

RULES AND REGULATIONS

Title 28—HEALTH AND SAFETY

DEPARTMENT OF HEALTH
[28 PA. CODE CH. 1210]

Medical Marijuana; Clinical Registrants and Academic Clinical Research Centers; Rescission of Temporary Regulations

The Department of Health (Department) provides notice that it is rescinding the temporary regulations in Chapter 1210, regarding clinical registrants and academic clinical research centers, that implemented Chapter 20 of the act of April 17, 2016 (P.L. 84, No. 16), known as the Medical Marijuana Act (act) (35 P.S. §§ 10231.101—10231.2110). These temporary regulations were issued under section 1107 of the act (35 P.S. § 10231.1107) and were specifically not subject to sections 201—205 of the act of July 31, 1968 (P.L. 769, No. 240) (45 P.S. §§ 1201—1205), known as the Commonwealth Documents Law (CDL), the Regulatory Review Act (71 P.S. §§ 745.1—745.14) and sections 204(b) and 301(10) of the Commonwealth Attorneys Act (71 P.S. §§ 732-204(b) and 732-301(10)).

The act of June 22, 2018, (P.L. , No. 43) (Act 43) amended Chapter 20 of the act. Act 43 clarifies the clinical research component of the act by changing the requirements and procedures for clinical registrants and academic clinical research centers in this Commonwealth to participate in the Medical Marijuana Program. This statutory amendment supersedes the temporary regulations in Chapter 1210.

Further, section 2004 of the act (35 P.S. § 10231.2004), added by section 6 of Act 43, specifically provides that, to facilitate the prompt implementation of Chapter 20 of the act, as amended, the Department shall promulgate temporary regulations that are not subject to sections 201—205 of the CDL, the Regulatory Review Act and sections 204(b) and 301(10) of the Commonwealth Attorneys Act. The Department is rescinding the temporary regulations in Chapter 1210 under this statutory authority.

In accordance with section 2004(c) of the act, the Department intends to promulgate temporary regulations to implement amended Chapter 20 of the act within the time frame as provided in section 2004 of the act. Section 2004(c) of the act requires the Department to begin publishing temporary regulations within 90 days of June 22, 2018, the effective date of Act 43.

RACHEL L. LEVINE, MD,
Secretary

(Editor's Note: Title 28 of the Pennsylvania Code is amended by deleting temporary regulations in §§ 1210.21—1210.37 to read as set forth in Annex A.)

Fiscal Note: 10-203. No fiscal impact; (8) recommends adoption.

Annex A

TITLE 28. HEALTH AND SAFETY PART IX. MEDICAL MARIJUANA CHAPTER 1210. (Reserved)

§§ 1210.21—1210.37. (Reserved).

[Pa.B. Doc. No. 18-1165. Filed for public inspection July 27, 2018, 9:00 a.m.]

Title 58—RECREATION

PENNSYLVANIA GAMING CONTROL BOARD
[58 PA. CODE CHS. 1401—1406]

Conduct of Sports Wagering Generally; Licensing Provisions for Sports Wagering; Temporary Regulations

The Pennsylvania Gaming Control Board (Board), under its specific authority in 4 Pa.C.S. § 13C03 (relating to temporary sports wagering regulations) and the general authority in 4 Pa.C.S. § 1202(b)(30) (relating to general and specific powers), adds temporary regulations regarding general provisions for the conduct of sports wagering and sports wagering licensing provisions covering sports wagering operators, sports wagering manufacturers, sports wagering suppliers, sports wagering gaming service providers and all individuals seeking to participate in sports wagering in this Commonwealth to read as set forth in Annex A.

Purpose of this Temporary Rulemaking

This temporary rulemaking includes rules to ensure the integrity and security of sports wagering in this Commonwealth and all persons participating in this new form of entertainment in this Commonwealth.

Explanation of Chapters 1401—1406

Section 1401.5 (relating to conduct of sports wagering generally) addresses the conduct of sports wagering generally, including the following:

- Provisions limiting sports wagering certificate holders ability to employ the services of more than one sports wagering operator licensee or more than one sports wagering web site or mobile application.
- A requirement that sports wagering certificate holders or sports wagering operator licensees operating on behalf of sports wagering certificate holders employ the services of a third-party integrity monitor to assist the certificate holder or a sports wagering operator licensee on behalf of a sports wagering certificate holder licensee in protecting against and identifying suspicious or illegal sports wagering activities, or otherwise to demonstrate to the Board's satisfaction that it has established an in-house unit capable of performing this function with appropriate segregation of functions and reporting duties.
- A requirement that sports wagering certificate holders or sports wagering operator licensees on behalf of sports wagering certificate holders employ the services of a third-party risk manager to assist the certificate holder or a sports wagering operator licensee on behalf of a sports wagering certificate holder licensee to manage the risk and liabilities associated with operating a sportsbook, or otherwise to demonstrate to the Board's satisfaction that it has established an in-house unit capable of performing this function with appropriate segregation of functions and reporting duties.
- A requirement that sports wagering certificate holders or sports wagering operator licensees on behalf of sports wagering certificate holders seeking to offer an interactive sportsbook shall have a server or other equipment that is capable of receiving sports wagering bets located in this Commonwealth that conforms with the requirements set forth by the Board.

Chapters 1402—1406 contain sports wagering licensing provisions covering sports wagering operators, sports

wagering manufacturers, sports wagering suppliers, sports wagering gaming service providers and all individuals seeking to participate in sports wagering in this Commonwealth.

Affected Parties

Any entity that operates a sportsbook, either onsite or through the Internet or a mobile application in this Commonwealth, as well as any entity or individual that will interact with or participate in sports wagering operations in this Commonwealth, will be affected by this temporary rulemaking.

Fiscal Impact

Commonwealth

The Board expects that this temporary rulemaking will have minimal fiscal impact on the Board or other Commonwealth agencies. Impact should be confined to the additional personnel and expenses regarding implementing these temporary regulations as well as continued oversight of expanded gaming with portions of these costs absorbed by existing Board staff.

