

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1281 Session of 2017

INTRODUCED BY M. QUINN, DUNBAR, MILLARD, BARBIN AND SAYLOR, APRIL 25, 2017

AS REPORTED FROM COMMITTEE ON GAMING OVERSIGHT, HOUSE OF REPRESENTATIVES, AS AMENDED, MAY 22, 2017

AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated
2 Statutes, in Pennsylvania Gaming Control Board, further
3 providing for slot machine license fee; in table games,
4 further providing for award of certificate and for table game
5 authorization fee; and, in miscellaneous provisions, further
6 providing for appropriations and for repayments to State
7 Gaming Fund.

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. Sections 1209(a), 13A16, 13A61, 1901 and 1901.1
11 of Title 4 of the Pennsylvania Consolidated Statutes are amended
12 to read:

13 § 1209. Slot machine license fee.

14 (a) Imposition.--

15 (1) Except as provided for a Category 3 licensed gaming
16 entity under section 1305 (relating to Category 3 slot
17 machine license) and subject to the requirements of this
18 section, at the time of license issuance the board shall
19 impose a one-time slot machine license fee to be paid by each
20 successful applicant for a conditional Category 1, a Category

1 1 or a Category 2 license in the amount of \$50,000,000 and  
2 deposited in the [State Gaming] General Fund. No fee shall be  
3 imposed by the board for a Category 1 license if the  
4 applicant has paid a \$50,000,000 fee for a conditional  
5 Category 1 license.

6 (2) The fee imposed under paragraph (1) shall be due and  
7 payable not later than 10 days after the effective date of  
8 this paragraph or 10 days after license issuance, whichever  
9 occurs later.

10 \* \* \*

11 § 13A16. Award of certificate.

12 (a) General rule.--Upon approval of a petition, the board  
13 shall award a table games operation certificate to the  
14 petitioner. Awarding of a table game operation certificate prior  
15 to the payment in full of the authorization fee required by  
16 section 13A61 (relating to table game authorization fee) shall  
17 not relieve the petitioner from complying with the provisions of  
18 section 13A61.

19 (b) Time period for payment of fee.--The table game  
20 authorization fee imposed in section 13A61 shall be paid no  
21 later than 10 days after the award of the table games operation  
22 certificate in subsection (a).

23 § 13A61. Table game authorization fee.

24 (a) Amount of authorization fee.--

25 (1) A Category 1 or a Category 2 slot machine licensee  
26 that submits a petition for a table game operation  
27 certificate under section 13A12 (relating to petition  
28 requirements) on or before June 1, 2010, shall pay a one-time  
29 nonrefundable authorization fee in the amount of \$16,500,000.

30 A Category 1 or a Category 2 slot machine licensee that

1 submits a petition for a table game operation certificate  
2 under section 13A12 after June 1, 2010, shall pay a one-time  
3 nonrefundable authorization fee in the amount of \$24,750,000.

4 (2) A Category 3 slot machine licensee that submits a  
5 petition for a table game operation certificate under section  
6 13A12 on or before June 1, 2010, shall pay a one-time  
7 nonrefundable authorization fee in the amount of \$7,500,000.

8 A Category 3 slot machine licensee that submits a petition  
9 for a table game operation certificate under section 13A12  
10 after June 1, 2010, shall pay a one-time nonrefundable  
11 authorization fee in the amount of \$11,250,000.

12 [(3) Notwithstanding paragraphs (1) and (2), the holder  
13 of a Category 1 or Category 3 slot machine license issued  
14 after June 1, 2010, that submits a petition for a table game  
15 operation certificate shall pay a one-time nonrefundable  
16 authorization fee in the amount of \$16,500,000 or \$7,500,000,  
17 respectively.]

18 (3.1) Notwithstanding paragraph (1):

19 (i) The holder of a Category 1 or Category 2 slot  
20 machine license issued after June 30, 2017, that submits  
21 a petition for a table game operation certificate under  
22 section 13A12 within 90 days of the issuance of the slot  
23 machine license under section 1301 (relating to  
24 authorized slot machine licenses), shall pay a one-time  
25 nonrefundable authorization fee in the amount of  
26 \$16,500,000.

27 (ii) A Category 1 or Category 2 slot machine  
28 licensee that submits a petition for a table game  
29 operation certificate under section 13A12 after the time  
30 frame established in subparagraph (i), shall pay a one-

1 time nonrefundable authorization fee in the amount of  
2 \$24,750,000.

3 (3.2) Notwithstanding paragraph (2):

4 (i) The holder of a Category 3 slot machine license  
5 issued after June 30, 2017, that submits a petition for a  
6 table game operation certificate under section 13A12  
7 within 90 days of the issuance of the slot machine  
8 license under section 1301, shall pay a one-time  
9 nonrefundable authorization fee in the amount of  
10 \$7,500,000.

11 (ii) A Category 3 slot machine licensee that submits  
12 a petition for a table game operation certificate under  
13 section 13A12 after the time frame established in  
14 subparagraph (i), shall pay a one-time nonrefundable  
15 authorization fee in the amount of \$11,250,000.

16 (4) A table game operation certificate shall not be  
17 subject to renewal or payment of an additional authorization  
18 fee.

19 (b) Payment of fee.--A slot machine licensee that submits a  
20 petition on or before June 1, 2010, shall pay the required  
21 authorization fee on or before June 1, 2010. The board may allow  
22 the fee to be paid in installments, provided all installments  
23 are paid on or before June 1, 2010. In that event, the board and  
24 the slot machine licensee shall enter into a written agreement  
25 setting forth the terms of payment.

