

Rules and Regulations
Title 58. Recreation
Part VII. Gaming Control Board

Subpart:

- L. Interactive Gaming.....Chapters 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 817, 818, 830
- M. Casino Simulcasting.....Chapter 1001
- N. Video Gaming..... Chapters 1101, 1102, 1103, 1104, 1105, 1106, 1107, 1108, 1109, 1110, 1111, 1112, 1113, 1114, 1115, 1116, 1117, 1118, 1119, 1120
- O. Fantasy Contests..... Chapters 1201, 1202, 1203, 1204, 1205, 1206, 1207, 1208, 1209
- P. Multiuse Computing Devices (Airport Gaming) Chapter (TBD)
- Q. Sports Wagering..... Chapter 1401, 1402, 1403, 1404, 1405, 1406, 1407, 1408, 1409, 1410, 1411

THE TEMPORARY REGULATIONS ADOPTED BY THE BOARD
EXPIRE ON OCTOBER 31, 2019.

THIS DOCUMENT CONTAINS THE CHAPTERS OF TEMPORARY REGULATIONS
AND AMENDMENTS THERE TO AS OF
MARCH 9, 2019 (MOST CURRENT PUBLICATION IN THE PA BULLETIN)

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Title. 58. Recreation

Part VII. Gaming Control Board

SUBPART L. INTERACTIVE GAMING

CHAPTER 801. GENERAL INTERACTIVE GAMING PROVISIONS

Sec.

801.1. Scope.

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§ 801.1. Scope.

The purpose of this subpart is to govern the operation of interactive gaming. The act and the Board's regulations promulgated thereunder otherwise apply when not in conflict with this subpart.

§ 801.2. Definitions.

The following words and terms, when used in this subpart, have the following meanings, unless the context clearly indicates otherwise:

Airport authority—Any of the following:

(i) The governing body of a municipal authority organized and incorporated to oversee the operations of a qualified airport under 53 Pa.C.S. §§ 5601—5623 (relating to Municipality Authorities Act).

(ii) A city of the first class that regulates the use and control of a qualified airport located partially in a county of the first class and partially in a county contiguous to a county of the first class.

Airport gaming area—A location within a qualified airport area approved by the airport authority and the Board for the conduct of interactive gaming through the use of multiuse computing devices by eligible passengers.

Associated equipment—Any equipment or mechanical, electromechanical or electronic contrivance, component or machine used in connection with interactive gaming, including equipment which affects the proper reporting and counting of gross interactive gaming revenue, computerized systems for controlling and monitoring interactive games, including interactive gaming devices necessary for the operation of interactive games as approved by the Board.

Authorized interactive game—An interactive game approved by regulation of the Board to be suitable for interactive gaming offered by an interactive gaming certificate holder or an interactive gaming operator on behalf of an interactive gaming certificate holder in accordance with sections 13B01—13B63 of the act (relating to interactive gaming). The term includes an interactive game approved by regulation of the Board to be suitable for interactive gaming through use of a multiuse computing device.

Cash equivalent—An asset that is readily convertible to cash, including any of the following:

- (i) Chips or tokens.
- (ii) Travelers checks.
- (iii) Foreign currency and coin.
- (iv) Certified checks, cashier's checks and money orders.
- (v) Personal checks or drafts.
- (vi) A negotiable instrument applied against credit extended by a certificate holder, an interactive gaming certificate holder, an interactive gaming operator or a financial institution.
- (vii) A prepaid access instrument.
- (viii) Any other instrument or representation of value that the Board deems a cash equivalent.

Cheat—

(i) To defraud or steal from any player, interactive gaming certificate holder, interactive gaming operator or the Commonwealth while operating or playing an authorized interactive game, including causing, aiding, abetting or conspiring with another person to do so.

(ii) The term also means to alter or causing, aiding, abetting or conspiring with another person to alter the elements of chance, method of selection or criteria which determine:

- (A) The result of an authorized interactive game.
- (B) The amount or frequency of payment in an authorized interactive game.
- (C) The value of a wagering instrument.
- (D) The value of a wagering credit.

(iii) The term does not include altering an interactive gaming device or associated equipment for maintenance or repair with the approval of an interactive gaming certificate holder or interactive gaming operator.

Cheating device—A device, software or hardware used or possessed with the intent to be used to cheat during the operation or play of any authorized interactive game. The term also includes any device used to alter an authorized interactive game or interactive gaming device or associated equipment without the interactive gaming certificate holder's or interactive gaming operator's approval.

Communication technology—Any method used and the components employed to facilitate the transmission and receipt of information, including transmission and reception by systems using wire, wireless, cable, radio, microwave, light, fiber optics, satellite or computer data networks, including the Internet and intranets.

Concession operator—A person engaged in the sale or offering for sale of consumer goods or services to the public at a qualified airport, or authorized to conduct other commercial activities related to passenger services at a qualified airport, in accordance with the terms and conditions of an agreement or contract with an airport authority, government entity or other person.

Conduct of gaming—The licensed placement, operation and play of interactive games under this subpart, as authorized and approved by the Board. The term includes the licensed placement, operation and play of authorized interactive games through the use of multiuse computing devices at a qualified airport under sections 13B20—13B20.7 of the act (relating to multi-use computing devices).

Contest—An authorized interactive game competition among players for cash, cash equivalents or prizes.

Eligible passenger—An individual 21 years of age or older who has cleared security check points with a valid airline boarding pass for travel from one destination to another.

Gaming employee—An employee of any of the following who the Board determines, after a review of the work to be performed, requires a gaming employee permit for the protection of the integrity of interactive gaming operations in this Commonwealth:

- (i) An interactive gaming certificate holder or interactive gaming operator licensee.
- (ii) An interactive gaming manufacturer licensee or interactive gaming supplier licensee.
- (iii) An interactive service provider.
- (iv) Any other person as determined by the Board.

Gaming-related restricted area—A room or area of a licensed facility which is specifically designated by the Board as restricted or by the interactive gaming certificate holder or interactive gaming operator as restricted in its Board-approved internal controls.

Gaming school—An educational institution approved by the Department of Education as an accredited college or university, community college, Pennsylvania private licensed school or its equivalent and whose curriculum guidelines are approved by the Department of Labor and Industry to provide education and job training related to employment opportunities associated with interactive games, including interactive gaming devices and associated equipment maintenance and repair.

Gross interactive airport gaming revenue—

(i) Revenue is the total of all cash or cash equivalent wagers paid by an eligible passenger to an interactive gaming certificate holder at a qualified airport through the use of multiuse computing devices in consideration for the play of authorized interactive games at a qualified airport through the use of multiuse computing devices, including cash received as entry fees for contests or tournaments, minus:

(A) The total of cash or cash equivalents paid out to an eligible passenger as winnings.

(B) The actual cost paid by the interactive gaming certificate holder at a qualified airport through the use of multiuse computing devices for personal property distributed to a player as a result of playing an authorized interactive game. This clause does not include travel expenses, food, refreshments, lodging or services.

(ii) Amounts deposited with an interactive gaming certificate holder for purposes of interactive gaming at a qualified airport through the use of multiuse computing devices and amounts taken in fraudulent acts perpetrated against an interactive gaming certificate holder for which the interactive gaming certificate holder is not reimbursed and may not be considered to have been paid to the interactive gaming certificate holder for purposes of calculating gross interactive airport gaming revenue.

Gross interactive gaming revenue—

(i) The total of all cash or cash equivalent wagers paid by registered players to an interactive gaming certificate holder in consideration for the play of authorized interactive games, including cash received as entry fees for contests or tournaments, minus:

(A) The total of cash or cash equivalents paid out to registered players as winnings.

(B) The actual cost paid by the interactive gaming certificate holder for any personal property distributed to a player as a result of playing an authorized interactive game. This clause does not include travel expenses, food, refreshments, lodging or services.

(ii) Amounts deposited with an interactive gaming certificate holder for purposes of interactive gaming and amounts taken in fraudulent acts perpetrated against an interactive gaming certificate holder for which the interactive gaming certificate holder is not reimbursed may not be considered to have been paid to the interactive gaming certificate holder for purposes of calculating gross interactive gaming revenue.

Interactive game—

(i) A gambling game offered through the use of communications technology that allows a person utilizing money, checks, electronic checks, electronic transfers of money, credit cards or any other instrumentality to transmit electronic information to assist in the placement of a bet or wager and corresponding information related to the display of the game, game outcomes or other similar information.

(ii) The term does not include any of the following:

(A) A lottery game or Internet instant game as defined in the State Lottery Law (72 P.S. §§ 3761-101—3761-2103).

(B) Lottery under 4 Pa.C.S. §§ 501—505 (relating to lottery).

(C) A nongambling game that does not otherwise require a license under the laws of the Commonwealth.

(D) A fantasy contest under 4 Pa.C.S. §§ 301—342 (relating to fantasy contests).

*Interactive gaming—*The placing of wagers with an interactive gaming certificate holder or interactive gaming operator using a computer network of Federal and non-Federal interoperable packet switched data networks through which an interactive gaming certificate holder may offer authorized interactive games to registered players. The term includes the placing of wagers through the use of a multiuse computing device.

*Interactive gaming account—*The formal electronic system implemented by an interactive gaming certificate- holder to record the balance of a registered player's debits, credits and other financial activity related to interactive gaming.

*Interactive gaming account agreement—*An agreement entered into between an interactive gaming certificate- holder and a registered player which governs the terms and conditions of the registered player's interactive gaming account and the use of the Internet for purposes of placing wagers on authorized interactive games operated by an interactive gaming certificate holder or interactive gaming operator.

*Interactive gaming agreement—*An agreement entered into by or between an interactive gaming certificate holder and an interactive gaming operator related to the offering or operation of interactive gaming or an interactive gaming system by the interactive gaming operator on

behalf of the interactive gaming certificate holder. The term includes an interactive gaming agreement entered into between an interactive gaming certificate holder and an interactive gaming operator for the conduct of interactive gaming through the use of multiuse computing devices at a qualified airport in accordance with sections 13B01—13B63 of the act.

Interactive gaming certificate—The authorization issued to a slot machine licensee by the Board authorizing the operation and conduct of interactive gaming by a slot machine licensee in accordance with sections 13B01—13B63 of the act.

Interactive gaming certificate holder—A slot machine licensee that has been granted authorization by the Board to operate interactive gaming in accordance with sections 13B01—13B63 of the act.

Interactive gaming device—The hardware, software and other technology, equipment or device of any kind as determined by the Board to be necessary for the conduct of authorized interactive games.

Interactive gaming license—A license issued to an interactive gaming operator by the Board under sections 13B01—13B63 of the act.

Interactive gaming manufacturer—

(i) A person who manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to an authorized interactive games for use or play of authorized interactive games in this Commonwealth for gaming purposes.

(ii) The term includes operators of live gaming studios.

(iii) The term does not include a person who manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to multiuse computing devices used in connection with the conduct of interactive gaming at a qualified airport.

Interactive gaming manufacturer license—A license issued by the Board authorizing a manufacturer to manufacture or produce interactive gaming devices or associated equipment for use in this Commonwealth for gaming purposes. The term includes the operators of live gaming studios.

Interactive gaming operator—A person licensed by the Board to operate interactive gaming or an interactive gaming system, through the provision of an interactive gaming platform, on behalf of an interactive gaming certificate holder. The term includes a person that has received conditional authorization under section 13B14 of the act (relating to interactive gaming operators) for as long as the authorization is effective.

Interactive gaming platform—The combination of hardware and software or other technology designed and used to manage, conduct and record interactive games and the wagers

associated with interactive games, as approved by the Board. The term includes emerging or new technology deployed to advance the conduct and operation of interactive gaming, as approved through regulation by the Board.

Interactive gaming reciprocal agreement—An agreement negotiated by the Board and approved by the Governor on behalf of the Commonwealth with the regulatory agency of one or more states or jurisdictions where interactive gaming is legally authorized which will permit the conduct of interactive gaming between interactive gaming certificate holders in this Commonwealth and gaming entities in the states or jurisdictions that are parties to the agreement.

Interactive gaming restricted area—A room or area, as approved by the Board, used by an interactive gaming certificate holder or interactive gaming operator to manage, control and operate interactive gaming, including, when approved by the Board, redundancy facilities and remote gaming server locations.

Interactive gaming service provider—A person that is not required to be licensed as a manufacturer, supplier, management company, gaming junket enterprise or a gaming service provider under this part who:

(i) Provides goods or services to an interactive gaming certificate holder or interactive gaming operator for the operation of interactive gaming.

(ii) Is determined to be an interactive service provider by the Board.

Interactive gaming skin or skins—The portal to an interactive gaming platform or interactive gaming web site through which authorized interactive games are made available by an interactive gaming certificate holder or interactive gaming operator to registered players in this Commonwealth or registered players in any other state or jurisdiction which has entered into an interactive gaming reciprocal agreement.

Interactive gaming supplier—

(i) A person who sells, leases, offers or otherwise provides, distributes or services an interactive gaming device or associated equipment for use or play of interactive games in this Commonwealth.

(ii) The term includes a person that sells, leases, offers or otherwise provides, distributes or services multiuse computing devices approved by the Board.

(iii) The term does not include the seller of a device that does not contain or operate interactive gaming software or systems or that has not been configured as a multiuse computing device at the time it is sold.

Interactive gaming supplier license—A license issued by the Board authorizing a supplier to provide products or services related to interactive gaming devices, including multiuse

computing device or associated equipment, to interactive gaming certificate holders or interactive gaming operators for use in this Commonwealth for gaming purposes.

Interactive gaming system—The hardware, software and communications that comprise a type of server-based gaming system for the purpose of offering authorized interactive games.

Interactive gaming web site—The interactive gaming skin or skins through which an interactive gaming certificate holder or interactive gaming operator makes authorized interactive games available for play.

Key employee—

(i) All of the following:

(A) An individual who is employed in a director or department head capacity and who is empowered to make discretionary decisions that regulate interactive gaming operations, including the director of interactive gaming, director of interactive gaming system programs or other similar job classifications associated with interactive gaming.

(B) Persons who manage, control or administer interactive gaming or the bets and wagers associated with authorized interactive games.

(C) An employee who is not otherwise designated as a gaming employee and who supervises the operations of the interactive gaming department or to whom the interactive gaming department directors or interactive gaming department heads report and other positions not otherwise designated or defined under this part which the Board will determine based on detailed analyses of job descriptions as provided in the internal controls of the licensee as approved by the Board.

(ii) All other gaming employees unless otherwise designated by the Board shall be classified as nonkey employees.

Licensed facility—

(i) The physical land-based location at which a licensed gaming entity is authorized to place and operate slot machines and, if authorized by the Board under sections 13A01—13A63 of the act (relating to table games), to conduct table games and, if authorized under sections 13B01—13B63 of the act, to conduct interactive gaming.

(ii) The term includes any of the following:

(A) An area of a licensed racetrack at which a slot machine licensee was previously authorized under section 1207(17) of the act (relating to regulatory authority of the board) to operate slot machines prior to January 6, 2018.

(B) A Board-approved interim facility or temporary facility.

(C) An area of a hotel which the Board determines is suitable to conduct table games.

(D) An area of a licensed facility where casino simulcasting is conducted, as approved by the Board.

(iii) The term does not include a redundancy facility or an interactive gaming restricted area which is not located on the premises of a licensed facility as approved by the Board and which is maintained and operated by an interactive gaming certificate holder or interactive gaming operator in connection with interactive gaming or casino simulcasting. A license to conduct live thoroughbred or harness horse race meetings respectively with pari-mutuel wagering from the State Horse Racing Commission under 3 Pa.C.S. §§ 9301—9374 (relating to race horse industry reform).

Live gaming studio—A physical location that utilizes live video streaming technology to provide live casino games to a player's interactive gaming device or multiuse computing device that permits the player to participate in live streamed casino games, interact with gaming studio dealers and interact with fellow players.

Multiuse computing device—A computing device, including a tablet computer, that:

(i) Is located and accessible to eligible passengers only in an airport gaming area.

(ii) Allows an eligible passenger to play an authorized interactive game.

(iii) Communicates with a server that is in a location approved by the Board.

(iv) Is approved by the Board.

(v) Has the capability of being linked to and monitored by the Department's central control computer system, as applicable for any particular interactive game, in accordance with section 1323 of the act (relating to central control computer system).

(vi) Offers a player additional functions which includes Internet browsing, the capability of checking flight status, and ordering food or beverages.

Multistate agreement—The written agreement, approved by the Governor, between the Board and regulatory agencies in other states or jurisdictions for the operation of an interactive multistate wide-area progressive system.

Multistate wide-area progressive system—The linking of interactive games offered by interactive gaming certificate holders or interactive gaming operators in this Commonwealth with interactive games located in one or more states or jurisdictions whose regulatory agencies have entered into written agreements with the Board for the operation of the system.

Net terminal revenue—The net amount of the gross terminal revenue less the tax and assessments imposed by sections 1402, 1403, 1405 and 1407 of the act.

Non-peer-to-peer interactive game—An authorized interactive game in which the player does not compete against players and which is not a peer-to-peer interactive game.

Peer-to-peer interactive game—An authorized interactive game which is nonbanking, in which a player competes against one or more players and in which the interactive gaming certificate holder collects a rake.

Player—An individual wagering cash, a cash equivalent or other thing of value in the play or operation of an authorized interactive game, including during a contest or tournament, the play or operation of which may deliver or entitle the individual playing or operating the authorized interactive game to receive cash, a cash equivalent or other thing of value from another player or an interactive gaming certificate holder or interactive gaming operator.

Prepaid access instrument—A card, code, electronic serial number, mobile identification number, personal identification number or similar device that:

(i) Allows patron access to funds that have been paid in advance and can be retrieved or transferred through the use of the device.

(ii) Qualifies as an access device for purposes of regulations issued by the Board of Governors of the Federal Reserve System under 12 CFR Part 205 (relating to electronic fund transfers (Regulation E)).

(iii) Shall be distributed by a slot machine licensee or its affiliates to be considered a cash equivalent at the slot machine licensee's licensed facility or the location of the slot machine licensee's affiliates.

(iv) Shall be used in conjunction with an approved cashless wagering system or electronic credit system to transfer funds for gaming purposes.

Progressive payout—An interactive game wager payout that increases in a monetary amount based on the amounts wagered in a progressive system, including a multistate wide-area progressive interactive game system.

Progressive system—A computerized system linking interactive games offered by interactive gaming certificate holders or interactive gaming operators in this Commonwealth and offering one or more common progressive payouts based on the amounts wagered. The term includes a multistate wide-area progressive system.

Qualified airport—A publicly owned commercial service airport.

Qualified gaming entity—A gaming entity licensed in a jurisdiction that has satisfied the requirements of this subpart and any other criteria established by the Board, including financial and character suitability requirements.

Redundancy facilities—Rooms or areas used by an interactive gaming certificate holder, an interactive gaming operator, or other licensed or authorized entity associated with the provision of interactive gaming for emergency backup, redundancy or secondary operations attendant to interactive gaming as approved by the Board.

Registered player—An individual who has entered into an interactive gaming account agreement with an interactive gaming certificate holder.

State gaming receipts—Revenues and receipts required under this subpart to be paid into the State Gaming Fund, the Pennsylvania Race Horse Development Trust Fund and the Pennsylvania Gaming Economic Development and Tourism Fund, and all rights, existing on January 6, 2018, or coming into existence later, to receive revenues and receipts.

§ 801.3. Certificate or license required.

The Board will initiate formal procedures for the acceptance, consideration and final adjudication of petitions and applications by setting filing requirements and deadlines for interactive gaming certificates and interactive gaming operator licenses. The filing requirements and deadlines will be posted on the Board's public web site.

§ 801.4. Initial and renewal certificate and license fees.

Prior to the Board issuing an interactive gaming certificate or interactive gaming operator license or renewal thereof, the interactive gaming certificate holder or interactive gaming operator licensee shall pay the certificate or license fee.

CHAPTER 802. INTERACTIVE GAMING CERTIFICATES

Sec.

802.1. Interactive gaming certificate requirements.

802.2. Interactive gaming certificate petition and standards.

802.3. Interactive gaming certificate term and renewal.

§ 802.1. Interactive gaming certificate requirements.

(a) A slot machine licensee seeking to offer interactive gaming in this Commonwealth may petition the Board for an interactive gaming certificate.

(b) Three categories of interactive gaming are authorized in this Commonwealth:

(1) A peer-to-peer interactive game.

(2) A non-peer-to-peer interactive game which simulates slot machines.

(3) A non-peer-to-peer interactive game which simulates table games.

(c) A slot machine licensee seeking to offer interactive gaming in this Commonwealth shall adhere to all of the following time and eligibility restrictions:

(1) No later than 90 days after the date the Board begins accepting petitions under this chapter, a slot machine licensee may file a petition with the Board for an interactive gaming certificate. If the Board approves a petition for an interactive gaming certificate under this paragraph, the Board will authorize the interactive gaming certificate holder to offer any category of interactive gaming.

(2) Between 90 days and 120 days or more after the date the Board begins accepting petitions under this chapter, a slot machine licensee may file a petition with the Board for an interactive gaming certificate. If the Board approves a petition for an interactive gaming certificate under this paragraph, the Board will authorize the interactive gaming certificate holder to offer only the categories of interactive gaming identified in the slot machine licensee's petition filed under this chapter.

(3) One hundred twenty days after the date the Board begins accepting petitions under this chapter, a qualified gaming entity may file a petition with the Board for an interactive gaming certificate. If the Board approves a petition for an interactive gaming certificate under this paragraph, the Board will authorize the interactive gaming certificate holder to offer only the categories of interactive gaming identified in the slot machine licensee's petition under this chapter.

(4) A qualified gaming entity which files a petition for an interactive gaming certificate under paragraph (3) will be considered a slot machine licensee for the purposes of this chapter.

(5) A slot machine licensee who becomes licensed after January 6, 2018, shall have 90 days from the date of licensure and the Board's opening of the petition process to submit a petition with the Board for an interactive gaming certificate. If the Board approves a petition for an interactive gaming certificate under this paragraph, the Board will authorize the interactive gaming certificate- holder to offer any category of interactive gaming. After 90 days but before 120 days from the date of licensure and the Board's opening of the petition process, the slot machine licensee may file a petition with the Board for an interactive gaming certificate. If the Board approves a petition for an interactive gaming certificate under this paragraph, the Board will authorize the interactive gaming certificate holder to offer only the categories of interactive gaming identified in the slot machine licensee's petition filed under this chapter.

(d) An interactive gaming certificate issued under this subpart will list the categories of interactive games authorized under the interactive gaming certificate. An interactive gaming certificate which authorizes multiple categories of interactive games will count as an interactive gaming certificate in each category of interactive game authorized under this section.

§ 802.2. Interactive gaming certificate petition and standards.

(a) A petitioner for an interactive gaming certificate shall submit all of the following to the Board:

(1) The name, business address and contact information of the slot machine licensee applying for an interactive gaming certificate.

(2) The name, business address and contact information of any affiliate or other person that will be a party to an agreement with the interactive gaming certificate petitioner related to the operation of interactive gaming or an interactive gaming system on behalf of the interactive gaming certificate petitioner, including a person applying for an interactive gaming operator license.

(3) The name, business address, job title and a photograph of each principal and key employee of the interactive gaming certificate petitioner who will be involved in the conduct of interactive gaming, whether or not the principal or key employee is currently licensed by the Board.

(4) The name, business address, job title and a photograph of each principal and key employee of the interactive gaming operator, if any, who will conduct interactive gaming or an interactive gaming system on behalf of the interactive gaming certificate petitioner, whether or not the principal or key employee is currently licensed by the Board.

(5) A statement identifying which categories of interactive games the interactive gaming certificate petitioner intends to offer:

(i) Peer-to-peer interactive games.

(ii) Non-peer-to-peer interactive games which simulate slot machines.

(iii) Non-peer-to-peer interactive games which simulate table games.

(6) An itemized list of the interactive games, including identifying the category of each interactive game for which authorization is being sought.

(7) The estimated number of full-time and part-time employment positions that will be created as a result of interactive gaming and the jurisdictions in which the positions will be located, including positions at the interactive gaming certificate petitioner's licensed facility or at any interactive gaming restricted area if an interactive gaming certificate is issued, and an updated hiring plan under section 1510(a) of the act (relating to labor hiring preferences) which outlines the interactive gaming certificate petitioners plan to promote the representation of diverse groups and Commonwealth residents in the employment positions.

(8) A brief description of the economic benefits expected to be realized by the Commonwealth if an interactive gaming certificate is issued.

(9) The details of any financing obtained or that will be obtained to fund an expansion or modification of the interactive gaming certificate petitioners licensed facility to accommodate interactive gaming and to otherwise fund the cost of commencing interactive gaming.

(10) Information and documentation concerning financial background and resources, as the Board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the interactive gaming certificate petitioner, and information or documentation concerning any person that will operate interactive gaming or an interactive gaming system on behalf of the interactive gaming certificate petitioner as an interactive gaming operator, as the Board may require. The interactive gaming agreement with a person is subject to the review and approval of the Board.

(11) Information and documentation, as the Board may require, to establish by clear and convincing evidence that the interactive gaming certificate petitioner has sufficient business ability and experience to conduct a successful interactive gaming operation. In making this determination, the Board may consider the results of the interactive gaming certificate petitioner's slot machine and table game operations, including financial information, employment data and capital investment.

(12) Information and documentation, as the Board may require, to establish by clear and convincing evidence that the interactive gaming certificate petitioner has or will have the financial ability to pay the interactive gaming authorization fee.

(13) Detailed site plans identifying the proposed interactive gaming restricted area where interactive gaming operations will be managed, administered or controlled as approved by the Board.

(14) A detailed description of all of the following:

(i) The interactive gaming certificate petitioner's initial system of internal and accounting controls applicable to interactive gaming.

(ii) The interactive gaming certificate petitioner's proposed standards to protect, with a reasonable degree of certainty, the privacy and security of its registered players.

(iii) How the interactive gaming certificate petitioner will facilitate compliance with the requirements in this chapter and section 802(a)(10)(b) of the Unlawful Internet Gambling Enforcement Act of 2006 (31 U.S.C.A. § 5362(10)(b)), including all of the following:

(A) Age, identity and location verification requirements.

(B) Appropriate data security standards to prevent unauthorized access by a person whose age, identity or location have not been verified or cannot be verified in accordance with this subpart and applicable regulations of the Board.

(C) Except as provided in sections 13B61—13B63 of the act (relating to miscellaneous provisions), the requirement that all wagers made in the conduct of interactive gaming be initiated and received or otherwise made exclusively in this Commonwealth.

(D) The interactive gaming certificate petitioner's proposed age, identity and location verification standards designed to block access to persons under 21 years of age and other persons excluded or prohibited from participating in interactive gaming under this chapter.

(E) The procedures the interactive gaming certificate petitioner will use to register individuals as registered players.

(F) The procedures the interactive gaming certificate petitioner will use to establish interactive gaming accounts for registered players.

(G) The interactive games and services the interactive gaming certificate petitioner proposes to offer to registered players.

(H) Documentation and information relating to known proposed contractors of the interactive gaming certificate petitioner and subcontractors of the contractors.

(15) The interactive gaming devices and associated equipment and interactive gaming system that the interactive gaming certificate petitioner plans to or will utilize to manage, administer or control its interactive gaming operations.

(16) Compliance certification of the interactive gaming certificate petitioner's proposed interactive gaming devices and associated equipment, including interactive gaming software and hardware, by a Board-approved gaming laboratory to ensure that the gaming software and hardware comply with this subpart and regulations of the Board.

(17) A detailed description of accounting systems, including accounting systems for all the following:

- (i) Interactive gaming accounts.
- (ii) Per hand charges, if applicable.
- (iii) Transparency and reporting to the Board and the Department.
- (iv) Distribution of revenue to the Commonwealth and winnings to registered players.
- (v) Ongoing auditing and internal control compliance reviews.

(18) Detailed information on security systems to protect the interactive gaming skins or interactive gaming web site from internal and external breaches and threats.

(19) Any other information the Board may require.

(b) In addition to the materials required under subsection (a), the petitioner for an interactive gaming certificate shall show, by clear and convincing evidence, all the following:

(1) The petitioner's proposed conduct of interactive gaming complies in all respects with the requirements of this subpart and the Board's regulations.

(2) Age, identity and location verification requirements designed to block access to individuals under 21 years of age and persons otherwise excluded or prohibited from engaging in interactive gaming in accordance with this subpart, as approved by the Board, have been implemented by the slot machine licensee.

(3) The petitioner has implemented or will implement appropriate data security standards to prevent unauthorized access by a person whose age, identity and location has not been verified or cannot be verified in accordance with the Board's regulations.

(4) The petitioner has implemented or will implement appropriate standards to protect the privacy and security of registered players with a reasonable degree of certainty.

(5) The petitioner's initial system of internal and accounting controls applicable to interactive gaming, and the security and integrity of all financial transactions in connection with the system, complies with this chapter and the Board's regulations.

(6) The petitioner is in good standing with the Board.

(7) The petitioner agrees that the number of slot machines and table games in operation at its licensed facility as of October 30, 2017, the effective date of 4 Pa.C.S. § Part II (related to the Pennsylvania Race Horse Development and Gaming Act), will not be reduced as a result of interactive gaming.

(c) In determining whether a petitioner is suitable to be issued an interactive gaming certificate under this subpart, the Board will consider all of the following:

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

(2) If all principals of the petitioner are eligible and suitable under the standards in section 1311.1 of the act (relating to licensing of principals).

(3) The integrity of financial backers.

(4) The suitability of the petitioner and the principals of the petitioner 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.

§ 802.3. Interactive gaming certificate term and renewal.

(a) An interactive gaming certificate and the renewal thereof is valid for 5 years from the date of approval of the petition by the Board.

(b) A renewal application for an interactive gaming certificate shall be filed at least 6 months prior to the expiration of the current certificate.

(c) An interactive gaming certificate for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

CHAPTER 803. INTERACTIVE GAMING OPERATORS

Sec.

803.1. Interactive gaming operator requirements.

803.2. Interactive gaming operator application and standards.

803.3. Interactive gaming operator license term and renewal.

§ 803.1. Interactive gaming operator requirements.

(a) A person seeking to operate interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder in this Commonwealth may apply with the Board for an interactive gaming operator license.

(b) The Board may issue conditional authorization to a person applying for an interactive gaming operator license until July 6, 2019.

(1) Conditional authorization issued under this subpart shall remain in effect until the earlier of the date occurring 12 months after the issuance of the authorization or the date upon which the Board makes a final determination on the person's application.

(i) The effectiveness of a conditional authorization may be extended by the Board not more than once, upon a showing of good cause.

(ii) Conditional authorization will allow an applicant for an interactive gaming operator license to engage in all of the functions of a licensed interactive gaming operator for the duration of the conditional authorization.

(2) A conditional authorization will not be issued unless:

(i) The applicant has submitted a complete application for an interactive gaming operator license to the Board.

(ii) The applicant agrees to pay or has paid the fee prescribed in section 13B51 of the act (relating to interactive gaming authorization fee) prior to the issuance of conditional authorization.

(iii) The Bureau has no objection to the issuance of a conditional authorization to the applicant.

§ 803.2. Interactive gaming operator application and standards.

An applicant for an interactive gaming operator license shall submit all of the following:

(1) An original and one copy of the Interactive Gaming Operator 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 key employee under this chapter and principal under Chapter 433a (relating to principal licenses) as specified by the Interactive Gaming Operator Application and Disclosure Information Form.

(5) 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 of the safeguards and policies.

§ 803.3. Interactive gaming operator license term and renewal.

(a) An interactive gaming 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 an interactive gaming operator license shall be filed at least 6 months prior to the expiration of the current certificate.

(c) An interactive gaming operator license for which a competed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board, whichever occurs first.

CHAPTER 804. QUALIFIED GAMING ENTITY

Sec.

804.1. Qualified gaming entity license requirements.

804.2. Qualified gaming entity petition requirements.

804.3. Qualified gaming entity application requirements.

804.4. Qualified gaming entity license term and renewal.

§ 804.1. Qualified gaming entity license requirements.

(a) A qualified gaming entity seeking to offer interactive gaming in this Commonwealth may petition the Board for an interactive gaming certificate if all of the following apply:

(1) At least 120 days after the Board begins accepting petitions to offer interactive gaming in this Commonwealth under the act has passed.

(2) Any category of interactive game, as detailed in § 802.1(b) (relating to interactive gaming certificate requirements), remains available after eligible slot machine licensees failed to petition for authorization to offer that category of interactive game directly or through an interactive gaming operator.

(3) The entity holds a license, in good standing, in any gaming jurisdiction which entitles the entity to conduct casino, table or poker-style games in a physical land-based casino or by means of the Internet, or both.

(b) The Board will approve and post the process for selecting eligible qualified gaming entities, in the event more eligible qualified gaming entities petition for an interactive gaming certificate than there are interactive gaming certificates available, prior to the deadline for entities to petition the Board for any available interactive gaming certificates.

§ 804.2. Qualified gaming entity petition requirements.

(a) A qualified gaming entity petitioner for an interactive gaming certificate shall submit to the Board a petition containing the information required by slot machine licensees seeking an interactive gaming certificate under § 802.2 (relating to interactive gaming certificate petition and standards).

(b) The qualified gaming entity petitioner shall also show, by clear and convincing evidence, all of the following:

(1) It is licensed in good standing in another gaming jurisdiction.

(2) The licensing standards of that other gaming jurisdiction are comprehensive and thorough and provide similar safeguards as those required by the Commonwealth.

(3) The petitioner has the business experience and expertise to operate an interactive gaming system.

(c) In addition to the materials required under subsections (a) and (b), the qualified gaming entity petitioner for an interactive gaming certificate shall show, by clear and convincing evidence, that it has implemented or will implement all of the following:

(1) Interactive gaming that complies in all respects with the requirements of this subpart and regulations promulgated by the Board.

(2) A system of age, identity and location verification protocols designed to block access to individuals under 21 years of age and persons otherwise excluded or prohibited from engaging in interactive gaming in accordance with this subpart, as approved by the Board, has been implemented by the petitioner.

(3) Appropriate data security standards to prevent unauthorized access by any person whose age, identity and location has not been verified or cannot be verified in accordance with the regulations promulgated by the Board.

(4) Appropriate standards to protect the privacy and security of registered players with a reasonable degree of certainty.

(5) A system of internal and accounting controls applicable to interactive gaming, and the security and integrity of all financial transactions in connection with the system, that complies with this chapter and regulations promulgated by the Board.

§ 804.3. Qualified gaming entity application requirements.

(a) If selected under the Board process in § 804.1(b) (relating to qualified gaming entity license requirements), the eligible qualified gaming entity petitioner shall submit all applicable applications for licensure as required by the Bureau of Licensing.

(b) In determining whether an eligible qualified gaming entity petitioner is suitable to be issued a qualified gaming entity interactive gaming certificate under this subpart, the Board will consider all of the following:

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

(2) If all principals of the petitioner 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.

(4) The suitability of the petitioner and the principals of the petitioner 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.

§ 804.4. Qualified gaming entity license term and renewal.

(a) A qualified gaming entity interactive gaming certificate 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 qualified gaming entity interactive gaming certificate shall be filed at least 6 months prior to the expiration of the current certificate.

(c) A qualified gaming entity interactive gaming certificate for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

CHAPTER 805. INTERACTIVE GAMING MANUFACTURER

Sec.

805.1. Interactive gaming manufacturer license requirements.

805.2. Interactive gaming manufacturer application and standards.

805.3. Interactive gaming manufacturer license term and renewal.

805.4. Interactive gaming manufacturer abbreviated license process.

805.5. Interactive gaming manufacturer conditional license process.

805.6. Interactive gaming manufacturer licensee responsibilities.

805.7. Interactive gaming manufacturer licensee change of control.

§ 805.1. Interactive gaming manufacturer license requirements.

(a) An interactive gaming manufacturer seeking to manufacture interactive devices or associated equipment for use in this Commonwealth shall apply to the Board for an interactive gaming manufacturer license.

(b) In accordance with section 1317.1(e)(3) of the act (relating to manufacturer licenses), an applicant for or the holder of an interactive gaming manufacturer 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 an interactive gaming supplier license.

§ 805.2. Interactive gaming manufacturer license application and standards.

(a) An applicant for an interactive gaming manufacturer license shall submit all of the following:

(1) An original and one copy of the Enterprise Entity 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 and 808.3 (relating to key employee license; and interactive key employees) and principal under Chapter 433a (relating to principal licenses) and § 808.2 (relating to interactive gaming principals) as specified by the Enterprise Entity 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, intermediaries, subsidiaries or holding companies is an applicant for or holder of a slot machine license and that the applicant has neither applied for nor holds an interactive gaming supplier 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 of the safeguards and policies.

(b) In addition to the materials required under subsection (a), an applicant for an interactive gaming manufacturer license shall do all of the following:

(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 the ability to manufacture, build, rebuild, repair, fabricate, assemble, produce, program, design or otherwise make modifications to interactive gaming devices or associated equipment which meet one or more of the following criteria:

(i) Are specifically designed for use in the operation of interactive gaming or an interactive gaming device or associated equipment.

(ii) Are needed to conduct an authorized interactive game.

(iii) Have the capacity to affect the outcome of the play of an interactive game.

(iv) Have the capacity to affect the calculation, storage, collection or control of gross interactive gaming revenue.

(c) In determining whether an applicant is suitable to be licensed as an interactive gaming manufacturer under this section, the Board will consider all of 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 1311.1 of the act (relating to licensing of principals).

(3) The integrity of all financial backers.

(4) The suitability of the applicant and the principals of the 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.

§ 805.3. Interactive gaming manufacturer license term and renewal.

(a) An interactive gaming manufacturer 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 an interactive gaming manufacturer license shall be filed at least 6 months prior to the expiration of the current license.

(c) An interactive gaming manufacturer 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.

§ 805.4. Interactive gaming manufacturer abbreviated license process.

(a) The Board may use an abbreviated licensing process if the applicant holds a license issued by the Board to manufacture slot machines, table games, table game devices or associated equipment and all of the following apply:

(1) The license was issued by the Board within a 36-month period immediately preceding the date the entity files an application to manufacture interactive gaming devices or associated equipment.

(2) The entity to whom the manufacturer license was issued affirms there has been no material change in circumstances relating to the license.

(3) The Board determines, in its sole discretion, that there has been no material change in circumstances relating to the licensee that necessitates that the abbreviated process not be used.

(b) This section may not be construed to waive any fees associated with obtaining an interactive gaming manufacturer license through the application process in this Commonwealth.

§ 805.5. Interactive gaming manufacturer conditional license process.

(a) The Board may issue conditional authorization to a person applying for an interactive gaming manufacturer license until September 17, 2019.

(1) Conditional authorization issued under this subpart will remain in effect until the earlier of the date occurring 12 months after the issuance of the authorization or the date upon which the Board makes a final determination on the person's application.

(i) The effectiveness of a conditional authorization may be extended by the Board not more than once, upon a showing of good cause.

(ii) Conditional authorization shall allow an applicant for an interactive gaming manufacturer license to engage in all of the functions of a licensed interactive gaming manufacturer for the duration of the conditional authorization.

(2) A conditional authorization will not be issued unless:

(i) The applicant has submitted a complete application for an interactive gaming manufacturer license to the Board.

(ii) The applicant agrees to pay or has paid the nonrefundable application fee posted on the Board's web site prior to the issuance of conditional authorization.

(iii) The Bureau does not have an objection to the issuance of a conditional authorization to the applicant.

(b) An applicant for an interactive gaming manufacturer license that has received a conditional license shall provide to the Board in a manner and in the form as the Board will prescribe, on the 20th day following the end of each calendar quarter thereafter, a summary of the quarterly sales made to all interactive gaming certificate holders and interactive gaming operators in this Commonwealth, as well as all contracts or invoices concerning these sales upon request by the Board.

(c) If the Office of Enforcement Counsel issues a Notice of Recommendation for Denial to an applicant for an interactive gaming manufacturer license that has received a conditional

license, the Bureau of Licensing will rescind the conditional license. If the conditional license is rescinded, the conditional licensee shall cease conducting business by the date specified in the notice of the rescission sent to the conditional licensee by the Bureau of Licensing under subsection (d).

(d) When the Bureau of Licensing rescinds a conditional license, the Bureau of Licensing will notify the holder of the conditional license and all interactive gaming certificate holders and interactive gaming operators by registered mail and e-mail that:

(1) Permission for the conditional licensee to conduct business under this subpart has been rescinded.

(2) Interactive gaming certificate holders and interactive gaming operators and any other licensee shall cease conducting business with the conditional licensee by the date specified in the notice.

(e) Pending a hearing on the Notice of Recommendation for Denial, the conditional licensee may not seek or conduct any new business in this Commonwealth and may only complete transactions that were commenced prior to the date specified in the notice of rescission.

(f) Nothing in this section may be construed to waive fees associated with obtaining a license through the application process in this Commonwealth.

§ 805.6. Interactive gaming manufacturer licensee responsibilities.

(a) A holder of an interactive gaming manufacturer license shall have a continuing duty to do all of the following:

(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 interactive gaming manufacturer licensees, provide notification of all SEC filings or if the manufacturer 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.

(b) An employee of a licensed manufacturer who is a gaming or nongaming employee as defined in §§ 401a.3 and 801.2 (relating to definitions) shall obtain a permit under §§ 435a.3 and 808.4 (relating to occupation permit; and interactive gaming employees) or registration under §§ 435a.5 and 808.5 (relating to nongaming employee registration; and interactive nongaming employees).

§ 805.7. Interactive gaming manufacturer licensee change of control.

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

(1) More than 20% of an interactive gaming manufacturer 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 interactive gaming manufacturer licensee.

(3) Any other interest in an interactive gaming manufacturer licensee which allows the acquirer to control the interactive gaming manufacturer licensee.

(b) An interactive gaming manufacturer 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 interactive gaming manufacturer licensee.

(c) Prior to acquiring a controlling interest in an interactive gaming manufacturer 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 all of the following:

(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 Chapters 433a (relating to principal licenses) and § 808.2 (relating to interactive gaming principals) and key employees as required under §§ 435a.2 and 808.3 (relating to key employee license; and interactive key employees).

(3) An affirmation that neither the acquirer nor any of its affiliates, intermediaries, subsidiaries or holding companies is a slot machine licensee or interactive gaming certificate holder and that the acquirer has neither applied for nor holds an interactive gaming supplier license.

(d) A person or group of persons seeking to acquire a controlling interest in an interactive gaming manufacturer 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 (c).

(e) A person or group of persons may not acquire a controlling interest in an interactive gaming manufacturer licensee until the petition required under subsection (c) has been approved. A person or group of persons seeking to acquire a controlling interest in an interactive gaming manufacturer licensee and the interactive gaming manufacturer licensee 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 an interactive gaming manufacturer licensee when all of the following conditions are met:

(1) The acquirer is an existing licensed slot machine, table game or interactive gaming manufacturer.

(2) The existing licensed interactive gaming manufacturer 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.

CHAPTER 806. INTERACTIVE GAMING SUPPLIER

Sec.

806.1. Interactive gaming supplier license requirements.

806.2. Interactive gaming supplier application and standards.

806.3. Interactive gaming supplier license term and renewal.

806.4. Interactive gaming supplier abbreviated license process.

806.5. Interactive gaming supplier conditional license process.

805.6. Interactive gaming supplier licensee responsibilities.

805.7. Interactive gaming supplier change of control.

§ 806.1. Interactive gaming supplier license requirements.

(a) A supplier seeking to sell, lease, offer or otherwise provide, distribute or service interactive gaming devices or associated equipment to an interactive gaming certificate holder or interactive gaming operator in this Commonwealth shall apply to the Board for an interactive gaming 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 an interactive gaming 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 an interactive gaming manufacturer license.

§ 806.2. Interactive gaming supplier application and standards.

(a) An applicant for an interactive gaming supplier license shall submit all of the following:

(1) An original and one copy of the Enterprise Entity 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 and 808.3 (relating to key employee license; and interactive key employees) and principal under Chapter 433a (relating to principal licenses) and § 808.2 (relating to interactive gaming principals) as specified by the Enterprise Entity 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, intermediaries, subsidiaries or holding companies is an applicant for or holder of a slot machine license and that the applicant has neither applied for nor holds an interactive gaming manufacturer 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 of the safeguards and policies.

(b) In addition to the materials required under subsection (a), an applicant for an interactive gaming supplier license shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) In determining whether an applicant is suitable to be licensed as an interactive gaming supplier under this section, the Board will consider all of 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 1311.1 of the act (relating to licensing of principals).

(3) The integrity of all financial backers.

(4) The suitability of the applicant and the principals of the 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.

§ 806.3. Interactive gaming supplier entity term and renewal.

(a) An interactive gaming supplier 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 an interactive gaming supplier license shall be filed at least 6 months prior to the expiration of the current license.

(c) An interactive gaming supplier 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.

§ 806.4. Interactive gaming supplier abbreviated license process.

(a) The Board may use an abbreviated licensing process if the applicant holds a license issued by the Board to supply slot machines, table games, table game devices or associated equipment and all of the following apply:

(1) The license was issued by the Board within a 36-month period immediately preceding the date the entity files an application to supply interactive gaming devices or associated equipment.

(2) The entity to whom the supplier license was issued affirms there has been no material change in circumstances relating to the license.

(3) The Board determines, in its sole discretion, that there has been no material change in circumstances relating to the licensee that necessitates that the abbreviated process not be used.

(b) This section may not be construed to waive any fees associated with obtaining an interactive gaming supplier license through the application process in this Commonwealth.

§ 806.5. Interactive gaming supplier conditional license process.

(a) The Board may issue conditional authorization to a person applying for an interactive gaming supplier license until September 17, 2019.

(1) Conditional authorization issued under this subpart will remain in effect until the earlier of the date occurring 12 months after the issuance of the authorization or the date upon which the Board makes a final determination on the person's application.

(i) The effectiveness of a conditional authorization may be extended by the Board not more than once, upon a showing of good cause.

(ii) Conditional authorization will allow an applicant for an interactive gaming supplier license to engage in all of the functions of a licensed interactive gaming supplier for the duration of the conditional authorization.

(2) A conditional authorization will not be issued unless all of the following apply:

(i) The applicant has submitted a complete application for an interactive gaming supplier license to the Board.

(ii) The applicant agrees to pay or has paid the nonrefundable application fee posted on the Board's web site prior to the issuance of conditional authorization.

(iii) The Bureau does not have an objection to the issuance of a conditional authorization to the applicant.

(b) An applicant for an interactive gaming supplier license that has received a conditional license shall provide to the Board in a manner and in the form as the Board will prescribe, on the 20th day following the end of each calendar quarter thereafter, a summary of the quarterly sales made to all interactive gaming certificate holders and interactive gaming operators in this Commonwealth, as well as all contracts or invoices concerning these sales upon request by the Board.

(c) If the Office of Enforcement Counsel issues a Notice of Recommendation for Denial to an applicant for an interactive gaming supplier license that has received a conditional license, the Bureau of Licensing may rescind the conditional license. If the conditional license is rescinded, the conditional licensee shall cease conducting business by the date specified in the notice of the rescission sent to the conditional licensee by the Bureau of Licensing under subsection (d).

(d) When the Bureau of Licensing rescinds a conditional license, the Bureau of Licensing will notify the holder of the conditional license and all interactive gaming certificate holders and interactive gaming operators by registered mail and e-mail that:

(1) Permission for the conditional licensee to conduct business under this subpart has been rescinded.

(2) Interactive gaming certificate holders and interactive gaming operators and any other licensee shall cease conducting business with the conditional licensee by the date specified in the notice.

(e) Pending a hearing on the Notice of Recommendation for Denial, the conditional licensee may not seek or conduct any new business in this Commonwealth and may only complete transactions that were commenced prior to the date specified in the notice of rescission.

(f) Nothing in this section may be construed to waive fees associated with obtaining a license through the application process in this Commonwealth.

§ 806.6. Interactive gaming supplier licensee responsibilities.

(a) A supplier shall submit to the Bureau of Licensing for review any agreements with a licensed interactive gaming manufacturer, licensed interactive gaming operator, slot machine licensee or interactive gaming certificate holder. The review may include financing arrangements, technical competency, compensative agreements and other terms or conditions to ensure the financial independence of the licensed interactive gaming supplier from any licensed interactive gaming manufacturer or licensed or certified interactive gaming entity.

(b) A holder of a supplier license shall have a continuing duty to do all of the following apply:

(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 interactive gaming 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.