Political subdivisions

This temporary rulemaking will not have direct fiscal impact on political subdivisions of this Commonwealth. Host municipalities and counties benefit from the local share funding mandated by the act of January 7, 2010 (P.L. 1, No. 1).

Private sector

This temporary rulemaking includes licensing provisions covering sports wagering operators, sports wagering manufacturers, sports wagering suppliers, sports wagering gaming service providers and all individuals seeking to participate in sports wagering in this Commonwealth. This temporary rulemaking also establishes regulations for the general conduct of sports wagering in this Commonwealth. It is anticipated that this temporary rulemaking will have an impact on those individuals seeking to operate sports wagering in this Commonwealth, as well as those individuals and entities affiliated with the operation of sports wagering in this Commonwealth. The fiscal impact to these parties will be offset by revenues collected through the conduct of sports wagering activities.

General public

This temporary rulemaking will not have direct fiscal impact on the general public.

Paperwork Requirements

Individuals eligible for a sports wagering operator license, a sports wagering manufacture license, a sports wagering supplier license, a sports wagering gaming service provider registration or certificate, and all categories of individuals associated with sports wagering that will be required to be licensed by the Board shall file an application to participate in these activities in this Commonwealth. These applications will be made available through the Board's public web site at a later date.

Effective Date

This temporary rulemaking will become effective upon publication in the *Pennsylvania Bulletin* and expires 2 years after publication.

Public Comments

While this temporary rulemaking will be effective upon publication, the Board is seeking comments from the public and affected parties as to how these temporary regulations might be improved.

Interested persons are invited to submit written comments, suggestions or objections regarding this temporary rulemaking within 30 days after the date of publication in the *Pennsylvania Bulletin* to Laura R. Burd, Senior Counsel, Pennsylvania Gaming Control Board, P.O. Box 69060, Harrisburg, PA 17106-9060, Attention: Public Comment on Regulation # 125-215.

Contact Person

The contact person for questions about this temporary rulemaking is Laura R. Burd, Senior Counsel, (717) 346-8300, lburd@pa.gov.

Regulatory Review

Under 4 Pa.C.S. § 13C03, the Board has the authority to promulgate temporary regulations to facilitate the prompt implementation of sports wagering in this Commonwealth. The temporary regulations adopted by the Board are not subject to sections 201—205 of the act of July 31, 1968 (P.L. 769, No. 240) (45 P.S. §§ 1201—1205), known as the Commonwealth Documents Law, the Regulatory Review Act (71 P.S. §§ 745.1—745.14) and section 204(b) of the Commonwealth Attorneys Act (71 P.S. § 732-204(b)). Under 4 Pa.C.S. § 13C03, these temporary regulations expire 2 years after publication in the *Pennsylvania Bulletin*.

Findings

The Board finds that:

(1) Under 4 Pa.C.S. § 13C03, the temporary regulations are exempt from the requirements of the Regulatory Review Act, sections 201—205 of the Commonwealth Documents Law and sections 204(b) of the Commonwealth Attorneys Act.

(2) The adoption of the temporary regulations is necessary and appropriate for the administration and enforcement of 4 Pa.C.S. Part II (relating to gaming).

Order

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

(1) The regulations of the Board, 58 Pa. Code, are amended by adding temporary §§ 1401.5, 1402.1—1402.3, 1403.1—1403.7, 1404.1—1404.7, 1405.1—1405.9 and 1406.1—1406.8 to read as set forth in Annex A.

(2) The temporary regulations will be posted on the Board's web site.

(3) The temporary regulations are subject to amendment as deemed necessary by the Board.

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

(5) These temporary regulations are effective upon publication in the *Pennsylvania Bulletin* and expire on July 28, 2020.

DAVID M. BARASCH,
Chairperson

Fiscal Note: 125-217. No fiscal impact; (8) recommends adoption.

Annex A

TITLE 58. RECREATION

PART VII. GAMING CONTROL BOARD

Subpart Q. SPORTS WAGERING

CHAPTER 1401. GENERAL SPORTS WAGERING PROVISIONS—TEMPORARY REGULATIONS

§ 1401.5. Conduct of sports wagering generally.

(a) Sports wagering may only be conducted in this Commonwealth by a sports wagering certificate holder or

a sports wagering operator licensee on behalf of a sports wagering certificate holder. A sports wagering operator may be a licensed interactive gaming operator and provide interactive gaming and sports wagering services on behalf of certificate holders.

(b) Sports wagering conducted in this Commonwealth by a sports wagering certificate holder or a sports wagering operator licensee on behalf of a sports wagering certificate holder may only be offered to players as follows:

(1) At a designated, clearly identified area, comprised of not less than 1,000 square feet, at the sports wagering certificate holder's licensed facility.

(2) At a temporary facility that is physically connected to, attached to or adjacent to the sports wagering certificate holder's slot machine licensed facility for a period not to exceed 18 months.

(3) At a nonprimary location of a Category 1 slot machine licensee under 3 Pa.C.S. Chapter 93 (relating to race horse industry reform).

(4) At an area not identified in paragraphs (1)—(3) as approved by the Board.

(5) Through a single interactive web site or mobile application that clearly and prominently displays the name of the sports wagering certificate holder.

(c) Sports wagering certificate holders may employ the services of one sports wagering operator licensee to assist its sports wagering operations through any or all of the means identified in subsection (b).

(d) A sports wagering certificate holder or a sports wagering operator licensee on behalf of a sports wagering certificate holder may not offer sports wagering to players that are:

- (1) Under 21 years of age.
- (2) On the Board's sports wagering exclusion list.
- (3) On the Board's sports wagering self-exclusion list.

(e) A sports wagering certificate holder or a sports wagering operator licensee on behalf of a sports wagering certificate holder seeking to offer an interactive sportsbook shall have a server or other equipment located in this Commonwealth that is capable of receiving sports wagering bets and that conforms with the requirements set forth by the Board.

