

[Detailed Bullet Points and Section References]

SB 711, PN 1196 (Earll/Mellow) Gaming Act Reform Legislation

Title 4 (Amusements), Part II (Gaming)
(Gaming Act - 4 Pa.C.S. § 1101 et seq.)

- {Section 1102new(10.1), Section 1102(11), Section 1102new(11.1), and Section 1513}
 - **[Re-establishing Political Campaign Contribution Prohibition – Clarifying and Enhancing Related Legislative Intent Components and Thereby Re-establishing Section 1513 Campaign Contribution Prohibition]** – Strikes the term “large” from the legislative intent section per the PA Supreme Court decision (4/30/09) in Peter Depaul v. Commonwealth and PGCB that found section 1513 (relating to political influence) violated Article I, Section 7 (relating to Freedom of Press and Speech; Libels) of the Constitution of the Commonwealth due to inconsistencies in the language. Also, adds new subsections that indicate the General Assembly’s interest in protecting the integrity of the electoral process and legislative process by preventing corruption and the appearance of corruption and necessitates completely banning political contributions by individuals and entities subject to the Gaming Act.
- {Section 1103}
 - **[Adding, Relocating and Removing Definitions]** – The following definitions of various terms are either added, relocated, removed and/or modified within section 1103 (relating to definitions): “conviction” (tech. modified), “executive level public employee” (relocated), “licensed entity” (tech. modified), “licensed entity representative” (relocated), “slot machine licensee” (removed b/c duplicative), and “trustee” (added).
- {Section 1201(b)new(2)}
 - **[Public Hearing for Board Member Appointments by Senate Standing Committee with Oversight of Gaming]** – This new paragraph emphasizes that the Senate Community, Economic and Recreational Development Committee may hold a public hearing with regard to board member appointments.
- {Section 1201new(b.1)}
 - **[Removal of Board Members – Clarifies Board Members Shall Serve at the Pleasure of the Appointing Authorities]**
- {Section 1201(f)(3)}
 - **[Voting by Board Members – Disqualification and Recusal by Board Members]** – Existing disqualification provisions are extended to the code of conduct provisions of section 1202.1(c)(3) (relating to disclosure and disqualification) [Ex parte communication related], which require a board member to disclose and disqualify himself from any proceeding in which the members objectivity, etc. may be reasonably questioned due to members relationship or association with a party connected to any proceeding or person appearing before the board.
 - [See also] – {Section 1202.1, Section 1202.1new(c.1) and Section 1202.1new(c.2)} – **[Code of Conduct - Technical Modifications and Enhanced Ex parte Communication Prohibitions including Recusal by Board Members, Employees, and Hearing Officers]**
- {Section 1201(h)new(4.1)}
 - **[Prohibition Against Board Member Secondary Employment (applies prospectively)]**
- {Section 1201(h)(7.1)}
 - **[Divesting of Financial Interest with regard to Board Members and Immediate Family (time period increased from one year to two years)]**