26 (c) Failure to pay by deadline.--If a petitioner or  
27 certificate holder fails to pay the required authorization fee  
28 in full by June 1, 2010, the board shall impose a penalty and  
29 may grant the petitioner or certificate holder up to a six-month  
30 extension to pay the authorization fee or any remaining portion

1 of the authorization fee and the penalty. The board shall  
2 require the petitioner or certificate holder to make weekly  
3 payments until the fee and penalty are paid in full.

4 (d) Suspension of certificate.--The board shall suspend the  
5 table game operation certificate if the certificate holder fails  
6 to pay the total authorization fee and the penalty prior to the  
7 expiration of an extension period granted under subsection (c).  
8 The suspension shall remain in effect until final payment is  
9 made.

10 (e) (Reserved).

11 (f) Deposit of fees.--Notwithstanding section 1208 (relating  
12 to collection of fees and fines), all table game authorization  
13 fees or penalties received by the board under this subchapter,  
14 all table game device and associated equipment manufacturer and  
15 supplier license fees, all table game device or associated  
16 equipment manufacturer and supplier renewal fees and fees for  
17 licenses issued under Chapter 16 (relating to junkets) shall be  
18 deposited in the General Fund.

19 § 1901. Appropriations.

20 (a) Appropriation to board.--

21 (1) The sum of \$7,500,000 is hereby appropriated to the  
22 Pennsylvania Gaming Control Board for the fiscal period July  
23 1, 2004, to June 30, 2006, to implement and administer the  
24 provisions of this part. The money appropriated in this  
25 subsection shall be considered a loan from the General Fund  
26 [and shall be repaid to the General Fund quarterly commencing  
27 with the date slot machine licensees begin operating slot  
28 machines under this part]. This appropriation shall be a two-  
29 year appropriation and shall not lapse until June 30, 2006.

30 (2) The sum of \$2,100,000 is hereby appropriated from

1 the State Gaming Fund to the Pennsylvania Gaming Control  
2 Board for salaries, wages and all necessary expenses for the  
3 proper operation and administration of the Pennsylvania  
4 Gaming Control Board for the expansion of gaming associated  
5 with table games. This appropriation shall be a supplemental  
6 appropriation for fiscal year 2009-2010 and shall be in  
7 addition to the appropriation contained in the act of August  
8 19, 2009 (P.L.777, No.9A), known as the Gaming Control  
9 Appropriation Act of 2009.

10 (b) Appropriation to department.--The sum of \$21,100,000 is  
11 hereby appropriated from the General Fund to the Department of  
12 Revenue for the fiscal period July 1, 2004, to June 30, 2006, to  
13 prepare for, implement and administer the provisions of this  
14 part. The money appropriated under this subsection shall be  
15 considered a loan from the General Fund [and shall be repaid to  
16 the General Fund quarterly commencing with the date slot machine  
17 licensees begin operating slot machines under this part]. This  
18 appropriation shall be a two-year appropriation and shall not  
19 lapse until June 30, 2006.

20 (c) Appropriation to Pennsylvania State Police.--The sum of  
21 \$7,500,000 is hereby appropriated from the General Fund to the  
22 Pennsylvania State Police for the fiscal period July 1, 2004, to  
23 June 30, 2006, to prepare for, implement and administer the  
24 provisions of this part. The money appropriated under this  
25 subsection shall be considered a loan from the General Fund [and  
26 shall be repaid to the General Fund quarterly commencing when  
27 all slot machine licensees begin operating slot machines under  
28 this part]. This appropriation shall be a two-year appropriation  
29 and shall not lapse until June 30, 2006.

30 § 1901.1. Repayments to [State Gaming] General Fund.

1 [The board shall defer assessing slot machine licensees for  
2 payments to the State Gaming Fund for any loans made to the  
3 State Gaming Fund until such time as all slot machine licenses  
4 have been issued and all licensed gaming entities have commenced  
5 the operation of slot machines. The board shall adopt a  
6 repayment schedule that assesses to each slot machine licensee  
7 costs for the repayment of any such loans in an amount that is  
8 proportional to each slot machine licensee's gross terminal  
9 revenue.]

10 (a) Establishment of repayment schedule.--

11 (1) No later than September 30, 2017, the Pennsylvania  
12 Gaming Control Board, in consultation with all licensed  
13 gaming entities, shall establish a schedule governing the  
14 repayment by licensed gaming entities of loans provided under  
15 section 1901 (relating to appropriations).

16 (2) The repayment of loans provided under section 1901  
17 by licensed gaming entities shall begin no later than January  
18 1, 2018.

19 (3) The repayment schedule shall, at a minimum:

20 (i) Specify the dates upon which the repayments  
21 shall be due. Payments may be required on a quarterly,  
22 semiannual or annual basis.

23 (ii) Assess each slot machine licensee costs for  
24 repayment of loans under section 1901 in an amount that  
25 is proportional to each slot machine licensee's gross  
26 terminal revenue.

27 (iii) ~~Result in full repayment of amounts loaned~~ <--  
28 ~~under section 1901 not earlier than five years and not~~  
29 ~~later than 10 years following commencement of the loan~~  
30 ~~repayments by the slot machine licensee. 50% OF THE~~ <--

1           AMOUNTS LOANED UNDER SECTION 1901 BEING REPAID BY JUNE  
2           30, 2018, AND 100% OF THE AMOUNTS LOANED UNDER SECTION  
3           1901 BEING REPAID BY JUNE 30, 2019.

4           (b) Deposit.--Payments received under subsection (a) shall  
5 be deposited into the General Fund.

6           Section 2. This act shall take effect immediately.