(f) A sports wagering certificate holder or a sports wagering operator licensee on behalf of a sports wagering certificate holder seeking to offer an interactive sportsbook shall utilize geolocation tools to ensure players placing sports wagering bets are located in this Commonwealth.

(g) A sports wagering certificate holder or a sports wagering operator licensee on behalf of a sports wagering certificate holder shall employ the services of a third-party integrity monitor that is licensed by the Board to assist the sports wagering certificate holder or a sports wagering operator licensee on behalf of a sports wagering certificate holder in protecting against and identifying suspicious or illegal sports wagering activities, or otherwise demonstrate to the Board's satisfaction that it has established an in-house unit capable of performing this function with appropriate segregation of functions and reporting duties.

(h) A sports wagering certificate holder or sports wagering operator licensees on behalf of sports wagering certificate holders shall employ the services of a third-

party risk manager that is licensed by the Board to assist the certificate holder or a sports wagering operator licensee on behalf of a sports wagering certificate holder to manage the risk and liabilities associated with operating a sportsbook, or otherwise demonstrate to the Board's satisfaction that it has established an in-house unit capable of performing this function with appropriate segregation of functions and reporting duties.

(i) A sports wagering certificate holder or a sports wagering operator licensee on behalf of a sports wagering certificate holder may not offer a sportsbook through any of the means identified in subsection (b) to players in this Commonwealth until the Board approves all necessary associated applications, including applications of key employees, gaming employees, manufacturers, suppliers and gaming service providers.

(j) A sports wagering certificate holder or a sports wagering operator licensee on behalf of a sports wagering certificate holder shall comply with all applicable Federal laws governing the conduct of sports wagering and interstate commerce.

CHAPTER 1402. SPORTS WAGERING OPERATORS—TEMPORARY REGULATIONS

- Sec.
- 1402.1. Sports wagering operator requirements.
- 1402.2. Sports wagering operator application and standards.
- 1402.3. Sports wagering operator license term and renewal.

§ 1402.1. Sports wagering operator requirements.

(a) A person seeking to operate sports wagering on behalf of a sports wagering certificate holder in this Commonwealth may apply with the Board for a sports wagering operator license.

(b) The Board may issue conditional authorization to a person applying for a sports wagering operator license until January 28, 2020.

(1) Conditional authorization issued under this subpart will remain in effect until the earlier of the date occurring 12 months after the issuance of the authorization or the date upon which the Board makes a final determination on the person's application.

(i) The effectiveness of a conditional authorization may be extended by the Board not more than once, upon a showing of good cause.

(ii) Conditional authorization will allow an applicant for a sports wagering operator license to engage in all of the functions of a licensed sports wagering operator for the duration of the conditional authorization.

(2) A conditional authorization may not be issued unless all of the following apply:

(i) The sports wagering operator license applicant has submitted a complete application for a sports wagering operator license to the Board.

(ii) The sports wagering operator license applicant agrees to pay or has paid the fee prescribed by the Board prior to the issuance of conditional authorization.

(iii) The Bureau does not have an objection to the issuance of a conditional authorization to the sports wagering operator license applicant.

§ 1402.2. Sports wagering operator application and standards.

(a) An applicant for a sports wagering operator license shall submit all of the following:

(1) An original and one copy of the Sport Wagering Enterprise 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 principal under Chapter 433a (relating to principal licenses) and § 1406.2 (relating to sports wagering gaming principals) as specified by the Enterprise Application and Disclosure Information Form.

(5) A sworn or affirmed statement that the sports wagering operator license 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 determining whether an applicant is suitable to be licensed as a sports wagering operator under this section, the Board will consider all of the following:

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

(2) If all principals of the sports wagering operator license applicant are eligible and suitable under the standards of section 1311.1 of the act (relating to licensing of principals).

(3) The integrity of all financial backers.

(4) The suitability of the sports wagering operator license applicant and the principals of the sports wagering operator license applicant based on the satisfactory results of all of the following:

(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.

§ 1402.3. Sports wagering operator license term and renewal.

(a) A sports wagering operator license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(b) A renewal application for a sports wagering operator license shall be filed at least 6 months prior to the expiration of the current certificate.

(c) A sports wagering operator license for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

CHAPTER 1403. SPORTS WAGERING MANUFACTURER—TEMPORARY REGULATIONS

Sec.

- 1403.1. Sports wagering manufacturer license requirements.
- 1403.2. Sports wagering manufacturer license application and standards.
- 1403.3. Sports wagering manufacturer license term and renewal.
- 1403.4. Sports wagering manufacturer abbreviated license process.
- 1403.5. Sports wagering manufacturer conditional license process.
- 1403.6. Sports wagering manufacturer licensee responsibilities.
- 1403.7. Sports wagering manufacturer licensee change of control.

§ 1403.1. Sports wagering manufacturer license requirements.

(a) A person seeking to manufacture, build, rebuild, fabricate, assemble, produce, program, design, sell, lease, offer or otherwise make modifications to any authorized sports wagering device or associated equipment for use or operation in this Commonwealth for sports wagering purposes shall apply to the Board for a sports wagering manufacturer license.

(b) In accordance with section 1317.1(e)(3) of the act (relating to manufacturer licenses), an applicant for or the holder of a sports wagering 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 sports wagering supplier license.

§ 1403.2. Sports wagering manufacturer license application and standards.

(a) An applicant for a sports wagering manufacturer license shall submit all of the following:

(1) An original and one copy of the Enterprise Entity 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 principal under Chapter 433a (relating to principal licenses) and § 1406.2 (relating to sports wagering gaming principals) as specified by the Enterprise Entity Application and Disclosure Information Form and other persons as determined by the Board.

(5) An affirmation that neither the sports wagering manufacturer license 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 sports wagering manufacturer license applicant has neither applied for nor holds a sports wagering supplier license.

