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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 524 Session of  
2017

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INTRODUCED BY COSTA, FONTANA, HUGHES AND SCHWANK, MARCH 20, 2017

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REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,  
MARCH 20, 2017

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AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated  
2 Statutes, providing for fantasy contests and for iLottery; in  
3 general provisions, further providing for legislative intent  
4 and for definitions; in Pennsylvania Gaming Control Board,  
5 further providing for general and specific powers, for  
6 licensed gaming entity application appeals from board, for  
7 board minutes and records, for regulatory authority of board,  
8 for slot machine license fee, for reports of board and for  
9 diversity goals of board; in licensees, further providing for  
10 Category 3 slot machine license, for slot machine license  
11 application, for supplier licenses, for manufacturer  
12 licenses, for slot machine testing and certification  
13 standards and for license renewals and providing for  
14 nongaming service provider and for slot machine license  
15 operation fee; in table games, further providing for other  
16 financial transactions, for table game device and associated  
17 equipment testing and certification standards and for local  
18 share assessment; providing for interactive gaming; in  
19 revenues, further providing for establishment of State Gaming  
20 Fund and net slot machine revenue distribution; in  
21 administration and enforcement, further providing for  
22 responsibility and authority of the Department of Revenue,  
23 for compulsive and problem gambling program, for financial  
24 and employment interests, for political influence, for  
25 regulation requiring exclusion or ejection of certain  
26 persons, for repeat offenders excludable from licensed gaming  
27 facility, for list of persons self excluded from gaming  
28 activities, for investigations and enforcement and for  
29 prohibited acts and penalties; in miscellaneous provisions,  
30 further providing for appropriations; and making a related  
31 repeal.

32 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

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

4 PART I  
5 AMUSEMENTS GENERALLY

6 Chapter

7 1. Preliminary Provisions (Reserved)

8 3. Fantasy Contests

9 5. iLottery

10 CHAPTER 1  
11 PRELIMINARY PROVISIONS

12 (Reserved)

13 CHAPTER 3  
14 FANTASY CONTESTS

15 Subchapter

16 A. General Provisions

17 B. Administration

18 C. Licensure

19 D. Fiscal Provisions

20 E. Miscellaneous Provisions

21 SUBCHAPTER A  
22 GENERAL PROVISIONS

23 Sec.

24 301. Scope of chapter.

25 302. Definitions.

26 § 301. Scope of chapter.

27 This chapter relates to fantasy contests.

28 § 302. Definitions.

29 The following words and phrases when used in this chapter  
30 shall have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 "Board." The Pennsylvania Gaming Control Board.

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

6 "Controlling interest." Either of the following:

7 (1) For a publicly traded domestic or foreign  
8 corporation, a controlling interest is an interest if a  
9 person's sole voting rights under State law or corporate  
10 articles or bylaws entitle the person to elect or appoint one  
11 or more of the members of the board of directors or other  
12 governing board or the ownership or beneficial holding of 5%  
13 or more of the securities of the publicly traded corporation,  
14 partnership, limited liability company or other form of  
15 publicly traded legal entity, unless this presumption of  
16 control or ability to elect is rebutted by clear and  
17 convincing evidence.

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

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

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

28 "Fantasy contest." An online fantasy or simulated game or  
29 contest with an entry fee and a prize or award administered by a  
30 licensed operator in which:

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

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

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

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

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

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

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

26       "iLottery." A modern digital system that provides for the  
27 distribution of lottery products through numerous channels that  
28 include, but are not limited to, web applications, mobile  
29 applications, mobile web, tablets and social media platforms  
30 that allow players to interface through a portal for the purpose

1 of obtaining lottery products and ancillary services, such as  
2 account management, game purchase, game play and prize  
3 redemption.

4 "In-State participant." An individual who participates in a  
5 fantasy contest conducted by a licensed operator and pays a fee  
6 to a licensed operator from a location within this Commonwealth.

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

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

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

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

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

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

30 "Person." A natural person, corporation, publicly traded

1 corporation, foundation, organization, business trust, estate,  
2 limited liability company, licensed corporation, trust,  
3 partnership, limited liability partnership, association or any  
4 other form of legal business entity.

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

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

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

24 (1) has a class or series of securities registered under  
25 the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.  
26 § 78a et seq.);

27 (2) is a registered management company under the  
28 Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. §  
29 80a-1 et seq.); or

30 (3) is subject to the reporting obligations imposed by

1 section 15(d) of the Securities Exchange Act of 1934 (48  
2 Stat. 881, 15 U.S.C. § 780) by reason of having filed a  
3 registration statement that has become effective under the  
4 Securities Act of 1933 (48 Stat. 74, 15 U.S.C. § 77a et  
5 seq.).

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

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

13 "Subscription services." A payment, advance payment or  
14 promise of payment for multiple lottery products over a  
15 specified period of time, which shall include payments through  
16 iLottery.

17 SUBCHAPTER B

18 ADMINISTRATION

19 Sec.

20 311. General and specific powers of board.

21 312. Temporary regulations.

22 313. Fantasy contest license appeals.

23 314. Board minutes and records.

24 315. Reports of board.

25 § 311. General and specific powers of board.

26 (a) General powers.--

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

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

7           (b) Specific powers.--The board shall have the following  
8 powers:

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

11           (2) At the board's discretion, to suspend, condition or  
12 deny the issuance or renewal of a license or levy fines for  
13 any violation of this chapter.

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

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

28           (5) In the event that, in any year, appropriations for  
29 the administration of this chapter are not enacted by June  
30 30, to use any funds appropriated for the administration of



1 this chapter which are unexpended, uncommitted and  
2 unencumbered at the end of a fiscal year, which shall remain  
3 available for expenditure by the board until the enactment of  
4 appropriation for the ensuing fiscal year.

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

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

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

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

24 (10) To require licensed operators, except for a  
25 licensed operator operating season-long fantasy contests that  
26 generate less than \$250,000 in season-long fantasy contest  
27 adjusted revenue, unless the board determines otherwise, to:

28 (i) annually contract with a certified public  
29 accountant to conduct an independent audit in accordance  
30 with standards adopted by the American Institute of

1 Certified Public Accountants to verify compliance with  
2 the provisions of this chapter and board regulations;

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

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

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

15 (b.1) Licensed entity representative.--

16 (1) A licensed entity representative shall register with  
17 the board, in a manner prescribed by the board. The  
18 registration shall include the name, employer or firm,  
19 business address and business telephone number of both the  
20 licensed entity representative and any licensed operator,  
21 applicant for licensure or other person being represented.

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

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

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

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

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

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

12 § 312. Temporary regulations.

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

19 (1) Sections 201, 202 and 203 of the act of July 31,  
20 1968 (P.L.769, No.240), referred to as the Commonwealth  
21 Documents Law.

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

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

1 § 313. Fantasy contest license appeals.

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

8 § 314. Board minutes and records.

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

15 (b) Applicant information.--

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

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

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

27 (d) Confidentiality of information.--

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

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

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

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

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

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

27 (v) Records of an applicant for a fantasy contest  
28 license or a licensed operator not required to be filed  
29 with the Securities and Exchange Commission by issuers  
30 that either have securities registered under section 12

1 of the Securities Exchange Act of 1934 (48 Stat. 881, 15  
2 U.S.C. § 781) or are required to file reports under  
3 section 15(d) of the Securities Exchange Act of 1934 (48  
4 Stat. 881, 15 U.S.C. § 78o)

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

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

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

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

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

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

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

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

17 § 315. Reports of board.

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

21           (1) Total fantasy contest adjusted revenues.

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

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

29           (b) Licensed operators.--The board may require licensed  
30 operators to provide information to the board to assist in the

1 preparation of the report.

2 SUBCHAPTER C

3 LICENSURE

4 Sec.

5 321. General prohibition.

6 322. Application.

7 323. Issuance and denial of license.

8 324. License renewal.

9 325. Conditions of licensure.

10 326. Prohibitions.

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

12 328. Penalties.

13 § 321. General prohibition.

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

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

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

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

26 § 322. Application.

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



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

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

10          (3) The names and addresses of key employees.

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

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

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

21          (7) Any other information required by the board.

22          (b) Nonrefundable application fee.--Each application  
23 submitted under this chapter shall be accompanied by a  
24 nonrefundable application fee, which shall be established by the  
25 board, and which may not exceed the amount necessary to  
26 reimburse the board for all costs incurred by the board for  
27 fulfilling the requirements of this section and section 323  
28 (relating to issuance and denial of license) or exceed an amount  
29 equal to 5% of the applicant's fantasy contest adjusted revenues  
30 for the previous calendar year.

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

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

11 § 323. Issuance and denial of license.

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

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

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

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

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

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

28 (2) employs a principal or key employee who has been  
29 convicted of a felony, a crime of moral turpitude or any  
30 criminal offense involving dishonesty or breach of trust

1 within 10 years prior to the date of the application for a  
2 license;

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

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

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

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

14 (c) Time period for review.--The board shall conclude its  
15 review of an application for a fantasy contest license within  
16 120 days of receipt of the completed application. If the license  
17 is not issued, the board shall provide the applicant with the  
18 justification for not issuing such license with specificity.

19 (d) License fee.--

20 (1) Within 30 days of the board issuing a fantasy  
21 contest license, an applicant shall pay to the board a  
22 license fee of \$2,500,000.

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

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

29 (e) Abbreviated approval process.--The board, at its  
30 discretion, may establish an abbreviated approval process for

1 the issuance of a fantasy contest license to a licensed gaming  
2 entity whose slot machine license and table game certificate are  
3 in good standing.

4 § 324. License renewal.

5 (a) Renewal.--

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

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

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

23 (b) Revocation or failure to renew.--

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

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

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

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

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

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

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

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

22 (c) Renewal fee.--

23           (1) Within 30 days of the board renewing a fantasy  
24 contest license, the licensed operator shall pay to the board  
25 a renewal fee of \$500,000.

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

28           (3) If a licensed operator fails to pay the renewal fee  
29 required under this subsection, the board shall suspend or  
30 revoke the licensed operator's fantasy contest license until

1 payment of the renewal fee is received.

2 § 325. Conditions of licensure.

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

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

11 (2) Verify the age, location and identity of any  
12 participant prior to making a deposit into a fantasy contest  
13 account for a participant located in this Commonwealth. No  
14 participant under 21 years of age may be permitted to  
15 establish a fantasy contest account with a licensed operator.

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

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

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

28 (6) Allow a person to restrict himself from entering a  
29 fantasy contest or accessing a fantasy contest account for a  
30 specific period of time as determined by the participant and

1 implement reasonable procedures to prevent the individual  
2 from participating in the licensed operator's fantasy  
3 contests.

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

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

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

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

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

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

1 information.

2 (13) Segregate participant funds from operational funds  
3 in separate accounts and maintain a reserve in the form of  
4 cash, cash equivalents, security deposits held by banks and  
5 processors, an irrevocable letter of credit, payment  
6 processor reserves and receivables, a bond or a combination  
7 thereof in an amount sufficient to pay all prizes and awards  
8 offered to winning participants. To satisfy this paragraph, a  
9 licensed operator that only offers season-long fantasy  
10 contests that generate less than \$250,000 in season-long  
11 fantasy contest adjusted revenue may contract with a third  
12 party to hold prizes and awards in an escrow account until  
13 after the season is concluded and prizes and awards are  
14 distributed.

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

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

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

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

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

30 § 326. Prohibitions.



1 (a) General rule.--No licensed operator may:

2 (1) accept an entry fee from or permit a natural person  
3 under 21 years of age to become a participant in a fantasy  
4 contest;

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

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

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

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

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

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

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

22 (8.1) knowingly allow a self-excluded individual to keep  
23 a prize or award;

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

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

30 (11) knowingly permit a principal, an employee or a

1 relative living in the same household of an employee or  
2 principal to become a participant in a fantasy contest  
3 offered by any licensed operator in which a licensed operator  
4 offers a prize or award;

5 (12) offer a fantasy contest where:

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

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

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

15 or

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

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

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

30 (15) perform any other action prohibited by the board or

1 the Commonwealth.

2 (b) Deposit.--The licensed operator shall deposit the amount  
3 of the prize or award under subsection (a) (8.1) in the General  
4 Fund.

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

6 (a) Notification and approval.--

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

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

13 (ii) The sale other than in the ordinary course of  
14 business of a licensed operator's assets.

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

18 (2) Notwithstanding the provisions of paragraph (1), a  
19 licensed operator shall not be required to notify the board  
20 of any acquisition by an institutional investor under  
21 paragraph (1)(i) or (ii) if the institutional investor holds  
22 less than 10% of the securities or other ownership interests  
23 referred to in paragraph (1)(i) or (ii), the securities or  
24 interests are publicly traded securities and its holdings of  
25 such securities were purchased for investment purposes only  
26 and the institutional investor files with the board a  
27 certified statement to the effect that the institutional  
28 investor has no intention of influencing or affecting,  
29 directly or indirectly, the affairs of the licensed operator,  
30 provided, however, that the institutional investor may vote

1 on matters put to the vote of the outstanding security  
2 holders. Notice to the board shall be required prior to  
3 completion of any proposed or contemplated change of  
4 ownership of a licensed operator that meets the criteria of  
5 this section.

6 (b) Qualification of purchaser and change of control.--

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

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

26 (c) Change in control defined.--For purposes of this  
27 section, a change in control of a licensed operator shall mean  
28 the acquisition by a person or group of persons acting in  
29 concert of more than 20% of a licensed operator's securities or  
30 other ownership interests, with the exception of any ownership

1 interest of the person that existed at the time of initial  
2 licensing and payment of the initial fantasy contest license  
3 fee, or more than 20% of the securities or other ownership  
4 interests of a corporation or other form of business entity that  
5 owns directly or indirectly at least 20% of the voting or other  
6 securities or other ownership interests of the licensed  
7 operator.

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

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

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

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

24 (b) Administrative penalties.--

25 (1) In addition to suspension or revocation of a fantasy  
26 contest license, the board may impose administrative  
27 penalties on a licensed operator for violations of this  
28 chapter not to exceed \$5,000 for each violation.

29 (2) A violation of this chapter that is determined to be  
30 an offense of a continuing nature shall be deemed to be a

1 separate offense on each event or day during which the  
2 violation occurs, except that the total administrative  
3 penalty for an offense of a continuing nature may not exceed  
4 \$25,000.

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

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

12 (c) Civil penalties.--

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

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

20 SUBCHAPTER D

21 FISCAL PROVISIONS

22 Sec.

23 331. Fantasy contest tax.

24 332. Licensed operator deposits.

25 333. Responsibility and authority of department.

26 § 331. Fantasy contest tax.

27 (a) Imposition.--Each licensed operator shall report to the  
28 department and pay from its quarterly fantasy contest adjusted  
29 revenues, on a form and in the manner prescribed by the  
30 department, a tax of 25% of its quarterly fantasy contest

1 adjusted revenues.

2 (b) Deposits and distributions.--

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

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

10 (3) The tax imposed under subsection (a) shall be  
11 deposited into the State Lottery Fund.

12 (c) Penalty.--

13 (1) A licensed operator who fails to timely remit to the  
14 department amounts required under this section shall be  
15 liable, in addition to any liability imposed elsewhere in  
16 this chapter, to a penalty of 5% per month up to a maximum of  
17 25% of the amounts ultimately found to be due, to be  
18 recovered by the department.

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

21 § 332. Licensed operator deposits.

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

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

30 (2) repay any loans made by the General Fund to the

1 board or the department in connection with carrying out its  
2 powers and duties under this chapter.

3 (b) Deposits.--

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

9 (2) The percentage assessed shall not exceed an amount  
10 necessary to:

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

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

18 (c) Itemized budget reporting.--

19 (1) The board and the department shall prepare and  
20 annually submit to the chairperson and minority chairperson  
21 of the Appropriations Committee of the Senate and the  
22 chairperson and minority chairperson of the Appropriations  
23 Committee of the House of Representatives an itemized budget  
24 consisting of amounts to be appropriated out of the accounts  
25 established under this section necessary to administer this  
26 chapter.

27 (2) As soon as practicable after submitting copies of  
28 the itemized budget, the board and the department shall  
29 jointly prepare and submit to the chairpersons and minority  
30 chairpersons of the committees analyses of and make



1 recommendations regarding the itemized budget.

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

5 (e) Penalty.--

6 (1) A licensed operator who fails to timely remit to the  
7 department amounts required under this section shall be  
8 liable, in addition to any liability imposed elsewhere in  
9 this chapter, to a penalty of 5% per month up to a maximum of  
10 25% of the amounts ultimately found to be due, to be  
11 recovered by the department.

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

14 § 333. Responsibility and authority of department.

15 (a) General rule.--The department may administer and collect  
16 taxes imposed under section 331 (relating to fantasy contest  
17 tax) and interest imposed under section 806 of the act of April  
18 9, 1929 (P.L.343, No.176), known as The Fiscal Code, and  
19 promulgate and enforce rules and regulations to carry out its  
20 prescribed duties in accordance with sections 331 and 332  
21 (relating to licensed operator deposits), including the  
22 collection of taxes, penalties, assessments and interest.

23 (b) Procedure.--For purposes of implementing sections 331  
24 and 332, the department may promulgate regulations in the same  
25 manner in which the board is authorized as provided in section  
26 312 (relating to temporary regulations).

27 SUBCHAPTER E

28 MISCELLANEOUS PROVISIONS

29 Sec.

30 341. Applicability of other statutes.

1 342. Licensed gaming entities.

2 343. Funding.

3 § 341. Applicability of other statutes.

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

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

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

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

19 § 342. Licensed gaming entities.

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

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

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

1 (d) Promotional play.--For a restricted contest under  
2 subsection (c), a licensed gaming entity may offer slot machine  
3 or table game promotional play to a participant who is at least  
4 21 years of age as a prize or award or for participating in a  
5 fantasy contest conducted by the licensed gaming entity.

6 (e) Gaming service providers.--A licensed operator who is  
7 not a licensed gaming entity may, at the discretion of the  
8 board, be certificated or registered as a gaming service  
9 provider under section 1317.2 (relating to gaming service  
10 provider) in order to operate fantasy contests subject to the  
11 restrictions of subsection (c) on behalf of a licensed gaming  
12 entity.

13 § 343. Funding.

14 (a) Appropriation.--The following amounts are appropriated:

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

19 (2) The sum of \$500,000 is appropriated to the  
20 department for the fiscal-year period July 1, 2016, to June  
21 30, 2017, for the purpose of implementing and administering  
22 the provisions of this chapter.

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

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

5 CHAPTER 5

6 iLOTTERY

7 Sec.

8 501. Scope of chapter.

9 502. Definitions.

10 503. iLottery authorization.

11 § 501. Scope of chapter.

12 This chapter relates to iLottery.

13 § 502. Definitions.

14 As used in this chapter, the following words and phrases  
15 shall have the meanings given to them in this section unless the  
16 context clearly indicates otherwise:

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

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

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

1 established methodology as provided by the lottery.

2 "Lottery products." Plays, shares or chances offered by the  
3 lottery as well as lottery property that may be exchanged for  
4 plays, shares or chances. This term shall include instant  
5 tickets, terminal-based tickets, raffle games, Internet instant  
6 tickets, iLottery games, play-for-fun games, lottery vouchers,  
7 subscription services and gift cards.

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

9 "Subscription services." A payment, advance payment or  
10 promise of payment for multiple lottery products over a  
11 specified period of time, which shall include payments through  
12 iLottery.

13 § 503. iLottery authorization.

14 (a) Authority.--Notwithstanding any provision of law to the  
15 contrary, the department shall have the authority to operate  
16 iLottery and Internet instant games.

17 (b) Temporary regulatory authority.--The following apply:

18 (1) In order to facilitate the prompt implementation of  
19 iLottery products or new sales methods of existing lottery  
20 products over the Internet, regulations promulgated by the  
21 secretary shall be deemed temporary regulations which shall  
22 expire not later than two years following the publication of  
23 the temporary regulation. The secretary may promulgate  
24 temporary regulations not subject to:

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

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

30 (iii) Sections 204(b) and 301(10) of the act of

1 October 15, 1980 (P.L.950, No.164), known as the  
2 Commonwealth Attorneys Act.

3 (2) Except for temporary regulations as proscribed  
4 above, the secretary's authority to adopt temporary  
5 regulations under subsection (a) shall expire two years after  
6 the effective date of this section. Regulations adopted after  
7 this period shall be promulgated as provided by law.

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

17 (d) Player identifiable information.--With the exception of  
18 certain information released by the department to notify the  
19 public of the identity of a prize recipient or to perform any  
20 other obligation of the lottery under law or regulation related  
21 to the payment of lottery prizes, personally identifying  
22 information obtained by the department as a result of a player's  
23 purchase of lottery products or the claim of a lottery prize,  
24 such as name, address, telephone number or player financial  
25 information, shall be considered confidential and otherwise  
26 exempt from disclosure whether retained by the department, any  
27 agent of the department or a lottery retailer. Proprietary  
28 information shall include any research or studies conducted by  
29 the lottery or a lottery vendor that utilizes proprietary  
30 information obtained under this section.

1 (e) Lottery proprietary information.--Any information  
2 obtained by the department as a result of a player's purchase of  
3 lottery products or entering a lottery drawing, such as  
4 aggregate statistical data which may include play history or  
5 player tendencies shall be considered proprietary information of  
6 the department and otherwise exempt from disclosure whether  
7 retained by the department, any agent of the lottery or a  
8 lottery retailer. Proprietary information shall include any  
9 research or studies conducted by the lottery or a lottery vendor  
10 that utilizes proprietary information obtained under this  
11 section.

12 (f) Revenues.--Notwithstanding any provision of law to the  
13 contrary, all revenues accruing from the sale of lottery  
14 products under this chapter shall be dedicated to and deposited  
15 in the State Lottery Fund as provided for in section 311 of the  
16 act of August 26, 1971 (P.L.351, No.91), known as the State  
17 Lottery Law. The revenues shall be apportioned as provided for  
18 in section 303(a)(11) of the State Lottery Law. For fiscal years  
19 beginning after June 30, 2017, the apportionment shall not be  
20 subject to the dedicated minimum amount as provided for in  
21 section 303(a)(11)(iv) of the State Lottery Law.

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

24 § 1102. Legislative intent.

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

28 \* \* \*

29 (12.1) The continued growth and success of the  
30 commercial gaming industry in this Commonwealth is dependent

1 upon a regulatory environment which promotes and fosters  
2 technological advances and encourages the development and  
3 delivery of innovative gaming products.

4 (12.2) It is also the intent of the General Assembly to  
5 ensure the sustainability and competitiveness of the  
6 commercial gaming industry in this Commonwealth by  
7 authorizing interactive gaming, the operation of multistate  
8 wide-area progressive slot machines, skill and hybrid slot  
9 machines.

10 \* \* \*

11 Section 3. The definitions of "associated equipment," "cash  
12 equivalent," "cheat," "cheating or thieving device,"  
13 "commission" or "commissions," "conduct of gaming," "contest,"  
14 "counterfeit chip," "fully automated electronic gaming table,"  
15 "gaming employee," "gaming school," "gaming service provider,"  
16 "key employee," "licensed facility," "licensed racing entity,"  
17 "manufacturer," "manufacturer license," "player," "progressive  
18 payout," "progressive system," "Race Horse Industry Reform Act,"  
19 "slot machine," "supplier," "supplier license" and "table game  
20 device" in section 1103 of Title 4 are amended and the section  
21 is amended by adding definitions to read:

22 § 1103. 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 \* \* \*

27 "Airport authority." The governing body of a municipal  
28 authority organized and incorporated to oversee the operations  
29 of a qualified airport under 53 Pa.C.S. Ch. 56 (relating to  
30 municipal authorities) or the governing body of a city of the



1 first class, which regulates the use and control of a qualified  
2 airport.

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

10 \* \* \*

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

27 \* \* \*

28 "Authorized interactive game." An interactive game approved  
29 by regulation of the Pennsylvania Gaming Control Board to be  
30 suitable for interactive gaming offered by an interactive gaming

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

7 \* \* \*

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

- 10 (1) Chips or tokens.
- 11 (2) Travelers checks.
- 12 (3) Foreign currency and coin.
- 13 (4) Certified checks, cashier's checks and money orders.
- 14 (5) Personal checks or drafts.
- 15 (6) A negotiable instrument applied against credit  
16 extended by a certificate holder, an interactive gaming  
17 certificate holder, a holder of an interactive gaming license  
18 or a financial institution.
- 19 (7) Any other instrument or representation of value that  
20 the Pennsylvania Gaming Control Board deems a cash  
21 equivalent.

22 \* \* \*

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

1 (1) The result of a slot machine game [or], table game  
2 or authorized interactive game.

3 (2) The amount or frequency of payment in a slot machine  
4 game [or], table game or authorized interactive game.

5 (3) The value of a wagering instrument.

6 (4) The value of a wagering credit.

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

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

19 \* \* \*

20 ["Commission" or "commissions."] "Commission." The State  
21 Horse Racing Commission [or the State Harness Racing Commission,  
22 or both as the context may require.] as defined in 3 Pa.C.S. §  
23 9301 (relating to definitions).

24 \* \* \*

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

1 person.

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

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

13 \* \* \*

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

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

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

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

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

27 \* \* \*

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

1 another by airplane.

2 \* \* \*

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

11 \* \* \*

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

14 (1) Cashiers.

15 (2) Change personnel.

16 (3) Count room personnel.

17 (4) Slot attendants.

18 (5) Hosts or other individuals authorized to extend  
19 complimentary services, including employees performing  
20 functions similar to those performed by a gaming junket  
21 representative.

22 (6) Machine mechanics, computer machine technicians or  
23 table game device technicians.

24 (7) Security personnel.

25 (8) Surveillance personnel.

26 (9) Promotional play supervisors, credit supervisors,  
27 pit supervisors, cashier supervisors, shift supervisors,  
28 table game managers and assistant managers and other  
29 supervisors and managers, except for those specifically  
30 identified in this part as key employees.

- 1 (10) Boxmen.  
2 (11) Dealers or croupiers.  
3 (12) Floormen.  
4 (13) Personnel authorized to issue promotional play.  
5 (14) Personnel authorized to issue credit.

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

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

26 \* \* \*

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

1 controls.

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

12 "Gaming service provider." A person that is not required to  
13 be licensed as a manufacturer, supplier, management company or  
14 gaming junket enterprise under this part and:

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

19 (2) [provides goods or services at a licensed facility.]  
20 requires access to the gaming floor or a gaming-related  
21 restricted area.

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

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

28 (2) The cash equivalent value of any personal property  
29 or other noncash items or things of value included in a  
30 drawing, contest or tournament and distributed to registered

1 players as a result of playing authorized interactive games.

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

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

12 \* \* \*

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

16 \* \* \*

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

25 (1) A lottery game or Internet instant game as defined  
26 in the act of August 26, 1971 (P.L.351, No.91), known as the  
27 State Lottery Law.

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

30 For the purposes of this definition, the term "communications



1 technology" shall mean any method used and the components  
2 employed to facilitate the transmission and receipt of  
3 information, including transmission and reception by systems  
4 using wire, wireless, cable, radio, microwave, light, fiber  
5 optics, satellite or computer data networks, including the  
6 Internet and intranets, as approved by the board.

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

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

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

28 "Interactive gaming agreement." An agreement entered into by  
29 or between an interactive gaming certificate holder and an  
30 interactive gaming operator related to the offering or operation

1 of interactive gaming or an interactive gaming system on behalf  
2 of an interactive gaming certificate holder. The term shall  
3 include an interactive gaming agreement entered into by or  
4 between an interactive gaming certificate holder and an  
5 interactive gaming operator for the conduct of interactive  
6 gaming through the use of multi-use computing devices at a  
7 qualified airport in accordance with this part.

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

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

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

22 "Interactive gaming license." A license issued to a person  
23 by the Pennsylvania Gaming Control Board under Chapter 13B  
24 (relating to interactive gaming).

25 "Interactive gaming licensee." A person who has been issued  
26 a license to act as an interactive gaming operator under Chapter  
27 13B (relating to interactive gaming).

28 "Interactive gaming operator." A person, including an  
29 affiliate of a slot machine licensee, licensed by the  
30 Pennsylvania Gaming Control Board to operate interactive gaming

1 or an interactive gaming system on behalf of an interactive  
2 gaming certificate holder.

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

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

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

25 "Interactive gaming skin or skins." The portal or portals to  
26 an interactive gaming platform or Internet website through which  
27 authorized interactive games are made available to registered  
28 players by an interactive gaming certificate holder or other  
29 person on behalf of an interactive gaming certificate holder in  
30 this Commonwealth or players in any other state or jurisdiction

1 in which an interactive gaming reciprocal agreement has been  
2 entered.