- {Section 1201(h)(10)}
 - **[Clarification Regarding when Former Board Member’s Appearance before the PGCB Prohibited (in any hearing or proceeding)]**
- {Section 1201(h)(11)}
 - **[Prohibition Against Complimentary Services, Wagers and Receipt of Prizes by Board Members, Employees or Independent Contractors of the PGCB (time period increased from one year to two years following termination and clarifies the wagering prohibition shall not apply to PGCB employees testing machines)]**
- {Section 1201(h)(13)}
 - **[PGCB Employee (including attorneys) Two Year Employment and Appearance Prohibition (employment prohibition period increased from one year to 2 years to match 2 year appearance prohibition, also adds affidavit and penalty provisions)]**
- {Section 1201(h)new(13.1)}
 - **[Clarifies the Employment and Appearance Provisions with Regard to Independent Contractors and Individuals Employed by Such (adds affidavit and penalty provisions)]**
- {Section 1201(h)(14)}
 - **[Clarification with regard to the State Ethics Commission Duty (Upon Written Request) to Determine if Individual’s Duties Substantial] – Currently, the State Ethics Commission is required to determine (upon written request) if an individual’s duties substantially involved the development or adoption of regulations or policy, licensing or enforcement. This provision is further clarified to also include a reference to the adoption of law or an individual who had discretionary authority that may affect the outcome under the provisions of the Gaming Act.**
- {Section 1201(h)(15)}
 - **[Prohibition Against Appointment; Applying for License or Permit; becoming an Independent Contractor of the PGCB; or Registered as a Licensed Entity Representative with regard to Former Board Member, Employee or Independent Contractor of the PGCB (time period increased from two years to five years)]**
- {Section 1201(k)}
 - **[Technical Modification to Language with Regard to Appointments of Board Members Given Initial Appointments have been Made]**
- {Section 1201new(m.1)}
 - **[Gaming Employees Not Subject to Furlough in Event of Budget Impasse] – Gaming employees of the PGCB, Department of Revenue, Pennsylvania State Police and Office of Attorney General are not subject to furlough in the event of a budget impasse.**
- {Section 1202(a)repeals(4) and Section 1202(a)new(4.1)}
 - **[Classification and Compensation of Future PGCB Personnel Made Subject to The Administrative Code of 1929 Provisions] – Nothing about this provision prohibits PGCB Board from modifying the existing system of classification and compensation with regard to current employees (i.e., via Hays Group study).**
- {Section 1202(b)(7) and Section 1202(b)new(7.1)}
 - **[Strengthens Subpoena Powers and Confers Immunity Powers (PGCB board members must adopt a resolution subject to Attorney General approval)]**
- {Section 1202(b)(23)}
 - **[Clarifies that applicant must demonstrate by clear and convincing evidence that an Applicant is a Person of Good Character, Honesty and Integrity]**

- {Section 1202(b)(30)}
 - **[Technical Modification with Regard to PGCB Regulations as Temporary Regulations No Longer Applicable]**
- {Section 1202(b)new(31)}
 - **[Collection and posting of information on PGCB Internet website regarding the slot machine (facility) licensee Controlling Interest and Ownership Interest]**
- {Section 1202(b)new(32)}
 - **[Board Member Specific Power and Duty to Appoint a Trustee]** – This new paragraph gives board members the specific power and duty regarding the appointment of a trustee as prescribed in new section 1332 (relating to appointment of trustee).
 - [See also] – Section 1103 (relating to definitions – “trustee”).
 - [See also] – Section 1517(a.2)(1)new(iv) (relating to office of enforcement counsel power to petition the PGCB board for trustee).
- {Section 1202.1, Section 1202.1new(c.1) and Section 1202.1new(c.2)}
 - **[Code of Conduct - Technical Modifications and Enhanced Ex parte Communication Prohibitions (including notification and recusal provisions)]**
 - [See also] – {Section 1201(f)(3)} – **[Voting by Board Members – Disqualification and Recusal by Board Members]**
- {new Section 1202.2}
 - **[Reimbursement of Board Members and Employees – Actual and Reasonable Expenses (receipts required for expenses in excess of \$10)]**
- {Section 1205(b)new(1.1)}
 - **[Public Input Hearing Required for Petition Regarding Structural Redesign of a Licensed Facility Located in a City of the First Class]**
- {Section 1205(b)new(4)}
 - **[Public Comment Period Required during Public Input Hearing regarding a Slot Machine License Application or Structural Redesign of a Licensed Facility in a City of the First Class]**
- {Section 1206(f)}
 - **[Clarifies the Confidentiality Provisions by Establishing and Identifying Categories of Confidential Information (and includes a provision that clarifies nothing prohibits the PGCB from seeking a voluntary waiver of confidentiality by the applicant)]** – It further clarifies that no claim of confidentiality shall be made regarding any information from a criminal history record check under 18 Pa.C.S. Ch. 91 (relating to criminal history record information) or that is otherwise publicly available in this Commonwealth or another jurisdiction. It also provides that any PGCB employee or contractor that discloses confidential information (at any time) commits a misdemeanor.
- {Section 1207(1)(4)}
 - **[Licensed Entity Audited Financial Statements and Related Information Provided to the PGCB board (time period for submitting the information increased from within 60 days to 90 days of end of the licensee’s fiscal year and thereby mirrors SEC requirements)]**
- {Section 1208(1)(i) and (ii), Section 1209(b), Section 1317(c)(1), Section 1317.1(c)(1), and Section 1326(a)}
 - **[Annual License and Permit Renewals Shifted to a Three Year Renewal Period (applies to all permits and licenses)]**
- {Section 1211new(a.1)}
 - **[Monthly and Annual Reporting of PGCB Expenses on PGCB Internet Website]**
- {Section 1213}
 - **[License and Permit Prohibition - Automatic Felony Ban with Regard to Principal License and Key Employee License Prospectively extended from a 15-**