(6) A sworn or affirmed statement that the sports wagering manufacturer license 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 sports wagering manufacturer license shall do all of the following:

(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 sports wagering manufacturer license applicant has the ability to manufacture, build, rebuild, repair, fabricate, assemble, produce, program, design or otherwise make modifications to authorized sports wagering devices or associated equipment which meet one or more of the following criteria:

(i) Are specifically designed for use in the operation of sports wagering or a sports wagering device or associated equipment.

(ii) Are needed to conduct authorized sports wagering.

(iii) Have the capacity to determine the outcome of the sports wagering activity.

(iv) Have the capacity to affect the calculation, storage, collection or control of gross sports wagering gaming revenue.

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

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

(2) If all principals of the sports wagering manufacturer license applicant are eligible and suitable under the standards of section 1311.1 of the act (relating to licensing of principals).

(3) The integrity of all financial backers.

(4) The suitability of the sports wagering manufacturer license applicant and the principals of the sports wagering manufacturer license applicant based on the satisfactory results of all of the following:

(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.

§ 1403.3. Sports wagering manufacturer license term and renewal.

(a) A sports wagering manufacturer license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(b) A renewal application for a sports wagering manufacturer license shall be filed at least 6 months prior to the expiration of the current license.

(c) A sports wagering manufacturer license for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

§ 1403.4. Sports wagering manufacturer abbreviated license process.

(a) The Board may use an abbreviated licensing process if the sports wagering manufacturer license applicant holds a license issued by the Board to manufacture slot machines, table games, table game devices, interactive games video gaming terminals or associated equipment and all of the following apply:

(1) The manufacturer license was issued by the Board within a 36-month period immediately preceding the date the entity files a sports wagering manufacturer application.

(2) The licensee applying for the sports wagering manufacturer license affirms there has been no material change in circumstances relating to the licensee.

(3) The Board determines, in its sole discretion, that there has been no material change in circumstances relating to the licensee applying for the sports wagering manufacturer license that necessitates that the abbreviated process not be used.

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

§ 1403.5. Sports wagering manufacturer conditional license process.

(a) The Board may issue conditional authorization to a person applying for a sports wagering manufacturer license until January 28, 2020.

(1) Conditional authorization issued under this subpart will remain in effect until the earlier of the date occurring 12 months after the issuance of the authorization or the date upon which the Board makes a final determination on the person's application.

(i) The effectiveness of a conditional authorization may be extended by the Board not more than once, upon a showing of good cause by the applicant.

(ii) Conditional authorization will allow an applicant for a sports wagering manufacturer license to engage in all of the functions of a licensed sports wagering manufacturer for the duration of the conditional authorization.

(2) A conditional authorization may not be issued unless all of the following apply:

(i) The sports wagering manufacturer license applicant has submitted a complete application for a sports wagering manufacturer license to the Board.

(ii) The sports wagering manufacturer license applicant agrees to pay or has paid the fee prescribed by the Board prior to the issuance of conditional authorization.

(iii) The Bureau does not have an objection to the issuance of a conditional authorization to the sports wagering manufacturer license applicant.

(b) An applicant for a sports wagering manufacturer license that has received a conditional sports wagering manufacturer license shall provide to the Board in the manner and the form as the Board will prescribe, on the 20th day following the end of each calendar quarter thereafter, a summary of the quarterly sales made to all sports wagering certificate petitioners and holders and sports wagering operator applicants and licensees in this Commonwealth, as well as all contracts or invoices concerning these sales upon request by the Board.

(c) Nothing in this section may be construed to waive any fees associated with obtaining a license through the application process in this Commonwealth.

§ 1403.6. Sports wagering manufacturer licensee responsibilities.

(a) A holder of a sports wagering manufacturer license has a continuing duty to do all of the following:

(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 sports wagering manufacturer licensees, provide notification of all SEC filings or, if the sports wagering manufacturer licensee 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 sports wagering manufacturer who is a gaming or nongaming employee as defined in §§ 401a.3 and 1401.2 (relating to definitions) shall obtain a permit under §§ 435a.3 and 1406.4 (relating to occupation permit; and sports wagering gaming employees) or registration under §§ 435a.5 and 1406.5

(relating to nongaming employee registration; and sports wagering nongaming employees).

§ 1403.7. Sports wagering manufacturer licensee change of control.

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

(1) More than 20% of a sports wagering 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 sports wagering manufacturer licensee.

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

(b) A sports wagering 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 sports wagering manufacturer licensee.

(c) Prior to acquiring a controlling interest in a sports wagering 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 all of the following:

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

(2) Completed applications for the acquiring company, as required under this chapter and principals as required under Chapter 433a (relating to principal licenses) and § 1406.2 (relating to sports wagering gaming principals).

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

(d) A person or group of persons seeking to acquire a controlling interest in a sports wagering 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 (c).

(e) A person or group of persons may not acquire a controlling interest in a sports wagering manufacturer licensee until the petition required under subsection (c) has been approved. A person or group of persons seeking to acquire a controlling interest in a sports wagering manufacturer licensee and the sports wagering 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 sports wagering manufacturer licensee when all of the following conditions are met:

(1) The acquirer is an existing licensed slot machine, table game, interactive gaming or video gaming terminal manufacturer.

(2) The existing licensed sports wagering 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 1404. SPORTS WAGERING SUPPLIER—TEMPORARY REGULATIONS

Sec.

- 1404.1. Sports wagering supplier license requirements.
- 1404.2. Sports wagering supplier application and standards.
- 1404.3. Sports wagering supplier entity term and renewal.
- 1404.4. Sports wagering supplier abbreviated license process.
- 1404.5. Sports wagering supplier conditional license process.
- 1404.6. Sports wagering supplier licensee responsibilities.
- 1404.7. Sports wagering supplier change of control.

§ 1404.1. Sports wagering supplier license requirements.

