

Title 58—RECREATION

PENNSYLVANIA GAMING CONTROL BOARD

[58 PA. CODE CHS. 401, 423, 427, 433, 441, 443, 495 AND 501]

Amendment to Temporary Regulations

Under the Pennsylvania Gaming Control Board's (Board) Resolution No. 2005-3 REG, entitled Adoption of Temporary Regulations, dated June 16, 2005, and Resolution No. 2005-4, entitled Adopting of Draft Regulations as Temporary Regulations for the General Licensing Standards for Slot Machine License Applicants Temporary Regulations, dated July 21, 2005, the Board has the authority to amend the temporary regulations, adopted on June 16, 2005, and July 21, 2005, as it deems necessary in accordance with the purpose of the act of July 5, 2004 (P. L. 572, No. 71) and to further the intent of Act 71. Therefore the Board has decided to make editorial changes to the temporary regulations, dated June 16, 2005, and July 21, 2005, as deposited with the Legislative Reference Bureau (Bureau) and published at 35 Pa.B. 4045 (July 15, 2005) and 35 Pa.B. 4828 (August 6, 2005).

Therefore, the Board has deposited with the Bureau amendments to §§ 401.4, 423.1, 427.1, 427.2, 433.1, 441.4, 443.2, 443.3, 461, 495.7 and 501.8. The Board amended the title of Subchapter H. The amendments are effective as of September 28, 2005.

The temporary regulations of the Board, Chapters 401, 423, 427, 433, 441, 443, 461, 495 and 501, are amended by amending §§ 401.4, 423.1, 427.1, 427.2, 433.1, 441.4, 443.2, 443.3, 461, 495.7 and 501.8 to read as set forth in Annex A, with ellipses referring to the existing text of the regulations.

THOMAS A. DECKER,
Chairperson

Fiscal Note: 125-4. No fiscal impact; (8) recommends adoption.

Annex A

TITLE 58. RECREATION

PART VII. GAMING CONTROL BOARD

Subpart A. GENERAL PROVISIONS

CHAPTER 401. PRELIMINARY PROVISIONS

§ 401.4. Definitions.

The following words and terms, when used in this part, have the following meanings, unless the context clearly indicates otherwise:

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Key employee qualifier—Officers; directors; persons who directly or indirectly hold any beneficial interest in or ownership of the securities of an applicant or licensee; a person who has the ability to control the applicant or licensee, has a controlling interest in the applicant or licensee, elects a majority of the board of directors of the applicant or licensee, or otherwise has the ability to control the applicant or licensee; a lender, other than a bank or lending institution which makes a loan or holds a mortgage or other lien acquired in the ordinary course of business; an underwriter; a financial backer; and an employee of a slot machine applicant or licensee, manufacturer applicant or licensee or supplier applicant or licensee required to be licensed by the Board.

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Subpart B. LICENSING, REGISTERING AND PERMITTING

CHAPTER 423. APPLICATIONS

§ 423.1. General requirements.

(a) For the purposes of this section, a reference to an applicant includes the applicant's affiliates, intermediaries, subsidiaries and holding companies.

(b) Every application shall be submitted on forms supplied or approved by the Board and shall contain all information and documents as required by the Board.

(c) The applicant shall file with the application all supplemental forms provided by the Board. The forms require full disclosure of all details relative to the applicant's suitability to conduct business in this Commonwealth under the act.

(d) Upon request of the Board, the applicant shall further supplement any information provided in the application. The applicant shall provide all requested documents, records, supporting data and other information within the time period specified in the request, or if no time is specified, within 30 days of the date of the request. If the applicant fails to provide the requested information within the required time period as set forth in the request, the Board may deny the application.

(e) An applicant shall submit evidence to the Board of the applicant's financial fitness, integrity and responsibility. The Board's review will include, but not be limited to: the applicant's bank references, business and personal income and disbursement schedules, annual financial statements and tax returns, whether the applicant has adequate financing available to pay all current obligations, and whether the applicant is likely to be able to adequately cover all existing and foreseeable obligations in the future.