(c) An employee of a licensed interactive gaming supplier who is a gaming or nongaming employee as defined in §§ 401a.3 and 801.2 (relating to definitions) shall obtain a permit under §§ 435a.3 and 808.4 (relating to occupation permit; and interactive gaming employees) or registration under §§ 435a.5 and 808.5 (relating to nongaming employee registration; and interactive nongaming employees).

§ 806.7. Interactive gaming supplier change of control.

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

(1) More than 20% of an interactive gaming 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 interactive gaming supplier licensee.

(3) Any other interest in an interactive gaming supplier licensee which allows the acquirer to control the interactive gaming supplier licensee.

(b) An interactive gaming 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 interactive gaming supplier licensee.

(c) Prior to acquiring a controlling interest in an interactive gaming 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 all of the following:

(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 § 808.2 (relating to interactive gaming principals) and key employees as required under §§ 435a.2 and 808.3 (relating to key employee license; and interactive key employees).

(3) An affirmation that neither the acquirer nor any of its affiliates, intermediaries, subsidiaries or holding companies is a slot machine licensee or interactive gaming certificate holder and that the acquirer has neither applied for nor holds an interactive gaming manufacturer license.

(d) A person or group of persons seeking to acquire a controlling interest in an interactive gaming 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 an interactive gaming 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 an interactive gaming supplier licensee and the supplier licensee may enter into a sales agreement 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 an interactive gaming supplier licensee when all of the following conditions are met:

(1) The acquirer is an existing licensed slot machine, table game or interactive gaming supplier.

(2) The existing licensed interactive gaming 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.

CHAPTER 807. INTERACTIVE GAMING SERVICE PROVIDERS

Sec.

807.1. General interactive gaming service provider requirements.

807.2. Interactive gaming service provider certification applications.

807.3. Interactive gaming service provider registration applications.

- 807.4. Qualification of individuals and entities of certified interactive gaming service provider.
807.5. Interactive gaming service provider registration and certification term and renewal.
807.6. Authorized interactive gaming service providers list; prohibited interactive gaming service providers.
807.7. Permission to conduct business prior to certification or registration.
807.8. Emergency interactive gaming service provider.
807.9. Duty to investigate.

§ 807.1. General interactive gaming service provider requirements.

(a) Except as provided in § 807.9 (relating to duty to investigate), an interactive gaming service provider or person seeking to conduct business with an interactive gaming certificate holder or interactive gaming operator shall apply to the Board for certification if the interactive gaming service provider or person is providing:

(1) Data warehousing hosting services unless the hosting service is in a jurisdiction, the standards of which are recognized by the Board, with which the Commonwealth has an interactive agreement, the owner of the hardware is licensed as an interactive gaming operator by the Board and the facility is approved by the Board.

(2) Payment processing and related money-transmitting services with direct contact with a patron's interactive gaming certificate holder account or the interactive gaming platform.

(3) Customer identity, age verification and geo-location verification used in the conduct of interactive and mobile gaming, regardless of the interactive gaming service provider or person's contractual relationship with an interactive certificate holder.

(4) Interactive affiliate goods or services and the interactive affiliate is being paid a revenue share. As used in this subsection, "interactive affiliate" means as an individual or entity involved in promoting, marketing and directing business to online gaming sites in exchange for compensation paid based on player activity not a flat fee.

(5) Any other person as determined by the Board.

(b) Except as provided in § 807.9, a gaming service provider or person seeking to conduct business with an interactive gaming certificate holder or interactive gaming operator shall apply to the Board for a registration if the interactive gaming service provider or person is providing goods or services related to interactive gaming or interactive wagering and the interactive gaming service provider or person is not required to be certified as an interactive gaming service provider. This subsection applies to interactive affiliates involved in promoting, marketing and directing business to online gaming sites in exchange for a flat fee.

(c) A holder of an interactive gaming service provider certification, registration or authorization shall have 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).

§ 807.2. Interactive gaming service provider certification applications.

(a) An interactive gaming service provider seeking certification 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 applicant, as posted on the Board's web site, shall be submitted to the Bureau of Licensing by the interactive gaming service provider unless otherwise directed by the Bureau of Licensing.

(b) In addition to the requirements in subsection (a), an applicant for an interactive gaming service provider certification shall do all of the following:

(1) Submit applications and release authorizations for each individual required to be qualified under § 807.4 (relating to qualification of individuals and entities of certified interactive 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 an interactive gaming service provider certification shall reimburse the Board for costs incurred in conducting the investigation of the applicant.

(d) An interactive gaming service provider certification will not be issued until all fees and costs have been paid.

§ 807.3. Interactive gaming service provider registration applications.

(a) An interactive gaming service provider seeking registration 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 applicant, as posted on the Board's web site, shall be submitted to the Bureau of Licensing by the interactive gaming service provider unless otherwise directed by the Bureau of Licensing.

(b) In addition to the materials required under subsection (a), an applicant for an interactive gaming service provider registration shall do all of the following:

(1) Submit release authorizations for each individual required to be qualified under § 807.4 (relating to qualification of individuals and entities of certified interactive 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 interactive gaming service provider applicant. For purposes of this subparagraph, “officer” means a president, a 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 interactive gaming service provider applicant.

(iii) Each salesperson of a registered interactive gaming service provider applicant who solicits business from, or has regular contact with, any representatives of an interactive certificate holder or interactive gaming operator or any employee of a registered interactive 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 interactive gaming service provider or applicant for interactive gaming service provider registration, or has the right to any profits or distributions directly or indirectly, from the registered interactive gaming service provider or applicant for interactive 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 801.2 (relating to definitions) shall obtain a gaming employee occupation permit in accordance with §§ 435a.3 and 808.4 (relating to occupation permit; and interactive gaming employees) or a nongaming employee registration in accordance with §§ 435a.5 and 808.5 (relating to nongaming employee registration; and interactive nongaming employees).

(e) An applicant for an interactive gaming service provider registration shall reimburse the Board for costs incurred in conducting the investigation of the applicant.

(f) An interactive gaming service provider registration will not be issued until all fees and costs have been paid.

§ 807.4. Qualification of individuals and entities of certified interactive gaming service providers.

(a) The following individuals shall submit a Pennsylvania Personal History Disclosure Form and be found qualified by the Board:

(1) Each officer and director of a certified interactive gaming service provider or applicant for interactive gaming service provider certification. For the purposes of this paragraph, “officer” means a president, a 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 interactive gaming service provider or applicant for interactive gaming service provider certification. A certified interactive gaming service provider or applicant for interactive 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 interactive gaming service provider or applicant for interactive gaming service provider certification who solicits business from, or has regular contact with, any representatives of an interactive certificate holder or interactive gaming operator or any employee of a certified interactive 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 interactive gaming service provider or person applying for interactive 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 interactive gaming service provider or applicant for interactive gaming service provider certification not otherwise required to be qualified.

(2) An officer or director of an intermediary or holding company of a certified interactive gaming service provider or applicant for interactive gaming service provider certification.

(3) An employee of a certified interactive gaming service provider or applicant for interactive gaming service provider certification.

(4) A person who holds any direct or indirect ownership or beneficial interest in a certified interactive gaming service provider or applicant for interactive gaming service provider certification, or has the right to any profits or distribution, directly or indirectly, from the certified interactive gaming service provider or applicant for interactive 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 all of the following apply:

(1) The individual's presence in an interactive gaming restricted 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 interactive gaming service provider has been certified.

(f) An employee of a certified or registered interactive gaming service provider who is a gaming or nongaming employee as defined in §§ 401a.3 and 801.2 (relating to definitions) shall obtain a permit under §§ 435a.3 and 808.4 (relating to occupation permit; and interactive gaming employees) or registration under §§ 435a.5 and 808.5 (relating to nongaming employee registration; and interactive nongaming employees).

§ 807.5. Interactive gaming service provider registration and certification term and renewal.

(a) Interactive 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 interactive 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.

§ 807.6. Authorized interactive gaming service providers list; prohibited interactive gaming service providers.

(a) The Board will maintain a list of authorized interactive gaming service providers and a list of prohibited interactive 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 interactive certificate holder or interactive gaming operator under § 437a.9 (relating to permission to conduct business prior to certification or registration).

(b) Except as permitted under §§ 437a.1(a)(2), (d) and (g) and 437a.10 (relating to general gaming service provider requirements; and emergency gaming service provider), an interactive gaming certificate holder or interactive gaming operator may not purchase goods or services from an interactive gaming service provider unless the interactive gaming service provider is on the authorized interactive gaming service provider list. A slot machine licensee, interactive gaming certificate holder or interactive gaming operator or applicant or any affiliate, intermediary, subsidiary or holding company thereof acting on behalf of the slot machine licensee, interactive gaming certificate holder, interactive gaming operator or applicant may not enter into an agreement or continue to do business with an interactive gaming service provider on the prohibited gaming service providers list.

(c) The Board may place a person on the prohibited interacted gaming service provider list if all of the following apply:

(1) The interactive gaming service provider has failed to comply with this chapter.

(2) The interactive gaming service provider has failed to cooperate with Board staff in its review and investigation of the interactive gaming service provider's application.

(3) The interactive gaming service provider's application for certification or registration has been denied or withdrawn with prejudice or the interactive gaming service provider has had its interactive gaming service provider certification or registration suspended or revoked.

(4) The interactive gaming service provider has failed to provide information to a slot machine licensee, an interactive gaming certificate holder or interactive gaming operator that is necessary for the slot machine licensee, interactive gaming certificate holder or interactive gaming operator to comply with this chapter.

(d) A person seeking to be removed from the list of prohibited interactive 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 interactive gaming service providers. The petition must state the specific grounds believed by the petitioner to constitute good cause for removal from the prohibited interactive gaming service providers list and how the interactive gaming service provider has cured any deficiencies that led to the interactive gaming service provider being placed on the prohibited interactive 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 interactive gaming service providers, or attach any reasonable condition to the removal of a person from the list of prohibited interactive gaming service providers.

§ 807.7. Permission to conduct business prior to certification or registration.

(a) Notwithstanding § 807.1 (relating to general interactive gaming service provider requirements), the Bureau of Licensing may authorize an applicant for an interactive gaming service provider certification or registration to conduct business with a slot machine licensee, an interactive gaming certificate holder or interactive gaming operator prior to the certification or registration of the interactive 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 interactive gaming service provider or a completed Gaming Service Provider Certification Application and Disclosure Information Form has been filed by the slot machine licensee, interactive gaming certificate holder or interactive gaming operator in accordance with § 807.2 or § 807.3 (relating to interactive gaming service provider certification applications; and interactive gaming service provider registration applications).

(2) The slot machine licensee, interactive gaming certificate holder or interactive gaming operator certifies that it has performed due diligence on the interactive gaming service provider.

(3) The applicant for an interactive 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 pursuant to 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 slot machine licensee, interactive gaming certificate-holder, interactive gaming operator or applicant under subsection (a). If the permission is rescinded, the applicant for certification or registration shall cease conducting business with the slot machine licensee, interactive gaming certificate holder, interactive gaming operator or applicant 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 slot machine licensee, interactive gaming certificate holder, interactive gaming operator or applicant by registered mail and e-mail that permission for the applicant for certification or registration to conduct business with the slot machine licensee, interactive gaming certificate holder, interactive gaming operator or applicant under subsection (a) has been rescinded and that the slot machine licensee, interactive gaming certificate holder, interactive gaming operator or applicant shall cease conducting business with the applicant for certification or registration by the date specified in the notice.

§ 807.8. Emergency interactive gaming service provider.

(a) An interactive gaming certificate holder or interactive gaming operator may utilize an interactive gaming service provider that is not registered, certified or authorized to conduct business in accordance with § 807.7 (relating to permission to conduct business prior to certification or registration) when a threat to public health, welfare or safety exists or circumstances outside the control of the slot machine licensee, interactive gaming certificate holder or interactive gaming operator create an urgency of need which does not permit the delay involved in using the formal method of interactive gaming service provider certification or registration. A slot machine licensee, interactive gaming certificate holder or interactive gaming operator may not use an interactive gaming service provider on the prohibited list.

(b) When using an interactive gaming service provider that is not registered, certified or authorized to conduct business to respond to an emergency, the slot machine licensee, interactive gaming certificate holder or interactive gaming operator shall do all of the following:

(1) Immediately notify the Bureau of Licensing of the emergency and the interactive gaming service provider that was selected to provide emergency services.

(2) File an Interactive Gaming Service Provider Emergency Notification Form with the Bureau of Licensing within 72 hours after commencement of the interactive gaming service provider's services and a written explanation of the basis for the procurement of the emergency interactive gaming service provider.

(c) An employee of the emergency interactive gaming service provider who is providing emergency services that requires access to an interactive gaming restricted area shall obtain a temporary access credential in accordance with § 808.7 (relating to emergency and temporary credentials) prior to performing any work.

(d) If the slot machine licensee, interactive gaming certificate holder or interactive gaming operator continues to utilize the interactive 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 interactive gaming service provider that was not registered, certified or on the authorized list, the slot machine licensee, interactive gaming certificate holder, interactive gaming operator and interactive gaming service provider shall comply with this chapter.

§ 807.9. Duty to investigate.

(a) A slot machine licensee, interactive gaming certificate holder or interactive gaming operator shall investigate the background and qualifications of the applicants for interactive gaming service provider registration or certification with whom it intends to have a contractual relationship or enter into an agreement.

(b) A slot machine licensee, interactive gaming certificate holder or interactive gaming operator shall have an affirmative duty to avoid agreements or relationships with persons

applying for an interactive gaming service provider registration or certification whose background or associations are injurious to the public health, safety, morals, good order and general welfare of the residents of this Commonwealth, or who threaten the integrity of gaming in this Commonwealth.

(c) A slot machine licensee, an interactive gaming certificate holder or interactive gaming operator shall have a duty to inform the Board of an action by an applicant for or holder of an interactive gaming service provider registration or certification, which the slot machine licensee, interactive gaming certificate holder or interactive gaming operator believes would constitute a violation of the act or this part.

CHAPTER 808. INTERACTIVE GAMING PRINCIPALS AND KEY, GAMING AND NONGAMING EMPLOYEES

Sec.

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§ 808.1. General provisions.

(a) An individual seeking a principal, key employee license, gaming employee occupation permit or nongaming employee registration to participate in interactive gaming in this Commonwealth shall apply to the Board as follows:

(1) Principal and key employee applicants shall submit an original and one copy of a completed Multi-Jurisdictional Personal History Disclosure Form as well as an original and one copy of a completed Principal/Key Employee Form—Pennsylvania Supplement to the Multi-Jurisdictional Personal History Disclosure Form.

(2) Gaming employee occupation permit and nongaming employee registration applicants shall submit the Gaming Employee or Nongaming Employee Registration Application using the SLOTS Link.

(3) All applicants shall submit the nonrefundable application fee posted on the Board's web site.

(b) In addition to the materials required in subsection (a), an applicant shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) The holder of a principal, key employee license, gaming employee occupation permit or nongaming employee registration shall provide an updated photograph at the request of Board staff.

(d) An applicant for a gaming employee occupation permit or nongaming employee registration shall be at least 18 years of age.

(e) After reviewing the application and the results of the applicant's background investigation, the Board may issue a principal license, key employee license, gaming employee occupation permit or nongaming employee registration if the individual has proven that he is a person of good character, honesty and integrity, and is eligible and suitable to be licensed as a principal, key employee, gaming employee or nongaming employee.

(f) Slot machine licensees, interactive gaming certificate holders, interactive gaming operators, interactive gaming manufacturers, interactive gaming suppliers and interactive gaming service providers that hire an individual who holds a key employee license, gaming employee occupation permit or registration issued by the Board shall contact the Bureau of Licensing to confirm that the individual's key employee license, gaming employee occupation permit or registration is in good standing prior to allowing the individual to perform work associated with interactive gaming in this Commonwealth.

(g) An individual who holds a principal license, key employee license, gaming employee occupation permit or registration is subject to all of the following wagering restrictions relative to interactive gaming:

(1) An individual whose job duties include interactive gaming and who holds a license, permit or registration and is currently employed by or is a principal of an interactive certificate holder may not place wagers on web sites offered by or associated with the interactive certificate holder. The licensed, permitted or registered individual shall wait at least 30 days following the date that the individual is no longer employed in a position that includes interactive gaming job duties before the individual may wager on web sites offered by or associated with the interactive certificate holder.

(2) An individual who holds a license, permit or registration and is currently employed by or is a principal of an interactive gaming operator may not wager on web sites operated by the interactive gaming operator. The licensed, permitted or registered individual shall wait at least 30 days following the date that the individual is no longer employed by the interactive gaming operator before the individual may wager on web sites operated by the interactive gaming operator.

(3) An individual whose job duties include interactive gaming and who holds a license, permit or registration and is currently employed by or is a principal of an interactive manufacturer or interactive supplier may not wager on web sites associated with interactive certificate holders in this Commonwealth that offer games or use equipment manufactured, supplied, developed or programmed by the interactive manufacturer or interactive supplier.

§ 808.2. Interactive gaming principals.

(a) Principals, as defined in §§ 401a.3 and 433a.1 (relating to definitions), shall submit an application for licensure as described in § 808.1 (relating to general provisions).

(b) A principal license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(c) A renewal application for a principal license shall be filed at least 6 months prior to expiration of the current license.

(d) A principal 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.

(e) A principal license issued under this subpart will be only be valid for the licensed or certified entity with which the principal is associated.

§ 808.3. Interactive key employees.

(a) Key employees, as defined in §§ 401a.3 and 801.2 (relating to definitions), shall submit an application for licensure as described in § 808.1 (relating to general provisions).

(b) A key employee license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(c) A renewal application for a key employee license shall be filed at least 6 months prior to expiration of the current license.

(d) A key employee 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.

(e) A key employee license issued under this subpart will be valid for employment with any licensed or certified entity.

§ 808.4. Interactive gaming employees.

(a) Gaming employees, as defined in §§ 401a.3 and 801.2 (relating to definitions), shall submit an application for licensure as described in § 808.1 (relating to general provisions).

(b) In addition to the materials required to be submitted under this subpart, gaming employee occupation permit applicants shall submit verification of an offer of employment from a licensed or certified entity.

(c) A gaming employee occupation permit and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(d) A renewal application for a gaming employee occupation permit shall be filed at least 6 months prior to expiration of the current permit.

(e) A gaming employee occupation permit for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

(f) An individual who wishes to receive a gaming employee occupation permit under this subpart may authorize an applicant for or holder of a slot machine license, interactive gaming certificate, interactive gaming operator license, interactive gaming manufacturer license, interactive gaming supplier license, or interactive gaming service provider certification or registration to file an application on the individual's behalf.

(g) A gaming employee occupation permit issued under this chapter will be valid for employment with any licensed, certified or registered entity.

§ 808.5. Interactive nongaming employees.

(a) Nongaming employees, as defined in § 401a.3 (relating to definitions), shall submit an application for licensure as described in § 808.1 (relating to general provisions).

(b) In addition to the materials required to be submitted under this subpart, nongaming employee registration applicants shall submit verification of an offer of employment from a licensed or certified entity.

(c) A nongaming employee registration and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(d) A renewal application for a nongaming employee registration shall be filed at least 6 months prior to expiration of the current registration.

(e) A nongaming employee registration for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

(f) An individual who wishes to receive a nongaming employee registration under this subpart may authorize an applicant for or holder of a slot machine license, interactive gaming certificate, interactive gaming operator license, interactive gaming manufacturer license, interactive gaming supplier license, or interactive gaming service provider certification or registration to file an application on the individual's behalf.

(g) A nongaming employee registration issued under this chapter will be valid for employment with any licensed, certified or registered entity.

§ 808.6. Board credentials.

The individuals required to be licensed, permitted or registered under this subpart shall obtain a Board credential as described in this subpart.

§ 808.7. Emergency and temporary credentials.

The individuals required to be licensed, permitted or registered under this subpart may obtain an emergency or temporary Board credential as described in §§ 435a.7 and 435.8 (relating to emergency credentials; and temporary credentials).

§ 808.8. Loss, theft or destruction of credentials.

(a) As soon as possible, but no later than 24 hours following the loss, theft or destruction of a Board credential, emergency credential or temporary credential, the person to whom the credential was issued shall notify the Bureau of Licensing.

(b) The slot machine licensee, interactive gaming certificate holder or interactive gaming operator licensee, on behalf of an employee whose Board-issued credential was lost, stolen or destroyed, may request a replacement Board credential by submitting a Request for Duplicate PGCB Credential Form and the fee established by the Board to the Bureau of Licensing.

CHAPTER 809. INTERACTIVE GAMING PLATFORM REQUIREMENTS

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§ 809.1. Scope.

To ensure players are not exposed to unnecessary security risks by choosing to participate in interactive gaming in this Commonwealth and to ensure the integrity and security of interactive gaming operations in this Commonwealth, the system requirements in this chapter apply to all of the following critical components of an interactive gaming system:

(1) Interactive gaming system components which record, store, process, share, transmit or retrieve sensitive player information (for example, credit and debit card details, authentication information and player account balances).

(2) Interactive gaming system components which generate, transmit or process random numbers used to determine the outcome of games or virtual events.

(3) Interactive gaming system components which store results or the current state of a player's wager.

(4) Points of entry and exit from the above systems or other systems which are able to communicate directly with core critical systems.

(5) Communication networks which transmit sensitive player information.

§ 809.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Domain name system—The globally distributed Internet database which maps machine names to IP numbers, and vice versa.

Player device—The device that converts communications from the interactive gaming platform into a human interpretable form and converts human decisions into a communication format understood by the interactive gaming platform. The term includes personal computers, mobile phones, tablets, and the like.

Primary server—First source for Domain Name System data and responds to queries.

Remote access—Any access from outside the interactive gaming system or interactive gaming system network, including access from other networks within the same facility.

Secondary server or *redundancy server*—A server that shares the same features and capabilities as the primary server serves and acts as a second or substitutive point of contact in case the primary server is unavailable, busy or overloaded.

Stateful protocol—A protocol in which the communication system utilized by the player and the primary or secondary server tracks the state of the communication session.

Stateless protocol—A protocol in which neither the player nor the primary or secondary servers communication systems tracks the state of the communication session.

§ 809.3. Location of equipment.

The Board shall approve the location of all interactive gaming devices and associated equipment used by an interactive gaming certificate holder or interactive gaming operator licensee to conduct interactive gaming. The interactive gaming devices and associated equipment may be located in a restricted area on the premises of the licensed facility, in an interactive gaming restricted area within the geographic limits of the county in this Commonwealth where the licensed facility is situated or any other area, located within the United States, provided the location adheres to all of the following limitations:

(1) The primary server used to resolve domain name service (DNS) inquiries used by an interactive gaming certificate holder or interactive gaming operator licensee to conduct

interactive gaming in this Commonwealth must be physically located in a secure data center. At least one secondary server must be able to resolve DNS queries.

(2) Redundancy, secondary and emergency servers used by an interactive gaming certificate holder or interactive gaming operator licensee to conduct interactive gaming in this Commonwealth must be physically located in a secure data center at a separate premises than the primary server.

(3) The Board may require interactive gaming system data necessary to certify revenue and resolve player complaints to be maintained in this Commonwealth in a manner and location approved by the Board. The data must include data related to the calculation of revenue, player transactions, game transactions, game outcomes, responsible gaming and any other data which may be prescribed by the Board. The data must be maintained in a manner which prevents unauthorized access or modification without the prior approval of the Board.

§ 809.4. Physical and environmental controls for equipment.

(a) An interactive gaming system and the associated communications systems must be located in facilities which provide physical protection against damage from fire, flood, hurricane, earthquake, and other forms of natural or manmade disaster by utilizing and implementing at least all of the following measures:

(1) Security perimeters (barriers such as walls, card controlled entry gates or manned reception desks) must be used to protect areas that contain interactive gaming systems components.

(2) Secure areas must be protected by appropriate entry controls to ensure that access is restricted to only authorized personnel.

(3) All access must be recorded in a secure log which is available for inspection by Board staff.

(4) Secure areas must include an intrusion detection system. Attempts at unauthorized access must be logged.

(b) Interactive gaming system servers must be located in server rooms which prohibit unauthorized access.

(c) Interactive gaming system servers must be housed in racks located within a secure area.

(d) Interactive gaming system components must provide all of the following minimum utility support:

(1) Interactive gaming system components must be provided with adequate primary power.

(2) Interactive gaming system components must have uninterruptible power supply equipment to support operations in the event of a power failure.

(3) There must be adequate cooling for the equipment housed in the server area.

(4) Power and telecommunications cabling carrying data or supporting information services must be protected from interception or damage.

(5) There must be adequate fire protection for the interactive gaming system components housed in the server room.

§ 809.5. Access to equipment.

(a) The interactive gaming certificate holder and interactive gaming operator licensee shall limit and control access to the primary server and any secondary servers by ensuring all of the following:

(1) Maintain access codes and other computer security controls.

(2) Maintain logs of user access, security incidents and unusual transactions.

(3) Coordinate and develop an education and training program on information security and privacy matters for employees and other authorized users.

(4) Ensure compliance with all State and Federal information security policies and rules.

(5) Prepare and maintain security-related reports and data.

(6) Develop and implement an incident reporting and response system to address security breaches, policy violations and complaints from external parties.

(7) Develop and implement an ongoing risk assessment program that targets information security and privacy matters by identifying methods for vulnerability detection and remediation and overseeing the testing of those methods.

(b) Remote access to an interactive gaming certificate holder or interactive gaming operator licensee's interactive gaming system is only permitted as follows:

(1) To Board employees upon request and without limitation.

(2) For testing purposes with prior approval from and as limited by the Board.

(3) By employees of an interactive gaming certificate holder or an interactive gaming operator licensee with prior approval from and as limited by the Board.

(c) All interactive gaming certificate holder's or interactive gaming operator licensee's interactive gaming systems must be available for independent testing by the Board, without limitation.

§ 809.6. System requirements.

(a) *Interactive gaming system methodology.* An interactive gaming system shall be designed with a methodology (for example, cryptographic controls) approved by the Board to ensure secure communications between a player's device and the interactive gaming system. When reviewing the security of an interactive gaming certificate holder or interactive gaming operator licensee's interactive gaming system methodology, the Board will consider all of the following:

(1) The interactive gaming system methodology shall be designed to ensure the integrity and confidentiality of all player communication and ensure the proper identification of the sender and receiver of all communications. If communications are performed across a third-party network, the system must either encrypt the data packets or utilize a secure communications protocol to ensure the integrity and confidentiality of the transmission.

(2) Wireless communications between the player device and the primary or secondary server must be encrypted in transit using a method (for example, AES, IPsec and WPA2) approved by the Board.

(3) An interactive gaming certificate holder or interactive gaming operator licensee shall mask the service set identification of the interactive gaming system network to ensure that it is unavailable to the general public.

(4) All communications that contain patron account numbers, user identification, or passwords and PINs must utilize a secure method of transfer (for example, 128-bit key encryption) approved by the Board.

(5) Only devices authorized by the Board are permitted to establish communications between a player device and an interactive gaming system.

(6) Server-based interactive gaming systems must maintain an internal clock that reflects the current date and time that must be used to synchronize the time and date among all components that comprise the interactive gaming system. The interactive gaming system date and time must be visible to the patron when logged on.

(b) *Change or modification.* Any change or modification to the interactive gaming system which impacts a regulated feature of an approved gaming system, unless otherwise permitted by the Board, requires submission to and approval by the Board or its designee prior to implementation of the change or modification.

(c) *Standards for data logging.* An interactive gaming system must meet all of the following standards regarding data logging:

(1) Interactive gaming systems must employ a mechanism capable of maintaining a separate copy of all of the information required to be logged in this section on a separate and independent logging device capable of being administered by an employee with no incompatible function. If the interactive gaming system can be configured so that any logged data is contained in a secure transaction file, a separate logging device is not required.

(2) Interactive gaming systems must provide a mechanism for the Board to query and export, in a format required by the Board, all interactive gaming system data.

(3) Interactive gaming systems must electronically log the date and time any player gaming account is created or terminated (Account Creation Log).

(4) An interactive gaming system must maintain all information necessary to recreate player game play and account activity during each player session, including any identity or location verifications, for not less than 10 years.

(5) Unless otherwise authorized by the Board, when software is installed on or removed from an interactive gaming system, the action must be recorded in a secure electronic log (Software Installation/Removal Log), which must include all of the following:

- (i) The date and time of the action.
- (ii) The identification of the software.
- (iii) The identity of the person performing the action.

(6) Unless otherwise authorized by the Board, when a change in the availability of game software is made on an interactive gaming system, the change must be recorded in a secure electronic log (Game Availability Log), which must include:

- (i) The date and time of the change.
- (ii) The identification of the software.
- (iii) The identity of the person performing the change.

(7) Unless otherwise exempted by the Board, an interactive gaming system must record all promotional offers (Promotions Log) issued through the system. The log must provide the information necessary as determined by the Board to audit compliance with the terms and conditions of current and previous offers.

(8) Results of all authentication attempts must be retained in an electronic log (Authentication Log) and accessible for not less than 90 days.

(9) All adjustments to an interactive gaming system data made using stored procedures must be recorded in an electronic log (Adjustments Log), which lists all of the following:

- (i) The date and time.
- (ii) The identification and user ID of user performing the action.
- (iii) A description of the event or action taken.
- (iv) The initial and ending values of any data altered as a part of the event or action performed.

(d) *Security requirements.*

(1) Networks should be logically separated so that there should be no network traffic on a network link which cannot be serviced by hosts on that link.

(2) Networks must meet all of the following requirements to assure security:

- (i) The failure of any single item should not result in a denial of service.
- (ii) An intrusion detection system/intrusion prevention system must be installed on the network which can do all of the following:
 - (A) Listen to both internal and external communications.
 - (B) Detect or prevent Distributed Denial of Service attacks.
 - (C) Detect or prevent shellcode from traversing the network.
 - (D) Detect or prevent Address Resolution Protocol spoofing.
 - (E) Detect other Man-in-the-Middle indicators and server communication immediately if detected.
- (iii) Each server instance in cloud and virtualized environments should perform only one function.
- (iv) In virtualized environments, redundant server instances cannot run under the same hypervisor.
- (v) Stateless protocols should not be used for sensitive data without stateful transport.
- (vi) All changes to network infrastructure must be logged.

(vii) Virus scanners or detection programs, or both, should be installed on all pertinent information systems and should be updated regularly to scan for new strains of viruses.

(viii) Network security should be tested by a qualified and experienced individual on a regular basis.

(ix) Testing should include testing of the external interfaces and internal network.

(x) Testing of each security domain on the internal network should be undertaken separately.

(e) *Self-monitoring of critical components.* The interactive gaming system must implement the self-monitoring of critical components. A critical component that fails self-monitoring tests shall be taken out of service immediately and may not be returned to service until there is reasonable evidence that the fault has been rectified. Required self-monitoring measures include all of the following:

(1) The clocks of all components of the interactive gaming system must be synchronized with an agreed accurate time source to ensure consistent logging. Time skew shall be checked periodically.

(2) Audit logs recording user activities, exceptions and information security events must be produced and kept for a period of time to be determined by the Board to assist in investigations and access control monitoring.

(3) System administrators and system operator activities must be logged.

(4) Logging facilities and log information must be protected against tampering and unauthorized access.

(5) Any modifications, attempted modifications, read access, or other change or access to any interactive gaming system record, audit or log must be detectable by the interactive gaming system. It must be possible to see who has viewed or altered a log and when.

(6) Logs generated by monitoring activities shall be reviewed periodically using a documented process. A record of each review must be maintained.

(7) Interactive gaming system faults shall be logged, analyzed and appropriate actions taken.

(8) Network appliances with limited onboard storage must disable all communication if the audit log becomes full or offload logs to a dedicated log server.

(f) *System disclosure requirements.*

(1) A petitioner for or holder of an interactive gaming certificate, an applicant for or holder of an interactive gaming operator license, and an applicant for or holder of an interactive gaming manufacturer license shall seek Board approval of all source code used to conduct interactive gaming in this Commonwealth.

(2) All documentation relating to software and application development should be available for Board inspection and retained for the duration of its lifecycle.

(3) All software used to conduct interactive gaming in this Commonwealth shall be designed with a method, approved by the Board, that permits remote validation of software.

(g) *Shutdown and recovery capabilities.* The interactive gaming system must have all of the following shutdown and recovery capabilities to maintain the integrity of the hardware, software and data contained therein in the event of a shutdown:

(1) The interactive gaming system must be able to perform a graceful shutdown and only allow automatic restart on power up after all of the following procedures have been performed:

(i) The program resumption routine, including self-tests, completes successfully.

(ii) All critical control program components of the interactive gaming system have been authenticated using a method approved by the Board.

(iii) Communication with all components necessary for the interactive gaming system operation have been established and similarly authenticated.

(2) The interactive gaming system must be able to identify and properly handle the situation when master resets have occurred on other remote gaming components which affect game outcome, win amount or reporting.

(3) The interactive gaming system must have the ability to restore the system from the last backup.

(4) The interactive gaming system must be able to recover all critical information from the time of the last backup to the point in time at which the interactive gaming system failure or reset occurred.

(h) *Recovery plan.* An interactive gaming certificate holder or interactive gaming operator licensee shall have a plan in place, approved by the Board, to recover interactive gaming operations in the event that the interactive gaming system is rendered inoperable (that is, Disaster/Emergency Recovery Plan). When reviewing the sufficiency of an interactive gaming certificate holder or interactive gaming operator licensee's plan to recover interactive gaming system operations in the event the interactive gaming system is rendered inoperable, the Board will consider all of the following:

(1) The method of storing player account information and gaming data to minimize loss in the event the interactive gaming system is rendered inoperable.

(2) If asynchronous replication is used, the method for recovering data should be described or the potential loss of data should be documented.

(i) *Recovery plan requirements.* An interactive gaming certificate holder's or interactive gaming licensee's Disaster/Emergency Recovery Plan must also:

(1) Delineate the circumstances under which it will be invoked.

(2) Address the establishment of a recovery site physically separated from the interactive gaming system site.

(3) Contain recovery guides detailing the technical steps required to re-establish gaming functionality at the recovery site.

(4) Include a Business Continuity Plan that addresses the process required to resume administrative operations of interactive gaming activities after the activation of the recovered platform for a range of scenarios appropriate for the operations context of the interactive gaming system.

(j) *Location of equipment.* Equipment used by a server-based interactive gaming system for the sole purpose of restoring data following a disaster must be located in a location within the United States as approved by the Board.

(k) *Player self-exclusion.* The interactive gaming system must provide an easy and obvious mechanism for players to self-exclude from interactive gaming.

(l) *Mechanism for self-exclusion.* The interactive gaming system must provide a mechanism by which a player may be excluded from interactive gaming according to the terms and conditions agreed to by the player upon registration.

§ 809.7. Geolocation requirements.

(a) An interactive gaming system must employ a mechanism to detect the physical location of a player upon logging into the interactive gaming system and as frequently as specified in the Board's technical standards and the interactive gaming certificate holder's or interactive gaming operator licensee's approved internal controls submission. If the system detects that the physical location of the player is in an area unauthorized for an interactive gaming system, the system may not accept wagers and must disable any interactive gaming activity for that player until the player is in an authorized location.

(b) The geolocation system must be equipped to dynamically monitor the player's location and block unauthorized attempts to access the interactive gaming system throughout the duration of the gaming session.

(c) An interactive gaming certificate holder or interactive gaming operator licensee must prevent registered players within a licensed facility from accessing authorized interactive games on the registered player's own computers or other devices through the use of geolocation technologies.

(d) Interactive gaming shall only occur within this Commonwealth unless the conduct of gaming is not inconsistent with Federal law, law of the jurisdiction, including any foreign nation, in which the participating player is located, or the gaming activity is conducted pursuant to a reciprocal agreement to which the Commonwealth is a party that is not inconsistent with Federal law.

§ 809.8. Security policy requirements.

Interactive gaming certificate holders and interactive gaming operator licensees shall adopt and maintain a Board-approved information security policy which describes the certificate holder's or licensee's approach to managing information security and its implementation. This policy is required in addition to any similar requirements that may be imposed as part of the certificate holder's or licensee's internal controls. The information security policy must:

(1) Have a provision requiring review when changes occur to the interactive gaming system or the processes which alter the risk profile of the interactive gaming system.

(2) Be approved by the certificate holder's or licensee's management.

(3) Be communicated to all employees and relevant external parties.

(4) Undergo review at planned intervals.

(5) Delineate the responsibilities of the certificate holder's or licensee's staff and the staff of any third parties for the operation, service and maintenance of the interactive gaming system and its components.

CHAPTER 810. INTERACTIVE GAMING TESTING AND CONTROLS

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810.13. Test Accounts.

§ 810.1. Scope.

To ensure players are not exposed to unnecessary security risks by choosing to participate in interactive gaming in this Commonwealth and to ensure the integrity and security of interactive gaming operations in this Commonwealth, this chapter applies to all games an interactive gaming certificate holder or interactive gaming operator licensee seeks to offer to players in this Commonwealth.

§ 810.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Artwork or art—Graphical and auditory information that is sent to the player device for presentation to the player.

Game cycle—The finite set of all possible combinations.

Player interface—The interface within the software in which the player interacts. The term is also referred to as the gaming window.

Progressive jackpot—

(i) An increasing prize based on a function of credits that are wagered.

(ii) A monetary prize that increases in value based on a function of credits wagered.

(iii) The term includes prizes that are awarded based on criteria other than obtaining winning outcomes in the game, such as mystery progressives.

§ 810.3. Minimum game standards.

All of the following requirements apply to the game information, artwork, paytables and help screens which include all written, graphical and auditory information provided to the player either directly from the game interface or from a page accessible to the player from the game interface through a hyperlink located in a conspicuous location.

(1) All statements and graphics within the gaming information, artwork, paytables and help screens must be accurate and not misleading.

(2) All game rules and payable information must be available to the player directly on the player interface or accessible from the player interface through a hyperlink without the need for funds to be deposited or funds to be staked.

(3) All game rules and payable information must be sufficient to explain all the applicable rules and how to participate in all stages of the game.

(4) Payable information must include all possible winning outcomes, patterns, rankings and combinations, and their corresponding payouts with a designated denomination or currency. All displayed payouts must be theoretically possible.

(5) The rules of the game must inform the players of the imperfections of the communications medium for the game and how this affects them.

(6) There must be sufficient information regarding any award payout adjustments such as fees, rakes, commissions, and the like.

(7) If the artwork contains game instructions specifying a maximum win then it must be possible to win this amount from a single game (including features or other game options).

(8) For games that offer bonus bets that require a base game bet, the minimum percentage return to player of the bonus bet must take into account that a base game bet must be placed.

(9) If random/mystery prizes are offered, the maximum value obtainable from the random/mystery prize must be indicated. If the value of the random/mystery prize depends on credits wagered or any other factors, this must be stated.

(10) The artwork should clearly state the rules for payments of prizes when multiple wins are possible.

(i) A description of what combinations will be paid when a pay line may be interpreted to have more than one individual winning combination (“only highest paid win per line”).

(ii) When the game supports multiple pay lines, the artwork should display a message indicating wins on different pay lines are added or equivalent.

(iii) When the game supports scatters, artwork should display a message indicating that scattered wins are added to pay line wins, or equivalent, if this is the rule of the game.

(iv) The artwork should clearly communicate the treatment of coinciding scattered wins with respect to other possible scattered wins. For example, the artwork should state whether combinations of scattered symbols pay all possible prizes or only the highest prize.

(v) The artwork should clearly communicate the treatment of coinciding game outcome (that is, straight flush can be a flush and a straight, three red 7s can be any three 7s).

(11) If it is possible to bet on multiple lines and it is not clear which reel positions are part of each of the possible lines, then the additional lines must be clearly displayed on the artwork and appropriately labeled. The additional lines must either be shown on the displayed artwork, be available for display on a help screen or permanently displayed on all game-play screens in a location separate from the actual reels.

(12) When multiplier instructions are displayed on artwork, there must be no question as to whether the multiplier applies.

(13) All game symbols and objects must be clearly displayed to the player and not be misleading in any way. Game symbols and objects must retain their shape throughout all artwork, except while animation is in progress.

(14) The artwork must clearly state which symbols and objects may act as a substitute or wild and in which winning combinations the substitute/wild may be applied.

(15) The artwork must clearly state which symbols and objects may act as scatter and in which winning combinations the scatter may be applied.

(16) The game may not advertise upcoming wins unless the advertisement is accurate and mathematically demonstrable.

(17) All of the following requirements apply to games depicting cards being drawn from a deck:

(i) A game which utilizes multiple decks of cards must clearly indicate the number of cards and card decks in play.

(ii) Once removed from the deck, cards may not be returned to the deck except as provided by the rules of the game depicted.

(iii) The deck may not be reshuffled except as provided by the rules of the game depicted.

(18) All of the following requirements apply to multiwager games:

(i) Each individual wager to be played must be clearly indicated to inform the player as to which wagers have been made and the credits bet per wager.

(ii) Each winning prize obtained must be displayed to the player in a way that clearly associates the prizes to the appropriate wager. When there are wins associated with multiple wagers, each winning wager must be indicated in turn.

§ 810.4. Minimum display standards.

All of the following game information must be visible or easily accessible to the player at all times during a player session:

- (1) The name of the game being played.
- (2) Restrictions on play or betting such as any play duration limits, maximum win values, and the like.
- (3) The player's current session balance.
- (4) The current bet amount. This is only during the phase of the game when the player can add to or place additional bets for that phase.
- (5) Current placement of all bets.
- (6) The denomination of the bet.
- (7) The amount won for the last completed game (until the next game starts or betting options are modified).
- (8) The player options selected for the last completed game (until the next game starts or a new selection is made).
- (9) Initial player selection options are to be described. Player selection options once the game has commenced should be clearly shown on the screen.
- (10) The winning amount for each separate wager and total winning amount are to be displayed on the screen.

§ 810.5. Random number generator standards.

(a) The random number generator must be cryptographically strong at the time of submission for approval. When more than one instance of a random number generator is used in an interactive gaming system, each instance must be separately evaluated and certified. When each instance is identical, but involves a different implementation within a game/application, each implementation shall also be separately evaluated and certified. Any outcomes from the random number generator used for game symbol selection/game outcome determination must be shown, by data analysis and a source code read, to:

- (1) Be statistically independent.
- (2) Be fairly distributed (within statistically expected bounds) over their range.
- (3) Pass various recognized statistical tests.

(4) Be cryptographically strong.

(b) Random number generators must adhere to standards in § 461a.7 (relating to slot machine minimum design standards).

(c) The gaming laboratory may employ the use of various recognized tests to determine whether or not the random values produced by the random number generator pass the desired confidence level of 95%. These tests include the following:

(1) Chi-square test.

(2) Equi-distribution (frequency) test.

(3) Gap test.

(4) Overlaps test.

(5) Poker test.

(6) Coupon collectors test.

(7) Permutation test.

(8) Kolmogorov-Smirnov test.

(9) Adjacency criterion tests.

(10) Order statistic test.

(11) Runs tests (patterns of occurrences should not be recurrent).

(12) Interplay correlation test.

(13) Serial correlation test potency and degree of serial correlation (outcomes should be independent of the previous game).

(14) Tests on subsequences.

(15) Poisson distribution.

(d) The scaling method may not compromise the cryptographic strength of the random number generator. The scaling method must preserve the distribution of the scaled values. For example, if a 32-bit random number generator with a range of the set of integers in the closed interval $[0, 2^{32}-1]$ were to be scaled to the range of the set of integers in the closed interval $[1, 6]$ so that the scaled values can be used to simulate the roll of a standard six-sided die, then each integer in the scaled range should theoretically appear with equal frequency. In the example

given, if the theoretical frequency for each value is not equal, then the scaling method is considered to have a bias. Thus, a compliant scaling method must have bias equal to zero.

(e) If the interactive gaming system utilizes hard-based random number generators, there must be dynamic/active, real-time monitoring of the output with a sample size large enough to allow for reasonably high statistically powerful testing so that game play is disabled when an output testing failure is detected.

(f) If the interactive gaming system utilizes a software-based random number generator, it must adhere to all of the following:

(1) The period of the random number generator, in conjunction with the methods of implementing the random number generator outcomes, must be sufficiently large to ensure that all game independent outcome combinations/permutations are possible for the given game/application.

(2) The methods of seeding/re-seeding must ensure that all seed values are determined in a manner that does not compromise the cryptographic security of the random number generator.

(3) To ensure that random number generator outcomes cannot be predicted, adequate background cycling/activity must be implemented in between games. Whenever a game outcome is made up of multiple mapped random number generator values, background cycling/activity must be implemented during the game (that is, in between the selection of each mapped random number generator value) to ensure that the game outcome is not comprised of sequential mapped random number generator outcomes. The rate of background cycling/activity must be sufficiently random in and of itself to prevent prediction.

§ 810.6. Software authentication.

The acquisition and development of new software must follow defined processes in accordance with the information security policy.

(1) The production environment must be logically and physically separated from the development and test environments.

(2) Development staff shall be precluded from having access to promote code changes into the production environment.

(3) There must be a documented method to verify that test software is not deployed to the production environment.

(4) To prevent leakage of personally identifiable information, there must be a documented method to ensure that raw production data is not used in testing.

(5) All documentation relating to software and application development should be available and retained for the duration of its lifecycle.

§ 810.7. Changes to game.

A change or modification to an interactive game which impacts a regulated feature of an approved game, unless otherwise permitted by the Board, requires submission to and approval by the Board or its designee prior to implementation of the change or modification.

§ 810.8. Game rules.

(a) Interactive gaming certificate holders and interactive gaming operator licensees shall adopt and adhere to written, comprehensive house rules governing wagering transactions by and between authorized players that are available for review at all times by players through a conspicuously displayed link. House rules must include all of the following:

- (1) Clear and concise explanation of all fees.
- (2) The rules of play of a game.
- (3) Any monetary wagering limits.
- (4) Any time limits pertaining to the play of a game.

(b) House rules must be approved by the Board.

(c) House rules that deviate from Board regulations shall be submitted to the Board's Office of Gaming Laboratories for review and approval prior to submission to the Board for approval prior to implementation.

§ 810.9. Submission of game rules for approval.

(a) Prior to offering a table game authorized under this subpart governing interactive gaming in this Commonwealth, the interactive gaming certificate holder or interactive gaming operator licensee shall submit and obtain approval of a Rules Submission which specifies which options the interactive gaming certificate holder or interactive gaming operator will use in the conduct of the table game.

(b) The initial Rules Submission for any interactive game and any amendment to the Rules Submission shall be submitted electronically to the Bureau of Gaming Operations using the form specified on the Board's web site at www.gamingcontrolboard.pa.gov.

(c) An interactive gaming certificate holder or interactive gaming operator licensee may implement the provisions in a Rules Submission upon receipt of written notice of approval from the Board's Executive Director or on the 15th calendar day following the filing of the Rules Submission unless the interactive gaming certificate holder or interactive gaming operator

licensee receives written notice under subsection (d) tolling the Rules Submission or written notice of disapproval from the Board's Executive Director.

(d) If during the 15-day review period in subsection (c) the Bureau of Gaming Operations determines that a provision in the Rules Submission is inconsistent with the regulations for the conduct of that interactive game, the Bureau of Gaming Operations, by written notice to the interactive gaming certificate holder or interactive gaming operator licensee, will:

(1) Specify the nature of the inconsistency and, when possible, an acceptable alternative procedure.

(2) Direct that the 15 calendar day review period in subsection (c) be tolled and that the Rules Submission not be implemented until approved under subsection (e).

(e) When a Rules Submission has been tolled under subsection (d), the interactive gaming certificate holder or interactive gaming operator licensee may submit a revised Rules Submission within 15 days of receipt of the written notice from the Bureau of Gaming Operations. The interactive gaming certificate holder or interactive gaming operator licensee may implement the revised Rules Submission upon receipt of written notice of approval from the Board's Executive Director or on the 15th calendar day following the filing of the revised Rule Submission unless the interactive gaming certificate holder or interactive gaming operator licensee receives written notice under subsection (d) tolling the revised Rules Submission or written notice of disapproval from the Board's Executive Director.

(f) The current version of each Rules Submission of an interactive gaming certificate holder or interactive gaming operator licensee shall be maintained and made available in electronic form through secure computer access to the internal audit and surveillance departments of the interactive gaming certificate holder or interactive gaming operator licensee and the Board's casino compliance representatives and other Board employees. Each page of the Rules Submission must indicate the date on which it was approved by the Board's Executive Director.

(g) An interactive gaming certificate holder or interactive gaming operator licensee shall maintain a copy, either in paper or electronic form, of any superseded Rules Submission for a minimum of 5 years.

§ 810.10. Fairness.

