

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1254 Session of
2024

INTRODUCED BY GEBHARD, K. WARD AND PITTMAN, JUNE 10, 2024

REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,
JUNE 10, 2024

AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated
2 Statutes, in general provisions relating to gaming, further
3 providing for definitions; in Pennsylvania Gaming Control
4 Board, further providing for general and specific powers, for
5 regulatory authority of board and for number of slot
6 machines; in licensees, further providing for Category 4 slot
7 machine license, for manufacturer licenses, for gaming
8 service provider, for nongaming service provider, for
9 occupation permit application, for slot machine accounting
10 controls and audits and for renewals; in table games, further
11 providing for regulatory authority; in revenues, further
12 providing for slot machine licensee deposits; in
13 administration and enforcement, further providing for
14 investigations and enforcement, for prohibited acts and
15 penalties and for liquor licenses at licensed facilities;
16 and, in miscellaneous provisions relating to gaming,
17 providing for live-streaming on casino floor.

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

20 Section 1. The definition of "nongaming service provider" in
21 section 1103 of Title 4 of the Pennsylvania Consolidated
22 Statutes is amended to read:

23 § 1103. Definitions.

24 The following words and phrases when used in this part shall
25 have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 * * *

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

7 (1)] to a slot machine licensee or applicant for a slot
8 machine license for use in the operation of a licensed
9 facility[; and

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

12 * * *

13 Section 2. Section 1202(b) of Title 4 is amended by adding a
14 paragraph to read:

15 § 1202. General and specific powers.

16 * * *

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

19 * * *

20 (39) To annually review any required compliance reports
21 and eliminate reports that the board determines to be
22 unnecessary or duplicative.

23 Section 3. Sections 1207(4) and (13) and 1210(a)(2) of Title
24 4 are amended to read:

25 § 1207. Regulatory authority of board.

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

27 * * *

28 (4) Require that each licensed entity provide to the
29 board its audited annual financial statements, with such
30 additional detail as the board from time to time shall

1 require, which information shall be submitted not later than
2 [90] 120 days after the end of the licensee's fiscal year.

3 * * *

4 (13) Require slot machine licensees to provide onsite
5 facilities for use by the board and other appropriate persons
6 for the purpose of carrying out their respective
7 responsibilities under this part. A licensee with multiple
8 licensed facilities located in this Commonwealth may provide
9 one central location for use by the board at one of the
10 licensee's licensed facilities after showing good cause that
11 the central location will not interfere with the oversight of
12 the licensee's facilities.

13 * * *

14 § 1210. Number of slot machines.

15 (a) Initial complement.--Except as provided for Category 3
16 slot machine licensees under section 1305 (relating to Category
17 3 slot machine license) or a Category 4 slot machine licensee
18 under section 1305.1 (relating to Category 4 slot machine
19 license), the following apply:

20 * * *

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

29 * * *

30 Section 4. Section 1305.1(d) of Title 4 is amended and the

1 section is amended by adding a subsection to read:

2 § 1305.1. Category 4 slot machine license.

3 * * *

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

5 (1) [Subject to paragraphs (2) and (3), a] A Category 4
6 slot machine licensee may operate not fewer than 300 and not
7 more than [750] 1,000 slot machines at the Category 4
8 licensed facility.

9 [(2) A Category 1 or Category 2 slot machine licensee
10 who is a Category 4 slot machine licensee may not operate
11 slot machines above the authorized complement under section
12 1210 (relating to number of slot machines).]

13 (3) (i) A Category 3 slot machine licensee who is a
14 Category 4 slot machine licensee may submit a petition to
15 operate slot machines above the Category 3 authorized
16 complement under section 1305 (relating to Category 3
17 slot machine license).

18 (ii) No later than 60 days after the board approves
19 a petition to operate slot machines above the Category 3
20 authorized complement in accordance with subparagraph
21 (i), the Category 3 slot machine licensee shall pay a
22 nonrefundable authorization fee in the amount of \$10,000
23 per authorized additional slot machine.

24 (iii) A qualified entity who is a Category 4 slot
25 machine licensee shall submit to the board a petition to
26 operate slot machines not to exceed the limit under
27 paragraph (1). No later than 60 days after the board
28 approves a petition to operate slot machines at a
29 Category 4 licensed facility, the qualified entity must
30 pay a nonrefundable authorization fee in the amount of

1 \$10,000 per authorized slot machine.

