

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1141 Session of 2025

INTRODUCED BY NEILSON, MADDEN, GIRAL, McNEILL, CERRATO,
T. DAVIS, RIVERA AND GREEN, APRIL 4, 2025

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, APRIL 4, 2025

AN ACT

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

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

16 Section 1. Section 4102(b)(1) of Title 4 of the Pennsylvania
17 Consolidated Statutes is amended to read:

18 § 4102. Taxes and assessments.

19 * * *

20 (b) Video gaming terminal tax and assessments.--

21 (1) The department shall determine and each terminal
22 operator licensee shall pay on a bimonthly basis:

23 (i) A tax of [42%] 40% of its gross terminal revenue

from all video gaming terminals operated by the terminal operator licensee within this Commonwealth.

(ii) A [10%] 9% local share assessment from its gross terminal revenue.

(iii) A regulatory assessment established in section 4104 (relating to regulatory assessments) from the terminal operator licensee's weekly gross terminal revenue.

* * *

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

PART IV

LOCAL GAMING TERMINALS

Chapter

51. General Provisions

53. Administration

55. Application and Licensure

57. Operation

59. Enforcement

61. Revenues

63. Ethics

65. Miscellaneous Provisions

CHAPTER 51

GENERAL PROVISIONS

Sec.

5101. Scope of part.

5102. Legislative intent.

5103. Definitions.

§ 5101. Scope of part.

This part relates to local gaming terminals.

§ 5102. Legislative intent.

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

4 (1) The primary objective of this part, to which all
5 other objectives and purposes are secondary, is to protect
6 the public through the regulation and policing of all
7 activities involving gaming, and to prohibit all forms of
8 gaming, wagering and gambling in this Commonwealth that have
9 not been expressly authorized by statute.

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

19 § 5103. Definitions.

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

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

27 "Applicant." A person that, on the person's own behalf or on
28 behalf of another, applies for permission to engage in an act or
29 activity that is regulated under the provisions of this part.

30 "Associated equipment." Equipment or a mechanical,

1 electromechanical or electronic contrivance, component or
2 machine used in connection with local gaming terminals or
3 redemption terminals, including replacement parts, hardware and
4 software.

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

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

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

15 "Cash." United States currency and coin, including cash
16 equivalent.

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

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

1 terminal activation and disabling of local gaming terminals or
2 redemption terminals.

3 "Cheat." Any of the following:

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

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

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

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

15 (iii) The value of a wagering instrument.

16 (iv) The value of a wagering credit.

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

21 "Cheating or thieving device." A device:

22 (1) used or possessed with the intent to be used to
23 cheat during the operation or play of a local gaming
24 terminal; or

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

27 "Coin-operated amusement game." A machine that requires the
28 insertion of a coin, currency or token to play or activate a
29 game the outcome of which is predominantly and primarily
30 determined by the skill of the player and does not pay, award or

1 offer a prize in the form of cash or merchandise. The term does
2 not include a slot machine, hybrid slot machine, video gaming
3 terminal or local gaming terminal.

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

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

13 "Conduct of local gaming." The licensed placement, operation
14 and play of local gaming terminals under this part, as
15 authorized and approved by the board.

16 "Controlling interest." Any of the following:

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

29 (2) For a privately held domestic or foreign
30 corporation, partnership, limited liability company or other

form of privately held legal entity, the term means the holding of a security in the legal entity, unless this presumption of control is rebutted by clear and convincing evidence.

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

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

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

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

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

"Establishment licensee." A local gaming establishment that holds an establishment license.

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

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

(2) An employee of the executive branch:

(i) whose duties substantially involve licensing or

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

6 (ii) with law enforcement authority.

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

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

13 (ii) law enforcement authority.

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

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

22 (ii) law enforcement authority.

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

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

28 "Gaming employee." Either of the following:

29 (1) An employee of a terminal operator licensee or
30 manufacturer or supplier licensee who is not a key employee

1 and who the board determines is involved in the conduct of
2 local gaming.

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

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

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

21 (1) Seating to accompany local gaming terminals.

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

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

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

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

11 "Inducement." Any of the following:

12 (1) Consideration paid directly or indirectly, from a
13 manufacturer, supplier, terminal operator, procurement agent,
14 employee or another person on behalf of an applicant or a
15 licensee under this part to an eligible establishment,
16 establishment licensee, establishment licensee owner or an
17 employee of the establishment licensee, directly or
18 indirectly as an enticement to enter into a terminal
19 placement agreement with the terminal operator and solicit or
20 maintain the establishment licensee or establishment licensee
21 owner's business.

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

27 (3) The term does not include the cost paid by a
28 terminal operator applicant or terminal operator licensee
29 related to making local gaming terminals operate at the
30 premises of an establishment licensee, including wiring and

1 rewiring, software updates, ongoing local gaming terminal
2 maintenance, redemption terminals, network connections, site
3 controllers and cost associated with communicating with the
4 central control computer system.

5 (4) Structural changes necessary to segregate the local
6 gaming area or maintain the security of local gaming
7 terminals and redemption terminals as required by the board
8 that do not exceed \$2,500, except that any changes in excess
9 of \$2,500 must be shared equally between the terminal
10 operator applicant or terminal operator licensee and the
11 establishment applicant or establishment licensee.

12 (5) Surveillance technology to monitor only the local
13 gaming area.

14 (6) Operation of local gaming terminals at a licensed
15 establishment, including wiring and rewiring, software
16 updates, ongoing local gaming terminal maintenance,
17 redemption terminals, network connections, site controllers
18 and costs associated with communicating with the central
19 computer system.

20 (7) Installation of a security and alarm system at the
21 premises of an establishment licensee that are reasonably
22 necessary to protect local gaming terminals and redemption
23 terminals outside normal business hours, provided that the
24 cost does not exceed \$1,000.

25 (8) A requirement established by the board regarding a
26 minimum standard for a local gaming area.

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

1 "Institutional investor." A retirement fund administered by
2 a public agency for the exclusive benefit of Federal, State or
3 local public employees, investment company registered under 15
4 U.S.C. Ch. 2D Subch. I (relating to investment companies),
5 collective investment trust organized by banks under Part Nine
6 of the Rules of the Comptroller of the Currency, closed-end
7 investment trust, chartered or licensed life insurance company
8 or property and casualty insurance company, banking and other
9 chartered or licensed lending institution, investment advisor
10 registered under 15 U.S.C. Ch. 2D Subch. II (relating to
11 investment advisers) and any other person as the board
12 determines is consistent with this part.

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

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

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

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

19 (1) An individual employed by a manufacturer licensee or
20 a terminal operator licensee and designated by the licensee
21 to have primary authority to make decisions regarding the
22 conduct of local gaming.

23 (2) A gaming manager.

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

28 "Key employee licensee." An individual who holds a key
29 employee license.

30 "Law enforcement authority." The power to conduct

investigations of or to make arrests for criminal offenses.

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

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

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

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

"Licensee." A person licensed under this part.

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

"Local gaming terminal."

(1) Any of the following:

(i) A mechanical, computerized or electrical
contrivance, game, terminal, machine or other device
approved by the board which, upon insertion or payment of
cash or cash equivalent as a wager, is available to play
or operate one or more games, the play or outcome of
which is determined by any element of either chance or
skill, and may deliver or entitle the player to receive
cash or cash equivalent, or any instrument or
representation of value that is more than nominal, as
determined by the board in its sole discretion.

(ii) Any video gaming terminal including those in
operation at a truck stop establishment as defined in

1 section 3102 (relating to definitions).

2 (iii) Associated equipment necessary to conduct the
3 operation of the contrivance, terminal, machine or other
4 device.

5 (2) The term does not include:

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

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

13 (iii) A coin-operated amusement game.

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

17 (v) A redemption terminal or other associated
18 equipment necessary to operate or utilize a machine or
19 device described in subparagraph (i).

20 (vi) A slot machine, a hybrid slot machine or a
21 skill slot machine currently in operation at a licensed
22 facility under Part II (related to gaming).

23 (vii) Any game determined by the board, in its sole
24 discretion, to fall within subparagraph (i), (ii), (iii)
25 or (iv).

26 "Manufacturer." A person that manufactures, builds,
27 rebuilds, fabricates, assembles, produces, programs, designs or
28 otherwise makes modifications to a local gaming terminal,
29 redemption terminal or associated equipment for use or play of
30 local gaming terminals in this Commonwealth.

1 "Manufacturer license." A license issued by the board
2 authorizing a manufacturer to manufacture or produce local
3 gaming terminals, redemption terminals or associated equipment
4 for use in this Commonwealth. The term does not include a
5 terminal operator who manufactures redemption terminals for its
6 own use and does not sell manufacturer terminals to other
7 licensees.

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

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

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

13 "Non-institutional lender." An individual or entity which
14 provides financing to a terminal operator applicant or licensee
15 and is not a licensed financial institution, where such
16 financing does not involve any component of convertible debt,
17 warrants, other forms of equity or similar rights, including the
18 ability to influence or control the operations of the terminal
19 operator applicant or licensee, representation on the terminal
20 operator applicant or licensee's board of directors or its
21 equivalent, or the ability to elect one or more directors.

22 "Party." The bureau or an applicant, licensee, registrant or
23 other person appearing of record in a proceeding before the
24 board.

25 "Person." A natural person, corporation, foundation,
26 organization, business trust, estate, limited liability company,
27 trust, partnership, limited liability partnership, association
28 or other form of legal business entity.

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

1 "Principal." Any of the following:

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

5 (2) A person that has a controlling interest in an
6 applicant or anyone licensed under this part or has the
7 ability to elect a majority of the board of directors of a
8 licensee or to otherwise control anyone licensed under this
9 part.

10 (3) A procurement agent, lender or other licensed
11 financial institution of an applicant or anyone licensed
12 under this part, other than a bank or lending institution
13 which makes a loan or holds a mortgage or other lien acquired
14 in the ordinary course of business or a non-institutional
15 lender.

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

18 (5) A terminal operator licensee, manufacturer licensee
19 or supplier licensee deemed to be a principal by the board,
20 including a procurement agent.

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

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

26 (1) has a class or series of securities registered under
27 15 U.S.C. Ch.2B (relating to securities exchanges);

28 (2) is a registered management company under 15 U.S.C.
29 Ch. 2D Subch. I; or

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

1 15 U.S.C. Ch. 2B by reason of having filed a registration
2 statement that has become effective under 15 U.S.C. Ch.2A
3 Subch. I (relating to domestic securities).

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

8 "Security." As defined in the act of December 5, 1972
9 (P.L.1280, No.284), known as the Pennsylvania Securities Act of
10 1972.

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

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

13 "Subsidiary." As defined in section 1103.

14 "Supplier." A person that sells, leases, offers or otherwise
15 provides, distributes or services any local gaming terminal,
16 redemption terminal or associated equipment for use or play in
17 this Commonwealth.

18 "Supplier license." A license issued by the board
19 authorizing a supplier to provide products or services related
20 to local gaming terminals, redemption terminals or associated
21 equipment for use in this Commonwealth.

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

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

26 "Terminal operator license." A license issued by the board
27 authorizing a terminal operator to place and operate local
28 gaming terminals in an establishment licensee's premises in
29 accordance with this part and the rules and regulations
30 promulgated under this part.

1 "Terminal operator licensee." A person that holds a terminal
2 operator license.

3 "Terminal placement agreement." The formal written agreement
4 or contract between an applicant for a terminal operator license
5 or terminal operator licensee and an applicant for an
6 establishment license or establishment licensee that establishes
7 the terms and conditions regarding the placement of local gaming
8 terminals and the conduct of local gaming.

9 CHAPTER 53

10 ADMINISTRATION

11 Sec.

12 5301. Powers of board.

13 5302. Regulatory authority of board.

14 5303. Temporary regulations.

15 5304. Appeals.

16 5305. Records and confidentiality of information.

17 5306. Reporting.

18 5307. Diversity.

19 5308. Authority of department.

20 5309. Central control computer system.

21 5310. Department of Drug and Alcohol Programs or successor
22 agency.

23 § 5301. Powers of board.

24 (a) General powers.--

25 (1) The board shall have general and sole regulatory
26 authority over the conduct of local gaming as described in
27 this part. The board shall ensure the integrity of the
28 acquisition and operation of local gaming terminals,
29 redemption terminals and associated equipment and shall have
30 sole regulatory authority over every aspect of the conduct of

1 local gaming.

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

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

7 (1) To require background investigations from certain
8 applicants and licensees.

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

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

16 (4) To require prospective and licensed gaming employees
17 to submit to fingerprinting by the Pennsylvania State Police
18 or its authorized designee. The Pennsylvania State Police or
19 its authorized designee shall submit the fingerprints to the
20 Federal Bureau of Investigation for purposes of verifying the
21 identity of the individual and obtaining records of criminal
22 arrests and convictions.

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

26 (6) To determine the suitability of a person that
27 furnishes or seeks to furnish to a terminal operator licensee
28 directly or indirectly goods, services or property related to
29 the conduct of local gaming.

30 (7) To approve an application for or issue or renew a

1 license or other authorization that may be required by the
2 board, if the board is satisfied the person has demonstrated
3 by clear and convincing evidence that the person is of good
4 character, honesty and integrity whose prior activities,
5 criminal record, if any, reputation, habits and associations
6 do not pose a threat to the public interest or the effective
7 regulation and control of local gaming or create or enhance
8 the danger of unsuitable, unfair or illegal practices,
9 methods and activities in the conduct of local gaming or the
10 carrying on of the business and financial arrangements
11 incidental thereto.

12 (8) To publish on the board's publicly accessible
13 Internet website a complete list of persons or entities who
14 applied for or held a terminal operator license,
15 establishment license or manufacturer license at any time
16 during the preceding calendar year and affiliates,
17 intermediaries, subsidiaries and holding companies thereof
18 and the status of the applications or licenses.

19 (9) 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 6102 (relating to regulatory assessments) required to
26 meet the obligations under this part accruing during the
27 fiscal period beginning July 1 of the following year.

28 (10) In the event that appropriations for the
29 administration of this part are not enacted by June 30 of any
30 year, funds appropriated for the administration of this part

1 which are unexpended, uncommitted and unencumbered at the end
2 of a fiscal year shall remain available for expenditure by
3 the board or other agency to which the funds were
4 appropriated until the enactment of an appropriation for the
5 ensuing fiscal year.

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

12 (i) If the applicant is a publicly traded domestic
13 or foreign corporation, partnership, limited liability
14 company or other legal entity, the names of persons with
15 a controlling interest.

16 (ii) If the applicant is a privately held domestic
17 or foreign corporation, partnership, limited liability
18 company or other legal entity, the names of all persons
19 with an ownership interest equal to or greater than 5%.

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

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

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

26 (13) Designate and classify games as local gaming
27 terminals.

28 (14) Refer potential violations of the criminal
29 provisions in this part or of 18 Pa.C.S. (relating to crimes
30 and offenses) to the Pennsylvania State Police for

investigation and initiation of proceedings as specified in Chapter 59 (relating to enforcement).

§ 5302. Regulatory authority of board.

(a) Board powers.--The board shall have the power and duty:

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

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

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

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

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

(6) To require that an establishment licensee prohibit minors from operating or using local gaming terminals or

1 redemption terminals.

2 (7) To establish procedures for the inspection and
3 certification of compliance of local gaming terminals,
4 redemption terminals and associated equipment prior to being
5 placed into use on the premises of an establishment licensee
6 by a terminal operator licensee.