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

6 \* \* \*

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

11 \* \* \*

12 "Key employee." Any individual who is employed in a director  
13 or department head capacity and who is empowered to make  
14 discretionary decisions that regulate slot machine or table game  
15 operations or interactive gaming operations, including the  
16 general manager and assistant manager of the licensed facility,  
17 director of slot operations, director of table game operations,  
18 director of interactive gaming, director of cage and/or credit  
19 operations, director of surveillance, director of marketing,  
20 director of management information systems, director of  
21 interactive gaming system programs or other similar job  
22 classifications associated with interactive gaming, persons who  
23 manage, control or administer interactive gaming or the bets and  
24 wagers associated with authorized interactive games, director of  
25 security, comptroller and any employee who is not otherwise  
26 designated as a gaming employee and who supervises the  
27 operations of these departments or to whom these department  
28 directors or department heads report and such other positions  
29 not otherwise designated or defined under this part which the  
30 Pennsylvania Gaming Control Board shall determine based on

1 detailed analyses of job descriptions as provided in the  
2 internal controls of the licensee as approved by the  
3 Pennsylvania Gaming Control Board. All other gaming employees  
4 unless otherwise designated by the Pennsylvania Gaming Control  
5 Board shall be classified as non-key employees.

6 \* \* \*

7 "Licensed facility." The physical land-based location at  
8 which a licensed gaming entity is authorized to place and  
9 operate slot machines and, if authorized by the Pennsylvania  
10 Gaming Control Board under Chapter 13A (relating to table  
11 games), to conduct table games and, if authorized under Chapter  
12 13B (relating to interactive gaming), to conduct interactive  
13 gaming. The term includes any:

14 (1) area of a licensed racetrack at which a slot machine  
15 licensee was previously authorized pursuant to section  
16 1207(17) (relating to regulatory authority of board) to  
17 operate slot machines prior to the effective date of this  
18 paragraph;

19 (2) board-approved interim facility or temporary  
20 facility; and

21 (3) area of a hotel which the Pennsylvania Gaming  
22 Control Board determines is suitable to conduct table games.

23 The term shall not include a redundancy facility or an  
24 interactive gaming restricted area which is not located on the  
25 premises of a licensed facility as approved by the Pennsylvania  
26 Gaming Control Board and which is maintained and operated by an  
27 interactive gaming certificate holder in connection with  
28 interactive gaming.

29 \* \* \*

30 "Licensed racing entity." Any legal entity that has obtained

1 a license to conduct live thoroughbred or harness horse race  
2 meetings respectively with pari-mutuel wagering from [either]  
3 the State Horse Racing Commission [or the State Harness Racing  
4 Commission] pursuant to [the act of December 17, 1981 (P.L.435,  
5 No.135), known as] the Race Horse Industry Reform Act.

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

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

22 \* \* \*

23 "Multi-use computing device." As follows:

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

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

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

30 (iii) Communicates with a server that is in a

1 location approved by the Pennsylvania Gaming Control  
2 Board.

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

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

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

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

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

26 \* \* \*

27 "Nongaming service provider." A person that is not a gaming  
28 service provider or required to be licensed as a manufacturer,  
29 supplier or management company or gaming junket enterprise under  
30 this part and that provides goods or services:

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

4           (2) that does not require access to the gaming floor or  
5           a gaming-related restricted area.

6           \* \* \*

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

15           \* \* \*

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

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

28           \* \* \*

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



1 international airport and is located in either a city of the  
2 first class or a county of the second class.

3 "Race Horse Industry Reform Act." [The act of December 17,  
4 1981 (P.L.435, No.135), known as the Race Horse Industry Reform  
5 Act.] 3 Pa.C.S. Ch. 93 (relating to race horse industry reform).

6 \* \* \*

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

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

14 \* \* \*

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

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

20 "Slot machine." Includes:

21 (1) Any mechanical, electrical or computerized  
22 contrivance, terminal, machine or other device approved by  
23 the Pennsylvania Gaming Control Board which, upon insertion  
24 of a coin, bill, ticket, token or similar object therein or  
25 upon payment of any consideration whatsoever, including the  
26 use of any electronic payment system except a credit card or  
27 debit card, is available to play or operate, the play or  
28 operation of which, whether by reason of skill or application  
29 of the element of chance or both, may deliver or entitle the  
30 person or persons playing or operating the contrivance,

1 terminal, machine or other device to receive cash, billets,  
2 tickets, tokens or electronic credits to be exchanged for  
3 cash or to receive merchandise or anything of value  
4 whatsoever, whether the payoff is made automatically from the  
5 machine or manually. A slot machine:

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

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

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

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

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

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

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

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

27 \* \* \*

28 "Supplier." A person that sells, leases, offers or otherwise  
29 provides, distributes or services any slot machine, table game  
30 device or associated equipment, or interactive gaming device or

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

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

13 \* \* \*

14 "Table game device." Includes gaming tables, cards, dice,  
15 chips, shufflers, tiles, dominoes, wheels[, drop boxes] or any  
16 mechanical, electrical or computerized contrivance, terminal,  
17 machine or other device, apparatus, equipment or supplies  
18 approved by the Pennsylvania Gaming Control Board and used to  
19 conduct a table game or that is capable, through the use of  
20 digital, electronic or other communications technology, of  
21 simulating play of a table game.

22 \* \* \*

23 Section 4. Section 1202(a)(1) and (b)(20) and (23) of Title  
24 4 are amended and subsection (b) is amended by adding paragraphs  
25 to read:

26 § 1202. General and specific powers.

27 (a) General powers.--

28 (1) The board shall have general and sole regulatory  
29 authority over the conduct of gaming [or] and related  
30 activities as described in this part. The board shall ensure

1 the integrity of the acquisition and operation of slot  
2 machines, table games, table game devices and associated  
3 equipment and authorized interactive games and interactive  
4 gaming devices and associated equipment and shall have sole  
5 regulatory authority over every aspect of the authorization,  
6 operation and play of slot machines [and], table games and  
7 interactive gaming devices and associated equipment and the  
8 implementation and regulation of airport gaming.

9 \* \* \*

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

12 \* \* \*

13 (12.2) At its discretion, to award, revoke, suspend,  
14 condition or deny an interactive gaming certificate or an  
15 interactive gaming license in accordance with Chapter 13B  
16 (relating to interactive gaming).

17 \* \* \*

18 (20) In addition to the power of the board regarding  
19 license and permit applicants, to determine at its discretion  
20 the suitability of any person who furnishes or seeks to  
21 furnish to a slot machine licensee directly or indirectly any  
22 goods, services or property related to slot machines, table  
23 games, table game devices or associated equipment,  
24 interactive games and interactive gaming devices and  
25 associated equipment or through any arrangements under which  
26 that person receives payment based directly or indirectly on  
27 earnings, profits or receipts from the slot machines, table  
28 games, table game devices and associated equipment,  
29 interactive games, interactive gaming devices and associated  
30 equipment. The board may require any such person to comply

1 with the requirements of this part and the regulations of the  
2 board and may prohibit the person from furnishing the goods,  
3 services or property.

4 \* \* \*

5 (23) The board shall not approve an application for or  
6 issue or renew a license, certificate, registration or permit  
7 unless it is satisfied that the applicant has demonstrated by  
8 clear and convincing evidence that the applicant is a person  
9 of good character, honesty and integrity and is a person  
10 whose prior activities, criminal record, if any, reputation,  
11 habits and associations do not pose a threat to the public  
12 interest or the effective regulation and control of slot  
13 machine [or] operations, table game operations or interactive  
14 gaming operations, or create or enhance the danger of  
15 unsuitable, unfair or illegal practices, methods and  
16 activities in the conduct of slot machine or table game  
17 operations, interactive gaming operations or the carrying on  
18 of the business and financial arrangements incidental  
19 thereto.

20 \* \* \*

21 (27.2) Within six months of the effective date of this  
22 section, to publish on the board's Internet website a  
23 complete list of all slot machine licensees who filed a  
24 petition seeking authorization to conduct interactive gaming  
25 and the status of each petition or interactive gaming  
26 certificate.

27 \* \* \*

28 (35) To review detailed site plans identifying the  
29 interactive gaming restricted area or room where a slot  
30 machine licensee proposes to manage, administer or control

1 interactive gaming operations to determine the adequacy of  
2 the proposed internal and external security and proposed  
3 surveillance measures.

4 (36) To require each slot machine licensee that holds an  
5 interactive gaming certificate to provide on a quarterly  
6 basis the following information with respect to interactive  
7 gaming:

8 (i) the name of any person, entity or firm to whom  
9 any payment, remuneration or other benefit or thing of  
10 value has been made or conferred for professional  
11 services, including, but not limited to, interactive  
12 gaming system operations or management, legal, consulting  
13 and lobbying services;

14 (ii) the amount or value of the payments,  
15 remuneration, benefit or thing of value;

16 (iii) the date on which the payments, remuneration,  
17 benefit or thing of value was submitted; and

18 (iv) the reason or purpose for the procurement of  
19 the services.

20 (37) To review and approve detailed site and  
21 architectural plans identifying the area of a licensed  
22 facility where a slot machine licensee proposes to place and  
23 make multistate wide-area progressive slot machines, skill  
24 slot machines or hybrid slot machines available for play in  
25 order to determine the adequacy of proposed internal and  
26 external controls, security and proposed surveillance  
27 measures.

28 Section 5. Sections 1204 and 1206(f)(1) of Title 4 are  
29 amended to read:

30 § 1204. Licensed gaming entity application appeals from board.

1 The Supreme Court of Pennsylvania shall be vested with  
2 exclusive appellate jurisdiction to consider appeals of any  
3 final order, determination or decision of the board involving  
4 the approval, issuance, denial or conditioning of a slot machine  
5 license [or], the award, denial or conditioning of a table game  
6 operation certificate[.] or the award, denial or conditioning of  
7 an interactive gaming certificate or an interactive gaming  
8 license. Notwithstanding the provisions of 2 Pa.C.S. Ch. 7  
9 Subch. A (relating to judicial review of Commonwealth agency  
10 action) and 42 Pa.C.S. § 763 (relating to direct appeals from  
11 government agencies), the Supreme Court shall affirm all final  
12 orders, determinations or decisions of the board involving the  
13 approval, issuance, denial or conditioning of a slot machine  
14 license [or], the award, denial or conditioning of a table game  
15 operation certificate or the award, denial or conditioning of an  
16 interactive gaming certificate or an interactive gaming license,  
17 unless it shall find that the board committed an error of law or  
18 that the order, determination or decision of the board was  
19 arbitrary and there was a capricious disregard of the evidence.  
20 § 1206. Board minutes and records.

21 \* \* \*

22 (f) Confidentiality of information.--

23 (1) The following information submitted by an applicant,  
24 permittee, certificate holder or licensee pursuant to section  
25 1310(a) (relating to slot machine license application  
26 character requirements) [or], 1308(a.1) (relating to  
27 applications for license or permit), 13B12 (relating to  
28 interactive gaming certificate required and content of  
29 petition) or 13B14 (relating to interactive gaming operators)  
30 or obtained by the board or the bureau as part of a

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

3 (i) All information relating to character, honesty  
4 and integrity, including family, habits, reputation,  
5 history of criminal activity, business activities,  
6 financial affairs and business, professional and personal  
7 associations submitted under section 1310(a) or 1308(a.1)  
8 or otherwise obtained by the board or the bureau.

9 (ii) Nonpublic personal information, including home  
10 addresses, telephone numbers and other personal contact  
11 information, Social Security numbers, educational  
12 records, memberships, medical records, tax returns and  
13 declarations, actual or proposed compensation, financial  
14 account records, creditworthiness or financial condition  
15 relating to an applicant, licensee [or], permittee,  
16 including the holder of an interactive gaming certificate  
17 or interactive gaming license, or the immediate family  
18 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, which may include customer-identifying  
24 information or customer prospects for services subject to  
25 competition.

26 (iv) Security information, including risk prevention  
27 plans, detection and countermeasures, location of count  
28 rooms, location of interactive gaming restricted areas  
29 and redundancy facilities, emergency management plans,  
30 security and surveillance plans, equipment and usage



1 protocols and theft and fraud prevention plans and  
2 countermeasures.

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

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

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

20 (viii) Any financial information deemed confidential  
21 by the board upon a showing of good cause by the  
22 applicant or licensee.

23 \* \* \*

24 Section 6. Section 1207(1), (3), (4), (5), (6), (8), (9),  
25 (10) and (21) of Title 4 are amended and the section is amended  
26 by adding paragraphs to read:

27 § 1207. Regulatory authority of board.

28 The board shall have the power and its duties shall be to:

29 (1) Deny, deny the renewal, revoke, condition or suspend  
30 any license [or], permit, certificate, registration or other

1 authorizations provided for in this part if the board finds  
2 in its sole discretion that a licensee [or], permittee,  
3 registrant or certificate holder, including any interactive  
4 gaming operator, under this part, or its officers, employees  
5 or agents, have furnished false or misleading information to  
6 the board or failed to comply with the provisions of this  
7 part or the rules and regulations of the board and that it  
8 would be in the public interest to deny, deny the renewal,  
9 revoke, condition or suspend the license [or], permit,  
10 certificate, registration or other authorizations.

11 \* \* \*

12 (3) Prescribe and require periodic financial reporting  
13 and internal control requirements for all licensed entities,  
14 including, in the case of interactive gaming, all interactive  
15 gaming operators.

16 (4) Require that each licensed entity, including, in the  
17 case of interactive gaming, each interactive gaming operator,  
18 provide to the board its audited annual financial statements,  
19 with such additional detail as the board from time to time  
20 shall require, which information shall be submitted not later  
21 than 90 days after the end of the licensee's fiscal year.

22 (5) Prescribe the procedures to be followed by slot  
23 machine licensees for any financial event that occurs in the  
24 operation and play of slot machines [or], table games,  
25 authorized interactive games or multi-use computing devices.

26 (6) Prescribe criteria and conditions for the operation  
27 of slot machine progressive systems, including multistate  
28 wide-area progressive slot machine systems. A wide area  
29 progressive slot system shall be collectively administered by  
30 participating slot machine licensees in accordance with the

1 terms of a written agreement executed by each participating  
2 slot machine licensee and, in the case of a multistate wide-  
3 area progressive slot machine system, in accordance with the  
4 terms of an agreement executed by the slot machine licensee  
5 and authorized gaming entities in other states or  
6 jurisdictions as approved by the board.

7 (6.1) Collaborate with the appropriate gaming  
8 authorities in other states or jurisdictions to facilitate  
9 the establishment of multistate wide-area progressive slot  
10 machine systems by slot machine licensees in this  
11 Commonwealth and, if determined necessary, enter into the  
12 necessary agreements with such other states or jurisdictions  
13 as necessary for the operation of multistate wide-area  
14 progressive slot machine systems by slot machine licensees in  
15 this Commonwealth.

16 \* \* \*

17 (7.2) Enforce prescribed hours for the operation of  
18 authorized interactive games so that an interactive gaming  
19 certificate holder or interactive gaming licensee may conduct  
20 authorized interactive games on any day during the year in  
21 order to meet the needs of registered players or to meet  
22 competition.

23 (8) Require that each licensed gaming entity prohibit  
24 persons under 21 years of age from operating or using slot  
25 machines [or], playing table games or participating in  
26 interactive gaming.

27 (9) Establish procedures for the inspection and  
28 certification of compliance of each slot machine, table game,  
29 table game device and associated equipment, interactive game  
30 and interactive gaming device and associated equipment prior

1 to being placed into use by a slot machine licensee.

2 (10) Require that no slot machine or authorized  
3 interactive game that replicates the play of a slot machine  
4 may be set to pay out less than the theoretical payout  
5 percentage, which shall be no less than 85%, as specifically  
6 approved by the board. The board shall adopt regulations that  
7 define the theoretical payout percentage of a slot machine  
8 game based on the total value of the jackpots expected to be  
9 paid by a play or a slot machine game divided by the total  
10 value of slot machine wagers expected to be made on that play  
11 or slot machine game during the same portion of the game  
12 cycle. In so doing, the board shall decide whether the  
13 calculation shall include the entire cycle of a slot machine  
14 game or any portion thereof[.], except that in the case of  
15 skill slot machines and hybrid slot machines, the board shall  
16 adopt regulations to define the player's win percentage based  
17 on the relative skill of the player or the combination of  
18 skill and the elements of chance of the game. In the case of  
19 a multistate wide-area progressive slot machine system, the  
20 theoretical payout percentage or a player's win percentage  
21 shall be as set forth in the agreement, as approved by the  
22 board.

23 \* \* \*

24 (21) Authorize, in its discretion, a slot machine  
25 licensee to conduct slot machine contests or tournaments,  
26 table game tournaments or contests in accordance with section  
27 13A22.1 (relating to table game tournaments) or interactive  
28 gaming contests or tournaments and adopt regulations  
29 governing the conduct of such tournaments and contests.

30 (21.1) Authorize, at its discretion, a slot machine

1 licensee to place and make multistate wide-area progressive  
2 slot machines, skill slot machines or hybrid slot machines  
3 available for play at licensed facilities.

4 (21.2) Adopt and promulgate regulations to govern the  
5 operation and placement of skill slot machines and hybrid  
6 slot machines by slot machine licensees at licensed  
7 facilities. In order to facilitate the operation and  
8 placement of skill and hybrid slot machines at licensed  
9 facilities pursuant to this paragraph, regulations  
10 promulgated by the board shall be deemed temporary  
11 regulations which shall expire two years after the date of  
12 publication in the Pennsylvania Bulletin.

13 (22) License, regulate, investigate and take any other  
14 action determined necessary regarding all aspects of  
15 interactive gaming.

16 (23) Define and limit the areas of operation and the  
17 rules of authorized interactive games, including odds,  
18 devices and associated equipment permitted and the method of  
19 operation of authorized interactive games and interactive  
20 gaming devices and associated equipment.

21 (24) Require, as applicable, that all wagering offered  
22 through interactive gaming display online the permissible  
23 minimum and maximum wagers associated with each authorized  
24 interactive game.

25 (25) (Reserved).

26 (26) Negotiate and enter into interactive gaming  
27 reciprocal agreements on behalf of the Commonwealth to govern  
28 the conduct of interactive gaming between interactive gaming  
29 certificate holders in this Commonwealth and gaming entities  
30 of other states or jurisdictions. Notwithstanding any

1 provision of this part, wagers may be accepted in accordance  
2 with this part and regulations of the board from persons in  
3 other states or jurisdictions if the board determines that  
4 such wagering is not inconsistent with Federal law or the law  
5 of the state or jurisdiction, including a foreign  
6 jurisdiction, in which the person is located, or such  
7 wagering is conducted pursuant to an interactive gaming  
8 reciprocal agreement to which this Commonwealth is a party  
9 that is not inconsistent with Federal law. The board, with  
10 the approval of the Governor, is hereby designated as the  
11 agency of the Commonwealth with the sole power and authority  
12 to enter into interactive gaming reciprocal agreements with  
13 other states or jurisdictions.

14 (27) Enter into agreements with other states for the  
15 operation of multistate wide-area progressive slot machine  
16 systems.

17 Section 7. Section 1209(b) of Title 4 is amended to read:

18 § 1209. Slot machine license fee.

19 \* \* \*

20 (b) Term.--A slot machine license, after payment of the fee,  
21 shall be in effect unless suspended, revoked or not renewed by  
22 the board upon good cause consistent with the license  
23 requirements as provided for in this part. Slot machine  
24 licensees shall be required to update the information in their  
25 initial applications annually, and the license of a licensee in  
26 good standing shall be renewed every [three] five years. Nothing  
27 in this subsection shall relieve a licensee of the affirmative  
28 duty to notify the board of any changes relating to the status  
29 of its license or to any other information contained in the  
30 application materials on file with the board. As to the renewal

1 of a license, except as required in subsection (f) (3), no  
2 additional license fee pursuant to subsection (a) shall be  
3 required.

4 \* \* \*

5 Section 8. Section 1211 of Title 4 is amended by adding  
6 subsections to read:

7 § 1211. Reports of board.

8 \* \* \*

9 (a.4) Interactive gaming reporting requirements.--

10 (1) The annual report submitted by the board in  
11 accordance with subsection (a) shall include information on  
12 the conduct of interactive games as follows:

13 (i) Total gross interactive gaming revenue.

14 (ii) The number and win by type of authorized  
15 interactive game at each licensed facility conducting  
16 interactive gaming during the previous year.

17 (iii) All taxes, fees, fines and other revenue  
18 collected and, where appropriate, revenue disbursed  
19 during the previous year. The department shall  
20 collaborate with the board to carry out the requirements  
21 of this subparagraph.

22 (2) The board may require interactive gaming certificate  
23 holders and other persons involved in the operation of  
24 interactive gaming on behalf of a slot machine licensee to  
25 provide information to the board to assist in the preparation  
26 of the report.

27 \* \* \*

28 (d.1) Impact of interactive gaming, annual report.--One year  
29 after the issuance of the first interactive gaming certificate,  
30 an annual report shall be prepared and distributed to the

1 Governor and the standing committees of the General Assembly  
2 with jurisdiction over this part on the impact of interactive  
3 gaming on compulsive and problem gambling and gambling addiction  
4 in this Commonwealth. The report shall be prepared by a private  
5 organization or entity with expertise in serving and treating  
6 the needs of persons with compulsive gambling addictions, which  
7 organization or entity shall be selected by the Department of  
8 Health. The report may be prepared and distributed in  
9 coordination with the board. Any costs associated with the  
10 preparation and distribution of the report shall be borne by  
11 slot machine licensees who have been authorized by the board to  
12 conduct interactive gaming. The board shall be authorized to  
13 assess a fee against each slot machine licensee for these  
14 purposes.

15 (d.2) Additional information and annual reporting.--

16 (1) One year after the commencement of the operation of  
17 skill slot machines, hybrid slot machines and the operation  
18 of a multistate wide-area slot machine system, the report  
19 required under subsection (a) shall include information  
20 related to the following:

21 (i) The operation of skill slot machines and hybrid  
22 slot machines.

23 (ii) The operation of a multistate wide-area  
24 progressive slot machine system.

25 (2) Information on revenue, taxes, fees and fines, if  
26 any, collected during the preceding calendar year and any  
27 other information, data or recommendations related to the  
28 operation of multistate wide-area progressive slot machines,  
29 skill slot machines and hybrid slot machines as determined by  
30 the board.



1 (d.3) Annual report.--In addition to its duties under  
2 subsection (d), the board shall have the continuing duty to  
3 study and annually report to the chairperson and minority  
4 chairperson of the Community, Economic and Recreational  
5 Development Committee of the Senate and to the chairperson and  
6 minority chairperson of the Gaming Oversight Committee of the  
7 House of Representatives on developments in gaming technology  
8 and the impact, if any, new technologies are having or will have  
9 on the sustainability and competitiveness of the commercial  
10 gaming industry in this Commonwealth. The report shall  
11 specifically address the following:

12 (1) Awareness and growth, to the extent known, of any  
13 unregulated commercial gaming products, such as e-Sports and  
14 other such digital-based computer or video technology.

15 (2) New gaming products, if any, which have been  
16 introduced in other jurisdictions, both foreign and domestic.

17 (3) Any gaming products which the board may have the  
18 authority to authorize pursuant to its regulatory authority  
19 under this part.

20 (4) Any legislative or administrative concerns regarding  
21 traditional, new or emerging gaming technologies with  
22 recommendations regarding resolution of such concerns.

23 (d.4) Time of submission and reports.--Notwithstanding any  
24 provision of this part, all reports and studies required to be  
25 submitted under subsections (d.1), (d.2) and (d.3) after the  
26 effective date of this subsection shall be submitted initially  
27 by October 1, 2017, and by October 1 of each year thereafter.

28 \* \* \*

29 Section 9. Section 1212(e) of Title 4 is amended by adding a  
30 paragraph to read:

1 § 1212. Diversity goals of board.

2 \* \* \*

3 (e) Definition.--As used in this section, the term  
4 "professional services" means those services rendered to a slot  
5 machine licensee which relate to a licensed facility in this  
6 Commonwealth, including, but not limited to:

7 \* \* \*

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

10 Section 10. Section 1305 of Title 4 is amended by adding a  
11 subsection to read:

12 § 1305. Category 3 slot machine license.

13 \* \* \*

14 (d.1) Waiver of gaming area restrictions.--Upon petition of  
15 a Category 3 slot machine licensee, the board may waive the  
16 gaming area restrictions under subsection (a)(1) and (1.1) upon  
17 agreement of the petitioner to pay a waiver fee equaling  
18 \$1,000,000 each year for a period of five years beginning on the  
19 date the waiver is granted by the board. The waiver fee shall be  
20 remitted to the department on an annual basis at the time and in  
21 the manner determined by the department. All waiver fees  
22 received by the department shall be deposited into the General  
23 Fund.

24 \* \* \*

25 Section 11. Section 1309(a.1) heading of Title 4 is amended  
26 and the subsection is amended by adding a paragraph to read:

27 § 1309. Slot machine license application.

28 \* \* \*

29 (a.1) Table games and interactive gaming information.--

30 \* \* \*

1           (3) Notwithstanding paragraph (2), the board may permit  
2           an applicant for a slot machine license that has an  
3           application pending before the board to supplement its  
4           application with all of the information required under  
5           Chapter 13B (relating to interactive gaming) and to request  
6           that the board consider its application for a slot machine  
7           license, a table game operation certificate and an  
8           interactive gaming certificate concurrently. All fees for an  
9           interactive gaming certificate shall be paid by the applicant  
10          in accordance with the requirements of this part.

11          \* \* \*

12          Section 12. Sections 1317(a) and (c) and 1317.1(a), (b),  
13          (c), (c.1), (d.1) and (e) of Title 4 are amended and the  
14          sections are amended by adding subsections to read:

15          § 1317. Supplier licenses.

16          (a) Application.--A manufacturer that elects to contract  
17          with a supplier under section 1317.1(d.1) (relating to  
18          manufacturer licenses) shall ensure that the supplier is  
19          appropriately licensed under this section. A person seeking to  
20          provide slot machines, table game devices or associated  
21          equipment, interactive gaming devices or associated equipment or  
22          multi-use computing devices to a slot machine licensee or an  
23          interactive gaming licensee within this Commonwealth through a  
24          contract with a licensed manufacturer shall apply to the board  
25          for the appropriate supplier license.

26          \* \* \*

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

1           (1) The [initial license shall be for a period of one  
2 year, and, if renewed under subsection (d), the] license  
3 shall be issued for a period of [three] five years and shall  
4 be renewed in accordance with subsection (d). Nothing in this  
5 paragraph shall relieve a licensee of the affirmative duty to  
6 notify the board of any changes relating to the status of its  
7 license or to any information contained in the application  
8 materials on file with the board.

9           (2) The license shall be nontransferable.

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

11          \* \* \*

12          (c.2) Abbreviated process for supplier.--

13           (1) Notwithstanding subsection (c.1)(1) or any  
14 regulations of the board to the contrary, the board may  
15 extend the use of the abbreviated process authorized under  
16 subsection (c.1) to an applicant for a supplier license to  
17 supply slot machines used in a multistate wide-area  
18 progressive slot machine system, skill slot machines, hybrid  
19 slot machines and devices or associated equipment used in  
20 connection with multistate wide-area progressive slot machine  
21 systems, skill or hybrid slot machines, interactive gaming  
22 devices or associated equipment used in connection with  
23 interactive gaming, including multi-use computing devices, if  
24 the applicant holds a valid supplier license issued by the  
25 board to supply slot machines or associated equipment or  
26 table games or table game devices and associated equipment.  
27 The requirements of subsection (c.1)(2) and (3) shall apply  
28 to this subsection.

29           (2) An applicant for a supplier's license to supply slot  
30 machines used in a multistate wide-area progressive system,

1 skill or hybrid slot machines or associated equipment or  
2 interactive gaming devices or associated equipment shall be  
3 subject to the applicable provisions of this part.

4 \* \* \*

5 § 1317.1. Manufacturer licenses.

6 (a) Application.--A person seeking to manufacture slot  
7 machines, table game devices and associated equipment or  
8 interactive gaming devices and associated equipment for use in  
9 this Commonwealth shall apply to the board for a manufacturer  
10 license.

11 (b) Requirements.--An application for a manufacturer license  
12 shall be on the form required by the board, accompanied by the  
13 application fee, and shall include all of the following:

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

20 (2) A statement that the applicant and each affiliate,  
21 intermediary, subsidiary or holding company of the applicant  
22 are not slot machine licensees.

23 (3) The consent to a background investigation of the  
24 applicant, its principals and key employees or other persons  
25 required by the board and a release to obtain any and all  
26 information necessary for the completion of the background  
27 investigation.

28 (4) The details of any equivalent license granted or  
29 denied by other jurisdictions where gaming activities as  
30 authorized by this part are permitted and consent for the

1 board to acquire copies of applications submitted or licenses  
2 issued in connection therewith.

3 (5) The type of slot machines, table game devices or  
4 associated equipment or interactive gaming devices or  
5 associated equipment to be manufactured or repaired.

