

**CHAPTER 431a. SUPPLIER LICENSES**

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**Authority**

The provisions of this Chapter 431a issued under 4 Pa.C.S. §§ 1202(b)(9), (13)—(20), (23) and (30), 1202.1(b) and (e), 1205, 1311.1, 1311.2, 1317, 1317.1, 1319, 1321(a)(1) and (2), 1325, 1326, 1331 and 1406, unless otherwise noted.

**Source**

The provisions of this Chapter 431a adopted October 26, 2007, effective October 27, 2007, 37 Pa.B. 5752, unless otherwise noted.

**§ 431a.1. Supplier general requirements.**

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

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

**Authority**

The provisions of this § 431a.1 amended under 4 Pa.C.S. §§ 1202(b)(9)—(23), 1205, 1206(f) and (g), 1207(1) and (2), 1208(1)(iii), 1209(b), 1212, 1213, 13A11, 13A12—13A14, 13A15 and 1802 and Chapter 13.

**Source**

The provisions of this § 431a.1 amended June 12, 2015, effective June 13, 2015, 45 Pa.B. 2829. Immediately preceding text appears at serial page (334137).

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

- (a) An applicant for a supplier license shall submit:
- (1) An original and one copy of the Supplier Application and Disclosure Information Form for the applicant and each of the applicant's principal affiliates.
  - (2) The nonrefundable application fee posted on the Board's web site.

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

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

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

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

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

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

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

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

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

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

(3) The integrity of financial backers.

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

(i) A background investigation of principals.

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

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

#### **Authority**

The provisions of this § 431a.2 amended under 4 Pa.C.S. §§ 1202(b)(9)—(23), 1205, 1206(f) and (g), 1207(1) and (2), 1208(1)(iii), 1209(b), 1212, 1213, 13A11, 13A12—13A14, 13A15 and 1802 and Chapter 13.

#### **Source**

The provisions of this § 431a.2 amended June 12, 2015, effective June 13, 2015, 45 Pa.B. 2829. Immediately preceding text appears at serial pages (334137) to (334138) and (353409).

#### **431a-2**

**Cross References**

This section cited in 58 Pa. Code § 1106.1 (relating to supplier licenses).

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

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

(b) A Supplier License Renewal Application Form and renewal fee shall be filed at least 2 months prior to the expiration of the current license.

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

**Authority**

The provisions of this § 431a.3 amended under 4 Pa.C.S. §§ 1103, 1202(b)(9)—(23) and (30), 1205, 1206(f) and (g), 1207(1) and (2), 1208(1)(iii), 1209(b), 1212, 1213, 1317(c), 1317.1(c), 1317.2, 1326, 13A11, 13A12—13A14, 13A15 and 1802 and Chapter 13.

**Source**

The provisions of this § 431a.3 amended October 22, 2010, effective October 23, 2010, 40 Pa.B. 6083; amended June 12, 2015, effective June 13, 2015, 45 Pa.B. 2829. Immediately preceding text appears at serial page (353409).

**§ 431a.4. Responsibilities of a supplier.**

(a) Within 1 year of the Board's issuance of a supplier license, the supplier shall establish and maintain a principal place of business in this Commonwealth. The principal place of business must be:

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

(b) A supplier shall submit to the Bureau of Licensing for review any agreements with a licensed manufacturer or with a slot machine licensee. The review may include, but not be limited to, financing arrangements, inventory requirements, warehouse requirements, warehouse space, technical competency, com-

pensative agreements and other terms or conditions to ensure the financial independence of the licensed supplier from any licensed manufacturer or licensed gaming entity.

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

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

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

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

#### Authority

The provisions of this § 431a.4 amended under 4 Pa.C.S. §§ 1202(b)(9)—(23), 1205, 1206(f) and (g), 1207(1) and (2), 1208(1)(iii), 1209(b), 1212, 1213, 13A11, 13A12—13A14, 13A15 and 1802 and Chapter 13.

#### Source

The provisions of this § 431a.4 amended May 22, 2009, effective May 23, 2009, 39 Pa.B. 2588; amended June 12, 2015, effective June 13, 2015, 45 Pa.B. 2829. Immediately preceding text appears at serial pages (353410) to (353411).

### § 431a.5. Supplier log books.

(a) A supplier licensee shall maintain a log book to register the individuals who enter the supplier licensee's principal place of business and each physical facility utilized by the supplier licensee to house inventory, replacement parts, supplies, transportation or delivery equipment.

(b) The supplier licensee shall record or cause to be recorded in the log book the following:

(1) The date, entrance time and departure time of each individual.

(2) The name of each individual entering the place of business or physical facility and who they represent.

(3) The signature of each individual.

(4) The purpose for the visit.

(5) For individuals who are not employees of the supplier, the individual's Board license, permit, certification or registration number, if applicable.

(c) Licensed, permitted or registered employees of a supplier are not required to register in the log book.

(d) Each log book required by this section shall be maintained at the entrance of the location to which it pertains and shall be made readily accessible for examination and inspection upon the demand of any agent, employee or representative of the Board, the Department of Revenue or the Pennsylvania State Police.

#### Authority

The provisions of this § 431a.5 amended under 4 Pa.C.S. §§ 1202(b)(9)—(23), 1205, 1206(f) and (g), 1207(1) and (2), 1208(1)(iii), 1209(b), 1212, 1213, 13A11, 13A12—13A14, 13A15 and 1802 and Chapter 13.

#### Source

The provisions of this § 431a.5 amended June 12, 2015, effective June 13, 2015, 45 Pa.B. 2829. Immediately preceding text appears at serial pages (353411) to (353412).

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

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

- (1) More than 20% of a supplier licensee's securities, assets or other ownership interests.
- (2) More than 20% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the supplier licensee.
- (3) Any other interest in a supplier licensee which allows the acquirer to control the supplier licensee.

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

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

- (1) A copy of all documents governing the acquisition.
- (2) Completed applications for the acquiring company, as required under this chapter, principals as required under Chapter 433a (relating to principal licenses) and key employees as required under § 435a.2 (relating to key employee license).
- (3) An affirmation that neither the acquirer nor any of its affiliates, intermediaries, subsidiaries or holding companies is a slot machine licensee and that the acquirer has neither applied for nor holds a manufacturer license.

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

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

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

(1) The acquirer is an existing licensed supplier.

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

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

#### **Authority**

The provisions of this § 431a.6 issued under 4 Pa.C.S. §§ 1202(b)(9)—(23), 1205, 1206(f) and (g), 1207(1) and (2), 1208(1)(iii), 1209(b), 1212, 1213, 13A11, 13A12—13A14, 13A15 and 1802 and Chapter 13.

#### **Source**

The provisions of this § 431a.6 adopted June 12, 2015, effective June 13, 2015, 45 Pa.B. 2829.

#### **Cross References**

This section cited in 58 Pa. Code § 433a.3 (relating to interests in licensees held by individuals); and 58 Pa. Code § 433a.4 (relating to interests in licensees held by entities).

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