7 (8) To require that a local gaming terminal may not be
8 set to pay out less than the theoretical payout percentage,
9 which percentage shall be no less than 85% as specifically
10 approved by the board. The board shall adopt regulations that
11 define the theoretical payout percentage of a local gaming
12 terminal game based on the total value of the jackpots
13 expected to be paid by a play on a local gaming terminal game
14 divided by the total value of local gaming terminals wagers
15 expected to be made on that play or local gaming terminal
16 game during the same portion of the game cycle. The board
17 shall specify whether the calculation includes a portion of
18 or the entire cycle of a local gaming terminal game.

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

29 (10) To promulgate rules and regulations governing the
30 advertisement of local gaming terminals, provided that the

1 board shall require all advertisements to display or
2 reference the toll-free problem gambling telephone number
3 maintained by the Department of Drug and Alcohol Programs or
4 successor agency under section 5310(b) (relating to
5 Department of Drug and Alcohol Programs or successor agency).

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

9 (12) To adopt regulations governing the postemployment
10 limitations and restrictions applicable to members and
11 employees of the board subject to section 6302 (relating to
12 additional board restrictions). In developing the
13 regulations, the board may consult with the State Ethics
14 Commission, governmental agencies and the Disciplinary Board
15 of the Supreme Court regarding postemployment limitations and
16 restrictions on members and employees of the board who are
17 members of the Pennsylvania Bar.

18 (13) To review and approve all cash and cash equivalent
19 handling policies and procedures employed by terminal
20 operator licensees.

21 (14) To promulgate rules and regulations governing the
22 placement of automated teller machines within or adjacent to
23 local gaming areas.

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

28 (16) To establish mandatory problem gambling training to
29 be completed by all employees of licensed entities under this
30 part.

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

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

9 § 5303. Temporary regulations.

10 (a) Promulgation.--In order to facilitate the prompt
11 implementation of this part, the board shall promulgate
12 regulations within 45 days following the effective date of this
13 subsection, which such regulations shall be deemed temporary
14 regulations and shall expire no later than two years following
15 the publication of the temporary regulations. The board may
16 promulgate temporary regulations not subject to:

17 (1) Section 612 of the act of April 9, 1929 (P.L.177,
18 No.175), known as The Administrative Code of 1929.

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

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

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

26 (b) Expiration.--Except for temporary regulations related to
27 security and surveillance, the authority provided to the board
28 to adopt temporary regulations in subsection (a) shall expire
29 two years following the publication of the temporary
30 regulations. Regulations adopted after that date shall be

1 promulgated as provided by law.

2 § 5304. Appeals.

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

11 § 5305. Records and confidentiality of information.

12 (a) Records.--The board shall maintain files and records
13 deemed necessary for the administration and enforcement of this
14 part.

15 (b) Confidentiality of information.--

16 (1) The following information submitted by an applicant,
17 licensee or permittee under Chapter 55 (relating to
18 application and licensure) or obtained by the board or the
19 bureau as part of a background or other investigation from
20 any source shall be confidential and withheld from public
21 disclosure:

22 (i) Information relating to character, honesty and
23 integrity, including family, habits, reputation, history
24 of criminal activity, business activities, financial
25 affairs and business, professional and personal
26 associations submitted to or otherwise obtained by the
27 board or the bureau.

28 (ii) Nonpublic personal information, including home
29 addresses, telephone numbers and other personal contact
30 information, Social Security numbers, educational

1 records, memberships, medical records, tax returns and
2 declarations, actual or proposed compensation, financial
3 account records, creditworthiness or financial condition
4 relating to an applicant, licensee or permittee or the
5 immediate family thereof.

6 (iii) Information relating to proprietary
7 information, trade secrets, patents or exclusive
8 licenses, architectural and engineering plans and
9 information relating to competitive marketing materials
10 and strategies, including customer-identifying
11 information or customer prospects for services subject to
12 competition.

13 (iv) Security information, including risk prevention
14 plans, detection and countermeasures, emergency
15 management plans, security and surveillance plans,
16 equipment and usage protocols and theft and fraud
17 prevention plans and countermeasures.

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

23 (vi) Records of an applicant, licensee or permittee
24 not required to be filed with the Securities and Exchange
25 Commission by issuers that either have securities
26 registered under 15 U.S.C. § 781 (relating to
27 registration requirements for securities) or are required
28 to file reports under 15 U.S.C. § 78o (relating to
29 registration and regulation of brokers and dealers).

30 (vii) Records considered nonpublic matters or

1 information by the Securities and Exchange Commission as
2 provided by 17 CFR 200.80 (relating to Securities and
3 Exchange Commission records and information).

4 (viii) Financial information provided to the board
5 by an applicant or licensee.

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

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

15 (4) Except as provided in section 5904(h) (relating to
16 investigations and enforcement), the information made
17 confidential under this section shall be withheld from public
18 disclosure in whole or in part, except that confidential
19 information shall be released upon the order of a court of
20 competent jurisdiction or, with the approval of the Attorney
21 General, to a duly authorized law enforcement agency or shall
22 be released to the public, in whole or in part, to the extent
23 that the release is requested by an applicant, licensee or
24 permittee and does not otherwise contain confidential
25 information about another person.

26 (5) The board may seek a voluntary waiver of
27 confidentiality from an applicant, licensee or permittee but
28 may not require an applicant, licensee or permittee to waive
29 the confidentiality provided under this subsection as a
30 condition for the approval of an application, renewal of a

1 license or other action of the board.

2 (6) (i) No current or former member and no current or
3 former employee, agent or independent contractor of the
4 board, the department, the Pennsylvania State Police, the
5 Office of Attorney General or other executive branch
6 office who has obtained confidential information in the
7 performance of duties under this part shall intentionally
8 disclose the information to a person, knowing that the
9 information being disclosed is confidential under this
10 subsection, unless the person is authorized by law to
11 receive it.

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

14 (iii) In addition to any penalty under subparagraph
15 (ii), an employee, agent or independent contractor who
16 violates this subsection shall be administratively
17 disciplined by discharge, suspension, termination of
18 contract or other formal disciplinary action as
19 appropriate. If a current member violates this paragraph,
20 the other members shall refer the matter to the current
21 member's appointing authority.

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

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

1 § 5306. Reporting.

2 (a) Report by board.--Beginning October 1, 2026, and every
3 year thereafter, the annual report submitted to the Governor and
4 the General Assembly by the board under section 1211 (relating
5 to reports of board) shall include information on the conduct of
6 local gaming for the previous calendar year:

7 (1) Total gross terminal revenue.

8 (2) Total number of terminal operator licensees,
9 establishment licensees and manufacturer licensees.

10 (3) All taxes, fees, fines and other revenue collected
11 and, where appropriate, revenue disbursed. The department
12 shall collaborate with the board to carry out the
13 requirements of this paragraph.

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

16 (b) Participation.--The board may require licensees to
17 provide information to the board to assist in the preparation of
18 the report under subsection (a).

19 § 5307. Diversity.

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

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

26 (1) All employee recruitment and retention efforts
27 undertaken to promote the participation of diverse groups in
28 employment with the applicant if issued a terminal operator
29 license.

30 (2) Other information deemed necessary by the board to

1 assess the diversity plan.

2 (c) Review.--The board shall conduct a review of a diversity
3 plan. When reviewing the adequacy of a diversity plan, the board
4 shall take into consideration the total number of local gaming
5 terminals the applicant proposes to operate within this
6 Commonwealth.

7 (d) Periodic review.--The board shall periodically review
8 the terminal operator licensee's diversity plan and recommend
9 changes.

10 (e) Applicant or licensee responsibility.--An applicant or
11 licensee shall provide information as required by the board to
12 enable the board to complete the reviews required under
13 subsections (c) and (d).

14 § 5308. Authority of department.

15 (a) Powers.--The department shall administer and collect
16 taxes imposed under this part and interest imposed under section
17 806 of the act of April 9, 1929 (P.L.343, No.176), known as The
18 Fiscal Code, and promulgate and enforce rules and regulations to
19 carry out its prescribed duties in accordance with this part,
20 including the collection of taxes, penalties and interest
21 imposed by this part.

22 (b) Application of rules and regulations.--The department
23 may prescribe the extent, if any, to which any rules and
24 regulations shall be applied without retroactive effect. The
25 department shall prescribe the forms and the system of
26 accounting and recordkeeping to be employed and through its
27 representative shall at all times have power of access to and
28 examination and audit of any equipment and records relating to
29 all aspects of the operation of local gaming terminals and
30 redemption terminals under this part.

1 (c) Procedure.--For purposes of implementing this part, the
2 department may promulgate regulations in the same manner in
3 which the board is authorized as provided in section 5303
4 (relating to temporary regulations).

5 (d) Additional penalty.--A person that fails to timely remit
6 to the department or the State Treasurer amounts required under
7 this part shall be liable, in addition to liability imposed
8 elsewhere in this part, to a penalty of 5% per month up to a
9 maximum of 25% of the amounts ultimately found to be due, to be
10 recovered by the department.

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

15 § 5309. Central control computer system.

16 (a) Control.--To facilitate the auditing and security
17 programs critical to the integrity of local gaming terminals in
18 this Commonwealth, the department shall have overall control of
19 local gaming terminals which shall:

20 (1) Be linked, at an appropriate time to be determined
21 by the department, to a central control computer under the
22 control of the department and accessible by the board to
23 provide auditing program capacity and individual terminal
24 information as approved by the department.

25 (2) Include real-time information retrieval and terminal
26 activation and disabling programs.

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

29 (1) A fully operational Statewide local gaming terminal
30 control system that has the capability of supporting all

1 local gaming terminals permitted to be in operation under
2 this part.

3 (2) The employment of a widely accepted gaming industry
4 protocol to facilitate a local gaming terminal manufacturers'
5 ability to communicate with the Statewide system and must
6 allow for remote software updates of the local gaming
7 terminals.

8 (3) The delivery of a system that has the ability to
9 verify software, detect alterations in payout and detect
10 other methods of fraud in all aspects of the operation of
11 local gaming terminals.

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

15 (5) The delivery of a system that provides redundancy so
16 that each component of the network is capable of operating
17 independently by the department if any component of the
18 network, including the central control computer, fails or
19 cannot be operated for any reason as determined by the
20 department, and to assure that all transactional data is
21 captured and secured. Costs associated with a computer system
22 required by the department to operate within a local gaming
23 area, whether independent or as part of the central control
24 computer, shall be paid by the terminal operator licensee.
25 The computer system shall be controlled by the department and
26 accessible to the board.

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

29 (7) The delivery of a system that provides centralized
30 issuance of cash redemption tickets and facilitates the

1 acceptance of the tickets by local gaming terminals and
2 redemption terminals.

3 (8) Other capabilities as determined by the department
4 in consultation with the board.

5 (c) Personal information.--The central control computer may
6 not provide for the monitoring or reading of personal or
7 financial information concerning a patron of a terminal operator
8 licensee.

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

10 (1) Notwithstanding any other provision of law to the
11 contrary and in order to facilitate the prompt implementation
12 of this part, initial contracts entered into by the
13 department for a central control computer, including
14 necessary computer hardware, software, licenses or related
15 services, shall not be subject to the provisions of 62
16 Pa.C.S. (relating to procurement).

17 (2) Contracts executed under this section may not exceed
18 five years.

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

24 (f) Existing central control computer system.--The
25 department, in its discretion, may alter or utilize the central
26 control computer system controlled by the department under
27 section 1323 (relating to central control computer system) to
28 fulfill the requirements of this section.

29 § 5310. Department of Drug and Alcohol Programs or successor
30 agency.

1 (a) Program update.--

2 (1) The Department of Drug and Alcohol Programs or
3 successor agency shall update the compulsive and problem
4 gambling program established in section 1509 (relating to
5 compulsive and problem gambling program) to address public
6 education, awareness and training regarding compulsive and
7 problem gambling and the treatment and prevention of
8 compulsive and problem gambling related to local gaming
9 terminals.

10 (2) The updated guidelines shall include strategies for
11 the prevention of compulsive and problem gambling related to
12 local gaming terminals.

13 (3) The Department of Drug and Alcohol Programs or
14 successor agency shall consult with the board and terminal
15 operator licensees to develop the strategies.

16 (b) Duties of Department of Drug and Alcohol Programs or
17 successor agency.--From money available in the Compulsive and
18 Problem Gambling Treatment Fund, the Department of Drug and
19 Alcohol Programs or successor agency shall, with respect to
20 local gaming terminals:

21 (1) Maintain one compulsive gamblers assistance
22 organization's toll-free problem gambling telephone number,
23 which number shall be 1-800-GAMBLER, to provide crisis
24 counseling and referral services to individuals and families
25 experiencing difficulty as a result of problem or compulsive
26 gambling.

27 (2) Maintain one compulsive gambler's assistance
28 organization's telephone number, which shall be accessible
29 via a free text message service, to provide crisis counseling
30 and referral services to individuals and families

1 experiencing difficulty as a result of problem or compulsive
2 gambling.

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

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

10 (5) Provide grants to and contract with single county
11 authorities and other organizations that provide services
12 specified in this section.

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

16 (7) Maintain a comprehensive list of all self-excluded
17 individuals under section 1516 (relating to list of persons
18 self excluded from gaming activities), 3903 (relating to
19 self-exclusion) or 5903 (relating to self-exclusion).

20 (c) Additional duties.--Within 90 days following the
21 effective date of this subsection, the Department of Drug and
22 Alcohol Programs or successor agency and the board's Office of
23 Compulsive and Problem Gambling shall jointly collaborate with
24 other appropriate offices and agencies of State or local
25 government, including single county authorities and providers
26 and other persons, public or private, with expertise in
27 compulsive and problem gambling treatment, and shall, with
28 respect to local gaming terminals:

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

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

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

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

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

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

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

CHAPTER 55

APPLICATION AND LICENSURE

Sec.

5501. General prohibition.

5502. Local gaming terminal operator licenses.

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5504. Principal licenses.

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1 5507. Supplier licenses.
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5 5511. Alternative local gaming terminal operator licensing
6 standards.
7 5512. Alternative local gaming manufacturer licensing
8 standards.
9 5513. Local gaming establishment licenses.
10 5514. License or permit prohibition.
11 5515. Issuance and renewal.
12 5516. Change in ownership or control of licensee.
13 5517. Local gaming terminal accounting controls and audits.
14 5518. Multiple licenses prohibited.
15 5519. Conditional licenses.

16 § 5501. General prohibition.

17 A person who offers or otherwise makes available for play in
18 this Commonwealth a local gaming terminal or other gambling
19 device or game that offers the player the ability to place a
20 wager on the outcome of an uncertain event or game, but is not
21 licensed by the board or expressly authorized by statute,
22 commits a crime in violation of 18 Pa.C.S. § 5513 (relating to
23 gambling devices, gambling, etc.) and is subject to the
24 penalties specified in section 5905 (relating to prohibited acts
25 and penalties).

26 § 5502. Local gaming terminal operator licenses.

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

30 (1) The name, address and photograph of the applicant

1 and of all directors and owners and key employees and their
2 positions within the corporation or organization, as well as
3 additional financial information required by the board.

4 (2) A current tax lien certificate issued by the
5 department.

6 (3) The details of any gaming license applied for,
7 granted to or denied to the applicant by another jurisdiction
8 where the form of gaming is legal and the consent for the
9 board to acquire copies of the application submitted or
10 license issued in connection with the application.

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

13 (5) The consent to conduct a background investigation by
14 the board, the scope of which investigation shall be
15 determined by the bureau in its discretion consistent with
16 the provisions of this part, and a release signed by all
17 persons subject to the investigation of all information
18 required to complete the investigation.

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

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

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

30 (9) Any other information determined to be appropriate

1 by the board.