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

8 (5) A qualified entity who is a Category 4 slot machine
9 licensee shall submit to the board a petition to operate slot
10 machines not to exceed the limit under paragraph (1). No
11 later than 60 days after the board approves a petition to
12 operate slot machines at a Category 4 licensed facility, the
13 qualified entity must pay a nonrefundable authorization fee
14 in the amount of \$10,000 per authorized slot machine.

15 * * *

16 (h) Remote video surveillance.--A Category 4 licensed
17 facility that is also a Category 1, Category 2 or Category 3
18 licensed facility may utilize remote video surveillance of slot
19 machines located at the Category 4 licensed facility by
20 surveillance located at the Category 1, Category 2 or Category 3
21 licensed facility.

22 Section 5. Section 1317.1(b)(1) of Title 4 is amended to
23 read:

24 § 1317.1. Manufacturer licenses.

25 * * *

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

29 (1) The name and business address of the applicant and
30 the applicant's affiliates, intermediaries, subsidiaries and

1 holding companies; the principals and key employees of each
2 business; and a list of employees and their positions within
3 each business, as well as any financial information from the
4 most recent tax year as required by the board.

5 * * *

6 Section 6. Section 1317.2(a) of Title 4 is amended and the
7 section is amended by adding a subsection to read:

8 § 1317.2. 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) The monetary value or amount of business conducted
15 or expected to be conducted by the gaming service provider
16 with an applicant for a slot machine license or a slot
17 machine licensee in any consecutive 12-month period.

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

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

23 (a.1) General rule.--

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

30 (2) A slot machine licensee that contracts with or

1 otherwise engages in business with a gaming service provider
2 in an aggregate amount that is between \$50,001 and \$250,000
3 in any consecutive 12-month period, shall ensure that the
4 gaming service provider is registered with the board prior to
5 the gaming service provider's provision of goods or services.

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

13 (4) The thresholds under paragraphs (1), (2) and (3)
14 shall be adjusted annually by the board by applying the
15 percentage change in the Consumer Price Index for All Urban
16 Consumers (CPI-U) for the Pennsylvania, New Jersey, Delaware
17 and Maryland area for the most recent 12-month period for
18 which figures have been officially reported by the United
19 States Department of Labor, Bureau of Labor Statistics,
20 immediately prior to the date the adjustment is due to take
21 effect.

22 * * *

23 Section 7. Sections 1317.3(a) and (d), 1318(a), 1322(c)
24 introductory paragraph, 1326(a), 13A02(1), 1401(b) and (d) and
25 1517(a.2)(1)(iii) of Title 4 are amended to read:

26 § 1317.3. Nongaming service provider.

27 (a) Notification required.--

28 (1) A slot machine licensee or applicant for a slot
29 machine license that contracts with or otherwise engages in
30 business in an aggregate amount that exceeds \$500,000 in any

1 consecutive 12-month period with a nongaming service provider
2 shall provide notification to the board prior to[:

3 (i)] the nongaming service provider's provision of
4 goods or services [at the slot machine licensee's
5 licensed facility; or

6 (ii) the provision of goods or services for use in
7 the operation of the slot machine licensee's licensed
8 facility.

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

13 (3) The threshold under subsection (a) (1) shall be
14 adjusted annually by the board by applying the percentage
15 change in the Consumer Price Index for All Urban Consumers
16 (CPI-U) for the Pennsylvania, New Jersey, Delaware and
17 Maryland area for the most recent 12-month period for which
18 figures have been officially reported by the United States
19 Department of Labor, Bureau of Labor Statistics, immediately
20 prior to the date the adjustment is due to take effect.

21 * * *

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

26 (1) The nongaming service provider and its employees
27 shall only provide the goods and services described in the
28 notification under this section.

29 (2) The slot machine licensee or applicant for a slot
30 machine license shall notify the board of any material change

1 in the information provided in the notification under this
2 section. No fee shall be required for a subsequent change
3 during the time for which the notification remains valid
4 under subsection (c).

5 [(3) The slot machine licensee or applicant for a slot
6 machine license shall ensure that employees of the nongaming
7 service provider do not enter the gaming floor or a gaming-
8 related restricted area while providing the goods or services
9 described in subsection (b) (2).

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

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

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

17 (5) The board may prohibit a nongaming service provider
18 or any of its employees from providing goods or services to a
19 slot machine licensee or applicant for a slot machine license
20 at a licensed facility upon a finding by the board that the
21 prohibition is necessary to protect the public interest or
22 integrity of gaming.

23 * * *

24 § 1318. Occupation permit application.

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

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

8 * * *

9 § 1322. Slot machine accounting controls and audits.

