
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 756 Session of
2025

INTRODUCED BY GEBHARD, K. WARD, PITTMAN, BROWN AND LAUGHLIN,
MAY 13, 2025

REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,
MAY 13, 2025

AN ACT

1 Amending Titles 4 (Amusements), 18 (Crimes and Offenses) and 42
2 (Judiciary and Judicial Procedure) of the Pennsylvania
3 Consolidated Statutes, in fantasy contests, further providing
4 for definitions, for general and specific powers of board and
5 for prohibitions; in general provisions relating to gaming,
6 further providing for legislative intent and for definitions;
7 in Pennsylvania Gaming Control Board, further providing for
8 Pennsylvania Gaming Control Board established, for general
9 and specific powers, for license or permit application
10 hearing process and public input hearings, for regulatory
11 authority of board, for number of slot machines, for reports
12 of board and for license or permit prohibition; in licensees,
13 further providing for Category 4 slot machine license, for
14 divestiture of disqualifying applicant, for manufacturer
15 licenses, for gaming service provider, for nongaming service
16 provider, for occupation permit application, for slot machine
17 testing and certification standards, for slot machine
18 accounting controls and audits and for renewals; in table
19 games, further providing for regulatory authority and for
20 table game device and associated equipment testing and
21 certification standards; in interactive gaming, further
22 providing for internal, administrative and accounting
23 controls, for interactive games and interactive gaming
24 devices and associated equipment testing and certification
25 standards; in sports wagering, further providing for
26 definitions; in revenues, further providing for slot machine
27 licensee deposits and for transfers from State Gaming Fund;
28 in administration and enforcement, repealing provisions
29 relating to political influence, further providing for
30 investigations and enforcement, for prohibited acts and
31 penalties and for liquor licenses at licensed facilities; in
32 fingerprinting, further providing for submission of
33 fingerprints and photographs; in miscellaneous provisions

1 relating to gaming, providing for live-streaming on casino
2 floor and further providing for severability; in general
3 provisions relating to video gaming, further providing for
4 definitions; in administration, further providing for powers
5 of board; in application and licensure, further providing for
6 key employee licenses, for establishment licenses and for
7 license or permit prohibition; in operation, further
8 providing for video gaming limitations and for compulsive and
9 problem gambling; in enforcement, further providing for
10 prohibited acts and penalties; in revenues, further providing
11 for fees; in ethics, repealing provisions relating to
12 political influence; providing for skill gaming; establishing
13 the Skill Gaming Fund; imposing duties on the Department of
14 Revenue; in riot, disorderly conduct and related offenses,
15 further providing for gambling devices, gambling, etc.; in
16 forfeiture of assets, further providing for asset forfeiture;
17 making appropriations; making repeals; and making editorial
18 changes.

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

21 Section 1. The definitions of "applicant" and "fantasy
22 contest" in section 302 of Title 4 of the Pennsylvania
23 Consolidated Statutes are amended to read:

24 § 302. Definitions.

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

28 "Applicant." A person who, on [his] the person's own behalf
29 or on behalf of another, is applying for [permission to engage
30 in any act or activity which is regulated under the provisions
31 of] a registration, permit, certification, license,
32 qualification or other credential issued by the board pursuant
33 to this chapter. If the applicant is a person other than an
34 individual, the board shall determine the associated persons
35 whose qualifications are necessary as a precondition to the
36 licensing of the applicant.

37 * * *

38 "Fantasy contest." As follows:

39 (1) An online fantasy or simulated game or contest,

1 between participants and not a licensed operator, with an
2 entry fee and a prize or award in which:

3 (i) The precise value of all prizes or awards
4 offered to winning participants is established and made
5 known to participants [in advance of] prior to accepting
6 any entries into the contest and the value is not
7 determined by the number of participants or the amount of
8 any fees paid by those participants.

9 (i.1) The establishment of all prizes or awards do
10 not include the creation of a prize pool wherein the
11 money in the prize pool is likely to be divided between a
12 number of winning participants in amounts unknown until
13 the contest is concluded.

14 (i.2) The maximum number of participants allowed to
15 enter into the contest is clearly disclosed and subject
16 to limitations established by the board.

17 (ii) All winning outcomes [reflect the relative
18 knowledge and skill of participants and] are determined
19 only by accumulated statistical results of the
20 performance of individuals[, including athletes in the
21 case of sports events] and nothing else.

22 (ii.1) The winning outcomes are determined by the
23 number of times a participant correctly picks whether an
24 individual's performance exceeds or fails to exceed a
25 predetermined threshold or similar selection secondary to
26 an individual's accumulated statistical results.

27 (iii) No winning outcome is based on the score,
28 point spread or performance of a single actual team or
29 combination of teams or solely on a single performance of
30 an individual athlete or player in a single actual event.

1 (2) The term does not include social fantasy contests.

2 * * *

3 Section 2. Sections 311(b)(7.1), (7.2) and (10), 326(a)(12)
4 (iii) and 1102(1) of Title 4 are amended to read:

5 § 311. General and specific powers of board.

6 * * *

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

9 * * *

10 (7.1) To require prospective and existing employees of
11 the board, independent contractors of the board, applicants
12 and licensees to submit [to fingerprinting by] fingerprints
13 to the Pennsylvania State Police [or an authorized agent of
14 the Pennsylvania State Police]. The Pennsylvania State Police
15 [or authorized agent of the Pennsylvania State Police] shall
16 conduct a State record check and submit the fingerprints to
17 the Federal Bureau of Investigation for purposes of verifying
18 the identity of the individual and obtaining records of
19 criminal arrests and convictions.

20 (7.2) To require prospective and existing employees of
21 the board, independent contractors of the board, applicants
22 and licensees to submit photographs consistent with the
23 standards established by the board.

24 * * *

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

29 (i) contract with a certified public accountant to
30 conduct an annual independent audit in accordance with

standards adopted by the American Institute of Certified Public Accountants to verify compliance with the provisions of this chapter and board regulations;

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

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

* * *

§ 326. Prohibitions.

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

* * *

(12) offer a fantasy contest where:

* * *

[(iii) the winning outcome does not reflect the relative knowledge and skill of participants;]

* * *

§ 1102. Legislative intent.

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

(1) The primary objective of this part to which all other objectives and purposes are secondary is to protect the public through the regulation and policing of all activities involving gaming and practices that continue to be unlawful. It is the intent of the General Assembly to occupy the field of gaming in this Commonwealth and to prohibit all forms of gaming, wagering and gambling in this Commonwealth, including

1 all traditional, electronic and mobile formats, that have not
2 been expressly authorized by statute.

3 * * *

4 Section 3. The definitions of "applicant," "background
5 investigation," "cash equivalent," "conduct of gaming,"
6 "interactive game," "interactive gaming," "interactive gaming
7 operator," "interactive gaming website," "nongaming service
8 provider" and "slot machine" in section 1103 of Title 4 are
9 amended to read:

10 § 1103. Definitions.

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

14 * * *

15 "Applicant." [Any] A person who, on [his] the person's own
16 behalf or on behalf of another, is applying for [permission to
17 engage in any act or activity which is regulated under the
18 provisions of] a registration, permit, certification, license,
19 qualification or other credential issued by the board pursuant
20 to this part. In cases in which the applicant is a person other
21 than an individual, the Pennsylvania Gaming Control Board shall
22 determine the associated persons whose qualifications are
23 necessary as a precondition to the licensing of the applicant.

24 * * *

25 "Background investigation." A security, criminal, credit and
26 suitability investigation of a person as provided for in this
27 part. The investigation shall include the status of taxes owed
28 [to the United States and] to the Commonwealth and its political
29 subdivisions.

30 * * *

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

3 (1) Chips or tokens.

4 (2) Travelers checks.

5 (3) Foreign currency and coin.

6 (4) Certified checks, cashier's checks and money orders.

7 (5) Personal checks or drafts.

8 (6) A negotiable instrument applied against credit
9 extended by a certificate holder, an interactive gaming
10 certificate holder, an interactive gaming operator or a
11 financial institution.

12 (6.1) A prepaid access instrument.

13 (7) Any other instrument or representation of value that
14 the Pennsylvania Gaming Control Board deems a cash
15 equivalent.] A ticket, token, chip, card or other similar
16 instrument or representation of more than nominal value that
17 the board deems a cash equivalent in accordance with this
18 part.

19 * * *

20 "Conduct of gaming." The [licensed] placement, operation and
21 play of slot machines, table games and interactive games and
22 casino simulcasting under this part[, as authorized and approved
23 by the Pennsylvania Gaming Control Board]. The term shall
24 include the licensed placement, operation and play of authorized
25 interactive games through the use of multi-use computing devices
26 at a qualified airport under Subchapter B.1 of Chapter 13B
27 (relating to multi-use computing devices).

28 * * *

29 "Interactive game." Any [gambling] game offered through the
30 use of communications technology that allows a person, utilizing

1 money, checks, electronic checks, electronic transfers of money,
2 credit cards or any other instrumentality to transmit electronic
3 information to assist in the placement of a bet or wager and
4 corresponding information related to the display of the game,
5 game outcomes or other similar information. The term shall not
6 include:

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

10 (2) iLottery under Chapter 5 (relating to lottery).

11 (3) A nongambling game that does not otherwise require a
12 license under the laws of this Commonwealth.

13 (4) A fantasy contest under Chapter 3 (relating to
14 fantasy contests).

15 "Interactive gaming." The placing of wagers [with an
16 interactive gaming certificate holder or interactive gaming
17 operator] using a computer network of both Federal and non-
18 Federal interoperable packet switched data networks through
19 which [an interactive gaming certificate holder] a person may
20 offer [authorized] interactive games to [registered] players.
21 The term shall include the placing of wagers through the use of
22 a multi-use computing device.

23 * * *

24 "Interactive gaming operator." A person [licensed by the
25 Pennsylvania Gaming Control Board to operate interactive gaming
26 or an interactive gaming system on behalf of an interactive
27 gaming certificate holder. The term shall include a person that
28 has received conditional authorization under section 13B14
29 (relating to interactive gaming operators) for so long as such
30 authorization is effective] who operates or conducts interactive

1 gaming.

2 * * *

3 "Interactive gaming website." The interactive gaming skin or
4 skins through which an interactive gaming certificate holder or
5 interactive gaming operator makes [authorized] interactive games
6 available for play.

7 * * *

8 "Nongaming service provider." A person that is not a gaming
9 service provider or required to be licensed as a manufacturer,
10 supplier, management company or gaming junket enterprise under
11 this part and that provides goods or services[:

12 (1)] to a slot machine licensee or applicant for a slot
13 machine license for use in the operation of a licensed
14 facility[; and

15 (2) that does not require access to the gaming floor or
16 a gaming-related restricted area].

17 * * *

18 "Slot machine."

19 (1) The term includes:

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

30 (A) May deliver or entitle the person or persons

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

7 (B) May utilize spinning reels or video displays
8 or both.

9 (C) May or may not dispense coins, tickets or
10 tokens to winning patrons.

11 (D) May use an electronic credit system for
12 receiving wagers and making payouts.

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

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

20 (iv) A slot machine used in a multistate wide-area
21 progressive slot machine system and devices and
22 associated equipment as defined by the Pennsylvania
23 Gaming Control Board through regulations.

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

27 (2) The term does not include a fantasy contest terminal
28 within the meaning of Chapter 3.

29 * * *

30 Section 4. Section 1201(i)(1) of Title 4 is amended to read:

1 § 1201. Pennsylvania Gaming Control Board established.

2 * * *

3 (i) Compensation.--

4 (1) [The Executive Board as established in the act of
5 April 9, 1929 (P.L.177, No.175), known as The Administrative
6 Code of 1929, shall establish the compensation of the
7 members.] Compensation for members shall be \$70,000 annually.

8 * * *

9 Section 5. Section 1202(b) of Title 4 is amended by adding a
10 paragraph to read:

11 § 1202. General and specific powers.

12 * * *

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

15 * * *

16 (39) To annually review any required compliance reports
17 and eliminate reports that the board determines to be
18 unnecessary or duplicative.

19 Section 6. Sections 1202.1(c)(5), 1205(b)(2), 1207(4), (13),
20 (19) and (26), 1210(a)(2), 1211(d.1) and (d.3) and 1213(4)(ii)
21 of Title 4 are amended to read:

22 § 1202.1. Code of conduct.

23 * * *

24 (c) Restrictions.--In addition to the other prohibitions
25 contained in this part, a member shall:

26 * * *

27 (5) Not hold or campaign for public office, hold an
28 office in any political party or political committee, [as
29 defined in section 1513(d) (relating to political
30 influence),] contribute to or solicit contributions to a

1 political campaign, political party, political committee or
2 candidate, publicly endorse a candidate or actively
3 participate in a political campaign.

4 * * *

5 § 1205. License or permit application hearing process; public
6 input hearings.

7 * * *

8 (b) Public input hearing requirement.--

9 * * *

10 [(2) All public input hearings under paragraph (1) shall
11 be held in the municipality where the licensed facility will
12 be, or is, located and shall be organized in cooperation with
13 the municipality.]

14 * * *

15 § 1207. Regulatory authority of board.

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

17 * * *

18 (4) Require that each licensed entity provide to the
19 board its audited annual financial statements, with such
20 additional detail as the board from time to time shall
21 require, which information shall be submitted not later than
22 [90] 180 days after the end of the licensee's fiscal year.

23 * * *

24 [(13) Require slot machine licensees to provide onsite
25 facilities for use by the board and other appropriate persons
26 for the purpose of carrying out their respective
27 responsibilities under this part.]

28 * * *

29 (19) Authorize an employee of the board to approve, deny
30 or condition a request to decrease the number of slot

1 machines in operation at a licensed facility. An employee may
2 not approve a requested decrease in the number of slot
3 machines under this paragraph if the requested decrease
4 exceeds 2% of the total number of slot machines in operation
5 at a licensed facility. [Except as provided under paragraph
6 (20), at no time shall the number of slot machines in
7 operation at a Category 1 or Category 2 licensed facility be
8 less than 1,500 or less than 250 slot machines at a Category
9 3 licensed facility.]

10 * * *

11 (26) Negotiate and enter into interactive gaming
12 reciprocal agreements on behalf of the Commonwealth to govern
13 the conduct of interactive gaming between interactive gaming
14 certificate holders in this Commonwealth and gaming entities
15 in other states or jurisdictions. Notwithstanding any
16 provision of this part, wagers may be accepted in accordance
17 with this part and regulations of the board from persons in
18 other states or jurisdictions and wagers from persons in this
19 Commonwealth may be made through an interactive gaming
20 platform to a state or jurisdiction with which the
21 Commonwealth has an interactive gaming reciprocal agreement
22 if the board determines that such wagering is not
23 inconsistent with Federal law or the law of the state or
24 jurisdiction in which the person or gaming entity is located,
25 or such wagering is conducted pursuant to an interactive
26 gaming reciprocal agreement to which this Commonwealth is a
27 party that is not inconsistent with Federal law. The board[,
28 with the approval of the Governor,] is hereby designated as
29 the agency of the Commonwealth with the power and authority
30 to enter into interactive gaming reciprocal agreements with

1 other states or jurisdictions.

2 * * *

3 § 1210. Number of slot machines.

4 (a) Initial complement.--Except as provided for Category 3
5 slot machine licensees under section 1305 (relating to Category
6 3 slot machine license) or a Category 4 slot machine licensee
7 under section 1305.1 (relating to Category 4 slot machine
8 license), the following apply:

9 * * *

10 [(2) Each slot machine licensee shall be required to
11 operate and make available to play a minimum of 1,500 slot
12 machines at its licensed facility within one year of the
13 issuance by the board of a slot machine license to the slot
14 machine licensee. The board, upon application and for good
15 cause shown, may grant an extension for an additional period
16 ending on the later of 36 months from the end of the initial
17 one-year period or December 31, 2012.]

18 * * *

19 § 1211. Reports of board.

20 * * *

21 (d.1) Impact of interactive gaming.--

22 [(1)] Commencing one year after the issuance of the
23 first interactive gaming certificate and continuing annually
24 thereafter, the Department of Drug and Alcohol Programs or
25 successor agency shall prepare and distribute a report to the
26 Governor and the standing committees of the General Assembly
27 with jurisdiction over the board on the impact of interactive
28 gaming on compulsive and problem gambling and gambling
29 addiction in this Commonwealth. The report shall be prepared
30 by a private organization or entity with expertise in serving

1 and treating the needs of persons with compulsive gambling
2 addictions, which organization or entity shall be selected by
3 the Department of Drug and Alcohol Programs or successor
4 agency. The report may be prepared and distributed in
5 coordination with the board. Any costs associated with the
6 preparation and distribution of the report shall be borne by
7 all interactive gaming certificate holders. The board shall
8 be authorized to assess a fee against each interactive gaming
9 certificate holder for these purposes.

10 [(2) Commencing one year after the issuance of the first
11 interactive gaming certificate and continuing annually
12 thereafter, the board shall prepare and distribute a report
13 to the Governor and the standing committees of the General
14 Assembly with the jurisdiction over the board on the impact
15 of interactive gaming on licensed gaming entities in this
16 Commonwealth.]

17 * * *

18 [(d.3) Study.--The board shall study and annually report to
19 the standing committees of the General Assembly with
20 jurisdiction over the board on developments in gaming technology
21 and the impact, if any, new technologies and expansion of gaming
22 are having or are expected to have on the sustainability and
23 competitiveness of the gaming industry in this Commonwealth. The
24 initial report shall be due one year after the effective date of
25 this subsection. Each report shall specifically address the
26 following:

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

30 (2) New gaming products, if any, which have been

1 introduced in other states or jurisdictions.

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

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

7 (5) Any cannibalization from Category 4 slot machine
8 licensees on Category 1, Category 2 or Category 3 slot
9 machine licensees.]

10 * * *

11 § 1213. License or permit prohibition.

12 The following apply:

13 * * *

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

16 * * *

17 (ii) An offense which, under the laws of another
18 jurisdiction, is[:

19 (A) classified as a felony; or

20 (B)] punishable by imprisonment for more than
21 five years.

22 * * *

23 Section 7. Section 1305.1(d) of Title 4 is amended and the
24 section is amended by adding a subsection to read:

25 § 1305.1. Category 4 slot machine license.

26 * * *

27 (d) Number of slot machines.--The following apply:

28 (1) [Subject to paragraphs (2) and (3), a] A Category 4
29 slot machine licensee may operate not fewer than 300 and not
30 more than [750] 1,000 slot machines at the Category 4

1 licensed facility.

2 [(2) A Category 1 or Category 2 slot machine licensee
3 who is a Category 4 slot machine licensee may not operate
4 slot machines above the authorized complement under section
5 1210 (relating to number of slot machines).]

6 (3) (i) A Category 3 slot machine licensee who is a
7 Category 4 slot machine licensee may submit a petition to
8 operate slot machines above the Category 3 authorized
9 complement under section 1305 (relating to Category 3
10 slot machine license).

11 (ii) No later than 60 days after the board approves
12 a petition to operate slot machines above the Category 3
13 authorized complement in accordance with subparagraph
14 (i), the Category 3 slot machine licensee shall pay a
15 nonrefundable authorization fee in the amount of \$10,000
16 per authorized additional slot machine.

17 (iii) A qualified entity who is a Category 4 slot
18 machine licensee shall submit to the board a petition to
19 operate slot machines not to exceed the limit under
20 paragraph (1). No later than 60 days after the board
21 approves a petition to operate slot machines at a
22 Category 4 licensed facility, the qualified entity must
23 pay a nonrefundable authorization fee in the amount of
24 \$10,000 per authorized slot machine.

25 (4) A slot machine licensee may not reduce the number of
26 slot machines and table games in operation at a Category 1,
27 Category 2 or Category 3 licensed facility, as of the
28 effective date of this section, unless the board approves of
29 a reduction and the reduction is not a result of the conduct
30 of gaming at a Category 4 licensed facility.]

1 (5) A Category 4 slot machine licensee may submit to the
2 board a petition to operate additional slot machines not to
3 exceed the limit under paragraph (1). No later than 60 days
4 after the board approves a petition to operate additional
5 slot machines at a Category 4 licensed facility, the slot
6 machine licensee must pay a nonrefundable authorization fee
7 in the amount of \$10,000 per authorized slot machine.

8 * * *

9 (h) Remote video surveillance.--A Category 4 licensed
10 facility that is also a Category 1, Category 2 or Category 3
11 licensed facility may utilize remote video surveillance of slot
12 machines located at the Category 4 licensed facility by
13 surveillance located at the Category 1, Category 2 or Category 3
14 licensed facility.

15 Section 8. Sections 1312 and 1317.1(b)(1) of Title 4 are
16 amended to read:

17 § 1312. Divestiture of disqualifying applicant.

18 In the event that any [slot machine] license application is
19 not approved by the board based on a finding that an individual
20 who is a principal or has an interest in the person applying for
21 the license does not meet the character requirements [of section
22 1310 (relating to slot machine license application character
23 requirements)] under this part or any of the eligibility
24 requirements under this part, or a person who purchases a
25 controlling interest in a licensed gaming entity in violation of
26 section 1328 (relating to change in ownership or control of slot
27 machine licensee), the board may afford the individual the
28 opportunity to completely divest his interest in the person, its
29 affiliate, intermediary, subsidiary or holding company seeking
30 the license and, after such divestiture, reconsider the person's

1 or applicant's suitability for licensure in an expedited
2 proceeding and may, after such proceeding, issue the person or
3 applicant a [slot machine] license. The board shall approve the
4 terms and conditions of any divestiture under this section.
5 Under no circumstances shall any divestiture be approved by the
6 board if the compensation for the divested interest exceeds the
7 cost of the interest.

8 § 1317.1. Manufacturer licenses.

9 * * *

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

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

19 * * *

20 Section 9. Section 1317.2(a) of Title 4 is amended and the
21 section is amended by adding a subsection to read:

22 § 1317.2. Gaming service provider.

23 [(a) Development of classification system.--The board shall
24 develop a classification system governing the certification,
25 registration and regulation of gaming service providers and
26 individuals and entities associated with them. The
27 classification system shall be based upon the following:

28 (1) The monetary value or amount of business conducted
29 or expected to be conducted by the gaming service provider
30 with an applicant for a slot machine license or a slot

1 machine licensee in any consecutive 12-month period.