(a) All critical functions including the generation of the result of any game (and the return to the player) must be generated by the interactive gaming platform and be independent of the player device. All of the following also apply:

(1) Game outcome may not be affected by the effective bandwidth, link utilization, bit error rate or other characteristic of the communications channel between the interactive gaming platform and the player device.

(2) Determination of events of chance that result in a monetary award may not be influenced, affected or controlled by anything other than numerical values derived in an approved manner from the certified random number generator when applicable and in conjunction with the rules of the game.

(3) Each possible permutation or combination of game elements that produces winning or losing game outcomes must be available for random selection at the initiation of each play, unless otherwise denoted by the game.

(4) As game symbols are selected/game outcomes are determined, they must be immediately used as directed by the rules of the game.

(5) When the game requires a sequence or mapping of symbols or outcomes to be set up in advance, the symbols or outcomes should not be resequenced or remapped, except as provided for in the rules of the game.

(6) After selection of the game outcome, the game may not make a variable secondary decision which affects the result shown to the player.

(7) Except as provided by the rules of the game, events of chance within games should be independent and not correlated with any other events within the game or events within the previous game.

(8) For game types such as a spinning reel game, unless otherwise disclosed to the player, the mathematical probability of a symbol appearing in a position for any game outcome must be constant.

(b) A game may not be designed to give the player a false expectation of better odds by misrepresenting any occurrence or event.

(1) Games that are designed to give the player the perception that they have control over the game due to player skill when they actually do not must fully address this behavior in the game help screens.

(2) The final outcome of each game must be displayed for a sufficient length of time that permits a player to verify the outcome of the game.

§ 810.11. Prohibitions.

(a) *Forced game play.*

(1) The player may not be forced to play a game just by selecting that game.

(2) It must be possible to start a new game in the same player interface instance before all relevant meters have been updated on the interactive game system and all other

relevant connections and player session balance or, if applicable, the player's total balance has been updated.

(3) If an auto play mode is incorporated, it must be possible to turn this mode off at any time during game play.

(b) *Bots and computerized players.* Bots or computerized players are only permitted when employed by the interactive gaming system in free play or training mode, or if use of the bot or computerized player satisfies all of the following:

(1) The use of artificial intelligence software must be clearly explained in the help menus.

(2) All computerized players must be clearly marked at the tables so that players are aware of which players are not human.

(c) *Incomplete games.* A game is incomplete when the game outcome remains unresolved or the outcome cannot be properly seen by the player.

(1) The interactive gaming certificate holder or interactive gaming operator licensee may provide a mechanism for a player to complete an incomplete game.

(2) Incomplete games shall be resolved before a player is permitted to participate in another instance of the same game.

(3) Wagers associated with an incomplete game must be voided within 30 days and the wagers can be forfeited or returned to the player provided that:

(i) The terms and conditions or the game rules, or both, must clearly define how wagers will be handled when they remain undecided beyond the specified time period and the interactive gaming system must be capable of returning or forfeiting the wagers, as appropriate.

(ii) In the event that a game cannot be continued due to an interactive gaming system action, all wagers must be returned to the players of that game.

(d) *Auto play prohibited.* Game play shall be initiated only after a patron has affirmatively placed a wager and activated play. An auto play feature is not permitted in game software unless authorized by the Board.

§ 810.12. Controls.

(a) A replay last game feature either as a re-enactment or by description must be available to players. The replay must clearly indicate that it is a replay of the entire previous game cycle, and must provide, at a minimum, all of the following information:

(1) The date and time the game started or ended, or both.

(2) The display associated with the final outcome of the game, either graphically or by a clear text message.

(3) Total player cash/credits at start or end of play, or both.

(4) Total amount bet.

(5) Total cash/credits won for the prize (including progressive jackpots).

(6) The results of any player choices involved in the game outcome.

(7) Results of any intermediate game phases, such as gambles or feature games.

(8) Amount of any promotional awards received, if applicable.

(b) For each individual game played, all of the following information must be recorded, maintained and easily demonstrable by the interactive gaming system:

(1) Unique player ID.

(2) Contributions to progressive jackpot pools, if applicable.

(3) Game status (in progress, complete, and the like).

(4) The table number, if applicable, at which the game was played.

(5) The payable used.

(6) Game identifier and version.

(c) An organized event that permits a player to either purchase or be awarded the opportunity to engage in competitive play against other players may be permitted providing all of the following rules are met:

(1) While enabled for tournament play, a game may not accept real money from any source, nor pay out real money in any way, but must utilize tournament specific credits, points or chips which have no cash value.

(2) Interactive gaming contest/tournament rules are available to a player on the web site where the interactive gaming contest/tournament is being conducted. The rules must include, at a minimum, all of the following:

(i) All conditions players shall meet to qualify for entry into and advancement through the contest/tournament.

(ii) Any conditions concerning late arrivals or complete tournament no-shows and how auto-blind posting or initial entry purchase, or both, is handled.

(iii) Specific information pertaining to any single contest/tournament, including the amount of money placed in the prize pool.

(iv) The distribution of funds based on specific outcomes.

(v) The name of the organization or person that conducted the contest/tournament on behalf of, or in conjunction with, the operator, if applicable.

(3) The results of each contest/tournament shall be made available on the interactive gaming web site for the players to review. Subsequent to being posted on the web site, the results of each contest/tournament shall be available upon request. The recording must include all of the following:

(i) Name of the event.

(ii) Date of event.

(iii) Total number of entries.

(iv) Amount of entry fees.

(v) Total prize pool.

(vi) Amount paid for each winning category.

(d) All of the following requirements apply to the disabling and re-enabling of gambling on the interactive gaming system:

(1) The interactive gaming system must be able to disable or enable all gambling on command.

(2) When any gambling is disabled or enabled on the interactive gaming system an entry must be made in an audit log that includes the reason for any disable or enable.

(e) When a game or gaming activity is disabled:

(1) The game is not to be accessible to a player once the player's game has fully concluded.

(2) The player should be permitted to conclude the game in play (that is, bonus rounds, double up/gamble and other game features related to the initial game wager should be fully concluded).

(3) If wagers have been placed on pending real-life events:

(i) The terms and conditions must clearly define what happens to the wagers if the gaming activity is to remain disabled and the corresponding real-life event is completed, and the interactive gaming system must be capable of returning all bets to the players or settling all bets, as appropriate.

(ii) The terms and conditions must clearly define what happens to the wagers if the gaming activity is to re-enable before the corresponding real-life event is completed, and the interactive gaming system must be capable of returning all bets to the players, or leaving all bets active, as appropriate.

(f) When one or more feature/bonus prize may be paid to the player, the bonus game must be part of the overall payable theoretical return to player.

(g) All progressive jackpots must adhere to all of the following:

(1) All players that play progressive jackpot games must be made aware of actions which would make them eligible to win the progressive jackpot.

(2) When progressive jackpot contributions are part of the return to player calculation, the contributions may not be assimilated into revenue. If a cap is established on any progressive jackpot all additional contributions once that cap is reached are to be credited to a diversion pool.

(3) The rules of the game must incorporate how the progressive jackpot is funded and determined.

(4) If a minimum bet amount exists for a player to win a progressive jackpot, then the return to player (excluding the progressive jackpot) must meet the minimum player return. The calculation of the theoretical payout percentage may not include the amount of any progressive jackpot in excess of the initial reset amount.

(5) The current progressive jackpot amount should be displayed on all player devices participating in the progressive jackpot. This display should be updated on all participating player devices at least every 30 seconds.

(6) The rules of the game must inform the players of any maximum awards or time limits, or both, which may exist for each progressive jackpot.

(7) For progressive jackpots offering multiple levels of awards, the player must always be paid the higher amount if a particular combination is won that should trigger the higher paying award. This may occur when a winning combination may be evaluated as more than one of the available payable combinations (that is, a flush is a form of a straight flush and a straight flush is a form of a royal flush). There may be situations when the progressive jackpot

levels must be swapped to ensure the player is being awarded the highest possible value based on all combinations the outcome may be defined as.

(8) If multiple progressive jackpots occur at approximately the same time and there is no definitive way of knowing which jackpot occurred first, the operator shall adopt procedures, approved by the Board, for resolution. The rules of the game must include information which addresses the resolution of this possibility.

§ 810.13. Test accounts.

(a) Interactive gaming certificate holders and interactive gaming operator licensees may establish test accounts to be used to test the various components and operation of an interactive gaming system in accordance with internal controls, which, at a minimum, address all of the following:

(1) The procedures for the issuance of funds used for testing, including the identification of who is authorized to issue the funds and the maximum amount of funds that may be issued.

(2) The procedures for assigning each test account for use by only one person.

(3) The maintenance of a record for all test accounts to include when they are active, to whom they are issued and the employer of the person to whom they are issued.

(4) The procedures for the auditing of testing activity by the interactive gaming certificate holder or interactive gaming operator licensee to ensure the accountability of funds used for testing and proper adjustments to gross interactive gaming revenue.

(5) The ability to withdraw funds from a test account without the Board's prior approval must be disabled by the interactive gaming system.

(6) For testing of peer-to-peer games:

(i) A person may utilize multiple test accounts.

(ii) Test account play shall be conducted without the participation of players.

(b) In addition to the required internal controls in subsection (a)(1)— (6), for any wagering on test accounts conducted outside the boundaries of this Commonwealth, the procedures for auditing of testing activity must include the method for ascertaining the location from which persons using test accounts access the interactive gaming system.

CHAPTER 811. INTERACTIVE GAMING ACCOUNTING AND INTERNAL CONTROLS

Sec.

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811.6. Interactive gaming certificate holder's or interactive gaming operator licensee's organization.

811.7. Mandatory interactive gaming system logging.

811.8. Records/data retention requirements.

811.9. Required reports; reconciliation.

§ 811.1. Scope.

To ensure the integrity and security of interactive gaming operations in this Commonwealth, this chapter applies to all interactive gaming certificate holders or interactive gaming operator licensees seeking to offer interactive gaming to patrons in this Commonwealth.

§ 811.2. Internal controls.

(a) At least 90 days prior to commencing interactive gaming under this part, an interactive gaming certificate holder or interactive gaming operator licensee shall submit to the Board for approval internal controls for all aspects of interactive gaming prior to implementation and any time a change is made thereafter. The internal controls must include detailed procedures for system security, operations, accounting, and reporting of compulsive and problem gamblers.

(b) Notwithstanding subsection (a), the procedures and controls may be implemented by an interactive gaming certificate holder or interactive gaming operator licensee upon the filing of the procedures and controls with the Board. Each procedure or control submission must contain narrative and diagrammatic representations of the system to be utilized and must include all of the following:

(1) Procedures for reliable accounting controls, including the standardization of forms and definition of terms to be utilized in the interactive gaming operations.

(2) Procedures, forms and, when appropriate, formulas to govern all of the following:

(i) Calculation of hold percentages.

(ii) Revenue drops.

(iii) Expense and overhead schedules.

(iv) Complimentary services.

(v) Cash-equivalent transactions.

(3) Job descriptions and the system of personnel and chain of command establishing a diversity of responsibility among employees engaged in interactive gaming operations, including employees of an interactive gaming operator, and identifying primary and secondary management and supervisory positions for areas of responsibility, salary structure and personnel practices.

(4) Procedures for the registration of players and establishment of interactive gaming accounts, including a procedure for authenticating the age, identity and physical address of an applicant for an interactive gaming account and whether the applicant is a person prohibited from establishing or maintaining an account under section 13B22 of the act (relating to establishment of interactive gaming accounts).

(5) Procedures for terminating a registered player's interactive gaming account and the return of any funds remaining in the interactive gaming account to the registered player.

(6) Procedures for suspending or terminating a dormant interactive gaming account and the return of any funds remaining in the dormant interactive gaming account to the registered player.

(7) Procedures for the logging in and authentication of a registered player to enable the player to commence interactive gaming and the logging off of the registered player when the player has completed play, including a procedure to automatically log a registered player out of the player's interactive gaming account after a specified period of inactivity.

(8) Procedures for the crediting and debiting of a registered player's interactive gaming account.

(9) Procedures for cashing checks, receiving electronic negotiable instruments, and redeeming chips, tokens or other cash equivalents.

(10) Procedures for withdrawing funds from an interactive gaming account by the registered player.

(11) Procedures for the protection of a registered player's funds, including the segregation of a registered player's funds from operating funds of the interactive gaming certificate holder.

(12) Procedures for recording transactions pertaining to interactive gaming.

(13) Procedures for the security and sharing of personal identifiable information of a registered player, funds in an interactive gaming account and other information as required by the Board. The procedures must include the means by which an interactive gaming certificate holder or interactive gaming operator will provide notice to a registered player related to the sharing of personal identifiable information. For the purpose of this paragraph, "personal

identifiable information” means any data or information that can be used, on its own or with other data or information, to identify, contact or otherwise locate a registered player, including a registered player's name, address, date of birth and Social Security number.

(14) Procedures and security for the calculation and recordation of revenue.

(15) Procedures for the security of interactive gaming devices and associated equipment.

(16) Procedures and security standards as to receipt, handling, and storage of interactive gaming devices and associated equipment.

(17) Procedures and security standards to protect the interactive gaming certificate holder's interactive gaming skin or interactive gaming web site and interactive gaming devices and associated equipment from hacking or tampering by any person.

(18) Procedures for responding to suspected or actual hacking or tampering with an interactive gaming certificate holder's interactive gaming skin or interactive gaming web site and interactive gaming devices and associated equipment, including partial or complete suspension of interactive gaming or the suspension of any or all interactive gaming accounts when warranted.

(19) Procedures to verify each registered player's physical location each time a registered player logs into his interactive gaming account and at appropriate intervals thereafter as determined by the Board.

(20) Procedures to ensure that the interactive games are fair and honest and that appropriate measures are in place to deter, detect and, to the extent possible, prevent cheating, including collusion, and use of cheating devices, including the use of software programs that make wagers according to algorithms.

(21) Procedures to assist problem and compulsive gamblers, including procedures intended to prevent a person from participating in authorized interactive gaming who is otherwise prohibited from participating in interactive gaming.

(22) Procedures to govern emergencies, including suspected or actual cyber-attacks, hacking or tampering with the interactive gaming certificate holder's interactive gaming skin, interactive gaming platform or interactive gaming web site. The procedures must include the process for the reconciliation or repayment of a registered player's interactive gaming account.

(c) The submission required under subsections (a) and (b) must include a detailed description of the interactive gaming certificate holder's or interactive gaming operator licensee's administrative and accounting procedures related to interactive gaming, including its written system of internal controls. Each written system of internal controls must include all of the following:

(1) An organizational chart depicting appropriate duties and responsibilities of employees involved in interactive gaming.

(2) A description of the duties and responsibilities of each position shown on the organizational chart.

(3) The record retention policy of the interactive gaming certificate holder or interactive gaming operator licensee.

(4) The procedure to be utilized to ensure that money generated from the conduct of interactive gaming is safeguarded and accounted for.

(5) Procedures to ensure that recorded accountability for assets is compared with actual assets at intervals required by the Board and appropriate action is taken with respect to discrepancies.

(6) Procedures to be utilized by an employee of an interactive gaming certificate holder or interactive gaming operator licensee in the event of a malfunction of an interactive gaming system or other equipment used in the conduct of interactive gaming.

(7) Procedures to be utilized by the interactive gaming certificate holder or interactive gaming operator licensee to prevent persons under 21 years of age, self-excluded or involuntary excluded individuals, and players outside this Commonwealth, unless otherwise authorized by an interactive gaming reciprocal agreement, from engaging in interactive gaming.

(8) Other items the Board may request in writing to be included in the internal controls.

(d) Prior to authorizing an interactive gaming certificate holder or interactive gaming operator licensee to commence the conduct of interactive gaming, the Board will review the system of internal controls, security protocols and audit protocols submitted under this chapter to determine whether they conform to the requirements of this chapter and whether they provide adequate and effective controls for the conduct of interactive gaming.

(e) If an interactive gaming certificate holder or interactive gaming operator licensee intends to make a change or amendment to its system of internal controls, it shall submit the change or amendment electronically to the Bureau of Gaming Operations in a manner prescribed by the Bureau of Gaming Operations. The interactive gaming certificate holder or interactive gaming operator licensee may implement the change or amendment on the 30th calendar day following the filing of a complete submission unless the interactive gaming certificate holder or interactive gaming operator licensee receives written notice tolling the change or amendment in accordance with this chapter or written notice from the Board's Executive Director rejecting the change or amendment.

(f) If during the 30-day review period in in this chapter, the Bureau of Gaming Operations preliminarily determines that a procedure in a submission contains an insufficiency

likely to negatively affect the integrity of interactive gaming or the control of revenue generated from interactive gaming, the Bureau of Gaming Operations, by written notice to the interactive gaming certificate holder or interactive gaming operator licensee, will:

(1) Specify the nature of the insufficiency and, when possible, an acceptable alternative procedure.

(2) Direct that the 30-calendar day review period in this chapter to be tolled and that any internal controls at issue not be implemented until approved under this chapter.

(g) Examples of submissions that may contain an insufficiency likely to negatively affect the integrity of interactive gaming may include the following:

(1) Submissions that fail to provide information sufficient to permit the review of interactive gaming activities by the Board, the Bureau, the Department or law enforcement.

(2) Submissions that fail to provide for the segregation of incompatible functions so that an employee is not in a position to commit an error and perpetrate a fraud and to conceal the error or fraud in the normal course of the employee's duties.

(3) Submissions that do not include forms or other materials referenced in the submission or required under the act or this part.

(4) Submissions that would implement operations or accounting procedures not authorized by the act or this part.

(h) Whenever a change or amendment has been tolled under this chapter, the interactive gaming certificate holder or interactive gaming operator licensee may submit a revised change or amendment within 30 days of receipt of the written notice from the Bureau of Gaming Operations. The interactive gaming certificate holder or interactive gaming operator licensee may implement the revised change or amendment upon receipt of written notice of approval from the Board's Executive Director or on the 30th calendar day following the filing of the revision unless the interactive gaming certificate holder or interactive gaming operator licensee receives written notice tolling the change or amendment in accordance with this chapter or written notice from the Board's Executive Director rejecting the change or amendment.

§ 811.3. Terms and conditions.

(a) An interactive gaming certificate holder or interactive gaming operator licensee shall develop terms and conditions for interactive gaming which must be included in the internal controls. The terms and conditions and any changes thereto shall be acknowledged by the player and the acknowledgment must be date and time-stamped by the interactive gaming system.

(b) The terms and conditions must address all aspects of the interactive gaming operation, including all of the following:

(1) The name of the party with whom the player is entering into a contractual relationship, including any interactive gaming certificate holder or interactive gaming operator licensee.

(2) The player's consent to have the interactive gaming certificate holder or interactive gaming operator licensee confirm the player's age and identity.

(3) Rules and obligations applicable to the player other than rules of the game including all of the following:

(i) Prohibition from allowing any other person to access or use his interactive gaming account.

(ii) Prohibition from engaging in interactive gaming activity, unless the player is physically located in this Commonwealth.

(iii) Consent to the monitoring and recording by the interactive gaming certificate holder or the Board, or both, of any wagering communications and geographic location information.

(iv) Consent to the jurisdiction of this Commonwealth to resolve any disputes arising out of interactive gaming.

(v) Prohibition against utilizing automated computerized software or other equivalent mechanism, such as a bot, to engage in play.

(4) Full explanation of all fees and charges imposed upon a player related to interactive gaming transactions.

(5) Availability of account statements detailing player account activity.

(6) Privacy policies, including information access and use of customer data.

(7) Legal age policy, including a statement that it is a criminal offense to allow a person who is under 21 years of age to participate in interactive gaming and a player who does so must be prohibited from interactive gaming.

(8) Notification that if the player's interactive gaming account remains dormant for 1 year any funds remaining on deposit and any pending wagers shall be forfeited.

(9) The player's right to set responsible gaming limits and self-exclude.

(10) The player's right to suspend his account for no less than 72 hours.

(11) Actions that will be taken in the event a player becomes disconnected from the interactive gaming system during game play.

(12) Notice that a malfunction voids all pays.

(13) Estimated time-period for withdrawal of funds from the interactive gaming account.

(14) Detailed information to be displayed on a player protection page.

(15) Method for changing or retrieving a password or other approved access security feature and the ability to choose strong authentication login protection.

(16) Method for filing a complaint with the interactive gaming certificate holder and method for filing with the Board an unresolved complaint after all reasonable means to resolve the complaint with the interactive gaming certificate holder or interactive gaming operator licensee have been exhausted.

(17) Method for obtaining a copy of the terms and conditions agreed to when establishing an interactive gaming account.

(18) Method for the player to obtain account and game history from the interactive gaming certificate holder or interactive gaming operator licensee.

(19) Notification of Federal prohibitions and restrictions regarding interactive gaming, specifically, any limitations upon interactive gaming in 18 U.S.C.A. § 1084 and the Unlawful Internet Gambling Enforcement Act of 2006 (31 U.S.C.A. §§ 5361—5367). The notice must explicitly state that it is a Federal offense for persons physically located outside of this Commonwealth to engage in interactive wagering through an interactive gaming certificate holder or interactive gaming operator licensee unless explicitly authorized by the Board or an interactive gaming reciprocal agreement.

(20) Any other information required by the Board.

§ 811.4. Information to be displayed on web site.

Interactive gaming certificate holders and interactive gaming operator licensees shall provide for the prominent display of all of the following information on a page which, by virtue of the construction of the web site, authorized players must access before beginning a gambling session:

(1) The full name of the interactive gaming certificate holder or interactive gaming operator licensee and address from which it carries on business.

(2) A logo, to be provided by the Board, indicating that the interactive gaming certificate holder or interactive gaming operator licensee on behalf of the interactive gaming certificate holder is authorized to operate interactive gaming in this Commonwealth.

(3) The interactive gaming certificate holders and interactive gaming operator licensee's license number.

(4) A statement that persons under 21 years of age are not permitted to engage in interactive gaming.

(5) A statement that persons located in a jurisdiction where interactive gaming is not legal are not permitted to engage in interactive gaming.

(6) Active links to all of the following:

(i) Information explaining how disputes are resolved.

(ii) A problem gambling web site that is designed to offer information pertaining to responsible gaming.

(iii) The Board's web site.

(iv) A web site that allows for an authorized player to choose to be excluded from engaging in interactive gaming.

(v) A link to the house rules adopted by the interactive gaming certificate holder or interactive gaming operator licensee.

§ 811.5. Segregation of bank accounts and reserve requirements.

(a) An interactive gaming certificate holder or interactive gaming operator licensee shall maintain a bank account for player's funds separate from all other operating accounts to ensure the security of funds held in the player's interactive gaming accounts.

(b) The balance maintained in this account must be greater than or equal to the sum of the daily ending cashable balance of all player interactive gaming accounts, funds on game and pending withdrawals.

(c) An interactive gaming certificate holder or interactive gaming operator licensee shall have unfettered access to all player interactive gaming account and transaction data to ensure the amount held in its independent account is sufficient. An interactive gaming certificate holder's or interactive gaming operator licensee's chief financial officer shall file a monthly attestation with the Board, unless otherwise directed by the Board, that the funds have been safeguarded under this section.

§ 811.6. Interactive gaming certificate holder's or interactive gaming operator licensee's organization.

(a) An interactive gaming certificate holder's or interactive gaming operator licensee's systems of internal controls must include organization charts depicting segregation of functions

and responsibilities and descriptions of the duties and responsibilities for each position shown on each organization chart. Interactive gaming certificate holders and interactive gaming operator licensees are permitted, except as otherwise provided in this section, to tailor organizational structures to meet the needs or policies of a particular management philosophy. An interactive gaming certificate holder's and interactive gaming operator licensee's organization charts must provide for all of the following:

(1) A system of personnel and chain of command which permits management and supervisory personnel to be held accountable for actions or omissions within their areas of responsibility.

(2) The segregation of incompatible functions, duties and responsibilities so that an employee is not in a position to commit an error and perpetrate a fraud and to conceal the error or fraud in the normal course of the employee's duties.

(3) The performance of all functions, duties and responsibilities in accordance with sound financial practices by qualified personnel.

(4) The areas of responsibility which are not so extensive as to be impractical for an individual to monitor.

(b) In addition to other positions required as part of an interactive gaming certificate holder's or interactive gaming operator licensee's internal controls, an interactive gaming certificate holder or interactive gaming operator licensee shall maintain an information technology department supervised by an individual licensed as a key employee who functions, for regulatory purposes, as the information technology director. An interactive gaming certificate holder or interactive gaming operator shall employ an information technology security officer and an interactive gaming manager, both of whom shall be licensed as a key employee.

(c) The information technology director shall be responsible for the integrity of all data, and the quality, reliability and accuracy of all computer systems and software used by the interactive gaming certificate holder in the conduct of interactive gaming, whether the data and software are located within or outside the certificate holder's or interactive gaming operator licensee's facility, including, without limitation, specification of appropriate computer software, hardware and procedures for security, physical integrity, audit and maintenance of all of the following:

(1) Access codes and other computer security controls used to insure appropriately limited access to computer software and data.

(2) Monitoring logs of user access, security incidents and unusual transactions.

(3) Logs used to document and maintain the details of any hardware and software modifications.

(4) Computer tapes, disks or other electronic storage media containing data relevant to interactive gaming operations.

(5) Computer hardware, communications equipment and software used in the conduct of interactive gaming.

(d) The information technology security officer shall report to the information technology director and be responsible for all of the following:

(1) Maintaining access codes and other computer security controls used to insure appropriately limited access to computer software and data.

(2) Reviewing logs of user access, security incidents and unusual transactions.

(3) Coordinating the development of the interactive gaming certificate holder's information security policies, standards and procedures.

(4) Coordinating the development of an education and training program on information security and privacy matters for employees and other authorized users.

(5) Ensuring compliance with all State and Federal information security policies and rules.

(6) Preparing and maintaining security-related reports and data.

(7) Working with internal and external audit personnel to ensure all findings are addressed in a timely and effective manner.

(8) Developing and implementing an Incident Reporting and Response System to address security breaches, policy violations and complaints from external parties.

(9) Serving as the official contact for information security and data privacy issues, including reporting to law enforcement.

(10) Developing and implementing an ongoing risk assessment program that targets information security and privacy matters by identifying methods for vulnerability detection and remediation and overseeing the testing of those methods.

(11) Remaining current with the latest information technology security and privacy legislation, rules, advisories, alerts and vulnerabilities to ensure the interactive gaming certificate holder's security program and security software is effective.

(e) The interactive gaming manager shall report to the information technology director, or other department manager as approved by the Board, and be responsible for ensuring the proper operation and integrity of interactive gaming and reviewing all reports of suspicious behavior.

The interactive gaming manager shall immediately notify the Bureau upon detecting any person participating in interactive wagering who is:

(1) Engaging in or attempting to engage in, or who is reasonably suspected of cheating, theft, embezzlement, collusion, money laundering or any other illegal activities.

(2) A self-excluded person under the act and Board regulations.

(3) Prohibited by the interactive gaming certificate holder or interactive gaming operator licensee from interactive gaming.

§ 811.7. Mandatory interactive gaming system logging.

(a) An interactive gaming system must employ a mechanism capable of maintaining a separate copy of the information required to be logged under this chapter on a separate and independent logging device capable of being administered by an employee with no incompatible function. If the interactive gaming system can be configured so that any logged data is in a secure transaction file, a separate logging device is not required.

(b) An interactive gaming system must provide a mechanism for the Board to query and export, in a format required by the Board, all gaming system data.

(c) An interactive gaming system must electronically log the date and time any interactive gaming account is created or terminated (Account Creation Log).

(d) An interactive gaming system must maintain all information necessary to recreate player game play and account activity during each player session, including any identity or location verifications, for no less than 10 years.

(e) Unless otherwise authorized by the Board, when software is installed on or removed from an interactive gaming system, the action must be recorded in a secure electronic log (Software Installation/Removal Log), which must include all of the following:

(1) The date and time of the action.

(2) The identification of the software.

(3) The identity of the person performing the action.

(f) Unless otherwise authorized by the Board, when a change in the availability of game software is made on a gaming system, the change must be recorded in a secure electronic log (Game Availability Log), which must include all of the following:

(1) The date and time of the change.

(2) The identification of the software.

(3) The identity of the person performing the change.

(g) Unless otherwise exempted by the Board, an interactive gaming system must record all promotional offers (Promotions Log) issued through the system. The Promotions Log must provide the information necessary to audit compliance with the terms and conditions of current and previous offers.

(h) Results of all authentication attempts must be retained in an electronic log (Authentication Log) and accessible for 90 days.

(i) All adjustments to gaming system data made using stored procedures must be recorded in an electronic log (Adjustments Log), which lists all of the following:

(1) The date and time.

(2) The identification and user ID of user performing the action.

(3) A description of the event or action taken.

(4) The initial and ending values of any data altered as a part of the event or action performed.

§ 811.8. Records/data retention requirements.

(a) For the purposes of this section, “books, records and documents” means any book, record or document pertaining to, prepared in or generated by the operation of the interactive gaming certificate holder or interactive gaming operator licensee including all forms, reports, accounting records, ledgers, subsidiary records, computer generated data, internal audit records, correspondence and personnel records required to be generated and maintained under this part. This definition applies without regard to the medium through which the record is generated or maintained (for example, paper, magnetic media or encoded disk).

(b) Original books, records and documents pertaining to the operation of interactive gaming must be:

(1) Prepared and maintained in a complete, accurate and legible form. Electronic data must be stored in a format that ensures readability, regardless of whether the technology or software that created or maintained it has become obsolete.

(2) Retained in a secure location by the interactive gaming certificate holder or interactive gaming operator licensee that is equipped with a fire suppression system or at another location approved under subsection (d).

(3) Made available for inspection by agents of the Board, the Department and the Pennsylvania State Police during all hours of operation.

(4) Organized and indexed in a manner to provide immediate accessibility to agents of the Board, the Department and the Pennsylvania State Police.

(5) Destroyed only after expiration of the minimum retention period specified in subsection (c), except that the Board may, upon the written request of an interactive gaming certificate holder or interactive gaming operator licensee and for good cause shown, permit the destruction at an earlier date.

(c) Original books, records and documents shall be retained by an interactive gaming certificate holder or interactive gaming operator licensee for a minimum of 5 years.

(d) An interactive gaming certificate holder or interactive gaming operator licensee may request, in writing, that the Board's Executive Director approve an alternative location outside of this Commonwealth to store original books, records and documents. The request must include all of the following:

(1) A detailed description of the proposed location, including security and fire suppression systems.

(2) The procedures under which the Board, the Department and the Pennsylvania State Police will be able to gain access to the original books, records and documents retained at the location outside of this Commonwealth.

(e) An interactive gaming certificate holder or interactive gaming operator licensee may request, in writing, that the Board's Executive Director approve a microfilm, microfiche or other suitable media system for the copying and storage of original books, records and documents. The request must include representations regarding all of the following:

(1) The processing, preservation and maintenance methods which will be employed to ensure that the books, records and documents are available in a format which makes them readily available for review and copying.

(2) The inspection and quality control methods which will be employed to ensure that microfilm, microfiche or other media when displayed on a reader/viewer or reproduced on paper exhibits a high degree of legibility and readability.

(3) The availability of a reader/printer for use by the Board, the Department and the Pennsylvania State Police at the location approved by the Board and the readiness with which the books, records or documents being stored on microfilm, microfiche or other media can be located, read and reproduced.

(4) The availability of a detailed index of all microfilmed, microfiched or other stored data maintained and arranged in a manner to permit the immediate location of any particular book, record or document.

(f) Nothing herein shall be construed as relieving an interactive gaming certificate holder or interactive gaming operator licensee from meeting any obligation to prepare or maintain any book, record or document required by any other Federal, State or local governmental body, authority or agency.

§ 811.9. Required reports; reconciliation.

(a) An interactive gaming system shall be designed to generate reports as specified by the Board that must include, at a minimum, all of the following:

- (1) The report title.
- (2) The version number of the current system software and report definition.
- (3) The date or time period of activity, or description as of a point in time.
- (4) The date and time the report was generated.
- (5) Page numbering, indicating the current page and total number of pages.
- (6) Subtotals and grand totals as required by the Department.
- (7) A description of any filters applied to the data presented in the document.
- (8) Column and row titles, if applicable.
- (9) The name of the interactive gaming certificate holder.

(b) All required reports must be generated by the interactive gaming system, even if the period specified contains no data to be presented. The report generated must indicate all required information and contain an indication of “No Activity” or similar message if no data appears for the period specified.

(c) An interactive gaming system must provide a mechanism to export the data generated for any report to a format approved by the Board.

(d) An interactive gaming system must generate all of the following daily reports, at a minimum, for each gaming day to calculate the taxable revenue:

(1) A Player Account Summary Report, which must include transaction information for each player on account for all of the following categories:

- (i) Beginning balance.
- (ii) Total amount of deposits.

(iii) Total amount of noncashable bonuses deposited.

(iv) Total amount of noncashable bonuses wagered.

(v) Total amount of noncashable bonuses expired.

(vi) Total amount of transfers to games.

(vii) Total amount of transfers from games.

(viii) Total amount of withdrawals.

(ix) Total amount of funds on game at the beginning of the gaming day (the amount of pending wagers at the end of the prior gaming day).

(x) Total amount of funds on game at the end of the gaming day (the amount of pending wagers plus funds transferred to a game but not yet wagered).

(xi) Win or loss, calculated as the ending funds on games less the beginning funds on game.

(xii) Ending balance.

(2) A Wagering Summary Report, which must include all of the following by authorized game and poker variation, as applicable:

(i) Total amounts wagered.

(ii) Total amounts won.

(iii) Total tournament entry or participation fees.

(iv) Rake or vigorish.

(v) Total amounts of guaranteed funds paid to players.

(vi) Total amounts due to or from an interactive gaming network.

(vii) Win or loss calculated as the net of the total amounts wagered and total amounts won plus tournament entry fees, rake or vigorish, guaranteed funds, and amounts due to or from an interactive gaming system.

(3) A noncashable Promotional Account Balance Report, which must include the ending noncashable promotional balance in each player account.

(e) An interactive gaming system must generate the following daily reports for each participating interactive gaming certificate holder, at a minimum, for each gaming day to reconcile the daily gross interactive gaming revenue:

(1) A System Player Account Summary Report, which must include all of the following transaction information for each player account:

- (i) Player identification number.
- (ii) Total amount of transfers to games.
- (iii) Total amount of transfers from games.
- (iv) Win or loss statistics.
- (v) Total amount of rake.
- (vi) Total amount of entry fees.

(2) A System Wagering Summary Report, which must include all of the following game activity by authorized game or poker variation:

- (i) Total amounts wagered.
- (ii) Total amounts won.
- (iii) Total tournament entry or participation fees.
- (iv) Rake or vigorish.
- (v) Total amounts of guaranteed funds paid to players.
- (vi) Win or loss statistics, calculated as the net of the total amounts wagered and total amounts won plus tournament entry fees, rake or vigorish, and guaranteed funds.

(f) An interactive gaming certificate holder must utilize the Wagering Summary Report to calculate interactive gross gaming revenue on a daily basis for reporting purposes. In addition, the certificate holder shall do all of the following:

- (1) Prepare a Variance Report documenting the win/loss amounts from the Player Account Report and Wagering Summary Report.
- (2) Calculate the variance between the two amounts.
- (3) Document the reason for the variance.

(4) Report a manual adjustment to increase revenue by the amount of the variance whenever the total of the Player Account Summary Report is greater than the total of the Wagering Summary Report, unless the reason for the variance as documented above is sufficient to support a determination that revenue was properly reported.

(g) Instead of subsection (f), an interactive gaming certificate holder or interactive gaming operator licensee may accumulate the daily Variance Report information on a monthly Variance Report in a manner described in the interactive gaming certificate holder's internal controls.

(h) An interactive gaming system must generate, on a daily basis commencing 1 year after the creation of the first interactive gaming account, a Dormant Account Report, which must list all player accounts including the Pending Wager Account Report that have not had activity for 1 year. The report must include all of the following:

- (1) The player name and account number.
- (2) The date of the last transaction.
- (3) The account balance.

(i) Voids of completed wagering transactions may not occur without Board approval.

(j) An interactive gaming system must generate a Performance Report, which compares the theoretical return to player (RTP) to the actual RTP of each game offered by a gaming system. The report must also provide the total number of rounds of play for each game and shall be generated and reviewed monthly by the interactive gaming certificate holder to evaluate the performance of all games offered to the public. The Performance Report must include the data required by this subsection from the first day interactive gaming was offered to the date of the report.

(k) An interactive gaming system must generate a Player Account Adjustments Report, which shall be reviewed on a daily basis by either the interactive gaming certificate holder or interactive gaming operator licensee to evaluate the legitimacy of player account adjustments. If the daily review is performed by the interactive gaming operator, the interactive gaming certificate holder or interactive gaming operator licensee shall conduct a weekly review of the Player Account Adjustment Reports. Unless otherwise authorized by the Board, the report must, at a minimum, include all of the following:

- (1) The player's name.
- (2) An account number.
- (3) The date and time of the adjustment.
- (4) The person who performed the adjustment.

(5) The reason for the adjustment.

(6) The amount of the adjustment.

(l) An interactive gaming system must generate a report on a weekly basis identifying potential compulsive and problem gamblers, including those players who self-report. The interactive gaming certificate holder shall review the report and document any action taken.

(m) An interactive gaming system must be capable of generating a Pending Transaction Account Report, which must include and separately itemize all pending transactions for each player account, including funds on game and deposits and withdrawals not yet cleared.

(n) In accordance with internal controls, an interactive gaming certificate holder or interactive gaming operator licensee shall periodically submit to the Board a copy of the bank statement that reflects the balance of the restricted account maintained to protect player funds required under this part.

CHAPTER 812. INTERACTIVE GAMING PLAYER ACCOUNTS

Sec.

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§ 812.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Electronic identifier—A unique identifier, other than personal identifying information (for example, a Social Security number), used to identify a player.

Player session—A player session consists of all activities and communications performed by an authorized registered player and the interactive gaming system between the time the

registered player logs in to the interactive gaming system and the time the registered player logs out or is logged out of the interactive gaming system.

Strong authentication—A method that is intrinsically stringent enough to ensure the security of the system it protects by withstanding any attacks it is likely to encounter by combining at least two mutually-independent factors so that the compromise of one method should not lead to the compromise of the second and includes one nonreusable element, which cannot easily be reproduced or stolen from the Internet, to verify the identity of a registered player.

§ 812.2. Player account registration.

(a) Prior to engaging in interactive gaming, a player shall establish an interactive gaming account.

(b) To establish an interactive gaming account, the player shall provide all of the following information:

(1) The player's legal name.

(2) The player's date of birth.

(3) The entire or last four digits of the player's Social Security number, if voluntarily provided, or equivalent for a foreign player such as a passport or taxpayer identification number.

(4) The player's address.

(5) The player's e-mail address.

(6) The player's telephone number.

(7) Any other information collected from the player to verify his identity.

(c) An interactive gaming certificate holder or interactive gaming operator licensee shall create and maintain an electronic player file containing the information the player submitted to establish the player account.

(d) The electronic player file created by an interactive gaming certificate holder or interactive gaming operator licensee must encrypt the information in an electronic player file.

(e) The interactive gaming certificate holder or interactive gaming operator licensee shall verify the player's identity and record the document number of the government-issued credential examined, or other methodology for remote, multisourced authentication, which may include third-party and governmental databases, as approved by the Board.

(f) The interactive gaming certificate holder or interactive gaming operator licensee shall verify that the player is of the legal age of 21 years of age, not self-excluded or otherwise prohibited from participation in interactive gaming.

(g) The interactive gaming certificate holder or interactive gaming operator licensee shall require the player to affirm that the information provided to the interactive gaming certificate holder is accurate.

(h) The interactive gaming certificate holder or interactive gaming operator licensee shall record the player's acceptance of the interactive gaming certificate holder's terms and conditions to participate in interactive gaming.

(i) The interactive gaming certificate holder or interactive gaming operator licensee shall record the player's acknowledgement that the legal age for interactive gaming is 21 years of age and that he is prohibited from allowing any other person to access or use his interactive gaming account.

(j) The interactive gaming certificate holder or interactive gaming operator licensee shall record the player's acknowledgement that any violations of the interactive gaming regulations are subject to the penalties provided in the act and may result in criminal prosecution under 18 Pa.C.S. (relating to Crimes Code).

(k) The interactive gaming certificate holder or interactive gaming operator licensee shall require the player to establish a password or other access security feature as approved by the Board and advise the player of the ability to utilize strong authentication login protection.

(l) The interactive gaming certificate holder or interactive gaming operator licensee shall notify the player of the establishment of the account by e-mail or first class mail.

§ 812.3. Account security.

(a) An interactive gaming system must utilize sufficient security to ensure player access is appropriately limited to the registered account holder. Unless otherwise authorized by the Board, security measures must include, at a minimum, all of the following:

(1) A username.

(2) A password of sufficient length and complexity to ensure its effectiveness.

(3) Upon account creation, the option for users to choose strong authentication login protection.

(4) When a player logs into his registered interactive gaming account, the system must display the date and time of the player's previous log on.

(5) An option to permit a player to elect to receive an electronic notification to the player's registered e-mail address, cellular phone or other device each time an interactive gaming account is accessed.

(6) The interactive gaming system must require a player to re-enter his username and password after 15 minutes of user inactivity.

(b) An interactive gaming certificate holder or interactive gaming operator licensee may not permit the creation of anonymous interactive gaming accounts or accounts using fictitious names. A registered player may, while engaged in interactive gaming, represent himself using a screen name other than his actual name.

(c) An interactive gaming system must provide an account statement with account details to a player, on demand, which must include information as required under this chapter.

(d) An interactive gaming system must utilize sufficient security to ensure third-party access to player accounts is limited as follows:

(1) Network shared drives containing application files and data for interactive gaming system must be secured so that only authorized personnel may gain access.

(2) Login accounts and passwords required to administer network and other equipment are secured so that only authorized IT personnel from the interactive gaming certificate holder or interactive gaming operator licensee may gain access to these devices.

(3) Remote access by vendor personnel to any component of the interactive gaming system is allowed for purposes of support or updates and is enabled only when approved by authorized IT personnel employed by the technology provider.

(e) Interactive gaming certificate holders and interactive gaming operator licensees may utilize third-party vendors to verify player information so long as those vendors are licensed by the Board when required and the agreements related to the provided services is submitted to the Board.

§ 812.4. Single account requirement.

(a) A player shall have only one interactive gaming account for each interactive gaming certificate holder or interactive gaming operator licensee. Each interactive gaming account must be nontransferable, unique to the player who establishes the account, and distinct from any other account number that the player may have established with the interactive gaming certificate holder or interactive gaming operator licensee for noninteractive gaming activity.

(b) Each registered player account shall be treated independently and players may not be permitted to transfer funds between accounts held with different interactive gaming certificate holders or interactive gaming operator licensees. Registered players are prohibited from transferring funds to an account held by another player.

(c) To ensure compliance with this subpart, interactive gaming certificate holders and interactive gaming operators shall:

(1) Record and maintain the physical location of the registered player while logged in to the interactive gaming account.

(2) Ensure that a registered player does not occupy more than one position at a game at any given time unless otherwise approved by the Board to permit a registered player to occupy more than one position at a game any given time.

§ 812.5. Account terms and conditions disclosures.

(a) During the registration process the player shall agree to the terms and conditions which govern the relationship between the interactive gaming certificate holder or interactive gaming operator licensee and the player. The terms and conditions must include a privacy policy which governs the protection and use of the player's data.

(b) The terms and conditions provided to players by interactive gaming certificate holders and interactive gaming operator licensees shall be submitted to the Bureau of Gaming Operations for review. The terms and conditions must contain, at minimum, all of the following:

(1) The name and address of the interactive gaming certificate holder or interactive gaming operator licensee.

(2) A statement that the interactive gaming certificate holder or interactive gaming operator licensee is licensed and regulated by the Board for the purposes of operating and offering interactive gaming services in this Commonwealth.

(3) A requirement that the player acknowledges that he has read the terms and conditions and agrees to be bound by them.

(4) A requirement that the player will comply with all applicable laws, statutes and regulations.

(5) A statement that no individual under 21 years of age may participate in interactive gaming and that it is a criminal offense to allow a person who is not legally of age to participate in interactive gaming in this Commonwealth.

(6) A statement that the player consents to verification of registration information including name, address, date of birth, Social Security number, passport identification (for non-United States residents) and any other identification information required to confirm age and identity.

(7) A statement that the player consents to verification of his location for the duration of play of interactive games.

(8) A statement that players have the right to set responsible gaming limits and to self-exclude from interactive gaming.

(9) A dispute resolution policy including notifying players of their right to file a complaint with the Board.

(10) A player disconnection policy.

(11) Any other information that may be required by the Board.

§ 812.6. Self-exclusion list.

(a) All interactive gaming certificate holders and interactive gaming operator licensees shall have a link to the self-exclusion page of the Board web site.

(b) Any person seeking to place his name on the self-exclusion list shall follow the procedures in the Board's regulations.

§ 812.7. Player funding of accounts.

(a) A player's interactive gaming account may be funded through the use of all of the following:

(1) Cash deposits made directly with the interactive gaming certificate holder or interactive gaming operator licensee.

(2) Personal checks, cashier's checks, wire transfer and money order deposits made directly or mailed to the interactive gaming certificate holder or interactive gaming operator licensee.

(3) A player's credit card or debit card, including prepaid cards.

(4) A player's deposit of cash, gaming vouchers or gaming chips at a cashiering location approved by the Board.

(5) A player's reloadable prepaid card, which has been verified as being issued to the player and is nontransferable.

(6) Cash complimentaries, promotional credits or bonus credits.

(7) Winnings.

(8) Automated clearing house (ACH) transfer, provided that the interactive gaming certificate holder or interactive gaming operator licensee has security measures and controls to prevent ACH fraud. A failed ACH deposit attempt may not be considered fraudulent if the player has successfully deposited funds through an ACH transfer on a previous occasion with no

outstanding chargebacks. If the interactive gaming certificate holder or interactive gaming operator licensee suspects fraud after multiple failed ACH deposit attempts, the interactive gaming certificate holder or interactive gaming operator licensee may temporarily freeze or suspend the player's account to investigate and, if the interactive gaming certificate holder or interactive gaming operator licensee determines that fraud has occurred, suspend the player's account.

(9) Adjustments made by the interactive gaming certificate holder or interactive gaming operator licensee following the resolution of disputes provided there is documented notification to the player.

(10) Any other means as approved by the Board.

(b) An interactive gaming certificate holder or interactive gaming operator licensee shall neither extend credit to a player nor allow the deposit of funds into an interactive gaming account that are derived from the extension of credit by affiliates or agents of the interactive gaming certificate holder or interactive gaming operator licensee.

(c) A player's interactive gaming account may not have a negative account balance.

(d) Player account balances must be updated after each game cycle to ensure that sufficient funds are available for any future real money games the player may choose to play.

(e) Interactive gaming certificate holders or interactive gaming operator licensees may not accept or facilitate a wager:

(1) On any interactive game not approved by the Board for play in this Commonwealth.

(2) On any interactive game which the operator knows or reasonably should know is not between individuals.

(3) On any interactive game which the operator knows or reasonably should know is made by a person on the self-exclusion or the Board's exclusion lists.

(4) From a person who the interactive gaming certificate holder or interactive gaming operator licensee knows or reasonably should know is placing the wager in violation of State or Federal law.

(5) From any licensed individual who is not permitted to participate in interactive gaming by virtue of his position with an interactive gaming certificate holder, interactive gaming operator licensee or other affiliated entity.

(f) All adjustments to interactive gaming accounts for amounts of \$500 or under shall be periodically reviewed by supervisory personnel as set forth in the interactive gaming certificate

holder's or interactive gaming operator licensee's internal controls. All other adjustments shall be authorized by supervisory personnel prior to being entered.

§ 812.8. Player loyalty programs.

If player loyalty programs are supported by an interactive gaming system, all of the following must apply:

(1) Redemption of registered player loyalty points earned must be by a secure transaction that automatically debits the points balance for the value of the prize redeemed.

(2) All registered player loyalty database transactions are to be recorded by the interactive gaming system. If the player loyalty program is provided by an external service provider, the interactive gaming system must be capable of securely communicating with that service.

(3) The interactive gaming system must make readily accessible to the registered player all terms and conditions governing each available promotional or bonus feature.

(4) The terms and conditions must be clear and unambiguous, especially when bonuses or promotions are limited to certain tables or nontournament play, or when other specific conditions apply.

§ 812.9. Player account controls.

(a) A player session is started when a player logs in to the interactive gaming system.

(1) A player must be provided with the electronic identifier created by the interactive gaming certificate holder or interactive gaming operator, if applicable, and a password to start a session.