year Ban to Lifetime Ban)] – Prospectively, expands the automatic felony ban with regard to an applicant for principal license and key employee license from a 15-year ban to a lifetime ban. Meanwhile, the existing 15-year automatic ban (felony or gambling offense) remains in place with regard to an applicant for a principal license or key employee license with a gambling offense less than a felony and/or a license (other than a principal license or key employee license) or gaming employee permit with a felony or gambling offense. It should be noted that with regard to the automatic bans, the PGCB board may not take into consideration expunged, etc. convictions given the automatic and permanent and/or long term aspects of the bans, although such may be considered by the board with regard to the character and suitability provisions.

- {Section 1308^{new}(a.1)}
 - **[Application for License or Permit – Specifies that the Application for License or Permit Shall include All Arrests and Convictions (including expunged, etc. convictions).**
- {Section 1310(a)^{new}(2)}
 - **[Slot Machine License Application Character Requirements (suitability) – Consideration of Convictions Expunged, etc. (via cross reference also applies to principal license and key employee license)]**
- {Section 1310^{new}(d)}
 - **[Freedom of Information Act – Slot Machine License Applicants (including Principals and Key Employees) Required to apply to the Federal Government for Their Records]**
- {Section 1321(a)(2)}
 - **[Vendor (i.e., nongaming vendors) Criminal History Record Check Requirements (suitability)]** - Provides that the PGCB board may by regulation establish a classification system (i.e., registered vendor, certified vendor, etc.) for a person (not otherwise required to be licensed or permitted) who provides goods, property or services to a slot machine license and where the classification system requires such person to submit to a criminal history check under 18 Pa.C.S. Ch. 91 (relating to criminal history record information) the board is required to notify the slot machine licensee if the person found to be convicted of a felony or gambling offense.
- {Section 1328(b)}
 - **[Change in Ownership or Control of Slot Machine Licensee Fee – Timing of Payment Specified (upon assignment and actual change of ownership or control)]**
- {Section 1329, Section 1329^{new}(b), Section 1329^{new}(d), Section 1329^{new}(e)}
 - **[Clarifies and Enhances the Provisions Regarding Portability and Relocation of Slot Machine License (upon good cause being shown a facility may be permitted to relocate within the same county if certain elements satisfied), Provides for Specific Evaluation Criteria, Provides for Public Input Hearing, and Prohibits Any Grants or Loans from the Commonwealth]**
- {^{new} Section 1332}
 - **[Appointment of Trustee]** - This new section specifically provides for the appointment of a trustee (and other persons) by the PGCB board (upon petition of the Office of Enforcement Counsel) with regard to a slot machine license or a principal license of an individual who the board has determined controls a slot machine license under the following circumstances:
 - Upon revocation, suspension or nonrenewal of the license.
 - Upon expiration of the license, until the license is renewed or until the PGCB board approves a change in ownership of the slot machine license.
 - If necessary to protect the interest or best interests of the Commonwealth.

