." A spouse, minor child or unemancipated  
18 child.

19 "Licensee." A manufacturer licensee, supplier licensee or a  
20 terminal operator licensee.

21 "Party officer." A member of a national committee, a  
22 chairperson, vice chairperson, secretary, treasurer or counsel  
23 of a State committee or member of the executive committee of a  
24 State committee, a county chairperson, vice chairperson,  
25 counsel, secretary or treasurer of a county committee in which a  
26 licensed facility is located or a city chairperson, vice  
27 chairperson, counsel, secretary or treasurer of a city committee  
28 of a city in which a licensed facility is located.

29 "Public official." The term shall include the following:

30 (1) The Governor, Lieutenant Governor, a member of the

1 Governor's cabinet, State Treasurer, Auditor General and  
2 Attorney General of the Commonwealth.

3 (2) A member of the Senate or the House of  
4 Representatives of the Commonwealth.

5 (3) An individual elected or appointed to an office of a  
6 county or municipality that directly receives a distribution  
7 of revenue under this part.

8 (4) An individual elected or appointed to a department,  
9 agency, board, commission, authority or other governmental  
10 body not included in paragraph (1), (2) or (3) that directly  
11 receives a distribution of revenue under this part.

12 (5) An individual elected or appointed to a department,  
13 agency, board, commission, authority, county, municipality or  
14 other governmental body not included in paragraph (1), (2) or  
15 (3) with discretionary power that may influence or affect the  
16 outcome of an action or decision and who is involved in the  
17 development of regulation or policy relating to a licensed  
18 entity or is involved in other matters under this part.

19 § 6304. Additional restrictions.

20 (a) Restrictions.--

21 (1) No individual trooper or employee of the  
22 Pennsylvania State Police or employee of the Office of  
23 Attorney General or the department, whose duties  
24 substantially involve licensing or enforcement, the  
25 development of laws or the development or adoption of  
26 regulations or policy related to gaming under this part, or  
27 who has other discretionary authority that may affect or  
28 influence the outcome of an action, proceeding or decision  
29 under this part may do any of the following:

30 (i) Accept employment with or be retained by an

1 applicant or licensed entity, or an affiliate,  
2 intermediary, subsidiary or holding company of an  
3 applicant or licensed entity, for a period of two years  
4 after the termination of employment.

5 (ii) (A) Appear before the board in a hearing or  
6 proceeding or participate in other activity on behalf  
7 of an applicant, licensee or licensed entity, or an  
8 affiliate, intermediary, subsidiary or holding  
9 company of an applicant, licensee or licensed entity,  
10 for a period of two years after termination of  
11 employment.

12 (B) Nothing in this subparagraph shall be  
13 construed to prevent a current or former trooper or  
14 employee of the Pennsylvania State Police, the Office  
15 of Attorney General or the department from appearing  
16 before the board in a proceeding or hearing as a  
17 witness or testifying as to a fact or information.

18 (2) As a condition of employment, a potential employee  
19 who would be subject to this subsection shall sign an  
20 affidavit that the individual will not accept employment with  
21 or be retained by an applicant or licensed entity, or an  
22 affiliate, intermediary, subsidiary or holding company of an  
23 applicant or licensed entity, for a period of two years after  
24 the termination of employment.

25 (b) Employment or retention.--

26 (1) No applicant or licensed entity or an affiliate,  
27 intermediary, subsidiary or holding company of an applicant  
28 or licensed entity may employ or retain an individual subject  
29 to subsection (a) until the expiration of the period required  
30 in subsection (a)(1)(i).

1           (2) An applicant or licensed entity, or an affiliate,  
2 intermediary, subsidiary or holding company of an applicant  
3 or licensed entity, that knowingly employs or retains an  
4 individual in violation of this subsection, shall terminate  
5 the employment of the individual and be subject to penalty  
6 under section 1518(c) (relating to prohibited acts;  
7 penalties).

8           (c) Violation.--If an individual subject to subsection (a)  
9 refuses or otherwise fails to sign an affidavit, the  
10 individual's potential employer shall rescind the offer of  
11 employment.

12           (d) Code of conduct.--

13           (1) The Pennsylvania State Police, Office of Attorney  
14 General and department each shall adopt a comprehensive code  
15 of conduct that supplements all other requirements under this  
16 part and 65 Pa.C.S. Pt. II (relating to accountability), as  
17 applicable, and shall provide guidelines applicable to  
18 troopers, employees, independent contractors of the agency  
19 whose duties substantially involve licensing or enforcement,  
20 the development of laws or the development or adoption of  
21 regulations or policy related to local gaming under this part  
22 or who have other discretionary authority that may affect the  
23 outcome of an action, proceeding or decision under this part,  
24 and the immediate families of these individuals to enable  
25 them to avoid a perceived or actual conflict of interest and  
26 to promote public confidence in the integrity and  
27 impartiality of local gaming enforcement and regulation.