(2) The interactive gaming system must allow players to change their passwords.

(3) When a player has forgotten his password/PIN, the interactive gaming system must provide a secure process for the reauthentication of the player and the retrieval or resetting, or both, of the password/PIN. Processes for dealing with lost player user IDs or passwords must be clearly described to the player.

(4) When a player logs in to the interactive gaming system, the date and time of his prior player session must be displayed.

(5) Each player session must have a unique identifier assigned by the interactive gaming system which distinguishes the current session from previous and future sessions.

(b) During a peer-to-peer game, the software must permit a player to set an away from computer status (that is, self-imposed session inactivity). This functionality must be fully described in the help screens or applicable terms and conditions.

(1) The away from computer status must disallow all play and also cause the player's turn to be automatically skipped during any round of play which takes place while this status is active.

(2) If a player sets an away from computer status during the middle of a round of play, he automatically forfeits play for that round (for example, for a round of poker, the software must automatically fold the player's hand during the next round of betting).

(3) If a player performs any game action within the game window while in an away from computer status, the status must be removed and the player will be enrolled into the next round of play. Nongame sensitive actions, such as accessing the help menu from the game window do not require this status to be removed.

(4) If action has not been taken by the player within the time period specified in the help screens or the terms and conditions, or both, the player must be automatically placed into the away from computer status.

(5) If a player has been in the away from computer status for over 30 minutes, the player must be automatically logged out of the game or player account, or both.

(c) Interactive gaming systems must employ a mechanism that detects session inactivity and terminates a player session when applicable.

(1) If the interactive gaming system fails to receive a response from the interactive gaming device within 30 minutes, whether the player has been in away from computer mode or not, the interactive gaming system must implement a user inactivity timeout and terminate the player session.

(2) If a player session is terminated due to player inactivity timeout, the interactive gaming device must display to the player the player session termination (that is, the user inactivity timeout) upon the player's next attempted action on the interactive gaming system.

(3) Further game play is not permitted until the interactive gaming system and the interactive gaming device establish a new session.

(d) A player session ends when:

(1) The player notifies the interactive gaming system that the session is finished (for example, logs out).

(2) A session inactivity timeout is reached.

(3) The interactive gaming system terminates the session.

(i) When the interactive gaming system terminates a player session, a record must be written to an audit file that includes the termination reason.

(ii) The interactive gaming system must attempt to send a session finished message to the interactive gaming device each time a session is terminated by the interactive gaming system.

(e) A responsible gaming page must be readily accessible from any screen where game play may occur. The responsible gaming page must contain, at a minimum, all of the following:

(1) Information about potential risks associated with gambling and where to get help for a gambling problem.

(2) A list of the responsible gaming measures that can be invoked by the player, such as player session time limits and bet limits, and an option to enable the player to invoke those measures.

(3) Mechanisms which detect unauthorized use of the player's account, such as observing the Last Log in Time Display, the IP address of the last login and reviewing financial account information.

(4) A link to the terms and conditions that the player agreed to be bound to by entering and playing on the site.

(5) A link to the applicable privacy policy.

(6) A link to Board's web site.

(f) All links to player protection services (for example, self-exclusion and other player imposed limits) provided by third parties are to be tested by the interactive gaming certificate holder or interactive gaming operator licensee periodically as required by the Board. Game play may not occur when links used to supply information on player protection services are not displayed or are not operational. When the link to player protection services is no longer available, the interactive gaming certificate holder or interactive gaming operator licensee shall provide an alternative support service.

(g) Players must be provided with a clear mechanism to impose self-limitations for gaming parameters including deposits, wagers, losses and player session durations as required by the Board. The self-limitation mechanism must provide all of the following functionality:

(1) Any decrease to self-limitations for gaming must be effective no later than the player's next login. Any increase to these limits must become effective only after the time-period of the previous limit has expired and the player reaffirms the requested increase.

(2) A deposit limit as determined by the player must be offered on a daily, weekly and monthly basis, and must specify the maximum amount of money a player may deposit into his interactive gaming account during the designated period of time.

(3) A spend limit as determined by the player must be offered on a daily, weekly and monthly basis, and must specify the maximum amount of player deposits that may be put at risk during a designated period of time.

(4) A time-based limit as determined by the interactive gaming account holder must be offered on a daily basis and must specify the maximum amount of time that a player may spend playing on an interactive gaming system, provided that if the time-based limit is reached a player will be permitted to complete any round of play, or active or prepaid tournament.

(i) The self-limitations set by a player may not override any system imposed limitations or contradict information within the game rules.

(ii) Once established by a player and implemented by the interactive gaming system, it must only be possible to reduce the self-limitations upon 24-hour notice.

(h) The interactive gaming system must be capable of applying system-imposed limits as required by the terms and conditions agreed to by the player upon registration and as required by the Board. System-imposed limits must adhere to all of the following:

(1) Players must be notified in advance of any system-imposed limits and their effective dates.

(2) Once updated, system-imposed limits must be consistent with what is disclosed to the player.

(3) Upon receiving any system-limitation request, the interactive gaming system must ensure that all specified limits are correctly implemented immediately or at a specified time (that is, next login, next day, and the like) that was clearly indicated to the player.

(4) In cases when system-imposed limitation values (for example, deposit, wager, loss and player session duration) are greater than self-imposed player limit values, the system-imposed limitations must take priority.

(i) Players must be provided with an easy and obvious mechanism to self-exclude from game play. The self-exclusion mechanism must provide all of the following functionality:

(1) The player must be provided with the option to self-exclude temporarily for a specified period of time as defined in the terms and conditions, or indefinitely.

(2) In the case of temporary self-exclusion, the interactive gaming system must ensure that:

(i) Immediately upon receiving the self-exclusion order, new bets or deposits are not accepted from that player until the temporary self-exclusion has expired.

(ii) During the temporary self-exclusion period, the player is not prevented from withdrawing any or all of his account balance, provided that the interactive gaming system acknowledges that the funds have cleared.

(iii) In the case of indefinite self-exclusion, the interactive gaming system must ensure that:

(A) The player is paid in full for his account balance, provided that the interactive gaming system acknowledges that the funds have cleared.

(B) All player accounts must be closed or deactivated.

(j) The interactive gaming system must provide a clear mechanism to advise the player of the right to make a complaint against the interactive gaming certificate holder, interactive gaming operator licensee or another player (that is, when collusion is suspected or when a player is disruptive or abusive).

§ 812.10. Player withdrawals.

(a) An interactive gaming certificate holder or interactive gaming operator licensee shall establish protocols for players to withdraw funds, whether an interactive gaming account is open or closed.

(b) An interactive gaming certificate holder or interactive gaming operator licensee shall prevent unauthorized withdrawals from an interactive gaming account.

(c) Funds may be withdrawn from a player's interactive gaming account for all of the following:

(1) The funding of game play.

(2) A cash-out at the cashier's cage immediately upon player's request.

(3) A cash-out through the issuance of a check from the interactive gaming certificate holder or interactive gaming operator licensee.

(4) A cash-out transfer to a player's reloadable prepaid cash card, which has been verified as being issued to the player and is nontransferable.

(5) Adjustments made by the interactive gaming certificate holder or interactive gaming operator licensee following the resolution of disputes provided there is documented notification to the player.

(6) Cash-out transfers directly to the player's individual account with a bank or other financial institution (banking account) provided that the interactive gaming certificate holder or interactive gaming operator licensee verifies the validity of the account with the financial institution.

(7) Any other means approved by the Board.

(d) An interactive gaming certificate holder or interactive gaming operator licensee may not permit a player to transfer funds to another player.

§ 812.11. Player account statements.

(a) At the request of a player, interactive gaming systems must provide an interactive gaming account statement which must include detailed account activity for at least the 6 months preceding the request. In addition, an interactive gaming system must, upon request, be capable of providing a summary statement of all player activity during the past year. Information to be provided on the summary statement must include, at a minimum, all of the following:

- (1) Deposits to the interactive gaming account.
- (2) Withdrawals from the interactive gaming account.
- (3) Win or loss statistics.
- (4) Beginning and ending account balances.
- (5) Self-imposed responsible gaming limit history, if applicable.

(b) Account statements must be sent to the registered address (e-mail or first class) of the player upon request for the time period specified.

§ 812.12. Suspended accounts.

(a) Interactive gaming systems must employ a mechanism to place an interactive gaming account in a suspended mode:

(1) When requested by the player for a specified period of time, which may not be less than 72 hours.

(2) When required by the Board.

(3) When initiated by an interactive gaming certificate holder or interactive gaming operator licensee that has evidence to indicate all of the following:

- (i) Illegal activity.

(ii) A negative player account balance.

(iii) A violation of the terms of service has taken place on an authorized registered player's interactive gaming account.

(b) When an interactive gaming account is in a suspended mode, the interactive gaming certificate holder or interactive gaming operator licensee may not remove funds from the account without prior approval from the Board. In addition, the interactive gaming system must do all of the following:

(1) Prevent the player from engaging in interactive gaming.

(2) Prevent the player from depositing funds.

(3) Prevent the player from withdrawing funds from his interactive gaming account, unless the suspended mode was initiated by the player.

(4) Prevent the player from making changes to his interactive gaming account.

(5) Prevent the removal of the interactive gaming account from the interactive gaming system.

(6) Prominently display to the authorized player that the account is in a suspended mode, the restrictions placed on the account and any further course of action needed to remove the suspended mode.

(c) An interactive gaming certificate holder or interactive gaming operator licensee shall notify the player by mail (first class or e-mail) whenever his interactive gaming account has been closed or placed in a suspended mode. The notification must include the restrictions placed on the account and any further course of action needed to remove the restriction.

(d) A suspended account may be restored:

(1) Upon expiration of the time period established by the player.

(2) When permission is granted by the Board.

(3) When the interactive gaming certificate holder or interactive gaming operator licensee has lifted the suspended status.

§ 812.13. Dormant accounts.

(a) An interactive gaming account will be deemed dormant if there is no activity (login, game play, withdrawal, and the like) for 1 year.

(b) Interactive gaming certificate holders and interactive gaming operator licensees shall provide notification to the player at the player's registered address (physical or electronic) if the player's interactive gaming account remains dormant for 1 year.

(c) Funds remaining on deposit in an interactive gaming account which is dormant and for which the player has not requested payment must be abandoned 60 days after the notice in subsection (b) is provided. Interactive gaming certificate holders and interactive gaming operator licensees shall report abandoned funds from dormant accounts in accordance with rules and regulations on abandoned and unclaimed property set forth by the Pennsylvania Treasury, Bureau of Abandoned and Unclaimed Property.

§ 812.14. Use of player data.

(a) An interactive gaming certificate holder, interactive gaming operator licensee, or an employee or other person engaged in duties related to the conduct of interactive gaming may not disclose information about the name of a player, or other identifying information.

(b) Interactive gaming certificate holders or interactive gaming operator licensees with employees who have direct contact with players by phone, e-mail, electronic chat or other means shall implement training for those employees, at the start of their employment and at regular intervals thereafter, addressing recognition of the nature and symptoms of problem gambling behavior and how to assist players in obtaining information regarding help for a gambling problem and self-exclusion program.

CHAPTER 813. INTERACTIVE GAMING ADVERTISEMENTS, PROMOTIONS AND TOURNAMENTS

Sec.

813.1. Definitions.

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813.3. Promotions.

813.4. Interactive gaming tournaments.

813.5. Record retention and reports.

§ 813.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Celebrity player—A well-known or professional interactive gaming player who is under agreement with an interactive gaming certificate holder or interactive gaming operator licensee whereby the interactive gaming certificate holder or interactive gaming operator licensee pays the celebrity player a fixed sum to engage in interactive gaming with the certificate holder's players as an advertising or promotional enticement to its customers.

Promotion—An event conducted by an interactive gaming certificate holder or an interactive gaming operator licensee that provides or offers registered or prospective players cash, credits, merchandise, coupons, players club credits, or points, bonuses or anything else of value to entice the player to wager with the interactive gaming certificate holder or interactive gaming operator licensee.

Restricted interactive gaming credit—Interactive gaming funds that cannot be cashed out by the player until the wagering requirements or other restrictions associated with those funds are met in accordance with disclosed terms and conditions.

§ 813.2. Advertising.

(a) Interactive gaming certificate holders and interactive gaming operator licensees shall comply with § 501a.7 (relating to advertising).

(b) Advertising utilized by interactive gaming certificate holders and interactive gaming operator licensees may not:

- (1) Consist of indecent or offensive graphics or audio, or both.
- (2) Obscure the game play area or obstruct a game in progress.
- (3) Contain content that contradicts the game rules or terms and conditions.
- (4) Specifically target players which have been excluded from play.

(c) Interactive gaming certificate holders and interactive gaming operator licensees may utilize celebrity or other players to participate in peer-to-peer games for advertising or publicity purposes provided:

(1) The interactive gaming certificate holder or an interactive gaming operator licensee clearly identifies the celebrity player to the players.

(2) The interactive gaming certificate holder or an interactive gaming operator licensee does not realize a profit beyond the rake for hosting the celebrity player.

(3) The interactive gaming certificate holder or an interactive gaming operator licensee shall include winnings by the celebrity player in its gross gaming revenue if the certificate holder or licensee does not permit the celebrity player to retain these funds.

(d) An interactive gaming certificate holder or an interactive gaming operator licensee that contracts with a celebrity player to advertise or promote its services may fund the celebrity player's interactive gaming account in full or in part. The certificate holder or licensee may also pay the celebrity player a one-time or flat fee for his services.

(e) A celebrity player engaged in interactive gaming in this Commonwealth pursuant to an agreement with an interactive gaming certificate holder or an interactive gaming operator licensee for advertising or promotional purposes may or may not utilize his own funds to wager.

§ 813.3. Promotions.

(a) An interactive gaming certificate holder or interactive gaming operator licensee shall, at least 5 days prior to implementing a promotion, submit terms and conditions of each promotion to the Bureau of Gaming Operations. The terms and conditions must include, at a minimum, all of the following:

- (1) A description of what is being offered as part of the promotion.
- (2) The dates and times that the promotion is being conducted.
- (3) The persons who are eligible to participate in the promotion.
- (4) The required action to receive whatever is being offered as part of the promotion.
- (5) The procedure to claim or redeem the promotional offer, if applicable.
- (6) Registration procedures.
- (7) Limitations on participation.
- (8) Wagering requirements and limitations by type of game.
- (9) The order in which funds are used for wagering.
- (10) Eligible games.
- (11) Any restrictions on the withdrawal of funds.
- (12) Rules regarding cancellation.
- (13) The statement “If you or someone you know has a gambling problem, help is available. Call 1-800-GAMBLER.”
- (14) Any other information the Board may require.

(b) An interactive gaming certificate holder or an interactive gaming operator licensee shall designate one employee responsible for submitting promotions to the Bureau of Gaming Operations. The designated employee shall provide a signed attestation with the submitted promotion indicating the employee has reviewed the promotion for compliance with Board

regulations. The designated employee shall serve as the point of contact between a certificate holder or a licensee and the Board on all submitted promotions.

(c) An interactive gaming certificate holder or interactive gaming operator licensee shall be responsible for the submission of the terms and conditions of promotions and the conduct of all promotions offered directly or indirectly by a third-party vendor or marketing affiliate on behalf of the interactive gaming certificate holder or an interactive gaming operator licensee.

(d) The terms and conditions of all promotions communicated to players must be posted on the interactive gaming certificate holder's home webpage as well as any skins the interactive gaming certificate holder operates or an interactive gaming operator licensee operates on behalf of an interactive gaming certificate holder. The terms and conditions must be stated in a clear and conspicuous manner using plain language and be readily accessible and available for review for the duration of the promotion (even after player accepts a promotion).

(e) An interactive gaming certificate holder or interactive gaming operator licensee shall provide a clear and conspicuous method for a player to cancel his participation in a promotion that utilizes restricted interactive gaming credits. Upon request for cancellation, the interactive gaming certificate holder or interactive gaming operator shall inform the player of the amount of unrestricted funds that will be returned upon cancellation and the value of restricted funds that will be removed from the player's interactive gaming account. If the player elects to proceed with cancellation, unrestricted funds remaining in a player's interactive gaming account must be returned in accordance with the terms and conditions.

(f) An interactive gaming certificate holder or interactive gaming operator licensee may not, once a player has met the terms of a promotion, cap or limit winnings earned while participating in the promotion.

(g) An interactive gaming certificate holder or an interactive gaming operator may be required to discontinue, as expeditiously as possible, the use of a particular promotion upon receipt of written notice from the Bureau of Gaming Operations that the Bureau of Gaming Operations has determined that the use of the particular promotion in, or with respect to, this Commonwealth could adversely impact the public or the integrity of gaming.

(h) An interactive gaming certificate holder or interactive gaming operator licensee may not offer or conduct a promotion which violates any Federal, State or local law.

(i) An interactive gaming certificate holder or an interactive gaming operator shall develop and submit to the Board, as part of the submission required as part of the certificate holder's or licensee's internal controls, procedures governing the conduct of all promotions to be offered by an interactive gaming certificate holder or interactive gaming operator licensee.

§ 813.4. Interactive gaming tournaments.

(a) An organized event that permits a player to purchase or be awarded the opportunity to engage in competitive play against other players (that is, a tournament) may be permitted providing all of the following:

(1) Prior to conducting an interactive gaming tournament, an interactive gaming certificate holder or an interactive gaming operator licensee shall file for approval of the terms and conditions of each interactive gaming tournament type with the Bureau of Gaming Operations as part of the certificate holder's or licensee's internal controls. The terms and conditions shall be followed and include, at a minimum, all of the following:

(i) Game type (for example, hold'em poker).

(ii) Rules concerning tournament play and participation.

(iii) All conditions registered players shall meet to qualify for entry into, and advancement through, the tournament.

(iv) Any conditions concerning late arrivals or complete tournament no-shows and how auto-blind posting or initial entry purchase, or both, is handled.

(v) Funding source amounts comprising the prize pool (for example, buy-ins, re-buys or add-ons).

(vi) Prize structure on payout.

(vii) Methodology for determining win.

(viii) Any other information as the Board may require.

(2) While enabled for tournament play, a game may not accept real money from any source, nor pay out real money in any way, and must utilize tournament specific credits, points or chips which do not have cash value.

(b) The terms and conditions of all interactive gaming tournaments communicated to players shall be posted on the interactive gaming web site and stated in a clear and conspicuous manner using plain language. The terms and conditions of each interactive gaming tournament must be readily accessible and remain available for review by the player until the interactive gaming tournament is complete.

(c) An interactive gaming certificate holder or an interactive gaming operator licensee may be required to discontinue, as expeditiously as possible, an interactive gaming tournament upon receipt of written notice from the Board's Executive Director that the Board's Executive Director has determined that the conduct of an interactive gaming tournament could adversely impact the public or the integrity of gaming.

(d) An interactive gaming certificate holder or an interactive gaming operator licensee shall submit a notice of intent to conduct an interactive gaming tournament at least 5 business days prior to the start of the tournament. The notice shall be submitted electronically to the Bureau of Gaming Operations using the Internal Controls & Table Games Submission Form, which is posted on the Board's web site, and must include all of the following:

- (1) The type of game to be played.
- (2) The dates and times the tournament will be conducted.
- (3) Participation eligibility requirements including all of the following:
 - (i) Who is eligible to participate.
 - (ii) The minimum and maximum number of participants.
 - (iii) Entry fees charged.
- (4) The monetary amount or description of the prizes to be awarded.
- (5) Any other information as the Board may require.

(e) Submission of a proposed schedule may not require the interactive gaming certificate holder or interactive gaming operator licensee to conduct all tournaments in the schedule.

(f) An interactive gaming certificate holder or interactive gaming operator licensee may seek to amend or modify the schedule at any time by filing a written request with the Board's Executive Director.

(g) An interactive gaming certificate holder or interactive gaming operator licensee shall maintain records related to the conduct of interactive gaming tournaments in accordance with § 465a.6(c) (relating to retention, storage and destruction of books, records and documents). These records shall be made available to Board staff and the Department upon request and must include all of the following:

- (1) A full accounting of gross interactive gaming revenue for each tournament including cash received as entry fees and the total of cash or cash equivalents paid out to registered players.
- (2) The names and addresses of all prize winners and the prize each winner was awarded.

§ 813.5. Record retention and reports.

(a) Unless otherwise approved by the Board, a record of all bonus and promotional wagering offers related to interactive gaming shall be maintained in an electronic file that is

readily available to the Board. All bonus and promotional wagering offers must be stated in clear and unambiguous terms and be readily accessible by the patron.

(b) Unless otherwise exempted by the Board, a gaming system must record all promotional offers (Promotions Log) issued through the system. The log must provide the information necessary to audit compliance with the terms and conditions of current and previous offers.

(c) An interactive gaming system must be able to provide a Promotional Account Summary Report (or similarly named report) on demand for any player loyalty promotions or bonuses, or both, that are redeemable for cash, monetary game play credits or merchandise. The report must contain, at a minimum, all of the following information:

- (1) Beginning balance for promotion type.
- (2) Total amount of awards by promotion type.
- (3) Total amount used by promotion type.
- (4) Total amount expired by promotion type.
- (5) Total adjustment amount by promotion type.
- (6) Ending balance by promotion type.

CHAPTER 814. COMPULSIVE AND PROBLEM GAMBLING REQUIREMENTS

Sec.

814.1. General requirements.

814.2. Responsible gaming self-limits.

814.3. Compulsive and problem gambling plan.

814.4. Employee training program.

814.5. Reports.

814.6. Website requirements.

§ 814.1. General requirements.

(a) Interactive gaming shall only be engaged in by registered players who have established an interactive gaming account for interactive gaming.

(b) The message “IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM, HELP IS AVAILABLE, CALL 1-800-GAMBLER,” or comparable language approved the Board, must be prominently displayed to a person visiting or logging onto and logging off of the interactive gaming certificate holder or interactive gaming operator licensee's interactive gaming skin.

(c) When a registered player logs on to an interactive gaming system, the system must display the date and time of the registered player's previous log on.

(d) If a registered player has suspended his account, an interactive gaming certificate holder or interactive gaming operator licensee may not send gaming-related electronic or direct postal mail to that player while the account is suspended.

(e) Software utilized for interactive gaming must display the all of following information, in addition to the minimum display standards in this subpart:

(1) The current time in the time zone where the registered player is physically located and the time elapsed while in the current registered player session.

(2) Cause a pop-up notification, at least every hour, to be prominently displayed on the interactive gaming device advising the registered player of the amount of time elapsed since his log on, and the amount of money wagered since his log on.

(3) Offer the registered player the option to select a pop-notification, in 15-minute and 30-minute increments, advising the registered player of the amount of money wagered since his log on.

(4) Offer the option to activate self-imposed limits during the player account registration process.

(f) An interactive gaming certificate holder or interactive gaming operator licensee offering interactive gaming shall have a dedicated employee responsible for notifying the Board upon detecting a person participating in interactive gaming who is required to be excluded under Board regulations or any person who is otherwise prohibited from engaging in interactive gaming. This employee shall be licensed as a key employee.

(g) All terms and conditions for interactive gaming must be included as an appendix to the internal controls or, when specified, as part of the interactive gaming compulsive and problem gambling plan of the interactive gaming certificate holder or interactive gaming operator licensee addressing all aspects of the operation, including all of the following:

(1) Registered player's right to set responsible gaming limits and to self-exclude.

(2) Registered player's right to suspend his account for any selected period of time.

(3) Information to be displayed on a registered player protection page, which shall be accessible to a registered player during a registered player session. The registered player protection page must contain, at a minimum, all of the following:

(i) A prominent message, which states “If you or someone you know has a gambling problem, help is available. Call 1-800-Gambler” in a size and font as approved the Director of the Office of Compulsive and Problem Gaming (OCPG).

(ii) A direct link to all of the following:

(A) The Council on Compulsive Gambling of Pennsylvania's web site.

(B) The Department of Drug and Alcohol Programs' (or successor agency) gambling addiction participating provider list webpage.

(C) The OCPG webpage.

(iii) All of the following responsible gaming information that shall be approved by the Board's Director of the OCPG:

(A) A clear statement of the interactive gaming certificate holder or interactive gaming operator licensee's policy and commitment to responsible gaming.

(B) Informational documents, which shall be reviewed and updated annually by the interactive gaming certificate holder or interactive gaming operator licensee, regarding all of the following subjects, or a direct link to information regarding all of the following subjects, if available, from an organization based in this Commonwealth or the United States dedicated to helping people with potential gambling disorders and labeled as:

(I) Rules of responsible gambling.

(II) Myths about gambling.

(III) Risks associated with gambling.

(IV) Signs and symptoms of gambling disorders.

(V) The Board's self-exclusion brochure.

(C) Rules governing self-imposed responsible gaming limits, including all of the following:

(I) List of each type of self-imposed limit.

(II) How to enroll in each type of self-imposed limit.

(iv) The following statement: “A person who has enrolled in interactive gaming self-exclusion or has otherwise been excluded from interactive gaming activities, and individuals who are under the age of 21, shall not participate in interactive gaming or interactive

gaming activities and will have their winnings forfeited and interactive gaming accounts suspended upon violation.” The text and font size of the notices shall be submitted for approval to the Director of the OCPG.

(h) An interactive gaming system must comport with all requirements regarding player accounts in Chapter 812 (relating to interactive gaming player accounts—temporary regulations).

§ 814.2. Responsible gaming self-limits.

An interactive gaming system must be capable of allowing a registered player to establish the following responsible gaming limits. Any decrease to these limits may not be effective later than the registered player's next login. Any increase to these limits must become effective only after the time period of the previous limit has expired and the registered player reaffirms the requested increase:

(1) A deposit limit must be offered on a daily, weekly and monthly basis and must specify the maximum amount of money a registered player may deposit into his interactive gaming account during a particular period of time.

(2) A limit on the amount of money lost within a daily, weekly and monthly basis must be offered. The registered player shall be unable to participate in gaming for the remainder of the time selected if the registered player reaches the loss limit.

(3) A limit on the maximum amount of any single wager on any interactive game.

(4) A time-based limit must be offered on a daily basis and must specify the maximum amount of time, measured hourly from the registered player's login to log off, a registered player may spend engaging in interactive gaming, provided that if the time-based limit is reached a registered player is permitted to complete any round of play, or active or prepaid tournament.

(5) A temporary suspension of interactive gaming through the interactive gaming account must be offered for any number of hours or days, as selected by the registered player.

(6) The interactive gaming certificate holder or interactive gaming operator licensee shall provide a mechanism by which a registered player may change the controls of paragraphs (1)— (5). Notwithstanding any other provision in this section, the registered player may not change gaming controls while an interactive gaming account is suspended. The registered player shall continue to have access to the interactive gaming account and shall be permitted to withdraw funds from the account upon proper application for the funds to the interactive gaming certificate holder or interactive gaming operator licensee.

§ 814.3. Compulsive and problem gambling plan.

(a) An interactive gaming certificate or interactive gaming operator applicant shall submit a compulsive and problem gambling plan for review at the time of submission of the application that conforms with § 501a.2 (relating to compulsive and problem gambling plan).

(b) In addition to the requirements in § 501a.2, an interactive gaming certificate holder's or interactive gaming operator applicant's compulsive and problem gambling plan must include all of the following:

(1) The goals of the plan.

(2) The identification of the individual who will be responsible for the implementation and maintenance of the plan.

(3) Policies and procedures including all of the following:

(i) The commitment of the interactive gaming certificate holder or interactive gaming operator licensee to train appropriate employees.

(ii) The duties and responsibilities of the employees designated to implement or participate in the plan, including the dedicated employee who is responsible for ensuring the operation and integrity of interactive gaming and reviewing all reports of suspicious behavior.

(iii) The responsibility of registered players with respect to responsible gambling.

(iv) Procedures to identify registered players and employees with suspected or known compulsive and problem gambling behavior.

(v) Procedures for prominently posting the message "IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM, HELP IS AVAILABLE, CALL 1-800-GAMBLER," or comparable language approved by the Board, on all interactive gaming sites and displaying the message to a person visiting or logging onto and logging off the interactive gaming certificate holder or interactive gaming operator licensee's interactive gaming skin or interactive gaming web site.

(vi) Procedures on displaying the date and time of the registered player's previous log on each time that registered player logs on to his interactive gaming account.

(vii) Procedures for preventing an underage person or a person on the interactive gaming self-exclusion list from being mailed any advertisement, promotion or other target mailing, including those sent electronically, no later than 5 business days after receiving notice from the Board that the person has been placed on the interactive gaming self-exclusion list.

(viii) A policy and procedures for the display of the time in the time zone where the registered player is physically located and the time elapsed while in the current registered player session and the cause of a pop-up notification, at least every hour, to be prominently displayed on the interactive gaming device advising the registered player of the amount of money wagered since his log on.

(ix) Procedures for offering registered players the option to select a pop-up notification in 15-minute and 30-minute increments advising the registered player of the amount of money wagered since his log on.

(x) Procedures for reviewing, updating and posting information on the interactive gaming certificate holder or interactive gaming operator licensee's web site regarding gambling addiction treatment services, gamblers anonymous programs, compulsive gambling organizations and informational documents on all of the following:

- (A) Rules of responsible gambling.
- (B) Myths about gambling.
- (C) Risks associated with gambling.
- (D) Signs and symptoms of gambling disorders.
- (E) Randomness of play.

(xi) Procedures for posting links to all of the following organizations' web sites on the interactive gaming certificate holder/operator licensee's web site:

- (A) The Council on Compulsive Gambling of Pennsylvania.
- (B) The National Council on Problem Gambling.
- (C) The Department of Drug and Alcohol Programs' (or successor agency) gambling addiction participating provider list.
- (D) Gamblers Anonymous of PA.
- (E) Gam-Anon of PA.
- (F) The Board's Office of Compulsive and Problem Gambling.
- (G) A Pennsylvania or United States suicide prevention organization's webpage and telephone number.

(xii) Procedures for responding to patron requests for information regarding gambling addiction treatment services, gamblers anonymous programs, compulsive gambling organizations, and other and informational documents.

(A) The interactive gaming certificate holder or interactive gaming operator licensee shall provide examples of the materials to be used as part of its plan, including the problem gambling helpline number and message, informational documents and other posted material, including all of the following:

(I) Rules of responsible gambling.

(II) Myths about gambling.

(III) Risks associated with gambling.

(IV) Signs and symptoms of gambling disorders.

(V) Randomness of play.

(VI) Self-exclusion brochure.

(4) Policies and procedures on the governing of self-imposed limits and suspension.

(5) An employee training program as required under this chapter, including training materials to be utilized and a plan for annual reinforcement training.

(6) A certification process established by the interactive gaming certificate holder or interactive gaming operator licensee to verify that each employee has completed the training required by the plan.

(7) An estimation of the cost of development, implementation and administration of the plan.

(8) Procedures to prevent underage gambling as required under § 513a.3(b) (relating to responsibilities of licensees, permittees, registrants and certification holders).

(9) Procedures to prevent excluded persons from gambling.

(10) Procedures to monitor all interactive gaming sites for suspicious activity including those who are:

(i) Engaging in or attempting to engage in, or who are reasonably suspected of, cheating, theft, embezzlement, collusion, money laundering or any other illegal activities.

(ii) Required to be excluded under Board regulations.

(iii) Prohibited by the interactive gaming certificate holder or interactive operator licensee from interactive gaming.

(11) Procedures on the reporting of those who may have or have a known gambling disorder.

(12) Details of outreach programs which the interactive gaming certificate holder or interactive gaming operator licensee intends to offer to employees and individuals who are not employees of the interactive gaming certificate holder or interactive gaming operator licensee.

(13) The plan for posting the statement “If you or someone you know has a gambling problem, help is available. Call 1-800-GAMBLER” on the interactive gaming certificate holder's or interactive gaming operator licensee's webpage and each skin.

(c) The compulsive and problem gambling plan of an applicant for an interactive gaming certificate or interactive gaming operator license that has been approved to receive an interactive gaming certificate or interactive gaming operator license shall be approved by the Director of the Office of Compulsive and Problem Gaming (OCPG). An applicant for an interactive gaming certificate or interactive gaming operator license who has been approved to receive an interactive gaming certificate or interactive gaming operator license will be notified in writing of any deficiencies in the plan and may submit revisions to the plan to the Director of the OCPG. An interactive gaming certificate holder or interactive gaming operator licensee may not commence operations until the Director of the OCPG approves the plan.

(d) Compliance with the plan approved under this chapter will be a condition of interactive gaming certificate or interactive gaming operator license renewal.

(e) An interactive gaming certificate holder or interactive gaming operator licensee shall submit any other policies and procedures intended to be used beyond what is required under subsection (d) to prevent and raise awareness of gambling disorders.

(f) An interactive gaming certificate holder or interactive gaming operator licensee shall submit amendments to the compulsive and problem gambling plan to the Director of the OCPG for review and approval at least 30 days prior to the intended implementation date of the amendments. The interactive gaming certificate holder or interactive gaming operator licensee may implement the amendments on the 30th calendar day following the filing the amendments unless the interactive gaming certificate holder or interactive gaming operator licensee receives a notice under subsection (h) objecting to the amendments.

(g) If during the 30-day review period the Director of the OCPG determines that the amendments may not promote the prevention of compulsive and problem gambling or assist in the proper administration of responsible gaming programs, the Director of the OCPG may, by written notice to the interactive gaming certificate holder or interactive gaming operator licensee, object to the amendments. The objection will:

(1) Specify the nature of the objection and, when possible, an acceptable alternative.

(2) Direct that the amendments not be implemented until approved by the Director of the OCPG.

(h) When amendments have been objected to under subsection (h), the interactive gaming certificate holder or interactive gaming operator licensee may submit revised amendments for review in accordance with subsections (g) and (h).

§ 814.4. Employee training program.

(a) The annual employee training program required under this chapter must include instruction on all of the following:

(1) Characteristics and symptoms of compulsive behavior, including compulsive and problem gambling.

(2) The relationship of gambling disorders to other addictive behavior.

(3) The social and economic consequences of a gambling disorder, including debt, treatment costs, suicide, criminal behavior, unemployment and domestic issues.

(4) Techniques to be used when a gambling disorder is suspected or identified.

(5) Techniques to be used to discuss a gambling disorder with registered players and advise registered players to contact 1-800-GAMBLER to receive information regarding community, public and private treatment services.

(6) Procedures for suspending an interactive gaming account belonging to an underage individual or a person on the interactive gaming self-exclusion list, if necessary, procedures that include obtaining the assistance of appropriate law enforcement personnel.

(7) Procedures for preventing an excluded person or a person on the interactive gaming self-exclusion list from being mailed any advertisement, promotion or other target mailing no later than 5 business days after receiving notice from the Board that the person has been placed on the interactive gaming self-exclusion list.

(8) Procedures for preventing an individual under 21 years of age from receiving any advertisement, promotion or other target mailing.

(9) Procedures to prevent an individual under 21 years of age or a person on the interactive gaming self-exclusion list from having access to or from receiving complimentary services, or other like benefits.

(b) Training and training materials shall be updated annually and include current research and information on responsible and problem gambling.

(c) As part of each employee's orientation, and prior to the start of their job duties, responsible and problem gambling training for employees shall be conducted by a person with specialized knowledge, skill, training and experience in responsible gaming employee training programs as part of the employee's orientation. If an online training program is utilized, the training shall be created and maintained by a person with specialized knowledge, skill, training and experience in responsible gaming employee training programs.

(d) Employees who have received training shall be certified by the interactive gaming certificate holder or interactive gaming operator licensee under this chapter upon completion of the training.

(e) Employees are required to receive periodic reinforcement training at least once every calendar year starting with the year following the year in which the employee was hired. The date of the reinforcement training shall be recorded in each employee's personnel file.

(f) Employees shall report persons with a suspected or identified gambling disorder to a designated key employee or other supervisory employee.

(g) The identity of an individual with suspected or known problem gambling behavior must be confidential except as provided under Board regulations regarding interactive gaming self-exclusion list and section 1516(d) of the act (relating to list of persons self-excluded from gaming activities).

(h) An interactive gaming certificate holder or interactive gaming operator licensee may collaborate with a person with specialized knowledge, skill, training and experience in responsible gaming employee training programs to develop an in-house or Internet-based employee training program to provide the training and reinforcement training required under this chapter.

(i) Policies or procedures, or both, that interactive gaming certificate holder or interactive gaming operator licensees may enact that are more stringent than those listed in these regulations, including stricter rules for those who sign up for a self-exclusion list.

§ 814.5. Reports.

(a) An interactive gaming certificate holder or interactive gaming operator licensee shall submit to the Director of the Office of Compulsive and Problem Gaming (OCPG) an annual summary of its compulsive and problem gambling program by the last business day of July.

(b) The annual summary must contain, at a minimum, detailed information regarding all of the following:

(1) Employee training, including all of the following:

(i) The dates of new hires and annual reinforcement compulsive gambling training.

(ii) The individual or group who conducted the training.

(iii) The number of employees who completed the new hire compulsive gambling training.

(iv) The number of employees who completed the annual reinforcement compulsive gambling training.

(2) The amount spent on the Compulsive and Problem Gambling Plan for all of the following:

(i) Employee training.

(ii) Outreach including community training and sponsorships.

(3) Additional information including all of the following:

(i) The number of underage individuals who were denied interactive gaming access.

(ii) The number of self-excluded individuals who were denied interactive gaming access.

(iii) A summary of any community outreach conducted by the certificate holder/operator licensee.

§ 814.6. Website requirements.

Under section 1509(c) of the act (relating to compulsive and problem gambling program), each interactive gaming certificate holder/operator licensee shall cause the words “IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM, HELP IS AVAILABLE, CALL 1-800-GAMBLER” or comparable language approved by the Board, which must include the words “gambling problem” and “call 1-800-GAMBLER” to be prominently displayed to a person visiting or logging onto the interactive gaming certificate holder or interactive gaming operator licensee's interactive gaming skin or interactive gaming web site.

CHAPTER 815. INTERACTIVE GAMING SELF-EXCLUDED PERSONS

Sec.

815.1. Scope.

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815.8. Disclosures of information related to persons on the interactive self-exclusion list.

§ 815.1. Scope.

The purpose of this chapter is to provide players with a process to self-exclude from interactive gaming activities in this Commonwealth, and detail the process by which individuals may exclude themselves from interactive gaming activity and restore their ability to participate in interactive gaming activity in this Commonwealth.

§ 815.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Fully executed gaming transaction—An activity involving interactive gaming which occurs in this Commonwealth which results in an individual obtaining any money or thing of value from, or being owed any money or thing of value by an interactive gaming certificate holder or interactive gaming operator licensee.

Gaming activity—The play of interactive gaming including play during contests, tournaments or promotional events.

Gaming related activity—An activity related to interactive gaming including applying for player club memberships or credit, cashing checks or accepting a complimentary gift, service, promotional item or other thing of value from an interactive gaming certificate holder, interactive gaming operator licensee or an affiliate thereof.

Interactive gaming self-exclusion list—A list of names and identifying information of persons who, under this chapter, have voluntarily agreed to be:

(i) Excluded from engaging in interactive gaming in this Commonwealth.

(ii) Prohibited from collecting any winnings or recovering any losses resulting from interactive gaming activity in this Commonwealth.

Self-excluded person—A person whose name and identifying information is included, at the person's own request, on the self-exclusion list maintained by the Board.

Winnings—Any money or thing of value received from, or owed by, an interactive gaming certificate holder or interactive gaming operator licensee as a result of a fully executed gaming transaction.

§ 815.3. Requests for interactive gaming self-exclusion.

(a) A person requesting placement on the interactive gaming self-exclusion list shall submit electronically a completed Request for Voluntary Self-Exclusion from Interactive Gaming Only Activities Form available on the Board's web site.

(b) A request for self-exclusion from interactive gaming must include all of the following identifying information:

(1) Name, including any aliases or nicknames.

(2) Date of birth.

(3) Address of current residence.

(4) Telephone number.

(5) Social Security number, when voluntarily provided in accordance with section 7 of the Privacy Act of 1974 (5 U.S.C.A. § 552a).

(6) A physical description of the person that may assist in the identification of the person.

(c) The length of self-exclusion requested by a person must be one of the following:

(1) One year (12 months).

(2) Five years.

(3) Lifetime.

(d) A request for self-exclusion from interactive gaming activities in this Commonwealth must include a signed release which:

(1) Acknowledges that the request for self-exclusion has been made voluntarily.

(2) Certifies that the information provided in the request for self-exclusion is true and accurate.

(3) Acknowledges that the individual requesting self-exclusion is a problem gambler.

(4) Acknowledges that self-exclusions for a 1-year or 5-year period remain in effect until the period of exclusion expires.

(5) Acknowledges that if the individual is discovered participating in interactive gaming, that the individual's interactive gaming account will be suspended and the individual's

winnings will be subject to confiscation and remittance to support compulsive and problem gambling programs.

(6) Releases, indemnifies, holds harmless and forever discharges the Commonwealth, the Board and all interactive gaming certificate holders or interactive gaming operator licensees from claims, damages, losses, expenses or liability arising out of, by reason of or relating to the self-excluded person or to any other party for any harm, monetary or otherwise, which may arise as a result of one or more of the following:

(i) The failure of an interactive gaming certificate holder or interactive gaming operator licensee to withhold interactive gaming privileges from or restore interactive gaming privileges to a self-excluded person.

(ii) Otherwise permitting or not permitting a self-excluded person to engage in interactive gaming activities in this Commonwealth while on the list of interactive gaming self-excluded persons.

(iii) Confiscation of the individual's winnings.

(e) A person submitting an interactive gaming self-exclusion request shall provide a valid government-issued photo identification containing the person's signature and photograph when the person submits the request. If the request is made electronically, the individual shall present a scanned copy of a valid government-issued photo identification containing the person's signature and photograph when the person submits the request.

(f) A person requesting self-exclusion under this chapter shall upload a photo of his current valid government-issued photo identification during self-exclusion enrollment.

§ 815.4. Interactive gaming self-exclusion list.

(a) The Board will maintain the official interactive gaming self-exclusion lists and notify each interactive gaming certificate holder and interactive gaming operator licensee of additions to or deletions from the lists within 5 business days of the verification of the information received under this chapter by first class mail or by transmitting the self-exclusion list electronically directly to each interactive gaming certificate holder and interactive gaming operator licensee.

(b) The notice provided to interactive gaming certificate holders or interactive gaming operator licensees by the Board will include all of the following information concerning a person who has been added to the interactive gaming self-exclusion list:

- (1) Name, including any aliases or nicknames.
- (2) Date of birth.
- (3) Address of current residence.

(4) Telephone number.

(5) Social Security number, when voluntarily provided by the person requesting interactive gaming self-exclusion under section 7 of the Privacy Act of 1974 (5 U.S.C.A. § 552a).

(6) A physical description of the person that may assist in the identification of the person.

(7) A person requesting self-exclusion under this chapter shall upload a photo of his current valid government-issued photo identification during self-exclusion enrollment.

(c) The notice provided to interactive gaming certificate holders and interactive gaming operator licensees by the Board concerning a person whose name has been removed from the interactive gaming self-exclusion list will include the name and date of birth of the person.

(d) An interactive gaming certificate holder and interactive gaming operator licensee shall maintain a copy of the interactive gaming self-exclusion list and establish procedures to ensure that the copy of the interactive gaming self-exclusion list is updated and that all appropriate employees and agents of the interactive gaming certificate holder or interactive gaming operator are notified of any addition to or deletion from the list within 5 business days after the day notice is mailed to each interactive gaming certificate holder or interactive gaming operator or transmitted electronically under subsection (a).

(e) Information furnished to or obtained by the Board under this chapter will be deemed confidential and will not be disclosed except in accordance with this chapter.

(f) Interactive gaming certificate holders or interactive gaming operator licensees, employees or agents thereof may not disclose the name of, or any information about, a person who has requested self-exclusion from interactive gaming to anyone other than employees and agents of the interactive gaming certificate holder or interactive gaming operator licensee whose duties and functions require access to the information. Notwithstanding the foregoing, an interactive gaming certificate holder or interactive gaming operator licensee may disclose the identity of an interactive gaming self-excluded person to appropriate employees of affiliated gaming entities in this or other jurisdictions for the limited purpose of assisting in the proper administration of responsible gaming programs.

(g) An interactive gaming self-excluded person may not collect in any manner or in any proceeding any winnings or recover any losses arising as a result of any interactive gaming activity for the entire period of time that the person is on the Board's interactive gaming self-exclusion lists.

(h) Winnings incurred by an interactive gaming self-excluded person shall be remitted to the Board to support compulsive and problem gambling programs of the Board.

(i) For the purposes of this section, winnings issued to, found on or about or redeemed by an interactive gaming self-excluded person's interactive gaming account shall be presumed to constitute winnings subject to remittance to the Board.

§ 815.5. Certificate holder and licensee duties.

(a) An interactive gaming certificate holder or interactive gaming operator licensee shall train its employees and establish procedures to do all of the following:

(1) Refuse wagers from and deny gaming privileges to an interactive gaming self-excluded person.

(2) Deny gaming related activities and benefits to an interactive gaming self-excluded person.

(3) Ensure that interactive gaming self-excluded persons do not receive, either from the interactive gaming certificate holder, interactive gaming operator licensee or any agent thereof, targeted mailings, telemarketing promotions, player club materials or other promotional materials relating to interactive gaming activities.

(4) Make available to patrons materials explaining the interactive gaming self-exclusion program.

(b) An interactive gaming certificate holder or interactive gaming operator licensee shall submit a copy of its procedures and training materials established under this subsection to the Director of the Office of Compulsive and Problem Gaming (OCPG) for review and approval at least 30 days prior to initiation of interactive gaming activities on interactive gaming sites. The interactive gaming certificate holder or interactive gaming operator licensee will be notified in writing of any deficiencies in the procedures and training materials and may submit revisions to the procedures and training materials to the Director of the OCPG. An interactive gaming certificate holder or interactive gaming operator licensee may not commence operations until the Director of the OCPG approves the procedures and training.

(c) An interactive gaming certificate holder or interactive gaming operator licensee shall submit amendments to the procedures and training materials required under this subsection to the Director of the OCPG for review and approval at least 30 days prior to the intended implementation date of the amendments. The interactive gaming certificate holder or interactive gaming operator licensee may implement the amendments on the 30th calendar day following the filing of the amendments unless the interactive gaming certificate holder or interactive gaming operator licensee receives a notice under this subsection objecting to the amendments.

(d) If during the 30-day review period the Director of the OCPG determines that the amendments to the procedures and training materials may not promote the prevention of interactive gaming by self-excluded individuals or assist in the proper administration of the interactive gaming self-exclusion program, the Director of the OCPG may, by written notice to

the interactive gaming certificate holder or interactive gaming operator licensee, object to the amendments. The objection will:

(1) Specify the nature of the objection and, when possible, an acceptable alternative.

(2) Direct that the amendments not be implemented until approved by the Director of the OCPG.

(e) When the amendments to the procedures and training materials have been objected to under this subsection, the interactive gaming certificate holder or interactive gaming operator licensee may submit revised amendments in accordance with this subsection.

(f) The list of interactive gaming self-excluded persons is confidential, and any distribution of the list to an unauthorized source constitutes a violation of the act.

(g) An interactive gaming certificate holder or interactive gaming operator licensee shall report the discovery of an interactive gaming self-excluded person that did or attempt to engage in interactive gaming related activities to the Director of the OCPG within 24 hours.

§ 815.6. Removal from the interactive gaming self-exclusion list.

(a) For individuals who are on the interactive gaming self-exclusion list for 1 year or 5 years, upon the conclusion of the period of self-exclusion, the individual will be removed from the interactive gaming self-exclusion list without further action on his part.

(b) For individuals who have elected to be interactive gaming self-excluded for less than lifetime, the individual may be removed from the interactive gaming self-exclusion list if all of the following has occurred:

(1) The individual has filed a petition with the Board's Office of Hearings and appeals requesting to be removed from the interactive gaming self-exclusion list.

(2) The individual has presented facts and circumstances which, in the Board's discretion, demonstrate a compelling reason for the Board to grant early removal from the interactive gaming self-exclusion list.

(3) The Board has found by a preponderance of the evidence that the person should be removed from the interactive gaming self-exclusion list and issues an order to that effect.

(c) For individuals who have elected to be interactive gaming self-excluded for lifetime, the individual will not be removed from the interactive gaming self-exclusion list until all of the following has occurred:

(1) At least 10 years has elapsed since the individual placed himself on the video gaming self-exclusion list for lifetime.

(2) The individual has filed a petition with the Board's Office of Hearings and appeals requesting to be removed from the interactive gaming self-exclusion list.

