

RULES AND REGULATIONS

Title 25—ENVIRONMENTAL PROTECTION

ENVIRONMENTAL QUALITY BOARD

[25 PA. CODE CH. 93]

Corrective Amendment to 25 Pa. Code § 93.9t

The Department of Environmental Protection (Department) has discovered a discrepancy between the agency text of 25 Pa. Code § 93.9t (relating to Drainage List T) as deposited with the Legislative Reference Bureau and published at 30 Pa.B. 6191 (December 2, 2000), the official text published in the *Pennsylvania Code Reporter* (Master Transmittal Sheet No. 315) and as currently appearing in the *Pennsylvania Code*. The amendments made by the Department at 30 Pa.B. 6191 were codified incorrectly.

Therefore, under 45 Pa.C.S. § 901: The Department has deposited with the Legislative Reference Bureau a corrective amendment to 25 Pa. Code § 93.9t. The corrective amendment to 25 Pa. Code § 93.9t is effective as of February 3, 2001, the date the defective official text was announced in the *Pennsylvania Bulletin*.

The correct version of 25 Pa. Code § 93.9t appears in Annex A, with ellipses referring to the existing text of the regulation.

Annex A

TITLE 25. ENVIRONMENTAL PROTECTION

PART I. DEPARTMENT OF ENVIRONMENTAL PROTECTION

Subpart C. PROTECTION OF NATURAL RESOURCES

ARTICLE II. WATER RESOURCES

CHAPTER 93. WATER QUALITY STANDARDS

DESIGNATED WATER USES AND WATER QUALITY CRITERIA

§ 93.9t. Drainage List T.

Ohio River Basin in Pennsylvania

Kiskiminetas River

<i>Stream</i>	<i>Zone</i>	<i>County</i>	<i>Water Uses</i>	<i>Protected Exceptions To Specific Criteria</i>
		* * * * *		
5—McGee Run	Basin Source to Farthest Upstream Crossing of Derry Borough Border	Westmoreland	CWF	None
5—McGee Run	Main Stem, Farthest Upstream Crossing of Derry Borough Border to Mouth	Westmoreland	TSF	None
6—Unnamed Tributaries to McGee Run	Basins, Farthest Upstream Crossing of Derry Borough Border to Mouth	Westmoreland	CWF	None
6—Trout Run	Basin, Source to inlet of Blairsville Reservoir	Westmoreland	EV	None
		* * * * *		

[Pa.B. Doc. No. 15-1108. Filed for public inspection June 12, 2015, 9:00 a.m.]

Title 58—RECREATION

PENNSYLVANIA GAMING CONTROL BOARD

[58 PA. CODE CHS. 421a, 423a, 425a, 427a, 429a, 431a, 433a, 435a, 437a, 440a, 441a, 461a, 465a, 609a, 623a, 633a, 643a AND 645a]

Licensing; Slot Software; Count Room Characteristics; Credit; Table Game Rules

In accordance with 4 Pa.C.S. Part II (relating to gaming), the Pennsylvania Gaming Control Board (Board), under the general authority in 4 Pa.C.S.

§ 1202(b)(9)—(23) (relating to general and specific powers) and the specific authority in 4 Pa.C.S. §§ 1205, 1206(f) and (g), 1207(1) and (2), 1208(1)(iii), 1209(b), 1212, 1213, 13A11, 13A12—13A14, 13A15 and 1802 and 4 Pa.C.S. Chapter 13 (relating to licensees) amends Chapters 421a, 423a, 425a, 427a, 429a, 431a, 433a, 435a, 437a, 440a, 441a, 461a, 465a, 609a, 623a, 633a, 643a and 645a to read as set forth in Annex A.

Purpose of the Final-Form Rulemaking

This final-form rulemaking is a comprehensive amendment package addressing 18 chapters in Subparts B, C, E and K. This final-form rulemaking should provide clarity, delete redundant provisions, decrease the number of copies of applications required, allow for an increase in

ownership of licensees by institutional investors and ensure that a background investigation is completed on nongaming employees every 4 years.

Explanation

General revisions

The Board is referenced throughout Subparts B and C (relating to licensing, permitting, certification and registration; and slot machine licensing). However, many of the provisions currently listed as functions of the Board are functions associated with a specific bureau within the Board. To provide some clarity to the regulated community, "Board" has been replaced, when relevant, with a specific bureau.

Additionally, all references to the Board's web site address have been deleted as "Board web site" is defined in § 401a.3 (relating to definitions). This is done because the Board's web site has changed. Defining the web site address in § 401a.3 eliminates the need to revise references should the address change again in the future.

Chapter 421a. General provisions

In § 421a.1 (relating to general requirements), references to "approval" are replaced with "authorization" to reflect that gaming service providers (GSP) may receive an authorization to conduct business prior to being certified or registered with the Board, or may be authorized to conduct business and exempt from the GSP certification/registration requirements in § 437a.1 (relating to general gaming service provider requirements).

In subsection (b), the reference to the type of investigation conducted is deleted. Investigations are addressed in § 421a.3 (relating to investigations; supplementary information).

Language added to subsection (e)(2) requires applicants for and holders of licenses, permits, registrations, certifications or qualifications to report changes in circumstances that may render the applicant or holder unsuitable or ineligible to continue to apply for or hold a license, permit, certification, registration or qualification. This requirement is not new, simply moved, without amendment, from Chapter 435a (relating to key, gaming and nongaming employees; Board-issued credentials). It is necessary to move these provisions to this section because Chapter 435a is applicable to key, gaming and nongaming employees. This standard is applicable to anyone with a license, permit, registration, certification or authorization.

Language in subsection (f) was redundant with the language added to subsection (e)(2) and is deleted. Language in subsection (h) is also deleted as redundant with language in subsection (a).

In accordance with 4 Pa.C.S. Part II, applicants for and holders of a license, permit, registration or certification have an ongoing duty to report information to the Board that may impact the applicant or holder's suitability or eligibility to hold a license, permit, registration or certification. If applicants or holders do not maintain suitability or eligibility, the Board may revoke, suspend, or not issue or renew a license, permit, registration or certification. Language in subsection (i) is added to reiterate that any person regulated by the Board has an ongoing duty to maintain suitability and eligibility in accordance with 4 Pa.C.S. Part II and the Board's regulations.

Language is also deleted from subsection (i). The Board does not believe the language provided specificity as to which parties might be jointly and severely liable for conduct. The chapters on management companies, GSPs,

manufacturer designees, and the like address joint and several liability with slot machine licensees.

Subsection (j) is deleted. This provision is a requirement of the Board not the regulated entities. It is a statutory requirement of 4 Pa.C.S. Part II and is therefore unnecessary to recite in the regulations.

Section 421a.2(a)(4) (relating to disqualification criteria) is amended. The Board believes the new language provides a clearer standard regarding the circumstances under which the Board may deny, suspend or revoke an applicant for or holder of a license, permit, registration or certification.

Subsection (a)(6) is existing language moved from former § 435a.1(o) (relating to general provisions). As previously stated, Chapter 435a relates to key, gaming and nongaming employees and this requirement is applicable to all individuals applying for a license (including principals), permit, registration or qualification. The new language in subsections (b)—(e) is existing language which is also moved from former § 435a.1(e)—(j).

Section 421a.3(c) is added to require applicants to reimburse the Board for actual expenses incurred in conducting background investigations. This is existing language moved from former §§ 427a.2(c), 429a.2(c), 431a.2(c) and 435a.2(d). Because applicants are required to reimburse the Board for actual expenses it made logical sense to include this provision in the general requirements applicable to all applicants.

The provisions on presuitability determinations in § 421a.4 (relating to presuitability determination) are amended to delete the requirement that a request for the presuitability determination be made by petition to the Board. Typically if a presuitability determination were conducted, the Bureau of Investigations and Enforcement (BIE) would already be investigating the applicant's eligibility and suitability in conjunction with an underlying application for a license or in conjunction with a petition for change of control or ownership. Requiring an additional petition for a presuitability determination would therefore be redundant and unnecessary. Instead, a request may now be made directly to the BIE.

The provisions regarding presuitability determinations in § 421a.4 are applicable to licensees but have not been applied to GSPs that are registered or certified. The reference to certification or registration in subsection (c) is therefore deleted.

Section 421a.5(a) (relating to undue concentration of economic opportunities and control) is amended to replace "other" license with "principal" license. Principals, specifically, are those individuals and entities that have ownership interest in or control over a licensee.

Language is added to subsection (c)(1)(iii)—(v) to reflect the legalization of table games. Former subsection (c)(1)(vi) is deleted as this provision would not be applicable in making a determination as to whether there was an undue concentration of economic control of a slot machine licensee. Gross terminal revenue, not ticket-in, ticket-out, is indicative of overall play.

Chapter 423a. Applications; statement of conditions; wagering restrictions

Language added to § 423a.1(b) (relating to general requirements) reflects that gaming and nongaming employees file applications electronically using the Board's SLOTS Link system.

Former subsection (c) is deleted as redundant. The requirements in this subsection are covered in final-form subsections (b) and (d).

In final-form subsection (c) (former subsection (d)), “Board staff” is added because the Bureau of Licensing (BOL) or the BIE may need additional information from an applicant to process an application or complete an investigation.

The language in final-form subsection (d) (former subsection (e)) is combined with the language in former subsection (f). The remaining subsections are renumbered.

Language is added to § 423a.2(a)(3) (relating to preliminary submission review). Applicants may be required to execute authorization forms for the release of information from other entities such as credit bureaus or banking institutions. Therefore, “other entities” is added.

Subsection (c) is deleted as inconsistent with current practice. The Board does not return applications but may deem the application abandoned or denied if an applicant does not cure deficiencies.

Former § 423a.3(a)(1) and (2) (relating to application processing) is deleted. An application is filed when submitted and an applicant will be given an opportunity to cure deficiencies if part of the application is missing or incomplete. Former subsection (a)(1) is deleted as unnecessary. Former subsection (a)(2) is deleted to reflect Board practice. In only a few circumstances, pertaining primarily to the filing of an application for a slot machine license or table game certificate, is the applicant or an attorney for the applicant notified, in writing, that the application has been officially accepted.

Final-form subsection (a)(1) (former subsection (a)(3)) is amended to reflect that the Board makes determinations regarding the information obtained by Board staff during an investigation. The remaining paragraphs are renumbered as former subsection (a)(1) and (2) is deleted.

Section 423a.5(a) (relating to application withdrawal and surrender) is amended to reflect that the Board no longer requires the filing of a petition for most individuals requesting to withdraw their applications. Only entities that have applied for a license, certification or registration and individuals who have applied for a principal license or GSP qualification are still required to petition the Board to withdraw. For other individuals (key, gaming and nongaming employees), a request form is submitted to the BOL. Former subsection (c) is therefore deleted as redundant with the language added to subsection (a).

Former subsection (d)(1) and (2) is deleted. Provisions regarding restrictions on subsequent application after a withdrawal with prejudice has been granted are already in § 423a.7 (relating to restriction on application after withdrawal with prejudice, denial or revocation).

Former subsection (e) is deleted to reflect Board practice. If an applicant fails to cure deficiencies with the application before it is officially accepted, the BOL may deem the application abandoned. Alternatively, if the applicant failed to cure deficiencies because the applicant failed to cooperate with an investigation, the Board may deny the application.

Section 423a.6(b) (relating to license, permit, registration and certification issuance and statement of conditions) is amended for clarity and to reflect Board practice. GSPs, unlike licensees, are now required to execute a statement of conditions at the time of application because a GSP or gaming-related GSP can be given interim authorization to conduct business prior to obtaining registration or certification from the Board.

New § 423a.6a (relating to restriction on wagering after issuance of a license, permit, registration or certification) is language moved from former § 435a.1(k)—(n). As previously stated, Chapter 435a is primarily applicable to key, gaming and nongaming employees. However, wagering restrictions are also applicable to principal licensees and qualifiers. For clarity to the regulated community, wagering restrictions are therefore adopted in this section.

Section 423a.7(f) is deleted as unnecessary. Typically when an individual’s petition to reapply is denied, the Board will set a time period in which the person may reapply.

Chapter 427a. Manufacturers

Former § 427a.1(d) and (e) (relating to manufacturer general requirements) is deleted. Subsection (e) was applicable to the Board, not the regulated community. The provisions are in 4 Pa.C.S. Part II and are therefore unnecessary to recite in the regulations. Language similar to former subsection (e) was also deleted from former §§ 429a.1(d) and 431a.1(c) (relating to manufacturer designee general requirements; and supplier general requirements).

Section 427a.2(a) (relating to manufacturer license applications and standards) is amended to reflect that only one copy of an application is required instead of three. The number of required copies is also reduced in Chapters 429a, 431a, 433a, 437a and 441a.

Former subsection (a)(5) is deleted. Gaming employee applications are not required to be filed with the application for a manufacturer license. Typically the suitability of an employee of a licensee is considered separately from the suitability or eligibility of the licensee and its principals (owners, officers and directors). Similar language is deleted from former § 431a.2(a)(5) (relating to supplier license applications and standards).

Former subsection (a)(6) is also deleted. Copies of Securities and Exchange Commission (SEC) filings are no longer required to be submitted as part of the application packet. The BIE, when conducting its investigation, will review all SEC filings for any publicly traded applicant. All SEC filings are available online. If an applicant is publicly traded on a foreign exchange, the BIE may request specific information from the applicant during the investigation if the information is not publicly available through a foreign exchange regulator. Similar language is deleted from former § 429a.2(a)(5) (relating to manufacturer designee license applications and standards) and former § 431a.2(a)(6).

Language in final-form subsection (a)(5) (former subsection (a)(7)) is deleted for consistency with 4 Pa.C.S. Part II. Similar language is deleted from final-form §§ 429a.2(a)(5) and 431a.2(a)(5).

Former subsection (b)(1) is deleted and also deleted in other sections in the chapters regarding licensing. This is a current requirement of all applicants, as specified in § 421a.1(g), and final-form subsection (b)(2) requires all applicants to comply with Chapter 421a (relating to general provisions). Former subsections (b)(1) and (c) are therefore deleted as redundant. Language from former subsection (c) is moved to § 421a.3(c).

Amendments are made to final-form subsection (c) (former subsection (d)) for clarity and to delete a reference to key employee suitability. As previously stated, the suitability of an employee of a licensee, in most instances, is not considered at the time the Board evaluates the

suitability of an entity or its owners, officers or directors (principals) to hold a license. Similar language is deleted from final-form §§ 429a.2(c) and 431a.2(d).

Section 427a.5(a)(1) and (2) (relating to responsibilities of a manufacturer) is deleted and also deleted in other sections in the chapters regarding licensing as these provisions are in Chapter 421a. Former subsection (a)(3) is deleted and replaced with final-form subsection (a)(2). Similar language is added to final-form §§ 429a.5(a) and 431a.4(c)(2) (relating to responsibilities of a manufacturer designee; and responsibilities of a supplier).

Subsection (b) is amended for clarity. Similar amendments are made to final-form §§ 429a.5(b) and 431a.4(d).

Former subsections (c) and (d) are deleted because the provisions did not relate to the chapter or section heading. Similar language is also proposed to be deleted from former § 431a.4(f)—(h).

Section 427a.6 (relating to change of control of a manufacturer licensee) is a new requirement of manufacturer licensees. This provision provides guidance to unlicensed companies regarding the proper procedure for acquiring a manufacturer licensee. These requirements will also ensure that the acquiring company and its officers, owners and directors (principals) apply for licensure and are investigated before a manufacturer licensee is acquired. The approval requirement is also applicable to manufacturer designees in § 429a.8 (relating to change of control of a manufacturer designee licensee), supplier licensees in § 431a.6 (relating to change of control of a supplier licensee) and management company licensees in § 440a.6 (relating to change in ownership or control of a management company licensee).

Chapter 429a. Manufacturer designees

Amendments to § 429a.3 (relating to additional manufacturer designee licenses) specify that if a manufacturer designee has already been licensed, it does not need to receive a separate manufacturer designee license to supply or repair gaming equipment on behalf of a different manufacturer. Instead, manufacturer designees submit an abbreviated application (Additional Manufacturer Designee Application and Disclosure Information Form) to receive a subsequent designation.

Amendments to subsection (b) reflect amendments to final-form § 429a.2(b) and (c).

Former § 429a.5(b) is deleted. This is a statutory requirement applicable to suppliers but is not applicable to manufacturer designees.

Section 429a.7 (relating to manufacturer designee agreements) is amended for clarity and to reflect Board practice. When a manufacturer designee enters into an agreement with a manufacturer, the designee, as part of its application for a designee license, is required to submit all agreements for review. The agreements are reviewed as part of the background investigation. Any subsequent agreements, after licensure, are reviewed by Board staff. If there are issues or questions regarding the terms of the agreement, Board staff will notify the parties and request additional information or clarification.

Chapter 431a. Supplier licenses

Former § 431a.4(b) is deleted. This subsection related to financial suitability. The information would be included in the application for a supplier license and would be reviewed during the applicant's background investigation. If the applicant is not financially suitable, it would not be awarded a supplier license.

Section 431a.5(c) (relating to supplier log books) specifies that licensed, permitted or registered employees of a supplier are not required to register in the log book. Language is therefore added to subsection (b)(5) for clarity.

Chapter 433a. Principal licenses

Section 433a.1 (relating to definitions) is amended to delete "principal slot operations officer of a slot machine licensee" from the definition of "officer." Facilities utilize a slot operations director; the individual is licensed as a key employee not as a principal.

Section 433a.3(a)(3) (relating to interests in licensees held by individuals) is amended for clarity and consistency. Similar amendments are made to §§ 433a.4(a)(3) and 433a.7(a)(3) (relating to interests in licensees held by entities; and trusts).

Sections 433a.3(d) and 433a.4(d) are amended and former §§ 433a.3(e) and 433a.4(e) are deleted to reflect the requirements adopted in §§ 427a.6, 429a.8 and 431a.6. The remaining subsections are renumbered.

Section 433a.5 (relating to institutional investors) is amended to allow institutional investors to acquire a greater ownership interest in a licensee without requiring a waiver from the Board.

Previously, institutional investors were capped at a 15% ownership interest in a principal affiliate of a manufacturer, manufacturer designee and supplier licensee and a 10% ownership interest in a principal affiliate of a slot machine licensee. This amendment will allow institutional investors to acquire less than a 20% interest in all licensees provided the institutional investor files the notice of ownership form and passive investor affirmation. Additionally, before acquiring an interest in a slot machine or management company licensee that is between 10% and 20%, the institutional investor shall provide the BIE with additional information regarding the institutional investor's operations and sources of funds.

Based on the nature of the funds associated with institutional investors, the reporting obligations to the SEC and the permissible ownership interests in other gaming jurisdictions, the Board has determined that increasing the allowable ownership interest to less than 20% would not adversely impact the integrity of gaming. Additionally, allowing institutional investors to acquire an ownership interest of less than 20% would not have other licensing implications related to changes of control or ownership.

Management companies are deleted from subsection (a)(1). Management companies act on behalf of a slot machine licensee, are subject to the same requirements as slot machine licensees and therefore the requirements in subsection (a)(2) are applicable.

Subsection (c) and additional language in final-form subsection (d) (former subsection (b)) are added to address institutional investor ownership in licensees whose securities are publicly traded on a foreign exchange.

In regard to § 433a.6 (relating to lenders and underwriters), as previously stated, management companies act on behalf of a slot machine licensee and are therefore subject to the same requirements as slot machine licensees. Therefore, management companies are added to several of the sections throughout this chapter.

In subsection (f), language at the end of the sentence is deleted as unnecessary.

Section 433a.7(b) formerly required trusts to notify the Board and submit a complete application prior to possessing any interest in paragraphs (1)—(5). The notification requirement is deleted as unnecessary. Submitting applications will serve as notice. Subsection (c) is amended for clarity.

Chapter 435a. Key, gaming and nongaming employees; Board-issued credentials

The requirements in former § 435a.1(c), (e)—(j) and (o) were applicable to all applicants and holders of a license, permit, registration or certification. However, this chapter is pertinent only to key, gaming and nongaming employees. The requirements in this section are therefore moved to §§ 421a.1 and 421a.2.

The wagering restrictions in former subsections (k)—(n) are also applicable to holders of a license, permit, registration, certification or qualification and are moved to § 423a.6a.

Section 435a.5 (relating to nongaming employee registration) addresses nongaming employee registrations. Registrations formerly did not have an expiration date. Nongaming employees do not submit a renewal application and therefore a subsequent background investigation is not conducted beyond initial registration. The Board believes that submission of a renewal application and subsequent background investigation is necessary to protect the integrity of gaming as it will ensure that every nongaming employee remains eligible and suitable to hold a registration.

Additionally, placing an expiration date on nongaming registrations will eliminate unnecessary administrative expenses associated with an ever growing number of individuals who no longer work in the gaming industry. There are currently over 5,000 nongaming employees who remain registered with and under the jurisdiction of the Board but have not worked in a position that requires registration for 2 years or more.

This section requires that nongaming employee registrations be renewed every 4 years. The application shall be submitted electronically through the Board's SlotsLink system. The renewal will cost around \$40 which will cover the cost of fingerprinting with the Pennsylvania State Police and the criminal background check.

Regarding the renewal schedule, each Board credential currently issued to a nongaming employee has a date by which the credential shall be renewed with an updated employee photo. The BOL will use the expiration date on the credential as the renewal date which will ensure that renewals are staggered and will not all occur within the same month or year.

Section 435a.6 (relating to Board credentials) is amended for clarity. Specifically, subsection (c) is divided in two subsections, with subsection (c) addressing the wearing of Board-issued credentials by State employees and subsection (d) addressing the wearing of credentials by individuals who are not State employees.

Language in final-form subsection (e) (former subsection (d)) is deleted to reflect that all employees who are on the gaming floor are required to have a Board-issued credential. Former subsection (e) deleted as unnecessary.

The former heading of § 435a.8 (relating to temporary credentials) related to temporary credentials for principal and key employees and § 435a.9 related to temporary credentials for nongaming employees. Neither section addressed the issuance of temporary credentials for gaming employees. To reflect the Board practice of issuing

temporary credentials to gaming as well as principals, keys and nongaming employees, language is added to § 435a.8. Language from § 435a.9, which is rescinded, is added to § 435a.8.

Section 435a.9a(a)(1) (relating to gaming service provider employee temporary access credentials) is amended for clarity. Subsection (a)(2) no longer requires an employee from the licensee's security department to escort a GSP employee provided that another employee of the licensee who is authorized to have access to the area escorts the GSP employee and both individuals sign in with the Board's casino compliance representatives. This will ensure that Board staff is aware of who is performing the work in the licensed facility and the individual responsible for supervising that employee.

Language is added to subsection (c) allowing additional flexibility, when circumstances warrant, to extend the time period to allow an employee to complete work beyond the 12 days in a 12-month period.

Former subsection (d) addressed a prohibition on the issuance of temporary access credentials to manufacturers, designees and suppliers. However, the section heading relates to GSP temporary access credentials. This subsection is deleted as misplaced and unnecessary.

Final-form subsection (d) specifies that if an operator is going to use an emergency GSP, any employee providing emergency services shall obtain a temporary access credential in accordance with this section prior to performing any emergency services at the licensed facility. This section corresponds with amendments to § 437a.10 (relating to emergency gaming service provider).

Section 435a.10 (relating to loss, theft or destruction of credentials) is amended to reflect that credentials are obtained from the Board's casino compliance representatives and are not distributed or controlled by a licensee's security department. Final-form subsection (b) (former subsection (c)) is amended to reflect that typically the employer, not the employee, will request replacement credentials from the Board.

Chapter 437a. Gaming service provider certification and registration

The amendments to § 437a.1 are made for clarity and to replace language with defined terms in § 401a.3.

Language added in § 437a.2 (relating to gaming service provider registration applications) should provide GSPs with some guidance as to when to file a sponsored versus unsponsored application. If a GSP already has a contract to provide goods or services to a slot machine licensee, the GSP completes a sponsored application. If the GSP does not have a contact with a specific licensee but anticipates that a licensee may utilize the GSP's services in the future, the GSP would complete the unsponsored application.

The language added in subsection (d) reflects the requirements in § 435a.3 (relating to occupation permit) and § 435a.5.

Former § 437a.3(d)—(f) (relating to gaming service provider certification applications) is deleted and added in § 437a.3a (relating to single transaction waiver). This is done because the section heading is not pertinent to waivers. Additionally, both registered and certified GSPs may request a single transaction waiver.

Section 437a.5 (relating to construction subcontractors) is amended to provide clarity to the regulated community.

This section is applicable to subcontractors providing goods and services to other subcontractors while the licensed facility is under construction.

Subsection (c) is amended to reflect that prior to a casino opening, a licensed facility is, in essence, a construction site. Closer to opening, onsite Board staff will specify a date as to when an area of the licensed facility becomes a live gaming floor. Once designated, only those persons who hold a Board-issued credential are allowed onto the gaming floor.

In 2010, the Board amended the GSP regulations and exempted publicly traded GSPs from the requirements of certification or registration. To be eligible for the exemption, each publicly traded GSP was required to complete an authorization form to be placed on the authorized GSP list. At that time there was not an expiration placed on exemption. Although the Board believes that publicly traded GSPs should still be exempt from the certification and registration requirements, the Board has placed an expiration date on the exemption. Every 4 years, publicly traded GSPs that are exempt will have to submit the authorization form to verify that the GSP has continued to provide goods and services to licensed facilities and is still eligible for the exemption. Language relevant to the exemption expiration and renewal is therefore added in § 437a.6 (relating to registration and certification term and renewal).