(a) A person seeking to sell, lease, offer or otherwise provide, distribute or service sports wagering devices or associated equipment to a sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee in this Commonwealth or provide integrity monitoring services to a sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee shall apply to the Board for a sports wagering 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 sports wagering supplier license or any of the sports wagering supplier applicant's or licensee's affiliates, intermediaries, subsidiaries or holding companies may not apply for or hold a slot machine license or a sports wagering manufacturer license.

§ 1404.2. Sports wagering supplier application and standards.

(a) An applicant for a sports wagering supplier license shall submit all of the following:

(1) An original and one copy of the Enterprise Entity Application and Disclosure Information Form for the sports wagering supplier applicant and each of the sports wagering supplier 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 principal under Chapter 433a (relating to principal licenses) and § 1406.2 (relating to sports wagering gaming principals) as specified by the Enterprise Entity Application and Disclosure Information Form and other persons as determined by the Board.

(5) An affirmation that neither the sports wagering supplier license 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 sports wagering supplier license applicant has neither applied for nor holds a sports wagering manufacturer license.

(6) A sworn or affirmed statement that the sports wagering supplier license 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 sports wagering supplier 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 a sports wagering supplier license applicant is suitable to be licensed as a sports wagering supplier under this section, the Board will consider all of the following:

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

(2) If all principals of the sport wagering supplier license applicant are eligible and suitable under the standards of section 1311.1 of the act (relating to licensing of principals).

(3) The integrity of all financial backers.

(4) The suitability of the sport wagering supplier license applicant and the principals of the applicant based on the satisfactory results of all of the following:

(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.

§ 1404.3. Sports wagering supplier entity term and renewal.

(a) A sports wagering supplier license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(b) A renewal application for a sports wagering supplier license shall be filed at least 6 months prior to the expiration of the current license.

(c) A sports wagering supplier license for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

§ 1404.4. Sports wagering supplier abbreviated license process.

(a) The Board may use an abbreviated licensing process if the sports wagering supplier license applicant holds a license issued by the Board to supply slot machines, table games, table game devices, interactive gaming devices, video gaming terminal or associated equipment and all of the following apply:

(1) The supplier license was issued by the Board within a 36-month period immediately preceding the date the entity files a sports wagering supplier license application to sell, lease, offer or otherwise provide, distribute or service sports wagering devices or associated equipment to a sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee in this Commonwealth or provide risk management services, integrity services or odds to a sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee.

(2) The licensee applying for the sports wagering supplier license affirms there has been no material change in circumstances relating to the license.

(3) The Board determines, in its sole discretion, that there has been no material change in circumstances relating to the licensee applying for the sports wagering supplier license that necessitates that the abbreviated process not be used.

(b) This section may not be construed to waive any fees associated with obtaining sports wagering supplier license through the application process in this Commonwealth.

§ 1404.5. Sports wagering supplier conditional license process.

(a) The Board may issue conditional authorization to a person applying for a sports wagering supplier license until January 28, 2020.

(1) Conditional authorization issued under this subpart will remain in effect until the earlier of the date occurring 12 months after the issuance of the authorization or the date upon which the Board makes a final determination on the person's application.

(i) The effectiveness of a conditional authorization may be extended by the Board not more than once, upon a showing of good cause.

(ii) Conditional authorization will allow an applicant for a sports wagering supplier license to engage in all of the functions of a licensed sports wagering supplier for the duration of the conditional authorization.

(2) A conditional authorization may not be issued unless all of the following apply:

(i) The sports wagering supplier license applicant has submitted a complete application for a sports wagering supplier license to the Board.

(ii) The sports wagering supplier applicant agrees to pay or has paid the fee prescribed by the Board prior to the issuance of conditional authorization.

(iii) The Bureau does not have an objection to the issuance of a conditional authorization to the sports wagering supplier license applicant.

(b) An applicant for sports wagering supplier license that has received a conditional sports wagering supplier license shall provide to the Board in the manner and the form as the Board will prescribe, on the 20th day following the end of each calendar quarter thereafter, a summary of the quarterly sales made to all sports wagering certificate petitioners and holders and sports wagering operator applicants and licensees in this Commonwealth, as well as all contracts or invoices concerning these sales upon request by the Board.

(c) Nothing in this section may be construed to waive fees associated with obtaining a license through the application process in this Commonwealth.

§ 1404.6. Sports wagering supplier licensee responsibilities.

(a) A holder of a sports wagering supplier license has a continuing duty to do all of the following:

(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 sports wagering supplier licensees, provide notification of all SEC filings or, if the sports wagering supplier licensee 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 sports wagering supplier who is a gaming or nongaming employee as defined in §§ 401a.3 and 1401.2 (relating to definitions) shall obtain a permit under §§ 435a.3 and 1406.4 (relating to occupation permit; and sports wagering gaming employees) or registration under §§ 435a.5 and 1406.5 (relating to nongaming employee registration; and sports wagering nongaming employees).

§ 1404.7. Sports wagering supplier change of control.

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

(1) More than 20% of a sports wagering 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 sports wagering supplier licensee.

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

(b) A sports wagering 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 sports wagering supplier licensee.

(c) Prior to acquiring a controlling interest in a sports wagering 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 all of the following:

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

(2) Completed applications for the acquiring company, as required under this chapter and principals as required under Chapter 433a (relating to principal licenses) and § 1406.2 (relating to sports wagering gaming principals).

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

(d) A person or group of persons seeking to acquire a controlling interest in a sports wagering 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 (c).

(e) A person or group of persons may not acquire a controlling interest in a sports wagering supplier licensee until the petition, required under subsection (c), has been approved. A person or group of persons seeking to acquire a controlling interest in a sports wagering supplier licensee and the sports wagering 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 sports wagering supplier licensee when all of the following conditions are met:

(1) The acquirer is an existing licensed slot machine, table game, interactive gaming or video gaming terminal supplier.