(3) The individual has presented facts and circumstances which, in the Board's discretion, demonstrate a compelling reason for the Board to grant early removal from the lifetime interactive gaming self-exclusion list.

(4) The Board has found by a preponderance of the evidence that the person should be removed from the interactive gaming self-exclusion list and issues an order to that effect.

§ 815.7. Exceptions for individuals on the interactive gaming self-exclusion list.

The prohibition against allowing interactive gaming self-excluded persons to engage in activities related to interactive gaming does not apply to an individual who is on the interactive gaming self-exclusion list if all of the following apply:

(1) The individual is carrying out the duties of employment or incidental activities related to employment.

(2) The individual does not otherwise engage in any interactive gaming activities.

§ 815.8. Disclosures of information related to persons on the self-exclusion list.

(a) The Board may periodically release to the public demographics and general information regarding the interactive gaming self-exclusion lists such as the total number of individuals on the list, gender breakdown and age range.

(b) The Board may make selected data available, upon request, for the limited purpose of assisting in the proper administration of responsible gaming programs.

(c) The Board will not disclose identifying information or confirm or deny the existence of an individual's name on the Board's interactive gaming self-exclusion lists.

CHAPTER 817. INTERACTIVE GAMING LIVE STUDIO

Sec.

817.1. Live studio simulcasting.

§ 817.1. Live studio simulcasting.

(a) An interactive gaming certificate holder or interactive gaming operator licensee shall obtain Board approval to simulcast authorized table games.

(b) An interactive gaming certificate holder or interactive gaming operator licensee shall obtain Board approval for the location of its proposed live simulcast studio.

(c) An entity producing, hosting, offering or otherwise providing live studio services shall be licensed by the Board prior to providing live studio services.

(d) An interactive gaming certificate holder or interactive gaming operator licensee seeking to offer live studio simulcasting, as well as the entity producing, hosting, offering or otherwise providing live studio services, shall adhere to § 465a.9 (relating to surveillance system; surveillance department control; surveillance department restrictions), Chapter 611a (relating to table game minimum training standards) and game approval as set forth in this chapter.

(e) Table game simulcasting must utilize a simulcast control server for the purpose of recording all wagering activity and game results. The simulcast control server must do all of the following:

(1) Provide the player with real time visual access to the live game being played.

(2) Prevent anyone from accessing the wagering outcome prior to finalizing a wager.

(3) Record dealer-verified game results before posting.

(4) Be equipped with a mechanism to void game results, if necessary.

(f) All of the following information, at a minimum, must be readily available on an interactive gaming certificate holder's or interactive gaming operator's skin/web site before a player begins play and at all times during play:

(1) The table number and location.

(2) The table minimum and maximum wagers.

(3) The number of decks used, if applicable.

(4) Dealer actions, if applicable.

(5) The amount wagered.

(6) The game outcome.

(7) Vigorish amount, if applicable.

(8) Payout odds, when applicable.

(9) The amount won or lost.

CHAPTER 818. INTERACTIVE GAMING COMMENCEMENT OF OPERATIONS

Sec.

818.1. Definitions.

818.2. Commencement of operations generally.

818.3. Interactive gaming skins.

§ 818.1. Definitions.

The following terms, when used in this chapter, have the following meaning, unless the context clearly indicates otherwise:

Remote game server or remote game content—Interactive gaming system hardware and software separate from that which comprises the gaming platform which allows access to games or may drive the features common to game offerings, game configurations, random number generators, reporting, and the like. The registered player initially communicates directly with the interactive gaming platform which can be integrated with one or more remote game servers or include remote game content, or both.

§ 818.2. Commencement of operations generally.

(a) Prior to the commencement of interactive gaming operations, an interactive gaming certificate holder or interactive gaming operator licensee shall submit all of the following:

(1) Documentation verifying the platform and related information to include all of the following:

- (i) Platform version number.
- (ii) A list of all submitted games.
- (iii) Documentation listing the entity that created the submitted games.
- (iv) Certification that the system operates in accordance with Commonwealth law and regulations.
- (v) A list of all critical files within the interactive gaming system.
- (vi) A list of any remote game content providers that will work in conjunction with the submitted platform.

(2) Testing results for the platform as well as all games.

(3) Documentation that provides a detailed overview of the interactive gaming system including system architecture, encryption methods utilized, user roles and permission settings, configuration settings, and logical and physical security.

(4) Documentation that provides an overview of the random number generator which must include a method that allows for extraction of the random number generator values for statistical analysis

(5) A list of devices that will work in conjunction with the submitted platform.

(6) Details regarding the location and security standards for the primary and secondary equipment as well as data warehouses, data safes and other system related equipment.

(7) Copies of signed contracts between the interactive gaming certificate holder or interactive gaming operator licensee and any third party integrating with the submitted platform.

(8) Documentation demonstrating, to the satisfaction of Board staff, implementation of all accounting and internal controls governing all of the following:

(i) Age and identity verification procedures.

(ii) Geolocation compliance.

(iii) Procedures on establishing and maintaining player accounts.

(iv) Procedures for ensuring player confidentiality.

(v) Procedures for ensuring accurate and timely submission of revenue and tax information to the Department.

(vi) Procedures governing player complaints.

(vii) Procedures for compiling and maintaining all requisite reports and logs.

(viii) Procedures regarding player protection, including implementation of compulsive and problem gambling and self-exclusion links on the certificate holder's web site.

(b) Prior to commencement of operations, the interactive gaming certificate holder's or interactive gaming operator's employees required to be licensed or permitted by the Board shall be appropriately licensed or permitted and trained in the performance of their responsibilities.

(c) Prior to commencement of operations, the interactive gaming certificate holder or interactive gaming operator licensee shall ensure that new and existing employees of the certificate holder and interactive gaming operator licensee are regularly informed about the

restrictions on placing wagers by the interactive gaming sites offered by or associated with the interactive certificate holder.

(d) Prior to commencement of operations, the interactive gaming certificate holder or interactive gaming operator licensee shall have successfully completed a test period.

(e) The Board will establish a commencement date upon which interactive gaming may commence in this Commonwealth.

(f) All interactive gaming certificate holders and interactive gaming operator licensees shall commence operations on the date established by the Board unless granted an extension by the Board, upon a showing of good cause by the interactive gaming certificate holder or interactive gaming operator licensee, up to 12 months from that date. Failure to commence interactive gaming operations within the time directed by the Board may result in administrative sanctions up to and including revocation of the certificate or license to operate interactive gaming in this Commonwealth.

§ 818.3. Interactive gaming skins.

(a) Under the act, the Board may issue an interactive gaming certificate to slot machine licensees to conduct interactive gaming in this Commonwealth, directly or through an interactive gaming operator licensee acting on behalf of the interactive gaming certificate holder pursuant to the terms of an interactive gaming agreement that has been approved by the Board. For purposes of this subpart, "slot machine licensee" includes all Category 1, 2 and 3 slot machine licensees, and eligible qualified gaming entities.

(b) Under the act, the Board may authorize interactive gaming certificate holders or interactive gaming operator licensees operating an interactive gaming system on behalf of an interactive gaming certificate holder to deploy interactive gaming skins or interactive gaming web sites, including through mobile applications, to facilitate the conduct of interact gaming activities for registered players in this Commonwealth or registered players in any other state or jurisdiction which the Commonwealth has entered into an interactive gaming reciprocal agreement.

(c) Interactive gaming operator licensees are not permitted to offer interactive games in this Commonwealth independent from an interactive gaming certificate holder and the interactive gaming certificate holder's webpage or the webpage of an entity within the interactive gaming certificate holder's organizational structure.

(d) Interactive gaming certificate holders and interactive gaming operator licensees acting on behalf of an interactive gaming certificate holder may only offer interactive gaming in this Commonwealth through the interactive gaming certificate holder's webpage or mobile application or the webpage or mobile application of an entity within the interactive gaming certificate holder's organizational structure.

(e) Interactive gaming certificate holders and interactive gaming operator licensees operating an interactive gaming system on behalf of an interactive gaming certificate holder shall obtain Board approval of all interactive gaming skins operated on behalf of the interactive gaming certificate holder for purposes of conducting interactive gaming in this Commonwealth.

(f) To ensure compliance with the act:

(1) A slot machine licensee or eligible qualified gaming entity shall petition for and obtain its own interactive gaming certificate to operate interactive gaming operations in this Commonwealth.

(2) All interactive gaming webpages, web sites, skins or mobile applications must, at all times, clearly identify the interactive gaming certificate holder or an entity within the interactive gaming certificate holder's organizational structure on the display screen visible to players.

(g) Nothing in this section is intended to prohibit interactive gaming certificate holders from entering into interactive gaming operation agreements with multiple licensed interactive gaming operators to offer interactive games the Board has authorized the interactive gaming certificate holder to conduct.

(h) Nothing in this section is intended to prohibit interactive gaming operator licensees from entering into interactive gaming operation agreements with multiple interactive gaming certificate holders to offer interactive games the Board has authorized the interactive gaming certificate holder to conduct.

(i) Nothing in this section is intended to prohibit interactive gaming certificate holders or interactive gaming operator licensees operating an interactive gaming system on behalf of an interactive gaming certificate holder from conducting interactive gaming utilizing players registered in other jurisdictions with which the Commonwealth has entered into a reciprocal agreement permitting interstate interactive gaming.

CHAPTER 830. MULTIUSE COMPUTING DEVICE GAMING PROVISIONS

Sec.

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§ 830.1. Scope.

The purpose of this chapter is to govern the operation of interactive gaming at qualified airports through the use of multiuse computing devices in this Commonwealth. The provisions of 4 Pa.C.S. §§ 1101—1904 (relating to Pennsylvania Race Horse Development and Gaming Act) as amended by the act of October 30, 2017 (P.L. 419, No. 42), and the Board regulations promulgated thereunder shall apply when not in conflict with this chapter.

§ 830.2. Board authorization required.

(a) Upon petition, the Board may authorize an interactive gaming certificateholder to provide for the conduct of interactive gaming, directly or indirectly through an interactive gaming operator under an interactive gaming agreement, at a qualified airport through the use of multiuse computing devices by eligible passengers in an airport gaming area.

(b) If the interactive gaming certificate holder intends to operate interactive gaming at a qualified airport through the use of multiuse computing devices under an interactive gaming agreement, the interactive gaming operator that is party to the interactive gaming agreement shall have been issued an interactive gaming license or will be issued an interactive gaming license prior to the commencement of operations.

(c) The interactive gaming agreement shall be subject to the review and approval of the Board.

(d) The interactive gaming certificate holder or interactive gaming operator may only offer on the interactive gaming system on the multiuse computing devices the categories of interactive gaming it has been authorized to offer under 4 Pa.C.S. § 13B11(a.2) (relating to authorization to conduct interactive gaming).

§ 830.3. Airport authority or concession operator agreements.

(a) Prior to petitioning for authorization from the Board an interactive gaming certificate holder or interactive gaming operator on behalf of an interactive gaming certificate holder shall have in place an agreement as follows:

(1) For the conduct of interactive gaming at a qualified airport which is located partially in a county of the first class and partially in a county contiguous to a county of the first class, the written agreement shall be with either the airport authority or its designee or a concession operator, except that, if the written agreement is with a concession operator, the airport authority or its designee must have approved or consented to lawful gaming within the airport gaming area through the concession operator's concession contract, and the airport authority must have received a copy of the written agreement with the certificate holder or the interactive gaming operator.

(2) For the conduct of interactive gaming at a qualified airport which is not located partially within a county of the first class and partially in a county contiguous to a county of the first class, the written agreement shall be with the airport authority or its designee.

(b) The written agreement shall be subject to the review and approval of the Board.

§ 830.4. Multiuse computing device gaming petition and standards of review.

(a) An interactive gaming certificateholder or interactive gaming operator on behalf of an interactive gaming certificate holder seeking to offer interactive gaming at a qualified airport through the use of multiuse computing devices in this Commonwealth that satisfies the requirements in 4 Pa.C.S. § 13B20 (relating to authorization) may petition the Board for authorization in accordance with this chapter.

(b) The petition filed by an interactive gaming certificate holder or interactive gaming operator on behalf of an interactive gaming certificate holder shall comply with the requirements of 4 Pa.C.S. § 13B20(c) and shall be in a form as proscribed by the Board.

(c) The Board shall approve the petition submitted under subsection (a) upon review and approval of the information submitted under subsection (b) and a determination by the Board by clear and convincing evidence that:

(1) The interactive gaming certificate holder and the interactive gaming operator, if applicable, have paid all required fees and taxes payable.

(2) The interactive gaming certificate holder, or the interactive gaming operator, as the case may be, possesses the necessary funds or has secured adequate financing to commence the conduct of interactive gaming at the qualified airport.

(3) The proposed internal and external security and surveillance measures at the qualified airport and within the airport gaming area are adequate.

(4) Interactive gaming at the qualified airport will be conducted and operated in accordance with this chapter.

§ 830.5. Multiuse computing device gaming fees and taxes.

(a) Upon authorization from the Board to conduct interactive gaming at a qualified airport through the use of multiuse computing devices, an interactive gaming certificate holder or interactive gaming operator shall pay a one-time, nonrefundable fee, which upon receipt by the Board shall be deposited in the General Fund.

(b) The amount of the authorization fee paid shall be as provided for in 4 Pa.C.S. § 13B20.3 (relating to fee).

(c) An interactive gaming certificate holder or interactive gaming operator authorized to conduct interactive gaming at a qualified airport shall report to the Department of Revenue and pay the multiuse gaming device tax and multiuse gaming device local share assessment as required by the Act on the gross interactive airport gaming revenue from multiuse computing devices in qualified airports.

§ 830.6. Licensure requirements.

(a) Any interactive gaming operator, interactive gaming manufacturer, interactive gaming supplier or interactive gaming service provider seeking to participate in the conduct of interactive gaming through the use of multiuse computing devices by eligible passengers in an airport gaming area shall have been issued a license, certification, registration or other authorization from the Board to participate in interactive gaming in accordance with Chapters 803 and 805—807. For purposes of this section, a concession operator shall be licensed as an interactive gaming supplier.

(b) Any interactive gaming principal, interactive gaming key employee or interactive gaming employee seeking to participate in the conduct of interactive gaming through the use of multiuse computing devices by eligible passengers in an airport gaming area shall have been issued a license, permit, registration or other authorization from the Board in accordance with Chapter 808 (relating to interactive gaming principals and key, gaming and nongaming employees—temporary regulations).

(c) Any employee of a concession operator as defined in the Act and this subpart whose job duties include oversight, management, maintenance or other tasks involving interactive gaming through multiuse computing devices at a qualified airport, including but not limited to handling player complaints, providing player assistance or supervising play on the multiuse computing devices, must be licensed as an interactive gaming employee.

(d) The Board may, in its discretion, determine at any time that other entities or employees not described in the preceding subparagraphs shall be licensed, permitted, certified, registered or otherwise authorized by the Board.

§ 830.7. Multiuse computing device and gaming platform requirements.

(a) A multiuse computing device must:

(1) Be located and accessible to eligible passengers only in an airport gaming area.

(2) Allow an eligible passenger to play an authorized interactive game. To ensure the multiuse computing device is operated only by an eligible passenger, the device shall provide for verification of age and passenger status through automated means on the device, unless otherwise approved by the Board.

(3) Be approved by the Board.

(4) Communicate with a server that is in a location approved by the Board.

(5) Have the capability of providing all necessary reports for calculation of gross interactive airport gaming revenue as required by the Department.

(6) Be tethered or otherwise secured in a manner to prevent removal from the airport gaming area.

(7) Offer a player additional functions which includes Internet browsing, the capability of checking flight status, and ordering food or beverages.

(i) An interactive gaming certificate holder, interactive gaming operator or concession operator may restrict access to other interactive gaming web sites in the Internet browsing function on the multiuse computing device.

(ii) An interactive gaming certificate holder, interactive gaming operator or concession operator shall not, acting directly or indirectly in concert with an airport authority or other entity, restrict access to other interactive gaming web sites on public wireless Internet offered to persons at a qualified airport.

(8) Be equipped with software or a program that would allow an authorized onsite interactive gaming employee to temporarily disable the device or terminate an interactive gaming session.

(b) The interactive gaming system and interactive gaming platform used to conduct interactive gaming through the use of multiuse computing gaming devices at a qualified airport shall be subject to the requirements set forth in Chapters 809 and 810 (relating to interactive gaming platform requirements; and interactive gaming testing controls—temporary regulations) as they relate to the conduct of interactive gaming through the use of multiuse computing devices.

(c) The interactive gaming system and interactive gaming platform used to conduct interactive gaming through the use of multiuse computing devices by eligible passengers at a qualified airport shall not be subject to the requirement of § 809.7 (relating to geolocation requirements).

§ 830.8. Multiuse computing device gaming accounting and internal controls; required reports.

(a) The interactive gaming certificateholder or interactive gaming operator offering interactive gaming through multiuse computing devices at a qualified airport in an airport gaming area shall be subject to the requirements of Chapter 811 (relating to interactive gaming accounting and internal controls—temporary regulations).

(b) If applicable, the internal controls shall include protocols and procedures for the involvement of a concession operator and its employees in the offering of interactive gaming

through multiuse computing devices at a qualified airport in an airport gaming area, including but not limited to licensure of employees, account funding and withdrawals, handling player complaints, providing player assistance, supervising play on the multiuse computing devices or other items the Board may request be included in the internal controls.

(c) The interactive gaming system used to offer interactive gaming through multiuse computing devices at a qualified airport in an airport gaming area shall be designed to generate reports as specified by the Board which comply with the requirements of § 811.9(a)—(c) (relating to required reports; reconciliation).

§ 830.9. Eligible passengers; accounts; funding of play; withdrawals.

(a) Prior to engaging in interactive gaming through multiuse computing devices at a qualified airport in an airport gaming area, the player shall be verified as an eligible passenger, as defined in this subpart, by automated means provided on the multiuse computing device, or as otherwise approved by the Board.

(b) An eligible passenger shall create an account with the interactive gaming certificate holder, interactive gaming operator or concession operator, which shall last for the duration of the player's interactive gaming session and the withdrawal of the player's winnings, if applicable.

(i) If a player has established an interactive gaming account under Chapter 812 (relating to interactive gaming player accounts—temporary regulations) with an interactive gaming certificate holder or interactive gaming operator who also offers interactive gaming through multiuse computing devices at a qualified airport in an airport gaming area, the player may use his or her established interactive gaming account to engage in interactive gaming on the multiuse computing device.

(c) A player's account may be funded through the use of all of the following:

(1) A player's credit card or debit card, including prepaid cards.

(2) A player's reloadable prepaid card.

(3) Cash complimentaries, promotional credits or bonus credits.

(4) Automated clearing house (ACH) transfer, provided that the interactive gaming certificate holder, interactive gaming operator, or concession operator has security measures and controls to prevent ACH fraud.

(5) Any other means as approved by the Board.

(d) An interactive gaming certificate holder, interactive gaming operator or concession operator shall establish protocols for players to withdraw funds at the end of the player's interactive gaming session in accordance with its approved internal controls.

(e) Funds may be withdrawn from the player's account at the end of the interactive gaming session through the use of all of the following:

(1) The issuance of a check from the interactive gaming certificate holder, interactive gaming operator or concession operator.

(2) Transfer to a player's reloadable prepaid cash card.

(3) Transfer directly to the player's individual account with a bank or other financial institution (banking account) provided that the interactive gaming certificate holder, interactive gaming operator or concession operator verifies the validity of the account with the financial institution.

(4) Any other means approved by the Board.

§ 830.10. Compulsive and problem gaming; self-exclusion.

(a) Any interactive gaming certificate holder or interactive gaming operator seeking to participate in the conduct of interactive gaming through the use of multiuse computing devices by eligible passengers at a qualified airport in an airport gaming area shall comply with the provisions of Chapters 814 and 815 (relating to compulsive and problem gambling requirements—temporary regulations; and interactive-gaming self-excluded persons—temporary regulations).

§ 830.11. Commencement of multiuse computing device gaming.

(a) Prior to the commencement of interactive gaming through multiuse computing devices at a qualified airport in an airport gaming area, an interactive gaming certificate holder or interactive gaming operator licensee shall submit all of the required information set forth in § 818.2(a) (relating to commencement of operations generally), excluding the Geolocation compliance information from § 818.2(a)(8)(ii).

(b) Prior to commencement of operations, the interactive gaming certificate holder's, interactive gaming operator's or concession operator's interactive gaming principals, interactive gaming key employees or interactive gaming employees shall be appropriately licensed or permitted and trained in the performance of their responsibilities.

(1) At all times when interactive gaming through the use of multiuse computing devices at a qualified airport in an airport gaming area is offered, the interactive gaming certificate holder, interactive gaming operator or concession operator shall have an adequate number of interactive gaming employees onsite, based upon quantity of multiuse computing devices available for use and the dimensions of the airport gaming area, at a number to be approved by the Board to handle matters related to the oversight, management, maintenance or other tasks involving interactive gaming through multiuse computing devices, including but not limited to player complaints, providing player assistance or supervising play on multiuse computing devices.

(2) If at any time it appears or is reported to an interactive gaming employee or employees that the multiuse computing device is being operated in violation of this chapter and this subpart, the interactive gaming employee shall terminate the interactive gaming session, with such procedure for termination to be detailed in the internal controls.

(c) Prior to commencement of operations, the interactive gaming certificate holder, interactive gaming operator or concession operator licensee shall ensure that new and existing employees of the interactive gaming certificate holder or interactive gaming operator, and employees of the concession operator licensed by the Board, are regularly informed about the restrictions in § 808.1(g) (relating to general provisions), restricting the placement wagers on the interactive gaming sites offered by or associated with the interactive certificate holder, interactive gaming operator or concession operator.

(d) Prior to commencement of operations, the interactive gaming certificate holder or interactive gaming operator licensee shall have successfully completed a test period.

SUBPART M. CASINO SIMULCASTING

CHAPTER 1001. CASINO SIMULCASTING

Sec.

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§ 1001.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Casino simulcasting—The simultaneous transmission of live thoroughbred or harness horse race meetings from an in-State sending track, out-of-State sending track or a satellite facility, regardless of licensure status or whether the horse race meetings originate in this Commonwealth or any other state or jurisdiction, to a simulcasting facility in this Commonwealth by satellite devices, television cables, television lines or any other telecommunications technology for the purposes of conducting pari-mutuel wagering.

Casino simulcasting permit or *simulcasting permit*—A permit awarded by the Board under section 13F12 of the act (relating to casino simulcasting permit) which authorizes a licensed gaming entity to conduct casino simulcasting.

Casino simulcasting permit holder—A licensed gaming entity that holds a casino simulcasting permit issued by the Board in accordance with section 13F12 of the act.

Commission—The State Horse Racing Commission.

In-State sending track—A racetrack in this Commonwealth which is operated by a licensed racing entity and is permitted to conduct casino simulcasting.

Licensed gaming entity—A person who has been approved for and issued a Category 2 slot machine license, a Category 3 slot machine license or a Category 4 slot machine licensed in accordance with sections 1304, 1305, 1305.1 and 1325 of the act, and who holds a casino simulcasting permit.

Licensed racing entity—A legal entity that has obtained a license to conduct live thoroughbred or harness horse race meetings respectively with pari-mutuel wagering from the Commission under 3 Pa.C.S. §§ 9301—9374 (relating to race horse industry reform).

Out-of-State sending track—An interstate or international racetrack in a state or jurisdiction other than this Commonwealth which is equipped to conduct casino simulcasting and the operator of which is lawfully permitted to conduct horse race meetings and to provide simulcast horse races to slot machine licensees in this Commonwealth.

Pari-mutuel wagering—A form of wagering, including manual, electronic, computerized and other forms as approved by the Commission, on the outcome of a horse racing event in which all wagers are pooled and held by a licensed racing entity or secondary pari-mutuel wagering organization for distribution of the total amount, less the deductions authorized by law, to holders of winning tickets.

Simulcast horse race—A thoroughbred or harness horse race meeting conducted at a racetrack, whether within or outside this Commonwealth, which is simultaneously transmitted by an approved telecommunications technology to racetracks or simulcasting facilities in this Commonwealth in accordance with regulations of the Commission.

Simulcasting facility—An area of a licensed facility established and maintained by a licensed gaming entity for the conduct of casino simulcasting in accordance with this chapter, 3 Pa.C.S. §§ 9301—9374, and regulations of the Board and the Commission.

Totalisator—A computer system used to pool wagers, record sales, calculate payoffs and display wagering data on a display device that is located at a simulcasting facility.

§ 1001.2. General requirements.

(a) A casino simulcasting permit holder may conduct casino simulcasting in a simulcasting facility in accordance with the act and this chapter.

(b) An application for a casino simulcasting permit shall be submitted on forms or in an electronic format supplied or approved by the Board and contain all of the following information:

(1) The name, business address and contact information of the applicant.

(2) The name, location of the applicant's licensed facility.

(3) The name, business address, job title and a photograph of each principal and key employee of the applicant who will be involved in the conduct of casino simulcasting who is not currently licensed by the Board or the Commission, if known.

(4) The estimated number of full-time and part-time employment positions that will be created at the licensed facility if casino simulcasting is authorized and an updated hiring plan under section 1510(a) of the act (relating to labor hiring preferences) which outlines the applicant's plan to promote the representation of diverse groups and Commonwealth residents in the employment positions.

(5) A brief description of the economic benefits expected to be realized by the Commonwealth, the Department of Agriculture and the race horse industry in this Commonwealth if casino simulcasting is authorized at the applicant's licensed facility.

(6) The details of any financing, if applicable, obtained or that will be obtained to fund an expansion or modification of the licensed facility to accommodate casino simulcasting or construct a simulcasting facility or to otherwise fund the cost of commencing casino simulcasting operations.

(7) Information and documentation concerning financial background and resources, as the Board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant.

(8) A copy of or a detailed description of the terms and conditions of any agreement the licensed gaming entity has entered into or will enter into with a licensed racing entity to facilitate the conduct of casino simulcasting.

(9) A detailed description of any financial arrangements between a licensed gaming entity and a licensed racing entity related to the conduct of casino simulcasting.

(10) Detailed site and architectural plans of the proposed simulcasting facility within the applicant's licensed facility.

(11) A statement demonstrating compliance with the Interstate Horse Racing Act of 1978 (15 U.S.C.A. §§ 3001—3007).

(12) Any other information as the Board may require.

(c) Upon request of the Board or Board staff, the applicant shall cooperate and provide supplemental information in support of its application. The applicant shall provide requested documents, records, supporting data and other information within the time period specified in the request or, if no time is specified, within 30 days of the date of the request. If the applicant fails to provide the requested information within the required time period in the request, the Board may deny the application.

(d) The application, and amendments thereto, and other specific documents designated by the Board shall be sworn to or affirmed by the applicant before a notary public which shall be filed promptly with the Board.

(e) An application and related materials that have been submitted to the Board will become the property of the Board and will not be returned to the applicant.

§ 1001.3. Preliminary application submission review.

(a) Upon receipt, an application will be reviewed to ensure that it contains all of the following:

(1) The applicable application forms and additional information and accompanying documentation required by the act or the Board.

(2) Completed authorization forms, if required, for release of information from governmental agencies and other entities.

(b) If an applicant fails to include any required information, the applicant will be notified and given an opportunity to cure the deficiency.

§ 1001.4. Application processing.

(a) Upon a determination that the prerequisites for filing have been met, the application will be accepted for filing and Board staff, if applicable, will:

(1) Obtain information as may be necessary to determine the qualifications of the applicant and any matter relating to the application.

(2) Promptly conduct an investigation of the applicant and on any matter relating to the application.

(3) Request the Department to promptly conduct a tax clearance review.

(4) Request the Department of Labor and Industry to perform an Unemployment Compensation Tax clearance review and a Workers Compensation Tax clearance review.

(5) Request any agencies, entities or persons to provide information to the Board as deemed necessary by the Board.

(b) An application submitted under this subpart and information obtained by Board staff relating to the application will be part of the evidentiary record to be utilized by the Board when deciding to approve, condition, issue or deny a casino simulcasting permit.

§ 1001.5. Deficient and abandoned applications.

(a) If an application is found to be deficient, Board staff will notify the applicant of the deficiencies in the application and provide an opportunity for the applicant to cure the deficiencies within a specified time period.

(b) Failure to provide the information necessary to cure the deficiencies required under subsection (a) may result in the denial of the application or in the application being declared abandoned. The Bureau of Licensing may recommend to the Board that an application is abandoned. An applicant whose application has been declared abandoned may file a new application at any time.

(c) When an application is denied or declared abandoned under subsection (b), the applicant will be given written notice of this action.

§ 1001.6. Application withdrawal.

A request for withdrawal of an application may be made at any time prior to the Board taking action by notarized letter sent to the Office of Hearings and Appeals.

§ 1001.7. Casino simulcasting permit issuance and statement of conditions.

(a) *Issuance criteria.* In addition to the criteria in the act, the Board will not issue a casino simulcasting permit unless all of the following criteria have been established by the applicant:

(1) The applicant has fulfilled each condition set by the Board or in the act, including the execution of a statement of conditions.

(2) The applicant is found suitable consistent with the laws of the Commonwealth and is otherwise qualified to be issued a casino simulcasting permit.

(b) *Statement of conditions.*

(1) The applicant, as a condition precedent to the issuance of a casino simulcasting permit, shall execute a Statement of Conditions in the manner and form required by the Board. Execution of the Statement of Conditions constitutes the acceptance of each provision in the Statement of Conditions by the applicant. The execution of the Statement of Conditions constitutes the acceptance of each provision in the Statement of Conditions by the applicant.

(2) Failure to fully comply with any provision in an executed Statement of Conditions constitutes a violation and may result in Board-imposed administrative sanctions, up to and including revocation, against a casino simulcasting permit holder.

§ 1001.8. License, registration or permitting of employees.

(a) Except as provided for under section 13F15 of the act (relating to key employees and occupation permits), individuals engaged directly in wagering-related activities at a simulcasting facility, whether employed by the licensed gaming entity or licensed racing entity and all other

employees of the licensed gaming entity or licensed racing entity who work or will work in the simulcasting facility, shall be licensed, registered or permitted by the Board in accordance with §§ 433a.8, 435a.2, 435a.3 and 435a.5.

(b) A principal, key employee or gaming employee may obtain an emergency credential or a temporary credential under §§ 435a.7 and 435a.8 (relating to emergency credentials; and temporary credentials).

§ 1001.9. Casino simulcasting agreements.

(a) An agreement between a licensed gaming entity and a licensed racing entity to facilitate casino simulcasting shall be filed with an application for a casino simulcasting permit and shall be approved by the Board and separately by the Commission. An agreement is not effective until approved by the Board and the Commission.

(b) An agreement must include all of the following:

(1) The percentage of the money wagered each racing day at the simulcasting facility and remaining in the wagering pools after the required distributions under 3 Pa.C.S. § 9335 (relating to pari-mutuel pool distribution) that will be paid to the licensed gaming entity. The amount retained by the licensed gaming entity may not exceed 25% of the money retained by the licensed racing entity under 3 Pa.C.S. § 9335.

(2) The times during which a licensed gaming entity may conduct casino simulcasting.

(3) A provision that provides the grounds and mechanisms for modifying or terminating the contract upon approval by the Board and the Commission.

(4) Provisions that contain a mechanism to resolve patron disputes and disputes between the licensed gaming entity and the licensed racing entity.

(5) Design, implementation and amendment of the system of internal controls required under section 13F11 of the act (relating to application for permit and requirements) and this chapter including the financial reporting requirements.

(6) Hiring, terminating, training and promoting of employees and the employment practices attendant thereto.

(7) The payment of local, State and Federal taxes, and slot machine license deposits required under the act and this chapter and any penalties imposed by the Board for violations thereof.

(8) Obtaining and maintaining insurance coverage, including coverage of public liability and property loss or damage.

(9) Selection of the casino simulcasting permit holder's independent auditor which may be the same as independent auditor employed by the licensed gaming entity.

§ 1001.10. Simulcasting facilities.

(a) A licensed gaming entity approved for and issued a casino simulcasting permit to operate casino simulcasting shall establish a simulcasting facility as part of its licensed facility.

(b) A simulcasting facility may be adjacent to, but may not be a part of, a room or location in which slot machines or table gaming are operated or conducted in.

(c) The space or area required for the establishment of a simulcasting facility may not be used to decrease the number of slot machines or table games in operations at the licensed facility or to reduce the space approved by the Board for the operation of slot machines and the conduct of table games.

(d) A casino simulcasting permit holder shall establish and maintain a simulcasting facility of sufficient square footage to promote:

(1) Efficient operation of the facility.

(2) Viewing of simulcast horse races by patrons in a manner which is not obtrusive to the conduct of gaming within the licensed facility.

(3) Security of the simulcasting facility shall include the installation and maintenance of security and surveillance equipment, including closed circuit television equipment, according to specifications approved by the Board. The Board shall have direct access to the system or its signal.

§ 1001.11. Hours of operation.

The times during which a licensed gaming entity may conduct casino simulcasting shall be the same as the times authorized for the conduct of casino simulcasting by Category 1 slot machine licensees as set forth in the casino simulcasting agreement.

§ 1001.12. Rules of Commission.

Except as otherwise provided in the act or this chapter, the standards and rules of racing, simulcasting and the conduct of pari-mutuel wagering in simulcasting facilities are subject to 3 Pa.C.S. §§ 9301—9374 (relating to race horse industry reform), regulations of the Commission promulgated under 3 Pa.C.S. (relating to Agriculture Code), and the Interstate Horse Racing Act of 1978 (15 U.S.C.A. §§ 3001—3007).

§ 1001.13. Wagering limited to simulcasting facility.

Wagering on simulcast horse races within the premises of a licensed facility shall be conducted only in a simulcasting facility. Simulcast horse races may be shown in other areas of the licensed facility as approved by the Board, in consultation with the Commission.

§ 1001.14. Prohibition of wagering.

A casino simulcasting permit holder shall establish procedures:

(1) To prohibit an individual under 21 years of age from entering a simulcasting facility at a licensed facility except that an individual 18 years of age or older who is employed by a slot machine licensee, a gaming service provider, the Board, or other regulatory or emergency response agency may enter and remain in that area while engaged in the performance of the individual's employment duties.

(2) To train employees and establish policies to:

(i) Identify and remove individuals who are less than 21 years of age and not otherwise authorized to be in the simulcasting facility.

(ii) Immediately notify a casino compliance representative at the licensed facility and the Pennsylvania State Police at a time an individual less than 21 years of age is discovered in the simulcasting facility.

(iii) Refuse wagers from an individual less than 21 years of age.

(iv) Deny check cashing privileges, extensions of credit, complementary goods and services, and other similar privileges and benefits to an individual less than 21 years of age.

(v) Ensure that individuals less than 21 years of age do not receive, either from the casino simulcasting permit holder or an agent thereof, targeted mailing, telemarketing promotions or other promotional materials relating to casino simulcasting activity as provided for under sections 13F01—13F44 of the act (relating to casino simulcasting).

§ 1001.15. Forfeited winnings.

(a) An individual under 21 years of age may not collect in any manner or in any proceeding, whether personally or through an agent, winnings or recover losses arising as a result of any casino simulcasting activity.

(b) Winnings incurred by an individual under 21 years of age shall be remitted to the Board to support compulsive and problem gambling programs of the Board. For the purposes of this section, winnings issued to, found on or about, or redeemed by an individual under 21 years of age shall be presumed to constitute winnings and be subject to remittance to the Board.

§ 1001.16. Signage requirements.

(a) A casino simulcasting permit holder shall post signs that include a statement providing the following:

(1) "It is unlawful for any individual under 21 years of age to enter or remain in a simulcasting facility. Individuals violating this prohibition will be removed and may be subject to arrest and criminal prosecution."

(2) "If you or someone you know has a gambling problem, help is available. Call (1-800-GAMBLER)."

(b) The signs shall be prominently posted at each entrance and exit of the simulcasting facility.

§ 1001.17. Restricted areas.

(a) A casino simulcasting permit holder who wishes to conduct casino simulcasting shall, unless otherwise approved by the Board, in consultation with the Commission, establish and maintain restricted areas, which are not accessible to the general public, including all of the following:

(1) A satellite cage in its simulcasting facility utilized for conducting pari-mutuel wagering and the counting and recording of assets.

(2) Designated areas for the placement and operation of all of the following:

(i) A totalisator system used to pool wagers, records sales, calculate payoffs and display wagering data on a display device.

(ii) Audio/video equipment utilized to receive and transmit simulcast signals.

(b) A casino simulcasting permit holder shall develop and submit to the Board, as part of the submission required under § 1001.19 (relating to casino simulcasting accounting controls and audit protocols), procedures for safeguarding and limiting access to the totalisator system and audio/video equipment utilized to transmit simulcast signals.

§ 1001.18. Transmission and display of live races.

(a) Video display monitors shall be installed in approved areas of a licensed facility to deliver simulcast horse race meetings to patrons on video walls and other innovative video display technology.

(b) A casino simulcasting permit holder shall offer all of the following to patrons at a simulcasting facility:

(1) Audio and video coverage of every race upon which patrons of the simulcasting facility are permitted to wager.

(2) Video coverage of race-related information for every race upon which patrons of the simulcasting facility are permitted to wager.

(c) A simulcasting facility shall be equipped with a system permitting the reception of transmissions of races and race-related information without interference or interception.

(d) All simulcast signals shall be encoded, and a casino simulcasting permit holder may not send the signals anywhere other than the licensed facility authorized in the act or this chapter.

(e) A casino simulcasting permit holder shall develop and implement a security system to protect the equipment being used to receive transmissions of races and race-related information from tampering.

(f) If the reception of the video coverage of a race is interrupted, the audio coverage of the race must continue to be presented.

(g) If the reception of the audio coverage of the race is interrupted, the video coverage of the race must continue to be displayed.

(h) If the reception of the audio and video coverage of a race is interrupted during the running of the race, wagering being conducted on future races at the simulcasting facility shall cease until the transmissions are restored. If the interruption of audio or video coverage, or both, prevents the display of a race at the simulcasting facility, a replay of the interrupted race must be displayed at the simulcasting facility as soon after the restoration as possible.

(i) At least 30 minutes prior to the commencement of wagering at the simulcasting facility, a test of the equipment used to receive and display races and race-related information at the simulcasting facility shall be conducted to ensure that the system is operating properly.

(j) A licensed racing entity which operates interstate or international simulcasting of horse race meetings in this Commonwealth shall have discretion to transmit all or some of the live races conducted at the racetrack to the licensed facility of a licensed gaming entity which has established a simulcasting facility. A race which is transmitted from an in-State sending track may be transmitted to all licensed gaming entities which have established simulcasting facilities.

(k) A licensed gaming entity which establishes a simulcasting facility and conducts casino simulcasting shall, as a condition of continued operation of casino simulcasting, receive all live races which are transmitted by in-State sending tracks.

(l) Casino simulcasting shall be limited to the transmission and display of thoroughbred horse racing and standardbred harness racing permitted under 3 Pa.C.S. §§ 9301—9374 (relating to race horse industry reform).

(m) The Board and the Commission shall have access to the simulcast system or its signal.

§ 1001.19. Casino simulcasting accounting controls and audit protocols.

(a) At least 90 days before the commencement of casino simulcasting, a casino simulcasting permit holder shall submit to the Board for approval all internal control systems and audit protocols for the casino simulcasting permit holder's casino simulcasting operations.

(b) A casino simulcasting permit holder's internal controls and audit protocols shall:

(1) Provide for reliable records, accounts and reports of any financial event that occurs in the conduct of casino simulcasting, including reports to the Board and the Commission related to casino simulcasting.

(2) Provide for accurate and reliable financial records related to the conduct of casino simulcasting and the pari-mutuel system of wagering.

(3) Establish procedures and security for the counting, recording and storage of money generated from the conduct of casino simulcasting.

(4) Establish procedures and security standards for the maintenance of telecommunications equipment and video display technology used in connection with the conduct of casino simulcasting.

(5) Establish procedures and rules to govern the conduct of casino simulcasting and the responsibility of employees related to casino simulcasting.

(6) Establish procedures for the collection, recording and deposit of revenue from the conduct of casino simulcasting, including the roles of the Commission, the Department, licensed racing entities and licensed gaming entities in the collection and recording of the revenue.

(7) Establish reporting procedures and records required to ensure that all money generated from casino simulcasting is accounted for and winners' names, when required under applicable Federal or State law, are filed with the appropriate taxing authorities.

(8) Ensure that the system of pari-mutuel wagering used in the conduct of casino simulcasting is in accordance with 3 Pa.C.S. §§ 9301—9374 (relating to race horse industry reform) and regulations of the Commission promulgated under 3 Pa.C.S. (relating to Agriculture Code).

(9) Ensure, in consultation with the Commission, the proper and timely accounting for and retention of percentages for pari-mutuel pools and the proper and timely distribution of money in any pari-mutuel pool generated from casino simulcasting.

(10) Ensure that all functions, duties and responsibilities related to casino simulcasting are appropriately segregated and performed in accordance with sound financial practices by qualified employees.

(11) Permit use of its simulcasting facility by the Board, the Bureau, the Commission and other persons authorized by the Board and the Commission to facilitate their ability to perform regulatory and oversight functions.

(c) The submission required under subsection (a) must include a detailed description of the casino simulcasting permit holders administrative and accounting procedures related to casino simulcasting, including its written system of internal controls. Each written system of internal controls must include all of the following:

(1) An organizational chart depicting appropriate functions and responsibilities of employees involved in casino simulcasting.

(2) A description of the duties and responsibilities of each position shown on the organizational chart.

(3) The record retention policy of the casino simulcasting permit holder.

(4) The procedure to be utilized to ensure that money generated from the conduct of casino simulcasting is safeguarded, including mandatory counting and recording procedures.

(5) Other items the Board, in consultation with the Commission, may request in writing to be included in the internal controls.

(6) A statement signed by the casino simulcasting permit holder's chief financial officer or other competent person attesting that the signatory believes, in good faith, that the system satisfies the requirements of the act and this section.

(d) Prior to authorizing a casino simulcasting permit holder to commence the conduct of casino simulcasting, the Board, in consultation with the Commission, will review the system of internal controls submitted under subsection (c) to determine whether it conforms to the requirements of this subchapter and whether it provides adequate and effective controls for the conduct of casino simulcasting.

(e) The submission of internal control systems and audit protocols under subsection (a) must also be accompanied by a report from an independent registered public accounting firm licensed to practice in this Commonwealth. The report should express an opinion as to the effectiveness of the design of the submitted system of internal controls over financial reporting and should further express an opinion as to whether the submitted system of internal controls materially deviates from the requirements of applicable laws and regulations, including sections 13F01—13F44 of the act (relating to casino simulcasting), this chapter, 3 Pa.C.S. §§ 9301—9374 (relating to race horse industry reform), regulations of the Commission promulgated under

3 Pa.C.S. (relating to Agriculture Code), and the Interstate Horse Racing Act of 1978 (15 U.S.C.A. §§ 3001—3007).

(f) If a casino simulcasting permit holder intends to make a change or amendment to its system of internal controls, it shall submit the change or amendment electronically to the Bureau of Gaming Operations, in a manner prescribed by the Bureau of Gaming Operations. The casino simulcasting permit holder may implement the change or amendment on the 30th calendar day following the filing of a complete submission unless the casino simulcasting permit holder receives written notice tolling the change or amendment in accordance with subsection (g) or written notice from the Board's Executive Director rejecting the change or amendment.

(g) If during the 30-day review period in subsection (f), the Bureau of Gaming Operations, in consultation with the Commission, preliminarily determines that a procedure in a submission contains an insufficiency likely to negatively affect the integrity of casino simulcasting or the control of revenue generated from pari-mutuel wagering, the Bureau of Gaming Operations, by written notice to casino simulcasting permit holder, will:

(1) Specify the nature of the insufficiency and, when possible, an acceptable alternative procedure.

(2) Direct that the 30-calendar-day review period in subsection (f) be tolled and that any internal controls at issue not be implemented until approved under subsection (i).

(h) Examples of submissions that may contain an insufficiency likely to negatively affect the integrity of casino simulcasting and the pari-mutuel system of wagering include the following:

(1) Submissions that fail to provide information sufficient to permit the review of casino simulcasting or the reconstruction of pari-mutuel wagering handle and pari-mutuel wagering pool distributions.

(2) Submissions that fail to provide for the segregation of incompatible functions so that no employee is in a position to both commit an error or perpetrate a fraud and to conceal the error or fraud in the normal course of the employee's duties.

(3) Submissions that do not include forms or other materials referenced in the submission or required under the act or this chapter.

(4) Submissions that would implement operations or accounting procedures not authorized by the act or this subpart.

(5) Submissions that are dependent upon the use of equipment or related devices or software not approved by the Board or the Commission, unless the submissions are required as part of an authorized test of the equipment or related device or software.

(i) Whenever a change or amendment has been tolled under subsection (g), the casino simulcasting permit holder may submit a revised change or amendment within 30 days of receipt of the written notice from the Bureau of Gaming Operations. The casino simulcasting permit holder may implement the revised change or amendment upon receipt of written notice of approval from the Board's Executive Director, in consultation with the Commission, or on the 30th calendar day following the filing of the revision unless the casino simulcasting permit holder receives written notice tolling the change or amendment in accordance with subsection (g) or written notice from the Board's Executive Director, in consultation with the Commission, rejecting the change or amendment.

§ 1001.20. Casino simulcasting record retention.

(a) For the purposes of this section, “books, records and documents” means any book, record or document pertaining to, prepared in or generated by the operation of the licensed facility including all forms, reports, accounting records, ledgers, subsidiary records, computer generated data, internal audit records, correspondence and personnel records.

(b) As a condition of continued operation, a casino simulcasting permit holder shall agree to maintain all books, records and documents pertaining to casino simulcasting in a manner and location in this Commonwealth as approved by the Board, in consultation with the Commission. All books, records and documents shall:

(1) Be organized in a manner to clearly depict by separate records the total amount of money contributed to every pari-mutuel pool in accordance with the applicable provisions of 3 Pa.C.S. §§ 9301—9374 (relating to race horse industry reform) and any regulation promulgated under 3 Pa.C.S. §§ 9301—9374.

(2) Be segregated by separate accounts within the licensed gaming entity's books, records and documents, except for any books, records and documents that are common to slot machine operations, table game operations and casino simulcasting, as determined by the Board, in consultation with the Commission.

(3) Be immediately available for inspection upon request of the Board, the Commission, the Bureau, the Department, the Pennsylvania State Police or the Attorney General, or agents thereof, during all hours of operation of the casino simulcasting permit holder's simulcasting facility.

(4) Prepared and maintained in a complete, accurate and legible form. Electronic data must be stored in a format that ensures readability, regardless of whether the technology or software that created or maintained it has become obsolete.

(5) Retained in a secure location in the licensed facility that is equipped with a fire suppression system or at another location approved under subsection (d).

(6) Organized and indexed in a manner to provide immediate accessibility to the Board, the Commission, the Bureau, the Department, the Pennsylvania State Police or the Attorney General, or agents thereof.

(7) Destroyed only after expiration of the minimum retention period specified in subsection (c), except that the Board may, in consultation with the Commission, upon the written request of a casino simulcasting permit holder and for good cause shown, permit the destruction at an earlier date.

(c) Original books, records and documents shall be retained by a casino simulcasting permit holder for a minimum of 5 years.

(d) A casino simulcasting permit holder may request, in writing, that the Board's Executive Director, in consultation with the Commission, approve a location outside the licensed facility to store original books, records and documents. The request must include all of the following:

(1) A detailed description of the proposed location, including security and fire suppression systems.

(2) The procedures under which of the Board, the Commission, the Bureau, the Department, the Pennsylvania State Police or the Attorney General, or agents thereof, shall be able to gain access to the original books, records and documents retained at the location outside the licensed facility.

(e) A casino simulcasting permit holder may request, in writing, that the Board's Executive Director, in consultation with the Commission, approve the electronic copying and storage of original books, records and documents. The request must include representations regarding all of the following:

(1) The processing, preservation and maintenance methods which will be employed to insure that the books, records and documents are available in a format which makes them readily available for review and copying.

(2) The inspection and quality control methods which will be employed to insure that the electronic books, records and documents exhibit a high degree of legibility and readability when displayed electronically or reproduced on paper.

(3) The availability of a computer and printer for use by the Board, the Commission, the Bureau, the Department, the Pennsylvania State Police or the Attorney General, or agents thereof, at the licensed facility or other location approved by the Board, in consultation with the Commission, and the readiness with which the books, records or documents being stored electronically can be located, read and reproduced.

(4) The availability of a detailed index of all information maintained electronically and arranged in a manner to permit the immediate location of any particular book, record or document.