2 (2) Whether the employees of the gaming service provider
3 will have access to the gaming floor or any gaming-related
4 restricted area of a licensed facility.

5 (3) The board's analysis of the goods or services
6 provided or to be provided by the gaming service provider.]

7 (a.1) Slot machine licensee thresholds.--

8 (1) A slot machine licensee that contracts with or
9 otherwise engages in business with a gaming service provider
10 in an aggregate amount that is less than \$50,000 in any
11 consecutive 12-month period shall provide notification to the
12 board prior to the gaming service provider's provision of
13 goods or services.

14 (2) A slot machine licensee that contracts with or
15 otherwise engages in business with a gaming service provider
16 in an aggregate amount that is between \$50,001 and \$250,000
17 in any consecutive 12-month period shall ensure that the
18 gaming service provider is registered with the board prior to
19 the gaming service provider's provision of goods or services.

20 (3) A slot machine licensee that contracts with or
21 otherwise engages in business with a gaming service provider
22 in an aggregate amount that is between \$250,001 and \$750,000
23 in any consecutive 12-month period shall ensure that the
24 gaming service provider has obtained a certificate from the
25 board prior to the gaming service provider's provision of
26 goods or services.

27 (4) The thresholds under paragraphs (1), (2) and (3)
28 shall be adjusted annually by the board by applying the
29 percentage change in the Consumer Price Index for All Urban
30 Consumers (CPI-U) for the Pennsylvania, New Jersey, Delaware

1 and Maryland area for the most recent 12-month period for
2 which figures have been officially reported by the United
3 States Department of Labor, Bureau of Labor Statistics,
4 immediately prior to the date the adjustment is due to take
5 effect.

6 * * *

7 Section 10. Section 1317.3(a) and (d)(3) and (4) of Title 4
8 are amended to read:

9 § 1317.3. Nongaming service provider.

10 (a) Notification required.--

11 (1) A slot machine licensee or applicant for a slot
12 machine license that contracts with or otherwise engages in
13 business in an aggregate amount that exceeds \$500,000 in any
14 consecutive 12-month period with a nongaming service provider
15 shall provide notification to the board prior to[:

16 (i)] the nongaming service provider's provision of
17 goods or services. [at the slot machine licensee's
18 licensed facility; or

19 (ii) the provision of goods or services for use in
20 the operation of the slot machine licensee's licensed
21 facility.]

22 (2) Notification under this section shall be on a form
23 and in a manner as determined by the board. The board may
24 impose a fee, not to exceed \$100, in connection with the
25 notification.]

26 (3) The threshold under paragraph (1) shall be adjusted
27 annually by the board by applying the percentage change in
28 the Consumer Price Index for All Urban Consumers (CPI-U) for
29 the Pennsylvania, New Jersey, Delaware and Maryland area for
30 the most recent 12-month period for which figures have been

1 officially reported by the United States Department of Labor,
2 Bureau of Labor Statistics, immediately prior to the date the
3 adjustment is due to take effect.

4 * * *

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

9 * * *

10 [(3) The slot machine licensee or applicant for a slot
11 machine license shall ensure that employees of the nongaming
12 service provider do not enter the gaming floor or a gaming-
13 related restricted area while providing the goods or services
14 described in subsection (b) (2).]

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

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

20 (ii) Commits an act that adversely affects the
21 public interest or integrity of gaming.]

22 * * *

23 Section 11. Section 1318(a) and (b) (3) of Title 4 are
24 amended and the section is amended by adding a subsection to
25 read:

26 § 1318. Occupation permit application.

27 (a) Application.--Any person who desires to be a gaming
28 employee and has a bona fide offer of employment from a licensed
29 gaming entity shall apply to the board for an occupation permit.
30 The board, in the board's discretion, may issue a temporary

1 occupation permit after the submission of an application that
2 allows a person to be employed as a gaming employee before the
3 issuance of the person's occupation permit. A person may not be
4 employed as a gaming employee unless and until that person holds
5 an appropriate occupation permit or temporary occupation permit
6 issued under this section. [The board may promulgate regulations
7 to reclassify a category of nongaming employees or gaming
8 employees upon a finding that the reclassification is in the
9 public interest and consistent with the objectives of this
10 part.]

11 (b) Requirements.--The application for an occupation permit
12 shall include, at a minimum:

13 * * *

14 (3) The criminal history record of the person, as well
15 as the person's consent for the Pennsylvania State Police to
16 conduct a [background investigation.] criminal history record
17 information check provided by the Pennsylvania Access to
18 Criminal History system.

19 * * *

20 (d) Nongaming position.--An applicant for a position
21 categorized as nongaming shall not be required to obtain an
22 occupation permit.

23 Section 12. Section 1320(b.1)(8) of Title 4 is amended and
24 the subsection is amended by adding a paragraph to read:

25 § 1320. Slot machine testing and certification standards.

26 * * *

27 (b.1) Use of private testing and certification facilities.--
28 Notwithstanding any other provisions of this part or regulation
29 of the board, if a slot machine is tested and certified by a
30 private testing and certification facility registered with the

1 board, the board shall use an abbreviated certification process
2 requiring only that information determined by it to be necessary
3 to consider the issuance of a slot machine certification under
4 this section. Within one year of the effective date of this
5 subsection, the board shall promulgate regulations that:

6 * * *

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

12 (8.1) Require that if a slot machine has been approved
13 by another state gaming regulator that has offered slot
14 machines in that state for at least 10 years, upon filing,
15 the slot machine shall be conditionally approved and, after
16 90 days, shall be deemed finally approved with the licensee
17 holding the board harmless for any resulting liability.

18 * * *

19 Section 13. Sections 1322(c) introductory paragraph, 1325(d)
20 (3), 1326(a) and 13A02(1) of Title 4 are amended to read:

21 § 1322. Slot machine accounting controls and audits.

22 * * *

23 (c) Internal control.--Each slot machine license applicant
24 shall submit to the board and department, in such manner as the
25 board shall require, a description of its administrative and
26 accounting procedures in detail, including its written system of
27 internal control that shall be deemed approved upon filing
28 subject to modifications requested by the board. Each written
29 system of internal control shall include:

30 * * *

1 § 1325. License or permit issuance.

2 * * *

3 (d) Trusts and similar business entities.--The board shall
4 determine the eligibility of a trust or similar business entity
5 to be a licensed entity in accordance with the following:

6 * * *

7 (3) No trust or similar business entity may hold any
8 beneficial interest in a licensed entity unless the board
9 determines that the trust or similar business entity is not
10 engaged in any activity or otherwise being used to evade the
11 public protections under this part, including [sections]
12 section 1512 (relating to financial and employment interests)
13 [and 1513 (relating to political influence)].

14 § 1326. Renewals.

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

1 registration or certificate for which a completed renewal
2 application and fee, if required, has been received by the board
3 will continue in effect unless and until the board sends written
4 notification to the holder of the permit, license, registration
5 or certificate that the board has denied the renewal of such
6 permit, license, registration or certificate.

7 * * *

8 § 13A02. Regulatory authority.

9 The board shall promulgate regulations:

10 (1) Establishing standards and procedures for table
11 games and table game devices or associated equipment,
12 including standards distinguishing electronic gaming tables,
13 fully automated electronic gaming tables and traditional
14 gaming tables. The standards and procedures shall provide for
15 any new table games or gaming tables and variations or
16 composites of approved table games or gaming tables, provided
17 the board determines that the new table game, gaming table or
18 any variations or composites or other approved table games or
19 gaming tables are suitable for use after a test or
20 experimental period under the terms and conditions as the
21 board may deem appropriate. Unless the board determines that
22 the submission contains a technical defect, a new table game,
23 including rules of the table game, shall be deemed
24 conditionally approved by the board upon submission if the
25 new table game or rules have been approved by any other state
26 gaming regulator within the United States that has offered
27 table games for at least 10 years. If the board fails to
28 issue an order approving or denying the new table game or
29 rules within 90 days of submission, the new table game or
30 rules shall be deemed finally approved by operation of law. A

1 licensee seeking board approval of a new table game or rules
2 shall hold the board harmless from any liability arising from
3 the play of the new table game or rules prior to final
4 approval.

5 * * *

6 Section 14. Section 13A41(b.1) (8) of Title 4 is amended and
7 the subsection is amended by adding a paragraph to read:

8 § 13A41. Table game device and associated equipment testing and
9 certification standards.

10 * * *

11 (b.1) Use of private testing and certification facilities.--
12 Notwithstanding any provision of this part or regulation of the
13 board, if a table game device or associated equipment is tested
14 and certified by a private testing and certification facility
15 registered with the board, the board shall use an abbreviated
16 certification process requiring only that information determined
17 by it to be necessary to consider the issuance of a table game
18 device or associated equipment certification under this section.
19 Within one year of the effective date of this subsection, the
20 board shall promulgate regulations that:

21 * * *

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

28 (8.1) Require that if a table game has been approved by
29 another state gaming regulator that has offered table games
30 in that state for at least 10 years, upon filing, the table

1 game shall be conditionally approved and, after 90 days,
2 shall be deemed finally approved with the licensee holding
3 the board harmless for any resulting liability.

4 * * *

5 Section 15. Sections 13B32(b)(4) and 13B41 heading and (a)
6 (1) of Title 4 are amended to read:

7 § 13B32. Internal, administrative and accounting controls.

8 * * *

9 (b) Filing.--Notwithstanding subsection (a), the procedures
10 and controls may be implemented by an interactive gaming
11 certificate holder upon the filing of the procedures and
12 controls with the board. Each procedure or control submission
13 shall contain both narrative and diagrammatic representations of
14 the system to be utilized and shall include but need not be
15 limited to:

16 * * *

17 (4) Procedures for the registration of players and
18 establishment of interactive gaming accounts to prevent fraud
19 and to assure the identity of the account holder, including a
20 procedure for authenticating the age, identity and physical
21 address of an applicant for an interactive gaming account and
22 whether the applicant is a person prohibited from
23 establishing or maintaining an account under section 13B22
24 (relating to establishment of interactive gaming accounts).

25 * * *

26 § 13B41. Interactive skill games, interactive games and
27 interactive gaming devices and associated equipment
28 testing and certification standards.

29 (a) Testing required.--

30 (1) No interactive skill game, interactive game or

1 interactive gaming device or associated equipment shall be
2 used to conduct interactive gaming unless it has been tested
3 and certified by the board. The board may, in its discretion
4 and for the purpose of expediting the approval process, refer
5 testing to any testing laboratory as approved by the board.

6 * * *

7 Section 16. The definition of "sporting event" in section
8 13C01 of Title 4 is amended and the section is amended by adding
9 a definition to read:

10 § 13C01. 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 "E-Sports event." An organized competition in which players
15 compete against each other, individually or as teams, in the
16 play of video games, and the outcome of the game is determined
17 predominantly by the skill of the player not the element of
18 chance.

19 * * *

20 "Sporting event." A professional or collegiate sports or
21 athletic event [or], a motor race event or an e-Sports event.

22 * * *

23 Section 17. Sections 1401(b) and (d) and 1408(c) of Title 4
24 are amended to read:

25 § 1401. Slot machine licensee deposits.

26 * * *

27 [(b) Initial deposit of funds.--Not later than two business
28 days prior to the commencement of slot machine operations by a
29 slot machine licensee, a slot machine licensee shall deposit and
30 maintain the following sums in its account to guarantee the

1 payment of funds to the Commonwealth under this part and as
2 security for its obligations under section 1405 (relating to
3 Pennsylvania Race Horse Development Trust Fund):

4 (1) For a Category 1 or Category 2 slot machine
5 licensee, \$1,500,000.

6 (2) For a Category 3 slot machine licensee, \$1,000,000.

7 (3) For a Category 4 slot machine licensee, \$1,250,000.

8 No additional minimum deposit shall be required from a slot
9 machine licensee if a slot machine licensee is granted a table
10 game operation certificate under Chapter 13A (relating to table
11 games).]

12 * * *

13 [(d) Return of funds.--The funds deposited into its account
14 shall not be returned to a slot machine licensee unless the slot
15 machine licensee ceases conducting business under its license
16 and relinquishes all rights to do so in the future. In that
17 case, the balance of funds in the account attributable to such
18 licensee, minus any unpaid amounts due and payable to the
19 Commonwealth under this part or due and payable under section
20 1405, shall be returned to the licensee.]

21 § 1408. Transfers from State Gaming Fund.

22 * * *

23 (c) Local law enforcement grants.--

24 (1) Except as provided in subsection (c.1), annually,
25 the sum of \$2,000,000 shall be transferred to the board for
26 the purpose of issuing grants to local law enforcement
27 agencies to investigate violations of and enforce laws
28 relating to unlawful gambling in this Commonwealth.

29 (2) Grants awarded under this subsection may also be
30 used by local law enforcement agencies for:

1 (i) Enforcement of criminal laws related to
2 gambling, including, but not limited to, related thefts,
3 unattended children and harassment.

4 (ii) Educational, prevention and diversion programs
5 related to unlawful gambling and crimes related to
6 gambling.

7 (3) For purposes of this subsection, the term "local law
8 enforcement agency" shall include the Pennsylvania State
9 Police when conducting unlawful gambling enforcement and
10 prevention activities in a municipality which does not have a
11 municipal police department and in which the Pennsylvania
12 State Police provide the municipality with primary police
13 coverage.

14 * * *

15 Section 18. Section 1513 of Title 4 is repealed:

16 [§ 1513. Political influence.

17 (a) Contribution restriction.--The following persons shall
18 be prohibited from contributing any money or in-kind
19 contribution to a candidate for nomination or election to any
20 public office in this Commonwealth, or to any political party
21 committee or other political committee in this Commonwealth or
22 to any group, committee or association organized in support of a
23 candidate, political party committee or other political
24 committee in this Commonwealth:

25 (1) An applicant for a slot machine license,
26 manufacturer license, supplier license, principal license,
27 key employee license, interactive gaming license or horse or
28 harness racing license.

29 (2) A slot machine licensee, licensed manufacturer,
30 licensed supplier, interactive gaming operator or licensed

1 racing entity.

2 (3) A licensed principal or licensed key employee of a
3 slot machine licensee, licensed manufacturer, licensed
4 supplier, interactive gaming operator or licensed racing
5 entity.

6 (4) An affiliate, intermediary, subsidiary or holding
7 company of a slot machine licensee, licensed manufacturer,
8 licensed supplier, interactive gaming operator or licensed
9 racing entity.

10 (5) A licensed principal or licensed key employee of an
11 affiliate, intermediary, subsidiary or holding company of a
12 slot machine licensee, licensed manufacturer, licensed
13 supplier, interactive gaming operator or licensed racing
14 entity.

15 (6) A person who holds a similar gaming license in
16 another jurisdiction and the affiliates, intermediaries,
17 subsidiaries, holding companies, principals or key employees
18 thereof.

19 (a.1) Contributions to certain associations and
20 organizations barred.--The individuals prohibited from making
21 political contributions under subsection (a) shall not make a
22 political contribution of money or an in-kind contribution to
23 any association or organization, including a nonprofit
24 organization, that has been solicited by, or knowing that the
25 contribution or a portion thereof will be contributed to, the
26 elected official, executive-level public employee or candidate
27 for nomination or election to a public office in this
28 Commonwealth.

29 (a.2) Internet website.--

30 (1) The board shall establish an Internet website that

1 includes a list of all applicants for and holders of a slot
2 machine license, manufacturer license, supplier license or
3 racing entity license, and the affiliates, intermediaries,
4 subsidiaries, holding companies, principals and key employees
5 thereof, all persons holding a similar gaming license in
6 another jurisdiction, and the affiliates, intermediaries,
7 subsidiaries, holding companies, principals and key employees
8 thereof, and any other entity in which the applicant or
9 licensee has any debt or equity security or other ownership
10 or profits interest. An applicant or licensee shall notify
11 the board within seven days of the discovery of any change in
12 or addition to the information. The list shall be published
13 semiannually in the Pennsylvania Bulletin.

14 (2) An individual who acts in good faith and in reliance
15 on the information on the Internet website shall not be
16 subject to any penalties or liability imposed for a violation
17 of this section.

18 (3) The board shall request the information required
19 under paragraph (1) from persons licensed in another
20 jurisdiction who do not hold a license in this Commonwealth
21 and from regulatory agencies in the other jurisdiction. If a
22 licensee in another jurisdiction refuses to provide the
23 information required under paragraph (1), the person and its
24 officers, directors or persons with a controlling interest
25 shall be ineligible to receive any license under this part.

26 (b) Annual certification.--The chief executive officer, or
27 other appropriate individual, of each applicant for a slot
28 machine license, manufacturer license or supplier license,
29 licensed racing entity, licensed supplier, licensed manufacturer
30 or licensed gaming entity shall annually certify under oath to

1 the board and the Department of State that such applicant or
2 licensed racing entity, licensed supplier, licensed manufacturer
3 or licensed gaming entity has developed and implemented internal
4 safeguards and policies intended to prevent a violation of this
5 provision and that such applicant or licensed racing entity or
6 licensed gaming entity has conducted a good faith investigation
7 that has not revealed any violation of this provision during the
8 past year.

9 (c) Penalties.--

10 (1) The first violation of this section by a licensed
11 gaming entity or any person that holds a controlling interest
12 in such gaming entity, or a subsidiary company thereof, or
13 any officer, director or management-level employee of such
14 licensee shall be punishable by a fine equal to an amount not
15 less than the average single day's gross terminal revenue and
16 gross table game revenue of the licensed gaming entity; a
17 second violation of this section, within five years of the
18 first violation, shall be punishable by at least a one-day
19 suspension of the license held by the licensed gaming entity
20 and a fine equal to an amount not less than two times the
21 average single day's gross terminal revenue and gross table
22 game revenue of the licensed gaming entity; a third violation
23 of this section within five years of the second violation
24 shall be punishable by the immediate revocation of the
25 license held by the licensed gaming entity. Following
26 revocation, the board shall consider appointing a trustee in
27 accordance with section 1332 (relating to appointment of
28 trustee).

29 (2) The first violation of this section by a
30 manufacturer or supplier licensed pursuant to this part or by

1 any person that holds a controlling interest in such
2 manufacturer or supplier, or a subsidiary company thereof, or
3 any officer, director or management-level employee of such a
4 licensee shall be punishable by a fine equal to an amount not
5 less than a single day's average of the gross profit from
6 sales made by the manufacturer or supplier in Pennsylvania
7 during the preceding 12-month period or portion thereof in
8 the event the manufacturer or supplier has not operated in
9 Pennsylvania for 12 months; a subsequent violation of this
10 section within five years of a prior violation shall be
11 punishable by a one-month suspension of the license held by
12 the manufacturer or supplier and a fine equal to an amount
13 not less than two times a single day's average of the gross
14 profit from sales made by the manufacturer or supplier in
15 Pennsylvania during the preceding 12-month period or portion
16 thereof in the event the manufacturer or supplier has not
17 operated in Pennsylvania for 12 months.

18 (3) In no event shall the fine imposed under this
19 section be an amount less than \$100,000 for each violation.
20 In addition to any fine or sanction that may be imposed by
21 the board under this subsection, any individual who makes a
22 contribution in violation of this section commits a
23 misdemeanor of the third degree.

24 (d) Definitions.--As used in this section, the following
25 words and phrases shall have the meanings given to them in this
26 subsection:

27 "Contribution." Any payment, gift, subscription, assessment,
28 contract, payment for services, dues, loan, forbearance, advance
29 or deposit of money or any valuable thing made to a candidate or
30 political committee for the purpose of influencing any election

1 in this Commonwealth or for paying debts incurred by or for a
2 candidate or committee before or after any election. The term
3 shall include the purchase of tickets for events including
4 dinners, luncheons, rallies and other fundraising events; the
5 granting of discounts or rebates not available to the general
6 public; or the granting of discounts or rebates by television
7 and radio stations and newspapers not extended on an equal basis
8 to all candidates for the same office; and any payments provided
9 for the benefit of any candidate, including payments for the
10 services of a person serving as an agent of a candidate or
11 committee by a person other than the candidate or committee or
12 person whose expenditures the candidate or committee must
13 report. The term also includes any receipt or use of anything of
14 value received by a political committee from another political
15 committee and also includes any return on investments by a
16 political committee.

17 "Political committee." Any committee, club, association or
18 other group of persons which receives contributions or makes
19 expenditures.]

20 Section 19. Section 1517(a.2)(1)(iii) and (c)(13) and (14)
21 of Title 4 are amended to read:

22 § 1517. Investigations and enforcement.

23 * * *

24 (a.2) Office of Enforcement Counsel.--

25 (1) There is established within the bureau an Office of
26 Enforcement Counsel which shall act as the prosecutor in all
27 noncriminal enforcement actions initiated by the bureau under
28 this part and shall have the following powers and duties:

29 * * *

30 (iii) Initiate, in its sole discretion, proceedings

1 for noncriminal violations of this part by filing a
2 complaint or other pleading with the board. A complaint
3 or pleading for noncriminal violations of this part shall
4 be commenced within one year of either the occurrence of
5 the violation or of the board's discovery of a violation.

6 * * *

7 (c) Powers and duties of the Pennsylvania State Police.--The
8 Pennsylvania State Police shall have the following powers and
9 duties:

10 * * *

11 [(13) A member of the Pennsylvania State Police assigned
12 to duties of enforcement under this part shall not be counted
13 toward the complement as defined in the act of December 13,
14 2001 (P.L.903, No.100), entitled "An act repealing in part a
15 limitation on the complement of the Pennsylvania State
16 Police."]

17 [(14) By March 1 of each year, the Commissioner of the
18 Pennsylvania State Police shall submit a report to the
19 Appropriations Committee of the Senate, the Community,
20 Economic and Recreational Development Committee of the
21 Senate, the Appropriations Committee of the House of
22 Representatives and the Gaming Oversight Committee of the
23 House of Representatives. The report shall summarize all law
24 enforcement activities at each licensed facility during the
25 previous calendar year and shall include all of the
26 following:

27 (i) The number of arrests made and citations issued
28 at each licensed facility and the name of the law
29 enforcement agency making the arrest or issuing the
30 citation.

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

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

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

7 (v) The number of Pennsylvania State Police troopers
8 assigned to each licensed facility and to the gaming unit
9 at the Pennsylvania State Police headquarters.

