

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2520 Session of  
2024

INTRODUCED BY WAXMAN, T. DAVIS AND HILL-EVANS, JULY 30, 2024

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, JULY 30, 2024

AN ACT

1 Amending the act of December 19, 1988 (P.L.1262, No.156),  
2 entitled "An act providing for the licensing of eligible  
3 organizations to conduct games of chance, for the licensing  
4 of persons to distribute games of chance, for the  
5 registration of manufacturers of games of chance, and for  
6 suspensions and revocations of licenses and permits;  
7 requiring records; providing for local referendum by  
8 electorate; and prescribing penalties," providing for  
9 nonbanking games; imposing duties on the Pennsylvania Gaming  
10 Control Board and the Department of Drug and Alcohol  
11 Programs; and imposing penalties.

12 The General Assembly of the Commonwealth of Pennsylvania  
13 hereby enacts as follows:

14 Section 1. The act of December 19, 1988 (P.L.1262, No.156),  
15 known as the Local Option Small Games of Chance Act, is amended  
16 by adding a chapter to read:

17 CHAPTER 11

18 NONBANKING GAMES

19 Subchapter

20 A. Preliminary Provisions

21 B. General Procedures

22 C. Authorization

23 D. Operations

1 E. Fees and Taxes

2 F. Miscellaneous Provisions

3 SUBCHAPTER A

4 PRELIMINARY PROVISIONS

5 Sec.

6 1101. Scope of chapter.

7 1102. Definitions.

8 § 1101. Scope of chapter.

9 This chapter relates to nonbanking games.

10 § 1102. Definitions.

11 The following words and phrases when used in this chapter  
12 shall have the meanings given to them in this section unless the  
13 context clearly indicates otherwise:

14 "Associated equipment." As follows:

15 (1) Equipment or a mechanical, electromechanical or  
16 electronic contrivance, component or machine used in  
17 connection with nonbanking games.

18 (2) The term includes:

19 (i) Equipment that affects the proper reporting and  
20 counting of gross nonbanking game revenue.

21 (ii) Computerized systems for controlling and  
22 monitoring nonbanking games.

23 (iii) Devices for weighing or counting money.

24 (3) The term does not include count room equipment.

25 "Board." The Pennsylvania Gaming Control Board.

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

28 "Cash." United States currency and coin.

29 "Cash equivalent." An asset that is readily convertible to  
30 cash, including any of the following:

- 1           (1) Chips or tokens.
- 2           (2) Travelers checks.
- 3           (3) Foreign currency and coin.
- 4           (4) Certified checks, cashier's checks and money orders.
- 5           (5) Personal checks or drafts.
- 6           (6) Any other instrument or representation of value that  
7           the board deems a cash equivalent.

8           "Certificate holder." A licensed entity that holds a  
9           nonbanking game operation certificate awarded by the board in  
10           accordance with section 1122 (relating to standard for review of  
11           petitions).

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

17           "Count room." A secured room at a licensed facility  
18           designated for the counting, wrapping and recording of  
19           nonbanking game receipts.

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

21           "Gaming floor." Any portion of a licensed facility where  
22           nonbanking games have been installed for use or play.

23           "Gross nonbanking game revenue." As follows:

24           (1) The total of the following:

25                   (i) Cash or cash equivalents received in the playing  
26                   of a nonbanking game minus the total of the following:

27                           (A) Cash or cash equivalents paid to players as  
28                           a result of playing a nonbanking game.

29                           (B) Cash or cash equivalents paid to purchase  
30                           annuities to fund prizes payable to players over a

1 period of time as a result of playing a nonbanking  
2 game.

3 (C) The actual cost paid by the certificate  
4 holder for any personal property distributed to a  
5 player as a result of playing a nonbanking game, but  
6 not including travel expenses, food, refreshments,  
7 lodging or services.

8 (ii) Contest or tournament fees or payments,  
9 including entry fees, buy-ins, re-buys and administrative  
10 fees, imposed by a certificate holder to participate in a  
11 nonbanking game contest or tournament, less cash paid or  
12 actual cost paid by a certificate holder for prizes  
13 awarded to the contest or tournament winners.

14 (iii) The total amount of the rake collected by a  
15 certificate holder.

16 (2) The term does not include:

17 (i) Counterfeit cash or chips.

18 (ii) Coins or currency of other countries received  
19 in the playing of a nonbanking game, except to the extent  
20 that the coins or currency are readily convertible to  
21 cash.

22 (iii) Cash taken in a fraudulent act perpetrated  
23 against a certificate holder for which the certificate  
24 holder is not reimbursed.

25 "Key employee." As follows:

26 (1) An individual who is:

27 (i) employed in a director or department head  
28 capacity; and

29 (ii) empowered to make discretionary decisions that  
30 regulate nonbanking game operations in a licensed

1 facility.

2 (2) Unless otherwise designated by the board, a gaming  
3 employee that does not meet the criteria under paragraph (1)  
4 shall be classified as a non-key employee.

5 "Licensed entity." An entity that has received a license  
6 under this act.

7 "Licensed facility." The physical land-based location at  
8 which a licensed entity is authorized to conduct small games of  
9 chance or tavern gaming under this act.

10 "Minor." An individual under 18 years of age.

11 "Nonbanking game." As follows:

12 (1) A table game in which:

13 (i) a player competes against another player; and

14 (ii) the certificate holder collects a rake.

15 (2) The term does not include a table game in which a  
16 player competes against the dealer.

17 "Nonbanking game device." Includes nonbanking game tables,  
18 cards, dice, chips, shufflers, tiles, wheels or any mechanical,  
19 electrical or computerized contrivance, terminal, machine or  
20 other device, apparatus, equipment or supplies approved by the  
21 board and used to conduct a nonbanking game.

22 "Nonbanking game operation certificate." A certificate  
23 awarded by the board under section 1122 that authorizes a  
24 licensed entity to conduct nonbanking games in accordance with  
25 this chapter.

26 "Player." An individual wagering cash, a cash equivalent or  
27 other thing of value in the play or operation of a slot machine,  
28 an authorized interactive game or a table game, including during  
29 a contest or tournament, the play or operation of which may  
30 deliver or entitle the individual playing or operating the slot

1 machine, authorized interactive game or table game to receive  
2 cash, a cash equivalent or other thing of value from another  
3 player or a slot machine licensee.

4 "Principal." Any of the following:

5 (1) An officer or director of a licensed entity.

6 (2) A person that directly holds a beneficial interest  
7 in or ownership of the securities of a licensed entity.

8 (3) A person that has:

9 (i) a controlling interest in a licensed entity; or

10 (ii) the ability to elect a majority of the board of  
11 directors of a licensed entity or otherwise control a  
12 licensed entity.

13 (4) A lender or other licensed financial institution of  
14 a licensed entity, other than a bank or lending institution  
15 that makes a loan or holds a mortgage or other lien acquired  
16 in the ordinary course of business.

17 (5) An underwriter of a licensed entity.

18 (6) Another person or an employee of a licensed entity  
19 deemed to be a principal by the board.

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

24 "Security." As defined in section 102(t) of the act of  
25 December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania  
26 Securities Act of 1972.

27 "Table game." As follows:

28 (1) A banking or nonbanking game approved by the board.