6 (6) Any other information determined by the board to be  
7 appropriate.

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

12 (1) The [initial license shall be for a period of one  
13 year, and, if renewed under subsection (d), the] license  
14 shall be issued for a period of [three] five years and shall  
15 be renewed in accordance with subsection (d). Nothing in this  
16 paragraph shall relieve the licensee of the affirmative duty  
17 to notify the board of any changes relating to the status of  
18 its license or to any other information contained in  
19 application materials on file with the board.

20 (2) The license shall be nontransferable.

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

22 (c.1) Abbreviated process.--In the event an applicant for a  
23 manufacturer license to manufacture table game devices or  
24 associated equipment used in connection with table games is  
25 licensed by the board under this section to manufacture slot  
26 machines or associated equipment used in connection with slot  
27 machines, the board may determine to use an abbreviated process  
28 requiring only that information determined by the board to be  
29 necessary to consider the issuance of a license to manufacture  
30 table game devices or associated equipment used in connection

1 with table games, including financial viability of the  
2 applicant. Nothing in this section shall be construed to waive  
3 any fees associated with obtaining a license, certificate or  
4 permit through the normal application process. The board may  
5 only use the abbreviated process if all of the following apply:

6 (1) The manufacturer license was issued by the board  
7 within a 36-month period immediately preceding the date the  
8 manufacturer licensee files an application to manufacture  
9 table game devices or associated equipment.

10 (2) The person to whom the manufacturer license was  
11 issued affirms there has been no material change in  
12 circumstances relating to the license.

13 (3) The board determines, in its sole discretion, that  
14 there has been no material change in circumstances relating  
15 to the licensee that necessitates that the abbreviated  
16 process not be used.

17 (c.2) Abbreviated process for manufacturer.--

18 (1) Notwithstanding subsection (c.1)(1) or any  
19 regulations of the board to the contrary, the board may  
20 extend the use of the abbreviated process authorized under  
21 subsection (c.1) to an applicant for a manufacturer license  
22 to manufacture multistate wide-area progressive slot  
23 machines, skill slot machines, hybrid slot machines or  
24 associated equipment used in connection with multistate wide-  
25 area progressive slot machines, skill or hybrid slot machines  
26 or interactive gaming devices or associated equipment used in  
27 connection with interactive gaming, if the applicant holds a  
28 valid manufacturer license issued by the board to  
29 manufacturer slot machines or associated equipment or table  
30 games or table game devices or associated equipment. The

1 requirements of subsection (c.1)(2) and (3) shall apply to  
2 this subsection.

3 (2) An applicant for a manufacturer license to  
4 manufacture slot machines used in a multistate wide-area  
5 progressive system, skill or hybrid slot machines or  
6 associated equipment or interactive gaming devices or  
7 associated equipment shall be subject to the applicable  
8 provisions of this part.

9 \* \* \*

10 (d.1) Authority.--The following shall apply to a licensed  
11 manufacturer:

12 (1) A manufacturer or its designee, as licensed by the  
13 board, may supply or repair any slot machine, table game  
14 device or associated equipment or interactive gaming device  
15 or associated equipment manufactured by the manufacturer,  
16 provided the manufacturer holds the appropriate manufacturer  
17 license.

18 (2) A manufacturer of slot machines may contract with a  
19 supplier under section 1317 (relating to supplier licenses)  
20 to provide slot machines or associated equipment to a slot  
21 machine licensee within this Commonwealth, provided the  
22 supplier is licensed to supply slot machines or associated  
23 equipment used in connection with slot machines.

24 (3) A manufacturer may contract with a supplier under  
25 section 1317 to provide table game devices or associated  
26 equipment to a certificate holder, provided the supplier is  
27 licensed to supply table game devices or associated equipment  
28 used in connection with table games.

29 (4) A manufacturer may contract with a supplier under  
30 section 1317 to provide slot machines used in a multistate



1 wide-area progressive system, skill or hybrid slot machines  
2 or associated equipment, interactive gaming devices or  
3 associated equipment to a slot machine licensee, provided  
4 that the manufacturer is licensed to manufacture slot  
5 machines used in a multistate wide-area progressive slot  
6 machine system, skill or hybrid slot machines or associated  
7 equipment or interactive gaming devices or associated  
8 equipment used in connection with interactive games.

9 (e) Prohibitions.--

10 (1) No person may manufacture slot machines, table game  
11 devices or associated equipment or interactive gaming devices  
12 or associated equipment for use within this Commonwealth by a  
13 slot machine licensee unless the person has been issued the  
14 appropriate manufacturer license under this section.

15 (2) Except as permitted in section 13A23.1 (relating to  
16 training equipment), no slot machine licensee may use slot  
17 machines, table game devices or associated equipment,  
18 authorized interactive games or interactive gaming devices or  
19 associated equipment unless the slot machines, table game  
20 devices or associated equipment, interactive games or  
21 interactive gaming devices or associated equipment were  
22 manufactured by a person that has been issued the appropriate  
23 manufacturer license under this section.

24 (3) No person issued a license under this section shall  
25 apply for or be issued a license under section 1317.

26 (4) No limitation shall be placed on the number of  
27 manufacturer licenses issued or the time period to submit  
28 applications for licensure, except as required to comply with  
29 section 1306 (relating to order of initial license issuance).

30 Section 13. Title 4 is amended by adding a section to read:

1 § 1317.3. Nongaming service provider.

2 (a) Notification required.--

3 (1) A slot machine licensee or applicant for a slot  
4 machine license that contracts with or otherwise engages in  
5 business with a nongaming service provider shall provide  
6 notification to the board prior to providing goods or  
7 services to the slot machine licensee or applicant for a slot  
8 machine license.

9 (2) Notification under this section shall be on a form  
10 and in a manner as determined by the board. The board may  
11 impose a fee, not to exceed \$100, that must accompany the  
12 notification.

13 (b) Contents of notification.--Notification under this  
14 section shall include:

15 (1) The name and business address of the nongaming  
16 service provider.

17 (2) A description of the type or nature of the goods or  
18 services to be provided.

19 (3) An affirmation from the slot machine licensee or  
20 applicant for a slot machine license that the goods or  
21 services to be provided by the nongaming service provider  
22 will not require access to the gaming floor or a gaming-  
23 related restricted area.

24 (4) An affirmation from the slot machine licensee or  
25 applicant for a slot machine license certifying that the  
26 licensee or applicant has performed due diligence regarding  
27 the nongaming service provider and believes that the  
28 nongaming service provider and its employees will not  
29 adversely affect the public interest or integrity of gaming.

30 (5) Any other information that the board deems necessary

1 and appropriate.

2 (c) Duration of notification.--The nongaming service  
3 provider notification required under subsection (a) may be valid  
4 for three years.

5 (d) Conditions.--A slot machine licensee or applicant for a  
6 slot machine license that contracts or otherwise engages in  
7 business with a nongaming service provider shall be subject to  
8 the following conditions:

9 (1) The nongaming service provider or its employees  
10 shall only provide the goods and services described in the  
11 notification under this section.

12 (2) The slot machine licensee or applicant for a slot  
13 machine license shall notify the board of any material change  
14 in the information provided in the notification under this  
15 section. No fee shall be required for a subsequent change  
16 during the time for which the notification remains valid  
17 under subsection (c).

18 (3) The slot machine licensee or applicant for a slot  
19 machine license shall ensure that employees of the nongaming  
20 service provider do not enter the gaming floor or a gaming-  
21 related restricted area.

22 (4) The slot machine licensee or applicant for a slot  
23 machine license shall report to the board an employee of a  
24 nongaming service provider that does any of the following:

25 (i) Enters the gaming floor or a gaming-related  
26 restricted area of the licensed facility.

27 (ii) Commits an act that adversely affects the  
28 public interest or integrity of gaming.

29 (5) The board may prohibit a nongaming service provider  
30 and any employees from providing goods or services to a slot

1 machine licensee or applicant for a slot machine license at a  
2 licensed facility if the board determines the prohibition is  
3 necessary to protect the public interest or integrity of  
4 gaming.

5 (e) Authority to exempt.--The board may exempt a nongaming  
6 service provider from the notification requirements of this  
7 section if the board determines any of the following:

8 (1) The nongaming service provider or the type or nature  
9 of the nongaming service provider's business is regulated by  
10 an agency of the Federal Government, an agency of the  
11 Commonwealth or the Pennsylvania Supreme Court.

12 (2) Notification is not necessary to protect the public  
13 interest or integrity of gaming.

14 (f) Emergency notification.--

15 (1) A slot machine licensee may use a nongaming service  
16 provider prior to the board receiving notification under this  
17 section when a threat to public health, welfare or safety  
18 exists or circumstances outside the control of the slot  
19 machine licensee require immediate action to mitigate damage  
20 or loss to the slot machine licensee's licensed facility or  
21 to the Commonwealth.

22 (2) A slot machine licensee that uses a nongaming  
23 service provider in accordance with paragraph (1) shall:

24 (i) Notify the board immediately upon engaging a  
25 nongaming service provider for which the board has not  
26 previously received notification in accordance with  
27 subsection (a).

28 (ii) Provide the notification required under  
29 subsection (a) within a reasonable time as established by  
30 the board.

1 (g) Nongaming service provider list.--

2 (1) The board shall have the authority to prohibit a  
3 nongaming service provider from engaging in business with a  
4 slot machine licensee upon a finding by the board that the  
5 prohibition is necessary to protect the public interest and  
6 the integrity of gaming.

7 (2) The board shall develop and maintain a list of  
8 prohibited nongaming service providers.

9 (3) A slot machine licensee or applicant for a slot  
10 machine license may not enter into an agreement or engage in  
11 business with a nongaming service provider appearing on the  
12 list under this subsection.

13 (h) Duties of nongaming service provider.--A nongaming  
14 service provider shall:

15 (1) Cooperate with the board and bureau regarding an  
16 investigation, hearing, enforcement action or disciplinary  
17 action.

18 (2) Comply with each condition, restriction,  
19 requirement, order or ruling of the board in accordance with  
20 this part.

21 (3) Report any change in circumstances to the slot  
22 machine licensee or applicant for a slot machine license that  
23 may render the nongaming service provider ineligible,  
24 unqualified or unsuitable for the provision of goods or  
25 services at a licensed facility or use in the operation of a  
26 licensed facility. The slot machine licensee shall report the  
27 change in circumstances to the board in the form and manner  
28 established by the board.

29 (i) Construction.--Nothing in this section shall be  
30 construed to limit the powers and authority of the board under

1 section 1202 (relating to general and specific powers) or the  
2 regulatory authority of the board under section 1207 (relating  
3 to regulatory authority of board).

4 Section 14. Section 1320(a) of Title 4 is amended and the  
5 section is amended by adding a subsection to read:

6 § 1320. Slot machine testing and certification standards.

7 (a) Use of other state standards.--[Until such time as the  
8 board establishes an independent testing and certification  
9 facility pursuant to subsection (b), the] The board may  
10 determine, at its discretion, whether the slot machine testing  
11 and certification standards of another jurisdiction within the  
12 United States in which an applicant for a manufacturer license  
13 is licensed are comprehensive and thorough and provide similar  
14 adequate safeguards as those required by this part. If the board  
15 makes that determination, it may permit a manufacturer through a  
16 licensed supplier as provided in section 1317 (relating to  
17 supplier [and manufacturer licenses application] licenses) to  
18 deploy those slot machines which have met the slot machine  
19 testing and certification standards in such other jurisdictions  
20 without undergoing the full testing and certification process by  
21 a board-established independent facility. In the event slot  
22 machines of an applicant for a manufacturer license are licensed  
23 in such other jurisdiction, the board may determine to use an  
24 abbreviated process requiring only that information determined  
25 by the board to be necessary to consider the issuance of a slot  
26 machine certification to such an applicant. [Alternatively, the  
27 board in its discretion may also rely upon the certification of  
28 a slot machine that has met the testing and certification  
29 standards of a board-approved private testing and certification  
30 facility until such time as the board establishes an independent

1 testing and certification facility pursuant to subsection (b).  
2 Nothing in this section shall be construed to waive any fees  
3 associated with obtaining a license through the normal  
4 application process.]

5 \* \* \*

6 (b.1) Use of private testing and certification facilities.--  
7 Notwithstanding any other provisions of this part or regulation  
8 of the board, if a slot machine is tested and certified by a  
9 private testing and certification facility registered with the  
10 board, the board shall use an abbreviated certification process  
11 requiring only that information determined by it to be necessary  
12 to consider the issuance of a slot machine certification under  
13 this section. Within one year of the effective date of this  
14 subsection, the board shall promulgate regulations that:

15 (1) Provide for the registration of private testing and  
16 certification facilities. Persons seeking registration under  
17 this subsection shall be subject to section 1202(b)(9)  
18 (relating to general and specific powers).

19 (2) Specify the form and content of the application for  
20 registration.

21 (3) Establish and collect an application fee for persons  
22 seeking registration. The application fee shall include the  
23 costs of all background investigations as determined  
24 necessary and appropriate by the bureau.

25 (4) Establish uniform procedures and standards which  
26 private testing and certification facilities must comply with  
27 during the testing and certification of slot machines.

28 (5) Utilize information provided by private testing and  
29 certification facilities for the abbreviated certification of  
30 slot machines.

1           (6) Establish an abbreviated certification process that  
2 may be used by registered private testing and certification  
3 facilities to test and certify slot machines.

4           (7) Establish fees that must be paid by licensed  
5 manufacturers.

6           (8) Require slot machines submitted for abbreviated  
7 certification to be approved or denied by the board within 30  
8 days from the date of submission to the board. If the board  
9 fails to act within the 30-day period, the abbreviated  
10 certification shall be deemed conditionally approved.

11           (9) Provide procedures and standards for the suspension  
12 and revocation of the registration of a private testing and  
13 certification facility and the reinstatement of a suspended  
14 or revoked registration, as determined appropriate by the  
15 board.

16           \* \* \*

17           Section 15. Section 1326 of Title 4 is amended to read:

18 § 1326. [License renewals] Renewals.

19           (a) Renewal.--All permits [and], licenses, registrations or  
20 certificates issued under this part unless otherwise provided  
21 shall be subject to renewal every [three] five years. Nothing in  
22 this subsection shall relieve a licensee of the affirmative duty  
23 to notify the board of any changes relating to the status of its  
24 license, permit, certificate or registration or to any other  
25 information contained in the application materials on file with  
26 the board. The application for renewal shall be submitted at  
27 least [60] 180 days prior to the expiration of the permit [or],  
28 license, registration or certificate and shall include an update  
29 of the information contained in the initial and any prior  
30 renewal applications and the payment of any renewal fee required



1 by this part. Unless otherwise specifically provided in this  
2 part, the amount of any renewal fee shall be calculated by the  
3 board to reflect the longer renewal period. A permit [or],  
4 license, registration or certificate for which a completed  
5 renewal application and fee, if required, has been received by  
6 the board will continue in effect unless and until the board  
7 sends written notification to the holder of the permit [or],  
8 license, registration or certificate that the board has denied  
9 the renewal of such permit [or], license, registration or  
10 certificate.

11 (b) Revocation or failure to renew.--In addition to any  
12 other sanctions the board may impose under this part, the board  
13 may at its discretion suspend, revoke or deny renewal of any  
14 permit [or], license, registration or certificate issued under  
15 this part if it receives any information from any source that  
16 the applicant or any of its officers, directors, owners or key  
17 employees is in violation of any provision of this part, that  
18 the applicant has furnished the board with false or misleading  
19 information or that the information contained in the applicant's  
20 initial application or any renewal application is no longer true  
21 and correct. In the event of a revocation or failure to renew,  
22 the applicant's authorization to conduct the previously approved  
23 activity shall immediately cease, and all fees paid in  
24 connection therewith shall be deemed to be forfeited. In the  
25 event of a suspension, the applicant's authorization to conduct  
26 the previously approved activity shall immediately cease until  
27 the board has notified the applicant that the suspension is no  
28 longer in effect.

29 Section 16. Title 4 is amended by adding a section to read:  
30 § 1326.1. Slot machine license operation fee.

1     (a) Imposition.--Beginning January 1, 2017, the board shall  
2 impose an annual slot machine license operation fee on each  
3 Category 1 and Category 2 licensed gaming entity, other than a  
4 Category 1 or Category 2 licensed gaming entity operating in a  
5 county of the first class, in an amount equal to 20% of the slot  
6 machine license fee paid at the time of issuance under section  
7 1209(a) (relating to slot machine license fee). The slot machine  
8 license operation fee shall be paid by each Category 1 and  
9 Category 2 licensed gaming entity, other than a Category 1 or  
10 Category 2 licensed gaming entity operating in a county of the  
11 first class, in equal installments on a monthly basis.

12     (b) Payment of fee.--The slot machine license operation fee  
13 imposed under subsection (a) shall be paid on or before the  
14 first day of each month.

15     (c) Failure to pay.--The board may at the board's discretion  
16 suspend, revoke or deny any permit or license issued under this  
17 part if a Category 1 or Category 2 licensed gaming entity, other  
18 than a Category 1 or Category 2 licensed gaming entity operating  
19 in a county of the first class, fails to pay the slot machine  
20 license operation fee imposed under subsection (a).

21     (d) Deposit of slot machine license operation fee.--The  
22 total amount of all license operation fees imposed and collected  
23 by the board under this section shall be deposited in the fund  
24 and shall be appropriated to the department on a continuing  
25 basis for the purposes under section 1403(c) (3) (relating to  
26 establishment of State Gaming Fund and net slot machine revenue  
27 distribution).

28     Section 17. Section 13A27(c) of Title 4 is amended to read:  
29 § 13A27. Other financial transactions.

30     \* \* \*

1 (c) Credit application verification.--Prior to approving an  
2 application for credit, a certificate holder shall verify:

3 (1) The identity, creditworthiness and indebtedness  
4 information of the applicant by conducting a comprehensive  
5 review of the information submitted with the application and  
6 any information regarding the applicant's credit activity at  
7 other licensed facilities which the certificate holder may  
8 obtain through a casino credit bureau and, if appropriate,  
9 through direct contact with other slot machine licensees.

10 (2) That the applicant's name is not included on an  
11 exclusion list under section 1514 (relating to regulation  
12 requiring exclusion [or], ejection or denial of access of  
13 certain persons) or 1516 (relating to list of persons self  
14 excluded from gaming activities) or the voluntary credit  
15 suspension list under subsection (h).

16 \* \* \*

17 Section 18. Section 13A41 of Title 4 is amended by adding a  
18 subsection to read:

19 § 13A41. Table game device and associated equipment testing and  
20 certification standards.

21 \* \* \*

22 (b.1) Use of private testing and certification facilities.--  
23 Notwithstanding any provision of this part or regulation of the  
24 board, if a table game device or associated equipment is tested  
25 and certified by a private testing and certification facility  
26 registered with the board, the board shall use an abbreviated  
27 certification process requiring only that information determined  
28 by it to be necessary to consider the issuance of a table game  
29 device or associated equipment certification under this section.  
30 Within one year of the effective date of this subsection, the

1 board shall promulgate regulations that:

2 (1) Provide for the registration of private testing and  
3 certification facilities. Persons seeking registration under  
4 this subsection shall be subject to section 1202(b)(9)  
5 (relating to general and specific powers).

6 (2) Specify the form and content of the application for  
7 registration.

8 (3) Establish and collect an application fee for persons  
9 seeking registration. The application fee shall include the  
10 costs of all background investigations as determined  
11 necessary and appropriate by the board.

12 (4) Establish uniform procedures and standards which  
13 private testing and certification facilities must comply with  
14 during the testing and certification of table game devices  
15 and associated equipment.

16 (5) Utilize information provided by private testing and  
17 certification facilities for the abbreviated certification of  
18 table game devices and associated equipment.

19 (6) Establish an abbreviated certification process that  
20 may be used by registered private testing and certification  
21 facilities to test and certify table game devices and  
22 associated equipment.

23 (7) Establish fees that must be paid by a licensed  
24 manufacturer.

25 (8) Require table game devices and associated equipment  
26 submitted for abbreviated certification to be approved or  
27 denied by the board within 30 days from the date of  
28 submission to the board. If the board fails to act within the  
29 30-day period, the abbreviated certification shall be deemed  
30 conditionally approved.

1           (9) Provide procedures and standards for the suspension  
2           and revocation of the registration of a private testing and  
3           certification facility and the reinstatement of a suspended  
4           or revoked registration.

5           Section 19. Section 13A63(b) (3) (iii) (A) and (C) and (4) of  
6 Title 4 are amended to read:

7 § 13A63. Local share assessment.

8           \* \* \*

9           (b) Distributions to counties.--The department shall make  
10 quarterly distributions from the local share assessments  
11 deposited into the fund under subsection (a) to counties,  
12 including home rule counties, hosting a licensed facility  
13 authorized to conduct table games under this chapter in  
14 accordance with the following:

15           \* \* \*

16           (3) If the facility is a Category 2 licensed facility  
17 and if the county in which the licensed facility is located  
18 is:

19           \* \* \*

20           (iii) A county of the third class where a city of  
21 the third class hosting the licensed facility is located  
22 in two counties of the third class: 50% of the licensed  
23 facility's local share assessment shall be distributed as  
24 follows:

25           (A) Sixty percent to the county in which the  
26 licensed facility is located, which shall be  
27 deposited into a restricted receipts account to be  
28 established in the Commonwealth Financing Authority  
29 to be used exclusively for economic development  
30 projects, community improvement projects and other

1 projects in the public interest within the county.

2 \* \* \*

3 (C) Twenty percent to the nonhost county in  
4 which the host city is located, of which 50% shall be  
5 deposited into a restricted receipts account to be  
6 established in the Commonwealth Financing Authority  
7 to be used [solely] exclusively for grants to  
8 municipalities [that are contiguous to the host city]  
9 within the nonhost county for economic development  
10 projects, community improvement projects and other  
11 projects in the public interest.

12 \* \* \*

13 (4) The following apply:

14 (i) If the facility is a Category 3 licensed  
15 facility located in a county of the second class A: 50%  
16 of the licensed facility's local share assessment shall  
17 be [deposited into a restricted receipts account to be  
18 established in the Commonwealth Financing Authority to be  
19 used exclusively for grants or guarantees for projects in  
20 the county that qualify under 64 Pa.C.S. §§ 1551  
21 (relating to Business in Our Sites Program), 1556  
22 (relating to Tax Increment Financing Guarantee Program)  
23 and 1558 (relating to Water Supply and Waste Water  
24 Infrastructure Program).] distributed as follows:

25 (A) Seventy-five percent shall be distributed to  
26 the county hosting the licensed facility from each  
27 such licensed facility for the purpose of supporting  
28 the maintenance and refurbishment of the Parks and  
29 Heritage sites throughout the county in which the  
30 licensee is located.

1           (B) Twelve and one-half percent shall be  
2           distributed to the county hosting the licensed  
3           facility from each such licensed facility for the  
4           purpose of supporting a child advocacy center located  
5           within the county in which the licensee is located.

6           (C) Twelve and one-half percent shall be  
7           distributed to the county hosting the licensed  
8           facility from each such licensed facility for the  
9           purpose of supporting an organization providing  
10           comprehensive support services to victims of domestic  
11           violence, including legal and medical aid, shelters,  
12           transitional housing and counseling located within  
13           the county in which the licensee is located.

14           (ii) Except as provided in subparagraph (i), if the  
15           facility is a Category 3 licensed facility in a county of  
16           any class: 50% of the licensed facility's local share  
17           assessment shall be added to the funds in the restricted  
18           receipts account established under section 1403(c)(2)(iv)  
19           for distribution with those funds.

20           \* \* \*

21           Section 20. Title 4 is amended by adding a chapter to read:

22                                   CHAPTER 13B

23                                   INTERACTIVE GAMING

24           Subchapter

25           A. General Provisions

26           B. Interactive Gaming Authorized

27           B.1. Multi-use Computing Devices

28           C. Conduct of Interactive Gaming

29           D. Facilities and Equipment

30           E. Testing and Certification

1 F. Taxes and Fees

2 G. Miscellaneous Provisions

3 SUBCHAPTER A

4 GENERAL PROVISIONS

5 Sec.

6 13B01. Legislative findings.

7 13B02. Regulatory authority.

8 13B03. Temporary interactive gaming regulations.

9 § 13B01. Legislative findings.

10 The General Assembly finds and declares that:

11 (1) The primary objective of the Pennsylvania Race Horse  
12 Development and Gaming Act, to which all other objectives are  
13 secondary, is to protect the public through the regulation  
14 and policing of all activities involving gaming and practices  
15 that continue to be unlawful.

16 (2) Legislative authorization of slot machine gaming and  
17 the conduct of table games is intended to enhance live horse  
18 racing, breeding programs, entertainment and employment in  
19 this Commonwealth.

20 (3) Legalized gaming was seen as a means to provide a  
21 source of revenue for property and wage tax relief, promote  
22 economic development and enhance development of tourism  
23 markets throughout this Commonwealth.

24 (4) Legalized gaming in the Category 1, Category 2 and  
25 Category 3 licensed facilities geographically dispersed in  
26 this Commonwealth has become a critical component of economic  
27 development and, if gaming activities continue to be properly  
28 regulated and fostered, it will provide a substantial  
29 contribution to the general health, welfare and prosperity of  
30 this Commonwealth and its citizens.



1       (5) The General Assembly remains committed to ensuring a  
2 robust gaming industry in this Commonwealth that is capable  
3 of competing internationally, nationally and regionally at  
4 the highest levels of quality while maintaining strict  
5 regulatory oversight to ensure the integrity of all gaming  
6 operations as supervised by the board.

7       (6) Since its development, the Internet has provided the  
8 opportunity for millions of people worldwide to engage in  
9 online gambling, mostly through illegal, unregulated off-  
10 shore gambling operations.

11       (7) In 2006, the United States Congress passed and the  
12 President of the United States signed the Unlawful Internet  
13 Gambling Enforcement Act of 2006, codified at 31 U.S.C. Ch.  
14 53 Subch. IV (relating to prohibition on funding of unlawful  
15 Internet gambling), which generally prohibits the use of  
16 banking instruments, including credit cards, checks and money  
17 transfers for interstate Internet gambling.

18       (8) Although the Unlawful Internet Gambling Enforcement  
19 Act of 2006 prohibits interstate Internet gambling by United  
20 States citizens, it permits individual states to create a  
21 regulatory framework to govern intrastate Internet or  
22 interactive gambling.

23       (9) Interactive gaming is illegal in this Commonwealth  
24 and without legislative authorization and strict regulation,  
25 the public's trust and confidence in legalized commercial  
26 gaming may be impacted.

27       (10) In this Commonwealth, interactive gaming has been  
28 conducted without oversight, regulation or enforcement, all  
29 of which raises significant concerns for the protection of  
30 the health, welfare and safety of the citizens of this

1 Commonwealth.

2 (11) An effective regulatory, licensing and enforcement  
3 system for interactive gaming in this Commonwealth would  
4 inhibit underage wagering and otherwise protect vulnerable  
5 individuals, ensure that the games offered through the  
6 Internet are fair and safe, stop sending much-needed jobs,  
7 tax and other revenue offshore to illegal operators, provide  
8 a significant source of taxable revenue, create jobs and  
9 economic development and address the concerns of law  
10 enforcement.

11 (12) By legalizing interactive gaming and subjecting it  
12 to the regulatory oversight of the board, the General  
13 Assembly is assuring the citizens of this Commonwealth that  
14 only those persons licensed by the board to conduct slot  
15 machine gaming and table games and to operate interactive  
16 games or interactive gaming systems, in accordance with the  
17 requirements of this part, have been determined to be  
18 suitable to facilitate and conduct interactive gaming  
19 activities in this Commonwealth.

20 (13) An effective regulatory, licensing and enforcement  
21 system to govern interactive gaming in this Commonwealth is  
22 consistent with the original objectives and intent of the  
23 Pennsylvania Race Horse Development and Gaming Act, thereby  
24 ensuring the public trust and confidence in the commercial  
25 gaming industry in this Commonwealth.

26 (14) The Commonwealth has a legitimate State interest in  
27 protecting the integrity of State-authorized interactive  
28 gaming by licensing those entities already engaged in the  
29 conduct of gaming in this Commonwealth, which are subject to  
30 the scrutiny and discipline of the board and other regulatory

1 agencies and which are in good standing with those agencies.

2 § 13B02. Regulatory authority.

3 (a) Authority.--The board shall promulgate and adopt rules  
4 and regulations to govern the conduct of interactive gaming in  
5 order to ensure that it will be implemented in a manner that  
6 provides for the security and effective management,  
7 administration and control of interactive gaming, including, but  
8 not limited to, regulations:

9 (1) Ensuring that interactive gaming is offered for play  
10 in this Commonwealth in a manner that is consistent with  
11 Federal law and the provisions of this chapter.