Language is added in § 437a.7 (relating to registered, certified and authorized gaming service provider responsibilities) to reflect that the requirements applicable to a GSP that is registered or certified are also applicable to a GSP that is on the authorized list.

Subsections (b) and (c) are amended for clarity and to utilize terms that are already defined in § 401a.3. The requirement that offsite supervisors obtain a registration is also deleted. Language is deleted and a cross-reference is added in subsection (e) as these provisions are addressed in § 435a.9a.

Subsection (f) is added to address amendments adopted in final-form rulemaking 125-168 published at 44 Pa.B. 7057 (November 8, 2014), which rescinded § 501a.6 and moved those requirements to § 465a.20 (relating to personal check cashing). The personal check cashing provisions in § 501a.6 were applicable to licensees and GSPs, while the requirements in Chapter 465a (relating to accounting and internal controls) are applicable only to slot machine and management company licensees unless otherwise specified. Subsection (f) is necessary to ensure that requirements of personal check cashing are the same regardless of whether a licensee or a GSP acting on the licensee's behalf is performing those functions.

Section 437a.10 is amended to no longer require an emergency GSP that is not already registered or certified to file for registration or certification after providing emergency services. An employee of the emergency GSP will be required to obtain a temporary access credential before providing services. The BOL will review the explanation for use of the emergency GSP to ensure that this provision is not used to circumvent the registration and certification requirements.

Chapter 440a. Management companies

Section 440a.1 (relating to general requirements) is amended to reflect current practice. Many of the applicants for the available Category 2 slot machine license have contracted with a management company to manage the licensed facility should the slot machine applicant be awarded the license. The management company has filed

an application with the Board and if the slot machine applicant were awarded the license, the management company would be licensed at that time as well.

Section 440a.2 (relating to applications) is amended to reflect that there is only one application for all categories of slot machine licenses. Additionally, if a management company is going to act on behalf of the slot machine applicant/licensee, the management company is required to complete the same application as the applicant for the slot machine license.

Section 440a.3 (relating to management company license term and renewal) is amended to reflect that a management company acts as the slot machine licensee and neither a slot machine license nor a management company license is transferrable.

A portion of § 440a.5(c) (relating to management contracts) is moved into subsection (d) and amended for clarity. The former language in subsection (d) is deleted as the business plan is essentially addressed in the requirements in subsection (f). Subsection (f) is amended to address the management of table game operations.

Chapter 441a. Slot machine licenses

Terms are added to § 441a.1 (relating to definitions). The use of these terms is explained in §§ 441a.11a and 441a.20a (relating to duty to maintain financial suitability; and changes to a slot machine licensee's initial or modified plan of development).

Former § 441a.2(a) (relating to slot machine application deadlines) is deleted for consistency with 4 Pa.C.S. Part II. Former subsection (c) is deleted as unnecessary. The handling of deficiencies in applications is addressed generally in § 423a.2 and § 441a.3 (relating to slot machine license application).

Section 441a.3 is amended to no longer require applications from key employees at the time the slot machine applicant submits an application for licensure. In most instances, key employees have not yet been identified at the time a slot machine applicant submits its application for licensure nor do most applicants hire employees unless and until the Board awards the applicant a slot machine license. The language regarding application requirements is deleted as unnecessary as application requirements for keys and principals are in Chapter 433a (relating to principal licenses) and Chapter 435a.

In subsection (a)(5), language is added to recognize that an authorized designee can sign on behalf of a chief executive officer to legally bind a slot machine applicant. Subsection (a)(6) is amended to reflect the new provisions for approval of a licensee's initial or modified plan of development in § 441a.20a.

As specified in § 423a.1(g), once submitted to the Board, applications and related materials will not be returned to the applicant. The inconsistent language in subsection (b) is therefore deleted.

Subsection (d) is amended to correct conflicting requirements. This subsection formerly required that the local impact report be submitted to the Board with the application and simultaneously to the municipality. Licensees were also required to submit proof that the municipality was served at the time the application was submitted to the Board. The language is amended and still requires licensees to submit the local impact report to the municipality and the Board (with the application) on the same day but provides that the applicant submit proof that the municipality was served within 5 days after the applica-

tion is submitted to the Board. Subsection (e) is in § 421a.3 and is therefore deleted from this subsection.

Section 441a.5(e) (relating to license fee payment bond or letter of credit requirements) is amended to reflect that a slot machine license will not be issued until the license fee has been paid. The Board or Board staff, typically the BOL, will specify the date by which the fee shall be paid.

Most of the amendments to § 441a.7 (relating to licensing hearings for slot machine licenses) are made for clarity. Language in subsections (l) and (m) is amended to reflect that 4 Pa.C.S. § 1206(a) (relating to Board minutes and records) was deleted. Confidential information may be presented not in closed deliberations but during executive session in accordance with 65 Pa.C.S. § 708(a)(5) (relating to executive sessions).

Section 441a.11a is new and reflects requirements in 4 Pa.C.S. Part II.

Language in § 441a.15(b)(2) (relating to slot machine license issuance bond requirement) is deleted. Board staff reviews payment bonds submitted. If there are issues with the payment bond, the BOL notifies the applicant that was awarded the license if corrections are necessary or if additional information about the surety is required. The slot machine license will not be issued until all information is received and any necessary corrections are made.

Former § 441a.17(b)—(e) (relating to change in ownership or control of slot machine licensee and multiple slot machine license prohibition) is deleted. Final-form subsections (b)—(f) should provide clarity and specificity to the regulated community regarding the procedure to acquire an interest in a slot machine licensee which would trigger the change in control or ownership provisions of 4 Pa.C.S. Part II. The remaining subsections are renumbered.

Minor revisions are made to § 441a.18(b)(2) and (c) (relating to employee status report). Language in subsection (b)(2) is deleted because applicants for a slot machine license do not typically have employees and are therefore not required to submit an employee status report to the Board. Subsection (c) is amended to reflect that a signature on an electronically submitted employee status report is not required.

Section 441a.20a provides further detail on a requirement that is already in § 441a.3(a)(6). A licensee may change its approved plan of development with approval of the Board.

Subpart E. Slot machines and associated equipment; accounting and internal controls

Specificity is added in § 461a.7 (relating to slot machine minimum design standards) regarding how the Bureau of Gaming Laboratory Operations will calculate the theoretical payout percentage for slot machines.

A minor revision is made to § 465a.24(b)(1) (relating to count room characteristics) to clarify that the alarm device does not need to signal both security and surveillance. The licensee can designate which department will receive the audible alarm signal. Language at the end of the sentence is deleted as unnecessary. Every time the count room door is opened the audible alarm signal should be sent to security or surveillance. In subsection (b)(2), the language formerly requiring exits door to contain locks is deleted. Only entrances require dual key control. Subsection (b)(3) addresses exiting the count room and requires that licensees specify what type of door device will be used.

Subpart K. Table games

Language is added in § 609a.4 (relating to approval of credit limits) to reflect the statutory requirement that any increase in credit, whether temporary or permanent, requires reverification of a patron's credit information.

Section 609a.5 (relating to derogatory information; reduction or suspension of credit) is amended to clarify the following: if derogatory information is received, the licensee's credit department shall reverify the patron's casino credit information; if a patron's check is returned, the patrons credit privileges must be suspended; and if a patron's credit has been suspended, the licensee is required to reverify the patron's casino and consumer credit information before reinstating credit.

Amendments to §§ 623a.4 and 623a.5 (relating to making and removal of wagers; and payout odds) add clarity regarding the paying of wagers and the collection of vigorish.

The payout procedure in § 633a.7(i) (relating to procedure for dealing the cards; completion of each round of play) is amended to allow operators to either payout immediately when a player has a Blackjack or in accordance with the current regulation. Section 633a.9 (relating to surrender) is amended to allow operators to collect a surrendered hand immediately or in accordance with the current regulation.

In § 643a.12(b) (relating to payout odds; payout limitation), a new payout table is added for the Five Card Bonus Wager.

Former § 645a.5(i)(3) (relating to shuffle and cut of the cards; procedures for determining the starting position for dealing cards) is deleted as unnecessary.

Additional Revisions

Minor additional revisions were made throughout this final-form rulemaking for clarity and consistency among chapters and sections.

Language in § 421a.2(e) was deleted as redundant. When an employee is offered a position with a licensee, the licensee is required by Federal law to complete an I-9 form verifying the employee's identity and employee's legal authority to work in the United States. Additionally, as part of the background investigation, each employee must be fingerprinted. When fingerprinted, the law enforcement agency that performs the fingerprinting also verifies identity and legal authority to be in the United States. Because a prospective employee has already had his identity and legal status confirmed with the employer and law enforcement agency prior to being licensed, registered or permitted, the Board will no longer require the employee to also submit the authorization information to the Board.

Language in § 421a.4(a) was deleted unnecessary. The beginning of the subsection specifies that upon request the Bureau will make in inquiry of a potential purchaser of a licensee. It is unnecessary to include repetitive language at the end of the subsection.

In § 423a.2(b), language was added specifying that if an applicant fails to submit necessary information required under subsection (a)(1)—(3), the applicant would be given the opportunity to cure the deficiency. However, if an applicant fails to include the bond/letter of credit at the time of application, that applicant will not be given an opportunity to cure that deficiency. Applicants are required, by statute, to provide a letter of credit/bond at the time of application to demonstrate the financial

ability to pay the license fee. See 4 Pa.C.S. § 1313(c) (relating to slot machine license application financial fitness requirements). The Board believes this to be a basic eligibility requirement, not curable after the application deadline.

Section 423a.3(a) addresses action Board staff will take after receiving an application. However, some of the language in final-form subsection (a)(2) (former subsection (a)(4)) was applicable to the applicant's duty to provide information to Board staff. This language was deleted as misplaced and unnecessary as the requirement of an applicant to provide information is addressed in § 421a.1(g).

In § 423a.5, language was added addressing the procedure for the surrender of a license, permit, certification or registration. The provisions added in subsection (d) reflect Board practice and are consistent with the procedural requirements in subsections (a)—(c) associated with requesting to withdraw an application.

Section 427a.1(c) was deleted as unnecessary. Manufacturers are permitted by statute to repair slot machines and associated equipment. See the definition of "manufacturer" in 4 Pa.C.S. § 1103 (relating to definitions) and the provisions associated with repairing machines in 4 Pa.C.S. § 1317.1(b)(6) (relating to manufacturer licenses). Additionally, the Board issues occupation permits to gaming employees who are employed by manufacturers to service and repair slot machines and associated equipment. It is unnecessary to include this provision in the regulation.

Final-form § 427a.6(b) was added so the BIE and the BOL are aware of a contemplated change of control or ownership prior to the licensee filing a petition. This is necessary because there are other licensing provisions triggered by a change of control or ownership, including the requirement that principals apply for a license, which should occur prior to petitioning the Board to change ownership or control of the licensee. This provision is also consistent with the requirement that licensed entities provide information, on an ongoing basis, relating to their financial suitability. Similar language was added in §§ 429a.8(b) and 431a.6(b) applicable to manufacturer designees and suppliers.

In § 433a.3(e), language was added for clarity to reflect that the provisions relate to indirect ownership interests not direct ownership interests. Similar language was also added in § 433a.4(e).

In § 433a.6, manufacturer designees were inadvertently excluded from the proposed rulemaking and were added in this final-form rulemaking to reflect that the requirements in this section are applicable to all entity licensees.

As it relates to § 433a.6(f), this provision formerly provided that if the Board had reason to believe the suitability of a person that holds a debt instrument of a licensee is at issue, the Board may require that person to apply for and obtain a license. The issue with the former provision is that persons that are not required to be licensed would not otherwise appear before the Board for the Board to make a determination as to suitability. This provision was changed in this final-form rulemaking to reflect that Board staff reviews debt instruments and if Board staff had reason to believe that the suitability of the person holding the debt instrument may be at issue, Board staff may require the person to apply and complete the full background investigation before the Board could make a determination as to suitability.

In § 440a.1(a), language was added to reflect that if a slot machine licensee is already operational, a new company contracted to manage the slot machine licensee would have to apply for and obtain a management company license prior to providing services to the slot machine licensee. This amendment was necessary to reflect that companies that manage operational slot machine licensees may change over time.

Section 440a.6 addressing the change in control or ownership of a management company licensee was added. These provisions were added in the proposed rulemaking to manufacturer, manufacturer designee and supplier licensees. Management company licensees were inadvertently not included in the proposed rulemaking. Management companies control and stand in the place of the slot machine licensee. Therefore, prior to changing ownership or those who control the management company licensee, the management company has to file a petition and receive Board approval to do so.

Section 461a.18(f) and (g) (relating to cashless funds transfer systems) is deleted as unnecessary. Cashless fund transfers, or the electronic transfer of credits to a patron at a slot machine, is primarily addressed in the provisions on complimentary services or items that are in § 465a.7 (relating to complimentary services or items). These types of transactions are already captured for audit, accounting and tracking purposes through the facility's slot accounting system and the Department of Revenue's Central Control Computer System.

The requirement in § 465a.2(f) (relating to internal control systems and audit protocols) that licensees provide attestations of changes to their internal controls was deleted as no longer necessary. Internal control changes are submitted electronically and each licensee is given a sign-in which is tied specifically to that licensee. For purposes of this section, the sign-in serves as the attestation.

Section 645a.2(c)(3) (relating to Pai Gow Poker table; Pai Gow Poker shaker; physical characteristics) was deleted as unnecessary. A button is used to mark which player is to receive the first stack of cards once a starting position has already been established, not as a mechanism by which to determine the starting position. Operators either use a shaker or a random number generator to determine starting position.

Language was added in § 645a.6(d) (relating to Pai Gow Poker rankings) clarifying that the royal flush plus royal match has a different definition depending on which Pai Gow Poker, Emperor's Challenge or Fortune, the operator is offering.

The payable in § 645a.13(b) (relating to payout odds; Envy Bonus; rate of progression; payout limitation) was corrected and new paytables were added in subsection (d).

Comment and Response Summary

Notice of proposed rulemaking was published at 43 Pa.B. 6764 (November 16, 2013). Sands Bethworks Gaming, LLC (Sands) and Greenwood Gaming and Entertainment, Inc. (Parx) submitted comments on the proposed rulemaking. Additionally, on January 15, 2014, the Independent Regulatory Review Commission (IRRC) provided comments on the proposed rulemaking.

Regulated community

Parx raised issues with the proposed language in § 623a.4 specifying that Pass Bets in Craps could be wagered only before the come out roll. The language added in subsection (c) is not amending the provisions on

when a Pass Bet may be wagered but is added merely for clarity. In accordance with the existing language in § 623a.3 (relating to wagers), a Pass Bet placed on the Pass Line of the layout can be made immediately prior to the come out roll, as defined in § 623a.1 (relating to definitions). In no other section of the regulations on authorized wagers has a certificate holder ever been authorized to accept a Pass Bet placed on the Pass Line of the layout after the come out point is established. Eliminating the possibility of winning on the come out roll (if the shooter throws a 7 or 11) by allowing the placement of the Pass Bet after the come out roll serves to increase the house edge. If a patron wants to participate in play after the point is already established, the patron can place a Buy or Place Bet. The provisions in this section are also consistent with the rules of play in a neighboring gaming jurisdiction.

Sands objected to three provisions in the proposed rulemaking: the requirement that facilities run credit checks each time a patron requests a credit limit increase; the requirement that operators reverify a patron's credit information prior to reinstating a patron's credit privileges; and the provisions on approval of material debt transactions and notification of refinancing transactions.

As it relates to credit limit increases in § 609a.4, Sands asserts that the statute does not require operators to reverify information prior to temporarily increasing a patron's credit information. The Board does not agree.

The Board has never recognized a this trip only (TTO) or temporary credit increase as the Board does not believe temporary credit increases, without reverification, to be permissible under 4 Pa.C.S. § 13A27(d) (relating to other financial transactions). Section 13A27 of 4 Pa.C.S. requires that if a facility is going to grant credit to a patron, the facility must complete credit application verification, establish a credit limit and two employees must approve the credit limit established.

Once a credit limit is established, the statute is clear on how that credit limit may be increased. Increases to an individual's credit limit may be approved by the licensee provided that two conditions are met: that the patron submits a written request to increase his credit limit; and that the facility reverifies the patron's credit information. The statute does not distinguish between different types of credit limit increases. The Board does not believe the statute to be ambiguous or the requirements discretionary.

Additionally, the issue of TTO or temporary credit limit increases was commented on and addressed when Chapter 609a (relating to credit) was adopted at 42 Pa.B. 2629 (May 12, 2012). The "temporary and permanent" language added in § 609a.4(a) and (c) is not altering what is already required and was added for clarity purposes only. The Board believes that, at a minimum, operators must reverify a patron's casino credit prior to granting any increase to the patron's credit limit.

Sands also objected to the requirement in § 609a.5(e) that operators reverify a patron's consumer and casino credit information if the patron's credit privileges were suspended for any reason. While the Board does not believe the language added expands the requirement instituted in 2012 when Chapter 609a was adopted, the Board acknowledges that there may be operational reasons unrelated to overall creditworthiness of a patron for an operator to temporarily suspend a patron's access to credit (such as updating an expired identification or verifying whether a patron walked with chips).

The Board therefore added language specifying that suspension requires reverification if the suspension was related to a patron's creditworthiness provided that the facility document the reasons why a patron's credit privileges were suspended and thereafter reinstated. Failure to document or to reverify a patron's consumer and casino credit information when the credit suspension was related to a patron's continued creditworthiness, such as a returned check, could result in an enforcement action filed with the Board against the licensee.

As it relates to the sections added at proposed on approval of material debt transactions and notification of refinancing transactions in proposed §§ 441a.25 and 441a.26, the Board withdrew these sections from the final-form rulemaking and will publish a proposed rulemaking at a later date to address financial transactions.

IRRC

Comment

IRRC commented on the deletion of the language in §§ 427a.5 and 431a.4 which allowed a licensed manufacturer or supplier to service and repair slot machines and associated equipment.

Response

As previously discussed, the language was deleted because manufacturers and suppliers are permitted by statute to repair slot machines and associated equipment. See the definition of "manufacturer" and "supplier" in 4 Pa.C.S. § 1103 and the provisions associated with repairing equipment in 4 Pa.C.S. § 1317(b)(4) (relating to supplier licenses) and 4 Pa.C.S. § 1317.1(b)(5). Additionally, the Board issues occupation permits to gaming employees who are employed by slot machine, manufacturer and supplier licensees to service and repair slot machines and associated equipment. See paragraph (6) and the additional language provided after paragraph (14) in the definition of "gaming employee" in 4 Pa.C.S. § 1103. It is therefore unnecessary to include this provision in the regulation as it is already permitted by statute.

Comment

As it relates to the renewal of nongaming employee registrations in § 435a.5, IRRC requested that the Board provide detail regarding how: the regulated community and nongaming employees would be notified of the renewal requirement; nongaming employees and publicly traded GSPs would transition into compliance with the new renewal requirements; the currently registered nongaming employees would obtain registrations with expiration dates; and the 2-year expiration provision would work.

Response—notification

Currently nongaming employees are credentialed with the Board once their initial application has been approved. The credential contains an expiration date. Credentials are valid for 4 years and must be updated with a new photograph upon the expiration of the credential. When the renewal provisions are adopted, the expiration of the nongaming registration will coincide with the expiration date on each nongaming employee's credential. At least 60 days prior to the expiration date on the credential, the nongaming employee would be required to complete the renewal application through the Board's web-based SLOTS Link system. The application is approximately five questions and asks that the employee update information such as address, phone number and criminal history. Typically, completion of the application is

done in the licensee's human resources office just like gaming employee permit renewals.

Response—compliance

To transition licensees into compliance, the Board will utilize the date on each nongaming employee's credential as the renewal date and will provide the licensee with at least 90 days' notice of the employees that are up for renewal. For example, if this final-form rulemaking is published June 20th, at the beginning of July, Board staff will send to the licensees the names of those individuals whose renewal is due in October. In August those set to expire in November would be sent and in September, those set to expire in December would be sent. This will ensure that the applications are received at least 60 days prior to expiration, in conformance with the renewal provisions, and will give the employees at least 30 days to complete the renewal application. Each month Board staff sends out another list to the licensee/employer for those due to expire in the next 90 days. This is the exact process Board staff and the licensees already utilize for gaming employee permit renewals.

The same process would also be utilized for nongaming employees of manufacturers, suppliers and GSPs. The entity/employer would be notified of the renewal deadline at least 90 days prior to the expiration of their employee's registration.

For those nongaming employees who receive an updated photo credential just prior to the effective date of this final-form rulemaking, they would not go through the renewal process until their credential is set to expire. For example, if this final-form rulemaking is published June 20th and the nongaming employee had just received an updated photo credential on May 1, 2015, that credential would remain in effect, without going through the renewal process, until the credential expired on April 30, 2019.

This process should ensure that licensees are not inundated with nongaming renewals all at one time. The Board anticipates that there will be approximately 1,200 nongaming registrations to renew yearly, divided among the slot machine licensees, manufacturers, suppliers and GSPs. This should equate to, on average, less than ten registration renewals per slot machine licensee per month, with a much lower number of renewals for manufacturers, suppliers and GSPs.

Response—employee obtaining a registration with an expiration date

Credentials, which all employees are required to have and which are provided by the Board upon approval of an employee's license, permit or registration, are already imprinted with an expiration date. The Board will sync the credential date with the nongaming employee's renewal date. For key and gaming employees, their credential renewal date and their license/permit renewal date are already one in the same. Employees can look at their Board-issued credentials, which they are required to carry, and see when their licenses/permits are due for renewal.

Response—additional 2-year expiration provision in the proposed rulemaking

The proposed rulemaking provided that although the registrations would be renewed once every 4 years, if a registrant were not employed for 2 years in a position that requires registration that the registration would be deemed expired. After reconsidering the practicality of implementing this provision, the Board deleted the expi-

ration provision from the final-form rulemaking. Registrations will be valid for 4 years. If the registrant does not file a renewal, the registration will expire at the end of the 4-year term.

Comment

IRRC asked that the Board explain how publicly traded GSPs would transition into compliance with the renewal provisions in § 437a.6.

Response

Publicly traded GSPs are not presently required to renew or reaffirm that they are a publicly traded entity and thus exempted from the certification and registration requirements in §§ 437a.2 and 437a.3. This final-form rulemaking requires that the publicly traded GSPs submit a form attesting that the entity is still conducting business with a licensee (and should therefore remain under the jurisdiction of the Board) and that the entity is still eligible for the exemption.

There are approximately 100 publicly traded GSPs that are authorized to conduct business with slot machine licensees that are not otherwise required to apply for certification or registration with the Board. For purposes of renewals, the Board staff will utilize the date on which the publicly traded GSP was placed on the list of GSPs authorized to conduct business. The renewal form is approximately four pages long and is available on the Board's web site.

For those publicly traded GSPs that were placed on the authorized list less than 4 years ago and are thus not yet expired, 120 days prior to expiration the Board staff will send notices that the GSPs must submit renewal forms at least 60 days prior to the expiration of the authorization.

For those publicly traded GSPs that were placed on the authorized list more than 4 years ago, upon publication of the final-form rulemaking, the Board staff will send notice that the GSPs must submit the renewal publicly traded form within 60 days. There are less than 40 GSPs that will fall under this category.

Those that do not file a publicly traded renewal form will be removed from the Board's authorized GSP list and will no longer be under the Board's jurisdiction. GSPs are notified, at the time renewal notifications are sent, that a failure to renew will result in removal of the GSP from the authorized list upon expiration of the GSP's certification, registration or authorization.

Comment

IRRC raised a clarity issue with provisions associated with material debt transactions in proposed §§ 441a.25 and 441a.26.

Response

As previously discussed, the Board withdrew these sections from the final-form rulemaking and will publish a proposed rulemaking at a later date to address financial transactions.

Comment

IRRC asked that the Board provide an explanation regarding why the Board will no longer require licensees to verify a patron's consumer credit information prior to approving a credit limit increase as provided in § 609a.4.

Response

The Board deleted this provision for two reasons. First, consumer credit is dated information, typically at least 60 days old. However, casino credit (run through Central

Credit, which is much like the three consumer credit reporting agencies) is updated more frequently. If a patron has markers with several facilities in this Commonwealth or with another facility that utilized Central Credit, the licensee would have access to that information.

Additionally, and perhaps most importantly, each time a facility runs a patron's consumer credit, the patron's overall credit rating can be negatively affected which can have lasting implications beyond access to casino credit. Casino credit, which is required to be run each time a patron requests a credit limit increase, can be run without repercussions as to the patron's consumer credit score.

Comment

IRRC requested that the Board explain why the requirement to reverify a patron's consumer credit each time an operator receives derogatory information regarding the patron was proposed to be deleted from § 609a.5.

Response

The provision requiring operators to reverify a patron's consumer credit when derogatory information is received was deleted because, in addition to the reasons previously provided, this provision, as formerly written, could, and has, had a compounding negative impact on a patron's consumer credit rating.

If, for example, a patron has lines of credit available with three facilities in this Commonwealth, and the patron has derogatory information reported from a casino in Nevada, all three facilities in this Commonwealth were required to separately reverify the patron's consumer credit information. This would show up as three separate inquiries into a person's consumer credit worthiness even if that patron has not played in facility in this Commonwealth for a period of time or is not currently utilizing credit with any licensed facility. The harm that this could cause to patrons outweighs the potential benefit particularly since derogatory information is typically reported to the licensees through Central Credit. Therefore, it is logical to require reverification of casino credit only.

Based on the Board's experience to date, the Board does not believe it necessary to continue to require licensees to run a patron's consumer credit each time a patron requests a credit limit increase or each time a facility receives derogatory information. However, if the licensee suspends a patron's credit privileges because of a bounced check or based on the nature of derogatory information received, the licensee must run both the patron's casino and consumer credit prior to reinstating the patron's credit privileges.