(f) All information provided to the Board shall be true and complete. If there is any change in the information provided to the Board, the applicant shall promptly file a written amendment in a form prescribed by the Board.

(g) The application and any amendments or supplements must be sworn to or affirmed by the applicant before a notary public.

(h) The Board will automatically deny the application of any applicant that refuses to submit to a background investigation or provide requested information as required under the act.

(i) An applicant that submits a document to the Board which is in a language other than English shall also submit an English translation of the non-English language document. The translation must include the signature, printed name, address and telephone number of the translator and a verification by the translator of the truth and accuracy of the translation. At its discretion, the Board may accept an English summary of a document in lieu of a complete translation of the document.

CHAPTER 427. MANUFACTURER LICENSES

§ 427.1. Manufacturer license requirements.

(a) In determining whether an applicant will be licensed as a manufacturer under this section, the Board will consider whether the applicant satisfies the criteria listed in this section and whether the applicant manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to slot machines or associated equipment at a licensed facility which meet one or more of the following criteria:

(1) Are specifically designed for use in the operation of a slot machine.

(2) Are needed to conduct an authorized game.

(3) Have the capacity to affect the outcome of the play of a game.

(4) Have the capacity to affect the calculation, storage, collection, or control of gross terminal revenue.

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§ 427.2. Manufacturer licensing standards and application.

(a) The standards and requirements for qualification for a manufacturer license are as follows and in section 1317 of the act (relating to supplier and manufacturer licenses application). The applicant shall submit:

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(2) An original and three copies of the Manufacturer Application and Disclosure Information Form for the applicant that has applied for the license under this part.

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(4) An application from every key employee and key employee qualifier as specified by the Manufacturer Application and Disclosure Information Form or as determined by the Board, which shall consist of the following:

(i) An original and three copies of the Multi Jurisdictional Personal History Disclosure Information Form with a nonrefundable deposit to be set by the Board and provided in a fee schedule for each key employee and key employee qualifier.

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CHAPTER 433. LICENSE RENEWAL

§ 433.1. Renewal of manufacturer and supplier license.

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(b) The licensed entity shall complete and file an original and three copies of a Manufacturer License Renewal Application Form which shall, without limitation, disclose all changes in ownership of the licensed entity, and the new owner shall be required to submit an application for licensure and evidence that it is qualified for licensure.

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Subpart C. SLOT MACHINE LICENSING

CHAPTER 441.SLOT MACHINE LICENSES

§ 441.4. Slot machine license application.

(a) To be eligible for a slot machine license, an applicant shall submit an application which includes the following:

(1) An original and three copies of the slot machine license Application and Disclosure Information Form.

* * * * *

(3) A license application for each key employee qualifier and key employee under Chapter 435 (relating to employees), unless granted a waiver under § 435.2(g) or § 435.3(f), including an original and three copies of the Multi Jurisdictional Personal History Disclosure Form, the Pennsylvania Supplement and a nonrefundable background investigation deposit to be set by the Board and provided in a fee schedule for each key employee qualifier and each key employee. An additional charge may be assessed upon the applicant by the Board based on the

actual expenses incurred in order to conduct the background investigation required by the act.

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CHAPTER 443. CATEGORIES OF LICENSURE

§ 443.2. Alternative Category 1 licensing standards.

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(b) The Board may use the abbreviated process if:

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(3) The Board has received a copy of the completed application, all renewal applications and all accompanying documents filed in the other jurisdiction.

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§ 443.3. Conditional Category 1 licenses.

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(b) An application for a Conditional Category 1 license shall include the following information:

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(4) A copy of the applicant's audited financial statements for the last 5 years, unless otherwise requested by the Board.

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(7) An original and three copies of the Multi Jurisdictional Disclosure Form for each key employee qualifier and key employee and a consent form from each of these individuals authorizing the Board to conduct a background investigation and a release signed by each key employee qualifier and key employee identified under paragraph (6) of all information required to complete the investigation, unless subject to waiver under § 435.2(g) or § 435.3(f).