10 (vi) The number and the subject matter of complaints
11 made against Pennsylvania State Police troopers in
12 licensed facilities and the type of disciplinary actions
13 taken by the Pennsylvania State Police, if any, against
14 the Pennsylvania State Police troopers.

15 (vii) The closest local police station, Pennsylvania
16 State Police station and regional Pennsylvania State
17 Police headquarters to each licensed facility.]

18 * * *

19 Section 20. Section 1518(c)(1)(vi) of Title 4 is amended and
20 the subsection is amended by adding paragraphs to read:

21 § 1518. Prohibited acts; penalties.

22 * * *

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

24 (1) In addition to any other penalty authorized by law,
25 the board may impose without limitation the following
26 sanctions upon any licensee or permittee:

27 * * *

28 (vi) Assess administrative penalties as necessary to
29 punish misconduct and to deter future violations[.],
30 which may include fines which shall not exceed \$1,000 for

1 a first violation, \$5,000 for a second violation
2 occurring within one year of the first violation and
3 \$10,000 for subsequent violations occurring within one
4 year of the first violation.

5 * * *

6 (1.1) A licensee shall not be liable:

7 (i) If the violation is not found to be willful and
8 the licensee acted in accordance with board-approved
9 internal controls.

10 (ii) For a violation committed by another entity
11 that holds a license under this part and the licensee
12 charged with the violation neither knew nor should have
13 known about the conduct at issue.

14 (1.2) If a licensee establishes any of the affirmative
15 defenses under paragraph (1.1), the board's sole remedy
16 against the licensee shall be to require the licensee to
17 correct any internal controls discovered to be inadequate as
18 a result of the violation.

19 * * *

20 Section 21. Sections 1521(b.1) and 1802 of Title 4 are
21 amended to read:

22 § 1521. Liquor licenses at licensed facilities.

23 * * *

24 (b.1) Liquor Code sanctions.--[Notwithstanding any other
25 provision of law, a] A person holding a slot machine license
26 that also holds a license issued by the Pennsylvania Liquor
27 Control Board shall not be subject to the provisions of section
28 471(c) of the Liquor Code. [In addition, if a fine is imposed
29 under section 471(b) of the Liquor Code, it shall be for not
30 less than \$250 nor more than \$25,000. The prior citation history

1 of the slot machine licensee shall be considered in determining
2 the amount of the fine.]

3 * * *

4 § 1802. Submission of fingerprints and photographs.

5 Appointees to the board and commission, employees and
6 prospective employees [engaged in the service of the commissions
7 or the board] of the board and commission and applicants under
8 this part shall submit [to fingerprinting and photographing by]
9 fingerprints and photographs to the Pennsylvania State Police
10 [or by a local law enforcement agency capable of submitting
11 fingerprints and photographs electronically to the Pennsylvania
12 State Police] utilizing the [Integrated Automated Fingerprint
13 Identification System] Multi-Biometric Identification System and
14 the Commonwealth Photo Imaging Network or in a manner and in
15 such form as may be provided by the Pennsylvania State Police.
16 Fingerprinting pursuant to this part shall require, at a
17 minimum, the submission of a full set of fingerprints.
18 Photographing pursuant to this part shall require submission to
19 photographs of the face and any scars, marks or tattoos for
20 purposes of comparison utilizing an automated biometric imaging
21 system. The Pennsylvania State Police shall conduct a State
22 record check and submit fingerprints when requested by the
23 [commissions] commission or the board to the Federal Bureau of
24 Investigation for purposes of verifying the identity of the
25 applicants and obtaining records of criminal arrests and
26 convictions in order to prepare criminal history background
27 investigations under section 1801 (relating to duty to provide).
28 Fingerprints and photographs obtained pursuant to this part may
29 be maintained by the [commissions] commission, the board and the
30 Pennsylvania State Police for use pursuant to this part and for

1 general law enforcement purposes. In addition to any other fee
2 or cost assessed by the [commissions] commission or the board,
3 an applicant shall pay for the cost of fingerprinting and
4 photographing.

5 Section 22. Title 4 is amended by adding a section to read:
6 § 1901.4. Live streaming on casino floor.

7 (a) Live streaming.--A social media influencer may live
8 stream from a gaming floor with advance notice and approval from
9 the board and a licensee.

10 (b) Definitions.--As used in this section, the following
11 words and phrases shall have the meanings given to them in this
12 subsection unless the context clearly indicates otherwise:

13 "Social media influencer." An individual who endorses or
14 promotes a product or service through social media in exchange
15 for compensation.

16 Section 23. Section 1902(b) of Title 4 is amended to read:
17 § 1902. Severability.

18 * * *

19 (b) Limitation.--If [any of] the provisions of section [1201
20 (relating to Pennsylvania Gaming Control Board established) or]
21 1209 (relating to slot machine license fee) or [their] its
22 application to any person or circumstance are held to be invalid
23 by any court, the remaining provisions of this title and its
24 application shall be void.

25 Section 24. The definitions of "applicant," "background
26 investigation," "establishment licensee," "gaming employee,"
27 "manufacturer license," "manufacturer licensee," "terminal
28 operator," "terminal operator licensee," "truck stop
29 establishment" and "video gaming terminal" in section 3102 of
30 Title 4 are amended and the section is amended by adding

1 definitions to read:

2 § 3102. Definitions.

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

6 * * *

7 "Applicant." A person who, on [his] the person's own behalf
8 or on behalf of another, [applies for permission to engage in an
9 act or activity that is regulated under the provisions of this
10 part.] is applying for a registration, permit, certification,
11 license, qualification or other credential issued by the board
12 pursuant to this part. If an applicant is a person other than
13 the individual, the board shall determine the associated persons
14 whose qualifications are necessary as a precondition to the
15 licensing of the applicant.

16 * * *

17 "Background investigation." A security, criminal, credit and
18 suitability investigation of a person as provided for in this
19 part that includes the status of taxes owed to [the United
20 States,] the Commonwealth and its political subdivisions.

21 * * *

22 "Establishment licensee." A truck stop establishment that
23 holds an establishment license under this part.

24 * * *

25 "Gaming employee."

26 (1) Any of the following:

27 (i) An employee of a terminal operator licensee[,
28 establishment licensee] or supplier licensee [that] who
29 is not a key employee and is involved in the conduct of
30 video gaming.

1 (ii) An employee of a supplier licensee whose duties
2 are directly involved with the repair or distribution of
3 video gaming terminals or associated equipment sold or
4 provided to a terminal operator licensee within this
5 Commonwealth as determined by the board.

6 (iii) An employee of an establishment licensee who
7 is designated by the establishment licensee as a gaming
8 manager.

9 (2) The term does not include nongaming personnel as
10 determined by the board [or an employee of an establishment
11 licensee].

12 "Gaming manager." A person designated by an establishment
13 licensee as being:

14 (1) responsible for the management, supervision and
15 training of other establishment licensee employees regarding
16 the conduct of video gaming;

17 (2) responsible for coordinating video gaming operations
18 with a terminal operator; and

19 (3) available to promptly address any gaming-related
20 issues that arise at the premises of an establishment
21 licensee.

22 * * *

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

28 "Manufacturer licensee." A person that holds a manufacturer
29 license issued by the board under this part.

30 * * *

1 "Skill gaming terminal." As defined in section 5102
2 (relating to definitions).

3 * * *

4 "Terminal operator." A person that holds a terminal operator
5 license and owns, services or maintains video gaming terminals
6 for placement and operation on the premises of [an establishment
7 licensee] a truck stop establishment licensed by the board under
8 this part.

9 * * *

10 "Terminal operator licensee." A person that holds a terminal
11 operator license issued by the board under this part.

12 * * *

13 "Truck stop establishment." A premises that:

14 (1) Is equipped with diesel islands used for fueling
15 commercial motor vehicles.

16 (2) Has sold on average [50,000] 10,000 gallons of
17 diesel or biodiesel fuel or more each month for the previous
18 12 months or is projected to sell an average of [50,000]
19 10,000 gallons of diesel or biodiesel fuel or more each month
20 for the next 12 months.

21 (3) Has at least 20 parking spaces dedicated for
22 commercial motor vehicles.

23 (4) Has a convenience store.

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

26 (6) Is not located on any property owned by the
27 Pennsylvania Turnpike.

28 * * *

29 "Video gaming terminal."

30 (1) A mechanical or electrical contrivance, terminal,

1 machine or other device approved by the board that, upon
2 insertion of cash or cash equivalents, is available to play
3 or operate one or more gambling games, the play of which
4 utilizes a random number generator and:

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

8 (ii) May utilize video displays.

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

12 (2) Associated equipment necessary to conduct the
13 operation of the contrivance, terminal, machine or other
14 device.

15 (3) The term does not include a slot machine operated at
16 a licensed facility in accordance with Part II (relating to
17 gaming), a skill gaming terminal or a coin-operated amusement
18 game.

19 (4) The term does not include "lottery" as defined under
20 the act of August 26, 1971 (P.L.351, No.91), known as the
21 State Lottery Law.

22 Section 25. Sections 3301(b) (8) and 3505(a) of Title 4 are
23 amended to read:

24 § 3301. Powers of board.

25 * * *

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

28 * * *

29 (8) To require prospective and existing video gaming
30 employees, independent contractors, applicants, permittees

1 and licensees to submit [to fingerprinting by] fingerprints
2 to the Pennsylvania State Police [or its authorized
3 designee]. The Pennsylvania State Police [or its authorized
4 designee] shall conduct a State record check and submit the
5 fingerprints to the Federal Bureau of Investigation for
6 purposes of verifying the identity of the individual and
7 obtaining records of criminal arrests and convictions.

8 * * *

9 § 3505. Key employee licenses.

10 (a) License required.--[All key employees] A key employee,
11 including a gaming manager, shall obtain a key employee license
12 from the board.

13 * * *

14 Section 26. Section 3514 of Title 4 is amended by adding a
15 subsection to read:

16 § 3514. Establishment licenses.

17 * * *

18 (g) Prohibition.--A gaming manager may not be licensed as an
19 employee of more than one establishment licensee.

20 Section 27. Section 3515 of Title 4 is amended to read:

21 § 3515. License or permit prohibition.

22 The following apply:

23 (1) The board shall be prohibited from granting a
24 license under this part to any applicant who has been
25 convicted of a gambling-related felony offense in any
26 jurisdiction. The board shall determine, in the board's sole
27 discretion, whether a felony offense is gambling-related.

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

30 (i) A principal license or key employee license to

1 an individual who has been convicted in a jurisdiction of
2 a misdemeanor gambling offense, unless 15 years have
3 elapsed from the date of conviction for the offense.

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

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

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

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

19 (ii) The nature and seriousness of the offense or
20 conduct.

21 (iii) The circumstances under which the offense or
22 conduct occurred.

23 (iv) The age of the applicant when the offense or
24 conduct was committed.

25 (v) Whether the offense or conduct was an isolated
26 or a repeated incident.

27 (vi) Evidence of rehabilitation, including good
28 conduct in the community, counseling or psychiatric
29 treatment received and the recommendation of persons who
30 have substantial contact with the applicant.]

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

3 (i) An offense classified as a felony or punishable
4 under the laws of this Commonwealth by imprisonment for
5 more than five years.

6 (ii) An offense which, under the laws of another
7 jurisdiction, is[:

8 (A) classified as a felony; or

9 (B)] punishable by imprisonment for more than
10 five years.

11 (iii) An offense under the laws of another
12 jurisdiction which, if committed in this Commonwealth,
13 would be subject to imprisonment for more than five
14 years.

15 Section 28. Section 3702(a)(1) and (b)(1) and (7) of Title 4
16 are amended, subsection (a) is amended by adding a paragraph and
17 the section is amended by adding a subsection to read:

18 § 3702. Video gaming limitations.

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

22 (1) No more than [five] seven video gaming terminals may
23 be placed on the premises of the establishment licensee.

24 * * *

25 (13) An establishment licensee shall employ at least one
26 gaming manager. An establishment licensee shall not be
27 required to have a gaming manager on premises during the
28 conduct of video gaming at the establishment.

29 (b) Terminal operator licensee limitations.--A terminal
30 operator licensee may place and operate video gaming terminals

1 on the premises of an establishment licensee, subject to the
2 following:

3 (1) No more than [~~five~~] seven video gaming terminals may
4 be placed on the premises of the establishment licensee.

5 * * *

6 (7) No terminal operator licensee may give an
7 establishment licensee a percentage of gross terminal revenue
8 other than [~~15%~~] 18% of the gross terminal revenue of the
9 video gaming terminals operating in the establishment
10 licensee's premises.

11 * * *

12 (c) Construction.--

13 (1) Nothing in this part shall be construed to authorize
14 the placement of video gaming terminals in a county that has
15 prohibited the placement of video gaming terminals within the
16 host county in accordance with section 5706 (relating to
17 compulsive and problem gambling).

18 (2) Nothing in this part shall be construed to authorize
19 the placement of video gaming terminals in a municipality
20 that has prohibited the placement of video gaming terminals
21 within the municipality in accordance with 53 Pa.C.S. § 502
22 (relating to municipal option for gaming).

23 Section 29. Sections 3706(d)(1) and (3) and (e) and 3905(b)
24 (4) of Title 4 are amended to read:

25 § 3706. Compulsive and problem gambling.

26 * * *

27 (d) Mandatory training.--

28 (1) The board's Office of Compulsive and Problem
29 Gambling, in consultation with the Department of Drug and
30 Alcohol Programs or successor agency, shall develop a

1 mandatory training program for all employees [and management]
2 of an establishment licensee [who oversee the establishment
3 licensee's video gaming area]. The training program shall
4 address responsible gaming and other compulsive and problem
5 gambling issues related to video gaming terminals.

6 * * *

7 (3) [At least one employee of the establishment licensee
8 who holds a valid occupation permit and has successfully
9 completed the training program shall be located on the
10 premises and supervising the video gaming area during all
11 times video gaming terminals are available for play.] All
12 employees of an establishment licensee shall successfully
13 complete the training program.

14 (e) Penalty.--An establishment licensee that fails to
15 fulfill the requirements of subsection (a), (b), (c) or (d)
16 shall be assessed by the board an administrative penalty and may
17 have its establishment license suspended. When determining the
18 penalty and number of suspension days, the board shall consider
19 the length of time in which the materials were not available or
20 [a trained employee was not located on the premises] any
21 employee of an establishment licensee was employed without
22 completing the mandatory training as required by subsection (d)
23 (3).

24 § 3905. Prohibited acts and penalties.

25 * * *

26 (b) Criminal penalties and fines.--

27 * * *

28 (4) An individual who commits an offense in violation of
29 subsection (a)(16) commits a nongambling offense to be graded
30 in accordance with 18 Pa.C.S. § 6308 and shall be subject to

1 the same penalties imposed pursuant to 18 Pa.C.S. [§§ 6308
2 and 6310.4 (relating to restriction of operating privileges)]
3 § 6308 except that the fine imposed for a violation of
4 subsection (a) (16) shall be not less than \$350 nor more than
5 \$1,000.

6 * * *

7 Section 30. Section 4101(c) of Title 4 is amended and the
8 section is amended by adding a subsection to read:

9 § 4101. Fees.

10 * * *

11 (c) Terminal increase fee.--An establishment licensee that
12 increases the total number of video gaming terminals within the
13 establishment [after submission of the renewal fee required in
14 subsection (b)] shall provide the board with a \$250 [renewal]
15 fee for each additional video gaming terminal added to the
16 establishment within 60 days of installation of each additional
17 video gaming terminal.

18 (c.1) Terminal increase fee.--A terminal operator licensee
19 shall provide written notice to the board prior to placing a
20 video gaming terminal at a truck stop establishment and shall
21 provide the board with the revised contract or other
22 documentation evidencing the truck stop establishment's
23 agreement and acceptance. Within 60 days of placement, the
24 terminal operator licensee shall pay of fee of \$1,000 to the
25 board for each additional video gaming terminal placed.
26 Additional video gaming terminals shall be subject to the same
27 requirements as existing video gaming terminals.

28 * * *

29 Section 31. Section 4305 of Title 4 is repealed:

30 [§ 4305. Political influence.]

1 (a) Contribution restriction.--The following persons shall
2 be prohibited from contributing money or an in-kind contribution
3 to a candidate for nomination or election to a public office in
4 this Commonwealth, to a political party committee or other
5 political committee in this Commonwealth or to a group,
6 committee or association organized in support of a candidate,
7 political party committee or other political committee in this
8 Commonwealth:

9 (1) An applicant for a terminal operator license,
10 manufacturer license, supplier license, principal license or
11 a key employee license.

12 (2) A terminal operator licensee, manufacturer licensee
13 or supplier licensee.

14 (3) A licensed principal or licensed key employee of a
15 terminal operator licensee, manufacturer licensee or supplier
16 licensee.

17 (4) An affiliate, intermediary, subsidiary or holding
18 company of a terminal operator licensee, manufacturer
19 licensee or supplier licensee.

20 (5) A licensed principal or licensed key employee of an
21 affiliate, intermediary, subsidiary or holding company of a
22 terminal operator licensee, manufacturer licensee or supplier
23 licensee.

24 (6) A person who holds a similar video gaming license in
25 another jurisdiction and the affiliates, intermediaries,
26 subsidiaries, holding companies, principals or key employees
27 thereof.

28 (b) Contributions to certain associations and organizations
29 barred.--No individual prohibited from making political
30 contributions under subsection (a) may make a political

1 contribution of money or an in-kind contribution to an
2 association or organization, including a nonprofit organization,
3 that has been solicited by, or knowing that the contribution or
4 a portion thereof will be contributed to, the elected official,
5 executive-level public employee or candidate for nomination or
6 election to a public office in this Commonwealth.

7 (c) Internet website.--

8 (1) The board shall establish a publicly accessible
9 Internet website that includes a list of all applicants for
10 and holders of a terminal operator license, manufacturer
11 license or supplier license and the affiliates,
12 intermediaries, holding companies, principals and key
13 employees thereof, all persons holding a similar video gaming
14 license in another jurisdiction, and the affiliates,
15 intermediaries, holding companies, principals and key
16 employees thereof, and other entities in which the applicant
17 or licensee has a debt or an equity security or other
18 ownership or profits interest. An applicant or licensee shall
19 notify the board within seven days of the discovery of a
20 change in or addition to the information.

21 (2) No individual who acts in good faith and in reliance
22 on the information on the board's publicly accessible
23 Internet website shall be subject to penalty or liability
24 imposed for a violation of this section.

25 (3) The board shall request the information required
26 under paragraph (1) from a person licensed in another
27 jurisdiction who does not hold a license in this Commonwealth
28 and from regulatory agencies in the other jurisdiction. If a
29 person who is a licensee in another jurisdiction refuses to
30 provide the information required under paragraph (1), the

1 person and its officers, directors or persons with a
2 controlling interest shall be ineligible to receive a license
3 under this part.

4 (d) Annual certification.--The chief executive officer, or
5 other appropriate individual, of each applicant for a terminal
6 operator license, manufacturer license or supplier license, or
7 manufacturer licensee, supplier licensee or terminal operator
8 licensee, shall annually certify under oath to the board and the
9 Department of State that the applicant or supplier licensee,
10 manufacturer licensee or terminal operator licensee has
11 developed and implemented internal safeguards and policies
12 intended to prevent a violation of this provision and that the
13 applicant or supplier licensee, manufacturer licensee or
14 terminal operator licensee has conducted a good faith
15 investigation that has not revealed a violation of this
16 subsection during the past year.

17 (e) Penalties.--

18 (1) A violation of this section by a terminal operator
19 licensee or a person that holds a controlling interest in the
20 licensee, or a subsidiary company thereof, or an officer,
21 director or management-level employee of the licensee shall
22 be punishable as follows:

23 (i) A first violation of this section shall be
24 punishable by a fine equal to an amount not less than the
25 average single-day gross terminal revenue of the terminal
26 operator licensee.

27 (ii) A second violation of this section, within five
28 years of the first violation, shall be punishable by at
29 least a one-day suspension of the license held by the
30 terminal operator licensee and a fine equal to an amount

1 not less than two times the average single-day gross
2 terminal revenue of the terminal operator licensee.

3 (iii) A third violation of this section within five
4 years of the second violation shall be punishable by the
5 immediate revocation of the license held by the terminal
6 operator licensee.

7 (2) A violation of this section by a manufacturer or
8 supplier licensed under this part or by a person that holds a
9 controlling interest in such manufacturer or supplier, or a
10 subsidiary company thereof, or an officer, a director or a
11 management-level employee of such a licensee shall be
12 punishable as follows:

13 (i) A first violation of this section shall be
14 punishable by a fine equal to an amount not less than a
15 single-day average of the gross profit from sales made by
16 the manufacturer or supplier in this Commonwealth during
17 the preceding 12-month period or portion thereof in the
18 event the manufacturer or supplier has not operated in
19 this Commonwealth for 12 months.

20 (ii) A second or subsequent violation of this
21 section within five years of a prior violation shall be
22 punishable by a one-month suspension of the license held
23 by the manufacturer or supplier and a fine equal to an
24 amount not less than two times a single-day average of
25 the gross profit from sales made by the manufacturer or
26 supplier in this Commonwealth during the preceding 12-
27 month period or portion thereof in the event the
28 manufacturer or supplier has not operated in this
29 Commonwealth for 12 months.

30 (3) In no event shall the fine imposed under this

1 section be an amount less than \$100,000 for each violation.

2 In addition to a fine or sanction that may be imposed by the
3 board under this subsection, an individual who makes a
4 contribution in violation of this section commits a
5 misdemeanor of the third degree.

6 (f) Definitions.--As used in this section, the following
7 words and phrases shall have the meanings given to them in this
8 subsection:

9 "Contribution." A payment, gift, subscription, assessment,
10 contract, payment for services, dues, loan, forbearance, advance
11 or deposit of money or a valuable thing made to a candidate or
12 political committee for the purpose of influencing an election
13 in this Commonwealth or for paying debts incurred by or for a
14 candidate or committee before or after an election. The term
15 includes:

16 (1) The purchase of tickets for events, including
17 dinners, luncheons, rallies and other fundraising events.

18 (2) The granting of discounts or rebates not available
19 to the general public.