Affected Parties

Individuals and entities that apply for a license, permit, registration, certification or authorization will be affected by this final-form rulemaking. However, most of the amendments in this final-form rulemaking were done for clarity or to reduce or eliminate requirements with the exception of nongaming employees and authorized publicly traded GSPs. Those employees who are registered and the publicly traded GSPs that are authorized will now be required to renew their registration or authorization every 4 years. Lastly, slot machine licensees will have some additional payout options associated with table games.

Fiscal Impact

Commonwealth. The Board does not expect that this final-form rulemaking will have a substantial fiscal im-

act on the Board or other Commonwealth agencies. Although nongaming employees and publicly traded GSPs will be required to submit renewals, the renewals are conducted only once every 4 years and will not occur at the same time. Additionally, the Board may see some administrative cost savings associated with nongaming employees who no longer work in the gaming industry. Currently there are over 5,000 nongaming employees who are still under the Board's jurisdiction although they have not worked in a position that requires a registration in 2 years or more.

Political subdivisions. This final-form rulemaking will not have fiscal impact on political subdivisions of this Commonwealth.

Private sector. Individuals and entities that apply for a license, permit, registration, certification or authorization will be required to comply with the requirements in this final-form rulemaking. Most of the amendments in this final-form rulemaking will not have a fiscal impact on the regulated community with two exceptions (nongaming employees and GSPs).

Nongaming employees will be required to renew their registration once every 4 years. The renewal fee will be approximately \$40 to cover the cost of fingerprinting and a criminal background check with the Pennsylvania State Police. There are approximately 4,000 individuals who hold a registration and continue to work with a licensee and would therefore be required to renew their registration.

Publicly traded GSPs will also be required to renew their authorization once every 4 years. The renewal fee is \$250, a substantial cost savings over GSP certification or registration renewal. There are approximately 100 publicly traded GSPs that are authorized and not required to apply for certification or registration.

Additionally, GSPs that provide services to slot machine licensees on an emergency basis will no longer be required to complete an application for certification or registration, a cost savings of at least \$2,500. It is unclear how many emergency GSPs will benefit from this amendment.

General public. This final-form rulemaking will not have fiscal impact on the general public.

Paperwork Requirements

This final-form rulemaking eliminates the requirement that applicants for and holders of a slot machine, management company, manufacturer, manufacturer designee or supplier license file copies of SEC filings with the Board. A one-page notification is required. Additionally, applicants will no longer be required to submit three copies of applications, only an original and one copy.

Although nongaming employees will be required to renew their registration, the application is submitted electronically through the Board's SLOTS Link system and a paper submission typically is not required.

For publicly traded GSPs that will be required to renew their authorization, the application is approximately four pages long and is available on the Board's web site.

Regarding institutional investors, the Institutional Investor Notice of Ownership Form and Passive Investor Affirmation, which is required under § 433a.5, is a single page, plus instructions and an affirmation page.

Effective Date

This final-form rulemaking will become effective upon publication in the *Pennsylvania Bulletin*. As it relates to

nongaming employee renewals, notification will be sent at least 90 days prior to the expiration of the employee's registration to ensure compliance. Authorized publicly traded GSPs will have 60 days from the date the notification is sent to submit the authorization renewal form.

Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P. S. § 745.5(a)), on November 4, 2013, the Board submitted a copy of the notice of proposed rulemaking, published at 43 Pa.B. 6764, to IRRC and the Chairpersons of the House Gaming Oversight Committee and the Senate Community, Economic and Recreational Development Committee for review and comment.

Under section 5(c) of the Regulatory Review Act, IRRC and the House and Senate Committees were provided with copies of the comments received during the public comment period, as well as other documents when requested. In preparing the final-form rulemaking, the Board has considered all comments from IRRC, the House and Senate Committees and the public.

Under section 5.1(j.2) of the Regulatory Review Act (71 P. S. § 745.5a(j.2)), on April 15, 2015, the final-form rulemaking was deemed approved by the House and Senate Committees. Under section 5.1(e) of the Regulatory Review Act, IRRC met on April 16, 2015, and approved the final-form rulemaking.

Findings

The Board finds that:

(1) Public notice of intention to adopt these amendments was given under sections 201 and 202 of the act of July 31, 1968 (P. L. 769, No. 240) (45 P. S. §§ 1201 and 1202) and the regulations thereunder, 1 Pa. Code §§ 7.1 and 7.2.

(2) The final-form rulemaking is necessary and appropriate for the administration and enforcement of 4 Pa.C.S. Part II (relating to gaming).

Order

The Board, acting under 4 Pa.C.S. Part II, orders that:

(1) The regulations of the Board, 58 Pa. Code Chapters 421a, 423a, 425a, 427a, 429a, 431a, 433a, 435a, 437a, 440a, 441a, 461a, 465a, 609a, 623a, 633a, 643a and 645a, are amended by adding §§ 423a.6a, 427a.6, 429a.8, 431a.6, 437a.3a, 440a.6, 441a.11a and 441a.20a, deleting § 435a.9 and amending §§ 421a.1—421a.5, 423a.1—423a.3, 423a.5, 423a.6, 423a.7, 425a.1, 427a.1, 427a.2, 427a.4, 427a.5, 429a.1—429a.7, 431a.1—431a.5, 433a.1, 433a.3—433a.8, 435a.1—435a.3, 435a.5, 435a.6, 435a.8, 435a.9a, 435a.10, 437a.1—437a.3, 437a.4—437a.8, 437a.10, 437a.11, 440a.1—440a.3, 440a.5, 441a.1—441a.7, 441a.9, 441a.10, 441a.15, 441a.17—441a.19, 441a.21, 461a.7, 461a.18, 465a.2, 465a.24, 609a.4, 609a.5, 623a.4, 623a.5, 633a.7, 633a.9, 643a.12, 645a.2, 645a.5, 645a.6 and 645a.13 to read as set forth in Annex A, with ellipses referring to the existing text of the regulations.

(Editor's Note: The addition of § 440a.6 and the amendments to §§ 461a.18, 465a.2, 645a.2, 645a.6 and 645a.13 were not included in the proposed rulemaking published at 43 Pa.B. 6764. The proposed rescission of § 441a.11 and proposed §§ 441a.24—441a.26 have been withdrawn by the Board.)

(2) The Chairperson of the Board shall certify this order and Annex A and deposit them with the Legislative Reference Bureau as required by law.

(3) This order shall take effect upon publication in the *Pennsylvania Bulletin*.

WILLIAM H. RYAN, Jr.,
Chairperson

(Editor's Note: For the text of the order of the Independent Regulatory Review Commission relating to this document, see 45 Pa.B. 2218 (May 2, 2015).)

Fiscal Note: Fiscal Note 125-175 remains valid for the final adoption of the subject regulations.

Annex A

TITLE 58. RECREATION

PART VII. GAMING CONTROL BOARD

Subpart B. LICENSING, PERMITTING, CERTIFICATION AND REGISTRATION

CHAPTER 421a. GENERAL PROVISIONS

§ 421a.1. General requirements.

(a) A license, permit, certification, registration or authorization issued by the Board is a revocable privilege. No person holding a license, permit, certification, registration or authorization is deemed to have any property rights related to the license, permit, certification, registration or authorization.

(b) By filing an application with the Board, an applicant consents to an investigation, to the extent deemed appropriate by the Bureau, of the applicant's general suitability, financial suitability, character, integrity and ability to engage in, or be associated with, gaming activity in this Commonwealth.

(c) By filing an application for a license, permit, certification, registration or authorization from the Board, an applicant agrees to:

(1) Abide by the provisions of the act and this part.

(2) Waive liability as to the Board, its members, its employees, the Pennsylvania State Police, the Commonwealth and its instrumentalities for damages resulting from disclosure or publication in any manner, other than a willfully unlawful disclosure or publication of material or information acquired during an investigation of the applicant.

(3) Execute all releases requested by Board staff, including releases whereby the applicant consents to the release of information that may be requested by the individual under section 1 of the Freedom of Information Act (5 U.S.C.A. § 552).

(d) An applicant for or holder of a license, permit, certification, registration or authorization may not give, or offer to give, compensation or reward or a percentage or share of the money or property played or received through gaming to a public official or public employee in consideration for or in exchange for obtaining a license, permit, certification registration or authorization issued pursuant to this part.

(e) An applicant for or holder of a license, permit, certification, registration or authorization shall have a continuing duty to inform the Bureau of:

(1) An action which the applicant for or holder of a license, permit, certification, registration or authorization believes would constitute a violation of the act or the Board's regulations. A person who so informs the Bureau may not be discriminated against by an applicant for or holder of a license, permit, certification, registration or authorization for supplying the information.

(2) A change in circumstances that may render the applicant for or holder of a license, permit, certification, registration or authorization ineligible, unqualified or unsuitable to hold a license, permit, certification, registration or authorization under the act and this part including an arrest, charge, indictment or conviction for:

- (i) An offense involving moral turpitude.
- (ii) An offense under 18 Pa.C.S. (relating to Crimes Code).
- (iii) An offense under 75 Pa.C.S. (relating to Vehicle Code) which is punishable by 1 year or more.
- (iv) An offense under section 13(a) of The Controlled Substance, Drug, Device and Cosmetic Act (35 P.S. § 780-113(a)), regarding prohibited acts and penalties.
- (v) A felony offense.
- (vi) A comparable offense in other states or foreign jurisdictions.

(f) An applicant for or holder of a license, permit, certification, registration or authorization shall have a continuing duty to inform the Bureau of Licensing of changes in the information supplied to the Bureau of Licensing in or in conjunction with the original or renewal application.

(g) An applicant for or holder of a license, permit, certification, registration or authorization shall have a continuing duty to promptly provide information requested by Board staff relating to its application and cooperate with Board staff in investigations, hearings, and enforcement and disciplinary actions.

(h) An applicant shall at all times have the burden of proof. It shall be the applicant's affirmative responsibility to establish the facts supporting its suitability under the act and this part by clear and convincing evidence, including why a license, permit, certification, registration or authorization should be issued or renewed by the Board.

(i) A person holding a license, permit, certification, registration or authorization issued by the Board shall have a continuing duty to maintain suitability and eligibility in accordance with the act and this part.

§ 421a.2. Disqualification criteria.

(a) An application for issuance or renewal of a license, permit, certification, registration or authorization may be denied, or a license, permit, certification, registration or authorization may be suspended or revoked if:

(1) The applicant has failed to prove to the satisfaction of the Board that the applicant or any of the persons required to be qualified are in fact qualified in accordance with the act and with this part.

(2) The applicant for or holder of a license, permit, certification, registration or authorization has violated the act or this part.

(3) The applicant for or holder of a license, permit, certification, registration or authorization is disqualified under the criteria in the act.

(4) The applicant for or holder of a license, permit, certification, registration or authorization has misrepresented, falsified or omitted a fact in the application for licensure or renewal.

(5) The applicant for or holder of a license, permit, certification, registration or authorization has failed to comply with Federal, state or local laws or regulations.

(6) The applicant for or holder of a license, permit, certification, registration or authorization is not current or is in arrears on a financial obligation owed to the Commonwealth or a subdivision thereof, including court-ordered child support payments.

(b) An individual will be disqualified from obtaining or holding:

(1) A principal or key employee license if the individual has been convicted of a:

- (i) Felony offense in any jurisdiction.
- (ii) Misdemeanor gambling offense in any jurisdiction, unless 15 years have elapsed from the date of conviction for the offense.

(2) A permit if the individual has been convicted of a felony or misdemeanor gambling offense in any jurisdiction unless 15 years have elapsed from the date of conviction for the offense.

(c) When considering an application for registration from an individual who has been convicted of a felony or misdemeanor gaming offense in any jurisdiction, a permit from an individual who has been convicted of a felony or misdemeanor gaming offense in any jurisdiction when 15 years have elapsed from the date of the conviction for the offense, or a license from an individual who has been convicted of a misdemeanor gaming offense in any jurisdiction when 15 years have elapsed from the date of the conviction for the offense, the Board will consider:

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

(2) The nature and seriousness of the offense or conduct.

(3) The circumstances under which the offense or conduct occurred.

(4) The age of the applicant when the offense or conduct was committed.

(5) Whether the offense or conduct was an isolated or a repeated incident.

(6) Evidence of rehabilitation, including good conduct in the community, counseling or psychiatric treatment received and the recommendation of persons who have substantial contact with the applicant.

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

(1) An offense punishable under the laws of the Commonwealth by imprisonment for more than 5 years.

(2) An offense which, under the laws of another jurisdiction, is either:

- (i) Classified as a felony.
- (ii) Punishable by imprisonment for more than 5 years.

(3) An offense under the laws of another jurisdiction which, if committed in this Commonwealth, would be subject to imprisonment for more than 5 years.

(e) An individual may not be employed in this Commonwealth by an applicant for or holder of a license, certification, registration or authorization under this part in any capacity unless the individual is a citizen of the United States or can demonstrate that he holds a current and valid work authorization and is not restricted from working in the capacity for which employment is sought or held.

(f) A denial of an application or nonrenewal, suspension or revocation of a license, permit, certification, registra-

tion or authorization may be made for a sufficient cause consistent with the act, this part and the public interest.

§ 421a.3. Investigations; supplementary information.

(a) The Bureau may make an inquiry or investigation concerning an applicant for or holder of a license, permit, certification, registration or authorization or any affiliate, intermediary, subsidiary or holding company of the applicant for or holder of a license, permit, certification, registration or authorization as it may deem appropriate either at the time of the initial application or at any time thereafter.

(b) It is the continuing duty of an applicant and a holder of a license, permit, certification, registration or authorization to provide full cooperation to the Bureau in the conduct of an inquiry or investigation and to provide supplementary information requested by the Bureau.

(c) An applicant for an initial or renewal license, permit, registration, certification or authorization will be required to reimburse the Board for additional costs, based on the actual expenses incurred, in conducting the background investigation.

§ 421a.4. Presuitability determination.

(a) Upon request from an eligible applicant for or holder of a license and upon receipt of an application and appropriate fees, the Bureau will make an inquiry or investigation of a potential purchaser of an applicant for or holder of a license as if the purchaser were an eligible applicant.

(b) The eligible applicant for or holder of a license making the request shall reimburse the costs associated with the inquiry or investigation.

(c) This inquiry or investigation does not replace the application process required under the act and this part which is a requirement for licensure.

§ 421a.5. Undue concentration of economic opportunities and control.

(a) In accordance with section 1102(5) of the act (relating to legislative intent), a slot machine license, management company license or principal license may not be issued to or held by a person if the Board determines that the issuance or holding will result in the undue concentration of economic opportunities and control of the licensed gaming facilities in this Commonwealth by that person.

(b) For purposes of this section, "undue concentration of economic opportunities and control of the licensed gaming facilities" means that a person:

(1) Would have actual or potential domination of the gaming market in this Commonwealth contrary to the legislative intent.

(2) Could substantially impede or suppress competition among licensees.

(3) Could adversely impact the economic stability of the gaming industry in this Commonwealth.

(c) In determining whether the issuance or holding of a license by a person will result in undue concentration of economic opportunities and control of the licensed gaming facilities in this Commonwealth, the Board will consider the following criteria:

(1) The percentage share of the market presently controlled by the person in each of the following categories:

(i) Total number of slot machine licenses available under section 1307 of the act (relating to number of slot machine licenses).

(ii) Total gaming floor square footage.

(iii) Number of slot machines and table games.

(iv) Gross terminal and table game revenue.

(v) Net terminal and table game revenue.

(vi) Number of persons employed by the licensee.

(2) The estimated increase in the market share in the categories in paragraph (1) if the person is issued or permitted to hold the license.

(3) The relative position of other persons who hold licenses, as evidenced by the market share of each person in the categories in paragraph (1).

(4) The current and projected financial condition of the industry.

(5) Current market conditions, including level of competition, consumer demand, market concentration, any consolidation trends in the industry and other relevant characteristics of the market.

(6) Whether the gaming facilities held or to be held by the person have separate organizational structures or other independent obligations.

(7) The potential impact of licensure on the projected future growth and development of the gaming industry in this Commonwealth and the growth and development of the host communities.

(8) The barriers to entry into the gaming industry, including the licensure requirements of the act, and whether the issuance or holding of a license by the person will operate as a barrier to new companies and individuals desiring to enter the market.

(9) Whether the issuance or holding of the license by the person will adversely impact consumer interests, or whether the issuance or holding is likely to result in enhancing the quality and customer appeal of products and services offered by slot machine licensees to maintain or increase their respective market shares.

(10) Whether a restriction on the issuance or holding of an additional license by the person is necessary to encourage and preserve competition and to prevent undue concentration of economic opportunities and control of the licensed gaming facilities.

(11) Other evidence related to concentration of economic opportunities and control of the licensed gaming facilities in this Commonwealth.

CHAPTER 423a. APPLICATIONS; STATEMENT OF CONDITIONS; WAGERING RESTRICTIONS

§ 423a.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) An application shall be submitted on forms or in an electronic format supplied or approved by the Board, contain the information and documents required by the Board and include the applicable fees.

(c) Upon request of the Board or Board staff, the applicant shall further supplement information provided in the application. The applicant shall provide 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.

(d) The application, and amendments thereto, and other specific documents designated by the Board shall be sworn to or affirmed by the applicant before a notary public. If there is any change in the information provided to the Board or Board staff, the applicant shall promptly file a written amendment.

(e) The Board will deny the application of an applicant who refuses to submit to a background investigation or provide requested information as required under the act.

(f) 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. At its discretion, the Board may accept an English summary of a document instead of a complete translation of the document. The summary or 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 summary or translation.

(g) An application and related materials that have been submitted to the Board will become the property of the Board and will not be returned to the applicant.

§ 423a.2. Preliminary submission review.

(a) Upon receipt of an application submission, the Bureau of Licensing will review the submission to ensure that it contains:

- (1) The applicable application fee.
- (2) The applicable application forms and additional information and accompanying documentation required by the act or the Board's regulations governing the specific type of application.
- (3) Completed authorization forms for release of information from governmental agencies and other entities required for the specific type of application.

(4) For slot machine license applications only, a bond or letter of credit as required by section 1313(c) of the act (relating to slot machine license application financial fitness requirements).

(b) If an application submission fails to include one or more of the items in subsection (a)(1)—(3), the applicant will be notified and given an opportunity to cure the deficiency.

§ 423a.3. Application processing.

(a) Upon a determination that an application is required and the prerequisites for filing have been met, the application will be accepted for filing and Board staff, if applicable, will:

- (1) Obtain information as may be necessary to determine the qualifications of the applicant and any matter relating to the application.
- (2) Promptly conduct an investigation of the applicant and on any matter relating to the application.
- (3) Request the Pennsylvania State Police to provide a criminal history background investigation report, determine employee eligibility consistent with § 435a.1 (relating to general provisions), conduct fingerprinting, photograph the applicant and perform other related duties in accordance with the act.

(4) Request the Department to promptly conduct a tax clearance review.

(5) Request the Department of Labor and Industry to perform an Unemployment Compensation Tax clearance review and a Workers Compensation Tax clearance review.

(6) Request any agencies, entities or persons to conduct investigations or evaluations or to provide information to the Board as deemed necessary by the Board.

(b) The Board will keep and maintain a record of all applicants under this part together with a record of all actions taken with respect to applicants.

(c) An application submitted under this part and information obtained by Board staff relating to the application will be part of the evidentiary record. The Board's decision to approve, issue or deny a license, permit, registration or certification will be based solely on the evidentiary record before the Board.

§ 423a.5. Application withdrawal and surrender.

(a) A request for withdrawal of an application may be made at any time prior to the Board taking action on the application in accordance with the following requirements:

(1) A request for withdrawal of an entity applying for a license, certification or registration, or an individual applying for a principal license or a qualifier of an entity applying for a license or certification shall be made by filing a petition with the Board in accordance with § 493a.4 (relating to petitions generally).

(2) A request for withdrawal of an individual applying for a key employee license, a permit or registration shall be made on a form supplied by the Bureau of Licensing. If Board staff objects to the request for withdrawal, the person filing the form will be notified and may be required to file a petition for withdrawal with the Board in accordance with § 493a.4.

(b) The petition or form must set forth the reasons for the withdrawal.

(c) When rendering a decision on a petition for withdrawal, the Board may set the conditions of withdrawal and may deny or grant the request with or without prejudice.

(d) A request to surrender a license, permit, certification or registration may be made in accordance with the following requirements:

(1) An entity holding a license, certification or registration, an individual holding a principal license or a qualifier of an entity holding a license or certification that is requesting to surrender shall file a petition with the Board in accordance with § 493a.4.

(2) An individual holding a key employee license, permit or registration who is requesting to surrender the license, permit or registration shall file the request on a form supplied by the Bureau of Licensing.

(e) The petition or form must set forth the reasons for the surrender.

(f) Unless the Board otherwise directs, fees or other payments relating to the application, license, permit, registration or certification will not be refundable by reason of the withdrawal or surrender. Additionally, fees and costs owed to the Board shall be paid prior to granting a withdrawal or surrender.

§ 423a.6. License, permit, registration and certification issuance and statement of conditions.

(a) *Issuance criteria.* In addition to the criteria contained in the act, the Board will not issue or renew a license, permit, certification or registration unless the Board finds that the following criteria have been established by the applicant:

- (1) The applicant has paid all applicable fees.
- (2) The applicant has fulfilled each condition set by the Board or contained in the act, including the execution of a statement of conditions.
- (3) The applicant is found suitable consistent with the laws of the Commonwealth and is otherwise qualified to be issued a license, permit, certification, registration or other authorization.

(b) *Statement of conditions.*

(1) For the purposes of this subsection, "executive officer" means the individual holding the highest ranking management position within the entity and who is authorized to legally bind the entity. If the entity elects to designate another competent individual with a direct reporting relationship to its executive officer to execute the statement of conditions required in this section and otherwise legally bind the entity, the entity shall adopt a resolution identifying and authorizing the individual to act on behalf of both the entity and its executive officer. A copy of the resolution shall be provided to the Bureau of Licensing and attached to the Statement of Conditions.

(2) If the Board approves an entity's application for or renewal of a license the executive officer of the entity, or other competent individual designated by the entity in accordance with paragraph (1), shall execute a Statement of Conditions in the manner and form required by the Board. Execution of the Statement of Conditions constitutes the acceptance of each provision contained in the Statement of Conditions by both the entity and the executive officer. The executive officer shall ensure that the entity fully complies with each provision contained in the statement of conditions.

(3) At the time of application for registration or certification, the executive officer, or other competent individual designated by the applicant in accordance with paragraph (1), of a gaming service provider or gaming related gaming service provider shall execute a Statement of Conditions in the manner and form required by the Board. The execution of the Statement of Conditions constitutes the acceptance of each provision in the Statement of Conditions by both the entity and the executive officer. The executive officer shall ensure that the entity fully complies with each provision in the Statement of Conditions.

(4) An individual who has applied for the issuance or renewal of a license, permit, certification, registration or authorization shall execute a statement of conditions in the manner and form required by the Board. The execution of the Statement of Conditions constitutes the acceptance of each provision contained in the statement of conditions.

(5) Failure to fully comply with any provision contained in an executed Statement of Conditions constitutes a violation and may result in Board-imposed administrative sanctions, up to and including revocation, against the individual or entity to whom the license, permit, certification, registration or authorization was issued.

§ 423a.6a. Restriction on wagering after issuance of a license, permit, registration or certification.

(a) An individual who holds a license, permit or registration and is currently employed by or is a principal of a slot machine licensee may not wager at any slot machine or table game in the licensed facility in which the licensee, permittee or registrant is currently employed or associated. The licensed, permitted or registered individual shall wait at least 30 days following the date that the individual is no longer employed in a position that requires a license, permit or registration before the individual may wager at the licensed facility.

(b) An employee of a slot machine licensee who is not required to obtain a license, permit or registration may not wager in the licensed facility in which the employee is currently employed.

(c) An individual who holds a license, permit or registration and is currently employed by a manufacturer, manufacturer designee, supplier or gaming related gaming service provider may not wager at a slot machine or table game in the licensed facility in which the individual is servicing or installing table games, table game devices, slot machines or associated equipment while the individual is at the licensed facility in the performance of the individual's job duties.

(d) An individual who is a qualifier of a gaming junket enterprise or an individual who is employed as a gaming junket representative may not wager at a slot machine or table game in the licensed facility in which the gaming junket enterprise has an ongoing contractual agreement.

§ 423a.7. Restriction on application after withdrawal with prejudice, denial or revocation.

(a) A person whose application has been withdrawn with prejudice, denied or whose license, permit, registration or certification has been revoked may not apply for a license, permit, certification or registration for 5 years from the date that the application was withdrawn with prejudice, denied or the license, permit, certification or registration was revoked.

(b) The 5-year restriction in subsection (a) will not apply:

(1) To applicants for a slot machine license if the denial was for reasons other than unsuitability.

(2) If the denial or revocation was based on pending charges for a disqualifying offense under section 1213 or 1518 of the act (relating to license or permit prohibition; and prohibited acts; penalties), 18 Pa.C.S. (relating to Crimes Code) or the criminal laws of any other jurisdiction and the pending charges did not result in conviction of the disqualifying offense.

(c) Two years from the date that the application was withdrawn with prejudice, denied or the license, permit, certification or registration was revoked, a person may file a petition for permission to apply for a license, permit, certification or registration before the expiration of the 5-year period.

(d) A petition filed under subsection (c) shall be filed in accordance with § 493a.4 (relating to petitions generally).