(f) Nothing herein shall be construed as relieving a casino simulcasting permit holder from meeting any obligation to prepare or maintain any book, record or document required by any Federal, State or local government body, authority or agency.

Subpart N. VIDEO GAMING

CHAPTER 1101. VIDEO GAMING GENERALLY

Sec.

1101.1. Scope.

1101.2. Definitions.

§ 1101.1. Scope.

The purpose of this subpart is to govern the operation of video gaming terminals in this Commonwealth. Parts I, II and III of 4 Pa.C.S. (relating to amusements generally; gaming; and video gaming) and the Board's regulations promulgated thereunder otherwise apply when not in conflict with this subpart.

§ 1101.2. Definitions.

The following words and terms, when used in this subpart, have the following meanings, unless the context clearly indicates otherwise:

Applicant—A person who, on his own behalf or on behalf of another, applies for permission to engage in an act or activity that is regulated under this subpart.

Associated equipment—Equipment or a mechanical, electromechanical or electronic contrivance, component or machine used in connection with video gaming terminals or redemption terminals, including replacement parts, hardware and software.

Background investigation—A security, criminal, credit and suitability investigation of a person as provided for in this part that includes the status of taxes owed to the United States, the Commonwealth and political subdivisions.

Bureau—The Bureau of Investigations and Enforcement of the Board.

Bureau of Licensing—The Bureau of Licensing of the Board.

Cash—United States currency and coin.

Cash equivalent—A ticket, token, chip, card or other similar instrument or representation of value that the Board deems a cash equivalent in accordance with this part.

Central control computer—A central site computer controlled by the Department and accessible by the Board to which all video gaming terminals communicate for the purpose of auditing capacity, real-time information retrieval of the details of a financial event that occurs in the operation of a video gaming terminal or redemption terminal, including coin in, coin out, ticket in, ticket out, jackpots, video gaming terminal and redemption terminal door openings and

power failure, and remote video gaming terminal or redemption terminal activation, and disabling of video gaming terminals or redemption terminals.

Cheat—

(i) To defraud or steal from a player, terminal operator licensee, establishment licensee or the Commonwealth while operating or playing a video gaming terminal, including causing, aiding, abetting or conspiring with another person to do so.

(ii) The term also means to alter or causing, aiding, abetting or conspiring with another person to alter the elements of chance, method of selection or criteria that determine:

(A) The result of a video gaming terminal game.

(B) The amount or frequency of payment in a video gaming terminal game.

(C) The value of a wagering instrument.

(D) The value of a wagering credit.

(iii) The term does not include altering a video gaming terminal or associated equipment for maintenance or repair with the approval of a terminal operator licensee and the Board.

Cheating or thieving device—A device, software or hardware used or possessed with the intent to be used to cheat during the operation or play of a video gaming terminal. The term includes any device, software or hardware used to alter a video gaming terminal without the terminal operator licensee's and the Board's approval.

Commercial motor vehicle—As defined in 75 Pa.C.S. § 1603 (relating to definitions).

Conduct of video gaming—The licensed placement, operation and play of video gaming terminals under this subpart as authorized and approved by the Board.

Convenience store—A retail establishment which sells a limited selection of packaged foods, drug store items, food for consumption on or off the premises, and basic supplies for the home and table, which may include the retail sale of liquid fuels.

Conviction—

(i) A finding of guilt or a plea of guilty or nolo contendere, whether or not a judgment of sentence has been imposed as determined by the law of the jurisdiction in which the prosecution was held.

(ii) The term does not include a conviction that has been expunged or overturned or for which an individual has been pardoned or had an order of accelerated rehabilitative disposition entered.

Corporation—The term includes a publicly traded corporation.

Establishment license—A license issued by the Board authorizing a truck stop establishment to permit a terminal operator licensee to place and operate video gaming terminals on the truck stop establishment's premises under this part.

Establishment licensee—A truck stop establishment that holds an establishment license.

Financial backer—An investor, mortgagee, bondholder, noteholder, or other sources of equity or capital provided to an applicant or licensed entity.

Gaming employee—

(i) Any of the following individuals:

(A) An employee of a terminal operator licensee, establishment licensee or supplier licensee that is not a key employee who is involved in the conduct of video gaming, including servicing and maintaining video gaming terminals, redemption terminals, and security and surveillance equipment, and monitoring the conduct of video gaming and patrons in the video gaming area of an establishment licensee.

(B) An employee of a supplier or manufacturer licensee whose duties are directly involved with the repair or distribution of video gaming terminals or associated equipment sold or provided to a terminal operator licensee in this Commonwealth as determined by the Board.

(C) An employee of a gaming service provider who, in connection with the performance of his duties, has access to a video gaming area, video terminals, redemption terminals, and the security and surveillance systems monitoring a video gaming area.

(ii) The term does not include nongaming personnel as determined by the Board or an employee of an establishment licensee who does not have duties involving the conduct or monitoring of video gaming.

Gaming service provider—

(i) A person who is not required to be licensed as a terminal operator, manufacturer, supplier or establishment licensee who provides goods or services to a terminal operator licensee that directly relates to the operation and security of a video gaming terminal or redemption terminal.

(ii) The term does not include a person who supplies goods or services that, at the discretion of the Board, does not impact the integrity of video gaming, video gaming terminals or the connection of video gaming terminals to the central control computer system, including all of the following:

(A) Seating to accompany video gaming terminals.

(B) Structural or cosmetic renovations, improvements or other alterations to a video gaming area.

Gross terminal revenue—

(i) The total of cash or cash equivalents received by a video gaming terminal minus the total of cash or cash equivalents paid out to players as a result of playing a video gaming terminal.

(ii) The term does not include counterfeit cash or cash taken in a fraudulent act perpetrated against a terminal operator licensee for which the terminal operator licensee is not reimbursed.

*Incentive—*Consideration, including a promotion or prize, provided to a player or potential player as an enticement to play a video gaming terminal.

Inducement—

(i) Any of the following:

(A) Consideration paid directly or indirectly, from a manufacturer, supplier, terminal operator, procurement agent, gaming employee, employee or another person on behalf of an applicant or anyone licensed under this part, to a truck stop establishment, establishment licensee, establishment licensee owner or an employee of the establishment licensee, directly or indirectly, as an enticement to solicit or maintain the establishment licensee or establishment licensee owner's business.

(B) Cash, incentive, marketing and advertising cost, gift, food, beverage, loan, prepayment of gross terminal revenue and other contribution or payment that offsets an establishment licensee's operational costs, or as otherwise determined by the Board.

(ii) The term does not include costs paid by a terminal operator applicant or terminal operator licensee related to making video gaming terminals operate at the premises of an establishment licensee, including for improvements and renovations to the video gaming area, wiring and rewiring, software updates, ongoing video gaming terminal maintenance, redemption terminals, network connections, site controllers and costs associated with communicating with the central control computer system.

Key employee—An individual who is employed by a manufacturer licensee, supplier licensee or terminal operator licensee who is determined by the Board to be a director or department head or otherwise empowered to make discretionary decisions that regulate the conduct of video gaming.

Key employee licensee—An individual who holds a key employee license.

Key employee qualifier—An individual required to be qualified as part of the truck stop establishment who is determined by the Board to be a director or department head or otherwise empowered to make discretionary decisions that regulate the conduct of video gaming.

Law enforcement authority—The power to conduct investigations of or to make arrests for criminal offenses.

Licensed entity—A terminal operator licensee, establishment licensee, manufacturer licensee or supplier licensee under this part.

Licensed facility—As defined in section 1103 of the act (relating to definitions).

Licensed gaming entity—As defined in section 1103.

Licensee—A person listed under this part.

Manufacturer—A person who manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to a video gaming terminal, redemption terminal or associated equipment for use or play of video gaming terminals in this Commonwealth for video gaming purposes.

Manufacturer license—A license issued by the Board authorizing a manufacturer to manufacture or produce video gaming terminals, redemption terminals or associated equipment for use in this Commonwealth for video gaming purposes.

Manufacturer licensee—A person that holds a manufacturer license.

Minor—An individual under 21 years of age.

Nongaming employee—An individual who is employed by a terminal operator licensee, manufacturer licensee, supplier licensee, gaming service provider or establishment licensee and whose duties do not involve the conduct of video gaming or the monitoring of a video gaming area, either directly or through surveillance.

Nonkey employee—An individual employed by a terminal operator licensee who, unless otherwise designated by the Board, is not a key employee.

Occupation permit—A permit authorizing an individual to be employed or to work as a gaming employee for a terminal operator licensee, an establishment licensee, a gaming service

provider, a supplier licensee or as an employee of a manufacturer who performs duties at the premises of a terminal operator or establishment licensee relating to video gaming terminals or redemption terminals.

Permittee—A holder of a permit issued under this part.

Person—A natural person, corporation, foundation, organization, business trust, estate, limited liability company, trust, partnership, limited liability partnership, association or other form of legal business entity.

Player—An individual who wagers cash or a cash equivalent in the play or operation of a video gaming terminal and the play or operation of which may deliver or entitle the individual playing or operating the video gaming terminal to receive cash or a cash equivalent from a terminal operator licensee.

Principal—An officer, director or person who directly holds a beneficial interest in or ownership of the securities of an applicant or licensee under this part as a terminal operator, manufacturer or supplier or who has a controlling interest in an applicant or licensee as a terminal operator, manufacturer or supplier under this part or has the ability to elect a majority of the board of directors of a terminal operator, manufacturer or supplier licensee or to otherwise control anyone licensed under this part, procurement agent, lender or other licensed financial institution of an applicant or a terminal operator, manufacturer or supplier licensee under this part, other than a bank or lending institution which makes a loan or holds a mortgage or other lien acquired in the ordinary course of business, underwriter of an applicant or anyone licensed under this part or other person or employee of a terminal operator licensee, establishment licensee, manufacturer licensee or supplier licensee deemed to be a principal by the Board, including a procurement agent.

Principal qualifier—Each owner, officer and director of the truck stop establishment who is required to be qualified as part of the truck stop establishment application. For purposes of this definition, an owner is each individual who has a direct or indirect ownership or beneficial interest of 10% or more in the truck stop establishment or other person as determined by the Board. An officer is 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.

Procurement agent—A person that shares in the gross terminal revenue or is otherwise compensated for the purpose of soliciting or procuring a terminal placement agreement.

Progressive payout—A video game terminal wager payout that increases in a monetary amount based on the amounts wagered in a progressive system.

Progressive system—A computerized system linking video gaming terminals on the premises of an establishment licensee and offering one or more common progressive payouts based on the amounts wagered.

Publicly traded corporation—A person, other than an individual, who:

(1) Has a class or series of securities registered under the Securities Exchange Act of 1934 (15 U.S.C.A. §§ 78a—78qq).

(2) Is a registered management company under the Investment Company Act of 1940 (15 U.S.C.A. §§ 80a-1—80a-64).

(3) Is subject to the reporting obligations imposed by section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.A. § 78o(d)) by reason of having filed a registration statement that has become effective under the Securities Act of 1933 (15 U.S.C.A. §§ 77a—77aa).

Redemption terminal—The collective hardware, software, communications technology and other ancillary equipment used to facilitate the payment of cash or a cash equivalent to a player as a result of playing a video gaming terminal.

Registrant—A holder of a nongaming registration under this part.

Security—As defined in the Pennsylvania Securities Act of 1972 (70 P.S. §§ 1-101—1-703.1).

Subsidiary—As defined in section 1103 of the act.

Supplier—A person that sells, leases, offers or otherwise provides, distributes or services any video gaming terminal, redemption terminal or associated equipment to a terminal operator licensee for use or play in this Commonwealth.

Supplier license—A license issued by the Board authorizing a supplier to provide products or services related to video gaming terminals, redemption terminals or associated equipment to terminal operator licensees for use in this Commonwealth for the conduct of video gaming.

Supplier licensee—A person that holds a supplier license.

Terminal operator—A person that owns, services or maintains video gaming terminals for placement and operation on the premises of an establishment licensee.

Terminal operator license—A license issued by the Board authorizing a terminal operator to place and operate video gaming terminals in an establishment licensee's premises under this part.

Terminal operator licensee—A person that holds a terminal operator license.

Terminal placement agreement—The formal written agreement or contract between an applicant for a terminal operator license or terminal operator licensee and an applicant for an

establishment license or establishment licensee that establishes the terms and conditions regarding the conduct of video gaming.

Truck stop establishment—A premises that:

- (i) Is equipped with diesel islands used for fueling commercial motor vehicles.
- (ii) Has sold on average 50,000 gallons of diesel or biodiesel fuel each month for the previous 12 months or is projected to sell an average of 50,000 gallons of diesel or biodiesel fuel each month for the next 12 months.
- (iii) Has at least 20 parking spaces dedicated for commercial motor vehicles as defined in 75 Pa.C.S. § 1603.
- (iv) Has a convenience store.
- (v) Is situated on a parcel of land of not less than 3 acres that the truck stop establishment owns or leases.
- (vi) Is not located on any property owned by the Pennsylvania Turnpike Commission.

Video gaming area—The area of an establishment licensee's premises where video gaming terminals and redemption terminals are installed for operation and play.

Video gaming employees—The term includes gaming employees, key employees and nonkey employees.

Video gaming terminal—

- (i) A mechanical or electrical contrivance, terminal, machine or other device approved by the Board that, upon insertion of cash or cash equivalents, is available to play or operate one or more gambling games, the play of which utilizes a random number generator and:
 - (A) May award a winning player either a free game or credit that shall only be redeemable for cash or cash equivalents at a redemption terminal.
 - (B) May utilize video displays.
 - (C) May use an electronic credit system for receiving wagers and making payouts that are only redeemable at a redemption terminal.
- (ii) Associated equipment necessary to conduct the operation of the contrivance, terminal, machine or other device.

(iii) The term does not include a slot machine operated at a licensed facility in accordance with the act or a coin-operated amusement game.

(iv) The term does not include “lottery” as defined in section 302 of the State Lottery Law (72 P.S. § 3761-302).

CHAPTER 1102. TERMINAL OPERATOR LICENSEES

Sec.

1102.1. Terminal operator licenses.

1102.2. Terminal operator license issuance and statement of conditions.

1102.3. Conditional terminal operator licenses.

§ 1102.1. Terminal operator licenses.

(a) An applicant for a terminal operator license may conduct video gaming upon approval by the Board and in accordance with 4 Pa.C.S. Part III (relating to video gaming) and this chapter.

(b) An applicant shall submit all of the following:

(1) An original and one copy of the Enterprise Entity Application and Disclosure Information Form shall be submitted on forms approved by the Board.

(2) The nonrefundable application fee of \$25,000 in accordance with 4 Pa.C.S. § 4101(a) (relating to fees).

(3) A diversity plan as set forth in 4 Pa.C.S. § 3307 (relating to diversity).

(4) A current tax lien certificate issued by the Department.

(5) An application for each proposed key employee under Chapter 1105 (relating to key employees—temporary regulations) and principal under Chapter 1104 (relating to principals—temporary regulations) as specified in the Enterprise Entity Application and Disclosure Information Form.

(6) A sworn or affirmed statement that the applicant has developed and implemented internal safeguards and policies to prevent a violation of 4 Pa.C.S. § 4305 (relating to political influence) and a copy of the safeguards and policies.

(7) Details of any loans or other financial commitments to fund license costs and costs of operating video gaming.

(8) Information and documentation concerning financial background and resources, as the Board or the Bureau may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant.

(9) A consent authorizing the Board to conduct a background investigation, the scope of which is to be determined by the Bureau, in its discretion consistent with 4 Pa.C.S. Part III (relating to video gaming), and a release signed by all persons subject to investigation of all information required to complete the investigation.

(10) Information concerning maintenance and operation of video gaming terminals in other jurisdictions.

(11) Proof that the applicant has or will establish a place of business in this Commonwealth.

(12) A copy of, or a detailed description of, the terms and conditions of any terminal placement agreement entered into with an establishment licensee applicant or licensee.

(13) Any other information as the Board or the Bureau may require.

(c) Upon request of the Board or the Bureau, the applicant shall cooperate and provide supplemental information in support of its application. The applicant shall provide requested documents, records, supporting data and other information within the time period specified in the request or, if a time is not specified, within 30 days of the date of the request. If the applicant fails to provide the requested information within the required time period as set forth in the request, the Board may deny the application.

(d) The application, and amendments thereto, and other specific documents designated by the Board will be sworn to or affirmed by the applicant before a notary public which shall be filed promptly with the application or amendments thereto.

(e) An application and related materials that have been submitted to the Board will become the property of the Board and will not be returned.

§ 1102.2. Terminal operator license issuance and statement of conditions.

(a) *Criteria.* In addition to the criteria in 4 Pa.C.S. Part III (relating to video gaming), the Board will not issue a terminal operator license unless all of the following criteria have been established by the applicant:

(1) The applicant has fulfilled each condition set by the Board, including the execution of a statement of conditions.

(2) The applicant is found suitable consistent with the laws of the Commonwealth and is otherwise qualified to be issued a terminal operator license.

(b) *Statement of conditions.*

(1) The applicant, as a condition precedent to the issuance of a terminal operator license, shall execute a Statement of Conditions in the manner and form required by the Board.

Execution of the Statement of Conditions constitutes the acceptance of each provision contained in the Statement of Conditions by the applicant.

(2) Failure to fully comply with any provision contained in an executed Statement of Conditions constitutes a violation and may result in Board-imposed administrative sanctions, up to and including revocation of the license.

§ 1102.3. Conditional terminal operator licenses.

(a) Upon accepting a terminal operator application for filing, the Board will issue a conditional terminal operator license if the applicant has satisfied, as determined by the Board, all of the following:

(1) The applicant has submitted a completed application for a terminal operator license.

(2) The applicant has never had a similar gaming license denied or revoked in another jurisdiction.

(3) The applicant has never been convicted of a felony in any jurisdiction.

(4) The applicant has never been convicted of a gambling law violation in any jurisdiction.

(5) The applicant is current on all State taxes.

(6) The applicant attests by affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure under 4 Pa.C.S. Part III (relating to video gaming).

(b) The Board will issue a conditional terminal operator license within 60 days after the completed application has been received by the Board, and the Board has determined that the criteria in subsection (a) have been satisfied.

(c) If the Board determines that the criteria in subsection (a) have not been satisfied, the Board will give the applicant written notice and explanation of that determination.

(d) A conditional license issued under this section will be valid until:

(1) The Board approves or denies the application for a terminal operator license.

(2) The conditional license is terminated for a violation of the act or this part.

(3) One calendar year has passed since the conditional license has been issued.

(e) The Board may extend the duration of a conditional license for one year.

(f) A request for conditional licensure must include a \$100 fee in addition to the applicable fee required under 4 Pa.C.S. § 4101 (relating to fees).

(g) The requirements in section 1102.3 apply to applicants for a conditional procurement agent license.

CHAPTER 1103. ESTABLISHMENT LICENSEES

Sec.

1103.1. Establishment licenses.

1103.2. Establishment principal and key employee qualification.

1103.3. Conditional establishment licenses.

§ 1103.1. Establishment licenses.

(a) A truck stop establishment in this Commonwealth seeking to offer video gaming terminals through a licensed terminal operator on its premises shall apply for an establishment license by filing an Video Gaming Terminal Establishment License Application with the Board.

(b) To be eligible to file an application for an establishment license, the truck stop establishment must meet all of the following requirements:

(1) Be equipped with diesel islands for the fueling of commercial motor vehicles and have sold on average 50,000 gallons of diesel or biodiesel fuel each month for the previous 12 months or is projected to sell an average of 50,000 gallons of diesel or biodiesel fuel each month for the next 12 months.

(2) Have at least 20 parking spaces dedicated for commercial motor vehicles. For purposes of this paragraph, "parking spaces dedicated for commercial motor vehicles" must be of sufficient size to accommodate vehicles which are 8 feet in width and 53 feet in length or which otherwise have a gross combination weight rating or gross combination weight of 26,000 pounds inclusive of a tow unit with a gross vehicle weight rating or gross vehicle weight of more than 10,000 pounds, whichever is greater.

(3) Have a convenience store.

(4) Be situated on a parcel of land not less than 3 acres and which is not located on property owned by the Pennsylvania Turnpike Commission.

(5) Be licensed as a lottery sales agent under section 305 of the State Lottery Law (72 P.S. § 3761-305).

(c) An applicant for an establishment license shall submit all of the following:

(1) An original and one copy of the Enterprise Entity Application and Disclosure Information Form.

(2) The nonrefundable application fee of \$1,000 in accordance with 4 Pa.C.S. § 4101(a) (relating to fees).

(3) Documentation to establish its eligibility to apply to be an establishment licensee as set forth in subsection (b).

(4) A to-scale schematic or architectural rendering of the floor plan of the establishment which shows all of the following:

(i) Total square footage of the video gaming area.

(ii) A depiction of the video gaming area where video gaming will be offered in relation to the overall facility.

(iii) Location of the video gaming terminals and redemption terminals, and security and surveillance equipment locations.

(iv) A detailed description of the surveillance to be utilized.

(5) A description of the proposed surveillance and security measures to ensure the security of the proposed video gaming area.

(6) A diversity plan as set forth in 4 Pa.C.S. § 3307 (relating to diversity).

(7) A current tax lien certificate issued by the Department.

(8) Information for each key employee qualifier and principal qualifier as specified in the Enterprise Entity Application and Disclosure Information Form.

(9) The consent to a background investigation by the Bureau of the applicant, its principal qualifiers and key employee qualifiers or other persons required by the Board and a release to obtain the information necessary for the completion of the background investigation.

§ 1103.2. Establishment principal and key employee qualification.

(a) In addition to the information required under § 1103.1(c)(8) (relating to establishment licenses), a principal qualifier and key employee qualifier shall apply for qualification as follows:

(1) Submit fingerprints in a manner prescribed by the Bureau.

(2) Consent to a background investigation by the Bureau of the principal qualifier and key employee qualifier and a release to obtain the information necessary for the completion of the background investigation.

(3) Provide any other information required by the Board.

(b) In addition to individuals meeting the definition of principal qualifier and key employee qualifier, the Board may require the submission of fingerprints or any other information required by the Board from a person who holds any direct or indirect ownership or beneficial interest in a truck stop establishment, or has the right to any profits or distributions directly or indirectly, from the truck stop establishment 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.

(c) Each of the individuals required to submit fingerprints under subsection (a) and (b) must be found qualified by the Board. An individual who is found qualified and is also a gaming or nongaming employee as defined in § 401a.3 (relating to definitions) shall obtain a gaming employee occupation permit in accordance with § 435a.3 (relating to occupation permit) or a nongaming employee registration in accordance with § 435a.5 (relating to nongaming employee registration).

§ 1103.3. Conditional establishment licenses.

(a) Upon accepting an establishment license application for filing, the Board will issue a conditional establishment license if the applicant has satisfied, as determined by the Board, all of the following:

(1) The applicant has submitted a completed application for an establishment license.

(2) The applicant has never been convicted of a felony in any jurisdiction.

(3) The applicant has never been convicted of a gambling law violation in any jurisdiction.

(4) The applicant is current on all State taxes.

(5) The applicant attests by affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure under 4 Pa.C.S. Part III (relating to video gaming).

(b) The Board will issue a conditional license within 60 days after the completed application has been received by the Board, and the Board has determined that the criteria in subsection (a) have been satisfied.

(c) If the Board determines that the criteria in subsection (a) have not been satisfied, the Board will give the applicant written notice and explanation of that determination.

(d) A conditional license issued under this section will be valid until:

(1) The Board approves or denies the application for an establishment license.

(2) The conditional license is terminated for a violation of this part.

(3) One calendar year has passed since the conditional license has issued.

(e) The Board may extend the duration of a conditional license for 1 year.

(f) A request for a conditional license must include a \$100 fee which shall be in addition to the applicable fee required under 4 Pa.C.S. § 4101 (relating to fees).

CHAPTER 1104. PRINCIPALS

Sec.

1104.1. Principal licenses.

§ 1104.1. Principal licenses.

(a) A principal as defined in this subpart shall apply for licensure as a principal in accordance with § 433a.8 (relating to principal applications).

(b) In addition to information required under § 433a.8, an individual required to be licensed as a principal, unless otherwise directed by the Board, shall file all of the following:

(1) Verification of status as a principal from a terminal operator licensee, an establishment licensee, a manufacturer licensee or supplier licensee.

(2) A description of responsibilities as a principal.

(3) Details relating to a similar license, permit or other authorization obtained in another jurisdiction.

(4) The consent to a background investigation by the Bureau of the principal applicant and a release to obtain the information necessary for the completion of the background investigation.

(5) Other information required by the Board.

(c) Following review of the application and background investigation, the Board may issue a principal license if the applicant has proven by clear and convincing evidence that the applicant is a person of good character, honesty and integrity, and is eligible and suitable to be licensed as a principal.

(d) A principal license is not transferable.

(e) A temporary credential, which may be valid up to 270 days, may be issued by the Board to a principal if the Board determines additional time is needed to complete an investigation for licensure.

CHAPTER 1105. KEY EMPLOYEES

Sec.

1105.1. Key employee licenses.

§ 1105.1. Key employee licenses.

(a) A key employee as defined in this subpart shall apply for licensure as a key employee in accordance with § 435a.2 (relating to key employee license).

(b) In addition to information required under § 435a.2, an individual required to be licensed as a key employee, unless otherwise directed by the Board, shall file all of the following:

(1) Verification of status as a key employee from a terminal operator licensee, an establishment licensee, manufacturer licensee or supplier licensee.

(2) A description of employment responsibilities.

(3) The consent to a background investigation by the Bureau of the applicant, and a release to obtain the information necessary for the completion of the background investigation, including information from governmental agencies, employers and other organizations.

(4) Details relating to a similar license or other authorization obtained in another jurisdiction.

(5) Other information required by the Board.

(c) Following review of the application and background investigation, the Board may issue a key employee license if the applicant has proven by clear and convincing evidence that the applicant is a person of good character, honesty and integrity and is eligible and suitable to be licensed as a key employee.

(d) A key employee license is not transferable.

(e) A temporary credential, which may be valid up to 270 days, may be issued by the Board to a key employee if the Board determines additional time is needed to complete an investigation for licensure.

(f) An individual may not perform duties associated with a position that requires a key employee license prior to receiving a temporary or permanent credential unless otherwise authorized by the Board.

CHAPTER 1106. SUPPLIERS

Sec.

1106.1. Supplier licenses.

§ 1106.1. Supplier licenses.

(a) *Application for licensure.* A supplier as defined in this subpart shall apply for licensure in accordance with § 431a.2 (relating to supplier license applications and standards).

(b) *Submittals.* In addition to the information submitted under § 431a.2, an applicant for a supplier license shall submit all of the following:

(1) The name and business address of the applicant and the applicant's affiliates, intermediaries, subsidiaries and holding companies, the principals and key employees of each business, and a list of employees and their positions within each business, as well as financial information required by the Board.

(2) A statement that the applicant and each affiliate, intermediary, subsidiary or holding company of the applicant are not terminal operator licensees or establishment licensees.

(3) Proof that the applicant has or will establish a place of business in this Commonwealth. A supplier licensee shall maintain a place of business in this Commonwealth to remain eligible for licensure.

(4) The consent to a background investigation by the Bureau of the applicant, its principals and key employees or other persons required by the Board and a release to obtain the information necessary for the completion of the background investigation.

(5) The details of any supplier license issued by the Board to the applicant under section 1317 of the act (relating to supplier licenses), if applicable.

(6) The details of any equivalent license granted or denied by other jurisdictions where gaming activities as authorized by the act or this part are permitted.

(7) The type of products and services to be supplied and whether those products and services will be provided through purchase, lease, contract or otherwise.

(8) Other information determined by the Board to be appropriate.

(c) *Approval and issuance of license.* Upon being satisfied that the requirements in subsection (a) and (b) have been met, the Board may approve the application and issue the applicant a supplier license consistent with all of the following:

(1) A licensee shall have an affirmative duty to notify the Board of a change relating to the status of its license or to information in the application materials on file with the Board.

(2) The license is nontransferable.

(3) Other conditions established by the Board.

(d) *Considerations.* In determining whether an applicant is suitable to be licensed as a supplier under this section, the Board will consider all of the following:

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

(2) If all principals and key employees of the applicant are eligible and suitable for licensure.

(3) The integrity of financial backers.

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

(i) A background investigation of the applicant and its principals and key employees.

(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.

(e) *Submittal of agreements.* A supplier shall submit to the Bureau of Licensing for review any agreements with a licensed manufacturer or with a terminal operator licensee. The review may include financing arrangements, inventory requirements, warehouse requirements, warehouse space, technical competency, compensative agreements and other terms or conditions to ensure the financial independence of the supplier licensee from any licensed manufacturer or terminal operator.

(f) *Occupation permit or nongaming registration.* An employee of a supplier licensee who is a gaming employee or nongaming employee as defined in § 1101.2 (relating to definitions) shall obtain an occupation permit under § 1109.1 (relating to gaming employee occupation permits) or a nongaming registration under § 1109.2 (relating to nongaming employee registrations).

(g) *Change of control of a supplier licensee.*

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

(i) More than 20% of a supplier licensee's securities, assets or other ownership interests.

(ii) 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.

(iii) Any other interest in a supplier licensee which allows the acquirer to control the supplier licensee.

(2) 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.

(3) 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 all of the following:

(i) A copy of all documents governing the acquisition.

(ii) Completed applications for the acquiring company, as required under this chapter, principals as required under § 1104.1 (relating to principal licenses) and key employees as required under § 1105.1 (relating to key employee licenses).

(iii) An affirmation that neither the acquirer nor any of its affiliates, intermediaries, subsidiaries or holding companies is a terminal operator licensee or establishment licensee.

(4) 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 this subsection.

(5) A person or group of persons may not acquire a controlling interest in a supplier licensee until the petition required under this subsection, 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.

CHAPTER 1107. MANUFACTURERS

Sec.

1107.1. Manufacturer licenses.

§ 1107.1. Manufacturer licenses.

(a) *Application for licensure.* A manufacturer as defined in this subpart who seeks to manufacture video gaming terminals, redemption terminals and associated equipment for use in this Commonwealth shall apply for licensure in accordance with §§ 427a.1 and 427a.2 (relating to manufacturer general requirements; and manufacturer license applications and standards).

(b) *Submittals.* In addition to the completed Manufacturer Application and Disclosure Information Form required under § 427a.2 an applicant shall include all of the following:

(1) The name and business address of the applicant and the applicant's affiliates, intermediaries, subsidiaries and holding companies, the principals and key employees of each business, and a list of employees and their positions within each business, as well as financial information required by the Board.

(2) A statement that the applicant and each affiliate, intermediary, subsidiary or holding company of the applicant are not terminal operator licensees or establishment licensees.

(3) The consent to a background investigation by the Bureau of the applicant, its principals and key employees or other persons required by the Board and a release to obtain the information necessary for the completion of the background investigation.

(4) The details of any equivalent manufacturer license granted or denied by other jurisdictions where gaming activities as authorized by this part are permitted.

(5) The details of any manufacturer license issued by the Board to the applicant under section 1317.1 of the act (relating to manufacturer licenses), if applicable.

(6) The type of video gaming terminals, redemption terminals or associated equipment to be manufactured or repaired.

(7) Other information determined by the Board or the Bureau to be appropriate.

(c) *Approval and issuance of license.* Upon being satisfied that the requirements in subsection (a) and (b) have been met, the Board may approve the application and issue the applicant a manufacturer license consistent with all of the following:

(1) A licensee shall have an affirmative duty to notify the Board of a change relating to the status of its license or to information in the application materials on file with the Board.

(2) The license shall be nontransferable.

(3) Other conditions established by the Board.

(d) *Considerations.* In determining whether an applicant is suitable to be licensed as a manufacturer under this section, the Board will consider all of the following:

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

(2) If all principals and key employees of the applicant are eligible and suitable for licensure.

(3) The integrity of financial backers.

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

(i) A background investigation of principals and key employees.

(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.

(e) *Submittal of agreements.* A manufacturer shall submit to the Bureau of Licensing for review any agreements with a licensed supplier or with a terminal operator licensee. The review may include financing arrangements, inventory requirements, warehouse requirements, warehouse space, technical competency, compensative agreements and other terms or conditions to ensure the financial independence of the licensed manufacturer from any licensed supplier, terminal operator or establishment licensee.

(f) *Occupation permit or nongaming registration.* An employee of a manufacturer licensee who is a gaming employee or nongaming employee as defined in § 1101.2 (relating to definitions) shall obtain an occupation permit under § 1109.1 (relating to gaming employee occupation permits) or a nongaming registration under § 1109.2 (relating to nongaming employee registrations).

(g) *Change of control of a manufacturer licensee.*

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

(i) More than 20% of a manufacturer licensee's securities, assets or other ownership interests.

(ii) 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 manufacturer licensee.

(iii) Any other interest in a manufacturer licensee which allows the acquirer to control the manufacturer licensee.

(2) A manufacturer 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 manufacturer licensee.

(3) Prior to acquiring a controlling interest in a manufacturer 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 all of the following:

(i) A copy of all documents governing the acquisition.

(ii) 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).

(iii) An affirmation that neither the acquirer nor any of its affiliates, intermediaries, subsidiaries or holding companies is a terminal operator licensee or establishment licensee and that the acquirer has neither applied for nor holds a terminal operator license or establishment license.

(4) A person or group of persons seeking to acquire a controlling interest in a manufacturer 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 (a).

(5) A person or group of persons may not acquire a controlling interest in a manufacturer licensee until the petition required under subsection (g) has been approved. A person or group of persons seeking to acquire a controlling interest in a manufacturer licensee and the manufacturer licensee may enter into an agreement of sale that is contingent on Board approval of the petition.

CHAPTER 1108. GAMING SERVICE PROVIDERS

Sec.

1108.1. Gaming service providers.

1108.2. Interim authorization.

1108.3. Emergency gaming service provider.

§ 1108.1. Gaming service providers.

(a) A gaming service provider providing goods or services to a terminal operator licensee that directly relates to the operation and security of a video gaming terminal or redemption terminal shall apply to the Board to be registered as a gaming service provider.

(b) A gaming service provider seeking registration shall complete an original and one copy of a Gaming Service Provider Registration Form. The original copy and the fee toward the cost of the investigation of the applicant posted on the Board's web site shall be submitted to the Bureau of Licensing by the terminal operator applicant or licensee for whom the gaming service provider will provide goods or services unless otherwise directed by the Bureau of Licensing.

(c) In addition to the materials required under subsection (b), an applicant for a gaming service provider registration shall do all of the following:

(1) Submit the nonrefundable application fee posted on the Board's web site.

(2) Submit fingerprints of the following individuals in a manner prescribed by the Bureau:

(i) Each officer and director of the registered gaming service provider applicant. For purposes of this paragraph, "officer" means a president, a 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 gaming service provider applicant.

(iii) Each salesperson of a registered gaming service provider applicant who solicits business from, or has regular contact with, any representatives of a terminal operator applicant or licensee.

(d) A person who holds any direct or indirect ownership or beneficial interest in a registered gaming service provider or applicant for gaming service provider registration, or has the right to any profits or distributions directly or indirectly, from the registered gaming service provider or applicant for 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.

(e) Each of the individuals required to submit fingerprints under subsection (b)(2) must be found qualified by the Board.

(f) A gaming service provider registration will not be issued until all fees and costs have been paid.

§ 1108.2. Interim authorization.

(a) Notwithstanding § 1108.1 (relating to gaming service providers), the Bureau of Licensing may authorize an applicant for a gaming service provider registration to conduct business with a terminal operator applicant or licensee prior to the registration of the gaming service provider applicant if all of the following criteria are met:

(1) A completed Gaming Service Provider Registration application has been filed by the gaming service provider.

(2) The terminal operator applicant or licensee contracting or doing business with the gaming service provider certifies that it has performed due diligence on the gaming service

provider and believes that the applicant meets the qualification to be a gaming service provider under 4 Pa.C.S. Part III (relating to video gaming) and § 1108.1.

(3) The applicant for gaming service provider registration agrees, in writing, that the grant of interim authorization to conduct business prior to Board approval of registration does not create a right to continue to conduct business if the Board determines that the applicant is not suitable or continued authorization is not in the public interest.

(b) If the Office of Enforcement Counsel issues a Notice of Recommendation for Denial to an applicant for registration, the Bureau of Licensing may rescind the permission granted to the applicant to conduct business with a terminal operator applicant or licensee under subsection (a). If the permission is rescinded, the applicant for registration shall cease conducting business with the terminal 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 and the terminal operator applicant or licensee by registered and electronic mail that permission to conduct business with the terminal operator applicant or licensee under subsection (a) has been rescinded and that the terminal operator applicant or licensee shall cease conducting business with the applicant by the date specified in the notice.

§ 1108.3. Emergency gaming service provider.

(a) A terminal operator licensee may utilize a gaming service provider that is not registered when a threat to public health, welfare or safety exists, or circumstances outside the control of the terminal operator licensee require immediate action to mitigate damage or loss to the licensee's video gaming terminals.

(b) When using a gaming service provider that is not registered to conduct business to respond to an emergency, the terminal operator licensee shall do all of the following:

(1) Immediately notify the Board's Bureau of Casino Compliance and Bureau of Licensing of the emergency and the gaming service provider that was selected to provide emergency services.

(2) File a Gaming Service Provider Emergency Notification Form with the Bureau of Licensing within 72 hours after commencement of the gaming service provider's services and a written explanation of the basis for the procurement of the emergency gaming service provider.

(c) If the terminal operator licensee continues to utilize the 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 gaming service provider, the gaming service provider shall comply with the requirements in this chapter.

CHAPTER 1109. OCCUPATION PERMITS

Sec.

1109.1. Gaming employee occupation permits.

1109.2. Nongaming employee registrations.

§ 1109.1. Gaming employee occupation permits.

(a) A gaming employee as defined in this subpart shall apply for an occupation permit in accordance with § 435a.3 (relating to occupation permit).

(b) In addition to the requirements in subsection (a), a gaming employee applying for an occupation permit shall submit all of the following:

(1) Verification of an offer of employment from, or employment by a terminal operator licensee, an establishment licensee, a manufacturer licensee, a supplier licensee or a video gaming service provider and the nature and scope of the proposed duties of the person.

(2) The previous employment history of the person.

(3) The details of an occupation permit or similar license granted or denied to the applicant in other jurisdictions.

(4) A current photograph of the person.

(5) The criminal history record of the person, as well as the person's consent for the Bureau to conduct a background investigation.

(6) Other information as determined by the Board.

(c) After reviewing the application and the results of the applicant's background investigation, the Board may issue a gaming employee occupation permit if the individual has proven that he is a person of good character, honesty and integrity, and is eligible and suitable to hold an occupation permit.

§ 1109.2. Nongaming employee registrations.

A person who is employed by an terminal operator licensee, establishment licensee, manufacturer, supplier or gaming service provider and whose duties do not involve monitoring a video gaming area or the conduct of video gaming may be required to apply for a nongaming employee registration in accordance with § 435a.5 (relating to nongaming employee registration) if the Board or the Bureau of Licensing determines that submitting an application and obtaining a registration is required to ensure the integrity of video gaming in this Commonwealth.

CHAPTER 1110. APPLICATIONS GENERALLY

Sec.

- 1110.1. Preliminary application submission review.
- 1110.2. Application processing.
- 1110.3. Deficient and abandoned applications.
- 1110.4. Application withdrawal.

§ 1110.1. Preliminary application submission review.

(a) Upon receipt, an application will be reviewed to ensure that it contains all of the following:

- (1) The applicable application forms and additional information and accompanying documentation required by 4 Pa.C.S. Part III (relating to video gaming) or the Board.
- (2) Completed authorization forms, if required, for release of information from governmental agencies and other entities.

(b) If an applicant fails to include any required information, the applicant will be notified and given an opportunity to cure the deficiency.

§ 1110.2. Application processing.

(a) Upon a determination that the prerequisites for filing have been met, the application will be accepted for filing and Board staff, if applicable, will:

- (1) Obtain information as may be necessary to determine the qualifications of the applicant and any matter relating to the application.
- (2) Promptly conduct an investigation of the applicant and on any matter relating to the application.
- (3) Request the Department to promptly conduct a tax clearance review.
- (4) Request the Department of Labor and Industry to perform an Unemployment Compensation Tax clearance review and a Workers Compensation Tax clearance review.
- (5) Request any agencies, entities or persons to provide information to the Board as deemed necessary by the Board.

(b) An application submitted under this part and information obtained by Board staff relating to the application will be part of the evidentiary record to be utilized by the Board when deciding to approve, condition, issue or deny a license.

§ 1110.3. Deficient and abandoned applications.

(a) If an application is found to be deficient, Board staff will notify the applicant of the deficiencies in the application and provide an opportunity for the applicant to cure the deficiencies within a specified time period.

(b) Failure to provide the information necessary to cure the deficiencies required under subsection (a) may result in the denial of the application or in the application being declared abandoned by the Bureau of Licensing under § 423a.4 (relating to deficient and abandoned applications).

(c) When an application is denied or declared abandoned under subsection (b), the applicant will be given written notice of this action.

§ 1110.4. Application withdrawal.

A request for withdrawal of an application may be made at any time prior to the Board taking action by petition filed with the Office of Hearings and Appeals.

CHAPTER 1111. LICENSE TERMS AND RENEWALS

Sec.

1111.1. Terms and renewals.

§ 1111.1. Terms and renewals.

(a) All licenses, permits and registrations issued under this part will be for a term of 5 years from the date of issuance.

(b) An application for renewal of an establishment license shall be submitted at least 3 months prior to the expiration of the license and must include an update of all information in the initial application and any prior renewal applications and any renewal fee.

(c) Except for renewal applications submitted under subsection (b), applications for renewal shall be submitted to the Board at least 180 days prior to the expiration of the license, permit or registration and must include an update of all information in the initial application and any prior renewal applications and the payment of any renewal fee.

(d) A license, permit or registration for which an application for renewal has been timely filed will continue in effect until the Board acts upon the application for renewal.

CHAPTER 1112. VIDEO GAMING TERMINAL, REDEMPTION TERMINAL AND ASSOCIATED EQUIPMENT TESTING AND CERTIFICATION

Sec.

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§ 1112.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Asset number—A unique number assigned to a video gaming terminal by a terminal operator for the purpose of tracking the video gaming terminal, while owned by the terminal operator.

Bill validator—An electronic device designed to interface with a video gaming terminal for the purpose of accepting and validating any combination of United States currency, gaming vouchers, coupons or other instruments authorized by the Board for incrementing credits on a video gaming terminal.

Conversion—A change or alteration to a video gaming terminal that does not affect the manner or mode of play or operation of the video gaming terminal.

Currency cassette—A container that holds banknotes that are available for dispensing.

Educational institution—A facility that teaches and certifies students in video gaming terminal design, operation, repair or servicing.

Finance department—The department that is responsible for the management of the financial and accounting activities relating to video gaming terminals and table games being utilized in a licensed establishment.

Gaming day—A period of time not to exceed 24 hours corresponding to the beginning and ending times of gaming activities for the purpose of accounting reports and determination of gross terminal revenue.

Gaming voucher—An instrument that upon insertion into a bill validator entitles the patron inserting the gaming voucher to cashable credits on a video gaming terminal corresponding to the value printed on the gaming voucher.

Gaming voucher system—The collective hardware, software, communications technology and other ancillary equipment used to facilitate the issuance of gaming vouchers and the redemption of gaming vouchers by video gaming terminals and automated gaming voucher redemption machines.

Machine displayed payout percentage—The selectable payout percentage that is set by the terminal operator during the initial configuration or a subsequent reconfiguration of a video gaming terminal and is displayed in the video gaming terminal's service menu during normal operation.

Manufacturer's par sheet—A document supplied by the manufacturer that shows payable information including theoretical payout percentage, winning combinations, awards and reel strips.

Minimum payout percentage—The lowest aggregate awards expected to be paid out over one cycle of the game divided by the total number of combinations in the cycle of the game.

Modification—

(i) A change or alteration in a video gaming terminal or associated equipment that affects the manner or mode of play or operation of the video gaming terminal or associated equipment.

(ii) The term includes a change to control or graphics programs and to the theoretical hold percentage.

(iii) In the case of video gaming terminals, the term does not include:

(A) A conversion.

(B) Replacement of one approved component with an identical component.

(iv) In the case of a progressive system, the term includes a change in:

(A) A system name or theme.

(B) The odds to win the progressive payout.

(C) The reset amount.

(D) The rate at which a progressive award increases.

(E) The wager necessary to win the progressive payout.

Paytable—A selectable part of a video gaming terminal program that contains video gaming terminal characteristics including the theoretical payout percentage, reel strips and awards.

Progressive awards—The award to be paid out when the event in the progressive game that triggered the award occurs.

Progressive controller—A program or computer system, other than an approved program that controls the operation of the video gaming terminal, which controls, adjusts and displays the amount of the progressive jackpot.

Progressive payout—A video gaming terminal payout that increases in a monetary amount based on the amounts wagered in a progressive system.

Progressive video gaming terminal—A video gaming terminal that offers a jackpot that may increase in value based upon the video gaming terminal wagers placed.

Pseudo random number generator—Software or hardware, or both, that ensures the randomness of video gaming terminal outcomes.

RAM—Random access memory.

RAM clear—A process initiated by a service technician that results in the zeroing out of any meter information, configuration information or data stored in the memory of a video gaming terminal.

Randomness—The observed unpredictability and absence of pattern in a set of elements or events that have definite probabilities of occurrence.

Reel strips—Components of a video gaming terminal which display symbols.

Related systems—Systems which interface with video gaming terminals or slot monitoring systems.

Remote system access—Connectivity to terminal operator systems from outside the terminal operator's network.

Reset amount—The award value that a progressive award reverts to after the progressive award is paid out.

Server supported video gaming terminal system—One or more video gaming terminals connected to a video gaming terminal server and an associated computer network.

Theme—A concept, subject matter and methodology of design of a video gaming terminal.

Theoretical payout percentage—The aggregate awards expected to be paid out over one cycle of the game divided by the total number of combinations in the cycle of the game.

Unredeemed gaming voucher—A gaming voucher that has not been redeemed in a ticket redemption unit or a video gaming voucher that has been found and returned to an establishment licensee.

Video gaming terminal bill validator—A component made up of software and hardware that accepts and reads instruments such as bills or vouchers into gaming devices such as video gaming terminals and automated gaming voucher redemption machines.

Video gaming terminal monitoring system—The collective hardware, software, communications technology and other ancillary equipment used to collect, monitor, interpret, analyze, authorize, report and audit data with regard to activity at video gaming terminals, inclusive of video gaming terminal meter readings, error conditions, video gaming terminal security, accounting, player tracking and productivity analysis.

Video gaming terminal operations department—The department of a terminal operator that is responsible for all operations in any truck stop establishment where video gaming terminals are kept.

Video gaming terminal server—A computer configured to receive, store, authenticate and download to video gaming terminals, Board-approved video gaming terminal game themes and other approved software.

Video gaming terminal system operator—The persons designated in a video gaming terminal system agreement as being responsible for the operation and administration of a wide area progressive system.

Wager—Placing at risk in a video gaming terminal a bill or video gaming voucher.

§ 1112.2. Protocol requirements.

In accordance with 4 Pa.C.S. §§ 3309 and 3518 (relating to central control computer system; and video gaming accounting controls and audits), manufacturer licensees, supplier licensees and terminal operators are required to ensure all video gaming terminals are enabled to communicate with the Department's central control computer for the purpose of transmitting auditing program information and activating and disabling video gaming terminals.

§ 1112.3. Testing and approval generally.

(a) In accordance with 4 Pa.C.S. § 3701 (relating to testing and certification of terminals), video gaming terminals and redemption terminals and associated equipment operated in this Commonwealth shall be tested and approved in accordance with § 1112.4 (relating to submission for testing and approval).

(b) The general cost of establishment and operation of the Board's testing facility shall be paid by each manufacturer licensee quarterly basis based upon the time spent testing and certifying each manufacturer's number of products reviewed.

(c) The Board will require payment of all costs for the testing and approval of video gaming terminals and redemption terminals and associated equipment submitted by manufacturers or gaming related gaming service providers or installed at an establishment licensee's facility based on the actual direct costs incurred by the Board.

(d) The Board will require a manufacturer licensee seeking approval of a video gaming terminal and redemption terminal and associated equipment to pay all costs of transportation, inspection and testing.

§ 1112.4. Submission for testing and approval.