20 (3) The granting of discounts or rebates by television
21 and radio stations and newspapers not extended on an equal
22 basis to all candidates for the same office.

23 (4) A payment provided for the benefit of a candidate,
24 including payment for the services of a person serving as an
25 agent of a candidate or committee by a person other than the
26 candidate or committee or person whose expenditures the
27 candidate or committee must report.

28 (5) The receipt or use of anything of value by a
29 political committee from another political committee and a
30 return on investments by a political committee.

1 "Political committee." A committee, club, association or
2 other group of persons that receives contributions or makes
3 expenditures.]

4 Section 32. Title 4 is amended by adding a part to read:

5 PART IV

6 SKILL GAMING

7 Chapter

8 51. General Provisions

9 53. Administration

10 55. Application and Licensure

11 57. Operation

12 59. Enforcement

13 61. Revenues

14 63. Ethics

15 65. Miscellaneous Provisions

16 CHAPTER 51

17 GENERAL PROVISIONS

18 Sec.

19 5101. Scope of part.

20 5102. Definitions.

21 § 5101. Scope of part.

22 This part relates to skill gaming terminals.

23 § 5102. Definitions.

24 Subject to additional definitions contained in subsequent
25 provisions of this part which are applicable to specific
26 provisions of this part, the following words and phrases when
27 used in this part shall have the meanings given to them in this
28 section unless the context clearly indicates otherwise:

29 "Affiliate." A person who directly or indirectly, through
30 one or more intermediaries, controls, is controlled by or is

1 under common control with a specified person.

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

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

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

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

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

19 "Cash." United States currency and coin.

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

23 "Central control computer." A central site computer
24 controlled by the department and accessible by the board to
25 which all skill gaming terminals communicate for the purpose of
26 auditing capacity, real-time information retrieval of the
27 details of any financial event that occurs in the operation of a
28 skill gaming terminal or redemption terminal, including coin in,
29 coin out, ticket in, ticket out, jackpots, skill gaming terminal
30 and redemption terminal door openings and power failure and

1 remote skill gaming terminal or redemption terminal activation
2 and disabling of skill gaming terminals or 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 skill 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 skill gaming terminal game.

13 (ii) The amount or frequency of payment in a skill
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 skill 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 skill gaming
24 terminal; or

25 (2) used to alter a skill 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 or hybrid slot machine located at a
3 licensed facility as defined in Part II (relating to gaming), a
4 video gaming terminal located at a truck stop establishment as
5 defined in Part III (relating to video gaming) or a skill gaming
6 terminal as defined in this part.

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

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

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

19 "Controlling interest." Any of the following:

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

1 by clear and convincing evidence.

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

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

15 "Corporation." Includes a publicly traded corporation.

16 "County quota." The maximum number of skill gaming
17 establishment licenses available in each county in this
18 Commonwealth, which shall be equal to the aggregate number of
19 licenses issued by the Pennsylvania Liquor Control Board in a
20 county as of the effective date of this definition, limited to
21 liquor licenses in either active or safekeeping status, and
22 limited to the following liquor license categories:

- 23 (1) Brewery.
24 (2) Brewery pub.
25 (3) Brewery storage.
26 (4) Hotel (liquor).
27 (5) Hotel (malt).
28 (6) Restaurant.
29 (7) Catering club (liquor).
30 (8) Club (liquor).

1 (9) Club (malt).

2 (10) Distributor (malt).

3 (11) Importing distributor (malt).

4 (12) Eating place retail dispenser (malt).

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

6 "Eligible establishment" or "eligible skill gaming

7 establishment." A premises that is either:

8 (1) A licensed premises approved by the Pennsylvania
9 Liquor Control Board for the sale of liquor, alcohol or malt
10 or brewed beverages under any of the following license
11 categories, limited to licenses in either active or
12 safekeeping status:

13 (i) Brewery.

14 (ii) Brewery pub.

15 (iii) Brewery storage.

16 (iv) Hotel (liquor).

17 (v) Hotel (malt).

18 (vi) Restaurant.

19 (vii) Catering club (liquor).

20 (viii) Club (liquor).

21 (ix) Club (malt).

22 (x) Distributor (malt).

23 (xi) Importing distributor (malt).

24 (xii) Eating place retail dispenser (malt).

25 (2) A location authorized to sell Pennsylvania Lottery
26 tickets or shares under the act of August 26, 1971 (P.L.351,
27 No.91), known as the State Lottery Law.

28 "Establishment license" or "skill gaming establishment
29 license." A license issued by the board authorizing an eligible
30 skill gaming establishment to enter into a terminal placement

1 agreement, thus allowing a terminal operator licensee to place
2 and operate skill gaming terminals on the skill gaming
3 establishment licensee's premises under this part and
4 regulations promulgated under this part.

5 "Establishment licensee" or "skill gaming establishment
6 licensee." An eligible skill gaming establishment that holds an
7 establishment license under this part.

8 "Executive-level public employee." The term shall include
9 the following:

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

12 (2) An employee of the Executive Branch whose duties
13 substantially involve licensing or enforcement under this
14 part, who has discretionary power that may affect or
15 influence the outcome of a Commonwealth agency's action or
16 decision or who is involved in the development of regulations
17 or policies relating to a licensed entity. The term includes
18 an employee with law enforcement authority.

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

26 (4) An employee of a department, agency, board,
27 commission, authority or other governmental body not included
28 in paragraph (1), (2) or (3) with discretionary power that
29 may affect or influence the outcome of the governmental
30 body's action or decision related to this part or who is

1 involved in the development of regulation or policy relating
2 to matters regulated under this part. The term includes an
3 employee with law enforcement authority.

4 "Financial backer." An investor, mortgagee, bondholder,
5 noteholder or other sources of equity or capital provided to an
6 applicant or licensed entity.

7 "Gaming employee." Either of the following:

8 (1) An employee of a terminal operator licensee or
9 manufacturer licensee who is not a key employee and who the
10 board determines is involved in the conduct of skill gaming.

11 (2) An employee of an establishment licensee whom the
12 establishment licensee designates as the gaming manager in
13 accordance with this part.

14 "Gaming manager." A person designated by an establishment
15 licensee being:

16 (1) responsible for the management, supervision and
17 training of other establishment licensee employees regarding
18 the conduct of video gaming;

19 (2) responsible for coordinating video gaming operations
20 with a terminal operator; and

21 (3) available to promptly address any gaming-related
22 issues that arises at the premises of an establishment
23 licensee.

24 "Gaming service provider." A person not required to be
25 licensed as a terminal operator licensee, manufacturer licensee
26 or establishment licensee and provides goods or services to a
27 terminal operator licensee that the board determines directly
28 relates to the operation and security of a skill gaming terminal
29 or redemption terminal. The term shall not include a person that
30 supplies goods or services that, at the discretion of the board,

1 does not impact the integrity of skill gaming, skill gaming
2 terminals or the connection of skill gaming terminals to the
3 central control computer system, including, but not limited to:

4 (1) Seating to accompany skill gaming terminals.

5 (2) Structural or cosmetic renovations, improvements or
6 other alterations to a skill gaming area.

7 "Gross terminal revenue." The total of cash or cash
8 equivalents received by a skill gaming terminal minus the total
9 of cash or cash equivalents paid out to players as a result of
10 playing a skill gaming terminal. The term does not include
11 counterfeit cash or cash taken in a fraudulent act perpetrated
12 against a terminal operator licensee for which the terminal
13 operator licensee is not reimbursed.

14 "Holding company." A person, other than an individual,
15 which, directly or indirectly, owns or has the power or right to
16 control or to vote a significant part of the outstanding voting
17 securities of a corporation or other form of business
18 organization. A holding company indirectly has, holds or owns
19 such power, right or security if it does so through an interest
20 in a subsidiary or successive subsidiaries.

21 "Incentive." Consideration, including a promotion or prize,
22 provided to a player or potential player as an enticement to
23 play a skill gaming terminal.

24 "Inducement."

25 (1) Any of the following:

26 (i) Consideration paid directly or indirectly, from
27 a manufacturer licensee, terminal operator licensee,
28 procurement agent, gaming employee, employee or another
29 person on behalf of an applicant or anyone licensed under
30 this part, to a skill gaming establishment, establishment

1 licensee, establishment licensee owner, gaming manager or
2 an employee of the establishment licensee, directly or
3 indirectly, as an enticement to solicit or maintain the
4 establishment licensee or establishment licensee owner's
5 business.

6 (ii) Cash, incentive, marketing and advertising
7 costs, gift, food, beverage, loan, prepayment of gross
8 terminal revenue and other contribution or payment that
9 offsets an establishment licensee's operational costs, or
10 as otherwise determined by the board.

11 (2) The term does not include costs paid by a terminal
12 operator applicant or terminal operator licensee related to
13 making skill gaming terminals operate at the premises of an
14 establishment licensee, including wiring and rewiring,
15 software updates, ongoing skill gaming terminal maintenance,
16 redemption terminals, network connections, site controllers
17 and costs associated with communicating with the central
18 control computer system.

19 "Institutional investor." A retirement fund administered by
20 a public agency for the exclusive benefit of Federal, State or
21 local public employees, an investment company registered under
22 15 U.S.C. Ch. 2D Subch. I (relating to investment companies), a
23 collective investment trust organized by banks under Part IX of
24 the Rules of the Comptroller of the Currency, closed-end
25 investment trust, chartered or licensed life insurance company
26 or property and casualty insurance company, banking and other
27 chartered or licensed lending institution, an investment advisor
28 registered under 15 U.S.C. Ch. 2D Subch. II (relating to
29 investment advisers) and any other person as the board may
30 determine consistent with this part.

1 "Intermediary." As follows:

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

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

6 "Key employee." An individual employed by a manufacturer
7 licensee or a terminal operator licensee who is determined by
8 the board to have primary authority to make decisions regarding
9 the conduct of skill gaming.

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

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

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

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

21 "Manufacturer license." A license issued by the board
22 authorizing a person to sell, lease, offer or provide skill
23 gaming terminals and redemption terminals to a terminal operator
24 licensee or an applicant for a terminal operator licensee for
25 use or play in this Commonwealth.

26 "Manufacturer licensee." A person that holds a manufacturer
27 license issued by the board under this part.

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

29 "Net terminal revenue." The net amount of the gross terminal
30 revenue less the tax and assessments imposed by section 6102

1 (relating to taxes and assessments) and the regulatory
2 assessments established in section 6104 (relating to regulatory
3 assessments).

4 "Occupation permit." A permit issued by the board
5 authorizing an individual to be employed or to work as a gaming
6 employee.

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

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

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

15 "Player." An individual who inserts cash or cash equivalent
16 in the play or operation of a skill gaming terminal, the play or
17 operation of which may deliver or entitle the player to receive
18 cash or cash equivalent from a terminal operator licensee.

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

1 an applicant, terminal operator licensee, manufacturer licensee
2 deemed to be a principal by the board, including a procurement
3 agent.

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

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

9 (1) has a class or series of securities registered under
10 15 U.S.C. Ch. 2B (relating to securities exchanges);

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

13 (3) is subject to the reporting obligations imposed by
14 15 U.S.C. § 78o-6 (relating to securities analysts and
15 research reports) by reason of having filed a registration
16 statement that has become effective under 15 U.S.C. Ch. 2A
17 (relating to securities and trust indentures).

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

22 "Security." As defined in section 102 of the act of December
23 5, 1972 (P.L.1280, No.284), known as the Pennsylvania Securities
24 Act of 1972.

25 "Skill gaming area." The area of an establishment licensee's
26 premises where skill gaming terminals and redemption terminals
27 are installed for operation and play.

28 "Skill Gaming Fund." The Skill Gaming Fund established in
29 section 6102 (relating to taxes and assessments).

30 "Skill gaming terminal." The following:

1 (1) A mechanical or electrical contrivance, terminal,
2 machine or other device approved by the board that, upon
3 insertion of cash or cash equivalent, is available to play or
4 operate one or more games, the outcome of which game is
5 determined predominantly by the skill of the player, rather
6 than by chance, and offers the player the potential for a
7 winning result with every play.

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

11 (3) The term does not include the lottery as defined
12 under the State Lottery Law.

13 (4) The term does not include a video gaming terminal
14 operated at a truck stop establishment in accordance with
15 Part III.

16 (5) The term does not include a website, program,
17 software or mobile device application that offers the player
18 the ability to play a game that may award a winning player
19 cash or cash equivalent.

20 "Slot machine." As defined in section 1103 (relating to
21 definitions).

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

23 "Subsidiary." As defined in section 1103.

24 "Terminal operator." A person that owns, services or
25 maintains skill gaming terminals for placement and operation on
26 the premises of an establishment licensee in this Commonwealth
27 pursuant to this part and the regulations promulgated under this
28 part.

29 "Terminal operator license." A license issued by the board
30 authorizing a terminal operator to place and operate skill

1 gaming terminals in an establishment licensee's premises
2 pursuant to this part and the regulations promulgated under this
3 part.

4 "Terminal operator licensee." A person that holds a terminal
5 operator license issued by the board under this part.

6 "Terminal placement agreement." The formal written agreement
7 or contract between an applicant for a terminal operator license
8 or terminal operator licensee and an applicant for an
9 establishment license or establishment licensee which specifies
10 the terms and conditions regarding the conduct of skill gaming
11 at the premises of an establishment licensee or an applicant for
12 an establishment license.

13 CHAPTER 53

14 ADMINISTRATION

15 Sec.

16 5301. Powers of board.

17 5302. Regulatory authority of board.

18 5303. Temporary regulations.

19 5304. Appeals.

20 5305. Records and confidentiality of information.

21 5306. Reporting.

22 5307. (Reserved).

23 5308. Authority of department.

24 5309. Central control computer system.

25 5310. Department of Drug and Alcohol Programs or successor
26 agency.

27 § 5301. Powers of board.

28 (a) General powers.--

29 (1) The board shall have general and sole regulatory
30 authority over the conduct of skill gaming or related

1 activities as described in this part. The board shall ensure
2 the integrity of the acquisition and operation of skill
3 gaming terminals, redemption terminals and associated
4 equipment and shall have sole regulatory authority over every
5 aspect of the conduct of skill gaming.

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

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

11 (1) To require background investigations from applicants
12 and licensees under the jurisdiction of the board.

13 (2) At its discretion, to issue, approve, renew, revoke,
14 suspend, condition or deny issuance or renewal of licenses or
15 other authorizations that may be required under this part.

16 (3) At its discretion, to suspend, condition or deny
17 issuance or renewal of a license under this part or other
18 authorization or levy a fine or other sanction for a
19 violation of this part.

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

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

30 (6) To determine the suitability of a person who

1 furnishes or seeks to furnish to a terminal operator
2 licensee, either directly or indirectly, any goods, services
3 or property related to the conduct of skill gaming.

4 (7) To approve an application for or issue or renew a
5 license under this part or other authorization that may be
6 required by the board, if the board is satisfied the person
7 has demonstrated by clear and convincing evidence that the
8 person is of good character, honesty and integrity whose
9 prior activities, criminal record, if any, reputation, habits
10 and associations do not pose a threat to the public interest
11 or the effective regulation and control of skill gaming
12 operations or create or enhance the danger of unsuitable,
13 unfair or illegal practices, methods and activities in the
14 conduct of skill gaming or the carrying on of the business
15 and financial arrangements incidental thereto.

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

23 (9) To prepare and, through the Governor, submit
24 annually to the General Assembly an itemized budget
25 consistent with Article VI of the act of April 9, 1929
26 (P.L.177, No.175), known as The Administrative Code of 1929,
27 consisting of the amounts necessary to be appropriated by the
28 General Assembly out of the accounts established under
29 section 6104 (relating to regulatory assessments) required to
30 meet the obligations under this part accruing during the

1 fiscal period beginning July 1 of the following year.

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

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

13 (ii) If the applicant is a privately held domestic
14 or foreign corporation, partnership, limited liability
15 company or other legal entity, the names of all persons
16 with an ownership interest equal to or greater than 1%.

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

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

21 (11) To determine, designate and classify employees of a
22 licensee as key employees.

23 (c) Nonlapse.--If appropriations for the administration of
24 this part are not enacted by June 30 of any year, money
25 appropriated for the administration of this part which is
26 unexpended, uncommitted and unencumbered at the end of a fiscal
27 year shall remain available for expenditure by the board or
28 other agency to which the money was appropriated until the
29 enactment of an appropriation for the ensuing fiscal year.

30 § 5302. Regulatory authority of board.

1 (a) Powers and duties.--The board shall have the power and
2 duty:

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

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

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

20 (4) To require that each terminal operator licensee
21 provide to the board the terminal operator licensee's annual
22 financial statements, with such additional detail as the
23 board shall require, which shall be submitted not later than
24 180 days after the end of the licensee's fiscal year.

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

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

1 area.

2 (7) To establish procedures for the inspection and
3 certification of compliance of skill 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 no skill gaming terminal may be set
8 to pay out less than the theoretical payout percentage, which
9 percentage shall be no less than 85%, as specifically
10 approved by the board, with respect to any portion or phase
11 of a game that the board determines in its sole discretion is
12 predominantly based on chance. The board shall adopt
13 regulations that define the theoretical payout percentage for
14 any predominantly chance-based portion or phase of a game
15 offered by a skill gaming terminal based on the total value
16 of the jackpots expected to be paid by a play on a skill
17 gaming terminal game divided by the total value of the skill
18 gaming terminal's wagers expected to be made on that play or
19 skill gaming terminal game during the same portion of the
20 game cycle.

21 (9) To require that every game offered by a skill gaming
22 terminal offers the player the potential for a winning result
23 with every play, and that the rules of play, including
24 notification of the potential for a winning result with every
25 play, are prominently displayed either on the skill gaming
26 terminal face or screen.

27 (10) To require that a terminal operator provide on
28 behalf of an establishment license applicant, detailed site
29 plans of proposed skill gaming area for review and approval
30 by the board for the purpose of determining the adequacy of

1 the proposed security and surveillance measures as well as
2 documentation of all costs expended or to be expended by the
3 terminal operator at the premise of an establishment licensee
4 to ensure compliance with section 5702(b)(5) (relating to
5 skill gaming limitations). The applicant shall cooperate with
6 the board in making changes to the plans suggested by the
7 board and shall ensure that the plans as modified and
8 approved are implemented. The board may adopt rules to
9 establish reasonable placement requirements.

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

18 (12) To enter into contracts with persons for the
19 purposes of carrying out the powers and duties of the board
20 under this part.

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

30 (14) To review and approve all cash and cash equivalent

1 handling policies and procedures employed by terminal
2 operator licensees.

3 (15) To promulgate regulations governing the placement
4 of automated teller machines within or adjacent to skill
5 gaming areas.

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

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

14 (18) To determine in the board's sole discretion whether
15 a game, portion of a game or software meets the definition of
16 "skill gaming terminal" under section 5102 (relating to
17 definitions).

18 (19) To coordinate with the Bureau of Liquor Control
19 Enforcement of the Pennsylvania State Police to establish a
20 county quota for skill gaming establishment licenses for each
21 county in this Commonwealth, which shall be calculated as the
22 aggregate number of licenses issued by the Pennsylvania
23 Liquor Control Board in the following license categories for
24 each respective county as of the effective date, limited to
25 those licenses that are in either active or safekeeping
26 status:

27 (i) Brewery.

28 (ii) Brewery pub.

29 (iii) Brewery storage.

30 (iv) Hotel (liquor).

- 1 (v) Hotel (malt).
- 2 (vi) Restaurant.
- 3 (vii) Catering club (liquor).
- 4 (viii) Club (liquor).
- 5 (ix) Club (malt).
- 6 (x) Distributor (malt).
- 7 (xi) Importing distributor (malt).
- 8 (xii) Eating place retail dispenser (malt).

9 (20) To prohibit the transfer of any skill gaming
10 establishment license to a location other than the location
11 for which the license was issued.

12 (21) To prohibit the issuance of any skill gaming
13 establishment license that would result in the applicable
14 county quota being exceeded.

15 (22) To establish procedures for an establishment
16 license that is revoked, suspended or surrendered, which
17 shall provide for reissuance of the establishment license to
18 an eligible establishment in the county where the license was
19 originally issued.

20 (23) To create rules and promulgate regulations
21 necessary for the administration and enforcement of this
22 part.

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

29 § 5303. Temporary regulations.

30 (a) Promulgation.--In order to facilitate the prompt

1 implementation of this part, regulations promulgated by the
2 board shall be deemed temporary regulations which shall expire
3 no later than two years following the publication of the
4 temporary regulations. The board may promulgate temporary
5 regulations not subject to:

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

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

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

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

15 (b) Publication.--The board shall transmit the temporary
16 regulations promulgated under this section to the Legislative
17 Reference Bureau for publication in the next available issue of
18 the Pennsylvania Bulletin.

19 (c) Expiration.--Except for temporary regulations related to
20 security and surveillance and standards for terminal placement
21 agreements, the authority provided to the board to adopt
22 temporary regulations in subsection (a) shall expire two years
23 following the publication of the temporary regulations.

24 Regulations adopted after that date shall be promulgated as
25 provided by law.

26 § 5304. Appeals.

27 An applicant, licensee or permittee may appeal a final order,
28 determination or decision of the board involving the approval,
29 issuance, denial, revocation, nonrenewal, suspension or
30 conditioning, including any disciplinary actions, of a license,

1 permit or authorization under this part in accordance with 2
2 Pa.C.S. Chs. 5 Subch. A (relating to practice and procedure of
3 Commonwealth agencies) and 7 Subch. A (relating to judicial
4 review of Commonwealth agency action).

5 § 5305. Records and confidentiality of information.

6 (a) Records.--The board shall maintain files and records
7 deemed necessary for the administration and enforcement of this
8 part.

9 (b) Confidentiality of information.--

10 (1) The following information submitted by an applicant,
11 licensee or permittee under Chapter 55 (relating to
12 application and licensure) or obtained by the board or the
13 bureau as part of a background or other investigation from
14 any source shall be confidential and withheld from public
15 disclosure:

16 (i) Information relating to character, honesty and
17 integrity, including family, habits, reputation, history
18 of criminal activity, business activities, financial
19 affairs and business, professional and personal
20 associations submitted to or otherwise obtained by the
21 board or the bureau.