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Subpart E. SLOT MACHINE TESTING, CERTIFICATION AND CONTROL

Subpart H. PRACTICE AND PROCEDURE

CHAPTER 495. DOCUMENTARY FILINGS

§ 495.7. Number of copies.

(a) An original and three copies of pleadings or documents other than correspondence shall be furnished to the Board at the time of filing, except as may be otherwise required by statute or ordered or requested by the Board.

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Subpart I. COMPULSIVE AND PROBLEM GAMBLING

CHAPTER 501. COMPULSIVE AND PROBLEM GAMBLING REQUIREMENTS

§ 501.8. Prohibition on check cashing.

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(b) Notwithstanding the provisions of subsection (a), a licensed gaming entity may accept a recognized traveler's check, cashier's check, money order, wire transfer check, personal check or other cash equivalent.

[Pa.B. Doc. No. 05-1888. Filed for public inspection October 7, 2005, 9:00 a.m.]

PENNSYLVANIA GAMING CONTROL BOARD

[58 PA. CODE CHS. 441 AND 463]

Slot Machines

The Pennsylvania Gaming Control Board (Board), under authority in 4 Pa.C.S. § 1202 (relating to general and specific powers), has drafted temporary regulations to facilitate the prompt implementation of 4 Pa.C.S. Part II (relating to Pennsylvania Race Horse Development and Gaming Act). Upon adoption of the regulations by the Board, the Board's temporary regulations will be added to 58 Pa. Code Part VII (relating to Gaming Control Board). By publishing these temporary regulations in draft form, the Board seeks public comment prior to the adoption of the regulations.

Contact Person

Interested persons are invited to submit written comments, suggestions or objections to the draft temporary regulations by means of the United States mail to the Pennsylvania Gaming Control Board, Office of Communications, P. O. Box 69060, Harrisburg, PA 17106-9060, ATTN: Public Comment. The public comment period will end on October 28, 2005.

THOMAS A. DECKER,
Chairperson

Annex A

TITLE 58. RECREATION

PART VII. GAMING CONTROL BOARD

Subpart B. LICENSING, REGISTERING AND PERMITTING

Subpart C. SLOT MACHINE LICENSING

CHAPTER 441. SLOT MACHINE LICENSES

§ 441.18. Change in ownership or control of slot machine licensee and multiple slot machine license prohibition.

(a) Pursuant to a change in ownership or control of a slot machine licensee under section 1328 of the act (relating to change in ownership control of slot machine licensee) and in accordance with section 1330 of the act (relating to multiple slot machine license prohibition), a slot machine licensee, including its affiliates, intermediaries, subsidiaries and holding companies, is prohibited from possessing an ownership or financial interest in any other slot machine licensee or in any other person eligible to apply for a Category 1 slot machine license or its affiliates, intermediaries, subsidiaries or holding companies that exceeds 33.3%.

(b) Nothing in subsection (a) prevents a slot machine licensee from possessing ownership or financial interests of 33.3% or less, in multiple slot machine licensees or in persons eligible to apply for a Category 1 slot machine license or its affiliate, intermediary, subsidiary or holding company.

(c) If a slot machine licensee or its affiliates, intermediaries, subsidiaries or holding companies has an ownership or financial interest in another slot machine licensee that is in violation of subsection (a), the licensee will be required to divest that interest which is in excess of 33.3% in compliance with section 1330 of the act.

Subpart E. SLOT MACHINE TESTING, CERTIFICATION AND CONTROL

CHAPTER 463. POSSESSION OF SLOT MACHINES

Sec.	
463.1.	Possession of slot machines generally.
463.2.	Transportation of slot machines into, within and out of the Commonwealth.
463.3.	Slot machine authorized locations.
463.4.	Connection to the central computer system.
463.5.	Slot machine master list.
463.6.	Notice to central computer system.

§ 463.1. Possession of slot machines generally.

(a) Except as otherwise provided in this section and 18 Pa.C.S. § 5513 (relating to gambling devices, gambling, etc.), a person may not possess within this Commonwealth any slot machine which may be used for gambling activity.