(e) Petitions filed under subsection (c) must contain:

(1) An explanation of how the conditions that were the basis for withdrawal with prejudice, denial or revocation have been corrected or no longer exist.

(2) Supporting materials that demonstrate that the person meets the requirements for a license, permit, certification or registration.

(3) If the withdrawal with prejudice, denial or revocation was the result of a conviction, the petition must include evidence of rehabilitation, such as:

- (i) The nature and seriousness of the offense or conduct.
- (ii) The circumstances under which the offense or conduct occurred.
- (iii) The date of the offense or conduct.
- (iv) The age of the applicant when the offense or conduct was committed.
- (v) Whether the offense or conduct was an isolated or repeated incident.
- (vi) Social conditions which may have contributed to the offense or conduct.
- (vii) Evidence of rehabilitation, including good conduct in prison or in the community, counseling or psychiatric treatment received, acquisition of additional academic or vocational schooling, successful participation in correctional work-release programs, or the recommendation of persons who have or have had the applicant under their supervision.
- (viii) Evidence that all obligations for restitution, fines and penalties have been met.

CHAPTER 425a. LICENSED ENTITY REPRESENTATIVES

§ 425a.1. Registration.

- (a) A licensed entity representative shall file a completed Licensed Entity Representation Registration Form with the Bureau of Licensing, which includes the individual's name, employer or firm, address, telephone number and the licensed entity being represented.
- (b) A licensed entity representative shall update its registration information on an ongoing basis.
- (c) The Board will maintain a list of licensed entity representatives. The registration list will be available for public inspection at the offices of the Board and on the Board's web site.

CHAPTER 427a. MANUFACTURERS

§ 427a.1. Manufacturer general requirements.

- (a) A manufacturer seeking to manufacture slot machines, table game devices and associated equipment for use in this Commonwealth shall apply to the Board for a manufacturer license.
- (b) In accordance with section 1317.1 of the act (relating to manufacturer licenses), an applicant for or the holder of a manufacturer license or any of the applicant's or holder's affiliates, intermediaries, subsidiaries or holding companies may not apply for or hold a slot machine license or supplier license.

§ 427a.2. Manufacturer license applications and standards.

- (a) An applicant for a manufacturer license shall submit:
 - (1) An original and one copy of the Manufacturer Application and Disclosure Information Form for the applicant and each of the applicant's principal affiliates.
 - (2) The nonrefundable application fee posted on the Board's web site.
 - (3) A diversity plan as set forth in section 1325(b) of the act (relating to license or permit issuance) and Chapter 481a (relating to diversity).

(4) An application from every key employee under § 435a.2 (relating to key employee license) and principal under Chapter 433a (relating to principal licenses) as specified by the Manufacturer Application and Disclosure Information Form and other persons as determined by the Board.

(5) An affirmation that neither the applicant nor any of its affiliates, intermediaries, subsidiaries or holding companies is an applicant for or holder of a slot machine license, and that the applicant has neither applied for nor holds a supplier license.

(6) A sworn or affirmed statement that the applicant has developed and implemented internal safeguards and policies to prevent a violation of section 1513 of the act (relating to political influence) and a copy the safeguards and policies.

(b) In addition to the materials required under subsection (a), an applicant for a manufacturer license shall:

- (1) Comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).
- (2) Demonstrate that the applicant has the ability to manufacture, build, rebuild, repair, fabricate, assemble, produce, program, design or otherwise make modifications to slot machines, table game devices or associated equipment which meet one or more of the following criteria:

- (i) Are specifically designed for use in the operation of a slot machine or table game device.
- (ii) Are needed to conduct an authorized game.
- (iii) Have the capacity to affect the outcome of the play of a game.
- (iv) Have the capacity to affect the calculation, storage, collection or control of gross terminal revenue.
- (c) In determining whether an applicant is suitable to be licensed as a manufacturer under this section, the Board will consider the following:

- (1) The financial fitness, good character, honesty, integrity and responsibility of the applicant.
- (2) If all principals of the applicant are eligible and suitable under the standards of section 1317.1 of the act (relating to manufacturer licenses).
- (3) The integrity of all financial backers.
- (4) The suitability of the applicant and the principals of the applicant based on the satisfactory results of:
 - (i) The background investigation of the principals.
 - (ii) A current tax clearance review performed by the Department.
 - (iii) A current Unemployment Compensation Tax clearance review and a Workers Compensation Tax clearance review performed by the Department of Labor and Industry.

§ 427a.4. Alternative manufacturer licensing standards.

(a) If an applicant for a manufacturer license holds a similar license in another jurisdiction in the United States, the applicant may submit with its application required under § 427a.2(a) (relating to manufacturer license applications and standards) a request for the Board to adopt an abbreviated licensing process under section 1319 of the act (relating to alternative manufacturer licensing standards).

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

(1) The Board determines, after investigation, that the licensing standards in the jurisdiction in which the applicant is licensed are similarly comprehensive, thorough and provide equal, if not greater, safeguards as provided in the act and that granting the request is in the public interest.

(2) The applicant has provided a copy of its most recent application or renewal for the similar license in the other jurisdiction and a copy of the license or the order issued by the other jurisdiction granting the license.

(3) The applicant has no administrative or enforcement actions pending in another jurisdiction or the applicant has adequately disclosed and explained the action to the satisfaction of the Board.

(4) There are no pending or ongoing investigations of the applicant in another jurisdiction which may render the applicant unsuitable or the applicant has adequately disclosed and explained the investigation to the satisfaction of the Board.

(c) This section may not be construed to waive fees associated with obtaining a license through the application process in this Commonwealth.

§ 427a.5. Responsibilities of a manufacturer.

(a) A holder of a manufacturer license shall have a continuing duty to:

(1) Comply with the general requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(2) For publicly traded manufacturers, provide notification of all SEC filings or if the manufacturer is publicly traded on a foreign exchange, a copy of all filings submitted to the securities regulator that has jurisdiction over the foreign publicly traded corporation. The notification or copies of the filings shall be submitted to the Bureau of Licensing within 30 days after the date of filing with the SEC or securities regulator that has jurisdiction over the foreign publicly traded corporation.

(b) An employee of a licensed manufacturer who is a gaming or nongaming employee as defined in § 401a.3 (relating to definitions) shall obtain a permit under § 435a.3 (relating to occupation permit) or registration under § 435a.5 (relating to nongaming employee registration).

§ 427a.6. Change of control of a manufacturer licensee.

(a) For purposes of this section, a change of control of a manufacturer licensee will be deemed to have occurred when a person or group of persons acquires:

(1) More than 20% of a manufacturer licensee's securities, assets or other ownership interests.

(2) More than 20% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the manufacturer licensee.

(3) Any other interest in a manufacturer licensee which allows the acquirer to control the manufacturer licensee.

(b) A manufacturer licensee shall notify the Bureau and the Bureau of Licensing by filing a Notification of Proposed Transfer of Interest Form immediately upon becoming aware of any proposed or contemplated change of control of the manufacturer licensee.

(c) Prior to acquiring a controlling interest in a manufacturer licensee, the acquirer shall file a petition in accordance with § 493a.4 (relating to petitions generally) requesting Board approval of the acquisition. The petition must include:

(1) A copy of all documents governing the acquisition.

(2) Completed applications for the acquiring company, as required under this chapter, principals as required under Chapter 433a (relating to principal licenses) and key employees as required under § 435a.2 (relating to key employee license).

(3) An affirmation that neither the acquirer nor any of its affiliates, intermediaries, subsidiaries or holding companies is a slot machine licensee and that the acquirer has neither applied for nor holds a supplier license.

(d) A person or group of persons seeking to acquire a controlling interest in a manufacturer licensee shall promptly provide any additional information requested by the Board and Board staff and cooperate with the Bureau in any investigations related to the petition filed under subsection (b).

(e) A person or group of persons may not acquire a controlling interest in a manufacturer licensee until the petition required under subsection (b) has been approved. A person or group of persons seeking to acquire a controlling interest in a manufacturer licensee and the manufacturer licensee may enter into an agreement of sale that is contingent on Board approval of the petition.

(f) The requirements of this section do not apply to the acquisition of a controlling interest in a manufacturer licensee when the following conditions are met:

(1) The acquirer is an existing licensed manufacturer.

(2) The existing licensed manufacturer has provided the Bureau and the Bureau of Licensing notification and a copy of all documents governing the acquisition at least 60 days prior to the acquisition.

(3) After reviewing the documentation, the Bureau and the Bureau of Licensing determine that the filing of a petition is not required.

CHAPTER 429a. MANUFACTURER DESIGNEES

§ 429a.1. Manufacturer designee general requirements.

(a) A manufacturer designee seeking to supply or repair slot machines, table game devices and associated equipment for use in this Commonwealth shall apply to the Board for a manufacturer designee license.

(b) In accordance with section 1317.1 of the act (relating to manufacturer licenses), an applicant for or the holder of a manufacturer designee license or any of the applicant's or holder's affiliates, intermediaries, subsidiaries or holding companies may not apply for or hold a slot machine license or supplier license.

(c) A licensed manufacturer designee may supply or repair slot machines, table game devices or associated equipment manufactured by a manufacturer with whom the manufacturer designee has an agreement or has executed a contract authorizing the manufacturer designee to do so.

§ 429a.2. Manufacturer designee license applications and standards.

(a) An applicant for a manufacturer designee license shall submit:

(1) An original and one copy of the Manufacturer Designee Application and Disclosure Information Form unless otherwise directed by the Board.

(2) The nonrefundable application fee posted on the Board's web site.

(3) A diversity plan as set forth in section 1325(b) of the act (relating to license or permit issuance) and Chapter 481a (relating to diversity).

(4) An application from every key employee under § 435a.2 (relating to key employee license) and principal under Chapter 433a (relating to principal licenses) as specified by the Manufacturer Designee Application and Disclosure Information Form.

(5) An affirmation that neither the applicant nor any of its affiliates, intermediaries, subsidiaries or holding companies is an applicant for or a holder of a slot machine license.

(6) A sworn or affirmed statement that the applicant has developed and implemented internal safeguards and policies to prevent a violation of section 1513 of the act (relating to political influence) and a copy of the safeguards and policies.

(b) In addition to the materials required under subsection (a), an applicant for a manufacturer designee license shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) In determining whether an applicant will be licensed as a manufacturer designee under this section, the Board will consider the following:

(1) The financial fitness, good character, honesty, integrity and responsibility of the applicant.

(2) If all principals of the applicant are individually eligible and suitable under the standards in section 1317.1 of the act (relating to manufacturer licenses).

(3) The integrity of all financial backers.

(4) The suitability of the applicant and all principals of the applicant based on the satisfactory results of:

(i) A background investigation of all principals.

(ii) A current tax clearance review performed by the Department.

(iii) A current Unemployment Compensation Tax clearance review and a Workers Compensation Tax clearance review performed by the Department of Labor and Industry.

§ 429a.3. Additional manufacturer designee licenses.

(a) A licensed manufacturer designee whose license is in good standing may submit for an additional manufacturer designation for a different licensed manufacturer by submitting:

(1) An original and one copy of the Additional Manufacturer Designee Application and Disclosure Information Form unless otherwise directed by the Board.

(2) The nonrefundable designation fee posted on the Board's web site.

(b) A manufacturer designee that has requested an additional manufacturer designation shall also comply with § 429a.2(b) (relating to manufacturer designee license applications and standards).

§ 429a.4. Manufacturer designee license term and renewal.

(a) The initial manufacturer designee license will be valid for 1 year from the date of approval of the license by the Board. Renewals of a manufacturer designee license will be valid for 3 years from the date of the approval of the renewal of the license by the Board.

(b) A renewal application and renewal fee shall be filed at least 2 months prior to the expiration of the current license.

(c) A manufacturer designee license for which a completed renewal application and fee has been received by the Board will continue in effect for an additional 6-month period or until acted upon by the Board, whichever occurs first.

§ 429a.5. Responsibilities of a manufacturer designee.

(a) A holder of a manufacturer designee license shall have a continuing duty to:

(1) Comply with the general requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(2) For publicly traded manufacturer designees, provide notification of all SEC filings or if the manufacturer designee is publicly traded on a foreign exchange, a copy of all filings submitted to the securities regulator that has jurisdiction over the foreign publicly traded corporation. The notification or copies of the filings shall be submitted to the Bureau of Licensing within 30 days after the date of filing with the SEC or securities regulator that has jurisdiction over the foreign publicly traded corporation.

(b) An employee of a licensed manufacturer designee who is a gaming or nongaming employee as defined in § 401a.3 (relating to definitions) shall obtain a permit under § 435a.3 (relating to occupation permit) or registration under § 435a.5 (relating to nongaming employee registration).

§ 429a.6. Manufacturer designee as agent.

(a) Notwithstanding any provision to the contrary in a contract between a licensed manufacturer and a licensed manufacturer designee, the licensed manufacturer designee shall be an agent of the licensed manufacturer for the purposes of imposing liability for any act or omission of the licensed manufacturer designee in violation of the act or this part.

(b) Notwithstanding any provision to the contrary in a contract between a licensed manufacturer and a licensed manufacturer designee, the licensed manufacturer may be jointly and severally liable for any act or omission by the licensed manufacturer designee in violation of the act or this part, regardless of actual knowledge by the licensed manufacturer of the act or omission.

§ 429a.7. Manufacturer designee agreements.

(a) Agreements, and any amendments thereto, between a licensed manufacturer and a licensed manufacturer designee shall be submitted to the Bureau of Licensing for review.

(b) Amendments to agreements between a licensed manufacturer and a licensed manufacturer designee shall be submitted to the Bureau of Licensing for review at least 30 days prior to the effective date of the proposed amendment.

(c) An agreement between a licensed manufacturer and a licensed manufacturer designee submitted for Bureau of

Licensing review must enumerate with specificity the responsibilities of the licensed manufacturer and the licensed manufacturer designee.

(d) Agreements must contain a provision that describes with particularity any terms related to compensation of the licensed manufacturer or the licensed manufacturer designee.

§ 429a.8. Change of control of a manufacturer designee licensee.

(a) For purposes of this section, a change of control of a manufacturer designee licensee will be deemed to have occurred when a person or group of persons acquires:

(1) More than 20% of a manufacturer designee licensee's securities, assets or other ownership interests.

(2) More than 20% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the manufacturer designee licensee.

(3) Any other interest in a manufacturer designee licensee which allows the acquirer to control the manufacturer designee licensee.

(b) A manufacturer designee licensee shall notify the Bureau and the Bureau of Licensing by filing a Notification of Proposed Transfer of Interest Form immediately upon becoming aware of any proposed or contemplated change of control of the manufacturer designee licensee.

(c) Prior to acquiring a controlling interest in a manufacturer designee licensee, the acquirer shall file a petition in accordance with § 493a.4 (relating to petitions generally) requesting Board approval of the acquisition. The petition must include:

(1) A copy of all documents governing the acquisition.

(2) Completed applications for the acquiring company, as required under this chapter, principals as required under Chapter 433a (relating to principal licenses) and key employees as required under § 435a.2 (relating to key employee license).

(3) An affirmation that neither the acquirer nor any of its affiliates, intermediaries, subsidiaries or holding companies is a slot machine licensee and that the acquirer has neither applied for nor holds a supplier license.

(d) A person or group of persons seeking to acquire a controlling interest in a manufacturer designee licensee shall promptly provide any additional information requested by the Board and Board staff and cooperate with the Bureau in any investigations related to the petition filed under subsection (b).

(e) A person or group of persons may not acquire a controlling interest in a manufacturer designee licensee until the petition, required under subsection (b), has been approved. A person or group of persons seeking to acquire a controlling interest in a manufacturer designee licensee and the manufacturer designee licensee may enter into a sales agreement that is contingent on Board approval of the petition.

(f) The requirements of this section do not apply to the acquisition of a controlling interest in a manufacturer designee licensee when the following conditions are met:

(1) The acquirer is an existing licensed manufacturer designee.

(2) The existing licensed manufacturer designee has provided the Bureau and the Bureau of Licensing notification

and a copy of all documents governing the acquisition at least 60 days prior to the acquisition.

(3) After reviewing the documentation, the Bureau and the Bureau of Licensing determine that the filing of a petition is not required.

CHAPTER 431a. SUPPLIER LICENSES

§ 431a.1. Supplier general requirements.

(a) A supplier seeking to sell, lease, offer or otherwise provide, distribute or service slot machines, table game devices or associated equipment to a slot machine licensee within this Commonwealth shall apply to the Board for a supplier license.

(b) In accordance with sections 1317 and 1317.1 of the act (relating to supplier licenses; and manufacturer licenses), an applicant for or the holder of a supplier license or any of the applicant's or holder's affiliates, intermediaries, subsidiaries or holding companies, may not apply for or hold a slot machine license or a manufacturer license.

§ 431a.2. Supplier license applications and standards.

(a) An applicant for a supplier license shall submit:

(1) An original and one copy of the Supplier Application and Disclosure Information Form for the applicant and each of the applicant's principal affiliates.

(2) The nonrefundable application fee posted on the Board's web site.

(3) A diversity plan as set forth in section 1325(b) of the act (relating to license or permit issuance) and Chapter 481a (relating to diversity).

(4) An application from every key employee under § 435a.2 (relating to key employee license) and principal under Chapter 433a (relating to principal licenses) as specified by the Supplier Application and Disclosure Information Form and other persons as determined by the Board

(5) An affirmation that neither the applicant nor any of its affiliates, subsidiaries, intermediaries and holding companies is an applicant for or holder of a slot machine license.

(6) A sworn or affirmed statement that the applicant has developed and implemented internal safeguards and policies to prevent a violation of section 1513 of the act (relating to political influence) and a copy the safeguards and policies.

(b) In addition to the materials required under subsection (a), an applicant for a supplier license shall:

(1) Comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(2) Demonstrate that the applicant has or will establish a principal place of business in this Commonwealth.

(c) In determining whether an applicant is suitable to be licensed as a supplier under this section, the Board will consider the following:

(1) The financial fitness, good character, honesty, integrity and responsibility of the applicant.

(2) If all principals of the applicant are eligible and suitable under the standards of section 1317 of the act (relating to supplier licenses).

- (3) The integrity of financial backers.
- (4) The suitability of the applicant and principals of the applicant based on the satisfactory results of:
 - (i) A background investigation of principals.
 - (ii) A current tax clearance review performed by the Department.
 - (iii) A current Unemployment Compensation Tax clearance review and a Workers Compensation Tax clearance review performed by the Department of Labor and Industry.

§ 431a.3. Supplier license term and renewal.

- (a) The initial supplier license will be valid for 1 year from the date of approval of the license by the Board. Renewals of a supplier license will be valid for 3 years from the date of the approval of the renewal of the license by the Board.
- (b) A Supplier License Renewal Application Form and renewal fee shall be filed at least 2 months prior to the expiration of the current license.
- (c) A supplier license for which a completed renewal application and fee has been received by the Board will continue in effect for an additional 6-month period or until acted upon by the Board, whichever occurs first.

§ 431a.4. Responsibilities of a supplier.

- (a) Within 1 year of the Board's issuance of a supplier license, the supplier shall establish and maintain a principal place of business in this Commonwealth. The principal place of business must be:
 - (1) Owned or leased by the supplier. If leased, the term of the lease must be at least as long as the term of the supplier's license.
 - (2) Where the supplier maintains all agreements, contracts and records, or copies thereof, pertaining to the supplier's business conducted in this Commonwealth.
 - (3) Large enough to accommodate all of the materials required under paragraph (2), the employees assigned to this office and the equipment required to carry out the employees' assigned duties.
 - (4) Equipped with a telephone.
 - (5) Staffed by at least one person during normal business hours.
 - (6) Open for inspection by Board personnel during normal business hours.

- (b) A supplier shall submit to the Bureau of Licensing for review any agreements with a licensed manufacturer or with a slot machine licensee. The review may include, but not be limited to, financing arrangements, inventory requirements, warehouse requirements, warehouse space, technical competency, compensative agreements and other terms or conditions to ensure the financial independence of the licensed supplier from any licensed manufacturer or licensed gaming entity.
- (c) A holder of a supplier license shall have a continuing duty to:

- (1) Comply with the general requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).
- (2) For publicly traded suppliers, provide notification of all SEC filings or, if the supplier is publicly traded on a foreign exchange, a copy of all filings submitted to the securities regulator that has jurisdiction over the foreign publicly traded corporation. The notification or copies of

the filings shall be submitted to the Bureau of Licensing within 30 days after the date of filing with the SEC or securities regulator that has jurisdiction over the foreign publicly traded corporation.

(d) An employee of a licensed supplier who is a gaming or nongaming employee as defined in § 401a.3 (relating to definitions) shall obtain a permit under § 435a.3 (relating to occupation permit) or registration under § 435a.5 (relating to nongaming employee registration).

§ 431a.5. Supplier log books.

- (a) A supplier licensee shall maintain a log book to register the individuals who enter the supplier licensee's principal place of business and each physical facility utilized by the supplier licensee to house inventory, replacement parts, supplies, transportation or delivery equipment.
 - (b) The supplier licensee shall record or cause to be recorded in the log book the following:
 - (1) The date, entrance time and departure time of each individual.
 - (2) The name of each individual entering the place of business or physical facility and who they represent.
 - (3) The signature of each individual.
 - (4) The purpose for the visit.
 - (5) For individuals who are not employees of the supplier, the individual's Board license, permit, certification or registration number, if applicable.
 - (c) Licensed, permitted or registered employees of a supplier are not required to register in the log book.
 - (d) Each log book required by this section shall be maintained at the entrance of the location to which it pertains and shall be made readily accessible for examination and inspection upon the demand of any agent, employee or representative of the Board, the Department of Revenue or the Pennsylvania State Police.

§ 431a.6. Change of control of a supplier licensee.

- (a) For purposes of this section, a change of control of a supplier licensee will be deemed to have occurred when a person or group of persons acquires:
 - (1) More than 20% of a supplier licensee's securities, assets or other ownership interests.
 - (2) More than 20% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the supplier licensee.
 - (3) Any other interest in a supplier licensee which allows the acquirer to control the supplier licensee.
- (b) A supplier licensee shall notify the Bureau and the Bureau of Licensing by filing a Notification of Proposed Transfer of Interest Form immediately upon becoming aware of any proposed or contemplated change of control of the supplier licensee.

(c) Prior to acquiring a controlling interest in a supplier licensee, the acquirer shall file a petition in accordance with § 493a.4 (relating to petitions generally) requesting Board approval of the acquisition. The petition must include:

- (1) A copy of all documents governing the acquisition.
- (2) Completed applications for the acquiring company, as required under this chapter, principals as required

under Chapter 433a (relating to principal licenses) and key employees as required under § 435a.2 (relating to employee license).

(3) An affirmation that neither the acquirer nor any of its affiliates, intermediaries, subsidiaries or holding companies is a slot machine licensee and that the acquirer has neither applied for nor holds a manufacturer license.

(d) A person or group of persons seeking to acquire a controlling interest in a supplier licensee shall promptly provide any additional information requested by the Board and Board staff and cooperate with the Bureau in any investigations related to the petition filed under subsection (b).

(e) A person or group of persons may not acquire a controlling interest in a supplier licensee until the petition, required under subsection (b), has been approved. A person or group of persons seeking to acquire a controlling interest in a supplier licensee and the supplier licensee may enter into a sales agreement that is contingent on Board approval of the petition.

(f) The requirements of this section do not apply to the acquisition of a controlling interest in a supplier licensee when the following conditions are met:

- (1) The acquirer is an existing licensed supplier.
- (2) The existing licensed supplier has provided the Bureau and the Bureau of Licensing notification and a copy of all documents governing the acquisition at least 60 days prior to the acquisition.
- (3) After reviewing the documentation, the Bureau and the Bureau of Licensing determine that the filing of a petition is not required.

CHAPTER 433a. PRINCIPAL LICENSES

§ 433a.1. Definitions.

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

* * * * *

Officer—A president, chief executive officer, chief operating officer, secretary, treasurer, principal legal officer, principal compliance officer, principal financial officer, principal accounting officer, chief engineer or technical officer of a manufacturer, senior surveillance and audit executives of a principal affiliate of a slot machine licensee and any person routinely performing corresponding functions with respect to an entity whether incorporated or unincorporated.

* * * * *

§ 433a.3. Interests in licensees held by individuals.

(a) An individual shall apply for and obtain a principal license from the Board prior to possessing any of the following:

- (1) A direct ownership interest in a slot machine or management company licensee.
- (2) A 1% or greater indirect ownership interest in a slot machine or management company licensee. An ownership interest that is held indirectly by an individual through one or more intervening entities will be determined by successive multiplication of the ownership percentages for each link in the vertical chain.
- (3) A right to receive a payment from a slot machine or management company licensee based or contingent upon a licensee's earnings, profits or receipts from the slot

machines, table games and associated equipment for use or play in this Commonwealth.

(4) A right or ability to control or influence the management or policies of a slot machine or management company licensee.

(5) A general partnership interest in a limited partnership that is a slot machine or management company licensee.

(6) A general partnership interest in a limited partnership that is a principal affiliate of a slot machine or management company licensee.

(b) An individual shall notify the Board and submit a completed application in accordance with § 433a.8 (relating to principal applications) prior to possessing any of the following:

- (1) A direct ownership interest of 1% or more in a licensed manufacturer, licensed supplier or licensed manufacturer designee.
- (2) A 1% or greater indirect ownership interest in a licensed manufacturer, licensed supplier or licensed manufacturer designee. An ownership interest that is held indirectly by an individual through one or more intervening entities will be determined by successive multiplication of the ownership percentages for each link in the vertical chain.

