

**CHAPTER 1405. SPORTS WAGERING GAMING SERVICE
PROVIDERS—TEMPORARY REGULATIONS**

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Source

The temporary provisions of this Chapter 1405 adopted July 27, 2018, effective July 28, 2018, expire July 28, 2020, 48 Pa.B. 4493, unless otherwise noted.

§ 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).

Cross References

This section cited in 58 Pa. Code § 1405.2 (relating to sports wagering gaming service provider certification applications); 58 Pa. Code § 1405.3 (relating to sports wagering gaming service provider registration applications); and 58 Pa. Code § 1405.7 (relating to permission to conduct business prior to certification or registration).

§ 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).

Cross References

This section cited in 58 Pa. Code § 1405.2 (relating to sports wagering gaming service provider certification applications); and 58 Pa. Code § 1405.3 (relating to sports wagering gaming service provider registration applications).

§ 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.

Cross References

This section cited in 58 Pa. Code § 1405.8 (relating to emergency sports wagering gaming service provider).

§ 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.

Cross References

This section cited in 58 Pa. Code § 1405.6 (relating to authorized sports wagering gaming service providers list; prohibited sports wagering gaming service providers).

§ 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.

Cross References

This section cited in 58 Pa. Code § 1405.1 (relating to general sports wagering gaming service provider requirements); and 58 Pa. Code § 1405.6 (relating to authorized sports wagering gaming service providers list; prohibited sports wagering gaming service providers).

§ 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 pro-

vider 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.

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