(b) The following persons and any employee or agent acting on their behalf may, subject to any terms and conditions imposed by the Board, possess slot machines in this Commonwealth for the purposes in this part provided that the slot machines are kept in locations specifically approved in writing by the Board and that any slot machines located outside of a licensed facility not be used for gambling activity:

(1) An applicant for, or holder of:

(i) A slot machine license, for the purpose of maintaining for use or actually using the machines in the operation of a licensed facility.

(ii) A manufacturer license for the purpose of manufacturing, exhibiting, demonstrating or training, preparing for transfer to a supplier licensee or providing initial installation services under an agreement with a supplier licensee under § 431.3 (relating to supplier requirements and prohibitions).

(iii) A supplier license for the purpose of distributing, repairing, servicing, exhibiting or demonstrating slot machines and any training with regard thereto.

(2) An educational institution, as authorized by the Board, for the purpose of teaching slot machine design, operation, repair or servicing.

(3) A manufacturer or supplier of slot machines not licensed within this Commonwealth, as authorized by the Board, for the limited purpose of temporary exhibition or demonstration of same.

(4) A common carrier, for the purpose of transporting slot machines in accordance with § 463.2 (relating to transportation of slot machines into, within and out of this Commonwealth).

(5) An employee or agent of the Board, the Pennsylvania State Police or any law enforcement agency of the Commonwealth for the purpose of fulfilling official duties or responsibilities.

(6) Other persons the Board may approve after finding that the possession of slot machines by those persons in this Commonwealth is necessary and appropriate to fulfill the goals and objectives of the act.

§ 463.2. Transportation of slot machines into, within and out of this Commonwealth.

In furtherance of section 1511 of the act (relating to declaration of exemption from Federal laws prohibiting slot machines), prior to the transport or movement of any slot machine into this Commonwealth, from one person authorized to possess slot machines under § 463.1 (relating to possession of slot machines generally) to another

person so authorized within this Commonwealth or transport or movement out of this Commonwealth, those persons causing the slot machine to be transported or moved shall first notify the Board's Director of Gaming Laboratory Operations, in writing or in an electronic format approved by the Board. The notice shall be submitted no later than the day the slot machine is transported or moved and shall include the following information:

- (1) The name and address of the person shipping or moving the slot machine.
- (2) The name and address of the person who owns the slot machine, if different from the person shipping or moving such machine.
- (3) If applicable, the name and address of any new owner in the event ownership is being changed in conjunction with the shipment or movement.
- (4) The method of shipment or movement and the name and address of the common carrier or carriers, if applicable.
- (5) The name and address of the person to whom the slot machine is being sent and the destination of the slot machine, if different from such address.
- (6) The quantity of slot machines being shipped or moved and the manufacturer's serial number of each machine.
- (7) The expected date and time of delivery to, or removal from, any authorized location within this Commonwealth.
- (8) The port of entry, or exit, if any, of the slot machine if the origin or destination of the slot machine is outside the continental United States.
- (9) The reason for transporting or moving the slot machine.

§ 463.3. Slot machine authorized locations.

Each slot machine on a gaming floor shall be placed at an authorized location identified by number on a gaming floor plan approved by the Board under section 1322 of the act (relating to slot machine accounting controls and audits) and shall also be identified on a slot machine master list.

§ 463.4. Connection to the central computer system.

Prior to its utilization for gambling activity, each slot machine on a gaming floor shall be connected or linked to a central computer system having the capabilities and pursuant to the terms of section 1323 of the act (relating to central control computer system).

§ 463.5. Slot machine master list.

(a) *Comprehensive list required of licensee.* Prior to the commencement of operations at a licensed facility, each slot machine licensee shall file with the Board's Director of Gaming Laboratory Operations, in writing or in an electronic format approved by the Board, a comprehensive list of slot machines possessed by the licensee on its gaming floor, in Board approved restricted areas off the gaming floor but within the licensed facility, and in Board-approved storage locations in this Commonwealth off the premises of the licensed facility. The list shall be denoted as a slot machine master list and shall contain the following information which, for those slot machines located on the gaming floor, shall be presented for each slot machine in consecutive order by authorized location number:

- (1) The date the list was prepared.
- (2) A description of each slot machine by:
 - (i) Asset, model and manufacturer's serial number.
 - (ii) Denomination, if configured for multiple denominations so designate.
 - (iii) Manufacturer and machine type, noting with specificity whether the machine is a high-boy, is a progressive or a wide area progressive slot machine.
 - (iv) An indication as to whether the slot machine has an activated electronic transfer credit feature.
 - (v) An indication as to whether the slot machine has an activated gaming voucher feature, and, if so, whether the feature is in lieu of a hopper.
- (3) For those slot machines located off the gaming floor, an indication as to whether the slot machine is in a Board-approved restricted area off the gaming floor but within the licensed facility or in a Board-approved storage location in this Commonwealth off the premises of the licensed facility.
- (4) Other information the Board may require.

(b) *Subsequent movement of machines by licensed facility.*

- (1) Once a slot machine has been placed in an authorized location on the gaming floor or is stored in a Board-approved restricted area off the gaming floor but within the licensed facility, all subsequent movements of that slot machine from or to a location within that licensed facility shall be recorded by a slot department member in a machine movement log which includes the following:
 - (i) The asset, model and manufacturer's serial number of the moved slot machine.
 - (ii) The date and time of movement.
 - (iii) The location from which the slot machine was moved.
 - (iv) The location to which the slot machine was moved.
 - (v) The date and time of any required notice to the Department in connection with activation or disabling of the slot machine in the central computer system.
 - (vi) The signature of the slot shift manager and the lead technician verifying the movement of the slot machine in compliance with this section.
- (2) Documentation summarizing slot machine movements within a licensed facility shall be submitted to the Board's Director of Gaming Laboratory Operations, in writing or in an electronic format approved by the Board, on a daily basis.

(c) *Updated slot machine list required of licensee.* On the first Tuesday of each month following the initial filing of a slot machine master list, each slot machine licensee shall file with the Board's Director of Gaming Laboratory Operations, in writing or in an electronic format approved by the Board, an updated slot machine master list documenting all slot machines possessed by the licensee on its gaming floor, in Board-approved restricted areas off the gaming floor but within the licensed facility, and in Board-approved storage locations in this Commonwealth off the premises of the licensed facility. The updated list shall be in a form, and contain the information, required in subsection (a).

(d) *Possession of slot machines generally under § 463.1.* Manufacturer licensees, supplier licensees, educational

institutions, manufacturers and suppliers not licensed within this Commonwealth and regulatory and law enforcement agencies having authority to possess slot machines under § 463.1 (relating to possession of slot machines generally) who cause slot machines to be transported or moved shall file with the Board's Director of Gaming Laboratory Operations, in writing or in an electronic format approved by the Board, a comprehensive list of slot machines possessed by that person. The list shall be denoted as a slot machine master list and shall be filed within 3 business days of the initial receipt of slot machines and contain the following information:

- (1) The date on which the list was prepared.
- (2) A description of each slot machine by:
 - (i) Model and manufacturer's serial number.
 - (ii) Manufacturer and machine type, noting with specificity whether the machine is a high-boy, is a progressive or a wide area progressive slot machine.
- (e) *Updated slot machine master list for machines possessed under § 463.1.* On the first Tuesday of each

month following the initial filing of a slot machine master list, those persons enumerated in subsection (d) shall file with the Board's Director of Gaming Laboratory Operations, in writing or in an electronic format approved by the Board, an updated slot machine master list. The updated list shall be in a form, and contain the information, required in subsection (d).

§ 463.6. Notice to central computer system.

In addition to the recordkeeping requirements required in this part, prior to the placement of a slot machine on the gaming floor, any movement of that slot machine from or to authorized locations within a licensed facility or removal of a slot machine from the gaming floor, the slot machine licensee shall provide the Department with notice of the slot movement, in a form and under a time frame prescribed by the Department, to insure activation or disabling, as appropriate in the central computer system and the retrieval of real time meter information from the slot machine coincident with the movement.

[Pa.B. Doc. No. 05-1889. Filed for public inspection October 7, 2005, 9:00 a.m.]