12 (2) Establishing standards and procedures for testing  
13 and approving interactive games and interactive gaming  
14 devices and associated equipment, and any variations or  
15 composites of authorized interactive games, provided that the  
16 board determines that the interactive games and any new  
17 interactive games or any variations or composites are  
18 suitable for use after a test or experimental period under  
19 any terms and conditions as the board may deem appropriate.  
20 The board may give priority to the testing of interactive  
21 games, interactive gaming devices and associated equipment or  
22 other gaming equipment which a slot machine licensee has  
23 certified that it will use to conduct interactive gaming in  
24 this Commonwealth. Nothing in this paragraph shall be  
25 construed to prohibit the board from using the testing and  
26 certification standards of another state or jurisdiction in  
27 which interactive gaming is conducted if it determines that  
28 the standards of the jurisdiction are comprehensive, thorough  
29 and provide similar and adequate safeguards as those required  
30 under this part. If the board makes such a determination, and

1 the applicant for an interactive gaming certificate or an  
2 interactive gaming license is licensed in another state or  
3 jurisdiction to operate interactive gaming, it may use an  
4 abbreviated process requiring only the information determined  
5 by it to be necessary to consider the issuance of a  
6 certification under this chapter. The board, in its  
7 discretion, may also rely upon the certification of  
8 interactive games that have met the testing and certification  
9 standards of a board-approved private testing and  
10 certification facility.

11 (3) Establishing standards and rules to govern the  
12 conduct of interactive gaming and the system of and wagering  
13 associated with interactive gaming, including internal  
14 controls and accounting controls, and the type, number,  
15 payout, wagering limits and rules for interactive games.

16 (4) Establishing the method for calculating gross  
17 interactive gaming revenue and standards for the daily  
18 counting and recording of cash and cash equivalents received  
19 in the conduct of authorized interactive games and ensure  
20 that internal controls and accounting controls are followed,  
21 including the maintenance of financial books and records and  
22 the conduct of audits. The board shall consult with the  
23 department in establishing these regulations.

24 (5) Establishing notice requirements pertaining to  
25 minimum and maximum wagers on authorized interactive games.

26 (6) Ensuring that all facilities and interactive gaming  
27 devices and associated equipment are arranged in a manner to  
28 promote appropriate security for interactive gaming.

29 (7) Establishing technical standards for the approval of  
30 interactive games, interactive gaming devices and associated

1 equipment, including mechanical, electrical or program  
2 reliability, security against tampering and any other  
3 standards as it may deem necessary to protect registered  
4 players from fraud or deception.

5 (8) Governing the creation and utilization of  
6 interactive gaming accounts by registered players, including  
7 requiring that:

8 (i) Interactive gaming accounts be possessed by a  
9 natural person and not in the name of any beneficiary,  
10 custodian, joint trust, corporation, partnership or other  
11 organization or entity.

12 (ii) Interactive gaming accounts shall not be  
13 assignable or otherwise transferable.

14 (iii) No account be established for an individual  
15 under 21 years of age.

16 (9) Establishing procedures for registered players to  
17 log into their interactive gaming accounts, authenticate  
18 identities, agree to terms, conditions and rules applicable  
19 to authorized interactive games and log out of interactive  
20 gaming accounts, including procedures for automatically  
21 logging off registered players from an interactive game after  
22 a specified period of inactivity.

23 (10) Establishing procedures for:

24 (i) Depositing funds in an interactive gaming  
25 account by cash, transfer or other means, as approved by  
26 the board.

27 (ii) The withdrawal of funds from interactive gaming  
28 accounts.

29 (iii) The suspension of interactive gaming account  
30 activity for security reasons.

1           (iv) The termination of interactive gaming accounts  
2           and disposition of proceeds in accounts.

3           (v) The disposition of unclaimed amounts in dormant  
4           interactive gaming accounts.

5           (11) Establishing mechanisms by which registered players  
6           may place limits on the amount of money being wagered per  
7           authorized interactive game or during any specified time  
8           period or the amount of losses incurred during any specified  
9           time period.

10          (12) Establishing mechanisms to exclude from interactive  
11          gaming persons not eligible to play by reason of age,  
12          identity or location or inclusion on a list of persons denied  
13          access to interactive gaming activities in accordance with  
14          sections 1514 (relating to regulation requiring exclusion,  
15          ejection or denial of access of certain persons), 1515  
16          (relating to repeat offenders excludable from licensed gaming  
17          facility) and 1516 (relating to list of persons self excluded  
18          from gaming activities).

19          (13) Establishing procedures for the protection,  
20          security and reliability of interactive gaming accounts,  
21          authorized interactive games, interactive gaming devices and  
22          associated equipment and mechanisms to prevent tampering or  
23          utilization by unauthorized persons.

24          (14) Establishing data security standards to govern age,  
25          identity and location verification of persons engaged in  
26          interactive gaming activity.

27          (15) Requiring each interactive gaming certificate  
28          holder to:

29                (i) Provide written information on its interactive  
30                gaming skin or Internet website, which explains the rules

1 for each authorized interactive game, payoffs or winning  
2 wagers and other information as the board may require.

3 (ii) Designate one or more interactive gaming  
4 restricted areas where interactive gaming will be  
5 managed, administered or controlled.

6 (iii) Provide the board with access to the  
7 interactive gaming skin or website, interactive gaming  
8 platform, signal or transmission used in connection with  
9 interactive gaming and interactive gaming restricted  
10 areas.

11 (iv) Adopt procedures for the recordation,  
12 replication and storage of all play and transactions for  
13 a period to be determined by the board.

14 (v) Provide statements on its interactive gaming  
15 skin or website about the permissible minimum and maximum  
16 wagers for each authorized interactive game, as  
17 applicable.

18 (vi) Adopt policies or procedures to prohibit any  
19 unauthorized person from having access to interactive  
20 gaming devices and associated equipment, including  
21 software, system programs, hardware and any other gaming  
22 equipment or devices which are used to manage, administer  
23 or control interactive gaming.

24 (vii) Adopt data security standards to verify the  
25 age, identity and location of persons engaged in  
26 interactive gaming activity and prevent unauthorized  
27 access by any person whose age and location have not been  
28 verified or whose age and location cannot be verified in  
29 accordance with regulations adopted by the board.

30 (viii) Adopt standards to protect the privacy and

1 security of registered players engaged in interactive  
2 gaming.

3 (ix) Collect, report and pay any and all applicable  
4 taxes and fees and maintain all books, records and  
5 documents related to the interactive gaming certificate  
6 holder's interactive gaming activities in a manner and in  
7 a location within this Commonwealth as approved by the  
8 board or the department. All books, records and documents  
9 shall be immediately available for inspection during all  
10 hours of operation in accordance with the regulations of  
11 the board and shall be maintained in a manner and during  
12 periods of time as the board shall by regulation require.

13 (b) Additional authority.--

14 (1) At its discretion, the board may determine whether  
15 persons that provide the following goods or services and any  
16 other goods or services related to interactive gaming as the  
17 board may determine shall be required to obtain a license,  
18 permit or other authorization:

19 (i) Payment processing and related money  
20 transmitting and services.

21 (ii) Customer identity or age verification and  
22 geospatial technology services.

23 (iii) General telecommunications services, which are  
24 not specifically designed for or related to interactive  
25 gaming.

26 (iv) Other goods or services that are not  
27 specifically designed for use with interactive gaming if  
28 the persons providing the goods or services are not paid  
29 a percentage of gaming revenue or of money wagered on  
30 interactive games or of any fees, not including fees to



1 financial institutions and payment providers for  
2 facilitating a deposit by an interactive gaming account  
3 holder.

4 (2) The board shall develop a classification system for  
5 the licensure, permitting or other authorization of persons  
6 that provide the following goods or services related to  
7 interactive gaming:

8 (i) Persons that provide interactive games and  
9 interactive gaming devices and associated equipment.

10 (ii) Persons that manage, control or administer the  
11 interactive games or the wagers associated with  
12 interactive games.

13 (iii) Providers of customer lists comprised of  
14 persons identified or selected, in whole or in part,  
15 because they placed or may place wagers on interactive  
16 gaming.

17 (c) Definition.--For the purposes of subsection (a) (12),  
18 (14) and (15) (vi) and (vii), the term "person" shall mean a  
19 natural person.

20 § 13B03. Temporary interactive gaming regulations.

21 (a) Promulgation.--

22 (1) In order to facilitate the prompt implementation of  
23 this chapter, regulations promulgated by the board shall be  
24 deemed temporary regulations which shall expire not later  
25 than two years following the publication of the temporary  
26 regulation in the Pennsylvania Bulletin and on the board's  
27 publicly accessible Internet website.

28 (2) The board may promulgate temporary regulations not  
29 subject to:

30 (i) Sections 201, 202, 203, 204 and 205 of the act

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

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

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

8 (b) Temporary regulations.--The board shall begin publishing  
9 temporary regulations governing the rules for interactive  
10 gaming, the issuance of interactive gaming certificates and  
11 interactive gaming licenses, standards for approving  
12 manufacturers, suppliers and other persons seeking to provide  
13 interactive games, interactive gaming devices and associated  
14 equipment, including age and location verification software or  
15 system programs and security and surveillance standards in the  
16 Pennsylvania Bulletin within 30 days of the effective date of  
17 this subsection.

18 (c) Expiration of temporary regulations.--Except for  
19 temporary regulations governing the rules for issuing  
20 certificates and licenses under this chapter, for new  
21 interactive games, for approving interactive games or variations  
22 thereof, interactive gaming devices and associated equipment and  
23 for approving manufacturers, suppliers and other persons seeking  
24 to provide interactive games, interactive gaming devices and  
25 associated equipment, the board's authority to adopt temporary  
26 regulations under subsection (a) shall expire two years after  
27 the effective date of this section. Regulations adopted after  
28 this period shall be promulgated as provided by law.

29 SUBCHAPTER B

30 INTERACTIVE GAMING AUTHORIZED

1 Sec.

2 13B11. Authorization to conduct interactive gaming.

3 13B12. Interactive gaming certificate required and content of  
4 petition.

5 13B13. Issuance of interactive gaming certificate.

6 13B14. Interactive gaming operators.

7 13B15. Interactive gaming certificate and license.

8 13B16. Timing of initial interactive gaming authorizations.

9 § 13B11. Authorization to conduct interactive gaming.

10 (a) Authority of board.--

11 (1) The board may authorize a slot machine licensee:

12 (i) To conduct interactive gaming, including  
13 contests and tournaments and any other game which is  
14 determined by the board to be suitable for interactive  
15 gaming.

16 (ii) To deploy interactive gaming skins or Internet  
17 websites to facilitate the conduct of interactive gaming  
18 activities.

19 (2) Except as provided in this part, all individuals  
20 playing authorized interactive games must be physically  
21 located within this Commonwealth or within a state or  
22 jurisdiction in which the board has entered an interactive  
23 gaming reciprocal agreement. No individual under 21 years of  
24 age shall open, maintain, use or have access to an  
25 interactive gaming account.

26 (b) Authority to play interactive games.--Notwithstanding  
27 any other provision of law, an individual who is 21 years of age  
28 or older is hereby permitted to participate as a registered  
29 player in interactive gaming and wagering associated with  
30 playing an authorized interactive game offered by an interactive

1 gaming certificate holder in accordance with regulations of the  
2 board.

3 § 13B12. Interactive gaming certificate required and content of  
4 petition.

5 (a) Certificate required.--No slot machine licensee or any  
6 other person associated with or representing a slot machine  
7 licensee shall operate or conduct or attempt to operate or  
8 conduct interactive gaming, except for test purposes or open  
9 interactive gaming to the public in this Commonwealth without  
10 first obtaining an interactive gaming certificate or an  
11 interactive gaming license from the board. A slot machine  
12 licensee may seek approval to conduct interactive gaming by  
13 filing a petition for an interactive gaming certificate with the  
14 board. The board shall prescribe the form and manner to govern  
15 the submission of a petition for an interactive gaming  
16 certificate.

17 (b) Content of petition.--In addition to information and  
18 documentation demonstrating that the slot machine licensee is  
19 qualified for an interactive gaming certificate under this  
20 chapter, a petition seeking board approval to conduct  
21 interactive gaming within this Commonwealth shall include the  
22 following:

23 (1) The name, business address and contact information  
24 of the slot machine licensee.

25 (2) The name, business address and contact information  
26 of any affiliate, interactive gaming operator or other person  
27 that will be a party to an agreement related to the operation  
28 of interactive gaming or an interactive gaming system on  
29 behalf of a slot machine licensee.

30 (3) The name and business address, job title and a

1 photograph of each principal and key employee of the slot  
2 machine licensee who will be involved in the conduct of  
3 interactive gaming and who is not currently licensed by the  
4 board, if known.

5 (4) The name and business address, job title and a  
6 photograph of each principal and key employee of the  
7 interactive gaming certificate holder and interactive gaming  
8 licensee, if any, who will be involved in the conduct of  
9 interactive gaming and who is currently licensed by the  
10 board.

11 (5) An itemized list of the interactive games and any  
12 other game or games the slot machine licensee plans to offer  
13 over the Internet for which authorization is being sought.  
14 The slot machine licensee shall, in accordance with  
15 regulations promulgated by the board, file any changes in the  
16 number of authorized interactive games offered through  
17 interactive gaming with the board.

18 (6) The estimated number of full-time and part-time  
19 employment positions that will be created at the licensed  
20 facility if interactive gaming is authorized and an updated  
21 hiring plan under section 1510(a) (relating to labor hiring  
22 preferences) which outlines the slot machine licensee's plan  
23 to promote the representation of diverse groups and  
24 Commonwealth residents in the employment positions.

25 (7) A brief description of the economic benefits  
26 expected to be realized by the Commonwealth, the host  
27 municipalities and residents if interactive gaming is  
28 authorized.

29 (8) The details of any financing obtained or that will  
30 be obtained to fund an expansion or modification of the

1 licensed facility to accommodate interactive gaming and to  
2 otherwise fund the cost of commencing interactive gaming.

3 (9) Information and documentation concerning financial  
4 background and resources, as the board may require, to  
5 establish by clear and convincing evidence the financial  
6 stability, integrity and responsibility of the slot machine  
7 licensee, and information or documentation concerning any  
8 interactive gaming operator that will operate interactive  
9 gaming or an interactive gaming system on behalf of the slot  
10 machine licensee, as the board may require.

11 (10) Information and documentation, as the board may  
12 require, to establish by clear and convincing evidence that  
13 the slot machine licensee has sufficient business ability and  
14 experience to conduct a successful interactive gaming  
15 operation. In making this determination, the board may  
16 consider the results of the slot machine licensee's slot  
17 machine and table game operations, including financial  
18 information, employment data and capital investment.

19 (11) Information and documentation, as the board may  
20 require, to establish by clear and convincing evidence that  
21 the slot machine licensee has or will have the financial  
22 ability to pay the interactive gaming authorization fee.

23 (12) Detailed site plans identifying the proposed  
24 interactive gaming restricted area where interactive gaming  
25 operations will be managed, administered or controlled as  
26 approved by the board.

27 (13) A detailed description of all of the following:

28 (i) The slot machine licensee's initial system of  
29 internal and accounting controls applicable to  
30 interactive gaming.

1           (ii) The slot machine licensee's proposed standards  
2 to protect, with a reasonable degree of certainty, the  
3 privacy and security of its registered players.

4           (iii) How the slot machine licensee will facilitate  
5 compliance with all of the requirements set forth in this  
6 chapter and in 31 U.S.C. § 5362(10)(B) (relating to  
7 definitions), including, but not limited to, all of the  
8 following:

9                   (A) Age, identity and location verification  
10 requirements designed to block access to individuals  
11 under 21 years of age.

12                   (B) Appropriate data security standards to  
13 prevent unauthorized access by any person whose age,  
14 identity and location have not been verified or whose  
15 age, identity and location cannot be verified in  
16 accordance with this chapter and applicable  
17 regulations of the board.

18                   (C) Except as provided in this chapter, the  
19 requirement that all wagers made in the conduct of  
20 interactive gaming be initiated and received or  
21 otherwise made exclusively within this Commonwealth.

22           (iv) The slot machine licensee's proposed age,  
23 identity and location verification standards designed to  
24 block access to persons under 21 years of age and persons  
25 excluded or prohibited from participating in interactive  
26 gaming under this chapter.

27           (v) The procedures the slot machine licensee will  
28 use to register individuals who wish to participate in  
29 interactive gaming.

30           (vi) The procedures the slot machine licensee will

1 use to establish interactive gaming accounts for  
2 registered players.

3 (vii) The interactive games and services the slot  
4 machine licensee proposes to offer to registered players.

5 (viii) Documentation and information relating to all  
6 proposed subcontractors of the slot machine licensee,  
7 including, but not limited to, all of the following:

8 (A) A description of the services to be provided  
9 by each subcontractor.

10 (B) Information on the experience and  
11 qualifications of each subcontractor to provide the  
12 services anticipated.

13 (C) The names of all proposed subcontractors,  
14 owners, executives and employees that will be  
15 directly or indirectly involved in the slot machine  
16 licensee's interactive gaming operations, as well as  
17 sufficient personal identifying information on each  
18 such person to conduct background checks as may be  
19 required by the board.

20 (14) The interactive gaming devices and associated  
21 equipment, including the interactive gaming network,  
22 interactive gaming system or systems, that the slot machine  
23 licensee plans to or will utilize to manage, administer or  
24 control its interactive gaming operations.

25 (15) Compliance certification of its interactive gaming  
26 devices and associated equipment, including interactive  
27 gaming software and hardware, by a board-approved gaming  
28 laboratory to ensure that the gaming software and hardware  
29 comply with the requirements of this chapter and regulations  
30 of the board.



1           (16) A detailed description of accounting systems,  
2 including, but not limited to, accounting systems for all of  
3 the following:

4           (i) Interactive gaming accounts.

5           (ii) Per-hand charges, if applicable.

6           (iii) Transparency and reporting to the board and  
7 the department.

8           (iv) Distribution of revenue to the Commonwealth and  
9 winnings to registered players.

10           (v) Ongoing auditing and internal control compliance  
11 reviews.

12           (17) Detailed information on security systems at the  
13 licensed facility to protect the interactive gaming skins or  
14 Internet website from internal and external breaches and  
15 threats.

16           (18) Any other information the board may require.

17           (c) Confidentiality.--Information submitted to the board  
18 under subsection (b) may be considered confidential by the board  
19 if the information would be confidential under section 1206(f)  
20 (relating to board minutes and records).

21 § 13B13. Issuance of interactive gaming certificate.

22           (a) Requirements for approval of petition.--

23           (1) The board may approve a petition under section 13B12  
24 (relating to interactive gaming certificate required and  
25 content of petition) upon finding clear and convincing  
26 evidence of all of the following:

27           (i) The slot machine licensee's conduct of  
28 interactive gaming complies in all respects with the  
29 requirements of this chapter and regulations promulgated  
30 by the board.

1           (ii) Age, identity and location verification  
2 requirements designed to block access to individuals  
3 under 21 years of age and persons otherwise prohibited  
4 from engaging in interactive gaming in accordance with  
5 this chapter, as approved by the board, have been  
6 implemented by the slot machine licensee.

7           (iii) The slot machine licensee has implemented or  
8 will implement appropriate data security standards to  
9 prevent unauthorized access by any person whose age,  
10 identity and location has not been verified or cannot be  
11 verified in accordance with the regulations promulgated  
12 and adopted by the board.

13           (iv) The slot machine licensee has implemented or  
14 will implement appropriate standards to protect the  
15 privacy and security of registered players.

16           (v) The slot machine licensee's initial system of  
17 internal and accounting controls applicable to  
18 interactive gaming, and the security and integrity of all  
19 financial transactions in connection with the system,  
20 complies with this chapter and regulations promulgated  
21 and adopted by the board.

22           (vi) The slot machine licensee is in good standing  
23 with the board.

24           (vii) The slot machine licensee agrees that the  
25 number of slot machines and table games in operation at  
26 its licensed facility, as of the effective date of this  
27 section, will not be reduced as a result of the  
28 authorization and commencement of interactive gaming.

29           (2) It shall be an express condition of any interactive  
30 gaming certificate that a slot machine licensee shall

1 collect, report and pay all applicable taxes and fees and  
2 shall maintain all books, records and documents pertaining to  
3 the slot machine licensee's interactive gaming operations in  
4 a manner and location within this Commonwealth as approved by  
5 the board. All books, records and documents shall be  
6 immediately available for inspection by the board and the  
7 department during all hours of operation in accordance with  
8 the regulations of the board and shall be maintained in a  
9 manner and during periods of time as the board shall require.

10 (b) Issuance of interactive gaming certificate.--

11 (1) Upon approval of a petition for an interactive  
12 gaming certificate, the board shall issue an interactive  
13 gaming certificate to the slot machine licensee. The issuance  
14 of an interactive gaming certificate prior to the full  
15 payment of the authorization fee required under section 13B51  
16 (relating to interactive gaming authorization fee) shall not  
17 relieve the slot machine licensee from the obligation to pay  
18 the authorization fee in accordance with the requirements of  
19 section 13B51.

20 (2) Upon issuing an interactive gaming certificate, the  
21 board shall amend the slot machine licensee's statement of  
22 conditions to include conditions pertaining to the  
23 requirements of this chapter.

24 (3) Notwithstanding any law to the contrary, the board  
25 shall not issue any certificate under this part if the  
26 licensee or any person affiliated with or directly related to  
27 the licensee is a party in any ongoing civil proceeding in  
28 which the party is seeking to overturn or otherwise challenge  
29 a decision or order of the board pertaining to the approval,  
30 denial or conditioning of a license to conduct thoroughbred

1 or harness horse race meetings respectively with pari-mutuel  
2 wagering or to operate slot machines. This paragraph shall  
3 not be interpreted to affect the rights of licensees to seek  
4 judicial enforcement of mandatory obligations of the board as  
5 may be required by this part.

6 (c) Term of interactive gaming certificate.--Subject to the  
7 power of the board to deny, revoke or suspend an interactive  
8 gaming certificate issued in accordance with the requirements of  
9 this section, an interactive gaming certificate shall be renewed  
10 every five years and shall be subject to the requirements of  
11 section 1326 (relating to renewals).

12 (d) Sanctions.--A slot machine licensee that fails to abide  
13 by the requirements of this chapter or any condition contained  
14 in the slot machine licensee's statement of conditions governing  
15 the operation of interactive gaming shall be subject to board-  
16 imposed administrative sanctions or other penalties authorized  
17 under this part. The imposition of administrative sanctions in  
18 accordance with this subsection shall apply to any interactive  
19 gaming operator that fails to abide by the requirements of this  
20 chapter and regulations of the board.

21 (e) Background investigations.--Each petition for an  
22 interactive gaming certificate shall be accompanied by a  
23 nonrefundable fee established by the board to cover the cost of  
24 background investigations. The board shall determine by  
25 regulation the persons involved, directly or indirectly, in a  
26 slot machine licensee's interactive gaming operations and  
27 persons involved in the operations of an interactive gaming  
28 operator who shall be subject to background investigation. Any  
29 additional costs and expenses incurred in any background  
30 investigation or other investigation or proceeding under this

1 chapter shall be reimbursed to the board by the applicant for an  
2 interactive gaming certificate.

3 § 13B14. Interactive gaming operators.

4 (a) License required.--No person shall serve or attempt to  
5 serve as an interactive gaming operator without first obtaining  
6 an interactive gaming license from the board. A person may seek  
7 approval to serve as an interactive gaming operator by filing an  
8 application with the board. The board shall prescribe the form  
9 and manner to govern the submission of an application for an  
10 interactive gaming license. The board shall provide for the  
11 licensure of interactive gaming operators that operate  
12 interactive gaming or an interactive gaming system on behalf of  
13 an interactive gaming certificate holder. The board shall:

14 (1) Determine suitability and provide for the licensure,  
15 permitting, registration or certification, as it deems  
16 appropriate, of interactive gaming operators or other persons  
17 directly involved in the operation of interactive gaming or  
18 an interactive gaming system on behalf of a slot machine  
19 licensee. The board shall determine suitability in accordance  
20 with the applicable requirements of this part, provided that  
21 the board may extend suitability to a holder of a valid  
22 license, permit, registration, certificate or other  
23 authorizations approved and issued under this part, which is  
24 in good standing, without additional investigation. The  
25 extension of suitability in accordance with this paragraph  
26 shall not relieve the holder of a valid license, permit,  
27 registration or certificate issued under this chapter from  
28 payment of all fees imposed under this chapter.

29 (2) Provide for the approval of the terms and conditions  
30 of all agreements entered into by or between an interactive

1 gaming certificate holder and an interactive gaming operator  
2 or any other person related to the operation of interactive  
3 games or an interactive gaming system on behalf of the  
4 interactive gaming certificate holder.

5 (b) Classification and approval of employees.--

6 (1) The board shall establish a classification system  
7 for employees of interactive gaming operators or other  
8 persons who provide products or services associated with or  
9 related to interactive gaming, interactive gaming platforms  
10 and interactive gaming systems.

11 (2) The board shall provide for the licensure,  
12 permitting, registration or certification, as it deems  
13 appropriate, of employees in each employee classification  
14 established by it in accordance with paragraph (1).

15 (c) Applicability of certain provisions.--Interactive gaming  
16 operators shall be subject to the applicable provisions of this  
17 part that apply to interactive gaming certificate holders, as  
18 determined by the board.

19 (d) Operators owned, controlled by slot machine licensee.--  
20 This section shall not apply to an interactive gaming operator  
21 that is owned by, affiliated with or otherwise controlled by a  
22 slot machine licensee that has been approved for and issued an  
23 interactive gaming certificate under this chapter. The board  
24 shall determine by regulation the criteria or conditions  
25 necessary to determine whether an interactive gaming operator is  
26 owned by, affiliated with or otherwise controlled by a slot  
27 machine licensee to effectuate the purpose of this subsection.

28 (e) Interactive gaming license and conditional  
29 authorization.--

30 (1) The following shall apply:

1           (i) During the first 18 months after the effective  
2 date of this section, the board may issue conditional  
3 authorizations to persons seeking licensure as  
4 interactive gaming operators.

5           (ii) Conditional authorization awarded to an  
6 interactive gaming operator may remain in effect until  
7 the shorter of 12 months after the date of issue or the  
8 date by which the board considers the subject  
9 application.

10          (iii) Conditional authorization may be renewed by  
11 the board not more than once, upon a showing of good  
12 cause.

13          (iv) Conditional authorization shall allow an  
14 applicant for an interactive gaming license to engage in  
15 all of the functions of a licensed interactive gaming  
16 operator for the duration of the conditional  
17 authorization.

18 (2) No conditional authorization may be issued unless:

19          (i) The applicant has submitted a complete  
20 application for an interactive gaming license to the  
21 board.

22          (ii) The applicant agrees to pay or has paid the fee  
23 prescribed in section 13B51 (relating to interactive  
24 gaming authorization fee) prior to the issuance of  
25 conditional authorization, which may be refundable in the  
26 event the license is not approved and issued by the  
27 board.

28          (iii) The bureau has no objection to the issuance of  
29 a conditional authorization to the applicant.

30 (3) Within 45 days of the date that the bureau receives

1 the completed application for an interactive gaming license  
2 from an applicant for investigation, the bureau shall conduct  
3 a preliminary investigation of the applicant and any key  
4 interactive gaming employee of the applicant, as determined  
5 by the board, which shall include a criminal background  
6 investigation of the applicant and any interactive gaming  
7 employees of the applicant, as determined by the board in  
8 accordance with section 1202(b) (relating to general and  
9 specific powers).

10 (4) If the bureau's preliminary investigation discloses  
11 no adverse information that would impact suitability for  
12 licensure, the bureau shall provide the board with a  
13 statement of no objection to issuance of conditional  
14 authorization to the applicant.

15 (5) If the bureau's preliminary investigation discloses  
16 adverse information that would impact suitability for  
17 licensure, it shall register an objection and no conditional  
18 authorization may be issued until the bureau's concerns are  
19 resolved.

20 (6) Any conditional authorization approved and issued to  
21 an applicant for an interactive gaming license under this  
22 subsection may be suspended or withdrawn by the board upon a  
23 showing of good cause by the bureau.

24 § 13B15. Interactive gaming certificate and license.

25 The following shall apply:

26 (1) An interactive gaming certificate and interactive  
27 gaming license shall be in effect unless:

28 (i) The certificate or license is suspended or  
29 revoked by the board consistent with the requirements of  
30 this part.



1           (ii) The slot machine license is suspended, revoked  
2           or not renewed by the board consistent with the  
3           requirements of this part.

4           (iii) The slot machine licensee relinquishes or does  
5           not seek renewal of its slot machine license.

6           (iv) The slot machine licensee does not seek renewal  
7           of its interactive gaming certificate.

