

CHAPTER 1402a. SPORTS WAGERING OPERATORS

Sec.

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Authority

The provisions of this Chapter 1402a added under 4 Pa.C.S. §§ 1202(b)(30) and 13C02, unless otherwise noted.

Source

The provisions of this Chapter 1402a added September 10, 2021, effective September 11, 2021, 51 Pa.B. 5973, unless otherwise noted.

§ 1402a.1. Sports wagering operator requirements.

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.

§ 1402a.2. Sports wagering operator application and standards.

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

- (1) An Entity 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 § 1406a.2 (relating to sports wagering principals) and key employee under Chapter 435a (relating to key, gaming and nongaming employees; Board-issued credentials) and § 1406a.3 (relating to sports wagering key employees) as specified by the Enterprise Application and Disclosure Information Form.

(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.

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(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.

Cross References

This section cited in 58 Pa. Code § 1402a.4 (relating to sports wagering operator change of control).

§ 1402a.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 license.
- (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.

§ 1402a.4. Sports wagering operator change of control.

- (a) For purposes of this section, a change of control of a sports wagering operator will be deemed to have occurred when a person or group of persons acquires:
 - (1) More than 20% of a sports wagering operator'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 operator.
 - (3) Any other interest in a sports wagering operator which allows the acquirer to control the sports wagering operator.
- (b) A sports wagering operator shall notify the Bureau and the Bureau of Licensing in a form or manner prescribed by the Bureau of Licensing immediately upon becoming aware of any proposed or contemplated change of control of the sports wagering operator.
- (c) Prior to acquiring a controlling interest in a sports wagering operator, 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 § 1402a.2 (relating to sports wagering operator application and standards) and an application from every principal under Chapter 433a (relating to principal licenses) and § 1406a.2 (relating to sports wagering principals) and any identified key employee under Chapter 435a (relating to key, gaming and nongaming employees; Board-issued credentials) and § 1406a.3 (relating to sports wagering key employees) as specified by the Enterprise Entity Application and Disclosure Information Form and other persons as determined by the Board.

(d) A person or group of persons seeking to acquire a controlling interest in a sports wagering operator 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 operator 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 operator and the sports wagering operator may enter into an agreement of sale that is contingent on Board approval of the petition.

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

(1) The acquirer is an existing licensed slot machine licensee, table game certificate holder, interactive gaming operator or sports wagering operator.

(2) The existing licensed slot machine licensee, table game certificate holder, interactive gaming operator or sports wagering operator 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.

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