29 (2) The term includes roulette, baccarat, blackjack,  
30 poker, craps, big six wheel, mini-baccarat, red dog, pai gow,

1 twenty-one, casino war, acey-deucey, sic bo, chuck-a-luck,  
2 Panguingue, Fan-tan, Asia poker, Boston 5 stud poker,  
3 Caribbean stud poker, Colorado hold'em poker, double attack  
4 blackjack, double cross poker, double down stud poker, fast  
5 action hold'em, flop poker, four card poker, let it ride  
6 poker, mini-craps, mini-dice, pai gow poker, pokette, Spanish  
7 21, Texas hold'em bonus poker, three card poker, two card  
8 joker poker, ultimate Texas hold'em, winner's pot poker and  
9 any other banking or nonbanking game.

10 (3) The term does not include:

11 (i) Lottery games of the Pennsylvania State Lottery  
12 as authorized under the act of August 26, 1971 (P.L.351,  
13 No.91), known as the State Lottery Law.

14 (ii) Bingo as authorized under the act of July 10,  
15 1981 (P.L.214, No.67), known as the Bingo Law.

16 (iii) Pari-mutuel betting on the outcome of horse  
17 race meetings as authorized under Article XXVIII-D of the  
18 act of April 9, 1929 (P.L.177, No.175), known as The  
19 Administrative Code of 1929.

20 (iv) Small games of chance as authorized under this  
21 act.

22 (v) Slot machine gaming and progressive slot machine  
23 gaming as defined and authorized under 4 Pa.C.S.  
24 (relating to amusements).

25 (vi) Keno.

26 (vii) A fantasy contest terminal as authorized under  
27 4 Pa.C.S.

28 (viii) Lottery under 4 Pa.C.S.

29 "Tournament." An organized series of contests approved by  
30 the board in which an overall winner is ultimately determined.

1 "Underwriter." As defined in section 102(v) of the  
2 Pennsylvania Securities Act of 1972.

3 SUBCHAPTER B

4 GENERAL PROCEDURES

5 Sec.

6 1111. Authorization to conduct nonbanking games.

7 1112. Regulatory authority.

8 1113. Local option.

9 § 1111. Authorization to conduct nonbanking games.

10 (a) Authorization.--

11 (1) The board may authorize a licensed entity that  
12 operates in a municipality that has adopted a referendum to:

13 (i) Allow nonbanking games under section 1113  
14 (relating to local option) to conduct nonbanking games,  
15 including nonbanking game contests and tournaments.

16 (ii) Operate a system of wagering associated with  
17 the conduct of nonbanking games at the licensed facility.

18 (2) Authorization under paragraph (1) shall be  
19 contingent upon the live poker licensee's agreement to ensure  
20 that nonbanking operations will be conducted in accordance  
21 with this chapter and any other conditions established by the  
22 board.

23 (3) Licensed entities permitted to conduct games of  
24 chance under section 301 (relating to games of chance  
25 permitted) may conduct nonbanking games for the purpose of  
26 raising money for public interest purposes.

27 (b) Number of authorized nonbanking tables.--A licensed  
28 entity that is authorized under this chapter may operate up to  
29 five nonbanking game tables, with a maximum of 10 players at  
30 each table, at any one time on the premises of the licensed



1 entity.

2 § 1112. Regulatory authority.

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

4 (1) Establish standards and procedures for nonbanking  
5 games and nonbanking game devices or associated equipment.

6 The standards and procedures shall provide for any new  
7 nonbanking game or nonbanking game table and any variation or  
8 composite of an approved nonbanking game or nonbanking game  
9 table, if the board determines that the new nonbanking game,  
10 nonbanking game table or variation or composite is suitable  
11 for use after a test or experimental period under the terms  
12 and conditions as the board deems appropriate.

13 (2) Establish standards and rules to govern the conduct  
14 of nonbanking games and the system of wagering associated  
15 with nonbanking games.

16 (3) Establish the methods for the following, following  
17 consultation with the department:

18 (i) Calculating gross nonbanking game revenue and  
19 standards for the daily counting and recording of cash  
20 and cash equivalents received in the conduct of  
21 nonbanking games, including the conduct of nonbanking  
22 games on electronic gaming tables and fully automated  
23 electronic gaming tables.

24 (ii) Ensuring that internal controls are followed,  
25 including observation by employees of the board of the  
26 counting and recording process described in subparagraph  
27 (i), the maintenance of financial books and records and  
28 the conduct of audits.

29 (4) Establish notice requirements pertaining to minimum  
30 and maximum wagers on nonbanking games. Minimum and maximum

1 wagers may be adjusted by the certificate holder in the  
2 normal course of conducting nonbanking games, except that  
3 changes in minimum wagers at a nonbanking game table shall  
4 not apply to players already engaged in wagering at the  
5 nonbanking game table when the minimum wager is changed,  
6 unless 30 minutes' notice is provided at the nonbanking game  
7 table.

8 (5) Require each certificate holder to:

9 (i) Provide written information at each operational  
10 nonbanking game table about nonbanking game rules,  
11 payoffs or winning wagers and other information as the  
12 board may require.

13 (ii) Provide specifications approved by the board to  
14 integrate and update the licensed facility's surveillance  
15 system to cover all areas where nonbanking games are  
16 conducted. The specifications shall include provisions  
17 providing the board and other persons authorized by the  
18 board with onsite access to the system or its signal.

19 (iii) Designate one or more locations within the  
20 licensed facility to conduct nonbanking games.

21 (iv) Ensure that visibility in a licensed facility  
22 is not obstructed in any way that could interfere with  
23 the ability of the certificate holder, the board and  
24 other persons authorized under this chapter or the board  
25 to oversee the surveillance of the conduct of nonbanking  
26 games.

27 (v) Integrate the licensed facility's count room for  
28 nonbanking game operations to ensure maximum security of  
29 the counting and storage of cash and cash equivalents.

30 (vi) Equip each operational nonbanking game table

1 with a sign indicating the permissible minimum and  
2 maximum wagers at the nonbanking game table.

3 (vii) Adopt policies or procedures to prohibit  
4 nonbanking game devices or associated equipment from  
5 being possessed, maintained or exhibited by a person on  
6 the premises of a licensed facility, except in:

7 (A) the areas of a licensed facility where the  
8 conduct of nonbanking games is authorized;

9 (B) a restricted area designated to be used for  
10 the inspection, service, repair or storage of  
11 nonbanking game devices or associated equipment by  
12 the certificate holder; or

13 (C) an area used for employee training and  
14 instruction by the certificate holder.

15 (viii) Equip all drop boxes in which cash, cash  
16 equivalents, fill slips, credit slips or inventory slips  
17 are deposited at the nonbanking game tables, and all  
18 areas where drop boxes are kept while in use, with two  
19 locking devices or keys, of which one locking device or  
20 key shall be under the exclusive control of the board,  
21 and the second locking device or key shall be under the  
22 exclusive control of the certificate holder's designated  
23 employees. The drop boxes shall be brought into or  
24 removed from an area where nonbanking games are conducted  
25 or locked or unlocked in accordance with procedures  
26 established by the board.

27 (ix) Designate secure locations for the inspection  
28 and storage of nonbanking game devices and associated  
29 equipment as may be approved by the board.