8           (2) The interactive gaming certificate may include an  
9           initial itemized list by number and type of authorized  
10           interactive games for interactive gaming to be conducted by  
11           the interactive gaming certificate holder or interactive  
12           gaming operator or other person on behalf of an interactive  
13           gaming certificate holder. The slot machine licensee may  
14           increase or decrease the number of interactive games  
15           authorized for play on its interactive gaming skin or  
16           Internet website or change the type of authorized interactive  
17           games played on its interactive gaming skin or Internet  
18           website upon notice, if required by the board, to the board  
19           and approval by the board or a designated employee of the  
20           board. Unless approved by the board or a designated employee  
21           of the board, the total number and type of authorized  
22           interactive games offered for play by an interactive gaming  
23           certificate holder may not differ from the number and type  
24           approved by the board and authorized in the interactive  
25           gaming certificate.

26           (3) A slot machine licensee shall be required to update  
27           the information in its initial interactive gaming petition at  
28           times and in the form and manner as prescribed by the board.

29 § 13B16. Timing of initial interactive gaming authorizations.

30           The board shall prescribe the date on which petitions for an

1 interactive gaming certificate and applications for an  
2 interactive gaming license must be filed with the board and  
3 shall approve or deny a petition or application within 90 days  
4 following receipt.

5 SUBCHAPTER B.1

6 MULTI-USE COMPUTING DEVICES

7 Sec.

8 13B20. Authorization.

9 13B20.1. Board authorization required.

10 13B20.2. Standard for review of petitions.

11 13B20.3. Fees.

12 13B20.4. Multi-use gaming device tax.

13 13B20.5. Local share assessment.

14 13B20.6. Regulations.

15 13B20.7. Construction.

16 13B20.8. Expiration.

17 § 13B20. Authorization.

18 (a) Authority.--

19 (1) Notwithstanding any provision of this part or  
20 regulation of the board, an interactive gaming certificate  
21 holder may provide for the conduct of interactive gaming at a  
22 qualified airport through the use of multi-use computing  
23 devices or enter into a written agreement with an interactive  
24 gaming operator that provides for the conduct of such  
25 interactive gaming by the interactive gaming operator on  
26 behalf of the interactive gaming certificate holder.

27 (2) An interactive gaming certificate holder seeking to  
28 make authorized interactive games available for play through  
29 the use of multi-use computing devices at a qualified airport  
30 shall file a petition with the board in such form and manner

1 as the board, through regulations, shall require.

2 (b) Place of conduct.--The board, at its discretion, may  
3 authorize an interactive gaming certificate holder or an  
4 interactive gaming operator to place and make authorized  
5 interactive games available for play at a qualified airport  
6 through the use of multi-use computing devices in accordance  
7 with the requirements of this subchapter and regulations of the  
8 board.

9 (c) Satisfaction of contingencies.--Authorization for an  
10 interactive gaming certificate holder to conduct interactive  
11 gaming at a qualified airport in accordance with subsection (a)  
12 shall be contingent upon the following:

13 (1) The interactive gaming certificate holder has  
14 submitted a petition to the board seeking authorization to  
15 manage the conduct of interactive gaming at the qualified  
16 airport and the board has approved the petition.

17 (2) The interactive gaming certificate holder has  
18 disclosed that it has or will enter into an agreement with an  
19 interactive gaming operator who will manage, operate and  
20 control the conduct of interactive gaming at a qualified  
21 airport on behalf of the interactive gaming certificate  
22 holder and the interactive gaming operator has petitioned the  
23 board for approval and the board has approved the agreement  
24 and the petition.

25 (3) The interactive gaming certificate holder or  
26 interactive gaming operator, as the case may be, has entered  
27 into an agreement with the concession operator at the  
28 qualified airport for the conduct of interactive gaming  
29 through the use of multi-use computing devices within the  
30 airport gaming area.

1           (4) The interactive gaming certificate holder or  
2 interactive gaming operator, as applicable, has provided  
3 adequate assurances that the conduct of interactive gaming at  
4 the qualified airport will be conducted and operated in  
5 accordance with this part and regulations promulgated by the  
6 board.

7           (5) The interactive gaming certificate holder has paid  
8 or will pay all applicable taxes and fees.

9           (6) In the case of a qualified airport that is governed  
10 by a municipal authority or joint municipal authority  
11 organized and incorporated to oversee the operations of an  
12 airport in accordance with 53 Pa.C.S. Ch. 56 (relating to  
13 municipal authorities), the interactive gaming certificate  
14 holder or interactive gaming operator, as the case may be,  
15 has entered into an agreement with the municipal authority or  
16 joint municipal authority for the conduct of interactive  
17 gaming through the use of multi-use computing devices within  
18 the gaming area of the qualified airport and the board has  
19 approved the agreement.

20 (d) Agreement required.--The following shall apply:

21           (1) An interactive gaming certificate holder may seek  
22 authorization for the operation and placement of authorized  
23 interactive games at a qualified airport or may enter into an  
24 agreement with an interactive gaming operator to provide for  
25 the conduct of interactive gaming at the qualified airport.

26           (2) An agreement entered into in accordance with this  
27 subsection shall be in writing and shall be submitted to the  
28 board for review and approval.

29 § 13B20.1. Board authorization required.

30 (a) Contents of petition.--An interactive gaming certificate

1 holder seeking authorization to conduct interactive gaming at a  
2 qualified airport through the use of a multi-use computing  
3 device shall petition the board for approval. The petition shall  
4 include:

5 (1) The name, business address and contact information  
6 of the interactive gaming certificate holder or the name,  
7 business address and contact information of the interactive  
8 gaming operator, if an interactive gaming operator will  
9 manage the operation of interactive gaming at a qualified  
10 airport on behalf of an interactive gaming certificate holder  
11 pursuant to an interactive gaming agreement.

12 (2) The name and business address, job title and a  
13 photograph of each principal and key employee of the  
14 interactive gaming certificate holder and, if relevant, the  
15 interactive gaming operator who will be directly involved in  
16 the conduct of authorized interactive games at the qualified  
17 airport and who is not currently licensed by the board, if  
18 known.

19 (3) The name and business address of the airport  
20 authority, the location of the qualified airport and the  
21 names of the governing body of the airport authority, if the  
22 airport authority is incorporated in accordance with 53  
23 Pa.C.S. Ch. 56 (relating to municipal authorities).

24 (4) If the use and control of a qualified airport is  
25 regulated by a city of the first class, an identification of  
26 the municipal agency and primary officials of a city of the  
27 first class, which regulates the use and control of the  
28 qualified airport.

29 (5) The name and job title of the person or persons who  
30 will be responsible for ensuring the operation and integrity

1 of the conduct of interactive gaming at a qualified airport  
2 and reviewing reports of suspicious transactions.

3 (6) The brand name of the multi-use computing devices  
4 that will be placed in operation at the qualified airport.  
5 The board, at its discretion, may require any additional  
6 information related to the conduct of interactive gaming at a  
7 qualified airport through the use of multi-use computing  
8 devices or persons that manufacture or supply multi-use  
9 computing devices that it may determine necessary and  
10 appropriate to ensure the integrity of interactive gaming at  
11 a qualified airport and protect the public interest.

12 (7) An itemized list of the interactive games for which  
13 authorization is being sought.

14 (8) Information, as the board may require, on any  
15 computer applications or apps, including gaming apps, which  
16 can be accessed on the multi-use computing devices.

17 (9) Information on the terms and conditions of any  
18 interactive gaming agreement entered into by or between an  
19 interactive gaming certificate holder and interactive gaming  
20 operator or other person related to the conduct of  
21 interactive gaming through the use of multi-use computing  
22 devices at a qualified airport, if the board deems necessary  
23 and appropriate.

24 (10) Detailed site plans illustrating the location of  
25 the proposed airport gaming area at the qualified airport.

26 (11) Information and documentation concerning financial  
27 background and resources, as the board may require, to  
28 establish by clear and convincing evidence the financial  
29 stability, integrity and responsibility of the petitioner.

30 (12) Any other information as the board may require.

1 (b) Confidentiality.--Information submitted to the board  
2 under subsection (a) (8), (9), (11) and (12) may be considered  
3 confidential by the board if the information would be  
4 confidential under section 1206(f) (relating to board minutes  
5 and records).

6 (c) Approval of petition.--Upon approval of a petition as  
7 required under this section, the board shall authorize an  
8 interactive gaming certificate holder or an interactive gaming  
9 operator, as applicable, to conduct interactive gaming at a  
10 qualified airport through the use of multi-use computing  
11 devices. The authorization of an interactive gaming certificate  
12 holder or an interactive gaming operator, as applicable, to  
13 conduct interactive gaming at a qualified airport in accordance  
14 with this chapter prior to the full payment of the authorization  
15 fee under section 13B20.3 (relating to fees) shall not relieve  
16 the interactive gaming certificate holder or interactive gaming  
17 operator, as applicable, from the obligation to pay the  
18 authorization fee in accordance with section 13B20.3.

19 § 13B20.2. Standard for review of petitions.

20 The board shall approve a petition under section 13B20.1  
21 (relating to board authorization required) if the interactive  
22 gaming operator has been or will be issued an interactive gaming  
23 license under section 13B14 (relating to interactive gaming  
24 operators), and if it establishes, by clear and convincing  
25 evidence, all of the following:

26 (1) The interactive gaming certificate holder or  
27 interactive gaming operator, as the case may be, has entered  
28 into an agreement with a concession operator for the conduct  
29 of interactive gaming through the use of multi-use computing  
30 devices within the airport gaming area of a qualified

1 airport.

2 (2) The interactive gaming operator has an agreement  
3 with an interactive gaming certificate holder relating to the  
4 conduct of authorized interactive games by the interactive  
5 gaming operator on behalf of the interactive gaming  
6 certificate holder.

7 (3) The board has approved the agreements under  
8 paragraphs (1) and (2), as applicable.

9 (4) The interactive gaming operator has paid the  
10 authorization fee under section 13B51 (relating to  
11 interactive gaming authorization fee).

12 (5) The interactive gaming operator possesses the  
13 necessary funds or has secured adequate financing to commence  
14 the conduct of interactive gaming at the qualified airport.

15 (6) The proposed internal and external security and  
16 surveillance measures within the airport gaming area of the  
17 qualified airport are adequate.

18 § 13B20.3. Fees.

19 (a) Required fees.--An interactive gaming certificate holder  
20 shall pay a one-time, nonrefundable fee of \$2,500,000 upon the  
21 authorization to conduct interactive gaming at a qualified  
22 airport through the use of multi-use computing devices in  
23 accordance with this chapter.

24 (b) Deposit of fees.--Notwithstanding section 1208 (relating  
25 to collection of fees and fines), all fees or penalties received  
26 by the board under this chapter shall be deposited in the  
27 General Fund.

28 § 13B20.4. Multi-use gaming device tax.

29 (a) Imposition.--

30 (1) Each interactive gaming certificate holder



1 authorized to conduct interactive gaming at a qualified  
2 airport in accordance with the provisions of this subchapter  
3 shall report to the department and pay from its daily gross  
4 interactive gaming revenue generated from the conduct of  
5 interactive gaming through multi-use computing devices at the  
6 qualified airport, on a form and in the manner prescribed by  
7 the department, a tax of 10% of its daily gross interactive  
8 gaming revenue generated from multi-use computing devices at  
9 the qualified airport and a local share assessment.

10 (2) The tax imposed under subsection (a) shall be  
11 payable to the department on a daily basis and shall be based  
12 upon the gross interactive gaming revenue generated from  
13 multi-use computing devices at a qualified airport derived  
14 during the previous week.

15 (3) All funds owed to the Commonwealth under this  
16 section shall be held in trust for the Commonwealth by the  
17 interactive gaming certificate holder until the funds are  
18 paid to the department. An interactive gaming certificate  
19 holder shall establish a separate bank account into which  
20 gross interactive gaming revenue from multi-use computing  
21 devices shall be deposited and maintained until such time as  
22 the funds are paid to the department under this section.

23 (4) The department shall transfer the tax revenues  
24 collected under this section to the General Fund.

25 (b) (Reserved).

26 § 13B20.5. Local share assessment.

27 (a) Required payment.--In addition to the tax imposed under  
28 section 13B20.4 (relating to multi-use gaming device tax), each  
29 interactive gaming certificate holder shall pay on a weekly  
30 basis and on a form and in a manner prescribed by the department

1 a local share assessment into a restricted receipts account  
2 established in the fund. All funds owed under this section shall  
3 be held in trust by the interactive gaming certificate holder  
4 until the funds are paid in accordance with subsection (b).  
5 Funds in the account are hereby appropriated to the department  
6 on a continuing basis for the purposes set forth in this  
7 section.

8 (b) Distributions to qualified airports.--

9 (1) The department shall make quarterly distributions  
10 from the local share assessments deposited into the fund  
11 under subsection (a) to qualified airports.

12 (2) Notwithstanding paragraph (1) or any other provision  
13 of law, the multi-use computing device local share assessment  
14 generated at a qualified airport located in a city of the  
15 first class which regulates the use and control of a  
16 qualified airport shall be distributed as follows:

17 (i) Fifty percent of the funds to the city of the  
18 first class to be used solely and exclusively for  
19 neighborhood revitalization projects.

20 (ii) Fifty percent of the funds to the school  
21 district of the first class located entirely in a city of  
22 the first class.

23 (3) Notwithstanding paragraph (1) or any other provision  
24 of law, the multi-use computing device local share assessment  
25 in a qualified airport located in a county of the second  
26 class shall be distributed as follows:

27 (i) Fifty percent to a county of the second class,  
28 deposited into a restricted receipts account, to be  
29 established in the Commonwealth Financing Authority, to  
30 be used exclusively for grants within the county,

1 excluding a city of the second class, for economic  
2 development projects, road projects, community  
3 improvement projects and other projects in the public  
4 interest within the county.

5 (ii) Fifty percent to a city of the second class,  
6 deposited into a restricted receipts account, to be  
7 established in the Commonwealth Financing Authority, to  
8 be used exclusively for grants within the city for  
9 economic development projects, road projects, community  
10 improvement projects and other projects in the public  
11 interest within the city.

12 (c) Definition.--As used in this section, the term "multi-  
13 use computing device local share assessment" means 15% of an  
14 interactive gaming certificate holder's gross interactive gaming  
15 revenue from multi-use computing devices at qualified airports.  
16 § 13B20.6. Regulations.

17 (a) Regulations.--The board shall promulgate regulations  
18 related to the operation of authorized interactive games through  
19 the use of multi-use computing devices at qualified airports,  
20 including, but not limited to:

21 (1) Procedures for the creation of temporary or  
22 provisional interactive gaming accounts that take into  
23 consideration the nature of interactive gaming through multi-  
24 use computing devices at qualified airports.

25 (2) Procedures to govern credits, debits, deposits and  
26 payments to interactive gaming accounts established through  
27 multi-use computing devices at qualified airports.

28 (3) Procedures, in consultation with the department, to  
29 govern financial transactions between an interactive gaming  
30 certificate holder, an interactive gaming operator or other

1 person that relates to the reporting of gross interactive  
2 gaming revenue generated through the use of multi-use  
3 computing devices at qualified airports.

4 (b) Temporary regulations.--In order to facilitate the  
5 prompt implementation of this chapter, regulations promulgated  
6 by the board in accordance with subsection (a) shall be deemed  
7 temporary regulations. The board and the commission may  
8 promulgate temporary regulations not subject to:

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

12 (2) Sections 204(b) and 301(10) of the act of October  
13 15, 1980 (P.L.950, No.164), known as the Commonwealth  
14 Attorneys Act.

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

17 § 13B20.7. Construction.

18 Nothing in this subchapter shall be construed to:

19 (1) Create a separate license governing the use of  
20 multi-use computing devices for the conduct of interactive  
21 games at eligible airports by interactive gaming certificate  
22 holders within this Commonwealth.

23 (2) Limit the board's authority to determine the  
24 suitability of any person who may be directly or indirectly  
25 involved in or associated with the operation of interactive  
26 gaming at a qualified airport to ensure the integrity of  
27 interactive gaming and protect the public interest.

28 § 13B20.8. Expiration.

29 This subchapter shall expire five years after the effective  
30 date of this subchapter.

1 SUBCHAPTER C

2 CONDUCT OF INTERACTIVE GAMING

3 Sec.

4 13B21. Situs of interactive gaming operations.

5 13B22. Establishment of interactive gaming accounts.

6 13B23. Interactive gaming account credits, debits, deposits and  
7 payments.

8 13B24. Acceptance of account wagers.

9 13B25. Dormant interactive gaming accounts.

10 13B26. Login procedure required.

11 13B27. Information provided at login.

12 13B28. Prohibitions.

13 13B29. Commencement of interactive gaming operations.

14 § 13B21. Situs of interactive gaming operations.

15 Except as provided in this chapter, all wagers made through  
16 interactive gaming shall be deemed to be initiated, received or  
17 otherwise made within the geographic boundaries of this  
18 Commonwealth. The intermediate routing of electronic data  
19 associated or in connection with interactive gaming shall not  
20 determine the location or locations in which a bet or wager is  
21 initiated, received or otherwise made.

22 § 13B22. Establishment of interactive gaming accounts.

23 (a) Registration restrictions.--Only a natural person who  
24 has first established an interactive gaming account shall be  
25 permitted to play an authorized interactive game or place any  
26 bet or wager associated with an authorized interactive game. An  
27 interactive gaming account shall be in the name of a natural  
28 person and may not be in the name of any beneficiary, custodian,  
29 joint trust, corporation, partnership or other organization or  
30 entity. An interactive gaming certificate holder shall not

1 permit an individual to establish an interactive gaming account  
2 unless the person is 21 years of age or older.

3 (b) Establishment of interactive gaming accounts.--

4 (1) An interactive gaming account may be executed in  
5 person, provided that the board shall, through regulations,  
6 provide procedures for the establishment of interactive  
7 gaming accounts over the Internet through the interactive  
8 gaming certificate holder's interactive gaming skin or portal  
9 or Internet website. Each interactive gaming account shall  
10 comply with the internal controls of the interactive gaming  
11 certificate holder that, at a minimum, require the following:

12 (i) The filing and execution of an interactive  
13 gaming account application, the form of which has been  
14 preapproved by the board.

15 (ii) Proof of age, identity and residency as  
16 demonstrated by at least two forms of identification  
17 approved by the board through regulation.

18 (iii) Physical address or the principal residence of  
19 the prospective account holder, e-mail address of the  
20 prospective account holder and other contact information,  
21 as the board or interactive gaming certificate holder may  
22 require.

23 (iv) Password or other secured identification  
24 provided by the interactive gaming certificate holder to  
25 access the interactive gaming account or some other  
26 mechanism approved by the board to authenticate the  
27 player as the holder to the interactive gaming account.

28 (v) An acknowledgment under penalty of perjury that  
29 false or misleading statements made in regard to an  
30 application for an interactive gaming account may subject

1 the applicant to civil and criminal penalties.

2 (2) The interactive gaming certificate holder may accept  
3 or reject an application after receipt and review of the  
4 application and verification of age and identity for  
5 compliance with the provisions of this chapter. The  
6 interactive gaming certificate holder shall have the right,  
7 at any time with or without cause, to suspend or close any  
8 interactive gaming account at its sole discretion.

9 (3) The address provided by the applicant in the  
10 application for an interactive gaming account shall be deemed  
11 the address of record for the purposes of mailing checks,  
12 account withdrawals, notices and other materials to the  
13 interactive gaming account holder.

14 (4) An interactive gaming account shall not be  
15 assignable or otherwise transferable, and an interactive  
16 gaming certificate holder may, at any time, declare all or  
17 any part of an interactive gaming account to be closed for  
18 wagering.

19 (c) Password required.--As part of the application process,  
20 the interactive gaming certificate holder shall provide the  
21 prospective interactive gaming account holder with a password to  
22 access the interactive gaming account or shall establish some  
23 other method approved by the board to authenticate the  
24 individual as the holder of the interactive gaming account and  
25 allow the registered player access to the interactive gaming  
26 account.

27 (d) Grounds for rejection.--Any individual who provides  
28 false or misleading information in the application for an  
29 interactive gaming account may be subject to rejection of the  
30 application or cancellation of the account by the interactive

1 gaming certificate holder.

2 (e) Suspension of interactive gaming account.--The  
3 interactive gaming certificate holder shall have the right to  
4 suspend or close any interactive gaming account at its  
5 discretion.

6 (f) Persons prohibited from establishing or maintaining an  
7 interactive gaming account.--The following persons shall not be  
8 entitled to establish or maintain an interactive gaming account:

9 (1) Any person under 21 years of age.

10 (2) Any person on the list of persons who are or will be  
11 excluded or ejected from or denied access to any licensed  
12 facility under section 1514 (relating to regulation requiring  
13 exclusion, ejection or denial of access of certain persons),  
14 1515 (relating to repeat offenders excludable from licensed  
15 gaming facility) or 1516 (relating to list of persons self  
16 excluded from gaming activities).

17 (3) Any gaming employee, key employee or principal  
18 employee of a slot machine licensee and any employee or key  
19 employee of an interactive gaming operator or any other  
20 person directly involved in the operation of interactive  
21 gaming or an interactive gaming system on behalf of a slot  
22 machine licensee.

23 § 13B23. Interactive gaming account credits, debits, deposits  
24 and payments.

25 (a) Duty of board.--The board shall, by regulation, develop  
26 procedures to govern credits, debits and deposits to interactive  
27 gaming accounts. Notwithstanding any provision of this part to  
28 the contrary, all credits, debits and deposits to interactive  
29 gaming accounts shall be made in accordance with regulations  
30 promulgated by the board, in consultation with the department,



1 and all payments of winnings shall be made in accordance with  
2 the rules of each particular authorized interactive game.

3 (b) Rights of interactive gaming certificate holder.--An  
4 interactive gaming certificate holder shall have the right to:

5 (1) Credit an interactive gaming account as part of a  
6 promotion.

7 (2) Refuse all or part of any wager or deposit to the  
8 interactive gaming account of a registered player.

9 (c) Interest prohibited.--Funds deposited in a registered  
10 player's interactive gaming account shall not bear interest to  
11 the account holder.

12 § 13B24. Acceptance of account wagers.

13 (a) Acceptance.--An interactive gaming certificate holder  
14 may accept interactive gaming wagers or bets only as follows:

15 (1) The wager shall be placed directly with the  
16 interactive gaming certificate holder by the registered  
17 player, after the interactive gaming certificate holder has  
18 verified that the individual seeking to place a wager or bet  
19 is the registered player.

20 (2) The registered player provides the slot machine  
21 licensee with the correct password or other authentication  
22 information for access to the interactive gaming account.

23 (b) Nonacceptance.--An interactive gaming certificate holder  
24 may not accept an account wager in an amount in excess of funds  
25 on deposit in an interactive gaming account of the registered  
26 player placing the bet or wager. Funds on deposit include  
27 amounts credited to a registered player's interactive gaming  
28 account in accordance with regulations of the board and any  
29 funds in the account at the time the wager is placed.

30 § 13B25. Dormant interactive gaming accounts.

1 Before closing a dormant interactive gaming account, the  
2 interactive gaming certificate holder shall attempt to contact  
3 the interactive gaming account holder by mail and phone or e-  
4 mail to inform the account holder that the interactive gaming  
5 account is inactive and may be subject to termination at such  
6 time and manner as determined by regulation of the board.

7 § 13B26. Login procedure required.

8 Each interactive gaming certificate holder shall establish a  
9 login procedure for registered players to access interactive  
10 gaming. The login procedure shall include the provision of the  
11 appropriate authentication information by the registered player  
12 for access to the interactive gaming account. The interactive  
13 gaming certificate holder shall not allow a registered player to  
14 log in and access the interactive gaming account unless the  
15 correct password or other authentication information is  
16 provided.

17 § 13B27. Information provided at login.

18 The interactive gaming certificate holder shall configure its  
19 interactive gaming skin to include a link that, upon login, will  
20 allow a registered player to access all of the following  
21 information:

22 (1) The current amount of funds in the interactive  
23 gaming account.

24 (2) The wins and losses since the interactive gaming  
25 account was established.

26 (3) The wins and losses at the beginning of the current  
27 gaming session and the wins and losses at the end of the  
28 current gaming session.

29 (4) The complete text in searchable format of the rules  
30 of each authorized interactive game offered by the

1 interactive gaming certificate holder and any other  
2 information as the board may require.

3 § 13B28. Prohibitions.

4 Except as provided in this part, no interactive gaming  
5 certificate holder or any person licensed under this part to  
6 operate interactive gaming or an interactive gaming system and  
7 no person acting on behalf of, or under any arrangement with, an  
8 interactive gaming certificate holder or other person licensed  
9 under this part shall:

10 (1) Make any loan to any person for the purpose of  
11 crediting an interactive gaming account.

12 (2) Release or discharge any debt, either in whole or in  
13 part, or make any loan which represents any losses incurred  
14 by any registered player while playing authorized interactive  
15 games without maintaining a written record thereof in  
16 accordance with regulations of the board.

17 (3) Permit an interactive game to be offered at a  
18 licensed facility or at any property owned by a licensed  
19 gaming entity.

20 § 13B29. Commencement of interactive gaming operations.

21 An interactive gaming certificate holder may not operate or  
22 offer interactive games for play on its interactive gaming skin  
23 until the board determines that:

24 (1) The interactive gaming certificate holder is in  
25 compliance with the requirements of this chapter.

26 (2) The interactive gaming certificate holder's  
27 internal, administrative and accounting controls are  
28 sufficient to meet the requirements of section 13B32  
29 (relating to internal, administrative and accounting  
30 controls).



1 § 13B31. Responsibilities of interactive gaming certificate  
2 holder.

3 (a) Facilities and equipment.--All facilities and  
4 interactive gaming devices and associated equipment shall:

5 (1) Be arranged in a manner promoting appropriate  
6 security for interactive gaming.

7 (2) Include a closed-circuit video monitoring system  
8 according to rules or specifications approved by the board,  
9 with board absolute access to the interactive gaming  
10 certificate holder's interactive gaming skin, Internet  
11 website and platform, signal or transmission used in  
12 connection with interactive gaming.

13 (3) Not be designed in any way that might interfere with  
14 or impede the board in its regulation of interactive gaming.

15 (4) Comply in all respects with regulations of the  
16 board.

17 (b) Location of equipment and interactive gaming restricted  
18 areas.--

19 (1) All interactive gaming devices and associated  
20 equipment used by an interactive gaming certificate holder or  
21 an interactive gaming licensee to conduct interactive gaming  
22 may be located, with the prior approval of the board, in an  
23 interactive gaming restricted area on the premises of the  
24 licensed facility, in an interactive gaming restricted area  
25 within the geographic limits of the county in this  
26 Commonwealth where the licensed facility is situated or in  
27 any other area approved by the board.

28 (2) All wagers associated with interactive gaming shall  
29 be deemed to be placed when received by the interactive  
30 gaming certificate holder.

1 § 13B32. Internal, administrative and accounting controls.

2 (a) Submissions to board.--Notwithstanding any provision of  
3 this part, each slot machine licensee who holds or has applied  
4 for an interactive gaming certificate in accordance with this  
5 chapter shall submit a description of its system of internal  
6 procedures and administrative and accounting controls for  
7 interactive gaming to the board, including provisions that  
8 provide for real-time monitoring, recordation or storage of all  
9 interactive games and a description of any changes to its  
10 procedures and controls. The submission shall be made at least  
11 90 days before authorized interactive gaming is to commence or  
12 at least 90 days before any change in those procedures or  
13 controls is to take effect, unless otherwise directed by the  
14 board.

15 (b) Filing.--Notwithstanding subsection (a), the procedures  
16 and controls may be implemented by an interactive gaming  
17 certificate holder upon the filing of the procedures and  
18 controls with the board. Each procedure or control submission  
19 shall contain both narrative and diagrammatic representations of  
20 the system to be utilized with regard to interactive gaming,  
21 including, but not limited to:

22 (1) Accounting controls, including the standardization  
23 of forms and definition of terms to be utilized in the  
24 interactive gaming operations.

25 (2) Procedures, forms and, where appropriate, formulas  
26 to govern the following:

- 27 (i) calculation of hold percentages;
- 28 (ii) revenue drops;
- 29 (iii) expense and overhead schedules;
- 30 (iv) complimentary services; and

1           (v) cash-equivalent transactions.

2           (3) Job descriptions and the system of personnel and  
3 chain of command, establishing a diversity of responsibility  
4 among employees engaged in interactive gaming operations,  
5 including employees of an interactive gaming operator, and  
6 identifying primary and secondary management and supervisory  
7 positions for areas of responsibility, salary structure and  
8 personnel practices.

9           (4) Procedures for the registration of players and  
10 establishment of interactive gaming accounts, including a  
11 procedure for authenticating the age, identity and location  
12 of applicants for interactive gaming accounts.

13           (5) Procedures for terminating a registered player's  
14 interactive gaming account and the return of any funds  
15 remaining in the interactive gaming account to the registered  
16 player.