(a) A video gaming terminal, redemption terminal and associated equipment identified in subsection (c) (collectively referred to as “products” or “equipment, device or software”), or a modification thereto, may not be offered for sale, lease or distribution for ultimate use by a manufacturer or supplier licensee in this Commonwealth unless a prototype identical in all mechanical, electrical, electronic and other respects has been tested by the Bureau of Gaming Laboratory Operations and approved by the Board's Executive Director.

(b) When an applicant for, or holder of a terminal operator license develops software or a system that is functionally equivalent to any of the video gaming system enumerated in subsection (c), that software or system is subject to the testing and approval process of this subpart to the same extent as if the software or system were developed by an applicant for, or holder of, a manufacturer license. A reference in this subpart to the responsibilities of a manufacturer applies to an applicant for, or holder of, a terminal operator license developing software or systems subject to testing and approval under this subpart.

(c) For the purposes of this section, video gaming terminals, redemption terminals and associated equipment that shall be submitted for testing and approval include all of the following:

- (1) Video gaming terminals, including bill validators and printers.
- (2) Video gaming monitoring systems, to the extent the systems interface with video gaming terminals and related systems.
- (3) Progressive systems, including wide area progressive systems.
- (4) Gaming voucher systems.
- (5) Machines performing gaming voucher payout transactions.
- (6) Other related systems.

(d) Video gaming terminal prototypes and modifications thereto, which are subject to testing and approval under this section, will be evaluated by the Bureau of Gaming Laboratory Operations for overall operational integrity and compliance with 4 Pa.C.S. Part III (relating to video gaming), this subpart and technical standards adopted by the Board as published in the *Pennsylvania Bulletin* and posted on the Board's web site. In addition, with regard to any video gaming terminal or modification thereto, the Bureau of Gaming Laboratory Operations will test for compatibility and compliance with the central control computer and protocol specifications approved by the Department including the ability to communicate with the central control computer for the purpose of transmitting auditing program information, real time information retrieval and activation, and disabling of slot machines and fully automated electronic gaming tables.

(e) The Bureau of Gaming Laboratory Operations may prescribe a standard product submission checklist, together with supplemental product specific submission checklists for completion by an applicant for, or holder of, a manufacturer license, to facilitate the examination and analysis of a prototype or modification.

(f) The Board may require the chief engineer of the applicant for, or holder of, a manufacturer license or the engineer in charge of the division of the manufacturer responsible for producing the product submitted to attest that the product was properly and completely tested by the manufacturer prior to its submission to the Bureau of Gaming Laboratory Operations.

(g) When an applicant for, or holder of, a manufacturer license seeks Board approval of a video gaming terminal prototype as described in subsection (c)(1), associated equipment prototype or any modification thereto, the manufacturer shall submit to the Bureau of Gaming Laboratory Operations all of the following:

(1) A prototype of the equipment, device or software accompanied by a written request for testing and approval. The manufacturer shall transport the equipment, device or software at its own expense and deliver it to the Bureau of Gaming Laboratory Operations in accordance with provided instructions.

(2) Certifications required under subsection (f) providing assurances from the manufacturer that the product was properly and completely tested and emulated by the manufacturer prior to its submission to the Bureau of Gaming Laboratory Operations and that the product, device or software complies with 4 Pa.C.S. Part III (relating to video gaming), this subpart and technical standards adopted by the Board as published in the *Pennsylvania Bulletin* and posted on the Board's web site, including applicable requirements related to the central control computer.

(3) An executed copy of a current product submission checklist and any product specific supplemental submission checklists applicable to the submitted equipment, device or software.

(4) A complete, comprehensive and technically accurate description of the equipment, device or software, accompanied by applicable diagrams, schematics and

specifications, together with documentation with regard to the manner in which the product was tested and emulated by the manufacturer prior to its submission to the Bureau of Gaming Laboratory Operations.

(5) Any hardware, software and other equipment, inclusive of technical support and maintenance applicable thereto, required by the Bureau of Gaming Laboratory Operations to conduct the testing and approval process contemplated by 4 Pa.C.S. Part III (relating to video gaming), this subpart and technical standards adopted by the Board as published in the *Pennsylvania Bulletin* and posted on the Board's web site. The testing equipment and services required by this paragraph shall be provided at no cost to the Board.

(6) In the case of a video gaming terminal prototype, all of the following additional information:

(i) A copy of all executable software, including data and graphics information, on electronically readable, unalterable media.

(ii) A copy of all source code for programs that cannot be reasonably demonstrated to have any use other than in a video gaming terminal on electronically readable, unalterable media.

(iii) A copy of all graphical images displayed on the video gaming terminal, including reel strips, rules, instructions and paytables.

(iv) A mathematical explanation of the theoretical return to the player, listing all assumptions, all steps in the formula from the first principles through to the final results of all calculations including bonus pays and, when a game requires or permits player skill in the theoretical derivations of the payout return, the source of strategy.

(v) Hardware block diagrams of the major subsystems.

(vi) A complete set of schematics for all subsystems.

(vii) A wiring harness connection diagram.

(viii) A technical and an operator manual.

(ix) A description of security methodologies incorporated into the design of the video gaming terminal, including, when applicable, encryption methodology for all alterable media, auto-authentication of software and recovery capability of the video gaming terminal for power interruption.

(x) For meters required by this subpart or technical standards adopted by the Board as published in the *Pennsylvania Bulletin* and posted on the Board's web site, a cross-reference of product meters to the required meters, if necessary.

(xi) A description of error conditions and the corresponding action required by the operator.

(xii) A description of the use and function of available dip switch settings or configurable options.

(xiii) A description of the pseudo random number generator or generators used to determine game outcome, including a detailed explanation of operational methodology, and a description of the manner by which the pseudo random number generator and random number selection process is impervious to outside influences, interference from electro-magnetic, electrostatic and radio frequencies, and influence from ancillary equipment by means of data communications. Test results in support of representations shall be submitted. For the purposes of this subparagraph, "game outcome" means the results of a wager.

(xiv) Specialized hardware, software or testing equipment, inclusive of technical support and maintenance, needed to complete the evaluation, which may include an emulator for a specified microprocessor, personal computers, extender cables for CPU boards, target reel strips and door defeats. The testing equipment and services required by this paragraph shall be provided at no cost to the Board.

(xv) A compiler, or reasonable access to a compiler, for the purpose of building applicable code modules.

(xvi) Program storage media including EPROMs, EEPROMs and any type of alterable media for video gaming terminals.

(xvii) Technical specifications for any microprocessor or microcontroller.

(xviii) A complete, comprehensive and technically accurate description of the manner in which the video gaming terminals were tested for compatibility and compliance with the central control computer and protocol specifications approved by the Department including the ability to communicate with the central control computer for the purpose of transmitting auditing program information, real time information retrieval and activation and disabling of video gaming terminals.

(xix) Additional documentation requested by the Bureau of Gaming Laboratory Operations relating to the video gaming terminals.

(7) In the case of a modification to a video gaming terminal prototype, including a change in theme, all of the following additional information:

(i) A complete, comprehensive and technically accurate description of the proposed modification to the video gaming terminals prototype, accompanied by applicable diagrams, schematics and specifications.

(ii) When a change in theme is involved, a copy of the graphical images displayed on the video gaming terminals including reel strips, rules, instructions and paytables.

(iii) When a change in the manner in which the theoretical payout percentage is achieved is involved, a mathematical explanation of the theoretical return to the player, listing all assumptions, all steps in the formula from the first principles through to the final results of all calculations including bonus pays and, when a game requires or permits player skill in the theoretical derivations of the payout return, the source of strategy.

(iv) A complete, comprehensive and technically accurate description of the manner in which the video gaming terminals were tested for compatibility and compliance with the central control computer and protocol specifications approved by the Department including the ability to communicate with the central control computer for the purpose of transmitting auditing program information, real time information retrieval and activation and disabling of video gaming terminals.

(v) Additional documentation requested by the Bureau of Gaming Laboratory Operations relating to the modification of the video gaming terminals.

(8) In the case of a video gaming terminals monitoring system or automated gaming voucher machine, or any other equipment or system required to be tested and approved under subsection (c), all of the following:

(i) A technical and an operator manual.

(ii) A description of security methodologies incorporated into the design of the machine to include, when applicable, password protection, encryption methodology and its application, auto-authentication, network redundancy, back-up and recovery procedures.

(iii) A complete schematic or network diagram of the machine's major components accompanied by a description of each component's functionality and a software object report. The description must disclose the functions performed by each component.

(iv) A description of the data flow, in narrative and in schematic form, including specifics with regard to data cabling.

(v) A list of computer operating systems and third-party software incorporated into the system together with a description of their interoperability.

(vi) System software and hardware installation procedures.

(vii) A list of available system reports.

(viii) When applicable, features for each machine which may include employee card functions, reconciliation procedures and patron services.

(ix) A description of the interoperability testing including test results for each submitted machine's connection to, as applicable, computerized systems for counting money and vouchers. This list must identify the tested products by manufacturer, model and software identification and version number.

(x) A narrative describing the method used to authenticate software.

(xi) All source code.

(xii) A complete, comprehensive and accurate description, accompanied by applicable diagrams, schematics and specifications, of the creation of a voucher and the redemption options available.

(xiii) Any specialized hardware, software or other equipment, inclusive of technical support and maintenance applicable thereto, required by the Bureau of Gaming Laboratory Operations to conduct the testing and approval process contemplated by 4 Pa.C.S. Part III (relating to video gaming), this subpart and technical standards adopted by the Board as published in the *Pennsylvania Bulletin* and posted on the Board's web site. The testing equipment and services required by this paragraph shall be provided at no cost to the Board.

(xiv) Additional documentation requested by the Board related to the equipment or system being tested.

(9) In the case of a modification to any of the systems identified in paragraph (8), all of the following additional information:

(i) A complete, comprehensive and technically accurate description of the proposed modification to the machine, accompanied by applicable diagrams, schematics and specifications.

(ii) A brief narrative disclosing the purpose for the modification.

(iii) Additional documentation requested by the Bureau of Gaming Laboratory Operations relating to the modification.

(10) In the case of gaming related services, as described in § 613a.1 (relating to definitions; general requirements), which are submitted by an applicant for or holder of a manufacturer license or gaming related gaming service provider certification, all of the following:

(i) A mathematical explanation of the theoretical return to the player, listing all assumptions, all steps in the formula from the first principles through to the final results of all calculations including bonus pays and, when a game requires or permits player skill in the theoretical derivations of the payout return, the source of the strategy.

(ii) A detailed description of the gaming related service including the rules of play and wagering that would be used for the new table game or feature.

(iii) The true odds, the payout odds and the house advantage for each wager.

(iv) A sketch or picture of the game layout, if any.

(v) Sketches or pictures of the equipment used to play the game.

(h) At the conclusion of testing of a prototype or modification by the Bureau of Gaming Laboratory Operations, but prior to a decision to approve a prototype or modification, the Board's Executive Director may require a trial period of scope and duration as he deems appropriate to assess the operation of the prototype or modification in a live gaming environment. The conduct of the trial period is subject to compliance by the licensed manufacturer, applicable licensed suppliers, gaming related gaming service provider and the terminal operator with specific terms and conditions as may be required by the Board's Executive Director, which may include development and implementation of product specific accounting and internal controls, periodic data reporting to the Board's Executive Director and compliance with technical standards on trial periods or the prototype or modification adopted by the Board as published in the *Pennsylvania Bulletin* and posted on the Board's web site. The Board's Executive Director may authorize the receipt of compensation by a licensed manufacturer, licensed supplier or gaming related gaming service provider during the trial period. The Board's Executive Director may terminate the trial period if he determines that the licensed manufacturer, licensed suppliers, gaming related gaming service provider or terminal operator conducting the trial period has not complied with the terms and conditions required by the Board's Executive Director or that the product is not performing as expected.

(i) At the conclusion of testing of a prototype or modification, the Bureau of Gaming Laboratory Operations will report to the Board's Executive Director the results of its testing. Upon receipt of the Bureau of Gaming Laboratory Operations' report, the Board's Executive Director will:

(1) Approve, approve with conditions or reject the submitted prototype or modification.

(2) Require additional testing or a trial period under subsection (h).

(j) The Board's Executive Director approval of a prototype or modification does not constitute a guarantee of the prototype's or modification's safety.

(k) A terminal operator is prohibited from installing in an establishment licensee's facility a video gaming terminal or associated equipment, or modification thereto, that is required to be tested unless the equipment, device or software has been approved by the Board's Executive Director. A terminal operator may not modify, alter or tamper with an approved video gaming terminal or associated equipment. A video gaming terminal or associated equipment installed in

an establishment licensee's facility in contravention of this requirement will be subject to seizure by the Board.

(l) Notwithstanding subsection (k), the Board's Executive Director may authorize installation of a modification to a video gaming terminal prototype, or associated equipment prototype on an emergency basis to prevent cheating or malfunction, upon the written request of a licensed manufacturer. The request must expressly detail the name and employer of any persons to be involved in the installation of the modification and the manner in which it is to be effected. Within 15 days of receipt of any authorization to install an emergency modification, the manufacturer shall submit the modification for full testing and approval in accordance with this subpart.

(m) A terminal operator shall immediately notify the Bureau of Gaming Laboratory Operations of any known or suspected defect or malfunction in any video gaming terminal or associated equipment installed in its licensed facility. The terminal operator shall comply with instructions issued by the Bureau of Gaming Laboratory Operations with regard to the continued operation of the video gaming terminal or associated equipment.

(n) Concurrent with the initial receipt of video gaming terminals, a terminal operator shall file a video gaming terminal master list.

(o) The testing of equipment, devices or software under this subpart may require the dismantling of the product and testing that may result in damage to, or destruction of, one or more systems or components. Once submitted for testing, equipment, devices or software will not be returned to the manufacturer.

§ 1112.5. Video gaming terminal conversions.

A slot machine licensee shall do all of the following:

(1) Maintain complete and accurate records of all conversions.

(2) Give prior notice of a video gaming terminal conversion to the Bureau of Casino Compliance in writing.

(3) Notify the Department in accordance with § 463a.4 (relating to notice and connection to the central control computer system).

§ 1112.6. Revocations and additional conditions.

The Board may revoke the approval of or impose additional conditions on a video gaming terminal prototype or associated equipment prototype, or modification thereto, if the equipment, device or software meets either of the following criteria:

(1) The equipment, device or software is not in compliance with 4 Pa.C.S. Part III (relating to video gaming), this subpart or technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(2) The video gaming terminal, or modification thereto, is not compatible with, or compliant with the central control computer and protocol specifications approved by the Department or is unable to communicate with the central control computer for the purpose of transmitting auditing program information, real time information retrieval, and activation and disabling of video gaming terminal.

§ 1112.7. Video gaming terminal minimum design standards.

(a) A video gaming terminal may not be set to pay out less than the theoretical payout percentage, which may not be less than 85%, calculated using the lowest possible wager that could be played for any single play, or equal or exceed 100%, calculated using the highest eligible wager available. The theoretical payout percentage for the total value of video gaming terminal wagers will be calculated using the following:

(1) The defined set of all symbols that will be displayed using spinning reels or video displays, or both.

(2) The finite set of all possible combinations which shall be known as the cycle of the game. All possible combinations in a video gaming terminal cycle must be independent of each other and of all possible combinations from cycles in other video gaming terminal.

(3) The value of each winning combination that corresponds with the set from paragraph (2) which, whether by reason of skill or application of the element of chance, or both, may deliver or entitle the person or persons playing the video gaming terminal to wins.

(4) The odds of any winning combination may not exceed 50 million to 1.

(b) The calculation of the theoretical payout percentage may not include the amount of any progressive wins in excess of the initial or reset amount.

(c) A play offered by a video gaming terminal may not have a theoretical payout percentage which is less than, when calculated to one hundredth of a percentage point, the theoretical payout percentage for any other play offered by that video gaming terminal which is activated by a video gaming terminal wager in a lesser amount than the video gaming terminal wager required for that play. Notwithstanding the foregoing, the theoretical payout percentage of one or more particular plays may be less than the theoretical payout percentage of one or more plays which require a lesser wager provided that:

(1) The aggregate total of the decreases in the theoretical payout percentage for plays offered by the video gaming terminal is not more than 1/2 of 1%.

(2) The theoretical payout percentage for every play offered by the video gaming terminal is equal to or greater than the theoretical payout percentage for the play that requires the lowest possible wager that will activate the video gaming terminal.

(d) The selection from the set of all possible combinations of symbols shall be made applying a pseudo random number generator. At a minimum, a pseudo random number generator must adhere to all of the following criteria:

(1) The random selection process must meet a 95% confidence interval.

(2) A random number generator must pass a standard chi-squared test for goodness of fit.

(3) Each possible video gaming terminal combination which produces winning or losing video gaming terminal outcomes must be available for random selection at the initiation of each play.

(4) A video gaming terminal payout percentage that may be affected by reason of skill must meet the theoretical payout requirements in this subpart when evaluated by the Board using a method of play that will provide the greatest return to the player.

(5) Once a random selection process has occurred, the video gaming terminal must do all of the following:

(i) Display an accurate representation of the randomly selected outcome.

(ii) Not make a secondary decision which affects the result shown to the person playing the video gaming terminal.

(e) A video gaming terminal is prohibited from automatically altering any function of the video gaming terminal based on internal computation of the hold percentage.

(f) The available winning combinations and applicable rules of play for a video gaming terminal must be available at all times the video gaming terminal is idle to the patron playing the video gaming terminal. The award schedule of available winning combinations may not include possible aggregate awards achievable from free plays. A video gaming terminal that includes a strategy choice must provide mathematically sufficient information for a patron to use optimal skill. Information regarding a strategy choice need not be made available for any strategy decisions whenever the patron is not required, in addition to the initial wager, to make an additional wager and, when as a result of playing a strategy choice, the patron cannot lose any credits earned thus far during that game play.

(g) Video gaming terminals approved for use in an establishment licensee's facility must be equipped with all of the following meters that comply with the technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site:

(1) Coin in. A meter that accumulates the total value of all wagers, whether the wager results from the insertion of currency, gaming vouchers, credits won or any other means. This meter must, for multigame and multidenomination/multigame video gaming terminal, monitor the information necessary, on a per payable basis, to calculate a weighted average actual payout percentage.

(2) Coin out. A meter that accumulates the total value of all amounts directly paid by the video gaming terminal as a result of winning wagers, whether the payout is made directly from the printer by issuance of a gaming voucher, directly to a credit meter or by any other means. This meter may not record amounts awarded as the result of a progressive payout.

(3) Attendant paid cancelled credits. A meter that accumulates the total value of all amounts paid by an attendant resulting from a player initiated cash-out that exceeds the physical or configured capability of the video gaming terminal.

(4) Bill in. A meter that accumulates the total value of currency accepted. The video gaming terminal must also have a specific meter for each denomination of currency accepted that records the number of bills accepted for each denomination.

(5) Voucher in—cashable/value. A meter that accumulates the total value of cashable gaming vouchers accepted by the video gaming terminal.

(6) Voucher in—cashable/count. A meter that accumulates the total number of cashable gaming vouchers accepted by a video gaming terminal.

(7) Voucher out—cashable/value. A meter that accumulates the total value of cashable gaming vouchers issued by the video gaming terminal.

(8) Voucher out—cashable/count. A meter that records the total number of cashable gaming vouchers issued by a video gaming terminal.

(9) Video gaming terminal paid progressive payout. A meter that accumulates the total value of credits paid as a result of progressive awards paid directly by the video gaming terminal. This meter may not record awards paid as a result of an external bonusing system.

(10) Attendant paid progressive payout. A meter that accumulates the total value of credits paid by a video gaming terminal attendant as a result of progressive awards that are not capable of being paid by the video gaming terminal. This meter may not include awards paid as a result of an external bonusing system.

(11) Additional requirements. Other meters required by technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(h) A video gaming terminal that does not meter one or more of the events required to be metered under subsection (g) may be approved when a terminal operator's system of internal

controls establishes that the meter is not required to capture all critical transactions occurring on the video gaming terminal.

(i) The meters required under subsection (g) must continuously and automatically increment in units equal to the denomination of the video gaming terminal or, in the case of a video gaming terminal configured for multidenomination play, must display the required information in dollars and cents.

(j) A video gaming terminal approved for use in an establishment licensee's must be equipped with all of the following noncumulative meters:

(1) Credits wagered. A meter, visible from the front exterior of a video gaming terminal, known as a credit wagered meter that advises the patron of the total value of amounts wagered in a particular game or round of video gaming.

(2) Win meter. A meter, visible from the front exterior of the video gaming terminal, known as a win meter that advises the patron of the total value of amounts won in the immediately concluded game or round of video gaming play.

(3) Credits paid. A meter, visible from the front exterior of the video gaming terminal, known as a credits paid meter that advises the patron of the total value of the last:

(i) Cash out initiated by the patron.

(ii) Attendant paid cancelled credit.

(4) Credit meter. A meter, visible from the front exterior of the video gaming terminal and specifically labeled as a credit meter, which advises the patron as to the number of credits or monetary value available for wagering on the video gaming terminal.

(k) A video gaming terminal must have a meter which stores the number of games played, in the manner and for a duration specified in this subpart or in technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site, since the following events:

(1) Power reset.

(2) Door close.

(3) Game initialization (RAM clear).

(l) A video gaming terminal must be equipped with a device, mechanism or method for retaining the total value of all meters required under subsection (g) for 72 hours subsequent to a power loss.

(m) The required meters on a video gaming terminal must be accessible and legible without access to the interior of the video gaming terminal.

(n) A video gaming terminal must be equipped with a tower light capable of effectively communicating the status of the video gaming terminal in accordance with technical standards on tower lights and error conditions.

(o) A video gaming terminal must be equipped with a device, mechanism or method for detecting, displaying and communicating to a video gaming terminal monitoring system error conditions. The error conditions detected, displayed and communicated by a video gaming terminal, and the method to be utilized to clear the message with regard to the error condition, must be in accordance with technical standards on tower lights and error conditions.

(p) A video gaming terminal must, in accordance with 4 Pa.C.S. § 3309 (relating to central control computer system), comply with the comprehensive protocol specifications necessary to enable the video gaming terminal to communicate with the Department's central control computer as that protocol is amended or supplemented, for the purpose of transmitting auditing program information, real time information retrieval and slot machine activation and disabling.

(q) Printers incorporated into a video gaming terminal must be:

(1) Designed to allow the video gaming terminal to detect and report a low paper level, paper out, presentation error, printer failure and paper jams.

(2) Mounted inside a lockable compartment within the video gaming terminal.

(r) Seating made available by a terminal operator licensee for use during video gaming play may be fixed and stationary or nonfixed. When fixed and stationary seating is used, it shall be installed in a manner that effectively precludes its ready removal by a patron but permits controlled removal, for example for American With Disabilities Act of 1990 (42 U.S.C.A. §§ 12101—12213) purposes. When nonfixed seating is used, the terminal operator shall maintain a minimum aisle width of 48 inches, measured from the seat back to a wall, divide or another seat back when the nonfixed seating is vacant and is touching or is as close as possible to the video gaming terminal at which the nonfixed seating is being used.

(s) Unless a terminal operator's video gaming terminal monitoring system is configured to automatically record all of the information required by this subsection, the terminal operator is required to physically house in each video gaming terminal all of the following entry authorization logs:

(1) A machine entry authorization log that documents each time a video gaming terminal or any device connected thereto which may affect the operation of the video gaming terminal is opened. The log must contain, at a minimum, the date, time, purpose for opening the video gaming terminal or device, and the signature and license or permit number of the person opening and entering the video gaming terminal or device. Each log must have recorded thereon

a sequence number and the manufacturer's serial number or the asset number corresponding to the video gaming terminal in which it is housed.

(2) A progressive entry authorization log that documents each time a progressive controller not housed within the cabinet of the video gaming terminal is opened. The log must contain, at a minimum, the date, time, purpose for accessing the progressive controller, and the signature and license or permit number of the person accessing the progressive controller. Each log must be maintained in the progressive controller unit and have recorded thereon a sequence number and the manufacturer's serial number of the progressive controller.

(t) A video gaming terminal must be equipped with a lock controlling access to the card cage door securing the microprocessor, the key to which must be different from any other key securing access to the video gaming terminal's components including its belly door or main door, bill validator or video gaming terminal cash storage box. Access to the key securing the microprocessor shall be limited to an employee of a terminal operator who possesses a valid gaming occupation permit, unless another person is specifically authorized to possess a key by the Board's Executive Director.

(u) A video gaming terminal must be equipped with a mechanism for detecting and communicating to a video gaming terminal monitoring system any activity with regard to access to the card cage door securing its microprocessor.

(v) A video gaming terminal that does not require a full-time attendant for operation must be equipped with a service button designed to allow the player of a video gaming terminal to request assistance or report a terminal malfunction. The service button must:

(1) Be visible to and within easy reach of the player of the video gaming terminal.

(2) Communicate directly or through the video gaming terminal to the video gaming terminal's tower light which will provide a signal that is in compliance with the technical standards on video gaming terminal tower lights.

(w) A video gaming terminal on the gaming floor must have a label on the top of the video gaming terminal and on the front of the video gaming terminal near the bill validator that displays the asset number and the gaming floor plan location number of the video gaming terminal. The labels must have white lettering on a black background or other color combination approved by the Bureau of Gaming Operations, may not be easily removed and must be easily visible to surveillance cameras. The label on the top of the slot machine must be at least 1.5 inches by 5.5 inches and the label on the front of the video gaming terminal must be at least 1 inch by 2.5 inches or other sizes approved by the Bureau of Gaming Operations.

§ 1112.8. Gaming vouchers.

(a) A terminal operator may utilize gaming vouchers and a gaming voucher system that has been tested and approved by the Board under § 461a.4 (relating to submission for testing and approval).

(b) The design specifications for a gaming voucher, the voucher verification methodologies utilized and any limitation on the value of a gaming voucher must be in compliance with technical standards on gaming vouchers.

(c) The design specifications for a gaming voucher system must be in compliance with technical standards on gaming voucher systems.

(d) Prior to issuing a gaming voucher, a terminal operator shall establish a system of internal controls for the issuance and redemption of gaming vouchers. The internal controls shall be submitted and approved by the Board and address all of the following:

(1) Procedures for assigning an asset number and identifying other redemption locations in the system, and enabling and disabling voucher capabilities for video gaming terminal and redemption locations.

(2) Procedures for issuance, modification and termination of a unique system account for each user.

(3) Procedures used to configure and maintain user passwords.

(4) Procedures for restricting special rights and privileges, such as administrator and override capabilities.

(5) The duties and responsibilities of the information technology, internal audit, video gaming terminal operations and finance departments, respectively, and the level of access for each position with regard to the gaming voucher system.

(6) A description of physical controls on all critical hardware such as locks and surveillance, including the location and security protocols applicable to each piece of equipment.

(7) Procedures for the backup and timely recovery of critical data in accordance with technical standards.

(8) Logs used to document and maintain the details of Board-approved hardware and software modifications upon implementation.

(9) Procedures for the retention, tracking and payment of the value of unredeemed gaming vouchers to the State Treasurer as required under Article XIII.1 of The Fiscal Code (72 P.S. §§ 1301.1—1301.29), regarding the disposition of abandoned and unclaimed property.

(e) The system of internal controls required to be submitted and approved by the Board under subsection (d) must also include the procedures to be applied in all of the following instance:

(1) The terminal operator chooses to pay a patron the value of a video gaming voucher when the gaming voucher system is inoperable.

(2) The terminal operator chooses to pay a patron the value of a video gaming voucher when the redemption terminal is inoperable.

(f) At the end of each gaming day, the video gaming voucher system must generate reports and the reports must be provided to the terminal operator, either directly by the system or through the information technology department. The report, at a minimum, must contain all of the following information:

(1) A report of all gaming vouchers that have been issued which includes the asset number and the serial number of the video gaming terminal, and the value, date and time of issuance of each gaming voucher.

(2) A report of all gaming vouchers that have been redeemed and cancelled by redemption location, including the asset number of the video gaming terminal, the serial number, the value, date and time of redemption for each voucher, and the total value of all vouchers redeemed.

(3) The unredeemed liability for gaming vouchers.

(4) The readings on gaming voucher related video gaming terminal meters and a comparison of the readings to the number and value of issued and redeemed video gaming vouchers, as applicable.

(5) Exception reports and audit logs.

(g) A terminal operator shall immediately report to the Board evidence that a video gaming voucher has been counterfeited, tampered with or altered in any way which would affect the integrity, fairness, reliability or suitability of the voucher.

(h) Upon presentation of a gaming voucher for redemption at a video gaming terminal, the total value of which gaming voucher cannot be completely converted into an equivalent value of credits that match the denomination of the video gaming terminal, the video gaming terminal must perform one of the following procedures:

(1) Automatically issue a new gaming voucher containing the value that cannot be completely converted.

(2) Not redeem the gaming voucher and immediately return the gaming voucher to the patron.

(3) Allow for the additional accumulation of credits on an odd cents meter or a meter that displays the value in dollars and cents.

(i) A terminal operator that utilizes a system or a video gaming terminal that does not print a test gaming voucher that is visually distinguishable from a valid gaming voucher whenever the video gaming terminal is tested on the video gaming floor must have in place

internal controls approved by the Board under for the issuance of test currency and the return and reconciliation of the test currency and any gaming vouchers printed during the testing process.

(j) Except as provided in subsection (n) with regard to employee redemption of gaming vouchers, a gaming voucher shall be redeemed by a patron for a specific value of cash through a redemption terminal on the premises of the establishment licensee or at a video gaming terminal. Notwithstanding the forgoing, a terminal operator may not permit a gaming voucher that is presented for redemption to be redeemed if it knows, or has reason to know, that the gaming voucher:

(1) Is materially different from the sample of the gaming voucher approved by the Board.

(2) Was previously redeemed.

(3) Was printed as a test gaming voucher.

(k) Gaming vouchers redeemed at automated gaming voucher redemption machines shall be retained by the terminal operator representatives with no incompatible functions shall perform, at a minimum, all of the following:

(1) On a weekly basis, or other period approved by the Board:

(i) Compare gaming voucher system report data to any redemption terminal report data available to ensure proper electronic cancellation of the gaming voucher.

(ii) Calculate the unredeemed liability for gaming vouchers, either manually or by means of the gaming voucher system.

(2) On a weekly basis, compare appropriate video gaming terminal meter readings to the number and value of issued and redeemed gaming vouchers per the gaming voucher system. Meter readings obtained through a video gaming terminal monitoring system may be utilized to complete this comparison.

(l) A terminal operator shall provide written notice to the Bureau of Casino Compliance of any adjustment to the value of any gaming voucher. The notice shall be made prior to, or concurrent with, the adjustment.

(m) A gaming voucher system must be configured to alert a terminal operator to any malfunction. Following a malfunction of a system, a terminal operator shall notify the Bureau of Casino Compliance within 24 hours of the malfunction and may not utilize the system until the malfunction has been successfully eliminated. Notwithstanding the foregoing, the Bureau of Casino Compliance may permit a terminal operator to utilize the system prior to its being successfully restored, for a period not to exceed 72 hours, provided all of the following apply:

(1) The malfunction is limited to a single storage media device, such as a hard disk drive.

(2) In addition to the malfunctioning storage media device, the system contains a backup storage media device not utilized in the normal operation of the system. The backup device must immediately and automatically replace the malfunctioning device to permit a complete and prompt recovery of all information in the event of an additional malfunction.

(3) Continued use of the malfunctioning system would not inhibit the ability to perform a complete and prompt recovery of all information, and would not otherwise harm or affect the normal operation of the system.

(n) Other than a modification to a gaming voucher system required on an emergency basis to prevent cheating or malfunction and approved by the Board, a modification to a gaming voucher system may not be installed without the gaming voucher system having undergone the testing and approval process required under § 1112.4 (relating to submission for testing and approval).

§ 1112.9. Redemption terminals.

(a) A terminal operator shall utilize an automated redemption terminal that has been tested and approved by the Board under § 1112.4 (relating to submission for testing and approval).

(b) Redemption terminals must be located in the video gaming area of an establishment licensee and subject to surveillance coverage as approved by the Board. Each redemption terminal must have a label on the top of the redemption terminal and on the front of the redemption terminal that displays the asset number of the redemption terminal. The labels must have white lettering on a black background or other color combination approved by the Bureau of Gaming Operations and may not be easily removed. The label on the top of the redemption terminal must be at least 1.5 inches by 5.5 inches and the label on the front of the redemption terminal must be at least 1 inch by 2.5 inches or other sizes approved by the Bureau of Gaming Operations.

(c) A redemption terminal must have the capability of establishing the validity of a gaming voucher by comparing the instrument's unique serial number, automatically generated by the respective gaming voucher system in accordance with this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site with electronic records within the gaming voucher system.

(d) The methods utilized to comply with the requirements in subsection (c) shall be submitted to and approved by the Board under § 1112.4 in the context of the testing of a gaming voucher system.

(e) A redemption terminal may function as a bill breaker changing bills of one denomination into bills of a smaller denomination.

(f) A redemption terminal must contain a lockable gaming voucher and currency storage box which retains any gaming vouchers or currency accepted by the machine. The gaming voucher and currency storage box located inside the terminal must also have imprinted, affixed or impressed thereon the asset identification number of the corresponding terminal.

(g) A redemption terminal must have, at a minimum, all of the following:

(1) One lock securing the compartment housing the storage box and one lock securing the storage box within the compartment, the keys to which must be different from each other.

(2) One lock securing the compartment housing the currency cassettes.

(3) One lock securing the contents of the storage box, the key to which must be different from the keys referenced in paragraphs (1) and (2).

(h) A redemption terminal shall be designed to resist forced illegal entry.

(i) A redemption terminal's currency cassettes shall be designed to preclude access to its interior.

(j) Access controls relating to the operating system or applications of the redemption terminal, and ancillary systems, applications and equipment associated with the reconciliation thereof, must employ security measures that require authentication of the user and recording and maintaining of data regarding access and modifications made. Authentication must be in accordance with this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(k) A gaming voucher accepted by a redemption terminal shall be cancelled immediately upon exchange in a manner that effectively prevents its subsequent redemption by the same or another redemption terminal or its acceptance in a video gaming terminal bill validator. The methods utilized to comply with this requirement must be in accordance with this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(l) A redemption terminal shall be designed to be impervious to outside influences, interference from electro-magnetic, electro-static and radio frequencies, and influence from ancillary equipment.

(m) A redemption terminal must include a means to protect against transaction failure and data loss due to power loss.

(n) A redemption terminal machine must detect, display and record electronically power reset, door open, door just closed and system communication loss error conditions. These error conditions may be automatically cleared by the redemption terminal when the condition no longer exists and upon completion of a new transaction.

(o) A redemption terminal must detect, display and record electronically all of the following error conditions that disable the redemption terminal and prohibit new transactions:

(1) Failure to make payment, if the gaming voucher is not returned and a receipt is not issued.

(2) Failure to make complete payment if a receipt for the unpaid amount is not issued.

(3) Bill validator failure.

(4) Printer failure due to printer jam or lack of paper.

(p) A redemption terminal shall be designed to evaluate whether sufficient funds are available before stacking the voucher and completing the transaction.

(q) A redemption terminal must be capable of maintaining synchronization between its real-time clock and that of the gaming voucher system.

(r) A redemption terminal must be equipped with electronic digital storage meters. The information must be readily available through system reports. When a value is maintained, the value must be in dollars and cents. A redemption terminal must accumulate all of the following information:

(1) Physical coin out. The total value, by denomination, of coins paid by the redemption terminal.

(2) Voucher in—value. The value of cashable gaming vouchers accepted.

(3) Voucher in—count. The number of cashable gaming vouchers accepted.

(4) Bill in. The value of currency accepted by the redemption terminal. A redemption terminal must also have specific meters for each denomination of currency accepted that records the number of bills accepted.

(5) Bill out. The total value of currency dispensed. A redemption terminal must also provide for specific meters for each denomination of currency dispensed that record the number of bills dispensed.

(6) Additional requirements. Other meters as may be required by technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(s) A redemption terminal must have the capacity to record and retain, in an automated transaction log, all critical transaction history for at least 30 days. Transaction history must include records with the date, time, amount and disposition of each complete and incomplete

transaction, error conditions, logical and physical access, and attempted access to the redemption terminal. If a redemption terminal is capable of redeeming multiple vouchers in a single transaction, the transaction history must include a breakdown of the transaction with regard to the individual gaming vouchers.

(t) A redemption terminal or ancillary systems, applications and equipment associated with the reconciliation thereof, must be capable of producing all of the following reports upon request:

(1) Gaming voucher transaction report. The report must include the disposition (paid, partial pay and unpaid) of gaming vouchers accepted by a redemption terminal which must include the validation number, the date and time of redemption, amount requested and the amount dispensed. This information must be available by reconciliation period which may be by day, shift or drop cycle.

(2) Reconciliation report. The report must include all of the following:

- (i) Report date and time.
- (ii) Unique asset identification number of the redemption terminal.
- (iii) Total cash balance of the currency cassettes.
- (iv) Total count of currency accepted by denomination.
- (v) Total dollar amount of vouchers accepted.
- (vi) Total count of gaming vouchers accepted.

(3) Gaming voucher and currency storage box report. The report must be generated, at a minimum, whenever a gaming voucher, and currency storage box is removed from a redemption terminal. The report must include all of the following:

- (i) Report date and time.
- (ii) Unique asset identification number of the machine.
- (iii) Unique identification number for each storage box in the machine.
- (iv) Total value of currency accepted.
- (v) Total number of bills accepted by denomination.
- (vi) Total count of gaming vouchers accepted.

(4) Transaction report. The report must include all critical patron transaction history including the date, time, amount and disposition of each complete and incomplete transaction. If a redemption terminal is capable of redeeming multiple vouchers in a single transaction, the transaction history must include a breakdown of the transaction with regard to the individual gaming vouchers accepted.

§ 1112.10. Progressive video gaming terminals.

(a) A progressive video gaming terminal may stand alone or be linked with other progressive video gaming terminals in the same establishment licensee's facility.

(b) Each video gaming terminal that offers a progressive jackpot must have all of the following:

(1) A progressive meter, visible from the front of the video gaming terminal, which may increase in value based upon wagers, that advises the player of the amount which can be won if the player receives the combination on the video gaming terminal that awards the progressive jackpot.

(2) A video gaming terminal paid progressive payout meter.

(3) A cumulative progressive payout meter that continuously and automatically records the total value of progressive jackpots paid directly by the video gaming terminal.

(4) A key and key switch or other reset mechanism to reset the progressive meter or meters.

(5) A key locking the compartment housing the progressive meter or meters or other means by which to preclude any unauthorized alterations to the progressive meters. The key or alternative security method must be different than the key or reset mechanism in paragraph (4).

(6) If the progressive controller is not secured in a video gaming terminal, the progressive controller:

(i) Must be maintained in a secure area approved by the Bureau of Gaming Laboratory Operations.

(ii) Must be dual key controlled with one key controlled by the terminal operator's operations department and the other key controlled by a different designated department with no incompatible functions, as specified in the licensee's internal controls.

(iii) May not be accessed until the Bureau of Gaming Laboratory Operations is electronically notified.

(c) In addition to the requirements in subsection (b), a video gaming terminal that is connected to a common progressive meter for the purpose of offering the same progressive jackpot on two or more video gaming terminals must:

(1) Have the same probability of hitting the combination that will award the progressive jackpot as every other video gaming terminal linked to the common progressive meter.

(2) Require that the same amount in wager be invested to entitle the player to a chance at winning the progressive jackpot and that each increase in wager increment the progressive meter by the same rate of progression as every other video gaming terminal linked to the common progressive meter.

(d) Notwithstanding the provisions of subsection (c), two or more linked video gaming terminals offering the same progressive jackpot may be of different denominations or have different wagers, or both, required to win the progressive jackpot, provided that all of the following apply:

(1) The probability of winning the progressive jackpot is directly proportional to the wager required to win that jackpot.

(2) Notice indicating the proportional probability of hitting the progressive jackpot on the linked progressive system is conspicuously displayed on each linked video gaming terminal.

(e) A terminal operator seeking to utilize a linked video gaming terminal shall submit for approval in accordance with § 1112.4 (relating to submission for testing and approval) the location and manner of installing any progressive meter display mechanism.

(f) A video gaming terminal that offers a progressive jackpot may not be placed in the video gaming area until the terminal operator has submitted all of the following to the Bureau of Gaming Laboratory Operations for review and approval in accordance with § 1112.4:

(1) The initial and reset amounts at which the progressive meter or meters will be set.

(2) The proposed system for controlling the keys and applicable logical access controls to the video gaming terminal.

(3) The proposed rate of progression for each progressive jackpot.

(4) The proposed limit for the progressive jackpot, if any.

(5) The calculated probability of winning each progressive jackpot. The probability may not exceed 50 million to 1.

(g) A video gaming terminal that offers either a new progressive jackpot or undergoes a modification or RAM clear of an existing progressive jackpot may not be made available for play by the public until the video gaming terminal has been tested and certified by the Bureau of Gaming Laboratory Operations. For purposes of this subsection, a modification includes any change in the software, hardware, including controllers, and any associated equipment that relates to progressive functionality.

(h) Progressive jackpot meters may not be turned back to a lesser amount unless one of the following occurs:

(1) The amount indicated has been actually paid to a winning patron and the progressive jackpot amount has been recorded in accordance with a system of internal controls.

(2) With written approval, the progressive jackpot has been transferred to another progressive video gaming terminal in accordance with subsection (k)(4).

(3) The change is necessitated by a video gaming terminal or meter malfunction. An explanation for the change shall be entered on the progressive video gaming terminal summary required under this subpart and the Bureau of Gaming Laboratory Operations shall be notified of the resetting in writing.

(i) Once an amount appears on a progressive meter, the probability of hitting the combination that will award the progressive jackpot may not be decreased unless the progressive jackpot has been won by a patron, has been to another progressive video gaming terminal or has been removed in accordance with subsection (k).

(j) When a video gaming terminal has a progressive meter with digital limitations on the meter, the terminal operator shall set a limit on the progressive jackpot not to exceed the display capability of the progressive meter.

(k) A terminal operator may limit, transfer or terminate a progressive jackpot offered in a video gaming area only under the following circumstances:

(1) A terminal operator shall establish a payout limit for a progressive jackpot of \$1,000.

(2) A terminal operator may terminate a progressive jackpot concurrent with the winning of the progressive jackpot provided its video gaming terminal program or progressive controller was configured prior to the winning of the progressive jackpot to establish a fixed reset amount with no progressive increment.

(3) A terminal operator may immediately and permanently remove one or more linked video gaming terminal from a gaming floor, provided that the terminal operator retains at least one video gaming terminal offering the same progressive jackpot in its video gaming area.

(4) A terminal operator may transfer a progressive jackpot amount on a standalone video gaming terminal or the common progressive jackpot on an entire link of video gaming terminal slot machines with a common progressive meter from a video gaming area provided the terminal operator receives written approval from the Bureau of Gaming Laboratory Operations prior to the transfer and the accrued amount minus the seed amount of the progressive jackpot is:

(i) Transferred in its entirety.

(ii) Transferred to one of the following:

(A) The progressive meter for a video gaming terminal with the same or similar probability of winning the progressive jackpot, the same or lower wager requirement to be eligible to win the progressive jackpot and the same type of progressive jackpot.

(B) The progressive meters of two separate video gaming terminals provided that each video gaming terminal to which the jackpot is transferred individually satisfies the requirements in clause (A).

(iii) Notice of intent to transfer the progressive jackpot is conspicuously displayed on the front of each video gaming terminal for at least 30 days.

(5) If a transfer cannot be made in accordance with paragraph (4) or with good cause shown, a terminal operator may remove progressive functionality, change the game theme or permanently remove a standalone progressive video gaming terminal, or an entire link of video gaming terminal with a common progressive jackpot from a video gaming area, provided all of the following:

(i) Notice of intent to remove the progressive video gaming terminals is conspicuously displayed on the front of each video gaming terminal for at least 30 days.

(ii) Prior to posting the notice of intent required under subparagraph (i), the terminal operator licensee receives written approval from the Bureau of Gaming Laboratory Operations to remove the progressive video gaming terminal.

(l) Progressive video gaming terminal removed from the video gaming area in accordance with subsection (k)(5) may not be returned to the gaming floor for 90 days.

(m) The amount indicated on the progressive meter or meters and coin in meter on each video gaming terminal governed by subsection (b) must be recorded on a progressive video gaming terminal summary report at least once every 7 calendar days and each report shall be signed by the preparer. If not prepared by the terminal operator's finance department, the progressive video gaming terminal summary report shall be forwarded to the finance department by the end of the gaming day on which it is prepared. A representative of the finance department shall be responsible for calculating the correct amount that should appear on a progressive meter.

If an adjustment to the progressive meters is necessary, the adjustment shall be made by a member of the video gaming terminal operations department as follows:

(1) Supporting documentation shall be maintained to explain any addition or reduction in the registered amount on the progressive meter. The documentation must include the date, asset number of the video gaming terminal, the amount of the adjustment, and the signatures of the finance department member requesting the adjustment and of the video gaming terminal operations department member making the adjustment.

(2) The adjustment shall be effectuated within 48 hours of the meter reading.

(n) Except as otherwise authorized by this section, a video gaming terminal offering a progressive jackpot that is temporarily removed from the video gaming area shall be returned to active play or replaced in the video gaming area within 5 gaming days. The amount on the progressive meter or meters on the returned or replacement video gaming terminal may not be less than the amount on the progressive meter or meters at the time of removal.

(o) When a video gaming terminal is located adjacent to a video gaming terminal offering a progressive jackpot, the terminal operator shall conspicuously display a notice advising patrons that the video gaming terminal is not participating in the progressive jackpot of the adjacent video gaming terminal.

§ 1112.11. Video gaming terminal monitoring systems.

(a) A terminal operator may utilize a video gaming terminal monitoring system which has an interface between it and video gaming terminals and related systems that has been tested and approved by the Board under § 1112.4 (relating to submission for testing and approval).

(b) A video gaming terminal monitoring system must comply with 4 Pa.C.S. (relating to amusements), this subpart and technical standards on video gaming terminal monitoring systems adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

§ 1112.12. Remote system access.

(a) In emergency situations or as an element of technical support, an employee of a licensed manufacturer may perform analysis of, or render technical support with regard to, a terminal operator's video gaming terminal monitoring system, gaming voucher system or other Board-approved system from a remote location.

(b) Remote system access shall be performed in accordance with technical standards on remote system access under § 461b.5 (relating to remote computer access).

(c) Prior to granting remote system access, a terminal operator shall establish a system of internal controls applicable to remote system access. The internal controls shall be submitted to and approved by the Board under § 465a.2 (relating to internal control systems and audit

protocols). The internal control procedures submitted by the terminal operator shall be designed to protect the physical integrity of the systems in subsection (a) and the related data and be capable of limiting the remote access to the system or systems requiring technical support.

§ 1112.13. Video gaming terminals and associated equipment utilizing alterable storage media.

(a) *Definition.* The following term, when used in this section, has the following meaning, unless the context clearly indicates otherwise:

Alterable storage media—

(i) Memory or other storage medium, such as an EEPROM, flash, optical or magnetic storage device, that is contained in a video gaming terminal or associated equipment subject to approval under § 461a.4 (relating to submission for testing and approval), that allows the modification of programs or data on the storage media during the normal operation of the video gaming terminal or associated equipment.

(ii) The term does not include the following:

(A) Memory or other storage medium typically considered to be alterable but through either software or hardware means approved by the Board have been rendered unalterable and remain verifiable by the central control computer system.

(B) Associated equipment using alterable storage media that the Board determines are incapable of influencing the integrity or outcome of game play.

(b) *Use of alterable storage media.* Any use of alterable storage media in a video gaming terminal or associated equipment must be in compliance with 4 Pa.C.S. Part III (relating to video gaming), this subpart and technical standards on alterable storage media adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

§ 1112.14. Waivers.

(a) The Board may, on its own initiative, waive one or more of the requirements in this chapter or the technical standards applicable to video gaming terminal and associated equipment adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site upon a determination that the nonconforming video gaming terminal or associated equipment or modification as configured meets the operational integrity requirements in 4 Pa.C.S. Part III (relating to video gaming), this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(b) A manufacturer may submit a written request to the Board for a waiver for one or more of the requirements in this chapter or the technical standards applicable to video gaming terminal and associated equipment adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site. The request must:

(1) Be submitted as a petition under § 493a.4 (relating to petitions generally).

(2) Include supporting documentation demonstrating how the video gaming terminal or associated equipment for which the waiver has been requested will still meet the operational integrity requirements in 4 Pa.C.S. Part III (relating to video gaming), this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(3) Be approved by the Board.

§ 1112.15. Disputes.