(2) The existing licensed sports wagering 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 1405. SPORTS WAGERING GAMING SERVICE PROVIDERS—TEMPORARY REGULATIONS

Sec.	
1405.1.	General sports wagering gaming service provider requirements.
1405.2.	Sports wagering gaming service provider certification applications.
1405.3.	Sports wagering gaming service provider registration applications.
1405.4.	Qualification of individuals and entities of certified sports wagering gaming service providers.
1405.5.	Sports wagering gaming service provider registration and certification term and renewal.
1405.6.	Authorized sports wagering gaming service providers list; prohibited sports wagering gaming service providers.
1405.7.	Permission to conduct business prior to certification or registration.
1405.8.	Emergency sports wagering gaming service provider.
1405.9.	Duty to investigate.

§ 1405.1. General sports wagering gaming service provider requirements.

(a) Except as provided in § 1405.8 (relating to emergency sports wagering service provider), a person seeking to conduct business with a sports wagering certificate petitioner or holder or sport wagering operator applicant or licensee shall apply to the Board for certification, unless explicitly exempted by the Board, if the person does all of the following:

(1) Meets the definition of a certified gaming service provider under § 437a.1 (relating to general gaming service provider requirements).

(2) Meets the definition of a certified interactive gaming service provider under § 807.1 (relating to general interactive gaming service provider requirements).

(3) Provides odds and raw data to sports wagering certificate petitioners or holders or sports wagering operator licensees used to conduct sports wagering in this Commonwealth.

(4) Provides risk management services to a sports wagering certificate petitioners or holders or sports wagering operator licensees.

(5) Any other person as determined by the Board.

(b) Except as provided in § 1405.8, a person seeking to conduct business with a sports wagering certificate petitioner or holder or sport wagering gaming operator applicant or licensee shall apply to the Board for a registration if the person is providing goods or services related to sports wagering and the person is not required to be certified as a sports wagering gaming service provider. This subsection applies to all of the following:

(1) Persons who meet the definition of a registered gaming service provider under § 437a.1.

(2) Persons who meet the definition of a registered interactive gaming service provider under § 807.1.

(3) Any other person as determined by the Board.

(c) A holder of a gaming service provider registration or certification or the holder of an interactive gaming service

provider registration or certification seeking to provide the same or similar services to a sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee will not be required to file a new application for registration or certification and will not be required to submit additional licensing fees.

(d) A holder of a sports wagering gaming service provider certification, registration or authorization has 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).

§ 1405.2. Sports wagering gaming service provider certification applications.

(a) A person seeking a sports wagering certification, not otherwise excluded under § 1405.1(c) (relating to general sports wagering gaming service provider requirements), shall submit an original and one copy of a Certification Application and Disclosure Form. The original, copy and the application fee toward the cost of the investigation of the sports wagering gaming service provider applicant, as posted on the Board's web site, shall be submitted to the Bureau of Licensing by the sports wagering gaming service provider applicant unless otherwise directed by the Bureau of Licensing.

(b) In addition to the requirements of subsection (a), an applicant for a sports wagering gaming service provider certification shall do all of the following:

(1) Submit applications and release authorizations for each individual required to be qualified under § 1405.4 (relating to qualification of individuals and entities of certified sports wagering gaming service providers).

(2) 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 sports wagering gaming service provider certification shall reimburse the Board for costs incurred in conducting the investigation of the applicant.

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

§ 1405.3. Sports wagering gaming service provider registration applications.

(a) A person seeking registration, not otherwise excluded under § 1405.1(c) (relating to general sports wagering gaming service provider requirements), shall complete an original and one copy of a Gaming Service Provider Registration Form. The original, copy and the application fee toward the cost of the investigation of the sports wagering gaming service provider applicant, as posted on the Board's web site, shall be submitted to the Bureau of Licensing by the sports wagering 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 sports wagering gaming service provider registration shall do all of the following:

(1) Submit release authorizations for each individual required to be qualified under § 1405.4 (relating to qualification of individuals and entities of certified sports wagering gaming service providers).

(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 all of the following individuals in a manner prescribed by the Bureau:

(i) Each officer and director of the registered sports wagering 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 sports wagering gaming service provider applicant.

(iii) Each salesperson of a registered sports wagering gaming service provider who solicits business from, or has regular contact with, any representatives of a certificate holder or licensee or any employee of a registered sports wagering 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 sports wagering gaming service provider or has the right to any profits or distributions directly or indirectly, from the registered sports wagering gaming service provider or applicant for sports wagering 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) shall be found qualified by the Board. An individual who is a gaming or nongaming employee as defined in §§ 401a.3 and 1401.2 (relating to definitions) shall obtain a gaming employee occupation permit in accordance with §§ 435a.3 and 1406.4 (relating to occupation permit; and sports wagering gaming employees) or a nongaming employee registration in accordance with §§ 435a.5 and 1406.5 (relating to nongaming employee registration; and sports wagering nongaming employees).

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

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

§ 1405.4. Qualification of individuals and entities of certified sports wagering gaming service providers.

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

(1) Each officer and director of a certified sports wagering gaming service provider or applicant for sports wagering 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 sports wagering gaming service provider or applicant for sports wagering gaming service provider certification. A certified sports wagering gaming service provider or applicant for sports wagering 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 sports wagering gaming service provider who solicits business from, or has regular contact with, any representatives of a certificate holder or licensee or any employee of a certified sports wagering gaming service provider or applicant for interactive 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 sports wagering gaming service provider or person applying for sports wagering gaming service provider certification shall file a 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 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 sports wagering gaming service provider or applicant for sports wagering gaming service provider certification not otherwise required to be qualified.

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

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

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

(f) An employee of a certified sports wagering gaming service provider who is a gaming or nongaming employee as defined in §§ 401a.3 and 1401.2 (relating to definitions) shall obtain a permit under §§ 435a.3 and 1406.4 (relating to occupation permit; and sports wagering gaming employees) or registration under §§ 435a.5 and 1406.5 (relating to nongaming employee registration; and sports wagering nongaming employees).

§ 1405.5. Sports wagering gaming service provider registration and certification term and renewal.