17           (6) Procedures for suspending or terminating a dormant  
18 interactive gaming account.

19           (7) Procedures for the logging in and authentication of  
20 a registered player in order to enable the player to commence  
21 interactive gaming and the logging off of the registered  
22 player when the player has completed play, including a  
23 procedure to automatically log a registered player out of the  
24 player's interactive gaming account after a specified period  
25 of inactivity.

26           (8) Procedures for the crediting and debiting of  
27 registered players' interactive gaming accounts.

28           (9) Procedures for cashing checks, receiving electronic  
29 negotiable instruments and for redeeming chips, tokens or  
30 other cash equivalents.

1           (10) Procedures for withdrawing funds from an  
2 interactive gaming account by the registered player.

3           (11) Procedures for the protection of player funds,  
4 including the segregation of player funds from operating  
5 funds.

6           (12) Procedures for recording transactions pertaining to  
7 interactive gaming.

8           (13) Procedures for the security and sharing of  
9 personally identifiable information of registered players and  
10 other information as required by the board and funds in  
11 interactive gaming accounts. The procedures shall include the  
12 means by which an interactive gaming certificate holder or  
13 interactive gaming operator will provide notice to registered  
14 players related to its sharing of personally identifiable  
15 information. For the purpose of this paragraph, "personally  
16 identifiable information" shall mean any data or information  
17 that can be used, on its own or with other data or  
18 information, to identify, contact or otherwise locate a  
19 registered player, including a registered player's name,  
20 address, date of birth and Social Security number.

21           (14) Procedures and security for the calculation and  
22 recordation of revenue.

23           (15) Procedures for the security of interactive gaming  
24 devices and associated equipment within an interactive gaming  
25 restricted area on the premises of the licensed facility or  
26 in a secure facility inaccessible to the public and  
27 specifically designed for that purpose off the premises of a  
28 licensed facility as approved by the board.

29           (16) Procedures and security standards as to receipt of  
30 and the handling and storage of interactive gaming devices



1 and associated equipment.

2 (17) Procedures and security standards to protect the  
3 interactive gaming certificate holder's interactive gaming  
4 skin or Internet website and interactive gaming devices and  
5 associated equipment from hacking or tampering by any person.

6 (18) Procedures for responding to suspected or actual  
7 hacking or tampering with an interactive gaming certificate  
8 holder's interactive gaming skin or Internet website and  
9 interactive gaming devices and associated equipment,  
10 including partial or complete suspension of interactive  
11 gaming or the suspension of any or all interactive gaming  
12 accounts when warranted.

13 (19) Procedures to verify each registered player's  
14 physical location each time a wager is placed on an  
15 interactive game.

16 (20) Procedures to ensure, to a reasonable degree of  
17 certainty, that the interactive games are fair and honest and  
18 that appropriate measures are in place to deter, detect and,  
19 to the extent reasonably possible, to prevent cheating,  
20 including collusion, and the use of cheating devices,  
21 including the use of software programs that make bets or  
22 wagers according to algorithms.

23 (21) Procedures to assist problem and compulsive  
24 gamblers, including procedures reasonably intended to prevent  
25 a person from participating in interactive gaming activities  
26 in accordance with sections 1514 (relating to regulation  
27 requiring exclusion, ejection or denial of access of certain  
28 persons), 1515 (relating to repeat offenders excludable from  
29 licensed gaming facility) and 1516 (relating to list of  
30 persons self excluded from gaming activities).

1           (22) Procedures to govern emergencies, including  
2 suspected or actual cyber attacks, hacking or tampering with  
3 the interactive gaming certificate holder's interactive  
4 gaming portal, platform or Internet website.

5 (c) Review of submissions.--

6           (1) The board shall review each submission required by  
7 subsections (a) and (b) and shall determine whether the  
8 submission conforms to the requirements of this chapter and  
9 regulations promulgated by the board and whether the system  
10 submitted provides adequate and effective controls for  
11 interactive gaming of the particular interactive gaming  
12 certificate holder.

13           (2) If the board determines that insufficiencies exist,  
14 it shall specify the insufficiencies in writing to the  
15 interactive gaming certificate holder, who shall make  
16 appropriate alterations to ensure compliance with the  
17 requirements of this chapter and regulations of the board.  
18 When the board determines a submission to be adequate in all  
19 respects, it shall notify the interactive gaming certificate  
20 holder.

21           (3) Except as otherwise provided in subsection (a), no  
22 interactive gaming certificate holder, interactive gaming  
23 operator or other person shall commence or alter interactive  
24 gaming operations unless and until the system of procedures,  
25 controls and alternations is approved by the board.

26                                   SUBCHAPTER E

27                                   TESTING AND CERTIFICATION

28 Sec.

29 13B41. Interactive games and interactive gaming devices and  
30 associated equipment testing and certification

1           standards.

2 § 13B41. Interactive games and interactive gaming devices and  
3 associated equipment testing and certification  
4 standards.

5 (a) Testing required.--

6       (1) No interactive game or interactive gaming device or  
7 associated equipment shall be used to conduct interactive  
8 gaming unless it has been tested and approved by the board.  
9 The board may, in its discretion and for the purpose of  
10 expediting the approval process, refer testing to any testing  
11 laboratory as approved by the board.

12       (2) The board shall establish, by regulation, technical  
13 standards for approval of interactive games and interactive  
14 gaming devices and associated equipment, including standards  
15 to govern mechanical, electrical or program reliability and  
16 security against tampering and threats, as it may deem  
17 necessary to protect the registered player from fraud or  
18 deception and to ensure the integrity of interactive gaming.

19 (b) Independent testing and certification facility.--Any  
20 costs associated with the board's testing and certification  
21 facility shall be assessed on persons authorized by the board to  
22 manufacture, supply, distribute or otherwise provide interactive  
23 games and interactive gaming devices and associated equipment to  
24 interactive gaming certificate holders or to interactive gaming  
25 operators in this Commonwealth. The costs shall be assessed in  
26 accordance with a schedule adopted by the board.

27 (c) Use of other state standards.--The board may determine  
28 whether the testing and certification standards for interactive  
29 games and interactive gaming devices and associated equipment as  
30 adopted by another jurisdiction within the United States or any

1 of the testing and certification standards used by an  
2 interactive gaming certificate holder are comprehensive and  
3 thorough and provide similar and adequate safeguards as those  
4 required by this chapter and regulations of the board. If the  
5 board makes that determination, it may permit the person  
6 authorized to manufacture, supply, distribute or otherwise  
7 provide interactive games and interactive gaming devices or  
8 associated equipment to furnish interactive games or interactive  
9 gaming devices and associated equipment to interactive gaming  
10 certificate holders in this Commonwealth without undergoing the  
11 full testing and certification process by the board's  
12 independent testing and certification facility.

13 SUBCHAPTER F

14 TAXES AND FEES

15 Sec.

16 13B51. Interactive gaming authorization fee.

17 13B52. Interactive gaming tax.

18 13B53. (Reserved).

19 13B54. Compulsive and problem gambling.

20 § 13B51. Interactive gaming authorization fee.

21 (a) Amount of authorization fee.--

22 (1) Each slot machine licensee that is issued an  
23 interactive gaming certificate to conduct interactive gaming  
24 in accordance with section 13B11 (relating to authorization  
25 to conduct interactive gaming) shall pay a one-time  
26 nonrefundable authorization fee in the amount of \$10,000,000.

27 (2) Each interactive gaming operator or an affiliate of  
28 an interactive gaming certificate holder that is issued an  
29 interactive gaming license under this chapter to operate  
30 interactive gaming or an interactive gaming system on behalf

1 of a slot machine licensee pursuant to an interactive gaming  
2 agreement and that is not owned, affiliated with or otherwise  
3 controlled by a slot machine licensee shall pay a one-time  
4 nonrefundable authorization fee in the amount of \$5,000,000.

5 (3) Each interactive gaming operator that has been  
6 approved by the board to provide for the conduct of  
7 interactive gaming on behalf of an interactive gaming  
8 certificate holder at a qualified airport in accordance with  
9 Subchapter B.1 (relating to multi-use computing devices)  
10 shall pay a one-time nonrefundable authorization fee in the  
11 amount of \$2,500,000.

12 (b) Payment of fee.--Persons required to pay the  
13 authorization fee under subsection (a) shall remit the fee to  
14 the board within 60 days of the board's approval of its  
15 petition, license or conditional license to conduct interactive  
16 gaming or to operate interactive gaming or an interactive gaming  
17 system. The board may allow the fee to be paid in installments,  
18 provided that all such installments are paid within the 60-day  
19 period and that the installment payments are made in accordance  
20 with the terms of an agreement between the board and the  
21 interactive gaming certificate holder or an interactive gaming  
22 operator under subsection (a)(2) that sets forth the terms of  
23 the installment payment.

24 (c) Renewal fee.--

25 (1) Notwithstanding any other provision of this chapter,  
26 an interactive gaming certificate holder shall pay a renewal  
27 fee in the amount of \$500,000 upon the renewal of its  
28 interactive gaming certificate in accordance with sections  
29 1326 (relating to renewals) and 13B13(c) (relating to  
30 issuance of interactive gaming certificate).

1       (2) Each interactive gaming operator under subsection  
2       (a) (2) shall pay a renewal fee of \$250,000 upon the renewal  
3       of its interactive gaming license in accordance with this  
4       chapter.

5       (d) Deposit of fees.--The fees imposed and collected under  
6       subsections (a) and (c) shall be deposited in the General Fund.  
7       § 13B52. Interactive gaming tax.

8       (a) Imposition of tax.--Each interactive gaming certificate  
9       holder that conducts interactive gaming shall report to the  
10       department and pay from its daily gross interactive gaming  
11       revenue, on a form and in the manner prescribed by the  
12       department, a tax of 25% of its daily gross interactive gaming  
13       revenue.

14       (b) Deposits and distributions.--

15       (1) The tax imposed under subsection (a) shall be  
16       payable to the department on a weekly basis and shall be  
17       based upon gross interactive gaming revenue derived during  
18       the previous week.

19       (2) All funds owed to the Commonwealth under this  
20       section shall be held in trust for the Commonwealth by the  
21       interactive gaming certificate holder until the funds are  
22       paid to the department for deposit in the General Fund. An  
23       interactive gaming certificate holder shall establish a  
24       separate bank account into which gross interactive gaming  
25       revenue shall be deposited and maintained until such time as  
26       the funds are paid to the department under this section.

27       (c) Taxes on out-of-State wagering.--The tax rate which  
28       shall be assessed and collected by the department with respect  
29       to any wagers placed by registered players located in this  
30       Commonwealth with an interactive gaming operator outside of this

1 Commonwealth, but authorized under an interactive gaming  
2 reciprocal agreement, shall be governed by the agreement but may  
3 not be less than 25% of gross interactive gaming revenue derived  
4 from registered players located in this Commonwealth.

5 (d) Deposit of funds.--The tax imposed under subsection (a)  
6 or (c) shall be collected by the department for deposit as  
7 follows:

8 (1) Sixty percent of the tax imposed shall be deposited  
9 into the Property Tax Relief Fund.

10 (2) Twenty percent of the tax imposed shall be deposited  
11 in a restricted account with the Commonwealth Financing  
12 Authority to be used for grants for projects in the public  
13 interest located in counties contiguous to counties hosting a  
14 Category 1, 2 or 3 licensed facility.

15 (3) Twenty percent of the tax imposed shall be deposited  
16 in a restricted account with the Commonwealth Financing  
17 Authority to be used for grants for projects in the public  
18 interest located in any county in this Commonwealth.

19 § 13B53. (Reserved).

20 § 13B54. Compulsive and problem gambling.

21 The following shall apply:

22 (1) Each year, from the tax imposed in section 13B52  
23 (relating to interactive gaming tax), \$2,000,000 or an amount  
24 equal to 0.002 multiplied by the total gross interactive  
25 gaming revenue of all active and operating interactive gaming  
26 certificate holders shall be transferred into the Compulsive  
27 and Problem Gambling Treatment Fund established in section  
28 1509 (relating to compulsive and problem gambling program).

29 (2) Each year, from the tax imposed in section 13B52, an  
30 amount equal to 0.002 multiplied by the total gross

1 interactive gaming revenue of all active and operating  
2 interactive gaming certificate holders shall be transferred  
3 to the Department of Health to be used for drug and alcohol  
4 addiction treatment services, including treatment for drug  
5 and alcohol addiction related to compulsive and problem  
6 gambling, as set forth in section 1509.1 (relating to drug  
7 and alcohol treatment).

8 SUBCHAPTER G

9 MISCELLANEOUS PROVISIONS

10 Sec.

11 13B61. Participation in interactive gaming by persons outside  
12 Commonwealth.

13 13B62. Institutional investors.

14 13B63. Internet cafes and prohibition.

15 § 13B61. Participation in interactive gaming by persons outside  
16 Commonwealth.

17 Notwithstanding any other provision of this chapter to the  
18 contrary, an interactive gaming certificate holder may accept  
19 interactive gaming wagers from a person who is not physically  
20 present in this Commonwealth if the board determines the  
21 following:

22 (1) Participation in interactive gaming and acceptance  
23 of wagers associated with interactive gaming from a person  
24 not physically present in this Commonwealth is not  
25 inconsistent with Federal law or regulation or the law or  
26 regulation of the jurisdiction, including any foreign  
27 jurisdiction, in which the person is located.

28 (2) Participation in interactive gaming is conducted  
29 pursuant to an interactive gaming reciprocal agreement  
30 between the Commonwealth and another state or jurisdiction,



1 including a foreign jurisdiction, to which the Commonwealth  
2 is a party and the interactive gaming reciprocal agreement is  
3 not inconsistent with Federal law or regulation.

4 § 13B62. Institutional investors.

5 (a) Declaration of investment intent.--Notwithstanding any  
6 other provision of this part, the following shall apply:

7 (1) An institutional investor holding 20% or less of the  
8 equity securities of an interactive gaming certificate  
9 holder's, interactive gaming operator's or applicant's  
10 holding, subsidiary or intermediary companies shall be  
11 granted a waiver of any investigation of suitability or other  
12 requirement if the securities are those of a corporation,  
13 whether publicly traded or privately held, and the holdings  
14 of the securities were purchased for investment purposes  
15 only. The institutional investor shall file a certified  
16 statement that it has no intention of influencing or  
17 affecting the affairs of the interactive gaming certificate  
18 holder, interactive gaming operator, applicant or any  
19 holding, subsidiary or intermediary company of an interactive  
20 gaming certificate holder, interactive gaming operator or  
21 applicant. However, an institutional investor shall be  
22 permitted to vote on matters put to the vote of the  
23 outstanding security holders.

24 (2) The board may grant a waiver to an institutional  
25 investor holding a higher percentage of securities upon a  
26 showing of good cause and if the conditions specified in  
27 paragraph (1) are met.

28 (3) An institutional investor granted a waiver under  
29 this subsection who subsequently decides to influence or  
30 affect the affairs of an interactive gaming certificate

1 holder, interactive gaming operator or applicant's holding,  
2 subsidiary or intermediary company of an interactive gaming  
3 certificate holder, interactive gaming operator or applicant  
4 shall provide not less than 30 days' notice of intent and  
5 shall file with the board a request for determination of  
6 suitability before taking any action that may influence or  
7 affect the affairs of the issuer. An institutional investor  
8 shall be permitted to vote on matters put to the vote of the  
9 outstanding security holders.

10 (4) If an institutional investor changes its investment  
11 intent or if the board finds reasonable cause to believe that  
12 the institutional investor may be found unsuitable, no action  
13 other than divestiture shall be taken by the institutional  
14 investor with respect to its security holdings until there  
15 has been compliance with any requirements established by the  
16 board, which may include the execution of a trust agreement  
17 in accordance with section 1332 (relating to appointment of  
18 trustee).

19 (5) The interactive gaming certificate holder or  
20 interactive gaming operator or applicant or any holding,  
21 intermediary or subsidiary company of an interactive gaming  
22 certificate holder, interactive gaming operator or applicant  
23 shall notify the board immediately of any information about,  
24 or actions of, an institutional investor holding its equity  
25 securities where the information or action may impact the  
26 eligibility of the institutional investor for a waiver under  
27 this subsection.

28 (b) Failure to declare.--If the board finds:

29 (1) that an institutional investor holding any security  
30 of a holding or intermediary company of an interactive gaming

1 certificate holder or interactive gaming operator or  
2 applicant or, where relevant, of another subsidiary company  
3 of a holding or intermediary company of an interactive gaming  
4 certificate holder or interactive gaming operator or  
5 applicant which is related in any way to the financing of the  
6 interactive gaming certificate holder or interactive gaming  
7 operator or applicant, fails to comply with the provisions of  
8 subsection (a); or

9 (2) by reason of the extent or nature of its holdings,  
10 an institutional investor is in a position to exercise such a  
11 substantial impact upon the controlling interests of an  
12 interactive gaming certificate holder or interactive gaming  
13 operator or applicant that investigation and determination of  
14 suitability of the institutional investor is necessary to  
15 protect the public interest;

16 then the board may take any necessary action otherwise  
17 authorized under this chapter to protect the public interest.

18 § 13B63. Internet cafes and prohibition.

19 (a) General rule.--No organization or commercial enterprise  
20 shall operate a place of public accommodation, club, including a  
21 club or association limited to dues-paying members or similar  
22 restricted groups, or similar establishment in which computer  
23 terminals or similar access devices are advertised or made  
24 available to be used principally for the purpose of accessing  
25 authorized interactive games. No interactive gaming certificate  
26 holder or interactive gaming operator shall offer or make  
27 available computer terminals or similar access devices to be  
28 used principally for the purpose of accessing interactive games  
29 at a licensed facility.

30 (b) Construction.--Nothing in this section shall be

1 construed to require the owner or operator of a hotel or motel  
2 or other public place of general use in this Commonwealth to  
3 prohibit or block guests from playing interactive games.

4 Section 21. Sections 1403, 1501(b) and 1509 (a.2), (c) and  
5 (d.2) of Title 4 are amended to read:

6 § 1403. Establishment of State Gaming Fund and net slot machine  
7 revenue distribution.

8 (a) Fund established.--There is hereby established the State  
9 Gaming Fund within the State Treasury.

10 (b) Slot machine tax.--The department shall determine and  
11 each slot machine licensee shall pay a daily tax of 34% from its  
12 daily gross terminal revenue from the slot machines in operation  
13 at its facility and a local share assessment as provided in  
14 subsection (c). All funds owed to the Commonwealth, a county or  
15 a municipality under this section shall be held in trust by the  
16 licensed gaming entity for the Commonwealth, the county and the  
17 municipality until the funds are paid or transferred to the  
18 fund. Unless otherwise agreed to by the board, a licensed gaming  
19 entity shall establish a separate bank account to maintain  
20 gross terminal revenue until such time as the funds are paid or  
21 transferred under this section. Moneys in the fund are hereby  
22 appropriated to the department on a continuing basis for the  
23 purposes set forth in subsection (c).

24 (c) Transfers and distributions.--The department shall:

25 (1) Transfer the slot machine tax and assessment imposed  
26 in subsection (b) to the fund.

27 (2) From the local share assessment established in  
28 subsection (b), make quarterly distributions among the  
29 counties hosting a licensed facility in accordance with the  
30 following schedule:

1 (i) If the licensed facility is a Category 1  
2 licensed facility that is located at a harness racetrack  
3 and the county, including a home rule county, in which  
4 the licensed facility is located is:

5 (A) A county of the first class: 4% of the  
6 gross terminal revenue to the county hosting the  
7 licensed facility from each such licensed facility.  
8 Notwithstanding any other provision to the contrary,  
9 funds from licensed gaming entities located within a  
10 county of the first class shall not be distributed  
11 outside of a county of the first class.

12 (B) A county of the second class: 2% of the  
13 gross terminal revenue to the county hosting the  
14 licensed facility from each such licensed facility.

15 (C) A county of the second class A: 1% of the  
16 gross terminal revenue to the county hosting the  
17 licensed facility from each such licensed facility.  
18 An additional 1% of the gross terminal revenue to the  
19 county hosting the licensed facility from each such  
20 licensed facility for the purpose of municipal grants  
21 within the county in which the licensee is located.

22 (D) (I) A county of the third class: Except as  
23 provided in subclause (II), 2% of the gross  
24 terminal revenue from each such licensed facility  
25 shall be deposited into a restricted receipts  
26 account to be established in the Commonwealth  
27 Financing Authority to be used exclusively for  
28 grants for projects in the public interest to  
29 municipalities within the county where the  
30 licensed facility is located.

1 (I.1) Priority shall be given to multiyear  
2 projects approved or awarded by the Department of  
3 Community and Economic Development under  
4 subclause (I) on or before the effective date of  
5 this subclause.

6 (I.2) In addition to municipalities that are  
7 eligible to receive grant funding under subclause  
8 (I), a county redevelopment authority within the  
9 county shall also be eligible to receive grant  
10 funding to be used exclusively for economic  
11 development projects or infrastructure. A county  
12 redevelopment authority shall not be eligible to  
13 receive more than 10% of the total grant funds  
14 awarded.

15 (I.3) Notwithstanding the act of February 9,  
16 1999 (P.L.1, No.1), known as the Capital  
17 Facilities Debt Enabling Act, grants made under  
18 subclause (I) may be utilized as local matching  
19 funds for other grants or loans from the  
20 Commonwealth.

21 (II) If a licensed facility is located in  
22 one of two counties of the third class where a  
23 city of the third class is located in both  
24 counties of the third class, the county in which  
25 the licensed facility is located shall receive  
26 1.2% of the gross terminal revenue to be  
27 distributed as follows: 20% to the host city,  
28 30% to the host county and 50% to the host county  
29 for the purpose of making municipal grants within  
30 the county, with priority given to municipalities

1 contiguous to the host city. The county of the  
2 third class, which includes a city of the third  
3 class that is located in two counties of the  
4 third class and is not the host county for the  
5 licensed facility, shall receive .8% of the gross  
6 terminal revenue to be distributed as follows:  
7 60% to a nonhost city of the third class located  
8 solely in the nonhost county in which the host  
9 city of the third class is also located or 60% to  
10 the nonhost city of the third class located both  
11 in the host and nonhost counties of the third  
12 class, 35% to the nonhost county and 5% to the  
13 nonhost county for the purpose of making  
14 municipal grants within the county.

15 (E) A county of the fourth class: 2% of the  
16 gross terminal revenue from each such licensed  
17 facility shall be distributed as follows:

18 (I) The department shall make distributions  
19 directly to each municipality within the county,  
20 except the host municipality, by using a formula  
21 equal to the sum of \$25,000 plus \$10 per resident  
22 of the municipality using the most recent  
23 population figures provided by the Department of  
24 Community and Economic Development, provided,  
25 however, that the amount so distributed to any  
26 municipality shall not exceed 50% of its total  
27 budget for fiscal year 2009 or 2013, whichever is  
28 greater, adjusted for inflation in subsequent  
29 fiscal years by an amount not to exceed an annual  
30 cost-of-living adjustment calculated by applying

1 any upward percentage change in the Consumer  
2 Price Index immediately prior to the date the  
3 adjustment is due to take effect. Distributions  
4 to a municipality in accordance with this  
5 subclause shall be deposited into a special fund  
6 which shall be established by the municipality.  
7 The governing body of the municipality shall have  
8 the right to draw upon the special fund for any  
9 lawful purpose provided that the municipality  
10 identifies the fund as the source of the  
11 expenditure. Each municipality shall annually  
12 submit a report to the Department of Community  
13 and Economic Development detailing the amount and  
14 purpose of each expenditure made from the special  
15 fund during the prior fiscal year.

16 (II) Any funds not distributed under  
17 subclause (I) shall be deposited into a  
18 restricted receipts account established in the  
19 Department of Community and Economic Development  
20 to be used exclusively for grants to the county,  
21 to economic development authorities or  
22 redevelopment authorities within the county for  
23 grants for economic development projects,  
24 infrastructure projects, job training, community  
25 improvement projects, other projects in the  
26 public interest, and necessary and reasonable  
27 administrative costs. Notwithstanding the  
28 provisions of [the act of February 9, 1999  
29 (P.L.1, No.1), known as] the Capital Facilities  
30 Debt Enabling Act, grants made under this clause



1           may be utilized as local matching funds for other  
2           grants or loans from the Commonwealth.

3           (F) Counties of the fifth through eighth  
4           classes:

5                 (I) Except as set forth in subclause (II),  
6                 2% of the gross terminal revenue from each such  
7                 licensed facility shall be deposited into a  
8                 restricted account established in the Department  
9                 of Community and Economic Development to be used  
10                exclusively for grants to the county.

11               (II) If the licensed facility is located in  
12               a second class township in a county of the fifth  
13               class, 2% of the gross terminal revenue from the  
14               licensed facility shall be distributed as  
15               follows:

16                     (a) 1% shall be deposited into a  
17                     restricted receipts account to be established  
18                     in the Commonwealth Financing Authority to be  
19                     used exclusively for grants for projects in  
20                     the public interest to municipalities within  
21                     the county where the licensed facility is  
22                     located.

23                     (b) 1% shall be distributed to the county  
24                     for projects in the public interest in the  
25                     county.

26           (G) Any county not specifically enumerated in  
27           clauses (A) through (F), 2% of the gross terminal  
28           revenue to the county hosting the licensed facility  
29           from each such licensed facility.

30           (ii) If the licensed facility is a Category 1

1 licensed facility and is located at a thoroughbred  
2 racetrack and the county in which the licensed facility  
3 is located is:

4 (A) A county of the first class: 4% of the  
5 gross terminal revenue to the county hosting the  
6 licensed facility from each such licensed facility.  
7 Notwithstanding any other provision to the contrary,  
8 funds from licensed gaming entities located within  
9 the county of the first class shall not be  
10 distributed outside of a county of the first class.

11 (B) A county of the second class: 2% of the  
12 gross terminal revenue to the county hosting the  
13 licensed facility from each such licensed facility.

14 (C) A county of the second class A: 1% of the  
15 gross terminal revenue to the county hosting the  
16 licensed facility from each such licensed facility.  
17 An additional 1% of the gross terminal revenue to the  
18 county hosting the licensed facility from each such  
19 licensed facility for the purpose of municipal grants  
20 within the county in which the licensee is located.

21 (D) A county of the third class: 1% of the  
22 gross terminal revenue to the county hosting the  
23 licensed facility from each such licensed facility.  
24 An additional 1% of the gross terminal revenue to the  
25 county hosting the licensed facility from each such  
26 licensed facility for the purpose of municipal grants  
27 within the county in which the licensee is located.

28 Notwithstanding the provisions of the Capital  
29 Facilities Debt Enabling Act, grants made under this  
30 clause may be utilized as local matching funds for

1           other grants or loans from the Commonwealth.

2           (E) A county of the fourth class: 2% of the  
3 gross terminal revenue from each such licensed  
4 facility shall be deposited into a restricted account  
5 established in the Department of Community and  
6 Economic Development to be used exclusively for  
7 grants to the county, to economic development  
8 authorities or redevelopment authorities within the  
9 county for grants for economic development projects,  
10 community improvement projects, job training, other  
11 projects in the public interest and reasonable  
12 administrative costs. Notwithstanding the Capital  
13 Facilities Debt Enabling Act, grants made under this  
14 clause may be utilized as local matching funds for  
15 other grants or loans from the Commonwealth.

16           (F) Counties of the fifth through eighth  
17 classes: 2% of the gross terminal revenue from each  
18 such licensed facility shall be deposited into a  
19 restricted account established in the Department of  
20 Community and Economic Development to be used  
21 exclusively for grants to the county.

22           (G) Any county not specifically enumerated in  
23 clauses (A) through (F), 2% of the gross terminal  
24 revenue to the county hosting the licensed facility  
25 from each such licensed facility.

26           (iii) If the facility is a Category 2 licensed  
27 facility and if the county in which the licensed facility  
28 is located is:

29           (A) A county of the first class: 4% of the  
30 gross terminal revenue to the county hosting the

1 licensed facility from each such licensed facility.  
2 Notwithstanding any other provision to the contrary,  
3 funds from licensed gaming entities located within a  
4 county of the first class shall not be distributed  
5 outside of a county of the first class. The first  
6 \$5,000,000 from each licensed facility of the total  
7 amount distributed annually to the county of the  
8 first class shall be distributed to the Philadelphia  
9 School District.

10 (B) A county of the second class: 2% of the  
11 gross terminal revenue to the county hosting the  
12 licensed facility from each such licensed facility.

13 (C) A county of the second class A: 1% of the  
14 gross terminal revenue to the county hosting the  
15 licensed facility from each such licensed facility.  
16 An additional 1% of the gross terminal revenue to the  
17 county hosting the licensed facility from each such  
18 licensed facility for the purpose of municipal grants  
19 within the county in which the licensee is located.