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

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

17 (d) (Reserved).

18 (e) (Reserved).

19 (f) Additional eligibility requirements.--In order to be
20 eligible for a terminal operator license under this part, the
21 principals and key employees of the applicant must obtain a
22 license to meet the character requirements of this section or
23 other eligibility requirements established by the board.

24 (g) Classification system.--The board shall develop a
25 classification system for other agents, employees or persons who
26 directly or indirectly hold or are deemed to be holding debt or
27 equity securities or other financial interest in the applicant
28 and for other persons that the board considers appropriate for
29 review under this section.

30 (h) Related entities.--

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

6 (2) The board may require that lenders and underwriters
7 of intermediaries, subsidiaries or holding companies of a
8 terminal operator license applicant meet the requirements of
9 subsection (f) if the board determines that the suitability
10 of a lender or underwriter is at issue and necessary to
11 consider a pending application for a terminal operator
12 license.

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

16 (j) Waiver for publicly traded corporations.--The board may
17 waive the requirements of subsection (f) for a person directly
18 or indirectly holding ownership of securities in a publicly
19 traded corporation if the board determines that the holder of
20 the securities does not have the ability to control the
21 corporation or elect one or more directors of the corporation.

22 (k) (Reserved).

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

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

30 (n) Applicant financial information.--

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

12 (2) An applicant shall in writing authorize the
13 examination of all bank accounts and records deemed necessary
14 by the board.

15 (o) Financial backer information.--

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

23 (2) The board may waive the qualification requirements
24 for banking or lending institutions, non-institutional
25 lenders and institutional investors.

26 (3) A banking or lending institution or institutional
27 investor, non-institutional lender or other financing source
28 shall produce for the board upon request any document or
29 information that bears relation to the proposal submitted by
30 the applicant.

1 (4) The integrity of the financial sources shall be
2 judged upon the same standards as the applicant. Any such
3 person or entity shall produce for the board upon request any
4 document or information that bears any relation to the
5 application.

6 (5) The applicant shall produce the information,
7 documentation or assurances the board requires to establish
8 by clear and convincing evidence the adequacy of financial
9 resources.

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

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

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

20 (q) Additional information.--In addition to other
21 information required by this part, a person applying for a
22 terminal operator license shall provide the following
23 information:

24 (1) The organization, financial structure and nature of
25 all businesses operated by the person, including any
26 affiliate, intermediary, subsidiary or holding companies, the
27 names and personal employment and criminal histories of all
28 officers, directors and key employees of the corporation, the
29 names of all holding, intermediary, affiliate and subsidiary
30 companies of the corporation and the organization, financial

1 structure and nature of all businesses operated by such
2 holding, intermediary and subsidiary companies as the board
3 may require, including names and personal employment and
4 criminal histories of such officers, directors and principal
5 employees of such corporations and companies as the board may
6 require.

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

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

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

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

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

23 (2) The license shall be nontransferable.

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

25 (s) Renewal.--

26 (1) At least six months prior to expiration of a
27 terminal operator license, the terminal operator licensee
28 seeking renewal of its license shall submit a renewal
29 application to the board.

30 (2) If the renewal application satisfies the

1 requirements of subsections (a), (b), (c), (f), (g), (h),
2 (i), (j), (l), (m), (n), (o), (p) and (q), the board may
3 renew the licensee's terminal operator license.

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

9 § 5503. Existing licensees.

10 (a) Validity.--Nothing in this act shall affect the validity
11 of any license or privileges afforded to a holder of any license
12 issued under Part III (relating to video gaming).

13 (b) Approval.--Any holder of a license issued under Part III
14 that is valid on or after the effective date of this act shall,
15 immediately upon submission of an application for license under
16 this act and payment of the applicable fee, be approved for
17 licensure by the board and shall enjoy all the privileges,
18 without exception, afforded to a licensee under this act.

19 (c) Timing.--Upon receipt of an application under this part
20 from a licensee who is already licensed by the board under Part
21 II (relating to gaming) or III, the board shall subject to the
22 application an abbreviated application and licensure procedure
23 established by the board. A licensing decision shall be rendered
24 by the board within 60 days of submission of the application or
25 earlier.

26 § 5504. Principal licenses.

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

29 (b) Application.--A principal license application shall be
30 in a form prescribed by the board and shall include the

following:

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

(2) A description of responsibilities as a principal.

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

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

(5) Additional information required by the board.

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

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

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

§ 5505. Key employee licenses.

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

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

(1) Verification of status as a key employee from a

1 terminal operator licensee, establishment licensee,
2 manufacturer licensee or supplier licensee.

3 (2) A description of employment responsibilities.

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

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

8 (5) Additional information required by the board.

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

15 (d) Nontransferability.--A license issued under this section
16 shall be nontransferable.

17 § 5506. Divestiture of disqualifying applicant.

18 (a) Board power to require.--

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

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

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

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

11 § 5507. Supplier licenses.

12 (a) Application.--

13 (1) A manufacturer that elects to contract with a
14 supplier under section 5508 (relating to local gaming
15 manufacturer licenses) shall ensure that the supplier is
16 appropriately licensed under this section.

17 (2) A person seeking to provide local gaming terminals,
18 redemption terminals or associated equipment to a terminal
19 operator licensee within this Commonwealth through a contract
20 with a licensed manufacturer must apply to the board for the
21 appropriate supplier license.

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

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

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

4 (3) Proof that the applicant has or will establish a
5 place of business in this Commonwealth. A supplier licensee
6 shall maintain its place of business in this Commonwealth to
7 remain eligible for licensure.

8 (4) The consent to a background investigation by the
9 bureau of the applicant, its principals and key employees or
10 other persons required by the board and a release to obtain
11 the information necessary for the completion of the
12 background investigation.

13 (5) The details of any supplier license issued by the
14 board to the applicant under section 1317 (relating to
15 supplier licenses) or section 3507 (relating to supplier
16 licenses), if applicable.

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

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

23 (8) Other information determined by the board to be
24 appropriate.

25 (c) Review and approval.--If the requirements of subsection
26 (b) are met, the board may approve the application and issue the
27 applicant a supplier license consistent with all of the
28 following:

29 (1) The license shall be valid for a period of five
30 years. Nothing in this paragraph shall be construed to

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

5 (2) The license shall be nontransferable.

6 (3) Other conditions established by the board.

7 (d) Renewal.--

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

11 (2) If the renewal application satisfies the
12 requirements of subsection (b), the board may renew the
13 licensee's supplier license.

14 (3) If the board receives a complete renewal application
15 but fails to act upon the renewal application prior to the
16 expiration of the supplier license, the supplier license
17 shall continue in effect until acted upon by the board.

18 § 5508. Local gaming manufacturer licenses.

19 (a) Application.--A person seeking to manufacture local
20 gaming terminals, redemption terminals for sale to other
21 licensees, and associated equipment for use in this Commonwealth
22 must apply to the board for a manufacturer license.

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

26 (1) The name and business address of the applicant and
27 the applicant's affiliates, intermediaries, subsidiaries and
28 holding companies, the principals and key employees of each
29 business and a list of employees and their positions within
30 each business, as well as financial information required by

1 the board.

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

5 (3) The consent to a background investigation by the
6 bureau of the applicant, its principals, its key employees,
7 its intermediaries, its subsidiaries or other persons
8 required by the board and a release to obtain the information
9 necessary for the completion of the background investigation.

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

13 (5) The details of any manufacturer license issued by
14 the board to the applicant under section 1317.1 (relating to
15 manufacturer licenses) or 3508 (relating to manufacturer
16 licenses), if applicable.

17 (6) The type of local gaming terminals, redemption
18 terminals or associated equipment to be manufactured or
19 repaired.

20 (7) Other information determined by the board to be
21 appropriate.

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

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

28 (ii) Nothing in this paragraph shall be construed to
29 relieve the licensee of the affirmative duty to notify
30 the board of a change relating to the status of its

1 license or to other information contained in application
2 materials on file with the board.

3 (2) The license shall be nontransferable.

4 (3) Other conditions established by the board.

5 (d) Renewal.--

6 (1) At least six months prior to expiration of a
7 manufacturer license, the manufacturer licensee seeking
8 renewal of its license shall submit a renewal application
9 accompanied by the renewal fee to the board.

10 (2) If the renewal application satisfies the
11 requirements of subsection (b), the board may renew the
12 licensee's manufacturer license.

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

18 (e) Authority.--

19 (1) A manufacturer or its designee, as licensed by the
20 board, may supply or repair a local gaming terminal,
21 redemption terminal or associated equipment manufactured by
22 the manufacturer, provided the manufacturer holds the
23 appropriate manufacturer license.

24 (2) A manufacturer of local gaming terminals or
25 redemption terminals may contract with a supplier under
26 section 5507 (relating to supplier licenses) to provide local
27 gaming terminals, redemption terminals or associated
28 equipment to a terminal operator licensee within this
29 Commonwealth, provided the supplier is licensed to supply
30 local gaming terminals, redemption terminals or associated

1 equipment.

2 (f) Prohibitions.--

3 (1) No person may manufacture local gaming terminals,
4 redemption terminals for sale to other licensees or
5 associated equipment for use within this Commonwealth by a
6 terminal operator licensee unless the person has been issued
7 the appropriate manufacturer license under this section.

8 (2) No person issued a license under this section may
9 apply for or be issued a terminal operator license under
10 section 5502 (relating to local gaming terminal operator
11 licenses) or an establishment license under section 5513
12 (relating to local gaming establishment licenses).

13 § 5509. Gaming service provider.

14 (a) Development of classification system.--The board shall
15 develop a classification system governing the certification,
16 registration and regulation of gaming service providers and
17 individuals and entities associated with them. The
18 classification system shall be based upon the following:

19 (1) Whether the employees of the gaming service provider
20 will have access to the local gaming area or local gaming
21 terminals or redemption terminals prior to or after
22 installation.

23 (2) Whether the goods or services provided or to be
24 provided by the gaming service provider would impact the
25 integrity of local gaming terminals, redemption terminals or
26 the conduct of local gaming.

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

30 (1) the person or type of business is regulated by an

1 agency of the Federal Government, an agency of the
2 Commonwealth or the Pennsylvania Supreme Court; or

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

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

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

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

12 (3) Comply with all conditions, restrictions,
13 requirements, orders and rulings of the board in accordance
14 with this part.

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

18 (d) (Reserved).

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

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

27 (2) The terminal operator license applicant or terminal
28 operator licensee contracting or doing business with the
29 gaming service provider certifies that it has performed due
30 diligence on the gaming service provider and believes the

1 applicant meets the qualification to be a gaming service
2 provider under this section.

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

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

15 (g) Gaming service provider lists.--

16 (1) The board shall:

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

21 (ii) Develop and maintain a list of prohibited
22 gaming service providers.

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

27 (h) Emergency authorization.--

28 (1) A terminal operator licensee may utilize a gaming
29 service provider that has not been approved by the board when
30 a threat to public health, welfare or safety exists or

1 circumstances outside the control of the terminal operator
2 licensee require immediate action to mitigate damage or loss
3 to the licensee's local gaming terminals.

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

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

20 § 5510. (Reserved).

21 § 5511. Alternative local gaming terminal operator licensing
22 standards.

23 (a) Determination.--

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

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

11 (b) Abbreviated process.--

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

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

21 (c) Current license holders.--In the event an applicant for
22 a terminal operator license under this part holds a slot machine
23 license under Part II (relating to gaming) or III (relating to
24 video gaming), the board shall use an abbreviated process
25 requiring only the information determined by the board to be
26 necessary to consider the issuance of a license, including
27 financial viability of the applicant.

28 § 5512. Alternative local gaming manufacturer and supplier
29 licensing standards.

30 (a) Determination.--

1 (1) The board may determine whether the licensing
2 standards of another jurisdiction within the United States in
3 which an applicant for a manufacturer or supplier license is
4 similarly licensed are comprehensive and thorough and provide
5 similar adequate safeguards as those required by this part.

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

17 (b) Abbreviated process.--

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

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

27 (c) Current license holders.--In the event an applicant for
28 a manufacturer or supplier license under this part holds a
29 manufacturer license under section 1317.1 (relating to
30 manufacturer licenses) or 3507 (relating to supplier licenses),

1 the board may determine to use an abbreviated process requiring
2 only the information determined by the board to be necessary to
3 consider the issuance of a license, including financial
4 viability of the applicant.

5 § 5513. Local gaming establishment licenses.

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

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

11 (2) A description of the proposed surveillance and
12 security measures to ensure the security of the proposed
13 local gaming area.

14 (3) A current tax lien certificate issued by the
15 department.

16 (4) The criminal history record of the applicant,
17 principal and key employees and a consent for the bureau to
18 conduct a background investigation on the applicant,
19 principals and key employees.

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

22 (b) Nontransferability.--A license issued under this section
23 shall be nontransferable.

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

28 (d) Review and approval.--Upon being satisfied that the
29 requirements of subsection (a) have been met, the board may
30 approve the application and issue the applicant a local gaming

establishment license consistent with all of the following:

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

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

(2) The license shall be nontransferable.

(3) Other conditions established by the board.

(e) Renewal.--

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

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

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

(f) Eligibility requirements.--The following establishments shall be eligible for a local gaming establishment license:

(1) A facility that is a club license as defined by the act of December 19, 1988 (P.L.1262, No.156), known as the Local Option Small Games of Chance Act.

(2) A facility that is licensed as a lottery sales agent under section 305 of the act of August 26, 1971 (P.L.351,

No.91), known as the State Lottery Law, and is licensed to
sell alcoholic beverages under section 404 or 407 of the act
of April 12, 1951 (P.L.90, No.21), known as the Liquor Code,
with its license to sell alcoholic beverages being active and
in good standing with the Pennsylvania Liquor Control Board,
as determined at the sole discretion of the board, in one of
the following categories:

(i) Brewery, Brewery Pub and Catering Club (Liquor).

(ii) Club (Liquor).

(iii) Club (Malt).

(iv) Eating Place Retail Dispenser (Malt).

(v) Hotel (Liquor).

(vi) Hotel (Malt).

(vii) Limited Distillery, Limited Winery, Privately
owned Public Golf Course Restaurant; or

(viii) Restaurant (Liquor).

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

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

(2) a licensed truck stop establishment under Part III
(relating to video gaming);

(3) a facility if the license to sell alcoholic
beverages has been suspended or revoked as a result of a
citation issued pursuant to section 471 of the act of April
12, 1951 (P.L.90, No.21), known as the Liquor Code; or

(4) a facility that is unable to properly segregate a
local gaming area from minors.

§ 5514. License or permit prohibition.

(a) Limitations on power of board.--

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

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

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

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

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

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

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

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

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

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

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

3 (vi) Evidence of rehabilitation, including good
4 conduct in the community, counseling or psychiatric
5 treatment received and the recommendation of individuals
6 who have substantial contact with the applicant.

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

9 (1) an offense classified as a felony or punishable
10 under the laws of this Commonwealth by imprisonment for more
11 than five years;

12 (2) an offense which, under the laws of another
13 jurisdiction, is:

14 (i) classified as a felony; or

15 (ii) punishable by imprisonment for more than five
16 years; or

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

20 § 5515. Issuance and renewal.

21 (a) Issuance.--

22 (1) In addition to any other criteria provided under
23 this part, a terminal operator, eligible local gaming
24 establishment, manufacturer, supplier, gaming employee,
25 gaming manager, key employee, principal or other person that
26 the board approves as qualified to receive a license or other
27 authorization under this part shall be issued a license or
28 permit upon the payment of a fee required in section 6101
29 (relating to fees) and fulfillment of conditions required by
30 the board or provided for in this part.