(a) Sports wagering gaming service provider certifications, registrations and renewals issued under this subpart will be valid for 5 years from the date of Board approval.

(b) Registered and certified sports wagering gaming service providers shall submit to the Board a completed renewal application or form and renewal fee at least 180 days prior to the expiration of a certification, registration or authorization.

(c) 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.

§ 1405.6. Authorized sports wagering gaming service providers list; prohibited sports wagering gaming service providers.

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

(1) Registered or certified.

(2) Authorized to conduct business with certificate holders or licensees under § 1405.7 (relating to permission to conduct business prior to certification or registration).

(b) Except as permitted under § 1405.8 (relating to emergency sports wagering gaming service provider), a sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee may not purchase goods or services from a sports wagering gaming service provider unless the sports wagering gaming service provider is on the authorized sports wagering gaming service provider list. A sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee or any affiliate, intermediary, subsidiary or holding company thereof acting on behalf of the sports wagering certificate petitioner or holder, sports wagering operator applicant or licensee may not enter into an agreement or continue to do business with a sports wagering gaming service provider on the prohibited sports wagering gaming service providers list.

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

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

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

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

(4) The sports wagering gaming service provider has failed to provide information to a sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee that is necessary for the sports

wagering certificate petitioner or holder or sports wagering operator applicant or licensee to comply with this chapter.

(d) A person seeking to be removed from the list of prohibited sports wagering 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 sports wagering gaming service providers. The petition must state the specific grounds believed by the petitioner to constitute good cause for removal from the prohibited sports wagering gaming service providers list and how the sports wagering gaming service provider has cured any deficiencies that led to the sports wagering gaming service provider being placed on the prohibited sports wagering 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 sports wagering gaming service providers, or attach any reasonable condition to the removal of a person from the list of prohibited sports wagering gaming service providers.

§ 1405.7. Permission to conduct business prior to certification or registration.

(a) Notwithstanding § 1405.1 (relating to general sports wagering gaming service provider requirements), the Bureau of Licensing may authorize an applicant for a sports wagering gaming service provider certification or registration to conduct business with a sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee prior to the certification or registration of the sports wagering gaming service provider applicant if all of the following criteria are met:

(1) A completed Gaming Service Provider Registration Form has been filed by the sports wagering gaming service provider or a completed Gaming Service Provider Certification Application and Disclosure Information Form has been filed by certificate holder or licensee in accordance with this chapter.

(2) The sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee certifies that it has performed due diligence on the sports wagering gaming service provider applicant.

(3) The applicant for a sports wagering gaming service provider registration or certification agrees, in writing, that the grant of permission to conduct business prior to registration or certification does not create a right to continue to conduct business and that the Bureau of Licensing may rescind, at any time, the authorization granted under this section, with or without prior notice to the applicant, if the Bureau of Licensing is informed that the suitability of the applicant may be at issue or the applicant fails to cooperate in the application or investigatory process.

(b) If the Office of Enforcement Counsel issues a Notice of Recommendation for Denial to an applicant for certification or registration, the Bureau of Licensing may rescind the permission granted to the applicant for certification or registration to conduct business with a sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee or under subsection (a). If the permission is rescinded, the applicant for certification or registration shall cease conducting business with the sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee

by the date specified in the notice of the rescission by the Bureau of Licensing under subsection (c).

(c) The Bureau of Licensing will notify the applicant for certification or registration and the sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee by registered mail and e-mail that permission for the applicant for certification or registration to conduct business with the sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee under subsection (a) has been rescinded and that the sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee shall cease conducting business with the applicant for certification or registration by the date specified in the notice.

§ 1405.8. Emergency sports wagering gaming service provider.

(a) A sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee may utilize a sports wagering gaming service provider that is not registered, certified or authorized to conduct business in accordance with § 1405.6 (relating to authorized sports wagering gaming service providers list; prohibited sports wagering gaming service providers) when a threat to public safety exists or circumstances outside the control of the sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee create an urgency of need which does not permit the delay involved in using the formal method of sports wagering gaming service provider certification or registration. A sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee may not use a sports wagering gaming service provider on the prohibited list.

(b) When using a sports wagering gaming service provider that is not registered, certified or authorized to conduct business to respond to an emergency, the sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee shall do all of the following:

(1) Immediately notify the Bureau of Licensing of the emergency and the sports wagering gaming service provider that was selected to provide emergency services.

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

(c) An employee of the emergency sports wagering gaming service provider who is providing emergency services that requires access to restricted area shall obtain a temporary access credential in accordance with § 1406.7 (relating to emergency and temporary credentials) prior to performing any work.

(d) If the sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee continues to utilize the sports wagering 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 sports wagering gaming service provider that was not registered, certified or on the authorized list, the sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee and sports wagering gaming service provider shall comply with the requirements in this chapter.

§ 1405.9. Duty to investigate.

(a) A sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee shall investigate the background and qualifications of the applicants for sports wagering gaming service provider registration or certification with whom it intends to have a contractual relationship or enter into an agreement.

(b) A sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee has an affirmative duty to avoid agreements or relationships with persons applying for a sports wagering 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) A sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee has a duty to inform the Board of an action by an applicant for or holder of a sports wagering gaming service provider registration or certification, which the sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee believes would constitute a violation of the act or this part.

CHAPTER 1406. SPORTS WAGERING PRINCIPALS AND KEY, GAMING AND NONGAMING EMPLOYEES—TEMPORARY REGULATIONS

Sec.	
1406.1.	General provisions.
1406.2.	Sports wagering gaming principals.
1406.3.	Sports wagering key employees.
1406.4.	Sports wagering gaming employees.
1406.5.	Sports wagering nongaming employees.
1406.6.	Board credentials.
1406.7.	Emergency and temporary credentials.
1406.8.	Loss, theft or destruction of credentials.

§ 1406.1. General provisions.