20 (D) A county of the third class: 1% of the  
21 gross terminal revenue to the county hosting the  
22 licensed facility from each such licensed facility.  
23 An additional 1% of the gross terminal revenue to the  
24 county hosting the licensed facility from each such  
25 licensed facility for the purpose of municipal grants  
26 within the county in which the licensee is located.

27 (D.1) If a licensed facility is located in one  
28 of two counties of the third class where a city of  
29 the third class is located in both counties of the  
30 third class, the county in which the licensed

1 facility is located shall receive 1.2% of the gross  
2 terminal revenue to be distributed as follows: 20%  
3 to the host city, 30% to the host county and 50%,  
4 which shall be deposited into a restricted receipts  
5 account to be established in the Commonwealth  
6 Financing Authority to be used exclusively for  
7 economic development projects, community improvement  
8 projects and other projects in the public interest  
9 within the county, to the host county [for the  
10 purpose of making municipal grants within the  
11 county], with priority given to municipalities  
12 contiguous to the host city. The county of the third  
13 class, which includes a city of the third class that  
14 is located in two counties of the third class and is  
15 not the host county for the licensed facility, shall  
16 receive .8% of the gross terminal revenue to be  
17 distributed as follows: 60% to a nonhost city of the  
18 third class located solely in the nonhost county in  
19 which the host city of the third class is also  
20 located or 60% to the nonhost city of the third class  
21 located both in the host and nonhost counties of the  
22 third class, 35% to the nonhost county and 5%, which  
23 shall be deposited into a restricted receipts account  
24 to be established in the Commonwealth Financing  
25 Authority to be used exclusively for economic  
26 development projects, community improvement projects  
27 and other projects in the public interest within the  
28 county, to the nonhost county [for the purpose of  
29 making municipal grants within the county].

30 (E) A county of the fourth class: 2% of the

1 gross terminal revenue from each such licensed  
2 facility shall be deposited into a restricted account  
3 established in the Department of Community and  
4 Economic Development to be used exclusively for  
5 grants to the county, to economic development  
6 authorities or redevelopment authorities within the  
7 county for grants for economic development projects,  
8 community improvement projects, job training, other  
9 projects in the public interest and reasonable  
10 administrative costs. Notwithstanding the Capital  
11 Facilities Debt Enabling Act, grants made under this  
12 clause may be utilized as local matching funds for  
13 other grants or loans from the Commonwealth.

14 (F) Counties of the fifth class: 2% of the  
15 gross terminal revenue from each such licensed  
16 facility shall be deposited and distributed as  
17 follows:

18 (I) One percent to be distributed as  
19 follows:

20 (a) Beginning in 2010, the sum of  
21 \$2,400,000 annually for a period of 20 years  
22 to the county for purposes of funding debt  
23 service related to the construction of a  
24 community college campus located within the  
25 county.

26 (b) Any funds not distributed under  
27 subclause (a) shall be deposited into a  
28 restricted receipts account to be established  
29 in the Commonwealth Financing Authority to be  
30 used exclusively for grants within the county

1 for economic development projects, road  
2 projects located within a 20-mile radius of  
3 the licensed facility and located within the  
4 county, community improvement projects and  
5 other projects in the public interest within  
6 the county. The amount under this subclause  
7 includes reasonable administrative costs.

8 (II) One percent shall be deposited into a  
9 restricted receipts account to be established in  
10 the Commonwealth Financing Authority to be used  
11 exclusively for grants within contiguous counties  
12 for economic development projects, community  
13 improvement projects and other projects in the  
14 public interest within contiguous counties. The  
15 amount under this subclause includes reasonable  
16 administrative costs. A contiguous county that  
17 hosts a Category 1 licensed facility shall be  
18 ineligible to receive grants under this  
19 subclause.

20 (II.1) Priority shall be given to multiyear  
21 projects approved or awarded by the Department of  
22 Community and Economic Development under  
23 subclause (I) (b) or (II) on or before the  
24 effective date of this subclause.

25 (III) Fifty percent of any revenue required  
26 to be transferred under paragraph (3) (v) shall be  
27 deposited into the restricted receipts account  
28 established under subclause (I) (b), and 50% shall  
29 be deposited into the restricted receipts account  
30 established under subclause (II). Notwithstanding

1           the Capital Facilities Debt Enabling Act, grants  
2           made under this clause may be utilized as local  
3           matching funds for other grants or loans from the  
4           Commonwealth.

5           (G) Any county not specifically enumerated in  
6           clauses (A) through (F), 2% of the gross terminal  
7           revenue to the county hosting the licensed facility  
8           from each such licensed facility.

9           (iv) (A) Except as provided in clause (B) or (C),  
10          if the facility is a Category 3 licensed facility, 2%  
11          of the gross terminal revenue from the licensed  
12          facility shall be deposited into a restricted  
13          receipts account established in the Department of  
14          Community and Economic Development to be used  
15          exclusively for grants to the county, to economic  
16          development authorities or redevelopment authorities  
17          within the county for grants for economic development  
18          projects, community improvement projects and other  
19          projects in the public interest.

20          (B) If the facility is a Category 3 licensed  
21          facility located in a county of the second class A,  
22          2% of the gross terminal revenue [from the licensed  
23          facility shall be deposited into a restricted  
24          receipts account to be established in the  
25          Commonwealth Financing Authority to be used  
26          exclusively for grants or guarantees for projects in  
27          the host county that qualify under 64 Pa.C.S. §§ 1551  
28          (relating to Business in Our Sites Program), 1556  
29          (relating to Tax Increment Financing Guarantee  
30          Program) and 1558 (relating to Water Supply and



1 Wastewater Infrastructure Program).] to the county  
2 hosting the licensed facility from each such licensed  
3 facility shall be deposited as follows:

4 (I) Seventy-five percent shall be deposited  
5 for the purpose of supporting the maintenance and  
6 refurbishment of the parks and heritage sites  
7 throughout the county in which the licensed  
8 facility is located.

9 (II) Twelve and one-half percent shall be  
10 deposited for the purpose of supporting a child  
11 advocacy center located within the county in  
12 which the licensed facility is located.

13 (III) Twelve and one-half percent shall be  
14 deposited for the purpose of supporting an  
15 organization providing comprehensive support  
16 services to victims of domestic violence,  
17 including legal and medical aid, shelters,  
18 transitional housing and counseling located  
19 within the county in which the licensed facility  
20 is located.

21 (C) If the facility is a Category 3 licensed  
22 facility located in a county of the fifth class that  
23 is contiguous to a county of the seventh class, 2% of  
24 the gross terminal revenue from the licensed facility  
25 shall be deposited into a restricted receipts account  
26 to be established in the Commonwealth Financing  
27 Authority to be used exclusively for grants within  
28 the county for economic development projects,  
29 infrastructure projects, community improvement  
30 projects and other projects in the public interest

1           within the county and for infrastructure projects  
2           within a 20-mile radius of the licensed facility in a  
3           contiguous county of the seventh class.

4           (v) Unless otherwise specified, for the purposes of  
5           this paragraph money designated for municipal grants  
6           within a county, other than a county of the first class,  
7           in which a licensed facility is located shall be used to  
8           fund grants to the municipality in which the licensed  
9           facility is located, to the county in which the licensed  
10          facility is located and to the municipalities which are  
11          contiguous to the municipality in which the licensed  
12          facility is located and which are located within the  
13          county in which the licensed facility is located. Grants  
14          shall be administered by the county through its economic  
15          development or redevelopment authority in which the  
16          licensed facility is located. Grants shall be used to  
17          fund the costs of human services, infrastructure  
18          improvements, facilities, emergency services, health and  
19          public safety expenses associated with licensed facility  
20          operations. If at the end of a fiscal year uncommitted  
21          funds exist, the county shall pay to the economic  
22          development or redevelopment authority of the county in  
23          which the licensed facility is located the uncommitted  
24          funds.

25          (vi) If the licensed facility is located in more  
26          than one county, the amount available shall be  
27          distributed on a pro rata basis determined by the  
28          percentage of acreage located in each county to the total  
29          acreage of all counties occupied by the licensed  
30          facility.

1 (vii) The distributions provided in this paragraph  
2 shall be based upon county classifications in effect on  
3 the effective date of this section. Any reclassification  
4 of counties as a result of a Federal decennial census or  
5 of a State statute shall not apply to this subparagraph.

6 (viii) If any provision of this paragraph is found  
7 to be unenforceable for any reason, the distribution  
8 provided for in the unenforceable provision shall be made  
9 to the county in which the licensed facility is located  
10 for the purposes of grants to municipalities in that  
11 county, including municipal grants as specified in  
12 subparagraph (v).

13 (ix) Nothing in this paragraph shall prevent any of  
14 the above counties which directly receive a distribution  
15 under this section from entering into intergovernmental  
16 cooperative agreements with other jurisdictions for  
17 sharing this money.

18 (3) From the local share assessment established in  
19 subsection (b) and the slot machine operation fees imposed  
20 under section 1326.1 (relating to slot machine license  
21 operation fee) and deposited under section 1326.1(d), make  
22 quarterly distributions among the municipalities, including  
23 home rule municipalities, hosting a licensed facility in  
24 accordance with the following schedule:

25 (i) To a city of the second class hosting a licensed  
26 facility, other than a Category 3 licensed facility, [2%  
27 of the gross terminal revenue or] \$10,000,000 annually[,  
28 whichever is greater, shall be paid by each licensed  
29 gaming entity operating a facility located in that city.

30 In the event that the revenues generated by the 2% do not

1 meet the \$10,000,000 minimum specified in this  
2 subparagraph, the department shall collect the remainder  
3 of the minimum amount of \$10,000,000 from each licensed  
4 gaming entity operating a facility in the city and  
5 deposit that amount in the city treasury] shall be  
6 distributed to the city treasury.

7 (ii) To a city of the second class A hosting a  
8 licensed facility, other than a Category 3 licensed  
9 facility, [2% of the gross terminal revenue or  
10 \$10,000,000 annually, whichever is greater, shall be paid  
11 by each licensed entity operating a licensed facility  
12 located in that city] \$10,000,000 annually shall be  
13 distributed to the city, subject, however, to the  
14 budgetary limitation in this subparagraph. The amount  
15 allocated to the designated municipalities shall not  
16 exceed 50% of their total budget for fiscal year 2003-  
17 2004, adjusted for inflation in subsequent years by an  
18 amount not to exceed an annual cost-of-living adjustment  
19 calculated by applying the percentage change in the  
20 Consumer Price Index immediately prior to the date the  
21 adjustment is due to take effect. Any remaining moneys  
22 shall be [collected by the department from each licensed  
23 gaming entity and] distributed in accordance with  
24 paragraph (2) based upon the classification of county  
25 where the licensed facility is located. [In the event  
26 that the revenues generated by the 2% do not meet the  
27 \$10,000,000 minimum specified in this subparagraph, the  
28 department shall collect the remainder of the minimum  
29 amount of \$10,000,000 from each licensed gaming entity  
30 operating a facility in the city, pay any balance due to

1 the city and transfer any remainder in accordance with  
2 paragraph (2).]

3 (iii) To a city of the third class hosting a  
4 licensed facility, other than a Category 3 licensed  
5 facility, [2% of the gross terminal revenue or  
6 \$10,000,000 annually, whichever is greater, shall be paid  
7 by each licensed gaming entity operating a licensed  
8 facility located in that city] \$10,000,000 annually, less  
9 any amount up to \$5,000,000 received pursuant to a  
10 written agreement with a licensed gaming entity executed  
11 prior to the effective date of this part, shall be  
12 distributed to the city, subject, however, to the  
13 budgetary limitation in this subparagraph. In the event  
14 that the city has a written agreement with a licensed  
15 gaming entity executed prior to the effective date of  
16 this part, the amount paid under the agreement to the  
17 city shall be applied and credited [to the difference  
18 between 2% of the gross terminal revenue and the  
19 \$10,000,000 owed under this subparagraph if the 2% of the  
20 gross terminal revenue is less than \$10,000,000. If 2% of  
21 the gross terminal revenue is greater than the  
22 \$10,000,000 required to be paid under this subparagraph,  
23 the credit shall not apply. The amount of gross terminal  
24 revenue required to be paid pursuant to the agreement  
25 shall be deemed to be gross terminal revenue for purposes  
26 of this subparagraph.], up to \$5,000,000, to the slot  
27 machine license operation fee owed under section 1326.1.  
28 The amount allocated to the designated municipalities  
29 shall not exceed 50% of their total budget for fiscal  
30 year 2003-2004, adjusted for inflation in subsequent

1 years by an amount not to exceed an annual cost-of-living  
2 adjustment calculated by applying the percentage change  
3 in the Consumer Price Index immediately prior to the date  
4 the adjustment is due to take effect. Any remaining  
5 moneys shall be [collected by the department from each  
6 licensed gaming entity and] distributed in accordance  
7 with paragraph (2) based upon the classification of  
8 county where the licensed facility is located. [In the  
9 event that the revenues generated by the 2% do not meet  
10 the \$10,000,000 minimum specified in this subparagraph,  
11 the department shall collect the remainder of the minimum  
12 amount of \$10,000,000 from each licensed gaming entity  
13 operating a facility, pay any balance due to the city of  
14 the third class and transfer any remainder in accordance  
15 with paragraph (2).]

16 (iii.1) If a licensed facility is located in a city  
17 of the third class and the city is located in more than  
18 one county of the third class, [2% of the gross terminal  
19 revenue or \$10,000,000 annually, whichever is greater,]  
20 \$10,000,000 annually shall be distributed as follows:  
21 80% to the host city and 20% to the city of the third  
22 class located solely in a nonhost county in which the  
23 host city of the third class is also located. If a  
24 licensed facility is located in a city of the third class  
25 and that city is located solely in a host county of the  
26 third class in which a nonhost city of the third class is  
27 also located[, 2% of gross terminal revenue or  
28 \$10,000,000 annually, whichever is greater], \$10,000,000  
29 annually shall be distributed as follows: 80% to the  
30 host city and 20% to a city of the third class located

1 both in a nonhost county of the third class and in a host  
2 county of the third class in which the host city of the  
3 third class is located.

4 (iv) To a township of the first class hosting a  
5 licensed facility, other than a Category 3 licensed  
6 facility, [2% of the gross terminal revenue or  
7 \$10,000,000 annually, whichever is greater, shall be paid  
8 by each licensed gaming entity operating a licensed  
9 facility located in the township] \$10,000,000 annually  
10 shall be distributed to the township, subject, however,  
11 to the budgetary limitation in this subparagraph. The  
12 amount allocated to the designated municipalities shall  
13 not exceed 50% of their total budget for fiscal year  
14 2003-2004, adjusted for inflation in subsequent years by  
15 an amount not to exceed an annual cost-of-living  
16 adjustment calculated by applying the percentage change  
17 in the Consumer Price Index immediately prior to the date  
18 the adjustment is due to take effect. Any remaining money  
19 shall be [collected by the department from each licensed  
20 gaming entity and] distributed in accordance with  
21 paragraph (2) based upon the classification of county  
22 where the licensed facility is located. [In the event  
23 that the revenues generated by the 2% do not meet the  
24 \$10,000,000 minimum specified in this subparagraph, the  
25 department shall collect the remainder of the minimum  
26 amount of \$10,000,000 from each licensed gaming entity  
27 operating a licensed facility in the township, pay any  
28 balance due to the township and transfer any remainder in  
29 accordance with paragraph (2).]

30 (v) To a township of the second class hosting a

1 licensed facility:

2 (A) [2% of the gross terminal revenue or  
3 \$10,000,000 annually, whichever is greater, shall be  
4 paid by each licensed gaming entity operating a  
5 licensed facility, other than a Category 3 licensed  
6 facility or a licensed facility owning land adjacent  
7 to the licensed facility located in more than one  
8 township of the second class,] \$10,000,000 annually  
9 shall be distributed to the township of the second  
10 class hosting [the] a licensed facility, other than a  
11 Category 3 licensed facility or a licensed facility  
12 located in more than one township of the second  
13 class, subject, however, to the budgetary limitation  
14 in this subparagraph. The amount allocated to the  
15 designated municipalities shall not exceed 50% of  
16 their total budget for fiscal year 2003-2004,  
17 adjusted for inflation in subsequent years by an  
18 amount not to exceed an annual cost-of-living  
19 adjustment calculated by applying the percentage  
20 change in the Consumer Price Index immediately prior  
21 to the date the adjustment is due to take effect. Any  
22 remaining money shall be [collected by the department  
23 from each licensed gaming entity and] distributed in  
24 accordance with paragraph (2) based upon the  
25 classification of county where the licensed facility  
26 is located. [If revenues generated by the 2% do not  
27 meet the \$10,000,000 minimum specified in this  
28 subparagraph, the department shall collect the  
29 remainder of the minimum amount of \$10,000,000 from  
30 each licensed gaming entity operating a licensed



1 facility in the township, pay any balance due to the  
2 township and transfer any remainder in accordance  
3 with paragraph (2).]

4 (B) [2% of the gross terminal revenue or  
5 \$10,000,000 annually, whichever is greater,]  
6 \$10,000,000 annually, less the amount paid under  
7 clause (C), shall be [paid by each licensed gaming  
8 entity operating a licensed facility and owning land  
9 adjacent to the licensed facility located in more  
10 than one township of the second class, other than a  
11 Category 3 licensed facility,] distributed to the  
12 township of the second class hosting [the] a licensed  
13 facility which owns land adjacent to the licensed  
14 facility located in more than one township of the  
15 second class, other than a Category 3 licensed  
16 facility, subject, however, to the budgetary  
17 limitation in this subparagraph. The amount allocated  
18 to the designated municipalities may not exceed 50%  
19 of their total budget for the fiscal year 2003-2004,  
20 adjusted for inflation in subsequent years by an  
21 amount not to exceed an annual cost-of-living  
22 adjustment calculated by applying the percentage  
23 change in the Consumer Price Index immediately prior  
24 to the date the adjustment is due to take effect. Any  
25 remaining money shall be [collected by the department  
26 from each licensed gaming entity and] distributed in  
27 accordance with paragraph (2) based upon the  
28 classification of the county where the licensed  
29 facility is located. The county commissioners of a  
30 county of the third class in which the licensed

1 facility is located shall appoint an advisory  
2 committee for the purpose of advising the county as  
3 to the need for municipal grants for health, safety,  
4 transportation and other projects in the public  
5 interest to be comprised of two individuals from the  
6 host municipality, two from contiguous municipalities  
7 within the county of the third class and one from the  
8 host county. [In the event that the revenues  
9 generated by the 2% do not meet the \$10,000,000  
10 minimum specified in this subparagraph, the  
11 department shall collect the remainder of the minimum  
12 amount of \$10,000,000 from each licensed gaming  
13 entity operating a licensed facility in the township,  
14 pay any balance due to the township and transfer any  
15 remainder in accordance with paragraph (2).]

16 (C) [\$160,000 annually shall be paid by each  
17 licensed gaming entity operating a licensed facility  
18 and owning land adjacent to the licensed facility  
19 located in more than one township of the second  
20 class, other than a Category 3 licensed facility, to  
21 the township of the second class that is located in a  
22 county of the fifth class in which the adjacent land  
23 is located, including racetracks, grazing fields or  
24 any other adjoining real property.] For land owned by  
25 a licensed gaming entity, other than a Category 3  
26 licensed facility, and located in more than one  
27 township of the second class: \$160,000 shall be  
28 distributed annually to the township of the second  
29 class which is located in a county of the fifth class  
30 if the land owned, including racetracks, grazing

1           fields and other adjoining real property, is adjacent  
2           to the licensed facility.

3           (vi) To a borough hosting a licensed facility, other  
4 than a Category 3 licensed facility, [2% of the gross  
5 terminal revenue or \$10,000,000 annually, whichever is  
6 greater, shall be paid by each licensed gaming entity  
7 operating a licensed facility located in that borough,]  
8 \$10,000,000 annually shall be distributed to the borough,  
9 subject, however, to the budgetary limitation in this  
10 subparagraph. The amount allocated to the designated  
11 municipalities shall not exceed 50% of their total budget  
12 for fiscal year 2003-2004, adjusted for inflation in  
13 subsequent years by an amount not to exceed an annual  
14 cost-of-living adjustment calculated by applying the  
15 percentage change in the Consumer Price Index immediately  
16 prior to the date the adjustment is due to take effect.  
17 Any remaining money shall be [collected by the department  
18 from each licensed gaming entity and] distributed in  
19 accordance with paragraph (2) based upon the  
20 classification of county where the licensed facility is  
21 located. [In the event that the revenues generated by the  
22 2% do not meet the \$10,000,000 minimum specified in this  
23 subparagraph, the department shall collect the remainder  
24 of the minimum amount of \$10,000,000 from each licensed  
25 gaming entity operating a licensed facility in the  
26 borough, pay any balance due to the borough and transfer  
27 any remainder in accordance with paragraph (2).]

28           (vii) To an incorporated town hosting a licensed  
29 facility, other than a Category 3 licensed facility, [2%  
30 of the gross terminal revenue or \$10,000,000 annually,

1           whichever is greater, shall be paid by each licensed  
2           entity operating a licensed facility located in the  
3           town,] \$10,000,000 annually shall be distributed to the  
4           incorporated town, subject, however, to the budgetary  
5           limitation in this subparagraph. The amount allocated to  
6           the designated municipalities shall not exceed 50% of  
7           their total budget for fiscal year 2003-2004, adjusted  
8           for inflation in subsequent years by an amount not to  
9           exceed an annual cost-of-living adjustment calculated by  
10          applying the percentage change in the Consumer Price  
11          Index immediately prior to the date the adjustment is due  
12          to take effect. Any remaining money shall be [collected  
13          by the department from each licensed gaming entity and]  
14          distributed in accordance with paragraph (2) based upon  
15          the classification of county where the licensed facility  
16          is located. [In the event that the revenues generated by  
17          the 2% do not meet the \$10,000,000 minimum specified in  
18          this subparagraph, the department shall collect the  
19          remainder of the minimum amount of \$10,000,000 from each  
20          licensed gaming entity operating a licensed facility in  
21          the incorporated town, pay any balance due to the town  
22          and transfer any remainder in accordance with paragraph  
23          (2).]

24           (viii) (A) Except as provided in clause (B) or (C),  
25           to a municipality of any class hosting a Category 3  
26           facility, 2% of the gross terminal revenue from the  
27           Category 3 licensed facility located in the  
28           municipality, subject, however, to the budgetary  
29           limitation in this clause. The amount allocated to  
30           the designated municipalities shall not exceed 50% of

1           their total budget for fiscal year 2009, adjusted for  
2           inflation in subsequent years by an amount not to  
3           exceed an annual cost-of-living adjustment calculated  
4           by applying the percentage change in the Consumer  
5           Price Index immediately prior to the date the  
6           adjustment is due to take effect. Any remaining money  
7           shall be collected by the department from each  
8           licensed gaming entity and distributed in accordance  
9           with paragraph (2) based upon the classification of  
10          county where the licensed facility is located.

11           (B) If the municipality hosting a Category 3  
12          licensed facility is a borough located in a county of  
13          the third class and the borough is contiguous to a  
14          city of the third class, 1% of gross terminal revenue  
15          shall be distributed to the host borough and 1% of  
16          gross terminal revenue shall be distributed to the  
17          city of the third class that is contiguous to the  
18          host borough, subject, however, to the budgetary  
19          limitation in this clause. The amount allocated to  
20          each designated municipality shall not exceed 50% of  
21          its total budget for fiscal year 2009, adjusted for  
22          inflation in subsequent years by an amount not to  
23          exceed an annual cost-of-living adjustment calculated  
24          by applying the percentage increase, if any, in the  
25          Consumer Price Index immediately prior to the date  
26          the adjustment is due to take effect. Any remaining  
27          money shall be collected by the department from each  
28          licensed gaming entity and distributed in accordance  
29          with paragraph (2) based upon the classification of  
30          county where the licensed facility is located.

1 (C) If the municipality hosting a Category 3  
2 licensed facility is a township of the second class  
3 in a county of the fifth class which is contiguous to  
4 a county of the seventh class, 2% of the gross  
5 terminal revenue from the Category 3 licensed  
6 facility located in the municipality shall be  
7 distributed to the municipality, subject, however, to  
8 the budgetary limitation in this clause. The amount  
9 allocated to the designated municipalities shall not  
10 exceed the lesser of \$1,000,000 or 50% of their total  
11 budget for fiscal year 2009, adjusted for inflation  
12 in subsequent years by an amount not to exceed an  
13 annual cost-of-living adjustment calculated by  
14 applying the percentage change in the Consumer Price  
15 Index immediately prior to the date the adjustment is  
16 due to take effect. Any remaining money shall be  
17 collected by the department from each licensed gaming  
18 entity and distributed in equal amounts to each  
19 municipality contiguous to the host municipality.  
20 However, the amount to be allocated to any contiguous  
21 municipality shall not exceed the lesser of  
22 \$1,000,000 or 50% of the municipality's total budget  
23 for fiscal year 2009, adjusted for inflation in  
24 subsequent years by an amount not to exceed an annual  
25 cost-of-living adjustment calculated by applying the  
26 percentage change in the Consumer Price Index  
27 immediately prior to the date the adjustment is due  
28 to take effect. Any money remaining following  
29 distribution to contiguous municipalities shall be  
30 collected by the department and distributed in

1           accordance with paragraph (2) based upon the  
2           classification of county where the licensed facility  
3           is located.

4           (ix) [Any municipality not specifically enumerated  
5           in subparagraphs (i) through (viii),] To any  
6           municipality, except for a city of the first class, not  
7           specifically enumerated in subparagraphs (i), (ii),  
8           (iii), (iii.1), (iv), (v), (vi), (vii) and (viii) hosting  
9           a licensed facility, other than a Category 3 licensed  
10           facility, \$10,000,000 annually shall be distributed to  
11           the host municipality. To any municipality not enumerated  
12           in subparagraphs (i), (ii), (iii), (iii.1), (iv), (v),  
13           (vi), (vii) and (viii) hosting a Category 3 licensed  
14           facility, 2% of the gross terminal revenue to the  
15           municipality hosting the Category 3 licensed facility  
16           from each such Category 3 licensed facility.

17           (x) If the licensed facility is located in more than  
18           one municipality, the amount available shall be  
19           distributed on a pro rata basis determined by the  
20           percentage of acreage located in each municipality to the  
21           total acreage of all municipalities occupied by the  
22           licensed facility.

23           (xi) If the licensed facility is located at a resort  
24           which is also an incorporated municipality, such  
25           municipality shall not be eligible to receive any  
26           distribution under this paragraph. The distribution it  
27           would have otherwise been entitled to under this  
28           paragraph shall instead be distributed in accordance with  
29           paragraph (2) based upon the county where the licensed  
30           facility is located.

1           (xii) The distributions provided in this paragraph  
2 shall be based upon municipal classifications in effect  
3 on the effective date of this section. For the purposes  
4 of this paragraph, any reclassification of municipalities  
5 as a result of a Federal decennial census or of a State  
6 statute shall not apply to this paragraph.

7           (xiii) If any provision of this paragraph is found  
8 to be unenforceable for any reason, the distribution  
9 provided for in such unenforceable provision shall be  
10 made to the municipality in which the licensed facility  
11 is located.

12           (xiv) Nothing in this paragraph shall prevent any of  
13 the above municipalities from entering into  
14 intergovernmental cooperative agreements with other  
15 jurisdictions for sharing this money.

16           (xv) Notwithstanding any other law, agreement or  
17 provision in this part to the contrary, all revenues  
18 provided, directed or earmarked under this section to or  
19 for the benefit of a city of the second class in which an  
20 intergovernmental cooperation authority has been  
21 established and is in existence pursuant to the act of  
22 February 12, 2004 (P.L.73, No.11), known as the  
23 Intergovernmental Cooperation Authority Act for Cities of  
24 the Second Class, shall be directed to and under the  
25 exclusive control of such intergovernmental cooperation  
26 authority to be used:

27           (A) to reduce the debt of the second class city;

28           (B) to increase the level of funding of the  
29           municipal pension funds of the second class city; or

30           (C) for any other purposes as determined to be



1 in the best interest of the second class city by such  
2 intergovernmental cooperation authority. Such  
3 revenues shall not be directed to or under the  
4 control of such city of the second class or any  
5 coordinator appointed pursuant to the act of July 10,  
6 1987 (P.L.246, No.47), known as the Municipalities  
7 Financial Recovery Act, for such city of the second  
8 class.

9 (d) Consumer Price Index.--For purposes of subsection (c),  
10 references to the Consumer Price Index shall mean the Consumer  
11 Price Index for All Urban Consumers for the Pennsylvania, New  
12 Jersey, Delaware and Maryland area for the most recent 12-month  
13 period for which figures have been officially reported by the  
14 United States Department of Labor, Bureau of Labor Statistics.