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

4 (b) Renewal.--

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

7 (2) The application for renewal of a license, unless
8 otherwise provided, must be submitted at least 180 days prior
9 to the expiration of the permit or license and include an
10 update of the information contained in the initial and any
11 prior renewal applications and the payment of any renewal fee
12 required under section 6101.

13 (3) Nothing in this subsection shall be construed to
14 relieve a licensee of the affirmative duty to notify the
15 board of a change relating to the status of its license or to
16 other information contained in the application materials on
17 file with the board.

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

19 (1) In addition to other sanctions the board may impose
20 under this part, the board may at its discretion suspend,
21 revoke or deny renewal of a license issued under this part if
22 it receives information from any source that the applicant or
23 any of its officers, directors, owners or key employees is in
24 violation of any provision of this part, that the applicant
25 has furnished the board with false or misleading information
26 or that the information contained in the applicant's initial
27 application or renewal application is no longer true and
28 correct such that the applicant is no longer eligible.

29 (2) In the event of a revocation or failure to renew,
30 the licensee's authorization to conduct the previously

1 approved activity shall immediately cease the activity and
2 all fees paid in connection with the license shall be
3 forfeited.

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

8 (d) Nontransferability of licenses.--

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

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

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

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

20 § 5516. Change in ownership or control of licensee.

21 (a) Notification and approval.--

22 (1) A licensee shall promptly notify the board of a
23 proposed or contemplated change of ownership of the licensee
24 by a person or group of persons acting in concert that
25 involves any of the following:

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

28 (ii) More than 5% of the securities or other
29 ownership interests of a corporation or other form of
30 business entity that owns directly or indirectly at least

1 20% of the voting or other securities or other ownership
2 interests of the licensee.

3 (iii) The sale of all or substantially all of a
4 licensee's assets.

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

7 (2) (i) Notwithstanding the provisions of paragraph
8 (1), a licensee may not be required to notify the board
9 of an acquisition by an institutional investor under
10 paragraph (1)(i) or (ii) if the institutional investor
11 holds less than 10% of the securities or other ownership
12 interests referred to in paragraph (1)(i) or (ii), the
13 securities or interests are publicly traded securities
14 and its holdings of the securities were purchased for
15 investment purposes only and the institutional investor
16 files with the board a certified statement to the effect
17 that it has no intention of influencing or affecting,
18 directly or indirectly, the affairs of the licensee,
19 provided, however, that it shall be permitted to vote on
20 matters put to the vote of the outstanding security
21 holders.

22 (ii) Notice to the board and board approval shall be
23 required prior to completion of a proposed or
24 contemplated change of ownership of a terminal operator
25 licensee that meets the criteria of this section.

26 (iii) For the avoidance of doubt, the local gaming
27 terminals installed at an establishment licensee's
28 premises shall not be disabled at any time during the
29 course or as a result of a change or ownership of an
30 establishment licensee as described in this section.

1 (b) Qualification of purchaser of licensee; change of
2 control.--

3 (1) The purchaser of all or substantially all of the
4 assets of a licensee shall, if not already a licensee,
5 independently qualify for a license in accordance with this
6 part and shall pay the license fee as required by section
7 6101 (relating to fees).

8 (2) A change in control of a licensee shall require that
9 the licensee independently qualify for a license in
10 accordance with this part, and the licensee shall pay a new
11 license fee as required by section 6101, except as otherwise
12 required by the board under this section.

13 (3) The new license fee shall be paid upon the
14 assignment and actual change of control or ownership of the
15 license.

16 (4) The transferee shall be eligible for a conditional
17 license if the transferee meets the requirements in section
18 5519 (relating to conditional licenses), pending final
19 approval.

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

28 (d) License revocation.--The board shall revoke or suspend a
29 license if the licensee fails to comply with this section,
30 unless the purchase of the assets or the change in control that

1 meets the criteria of this section has been independently
2 qualified in advance by the board and any required license fee
3 has been paid.

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

15 § 5517. Local gaming terminal accounting controls and audits.

16 (a) Approval.--Except as otherwise provided by this part, an
17 applicant for a terminal operator license shall, in addition to
18 obtaining a terminal operator license, obtain approval from the
19 board in consultation with the department of its internal
20 control systems and audit protocols prior to the installation
21 and operation of local gaming terminals at licensed
22 establishments.

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

25 (1) Safeguard its assets and revenues, including, but
26 not limited to, the recording of cash and cash equivalents
27 and evidences of indebtedness related to the local gaming
28 terminals.

29 (2) Provide for reliable records, accounts and reports
30 of a financial event that occurs in the operation of a local

1 gaming terminal, including reports to the board related to
2 the local gaming terminals.

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

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

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

12 (6) Ensure that a financial event that occurs in the
13 operation of a local gaming terminal is recorded adequately
14 to permit proper and timely reporting of gross revenue and
15 the calculation thereof and of fees and taxes and to maintain
16 accountability for assets.

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

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

24 (9) Ensure that all functions, duties and
25 responsibilities are appropriately segregated and performed,
26 by competent, qualified personnel, in accordance with sound
27 financial practices.

28 (10) Meet any other requirement of the board or the
29 department.

30 (c) Internal control.--The applicant shall submit to the

1 board and department, in such manner as the board requires, a
2 description of its administrative and accounting procedures in
3 detail, including its written system of internal control. The
4 written system of internal control shall include:

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

8 (2) An organizational chart depicting appropriate
9 segregation of employee functions and responsibilities.

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

12 (4) A detailed narrative description of the
13 administrative and accounting procedures designed to satisfy
14 the requirements of this section.

15 (5) Record retention policy.

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

18 (7) A statement signed by the chief financial officer of
19 the applicant or other competent person and the chief
20 executive officer of the terminal operator license applicant
21 or other competent person attesting that the officer
22 believes, in good faith, that the system satisfies the
23 requirements of this section.

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

26 § 5518. Multiple licenses prohibited.

27 (a) Manufacturer restriction.--A manufacturer licensee may
28 not be licensed as an establishment or terminal operator and may
29 not own, manage or control an establishment licensee or terminal
30 operator licensee.

1 (b) Terminal operator restriction.--A terminal operator
2 licensee may not be licensed as an establishment or a
3 manufacturer and may not own, manage or control an establishment
4 licensee or a manufacturer or supplier licensee. A supplier
5 licensee may not be licensed as an establishment or terminal
6 operator and may not own, manage or control an establishment
7 licensee or terminal operator licensee.

8 (c) Establishment restriction.--An establishment licensee
9 may not be licensed as a manufacturer, supplier or a terminal
10 operator.

11 (d) Existing license.--Subject to subsections (a), (b) and
12 (c), nothing in this section shall be construed to prohibit a
13 person or entity that has been approved by the board for
14 licensure under Part II (relating to gaming) or III (relating to
15 video gaming) from applying for and receiving a license under
16 this part.

17 § 5519. Conditional licenses.

18 (a) Conditional establishment licenses.--

19 (1) Within 45 days after the effective date of this
20 paragraph, the board shall make applications for local gaming
21 establishment licenses available to applicants.

22 (2) Within 60 days after receipt of a complete
23 application for a local gaming establishment license, the
24 board shall issue a conditional license to an applicant for
25 an establishment license if the applicant satisfies, as
26 determined by the board, all of the following criteria:

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

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

30 (iii) The applicant has submitted a completed

1 application for an establishment license in accordance
2 with this part, which may be submitted concurrently with
3 the applicant's request for a conditional license.

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

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

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

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

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

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

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

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

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

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

1 this section or any other provision of this part.

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

6 (b) Conditional terminal operator licenses.--

7 (1) Within 45 days after the effective date of this
8 paragraph, the board shall make applications for terminal
9 operator licenses available to applicants.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 (c) Conditional manufacturer and supplier licenses.--

24 (1) Within 45 days after the effective date of this
25 paragraph, the board shall make applications available for
26 manufacturer and supplier licenses.

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

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

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

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

8 (iv) The applicant has never had its manufacturer,
9 supplier or similar gaming license denied or revoked in
10 another jurisdiction.

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

13 (3) (i) The board shall issue a conditional license to
14 an applicant for a manufacturer or supplier license
15 within 60 days after the completed application has been
16 received by the board, provided that the board determines
17 that the criteria contained in paragraph (2) have been
18 satisfied.

19 (ii) If the board determines that the criteria
20 contained in paragraph (2) have not been satisfied, the
21 board shall give a written explanation to the applicant
22 as to why it has determined the criteria have not been
23 satisfied.

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

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

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

29 (iii) one calendar year has passed since the
30 conditional license was issued.

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

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

7 (7) A request for a conditional license under this
8 subsection shall include payment of a \$1,000 fee, which fee
9 shall be in addition to the applicable fee required under
10 section 6101.

11 (d) Other conditional licenses.--

12 (1) Within 45 days after the effective date of this
13 paragraph, the board shall make applications available for
14 any other license required under this part.

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

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

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

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

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

27 (3) (i) The board shall issue a conditional license to
28 an applicant within 60 days after the completed
29 application has been received by the board, provided that
30 the board determines that the criteria contained in

1 paragraph (2) have been satisfied.

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

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

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

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

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

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

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

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

24 (e) Prioritization prohibited.--

25 (1) The board may not utilize the alternative licensing
26 standards for a terminal operator license or a manufacturer
27 license under section 5511 (relating to alternative local
28 gaming terminal operator licensing standards), 5512 (relating
29 to alternative local gaming manufacturer licensing standards)
30 or 5513 (relating to local gaming establishment licenses) to

1 prioritize the issuance of a terminal operator or
2 manufacturer license.

3 (2) The board shall ensure that applications made to the
4 board according to the alternative standards under sections
5 5511, 5512 and 5513 are not approved or denied in a time
6 period that is less than the time period in which an
7 application for a conditional license is approved or denied
8 under this section.

9 (f) Incomplete applications.--If the board receives an
10 application that is incomplete, the board shall, within seven
11 days of receiving the incomplete application, notify the
12 applicant of additional information required by the board.

13 CHAPTER 57

14 OPERATION

15 Sec.

16 5701. Testing and certification of terminals.

17 5702. Local gaming limitations.

18 5703. Maximum number of local gaming terminals.

19 5704. Terminal placement agreements.

20 5705. Duties of licensees.

21 5706. Compulsive and problem gambling.

22 § 5701. Testing and certification of terminals.

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

27 (b) Local gaming terminal specifications.--The board shall
28 test and certify whether a local gaming terminal meets the
29 following specifications:

30 (1) The local gaming terminal shall have the ability to

1 be linked to the central control computer.

2 (2) The local gaming terminal shall be marked with an
3 irremovable identification plate that is placed in a
4 conspicuous location on the exterior of the local gaming
5 terminal. The identification plate shall contain the name of
6 the manufacturer and the serial and model numbers of the
7 local gaming terminal.

8 (3) The local gaming terminal shall prominently display
9 the rules of play either on the local gaming terminal face or
10 screen.

11 (4) The local gaming terminal may not have the ability
12 to dispense cash, tokens or anything of value, except
13 redemption tickets which shall only be exchangeable for cash
14 at a redemption terminal or reinserted into another local
15 gaming terminal located in the same local gaming area as the
16 local gaming terminal.

17 (5) The cost of a credit shall only be 1¢, 5¢, 10¢ or
18 25¢.

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

21 (7) The maximum prize per individual game shall be \$1.00
22 less than the limits denoted in the IRS Federal W2G reporting
23 threshold.

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

28 (9) The local gaming terminal shall pay out a minimum of
29 85% of the amount wagered.

30 (10) Other specifications the board requires.

1 (c) Redemption terminal specifications.--The board shall
2 test and certify whether a redemption terminal meets the
3 following specifications:

4 (1) The redemption terminal shall be marked with an
5 irremovable identification plate that is placed in a
6 conspicuous location on the exterior of the redemption
7 terminal. The identification plate shall contain the name of
8 the manufacturer and the serial and model numbers of the
9 redemption terminal.

10 (2) The redemption terminal shall only accept redemption
11 tickets from local gaming terminals located in the same local
12 gaming area.

13 (3) The redemption terminal shall be designed and
14 manufactured with total accountability to record information
15 the board requires.

16 (4) Other specifications the board requires.

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

18 (1) The board may determine, in its discretion, whether
19 the local gaming terminal or redemption terminal testing and
20 certification standards of another jurisdiction within the
21 United States in which a manufacturer licensee is licensed
22 are comprehensive and thorough and provide similar adequate
23 safeguards as those required by this part.

24 (2) If the board makes the determination under paragraph
25 (1), the board may permit a licensee to deploy the local
26 gaming terminals or redemption terminals which have met the
27 local gaming terminal or redemption terminal testing and
28 certification standards in such other jurisdictions without
29 undergoing the full testing and certification process by the
30 board's testing facility.

1 (3) In the event local gaming terminals or redemption
2 terminals of a licensee are licensed in the other
3 jurisdiction, the board may determine to use an abbreviated
4 process requiring only that information determined by the
5 board to be necessary to consider the issuance of a local
6 gaming terminal or redemption terminal certification to the
7 applicant.

8 (e) Private testing.--The board may, in its discretion, rely
9 upon the certification of a local gaming terminal or redemption
10 terminal that has met the testing and certification standards of
11 one or more board-approved independent private testing and
12 certification facilities.

13 (f) Testing and certification fee.--

14 (1) A fee for the testing and certification of a local
15 gaming terminal or redemption terminal shall be paid by the
16 licensee submitting the terminal. The fee shall be an amount
17 established by the board according to a schedule adopted by
18 the board.

19 (2) Fees established by the board shall be exempt from
20 any fee limitation contained in section 6101 (relating to
21 fees).

22 (g) Central control computer compatibility.--The board shall
23 ensure that all local gaming terminals certified and approved
24 for use in this Commonwealth are compatible and comply with the
25 central control computer and protocol specifications approved by
26 the department.

27 § 5702. Local gaming limitations.

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

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

3 (1.1) An establishment licensee must employ at least one
4 gaming employee. An establishment licensee is not required to
5 have a gaming employee on premises during the conduct of
6 local gaming at the establishment.

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

14 (3) Local gaming terminals located on the premises of
15 the establishment licensee shall be placed and operated by a
16 terminal operator licensee in accordance with a terminal
17 placement agreement executed on or after the effective date
18 of this paragraph.

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

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

23 (6) The local gaming area shall at all times be
24 monitored by an employee of the establishment licensee,
25 either directly or through live monitoring of video
26 surveillance. The employee monitor must be at least 18 years
27 of age and have completed the mandatory training program
28 required in section 5706 (relating to compulsive and problem
29 gambling).

30 (7) An establishment licensee may not provide an

1 incentive.

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

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

6 (10) An establishment licensee may not extend credit or
7 accept a credit card or debit card for play of a local gaming
8 terminal.

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

13 (12) An establishment licensee may not move or
14 disconnect a local gaming terminal or redemption terminal
15 after installation by a terminal operator licensee.

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

20 (1) Redemption tickets shall only be exchanged for cash
21 through a redemption terminal located within the same local
22 gaming area or reinserted into another local gaming terminal
23 located in the same local gaming area as the local gaming
24 terminal.

25 (2) Local gaming terminals located on the premises of
26 the establishment licensee shall be placed and operated in
27 accordance with a terminal placement agreement.

28 (3) A terminal operator licensee may not provide an
29 incentive.

30 (4) A terminal operator licensee may not extend credit

1 or accept a credit card or debit card for play of a local
2 gaming terminal.