28           (2) At a minimum, the code of conduct adopted under this  
29 section shall apply the types of restrictions applicable to  
30 members under section 1202.1(c) (relating to code of

1 conduct), except that the restrictions under section  
2 1202.1(c) (5) shall not apply to an elected Attorney General.

3 (e) State Ethics Commission.--The State Ethics Commission  
4 shall do all of the following:

5 (1) (i) Issue a written determination of whether an  
6 individual is subject to subsection (a) upon the written  
7 request of the individual or the individual's employer or  
8 potential employer.

9 (ii) A person that relies in good faith on a  
10 determination made under this paragraph shall not be  
11 subject to penalty for an action taken, provided that all  
12 material facts specified in the request for the  
13 determination are correct.

14 (2) (i) Publish a list of all positions within the  
15 Pennsylvania State Police, the Office of Attorney General  
16 and the department the duties of which would subject the  
17 individuals in those positions to the provisions of  
18 subsection (a).

19 (ii) Each agency subject to this subsection shall  
20 assist the State Ethics Commission in the development of  
21 the list, which list shall be published by the State  
22 Ethics Commission in the Pennsylvania Bulletin  
23 biennially, shall be posted by the board on the board's  
24 publicly accessible Internet website and shall be posted  
25 by each agency on the agency's publicly accessible  
26 Internet website.

27 (iii) Upon request by the State Ethics Commission,  
28 members and employees of each agency subject to this  
29 subsection shall provide the State Ethics Commission with  
30 adequate information to accurately develop and maintain

1 the list.

2 (iv) The State Ethics Commission may impose a civil  
3 penalty under 65 Pa.C.S. § 1109(f) (relating to  
4 penalties) upon an individual who fails to cooperate with  
5 the State Ethics Commission under this subsection.

6 (v) A person who relies in good faith on the list  
7 published by the State Ethics Commission shall not be  
8 subject to penalty for a violation of subsection (a).

9 CHAPTER 65

10 MISCELLANEOUS PROVISIONS

11 Sec.

12 6501. Funding.

13 6502. Declaration of exemption from Federal laws prohibiting  
14 local gaming terminals.

15 6503. Preemption of local taxes and license fees.

16 6504. Exclusive jurisdiction of Supreme Court.

17 § 6501. Funding.

18 (a) Appropriation.--The General Assembly appropriates the  
19 following:

20 (1) The sum of \$5,000,000 is hereby appropriated from  
21 the General Fund to the board for the fiscal period July 1,  
22 2024, to June 30, 2025, to implement and administer the  
23 provisions of this part.

24 (2) The sum of \$3,000,000 is hereby appropriated from  
25 the General Fund to the department for the fiscal period July  
26 1, 2024, to June 30, 2025, to prepare for, implement and  
27 administer the provisions of this part.

28 (3) The sum of \$2,000,000 is hereby appropriated from  
29 the General Fund to the Pennsylvania State Police for the  
30 fiscal period July 1, 2024, to June 30, 2025, to prepare for,

1 implement and administer the provisions of this part.

2 (b) Repayment required.--The money appropriated under this  
3 section shall be repaid to the General Fund by establishment  
4 licensees according to subsection (c).

5 (c) Repayment schedule.--Beginning two years from the date  
6 the board authorizes the first local gaming terminal to be  
7 connected to the central control computer system and is made  
8 available for public use, the department shall collect an  
9 assessment of .05% of gross terminal revenue on a bimonthly  
10 basis from each terminal operator licensee for deposit into the  
11 General Fund. The department shall continue to collect the  
12 assessment until the amounts under subsection (a) are repaid to  
13 the General Fund.

14 (d) Unused amounts.--On July 1, 2026, any portion of amounts  
15 appropriated under this section that are unexpended,  
16 unencumbered or uncommitted as of June 30 of the prior fiscal  
17 year shall automatically be transferred to the General Fund.  
18 § 6502. Declaration of exemption from Federal laws prohibiting  
19 local gaming terminals.

20 (a) Declaration.--Under the Gambling Devices Transportation  
21 Act (64 Stat. 1134, 15 U.S.C. § 1171 et seq.), the Commonwealth  
22 declares that it is exempt from section 2 of that act.