22 (ii) Nonpublic personal information, including home
23 addresses, telephone numbers and other personal contact
24 information, Social Security numbers, educational
25 records, memberships, medical records, tax returns and
26 declarations, actual or proposed compensation, financial
27 account records, creditworthiness or financial condition
28 relating to an applicant, licensee or permittee or the
29 immediate family thereof.

30 (iii) Information relating to proprietary

1 information, trade secrets, patents or exclusive
2 licenses, architectural and engineering plans and
3 information relating to competitive marketing materials
4 and strategies, including customer-identifying
5 information or customer prospects for services subject to
6 competition.

7 (iv) Security information, including risk prevention
8 plans, detection and countermeasures, emergency
9 management plans, security and surveillance plans,
10 equipment and usage protocols and theft and fraud
11 prevention plans and countermeasures.

12 (v) Information with respect to which there is a
13 reasonable possibility that public release or inspection
14 of the information would constitute an unwarranted
15 invasion into personal privacy of an individual as
16 determined by the board.

17 (vi) Records of an applicant, licensee or permittee
18 not required to be filed with the securities and exchange
19 commission by issuers that either have securities
20 registered under 15 U.S.C. § 781 (relating to
21 registration requirements for securities) or are required
22 to file reports under 15 U.S.C. § 78o (relating to
23 registration and regulation of brokers and dealers).

24 (vii) Records considered nonpublic matters or
25 information by the Securities and Exchange Commission as
26 provided by 17 CFR 200.80 (relating to Securities and
27 Exchange Commission records and information).

28 (viii) Financial information provided to the board
29 by an applicant, licensee or permittee.

30 (2) No claim of confidentiality may be made regarding

1 criminal history record information that is available to the
2 public under 18 Pa.C.S. § 9121(b) (relating to general
3 regulations).

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

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

20 (5) The board may seek a voluntary waiver of
21 confidentiality from an applicant, licensee or permittee but
22 may not require an applicant, licensee or permittee to waive
23 the confidentiality provided under this subsection as a
24 condition for the approval of an application, renewal of a
25 license or other action of the board.

26 (6) (i) No current or former member and no current or
27 former employee, agent or independent contractor of the
28 board, the department, the Pennsylvania State Police, the
29 Office of Attorney General or other Executive Branch
30 office who has obtained confidential information in the

1 performance of duties under this part shall intentionally
2 disclose the information to a person, knowing that the
3 information being disclosed is confidential under this
4 subsection, unless the person is authorized by law to
5 receive the information.

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

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

16 (c) Notice.--Notice of the contents of information, except
17 to a duly authorized law enforcement agency pursuant to this
18 section, shall be given to an applicant or licensee in a manner
19 prescribed by the regulations adopted by the board.

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

25 § 5306. Reporting.

26 (a) Report by board.--Beginning October 1, 2027, and every
27 year thereafter, the annual report submitted to the Governor and
28 the General Assembly by the board under section 1211 (relating
29 to reports of board) shall include information on the conduct of
30 skill gaming for the previous calendar year:

1 (1) Total gross skill gaming terminal revenue.

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

4 (3) All taxes, fees, fines and other revenue collected
5 and, where appropriate, revenue disbursed. The department
6 shall collaborate with the board to carry out the
7 requirements of this paragraph.

8 (4) Other information related to the conduct of skill
9 gaming that the board deems appropriate.

10 (b) Participation.--The board may require licensees to
11 provide information to the board to assist in the preparation of
12 the report under subsection (a).

13 § 5307. (Reserved).

14 § 5308. Authority of department.

15 (a) Duties.--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 regulations to carry out
19 its prescribed duties in accordance with this part, including
20 the collection of taxes, penalties and interest imposed by this
21 part.

22 (b) Application of regulations.--The department may
23 prescribe the extent, if any, to which any regulations shall be
24 applied without retroactive effect. The department shall
25 prescribe the forms and the system of accounting and
26 recordkeeping to be employed and through its representative
27 shall at all times have power of access to and examination and
28 audit of any equipment and records relating to all aspects of
29 the operation of skill gaming terminals and redemption terminals
30 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 who 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) Terminal requirements.--To facilitate the auditing and
17 security programs critical to the integrity of skill gaming
18 terminals in this Commonwealth, the department shall require
19 that skill gaming terminals and redemption terminals meet the
20 following:

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

27 (2) Terminals shall include real-time information
28 retrieval and terminal activation and disabling programs.

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

1 (1) A fully operational Statewide skill gaming terminal
2 control system that has the capability of supporting up to
3 the maximum number of skill gaming terminals authorized under
4 this part.

5 (2) The employment of a widely accepted gaming industry
6 protocol to facilitate a skill gaming terminal's ability to
7 communicate with the Statewide system.

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 skill gaming terminals.

12 (4) The delivery of a system that does not alter the
13 statistical awards of skill gaming terminal games as designed
14 by the manufacturer licensee 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 if any component of the network, including the
18 central control computer, fails or cannot be operated for any
19 reason as determined by the department, and to assure that
20 all transactional data is captured and secured. Costs
21 associated with a computer system required by the department
22 to operate within a skill gaming area, whether independent or
23 as part of the central control computer, shall be paid by the
24 terminal operator licensee. The computer system shall be
25 controlled by the department and accessible to the board.

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

28 (7) The delivery of a system that provides centralized
29 issuance of cash redemption tickets and facilitates the
30 acceptance of the tickets by skill gaming terminals and

1 redemption terminals.

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

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

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

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

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

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

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

27 § 5310. Department of Drug and Alcohol Programs or successor
28 agency.

29 (a) Program update.--

30 (1) The Department of Drug and Alcohol Programs or a

1 successor agency shall update the compulsive and problem
2 gambling program established in section 1509 (relating to
3 compulsive and problem gambling program) to address public
4 education, awareness and training regarding compulsive and
5 problem gambling and the treatment and prevention of
6 compulsive and problem gambling related to skill gaming
7 terminals.

8 (2) The updated guidelines shall include strategies for
9 the prevention of compulsive and problem gambling related to
10 skill gaming terminals.

11 (3) The Department of Drug and Alcohol Programs or a
12 successor agency may consult with the board and terminal
13 operator licensees to develop the strategies.

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

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

25 (2) Maintain one compulsive gambler's assistance
26 organization's telephone number, which shall be accessible
27 via a free text message service, to provide crisis counseling
28 and referral services to individuals and families
29 experiencing difficulty as a result of problem or compulsive
30 gambling.

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

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

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

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

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

18 (c) Additional duties.--Within 60 days following the
19 effective date of this subsection, the Department of Drug and
20 Alcohol Programs or a successor agency and the board's Office of
21 Compulsive and Problem Gambling shall jointly collaborate with
22 other appropriate offices and agencies of State or local
23 government, including single county authorities and providers
24 and other persons, public or private, with expertise in
25 compulsive and problem gambling treatment with respect to skill
26 gaming terminals to:

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

29 (2) Adopt compulsive and problem gambling treatment
30 standards to be integrated with the Department of Drug and

1 Alcohol Programs' or a successor agency's uniform Statewide
2 guidelines that govern the provision of addiction treatment
3 services.

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

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

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

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

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

20 CHAPTER 55

21 APPLICATION AND LICENSURE

22 Sec.

23 5501. General prohibition.

24 5502. Terminal operator licenses.

25 5503. (Reserved).

26 5504. Principal licenses.

27 5505. Key employee licenses.

28 5506. Divestiture of disqualifying applicant.

29 5507. (Reserved).

30 5508. Manufacturer licenses.

- 1 5509. Gaming service provider.
- 2 5510. Occupation permit.
- 3 5511. Alternative terminal operator licensing standards.
- 4 5512. Alternative manufacturer licensing standards.
- 5 5513. (Reserved).
- 6 5514. Establishment licenses.
- 7 5515. License or permit prohibition.
- 8 5516. Issuance and renewal.
- 9 5517. Change in ownership or control of terminal operator
10 licensee.
- 11 5518. Skill gaming accounting controls and audits.
- 12 5519. Multiple licenses prohibited.

13 § 5501. General prohibition.

14 Within 10 months after the effective date of this section, a
15 person who offers or otherwise makes available for play in this
16 Commonwealth any game that involves any element of chance,
17 regardless of the extent to which the outcome of play is
18 determined by elements of chance or by the skill of the player,
19 and such game is not licensed and regulated by the board or
20 expressly authorized by the laws of this Commonwealth, such
21 person commits a crime in violation of 18 Pa.C.S. § 5513
22 (relating to gambling devices, gambling, etc.) and is subject to
23 the penalties therein, as well as the penalties specified in
24 section 5905 (relating to prohibited acts and penalties).

25 § 5502. Terminal operator licenses.

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

- 29 (1) The name, address and photograph of the applicant
30 and of all directors and owners and key employees and their

1 positions within the corporation or organization, as well as
2 additional financial information required by the board.

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

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

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

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

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

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

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

29 (9) Any other information determined to be appropriate
30 by the board.

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

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

16 (d) (Reserved).

17 (e) (Reserved).

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

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

29 (h) Related entities.--

30 (1) Except as provided in paragraph (2), a person may

1 not be eligible to receive a terminal operator license unless
2 the principals and key employees of each intermediary or
3 holding company of the person meet the requirements of
4 subsection (f).

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

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

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

21 (k) (Reserved).

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

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

29 (n) Applicant financial information.--

30 (1) The board shall require an applicant for a terminal

1 operator license to produce the information, documentation
2 and assurances concerning financial background and resources
3 as the board deems necessary to establish by clear and
4 convincing evidence the financial stability, integrity and
5 responsibility of the applicant, its affiliate, intermediary,
6 subsidiary or holding company, including bank references,
7 business and personal income and disbursement schedules, tax
8 returns and other reports filed with governmental agencies
9 and business and personal accounting and check records and
10 ledgers.

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

14 (o) Financial backer information.--

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

22 (2) The board may waive the qualification requirements
23 for banking or lending institutions and institutional
24 investors.

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

29 (4) The integrity of the financial sources shall be
30 judged upon the same standards as the applicant. Any such

1 person or entity shall produce for the board upon request any
2 document or information which bears any relation to the
3 application.

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

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

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

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

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

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

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

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

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

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

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

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

22 (2) The license shall be nontransferable.

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

24 (s) Renewal.--

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

29 (2) If the renewal application satisfies the
30 requirements of subsections (a), (b), (c), (f), (g), (h),

1 (i), (j), (l), (m), (n), (o), (p) and (q), the board may
2 renew the licensee's terminal operator license.

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

8 § 5503. (Reserved).

9 § 5504. Principal licenses.

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

12 (b) Application.--A principal license application shall be
13 in a form prescribed by the board and shall include the
14 following:

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

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

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

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

22 (5) Additional information required by the board.

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

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

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

3 § 5505. Key employee licenses.

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

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

12 (1) Verification of status as a key employee from a
13 terminal operator licensee, establishment licensee or
14 manufacturer licensee.

15 (2) A description of employment responsibilities.

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

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

20 (5) Additional information required by the board.

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

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

29 § 5506. Divestiture of disqualifying applicant.

30 (a) Board power to require.--

1 (1) In the event that an establishment license
2 application, terminal operator license application or
3 manufacturer license application is not approved by the board
4 based on a finding that an individual who is a principal or
5 has an interest in the person applying for the license does
6 not meet the character requirements of this part or any of
7 the eligibility requirements under this part or a person who
8 purchases a controlling interest in the applicant in
9 violation of section 5517 (relating to change in ownership or
10 control of terminal operator licensee), the board may afford
11 the individual the opportunity to completely divest the
12 individual's interest in the person, its affiliate,
13 intermediary, subsidiary or holding company seeking the
14 license and, after divestiture, reconsider the person's or
15 applicant's suitability for licensure in an expedited
16 proceeding and may, after the proceeding, issue the person or
17 applicant a terminal operator license.

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

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

23 § 5507. (Reserved).

24 § 5508. Manufacturer licenses.

25 (a) Application.--A person seeking to manufacture skill
26 gaming terminals, redemption terminals and associated equipment
27 for use in this Commonwealth must apply to the board for a
28 manufacturer license.

29 (b) Requirements.--An application for a manufacturer license
30 shall be on a form required by the board and shall include all

1 of the following:

2 (1) The name and business address of the applicant and
3 the applicant's affiliates, intermediaries, subsidiaries and
4 holding companies; the principals and key employees of each
5 business; and a list of employees and their positions within
6 each business, as well as financial information required by
7 the board.

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

11 (3) The consent to a background investigation by the
12 bureau of the applicant, its principals, its key employees,
13 its intermediaries, its subsidiaries or other persons
14 required by the board and a release to obtain the information
15 necessary for the completion of the background investigation.

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

19 (5) The details of any manufacturer license issued by
20 the board to the applicant under section 1317.1 (relating to
21 manufacturer licenses) or 3508 (relating to manufacturer
22 licenses), if applicable.

23 (6) The type of skill gaming terminals, redemption
24 terminals or associated equipment to be manufactured or
25 repaired.

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

28 (c) Review and approval.--Upon being satisfied that the
29 requirements of subsection (b) have been met, the board may
30 approve the application and grant the applicant a manufacturer

1 license consistent with all of the following:

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

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

9 (2) The license shall be nontransferable.

10 (3) Other conditions established by the board.

11 (d) Renewal.--

12 (1) At least six months prior to expiration of a
13 manufacturer license, the manufacturer licensee seeking
14 renewal of its license shall submit a renewal application
15 accompanied by the renewal fee to the board.

16 (2) If the renewal application satisfies the
17 requirements of subsection (b), the board may renew the
18 licensee's manufacturer license.

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

24 (e) Authority.--A manufacturer licensee or its designee, as
25 licensed by the board under this part, may supply or repair a
26 skill gaming terminal, redemption terminal or associated
27 equipment manufactured by the manufacturer licensee.

28 (f) Prohibitions.--

29 (1) No person may manufacture skill gaming terminals,
30 redemption terminals or associated equipment for sale, lease

1 or use within this Commonwealth unless the person has been
2 issued a manufacturer license under this part.

3 (2) No person issued a manufacturer license under this
4 section may apply for or be issued a terminal operator
5 license under section 5502 (relating to terminal operator
6 licenses) or establishment license under section 5514
7 (relating to establishment licenses).

8 § 5509. Gaming service provider.

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

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

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

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

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

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

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

1 provider shall have a continuing duty to:

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

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

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

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

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

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

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

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

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

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

13 (g) Gaming service provider lists.--

14 (1) The board shall:

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

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

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

25 (h) Emergency authorization.--

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

1 to the licensee's skill gaming terminals.

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

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

18 § 5510. Occupation permit.

19 (a) Application.--

20 (1) An individual who desires to be a gaming employee
21 and has a bona fide offer of employment from a terminal
22 operator licensee or establishment licensee shall apply to
23 the board for an occupation permit.

24 (2) An individual may not be employed as a gaming
25 employee unless and until that individual holds an
26 appropriate occupation permit issued under this section.

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

1 (b) Requirements.--The application for an occupation permit
2 shall include, at a minimum:

3 (1) The name and home address of the individual.

4 (2) The previous employment history of the individual.

5 (3) The criminal history record of the individual, as
6 well as the individual's consent for the bureau to conduct a
7 background investigation.

8 (4) A photograph of the individual.

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

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

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

16 (c) Prohibition.--A terminal operator licensee may not
17 employ or permit an individual under 18 years of age to render
18 service in a skill gaming area.

19 § 5511. Alternative terminal operator licensing standards.

20 (a) Determination.--

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

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

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

7 (b) Abbreviated process.--

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

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

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

25 (d) Construction.--Nothing in this subsection shall be
26 construed as an authorization for a terminal operator,
27 manufacturer licensee or applicant to solicit or execute a
28 terminal placement agreement prior to or after the effective
29 date of this section.

30 § 5512. Alternative manufacturer licensing standards.

1 (a) Determination.--

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

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

17 (b) Abbreviated process.--

18 (1) In the event an applicant for a manufacturer license
19 is licensed in another jurisdiction, the board may determine
20 to use an abbreviated process requiring only that information
21 determined by the board to be necessary to consider the
22 issuance of a license, including financial viability of the
23 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 license under this part holds a manufacturer
29 license under section 1317.1 (relating to manufacturer licenses)
30 or 3508 (relating to manufacturer licenses), the board may

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

5 § 5513. (Reserved).

6 § 5514. Establishment licenses.

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

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

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

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

17 (4) The criminal history record of the applicant.

18 (5) Verification that the applicant meets the definition
19 of an eligible establishment under section 5102 (relating to
20 definitions).

21 (b) Nontransferability.--A license issued under this section
22 shall not be transferable.

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

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

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

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

8 (2) The license shall be nontransferable.

9 (3) Other conditions established by the board.

10 (e) Renewal.--

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

15 (2) If the renewal application satisfies the
16 requirements of subsection (d), the board may renew the
17 establishment license.

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

23 (f) Eligibility requirements.--

24 (1) Beginning 180 days after the effective date of this
25 paragraph, an applicant shall have a 120-day period to apply
26 for a skill gaming establishment license. An applicant must
27 hold one of the following categories of license issued by the
28 Pennsylvania Liquor Control Board, which license shall be
29 either active or in safekeeping status:

30 (i) Brewery.

- 1 (ii) Brewery pub.
- 2 (iii) Brewery storage.
- 3 (iv) Hotel (liquor).
- 4 (v) Hotel (malt).
- 5 (vi) Restaurant.
- 6 (vii) Catering club (liquor).
- 7 (viii) Club (liquor).
- 8 (ix) Club (malt).
- 9 (x) Distributor (malt).
- 10 (xi) Importing distributor (malt).
- 11 (xii) Eating place retail dispenser (malt).

12 (2) Beginning one year after the effective date of this
13 paragraph, any establishment that is a lottery sales agent
14 under section 305 of the act of August 26, 1971 (P.L.351,
15 No.91), known as the State Lottery Law, may apply to the
16 board for any remaining establishment licenses, up to the
17 county quota.

18 (3) The board shall accept applications from lottery
19 sales agents for a period of 60 days.

20 (4) If the number of applications received by the board
21 from lottery agents in a given county during the 90-day
22 period under paragraph (3) exceeds the number of licenses
23 available for that county, then the board shall randomly
24 select from the pool of valid applications received and
25 approve the applications of the randomly selected applicants,
26 up to the county quota.

27 § 5515. License or permit prohibition.

28 The following apply:

29 (1) The board shall be prohibited from granting a
30 license under this part to any applicant who has been

1 convicted of a gambling-related felony offense in any
2 jurisdiction. The board shall determine, in the board's sole
3 discretion, whether a felony offense is gambling-related.

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

6 (i) An offense classified as a felony or punishable
7 under the laws of this Commonwealth by imprisonment for
8 more than five years.

9 (ii) An offense which, under the laws of another
10 jurisdiction, is punishable by imprisonment for more than
11 five years.

12 (iii) An offense under the laws of another
13 jurisdiction which, if committed in this Commonwealth,
14 would be subject to imprisonment for more than five
15 years.

16 (3) The board shall be prohibited from issuing a skill
17 gaming establishment license if issuing such license would
18 result in a county quota being exceeded.

19 § 5516. Issuance and renewal.

20 (a) Issuance.--

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

30 (2) Nothing contained in this part is intended or shall

1 be construed to create an entitlement to a license or other
2 authorization by a person.

3 (b) Renewal.--

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

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

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

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

18 (1) In addition to other sanctions the board may impose
19 under this part, the board may at its discretion suspend,
20 revoke or deny renewal of a license issued under this part if
21 the board receives information from any source that the
22 applicant or any of its officers, directors, owners or key
23 employees is in violation of any provision of this part, that
24 the applicant has furnished the board with false or
25 misleading information or that the information contained in
26 the applicant's initial application or renewal application is
27 no longer true and correct such that the applicant is no
28 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 5517 (relating to
12 change in ownership or control of terminal operator
13 licensee), a license granted or renewed under this part may
14 not be sold, transferred or assigned to another person or
15 location.

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

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

21 (5) Nothing contained in this part is intended or shall
22 be construed to create in any person an entitlement to a
23 license.

24 § 5517. Change in ownership or control of terminal operator
25 licensee.

26 (a) Notification and approval.--

27 (1) A terminal operator licensee shall promptly notify
28 the board of a proposed or contemplated change of ownership
29 of the terminal operator licensee by a person or group of
30 persons acting in concert which involves any of the

1 following:

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

4 (ii) More than 5% of the securities or other
5 ownership interests of a corporation or other form of
6 business entity that owns directly or indirectly at least
7 20% of the voting or other securities or other ownership
8 interests of the terminal operator licensee.

9 (iii) The sale of all or substantially all of a
10 terminal operator licensee's assets.

11 (iv) Any other transaction or occurrence deemed by
12 the board to be relevant to license qualifications.

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

28 (ii) Notice to the board and board approval shall be
29 required prior to completion of any proposed or
30 contemplated change of ownership of a terminal operator

1 licensee that meets the criteria of this section.

2 (b) Qualification of purchaser of terminal operator licensee
3 and change of control.--

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

9 (2) A change in control of a terminal operator licensee
10 shall require that the transferee must independently qualify
11 for a license in accordance with this part, and the
12 transferee shall pay a new license fee as required by section
13 6101, except as otherwise required by the board under this
14 section.

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

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

30 (d) Fee reduction.--The board may in its discretion

1 eliminate the need for qualification or proportionately reduce,
2 but not eliminate, the new license fee otherwise required under
3 this section in connection with a change of control of a
4 terminal operator licensee, depending upon the type of
5 transaction, the relevant ownership interests and changes to the
6 interests resulting from the transaction and other
7 considerations deemed relevant by the board.

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

14 § 5518. Skill gaming accounting controls and audits.

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

22 (b) Minimum requirements.--At a minimum, the applicant's
23 proposed internal controls and audit protocols shall:

24 (1) Safeguard its assets and revenues, including the
25 recording of cash and cash equivalents and evidences of
26 indebtedness related to the skill gaming terminals.

27 (2) Provide for reliable records, accounts and reports
28 of a financial event that occurs in the operation of a skill
29 gaming terminal, including reports to the board related to
30 the skill gaming terminals.

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

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

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

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

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

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

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

26 (10) Meet any other requirement of the board or the
27 department.