(3) A right or ability to control or influence the management or policies of a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(4) A general partnership interest in a limited partnership that is a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(5) A general partnership interest in a limited partnership that is a principal affiliate of a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(c) An individual who has acquired an interest or right set forth in subsection (b)(1)—(5) prior to being licensed, and whose application is denied or withdrawn, shall divest his interest or right within a period of time established by the Office of Enforcement Counsel.

(d) An individual seeking to acquire a direct or indirect ownership interest of 20% or greater in a licensed manufacturer, licensed supplier or licensed manufacturer designee shall comply with the requirements in § 427a.6, § 429a.8 or § 431a.6 (relating to change of control of a manufacturer licensee; change of control of a manufacturer designee licensee; and change of control of a supplier licensee).

(e) Notwithstanding subsections (a) and (b), an individual whose indirect ownership interest in a licensee consists of less than 5% of the voting securities of a publicly traded corporation will not be required to be licensed as a principal.

(f) Notwithstanding subsections (a) and (b), an individual who indirectly owns less than 5% of the voting securities of a publicly traded corporation through one or more privately held entities will not be required to be licensed as a principal.

(g) Notwithstanding subsections (a) and (b), an individual who indirectly owns less than 5% of the voting securities of a publicly traded corporation through a private investment fund that has been exempted from licensure under § 433a.4(g) (relating to interests in licensees held by entities) will not be required to be licensed as a principal.

(h) Notwithstanding any provision in this section, the Board may require any individual who has any financial interest in a licensee to be licensed as a principal.

§ 433a.4. Interests in licensees held by entities.

(a) An entity shall apply for and obtain a principal license prior to possessing any of the following:

(1) A direct ownership interest in a slot machine or management company licensee.

(2) A 1% or greater indirect ownership interest in a slot machine or management company licensee. An ownership interest that is held indirectly by an entity through one or more intervening entities will be determined by successive multiplication of the ownership percentages for each link in the vertical chain.

(3) A right to receive a payment from a slot machine or management company licensee based or contingent upon the earnings, profits or receipts from the slot machines, table games and associated equipment for use or play in this Commonwealth.

(4) A right or ability to control or influence the management or policies of a slot machine or management company licensee.

(5) A general partnership interest in a limited partnership that is a slot machine or management company licensee.

(6) A general partnership interest in a limited partnership that is a principal affiliate of a slot machine or management company licensee.

(b) An entity shall notify the Board and submit a completed application in accordance with § 433a.8 (relating to principal applications) prior to possessing any of the following:

(1) A direct ownership interest of 1% or more in a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(2) A 1% or greater indirect ownership interest in a licensed manufacturer, licensed supplier or licensed manufacturer designee. An ownership interest that is held indirectly by an entity through one or more intervening entities will be determined by successive multiplication of the ownership percentages for each link in the vertical chain.

(3) A right or ability to control or influence the management or policies of a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(4) A general partnership interest in a limited partnership that is a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(5) A general partnership interest in a limited partnership that is a principal affiliate of a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(c) An entity that has acquired an interest or right set forth in subsection (b)(1)—(5) prior to being licensed, and whose application is denied or withdrawn, shall divest its interest or right within a period of time established by the Office of Enforcement Counsel.

(d) An entity seeking to acquire a direct or indirect ownership interest of 20% or greater in a licensed manufacturer, licensed supplier or licensed manufacturer designee shall comply with the requirements in § 427a.6, § 429a.8 or § 431a.6 (relating to change of control of a manufacturer licensee; change of control of a manufacturer designee licensee; and change of control of a supplier licensee).

(e) Notwithstanding subsections (a) and (b), an entity whose indirect ownership interest in a licensee consists of less than 5% of the voting securities of a publicly traded corporation will not be required to be licensed as a principal.

(f) Notwithstanding subsections (a) and (b), an entity that indirectly owns less than 5% of the voting securities of a publicly traded corporation through one or more privately held entities will not be required to be licensed as a principal.

(g) Notwithstanding subsections (a) and (b), a private investment fund and its related management entities will not be required to be licensed as a principal if the following apply:

(1) The private investment fund has no voting rights in the licensee and does not possess any other right or ability to control or to influence the licensee.

(2) At least 20% of the investors in the private investment fund are “institutional investors” as defined in § 401a.3 (relating to definitions).

(3) Each individual who has an indirect ownership or beneficial interest of 5% or greater in the licensee through the private investment fund applies for and obtains a principal license.

(4) Each individual who has the ability to control or influence the management of the private investment fund applies for and obtains a principal license.

(5) The private investment fund agrees to provide the Board with information the Board deems necessary to evaluate the integrity of the private investment fund and its investors, and its compliance with this section. Information provided to the Board will be confidential.

(6) Each individual required to be licensed as a principal in paragraph (4) shall as part of his principal license application sign a notarized statement affirming, at a minimum, the following:

(i) The private investment fund’s investment in the applicant or licensee will not violate applicable United States, Commonwealth or international laws and regulations, including anti-money laundering regulations or conventions, the Internal Revenue Code of 1986 (26 U.S.C.A.), the Employee Retirement Income Security Act of 1974 (Pub. L. No. 93-406, 88 Stat. 829), the Securities Act of 1933 (15 U.S.C.A. §§ 77a—77aa), the Securities Exchange Act of 1934 (15 U.S.C.A. §§ 78a—78pp), the Investment Company Act of 1940 (15 U.S.C.A. §§ 80a-1—80a-64) and the Investment Advisers Act of 1940 (15 U.S.C.A. §§ 80b-1—80b-18c).

(ii) To his best knowledge, no investor in the private investment fund:

(A) Holds an interest in the private investment fund in contravention of any applicable United States, Commonwealth or international laws and regulations, including anti-money laundering regulations or conventions, the Internal Revenue Code of 1986, the Employee Retirement Income Security Act of 1974, the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940 and the Investment Advisers Act of 1940.

(B) Is directly or indirectly affiliated with a prohibited country, territory, individual or entity on the List of Specially Designated Nationals and Blocked Persons maintained by the United States Treasury Department’s Office of Foreign Asset Control.

(C) Is currently charged with or is under indictment for any felony or gambling offense in any jurisdiction.

(D) Has been convicted of a felony when 15 years have not elapsed from the date of expiration of the sentence for the offense.

(h) The Board may require a subsidiary of a licensee to be licensed as a principal.

(i) Notwithstanding any provision to the contrary in this section, the Board may require any entity that has any financial interest in a licensee to be licensed as a principal.

§ 433a.5. Institutional investors.

(a) An institutional investor may file an Institutional Investor Notice of Ownership Form and Passive Investor Affirmation with the Bureau of Licensing instead of applying for principal licensure required under this chapter, if:

(1) The institutional investor owns or beneficially owns more than 5% but less than 20% of the outstanding voting securities of a publicly traded corporation that is a principal affiliate of a manufacturer, manufacturer designee, supplier licensee or applicant and has filed and remains eligible to file a statement of beneficial ownership on Schedule 13G with the SEC as a result of the institutional investor's ownership interest in the publicly traded corporation.

(2) The institutional investor owns or beneficially owns more than 5% but less than 10% of the outstanding voting securities of a publicly traded corporation that is a principal affiliate of a slot machine or management company licensee and has filed and remains eligible to file a statement of beneficial ownership on Schedule 13G with the SEC as a result of the institutional investor's ownership interest in the publicly traded corporation. In addition to filing an Institutional Investor Notice of Ownership Form and Passive Affirmation, if an institutional investor seeks to own 10% or more but less than 20% of the outstanding voting securities of a publicly traded corporation that is a principal affiliate of a slot machine or management company licensee:

(i) The institutional investor seeking to acquire the interest shall promptly provide information requested by the Bureau relating to the institutional investor, its operations and sources of funds. The information provided to the Bureau will be deemed confidential when submitted.

(ii) Within 5 days of receipt of all requested information, the Bureau will issue a written response relating to the proposed acquisition. If the Bureau does not cite an objection, the transaction may thereafter be consummated. If the Bureau objects to the acquisition, the institutional investor shall file a petition with the Board in accordance with § 493a.4 (relating to petitions generally) for approval prior to acquiring the interest.

(b) If an institutional investor's purpose for holding an interest in a publicly traded corporation that is a principal affiliate of a slot machine, management company, manufacturer, manufacturer designee or supplier licensee changes from that of a passive investor, whereby the institutional investor files a Schedule 13D with the SEC indicating that its ownership interest is no longer passive, the institutional investor shall notify the Bureau of Licensing, in writing, within 2 days of filing the Schedule 13D with the SEC. The institutional investor shall then apply for licensure as a principal, in accordance with this chapter, within 30 days of filing the Schedule 13D with the SEC.

(c) Notwithstanding the requirements in subsections (a) and (b), if the institutional investor has an ownership interest in a publicly traded corporation, which is a principal affiliate of a licensee, that is listed on a foreign exchange in which a Schedule 13G is not filed, the institutional investor shall file a copy of the corresponding passive investor form filed with the securities regulator that has jurisdiction over the foreign publicly traded corporation.

(d) The institutional investor shall file the Institutional Investor Notice of Ownership Form with the Bureau of Licensing within 30 days of the institutional investor filing its Schedule 13G with the SEC or the corresponding passive investor form with the securities regulator that has jurisdiction over the foreign publicly traded corporation.

§ 433a.6. Lenders and underwriters.

(a) Each lender and underwriter of a slot machine, management company, manufacturer, manufacturer designee or supplier licensee shall be licensed as a principal.

(b) Notwithstanding subsection (a), a lender that is a bank or lending institution which makes a loan to a slot machine, management company, manufacturer, manufacturer designee or supplier licensee in the ordinary course of business will not be required to be licensed as a principal. The Board may require a bank or lending institution to provide information or other assurances to verify its eligibility for this exemption.

(c) A lender to a principal affiliate of a slot machine licensee or to a management company that is obtaining financing for the construction or operation of a slot machine licensee shall be required to be licensed as a principal unless the following apply:

(1) The lender is in the business of providing debt or equity capital to individuals or entities.

(2) The loan to the principal affiliate or management company of a slot machine licensee is in the ordinary course of the lender's business.

(3) The lender does not have the ability to control or otherwise influence the affairs of the principal affiliate or management company of a slot machine licensee or the slot machine licensee.

(d) A lender that is required to be licensed as a principal in accordance with subsection (c) may lend to a principal affiliate or to a management company of a slot machine licensee prior to licensure if the lender has filed a completed application in accordance with § 433a.8 (relating to principal applications) and has received lender authorization from the Bureau of Licensing.

(e) A person that acquires a debt instrument issued by a licensed supplier, manufacturer, manufacturer designee, management company, slot machine licensee or principal affiliate of a slot machine licensee in a secondary market will not be required to be licensed as a principal if:

(1) The person does not have any right or ability to control or influence the affairs of the licensee.

(2) The person's acquisition of the debt instrument is in the ordinary course of business and is not part of a plan or scheme to avoid the requirements of this section.

(f) Notwithstanding any provision to the contrary in this section, the Board may require the licensure of any person that holds a debt instrument issued by a licensee or any principal affiliate or subsidiary of a licensee if Board staff has reason to believe that the suitability of the person may be at issue.

§ 433a.7. Trusts.

(a) A trust or similar business entity shall apply for and obtain a principal license prior to possessing any of the following:

(1) A direct ownership interest in a slot machine or management company licensee.

(2) A 1% or greater indirect ownership interest in a slot machine or management company licensee. An ownership interest that is held indirectly by an individual through one or more intervening entities will be determined by successive multiplication of the ownership percentages for each link in the vertical chain.

(3) A right to receive a payment from a slot machine licensee based on contingent upon a licensee's earnings, profits or receipts from the slot machines, table games and associated equipment for use or play in this Commonwealth.

(4) A right or ability to control or influence the management or policies of a slot machine or management company licensee.

(5) A general partnership interest in a limited partnership that is a slot machine or management company licensee.

(6) A general partnership interest in a limited partnership that is a principal affiliate of a slot machine or management company licensee.

(b) A trust or similar business entity shall submit a completed application in accordance with § 433a.8 (relating to principal applications) prior to possessing any of the following:

(1) A direct ownership interest of 1% or more in a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(2) A 1% or greater indirect ownership interest in a licensed manufacturer, licensed supplier or licensed manufacturer designee. An ownership interest that is held indirectly by an individual through one or more intervening entities will be determined by successive multiplication of the ownership percentages for each link in the vertical chain.

(3) A right or ability to control or influence the management or policies of a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(4) A general partnership interest in a limited partnership that is a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(5) A general partnership interest in a limited partnership that is a principal affiliate of a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(c) If a trust is required to be licensed as a principal in accordance with this section, each trustee, grantor and beneficiary, including a minor child beneficiary, of the trust shall also be licensed as a principal.

(d) Notwithstanding subsections (a) and (b), a trust whose ownership interest in a licensee consists of less than 5% of the voting securities of a publicly traded company will not be required to be licensed as a principal.

(e) Notwithstanding any provision to the contrary in this section, the Board may require any trust that has any financial interest in a licensee to be licensed as a principal.

§ 433a.8. Principal applications.

(a) An individual required to be licensed as a principal, unless otherwise directed by the Board, shall file:

(1) An original and one copy of a completed Multi-Jurisdictional Personal History Disclosure Form.

(2) An original and one copy of a completed Principal/Key Employee Form—Pennsylvania Supplement to the Multi-Jurisdictional Personal History Disclosure Form.

(3) The nonrefundable application fee posted on the Board's web site.

(b) A principal entity required to be licensed as a principal shall file a completed Principal Entity Form and submit the applicable application fee posted on the Board's web site.

(c) A principal affiliate shall apply for a principal license as if the principal affiliate were applying for the slot machine license, manufacturer license, manufacturer designee license, supplier license or management company license.

(d) In addition to the materials required under subsection (a) or (b), an applicant for a principal license shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

CHAPTER 435a. KEY, GAMING AND NONGAMING EMPLOYEES; BOARD-ISSUED CREDENTIALS

§ 435a.1. General provisions.

(a) An individual seeking a key employee license, occupation permit or nongaming employee registration shall apply to the Board as required by this chapter.

(b) In addition to the materials required under §§ 435a.2, 435a.3 and 435a.5 (relating to key employee license; occupation permit; and nongaming employee registration), an applicant shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) The holder of a key employee license, occupation permit or nongaming employee registration shall provide an updated photograph at the request of Board staff.

(d) An applicant for an occupation permit or nongaming employee registration shall be at least 18 years of age.

(e) Slot machine licensees, manufacturers, manufacturer designees, suppliers, gaming service providers and gaming related gaming service providers that hire an individual who holds a key employee license, permit or registration issued by the Board shall contact the Bureau of Licensing to confirm that the individual's key employee license, permit or registration is in good standing prior to allowing the individual to work in the licensed facility.

§ 435a.2. Key employee license.

(a) An individual may not perform duties associated with a position that requires a key employee license prior to receiving a temporary or permanent credential unless otherwise authorized by the Board. An applicant for a key employee license shall submit:

(1) An original and one copy of a completed Multi-Jurisdictional Personal History Disclosure Form.

(2) An original and one copy of a completed Principal/Key Employee Form—Pennsylvania Supplement to the Multi-Jurisdictional Personal History Disclosure Form.

(3) The nonrefundable application fee posted on the Board's web site.

(b) In addition to the materials required under subsection (a), an applicant for a key employee license shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) After reviewing the application and the results of the applicant's background investigation, the Board may issue a key employee license if the individual has proven that he is a person of good character, honesty and integrity and is eligible and suitable to be licensed as a key employee.

(d) A key employee license issued will be valid for employment with any licensed entity.

§ 435a.3. Occupation permit.

(a) An applicant for a gaming employee occupation permit shall submit:

(1) An original and one copy of the Gaming Employee Application and Disclosure Information Form or an electronic application using the SLOTS Link system. When an application for an occupation permit is filed using SLOTS Link, any additional documents required, including releases, shall be submitted to the Board:

(i) Within 5 days of the submission of the SLOTS Link application by an applicant for or holder of a slot machine license.

(ii) Within 10 days of the submission of the SLOTS Link application by an applicant for or holder of a manufacturer, manufacturer designee, or supplier license or a gaming related gaming service provider certification or gaming service provider registration, certification or authorization.

(2) The nonrefundable application fee posted on the Board's web site.

(3) Verification of an offer of employment from a licensed entity.

(b) In addition to the materials required under subsection (a), an applicant for a gaming employee occupation permit shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) After reviewing the application and the results of the applicant's background investigation, the Board may issue a gaming employee occupation permit if the individual has proven that the individual is a person of good character, honesty and integrity and is eligible and suitable to hold an occupation permit.

(d) An individual who wishes to receive a gaming employee occupation permit under this chapter may authorize an applicant for or holder of a slot machine, management company, manufacturer, manufacturer designee or supplier license or gaming related gaming service provider certification or gaming service provider registration, certification or authorization to file an application on the individual's behalf.

(e) A gaming employee occupation permit issued under this section will be valid for employment with any

licensed entity, any certified gaming related gaming service provider or any registered or certified gaming service provider.

§ 435a.5. Nongaming employee registration.

(a) An applicant for a nongaming employee registration shall submit:

(1) An original and one copy of the Nongaming Employee Registration Form or an electronic application using the SLOTS Link system. When an application for a nongaming employee registration is filed using SLOTS Link, any additional documents required, including releases, shall be submitted to the Board:

(i) Within 5 days of the submission of the SLOTS Link application by an applicant for or holder of a slot machine license.

(ii) Within 10 days of the submission of the SLOTS Link application by an applicant for or holder of a manufacturer, manufacturer designee, or supplier license or an applicant for or holder of a gaming service provider registration or certification.

(2) The nonrefundable application fee posted on the Board's web site.

(b) In addition to the materials required under subsection (a), an applicant for a nongaming employee registration shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) After review of the application, the Board may register the individual if the individual has proven that he is eligible and suitable to be registered under this section.

(d) An individual who wishes to receive a nongaming employee registration under this chapter may authorize an applicant for or holder of a slot machine, manufacturer, manufacturer designee or supplier license or a gaming service provider registration or certification to file an application on the individual's behalf.

(e) A registration issued under this section is valid for employment with any slot machine, manufacturer, manufacturer designee or supplier licensee or registered, certified or authorized gaming service provider.

(f) A registration issued under this section will be valid for 4 years from the date of Board approval.

(g) A renewal application shall be submitted to the Board at least 60 days prior to the expiration of a registration credential.

(h) A registration for which a completed renewal application and fee has been received by the Board will continue in effect until the Board sends written notification to the holder of the registration that the Board has approved or denied the renewal registration.

§ 435a.6. Board credentials.

(a) The following individuals shall obtain a Board credential:

(1) A principal whose duties are required to be performed at a licensed facility in excess of 12 days in a 12-month period.

(2) Key employees.

(3) Gaming employees.

(4) Nongaming employee registrants.

(5) State employees whose duties require the employee's presence at a licensed facility more frequently than once a month.

(b) The credential will contain the following information:

(1) The name, date of birth, sex, height, weight, hair color and eye color of the licensee, permittee or registrant.

(2) A photograph of the face of the individual to whom the credential has been issued which meets the standards of the Commonwealth Photograph Imaging Network.

(3) The inscription "Pennsylvania Gaming Control Board."

(4) The seal of the Commonwealth.

(5) A license, permit or registration number.

(6) The type of license, permit or registration.

(7) An expiration date.

(8) The signature of the employee.

(9) Other security features as determined by the Board.

(c) A State employee required to obtain a Board credential shall carry the Board credential on his person at all times while engaged in the performance of his duties on the premises of a licensed facility.

(d) An individual who is not a State employee, who is required to obtain a Board credential and whose duties:

(1) Do not require the individual to be on the gaming floor or in a restricted area, shall carry the Board credential on his person at all times while engaged in the performance of his duties on the premises of a licensed facility.

(2) Require the individual to be on the gaming floor or in a restricted area, shall display the Board credential on his person at all times while engaged in the performance of his duties on the premises of a licensed facility. A food and beverage employee of a slot machine licensee who is required to obtain a Board credential and whose duties require the individual to be on the gaming floor may carry, instead of display, the employee's Board credential if:

(i) The employee displays the access badge required under § 465a.12 (relating to access badges and temporary access credentials).

(ii) The access badge displays a unique identification number that has been assigned to that employee and which can be read by the slot machine licensee's surveillance system.

(e) Slot machine and management company licensees are prohibited from allowing a principal who is required to obtain a credential, a key employee, gaming employee or nongaming employee registrant to perform his duties on the premises of a licensed facility unless the employee is in possession of a Board-issued credential.

(f) An employee whose license, permit or registration has been suspended or revoked by the Board shall surrender the Board credential to Board staff.

§ 435a.8. Temporary credentials.

(a) A temporary credential may be issued by the Board to a principal, key employee or gaming employee.

(b) A temporary credential issued to a principal, key employee or gaming employee is valid for up to 270 days from the date of its issuance.

(c) The Board may extend the expiration date of a temporary credential issued to a principal, key employee or gaming employee if the Board determines additional time is needed to complete an investigation for licensure.

(d) A temporary credential may be issued by the Bureau of Licensing to a nongaming employee if:

(1) The applicant has submitted all of the application materials required under § 435a.5 (relating to nongaming employee registration).

(2) The applicant has been fingerprinted and photographed by the Pennsylvania State Police.

(e) A temporary credential issued to a nongaming employee will be valid for 30 days.

(f) Board staff may impose conditions on the holders of temporary credentials.

§ 435a.9. (Reserved).

§ 435a.9a. Gaming service provider employee temporary access credentials.

(a) The Board's casino compliance representatives at a licensed facility may issue a Gaming Service Provider Employee Temporary Access Credential to an employee of a registered or certified gaming service provider that is a construction company that is completing work on the gaming floor or in a restricted area under the registered or certified gaming service provider's original contract, change orders or punch lists, or to complete periodic repairs or warranty work if:

(1) The employee's duties of employment do not require the employee to touch or have contact with a slot machine, table game device or associated equipment other than exterior contact that does not affect the play of the game.

(2) The employee signs in with the security department of the licensed facility and will be escorted and under the constant supervision of an employee of the slot machine licensee who is authorized to have access to the area where the work is being performed.

(3) The gaming service provider employee and the employee of the slot machine licensee who will escort and supervise both sign in with the Board's casino compliance representatives.

(b) To receive a Gaming Service Provider Employee Temporary Access Credential, the employee of the registered or certified gaming service provider that is a construction company shall surrender his driver's license or other photo identification.

(c) A Gaming Service Provider Employee Temporary Access Credential will not be issued to an employee of a registered or certified gaming service provider that is a construction company for more than 12 days in a 12-month period. The time period may be extended for good cause as determined by the Bureau of Licensing.

(d) As provided in § 437a.10(c) (relating to emergency gaming service provider), an employee of an emergency gaming service provider shall obtain a temporary access credential in accordance with subsections (a) and (b) to enable the employee to perform emergency services at the licensed facility.

§ 435a.10. Loss, theft or destruction of credentials.

(a) As soon as possible, but no later than 24 hours following the loss, theft or destruction of a Board credential, emergency credential or temporary credential, the

person to whom the credential was issued shall notify the Board's casino compliance representatives at the licensed facility.

(b) The slot machine licensee, on behalf of an employee whose Board-issued credential was lost, stolen or destroyed, may request a replacement Board credential by submitting a Request for Duplicate PGCB Credential Form and the fee established by the Board to the Bureau of Licensing.

CHAPTER 437a. GAMING SERVICE PROVIDER CERTIFICATION AND REGISTRATION

§ 437a.1. General gaming service provider requirements.

(a) Except as provided in § 437a.10 (relating to emergency gaming service provider), a gaming service provider or person seeking to conduct business with a slot machine applicant or licensee shall apply to the Board for registration if:

(1) The total dollar amount of the goods or services to be provided to a single slot machine applicant or licensee or to multiple slot machine applicants or licensees will be or is anticipated to be equal to or greater than \$100,000 but less than or equal to \$500,000 within a consecutive 12-month period.

(2) The employees of the gaming service provider or person seeking to conduct business with a slot machine applicant or licensee will be working either:

- (i) In a restricted area of the licensed facility.
- (ii) On the gaming floor unless all of the following conditions are met:

(A) The employees will be on the gaming floor for less than 24 hours within a 72-hour period no more than once in any consecutive 3-month period.

(B) The employees sign-in with the security department at the licensed facility and the Board's casino compliance representatives prior to entering the gaming floor.

(C) The gaming service provider has received written approval from the Bureau of Licensing for the gaming service provider's employees to be on the gaming floor.

(b) Except as provided in § 437a.10, a gaming service provider or person seeking to conduct business with a slot machine applicant or licensee shall apply to the Board for certification if the total dollar amount of the goods or services to be provided to a single slot machine applicant or licensee or to multiple slot machine applicants or licensees will be or is anticipated to be greater than \$500,000 within a consecutive 12-month period.

(c) A person that provides goods or services indirectly to a slot machine applicant or licensee through an intermediary, holding company or affiliate of the slot machine applicant or licensee shall be required to be registered or certified if the cost of the goods or services provided to the slot machine applicant or licensee exceeds the monetary thresholds in subsections (a) and (b).

(d) The following persons are exempt from the gaming service provider registration and certification requirements of this chapter:

(1) Public utilities which provide one or more of the following services to a slot machine applicant or licensee:

- (i) Water.
- (ii) Sewerage.
- (iii) Electricity.
- (iv) Natural gas.

(2) Insurance companies providing insurance to a slot machine applicant or licensee and its employees.

(3) Employee benefit and retirement plans including incorporated 401K plans and employee stock purchase programs.

(4) National, state or local professional associations that receive funds from the slot machine applicant or licensee for the cost of enrollment, activities and membership.

(5) State, Federal and municipal operated agencies.