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

7 (6) A terminal operator licensee may only operate,
8 install or otherwise make available for public use a local
9 gaming terminal or redemption terminal that has been obtained
10 from a manufacturer licensee or supplier licensee. A terminal
11 operator licensee may operate an approved redemption terminal
12 of its own manufacturing. Terminal operator licensees may not
13 sell its own redemption terminal to any other licensee.

14 (7) A terminal operator licensee may not make structural
15 alterations or significant renovations to a local gaming area
16 unless the terminal operator licensee has notified the
17 establishment licensee and obtained prior approval from the
18 board.

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

22 § 5703. Maximum number of local gaming terminals.

23 The board may authorize a maximum of 30,000 local gaming
24 terminals for placement and play at licensed establishments.

25 § 5704. Terminal placement agreements.

26 (a) Placement approval.--A terminal operator licensee may
27 not place and operate local gaming terminals on the premises of
28 an establishment licensee unless in accordance with a terminal
29 placement agreement approved by the board and executed after the
30 effective date of this subsection. Approval shall be presented

1 upon connection of one or more local gaming terminals at the
2 establishment licensee to the central control computer.

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

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

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

10 (1) Renders the agreement invalid if either the terminal
11 operator license or terminal operator application or the
12 establishment license or establishment licensee application
13 is denied, revoked, not renewed, withdrawn or surrendered.

14 (2) Outlines the financial responsibilities of both
15 licensees based upon the requirements outlined in sections
16 6102 (relating to regulatory assessments) and 6103 (relating
17 to local gaming terminal tax) herein.

18 (3) Identifies the procurement agent who solicited the
19 terminal placement agreement on behalf of a terminal operator
20 licensee or applicant.

21 (e) Parties to agreement.--Only an eligible establishment or
22 establishment licensee may sign or agree to sign a terminal
23 placement agreement with an applicant holding conditional
24 approval for a terminal operator license or a terminal operator
25 licensee.

26 (f) Void agreements.--An agreement entered into by an
27 eligible establishment or terminal operator prior to the
28 effective date of this subsection with a person or entity for
29 the placement, operation, service or maintenance of local gaming
30 terminals, including an agreement granting a person or entity

1 the right to enter into an agreement or match any offer made
2 after the effective date of this subsection shall be void and
3 shall not be approved by the board.

4 (g) Transferability of agreements.--A terminal placement
5 agreement may not be transferred or assigned unless the
6 individual or entity making the assignment is either a terminal
7 operator applicant or terminal operator licensee and the
8 individual or entity receiving the assignment of the terminal
9 placement agreement is either a terminal operator applicant or
10 terminal operator licensee under this chapter.

11 § 5705. Duties of licensees.

12 A person issued a license shall:

13 (1) Provide assistance or information required by the
14 board, the bureau, the department or the Pennsylvania State
15 Police, and to cooperate in inquiries, investigations and
16 hearings.

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

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

20 (4) Inform the board of arrests for violations of
21 offenses enumerated under 18 Pa.C.S. (relating to crimes and
22 offenses).

23 (5) Report illegal or unlicensed games or devices to the
24 board.

25 § 5706. Compulsive and problem gambling.

26 (a) Required posting.--

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

29 If you or someone you know has a gambling problem,
30 help is available. Call (Toll-free telephone number)

1 or Text (Toll-free telephone number).

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

6 (b) Toll-free telephone number.--The toll-free telephone
7 number required to be posted under subsection (a) shall be the
8 same number maintained by the Department of Drug and Alcohol
9 Programs or successor agency under section 5310 (relating to
10 Department of Drug and Alcohol Programs or successor agency).

11 (c) Problem gambling information.--

12 (1) An establishment licensee shall have available on
13 its premises access to materials regarding compulsive and
14 problem gambling assistance.

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

19 (3) The available materials required by paragraph (1)
20 shall be displayed conspicuously at least within the local
21 gaming area.

22 (d) Mandatory training.--

23 (1) The board's Office of Compulsive and Problem
24 Gambling, in consultation with the Department of Drug and
25 Alcohol Programs or successor agency, shall develop a
26 mandatory training program for employees and management of an
27 establishment licensee. The training program shall address
28 responsible gaming and other compulsive and problem gambling
29 issues related to local gaming terminals.

30 (2) The board shall establish a fee to cover the cost of

1 the mandatory training program.

2 (e) Penalty.--An establishment licensee that fails to
3 fulfill the requirements of subsection (a), (b), (c) or (d)
4 shall be assessed by the board an administrative penalty in an
5 amount established by the board in its discretion and may have
6 its establishment license suspended depending on the severity
7 and length of noncompliance.

8 CHAPTER 59

9 ENFORCEMENT

10 Sec.

11 5901. Exclusion or ejection of certain persons.

12 5902. Repeat offenders.

13 5903. Self-exclusion.

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18 5908. Detention.

19 § 5901. Exclusion or ejection of certain persons.

20 (a) Regulatory list.--The board shall by regulation provide
21 for the establishment of a list of persons who are to be
22 excluded or ejected from the local gaming area of an
23 establishment licensee. The provisions shall define the
24 standards for exclusion and shall include standards relating to
25 persons who are career or professional offenders as defined by
26 regulations of the board or whose presence in a local gaming
27 area would, in the opinion of the board, be inimical to the
28 interest of the Commonwealth or of licensed local gaming in this
29 Commonwealth, or both.

30 (b) Categories to be defined.--The board shall promulgate

definitions establishing categories of persons who shall be excluded or ejected in accordance with this section, including cheats and persons whose privileges for licensure, certification, permit or registration have been revoked.

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

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

(e) Sanctions.--The board may impose sanctions upon an establishment licensee in accordance with this part if the establishment licensee knowingly fails to implement the policies and procedures established by the board under subsection (d).

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

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

1 under subsection (h).

2 (h) Hearing.--

3 (1) Within 30 days after receipt of notice in accordance
4 with subsection (g), the person named for exclusion or
5 ejection may demand a hearing before the board, at which
6 hearing the bureau must demonstrate that the person named for
7 exclusion or ejection satisfies the criteria for exclusion or
8 ejection established by this section and the board's
9 regulations.

10 (2) Failure of the person to demand a hearing within 30
11 days after service shall be deemed an admission of all
12 matters and facts alleged in the bureau's notice and shall
13 preclude the person from having an administrative hearing,
14 but shall in no way affect the right to judicial review as
15 provided in this section.

16 (i) Review.--

17 (1) If, upon completion of a hearing on the notice of
18 exclusion or ejection, the board determines that placement of
19 the name of the person on the exclusion or ejection list is
20 appropriate, the board shall make and enter an order to that
21 effect.

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

24 § 5902. Repeat offenders.

25 (a) Discretion to exclude or eject.--An establishment
26 licensee may exclude or eject from the establishment licensee's
27 local gaming area or premises a person who is known to the
28 establishment licensee to have been convicted of a misdemeanor
29 or felony committed in or on the premises of a licensed
30 establishment.

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

6 (1) disrupts the operations of its premises;

7 (2) threatens the security of its premises or its
8 occupants; or

9 (3) is disorderly or intoxicated.

10 § 5903. Self-exclusion.

11 (a) Establishment of list.--

12 (1) The board shall provide by regulation for the
13 establishment of a list of persons self-excluded from local
14 gaming activities within specific establishment licensees or
15 establishment licensees in geographic areas of this
16 Commonwealth.

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

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

21 (ii) agreeing that, during any period of voluntary
22 exclusion, the person may not collect any winnings or
23 recover any losses resulting from any local gaming
24 activity within establishment licensees and that person
25 may be subject to arrest for trespass; and

26 (iii) agreeing to another condition established by
27 the board.

28 (b) Regulations.--The regulations of the board shall
29 establish:

30 (1) Procedures for placement on and removal from the

1 list of a self-excluded person.

2 (2) Procedures for the transmittal to establishment
3 licensees of identifying information concerning a self-
4 excluded person and shall require establishment licensees to
5 establish reasonable procedures designed at a minimum to
6 prevent entry of a self-excluded person into the local gaming
7 area of an establishment licensee, provided that the board
8 shall not require local gaming terminals to be equipped with
9 identification card-reading devices or require establishment
10 licensees to purchase identification card-reading devices.

11 (3) Procedures for the transmittal to terminal operator
12 licensees of identifying information concerning a self-
13 excluded person and shall require terminal operator licensees
14 to establish procedures to remove self-excluded persons from
15 customer loyalty or reward card programs and targeted
16 mailings or other forms of advertising or promotions,
17 provided that the board shall not require local gaming
18 terminals to be equipped with identification card-reading
19 devices or require terminal operator licensees to purchase
20 identification card-reading devices.

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

25 (1) the failure of the establishment licensee to
26 withhold local gaming privileges from or restore local gaming
27 privileges to the self-excluded person; or

28 (2) otherwise permitting or not permitting the self-
29 excluded person to engage in local gaming activity within the
30 establishment licensee's premises while on the list of self-

1 excluded persons.

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

5 § 5904. Investigations and enforcement.

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

8 (1) Enforce the provisions of this part.

9 (2) Investigate and review applicants and applications
10 for a license or registration. The bureau shall be prohibited
11 from disclosing any portion of a background investigation
12 report to a member of the board prior to the submission of
13 the bureau's final background investigation report relating
14 to the applicant's suitability for licensure to the board.
15 The Office of Enforcement Counsel, on behalf of the bureau,
16 shall prepare the final background investigation report for
17 inclusion in a final report relating to the applicant's
18 suitability for licensure.

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

23 (4) Monitor local gaming operations to ensure compliance
24 with this part.

25 (5) Inspect and examine licensed entities. Inspections
26 may include the review and reproduction of documents or
27 records.

28 (6) Conduct reviews of a licensed entity as necessary to
29 ensure compliance with this part. A review may include the
30 review of accounting, administrative and financial records,

1 management control systems, procedures and other records
2 utilized by a licensed entity.

3 (7) Refer possible criminal violations of this title or
4 18 Pa.C.S. (relating to crimes and offenses) to the
5 Pennsylvania State Police. The bureau shall not have the
6 power of arrest.

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

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

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

15 (1) Advise the bureau on all matters, including the
16 granting of licenses or registrations, the conduct of
17 background investigations, audits and inspections and the
18 investigation of potential violations of this part and the
19 referral of criminal violations of 18 Pa.C.S. or this title
20 to the Pennsylvania State Police.

21 (2) File on behalf of the bureau recommendations and
22 objections relating to the issuance of licenses and
23 registrations.

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

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

28 (1) The department shall at all times have the power of
29 access to examine and audit equipment and records relating to
30 all aspects of the operation of local gaming terminals and

1 redemption terminals under this part.

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

8 (d) Powers and duties of Pennsylvania State Police.--The
9 board may not require the Pennsylvania State Police to have an
10 office located within a licensed facility. The Pennsylvania
11 State Police shall have the following powers and duties:

12 (1) Promptly conduct background investigations on
13 persons as directed by the board under this part. The
14 Pennsylvania State Police may contract with other law
15 enforcement annuitants to assist in the conduct of
16 investigations under this paragraph.

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

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

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

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

27 (6) Fingerprint applicants.

28 (7) Exchange fingerprint data with and receive national
29 criminal history record information from the Federal Bureau
30 of Investigation for use in background investigations

1 performed by the bureau under this part.

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

5 (9) Conduct administrative inspections on the premises
6 of an establishment licensee at such times, under such
7 circumstances and to such extent as the bureau determines to
8 ensure compliance with this part and the regulations of the
9 board and, in the course of inspections, review and make
10 copies of all documents and records required by the
11 inspection through onsite observation and other reasonable
12 means to ensure compliance with this part and regulations
13 promulgated under this part.

14 (10) Conduct audits or verification of information of
15 local gaming terminal operations at such times, under such
16 circumstances and to such extent as the bureau determines.
17 This paragraph includes the review of accounting,
18 administrative and financial records and management control
19 systems, procedures and records utilized by a terminal
20 operator licensee.

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

26 (12) Report to the General Assembly. By March 1 of each
27 year, the Commissioner of Pennsylvania State Police shall
28 submit a report to the Appropriations Committee of the
29 Senate, the Appropriations Committee of the House of
30 Representatives, the Community, Economic and Recreational

Development Committee of the Senate and the Gaming Oversight Committee of the House of Representatives. The report shall summarize all law enforcement activities at each establishment licensee during the previous calendar year and shall include all of the following:

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

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

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

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

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

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

(f) Criminal action.--

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

(2) In addition to the authority conferred upon the Attorney General under the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act, the

1 Attorney General shall have the authority to investigate and,
2 following consultation with the appropriate district
3 attorney, institute criminal proceedings for a violation of
4 this part.

5 (3) A person charged with a violation of this part by
6 the Attorney General shall not have standing to challenge the
7 authority of the Attorney General to investigate or prosecute
8 the case, and, if any such challenge is made, the challenge
9 shall be dismissed and no relief shall be available in the
10 courts of this Commonwealth to the person making the
11 challenge.

12 (g) Regulatory action.--Nothing contained in subsection (e)
13 shall be construed to limit the existing regulatory or
14 investigative authority of an agency or the Commonwealth whose
15 functions relate to persons or matters within the scope of this
16 part.

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

18 (1) The board, the bureau, the department and the
19 Pennsylvania State Police shall have the authority without
20 notice and without warrant to do all of the following in the
21 performance of their duties under this part:

22 (i) Inspect and examine all premises where local
23 gaming operations are conducted, where local gaming
24 terminals, redemption terminals and associated equipment
25 are manufactured, sold, distributed or serviced or where
26 records of these activities are prepared or maintained.

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

29 (iii) Seize, summarily remove and impound equipment
30 and supplies from premises referred to in subparagraph

1 (i) for the purposes of examination and inspection.

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

5 (v) Seize, impound or assume physical control of any
6 book, record, ledger or device related to local gaming
7 operations or the local gaming terminals or redemption
8 terminals.

9 (2) The provisions of paragraph (1) shall not be
10 construed to limit warrantless inspections except in
11 accordance with constitutional requirements.

12 (3) To further effectuate the purposes of this part, the
13 bureau and the Pennsylvania State Police may obtain
14 administrative warrants for the inspection and seizure of
15 property possessed, controlled, bailed or otherwise held by
16 an applicant, licensee, intermediary, subsidiary, affiliate
17 or holding company.

18 (i) Information sharing and enforcement referral.--With
19 respect to the administration, supervision and enforcement of
20 this part, the bureau, the department, the Pennsylvania State
21 Police or the Office of Attorney General may obtain or provide
22 pertinent information regarding applicants or licensees from or
23 to law enforcement entities or gaming authorities of the
24 Commonwealth and other domestic, foreign or federally approved
25 jurisdictions, including the Federal Bureau of Investigation,
26 and may transmit the information to each other electronically.
27 § 5905. Prohibited acts and penalties.

28 (a) Criminal offenses.--

29 (1) The provisions of 18 Pa.C.S. § 4902 (relating to
30 perjury), 4903 (relating to false swearing) or 4904 (relating

1 to unsworn falsification to authorities) shall apply to a
2 person providing information or making a statement, whether
3 written or oral, to the board, the bureau, the department,
4 the Pennsylvania State Police or the Office of Attorney
5 General, as required by this part.

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

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

10 (ii) attempt in any manner to evade or defeat a
11 license fee, authorization fee, tax or assessment imposed
12 under this part.

13 (3) It shall be unlawful for a licensed entity, key
14 employee or any other person to permit a local gaming
15 terminal to be operated, transported, repaired or opened on
16 the premises of an establishment licensee by a person other
17 than a person licensed or permitted by the board under this
18 part.