30 (6) Establish the size and uniform color by denomination

1 of all chips used in the conduct of nonbanking games,  
2 including tournaments, and a policy for the use of  
3 promotional or commemorative chips used in the conduct of  
4 nonbanking games. All types of chips shall be approved by the  
5 board prior to being used for play at a nonbanking game at a  
6 licensed facility.

7 (7) Establish the procedure to be used by a certificate  
8 holder to determine and extract a rake for the purpose of  
9 generating gross nonbanking game revenue from nonbanking  
10 games. The rake may be calculated using a percentage or a  
11 flat fee methodology.

12 (8) Establish minimum standards related to the  
13 acceptance of tips or gratuities by dealers and croupiers at  
14 a nonbanking game, which shall include the right of the  
15 certificate holder to establish policies under which tips or  
16 gratuities accepted by dealers and croupiers at nonbanking  
17 games are not required to be pooled and may be retained by  
18 the dealers and croupiers. Nothing in this paragraph shall  
19 prohibit a certificate holder from adopting a formal policy  
20 related to acceptance of tips and gratuities, provided that  
21 the policy meets the minimum standards established by the  
22 board under this paragraph.

23 (9) Establish the minimal proficiency requirements for  
24 individuals to successfully complete a course of training at  
25 a gaming school. The requirements:

26 (i) Shall not prohibit a certificate holder from:

27 (A) Establishing a course of training for its  
28 employees or potential employees.

29 (B) Offering employment to an individual who has  
30 not attended or completed a course of instruction at

1           a gaming school.

2           (ii) Shall require a certificate holder that elects  
3           to train its gaming employees or potential nonbanking  
4           game employees to submit a detailed summary of the  
5           training program to the board and demonstrate the  
6           adequacy of the training.

7           (iii) Shall prohibit a certificate holder from  
8           charging its employees or potential employees a fee to  
9           complete a course of training.

10          (10) Establish the practices and procedures governing  
11          the conduct of tournaments under this chapter.

12          (11) Establish minimum standards related to the  
13          extension of credit to a player by a certificate holder.  
14          Prior to extending credit, the certificate holder shall  
15          consider the player's financial fitness, including annual  
16          income, debt-to-income ratio, prior credit history, average  
17          monthly bank balance or level of play.

18          (12) Establish mandatory age-verification training and  
19          procedures for certificate holders and their employees to  
20          ensure that persons under 21 years of age do not play or  
21          participate in nonbanking games.

22          (13) Review and approve all cash and cash equivalent  
23          handling policies and procedures employed by certificate  
24          holders.

25          (14) Deny, deny the renewal of, revoke, condition or  
26          suspend a certificate provided for in this chapter if the  
27          board finds, in its sole discretion, that both of the  
28          following apply:

29                 (i) A certificate holder under this chapter or the  
30                 officers or employees of the certificate holder have:

1           (A) furnished false or misleading information to  
2           the board; or

3           (B) failed to comply with the provisions of this  
4           chapter or the rules and regulations of the board.

5           (ii) It would be in the public interest to deny,  
6           deny the renewal of, revoke, condition or suspend the  
7           certificate.

8           (15) Restrict access to confidential information in the  
9           possession of the board which has been obtained under this  
10           chapter and ensure that the confidentiality of information is  
11           maintained and protected. Records shall be retained by the  
12           board for seven years.

13           (16) Prescribe and require periodic financial reporting  
14           and internal control requirements for all certificate  
15           holders.

16           (17) Prescribe the procedures to be followed by  
17           certificate holders for any financial event that occurs in  
18           the operation and play of nonbanking games.

19           (18) Consult with members of the Pennsylvania State  
20           Police, the Office of Attorney General, the department and  
21           other persons that the board deems necessary for advice  
22           regarding the various aspects of the powers and duties  
23           imposed on the board under this chapter and its jurisdiction  
24           over the authorization, operation and play of nonbanking  
25           games and licensed facilities.

26           (19) Establish mandatory problem gambling training to be  
27           completed by all employees of certificate holders under this  
28           chapter.

29           (20) Ensure that nonbanking games are conducted in areas  
30           that are properly segregated from minors.

1           (21) Adopt or promulgate rules or regulations necessary  
2           for the implementation, administration and enforcement of  
3           this chapter.

4 § 1113. Local option.

5           (a) Election to be held.--In a municipality, an election may  
6           be held on the date of the primary election immediately  
7           preceding a municipal election, but not more than once in four  
8           years, to determine the will of the electors with respect to the  
9           issuance of nonbanking game certificates within the limits of  
10           the municipality under the provisions of this chapter. The  
11           following apply:

12           (1) If an election is held at the primary election  
13           preceding a municipal election in a given year, another  
14           election may be held under the provisions of this chapter at  
15           the primary election occurring the fourth year after the  
16           prior election.

17           (2) A county board of elections shall cause a question  
18           to be placed on the ballot or on the voting machine board and  
19           submitted at the primary election immediately preceding the  
20           municipal election if:

21           (i) electors equal to at least 25% of the highest  
22           vote cast for an office in the municipality at the last  
23           preceding general election file a petition with the  
24           county board of elections of the county; or

25           (ii) the governing body of the municipality adopts,  
26           by a majority vote, a resolution to place the question on  
27           the ballot and a copy of the resolution is filed with the  
28           board of elections of the county for a referendum on the  
29           question of issuing certificates.

30           (3) The question under paragraph (2) shall be in the

1 following form:

2 Do you favor the issuance of certificates  
3 to conduct nonbanking games in the  
4 \_\_\_\_\_ of \_\_\_\_\_ ?

5 (b) Vote.--

6 (1) If a majority of the electors voting on the question  
7 under subsection (a) vote "yes," the licensing authority  
8 shall issue certificates in the municipality.

9 (2) If a majority of the electors voting on the question  
10 under subsection (a) vote "no," the licensing authority shall  
11 have no power to issue or to renew, upon their expiration,  
12 any certificates in the municipality, unless at a later  
13 election a majority of the voting electors vote "yes" on the  
14 question.

15 (c) Voting proceedings.--Proceedings under this section  
16 shall be in accordance with the provisions of the act of June 3,  
17 1937 (P.L.1333, No.320), known as the Pennsylvania Election  
18 Code.

19 (d) Withdrawal of approval.--The referendum procedure  
20 contained in this section shall also be available to withdraw  
21 the approval of the issuance of certificates within the  
22 municipality which was granted through a prior referendum.

23 (e) Applicability.--This chapter applies only to those  
24 licensed entities located in municipalities which have adopted  
25 the provisions of this chapter by an affirmative vote in a  
26 municipal referendum in accordance with the provisions of this  
27 section.

28 SUBCHAPTER C

29 AUTHORIZATION

30 Sec.



1 1121. Petitions.

2 1122. Standard for review of petitions.

3 1123. Nonbanking game operation certificate.

4 1124. Approval or denial of petitions.

5 § 1121. Petitions.

6 (a) Petition required.--A licensee may seek approval to  
7 conduct nonbanking games by filing a petition with the board.

8 (b) Petition contents.--A petition seeking authorization to  
9 conduct nonbanking games shall include the following:

10 (1) The name, business address and contact information  
11 of the petitioner.