15 (e) Reporting.--

16 (1) In cooperation with the department and the  
17 Commonwealth Financing Authority, the Department of Community  
18 and Economic Development shall submit an annual report on all  
19 distributions of local share assessments and slot machine  
20 license operation fees to counties and municipalities under  
21 this section to the chairman and minority chairman of the  
22 Appropriations Committee of the Senate, the chairman and  
23 minority chairman of the Community, Economic and Recreational  
24 Development Committee of the Senate, the chairman and  
25 minority chairman of the Appropriations Committee of the  
26 House of Representatives and the chairman and minority  
27 chairman of the Gaming Oversight Committee of the House of  
28 Representatives. The report shall be submitted by [August 31,  
29 2010] March 31, 2018, and by [August] March 31 of each year  
30 thereafter.

1           (2) All counties and municipalities receiving  
2 distributions of local share assessments or slot machine  
3 license operation fees under this section shall submit  
4 information to the Department of Community and Economic  
5 Development on a form prepared by the Department of Community  
6 and Economic Development that sets forth the amount and use  
7 of the funds received in the prior calendar year. The form  
8 shall set forth whether the funds received were deposited in  
9 the county's or municipality's General Fund or committed to a  
10 specific project or use.

11 (f) Prohibited activities.--

12           (1) A person or its affiliated entity or a political  
13 subdivision shall not compensate or incur an obligation to  
14 compensate a person to engage in lobbying for compensation  
15 contingent in whole or in part upon the approval, award,  
16 receipt or denial of funds under this section. A person or  
17 its affiliated entity shall not engage in or agree to engage  
18 in lobbying for compensation contingent in whole or in part  
19 upon the approval, award, receipt or denial of funds under  
20 this section. This subsection shall not apply to a county or  
21 municipality that compensates a person to prepare a grant  
22 application for funds under this section if the following  
23 requirements are met:

24           (i) The person is not identified in the application.

25           (ii) The person has no direct contact with the  
26 agency, county or municipality providing the funding.

27           (iii) The person is paid a fixed fee or percentage  
28 of the amount of any funds approved, awarded or received  
29 up to .5%.

30           (2) A violation of this section shall be considered an

1 intentional violation of 65 Pa.C.S. § 13A09(e) (relating to  
2 penalties).

3 § 1501. Responsibility and authority of department.

4 \* \* \*

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

14 \* \* \*

15 § 1509. Compulsive and problem gambling program.

16 \* \* \*

17 (a.2) Duties of Department of Health and board.--[Within 60  
18 days following the effective date of this subsection, the] The  
19 Department of [Health's Bureau of] Health, the Department of  
20 Drug and Alcohol Programs and the board's Office of Compulsive  
21 and Problem Gambling shall jointly collaborate with other  
22 appropriate offices and agencies of State or local government,  
23 including single county authorities, and providers and other  
24 persons, public or private, with expertise in compulsive and  
25 problem gambling treatment to do the following:

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

28 (2) Adopt compulsive and problem gambling treatment  
29 standards to be integrated with the [Bureau] Department of  
30 Drug and Alcohol Program's uniform Statewide guidelines that

1 govern the provision of addiction treatment services.

2 (3) Develop a method to coordinate compulsive and  
3 problem gambling data collection and referral information to  
4 crisis response hotlines, child welfare and domestic violence  
5 programs and providers and other appropriate programs and  
6 providers.

7 (4) Develop and disseminate educational materials to  
8 provide public awareness related to the prevention,  
9 recognition and treatment of compulsive and problem gambling.

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

12 (6) Prepare an itemized budget outlining how funds will  
13 be allocated to fulfill the responsibilities under this  
14 section.

15 \* \* \*

16 (c) Notice of availability of assistance.--

17 (1) Each slot machine licensee shall obtain a toll-free  
18 telephone number to be used to provide persons with  
19 information on assistance for compulsive or problem gambling.  
20 Each licensee shall conspicuously post at least 20 signs  
21 similar to the following statement:

22 If you or someone you know has a gambling problem, help  
23 is available. Call (Toll-free telephone number).

24 The signs must be posted within 50 feet of each entrance and  
25 exit, within 50 feet of each automated teller machine  
26 location within the licensed facility and in other  
27 appropriate public areas of the licensed facility as  
28 determined by the slot machine licensee.

29 (2) Each racetrack where slot machines or table games  
30 are operated shall print a statement on daily racing programs

1 provided to the general public that is similar to the  
2 following:

3 If you or someone you know has a gambling problem, help  
4 is available. Call (Toll-free telephone number).

5 (2.1) Each interactive gaming certificate holder,  
6 interactive gaming operator or other person that operates  
7 interactive gaming or an interactive gaming system on behalf  
8 of an interactive gaming certificate holder:

9 (i) Shall cause the words:

10 If you or someone you know has a gambling problem,  
11 help is available. Call (Toll-free telephone number).  
12 or some comparable language approved by the board, which  
13 language shall include the words "gambling problem" and  
14 "call 1-800-XXXX," to be prominently and continuously  
15 displayed to any person visiting or logged onto the  
16 interactive gaming certificate holder's interactive  
17 gaming skin or Internet website.

18 (ii) Shall provide a mechanism by which an  
19 interactive gaming account holder may establish the  
20 following controls on wagering activity through the  
21 interactive gaming account:

22 (A) A limit on the amount of money lost within a  
23 specified period of time and the length of time the  
24 account holder will be unable to participate in  
25 gaming if the holder reaches the established loss  
26 limit.

27 (B) A limit on the maximum amount of any single  
28 wager on any interactive game.

29 (C) A temporary suspension of interactive gaming  
30 through the account for any number of hours or days.

1           (iii) Shall not mail or otherwise forward any  
2 gaming-related promotional material or e-mail to a  
3 registered player during any period in which interactive  
4 gaming through the registered player's interactive gaming  
5 account has been suspended or terminated. The interactive  
6 gaming certificate holder shall provide a mechanism by  
7 which a registered player may change the controls, except  
8 that, while interactive gaming through the interactive  
9 gaming account is suspended, the registered player may  
10 not change gaming controls until the suspension expires,  
11 but the registered player shall continue to have access  
12 to the account and shall be permitted to withdraw funds  
13 from the account upon proper application for the funds to  
14 the interactive gaming certificate holder.

15           (3) A [licensed facility] licensed gaming entity which  
16 fails to post or print the warning sign in accordance with  
17 paragraph (1) [or], (2) or (2.1)(i) shall be assessed a fine  
18 of \$1,000 a day for each day the minimum number of signs are  
19 not posted or the required statement is not printed as  
20 provided in this subsection.

21           (3.1) An interactive gaming certificate holder or  
22 interactive gaming license holder, as the case may be, that  
23 fails to establish the mechanisms, controls and systems in  
24 accordance with paragraph (2.1)(ii) and (iii) shall be  
25 assessed a fine of not less than \$5,000 per day for each day  
26 the mechanisms, controls and systems are not available to  
27 interactive gaming account holders.

28           \* \* \*

29           (d.2) Report.--[No later than October 1, 2010, and each]  
30 Annually on October 1 [thereafter], the Department of Health, in

1 consultation with the board, shall prepare and submit a report  
2 on the impact of the programs funded by the Compulsive and  
3 Problem Gambling Treatment Fund to the Governor and to the  
4 members of the General Assembly. The report shall include  
5 aggregate demographic-specific data, including race, gender,  
6 geography and income of those individuals treated.

7 \* \* \*

8 Section 22. Section 1512 of Title 4 is amended by adding a  
9 subsection to read:

10 § 1512. Financial and employment interests.

11 \* \* \*

12 (a.6) Prohibition related to interactive gaming.--

13 (1) Except as may be provided by rule or order of the  
14 Pennsylvania Supreme Court and except as provided in section  
15 1202.1 (relating to code of conduct) or 1512.1 (relating to  
16 additional restrictions), no executive-level public employee,  
17 public official or party officer or immediate family member  
18 thereof shall hold, directly or indirectly, a financial  
19 interest in, be employed by or represent, appear for or  
20 negotiate on behalf of, or derive any remuneration, payment,  
21 benefit or any other thing of value for any services,  
22 including, but not limited to, consulting or similar services  
23 from any holder of or applicant for an interactive gaming  
24 certificate, holder or applicant for an interactive gaming  
25 license or other authorization to conduct interactive gaming  
26 or any holding, subsidiary or intermediary company with  
27 respect thereto, or any business, association, enterprise or  
28 other entity that is organized in whole or in part for the  
29 purpose of promoting, advocating for or advancing the  
30 interests of the interactive gaming industry generally or any

1 interactive gaming-related business or businesses in  
2 connection with any cause, application or matter. The  
3 financial interest and employment prohibitions under this  
4 paragraph shall remain in effect for one year following  
5 termination of the individual's status as an executive-level  
6 public employee, public official or party officer.

7 (2) Notwithstanding paragraph (1), a member of the  
8 immediate family of an executive-level public employee,  
9 public official or party officer may hold employment with the  
10 holder of or applicant for an interactive gaming certificate,  
11 holder or applicant for an interactive gaming license or  
12 other authorization to conduct interactive gaming or any  
13 holding, subsidiary or intermediary company with respect  
14 thereto, if in the judgment of the State Ethics Commission or  
15 the Supreme Court, as appropriate, employment will not  
16 interfere with the responsibilities of the executive-level  
17 public employee, public official or party officer and will  
18 not create a conflict of interest or reasonable risk of the  
19 public perception of a conflict of interest on the part of  
20 the executive-level public employee, public official or party  
21 officer.

22 \* \* \*

23 Section 23. Sections 1513(a), 1514 heading, (a), (d), (e)  
24 and (f), 1515, 1516 and 1517(b)(1), (c)(12) and (e)(1) of Title  
25 4 are amended to read:

26 § 1513. Political influence.

27 (a) Contribution restriction.--The following persons shall  
28 be prohibited from contributing any money or in-kind  
29 contribution to a candidate for nomination or election to any  
30 public office in this Commonwealth, or to any political party



1 committee or other political committee in this Commonwealth or  
2 to any group, committee or association organized in support of a  
3 candidate, political party committee or other political  
4 committee in this Commonwealth:

5 (1) An applicant for a slot machine license,  
6 manufacturer license, supplier license, principal license,  
7 key employee license, interactive gaming license or horse or  
8 harness racing license.

9 (2) A slot machine licensee, licensed manufacturer,  
10 licensed supplier, interactive gaming operator or licensed  
11 racing entity.

12 (3) A licensed principal or licensed key employee of a  
13 slot machine licensee, licensed manufacturer, licensed  
14 supplier, interactive gaming operator or licensed racing  
15 entity.

16 (4) An affiliate, intermediary, subsidiary or holding  
17 company of a slot machine licensee, licensed manufacturer,  
18 licensed supplier, interactive gaming operator or licensed  
19 racing entity.

20 (5) A licensed principal or licensed key employee of an  
21 affiliate, intermediary, subsidiary or holding company of a  
22 slot machine licensee, licensed manufacturer, licensed  
23 supplier, interactive gaming operator or licensed racing  
24 entity.

25 (6) A person who holds a similar gaming license in  
26 another jurisdiction and the affiliates, intermediaries,  
27 subsidiaries, holding companies, principals or key employees  
28 thereof.

29 \* \* \*

30 § 1514. Regulation requiring exclusion [or], ejection or denial

1           of access of certain persons.

2           (a) General rule.--The board shall by regulation provide for  
3 the establishment of a list of persons who are to be excluded or  
4 ejected from any licensed facility or who may be denied access  
5 to interactive gaming. The provisions shall define the standards  
6 for exclusion and shall include standards relating to persons  
7 who are career or professional offenders as defined by  
8 regulations of the board or whose presence in a licensed  
9 facility or whose access to interactive gaming would, in the  
10 opinion of the board, be inimical to the interest of the  
11 Commonwealth or of licensed gaming therein, or both.

12           \* \* \*

13           (d) Sanctions.--The board may impose sanctions upon a  
14 licensed gaming entity or interactive gaming licensee in  
15 accordance with this part if the licensed gaming entity  
16 knowingly fails to exclude or eject from the premises of any  
17 licensed facility or deny access to interactive gaming any  
18 person placed by the board on the list of persons to be excluded  
19 [or], ejected or denied access.

20           (e) List not all-inclusive.--Any list compiled by the board  
21 of persons to be excluded [or], ejected or denied access shall  
22 not be deemed an all-inclusive list, and a licensed gaming  
23 entity shall have a duty to keep from the licensed facility and  
24 from interactive gaming persons known to it to be within the  
25 classifications declared in this section and the regulations  
26 promulgated under this section whose presence in a licensed  
27 facility or whose participation in interactive gaming would be  
28 inimical to the interest of the Commonwealth or of licensed  
29 gaming therein, or both, as defined in standards established by  
30 the board.

1 (f) Notice.--Whenever the bureau seeks to place the name of  
2 any person on a list pursuant to this section, the bureau shall  
3 serve notice of this fact to such person by personal service or  
4 certified mail at the last known address of the person. The  
5 notice shall inform the person of the right to request a hearing  
6 under subsection (g). The bureau may also provide notice by e-  
7 mail if the electronic mail address of the person is known to  
8 the bureau.

9 \* \* \*

10 § 1515. Repeat offenders excludable from licensed gaming  
11 facility.

12 A licensed gaming entity may exclude or eject from its  
13 licensed facility or deny access to interactive gaming any  
14 person who is known to it to have been convicted of a  
15 misdemeanor or felony committed in or on the premises of any  
16 licensed facility. Nothing in this section or in any other law  
17 of this Commonwealth shall limit the right of a licensed gaming  
18 entity to exercise its common law right to exclude or eject  
19 permanently from its licensed facility or permanently deny  
20 access to its interactive gaming any person who disrupts the  
21 operations of its premises or its interactive gaming, threatens  
22 the security of its premises or its occupants or is disorderly  
23 or intoxicated[.] or who threatens the security of its licensed  
24 facility or the area of a licensed facility where interactive  
25 gaming operations are managed, administered or controlled.

26 § 1516. List of persons self excluded from gaming activities.

27 (a) General rule.--The board shall provide by regulation for  
28 the establishment of a list of persons self excluded from gaming  
29 activities, including interactive gaming, at all licensed  
30 facilities. Any person may request placement on the list of

1 self-excluded persons by acknowledging in a manner to be  
2 established by the board that the person is a problem gambler  
3 and by agreeing that, during any period of voluntary exclusion,  
4 the person may not collect any winnings or recover any losses  
5 resulting from any gaming activity at licensed facilities,  
6 including interactive gaming.

7 (b) Regulations.--The regulations of the board shall  
8 establish procedures for placements on and removals from the  
9 list of self-excluded persons. The regulations shall establish  
10 procedures for the transmittal to licensed gaming entities of  
11 identifying information concerning self-excluded persons and  
12 shall require licensed gaming entities to establish procedures  
13 designed at a minimum to deny self-excluded persons access to  
14 interactive gaming and to remove self-excluded persons from  
15 targeted mailings or other forms of advertising or promotions  
16 and deny self-excluded persons access to complimentaries, check  
17 cashing privileges, club programs and other similar benefits.

18 (c) Liability.--A licensed gaming entity or employee thereof  
19 shall not be liable to any self-excluded person or to any other  
20 party in any judicial proceeding for any harm, monetary or  
21 otherwise, which may arise as a result of:

22 (1) the failure of a licensed gaming entity to withhold  
23 gaming privileges from or restore gaming privileges to a  
24 self-excluded person; [or]

25 (1.1) the failure of an interactive gaming certificate  
26 holder or interactive gaming licensee to withhold interactive  
27 gaming privileges from or restore interactive gaming  
28 privileges to a self-excluded person; or

29 (2) otherwise permitting or not permitting a self-  
30 excluded person to engage in gaming activity in the facility

1 or participate in interactive gaming while on the list of  
2 self-excluded persons.

3 (d) Disclosure.--Notwithstanding any other law to the  
4 contrary, the board's list of self-excluded persons shall not be  
5 open to public inspection. Nothing in this section, however,  
6 shall be construed to prohibit a licensed gaming entity from  
7 disclosing the identity of persons self excluded pursuant to  
8 this section to affiliated gaming entities in this Commonwealth  
9 or other jurisdictions for the limited purpose of assisting in  
10 the proper administration of responsible gaming programs  
11 operated by affiliated licensed gaming entities.

12 § 1517. Investigations and enforcement.

13 \* \* \*

14 (b) Powers and duties of department.--

15 (1) The department shall at all times have the power of  
16 access to examine and audit equipment and records relating to  
17 all aspects of the operation of slot machines [or], table  
18 games or interactive games under this part.

19 \* \* \*

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

23 \* \* \*

24 (12) Conduct audits or verification of information of  
25 slot machine [or], table game operations, including the  
26 operation of slot machines used in a multistate wide-area  
27 progressive slot machine system and in the operation of skill  
28 or hybrid slot machines and interactive gaming operations at  
29 such times, under such circumstances and to such extent as  
30 the bureau determines. This paragraph includes reviews of

1 accounting, administrative and financial records and  
2 management control systems, procedures and records utilized  
3 by a slot machine licensee.

4 \* \* \*

5 (e) Inspection, seizure and warrants.--

6 (1) The bureau, the department and the Pennsylvania  
7 State Police shall have the authority without notice and  
8 without warrant to do all of the following in the performance  
9 of their duties:

10 (i) Inspect and examine all premises where slot  
11 machine [or], table game and interactive gaming  
12 operations are conducted, slot machines, table game  
13 devices and associated equipment, interactive gaming  
14 devices and associated equipment are manufactured, sold,  
15 distributed or serviced or where records of these  
16 activities are prepared or maintained.

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

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

22 (iv) Inspect, examine and audit all books, records  
23 and documents pertaining to a slot machine licensee's  
24 operation.

25 (v) Seize, impound or assume physical control of any  
26 book, record, ledger, game, device, cash box and its  
27 contents, count room or its equipment, interactive gaming  
28 devices and associated equipment or slot machine [or],  
29 table game or interactive gaming operations.

30 \* \* \*

1 Section 24. Section 1518(a)(1), (2), (3), (4), (5), (7.1),  
2 (11), (13.1), (15) and (17) and (b)(1), (2) and (3) of Title 4  
3 are amended and subsections (a) and (b) are amended by adding  
4 paragraphs to read:

5 § 1518. Prohibited acts; penalties.

6 (a) Criminal offenses.--

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

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

15 (i) fail to report, pay or truthfully account for  
16 and pay over any license fee, authorization fee, permit  
17 fee, tax or assessment imposed under this part; or

18 (ii) attempt in any manner to evade or defeat any  
19 license fee, authorization fee, permit fee, registration  
20 fee, tax or assessment or any other fee imposed under  
21 this part.

22 (3) It shall be unlawful for any licensed entity, gaming  
23 employee, key employee or any other person to permit a slot  
24 machine, table game or table game device, interactive game or  
25 interactive gaming device or associated equipment to be  
26 operated, transported, repaired or opened on the premises of  
27 a licensed facility by a person other than a person licensed  
28 or permitted by the board pursuant to this part.

29 (3.1) It shall be unlawful for any person who does not  
30 possess a valid and then effective interactive gaming

1 certificate or interactive gaming license issued by the board  
2 in accordance with Chapter 13B (relating to interactive  
3 gaming) to accept any wager associated with any authorized  
4 interactive game from any individual without verifying the  
5 age, identity and physical location of the player at the time  
6 of play or wager.

7 (4) It shall be unlawful for any licensed entity or  
8 other person to manufacture, supply or place slot machines,  
9 table games, table game devices or associated equipment,  
10 authorized interactive game or interactive gaming devices or  
11 associated equipment into play or display slot machines,  
12 table games, table game devices or associated equipment on  
13 the premises of a licensed facility without the authority of  
14 the board.

15 (4.1) It shall be unlawful for any slot machine licensee  
16 to offer interactive games into play or display such games on  
17 its interactive gaming skin or Internet website without the  
18 approval of the board.

19 (4.2) It shall be unlawful for any licensed entity or  
20 other person to manufacture, supply or place interactive  
21 gaming devices or associated equipment into operation at a  
22 licensed facility without the approval of the board.

23 (5) Except as provided for in section 1326 (relating to  
24 [license] renewals), it shall be unlawful for a licensed  
25 entity or other person to manufacture, supply, operate, carry  
26 on or expose for play any slot machine, table game, table  
27 game device or associated equipment, interactive game or  
28 interactive gaming device or associated equipment after the  
29 person's license has expired and prior to the actual renewal  
30 of the license.



1 \* \* \*

2 (7.1) It shall be unlawful for an individual to do any  
3 of the following:

4 (i) Use or possess counterfeit, marked, loaded or  
5 tampered with table game devices or associated equipment,  
6 chips or other cheating devices in the conduct of gaming  
7 under this part, except that an authorized employee of a  
8 licensee or an authorized employee of the board may  
9 possess and use counterfeit chips or table game devices  
10 or associated equipment that have been marked, loaded or  
11 tampered with, or other cheating devices or any  
12 unauthorized interactive gaming device or associated  
13 equipment in performance of the duties of employment for  
14 training, investigative or testing purposes only.

15 (ii) Knowingly, by a trick or sleight of hand  
16 performance or by fraud or fraudulent scheme, or  
17 manipulation, table game device or other device, or  
18 interactive gaming device for himself or for another, win  
19 or attempt to win any cash, property or prize at a  
20 licensed facility or to reduce or attempt to reduce a  
21 losing wager.

22 (7.2) It shall be unlawful for a person to knowingly  
23 alter, tamper with or manipulate interactive gaming devices  
24 or associated equipment, including software, system programs,  
25 hardware and any other device or associated equipment used in  
26 interactive gaming operations, in order to alter the odds or  
27 the payout of an interactive game or to disable the  
28 interactive game from operating according to the rules of the  
29 game as authorized by the board.

30 (7.3) It shall be unlawful for a person to knowingly

1 offer or allow to be offered any authorized interactive game  
2 that has been altered, tampered with or manipulated in a way  
3 that affects the odds or the payout of an authorized  
4 interactive game or disables the interactive game from  
5 operating according to the authorized rules of the game as  
6 authorized by the board.

7 \* \* \*

8 (11) It shall be unlawful for a licensed gaming entity  
9 that is a licensed racing entity and that has lost the  
10 license issued to it by [either] the State Horse Racing  
11 Commission or the State Harness Racing Commission under the  
12 Race Horse Industry Reform Act or that has had that license  
13 suspended to operate slot machines [or] table games or  
14 authorized interactive games at the racetrack for which its  
15 slot machine license was issued unless the license issued to  
16 it by either the State Horse Racing Commission or the State  
17 Harness Racing Commission will be subsequently reissued or  
18 reinstated within 30 days after the loss or suspension.

19 \* \* \*

20 (13.1) It shall be unlawful for an individual under 21  
21 years of age to wager, play or attempt to play a slot machine  
22 or table game at a licensed facility or to wager, play or  
23 attempt to play an interactive game.

24 (13.2) It shall be unlawful to allow a person under 21  
25 years of age to open, maintain or use in any way an  
26 interactive gaming account. Any interactive gaming  
27 certificate holder, interactive gaming licensee or employee  
28 of an interactive gaming certificate holder or interactive  
29 gaming licensee or other such person who knowingly allows a  
30 person under 21 years of age to open, maintain or use an

1 interactive gaming account shall be subject to the penalty  
2 set forth in this section, except that the establishment of  
3 all of the following facts by an interactive gaming  
4 certificate holder, interactive gaming licensee or employee  
5 of an interactive gaming certificate holder, interactive  
6 gaming licensee or other such person shall constitute a  
7 defense to any regulatory action by the board or the penalty  
8 authorized under this section:

9 (i) the underage person falsely represented that he  
10 was of the permitted 21 years of age in the application  
11 for an interactive gaming account; and

12 (ii) the establishment of the interactive gaming  
13 account was made in good faith reliance upon such  
14 representation and in the reasonable belief that the  
15 underage person was 21 years of age.

16 \* \* \*

17 (15) It shall be unlawful for a licensed gaming entity  
18 to require a wager to be greater than the stated minimum  
19 wager or less than the stated maximum wager. However, a wager  
20 made by a player and not rejected by a licensed gaming entity  
21 prior to commencement of play shall be treated as a valid  
22 wager. A wager accepted by a dealer or through an authorized  
23 interactive game shall be paid or lost in its entirety in  
24 accordance with the rules of the game, notwithstanding that  
25 the wager exceeded the current table maximum wager or  
26 authorized interactive game wager or was lower than the  
27 current table minimum wager or minimum interactive game  
28 wager.

29 \* \* \*

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 slot machine, gaming table  
3 or other table game device, interactive game or interactive  
4 gaming device with the intent to defraud, or to claim,  
5 collect or take an amount greater than the amount won, or to  
6 manipulate with the intent to cheat, any component of any  
7 slot machine, table game or table game device, interactive  
8 game or interactive gaming device in a manner contrary to the  
9 designed and normal operational purpose.

10 (b) Criminal penalties and fines.--

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

26 (ii) A person that violates subsection (a) (2), (3)  
27 and (4) through (12) or (17) commits a misdemeanor of the  
28 first degree. A person that is convicted of a second or  
29 subsequent violation of subsection (a) (2), (3) and (4)  
30 through (12) or (17) commits a felony of the second

1 degree.

2 (2) (i) For a first violation of subsection (a) (1)  
3 through (12) or (17), a person shall be sentenced to pay  
4 a fine of:

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

7 (B) not less than \$300,000 nor more than  
8 \$600,000 if the person is a licensed gaming entity or  
9 an interactive gaming 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) and (4) through (12) or (17),  
15 a person shall be sentenced to pay a fine of:

16 (A) not less than \$150,000 nor more than  
17 \$300,000 if the person is an individual;

18 (B) not less than \$600,000 nor more than  
19 \$1,200,000 if the person is a licensed gaming entity;  
20 or

21 (C) not less than \$300,000 nor more than  
22 \$600,000 if the person is a licensed manufacturer or  
23 supplier.

24 (2.1) A person that commits an offense in violation of  
25 subsection (a) (3.1) commits a felony and, upon conviction,  
26 shall be sentenced to pay a fine of not less than \$500,000  
27 nor more than \$1,000,000. A person that is convicted of a  
28 second or subsequent violation of subsection (a) (3.1) commits  
29 a felony of the first degree and shall be sentenced to pay a  
30 fine of not less than \$1,000,000 nor more than \$2,500,000.

1 (3) An individual who commits an offense in violation of  
2 subsection (a) (13) [or], (13.1) or (13.2) commits a  
3 nongambling summary offense and upon conviction of a first  
4 offense shall be sentenced to pay a fine of not less than  
5 \$200 nor more than \$1,000. An individual that is convicted of  
6 a second or subsequent offense under subsection (a) (13) [or],  
7 (13.1) or (13.2) shall be sentenced to pay a fine of not less  
8 than \$500 nor more than \$1,500. In addition to the fine  
9 imposed, an individual convicted of an offense under  
10 subsection (a) (13) [or], (13.1) or (13.2) may be sentenced to  
11 perform a period of community service not to exceed 40 hours.

12 \* \* \*

13 Section 25. Section 1901(a) of Title 4 is amended by adding  
14 a paragraph to read:

15 § 1901. Appropriations.

16 (a) Appropriation to board.--

17 \* \* \*

18 (3) The sum of \$5,000,000 is hereby appropriated from  
19 the State Gaming Fund to the Pennsylvania Gaming Control  
20 Board for salaries, wages and all necessary expenses for the  
21 proper operation and administration of the board for the  
22 activities authorized under this part. This appropriation  
23 shall be a supplemental appropriation for fiscal year 2016-  
24 2017 and shall be in addition to the appropriation contained  
25 in the act of July 8, 2016 (P.L.1570, No.10A), known as the  
26 Gaming Control Appropriation Act of 2016.

27 \* \* \*

28 Section 26. Repeals are as follows:

29 (1) The General Assembly declares that the repeal under  
30 paragraph (2) is necessary to effectuate the addition of 4

1 Pa.C.S. § 1403(c)(2)(i)(D)(I.2) and (I.3).

2 (2) Section 1753-E of the act of April 9, 1929 (P.L.343,  
3 No.176), known as The Fiscal Code, is repealed.

4 Section 27. This act shall take effect as follows:

5 (1) The amendment of 4 Pa.C.S. § 1509 shall take effect  
6 in 60 days.

7 (2) The following provisions shall take effect January  
8 1, 2018:

9 (i) The addition of 4 Pa.C.S. § 1326.1.

10 (ii) The amendment of 4 Pa.C.S. § 13A63(b)(3)(iii)  
11 (A) and (C).

12 (iii) The amendment of 4 Pa.C.S. § 1403.

13 (iv) Section 26 of this act.

14 (3) Except as set forth in paragraph (4)(ii), the  
15 addition of 4 Pa.C.S. Chs. 3 and 5 shall take effect in 180  
16 days.

17 (4) The following provisions shall take effect  
18 immediately:

19 (i) This section.

20 (ii) The addition of 4 Pa.C.S. § 343.

21 (iii) The remainder of this act.