28 (c) Internal control.--A terminal operator license applicant
29 shall submit to the board and department, in such manner as the
30 board requires, a description of its administrative and

1 accounting procedures in detail, including its written system of
2 internal control. The written system of internal control shall
3 include:

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

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

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

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

14 (5) Record retention policy.

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

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

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

25 § 5519. Multiple licenses prohibited.

26 (a) Manufacturer restriction.--A manufacturer licensee under
27 this part may not hold an establishment license under this part
28 or a terminal operator license under this part, and may not own,
29 manage or control any establishment licensee or terminal
30 operator licensee.

1 (b) (Reserved).

2 (c) Terminal operator restriction.--A terminal operator
3 licensee under this part may not hold an establishment license
4 under this part or a manufacturer license under this part, and
5 may not own, manage or control a terminal operator licensee or
6 an establishment licensee.

7 (d) Establishment restriction.--An establishment licensee
8 under this part may not hold a manufacturer license under this
9 part or terminal operator license under this part, and may not
10 own, manage or control a manufacturer licensee or a terminal
11 operator licensee.

12 (e) Existing licenses.--Nothing in this part shall be
13 construed to prohibit a person or entity that has been approved
14 by the board for licensure under Part II (relating to gaming) or
15 III (relating to video gaming) from applying for and receiving a
16 license under this part.

17 CHAPTER 57

18 OPERATION

19 Sec.

20 5701. Testing and certification of terminals.

21 5702. Skill gaming limitations.

22 5703. (Reserved).

23 5704. Terminal placement agreements.

24 5705. Duties of licensees.

25 5706. Compulsive and problem gambling.

26 § 5701. Testing and certification of terminals.

27 (a) Requirement for testing.--A skill gaming terminal or
28 redemption terminal or associated equipment may not be made
29 available for use in this Commonwealth prior to being tested and
30 certified by the board in accordance with this section.

1 (b) Skill gaming terminal specifications.--Skill gaming
2 terminals shall be tested and certified to meet the following
3 specifications:

4 (1) The skill gaming terminal shall have the ability to
5 be linked to the central control computer.

6 (2) The skill gaming terminal shall be marked with an
7 irremovable identification plate that is placed in a
8 conspicuous location on the exterior of the skill gaming
9 terminal. The identification plate shall contain the name of
10 the manufacturer licensee and the serial and model numbers of
11 the skill gaming terminal.

12 (3) The skill gaming terminal shall prominently display
13 the rules of play either on the skill gaming terminal face or
14 screen.

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

21 (5) The cost of a credit shall only be 1¢, 5¢, 10¢ or
22 25¢.

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

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

27 (8) The skill gaming terminal shall be designed and
28 manufactured with total accountability to include gross
29 proceeds, net profits, winning percentages and other
30 information the board requires.

1 (9) Any portion or phase of a game offered by a skill
2 gaming terminal that is predominantly based on chance shall
3 pay out a minimum of 85% of the amount wagered for that
4 portion or phase of the game.

5 (10) Other specifications the board requires.

6 (c) Redemption terminal specifications.--Redemption
7 terminals shall be tested and certified to meet the following
8 specifications:

9 (1) The redemption terminal shall be marked with an
10 irremovable identification plate that is placed in a
11 conspicuous location on the exterior of the redemption
12 terminal. The identification plate shall contain the name of
13 the manufacturer licensee and the serial and model numbers of
14 the redemption terminal.

15 (2) The redemption terminal shall only accept redemption
16 tickets from skill gaming terminals located in the same skill
17 gaming area.

18 (3) The redemption terminal shall be designed and
19 manufactured with total accountability to record information
20 the board requires.

21 (4) Other specifications the board requires.

22 (d) Private testing.--The board may, in its discretion, rely
23 upon the certification of a skill gaming terminal or redemption
24 terminal that has met the testing and certification standards of
25 one or more board-approved independent private testing and
26 certification facilities.

27 (e) Testing and certification fee.--

28 (1) A fee for the testing and certification of a skill
29 gaming terminal or redemption terminal shall be paid by the
30 manufacturer licensee submitting the terminal, which fee

1 shall be an amount established by the board according to a
2 schedule adopted by the board.

3 (2) Fees established by the board shall be exempt from
4 any fee limitation contained in section 4101 (relating to
5 fees).

6 (f) Central control computer compatibility.--The board shall
7 ensure that all skill gaming terminals certified and approved
8 for use in this Commonwealth are compatible and comply with the
9 central control computer and protocol specifications approved by
10 the department.

11 § 5702. Skill gaming limitations.

12 (a) Establishment licensee limitations.--An establishment
13 licensee may offer skill gaming terminals for play within its
14 premises, subject to the following:

15 (1) No more than two skill gaming terminals may be
16 placed on the premises of an establishment licensee that
17 meets either of the following:

18 (i) a location authorized to sell Pennsylvania
19 Lottery tickets or shares under the act of August 26,
20 1971 (P.L.351, No.91), known as the State Lottery Law; or

21 (ii) is a licensed premises approved by the
22 Pennsylvania Liquor Control Board for the sale of liquor,
23 alcohol or malt or brewed beverages under any of the
24 following license categories, limited to licenses in
25 either active or safekeeping status:

26 (A) Brewery.

27 (B) Brewery pub.

28 (C) Brewery storage.

29 (D) Hotel (liquor).

30 (E) Hotel (malt).

- 1 (F) Restaurant.
- 2 (G) Distributor (malt).
- 3 (H) Importing distributor (malt).
- 4 (I) Eating place retail dispenser (malt).

5 (2) No more than four skill gaming terminals may be
6 placed on the premises of an establishment licensee that is a
7 licensed premises approved by the Pennsylvania Liquor Control
8 Board for the sale of liquor, alcohol or malt or brewed
9 beverages under any of the following license categories,
10 limited to licenses in either active or safekeeping status:

- 11 (i) Catering club (liquor).
- 12 (ii) Club (liquor).
- 13 (iii) Club (malt).

14 (3) Redemption tickets shall only be exchanged for cash
15 through a redemption terminal or reinserted into another
16 skill gaming terminal in the same skill gaming area or as
17 otherwise authorized by the board in the event of a failure
18 or malfunction in a redemption terminal, and at least one
19 redemption terminal shall be located in the skill gaming
20 area.

21 (4) Skill gaming terminals located on the premises of
22 the establishment licensee shall be placed and operated by a
23 terminal operator licensee pursuant to a terminal placement
24 agreement.

25 (5) The skill gaming area shall be easily seen and
26 observed by at least one employee of the establishment
27 licensee.

28 (6) The skill gaming area shall, at all times, be
29 monitored through video surveillance.

30 (7) No establishment licensee may provide an incentive.

1 (8) No minor shall be permitted to play a skill gaming
2 terminal or enter the skill gaming area.

3 (9) No visibly intoxicated person shall be permitted to
4 play a skill gaming terminal.

5 (10) No establishment licensee may extend credit or
6 accept a credit card or debit card for play of a skill gaming
7 terminal.

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

12 (12) No establishment licensee may move or disconnect a
13 skill gaming terminal or redemption terminal from its power
14 source or from the central control computer after
15 installation by a terminal operator licensee.

16 (b) Terminal operator licensee limitations.--A terminal
17 operator licensee may place and operate skill 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 skill
22 gaming area or reinserted into another skill gaming terminal
23 located in the same skill gaming area as the skill gaming
24 terminal.

25 (2) Skill gaming terminals located on the premises of
26 the establishment licensee shall be placed and operated
27 pursuant to a terminal placement agreement.

28 (3) No terminal operator licensee may provide an
29 incentive.

30 (4) No terminal operator licensee may extend credit or

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

3 (5) No terminal operator licensee may give or offer to
4 give, directly or indirectly, any type of inducement to a
5 skill gaming establishment to secure or maintain a terminal
6 placement agreement.

7 (6) A terminal operator licensee shall only operate,
8 install or otherwise make available for public use a skill
9 gaming terminal or redemption terminal that has been obtained
10 from a manufacturer licensee.

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

16 (8) No terminal operator licensee may move a skill
17 gaming terminal or redemption terminal after installation
18 unless prior approval is obtained from the board.

19 (9) An establishment licensee must employ at least one
20 gaming manager.

21 § 5703. (Reserved).

22 § 5704. Terminal placement agreements.

23 (a) Requirement for agreement.--A terminal operator licensee
24 may not place and operate skill gaming terminals on the premises
25 of an establishment licensee unless pursuant to a terminal
26 placement agreement approved by the board and executed no less
27 than 180 days after the effective date of this subsection.
28 Approval shall be presented upon connection of one or more skill
29 gaming terminals at the establishment licensee to the central
30 control computer.

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

3 (c) Length of agreement.--Terminal placement agreements
4 shall be valid for a minimum 24-month term but shall not exceed
5 a 60-month term.

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

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

12 (2) Identifies who solicited the terminal placement
13 agreement on behalf of a terminal operator licensee or
14 applicant.

15 (e) Parties to agreement.--Only an establishment licensee or
16 applicant may sign or agree to sign a terminal placement
17 agreement with an applicant for a terminal operator license or a
18 terminal operator licensee.

19 (f) Void agreements.--An agreement entered into by an
20 eligible skill gaming establishment prior to 180 days after the
21 effective date of this subsection with a person for the
22 placement, operation, service or maintenance of skill gaming
23 terminals, including an agreement granting a person the right to
24 enter into an agreement or match any offer made after the
25 effective date of this subsection, shall be void and may not be
26 approved by the board.

27 (g) Transferability of agreements.--A terminal placement
28 agreement may not be transferred or assigned unless the person
29 making the assignment is either a terminal operator applicant or
30 terminal operator licensee and the person receiving the

1 assignment of the terminal placement agreement is either a
2 terminal operator applicant or terminal operator licensee under
3 this chapter.

4 § 5705. Duties of licensees.

5 A person issued a license under this part shall:

6 (1) Provide assistance or information required by the
7 board, the bureau, the department or law enforcement, and
8 cooperate in inquiries, investigations and hearings.

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

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

12 (4) Inform the board of arrests for violations of
13 offenses enumerated under 18 Pa.C.S. (relating to crimes and
14 offenses).

15 (5) Report illegal or unlicensed games or devices to the
16 board and to law enforcement.

17 § 5706. Compulsive and problem gambling.

18 (a) Required posting.--

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

21 If you or someone you know has a gambling problem,
22 help is available. Call (toll-free telephone number)
23 or text (toll-free telephone number).

24 (2) At least one sign shall be posted within the skill
25 gaming area and at least one sign shall be posted within five
26 feet of each automated teller machine located within the
27 establishment licensee's premises, if applicable.

28 (b) Toll-free telephone number.--The toll-free telephone
29 number required to be posted in subsection (a) shall be the same
30 number maintained by the Department of Drug and Alcohol Programs

1 or successor agency under section 5310 (relating to Department
2 of Drug and Alcohol Programs or successor agency).

3 (c) Problem gambling information.--

4 (1) An establishment licensee shall have available on
5 the premises access to materials regarding compulsive and
6 problem gambling assistance.

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

11 (3) The available materials required by paragraph (1)
12 shall be displayed conspicuously at least within the skill
13 gaming area.

14 (d) Mandatory training.--

15 (1) The board's Office of Compulsive and Problem
16 Gambling, in consultation with the Department of Drug and
17 Alcohol Programs or successor agency, shall develop a
18 mandatory training program for employees and management of an
19 establishment licensee who oversee the establishment
20 licensee's skill gaming area. The training program shall
21 address responsible gaming and other compulsive and problem
22 gambling issues related to skill gaming terminals.

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

25 (e) Penalty.--An establishment licensee that fails to
26 fulfill the requirements of subsection (a), (b), (c) or (d)
27 shall be assessed by the board an administrative penalty in an
28 amount established by the board in its discretion, and may have
29 its establishment license suspended.

30 CHAPTER 59

ENFORCEMENT

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Sec.

5901. Exclusion or ejection of certain persons.

5902. Repeat offenders.

5903. Self-exclusion.

5904. Investigations and enforcement.

5905. Prohibited acts and penalties.

5906. Report of suspicious transactions.

5907. Additional authority.

5908. Detention.

§ 5901. Exclusion or ejection of certain persons.

(a) Exclusion requirement.--The board shall by regulation provide for the establishment of a list of individuals who are to be excluded or ejected from the skill gaming area of an establishment licensee. The provisions shall define the standards for exclusion and shall include standards relating to individuals who are career or professional offenders as defined by regulations of the board or whose presence in a skill gaming area would, in the opinion of the board, be inimical to the interest of the Commonwealth or of licensed skill gaming in this Commonwealth, or both.

(b) Categories to be defined.--The board shall promulgate regulations with definitions establishing categories of individuals who shall be excluded or ejected under 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

1 with terminal operator licensees and establishment licensees,
2 develop policies and procedures to reasonably prevent
3 individuals on the list required by this section from entering a
4 skill gaming area.

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

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

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

24 (h) Hearing.--

25 (1) Within 30 days after receipt of notice under
26 subsection (g), the person named for exclusion or ejection
27 may demand a hearing before the board, at which hearing the
28 bureau must demonstrate that the person named for exclusion
29 or ejection satisfies the criteria for exclusion or ejection
30 established by this section and the board's regulations.

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

7 (i) Review.--

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

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

15 § 5902. Repeat offenders.

16 (a) Discretion to exclude or eject.--An establishment
17 licensee may exclude or eject from the establishment licensee's
18 skill gaming area or premises an individual who is known to have
19 been convicted of a misdemeanor or felony committed in or on the
20 premises of a licensed establishment.

21 (b) Construction.--Nothing in this section or in any other
22 law of this Commonwealth shall be construed to limit the right
23 of an establishment licensee to exercise its common law right to
24 exclude or eject permanently from its skill gaming area or
25 premises an individual who:

26 (1) disrupts the operations of its premises;

27 (2) threatens the security of its premises or its
28 occupants; or

29 (3) is disorderly or intoxicated.

30 § 5903. Self-exclusion.

1 (a) Establishment of list.--

2 (1) The board shall provide by regulation for the
3 establishment of a list of individuals self-excluded from
4 skill gaming activities within specific establishment
5 licensees or establishment licensees in geographic areas of
6 the Commonwealth.

7 (2) An individual may request placement on the list of
8 self-excluded individuals by:

9 (i) acknowledging in a manner to be established by
10 the board that the individual is a problem gambler;

11 (ii) agreeing that, during any period of voluntary
12 exclusion, the individual may not collect any winnings or
13 recover any losses resulting from any skill gaming
14 activity within establishment licensees and that
15 individual may be subject to arrest for trespass; and

16 (iii) agreeing to another condition established by
17 the board.

18 (b) Regulations.--The regulations of the board shall
19 establish:

20 (1) Procedures for placement on and removal from the
21 list of a self-excluded individual.

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

1 reading devices.

2 (3) Procedures for the transmittal to terminal operator
3 licensees of identifying information concerning a self-
4 excluded individual and shall require terminal operator
5 licensees to establish procedures to remove self-excluded
6 individuals from customer loyalty or reward card programs and
7 targeted mailings or other forms of advertising or
8 promotions.

9 (c) Liability.--An establishment licensee or employee
10 thereof shall not be liable to a self-excluded individual or to
11 another party in a judicial proceeding for harm, monetary or
12 otherwise, which may arise as a result of:

13 (1) the failure of the establishment licensee to
14 withhold skill gaming privileges from or restore skill gaming
15 privileges to the self-excluded individual; or

16 (2) otherwise permitting or not permitting the self-
17 excluded individual to engage in skill gaming activity within
18 the establishment licensee's premises while on the list of
19 self-excluded individuals.

20 (d) Nondisclosure.--The board's list of self-excluded
21 individuals shall not be open to public inspection.

22 § 5904. Investigations and enforcement.

23 (a) Bureau of Investigation and Enforcement, Skill Gaming.--
24 The board shall establish the Skill Gaming Division within the
25 bureau, which shall have the following powers and duties:

26 (1) Enforce the provisions of this part.

27 (2) Investigate and review applicants and applications
28 for a license or registration. The bureau shall be prohibited
29 from disclosing any portion of a background investigation
30 report to a member of the board prior to the submission of

1 the bureau's final background investigation report relating
2 to the applicant's suitability for licensure to the board.
3 The Skill Gaming Division of the Office of Enforcement
4 Counsel shall prepare the final background investigation
5 report for inclusion in a final report relating to the
6 applicant's suitability for licensure.

7 (3) Investigate licensees, registrants and other persons
8 regulated by the board under this part for noncriminal
9 violations, including potential violations referred to the
10 bureau by the board or other person.

11 (4) Monitor skill gaming operations to ensure compliance
12 with this part.

13 (5) Inspect and examine licensed entities. Inspections
14 may include the review and reproduction of documents or
15 records.

16 (6) Conduct reviews of a licensed entity as necessary to
17 ensure compliance with this part. A review may include the
18 review of accounting, administrative and financial records,
19 management control systems, procedures and other records
20 utilized by a licensed entity.

21 (7) Refer possible criminal violations related to this
22 title or 18 Pa.C.S. (relating to crimes and offenses) to law
23 enforcement. The bureau shall not have the power of arrest.

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

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

28 (b) Office of Enforcement Counsel, Skill Gaming Division.--
29 The board shall establish the Skill Gaming Division within the
30 Office of Enforcement Counsel, which shall act as the prosecutor

1 in all noncriminal enforcement actions initiated by the bureau
2 under this part and shall have the following powers and duties:

3 (1) Advise the bureau on all matters related to skill
4 gaming, including the granting of licenses or registrations,
5 the conduct of background investigations, audits and
6 inspections and the investigation of potential violations of
7 this part.

8 (2) File on behalf of the bureau recommendations and
9 objections relating to the issuance of licenses and
10 registrations under this part.

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

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

15 (1) The department shall at all times have the power of
16 access to examine and audit equipment and records relating to
17 all aspects of the operation of skill gaming terminals and
18 redemption terminals under this part.

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

25 (d) Powers and duties of the Pennsylvania State Police.--The
26 Pennsylvania State Police shall have the following powers and
27 duties:

28 (1) Promptly conduct background investigations on
29 persons as directed by the board under this part. The
30 Pennsylvania State Police may contract with other law

1 enforcement annuitants to assist in the conduct of
2 investigations under this paragraph.

3 (2) Initiate proceedings for criminal violations of this
4 part.

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

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

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

13 (6) Fingerprint applicants.

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

18 (8) Receive and take appropriate action on any referral
19 from the bureau relating to criminal conduct.

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

29 (10) Conduct audits or verification of information of
30 skill gaming terminal operations at times, under

1 circumstances and to the extent as the bureau determines.
2 This paragraph includes the review of accounting,
3 administrative and financial records and management control
4 systems, procedures and records utilized by a terminal
5 operator licensee.

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

9 (e) Powers and duties of Attorney General.--The gaming unit
10 within the Office of Attorney General shall investigate and
11 institute criminal proceedings as authorized under subsection
12 (f).

13 (f) Criminal action.--

14 (1) County district attorneys shall have the authority
15 to investigate and to institute criminal proceedings for a
16 violation of this part.

17 (2) In addition to the authority conferred upon the
18 Attorney General under the act of October 15, 1980 (P.L.950,
19 No.164), known as the Commonwealth Attorneys Act, the
20 Attorney General shall have the authority to investigate and,
21 following consultation with the appropriate district
22 attorney, to institute criminal proceedings for a violation
23 of this part or under Title 18.

24 (3) A person charged with a violation of this part by
25 the Attorney General shall not have standing to challenge the
26 authority of the Attorney General to investigate or prosecute
27 the case, and, if any such challenge is made, the challenge
28 shall be dismissed and no relief shall be available in the
29 courts of this Commonwealth to the person making the
30 challenge.

1 (g) Regulatory action.--Nothing contained in subsection (e)
2 shall be construed to limit the existing regulatory or
3 investigative authority of an agency or the Commonwealth whose
4 functions relate to persons or matters within the scope of this
5 part.

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

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

11 (i) Inspect and examine all premises where:

12 (A) skill gaming operations are conducted;

13 (B) skill gaming terminals, redemption terminals
14 and associated equipment are manufactured, sold,
15 distributed or serviced; and

16 (C) records of these activities are prepared or
17 maintained.

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

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

23 (iv) Inspect, examine and audit all books, records
24 and documents pertaining to a terminal operator
25 licensee's skill gaming operation.

26 (v) Seize, impound or assume physical control of any
27 book, record, ledger or device related to skill gaming
28 operations or the skill gaming terminals or redemption
29 terminals.

30 (2) The provisions of paragraph (1) shall not be

1 construed to limit warrantless inspections, except in
2 accordance with constitutional requirements.

3 (3) To further effectuate the purposes of this part, the
4 bureau and the Pennsylvania State Police may obtain
5 administrative warrants for the inspection and seizure of
6 property possessed, controlled, bailed or otherwise held by
7 an applicant, licensee, intermediary, subsidiary, affiliate
8 or holding company.

9 (i) Information sharing and enforcement referral.--With
10 respect to the administration, supervision and enforcement of
11 this part, the bureau, the department, the Pennsylvania State
12 Police or the Office of Attorney General may obtain or provide
13 pertinent information regarding applicants or licensees from or
14 to law enforcement entities or gaming authorities of the
15 Commonwealth and other domestic, foreign or federally approved
16 jurisdictions, including the Federal Bureau of Investigation,
17 and may transmit the information to each other electronically.
18 § 5905. Prohibited acts and penalties.

19 (a) Criminal offenses.--

20 (1) The provisions of 18 Pa.C.S. § 4902 (relating to
21 perjury), 4903 (relating to false swearing) or 4904 (relating
22 to unsworn falsification to authorities) shall apply to a
23 person providing information or making a statement, whether
24 written or oral, to the board, the bureau, the department,
25 the Pennsylvania State Police or the Office of Attorney
26 General, as required by this part.

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

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

1 (ii) attempt in any manner to evade or defeat a
2 license fee, authorization fee, tax or assessment imposed
3 under this part.

4 (3) It shall be unlawful for a licensed entity, gaming
5 employee, key employee or any other person to permit a skill
6 gaming terminal to be operated, transported, repaired or
7 opened on the premises of an establishment licensee by a
8 person other than a person licensed or permitted by the board
9 under this part.