(6) Manufacturers and suppliers of liquor, wine and beer regulated by the Liquor Control Board.

(7) State and Federally chartered banks or savings and loan associations where funds are deposited by slot machine licensees, notwithstanding those sources or transactions provided to a slot machine licensee which require Board approval.

(8) Providers of professional services including accountants, attorneys, engineers and architects, when acting in their respective professional capacities.

(9) Telecommunication service providers.

(10) Shipping services.

(11) Persons that engage in efforts to influence legislative action or administrative action on behalf of a principal for economic consideration.

(12) Schools regulated by the Department of Education.

(13) Professional entertainers, sports figures and other celebrities engaged by a slot machine licensee to appear at a slot machine licensee-sponsored special entertainment or promotional event.

(14) Newspapers, television stations, radio stations and providers of simulcast services that contract with slot machine applicants or licensees.

(15) Professional sports teams of Major League Baseball, the National Hockey League, the National Football League and the National Basketball Association.

(16) Any person not otherwise exempt under this subsection that is licensed by a Federal or state agency if the agency's licensing requirements are determined by the Bureau of Licensing to be substantially similar to those of the Board.

(e) The Board may request information or assurances from any person listed in subsection (d) to determine the validity of the person's exempt status.

(f) Subsection (d) does not relieve a slot machine applicant or licensee of reporting obligations required under §§ 441a.12 and 441a.14 (relating to maintaining agreements; filing of agreements; and master purchasing and disbursement report).

(g) Notwithstanding subsections (a) and (b), a publicly traded corporation or subsidiary thereof will not be required to be registered or certified as a gaming service provider if the publicly traded corporation or subsidiary thereof submits a completed Publicly Traded Gaming Service Provider Form to the Bureau of Licensing accom-

panied by the filing fee posted on the Board's web site and is authorized. A publicly traded corporation or subsidiary thereof that is authorized to provide goods and services under this subsection shall be required to:

(1) Comply with § 437a.7 (relating to registered, certified and authorized gaming service provider responsibilities).

(2) Immediately notify the Bureau of Licensing if the publicly traded corporation or subsidiary thereof ceases to meet the definition of a publicly traded corporation.

(h) A slot machine applicant or licensee shall complete and submit to the Bureau of Licensing a Notification of Material Gaming Service Provider Form prior to compensating a gaming service provider \$15,000 or more within a consecutive 12-month period. A slot machine applicant or licensee will not be required to submit a Notification of Material Gaming Service Provider Form to the Bureau of Licensing if either of the following apply to the gaming service provider to be compensated:

(1) The gaming service provider is exempt under subsection (d).

(2) The gaming service provider is listed on the Board's authorized gaming service provider list.

(i) A gaming service provider of a slot machine applicant or licensee whose compensation does not exceed the monetary thresholds contained in this section or who is otherwise not required to be registered or certified under subsection (d) or (g) may be required to be registered or certified if the Board determines that registration or certification is necessary to protect the integrity of gaming.

§ 437a.2. Gaming service provider registration applications.

(a) A gaming service provider seeking registration shall do one of the following:

(1) If the gaming service provider has or will be entering into an agreement to provide goods or services to a specific slot machine applicant or licensee, the gaming service provider shall complete an original and one copy of a Gaming Service Provider Registration Form—Sponsored. The original copy and the fee toward the cost of the investigation of the applicant posted on the Board's web site shall be submitted to the Bureau of Licensing by the slot machine applicant or licensee for whom the gaming service provider will provide goods or services unless otherwise directed by the Bureau of Licensing.

(2) If a gaming service provider does not have an agreement to provide goods or services to a specific slot machine applicant or licensee but is seeking to conduct business with slot machine applicants or licensees, the gaming service provider shall complete an original and one copy of a Gaming Service Provider Registration Form—Unsponsored. The original, copy and the fee toward the cost of the investigation of the applicant, as posted on the Board's web site, shall be submitted to the Bureau of Licensing by the gaming service provider unless otherwise directed by the Bureau of Licensing.

(b) In addition to the materials required under subsection (a), an applicant for a gaming service provider registration shall:

(1) Submit the nonrefundable application fee posted on the Board's web site.

(2) Comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(3) Submit fingerprints of the following individuals in a manner prescribed by the Bureau:

(i) Each officer and director of the registered gaming service provider applicant. For purposes of this subparagraph, "officer" means a president, chief executive officer, a chief financial officer and a chief operating officer, and any person routinely performing corresponding functions with respect to an organization whether incorporated or unincorporated.

(ii) Each individual who has a direct or indirect ownership or beneficial interest of 10% or more in the registered gaming service provider applicant.

(iii) Each salesperson of a registered gaming service provider applicant who solicits business from, or has regular contact with, any representatives of a slot machine applicant or licensee or any employee of a registered gaming service provider applicant who will be engaging in that conduct.

(c) A person who holds any direct or indirect ownership or beneficial interest in a registered gaming service provider or applicant for gaming service provider registration, or has the right to any profits or distributions directly or indirectly, from the registered gaming service provider or applicant for gaming service provider registration may be required to submit fingerprints if the Bureau determines that the submission of fingerprints of the person is necessary to protect the public interest or to enhance the integrity of gaming in this Commonwealth.

(d) Each of the individuals required to submit fingerprints under subsection (b)(3) must be found qualified by the Board. An individual who is found qualified and is also a gaming or nongaming employee as defined in § 401a.3 (relating to definitions) shall obtain a gaming employee occupation permit in accordance with § 435a.3 (relating to occupation permit) or a nongaming employee registration in accordance with § 435a.5 (relating to nongaming employee registration).

(e) An applicant for a gaming service provider registration shall reimburse the Board for costs incurred in conducting the investigation of the applicant.

(f) A gaming service provider registration will not be issued until all fees and costs have been paid.

§ 437a.3. Gaming service provider certification applications.

(a) A gaming service provider seeking certification shall complete and the slot machine applicant or licensee for whom the gaming service provider will provide goods or services shall submit:

(1) An original and one copy of a Gaming Service Provider Certification Application and Disclosure Information Form unless otherwise directed.

(2) The nonrefundable application fee posted on the Board's web site.

(3) Applications and release authorizations for each individual required to be qualified under § 437a.4 (relating to qualification of individuals and entities).

(b) In addition to the requirements of subsection (a), an applicant for a gaming service provider certification shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) An applicant for a gaming service provider certification shall reimburse the Board for costs incurred in conducting the investigation of the applicant.

(d) A gaming service provider certification will not be issued until all fees and costs have been paid.

§ 437a.3a. Single transaction waiver.

(a) A gaming service provider required to be registered or certified under this chapter may request that the Board waive its obligation to be registered or certified by filing a Single Transactional Waiver Form. To be eligible to receive a waiver, the gaming service provider shall demonstrate that it is proposing to engage in a single transaction and satisfies the following requirements:

(1) The gaming service provider's required performance under the contract with the slot machine licensee does not require the gaming service provider's employees to be on the gaming floor or in a restricted area.

(2) The gaming service provider has not filed a Single Transactional Waiver Form within 2 years of the current waiver request.

(3) The gaming service provider will not have a continuing business relationship with the slot machine licensee or have a continuing onsite presence at the licensed facility.

(b) The Board may, in response to misrepresentations or a change in circumstances, revoke a waiver granted under this section and require the recipient of the waiver to comply with the gaming service provider registration or certification requirements of this chapter.

(c) A gaming service provider that has requested a waiver under this section may not provide goods or services to a slot machine applicant or licensee prior to Board approval of the gaming service provider's waiver request.

§ 437a.4. Qualification of individuals and entities.

(a) The following individuals shall be required to submit a Pennsylvania Personal History Disclosure Form and be found qualified by the Board:

(1) Each officer and director of a certified gaming service provider or applicant for gaming service provider certification. For the purposes of this paragraph, "officer" means a president, chief executive officer, a chief financial officer and a chief operating officer and any person routinely performing corresponding functions with respect to an organization whether incorporated or unincorporated.

(2) Each individual who has a direct or indirect ownership or beneficial interest of 10% or more in the certified gaming service provider or applicant for gaming service provider certification. A certified gaming service provider or applicant for gaming service provider certification shall provide information or documentation requested by the Board necessary to determine compliance with this paragraph.

(3) Each salesperson of a certified gaming service provider or applicant for gaming service provider certification who solicits business from, or has regular contact with, any representatives of a slot machine applicant or licensee or any employee of a certified gaming service provider or applicant for gaming service provider certification who will be engaging in that conduct.

(b) Each entity that directly owns 20% or more of the voting securities of a certified gaming service provider or person applying for gaming service provider certification shall file a Gaming Service Provider Certification Form—Private Holding Company with the Bureau of Licensing and be found qualified by the Board.

(c) The following persons may be required to submit a Gaming Service Provider Certification Form—Private Holding Company or a Pennsylvania Personal History Disclosure Form and be found qualified by the Board if the Bureau of Licensing determines that the qualification of the person is necessary to protect the public interest or to enhance the integrity of gaming in this Commonwealth:

(1) An intermediary or holding company of a certified gaming service provider or applicant for gaming service provider certification not otherwise required to be qualified.

(2) An officer or director of an intermediary or holding company of a certified gaming service provider or applicant for gaming service provider certification.

(3) An employee of a certified gaming service provider or applicant for gaming service provider certification.

(4) A person who holds any direct or indirect ownership or beneficial interest in a certified gaming service provider or applicant for gaming service provider certification, or has the right to any profits or distribution, directly or indirectly, from the certified gaming service provider or applicant for gaming service provider certification.

(5) A trustee of a trust that is required to be found qualified under this section.

(d) The Bureau of Licensing may issue a temporary credential to an individual who is required to be qualified by the Board under this section if:

(1) The individual's presence in the licensed facility is needed.

(2) The company with which the individual is associated is on the authorized gaming service provider list.

(e) Upon request, the Bureau of Licensing will issue a credential to an individual who has been found qualified under this section if the gaming service provider has been certified.

§ 437a.5. Construction subcontractors.

(a) Instead of filing for registration or certification, a construction subcontractor that is otherwise required to be certified or registered may elect to file an On-site Subordinate Pre-Opening Construction Notification Form with the Bureau of Licensing if:

(1) The subcontractor is not providing goods or services through an agreement with a slot machine applicant or licensee.

(2) The subcontractor is not a first-tier subcontractor providing goods or services to the general contractor that has entered into a contract with a slot machine applicant or licensee for the construction of a licensed facility.

(b) The On-site Subordinate Gaming Service Provider Notification Form will be valid for the construction of only one licensed facility, and will expire upon completion of the contract.

(c) A subcontractor that elects to file an On-site Subordinate Gaming Service Provider Notification Form as outlined in subsection (a) shall be prohibited from:

(1) Employing any person to work in a restricted area of a licensed facility or on the gaming floor after onsite Board staff designates the area as a gaming floor.

(2) Providing, directly or indirectly, goods or service to any other slot machine applicant or licensee other than

the slot machine applicant or licensee identified in the On-site Subordinate Gaming Service Provider Notification Form.

§ 437a.6. Registration and certification term and renewal.

(a) Gaming service provider certifications, registrations and renewals issued under this chapter will be valid for 4 years from the date of Board approval.

(b) Publicly traded gaming service provider authorizations approved under § 437a.1(g) (relating to general gaming service provider requirements) will be valid for 4 years from the date of authorization.

(c) Registered, certified and authorized publicly traded gaming service providers shall submit to the Board a completed renewal application or form and renewal fee at least 60 days prior to the expiration of a certification, registration or authorization.

(d) A certification or registration for which a completed renewal application and fee has been received by the Bureau of Licensing will continue to be in effect until the Board sends written notification to the holder of the certification or registration that the Board has approved or denied the certification or registration.

(e) A publicly traded gaming service provider authorization for which a completed renewal form and fee has been received by the Bureau of Licensing will continue in effect unless the Bureau of Licensing sends written notification to the publicly traded gaming service provider that the authorization has been rescinded.

§ 437a.7. Registered, certified and authorized gaming service provider responsibilities.

(a) A holder of a gaming service provider certification, registration or authorization shall have a continuing duty to comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(b) An employee of a gaming service provider shall be required to obtain an occupation permit under § 435a.3 (relating to occupation permit) if:

(1) The employee is the onsite supervisor of other gaming employees, as defined in § 401a.3 (relating to definitions), of the gaming service provider.

(2) The employee is a gaming employee as defined in § 401a.3.

(c) An employee of a gaming service provider who is not required to obtain an occupation permit under subsection (b) shall be required to obtain a nongaming employee registration under § 435a.5 (relating to nongaming employee registration) if:

- (1) The employee is the onsite supervisor of:
 - (i) Other nongaming employees as defined in § 401a.3.
 - (ii) Employees of the gaming service provider who are involved in the construction of the licensed facility.

(2) The employee is a nongaming employee as defined in § 401a.3.

(d) Employees of a gaming service provider who are not required to obtain an occupation permit or a nongaming employee registration under subsection (b) or (c) may be required to obtain an occupation permit or nongaming employee registration if the Board determines, after a

review of the work being performed, that obtaining a permit or registration is necessary for the protection of the integrity of gaming.

(e) Workers employed by a gaming service provider that is a construction company, who are completing work on the gaming floor or in a restricted area under their original contract, change orders, punch lists, periodic repairs or warranty work, will not be required to comply with the requirements in subsection (b) or (c) if the conditions in § 435a.9a(a) and (b) (relating to gaming service provider employee temporary access credentials) are met.

(f) A certified, registered or authorized gaming service provider operating within a licensed facility that cashes personal checks shall comply with § 465a.20 (relating to personal check cashing).

§ 437a.8. Authorized gaming service providers list; prohibited gaming service providers.

(a) The Board will maintain a list of authorized gaming service providers and a list of prohibited gaming service providers. The authorized list will contain the names of persons who:

- (1) Have been registered or certified.
- (2) Are eligible to file and have filed a completed publicly traded gaming service provider form under § 437a.1(g) (relating to general gaming service provider requirements).

(3) Have been authorized to conduct business with a slot machine licensee or applicant under § 437a.9 (relating to permission to conduct business prior to certification or registration).

(b) Except as permitted under § 437a.1(a)(2), (d) and (g) and § 437a.10 (relating to emergency gaming service provider), a slot machine licensee or applicant may not purchase goods or services from a gaming service provider, when the employees of the gaming service provider will be working on the gaming floor or in a restricted area or compensate a gaming service provider \$100,000 or more within a consecutive 12-month period, unless the gaming service provider is on the authorized gaming service provider list. A slot machine licensee or applicant or any affiliate, intermediary, subsidiary or holding company thereof acting on behalf of the slot machine licensee or applicant may not enter into an agreement or continue to do business with a gaming service provider on the prohibited gaming service providers list.

(c) The Board may place a person on the prohibited gaming service providers list if:

(1) The gaming service provider has failed to comply with this chapter.

(2) The gaming service provider has failed to cooperate with Board staff in its review and investigation of the gaming service provider's application.

(3) The gaming service provider's application for certification or registration has been denied or withdrawn with prejudice or the gaming service provider has had its gaming service provider certification or registration suspended or revoked.

(4) The gaming service provider has failed to provide information to a slot machine applicant or licensee that is necessary for the slot machine applicant or licensee to comply with this chapter.

(d) A person seeking to be removed from the list of prohibited gaming service providers shall file a petition

for removal in accordance with § 493a.4 (relating to petitions generally) and shall be responsible for all costs associated with the person's petition for removal from the list of prohibited gaming service providers. The petition must state the specific grounds believed by the petitioner to constitute good cause for removal from the prohibited gaming service providers list and how the gaming service provider has cured any deficiencies that led to the gaming service provider being placed on the prohibited gaming service providers list.

(e) The Board may impose a monetary penalty or other appropriate sanction in connection with the removal of a person from the list of prohibited gaming service providers, or attach any reasonable condition to the removal of a person from the list of prohibited gaming service providers.

§ 437a.10. Emergency gaming service provider.

(a) A slot machine licensee may utilize a gaming service provider that is not registered, certified or authorized to conduct business in accordance with § 437a.8 (relating to authorized gaming service providers list; prohibited gaming service providers) when a threat to public health, welfare or safety of the building or its occupants exists or circumstances outside the control of the slot machine licensee create an urgency of need which does not permit the delay involved in using the formal method of gaming service provider certification or registration. A slot machine licensee may not use a gaming service provider on the prohibited list.

(b) When using a gaming service provider that is not registered, certified or authorized to conduct business to respond to an emergency, the slot machine licensee shall:

(1) Immediately notify the onsite casino compliance representatives in the licensed facility of the emergency and the gaming service provider that was selected to provide emergency services.

(2) File a Gaming Service Provider Emergency Notification Form with the Bureau of Licensing within 72 hours after commencement of the gaming service provider's services and a written explanation of the basis for the procurement of the emergency gaming service provider.

(c) An employee of the emergency gaming service provider who is providing emergency services in the licensed facility shall obtain a temporary access credential in accordance with § 435a.9a(d) (relating to gaming service provider employee temporary access credentials) prior to performing any work.

(d) If the slot machine licensee continues to utilize the gaming service provider after the emergency circumstances have passed or if the Bureau of Licensing determines that the circumstances did not necessitate the use of an emergency gaming service provider that was not registered, certified or on the authorized list, the slot machine licensee and gaming service provider shall comply with the requirements in this chapter.

§ 437a.11. Slot machine applicants' and licensees' duty to investigate.

(a) An applicant for or holder of a slot machine license shall investigate the background and qualifications of the applicants for gaming service provider registration or certification with whom it intends to have a contractual relationship or enter into an agreement.

(b) An applicant for or holder of a slot machine license shall have an affirmative duty to avoid agreements or relationships with persons applying for gaming service

provider registration or certification whose background or associations are injurious to the public health, safety, morals, good order and general welfare of the people of this Commonwealth, or who threaten the integrity of gaming in this Commonwealth.

(c) An applicant for or holder of a slot machine license shall have a duty to inform the Board of an action by an applicant for or holder of a gaming service provider registration or certification or a gaming service provider that is eligible to file and has filed a completed publicly traded gaming service provider form under § 437a.1(g) (relating to general gaming service provider requirements), which the applicant for or holder of a slot machine license believes would constitute a violation of the act or this part.

CHAPTER 440a. MANAGEMENT COMPANIES

§ 440a.1. General requirements.

(a) A management company shall obtain a management company license from the Board prior to the commencement of gaming operations. If a slot machine licensee has already started gaming operations, a management company may not provide services to the slot machine licensee prior to obtaining a license from the Board.

(b) An applicant for or holder of a management company license or any of the applicant's or holder's affiliates, intermediaries, subsidiaries or holding companies may not apply for or hold a manufacturer or supplier license.

§ 440a.2. Applications.

(a) An applicant for a management company license shall file:

(1) A completed application and disclosure form.

(2) The nonrefundable application fee posted on the Board's web site.

(b) In addition to the application required under subsection (a), an applicant for a management company license shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

§ 440a.3. Management company license term and renewal.

(a) A management company license or renewal will be valid for 3 years from the date on which the initial license is issued or the renewal is approved by the Board. The management company license will not be issued or renewed until all fees and costs have been paid.

(b) A renewal application shall be submitted to the Bureau of Licensing at least 60 days prior to the expiration of a management company license.

(c) A management company license for which a completed renewal application and fee has been received by the Bureau of Licensing will continue in effect until the Board sends written notification to the holder of the management company license that the Board has approved or denied the management company license.

(d) A management company license issued by the Board is nontransferable.

§ 440a.5. Management contracts.

(a) A management contract between a slot machine applicant or licensee and management company licensee will not become effective until the Board has approved the management contract.

(b) A management company licensee shall submit any amendment to a management contract 30 days prior to the effective date of the proposed amendment. The amendment will not become effective until a petition is submitted and the Board has approved the amendment.

(c) A management contract or amendment will not be approved by the Board unless the management company proves by clear and convincing evidence that the approval of the contract would not create a monopoly on the control of licensed gaming facilities in this Commonwealth.

(d) A management company that requests Board approval of a management contract shall disclose its financial interests in the slot machine applicant or licensee and, if applicable, any exercisable option that may constitute a change in ownership or control of a slot machine licensee as described in § 441a.17 (relating to change in ownership or control of slot machine licensee and multiple slot machine license prohibition).

(e) A management contract, submitted to the Board for approval, must contain the following:

(1) A provision that provides the grounds and mechanisms for modifying or terminating the contract.

(2) A provision that states that the contract will not be effective unless it is approved by the Board.

(3) A provision that describes with particularity the method of compensating and reimbursing the management company.

(4) Provisions that contain a mechanism to resolve patron disputes and disputes between the slot machine licensee and the management company.

(5) A provision that indicates whether and to what extent contract assignments and subcontracting are permissible.

(6) A provision that specifies the duration of the management contract. A management contract may not contain a provision that provides for the automatic renewal of the management contract.

(f) A management contract submitted for approval must specify the terms and conditions of the management contract and the responsibilities of the slot machine applicant or licensee and management company. At a minimum, the terms should address whether, and to what extent, the management company is involved in the following:

- (1) Operation of the following departments:
 - (i) Information technology.
 - (ii) Internal audit.
 - (iii) Slot accounting.
 - (iv) Slot management.
 - (v) Security.
 - (vi) Surveillance.
 - (vii) Table games.
- (2) Design, construction, improvement and maintenance of the licensed facility.
- (3) Sources of operating capital and financing for the development of the licensed facility.
- (4) Payment of the slot machine license fee and the table games operation certificate fee, if applicable.
- (5) Purchase or lease of slot machines, table games, table game devices or associated equipment.

(6) Design, implementation and amendment of the system of internal controls required under section 1322 of the act (relating to slot machine accounting controls and audits) and this part including the financial reporting requirements.

(7) Hiring, terminating, training and promoting of employees and the employment practices attendant thereto.

(8) The payment of local, State and Federal taxes and slot machine license deposit required under the act and this part and any penalties imposed by the Board for violations thereof.

(9) Advertising, player incentive or marketing programs.

(10) Compliance with section 1325(b)(1) of the act (relating to license or permit issuance).

(11) Obtaining and maintaining insurance coverage, including coverage of public liability and property loss or damage.

(12) Procurement of gaming service providers and gaming junket enterprises.

(13) Selection of the licensed facility's independent auditor.

(g) Notwithstanding subsections (a)—(f), a slot machine licensee and licensed management company may not contract for the delegation of any benefits, duties or obligations specifically granted to or imposed upon the slot machine licensee by the act.

§ 440a.6. Change in ownership or control of a management company licensee.

(a) A management company licensee shall notify the Bureau and the Bureau of Licensing by filing a Notification of Proposed Transfer of Interest Form prior to or immediately upon becoming aware of a proposed or contemplated change in ownership or control of the management company licensee by a person or group of persons acting in concert which involves any of the following:

(1) More than 5% of a management company licensee's securities or other ownership interests.

(2) More than 5% of the securities or other ownership interests of a corporation or other form of business entity that owns, directly or indirectly, at least 20% of the voting or other securities or other ownership interest of the management company licensee.

(3) Any other interest in a management company licensee which allows the acquirer to control the management company license.

(b) A transaction in subsection (a) may not be consummated without:

- (1) Obtaining the prior approval of the Board.
- (2) Each principal involved in the transaction obtaining a license in accordance with Chapter 433a (relating to principal licenses).

(c) A request for approval required under subsection (b)(1) shall be made by filing a petition with the Board in accordance with § 493a.4 (relating to petitions generally).

(d) Notwithstanding the requirement in subsection (b)(2), the Board may approve a transaction under subsection (a) prior to the licensure of the person or group of persons acting in concert if all of the following apply:

(1) The person or group of persons acting in concert are proposing to acquire 20% or less of the voting securities of a publicly traded holding company of a management company licensee.

(2) The person or group of persons acting in concert affirm that the person or group of persons will not control or influence the affairs of or benefit from the management company or slot machine licensee prior to being licensed as principals in accordance with Chapter 433a.

(3) The person or group of persons have filed applications with the Board for licensure as principals in accordance with Chapter 433a.

(4) The approval of the transaction is expressly conditioned upon the person or group of persons being licensed as principals in accordance with Chapter 433a.

(e) The Board will not approve a transaction under subsection (a) which involves a change in control unless the person or group of persons acting in concert demonstrates by clear and convincing evidence that the slot machine licensee's gaming facility will remain or become a financially successful, suitable and efficient business operation.

(f) The following transactions are not be subject to subsections (a)—(c):

(1) A transaction through which an underwriter will possess a security for less than 90 days.

(2) A transaction through which an institutional investor acquires less than 20% of the securities of a management company licensee's holding company, provided that the securities were acquired for investment purposes only and the institutional investor complies with § 433a.5 (relating to institutional investors).

Subpart C. SLOT MACHINE LICENSING

CHAPTER 441a. SLOT MACHINE LICENSES

§ 441a.1. Definitions.

For purposes of this subpart, the following words and terms have the following meanings, unless the context clearly indicates otherwise:

Amenities—Ancillary activities, services or facilities in which a registered guest or the transient public, in return for non-de minimis consideration, may participate at a resort hotel, including, but not limited to:

(i) Sports and recreational activities and facilities such as a golf course, golf driving range, tennis court or swimming pool.

(ii) Health spa.

(iii) Convention, meeting and banquet facilities.

(iv) Entertainment facilities.

(v) Restaurant facilities.

Applicant—A person who applies to the Board to receive a slot machine license as defined in this section.

Developer—A person engaged by a slot machine applicant or licensee to construct a proposed licensed facility or to otherwise make land or buildings suitable for use as a licensed facility.

Guest rooms under common ownership—A room or group of rooms, including timeshare units, that are owned by a well-established resort hotel and that are available for rental.