12 (2) The name and business address, title and a  
13 photograph of each principal and key employee of the  
14 petitioner who will be involved in the conduct of nonbanking  
15 games and who is not currently licensed by the board, if  
16 known, as well as additional financial information required  
17 by the board.

18 (3) An itemized list of the number of nonbanking game  
19 tables and types of nonbanking games for which authorization  
20 is being sought.

21 (4) The estimated number of full-time and part-time  
22 employment positions that will be created at the licensed  
23 facility if nonbanking games are authorized or how proceeds  
24 from nonbanking games will be used to positively benefit  
25 public interest purposes.

26 (5) The details of any financing obtained or that will  
27 be obtained to fund an expansion or modification of the  
28 licensed facility to accommodate nonbanking games and to  
29 otherwise fund the cost of commencing nonbanking games.

30 (6) Information and documentation, as the board may

1 require, concerning financial background and resources to  
2 establish by clear and convincing evidence the financial  
3 stability, integrity and responsibility of the petitioner.

4 (7) Information and documentation, as the board may  
5 require, to establish by clear and convincing evidence that  
6 the petitioner has sufficient business ability and experience  
7 to create and maintain a successful nonbanking game  
8 operation.

9 (8) Detailed site plans identifying the petitioner's  
10 proposed nonbanking game area within the licensed facility.

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

17 (10) Any other information determined to be appropriate  
18 by the board.

19 (c) Character requirements.--A petition for a certificate  
20 under this section shall contain information, documentation and  
21 assurances, as the board may require, to establish, by clear and  
22 convincing evidence, the petitioner's suitability, including  
23 good character, honesty and integrity, including, without  
24 limitation, information pertaining to family habits, character,  
25 reputation, criminal history background, business activities,  
26 financial affairs and businesses and professional and personal  
27 associates, covering at least the 10-year period immediately  
28 preceding the filing date of the petition.

29 (d) Civil judgments.--A petitioner shall notify the board of  
30 any civil judgment obtained against the petitioner pertaining to

1 Federal or State law or the law of another state, jurisdiction,  
2 province or country.

3 (e) Confidentiality.--Information submitted to the board  
4 under subsection (b) (5), (6), (8), (9) and (10) may be  
5 considered confidential by the board if the information would be  
6 confidential under 4 Pa.C.S. § 1206(f) (relating to board  
7 minutes and records).

8 (f) Revocable privilege.--The issuance or renewal of a  
9 certificate or other authorization under this section shall be a  
10 revocable privilege.

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

14 § 1122. Standard for review of petitions.

15 (a) Review.--The board shall award a petition under section  
16 1121 (relating to petitions) if the petitioner establishes, by  
17 clear and convincing evidence, all of the following:

18 (1) The petitioner's license is in good standing with  
19 the licensing authority.

20 (2) The conduct of nonbanking games at the petitioner's  
21 licensed facility will have a positive economic impact on the  
22 Commonwealth and the municipalities and residents of this  
23 Commonwealth through increased revenues, employment  
24 opportunities and public service initiatives.

25 (3) The petitioner possesses adequate money or has  
26 secured adequate financing to:

27 (i) Fund any necessary expansion or modification of  
28 the petitioner's licensed facility to accommodate the  
29 conduct of nonbanking games.

30 (ii) Pay the authorization fee in accordance with

1 section 1151 (relating to authorization fee and renewal  
2 fee).

3 (iii) Commence nonbanking game operations at the  
4 petitioner's licensed facility.

5 (4) The petitioner has the financial stability,  
6 integrity and responsibility to conduct nonbanking games.

7 (5) The petitioner has sufficient business ability and  
8 experience to create and maintain a successful nonbanking  
9 game operation.

10 (6) The petitioner's proposed internal and external  
11 security and proposed surveillance measures within the area  
12 of the licensed facility where the petitioner seeks to  
13 conduct nonbanking games are adequate.

14 (b) Approval.--Upon being satisfied that the requirements of  
15 subsection (a) have been met, the board may approve the petition  
16 and issue the petitioner a nonbanking game operation certificate  
17 upon payment of any fee required under section 1151, consistent  
18 with all of the following:

19 (1) The certificate shall be valid for a period of five  
20 years. Nothing in this paragraph shall be construed to  
21 relieve a certificate holder of the affirmative duty to  
22 notify the board of any changes related to the status of the  
23 certificate or any information contained in the petition  
24 materials on file with the board.

25 (2) The certificate shall be nontransferable.

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

27 (c) Renewal.--

28 (1) At least six months prior to expiration of a  
29 certificate, the certificate holder seeking renewal of the  
30 certificate shall submit a renewal application to the board.

1       (2) If the renewal application satisfies the  
2 requirements of subsection (a), the board may renew the  
3 certificate holder's certificate upon the payment of any  
4 renewal fee required under section 1151.

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

9 § 1123. Nonbanking game operation certificate.

10 (a) When certificate in effect.--A nonbanking game operation  
11 certificate shall be in effect unless:

12       (1) The certificate is suspended or revoked by the board  
13 consistent with the requirements of this chapter.

14       (2) The license held by the certificate holder is  
15 suspended, revoked or not renewed by the licensing authority  
16 consistent with the requirements of this chapter.

17       (3) The certificate holder relinquishes or does not seek  
18 renewal of the certificate or license.

19       (4) A majority of voters vote to withdraw the  
20 authorization of nonbanking game operations within the  
21 voters' municipality, consistent with the requirements of  
22 section 1113 (relating to local option).

23 (b) Types of nonbanking games and game tables.--

24       (1) A nonbanking game operation certificate shall  
25 include an itemized list by type of nonbanking games and the  
26 number of nonbanking game tables approved by the board and  
27 permitted in the certificate holder's licensed facility.

28       (2) Upon notice to the board and approval by a  
29 designated employee of the board, a certificate holder may:

30       (i) Increase or decrease the number of nonbanking

1 game tables permitted in the certificate holder's  
2 licensed facility.

3 (ii) Change the type of nonbanking games played at a  
4 particular nonbanking game table in the certificate  
5 holder's licensed facility.

6 (iii) Change the configuration of nonbanking game  
7 tables in the certificate holder's licensed facility.

8 (3) Unless approved by the board, the total number of  
9 nonbanking game tables in operation at a licensed facility  
10 may not exceed the number authorized in the nonbanking game  
11 operation certificate.

12 (c) Update of information.--A certificate holder shall  
13 update the information in the petition under section 1121  
14 (relating to petitions) at times prescribed by the board.  
15 § 1124. Approval or denial of petitions.

16 The board shall approve or deny a petition under section 1121  
17 (relating to petitions) within 90 days following receipt of the  
18 petition.

19 SUBCHAPTER D

20 OPERATIONS

21 Sec.

22 1131. Authorized locations for operations.

23 1132. Commencement of operations.

24 1133. Tournaments.

25 1134. Training of employees and potential employees.

26 1135. Compulsive and problem gambling assistance.

27 1136. Books, records and documents.

28 1137. Accounting controls and audit protocols.

29 1138. Cash equivalents.

30 1139. Separate license or permit not required.

1 1140. Investigation and enforcement.

2 1141. Responsibility and authority of department.

3 1142. Testing and certification standards.

4 § 1131. Authorized locations for operations.