10 * * *

11 (c) Internal control.--Each slot machine license applicant
12 shall submit to the board and department, in such manner as the
13 board shall require, a description of its administrative and
14 accounting procedures in detail, including its written system of
15 internal control that shall be deemed approved upon filing
16 subject to modifications requested by the board. Each written
17 system of internal control shall include:

18 * * *

19 § 1326. Renewals.

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

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

12 * * *

13 § 13A02. Regulatory authority.

14 The board shall promulgate regulations:

15 (1) Establishing standards and procedures for table
16 games and table game devices or associated equipment,
17 including standards distinguishing electronic gaming tables,
18 fully automated electronic gaming tables and traditional
19 gaming tables. The standards and procedures shall provide for
20 any new table games or gaming tables and variations or
21 composites of approved table games or gaming tables, provided
22 the board determines that the new table game, gaming table or
23 any variations or composites or other approved table games or
24 gaming tables are suitable for use after a test or
25 experimental period under the terms and conditions as the
26 board may deem appropriate. Unless the board determines that
27 the submission contains a technical defect, a new table game,
28 including rules of the table game, shall be deemed approved
29 by the board within 30 days of submission if the new table
30 game has been approved by any other state gaming regulator

1 within the United States that has offered table games for at
2 least 10 years.

3 * * *

4 § 1401. Slot machine licensee deposits.

5 * * *

6 [(b) Initial deposit of funds.--Not later than two business
7 days prior to the commencement of slot machine operations by a
8 slot machine licensee, a slot machine licensee shall deposit and
9 maintain the following sums in its account to guarantee the
10 payment of funds to the Commonwealth under this part and as
11 security for its obligations under section 1405 (relating to
12 Pennsylvania Race Horse Development Trust Fund):

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

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

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

17 No additional minimum deposit shall be required from a slot
18 machine licensee if a slot machine licensee is granted a table
19 game operation certificate under Chapter 13A (relating to table
20 games).]

21 * * *

22 [(d) Return of funds.--The funds deposited into its account
23 shall not be returned to a slot machine licensee unless the slot
24 machine licensee ceases conducting business under its license
25 and relinquishes all rights to do so in the future. In that
26 case, the balance of funds in the account attributable to such
27 licensee, minus any unpaid amounts due and payable to the
28 Commonwealth under this part or due and payable under section
29 1405, shall be returned to the licensee.]

30 § 1517. Investigations and enforcement.

1 * * *

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

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

7 * * *

8 (iii) Initiate, in its sole discretion, proceedings
9 for noncriminal violations of this part by filing a
10 complaint or other pleading with the board. A complaint
11 or pleading for noncriminal violations shall be commenced
12 within one year of the violation.

13 * * *

14 Section 8. Section 1518(c)(1)(vi) of Title 4 is amended and
15 the subsection is amended by adding paragraphs to read:

16 § 1518. Prohibited acts; penalties.

17 * * *

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

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

22 * * *

23 (vi) Assess administrative penalties as necessary to
24 punish misconduct and to deter future violations[.],
25 which may include fines which shall not exceed \$1,000 for
26 a first violation, \$5,000 for a second violation
27 occurring within one year of the first violation and
28 \$10,000 for subsequent violations occurring within one
29 year of the first violation.

30 * * *

1 (1.1) A licensee shall not be liable:

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

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

9 (1.2) If a licensee establishes any of the affirmative
10 defenses under paragraph (1.1), the board's sole remedy
11 against the licensee shall be to require the licensee to
12 correct any internal controls discovered to be inadequate as
13 a result of the violation.

14 Section 9. Section 1521(b.1) of Title 4 is amended to read:

15 § 1521. Liquor licenses at licensed facilities.

16 * * *

17 (b.1) Liquor Code sanctions.--Notwithstanding any other
18 provision of law, a person holding a slot machine license that
19 also holds a license issued by the Pennsylvania Liquor Control
20 Board shall not be subject to the provisions of section 471(c)
21 of the Liquor Code. In addition, if a fine is imposed under
22 section 471(b) of the Liquor Code, it shall be for not less than
23 [~~\$250~~] \$50 nor more than [~~\$25,000~~] \$1,000. The prior citation
24 history of the slot machine licensee shall be considered in
25 determining the amount of the fine.

26 * * *

27 Section 10. Title 4 is amended by adding a section to read:

28 § 1901.4. Live-streaming on casino floor.

29 (a) General rule.--A social media influencer may live stream
30 from a gaming floor with advance notice and approval from the

1 board and a licensee.

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

5 "Social media influencer." An individual who endorses or
6 promotes a product or service through social media in exchange
7 for compensation.

8 Section 11. This act shall take effect in 60 days.