Initial plan of development—The slot machine licensee's financing, construction schedule, comprehensive design

plan and projected expenditure for the licensed facility as described by the licensee in its application and presented at the licensee's initial suitability hearing before the Board.

Licensing hearing—A hearing before the Board in which an applicant for a slot machine license will have an opportunity to present to the Board:

(i) Evidence concerning its eligibility for a license.

(ii) Evidence concerning its suitability for a license.

(iii) Evidence of how its proposed facility and operation addresses the criteria identified in section 1325(c) of the act (relating to license or permit issuance).

(iv) For applicants seeking licensure under section 1304 of the act (relating to Category 2 slot machine license), evidence which sets forth a comparison between the applicant and other applicants within the same category of licensure on the standards and criteria in the act.

Modified plan of development—An alteration to a slot machine licensee's initial plan of development.

Non-de minimis consideration—A payment of fair market value of at least \$10 per patron paid to the resort hotel for use of one or more amenities.

Organization—Legal business entities that are under common ownership or control, including, but not limited to, affiliates, subsidiaries, intermediaries and holding companies.

Patron of amenities—An individual who is a registered attendee of a convention, meeting or banquet event or a participant in a sport or recreational event or any other social, cultural or business event held at a resort hotel or who participates in one or more of the amenities provided to registered guests of the resort hotel.

Slot machine license—A Category 1 slot machine license under section 1302 of the act (relating to Category 1 slot machine license), a Conditional Category 1 slot machine license under section 1315 of the act (relating to conditional Category 1 licenses), a Category 2 slot machine license under section 1304 of the act (relating to Category 2 slot machine license) and a Category 3 slot machine license under section 1305 of the act (relating to Category 3 slot machine license).

Well-established resort hotel—A resort hotel having at least 275 guest rooms under common ownership at the time of application for a Category 3 slot machine license and having substantial year-round recreational guest amenities.

§ 441a.2. Slot machine application deadlines.

The Board will initiate the formal procedure for the acceptance, consideration and final resolution of applications for slot machine licenses by setting a filing period for filing of Category 1, 2 or 3 slot machine license applications. The filing period set by the Board will be posted on the Board's web site.

§ 441a.3. Slot machine license application.

(a) An applicant for a slot machine license shall submit an application which includes the following:

(1) An original and one copy of the Category 1, Category 2, or Category 3 Application and Disclosure Information Form.

(2) The nonrefundable application fee posted on the Board's web site.

(3) An application for each principal under Chapter 433a (relating to principal licenses).

(4) Fingerprints for each principal.

(5) A diversity plan as set forth in section 1325(b) of the act (relating to license or permit issuance) and Chapter 481a (relating to diversity), which shall be signed by the chief executive officer of the applicant or authorized designee.

(6) If a temporary land-based facility is to be licensed, a plan for how the licensee will transition to a permanent facility, including a date for completion of the permanent facility. A permanent facility shall be the facility proposed by the applicant, which is designated, identified and made part of the evidentiary record by the applicant at the applicant's licensing hearing. Modifications to the approved permanent facility following the applicant's licensing hearing require approval of the Board in accordance with § 441a.20a (relating to changes to a slot machine licensee's initial or modified plan of development).

(7) A sworn or affirmed statement that the applicant has developed and implemented internal safeguards and policies to prevent a violation of section 1513 of the act (relating to political influence).

(8) A statement demonstrating compliance with the geographical requirements of section 1302, 1304 or 1305 of the act (relating to Category 1 slot machine license; Category 2 slot machine license; and Category 3 slot machine license).

(b) Failure to provide the information required in subsection (a) may result in the application being deemed incomplete.

(c) In addition to the materials required under subsection (a), an applicant for a slot machine license shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(d) A copy of the local impact report required as part of the application shall be provided to the political subdivisions in which the licensed facility will be located at the same time as the filing of the application for a slot machine license. The applicant shall file a proof of service with the Bureau of Licensing within 5 business days after filing the application for a slot machine license.

§ 441a.4. Alternative Category 1 licensing standards.

(a) If an applicant for a Category 1 license, or its affiliate, intermediary, subsidiary or holding company holds a similar license in another jurisdiction in the United States or Canada, the applicant may submit a written request with its application required under § 441a.3 (relating to slot machine license application) for the Board to adopt an abbreviated licensing process under section 1314(b) of the act (relating to alternative Category 1 licensing standards).

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

(1) The Board determines, after investigation, that the licensing standards in the other jurisdiction in which the applicant or its affiliate, intermediary, subsidiary or holding company is licensed is similarly comprehensive and thorough and provides safeguards that are equal to or greater than those provided in the act and granting the request would be in the public interest.

(2) A completed application for a Category 1 license has been filed with the Bureau of Licensing which includes the name and address of the regulatory agency in the other jurisdiction.

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

(4) The applicant has provided current, updated information to the Bureau of Licensing and the Bureau regarding the license in the other jurisdiction and information relating to its financial viability and suitability and good character.

(5) The applicant has no administrative or enforcement actions pending in other jurisdictions that could render the applicant ineligible or unsuitable for licensure or the applicant has disclosed and explained these actions to the satisfaction of the Board.

(6) There are no pending or ongoing investigations of possible violations by the applicant in other jurisdictions that could render the applicant ineligible or unsuitable for licensure or the applicant has disclosed and explained these investigations to the satisfaction of the Board.

(c) The abbreviated process does not waive fees associated with obtaining a Category 1 license.

(d) The Board may determine to use an abbreviated process requiring only that information determined by the Board to be necessary to consider the issuance of the license, including the financial viability of the applicant.

(e) Following the issuance of a Category 1 license under this section, the Bureau will initiate a complete review of the information submitted under this subpart. If the applicant does not meet the requirements of the act or this part, the Board may revoke, suspend or condition the license until the applicant meets the requirements of the act.

§ 441a.5. License fee payment bond or letter of credit requirements.

(a) An application for a slot machine license shall at all times throughout the period in which the application is on file with the Board include original payment bonds or original irrevocable letters of credit, or some combination thereof, that include draw instructions guaranteeing the applicant's payment of the slot machine license fee required by sections 1209(a) and 1305(d) of the act (relating to slot machine license fee; and Category 3 slot machine license) if the license is approved and issued.

(1) Payment bonds or irrevocable letters of credit shall be submitted to the Bureau of Licensing for review before an application may be accepted for filing. The review of the payment bond or irrevocable letter of credit will include an assessment of both the proposed terms and the surety or financial institution that will issue the payment bond or irrevocable letter of credit. An application will be deemed incomplete if at any time during the period the application is on file with the Board payment bonds or letters of credit in the amounts required in paragraph (2) are not in full force and effect.

(2) Payment bonds or irrevocable letters of credit must aggregate to the following amounts:

(i) \$50,000,000 for each application for a Category 1 or Category 2 license.

(ii) \$5,000,000 for each application for a Category 3 license.

(b) Unless otherwise permitted by the Board, a payment bond provided under this section must be issued by a surety company that is both licensed by the Insurance Department and assigned a credit rating within the three highest categories, without regard to numerics or other modifiers, by Moody's or Standard & Poor's, or upon the discontinuance of Moody's or Standard & Poor's, by another Nationally-recognized rating service. Proof that the surety is licensed by the Insurance Department and has been assigned the required credit rating must accompany any payment bond submitted under this section.

(c) Unless otherwise required by the Board, a letter of credit must be issued by a bank, trust company, National banking association or corporation which is both subject to regulation by the Federal Reserve System under the Bank Holding Company Act of 1956 (12 U.S.C.A. §§ 1841—1852) and assigned a credit rating within the three highest rating categories, without regard to numerics or other modifiers, by Moody's or Standard & Poor's, or upon the discontinuance of Moody's or Standard & Poor's, by another Nationally-recognized rating service. Proof that the bank, trust company, National banking association or corporation is subject to regulation by the Federal Reserve System under the Bank Holding Company Act of 1956 and that the issuer has been assigned the required credit rating must accompany any letter of credit submitted under this section.

(d) The payment bond or irrevocable letter of credit provided under this section must state that it is payable to the "Commonwealth of Pennsylvania" as the obligee.

(e) The payment bond or irrevocable letter of credit provided under this section must provide that if the slot machine license has been approved by the Board and the license fee has not been paid in full within 5 business days following the deadline for payment set by the Board or Board staff, the Commonwealth will have the right to request immediate payment under the payment bond or irrevocable letter of credit for payment of the slot machine license fee.

(f) The payment bond or irrevocable letter of credit provided under this section must state that it will expire upon the earlier to occur of the following:

(1) A specified expiry date or any automatically extended expiry date.

(2) Receipt by the issuer of the Board's signed statement that:

(i) The application has been denied.

(ii) The slot machine license has been issued and 10 business days have elapsed following the issuance of the license.

(iii) The license fee has been paid.

(iv) The applicant has been permitted by the Board to withdraw its application under § 423a.5 (relating to application withdrawal and surrender).

(g) An expiry date applicable to a payment bond or letter of credit provided under this section must be at least 12 months from the date of issuance of the payment bond or letter of credit. Any provision automatically renewing or extending a payment bond or letter of credit must do so at intervals of at least 3 months. Notice provisions to the Board in a payment bond or letter of credit applicable to an election by an issuer not to renew or extend a then current expiry date must provide that the Board will receive at least 60 days written notice, by registered mail or overnight courier service, of an election not to renew or extend.

(h) This section does not preclude a slot machine license applicant from substituting or replacing a payment bond or letter of credit during the period the application is on file with the Board provided the replacement payment bond or letter of credit is reviewed by the Bureau of Licensing.

§ 441a.6. Public input.

(a) Prior to granting a slot machine license, the Board will conduct at least one public input hearing.

(b) Public input hearings relating to an application for a slot machine license shall be held in the municipality where the licensed facility will be located. The public input hearings will be organized in cooperation with the municipality.

(c) The Board will develop and post the procedures that will be used to conduct public input hearings on the Board's web site.

(d) The Board will make public a list of all witnesses scheduled to testify at a public input hearing at least 7 days prior to the hearing. The list of witnesses will be updated at least 3 days prior to the hearing. Additional witnesses will be posted on the Board's web site as they are added to the witness list.

§ 441a.7. Licensing hearings for slot machine licenses.

(a) A schedule of licensing hearings for all slot machine license applicants will be posted on the Board's web site.

(b) The Board may schedule prehearing conferences under § 491a.9 (relating to prehearing and other conferences) to address issues related to licensing hearings.

(c) The Board will allot each applicant a specified time for its presentation. The length of the presentations, which shall be the same for each applicant within each category, will be established by the Board.

(d) At a licensing hearing, an applicant shall appear before the Board and at all times have the burden to establish and demonstrate, by clear and convincing evidence, its eligibility and suitability for licensure and to address the criteria identified in section 1325(c) of the act (relating to license or permit issuance).

(e) For the purposes of this section, an applicant's demonstration of eligibility must include a showing of compliance with:

(1) Section 1302, 1303, 1304 or 1305 of the act, as applicable.

(2) The application requirements in § 441a.3 (relating to slot machine license application).

(3) The license fee payment bond or letter of credit requirements in § 441a.5 (relating to license fee payment bond or letter of credit requirements).

(4) The diversity requirements in Chapter 481a (relating to diversity) and section 1325(b) of the act.

(f) For the purposes of this section, an applicant's demonstration of suitability must include a showing of:

(1) Good character, honesty and integrity in compliance with section 1310 of the act (relating to slot machine license application character requirements).

(2) Financial fitness in compliance with section 1313 of the act (relating to slot machine license application financial fitness requirements).

(3) Operational viability, including:

(i) The quality of the proposed licensed facility, and temporary land-based facility, if applicable, including the number of slot machines and table games proposed and the ability of the proposed licensed facility to comply with statutory, regulatory and technical standards applicable to the design of the proposed licensed facility and the conduct of slot machine and table game operations therein.

(ii) The projected date of the start of operations of the proposed licensed facility and any accessory uses such as hotel, convention, retail and restaurant space proposed in conjunction therewith. Applicants shall provide the Board with a time line on the deliverability of proposed temporary land-based or phased permanent licensed facilities and the accessory uses proposed in conjunction therewith.

(iii) The ability of the applicant's proposed licensed facility to generate and sustain an acceptable level of growth of revenue.

(g) For the purposes of this section, an applicant's demonstration of how it addresses the criteria identified in section 1325(c) of the act must include:

(1) The location and quality of the proposed facility, including, but not limited to, road and transit access, parking and the facility's proximity to its anticipated market service area.

(2) The potential for new job creation and economic development which are expected to result from granting a license to an applicant.

(3) The applicant's good faith plan to recruit, train and enhance diversity in all employment classifications in the facility.

(4) The applicant's good faith plan for enhancing the representation of diverse groups in the operation of its facility through the ownership and operation of business enterprises associated with or utilized by its facility or through the provision of goods or services utilized by its facility and through the participation in the ownership of the applicant.

(5) The applicant's good faith effort to assure that all persons are accorded equality of opportunity in employment and contracting by it and any contractors, subcontractors, assignees, lessees, agents, gaming service providers and suppliers the applicant may employ directly or indirectly.

(6) The potential for enhancing tourism which is expected to result from granting a license to the applicant.

(7) The history and success of the applicant in developing tourism facilities ancillary to gaming development in other locations if applicable to the applicant.

(8) The degree to which the applicant presents a plan for the project which will likely lead to the creation of quality, living-wage jobs and full-time permanent jobs for residents of this Commonwealth generally and for residents of the host political subdivision in particular.

(9) The record of the applicant and its developer in meeting commitments to local agencies, community-based organizations and employees in other locations.

(10) The degree to which potential adverse effects which might result from the project, including costs of meeting the increased demand for public health care and

treatment of problem gamblers and their families, child care, public transportation, affordable housing and social services, will be mitigated.

(11) The record of the applicant and its developer regarding compliance with:

(i) Federal, State and local discrimination, wage and hour, disability and occupational and environmental health and safety laws.

(ii) State and local labor relations and employment laws.

(12) The record of the applicant in dealing with its employees and their representatives at other locations.

(13) The applicant's business probity, experience and ability.

(14) Areas of deficiency in the applicant's application previously identified by the Bureau or the Bureau of Licensing that have not been resolved.

(h) The applicant's demonstration of how it addresses section 1325(c) of the act and subsection (g) may include information relating to its affiliates, intermediaries, subsidiaries or holding companies.

(i) No later than 30 days before the first scheduled licensing hearing in the category of license for which the applicant has filed an application, the applicant shall file with the Board a memorandum identifying all evidence it intends to use in support of its presentation before the Board. At the same time, Category 1 and Category 3 applicants shall serve the memorandum on the other applicants in the same category. At the same time, Category 2 applicants shall serve the memorandum on all other applicants whose proposed facility meets the same location criteria as the applicant's proposed facility as specified in subsection (n)(1)(i)–(iii). The memorandum must include the following:

(1) The name of the applicant and docket number of the applicant's application to which the evidence will relate.

(2) Identification of each standard and criterion in subsections (d)–(f) to which the evidence will relate.

(3) As to each criterion identified, whether the evidence will be presented through oral testimony or the proffer of documents, or both. If any portion of the evidence will be presented through oral testimony, the notice must include the name, address and telephone number of each testifying witness, the identified criteria about which the witness will testify and a detailed summary of the witness' testimony. If any portion of the evidence will be presented through the proffer of documents, including reports and exhibits, the memorandum must include a copy of each document to be proffered and the name, address and telephone number of the persons who prepared the document.

(4) If any person identified in paragraph (3) will testify as an expert, the person's qualifications, including the person's education, experience and training, and a listing of the other jurisdictions where the person has been qualified as an expert witness within the last 5 years, shall be attached to the notice. A copy of the results or reports of any tests, experiments, examinations, studies or documents prepared or conducted by the expert or about which the expert will testify or which will be relied upon by the expert to render an opinion shall be attached to the notice.

(5) Documents required under paragraphs (3) and (4) that have already been submitted to the Board and made

part of the public record may be referenced instead of being included with the memorandum identifying all evidence an applicant intends to use in support of its presentation before the Board.

(j) The Board will serve on all applicants within that category any expert reports developed for and requested by the Board that pertain to the applicants.

(k) Applicants, at the time of filing, shall provide the Board with an electronic version, in a format prescribed by the Board, of the reports and exhibits provided in paper form.

(l) If an applicant designates any submitted report or exhibit as confidential under § 401a.3 (relating to definitions) or section 1206(f) of the act (relating to Board minutes and records), the applicant shall:

(1) Clearly and conspicuously indicate that the report or exhibit is confidential in both the paper and electronic format and provide these exhibits separately from the nonconfidential exhibits.

(2) Request that the confidential information be presented to the Board in an executive session in accordance with 65 Pa.C.S. § 708(a)(5) (relating to executive sessions) and provide an explanation of the need for the designation of confidentiality and presentation during an executive session or authorize the release of the report or exhibit in compliance with section 1206(f)(5) of the act.

(m) Applicants are prohibited from relying upon or introducing new evidence, including witnesses' testimony, reports or exhibits, not identified under subsection (i) or (n), except in the following circumstances:

(1) Applicants may update or supplement evidence, including witnesses' testimony, reports or exhibits to respond to requests from the Board or Board staff.

(2) Applicants may update or supplement evidence, including witnesses' testimony, reports or exhibits to respond to issues raised subsequent to the filing of the memorandum required by subsection (i) at a prehearing conference if the issues could not have been reasonably anticipated by the applicant.

(n) For Category 2 and Category 3 applicants only, in addition to the applicant's presentation of evidence to the Board relative to its eligibility and suitability for a license, an applicant may, during its licensing hearing, present evidence which sets forth a comparison between the applicant and other applicants within the same category with respect to the standards and criteria in subsections (e)—(h).

(1) Comparisons must be limited to:

(i) For applicants seeking to locate a licensed facility in a city of the first class, other applicants for a licensed facility in a city of the first class.

(ii) For applicants seeking to locate a licensed facility in a city of the second class, other applicants for a licensed facility in a city of the second class.

(iii) For applicants seeking to locate a licensed facility in a revenue-enhanced or tourism-enhanced location, other applicants for a licensed facility in a revenue-enhanced or tourism-enhanced location.

(iv) For applicants seeking to locate a licensed facility in a well-established resort hotel, other applicants for a licensed facility in a well-established resort hotel.

(2) If an applicant desires to present comparative evidence under this subsection, the applicant shall, no later than 20 days prior to the commencement of the first

scheduled licensing hearing in the category of license for which the applicant has filed an application, file with the Board Clerk a separate written notice evidencing the intent identifying each other applicant about whom the applicant desires to present evidence. A copy of the notice shall be served on the applicants about whom the evidence will be presented and on the Chief Enforcement Counsel. The notice must include:

(i) The name of the applicant and docket number of the applicant's application to which the evidence will relate.

(ii) Identification of the standards and criteria in subsections (e)—(h) to which the evidence will relate.

(iii) As to each criterion identified, a copy of any document or evidence that will be used to support the comparison to be presented in compliance with subsection (i).

(3) An applicant served with notice under paragraph (2) may present, during its licensing hearing, comparative evidence concerning it and the applicant from who notice was received with respect to the standards and criteria in subsections (e)—(h). The applicant so served shall have 10 days following services to file a reply notice with the Board which contains the information required by paragraph (2). A complete copy of the reply notice shall be served on the applicant who initially served notice under paragraph (2) and on the Chief Enforcement Counsel.

(4) If the applicant plans to present evidence to the Board concerning another applicant in an executive session, the applicant shall provide notice to the other applicant and provide any report or exhibit relied upon to the other applicant. The other applicant may be represented in the executive session.

(o) At the discretion of the Board, an applicant's presentation may include:

(1) Oral presentation.

(2) Documentary evidence submissions, including reports, photographs, audiovisual presentations, exhibits or testimony of witnesses.

(p) The Board, its designee and Chief Enforcement Counsel may:

(1) Examine or question the applicant and witnesses called by the applicant or the Board regarding their testimony and any aspect of the applicant's application and relevant background.

(2) Recall the applicant and other witnesses called by the applicant or the Board during the licensing hearing for further questioning.

(q) A person who testifies at the licensing hearing shall be sworn and testify under oath.

(r) Information obtained by the Bureau during an applicant's background investigation based upon public record or upon information otherwise in the public domain will be heard by the Board during the licensing hearing. Information submitted by an applicant under section 1310(a) of the act or obtained by the Board or Bureau as part of a background investigation from any source not in the public domain is considered confidential. The Board may not require an applicant to waive any confidentiality provided for in section 1206(f) of the act as a condition for the approval of a slot machine license or any other action of the Board. The Board may request that an applicant respond to inquiries related to confidential information during a licensing hearing to promote

transparency in the regulation of gaming in this Commonwealth. An applicant who does not waive the right to confidentiality shall:

* * * * *

§ 441a.9. Approval of a slot machine license.

(a) An applicant for a slot machine license shall prove by clear and convincing evidence:

(1) The financial stability and integrity of the applicant and its affiliates, intermediaries, subsidiaries and holding companies in accordance with section 1313 of the act (relating to slot machine license application financial fitness requirements).

(2) The good character, honesty and integrity of the applicant and its affiliates, intermediaries, subsidiaries, holding companies and principals in accordance with section 1310 of the act (relating to slot machine license application character requirements).

(b) For Category 1 slot machine applications, the State Horse Racing Commission or the State Harness Racing Commission may submit information if it believes the information will assist the Board in making a determination relating to the operational, financial or character fitness of the applicant.

(c) The Board may issue a slot machine license under this chapter if it determines that the applicant:

(1) Has demonstrated that the applicant will establish and is likely to maintain a financially successful, viable and efficient business operation and will likely be able to maintain a steady level of growth of revenue to the Commonwealth.

(2) Is of good character, honesty and integrity.

§ 441a.10. Notification of anticipated or actual changes in principals or key employees.

Each slot machine applicant or licensee shall notify the Bureau of Licensing, in writing, as soon as it becomes aware, of the proposed appointment, appointment, proposed nomination, nomination, election, hiring, promotion, intended resignation, resignation, removal, firing, incapacitation or death of any person required to be licensed as a principal or key employee under Chapter 433a and § 435a.2 (relating to principal licenses; and key employee license). The notice must be addressed to the Bureau of Licensing.

§ 441a.11a. Duty to maintain financial suitability.

A slot machine licensee and its intermediaries, subsidiaries and holding companies shall, at all times, remain financially suitable. In determining whether a licensee is financially suitable, the Board will consider the following factors:

(1) The ability to develop and maintain the proposed or licensed project.

(2) The ability to obtain financing and meet its financial obligations.

(3) The ability to maintain a steady level of growth of revenue.

(4) The historical financial suitability and financial wherewithal of the slot machine licensee, its intermediaries, subsidiaries and holding companies.

§ 441a.15. Slot machine license issuance bond requirement.

(a) Upon the issuance of a slot machine license, a slot machine licensee shall post an original payment bond in the amount of \$1,000,000.

(b) Unless otherwise required by the Board, the payment bond must comply with the following:

(1) The payment bond must be issued by a surety company that is both licensed by the Insurance Department and assigned a credit rating within the three highest categories, without regard to numerics or other modifiers, by Moody's or Standard & Poor's, or upon the discontinuance of Moody's or Standard & Poor's, by another Nationally recognized rating service. Proof that the surety is licensed by the Insurance Department and has been assigned the required credit rating must accompany any payment bond submitted under this section.

(2) A slot machine licensee shall submit its proposed payment bond to the Board prior to the issuance of a slot machine license.

(3) The payment bond must state that it is payable to the "Commonwealth of Pennsylvania" as the obligee for immediate payment of the slot machine licensee's financial obligations to the Commonwealth under the act and as security to guarantee that the slot machine licensee faithfully makes the payments, keeps its books and records, makes reports and conducts its operations in conformity with the act, this part and the rules and orders promulgated by the Board.

(4) A payment bond issued in accordance with this section will remain in full force and effect throughout the period of time that the slot machine license is in effect. If a bond is canceled and the slot machine licensee fails to file a new bond with the Bureau of Licensing in the required amount on or before the effective date of the cancellation, the slot machine licensee's license will be revoked or suspended.

(5) Any notice provision in a payment bond applicable to an election by a surety to cancel a then current payment bond must provide that the Board will receive at least 30 days written notice, by registered mail or overnight courier service, of the surety's election to cancel.

(c) The Board may demand that the slot machine licensee post a new payment bond upon the occurrence of any of the following:

(1) Liability on the existing payment bond is discharged or reduced by judgment rendered, payment made or similar occurrence.

(2) The Board determines that the surety is no longer satisfactory.

(3) The slot machine licensee requests the right to post a new payment bond.

(4) The Board receives notice that the payment bond will be cancelled.

§ 441a.17. Change in ownership or control of slot machine licensee and multiple slot machine license prohibition.

(a) A slot machine licensee shall notify the Bureau and the Bureau of Licensing by filing a Slot Machine Licensee's Notification of Proposed Transfer of Interest Form prior to or immediately upon becoming aware of any proposed or contemplated change in ownership of the slot machine licensee by a person or group of persons acting in concert which involves any of the following:

(1) More than 5% of a slot machine licensee's securities or other ownership interests.

(2) More than 5% of the securities or other ownership interests of a corporation or other form of business entity

that owns, directly or indirectly, at least 20% of the voting or other securities or other ownership interest of the slot machine licensee.

(3) The sale of a slot machine licensee's assets, other than in the ordinary course of business.

(4) Other transactions or occurrences deemed by the Board to be relevant to license qualification.

(b) A transaction set forth in subsection (a) may not be consummated without:

(1) Obtaining the prior approval of the Board.