5 A certificate holder shall only be permitted to operate  
6 nonbanking games on the licensed premises of the certificate  
7 holder.

8 § 1132. Commencement of operations.

9 (a) Conditions.--A certificate holder may not operate or  
10 offer nonbanking games for play at a licensed facility until the  
11 board determines that all of the following conditions have been  
12 satisfied:

13 (1) The certificate holder is in compliance with the  
14 requirements of this chapter.

15 (2) The certificate holder's internal controls and audit  
16 protocols are sufficient to meet the requirements of section  
17 1137 (relating to accounting controls and audit protocols).

18 (3) The certificate holder's nonbanking game employees  
19 are licensed, permitted or otherwise authorized by the board  
20 to perform their respective duties, as applicable.

21 (4) The certificate holder is prepared in all respects  
22 to offer nonbanking game-play to the public at the licensed  
23 facility of the certificate holder.

24 (5) The certificate holder has implemented necessary  
25 internal and management controls and security arrangements  
26 and surveillance systems for the conduct of nonbanking games.

27 (6) The certificate holder is in compliance with or has  
28 complied with section 1151 (relating to authorization fee and  
29 renewal fee).

30 (b) Limitations.--A certificate holder may offer nonbanking

1 games for play within the licensed premises of the certificate  
2 holder, subject to the following:

3 (1) No more than five nonbanking game tables may be  
4 placed on the gaming floor of the certificate holder.

5 (2) A gaming floor may not be located in an area that is  
6 not properly segregated from minors.

7 (3) A gaming floor shall, at all times, be secure and  
8 visible by employees of the certificate holder.

9 (4) A gaming floor shall, at all times, be monitored by  
10 a trained employee of the certificate holder, either directly  
11 or through live monitoring of video surveillance. The  
12 employee monitor must be at least 21 years of age.

13 (5) A minor may not be permitted to play a nonbanking  
14 game or enter a gaming floor.

15 (6) A visibly intoxicated individual may not be  
16 permitted to play a nonbanking game.

17 § 1133. Tournaments.

18 (a) Authorization.--A certificate holder may conduct  
19 tournaments at the licensed facility of the certificate holder.

20 (b) Submittal of schedule.--The following apply to a  
21 proposed schedule of tournaments to be conducted at the licensed  
22 facility of a certificate holder:

23 (1) The certificate holder that elects to conduct  
24 tournaments shall submit the proposed schedule to the  
25 executive director of the board, or a designee of the  
26 executive director of the board, for approval.

27 (2) The proposed schedule may be a weekly, monthly or  
28 annual schedule and shall include information identifying all  
29 of the following:

30 (i) The type of each nonbanking game to be played at



1 each tournament.

2 (ii) The proposed date and time of each tournament.

3 (iii) The proposed entry fee and any other fees  
4 associated with the tournament.

5 (iv) The maximum number of participants in the  
6 tournament.

7 (v) Any other information as the board may require.

8 (3) Submission of the proposed schedule shall not  
9 require the certificate holder to conduct all tournaments  
10 contained in the proposed schedule.

11 (4) The certificate holder may not conduct a tournament  
12 at a date or time not contained in the proposed schedule.

13 (5) The certificate holder may seek to amend or modify  
14 the proposed schedule at any time by filing a written request  
15 with the executive director of the board or a designee of the  
16 executive director of the board.

17 (c) Exemptions and additional tables.--The executive  
18 director of the board may authorize a licensed facility to  
19 operate up to 10 additional nonbanking game tables for use in  
20 tournaments. The following apply:

21 (1) The additional nonbanking game tables:

22 (i) Shall be exempt from section 1111 (relating to  
23 authorization to conduct nonbanking games).

24 (ii) Shall not be used in calculating the total  
25 number of nonbanking game tables authorized in the  
26 nonbanking game authorization certificate.

27 (2) The executive director of the board may grant the  
28 use of additional nonbanking game tables on the dates and  
29 times listed in the proposed schedule in accordance with  
30 subsection (b).

1 (d) Seating.--A nonbanking game table used in tournament  
2 play shall seat a maximum of ten players.

3 § 1134. Training of employees and potential employees.

4 (a) Authorization.--Notwithstanding any other provision of  
5 this chapter, the executive director of the board may authorize  
6 a certificate holder to conduct nonbanking game training and  
7 instruction for the employees and potential employees of the  
8 certificate holder.

9 (b) Adequacy.--A certificate holder that elects to offer  
10 nonbanking game training to the employees or potential employees  
11 of the certificate holder shall submit to the board a detailed  
12 summary of the training program demonstrating the adequacy of  
13 the training.

14 (c) Effect.--Authorization granted under this section shall  
15 do all of the following:

16 (1) Permit a certificate holder to conduct training at a  
17 location within the licensed facility of the certificate  
18 holder or at another location.

19 (2) Require any training authorized on a gaming floor to  
20 be conducted in a specified area of the gaming floor that is  
21 clearly identified as a training area and not accessible to  
22 the public.

23 (3) Designate a secure area at the location where the  
24 training will take place for the storage of nonbanking game  
25 devices and associated equipment used for training.

26 (4) Limit the number of nonbanking game devices and  
27 associated equipment to that necessary to conduct the  
28 training.

29 (5) Prohibit the payment of cash, a cash equivalent or  
30 another prize to an individual as a result of play conducted

1 during training or play conducted utilizing nonbanking game  
2 devices or associated equipment obtained in accordance with  
3 subsection (f).

4 (6) Prohibit a certificate holder from charging the  
5 employees or potential employees of the certificate holder a  
6 fee to participate in the training.

7 (d) Rescission or revocation.--The board, through the  
8 executive director of the board or otherwise, may rescind or  
9 revoke an authorization under this section without cause. The  
10 certificate holder shall be given notice that the authorization  
11 has been rescinded or revoked and shall be afforded a reasonable  
12 time to take all necessary actions required by the board or  
13 executive director of the board.

14 (e) Fees prohibited.--The board may not charge a fee as a  
15 condition of receiving authorization under this section.

16 (f) Training equipment.--

17 (1) For a one-year period following the effective date  
18 of this paragraph, a certificate holder may purchase, lease  
19 or otherwise obtain nonbanking game devices or associated  
20 equipment that will be used for the sole purpose of  
21 conducting training authorized under this section from a  
22 manufacturer or supplier, whether or not licensed or  
23 otherwise approved by the board under 4 Pa.C.S. (relating to  
24 amusements) or from an affiliate of the certificate holder or  
25 a gaming facility in another jurisdiction.

26 (2) Nonbanking game devices or associated equipment  
27 obtained by a certificate holder in accordance with paragraph  
28 (1) shall:

29 (i) Have an identification number, which shall be  
30 kept on file with the board.

1           (ii) Be clearly identified as being used for  
2           training purposes only.

3           (3) Nonbanking game devices and associated equipment  
4           obtained in accordance with this subsection may not be used  
5           on the gaming floor unless being used for training purposes  
6           in accordance with subsection (c) (2).

7           (4) The payment of cash, a cash equivalent or another  
8           prize to an individual from the play of a nonbanking game or  
9           nonbanking game device or associated equipment obtained in  
10           accordance with this subsection is prohibited.

11 § 1135. Compulsive and problem gambling assistance.