19 (4) In accordance with 18 Pa.C.S. § 5513 (relating to
20 gambling devices, gambling, etc.), it shall be unlawful for a
21 licensed entity or other person to manufacture, supply or
22 place any illegal gambling device or any local gaming
23 terminal, redemption terminal or associated equipment into
24 play or display local gaming terminal, redemption terminal or
25 associated equipment on the premises of an establishment
26 without the authority of the board.

27 (5) It shall be unlawful for a licensed entity or other
28 person to manufacture, supply, operate, carry on or expose
29 for play an illegal gambling device or local gaming terminal
30 or associated equipment after the person's license has

1 expired or failed to be renewed in accordance with this part.

2 (6) It shall be unlawful for an individual while on the
3 premises of an establishment licensee to knowingly use
4 currency other than lawful coin or legal tender of the United
5 States or a coin not of the same denomination as the coin
6 intended to be used in the local gaming terminal or use a
7 counterfeit or altered redemption ticket with the intent to
8 cheat or defraud a terminal operator licensee or the
9 Commonwealth or damage the local gaming terminal or
10 redemption terminal.

11 (7) (i) Except as provided in subparagraph (ii), it
12 shall be unlawful for an individual to use or possess a
13 cheating or thieving device, counterfeit or altered
14 billet, ticket, token or similar object accepted by a
15 local gaming terminal or counterfeit or altered
16 redemption ticket on the premises of an establishment
17 licensee.

18 (ii) An authorized employee of a licensee or an
19 employee of the board may possess and use a cheating or
20 thieving device, counterfeit or altered billet, ticket,
21 token or similar object accepted by a local gaming
22 terminal or counterfeit or altered redemption ticket in
23 performance of the duties of employment.

24 (8) (i) Except as provided in subparagraph (ii), it
25 shall be unlawful for an individual to knowingly possess
26 or use while on the premises of an establishment licensee
27 a key or device designed for the purpose of and suitable
28 for opening or entering a local gaming terminal or
29 redemption terminal that is located on the premises of
30 the establishment licensee.

1 (ii) An authorized employee of a licensee or a
2 member of the board may possess and use a device referred
3 to in subparagraph (i) in the performance of the duties
4 of employment.

5 (9) It shall be unlawful for a person or licensed entity
6 to possess a device, equipment or material which the person
7 or licensed entity knows has been manufactured, distributed,
8 sold, tampered with or serviced in violation of this part
9 with the intent to use the device, equipment or material as
10 though it had been manufactured, distributed, sold, tampered
11 with or serviced under this part.

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

17 (11) It shall be unlawful for an individual to work or
18 be employed in a position the duties of which would require
19 licensing under this part without first obtaining the
20 requisite license issued under this part.

21 (12) It shall be unlawful for a licensed entity to
22 employ or continue to employ an individual in a position the
23 duties of which require a license under this part if the
24 individual:

25 (i) Is not licensed under this part.

26 (ii) Is prohibited from accepting employment from a
27 licensee.

28 (13) It shall be unlawful for a minor to enter and
29 remain in a local gaming area, except that an individual at
30 least 18 years of age employed by a terminal operator

1 licensee, a gaming service provider, an establishment
2 licensee, the board or another regulatory or emergency
3 response agency may enter and remain in the area while
4 engaged in the performance of the individual's employment
5 duties.

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

9 (15) It shall be unlawful for a terminal operator
10 licensee to require a local gaming terminal wager to be
11 greater than the stated minimum wager or greater than the
12 stated maximum wager.

13 (16) An individual who engages in conduct prohibited by
14 18 Pa.C.S. § 6308 (relating to purchase, consumption,
15 possession or transportation of liquor or malt or brewed
16 beverages) on the premises of an establishment licensee
17 commits a nongambling offense.

18 (17) It shall be unlawful for an individual to claim,
19 collect or take, or attempt to claim, collect or take, money
20 or anything of value in or from a local gaming terminal or
21 redemption terminal with the intent to defraud, or to claim,
22 collect or take an amount greater than the amount won, or to
23 manipulate with the intent to cheat, a component of a local
24 gaming terminal or redemption terminal in a manner contrary
25 to the designed and normal operational purpose.

26 (b) Criminal penalties and fines.--

27 (1) (i) A person that commits a first offense in
28 violation of 18 Pa.C.S. § 4902, 4903 or 4904 in
29 connection with providing information or making a
30 statement, whether written or oral, to the board, the

1 bureau, the department, the Pennsylvania State Police,
2 the Office of Attorney General or a district attorney as
3 required by this part commits an offense to be graded in
4 accordance with the applicable section violated. A person
5 that is convicted of a second or subsequent violation of
6 18 Pa.C.S. § 4902, 4903 or 4904 in connection with
7 providing information or making any statement, whether
8 written or oral, to the board, the bureau, the
9 department, the Pennsylvania State Police, the Office of
10 Attorney General or a district attorney as required by
11 this part commits a felony of the second degree.

12 (ii) A person that violates subsection (a)(2), (3),
13 (4), (5), (6), (7), (8), (9), (10), (11), (12) or (17)
14 commits a misdemeanor of the first degree. A person that
15 is convicted of a second or subsequent violation of
16 subsection (a)(2), (3), (4), (5), (6), (7), (8), (9),
17 (10), (11), (12) or (17) commits a felony of the second
18 degree.

19 (2) (i) For a first violation of subsection (a)(1),
20 (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12)
21 or (17), a person shall be sentenced to pay a fine of:

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

25 (B) not less than \$300,000 nor more than
26 \$600,000 if the person is a terminal operator
27 licensee; or

28 (C) not less than \$150,000 nor more than
29 \$300,000 if the person is a licensed manufacturer or
30 supplier.

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

5 (A) not less than \$150,000 nor more than
6 \$300,000 if the person is an individual or
7 establishment licensee;

8 (B) not less than \$600,000 nor more than
9 \$1,200,000 if the person is a terminal operator
10 licensee; or

11 (C) not less than \$300,000 nor more than
12 \$600,000 if the person is a licensed manufacturer or
13 supplier.

14 (3) An individual who commits an offense in violation of
15 subsection (a) (13) or (14) commits a nongambling summary
16 offense and upon conviction of a first offense shall be
17 sentenced to pay a fine of not less than \$200 nor more than
18 \$1,000. An individual who is convicted of a second or
19 subsequent offense under subsection (a) (13) or (14) shall be
20 sentenced to pay a fine of not less than \$500 nor more than
21 \$1,500. In addition to the fine imposed, an individual
22 convicted of an offense under subsection (a) (13) or (14) may
23 be sentenced to perform a period of community service not to
24 exceed 40 hours.

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

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

2 (1) In addition to any other penalty authorized by law,
3 the board may impose without limitation the following
4 sanctions:

5 (i) Revoke the license of a person convicted of a
6 criminal offense under this part or regulations
7 promulgated under this part or committing any other
8 offense or violation of this part or applicable law that
9 would otherwise disqualify the person from holding the
10 license.

11 (ii) Revoke the license of a person determined to
12 have violated a provision of this part or regulations
13 promulgated under this part that would otherwise
14 disqualify the person from holding the license.

15 (iii) Revoke the license of a person for willfully
16 and knowingly violating or attempting to violate an order
17 of the board directed to the person.

18 (iv) Subject to subsection (g), assess
19 administrative penalties as necessary to punish
20 violations of this part.

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

23 (vi) Enter cease and desist orders which specify the
24 conduct to be discontinued, altered or implemented by a
25 licensee.

26 (vii) Issue letters of reprimand or censure, which
27 letters shall be made a permanent part of the file of the
28 licensee so sanctioned.

29 (2) (i) If the board refuses to issue or renew a
30 license, suspends or revokes a license, assesses civil

1 penalties, orders restitution, enters a cease and desist
2 order or issues a letter of reprimand or censure, the
3 board shall provide the applicant or licensee with
4 written notification of its decision, including a
5 statement of the reasons for its decision, by certified
6 mail within five business days of the decision of the
7 board.

8 (ii) The applicant or licensee shall have the right
9 to appeal the decision in accordance with 2 Pa.C.S. Chs.
10 5 Subch. A (relating to practice and procedure of
11 Commonwealth agencies) and 7 Subch. A (relating to
12 judicial review of Commonwealth agency action).

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

17 (e) Continuing offenses.--A violation of this part that is
18 determined to be an offense of a continuing nature shall be
19 deemed to be a separate offense on each event or day during
20 which the violation occurs.

21 (f) Property subject to seizure, confiscation, destruction
22 or forfeiture.--Any equipment, device or apparatus, money,
23 material, gaming proceeds or substituted proceeds or real or
24 personal property used, obtained or received or an attempt to
25 use, obtain or receive the device, apparatus, money, material,
26 proceeds or real or personal property in violation of this part
27 shall be subject to seizure, confiscation, destruction or
28 forfeiture.

29 (g) Penalty limitation.--

30 (1) Administrative penalties assessed by the board on an

1 establishment licensee shall not exceed \$5,000 for each
2 noncriminal violation of this part.

3 (2) When imposing an administrative penalty on an
4 establishment licensee for a noncriminal violation of this
5 part, the board shall take into consideration the
6 establishment licensee's annual taxable income and whether
7 the penalty amount would cause the establishment licensee to
8 cease nonlocal gaming operations.

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

12 § 5906. Report of suspicious transactions.

13 (a) Duty.--An establishment licensee or terminal operator
14 licensee or a person acting on behalf of an establishment
15 licensee or terminal operator licensee shall, on a form and in a
16 manner as required by the bureau, notify the bureau of a
17 suspicious transaction.

18 (b) Failure to report.--

19 (1) A person that is required to file a report of a
20 suspicious transaction under this section and knowingly fails
21 to file the report or that knowingly causes another person
22 having that responsibility to fail to file the report commits
23 a misdemeanor of the third degree.

24 (2) A person required to file a report of a suspicious
25 transaction under this section and fails to file the report
26 or a person that causes another person required under this
27 section to file the report to fail to file the report shall
28 be strictly liable for the person's actions and may be
29 subject to sanction under section 5905(c) (relating to
30 prohibited acts and penalties).

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

6 (d) Notice prohibited.--

7 (1) A person that is required to file a report of a
8 suspicious transaction under this section may not notify an
9 individual suspected of committing the suspicious transaction
10 that the transaction has been reported.

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

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

19 (f) Sanctions.--

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

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

25 (ii) The seriousness of the conduct of the person
26 and whether the conduct was purposeful and with knowledge
27 that it was in contravention of this part or regulations
28 promulgated under this part.

29 (iii) Justification or excuse for the conduct by the
30 person.

1 (iv) The prior history of the particular licensee or
2 person involved with respect to local gaming terminal
3 activity.

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

7 (vi) In the case of a monetary penalty, the amount
8 of the penalty in relation to the severity of the
9 misconduct and the financial means of the licensee or
10 person. The board may impose any schedule or terms of
11 payment of such penalty as it may deem appropriate.

12 (2) It shall be no defense to disciplinary action before
13 the board that a person inadvertently, unintentionally or
14 unknowingly violated this section. The factors enumerated
15 under paragraph (1) shall only apply to the degree of the
16 penalty to be imposed by the board and not to a finding of a
17 violation itself.

18 (g) Regulations.--The board shall promulgate regulations to
19 effectuate the purposes of this section.

20 § 5907. Additional authority.

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

22 (1) The director of the Office of Enforcement Counsel
23 within the bureau may petition a court of record having
24 jurisdiction over information in the possession of an agency
25 in this Commonwealth or, if there is no such court, the
26 Commonwealth Court for authorization to review or obtain
27 information in the possession of an agency in this
28 Commonwealth by averring specific facts demonstrating that:

29 (i) The agency has in its possession information
30 material to a pending investigation or inquiry being

1 conducted by the bureau pursuant to this part.

2 (ii) Disclosure or release of the information is in
3 the best interest of the Commonwealth.

4 (2) The petition shall request that the court enter a
5 rule upon the agency to show cause why the agency should not
6 be directed to disclose to the bureau, or identified agents
7 of the bureau, information in the agency's possession about
8 any pending matter under the jurisdiction of the bureau under
9 this part.

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

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

17 (b) Procedure.--

18 (1) The filing of a petition under this section and
19 related proceedings shall be in accordance with court rule,
20 including issuance as of course.

21 (2) A party to the proceeding may not disclose the
22 filing of a petition or answer or the receipt, content or
23 disposition of a rule or order issued under this section,
24 without leave of court.

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

29 (c) Court determination.--

30 (1) Following review of the record, the court shall

1 grant the relief sought by the director of the Office of
2 Enforcement Counsel if the court determines that:

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

5 (ii) Disclosure or release of the information is in
6 the best interest of the Commonwealth.

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

9 (iv) The disclosure or release of the information
10 would not inhibit an agency in the performance of the
11 agency's duties.

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

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

16 (1) If, after an in-camera review by the court, the
17 director of the Office of Enforcement Counsel seeks to obtain
18 copies of materials in the agency's possession, the court
19 may, if not otherwise prohibited by statute or regulation,
20 enter an order that the requested materials be provided.

21 (2) An order authorizing the release of materials or
22 other information shall contain direction regarding the
23 safekeeping and use of the materials or other information
24 sufficient to satisfy the court that the materials or
25 information will be sufficiently safeguarded.

26 (3) In making the determination under paragraph (2) the
27 court shall consider input of the agency in possession of the
28 information and input from any agency with which the
29 information originated concerning a pending investigation or
30 ongoing matter and the safety of person and property.

1 (e) Modification of order.--

2 (1) If subsequent investigation or inquiry by the bureau
3 warrants modification of an order entered under this section,
4 the director of the Office of Enforcement Counsel may
5 petition to request modification of the order.

6 (2) Upon the request, the court may modify the order at
7 any time and in any manner it deems necessary and
8 appropriate.

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

11 (f) Use of information or materials.--An individual who, by
12 any means authorized by this section, has obtained knowledge of
13 information or materials solely under this section may use the
14 information or materials in a manner consistent with any
15 direction imposed by the court and appropriate to the proper
16 performance of the individual's duties under this part.

17 (g) Violation.--In addition to the remedies and penalties
18 provided in this part, a violation of the provisions of this
19 section may be punished as contempt of court.

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

24 § 5908. Detention.

25 (a) General rule.--A peace officer who has probable cause to
26 believe that criminal violation of this part has occurred or is
27 occurring on or about an establishment licensee's premises and
28 who has probable cause to believe that a specific individual has
29 committed or is committing the criminal violation may detain the
30 individual in a reasonable manner for a reasonable time on the

premises of the establishment licensee to require the suspect to identify himself, to verify the identification or to inform a peace officer.

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

CHAPTER 61

REVENUES

Sec.

6101. Fees.

6102. Regulatory assessments.

6103. Local gaming terminal tax.

6104. Local Gaming Fund.

§ 6101. Fees.

(a) Application fees.--Subject to section 5511 (relating to alternative local gaming terminal operator licensing standards), the following nonrefundable application fees shall accompany an application for the following licenses or permits applied for under Chapter 55 (relating to application and licensure):

(1) For a manufacturer or supplier license, \$50,000.

(2) For a terminal operator license, \$25,000.

(3) For an establishment license, \$1,000.

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

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

(b) Initial license and renewal fees.--The following nonrefundable fees shall be required upon issuance of an initial license and shall accompany an application for renewal for the

following licenses or permits under Chapter 55:

(1) For a manufacturer or supplier license, \$10,000.

(2) For a terminal operator license, \$5,000.

(3) For an establishment license, an amount equal to \$250 per each local gaming terminal in operation at the premises of the establishment licensee.