(a) An individual seeking a principal license, key employee license, gaming employee occupation permit or nongaming employee registration to participate in sports wagering in this Commonwealth shall apply to the Board as follows:

(1) Principal and key employee applicants shall submit an original and one copy of a completed Multi-Jurisdictional Personal History Disclosure Form as well as an original and one copy of a completed Principal/Key Employee Form—Pennsylvania Supplement to the Multi-Jurisdictional Personal History Disclosure Form.

(2) Gaming employee occupation permit applicants and nongaming employee registration applicants shall submit the Gaming Employee or Nongaming Employee Registration Application using the SLOTS Link.

(3) All applicants shall submit the nonrefundable application fee posted on the Board's web site.

(b) In addition to the materials required in subsection (a), 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 principal license, key employee license, gaming employee occupation permit or nongaming employee registration shall provide an updated photograph at the request of Board staff.

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

(e) After reviewing the application and the results of the applicant's background investigation, the Board may issue a principal license, key employee license, gaming employee occupation permit or nongaming employee registration 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 principal, key employee, gaming employee or nongaming employee.

(f) All sports wagering certificate petitioner holders and sports wagering operator applicants and licensees that hire an individual who holds a key employee license, gaming employee occupation permit or registration issued by the Board shall contact the Bureau of Licensing to confirm that the individual's key employee license, gaming employee occupation permit or registration is in good standing prior to allowing the individual to perform work associated with sports wagering in this Commonwealth.

(g) An individual who holds a principal license, key employee license, gaming employee occupation permit or registration is subject to all of the following wagering restrictions relative to sports wagering:

(1) An individual whose job duties include sports wagering and who holds a license, permit or registration and is currently employed by or is a principal of a sports wagering certificate holder may not place wagers at the sports wagering certificate holder's land based sports wagering location or through the web site or mobile application offered by or associated with the sports wagering certificate petitioner or holder. 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 includes sports wagering job duties before the individual may wager at the sports wagering certificate petitioner's or holder's land based sports wagering location or through the web site or mobile application offered by or associated with the sports wagering certificate petitioner or holder.

(2) An individual who holds a license, permit or registration and is currently employed by or is a principal of a sports wagering operator applicant or licensee may not wager anywhere the sports wagering operator applicant or licensee has land based sports wagering location or through the web site or mobile application offered by or associated with the sports wagering operator applicant or licensee. The licensed, permitted or registered individual shall wait at least 30 days following the date that the individual is no longer employed by the sports wagering operator applicant or licensee before the individual may wager at the sports wagering operator applicant's or licensee's land based sports wagering location or through the web site or mobile application offered by or associated with the sports wagering operator applicant or licensee.

(3) An individual whose job duties include sports wagering and who holds a license, permit or registration and is currently employed by or is a principal of a sports wagering manufacturer or sports wagering supplier applicant or licensee may not wager at any location or through the web site or mobile application offered by or associated with the sports wagering certificate petitioner or holder that offers games, services or uses equipment manufactured, supplied, developed or programmed by the sports wagering manufacturer or sports wagering supplier applicant or licensee.

§ 1406.2. Sports wagering gaming principals.

(a) Principals, as defined in this chapter, shall submit an application for licensure as described in this section.

(b) A principal license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(c) A renewal application for a principal license shall be filed at least 6 months prior to expiration of the current license.

(d) A principal license for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

(e) A principal license issued under this subpart will be only be valid for the licensed or certified entity with which the principal is associated.

§ 1406.3. Sports wagering key employees.

(a) Key employees, as defined in this chapter, shall submit an application for licensure as described in this section.

(b) A key employee license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(c) A renewal application for a key employee license shall be filed at least 6 months prior to expiration of the current license.

(d) A key employee license for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

(e) A key employee license issued under this subpart will be valid for employment with any licensed or certified entity.

§ 1406.4. Sports wagering gaming employees.

(a) Gaming employees, as defined in this chapter, shall submit an application for licensure as described in this section.

(b) In addition to the materials required to be submitted under this subpart, gaming employee occupation permit applicants shall submit verification of an offer of employment from a sports wagering applicant or licensee.

(c) A gaming employee occupation permit and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(d) A renewal application for a gaming employee occupation permit shall be filed at least 6 months prior to expiration of the current permit.

(e) A gaming employee occupation permit for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

(f) An individual who wishes to receive a gaming employee occupation permit under this subpart may authorize an applicant for or holder of a sports wagering applicant or licensee to file an application on the individual's behalf.

(g) A gaming employee occupation permit issued under this chapter will be valid for employment with any licensed, certified or registered entity.

§ 1406.5. Sports wagering nongaming employees.

(a) Nongaming employees, as defined in this chapter, shall submit an application for licensure as described in this section.

(b) In addition to the materials required to be submitted under this subpart, nongaming employee registration applicants shall submit verification of an offer of employment from a sports wagering applicant or licensee.

(c) A nongaming employee registration and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(d) A renewal application for a nongaming employee registration shall be filed at least 6 months prior to expiration of the current registration.

(e) A nongaming employee registration for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

(f) An individual who wishes to receive a nongaming employee registration under this subpart may authorize a sports wagering applicant or licensee to file an application on the individual's behalf.

(g) A nongaming employee registration issued under this chapter will be valid for employment with any licensed, certified or registered entity.

§ 1406.6. Board credentials.

The individuals required to be licensed, permitted or registered under this subpart shall obtain a Board credential as described in this subpart.

§ 1406.7. Emergency and temporary credentials.

The individuals required to be licensed, permitted or registered under this subpart may obtain an emergency or temporary Board credential as described in §§ 435a.7, 435a.8 and 435a.9a (relating to emergency credentials; temporary credentials; and gaming service provider employee temporary access credentials).

§ 1406.8. 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 Bureau of Licensing.

(b) The sports wagering applicant or 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.

[Pa.B. Doc. No. 18-1166. Filed for public inspection July 27, 2018, 9:00 a.m.]