12           (a) Handouts and other materials.--

13           (1) The board, in consultation with the Department of  
14           Drug and Alcohol Programs, shall develop a Statewide handout,  
15           in addition to any other materials deemed appropriate by the  
16           board, regarding assistance for compulsive and problem  
17           gambling.

18           (2) A certificate holder shall conspicuously display,  
19           within the gaming floor of the certificate holder's licensed  
20           facility at which nonbanking games are conducted, the  
21           handouts and other materials described in paragraph (1),  
22           which shall also be made available upon request.

23           (b) Signs.--

24           (1) Subject to paragraphs (1) and (2), a certificate  
25           holder shall conspicuously post signs containing a statement  
26           in substantially the following form:

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

30           (2) At least one sign described in paragraph (1) shall

1 be posted within the gaming floor of the certificate holder's  
2 licensed facility at which nonbanking games are conducted.

3 (3) The toll-free telephone number required to be posted  
4 under paragraph (1) shall be the same number maintained by  
5 the Department of Drug and Alcohol Programs.

6 (c) Mandatory training program.--

7 (1) The board's Office of Compulsive and Problem  
8 Gambling, in consultation with the Department of Drug and  
9 Alcohol Programs, shall develop a mandatory training program  
10 for employees and management of a certificate holder to  
11 address responsible gaming and other compulsive and problem  
12 gambling issues related to nonbanking games.

13 (2) The board shall establish a fee to cover the costs  
14 of the mandatory training program under paragraph (1).

15 (d) Penalty.--If a certificate holder fails to comply with  
16 the requirements of this section, the certificate holder shall  
17 be subject to:

18 (1) An administrative penalty assessed by the board in  
19 an amount established by the board.

20 (2) The suspension of the certificate holder's  
21 nonbanking game operation certificate, depending on the  
22 severity and length of noncompliance.

23 § 1136. Books, records and documents.

24 As a condition of continued operation, a certificate holder  
25 shall agree to maintain all books, records and documents related  
26 to the operation of the nonbanking games of the certificate  
27 holder in a manner and location within this Commonwealth as  
28 approved by the board. The books, records and documents shall  
29 be:

30 (1) Segregated by separate accounts within the books,

1 records and documents of the certificate holder.

2 (2) Immediately available for inspection upon request of  
3 the board, bureau, department, Pennsylvania State Police or  
4 the Office of Attorney General, or any authorized agent  
5 thereof, during all hours of operation of the licensed  
6 facility in accordance with regulations promulgated by the  
7 board.

8 (3) Maintained for a period as the board requires by  
9 regulation.

10 § 1137. Accounting controls and audit protocols.

11 (a) Approval required.--Prior to the commencement of  
12 nonbanking game operations, a certificate holder shall submit to  
13 the board for approval all proposed site plans, internal control  
14 systems and audit protocols for the certificate holder's  
15 nonbanking game operations.

16 (b) Minimum requirements.--The internal controls and audit  
17 protocols of a certificate holder shall:

18 (1) Safeguard the assets and revenues of the certificate  
19 holder, including the recording of cash, cash equivalents and  
20 evidences of indebtedness related to nonbanking games.

21 (2) Provide for reliable records, accounts and reports  
22 of any financial event that occurs in the conduct of  
23 nonbanking games, including reports to the board related to  
24 nonbanking games.

25 (3) Provide for accurate and reliable financial records  
26 related to nonbanking games.

27 (4) Establish procedures for all of the following:

28 (i) The receipt, storage and disbursal of chips,  
29 cash and cash equivalents used in nonbanking games.

30 (ii) The conversion of cash equivalents to cash.

1           (iii) The redemption of chips and other  
2           representations of value used in nonbanking games and the  
3           payment of winnings and prizes.

4           (iv) The recording of financial transactions  
5           pertaining to nonbanking games.

6           (5) Establish procedures for the collection and security  
7           of cash and cash equivalents at the nonbanking game tables.

8           (6) Establish procedures for the recording of and  
9           transfer of chips and cash equivalents between the nonbanking  
10           game tables and the cashier's cage.

11           (7) Establish procedures for the transfer of drop boxes  
12           from the nonbanking game tables to the count room.

13           (8) Establish procedures and security for the counting  
14           and recording of gross nonbanking game revenue.

15           (9) Establish procedures for the security, storage and  
16           recording of cash and cash equivalents utilized in nonbanking  
17           games.

18           (10) Establish procedures and security standards for the  
19           handling and storage of nonbanking game devices and  
20           associated equipment used in connection with nonbanking  
21           games.

22           (11) Establish procedures and rules governing the  
23           conduct of each nonbanking game and the responsibility of  
24           employees related to nonbanking games.

25           (12) Establish procedures for the collection and  
26           recording of revenue from nonbanking games, including the  
27           type of rake utilized and the methodology for calculating the  
28           amount of permissible rake.

29           (13) Ensure that any wagering permitted in the play of a  
30           nonbanking game is implemented only in accordance with the

1 certificate holder's general or specific authorization, as  
2 approved by the board.

3 (14) Ensure the proper and timely accounting of gross  
4 nonbanking game revenue and the calculation of gross  
5 nonbanking game revenue, fees, taxes and assessments based on  
6 the gross nonbanking game revenue.

7 (15) Maintain accountability for assets, ensure that  
8 recorded accountability for assets is compared with actual  
9 assets at reasonable intervals and ensure that appropriate  
10 action is taken with respect to any discrepancies.

11 (16) Ensure that all functions, duties and  
12 responsibilities related to nonbanking game operations are  
13 appropriately segregated and performed in accordance with  
14 sound financial practices by qualified employees.

15 (17) Permit use of the licensed facility by the board,  
16 bureau and other persons authorized under this chapter or by  
17 the board to facilitate the ability to perform regulatory and  
18 oversight functions under this chapter.

19 (c) System of internal controls.--The submittal required  
20 under subsection (a) shall include a detailed description of the  
21 certificate holder's administrative and accounting procedures  
22 related to nonbanking games, including a written system of  
23 internal controls that includes:

24 (1) An organizational chart depicting appropriate  
25 functions and responsibilities of employees involved in  
26 nonbanking game operations.

27 (2) A description of the duties and responsibilities of  
28 each position shown on the organizational chart.

29 (3) The record retention policy of the certificate  
30 holder.



1       (4) The procedure to be utilized to ensure that assets  
2 are safeguarded, including mandatory count procedures.

3       (5) A detailed narrative description of the  
4 administrative and accounting procedures in place to ensure  
5 compliance with the requirements of section 1138 (relating to  
6 cash equivalents).

7       (6) A statement signed by the certificate holder's chief  
8 financial officer or other competent person attesting that  
9 the signatory believes, in good faith, that the system  
10 satisfies the requirements of this section.

11 (d) Review.--Prior to authorizing a certificate holder to  
12 conduct nonbanking games, the board shall review the system of  
13 internal controls submitted under subsection (c) to determine  
14 whether the system:

15       (1) Conforms to the requirements of this chapter.

16       (2) Provides adequate and effective controls for the  
17 conduct of nonbanking games.

18 § 1138. Cash equivalents.

19 (a) Checks.--

20       (1) A certificate holder may accept a check from a  
21 patron in exchange for cash or chips. The following apply:

22       (i) Within 10 days of receipt of the check, the  
23 certificate holder shall present the check for payment to  
24 the financial institution upon which the check is drawn.