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

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

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

(d) Deposit of fees.--Fees collected under this section shall be deposited into the fund.

§ 6102. Regulatory assessments.

(a) Accounts established.--The State Treasurer shall establish within the State Treasury an account for each terminal operator for the deposit of a regulatory assessment required under subsection (b) to recover costs or expenses incurred by the board, the department, the Pennsylvania State Police and the Office of Attorney General in carrying out their powers and duties under this part based upon a budget submitted by the department under subsection (c). Establishment licensee and terminal operator licensee shall equally split the regulatory

1 assessment. Terminal operator licensee will be solely
2 responsible for collection of the equal split amount due from
3 the establishment licensee.

4 (b) Bimonthly deposits.--

5 (1) The department shall determine the appropriate
6 assessment amount for each terminal operator licensee, which
7 shall be a percentage assessed on the terminal operator
8 licensee's bimonthly gross terminal revenue.

9 (2) The percentage assessed shall not exceed an amount
10 equal to the costs or expenses incurred by the board, the
11 department, the Pennsylvania State Police or the Office of
12 Attorney General in carrying out their powers and duties
13 under this part based upon a budget submitted by the
14 department under subsection (c).

15 (c) Itemized budget reporting.--

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

23 (2) As soon as practicable after submitting copies of
24 the itemized budget, the department shall submit to the
25 chairperson and minority chairperson of the Appropriations
26 Committee of the Senate and the chairperson and minority
27 chairperson of the Appropriations Committee of the House of
28 Representatives analyses of and recommendations regarding the
29 itemized budget.

30 (3) The itemized budget required under paragraph (1)

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

4 (d) Appropriation.--

5 (1) Costs and expenses may be paid from the accounts
6 established under subsection (a) only upon appropriation by
7 the General Assembly.

8 (2) If the total costs or expenses incurred by the
9 board, the department, the Pennsylvania State Police or the
10 Office of Attorney General exceed the amounts available in
11 the accounts established under subsection (a), the General
12 Assembly may appropriate additional amounts to the board, the
13 department, the Pennsylvania State Police or the Office of
14 Attorney General from the fund.

15 § 6103. Local gaming terminal tax.

16 The department shall determine, and each terminal operator
17 licensee shall pay on a bimonthly basis, a tax of 49% of its
18 gross terminal revenue from all local gaming terminals operated
19 by the terminal operator licensee within this Commonwealth.
20 Terminal operator licensee shall receive 33% of the licensee's
21 gross terminal revenue less the regulatory assessment as
22 outlined in section 6102 (relating to regulatory assessments).

23 § 6104. Local Gaming Fund.

24 (a) Establishment.--The Local Gaming Fund is established in
25 the State Treasury. The money in the fund is appropriated on a
26 continuing basis as provided in this section.

27 (b) Deposits.--The following shall be deposited into the
28 fund:

29 (1) Licensing fees collected under section 6101
30 (relating to fees).

1 (2) Regulatory and enforcement assessments collected
2 under section 6102 (relating to regulatory assessments).

3 (3) The local gaming terminal tax collected under
4 section 6103 (relating to local gaming terminal tax).

5 (c) Use and distribution.--Beginning in the first fiscal
6 year after enactment of this section, and each fiscal year
7 thereafter, the money in the fund shall be used and distributed
8 as follows:

9 (1) Two and a half percent to the local municipalities
10 and local counties hosting local gaming terminals.

11 (2) One and a half percent to the restricted receipts
12 account established in the Commonwealth Financing Authority
13 under section 4103(a) (relating to distribution of local
14 share) to be used exclusively for grants for projects in the
15 public interest of the Commonwealth.

16 (3) One percent to the Race Horse Development Trust
17 Fund.

18 (4) Any remaining funds shall be deposited into the
19 General Fund.

20 CHAPTER 63

21 ETHICS

22 Sec.

23 6301. Board code of conduct.

24 6302. Additional board restrictions.

25 6303. Financial and employment interests.

26 6304. Additional restrictions.

27 § 6301. Board code of conduct.

28 (a) Update required.--The board shall update the
29 comprehensive code of conduct established under section 1202.1
30 (relating to code of conduct) prior to the consideration of a

1 license, permit or other authorization under this part in order
2 to avoid a perceived or actual conflict of interest and to
3 promote public confidence in the integrity and impartiality of
4 the board as related to local gaming. At a minimum, the updated
5 code of conduct adopted under this section shall include
6 registration of licensed entity representatives under subsection
7 (b) and the restrictions under subsection (c) as they relate to
8 local gaming.

9 (b) Registration.--

10 (1) A licensed entity representative shall register with
11 the board in a manner prescribed by the board. The
12 registration shall include the name, employer or firm,
13 business address and business telephone number of both the
14 licensed entity representative and any licensed entity,
15 applicant for licensure or other person being represented.

16 (2) A licensed entity representative shall update the
17 registration information on an ongoing basis and failure to
18 do so shall be punishable by the board.

19 (3) The board shall maintain a registration list that
20 contains the information required under paragraph (1). The
21 list shall be available on the board's publicly accessible
22 Internet website.

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

25 (1) Not accept a discount, gift, gratuity, compensation,
26 travel, lodging or other thing of value, directly or
27 indirectly, from an applicant, licensed entity, affiliate,
28 subsidiary or intermediary of an applicant or a licensed
29 entity, registrant or licensed entity representative.

30 (2) Disclose and recuse himself from a hearing or other

1 proceeding in which the member's objectivity, impartiality,
2 integrity or independence of judgment may be reasonably
3 questioned due to the member's relationship or association
4 with a party connected to a hearing or proceeding or a person
5 appearing before the board.

6 (3) Refrain from financial or business dealings that
7 would tend to reflect adversely on the member's objectivity,
8 impartiality or independence of judgment.

9 (4) (i) Not solicit funds for a charitable,
10 educational, religious, health, fraternal, civic or other
11 nonprofit entity from an applicant, licensed entity,
12 party, registrant or licensed entity representative or
13 from an affiliate, subsidiary, intermediary or holding
14 company of an applicant, licensed entity, party or
15 licensed entity representative.

16 (ii) Subject to the provisions of section 1201(h)
17 (4.1) (relating to Pennsylvania Gaming Control Board
18 established), a member may serve as an officer, employee
19 or member of the governing body of a nonprofit entity and
20 may attend, make personal contributions to and plan or
21 preside over the entity's fundraising events.

22 (iii) A member may permit the member's name to
23 appear on the letterhead used for fundraising events if
24 the letterhead contains only the member's name and
25 position with the nonprofit entity.

26 (5) (i) Not meet or engage in discussions with an
27 applicant, licensed entity, registrant, licensed entity
28 representative, person who provides goods, property or
29 services to a terminal operator licensee or another
30 person or entity under the jurisdiction of the board

1 unless the meeting or discussion occurs on the business
2 premises of the board and is recorded in a log.

3 (ii) The log shall be posted on the board's publicly
4 accessible Internet website.

5 (iii) The log shall include the date and time of the
6 meeting or discussion, the names of the participants and
7 the subject discussed.

8 (iv) This paragraph shall not apply to a meeting
9 that considers matters requiring the physical inspection
10 of the equipment or premises of an applicant or a
11 licensed entity, if the meeting is entered in the log.

12 (6) Avoid impropriety and the appearance of impropriety
13 at all times and observe standards and conduct that promote
14 public confidence in the oversight of local gaming.

15 (7) Comply with other laws, rules or regulations
16 relating to the conduct of a member.

17 § 6302. Additional board restrictions.

18 (a) Board restrictions.--The following shall apply to a
19 board member or employee of the board whose duties substantially
20 involve licensing, enforcement, development of law, promulgation
21 of regulations or development of policy relating to gaming under
22 this part or who has other discretionary authority which may
23 affect or influence the outcome of an action, proceeding or
24 decision under this part:

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

30 (2) The individual may not, for a period of two years

1 following termination of employment, appear before the board
2 in a hearing or proceeding or participate in activity on
3 behalf of an applicant, licensee or licensed entity or on
4 behalf of an affiliate, intermediary, subsidiary or holding
5 company of an applicant, licensee or licensed entity.

6 (3) (i) An applicant or a licensed entity or an
7 affiliate, intermediary, subsidiary or holding company of
8 an applicant or a licensed entity may not, until the
9 expiration of two years following termination of
10 employment, employ or retain the individual.

11 (ii) Violation of this paragraph shall result in
12 termination of the individual's employment and subject
13 the violator to section 5905(c) (relating to prohibited
14 acts and penalties).

15 (4) (i) A prospective employee who, upon employment,
16 would be subject to this subsection must, as a condition
17 of employment, sign an affidavit that the prospective
18 employee will not violate paragraph (1) or (2).

19 (ii) If the prospective employee fails to sign the
20 affidavit, the board shall rescind an offer of employment
21 and may not employ the individual.

22 (b) Contractor restrictions.--The following shall apply to
23 an independent contractor of the board and to an employee of an
24 independent contractor whose duties substantially involve
25 consultation relating to licensing, enforcement, development of
26 law, promulgation of regulations or development of policy
27 relating to local gaming under this part:

28 (1) The person may not, for a period of one year
29 following termination of the contract with the board, be
30 retained by an applicant or a licensed entity or by an

1 affiliate, intermediary, subsidiary or holding company of an
2 applicant or a licensed entity.

3 (2) The person may not, for a period of two years
4 following termination of the contract with the board, appear
5 before the board in a hearing or proceeding or participate in
6 activity on behalf of an applicant, licensee or licensed
7 entity or on behalf of an affiliate, intermediary, subsidiary
8 or holding company of an applicant, licensee or licensed
9 entity.

10 (3) (i) An applicant or a licensed entity or an
11 affiliate, intermediary, subsidiary or holding company of
12 an applicant or a licensed entity may not, until the
13 expiration of one year following termination of the
14 contract with the board, employ or retain the person.

15 (ii) A knowing violation of this subparagraph shall
16 result in termination of the individual's employment and
17 subject the violator to section 5905(c).

18 (4) (i) A contract between the board and an independent
19 contractor that involves the duties specified in this
20 subsection shall contain a provision requiring the
21 independent contractor to sign an affidavit that the
22 independent contractor will not violate paragraph (1) or
23 (2).

24 (ii) If the independent contractor fails to sign the
25 affidavit, the board may not enter into the contract or
26 must terminate the contract.

27 (5) (i) An independent contractor shall require a
28 prospective employee whose employment would involve the
29 duties specified in this subsection to sign an affidavit
30 that the prospective employee will not violate paragraph

1 (1) or (2).

2 (ii) If the prospective employee fails to sign the
3 affidavit, the independent contractor shall rescind an
4 offer of employment and may not employ the individual.

5 (c) Construction.--Nothing under subsection (a) or (b) shall
6 be construed to prevent a current or former employee of the
7 board, a current or former independent contractor or a current
8 or former employee of an independent contractor, from appearing
9 before the board in a hearing or proceeding as a witness or
10 testifying as to any fact or information.

11 (d) State Ethics Commission.--

12 (1) The State Ethics Commission shall issue a written
13 determination of whether a person is subject to subsection
14 (a) or (b) upon the written request of the person or the
15 person's employer or potential employer. A person that relies
16 in good faith on a determination issued under this paragraph
17 shall not be subject to a penalty for an action taken,
18 provided that all material facts specified in the request for
19 the determination are correct.

20 (2) (i) The State Ethics Commission shall publish a
21 list of all employment positions within the board and
22 employment positions within independent contractors whose
23 duties would subject the individuals in those positions
24 to the provisions of subsections (a) and (b).

25 (ii) The board and each independent contractor shall
26 assist the State Ethics Commission in the development of
27 the list, which shall be published by the State Ethics
28 Commission in the Pennsylvania Bulletin biennially and
29 posted by the board on the board's publicly accessible
30 Internet website.

1 (iii) Upon request, employees of the board and each
2 independent contractor shall provide the State Ethics
3 Commission with adequate information to accurately
4 develop and maintain the list.

5 (iv) The State Ethics Commission may impose a civil
6 penalty under 65 Pa.C.S. § 1109(f) (relating to
7 penalties) upon an individual who fails to cooperate with
8 the State Ethics Commission under this paragraph.

9 (v) An individual who relies in good faith on the
10 list published by the State Ethics Commission shall not
11 be subject to a penalty for a violation of subsection (a)
12 or (b).

13 § 6303. Financial and employment interests.

14 (a) Financial interests.--Except as may be provided for the
15 judiciary by rule or order of the Pennsylvania Supreme Court, an
16 executive-level public employee, public official or party
17 officer, or an immediate family member thereof, shall not
18 intentionally or knowingly hold a financial interest in an
19 applicant or a licensee, or in a holding company, affiliate,
20 intermediary or subsidiary thereof, while the individual is an
21 executive-level public employee, public official or party
22 officer and for one year following termination of the
23 individual's status as an executive-level public employee,
24 public official or party officer.

25 (b) Employment.--Except as may be provided by rule or order
26 of the Pennsylvania Supreme Court and except as provided in
27 section 1202.1 (relating to code of conduct) or 4304 (relating
28 to additional restrictions), no executive-level public employee,
29 public official or party officer, or an immediate family member
30 thereof, shall be employed by an applicant or licensee, or by a

holding company, affiliate, intermediary or subsidiary thereof,
while the individual is an executive-level public employee,
public official or party officer and for one year following
termination of the individual's status as an executive-level
public employee, public official or party officer.

(c) Complimentary services.--

(1) No executive-level public employee, public official
or party officer, or an immediate family member thereof,
shall solicit or accept a complimentary service from an
applicant or licensee, or from an affiliate, intermediary,
subsidiary or holding company thereof, which the executive-
level public employee, public official or party officer, or
an immediate family member thereof, knows or has reason to
know is other than a service or discount which is offered to
members of the general public in like circumstances.

(2) No applicant or licensee, or an affiliate,
intermediary, subsidiary or holding company thereof, shall
offer or deliver to an executive-level public employee,
public official or party officer, or an immediate family
member thereof, a complimentary service from the applicant or
licensee, or an affiliate, intermediary, subsidiary or
holding company thereof, that the applicant or licensee, or
an affiliate, intermediary, subsidiary or holding company
thereof, knows or has reason to know is other than a service
or discount that is offered to members of the general public
in like circumstances.

(d) Grading.--An individual who violates this section
commits a misdemeanor of the third degree and shall, upon
conviction, be sentenced to pay a fine of not more than \$1,000
or to imprisonment for not more than one year, or both.

1 (e) Divestiture.--

2 (1) An executive-level public employee, public official
3 or party officer, or an immediate family member thereof, who
4 holds a financial interest prohibited by this section shall
5 divest the financial interest within three months of the
6 effective date of this paragraph, as applicable.

7 (2) An executive-level public employee, public official,
8 party officer or immediate family member shall have 30 days
9 from the date the individual knew or had reason to know of
10 the violation or 30 days from publication on the board's
11 publicly accessible Internet website under section 5301(b)
12 (12) (relating to powers of board) of the application or
13 licensure of the executive-level public employee, public
14 official, party officer or immediate family member, whichever
15 occurs earlier, to divest the financial interest.

16 (3) The State Ethics Commission may, for good cause,
17 extend the time period under this subsection.

18 (f) State Ethics Commission.--The State Ethics Commission
19 shall do all of the following:

20 (1) (i) Issue a written determination of whether a
21 person is subject to subsection (a), (b) or (c) upon the
22 written request of the person or another person that may
23 have liability for an action taken with respect to the
24 person.

25 (ii) A person that relies in good faith on a
26 determination made under this paragraph shall not be
27 subject to penalty for an action taken, provided that all
28 material facts specified in the request for the
29 determination are correct.