10 (4) It shall be unlawful for a licensed entity or other
11 person to manufacture, supply or place skill gaming
12 terminals, redemption terminals or associated equipment into
13 play or display skill gaming terminals, redemption terminals
14 or associated equipment on the premises of an establishment
15 licensee without the authority of the board.

16 (5) It shall be unlawful for a licensed entity or other
17 person to manufacture, supply, operate, carry on or expose
18 for play a skill gaming terminal or associated equipment
19 after the person's license has expired or failed to be
20 renewed in accordance with this part.

21 (6) It shall be unlawful for an individual while on the
22 premises of an establishment licensee to knowingly use
23 currency other than lawful coin or legal tender of the United
24 States or a coin not of the same denomination as the coin
25 intended to be used in the skill gaming terminal or use
26 counterfeit or altered redemption tickets with the intent to
27 cheat or defraud a terminal operator licensee or the
28 Commonwealth or damage the skill gaming terminal or
29 redemption terminal.

30 (7) (i) Except as specified in subparagraph (ii), it

1 shall be unlawful for an individual to use or possess a
2 cheating or thieving device, counterfeit or altered
3 billet, ticket, token or similar object accepted by a
4 skill gaming terminal or counterfeit or altered
5 redemption ticket on the premises of an establishment
6 licensee.

7 (ii) An authorized employee of a licensee or an
8 employee of the board may possess and use a cheating or
9 thieving device, counterfeit or altered billet, ticket,
10 token or similar object accepted by a skill gaming
11 terminal or counterfeit or altered redemption ticket in
12 performance of the duties of employment.

13 (8) (i) Except as specified in subparagraph (ii), it
14 shall be unlawful for an individual to knowingly possess
15 or use while on the premises of an establishment licensee
16 a key or device designed for the purpose of and suitable
17 for opening or entering a skill gaming terminal or
18 redemption terminal that is located on the premises of
19 the establishment licensee.

20 (ii) An authorized employee of a licensee or a
21 member of the board may possess and use a device referred
22 to in subparagraph (i) in the performance of the duties
23 of employment.

24 (9) It shall be unlawful for a person or licensed entity
25 to possess a device, equipment or material which the person
26 or licensed entity knows has been manufactured, distributed,
27 sold, tampered with or serviced in violation of this part
28 with the intent to use the device, equipment or material as
29 though it had been manufactured, distributed, sold, tampered
30 with or serviced under this part.

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

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

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

14 (i) Is not licensed under this part.

15 (ii) Is prohibited from accepting employment from a
16 licensee.

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

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

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

29 (16) It shall be unlawful for an individual to claim,
30 collect or take, or attempt to claim, collect or take, money

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

7 (17) It shall be unlawful for a person to manufacture,
8 place, offer or play in this Commonwealth an illegal gambling
9 device as defined under 18 Pa.C.S. § 5513 (relating to
10 gambling devices, gambling, etc.)

11 (b) Criminal penalties and fines.--

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

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

1 subsection (a) (2), (3), (4), (5), (6), (7), (8), (9),
2 (10), (11), (12) or (17) commits a felony of the second
3 degree.

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

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

10 (B) not less than \$300,000 nor more than
11 \$600,000 if the person is a terminal operator
12 licensee; or

13 (C) not less than \$150,000 nor more than
14 \$300,000 if the person is a licensed manufacturer or
15 supplier.

16 (ii) For a second or subsequent violation of
17 subsection (a) (1), (2), (3), (4), (5), (6), (7), (8),
18 (9), (10), (11), (12) or (17), a person shall be
19 sentenced to pay a fine of:

20 (A) not less than \$150,000 nor more than
21 \$300,000 if the person is an individual or
22 establishment licensee;

23 (B) not less than \$600,000 nor more than
24 \$1,200,000 if the person is a terminal operator
25 licensee; or

26 (C) not less than \$300,000 nor more than
27 \$600,000 if the person is a licensed manufacturer or
28 supplier.

29 (3) An individual who commits an offense in violation of
30 subsection (a) (13) or (14) commits a nongambling summary

1 offense and upon conviction of a first offense shall be
2 sentenced to pay a fine of not less than \$200 nor more than
3 \$1,000. An individual who is convicted of a second or
4 subsequent offense under subsection (a) (13) or (14) shall be
5 sentenced to pay a fine of not less than \$500 nor more than
6 \$1,500. In addition to the fine imposed, an individual
7 convicted of an offense under subsection (a) (13) or (14) may
8 be sentenced to perform a period of community service not to
9 exceed 40 hours.

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

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

17 (1) In addition to any other penalty authorized by law,
18 the board may impose without limitation the following
19 sanctions:

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

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

30 (iii) Revoke the license of a person for willfully

1 and knowingly violating or attempting to violate an order
2 of the board directed to the person.

3 (iv) Subject to subsection (g), assess
4 administrative penalties as necessary to punish
5 violations of this part.

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

8 (vi) Enter cease and desist orders which specify the
9 conduct which is to be discontinued, altered or
10 implemented by a licensee.

11 (vii) Issue letters of reprimand or censure, which
12 letters shall be made a permanent part of the file of the
13 licensee so sanctioned.

14 (2) (i) If the board refuses to issue or renew a
15 license, suspends or revokes a license, assesses civil
16 penalties, orders restitution, enters a cease and desist
17 order or issues a letter of reprimand or censure, the
18 board shall provide the applicant or licensee with
19 written notification of its decision, including a
20 statement of the reasons for its decision, by certified
21 mail within 10 business days of the decision of the
22 board.

23 (ii) The applicant or licensee shall have the right
24 to appeal the decision in accordance with 2 Pa.C.S. Chs.
25 5 Subch. A (relating to practice and procedure of
26 Commonwealth agencies) and 7 Subch. A (relating to
27 judicial review of Commonwealth agency action).

28 (d) Aiding and abetting.--A person who aids, abets,
29 counsels, commands, induces, procures or causes another person
30 to violate this part shall be subject to all sanctions and

1 penalties, both civil and criminal, provided under this part.

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

6 (f) Property subject to seizure, confiscation, destruction
7 or forfeiture.--

8 (1) Any equipment, device or apparatus, money, material,
9 gaming proceeds or substituted proceeds or real or personal
10 property used, obtained or received or an attempt to use,
11 obtain or receive the device, apparatus, money, material,
12 proceeds or real or personal property in violation of this
13 part or in violation of 18 Pa.C.S. § 5513 shall be subject to
14 the provisions of 42 Pa.C.S. §§ 5803(a), (b), (b.1), (c),
15 (d), (e), (f), (f.1), (j), (k), (k.1) and (l) (relating to
16 asset forfeiture), 5805 (relating to forfeiture procedure),
17 5806 (relating to motion for return of property), 5807
18 (relating to restrictions on use), 5807.1 (relating to
19 prohibition on adoptive seizures) and 5808 (relating to
20 exceptions).

21 (2) Cash or proceeds of property subject to forfeiture
22 under this section shall be distributed as follows:

23 (i) Fifty percent to the local law enforcement
24 authority that seized the cash or proceeds.

25 (ii) Fifty percent to the local district attorney
26 office in the county in which the seized property was
27 located.

28 (g) Penalty limitation.--

29 (1) Administrative penalties assessed by the board on an
30 establishment licensee shall not exceed \$5,000 for each

1 noncriminal violation of this part.

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

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

11 § 5906. Report of suspicious transactions.

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

17 (b) Failure to report.--

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

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

30 (c) Bureau.--The bureau shall maintain a record of all

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

5 (d) Notice prohibited.--

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

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

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

18 (f) Sanctions.--

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

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

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

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

30 (iv) The prior history of the particular licensee or

1 person involved with respect to skill gaming terminal
2 activity.

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

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

11 (2) It shall not be a defense to disciplinary action
12 before the board that a person inadvertently, unintentionally
13 or unknowingly violated this section. The factors enumerated
14 under paragraph (1) shall only apply to the degree of the
15 penalty to be imposed by the board and not to a finding of a
16 violation itself.

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

19 § 5907. Additional authority.

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

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

28 (i) The agency has in its possession information
29 material to a pending investigation or inquiry being
30 conducted by the bureau under this part.

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

3 (2) The petition shall request that the court enter a
4 rule upon the agency to show cause why the agency should not
5 be directed to disclose to the bureau, or identified agents
6 thereof, information in the agency's possession about any
7 pending matter under the jurisdiction of the bureau under
8 this part.

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

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

16 (b) Procedure.--

17 (1) The filing of a petition under this section and
18 related proceedings shall be in accordance with court rule,
19 including issuance as of course.

20 (2) A party to the proceeding may not disclose the
21 filing of a petition or answer or the receipt, content or
22 disposition of a rule or order issued under this section,
23 without leave of court.

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

28 (c) Court determination.--

29 (1) Following review of the record, the court shall
30 grant the relief sought by the director of the Office of

1 Enforcement Counsel if the court determines that:

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

4 (ii) Disclosure or release of the information is in
5 the best interest of the Commonwealth.

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

8 (iv) The disclosure or release of the information
9 would not inhibit an agency in the performance of the
10 agency's duties.

11 (2) If the court grants relief under paragraph (1), the
12 court shall enter an order authorizing and directing the
13 information be made available for review in camera.

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

15 (1) If, after an in camera review by the court, the
16 director of the Office of Enforcement Counsel seeks to obtain
17 copies of materials in the agency's possession, the court
18 may, if not otherwise prohibited by statute or regulation,
19 enter an order that the requested materials be provided.

20 (2) An order authorizing the release of materials or
21 other information shall contain direction regarding the
22 safekeeping and use of the materials or other information
23 sufficient to satisfy the court that the materials or
24 information will be sufficiently safeguarded.

25 (3) In making the determination under paragraph (2), the
26 court shall consider input of the agency in possession of the
27 information and input from an agency with which the
28 information originated concerning a pending investigation or
29 ongoing matter and the safety of person and property.

30 (e) Modification of order.--

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

5 (2) Upon the request, the court may modify the order at
6 any time and in any manner it deems necessary and
7 appropriate.

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

10 (f) Use of information or materials.--A person who, by any
11 means authorized by this section, has obtained knowledge of
12 information or materials solely under this section may use the
13 information or materials in a manner consistent with any
14 direction imposed by the court and appropriate to the proper
15 performance of the person's duties under this part.

16 (g) Violation.--In addition to the remedies and penalties
17 provided in this part, a violation of the provisions of this
18 section may be punished as contempt of court.

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

23 § 5908. Detention.

24 (a) Reasonable detention.--A peace officer who has probable
25 cause to believe a criminal violation of this part has occurred
26 or is occurring on or about an establishment licensee's premises
27 and who has probable cause to believe a specific individual has
28 committed or is committing a criminal violation may detain the
29 individual in a reasonable manner for a reasonable time on the
30 premises of the establishment licensee to require the suspect to

1 identify himself or herself, to verify such identification.

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

5 CHAPTER 61

6 REVENUES

7 Sec.

8 6101. Fees.

9 6102. Taxes and assessments.

10 6103. (Reserved).

11 6104. Regulatory assessments.

12 6105. Transfers from Skill Gaming Fund.

13 § 6101. Fees.

14 (a) Application fees.--The following nonrefundable
15 application fees shall accompany an application for the
16 following licenses or permits applied for under Chapter 55
17 (relating to application and licensure):

18 (1) For a manufacturer license, \$50,000.

19 (2) For a terminal operator license, \$25,000.

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

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

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

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

29 (1) For a manufacturer license, \$4,000,000.

30 (2) For a terminal operator license, \$100,000.

1 (3) For an establishment license, an amount equal to
2 \$250 per each skill gaming terminal in operation at the
3 premises of the establishment licensee.

4 (4) For a key employee, procurement agent license or
5 principal license, \$2,000.

6 (5) For any other authorization or license authorized by
7 this part, an amount established by the board, through
8 regulation, which may not exceed \$500.

9 (c) Terminal increase fee.--An establishment licensee that
10 increases the total number of skill gaming terminals within the
11 establishment after submission of the renewal fee required in
12 subsection (b) shall provide the board with a \$1,000 renewal fee
13 for each additional skill gaming terminal added to the
14 establishment within 60 days of installation of each additional
15 skill gaming terminal.

16 (d) Deposit of fees.--Fees collected under this section
17 shall be deposited into the General Fund.
18 § 6102. Taxes and assessments.

19 (a) Fund established.--The Skill Gaming Fund is established
20 in the State Treasury. Money in the Skill Gaming Fund is
21 appropriated to the department on a continuing basis for the
22 purposes under subsection (c).

23 (b) Skill gaming terminal tax and assessments.--

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

26 (i) A tax of 35% of its gross terminal revenue from
27 all skill gaming terminals operated by the terminal
28 operator licensee within this Commonwealth.

29 (ii) A regulatory assessment established in section
30 6104 (relating to regulatory assessments) from the

1 terminal operator licensee's weekly gross terminal
2 revenue.

3 (2) All money owed under this section shall be held in
4 trust by the terminal operator licensee until the money is
5 paid or transferred to the Skill Gaming Fund.

6 (3) Unless otherwise agreed to by the board, a terminal
7 operator licensee shall establish a separate bank account to
8 maintain gross terminal revenue until the money is paid or
9 transferred under this section.

10 (c) Transfers and distributions.--The department shall:

11 (1) Transfer the tax imposed under subsection (b) to the
12 Skill Gaming Fund.

13 (2) (Reserved).

14 (3) Transfer the regulatory assessment imposed under
15 subsection (b) in accordance with section 6104.

16 § 6103. (Reserved).

17 § 6104. Regulatory assessments.

18 (a) Accounts established.--The State Treasurer shall
19 establish within the State Treasury an account for each terminal
20 operator for the deposit of a regulatory assessment amount
21 required under subsection (b) to recover costs or expenses
22 incurred by the board, the department, the Pennsylvania State
23 Police and the Office of Attorney General in carrying out their
24 powers and duties under this part based upon a budget submitted
25 by the department under subsection (c).

26 (b) Bimonthly deposits.--

27 (1) The department shall determine the appropriate
28 assessment amount for each terminal operator licensee, which
29 shall be a percentage assessed on the terminal operator
30 licensee's bimonthly gross terminal revenue.

1 (2) The percentage assessed shall not exceed an amount
2 equal to the costs or expenses incurred by the board, the
3 department, the Pennsylvania State Police or the Office of
4 Attorney General in carrying out their powers and duties
5 under this part based upon a budget submitted by the
6 department under subsection (c).

7 (c) Itemized budget reporting.--

8 (1) The department shall prepare and annually submit to
9 the chairperson and minority chairperson of the
10 Appropriations Committee of the Senate and the chairperson
11 and minority chairperson of the Appropriations Committee of
12 the House of Representatives an itemized budget consisting of
13 amounts to be appropriated out of the accounts established
14 under this section necessary to administer this part.

15 (2) As soon as practicable after submitting copies of
16 the itemized budget, the department shall submit to the
17 chairperson and minority chairperson of the Appropriations
18 Committee of the Senate and the chairperson and minority
19 chairperson of the Appropriations Committee of the House of
20 Representatives analyses of and recommendations regarding the
21 itemized budget.

22 (3) The itemized budget required under paragraph (1)
23 shall be submitted in conjunction with the budget required to
24 be submitted under section 1202(b)(28) (relating to general
25 and specific powers).

26 (d) Appropriation.--

27 (1) Costs and expenses may be paid from the accounts
28 established under subsection (a) only upon appropriation by
29 the General Assembly.

30 (2) If the total costs or expenses incurred by the

1 board, the department, the Pennsylvania State Police or the
2 Office of Attorney General exceed the amounts available in
3 the accounts established under subsection (a), the General
4 Assembly may appropriate additional amounts to the board, the
5 department, the Pennsylvania State Police or the Office of
6 Attorney General from the Skill Gaming Fund.

7 § 6105. Transfers from Skill Gaming Fund.

8 (a) Transfer to Compulsive and Problem Gambling Treatment
9 Fund.--On June 30, 2026, and on the last day of each fiscal year
10 thereafter, the State Treasurer shall transfer from the Skill
11 Gaming Fund an amount equal to 0.002 multiplied by the total
12 gross terminal revenue of all terminal operator licensees to the
13 Compulsive and Problem Gambling Treatment Fund established in
14 section 1509 (relating to compulsive and problem gambling
15 program).

16 (b) Transfer to General Fund.--On June 30, 2026, and on the
17 last day of each fiscal year thereafter, the State Treasurer
18 shall transfer any balance remaining, less the sum transferred
19 under subsection (a), in the Skill Gaming Fund to the General
20 Fund.

21 CHAPTER 63

22 ETHICS

23 Sec.

24 6301. Board code of conduct.

25 6302. Additional board restrictions.

26 6303. Financial and employment interests.

27 6304. Additional restrictions.

28 § 6301. Board code of conduct.

29 (a) Update required.--The board shall update the
30 comprehensive code of conduct established under section 1202.1

1 (relating to code of conduct) prior to the consideration of a
2 license, permit or other authorization under this part in order
3 to avoid a perceived or actual conflict of interest and to
4 promote public confidence in the integrity and impartiality of
5 the board as related to skill gaming. At a minimum, the updated
6 code of conduct adopted under this section shall include
7 registration of licensed entity representatives under subsection
8 (b) and the restrictions under subsection (c) as they relate to
9 skill gaming.

10 (b) Registration.--

11 (1) A licensed entity representative shall register with
12 the board in a manner prescribed by the board. The
13 registration shall include the name, employer or firm,
14 business address and business telephone number of both the
15 licensed entity representative and any licensed entity,
16 applicant for licensure or other person being represented.

17 (2) A licensed entity representative shall update the
18 registration information on an ongoing basis and failure to
19 do so shall be punishable by the board.

20 (3) The board shall maintain a registration list that
21 contains the information required under paragraph (1). The
22 list shall be available on the board's publicly accessible
23 internet website.

24 (c) Restrictions.--In addition to the other prohibitions
25 contained in this part, a member of the board shall:

26 (1) Not accept a discount, gift, gratuity, compensation,
27 travel, lodging or other thing of value, directly or
28 indirectly, from an applicant, licensed entity, affiliate,
29 subsidiary or intermediary of an applicant or a licensed
30 entity, registrant or licensed entity representative.

1 (2) Disclose and recuse the member's self from a hearing
2 or other proceeding in which the member's objectivity,
3 impartiality, integrity or independence of judgment may be
4 reasonably questioned due to the member's relationship or
5 association with a party connected to a hearing or proceeding
6 or a person appearing before the board.

7 (3) Refrain from financial or business dealings that
8 would tend to reflect adversely on the member's objectivity,
9 impartiality or independence of judgment.

10 (4) (i) Not solicit money for a charitable,
11 educational, religious, health, fraternal, civic or other
12 nonprofit entity from an applicant, licensed entity,
13 party, registrant or licensed entity representative or
14 from an affiliate, subsidiary, intermediary or holding
15 company of an applicant, licensed entity, party or
16 licensed entity representative.

17 (ii) Subject to the provisions of section 1201(h)
18 (4.1) (relating to Pennsylvania Gaming Control Board
19 established), a member may serve as an officer, employee
20 or member of the governing body of a nonprofit entity and
21 may attend, make personal contributions to and plan or
22 preside over the entity's fundraising events.

23 (iii) A member may permit their name to appear on
24 the letterhead used for fundraising events if the
25 letterhead contains only the member's name and position
26 with the nonprofit entity.

27 (5) (i) Not meet or engage in discussions with an
28 applicant, licensed entity, registrant, licensed entity
29 representative, person who provides goods, property or
30 services to a terminal operator licensee or another

1 person under the jurisdiction of the board unless the
2 meeting or discussion occurs on the business premises of
3 the board and is recorded in a log.

4 (ii) The log shall be posted on the board's publicly
5 accessible internet website.

6 (iii) The log must include the date and time of the
7 meeting or discussion, the names of the participants and
8 the subjects discussed.

9 (iv) The provisions of this paragraph shall not
10 apply to a meeting that considers matters requiring the
11 physical inspection of the equipment or premises of an
12 applicant or a licensed entity, if the meeting is entered
13 in the log.

14 (6) Avoid impropriety and the appearance of impropriety
15 at all times and observe standards and conduct that promote
16 public confidence in the oversight of skill gaming.

17 (7) Comply with other laws, rules or regulations
18 relating to the conduct of a member.

19 § 6302. Additional board restrictions.

20 (a) Board restrictions.--The following shall apply to a
21 board member or employee of the board whose duties substantially
22 involve licensing, enforcement, development of law, promulgation
23 of regulations or development of policy relating to gaming under
24 this part or who has other discretionary authority which may
25 affect or influence the outcome of an action, proceeding or
26 decision under this part:

27 (1) The individual may not, for a period of two years
28 following termination of employment, accept employment with
29 or be retained by an applicant or a licensed entity or by an
30 affiliate, intermediary, subsidiary or holding company of an

1 applicant or a licensed entity.

2 (2) The individual may not, for a period of two years
3 following termination of employment, appear before the board
4 in a hearing or proceeding or participate in activity on
5 behalf of an applicant, licensee or licensed entity or on
6 behalf of an affiliate, intermediary, subsidiary or holding
7 company of an applicant, licensee or licensed entity.

8 (3) (i) An applicant or a licensed entity or an
9 affiliate, intermediary, subsidiary or holding company of
10 an applicant or a licensed entity may not, until the
11 expiration of two years following termination of
12 employment, employ or retain the individual.

13 (ii) Violation of this paragraph shall result in
14 termination of the individual's employment and subject
15 the violator to section 5905(c) (relating to prohibited
16 acts and penalties).

17 (4) (i) A prospective employee who, upon employment,
18 would be subject to this subsection must, as a condition
19 of employment, sign an affidavit that the prospective
20 employee will not violate paragraph (1) or (2).

21 (ii) If the prospective employee fails to sign the
22 affidavit, the board shall rescind an offer of employment
23 and may not employ the individual.

24 (b) Contractor restrictions.--The following shall apply to
25 an independent contractor of the board and to an employee of an
26 independent contractor whose duties substantially involve
27 consultation relating to licensing, enforcement, development of
28 law, promulgation of regulations or development of policy
29 relating to skill gaming under this part:

30 (1) The person may not, for a period of one year

1 following termination of the contract with the board, be
2 retained by an applicant or a licensed entity or by an
3 affiliate, intermediary, subsidiary or holding company of an
4 applicant or a licensed entity.