25       (ii) A third-party check shall not be permitted.

26       (2) Notwithstanding any other provision of law:

27       (i) A check that is cashed in conformity with the  
28 requirements of this section or 13 Pa.C.S. Div. 3  
29 (relating to negotiable instruments) shall be a valid  
30 instrument, enforceable at law in the courts of this

1 Commonwealth.

2 (ii) A check that is cashed, transferred, conveyed,  
3 given or accepted in violation of this section shall be  
4 invalid and unenforceable for the purposes of collection  
5 by a certificate holder but shall be included in the  
6 calculation of gross nonbanking game revenue.

7 (b) Notice of fees.--All fees charged for the conversion of  
8 cash equivalents shall be disclosed.

9 (c) Payment of cash equivalents.--

10 (1) Other than credit extended by a certificate holder,  
11 an instrument that constitutes a cash equivalent shall be  
12 made payable to the certificate holder, to the bearer or to  
13 cash.

14 (2) An instrument made payable to a third party shall  
15 not be considered a cash equivalent and shall be prohibited.

16 § 1139. Separate license or permit not required.

17 Nothing in this chapter shall be construed to require any  
18 individual who holds a principal license, a key employee license  
19 or gaming employee license under 4 Pa.C.S. Ch. 13 (relating to  
20 licensees) to obtain a separate license or permit to be employed  
21 in a certificate holder's nonbanking game operation authorized  
22 under this chapter.

23 § 1140. Investigation and enforcement.

24 (a) Board.--The board may, following notice and hearing,  
25 impose penalties or suspend or revoke a license or certificate  
26 under this chapter.

27 (b) Bureau.--The bureau shall:

28 (1) Enforce the provisions of this chapter.

29 (2) Investigate licensed entities and certificate  
30 holders for noncriminal violations of this chapter, including

1 potential violations referred to the bureau by the board or  
2 another person.

3 (3) Monitor gaming operations to ensure all of the  
4 following:

5 (i) Compliance with this chapter, the act of April  
6 12, 1951 (P.L.90, No.21), known as the Liquor Code, and  
7 the other laws of this Commonwealth.

8 (ii) The implementation of adequate security  
9 measures by a certificate holder.

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

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

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

20 (7) Act as a criminal justice agency, as defined in 18  
21 Pa.C.S. § 9102 (relating to definitions), in accordance with  
22 18 Pa.C.S. Ch. 91 (relating to criminal history record  
23 information).

24 (c) Department.--

25 (1) Notwithstanding any other provision of law, the  
26 department may report violations of this chapter to the  
27 board.

28 (2) The department shall at all times have the power of  
29 access to examine and audit equipment and records related to  
30 all aspects of the operation of nonbanking games under this

1 chapter.

2 (3) 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 bureau, Pennsylvania State Police and the Office of Attorney  
6 General with information concerning the status of delinquent  
7 taxes owned by a licensed entity or certificate holder.

8 (d) Pennsylvania State Police.--

9 (1) The Pennsylvania State Police shall:

10 (i) Initiate proceedings for criminal violations of  
11 this chapter.

12 (ii) Promptly conduct background investigations on  
13 persons as directed by the board under this chapter. 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 (iii) Provide the board with information necessary  
18 for actions under this chapter for proceedings involving  
19 criminal enforcement of this chapter or 18 Pa.C.S.  
20 (relating to crimes and offenses).

21 (iv) Inspect, when appropriate, a certificate  
22 holder's person and personal effects present in a  
23 licensed facility while the certificate holder is present  
24 at the licensed facility.

25 (v) Enforce the criminal provisions of this chapter  
26 and all other criminal laws of the Commonwealth within a  
27 licensed facility.

28 (vi) Fingerprint petitioners.

29 (vii) Exchange fingerprint data with and receive  
30 national criminal history record information from the

1 Federal Bureau of Investigation for use in background  
2 investigations performed by the bureau under this  
3 chapter.

4 (viii) Receive and take appropriate action on a  
5 referral from the board related to criminal conduct.

6 (ix) Conduct audits or verifications of information  
7 of nonbanking game operations at the times, under the  
8 circumstances and to the extent as the bureau determines.  
9 This paragraph includes reviews of accounting,  
10 administrative and financial records, procedures and  
11 records utilized by a certificate holder.

12 (2) A member of the Pennsylvania State Police assigned  
13 to duties of enforcement under this chapter shall not be  
14 counted toward the complement as described in section 205(b)  
15 of the act of April 9, 1929 (P.L.177, No.175), known as The  
16 Administrative Code of 1929.

17 (3) By March 1 of each year, the Commissioner of  
18 Pennsylvania State Police shall submit a report summarizing  
19 all law enforcement activities at each licensed facility  
20 during the previous calendar year. The following apply:

21 (i) Each report shall include all of the following:

22 (A) The number of arrests made and citations  
23 issued at each licensed facility and the name of the  
24 law enforcement agency making the arrest or issuing  
25 the citation.

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

28 (C) The number of criminal prosecutions  
29 resulting from arrests made or citations issued.

30 (D) The number of convictions resulting from

1 prosecutions reported under clause (C).

2 (E) The number of Pennsylvania State Police  
3 troopers assigned to each licensed facility and to  
4 the gaming unit at the Pennsylvania State Police  
5 headquarters.

6 (F) The number and the subject matter of  
7 complaints made against Pennsylvania State Police  
8 troopers in licensed facilities and the type of  
9 disciplinary actions taken by the Pennsylvania State  
10 Police, if any, against the Pennsylvania State Police  
11 troopers.

12 (G) The closest local police station,  
13 Pennsylvania State Police station and regional  
14 Pennsylvania State Police headquarters to each  
15 licensed facility.

16 (ii) Each report shall be submitted to:

17 (A) The Appropriations Committee of the Senate.

18 (B) The Appropriations Committee of the House of  
19 Representatives.

20 (C) The Community, Economic and Recreational  
21 Development Committee of the Senate.

22 (D) The Gaming Oversight Committee of the House  
23 of Representatives.

24 (e) Criminal action.--

25 (1) A district attorney may investigate and institute  
26 criminal proceedings for a violation of this chapter.

27 (2) In addition to the authority conferred upon the  
28 Attorney General under the act of October 15, 1980 (P.L.950,  
29 No.164), known as the Commonwealth Attorneys Act, the  
30 Attorney General may investigate and, following consultation

1 with the appropriate district attorney, institute criminal  
2 proceedings for a violation of this chapter. A person charged  
3 with a violation of this chapter by the Attorney General  
4 shall not have standing to challenge the authority of the  
5 Attorney General to investigate or prosecute the case, and,  
6 if any such challenge is made, the challenge shall be  
7 dismissed and no relief shall be available in the courts of  
8 this Commonwealth to the person making the challenge.

9 (f) Regulatory action.--Nothing in subsection (c) shall be  
10 construed to limit the existing regulatory or investigative  
11 authority of an agency or the Commonwealth whose functions  
12 relate to persons or matters within the scope of this chapter.

13 (g) Inspection, seizure and warrants.--

14 (1) The bureau, department and Pennsylvania State Police  
15 may, without notice and without warrant, do any of the  
16 following in the performance of duties:

17 (i) Inspect and examine all premises where:

18 (A) Nonbanking game operations are conducted.