30 (2) (i) Publish a list of all State, county, municipal

1 and other government positions that meet the definitions
2 of "public official" as defined under subsection (g) or
3 "executive-level public employee" as defined under
4 section 5103 (relating to definitions).

5 (ii) The Office of Administration shall assist the
6 State Ethics Commission in the development of the list,
7 which list shall be published by the State Ethics
8 Commission in the Pennsylvania Bulletin biennially and
9 posted by the board on the board's publicly accessible
10 Internet website.

11 (iii) Upon request, a public official shall provide
12 the State Ethics Commission with adequate information to
13 accurately develop and maintain the list.

14 (iv) The State Ethics Commission may impose a civil
15 penalty under 65 Pa.C.S. § 1109(f) (relating to
16 penalties) upon an individual, including a public
17 official or executive-level public employee, who fails to
18 cooperate with the State Ethics Commission under this
19 subsection.

20 (v) A person that relies in good faith on the list
21 published by the State Ethics Commission shall not be
22 subject to penalty for a violation of this section.

23 (g) Definitions.--As used in this section, the following
24 words and phrases shall have the meanings given to them in this
25 subsection unless the context clearly indicates otherwise:

26 "Applicant." A person that applies for a manufacturer
27 license, supplier license or terminal operator license under
28 this part.

29 "Financial interest." Owning or holding, or being deemed to
30 hold, debt or equity securities or other ownership interest or

profits interest. A financial interest shall not include a debt or equity security, or other ownership interest or profits interest, which is held or deemed to be held in any of the following:

(1) A blind trust over which the executive-level public employee, public official, party officer or immediate family member thereof may not exercise any managerial control or receive income during the tenure of office and the period under subsection (a). The provisions of this paragraph shall apply only to blind trusts established prior to the effective date of this paragraph.

(2) Securities that are held in a pension plan, profit-sharing plan, individual retirement account, tax-sheltered annuity, a plan established in accordance with 26 U.S.C. § 457 (relating to deferred compensation plans of state and local governments and tax-exempt organizations) or a successor provision deferred compensation plan whether qualified or not qualified under the Internal Revenue Code of 1986 or any successor provision or other retirement plan that:

(i) is not self-directed by the individual; and

(ii) is advised by an independent investment adviser who has sole authority to make investment decisions with respect to contributions made by the individual to these plans.

(3) A tuition account plan organized and operated under 26 U.S.C. § 529 (relating to qualified tuition programs) that is not self-directed by the individual.

(4) A mutual fund where the interest owned by the mutual fund in a licensed entity does not constitute a controlling

1 interest as defined in this part.

2 "Immediate family." A spouse, minor child or unemancipated
3 child.

4 "Licensee." A manufacturer licensee, supplier licensee or a
5 terminal operator licensee.

6 "Party officer." A member of a national committee, a
7 chairperson, vice chairperson, secretary, treasurer or counsel
8 of a State committee or member of the executive committee of a
9 State committee, a county chairperson, vice chairperson,
10 counsel, secretary or treasurer of a county committee in which a
11 licensed facility is located or a city chairperson, vice
12 chairperson, counsel, secretary or treasurer of a city committee
13 of a city in which a licensed facility is located.

14 "Public official." The term shall include the following:

15 (1) The Governor, Lieutenant Governor, a member of the
16 Governor's cabinet, State Treasurer, Auditor General and
17 Attorney General of the Commonwealth.

18 (2) A member of the Senate or the House of
19 Representatives of the Commonwealth.

20 (3) An individual elected or appointed to an office of a
21 county or municipality that directly receives a distribution
22 of revenue under this part.

23 (4) An individual elected or appointed to a department,
24 agency, board, commission, authority or other governmental
25 body not included in paragraph (1), (2) or (3) that directly
26 receives a distribution of revenue under this part.

27 (5) An individual elected or appointed to a department,
28 agency, board, commission, authority, county, municipality or
29 other governmental body not included in paragraph (1), (2) or
30 (3) with discretionary power that may influence or affect the

1 outcome of an action or decision and who is involved in the
2 development of regulation or policy relating to a licensed
3 entity or is involved in other matters under this part.

4 § 6304. Additional restrictions.

5 (a) Restrictions.--

6 (1) No individual trooper or employee of the
7 Pennsylvania State Police or employee of the Office of
8 Attorney General or the department, whose duties
9 substantially involve licensing or enforcement, the
10 development of laws or the development or adoption of
11 regulations or policy related to gaming under this part, or
12 who has other discretionary authority that may affect or
13 influence the outcome of an action, proceeding or decision
14 under this part may do any of the following:

15 (i) Accept employment with or be retained by an
16 applicant or licensed entity, or an affiliate,
17 intermediary, subsidiary or holding company of an
18 applicant or licensed entity, for a period of two years
19 after the termination of employment.

20 (ii) (A) Appear before the board in a hearing or
21 proceeding or participate in other activity on behalf
22 of an applicant, licensee or licensed entity, or an
23 affiliate, intermediary, subsidiary or holding
24 company of an applicant, licensee or licensed entity,
25 for a period of two years after termination of
26 employment.

27 (B) Nothing in this subparagraph shall be
28 construed to prevent a current or former trooper or
29 employee of the Pennsylvania State Police, the Office
30 of Attorney General or the department from appearing

1 before the board in a proceeding or hearing as a
2 witness or testifying as to a fact or information.

3 (2) As a condition of employment, a potential employee
4 who would be subject to this subsection shall sign an
5 affidavit that the individual will not accept employment with
6 or be retained by an applicant or licensed entity, or an
7 affiliate, intermediary, subsidiary or holding company of an
8 applicant or licensed entity, for a period of two years after
9 the termination of employment.

10 (b) Employment or retention.--

11 (1) No applicant or licensed entity or an affiliate,
12 intermediary, subsidiary or holding company of an applicant
13 or licensed entity may employ or retain an individual subject
14 to subsection (a) until the expiration of the period required
15 in subsection (a)(1)(i).

16 (2) An applicant or licensed entity, or an affiliate,
17 intermediary, subsidiary or holding company of an applicant
18 or licensed entity, that knowingly employs or retains an
19 individual in violation of this subsection, shall terminate
20 the employment of the individual and be subject to penalty
21 under section 1518(c) (relating to prohibited acts;
22 penalties).

23 (c) Violation.--If an individual subject to subsection (a)
24 refuses or otherwise fails to sign an affidavit, the
25 individual's potential employer shall rescind the offer of
26 employment.

27 (d) Code of conduct.--

28 (1) The Pennsylvania State Police, Office of Attorney
29 General and department each shall adopt a comprehensive code
30 of conduct that supplements all other requirements under this

1 part and 65 Pa.C.S. Pt. II (relating to accountability), as
2 applicable, and shall provide guidelines applicable to
3 troopers, employees, independent contractors of the agency
4 whose duties substantially involve licensing or enforcement,
5 the development of laws or the development or adoption of
6 regulations or policy related to local gaming under this part
7 or who have other discretionary authority that may affect the
8 outcome of an action, proceeding or decision under this part,
9 and the immediate families of these individuals to enable
10 them to avoid a perceived or actual conflict of interest and
11 to promote public confidence in the integrity and
12 impartiality of local gaming enforcement and regulation.

13 (2) At a minimum, the code of conduct adopted under this
14 section shall apply the types of restrictions applicable to
15 members under section 1202.1(c) (relating to code of
16 conduct), except that the restrictions under section
17 1202.1(c) (5) shall not apply to an elected Attorney General.

18 (e) State Ethics Commission.--The State Ethics Commission
19 shall do all of the following:

20 (1) (i) Issue a written determination of whether an
21 individual is subject to subsection (a) upon the written
22 request of the individual or the individual's employer or
23 potential employer.

24 (ii) A person that relies in good faith on a
25 determination made under this paragraph shall not be
26 subject to penalty for an action taken, provided that all
27 material facts specified in the request for the
28 determination are correct.

29 (2) (i) Publish a list of all positions within the
30 Pennsylvania State Police, the Office of Attorney General

1 and the department the duties of which would subject the
2 individuals in those positions to the provisions of
3 subsection (a).

4 (ii) Each agency subject to this subsection shall
5 assist the State Ethics Commission in the development of
6 the list, which list shall be published by the State
7 Ethics Commission in the Pennsylvania Bulletin
8 biennially, shall be posted by the board on the board's
9 publicly accessible Internet website and shall be posted
10 by each agency on the agency's publicly accessible
11 Internet website.

12 (iii) Upon request by the State Ethics Commission,
13 members and employees of each agency subject to this
14 subsection shall provide the State Ethics Commission with
15 adequate information to accurately develop and maintain
16 the list.

17 (iv) The State Ethics Commission may impose a civil
18 penalty under 65 Pa.C.S. § 1109(f) (relating to
19 penalties) upon an individual who fails to cooperate with
20 the State Ethics Commission under this subsection.

21 (v) A person who relies in good faith on the list
22 published by the State Ethics Commission shall not be
23 subject to penalty for a violation of subsection (a).

24 CHAPTER 65

25 MISCELLANEOUS PROVISIONS

26 Sec.

27 6501. Funding.

28 6502. Declaration of exemption from Federal laws prohibiting
29 local gaming terminals.

30 6503. Preemption of local taxes and license fees.

1 6504. Exclusive jurisdiction of Supreme Court.

2 § 6501. Funding.

3 (a) Appropriation.--The General Assembly appropriates the
4 following:

5 (1) The sum of \$5,000,000 is hereby appropriated from
6 the General Fund to the board for the fiscal period July 1,
7 2025, to June 30, 2026, to implement and administer the
8 provisions of this part.

9 (2) The sum of \$3,000,000 is hereby appropriated from
10 the General Fund to the department for the fiscal period July
11 1, 2025, to June 30, 2026, to prepare for, implement and
12 administer the provisions of this part.

13 (3) The sum of \$2,000,000 is hereby appropriated from
14 the General Fund to the Pennsylvania State Police for the
15 fiscal period July 1, 2025, to June 30, 2026, to prepare for,
16 implement and administer the provisions of this part.

17 (b) Repayment required.--The money appropriated under this
18 section shall be repaid to the General Fund by establishment
19 licensees according to subsection (c).

20 (c) Repayment schedule.--Beginning two years from the date
21 the board authorizes the first local gaming terminal to be
22 connected to the central control computer system and is made
23 available for public use, the department shall collect an
24 assessment of .05% of gross terminal revenue on a bimonthly
25 basis from each terminal operator licensee for deposit into the
26 General Fund, provided the assessment does not cause total
27 assessments to exceed the 1% gross terminal revenue threshold
28 outlined in section 6102 (relating to regulatory assessments).
29 The department shall continue to collect the assessment until
30 the amounts under subsection (a) are repaid to the General Fund.

1 (d) Unused amounts.--On July 1, 2026, any portion of amounts
2 appropriated under this section that are unexpended,
3 unencumbered or uncommitted as of June 30 of the prior fiscal
4 year shall automatically be transferred to the General Fund.
5 § 6502. Declaration of exemption from Federal laws prohibiting
6 local gaming terminals.

7 (a) Declaration.--Under 15 U.S.C. Ch. 24 (relating to
8 transportation of gambling devices), the Commonwealth declares
9 that it is exempt from section 2 of that act.

10 (b) Legal shipments.--All shipments of gambling devices, as
11 defined in 15 U.S.C. § 1171 (relating to definitions), into this
12 Commonwealth, the registering, recording and labeling of which
13 has been effected by the manufacturer and supplier of those
14 devices in accordance with 15 U.S.C. §§ 1173 (relating to
15 registration of manufacturers and dealers) and 1174 (relating to
16 labeling and marking of shipping packages), shall be deemed
17 legal shipments of gambling devices into this Commonwealth.
18 § 6503. Preemption of local taxes and license fees.

19 (a) Statutes.--Local gaming terminals shall be exempt from
20 taxes levied under the following:

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

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

25 (3) 53 Pa.C.S. Pt. III Subpt. E (relating to home rule
26 and optional plan government).

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

29 (b) Licensing fees.--Local gaming terminals are exempt from
30 local licensing fees.

1 § 6504. Exclusive jurisdiction of Supreme Court.

2 The Pennsylvania Supreme Court shall have exclusive
3 jurisdiction to hear a challenge to or to render a declaratory
4 judgment concerning the constitutionality of this part. The
5 Pennsylvania Supreme Court may take such action as it deems
6 appropriate, consistent with the Pennsylvania Supreme Court
7 retaining jurisdiction over the matter, to find facts or to
8 expedite a final judgment in connection with a challenge or
9 request for declaratory relief.

10 Section 3. Section 5513(a) introductory paragraph and (1)
11 and (e.1) of Title 18 are amended and subsection (f) is amended
12 by adding a definition to read:

13 § 5513. Gambling devices, gambling, etc.

14 (a) Offense defined.--A person is guilty of a [misdemeanor]
15 felony of the [first] third degree if [he] that person:

16 (1) intentionally or knowingly makes, assembles, sets
17 up, maintains, sells, lends, leases, gives away, or offers
18 for sale, loan, lease or gift, any [punch board, drawing
19 card, slot machine or any] illegal gambling device [to be
20 used for gambling purposes, except playing cards];

21 * * *

22 [(e.1) Construction.--Nothing in this section shall be
23 construed to prohibit any activity that is lawfully conducted
24 under any of the following:

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

27 (2) The act of July 10, 1981 (P.L.214, No.67), known as
28 the Bingo Law.

29 (3) The act of December 19, 1988 (P.L.1262, No.156),
30 known as the Local Option Small Games of Chance Act.

(4) 4 Pa.C.S. (relating to amusements).]

(f) Definitions.--The following words and phrases when used in this section shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

* * *

"Illegal gambling device." A mechanical, computerized or electrical contrivance, game, terminal, machine or device which, upon insertion or payment of cash or cash equivalent as a wager, is available to play or operate one or more games, the play or outcome of which is determined by any element of either chance or skill, and may deliver or entitle the player to receive cash or cash equivalent or any instrument or representation of value that is more than nominal. The term shall not include any activity that is lawfully conducted under any of the following:

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

(2) The act of July 10, 1981 (P.L.214, No.67), known as the Bingo Law.

(3) The act of December 19, 1988 (P.L.1262, No.156), known as the Local Option Small Games of Chance Act.

(4) 4 Pa.C.S. (relating to amusements).

* * *

Section 4. Title 35 is amended by adding a section to read:
§ 7322. Pennsylvania Emergency Management Programs Fund.

(a) Establishment.--The Pennsylvania Emergency Management Programs Fund is established in the State Treasury. The money in the fund is appropriated upon approval of the Governor to the agency for the uses specified in subsection (c).

(b) Funding sources.--The fund shall consist of money transferred from the Local Gaming Fund established in 4 Pa.C.S.

1 \$ 6104 (relating to Local Gaming Fund), interest earned on the
2 money and other money made available to the agency for deposit
3 into the fund.

4 (c) Use.--The money in the fund shall be used for grants
5 awarded under the following:

6 (1) A grant program, established by statute enacted
7 after the effective date of this paragraph, for urban search
8 and rescue teams.

9 (2) Section 7811 (relating to establishment).

10 (3) Section 7821 (relating to establishment).

11 Section 5. This act shall take effect as follows:

12 (1) The following shall take effect immediately:

13 The addition of 4 Pa.C.S. §§ 5101, 5103, 5301 and
14 5501.

15 This section.

16 (2) The addition of 35 Pa.C.S. § 7322 shall take effect
17 June 30, 2025.

18 (3) The remainder of this act shall take effect in 60
19 days.