5 (2) The person may not, for a period of two years
6 following termination of the contract with the board, appear
7 before the board in a hearing or proceeding or participate in
8 activity on behalf of an applicant, licensee or licensed
9 entity or on behalf of an affiliate, intermediary, subsidiary
10 or holding company of an applicant, licensee or licensed
11 entity.

12 (3) (i) An applicant or a licensed entity or an
13 affiliate, intermediary, subsidiary or holding company of
14 an applicant or a licensed entity may not, until one year
15 following termination of the contract with the board,
16 employ or retain the person.

17 (ii) A knowing violation of this paragraph shall
18 result in termination of the person's employment and
19 subject the violator to section 5905(c).

20 (4) (i) Each contract between the board and an
21 independent contractor that involves the duties specified
22 in this subsection shall contain a provision requiring
23 the independent contractor to sign an affidavit that the
24 independent contractor will not violate paragraph (1) or
25 (2).

26 (ii) If the independent contractor fails to sign the
27 affidavit, the board may not enter into the contract or
28 must terminate the contract.

29 (5) (i) An independent contractor shall require a
30 prospective employee whose employment would involve the

1 duties specified in this subsection to sign an affidavit
2 that the prospective employee will not violate paragraph
3 (1) or (2).

4 (ii) If the prospective employee fails to sign the
5 affidavit, the independent contractor shall rescind an
6 offer of employment and may not employ the individual.

7 (c) Construction.--Nothing under subsection (a) or (b) shall
8 be construed to prevent a current or former employee of the
9 board, a current or former independent contractor or a current
10 or former employee of an independent contractor from appearing
11 before the board in a hearing or proceeding as a witness or
12 testifying as to any fact or information.

13 (d) State Ethics Commission.--

14 (1) The State Ethics Commission shall issue a written
15 determination of whether a person is subject to subsection
16 (a) or (b) upon the written request of the person or the
17 person's employer or potential employer. A person that relies
18 in good faith on a determination issued under this paragraph
19 shall not be subject to a penalty for an action taken,
20 provided that all material facts specified in the request for
21 the determination are correct.

22 (2) (i) The State Ethics Commission shall publish a
23 list of all employment positions within the board and
24 employment positions within independent contractors whose
25 duties would subject the individuals in those positions
26 to the provisions of subsections (a) and (b).

27 (ii) The board and each independent contractor shall
28 assist the State Ethics Commission in the development of
29 the list, which shall be compiled by the State Ethics
30 Commission and transmitted to the Legislative Reference

1 Bureau for publication in the next available issue of the
2 Pennsylvania Bulletin biennially and posted by the board
3 on the board's publicly accessible Internet website.

4 (iii) Upon request, employees of the board and each
5 independent contractor shall provide the State Ethics
6 Commission with adequate information to accurately
7 develop and maintain the list.

8 (iv) The State Ethics Commission may impose a civil
9 penalty under 65 Pa.C.S. § 1109(f) (relating to
10 penalties) upon an individual who fails to cooperate with
11 the State Ethics Commission under this paragraph.

12 (v) An individual who relies in good faith on the
13 list published by the State Ethics Commission shall not
14 be subject to a penalty for a violation of subsection (a)
15 or (b).

16 § 6303. Financial and employment interests.

17 (a) Financial interests.--Except as may be provided for the
18 judiciary by rule or order of the Pennsylvania Supreme Court, an
19 executive-level public employee, public official or party
20 officer, or an immediate family member thereof, may not
21 intentionally or knowingly hold a financial interest in an
22 applicant or a licensee, or in a holding company, affiliate,
23 intermediary or subsidiary thereof, while the individual is an
24 executive-level public employee, public official or party
25 officer and for one year following termination of the
26 individual's status as an executive-level public employee,
27 public official or party officer.

28 (b) Employment.--Except as may be provided by rule or order
29 of the Pennsylvania Supreme Court and except as provided in
30 section 1202.1 (relating to code of conduct), 4304 (relating to

1 additional restrictions) or 6304 (relating to additional
2 restrictions), an executive-level public employee, public
3 official or party officer, or an immediate family member
4 thereof, may not be employed by an applicant or licensee, or by
5 a holding company, affiliate, intermediary or subsidiary
6 thereof, while the individual is an executive-level public
7 employee, public official or party officer and for one year
8 following termination of the individual's status as an
9 executive-level public employee, public official or party
10 officer.

11 (c) Complimentary services.--

12 (1) An executive-level public employee, public official
13 or party officer, or an immediate family member thereof, may
14 not solicit or accept a complimentary service from an
15 applicant or licensee, or from an affiliate, intermediary,
16 subsidiary or holding company thereof, which the executive-
17 level public employee, public official or party officer, or
18 an immediate family member thereof, knows or has reason to
19 know is other than a service or discount which is offered to
20 members of the general public in like circumstances.

21 (2) An applicant or licensee, or an affiliate,
22 intermediary, subsidiary or holding company thereof, may not
23 offer or deliver to an executive-level public employee,
24 public official or party officer, or an immediate family
25 member thereof, a complimentary service from the applicant or
26 licensee, or an affiliate, intermediary, subsidiary or
27 holding company thereof, that the applicant or licensee, or
28 an affiliate, intermediary, subsidiary or holding company
29 thereof, knows or has reason to know the service is other
30 than a service or discount that is offered to members of the

1 general public in like circumstances.

2 (d) Grading.--An individual who violates this section
3 commits a misdemeanor of the third degree and shall, upon
4 conviction, be sentenced to pay a fine of not more than \$1,000
5 or to imprisonment for not more than one year, or both.

6 (e) Divestiture.--

7 (1) An executive-level public employee, public official
8 or party officer, or an immediate family member thereof, who
9 holds a financial interest prohibited by this section shall
10 divest the financial interest within three months of the
11 effective date of this section, as applicable.

12 (2) An executive-level public employee, public official,
13 party officer or immediate family member shall have 30 days
14 from the date the individual knew or had reason to know of
15 the violation or 30 days from the publication on the board's
16 publicly accessible website under section 5301(b)(10)
17 (relating to powers of board) of the application or licensure
18 of the executive-level public employee, public official,
19 party officer or immediate family member, whichever occurs
20 earlier, to divest the financial interest.

21 (3) The State Ethics Commission may, for good cause,
22 extend the time period under this subsection.

23 (f) State Ethics Commission.--The State Ethics Commission
24 shall do all of the following:

25 (1) (i) Issue a written determination of whether a
26 person is subject to subsection (a), (b) or (c) upon the
27 written request of the person or another person that may
28 have liability for an action taken with respect to the
29 person.

30 (ii) A person that relies in good faith on a

1 determination made under this paragraph shall not be
2 subject to penalty for an action taken, provided that all
3 material facts specified in the request for the
4 determination are correct.

5 (2) (i) Publish a list of all State, county, municipal
6 and other government positions that meet the definitions
7 of "public official" as defined under subsection (g) or
8 "executive-level public employee" as defined under
9 section 5102 (relating to definitions).

10 (ii) The Office of Administration shall assist the
11 State Ethics Commission in the development of the list,
12 which list shall be compiled by the State Ethics
13 Commission and transmitted to the Legislative Reference
14 Bureau for publication in the next available issue of the
15 Pennsylvania Bulletin biennially and posted by the board
16 on the board's publicly accessible Internet website.

17 (iii) Upon request, a public official shall provide
18 the State Ethics Commission with adequate information to
19 accurately develop and maintain the list.

20 (iv) The State Ethics Commission may impose a civil
21 penalty under 65 Pa.C.S. § 1109(f) (relating to
22 penalties) upon an individual, including a public
23 official or executive-level public employee, who fails to
24 cooperate with the State Ethics Commission under this
25 subsection.

26 (v) A person that relies in good faith on the list
27 compiled by the State Ethics Commission shall not be
28 subject to penalty for a violation of this section.

29 (g) Definitions.--As used in this section, the following
30 words and phrases shall have the meanings given to them in this

1 subsection unless the context clearly indicates otherwise:

2 "Applicant." A person applying for a manufacturer license or
3 terminal operator license under this part.

4 "Financial interest." Owning or holding, or being deemed to
5 hold, debt or equity securities or other ownership interest or
6 profits interest. The term does not include a debt or equity
7 security, or other ownership interest or profits interest, which
8 is held or deemed to be held in any of the following:

9 (1) A blind trust over which the executive-level public
10 employee, public official, party officer or immediate family
11 member thereof may not exercise any managerial control or
12 receive income during the tenure of office and the period
13 under subsection (a). The provisions of this paragraph shall
14 apply only to blind trusts established prior to the effective
15 date of this section.

16 (2) Securities that are held in a pension plan, profit-
17 sharing plan, individual retirement account, tax-sheltered
18 annuity, a plan established under 26 U.S.C. § 457 (relating
19 to deferred compensation plans of State and local governments
20 and tax-exempt organizations) or a successor provision
21 deferred compensation plan whether qualified or not qualified
22 under 26 U.S.C. (relating to Internal Revenue Code) or any
23 successor provision or other retirement plan that:

24 (i) is not self-directed by the individual; and
25 (ii) is advised by an independent investment adviser
26 who has sole authority to make investment decisions with
27 respect to contributions made by the individual to these
28 plans.

29 (3) A tuition account plan organized and operated under
30 26 U.S.C. § 529 (relating to qualified tuition programs) that

1 is not self-directed by the individual.

2 (4) A mutual fund where the interest owned by the mutual
3 fund in a licensed entity does not constitute a controlling
4 interest as defined in this part.

5 "Immediate family." A spouse, minor child or unemancipated
6 child.

7 "Licensee." A manufacturer licensee or a terminal operator
8 licensee.

9 "Party officer." The term shall include the following:

10 (1) a member of a national committee;

11 (2) a chairperson, vice chairperson, secretary,
12 treasurer or counsel of a State committee or member of the
13 executive committee of a State committee;

14 (3) a county chairperson, vice chairperson, counsel,
15 secretary or treasurer of a county committee in which a
16 licensee under this part is located; or

17 (4) a city chairperson, vice chairperson, counsel,
18 secretary or treasurer of a city committee of a city in which
19 a licensee under this part is located.

20 "Public official." The term shall include the following:

21 (1) The Governor, Lieutenant Governor, a member of the
22 Governor's Cabinet, State Treasurer, Auditor General and
23 Attorney General of the Commonwealth.

24 (2) A member of the Senate or House of Representatives
25 of the Commonwealth.

26 (3) An individual elected or appointed to an office of a
27 county or municipality that directly receives a distribution
28 of revenue under this part.

29 (4) An individual elected or appointed to a department,
30 agency, board, commission, authority or other governmental

1 body not included in paragraph (1), (2) or (3) that directly
2 receives a distribution of revenue under this part.

3 (5) An individual elected or appointed to a department,
4 agency, board, commission, authority, county, municipality or
5 other governmental body not included in paragraph (1), (2) or
6 (3) with discretionary power that may influence or affect the
7 outcome of an action or decision and who is involved in the
8 development of regulation or policy relating to a licensed
9 entity or is involved in other matters under this part.

10 § 6304. Additional restrictions.

11 (a) Restrictions.--

12 (1) No individual trooper or employee of the
13 Pennsylvania State Police or employee of the Office of
14 Attorney General or the department whose duties substantially
15 involve licensing or enforcement, the development of laws or
16 the development or adoption of regulations or policy related
17 to gaming under this part or who has other discretionary
18 authority that may affect or influence the outcome of an
19 action, proceeding or decision under this part may do any of
20 the following:

21 (i) Accept employment with or be retained by an
22 applicant or licensed entity, or an affiliate,
23 intermediary, subsidiary or holding company of an
24 applicant or licensed entity, for a period of two years
25 after the termination of employment.

26 (ii) (A) Appear before the board in a hearing or
27 proceeding or participate in other activity on behalf
28 of an applicant, licensee or licensed entity, or an
29 affiliate, intermediary, subsidiary or holding
30 company of an applicant, licensee or licensed entity,

1 for a period of two years after termination of
2 employment.

3 (B) Nothing in this paragraph shall be construed
4 to prevent a current or former trooper or employee of
5 the Pennsylvania State Police, the Office of Attorney
6 General or the department from appearing before the
7 board in a proceeding or hearing as a witness or
8 testifying as to a fact or information.

9 (2) As a condition of employment, a potential employee
10 who would be subject to this subsection shall sign an
11 affidavit that the individual will not accept employment with
12 or be retained by an applicant or licensed entity, or an
13 affiliate, intermediary, subsidiary or holding company of an
14 applicant or licensed entity, for a period of two years after
15 the termination of employment.

16 (b) Employment or retention.--

17 (1) No applicant or licensed entity or an affiliate,
18 intermediary, subsidiary or holding company of an applicant
19 or licensed entity may employ or retain an individual subject
20 to subsection (a) until the expiration of the period required
21 in subsection (a)(1)(i).

22 (2) An applicant or licensed entity, or an affiliate,
23 intermediary, subsidiary or holding company of an applicant
24 or licensed entity that knowingly employs or retains an
25 individual in violation of this subsection, shall terminate
26 the employment of the individual and be subject to penalty
27 under section 1518(c) (relating to prohibited acts;
28 penalties).

29 (c) Violation.--If an individual subject to subsection (a)
30 refuses or otherwise fails to sign an affidavit, the

1 individual's potential employer shall rescind the offer of
2 employment.

3 (d) Code of conduct.--

4 (1) The Pennsylvania State Police, Office of Attorney
5 General and department each shall adopt a comprehensive code
6 of conduct that supplements all other requirements under this
7 part and 65 Pa.C.S. Pt. II (relating to accountability), as
8 applicable, and shall provide guidelines applicable to
9 troopers, employees, independent contractors of the agency
10 whose duties substantially involve licensing or enforcement,
11 the development of laws or the development or adoption of
12 regulations or policy related to skill gaming under this part
13 or who have other discretionary authority that may affect the
14 outcome of an action, proceeding or decision under this part,
15 and the immediate families of these individuals to enable
16 them to avoid a perceived or actual conflict of interest and
17 to promote public confidence in the integrity and
18 impartiality of skill gaming enforcement and regulation.

19 (2) At a minimum, the code of conduct adopted under this
20 section shall apply the types of restrictions applicable to
21 members under section 1202.1(c) (relating to code of
22 conduct), except that the restrictions under section
23 1202.1(c) (5) shall not apply to an elected Attorney General.

24 (e) State Ethics Commission.--The State Ethics Commission
25 shall do all of the following:

26 (1) (i) Issue a written determination of whether an
27 individual is subject to subsection (a) upon the written
28 request of the individual or the individual's employer or
29 potential employer.

30 (ii) A person that relies in good faith on a

1 determination made under this paragraph shall not be
2 subject to penalty for an action taken, provided that all
3 material facts specified in the request for the
4 determination are correct.

5 (2) (i) Publish a list of all positions within the
6 Pennsylvania State Police, the Office of Attorney General
7 and the department the duties of which would subject the
8 individuals in those positions to the provisions of
9 subsection (a).

10 (ii) Each agency subject to this subsection shall
11 assist the State Ethics Commission in the development of
12 the list, which list shall be compiled by the State
13 Ethics Commission and transmitted to the Legislative
14 Reference Bureau for publication in the next available
15 issue of the Pennsylvania Bulletin biennially and shall
16 be posted by the board on the board's publicly accessible
17 Internet website and shall be posted by each agency on
18 the agency's publicly accessible Internet website.

19 (iii) Upon request by the State Ethics Commission,
20 members and employees of each agency subject to this
21 subsection shall provide the State Ethics Commission with
22 adequate information to accurately develop and maintain
23 the list.

24 (iv) The State Ethics Commission may impose a civil
25 penalty under 65 Pa.C.S. § 1109(f) (relating to
26 penalties) upon an individual who fails to cooperate with
27 the State Ethics Commission under this subsection.

28 (v) A person who relies in good faith on the list
29 published by the State Ethics Commission shall not be
30 subject to penalty for a violation of subsection (a).

1 assessment of .05% of gross terminal revenue on a bimonthly
2 basis from each terminal operator licensee for deposit into the
3 General Fund. The department shall continue to collect the
4 assessment until the amounts under subsection (a) are repaid to
5 the General Fund.

6 (d) Unused amounts.--On July 1, 2026, any portion of amounts
7 appropriated under this section that are unexpended,
8 unencumbered or uncommitted as of June 30 of the prior fiscal
9 year shall automatically be transferred to the General Fund.

10 § 6502. Declaration of exemption from Federal laws prohibiting
11 skill gaming terminals.

12 (a) Declaration.--Under 15 U.S.C. Ch. 24 (relating to
13 transportation of gambling devices), the Commonwealth declares
14 that it is exempt from 15 U.S.C. § 1172 (relating to
15 transportation of gambling devices as unlawful; exceptions;
16 authority of Federal Trade Commission).

17 (b) Legal shipments.--All shipments of gambling devices, as
18 defined in 15 U.S.C. § 1171 (relating to definitions), into this
19 Commonwealth, the registering, recording and labeling of which
20 has been effected by the manufacturer licensee of those devices
21 in accordance with 15 U.S.C. §§ 1173 (relating to registration
22 of manufacturers and dealers) and 1174 (relating to labeling and
23 marking of shipping packages), shall be deemed legal shipments
24 of gambling devices into this Commonwealth.

25 § 6503. Preemption of local taxes and license fees.

26 (a) Statutes.--Skill gaming terminals shall be exempt from
27 taxes levied under the following:

28 (1) The act of August 5, 1932 (Sp.Sess., P.L.45, No.45),
29 referred to as the Sterling Act.

30 (2) The act of December 31, 1965 (P.L.1257, No.511),

1 known as The Local Tax Enabling Act.

2 (3) 53 Pa.C.S. Pt. III Subpt. E (relating to home rule
3 and optional plan government).

4 (4) Any statute that confers taxing authority to a
5 political subdivision.

6 (b) Licensing fees.--Skill gaming terminals are exempt from
7 local licensing fees.

8 § 6504. Exclusive jurisdiction of Supreme Court.

9 The Pennsylvania Supreme Court shall have exclusive
10 jurisdiction to hear a challenge to or to render a declaratory
11 judgment concerning the constitutionality of this part. The
12 Pennsylvania Supreme Court may take such action as it deems
13 appropriate, consistent with the Pennsylvania Supreme Court
14 retaining jurisdiction over the matter, to find facts or to
15 expedite a final judgment in connection with a challenge or
16 request for declaratory relief.

17 Section 33. Section 5513(a) introductory paragraph and (1)
18 and (e.1) of Title 18 are amended and subsection (f) is amended
19 by adding a definition to read:

20 § 5513. Gambling devices, gambling, etc.

21 (a) Offense defined.--A person is guilty of a misdemeanor of
22 the first degree if [he] the person:

23 (1) intentionally or knowingly makes, assembles, sets
24 up, maintains, sells, lends, leases, gives away, or offers
25 for sale, loan, lease or gift, any [punch board, drawing
26 card, slot machine or any device to be used for gambling
27 purposes, except playing cards] illegal gambling device;

28 * * *

29 [(e.1) Construction.--Nothing in this section shall be
30 construed to prohibit any activity that is lawfully conducted

1 under any of the following:

2 (1) The act of August 26, 1971 (P.L.351, No.91), known
3 as the State Lottery Law.

4 (2) The act of July 10, 1981 (P.L.214, No.67), known as
5 the Bingo Law.

6 (3) The act of December 19, 1988 (P.L.1262, No.156),
7 known as the Local Option Small Games of Chance Act.

8 (4) 4 Pa.C.S. (relating to amusements).]

9 (f) Definitions.--The following words and phrases when used
10 in this section shall have the meanings given to them in this
11 subsection unless the context clearly indicates otherwise:

12 * * *

13 "Illegal gambling device." A mechanical, computerized or
14 electrical contrivance, terminal, machine or other device that,
15 upon insertion or payment of cash or cash equivalent, is
16 available to play or operate one or more games, the outcome of
17 which game is determined by any element of chance. The term
18 includes a website, program, software or mobile device
19 application that offers the player the ability to play a game
20 with the outcome being determined by any element of chance. The
21 term shall not include any activity that is lawfully conducted
22 under any of the following:

23 (1) The act of August 26, 1971 (P.L.351, No.91), known
24 as the State Lottery Law.

25 (2) The act of July 10, 1981 (P.L.214, No.67), known as
26 the Bingo Law.

27 (3) The act of December 19, 1988 (P.L.1262, No.156),
28 known as the Local Option Small Games of Chance Act.

29 (4) 4 Pa.C.S. (relating to amusements).

30 * * *

1 Section 34. Section 5803(a) of Title 42 is amended by adding
2 a paragraph to read:

3 § 5803. Asset forfeiture.

4 (a) Applicability.--Notwithstanding any law to the contrary,
5 this section shall apply to forfeitures conducted under the
6 following:

7 * * *

8 (1.1) 4 Pa.C.S. § 5905 (relating to prohibited acts and
9 penalties).

10 * * *

11 Section 35. Repeals are as follows:

12 (1) The General Assembly declares that the repeal under
13 paragraph (2) is necessary to effectuate this act.

14 (2) Sections 2501 and 2502 and the phrase "the tax
15 imposed under section 2502 and" in section 2502.1 of the act
16 of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code
17 of 1971, are repealed.

18 Section 36. The following shall apply:

19 (1) The Attorney General or a district attorney may not
20 prosecute a violation under 4 Pa.C.S. Pt. IV:

21 (i) Committed less than 300 days after the effective
22 date of this section by a person that, at the time of the
23 violation, had an application pending before the Gaming
24 Control Board.

25 (ii) Committed less than 450 days after the
26 effective date of this section by a person that is a
27 lottery licensee.

28 (2) The Attorney General or a district attorney may not
29 prosecute a violation under the amendment of 18 Pa.C.S. §
30 5513(a)(1) or (e.1):

1 (i) Committed less than 300 days from the effective
2 date of this section by a person that, at the time of the
3 violation, had an application pending before the Gaming
4 Control Board.

5 (ii) Committed less than 450 days after the
6 effective date of this section by a person that is a
7 lottery licensee.

8 Section 37. This act shall take effect July 1, 2025.