19 (B) Nonbanking game devices and associated  
20 equipment are manufactured, sold, distributed or  
21 serviced.

22 (C) Records of activities under clause (A) or

23 (B) are prepared or maintained.

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

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

29 (iv) Inspect, examine and audit all books, records  
30 and documents pertaining to a certificate holder's

1           operations.

2           (v) Seize, impound or assume physical control of any  
3           book, record, ledger, game, device, cash box, cash box  
4           contents, count room, count room equipment, associated  
5           equipment or nonbanking game operations.

6           (2) The provisions of paragraph (1) shall not be deemed  
7           to limit warrantless inspections except in accordance with  
8           constitutional requirements.

9           (3) To further effectuate the purposes of this chapter,  
10          the bureau and Pennsylvania State Police may obtain  
11          administrative warrants for the inspection and seizure of  
12          property possessed, controlled, bailed or otherwise held by a  
13          licensed entity or certificate holder.

14          (h) Information sharing and enforcement referral.--With  
15          respect to the administration, supervision and enforcement of  
16          this chapter, the bureau, department, Pennsylvania State Police  
17          or Office of Attorney General may obtain or provide pertinent  
18          information regarding applicants, licensees or permittees from  
19          or to law enforcement entities or gaming authorities of the  
20          Commonwealth and other domestic, foreign or federally approved  
21          jurisdictions, including the Federal Bureau of Investigation,  
22          and may transmit the information to each other electronically.

23          § 1141. Responsibility and authority of department.

24          (a) Taxes and interest.--The department is authorized to  
25          administer and collect taxes imposed under this chapter and  
26          interest imposed under section 806 of the act of April 9, 1929  
27          (P.L.343, No.176), known as The Fiscal Code, and promulgate and  
28          enforce rules and regulations to carry out prescribed duties in  
29          accordance with this chapter, including the collection of taxes,  
30          penalties and interest imposed by this chapter.



1 (b) Application of rules and regulations.--

2 (1) The department may prescribe the extent, if any, to  
3 which any rules and regulations shall be applied without  
4 retroactive effect.

5 (2) The department may prescribe the forms and the  
6 system of accounting and recordkeeping to be employed.

7 (3) The department, through an authorized representative  
8 of the department, shall at all times have power of access to  
9 and examination and audit of equipment and records related to  
10 all aspects of the operations under this chapter.

11 (c) Additional penalty.--A person that fails to timely remit  
12 to the department or State Treasurer amounts required under this  
13 chapter shall be liable, in addition to liability imposed  
14 elsewhere in this chapter, for a penalty of 5% per month up to a  
15 maximum of 25% of the amounts ultimately found to be due, to be  
16 recovered by the department.

17 § 1142. Testing and certification standards.

18 The board shall provide for the testing and certification of  
19 nonbanking games and associated equipment consistent with the  
20 standards under 4 Pa.C.S. § 13A41 (relating to table game device  
21 and associated equipment testing and certification standards).

22 SUBCHAPTER E

23 FEEES AND TAXES

24 Sec.

25 1151. Authorization fee and renewal fee.

26 1152. Taxes.

27 § 1151. Authorization fee and renewal fee.

28 (a) Amounts.--

29 (1) A licensed entity that submits a petition for a  
30 nonbanking game operation certificate under section 1121

1 (relating to petitions) shall pay a one-time nonrefundable  
2 authorization fee of \$2,000.

3 (2) The renewal fee for a nonbanking game operation  
4 certificate shall be \$1,000.

5 (b) Suspension of certificate.--The board shall suspend the  
6 nonbanking game operation certificate if the certificate holder  
7 fails to pay the total authorization fee or renewal fee prior to  
8 the deadline determined by the board. The suspension shall  
9 remain in effect until final payment is made.

10 (c) Deposit of fees.--All nonbanking game authorization fees  
11 received by the board under this section shall be deposited into  
12 the General Fund.

13 § 1152. Taxes.

14 (a) Imposition.--Except as provided in subsection (c), each  
15 certificate holder shall report to the department and pay from  
16 the certificate holder's daily gross nonbanking game revenue, on  
17 a form and in a manner prescribed by the department, a tax of  
18 60% of the daily gross nonbanking game revenue.

19 (b) Deposits and distributions.--

20 (1) The tax imposed under subsection (a) shall be  
21 payable to the department on a monthly basis and shall be  
22 based upon gross nonbanking game revenue derived during the  
23 previous month.

24 (2) All money owed to the Commonwealth under this  
25 section shall be held in trust for the Commonwealth by the  
26 certificate holder until the money is paid to the department.  
27 Unless otherwise agreed to by the board, a certificate holder  
28 shall establish a separate bank account into which gross  
29 table game revenue shall be deposited and maintained until  
30 the money is paid to the department under this section or

1 paid into the State Gaming Fund under section 13A63(a)  
2 (relating to local share assessment).

3 (3) The tax imposed under subsection (a) shall be  
4 deposited into the General Fund.

5 (c) Exception.--Certificate holders who conduct nonbanking  
6 games for the sole purpose of raising money for public interest  
7 purposes shall be exempt from the tax imposed under subsection  
8 (a).

9 SUBCHAPTER F

10 MISCELLANEOUS PROVISIONS

11 Sec.

12 1161. Rules and regulations.

13 § 1161. Rules and regulations.

14 (a) Authorization.--The board may promulgate or adopt rules  
15 and regulations as may be necessary and appropriate to carry out  
16 the provisions of this chapter.

17 (b) Temporary regulations.--

18 (1) Notwithstanding any other provision of law, to  
19 facilitate the prompt implementation of this chapter, the  
20 board may issue temporary regulations. The following apply:

21 (i) The board shall issue the temporary regulations  
22 within 180 days of the effective date of this  
23 subparagraph. Regulations adopted after this 180-day  
24 period shall be promulgated as provided by statute.

25 (ii) Notice of the temporary regulations shall be  
26 transmitted to the Legislative Reference Bureau for  
27 publication in the next available issue of the  
28 Pennsylvania Bulletin.

29 (iii) The board shall post the temporary regulations  
30 on its publicly accessible Internet website.

1           (iv) The temporary regulations shall expire no later  
2 than two years following publication of the temporary  
3 regulations in the Pennsylvania Bulletin.

4           (2) The temporary regulations under paragraph (1) shall  
5 be exempt from the following:

6           (i) Section 612 of the act of April 9, 1929  
7 (P.L.177, No.175), known as The Administrative Code of  
8 1929.

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

12           (iii) Sections 204(b) and 301(10) of the act of  
13 October 15, 1980 (P.L.950, No.164), known as the  
14 Commonwealth Attorneys Act.

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

17           (c) Contents.--Rules and regulations under this section  
18 shall establish standards and procedures in accordance with this  
19 chapter.

20           (d) Permanent regulations.--Prior to the expiration of the  
21 temporary regulations, the board shall propose for approval  
22 permanent regulations as provided by statute. The proposed  
23 permanent regulations shall be:

24           (1) Consistent with subsection (c) and may be the same  
25 as the temporary regulations.

26           (2) Promulgated as provided by statute.

27           Section 2. This act shall take effect in 60 days.