(2) Each principal involved in the transaction obtaining a license in accordance with Chapter 433a (relating to principal licenses).

(c) A request for approval required under subsection (b)(1) shall be made by filing a petition with the Board in accordance with § 493a.4 (relating to petitions generally).

(d) Notwithstanding the requirement in subsection (b)(2), the Board may approve a transaction under subsection (a) prior to the licensure of the person or group of persons acting in concert if all of the following apply:

(1) The person or group of persons acting in concert are proposing to acquire 20% or less of the voting securities of a publicly traded holding company of a slot machine licensee.

(2) The person or group of persons acting in concert affirm that the person or group of persons will not control or influence the affairs of or benefit from the slot machine licensee prior to being licensed as principals in accordance with Chapter 433a.

(3) The person or group of persons have filed applications with the Board for licensure as principals in accordance with Chapter 433a.

(4) The approval of the transaction is expressly conditioned upon the person or group of persons being licensed as principals in accordance with Chapter 433a.

(e) The Board will not approve a transaction under subsection (a) which involves a change in control unless the person or group of persons:

(1) Acting in concert demonstrates by clear and convincing evidence that the slot machine licensee's gaming facility will remain or become a financially successful, suitable and efficient business operation.

(2) Acquiring the interest pay a new slot machine license fee as determined by the Board. The Board may condition its approval of the transaction on the payment of the fee.

(f) The following transactions are not be subject to subsections (a)—(c):

(1) A transaction through which an underwriter will possess a security for less than 90 days.

(2) A transaction through which an institutional investor acquires less than 20% of the securities of a slot machine licensee's holding company, provided that the securities were acquired for investment purposes only and the institutional investor complies with § 433a.5 (relating to institutional investors).

(g) In accordance with section 1330 of the act (relating to multiple slot machine license prohibition), a slot machine licensee, its affiliates, intermediaries, subsidiaries and holding companies may not possess 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%.

(h) Nothing in subsection (g) 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 affiliates, intermediaries, subsidiaries or holding companies.

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

(j) Nothing in this section concerning ownership or financial interests applies to contractual interests including those in the nature of management contracts, options to purchase exercisable after a license has been issued or leases.

§ 441a.18. Employee status report.

(a) A slot machine licensee shall maintain a complete, accurate and current record of each employee that includes the information in subsection (b)(1).

(b) Each month each slot machine licensee shall generate a monthly employee status report of the slot machine licensee's and management company's employees. The report shall be submitted to the Bureau of Licensing no later than the 15th calendar day of the following month. The report must include the following information:

(1) An alphabetical listing of the individuals currently employed by the slot machine licensee and the management company and the following information with respect to each employee listed:

(i) The name of the employee.

(ii) The address of record of the employee on file with the slot machine licensee.

(iii) The employee's license, permit or registration number and expiration date, if applicable.

(iv) The employee's title or position.

(v) Whether the employee is full-time or part-time.

(vi) The date of hire of the employee.

(vii) The access code, if any, assigned to the employee which designates the restricted areas that the employee is permitted to enter and remain in for the purposes of performing his normal duties.

(2) The total number of persons employed by the slot machine licensee and management company during the preceding month.

(3) An alphabetical listing of all employees who have discontinued or terminated employment with the slot machine licensee or management company during the preceding month and the following information with respect to each employee listed:

(i) The information listed in paragraph (1)(i)—(vii).

(ii) The date on which the employee discontinued or terminated employment with the slot machine licensee or management company.

(4) The total number of employees who have discontinued or terminated employment with the slot machine licensee and management company during the preceding month.

(5) The date on which the information provided in the report was compiled.

(c) The reports shall be transmitted to the Bureau of Licensing by means of electronic data transmission or in a form prescribed by the Bureau of Licensing.

(d) The Board may request interim employee status reports from a slot machine licensee or management company.

§ 441a.19. Notice of employee misconduct and of offenses and employee resignations.

* * * * *

(c) Notwithstanding subsection (a), a slot machine licensee shall, within 24 hours, notify the Bureau upon learning of the arrest, charging, indictment or conviction of any of its affiliates, intermediaries, subsidiaries, holding companies, principals, key employees, permittees or registrants for any of the following:

* * * * *

§ 441a.20a. Changes to a slot machine licensee's initial or modified plan of development.

(a) A slot machine licensee shall obtain Board approval prior to implementing any change to the slot machine licensee's approved initial or modified plan of development as defined in § 441a.1 (relating to definitions).

(b) A request for approval of a change to a slot machine licensee's initial or modified plan of development shall be made by filing a petition with the Board in accordance with § 493a.4 (relating to petitions generally).

(c) The licensee shall demonstrate that the contemplated change in the development plan is substantially similar to the currently approved plan of development or show good cause as to why a contemplated plan of development that is different from the licensee's currently approved plan should be approved.

§ 441a.21. Liability for management companies.

Notwithstanding any provision to the contrary in the management contract, each slot machine licensee may be jointly and severally liable for any act or omission by its management company in violation of the act or this part, regardless of actual knowledge by the slot machine licensee of the act or omission.

Subpart E. SLOT MACHINES AND ASSOCIATED EQUIPMENT; ACCOUNTING AND INTERNAL CONTROLS

CHAPTER 461a. SLOT MACHINE AND TABLE GAME DEVICE TESTING AND CONTROL

§ 461a.7. Slot machine minimum design standards.

(a) A slot machine may not be set to pay out less than the theoretical payout percentage, which may not be less than 85%, calculated using the lowest possible wager that could be played for any single play, or equal or exceed 100%, calculated using the highest eligible wager available. The theoretical payout percentage for the total value of slot machine wagers will be calculated using the following:

* * * * *

§ 461a.18. Cashless funds transfer systems.

(a) A slot machine licensee may utilize a cashless funds transfer system that has been tested and approved by the Board under § 461a.4 (relating to submission for testing and approval).

(b) A cashless funds transfer system must comply with the act, this subpart and technical standards on cashless funds transfer systems adopted by the Board, published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(c) Prior to utilizing a cashless funds transfer system, a slot machine licensee shall establish a system of internal controls applicable to the cashless funds transfer system. The internal controls shall be submitted to and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols). The internal control procedures submitted by the slot machine licensee must address the integrity, security and control of its cashless funds transfer system and include:

- (1) An overview of the system design.
- (2) System access controls and restrictions.
- (3) Override policies and restrictions.
- (4) Backup and recovery procedures.
- (5) Logical and physical access controls and restrictions.
- (6) Network security.
- (7) Procedures for handling customer disputes.

(d) Transfer of electronic credits to a slot machine under this section shall be initiated by a patron using an access control. Access controls must require the use of a unique access code for each patron. The access code shall be selected by and only available to the patron.

(e) A record of every transfer of electronic credits to a slot machine under this section shall be maintained by the slot machine licensee and shall be identified by, at a minimum, the date, time and the asset number of the slot machine to which the transfer occurred and an identification number assigned to the patron who initiated the transaction. The identification number assigned to a patron for the purposes of this section must be different from the unique access code selected by the patron as part of an access control.

CHAPTER 465a. ACCOUNTING AND INTERNAL CONTROLS

§ 465a.2. Internal control systems and audit protocols.

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(f) If a slot machine licensee intends to make a change or amendment to its system of internal controls, it shall submit the change or amendment electronically to the Bureau of Gaming Operations using the Internal Controls & Table Games Submission Form posted on the Board's web site. The slot machine licensee may implement the change or amendment on the 30th calendar day following the filing of a complete submission unless the slot machine licensee receives written notice tolling the change or amendment in accordance with subsection (g) or written notice from the Board's Executive Director rejecting the change or amendment.

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§ 465a.24. Count room characteristics.

(a) A slot machine licensee shall have adjacent or proximate to the cage a room, to be known as a count room, specifically designated, designed and used for counting the contents of slot cash storage boxes and table game drop boxes.

(b) The count room shall be designed and constructed to provide maximum security for the materials housed therein and for the activities conducted therein. Each slot machine licensee shall design and construct a count room with the following security measures:

(1) A metal door installed on each entrance and exit equipped with an alarm device which audibly signals the surveillance department monitoring room or the security department whenever a door to the count room is opened.

(2) Each entrance door to the count room must be equipped with two separate locks, the keys to which must be different from each other and different from the lock securing the contents of each slot cash storage box or table game drop box. The keys shall be maintained and controlled as follows:

(i) The key to one of the locks shall be maintained and controlled by the security department.

(ii) The key to the other lock shall be maintained and controlled by finance.

(iii) Sign out and sign in procedures shall be established for both keys.

(3) To exit the count room, the count room door must be equipped with an automatic release mechanism or other device as specified in the slot machine licensee's internal controls.

(c) The following must be located within the count room:

(1) A table constructed of clear glass or similar material for the emptying, counting and recording of the contents of slot cash storage boxes and table game drop boxes.

(2) Surveillance cameras capable of video monitoring of:

(i) The entire count process.

(ii) The interior of the count room, including any storage cabinets or trolleys used to store slot cash storage boxes and table game drop boxes and any approved trolley storage area located adjacent to the count room.

Subpart K. TABLE GAMES

CHAPTER 609a. CREDIT

§ 609a.4. Approval of credit limits.

(a) A credit limit, and any temporary or permanent increases thereto, shall be approved by either:

(1) Two or more employees holding the job positions of credit manager, assistant credit manager, credit shift manager, credit executive or other key employee in a direct reporting line above the credit manager provided that a credit supervisor who processed and verified a patron's credit application may not grant credit or a credit limit increase to that patron.

(2) A credit committee composed of at least two of the employees in paragraph (1) which may approve credit as a group.

(b) The approval of credit shall be recorded in the patron's credit file and include:

(1) Other information used to support the credit limit and any changes thereto, including the source of the information, if the information is not otherwise required to be recorded under this section.

(2) A brief summary of the key factors relied upon in approving or reducing the requested credit limit and any changes thereto.

(3) The reason credit was approved if derogatory information was obtained during the verification process.

(4) The signatures of the employees approving the credit limit, together with the date and time of the authorization, shall be recorded before any actual extension of credit is tendered. A certificate holder may obtain verbal or electronic authorization from one of the employees required to approve credit limits provided that the date and time that the verbal authorization was given is noted in the patron's credit file or a copy of the electronic authorization is placed in the patron's credit file. Upon arrival at the licensed facility, the employee who verbally or electronically approved a patron's credit limit shall sign and date the patron's credit file.

(c) Prior to approving a temporary or permanent credit limit increase, an employee of the certificate holder's credit department shall:

(1) Obtain a written request from the patron which includes:

(i) The date and time of the patron's request.

(ii) The amount of credit limit increase requested by the patron and if the increase requested is temporary or permanent.

(iii) The signature of the patron.

(2) Reverify the patron information required under § 609a.3(c)(2) (relating to application and verification procedures for granting credit).

(3) Consider the patron's player rating based on a continuing evaluation of the amount and frequency of play subsequent to the patron's initial receipt of credit.

(4) Include the information and documentation required under paragraphs (1)—(3) in the patron's credit file.

(5) Comply with subsections (a) and (b).

§ 609a.5. Derogatory information; reduction or suspension of credit.

(a) A certificate holder may reduce or suspend a patron's credit limit at any time.

(b) Derogatory information concerning a patron's credit account shall be reported by each certificate holder on a daily basis to the casino credit bureau used by the certificate holder. Each certificate holder shall document any derogatory information pertaining to its patrons that was reported to that certificate holder by the casino credit bureau. Documentation obtained from the casino credit bureau shall be maintained in the patron's credit file.

(c) In addition to the requirements in subsection (d), whenever derogatory information is received by a certificate holder's credit department relating to the patron's continued creditworthiness the certificate holder's credit department shall reverify the patron information required under § 609a.3(c)(2) (relating to application and verification procedures for granting credit).

(d) A patron having a check returned to any certificate holder unpaid by the patron's bank shall have credit privileges suspended unless the returned check was due to a processing error and an explanation for the error is noted in the patron's credit file or until the returned check has been paid in full. Prior to reinstating a patron's credit privileges, the certificate holder shall comply with subsection (e).

(e) If a patron's credit privileges have been suspended for any reason relating to the patron's continued credit-

worthiness, the certificate holder's credit department shall reverify the patron's information, as required under § 609a.3(c)(2) and (3), before reinstating the patron's credit privileges. Credit suspensions and reinstatements and an explanation thereto shall be documented in the patron's credit file.

CHAPTER 623a. CRAPS AND MINI-CRAPS

§ 623a.4. Making and removal of wagers.

- (a) Wagers shall be made before the dice are thrown.
- (b) Wagers shall be made by placing value chips or plaques on the appropriate areas of the layout. Verbal wagers accompanied by cash may be accepted provided that they are confirmed by the dealer and the cash is expeditiously converted into value chips or plaques.
- (c) A wager made on any bet may be removed or reduced at any time prior to a roll that decides the outcome of the wager except that:
 - (1) A Pass Bet may not be wagered, removed or reduced after a come out point is established with respect to the Pass Bet.
 - (2) A Come Bet may not be removed or reduced after a come point is established with respect to the Come Bet.
 - (3) A Fire Bet may not be reduced or increased at any time, and may not be removed prior to the throwing of a loser 7.
 - (4) Any of the Bonus Craps wagers may not be reduced or increased at any time.
 - (d) A Don't Come Bet and a Don't Pass Bet may be removed or reduced at any time but may not be replaced or increased after the bet has been removed or reduced.
 - (e) Only players who are seated at a Mini-Craps table may place a wager at the game. Once a player has placed a wager, that player shall remain seated until the completion of the round of play.

§ 623a.5. Payout odds.

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(g) A certificate holder that offers Buy Bets and Lay Bets:

* * * * *

- (3) May collect a vigorish of up to 5%, as specified in the certificate holder's Rules Submission, in accordance with the following requirements:
 - (i) For Buy Bets, the certificate holder may utilize one of the following vigorish procedures as specified in its Rules Submission:
 - (A) At the time the player makes a Buy Wager, the dealer shall collect a vigorish based on the amount wagered on the Buy Bet. The vigorish amount collected may not be included in the wager amount.
 - (B) The dealer shall collect a vigorish only on a winning Buy Bet. If the certificate holder utilizes this vigorish procedure for Buy Bets, it shall specify the wagers on which this vigorish will be applicable. For example, vigorish based on winning Buy Bets placed on the 4 or 10.
 - (ii) For Lay Bets, the certificate holder may utilize one of the following vigorish procedures as specified in its Rules Submission:
 - (A) At the time the player makes a Lay Wager, the dealer shall collect a vigorish based on the amount

potentially won on the Lay Bet. The vigorish amount collected may not be included in the wager amount.

(B) The dealer shall collect a vigorish only on a winning Lay Bet. If the certificate holder utilizes this vigorish procedure for Lay Bets, it shall specify the wagers on which this vigorish will be applicable. For example, vigorish based on winning Lay Bets placed on the 4 or 10.

(h) A certificate holder that offers Bonus Craps in accordance with § 623a.3(a)(43) shall pay winning:

- (1) All Small Wagers at odds of 34 to 1.
- (2) All Or Nothing At All Wagers at odds of 175 to 1.
- (3) All Tall Wagers at odds of 34 to 1.

(i) Except as permitted under subsection (g)(3), a certificate holder may not charge a percentage, fee or vigorish to a player in making any wager in the game of Craps or Mini-Craps.

(j) Except as permitted under § 623a.6(e) (relating to supplemental wagers made after the come out roll in support of Pass, Don't Pass, Come and Don't Come Bets (taking and laying odds)), a certificate holder may not accept any wager in excess of the maximum bet posted at the table.

CHAPTER 633a. BLACKJACK

§ 633a.7. Procedure for dealing the cards; completion of each round of play.

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(i) After the procedures in subsection (h) have been completed, if necessary, the dealer shall start with the player farthest to the dealer's left and continue around the table in a clockwise direction and if the player:

- (1) Has Blackjack and the dealer's up card:
 - (i) Is a 2, 3, 4, 5, 6, 7, 8 or 9, the dealer shall announce and pay the Blackjack and remove the player's cards.
 - (ii) Is an ace, king, queen, jack or 10 but the dealer's hole card will not give the dealer a Blackjack, the dealer shall announce the player's Blackjack and either:

(A) Immediately pay the player's Blackjack and remove the player's cards.

(B) Leave the player's cards on the table and not make a payment to the player. After all other cards are dealt to the players and the dealer reveals his hole card, the dealer shall pay the player's Blackjack and remove the player's cards.

(2) Does not have Blackjack, the player shall indicate whether he wishes to surrender, as permitted under § 633a.9 (relating to surrender), double down as permitted under § 633a.10, split pairs as permitted under § 633a.11, stand or draw additional cards.

(j) As each player indicates his decision, the dealer shall deal face upwards whatever additional cards are necessary to effectuate the player's decision.

* * * * *

§ 633a.9. Surrender.

(a) After the first two cards are dealt to the player, the player may elect to discontinue play on his hand for that round by surrendering 1/2 his wager. All decisions to surrender shall be made prior to the player indicating whether he wishes to double down as permitted under § 633a.10 (relating to Double Down Wager), split pairs as

permitted under § 633a.11 (relating to splitting pairs), stand or draw. If the first card dealt to the dealer:

(1) Is not an ace or 10 value card, the dealer shall immediately collect 1/2 of the wager and return 1/2 to the player.

(2) Is an ace or 10 value card, the dealer will either:

(i) Place the player's wager on top of the player's cards. When the dealer's second card is revealed, the hand will be settled by immediately collecting the entire wager if the dealer has Blackjack or collecting 1/2 of the wager and returning 1/2 of the wager to the player if the dealer does not have Blackjack. The player's cards shall then be collected.

(ii) Immediately after utilizing the card reader device in accordance with § 633a.7(h) (relating to procedure for dealing the cards; completion of each round of play), the hand shall be settled by immediately collecting the entire

wager if the dealer has Blackjack or collecting 1/2 of the wager and returning 1/2 of the wager to the player of the dealer does not have Blackjack. The player's cards shall then be collected.

(b) If the player has made an Insurance Wager and then elects to surrender, each wager will be settled separately in accordance with subsection (a) and § 633a.8 (relating to Insurance Wager).

CHAPTER 643a. LET IT RIDE POKER

§ 643a.12. Payout odds; payout limitation.

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(b) If a certificate holder offers the Five Card Bonus Wager, the certificate holder shall pay out winning Five Card Bonus Wagers at the amounts in one of the following paytables selected by the certificate holder in its Rules Submission filed in accordance with § 601a.2:

* * * * *

<i>Hand</i>	<i>Paytable D</i>	<i>Paytable E</i>	<i>Paytable F</i>	<i>Paytable G</i>
Royal flush	\$10,000	\$10,000	\$10,000	\$25,000
Straight flush	\$2,000	\$2,000	\$2,000	\$2,500
Four-of-a-kind	\$200	\$200	\$100	\$400
Full house	\$75	\$100	\$75	\$200
Flush	\$50	\$50	\$50	\$50
Straight	\$25	\$25	\$25	\$25
Three-of-a-kind	\$5	\$10	\$9	\$5
Two pair	\$4	\$6	\$6	
Pair of tens, jacks, queens, kings or aces	\$1	\$0	\$0	

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CHAPTER 645a. PAI GOW POKER

§ 645a.2. Pai Gow Poker table; Pai Gow Poker shaker; physical characteristics.

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(c) To determine the starting position for the dealing or delivery of the cards, Pai Gow Poker may be played with:

(1) A Pai Gow Poker shaker, approved in accordance with § 601a.10(a), which shall be designed and constructed to maintain the integrity of the game. The Pai Gow Poker shaker shall be the responsibility of the dealer, may not be left unattended while at the table and must:

(i) Be capable of housing three dice that when not being shaken must be maintained within the Pai Gow Poker shaker. Dice that have been placed in a Pai Gow Poker shaker for use in gaming may not remain on a table for more than 24 hours.

(ii) Be designed to prevent the dice from being seen while being shaken.

(iii) Have the name or logo of the certificate holder imprinted or impressed thereon.

(2) A computerized random number generator which shall be submitted to the Bureau of Gaming Laboratory Operations and approved in accordance with § 461a.4 (relating to submission for testing and approval) prior to its use.

(d) If the certificate holder offers the optional Progressive Payout Wager in accordance with § 645a.7(e)(4), the Pai Gow Poker table must have a progressive table game system in accordance with § 605a.7 (relating to progres-

sive table games) for the placement of Progressive Payout Wagers. The progressive table game system must include:

* * * * *

§ 645a.5. Shuffle and cut of the cards; procedures for determining the starting position for dealing cards.

* * * * *

(i) To determine the starting position for the dealing of cards, the certificate holder shall use one of the following:

(1) A Pai Gow Poker shaker in accordance with the following procedures:

(i) The dealer shall shake the Pai Gow Poker shaker at least three times to cause a random mixture of the dice. If a player is the bank, in accordance with § 645a.12, the player shall shake the Pai Gow Poker shaker instead of the dealer. The dealer shall ensure that the bank shakes the Pai Gow Poker shaker at least three times.

(ii) The dealer shall then remove the lid covering the Pai Gow Poker shaker and place the uncovered shaker on the designated area of the table layout. The dealer shall then total the dice and announce the total. If a player is the bank and the player inadvertently removes the lid, the Pai Gow Poker shaker shall be covered and reshaken by the bank.

(iii) To determine the starting position, the dealer shall count each betting position in order, regardless of whether there is a wager at the betting position, beginning with the dealer as number one and continuing around the table in a counterclockwise manner, until the count matches the total of the three dice. If a player is the bank, when counting the betting positions to determine the starting position for dealing the cards, the bank, instead of the dealer, shall be considered number one.

(iv) After the dealing procedures required under § 645a.8, § 645a.9 or § 645a.10 have been completed, the dealer shall place the cover on the Pai Gow Poker shaker and shake the shaker once. The Pai Gow Poker shaker shall then be placed to the right of the dealer.

(2) A computerized random number generator to select and display a number from 1 to 7. To determine the starting position, the dealer shall count each betting position in order, regardless of whether there is a wager at the betting position, beginning with the dealer as number one and continuing around the table in a counter-clockwise manner until the count matches the number displayed by the random number generator. If a player is the bank in accordance with § 645a.12, when counting the betting positions to determine the starting position for dealing the cards, the bank, instead of the dealer, shall be considered number one.

(j) After the starting position for a round of play has been determined, a certificate holder may mark that position with an additional cover card or similar object approved in accordance with § 601a.10(a) (relating to approval of table game layouts, signage and equipment).

§ 645a.6. Pai Gow Poker rankings.

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(d) If the certificate holder offers the optional Fortune Bonus Wager under § 645a.7(e)(1) (relating to wagers), the following seven-card hands shall have a rank higher than a hand of five aces, as described in subsection (b)(1), and be used to determine the amount of the Fortune Bonus Wager payout or Envy Bonus payment to a winning player:

(1) A seven-card straight flush with no joker, which is a hand consisting of seven cards of the same suit in consecutive ranking, with no joker used to complete the straight flush.

(2) A royal flush plus Royal Match, which is a seven-card hand consisting of an ace, king, queen, jack and a 10 of the same suit, with or without a joker, with one of the following:

(i) An additional ace and king of a same suit if offering Emperor's Challenge Pai Gow Poker.

(ii) An additional king and queen of a same suit if offering Fortune Pai Gow Poker.

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§ 645a.13. Payout odds; Envy Bonus; rate of progression; payout limitation.

(a) A certificate holder shall pay each winning Pai Gow Poker Wager at odds of 1 to 1, except that the certificate holder shall extract a vigorish from the winning players in an amount equal to 5% of the amount won. When collecting the vigorish, the certificate holder may round off the vigorish to 25¢ or the next highest multiple of 25¢. A certificate holder shall collect the vigorish from a player at the time the winning payout is made.

(b) The certificate holder shall pay out winning Fortune Bonus Wagers and Envy Bonus payouts at the odds and amounts in one of the following paytables selected by the certificate holder in its Rules Submission filed in accordance with § 601a.2 (relating to table games Rules Submissions):

* * * * *

<i>Hand</i>	<i>Paytable C</i>	<i>Envy Bonus</i>
Seven-card straight flush	5,000 to 1	\$1,000
Royal flush and Royal Match	1,000 to 1	\$250
Seven-card straight flush with joker	750 to 1	\$100
Five aces	250 to 1	\$50
Royal flush	100 to 1	\$25
Straight flush	50 to 1	\$10
Four-of-a-kind	20 to 1	\$5
Full house	5 to 1	
Flush	4 to 1	
Three-of-a-kind	3 to 1	
Straight	2 to 1	
Three pair	Push	

* * * * *

(d) The certificate holder shall pay out winning Pai Gow Insurance Wagers at the odds in one of the following paytables selected by the certificate holder in its Rules Submission filed in accordance with § 601a.2 provided that if the licensee is offering Emperor's Challenge Pai Gow Poker, the licensee may select from paytables a or b or if the licensee is offering Fortune Pai Gow Poker, the licensee may select from paytables c, d or e:

<i>Hand</i>	<i>Paytable A</i>	<i>Paytable B</i>	<i>Paytable C</i>	<i>Paytable D</i>	<i>Paytable E</i>
Nine-high	100 to 1	100 to 1	100 to 1	100 to 1	100 to 1
Ten-high	25 to 1	25 to 1	40 to 1	50 to 1	40 to 1
Jack-high	15 to 1	15 to 1	10 to 1	10 to 1	10 to 1
Queen-high	6 to 1	7 to 1	7 to 1	7 to 1	7 to 1
King-high	5 to 1	5 to 1	6 to 1	5 to 1	5 to 1
Ace-high	3 to 1	3 to 1	3 to 1	3 to 1	3 to 1

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