

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

1. **CAMPAIGN CONTRIBUTIONS.** Re-establishes political campaign contribution prohibition and adds language clarifying legislative intent.
2. **PGCB APPOINTEES.** Authorizes chair of Senate standing committee on gaming to hold a public hearing on PGCB appointees.
3. **REMOVAL OF PGCB MEMBERS.** Add language clarifying that PGCB members serve at the pleasure of the appointing authority.
4. **PGCB MEMBER EMPLOYMENT.** Bans PGCB members from holding outside employment (Future members only).
5. **PGCB MEMBER FINANCIAL INTEREST.** Extends the financial interest prohibition applicable to PGCB members and immediate family from one to two years.
6. **FORMER PGCB MEMBER PROHIBITIONS.** Clarifies that a former PGCB Member can't appear before the board or participate in any other proceeding for two years following term.
7. **WAGERING, COMPLIMENTARY SERVICES.** Extends prohibition against complimentary services, wagers and receipt of prizes by former Board Members, Employees or Independent Contractors of the PGCB from one year to two years following termination of term or employment. Clarifies the wagering prohibition shall not apply to PGCB employees testing machines.
8. **REVOLVING DOOR.** Extends post-employment prohibition on PGCB Employee (including attorneys) from one to two years. Adds language requiring employees to sign an affidavit agreeing to the ban as a condition of employment. Penalizes licensees who hire an individual in violation of the restriction.
9. **INDEPENDENT CONTRACTORS.** Requires independent contractors of PGCB, as a condition of receiving a contract, to sign an affidavit agreeing to forgo employment with an applicant, licensee or any affiliate, subsidiary, or intermediary thereof for one year following termination of the contract. Penalizes licensees who hire an individual in violation of the restriction.
10. **OTHER RESTRICTIONS.** Prohibits any member, employee, or independent contractor who is removed from the board or terminated for violating the Act from being re-appointed to the board, from applying for license or permit, from becoming an independent contractor of the PGCB, or from registering as a Licensed Entity Representative for five years.
11. **VACANCY.** Requires appointing authorities to make an appointment to fill a vacancy within 60 days of the creation of the vacancy.
12. **FURLOUGHS.** Adds language stating that PGCB, Department of Revenue, PA State Police, and Attorney General employees involved in gaming are not subject to furlough in the event of a budget impasse.
13. **EMPLOYEE CLASSIFICATION.** Requires the PGCB to create a classification and compensation system for future PGCB Personnel pursuant to The Administrative Code. The PGCB may modify its system for existing employees.

14. **SUBPOENA POWER AND IMMUNITY.** Clarifies PGCB’s subpoena powers and authorizes PGCB to confer immunity on witnesses with the written approval of the Attorney General.
15. **SUITABILITY STANDARD.** Clarifies that applicant must demonstrate by clear and convincing evidence that an applicant is a person of good character, honesty and integrity.
16. **PUBLIC DISCLOSURE OF OWNERSHIP INTERESTS.** Requires PGCB to collect and post information on PGCB Internet website regarding the slot machine licensee controlling interest and ownership interest.
17. **TRUSTEE.** Authorizes PGCB to appoint a trustee to operate a facility under certain circumstances (i.e., suspension, revocation, non-renewal of license). Sets out powers and duties of trustee. Establishes a transparent process for appointing a trustee and caps trustee fees.
18. **EX PARTE COMMUNICATION.** Provides procedure for disclosing ex parte communications and establishes recusal process for PGCB members, employees and hearing officers.
19. **PGCB EXPENSES.** Establishes a procedure for reimbursement of expenses by board members and employees. Reimbursements limited to actual and reasonable expenses, with receipts required for expenses in excess of \$10. Requires PGCB to post monthly and annual expenses on PGCB website.
20. **FACILITY REDESIGN (CITIES OF FIRST CLASS).** Requires PGCB to conduct a public input hearing for a petition seeking a structural redesign of a facility located in a City of the First Class.
21. **PUBLIC INPUT HEARINGS.** Clarifies that the PGCB must have a public input hearing in the municipality where the facility will be located prior to awarding a slot machine license.
22. **CONFIDENTIAL INFORMATION.** Clarifies the Confidentiality Provisions by Establishing and Identifying Categories of Confidential Information.

Adds a provision that clarifies nothing prohibits the PGCB from seeking a voluntary waiver of confidentiality by the applicant.

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.

Provides that a PGCB employee that discloses confidential information (at any time) commits a misdemeanor.
23. **FINANCIAL STATEMENTS.** Increases the time period in which a licensed entity must submit audited financial statements and related information from within 60 days to 90 days of end of the licensee’s fiscal year to mirror SEC requirements.
24. **LICENSE RENEWALS.** Extends license renewals from 1 year to 3 years.
25. **FELONY BAN.** Amends the felony ban provisions of the act to include a lifetime ban on applicants with a felony conviction who seek a principal or key employee license. The ban is prospective only (i.e, does not apply to current licensees or the renewal of their licenses or to applicants who apply before the effective date of this act. For all other license or permit applicants, the current 15-year ban applies.

26. **CRIMINAL HISTORY DISCLOSURE.** Requires that all applicants for a license or permit fully disclose all arrests and criminal convictions, including expungements, guilty pleas, pardons, etc. which the board may consider when analyzing an applicant's suitability.
27. **FREEDOM OF INFORMATION ACT.** Requires all slot machine, principal and key employee applicants to apply to the federal government for records under the Freedom of Information Act and submit the full record received to the board.
28. **VENDOR BACKGROUND INVESTIGATIONS.** 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. 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.
29. **LICENSE TRANSFER FEES.** Requires the fee associated with a change in ownership or control of a slot machine licensee be paid upon assignment and actual change of ownership or control.
30. **RELOCATION.** Clarifies and enhances the provisions regarding relocating a licensed facility. Provides for specific evaluation criteria, requires a public input hearing, and prohibits the Commonwealth from providing any grants or loans to the licensee to facilitate the relocation.
31. **EDTF ANNUAL REPORTS.** Requires the Office of Budget to submit an annual report to the General Assembly regarding distributions from the Pennsylvania Gaming Economic Development and Tourism Fund.
32. **EDTF LOCAL REPORTS.** Requires entities in a city of the first or second class or a county of the second class that receive funding from the Pennsylvania Gaming Economic Development and Tourism Fund to submit an annual report to the Office of the Budget and General Assembly regarding distribution of funds received.
33. **EDTF AIRPORT.** Adds language clarifying that after \$42.5 million of Allegheny County airport money from the Pennsylvania Gaming Economic Development and Tourism Fund is distributed to the county, the remaining revenue shall be distributed directly to the airport authority.
34. **LOCAL LAW ENFORCEMENT GRANTS.** Reduced from \$5 million to \$3 million annually. Expands authorized use to all forms of unlawful gaming. Clarifies that the PA State Police Qualify as Local Law Enforcement in municipalities where they provide primary police service.
35. **PGCB REGULATION.** Clarifies that PGCB must adopt regulations prohibiting commingling of prosecutorial (BIE) and adjudicatory (Board) functions.
36. **PA STATE POLICE REPORT.** Requires PA State Police to submit an annual report to the General Assembly summarizing activity at licensed facilities.