23 (b) Legal shipments.--All shipments of gambling devices, as  
24 defined in section 1 of the Gambling Devices Transportation Act,  
25 into this Commonwealth, the registering, recording and labeling  
26 of which has been effected by the manufacturer and supplier of  
27 those devices in accordance with sections 3 and 4 of the  
28 Gambling Devices Transportation Act, shall be deemed legal  
29 shipments of gambling devices into this Commonwealth.  
30 § 6503. Preemption of local taxes and license fees.

1 (a) Statutes.--Local gaming terminals shall be exempt from  
2 taxes levied under the following:

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

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

7 (3) 53 Pa.C.S. Pt. III Subpt. E (relating to home rule  
8 and optional plan government).

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

11 (b) Licensing fees.--Local gaming terminals are exempt from  
12 local licensing fees.

13 § 6504. Exclusive jurisdiction of Supreme Court.

14 The Pennsylvania Supreme Court shall have exclusive  
15 jurisdiction to hear a challenge to or to render a declaratory  
16 judgment concerning the constitutionality of this part. The  
17 Pennsylvania Supreme Court may take such action as it deems  
18 appropriate, consistent with the Pennsylvania Supreme Court  
19 retaining jurisdiction over the matter, to find facts or to  
20 expedite a final judgment in connection with a challenge or  
21 request for declaratory relief.

22 Section 3. Section 5513(a)(1) and (e.1) of Title 18 are  
23 amended and subsection (f) is amended by adding a definition to  
24 read:

25 § 5513. Gambling devices, gambling, etc.

26 (a) Offense defined.--A person is guilty of a misdemeanor of  
27 the first degree if he:

28 (1) intentionally or knowingly makes, assembles, sets  
29 up, maintains, sells, lends, leases, gives away, or offers  
30 for sale, loan, lease or gift, any [punch board, drawing

1 card, slot machine or any] illegal gambling device [to be  
2 used for gambling purposes, except playing cards];

3 \* \* \*

4 [(e.1) Construction.--Nothing in this section shall be  
5 construed to prohibit any activity that is lawfully conducted  
6 under any of the following:

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

9 (2) The act of July 10, 1981 (P.L.214, No.67), known as  
10 the Bingo Law.

11 (3) The act of December 19, 1988 (P.L.1262, No.156),  
12 known as the Local Option Small Games of Chance Act.

13 (4) 4 Pa.C.S. (relating to amusements).]

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

17 \* \* \*

18 "Illegal gambling device." A mechanical, computerized or  
19 electrical contrivance, game, terminal, machine or device which,  
20 upon insertion or payment of cash or cash equivalent as a wager,  
21 is available to play or operate one or more games, the play or  
22 outcome of which is determined by any element of either chance  
23 or skill, and may deliver or entitle the player to receive cash  
24 or cash equivalent or any instrument or representation of value  
25 that is more than nominal. The term shall not include any  
26 activity that is lawfully conducted under any of the following:

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

29 (2) The act of July 10, 1981 (P.L.214, No.67), known as  
30 the Bingo Law.

1           (3) The act of December 19, 1988 (P.L.1262, No.156),  
2           known as the Local Option Small Games of Chance Act.

3           (4) 4 Pa.C.S. (relating to amusements).

4           \* \* \*

5           Section 4. Title 35 is amended by adding a section to read:

6           § 7322. Pennsylvania Emergency Management Programs Fund.

7           (a) Establishment.--The Pennsylvania Emergency Management  
8           Programs Fund is established in the State Treasury. The money in  
9           the fund is appropriated upon approval of the Governor to the  
10           agency for the uses specified in subsection (c).

11           (b) Funding sources.--The fund shall consist of money  
12           transferred from the Local Gaming Fund established in 4 Pa.C.S.  
13           § 6104 (relating to Local Gaming Fund), interest earned on the  
14           money and other money made available to the agency for deposit  
15           into the fund.

16           (c) Use.--The money in the fund shall be used for grants  
17           awarded under the following:

18           (1) A grant program, established by statute enacted  
19           after the effective date of this paragraph, for urban search  
20           and rescue teams.

21           (2) Section 7811 (relating to establishment).

22           (3) Section 7821 (relating to establishment).

23           Section 5. This act shall take effect as follows:

24           (1) The addition of 35 Pa.C.S. § 7322 shall take effect  
25           June 30, 2025.

26           (2) This section shall take effect immediately.

27           (3) The remainder of this act shall take effect in 60  
28           days.