(a) If a dispute arises with a patron, the terminal operator shall attempt to resolve the dispute. If the dispute cannot be resolved, the terminal operator shall notify the Bureau of Casino Compliance who will attempt to resolve the dispute. If the dispute is not resolved, the Bureau of Casino Compliance will provide the patron with a Board Patron Dispute/Complaint Form and Instructions for Submitting a Patron Dispute/Complaint and assist the patron in completing the Board Patron Dispute/Complaint Form.

(b) When a patron files a complaint, the Bureau will conduct an investigation of the complaint.

§ 1112.16. Testing and software installation in the live video gaming area.

(a) Prior to the testing of video gaming terminals, associated equipment and displays in a live video gaming area during a terminal operator's normal hours of operation, the terminal operator shall notify the Bureau of Gaming Laboratory Operations and the Bureau of Casino Compliance in writing at least 72 hours prior to the test date and receive the required approvals from the Bureau of Gaming Laboratory Operations prior to beginning testing. The notification must include all of the following:

(1) A detailed narrative description of the type of testing to be conducted, including the reason for the testing, a list of individuals conducting the testing and the terminal operator's procedures for conducting the testing.

(2) The date, time and approximate duration of the testing.

(3) The model, video gaming terminals location number and asset number of the video gaming terminals to be tested.

(4) The location within the licensed facility where the testing will occur.

(b) A terminal operator shall notify the Bureau of Gaming Laboratory Operations and the Bureau of Casino Compliance at least 72 hours prior to the installation of any new software or the installation of any change in previously approved software and receive the required approvals prior to the installation of any of the following:

(1) Automated gaming voucher redemption terminals.

(2) Video gaming terminals monitoring systems.

(3) Additional automated bill breaker machines, automated gaming voucher redemption terminals and automated teller machines in the video gaming area.

(4) Gaming voucher systems.

(c) The notification required under subsection (b) must include all of the following:

(1) A description of the reasons for the new installation or change in previously approved software.

(2) A list of the current computer components, software identifications or versions that are to be modified or replaced.

(3) A list of the proposed computer components, software identifications or versions that will modify or replace the existing components or software.

(4) The method to be used to complete the proposed installation.

(5) The date and time that the proposed modification will be installed and the estimated time for completion.

(6) The name, title and employer of the persons performing the installation.

(7) The plan to handle disruptions, if any, to the video gaming area.

(8) The approximate length of time the video gaming area or systems will be disrupted.

(9) Plans for system backup prior to any proposed installation.

§ 1112.17. RAM clear.

(a) When a terminal operator becomes aware of a nonresponsive video gaming terminals, and communication between the video gaming terminals and the central control computer cannot be re-established, the terminal operator shall immediately notify the Department's operator of the central control computer and the Bureau of Casino Compliance. The terminal operator may not do a RAM clear on the affected video gaming terminals or associated equipment until the Bureau of Casino Compliance has recorded the information on the financial meters.

(b) For planned RAM clears, the terminal operator shall provide notice to the Department's operator of the central control computer and the Bureau of Casino Compliance at least 48 hours prior to the scheduled RAM clear. A second notice shall be provided to the

Department's operator of the central control computer and the Bureau of Casino Compliance immediately prior to actually conducting the RAM clear.

CHAPTER 1113. POSSESSION OF VIDEO GAMING TERMINALS

Sec.

1113.1. Possession of video gaming terminals generally.

1113.2. Transportation of video gaming terminals into, within and out of this Commonwealth.

1113.3. Video gaming terminals location in video gaming area.

1113.4. Notice and connection to the central control computer system.

1113.5. Video gaming terminal master lists.

1113.6. (Reserved).

1113.7. Off-premises storage of video gaming terminals.

§ 1113.1. Possession of video gaming terminals generally.

(a) Except as otherwise provided in this section and 18 Pa.C.S. § 5513 (relating to gambling devices, gambling, etc.), a person may not possess any video gaming terminals in this Commonwealth that may be used for gambling activity.

(b) The following persons and any employee or agent acting on their behalf may possess video gaming terminals in this Commonwealth for the purposes described herein provided that video gaming terminals located outside of a licensed facility may not be used for gambling activity:

(1) A terminal operator, for the purpose of maintaining for use, training or operating video gaming terminals in an establishment licensee's facility.

(2) The holder of a manufacturer license for the purpose of manufacturing, exhibiting, demonstrating, training or preparing for transfer to a supplier licensee or terminal operator.

(3) The holder of a manufacturer or supplier license for the purpose of distributing, repairing, servicing, exhibiting or demonstrating video gaming terminals and any training with regard thereto.

(4) An educational institution for the purpose of teaching video gaming terminals design, operation, repair or servicing.

(5) A manufacturer or supplier of video gaming terminals not licensed in this Commonwealth for the limited purpose of temporary exhibition or demonstration.

(6) A common carrier, for the purpose of transporting video gaming terminals in accordance with § 1113.2 (relating to transportation of video gaming terminals into, within and out of this Commonwealth).

(7) An employee or agent of the Board, the Department, the Pennsylvania State Police or any law enforcement agency of this Commonwealth for the purpose of fulfilling official duties or responsibilities.

(8) Other persons upon a finding that the possession of video gaming terminals by those persons in this Commonwealth is not contrary to the goals and objectives of 4 Pa.C.S. (relating to amusements).

(c) Persons seeking to possess video gaming terminals under subsection (b)(4), (5) and (8) shall submit a petition to the Board as required under § 493a.4 (relating to petitions generally). The petition to the Board must contain all of the following:

- (1) The purpose for having the video gaming terminals.
- (2) The proposed location of the video gaming terminals.
- (3) The time period for which the video gaming terminals will be kept.
- (4) How the video gaming terminals will be secured.

(d) Requests approved by the Board may be subject to specific terms and conditions imposed by the Board.

(e) A person authorized to possess video gaming terminals under subsection (d) who wishes to store the video gaming terminals at a location other than the location specified in subsection (c)(2) shall obtain approval from the Board's Executive Director prior to storing the video gaming terminals at the other location.

§ 1113.2. Transportation of video gaming terminals into, within and out of this Commonwealth.

(a) In furtherance of 4 Pa.C.S. § 4502 (relating to declaration of exemption from Federal laws prohibiting video gaming terminals), prior to the transport or movement of a video gaming terminals, into, within or out of this Commonwealth, from one person authorized to possess video gaming terminals under § 1113.1 (relating to possession of video gaming terminals generally) to another person, the persons causing the video gaming terminals to be transported or moved shall notify the Bureau of Gaming Laboratory Operations in writing or in an electronic format approved by the Bureau of Gaming Laboratory Operations. The notice shall be submitted no later than the day the video gaming terminals is transported and must include all of the following information:

(1) The name and address of the person shipping or moving the video gaming terminals.

(2) The name and address of the person who owns the video gaming terminals if different from the person shipping or moving the video gaming terminals.

(3) The name and address of a new owner if ownership is being changed in conjunction with the shipment or movement.

(4) The method of shipment or movement and the name and address of the common carrier or carriers, if applicable.

(5) The name and address of the person to whom the video gaming terminals is being sent and the destination of the video gaming terminals if different from that address.

(6) The quantity of video gaming terminals being shipped or moved and the manufacturer's serial number of each machine.

(7) The expected date and time of delivery to, or removal from, any authorized location in this Commonwealth.

(8) The port of entry, or exit, if any, of the video gaming terminals if the origin or destination of the video gaming terminals is outside the continental United States.

(9) The reason for transporting or moving the video gaming terminals.

(b) In addition to the requirements in subsection (a), if a terminal operator is shipping video gaming terminals to or from the terminal operator's approved, off-premises storage location, the terminal operator shall comply with the requirements in subsection (a) and record the movement in the terminal operator's movement log as required under § 1113.5(e) (relating to video gaming terminal master lists). If a video gaming terminal is being transported to the establishment licensee's facility from the terminal operator's approved, off-premises storage location, the terminal operator shall specify in the notice required under subsection (a) whether the video gaming terminals will be placed directly onto the video gaming area or stored off the video gaming area in a restricted area within the establishment licensee's facility.

§ 1113.3. Video gaming terminals location in video gaming area.

(a) A video gaming area must consist of one area within an establishment licensee's premises approved by the Board or Executive Director for the placement and operation of all video gaming terminals.

(b) The location of each video gaming terminal must correspond to a specifically identified space in the video gaming area identified numerically and listed on the master list with the identifying asset and serial number of the corresponding video gaming terminal.

§ 1113.4. Notice and connection to the central control computer system.

(a) Prior to utilization for gambling activity, unless otherwise authorized by the Board's Executive Director, a video gaming terminal in a video gaming area must be connected or linked to a central control computer system having the capabilities and in compliance with the terms of 4 Pa.C.S. § 3309 (relating to central control computer system).

(b) To ensure activation or disabling, as appropriate, in the central control computer system and the retrieval of real time meter information from the video gaming terminal table in conjunction with the movement of a video gaming terminal, the terminal operator shall provide the Department with written notice of the video gaming terminal movement, prior to any of the following:

- (1) Placement of a video gaming terminal in a video gaming area.
- (2) Movement of a video gaming terminal location in the video gaming area.
- (3) Removal of a video gaming terminal from the video gaming area.

§ 1113.5. Video gaming terminal master lists.

(a) Prior to the commencement of operations at an establishment licensee's facility, a terminal operator shall file all of the following with the Bureau of Gaming Laboratory Operations in an electronic format approved by the Bureau of Gaming Laboratory Operations:

- (1) Video Gaming Area Video Gaming Terminal Master List.
- (2) Restricted Area/Off Premises Video Gaming Terminal Master List.

(b) A Video Gaming Area Video Gaming Terminal Master List must list all video gaming terminals located in the video gaming area in consecutive order by the device location number under § 1111.3 (relating to video gaming terminals location in video gaming area) and contain all of the following:

- (1) The date the list was prepared.
- (2) A description of each video gaming terminal that includes all of the following:
 - (i) The location number.
 - (ii) The asset number.
 - (iii) The manufacturer's serial number.
 - (iv) The base denomination, or if configured for multiple denominations, a list of the denominations.
 - (v) The game software/program ID.
 - (vi) The operating system/base ROM.
 - (vii) The manufacturer.

- (viii) The video gaming terminal model.
- (ix) The model type (reel or video), if applicable.
- (x) The game themes/description.
- (xi) The minimum payout percentage, if applicable.
- (xii) The machine displayed payout percentage, if applicable.
- (xiii) The payable ID.
- (xiv) If the video gaming terminal is a progressive, the type of progressive, the progressive controller type and the progressive software.
- (xv) The fund transfer/voucher system software.

(c) If a video gaming terminal is configured to allow a patron to select from multiple games or game themes, each game or game theme, minimum and machine displayed payout percentages, if applicable, and payable ID must be listed in the Video Gaming Area Video Gaming Terminal Master List. Instead of listing each game or game theme, minimum and machine displayed payout percentage and payable ID for a video gaming terminal configured to offer multiple game themes with the video gaming terminal, a terminal operator may use a unique generic code for the game theme and attach an appendix which lists the game themes, minimum and machine displayed payout percentages and payable IDs that correspond to each unique generic game theme code.

(d) A Restricted Area/Off Premises Video Gaming Terminal Master List must include all video gaming terminals located off the video gaming area in an approved restricted area within the establishment licensee's facility, or in storage locations in this Commonwealth off the premises of the establishment licensee approved under § 1113.7 (relating to off-premises storage of video gaming terminals) grouped by the location where the video gaming terminal are located. A Restricted Area/Off Premises Video Gaming Terminal Master List must include all of the following information:

- (1) The date the list was prepared.
- (2) A description of each video gaming terminal that includes all of the following:
 - (i) The location of the video gaming terminal.
 - (ii) The asset number.
 - (iii) The manufacturer's serial number.
 - (iv) The game software/program ID.

- (v) The operating system/base ROM.
- (vi) The game theme/description.
- (vii) The manufacturer.
- (viii) The video gaming terminal model.
- (ix) The model type (reel or video), if applicable.

(e) Once a video gaming terminal has been placed in an authorized location in the video gaming area, stored in a restricted area off the video gaming area but within the establishment licensee's facility approved under this section or in a location in this Commonwealth off the premises of the establishment licensee's facility approved under § 1113.7, all subsequent movements of that video gaming terminal shall be recorded by a terminal operator employee in a video gaming terminal movement log which includes all of the following:

- (1) The asset number and model and manufacturer's serial number of the moved video gaming terminal.
- (2) The date and time of movement.
- (3) The location from which the video gaming terminal was moved.
- (4) The location to which the video gaming terminal was moved.
- (5) The date and time of any required notice to the Department in connection with activation or disabling of the video gaming terminal in the central control computer system.
- (6) The signature of a key employee of the terminal operator verifying the movement of the video gaming terminal in compliance with this section.

(f) Documentation summarizing video gaming terminal movements, as described in subsection (e), shall be submitted to the Bureau of Gaming Laboratory Operations in an electronic format approved by the Bureau of Gaming Laboratory Operations on a weekly daily basis.

(g) On the first Tuesday of each month a terminal operator shall file an updated Video Gaming Area Video Gaming Terminal Master List and an updated Restricted Area/Off Premises Video Gaming Terminal Master List containing the information required under subsections (b)—(d). The Video Gaming Area Video Gaming Terminal Master List and the Restricted Area/Off Premises Video Gaming Terminal Master List shall be filed in an electronic format with the Bureau of Gaming Laboratory Operations.

(h) Persons authorized by the Board to possess video gaming terminals under § 1113.1(c) (relating to possession of video gaming terminals generally) shall file with the Bureau

of Gaming Laboratory Operations, in an electronic format approved by the Bureau of Gaming Laboratory Operations, a complete list of video gaming terminals possessed by the person. The list must comply with all of the following:

(1) Be denoted as a Video Gaming Terminal Master List.

(2) Be filed within 3 business days of the initial receipt of video gaming terminals.

(3) Contain all of the following information:

(i) The date on which the list was prepared.

(ii) A description of each video gaming terminal including all of the following:

(A) The manufacturer.

(B) The manufacturer's serial number.

(C) The video gaming terminals model.

(D) The model type (reel or video), if applicable.

(E) Whether or not the video gaming terminal is a progressive, and if it is, the type of progressive.

(i) On the first Tuesday of each month following the initial filing of a Video Gaming Terminal Master List, the persons enumerated in subsection (h) shall file with the Bureau of Gaming Laboratory Operations, in an electronic format approved by the Bureau of Gaming Laboratory Operations, an updated Video Gaming Terminals Master List containing all of the information required under subsection (h).

§ 1113.7. Off-premises storage of video gaming terminals.

(a) A terminal operator may not store video gaming terminals off the premises of an establishment licensee's facility without prior approval from the Board's Executive Director.

(b) A terminal operator seeking to store video gaming terminals off the premises of an establishment licensee's facility shall submit a written request to the Bureau of Gaming Operations for off premise storage. The written request must include all of the following:

(1) The location and a physical description of the proposed storage facility.

(2) A description of the type of surveillance system that has been or will be installed at the proposed storage facility.

(3) The plan to provide 24-hour, 7-day a week security at the proposed storage facility.

(4) The anticipated number of video gaming terminals that may be stored at the proposed storage facility.

(c) Before the Board's Executive Director will act on a request for off premise storage of video gaming terminals, the Director of Casino Compliance will inspect the proposed storage facility.

(d) The Board's Executive Director will approve or disapprove requests within 60 days. Requests approved by the Board's Executive Director may be subject to specific terms and conditions imposed by the Board's Executive Director.

CHAPTER 1114. ACCOUNTING AND INTERNAL CONTROLS

Sec.

1114.1. Video gaming accounting and internal controls.

§ 1114.1. Video gaming accounting and internal controls.

(a) At least 90 days before the commencement of video gaming, a terminal operator licensee or an applicant for a terminal operator license shall submit to the Board for approval all internal control systems and audit protocols for the video gaming operations.

(b) A terminal operator licensee's internal controls and audit protocols must include all of the following:

(1) Provide for reliable records, accounts and reports of any financial event that occurs in the conduct of video gaming, including reports to the Board related to video gaming.

(2) Provide for accurate and reliable financial records related to the conduct of video gaming.

(3) Establish procedures and security for the recordation of wagering, winnings, gross terminal revenue and taxation.

(4) Establish procedures and security standards for the maintenance of video gaming terminals and associated equipment used in connection with the conduct of video gaming.

(5) Establish procedures and rules to govern the conduct of video gaming and the responsibility of employees related to video gaming.

(6) Establish procedures for the collection, recording and deposit of revenue from the conduct of video gaming.

(7) Establish reporting procedures and records required to ensure that all money generated from video gaming is accounted for.

(8) Ensure that all functions, duties and responsibilities related to video gaming are appropriately segregated and performed in accordance with sound financial practices by qualified employees.

(9) Permit access to the establishment licensee premises and terminal operator premises used in connection with video gaming for the Board, the Bureau, the Department and the Pennsylvania State Police to facilitate the ability to perform regulatory oversight and law enforcement functions, respectively.

(c) The submission required under subsection (a) must include a detailed description of the terminal operator's administrative and accounting procedures related to video gaming, including its written system of internal controls, each written system of internal controls must include:

(1) An organizational chart depicting appropriate functions and responsibilities of employees involved in video gaming.

(2) A description of the duties and responsibilities of each position shown on the organizational chart.

(3) The record retention policy of the terminal operator.

(4) The procedure to be utilized to ensure that money generated from the conduct of video gaming is safeguarded, including mandatory counting and recording procedures.

(5) The procedures and controls for ensuring that video gaming terminals directly provide and communicate all required activities and financial details to the central control computer system as established by the Board.

(6) Procedures to ensure that recorded accountability for assets is compared with actual assets at intervals required by the Board and appropriate action is taken with respect to discrepancies.

(7) Procedures to be utilized by an employee of a terminal operator and establishment licensee in the event of a malfunction of a video gaming terminal that fails to dispense a redemption ticket, or of a redemption terminal which fails to dispense cash upon redemption of the ticket.

(8) Procedures to be utilized by an establishment to prevent minors from entering the video gaming area, which include acceptable documentation relating to proof of age and the examination of these documents by a responsible employee.

(9) Other items the Board may request in writing to be included in the internal controls.

(d) Prior to authorizing a terminal operator licensee to commence the conduct of video gaming, the Board will review the system of internal controls and audit protocols submitted under subsection (a) to determine whether it conforms to the requirements in this chapter and whether it provides adequate and effective controls for the conduct of video gaming.

(e) If a terminal operator licensee intends to make a change or amendment to its system of internal controls, it shall submit the change or amendment electronically to the Bureau of Gaming Operations in a manner prescribed by the Bureau of Gaming Operations. The terminal operator licensee may implement the change or amendment on the 30th calendar day following the filing of a complete submission unless the terminal operator licensee receives written notice tolling the change or amendment in accordance with subsection (g) or written notice from the Board's Executive Director rejecting the change or amendment.

(f) If during the 30-day review period in subsection (e), the Bureau of Gaming Operations preliminarily determines that a procedure in a submission contains an insufficiency likely to negatively affect the integrity of video gaming or the control of revenue generated from video gaming, the Bureau of Gaming Operations, by written notice to the terminal operator licensee, will do all of the following:

(1) Specify the nature of the insufficiency and, when possible, an acceptable alternative procedure.

(2) Direct that the 30-calendar day review period in subsection (e) be tolled and that any internal controls at issue not be implemented until approved under subsection (i).

(g) Examples of submissions that may contain an insufficiency likely to negatively affect the integrity of video gaming include the following:

(1) Submissions that fail to provide information sufficient to permit the review of video gaming.

(2) Submissions that fail to provide for the segregation of incompatible functions so that an employee is not in a position to commit an error or perpetrate a fraud and conceal the error or fraud in the normal course of the employee's duties.

(3) Submissions that do not include forms or other materials referenced in the submission or required under 4 Pa.C.S. (relating to amusements) or this part.

(4) Submissions that would implement operations or accounting procedures not authorized by 4 Pa.C.S. (relating to amusements) or this part.

(5) Submissions that are dependent upon the use of equipment or related devices or software not approved by the Board unless the submissions are required as part of an authorized test of the equipment or related device or software.

(h) Whenever a change or amendment has been tolled under subsection (f), the terminal operator licensee may submit a revised change or amendment within 30 days of receipt of the written notice from the Bureau of Gaming Operations. The terminal operator licensee may implement the revised change or amendment upon receipt of written notice of approval from the Board's Executive Director or on the 30th calendar day following the filing of the revision unless the terminal operator licensee receives written notice tolling the change or amendment in accordance with subsection (f) or written notice from the Board's Executive Director rejecting the change or amendment.

CHAPTER 1115. RECORD RETENTION

Sec.

1115.1. Video gaming record retention.

§ 1115.1. Video gaming record retention.

(a) For the purposes of this section, “books, records and documents” means any book, record or document pertaining to, prepared in or generated by the operation of video gaming by a terminal operator licensee or an establishment licensee including all forms, reports, accounting records, ledgers, subsidiary records, computer generated data, internal audit records, correspondence and personnel records.

(b) As a condition of continued operation, a terminal operator licensee or an establishment licensee shall agree to maintain all books, records and documents pertaining to the conduct of video gaming in a manner and location in this Commonwealth as approved by the Board. All books, records and documents must meet all of the following:

(1) Be organized in a manner to clearly depict by separate records the total amount of money wagered and paid as winnings in all video gaming activity.

(2) Be segregated by separate accounts within the terminal operator licensee or establishment licensee's books, records and documents.

(3) Be immediately available for inspection upon request of the Board, the Bureau, the Department, the Pennsylvania State Police or the Attorney General, or agents thereof, during all hours of operation of video gaming by a terminal operator licensee or establishment licensee.

(4) Be prepared and maintained in a complete, accurate and legible form. Electronic data must be stored in a format that ensures readability, regardless of whether the technology or software that created or maintained it has become obsolete.

(5) Be retained in a secure location by a terminal operator licensee or establishment licensee that is equipped with a fire suppression system or in a fire proof location on the premises.

(6) Be organized and indexed in a manner to provide immediate accessibility to the Board, the Bureau, the Department, the Pennsylvania State Police or the Attorney General, or agents thereof.

(7) Be destroyed only after expiration of the minimum retention period of 5 years, unless the Board, upon the written request of a terminal operator licensee or an establishment licensee and for good cause shown, permits the destruction at an earlier date.

CHAPTER 1116. CONDUCT OF VIDEO GAMING

Sec.

1116.1. Video gaming area.

1116.2. Video gaming terminals.

1116.3. Redemption terminals.

1116.4. Automated teller machines.

1116.5. Commencement of video gaming generally.

1116.6. Establishment licensee restrictions.

1116.7. Terminal operator licensee restrictions.

1116.8. Restriction on wagering.

§ 1116.1. Video gaming area.

(a) A video gaming area must be within an establishment licensee's premises and it must be separate and distinct through the installation of a physical barrier from a convenience store or other amenity available to patrons under 21 years of age.

(b) An establishment licensee shall notify and receive approval of the Board, the Bureau or designated staff of the Board prior to making any modification to the video gaming area.

(c) An establishment licensee shall provide all of the following:

(1) The entrance to the video gaming area and the conduct of video gaming are visible to at least one employee of the establishment licensee who holds an occupation permit.

(2) The video gaming area must have one entrance point which serves as the exit point.

(3) The video gaming area must be separated from the remaining establishment premises by a physical barrier which may consist of a wall no higher than 40 inches, a partition or gate which may not obstruct the view of the conduct of video gaming by an employee who holds an occupation permit.

(4) The video gaming area shall, at all times, be monitored, either directly or through live monitoring of video surveillance, by an employee of the establishment licensee who is at least 18 years of age, holds an occupation permit and has completed mandatory training relating to compulsive and problem gambling.

(5) Every employee of the establishment licensee who has a valid occupation permit issued by the Board and who has duties which include monitoring the video gaming area of an establishment licensee shall display the Board-issued occupation permit credential on the outer clothing in a manner clearly visible to patrons and security and surveillance cameras.

(6) Every employee of a terminal operator who has a valid occupation permit issued by the Board and who has duties which require him to enter a video gaming area of an establishment licensee shall, while on the premises of an establishment licensee, display the Board-issued occupation permit credential on the outer clothing in a manner clearly visible to patrons and security and surveillance cameras.

(d) A video gaming area must have at least one redemption terminal which must be the sole and exclusive method to exchange a redemption ticket for cash.

(e) An establishment licensee shall prominently display in a place and manner conspicuous to all patrons entering and exiting the video gaming area signs containing the following statement printed in bold lettering of sufficient size to be visible and readable: “The video gaming area including the entrance and exit is subject to surveillance and video recording.”

(f) A video gaming area must comply with §§ 1118.1, 1118.2 and 1119.2 (relating to signage requirements; problem gambling information; and self-exclusion procedure).

§ 1116.2. Video gaming terminals.

(a) A terminal operator licensee may place up to five video gaming terminals in the video gaming area of an establishment licensee.

(b) A video gaming terminal may not be made available for use prior to being tested and certified by the Board as meeting the requirements in 4 Pa.C.S. § 3701 (relating to testing and certification of terminals).

(c) Video gaming terminals may not have the ability to dispense cash, tokens or anything of value, except redemption tickets which shall only be exchangeable at a redemption terminal or reinserted into another video gaming terminal in the same video gaming area.

§ 1116.3. Redemption terminals.

(a) A terminal operator licensee shall place at least one redemption terminal in the video gaming area of an establishment licensee.

(b) A redemption terminal in a video gaming area must be equipped with an integrated camera which must record the image of all persons using the redemption terminal and maintain those images for a minimum period of 30 days.

(c) A redemption terminal may not be made available for use prior to being tested and certified by the Board as meeting the requirements in 4 Pa.C.S. § 3701 (relating to testing and certification of terminals).

(d) The redemption terminal must only accept redemption tickets from video gaming terminals in the same video gaming area.

(e) Redemption tickets shall only be exchanged for cash through a redemption terminal located within the same video gaming area.

§ 1116.4. Automated teller machines.

(a) Automated teller machines may be placed at any location within an establishment licensee's facility. Automated teller machines that offer credit card advances may not be placed in the video gaming area.

(b) An automated teller machine in a video gaming area must be equipped with an integrated camera which must record the image of all persons using the redemption terminal and maintain those images for a minimum period of 30 days.

(c) An automated teller machine located in the video gaming area must have a label on the top and front of the automated teller machine that displays a unique identification number of the automated teller machine. The labels must have white lettering on a dark-colored background, may not be easily removed and must be easily visible by surveillance equipment. The label on the top of the automated teller machine must be at least 1.5 inches by 5.5 inches and the label on the front of the automated teller machine must be at least 1 inch by 2.5 inches.

(d) Automated teller machines located within a video gaming area may not accept ACCESS/Electronic Benefits Transfer Cards.

§ 1116.5. Commencement of video gaming generally.

(a) Prior to offering video gaming terminals, a terminal operator shall demonstrate all of the following:

(1) The video gaming area complies in all respects with 4 Pa.C.S. Part III (relating to video gaming), this subpart and any technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(2) Video gaming terminals utilized in the conduct of video gaming have been tested and approved by the Board in compliance with 4 Pa.C.S. Part III (relating to video

gaming), this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(3) The video gaming area has been approved by the Board in compliance with 4 Pa.C.S. Part III (relating to video gaming), this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(4) The terminal operator licensee's internal control systems and audit protocols have been approved by the Board in compliance with 4 Pa.C.S. Part III (relating to video gaming), this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(5) The terminal operator licensee is prepared to implement necessary management controls, surveillance and security precautions to insure the efficient conduct of video gaming.

(6) The terminal operator licensee and establishment licensee's employees are licensed or permitted by the Board and trained in the performance of their responsibilities.

(b) Upon a terminal operator licensee and an establishment licensee meeting the criteria in subsection (a), the Board may authorize the date and time at which the establishment licensee may commence video gaming in the video gaming area.

§ 1116.6. Establishment licensee restrictions.

(a) An establishment licensee may not permit a person under 21 years of age to play a video gaming terminal or enter the video gaming area.

(b) An establishment licensee may not offer or provide an incentive to a person to engage in video gaming activity.

(c) An establishment licensee may not permit a visibly intoxicated person to play a video gaming terminal.

(d) An establishment licensee may not extend credit or accept a credit card or debit card for play of a video gaming terminal.

(e) An establishment licensee may not make structural alterations or significant renovations to a video gaming area unless the establishment licensee has notified the terminal operator licensee and obtained prior approval from the Board.

(f) An establishment licensee may not move a video gaming terminal or redemption unit after installation by a terminal operator licensee.

§ 1116.7. Terminal operator licensee restrictions.

(a) No more than five video gaming terminals may be placed on the premises of an establishment licensee.

(b) Redemption tickets may only be redeemed for cash through a ticket redemption terminal located in the same video gaming area or reinserted into another video gaming terminal in the same video gaming area for continued play.

(c) Video gaming terminals located in the video gaming area of an establishment licensee must be placed and operated under a terminal placement agreement approved by the Board.

(d) A terminal operator licensee may not offer or provide an incentive to a person to engage in video gaming activity.

(e) A terminal operator licensee may not extend credit or accept a credit card or debit card for play of a video gaming terminal.

(f) A terminal operator licensee may not give or offer to give, directly or indirectly, any type of inducement to a truck stop establishment to secure or maintain a terminal operator placement agreement. For purposes of this subsection, an “inducement” may not include payment by a terminal operator licensee for the actual costs of renovating an existing area of the footprint of the truck stop establishment for the purpose of making the video gaming area and associated areas available for the conduct of video gaming. The term, as used in this subsection, does not include making the area operate at the premises including wiring, rewiring, software updates, ongoing video gaming terminal maintenance, redemption terminals, network connections, site controllers and costs associated with communicating with the central control computer system, as well as renovations to include flooring, lighting and barriers. Nothing in this section shall preclude a truck stop establishment from making further modifications to its facility to accommodate video gaming terminal.

(g) A terminal operator licensee may not give an establishment licensee a percentage of gross terminal revenue other than 15% of the gross terminal revenue of the video gaming terminals operating in the establishment licensee's premises.

(h) A terminal operator licensee may not operate, install or otherwise make available for public use a video gaming terminal or redemption terminal that has not been obtained from a manufacturer licensee or supplier licensee.

(i) A terminal operator licensee may not make structural alterations or significant renovations to a video gaming area unless the terminal operator licensee has notified the establishment licensee and obtained prior approval from the Board.

(j) A terminal operator licensee may not move a video gaming terminal or redemption unit after installation unless prior approval of the Board is obtained.

§ 1116.8. Restriction on wagering.

(a) An individual who holds a license, occupation permit or registration and is currently employed by or is a principal associated with an establishment licensee may not wager at a video gaming terminal in the establishment where the individual is employed or associated.

(b) An individual who holds a license, occupation permit or registration and is currently employed by or is a principal associated with a terminal operator licensee, manufacturer licensee or supplier licensee may not wager at any video gaming terminal in a truck stop establishment at which the individual operates, services, or installs video gaming terminals or associated equipment.

CHAPTER 1117. VIDEO TERMINAL PLACEMENT AGREEMENTS

Sec.

1117.1. Board approval of video terminal placement agreements.

1117.2. Minimum standards for terminal placement agreements.

§ 1117.1. Board approval of video terminal placement agreements.

A terminal operator licensee may not place and operate video gaming terminals on the premises of an establishment licensee unless under a terminal placement agreement approved by the Board.

§ 1117.2. Minimum standards for terminal placement agreements.

(a) A terminal placement agreement submitted to the Board for approval must include all of the following:

(1) A provision that the term of the terminal placement agreement shall be valid for a minimum of 60 months and may not exceed 120 months.

(2) A provision that renders the terminal placement agreement invalid if either the terminal operator license or terminal operator application or the establishment license or the establishment license application is denied, revoked, not renewed, withdrawn or surrendered.

(3) A provision that provides the establishment licensee shall receive 15% of gross terminal revenue from each video gaming terminal located on the premises of the establishment licensee.

(4) The identity of the person who solicited the terminal placement agreement on behalf of a terminal operator licensee or applicant.

(5) Signatures of a representative authorized to bind an applicant for an establishment license or an establishment licensee and a representative authorized to bind an applicant for a terminal operator license or a terminal operator licensee.

(6) A provision acknowledging that a terminal placement agreement may not be transferred or assigned without prior notice to the Board and verification that the individual or

entity making the assignment is either a terminal operator applicant or terminal operator licensee and the individual or entity receiving the assignment of the terminal placement agreement is either a terminal operator applicant or terminal operator licensee.

(b) A terminal placement agreement entered into by a truck stop establishment prior to October 31, 2017, with a person or entity for the placement, operation, service or maintenance of video gaming terminals, including an agreement granting a person or entity the right to enter into an agreement or match any offer made after October 31, 2017, is void and will not be approved by the Board.

CHAPTER 1118. COMPULSIVE AND PROBLEM GAMING

Sec.

1118.1. Signage requirements.

1118.2. Problem gambling information.

1118.3. Problem gambling training.

1118.4. Advertising.

1118.5. Penalties.

§ 1118.1. Signage requirements.

(a) An establishment licensee shall conspicuously post signs that include a statement providing all of the following:

(1) "If you or someone you know has a gambling problem, help is available. Call (1-800-GAMBLER)."

(2) At least one sign as provided in paragraph (1) shall be posted within the video gaming area and at least one sign shall be posted within 5 feet of each automated teller machine within the establishment licensee's premises.

(b) An establishment licensee shall post signs that include a statement providing all of the following:

(1) "It is unlawful for any individual under 21 years of age to enter. Individuals violating this prohibition will be removed and may be subject to arrest and criminal prosecution."

(2) The sign as provided in paragraph (1) shall be prominently posted at the entrance to a video gaming area.

§ 1118.2. Problem gambling information.

An establishment licensee shall make available materials provided by the Board regarding compulsive and problem gaming as approved by the Board. The material shall be displayed conspicuously within the video gaming area of each establishment licensee.

§ 1118.3. Problem gambling training.

(a) The Board will provide a mandatory training program addressing responsible gaming and compulsive and problem gambling issues for employees and management of an establishment licensee who oversee the establishment licensee's video gaming area.

(b) Establishment licensees shall pay a fee assessed by the Board to reimburse the Board for the cost of annual training to establishment licensee's employees and management subject to the training.

(c) At least one employee of the establishment licensee who holds a valid occupation permit and has successfully completed the training program shall be located on the premises and supervising the video gaming area during all times the video gaming terminals are available for play.

§ 1118.4. Advertising.

(a) Advertisements related to video gaming used by a terminal operator or establishment licensee or its agent may not:

(1) Contain false or misleading information.

(2) Fail to disclose conditions or limiting factors associated with the advertisement.

(3) Use a font, type size, location, lighting, illustration, graphic depiction or color obscuring conditions or limiting factors associated with the advertisement or the statement required under subsection (b).

(b) Advertisements must contain a gambling assistance message that is similar to one of the following:

(1) If you or someone you know has a gambling problem, help is available. Call (toll free telephone number).

(2) Gambling Problem? Call (toll free telephone number). The text of the gambling assistance message and the font to be used for the statement must comply with in § 501a.7(e) (relating to advertising).

(c) A terminal operator or establishment licensee or its agent shall discontinue as expeditiously as possible the use of a particular advertisement upon receipt of written notice that the Board's Office of Compulsive and Problem Gaming has determined that the use of the particular advertisement in this Commonwealth could adversely impact the public or the integrity of video gaming.

§ 1118.5. Penalties.

An establishment licensee that fails to fulfill any of the requirements in this chapter shall be assessed an administrative penalty and may have its establishment license suspended by the Board.

CHAPTER 1119. SELF-EXCLUSION

Sec.

1119.1. Definitions.

1119.2. Self-exclusion procedure.

1119.3. Video gaming self-exclusion list.

1119.4. Duties of video gaming establishment licensees.

1119.5. Removal from video gaming self-exclusion list.

§ 1119.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

OCPG—The Office of Compulsive and Program Gambling of the Board.

Video gaming activity—The play of video gaming terminals at the premises of an establishment licensee.

Video gaming related activity—An activity related to the play of video gaming terminals including applying for player club memberships or credit, cashing checks, or accepting a complimentary gift, service, promotional item or other thing of value at an establishment licensee's premises.

Video gaming self-excluded person—A person whose name and identifying information is included, at the person's own request, on the video gaming self-exclusion list maintained by the Board.

Video gaming self-exclusion list—A list of names and identifying information of persons who, under this chapter, have voluntarily agreed to all of the following:

- (i) Excluded from the video gaming area where video gaming activity is conducted.
- (ii) Excluded from engaging in all video gaming related activities at an establishment licensee's facility.
- (iii) Prohibited from collecting any winnings or recovering any losses resulting from video gaming activity.

Winnings—Any money or thing of value received from, or owed by, an establishment licensee or terminal operator licensee as a result of a fully executed video gaming transaction.

§ 1119.2. Self-exclusion procedure.

(a) A person may request to be self-excluded from video gaming activities of an establishment licensee. The exclusion may be for a specific establishment licensee or throughout this Commonwealth.

(b) A person requesting self-exclusion shall do all of the following:

(1) Acknowledge that the person is a problem gambler.

(2) Agree that, during any period of voluntary exclusion, the person may not collect any winnings or recover any losses resulting from any video gaming activity within establishment licensees and that the person may be subject to arrest for trespass if found within a video gaming area of an establishment licensee.

(3) Agree to other conditions established by the Board.

(c) Forms to be used to request placement on the video gaming self-exclusion list are available on the Board's web site and at each establishment licensee's facility.

(d) A person wishing to place himself on the video gaming self-exclusion list at a single establishment licensee's facility may do so by the following:

(1) Submitting a completed Request for Voluntary Self-exclusion from Video Gaming Activities Form to the Board.

(2) Include all of the following identifying information:

(i) Name, including any aliases or nicknames.

(ii) Date of birth.

(iii) Address of current residence.

(iv) Telephone number.

(v) A copy of the individual's photo driver's license, passport or other recent photo identification.

(vi) Physical description of the person, including height, weight, gender, hair color, eye color and any other physical characteristic that may assist in the identification of the person.

(vii) Name, address and county of the establishment licensee's facility at which the person wishes to be excluded from video gaming activity.

(viii) The length of time the individual seeks to be excluded from video gaming activities.

(e) A person wishing to place himself on the video gaming self-exclusion list at all video gaming establishments in this Commonwealth may do so by the following:

(1) Submitting a completed Request for Voluntary Self-exclusion from Video Gaming Activities Form to the Board.

(2) Include all of the following identifying information:

(i) Name, including any aliases or nicknames.

(ii) Date of birth.

(iii) Address of current residence.

(iv) Telephone number.

(v) A copy of the individual's photo driver's license, passport or other recent photo identification.

(vi) Physical description of the person, including height, weight, gender, hair color, eye color and any other physical characteristic that may assist in the identification of the person.

(vii) Specify that the person desires to be excluded from video gaming activity in this Commonwealth.

(viii) The length of time the individual seeks to be excluded from video gaming activities.

(f) The length of self-exclusion requested by a person must be one of the following:

(1) One year (12 months).

(2) Five years.

(3) Lifetime.

(g) A request for self-exclusion must include a signed release which meets all of the following:

(1) Acknowledges that the request for self-exclusion has been made voluntarily.

(2) Certifies that the information provided in the request for self-exclusion is true and accurate.

(3) Acknowledges that the individual requesting self-exclusion is a problem gambler.

(4) Acknowledges that if the individual is discovered in a video gaming area, that the individual will be subject to removal and arrest for criminal trespass under 18 Pa.C.S. § 3503 (relating to criminal trespass) and the individual's winnings will be subject to confiscation and remittance to support compulsive and problem gambling programs.

(5) Releases, indemnifies, holds harmless and forever discharges the Commonwealth, the Board, and all terminal operator licensees and establishment licensees from claims, damages, losses, expenses or liability arising out of, by reason of or relating to the video gaming self-excluded person or to any other party for any harm, monetary or otherwise, which may arise as a result of one or more of the following:

(i) The failure of an establishment licensee to withhold video gaming privileges from or restore video gaming privileges to a video gaming self-excluded person.

(ii) Otherwise permitting or not permitting a video gaming self-excluded person to engage in video gaming activity in a video gaming establishment while on the list of video gaming self-excluded persons.

(iii) Confiscation of the individual's winnings.

(h) Video gaming self-exclusions for 1 year or 5 years remain in effect until the period of video gaming self-exclusion concludes.

§ 1119.3. Video gaming self-exclusion list.

(a) The Board will maintain the official video gaming self-exclusion list and notify each establishment licensee of additions to or deletions from the list on a biweekly basis by first class mail or by transmitting the video gaming self-exclusion list electronically directly to each establishment licensee and terminal operator licensee.

(b) The notice provided to establishment licensees and terminal operator licensees by the Board will include all of the following information concerning a person who has been added to the video gaming self-exclusion list:

(1) Name, including any aliases or nicknames.

(2) Date of birth.

(3) Address of residence.

(4) Telephone number.

(5) A copy of the individual's photo driver's license, passport or other recent photo identification.

(6) Physical description of the person, including height, weight, gender, hair color, eye color and other physical characteristic that may assist in the identification of the person.

(c) The notice provided to establishment licensees and terminal operator licensees by the Board concerning a person whose name has been removed from the video gaming self-exclusion list will include the name and date of birth of the person.

(d) A establishment licensee and terminal operator licensee shall maintain a copy of the video gaming self-exclusion list and establish procedures to ensure that the copy of the self-exclusion list is updated and that all appropriate employees and agents of the establishment licensee are notified of any addition to or deletion from the list within 5 business days after the day notice is mailed to each establishment licensee and terminal operator licensee or transmitted electronically under subsection (a).

(e) Information furnished to or obtained by the Board under this chapter will be deemed confidential and will not be disclosed except in accordance with this chapter.

(f) Establishment licensees, terminal operator licensees, and employees or agents thereof may not disclose the name of, or any information about, a person who has requested video gaming self-exclusion to anyone other than employees and agents of the establishment licensee and terminal operator licensee whose duties and functions require access to the information.

(g) A video gaming self-excluded person may not collect in any manner or in any proceeding any winnings or recover any losses arising as a result of any gaming activity for the entire period of time that the person is on the video gaming self-exclusion list.

(h) Winnings incurred by a video gaming self-excluded person shall be remitted to the Board to support compulsive and problem gambling programs of the Board.

(i) For the purposes of this section, winnings issued to, or redeemed by a video gaming self-excluded person will be presumed to constitute winnings subject to remittance to the Board.

§ 1119.4. Duties of video gaming establishment licensees.

(a) An establishment licensee shall train its employees and establish procedures to do all of the following:

(1) Identify a video gaming self-excluded person when present in the video gaming area and, upon identification, immediately notify employees of the establishment licensee whose duties include the removal of video gaming self-excluded persons.

(2) Deny video gaming related activities to a video gaming self-excluded person.

(3) Ensure that video gaming self-excluded persons do not receive, either from the video gaming establishment licensee or any agent thereof, targeted advertisements of video gaming activities at its premises.

(4) Notify the Pennsylvania State Police and the Bureau of the presence of a video gaming self-excluded person in the video gaming area.

(5) Prepare a report of the presence of a video gaming self-excluded person in a video gaming area on a form provided by the Board and to submit that completed form to the OCPG and the Bureau within 24 hours for each occurrence of a video gaming self-excluded person being present in a video gaming area.

(6) Make available to patrons written materials explaining the video gaming self-exclusion program.

(b) The list of video gaming self-excluded persons is confidential, and any distribution of the list to an unauthorized source constitutes a violation of 4 Pa.C.S. Part III (relating to video gaming).

§ 1119.5. Removal from video gaming self-exclusion list.

(a) For individuals who are video gaming self-excluded for 1 year or 5 years, upon the conclusion of the period of self-exclusion, the individual will be removed from the video gaming self-exclusion list without further action on his part.

(b) For individuals who have elected to be video gaming self-excluded for lifetime, the individual will not be removed from the video gaming self-exclusion list until all of the following have occurred:

(1) At least 10 years has elapsed since the individual placed himself on the video gaming self-exclusion list for lifetime.

(2) The individual has filed a petition with the Board's Office of Hearings and Appeals requesting to be removed from the video gaming self-exclusion list.

(3) The individual has presented facts and circumstances which, in the Board's discretion, demonstrate a compelling reason for the Board to grant early removal from the lifetime self-exclusion list.

(4) The Board has found by a preponderance of the evidence that the person should be removed from the video gaming self-exclusion list and issues an order to that effect.

CHAPTER 1120. EXCLUSION OF PERSONS FROM VIDEO GAMING

Sec.

1120.1. Definitions.

1120.2. Maintenance and distribution of the exclusion list.

1120.3. Criteria for exclusion or ejection.

1120.4. Duties of the Bureau and the Office of Enforcement Counsel.

1120.5. Placement on the exclusion list.

1120.6. Demand for Hearing on the exclusion of a person.

1120.7. Board review.

1120.8. Duties of establishment licensees.

1120.9. Petition to remove name from the exclusion list.

§ 1120.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Career or professional offender—A person, who for the purpose of economic gain, engages in activities that are deemed criminal violations under 18 Pa.C.S. (relating to Crimes Code) or equivalent criminal violations in other jurisdictions, or engages in unlawful activities in 4 Pa.C.S. § 1518(a) (relating to prohibited acts; penalties).

Cheat—

(i) To defraud or steal from any player or video gaming licensee of the Commonwealth while operating or playing a video gaming terminal, including causing, aiding, abetting or conspiring with another person to do so.

(ii) To alter or causing, aiding, abetting or conspiring with another person, without authorization, to alter the elements of chance, method of selection or criteria which determines all of the following:

(A) The result of a video gaming terminal game.

(B) The amount or frequency of payment in a video gaming terminal game.

(C) The value of a wagering instrument.

(D) The value of a wagering credit.

(iii) The term does not include altering a video gaming terminal or associated equipment for required maintenance and repair.

Excluded person—A person who has been placed upon the exclusion list and who is required to be excluded or ejected from an establishment licensee facility.

Exclusion list—A list of names of persons who are required to be excluded or ejected from an establishment licensee's facility.

OCPG—The Office of Compulsive and Problem Gambling of the Board.

§ 1120.2. Maintenance and distribution of the exclusion list.

(a) The Board will maintain a list of persons to be excluded or ejected from an establishment licensee facility.

(b) The exclusion list will be distributed to every terminal operator licensee and establishment licensee in this Commonwealth, who shall acknowledge receipt thereof in writing or electronically.

(c) All of the following information will be provided to the terminal operator licensee and establishment licensee for each person on the exclusion list:

(1) The full name and all aliases the person is believed to have used.

(2) A description of the person's physical appearance, including height, weight, type of build, color of hair and eyes, and other physical characteristics which may assist in the identification of the person.

(3) The person's date of birth.

(4) The date the person was added to the list.

(5) A recent photograph, if available.

(6) The last known address of record.

(7) Other identifying information available to the Board.

(8) The reason for placement on the excluded persons list.

§ 1120.3. Criteria for exclusion or ejection.

(a) The exclusion list may include a person who meets one or more of the following criteria:

(1) A career or professional offender whose presence in an establishment licensee's facility would, in the opinion of the Board, be inimical to the interest of the Commonwealth or of licensed video gaming therein, or both.

(2) An individual with a known relationship or connection with a career or professional offender whose presence in an establishment licensee's facility would be inimical to the interest of the Commonwealth or of licensed video gaming therein, or both.

(3) A person who has been convicted of a criminal offense under the laws of any state, or of the United States, which is punishable by 1 year or more in prison, or who has been convicted of any crime or offense involving moral turpitude, and whose presence in a licensed facility would be inimical to the interest of the Commonwealth or of licensed video gaming therein, or both.

(4) A person whose presence in a licensed facility would be inimical to the interest of the Commonwealth or of licensed gaming therein, or both, including:

(i) Persons who cheat.

(ii) Persons whose gaming privileges have been suspended by the Board.

(iii) Persons whose Board permits, licenses, registrations, certifications or other approvals have been revoked.

(iv) Persons who pose a threat to the safety of the patrons, employees or persons on the property of an establishment licensee's facility.

(v) Persons with a history of conduct involving the disruption of the gaming operations within a licensed facility.

(vi) Persons subject to an order of a court of competent jurisdiction in this Commonwealth excluding those persons from licensed facilities.

(vii) Persons who have been charged, indicted or convicted of a gambling crime or a crime related to the integrity of gaming operations in this Commonwealth or another jurisdiction.

(viii) Persons who have performed an act or have a notorious or unsavory reputation that would adversely affect public confidence and trust in gaming.

(b) For purposes of subsection (a), a person's presence may be considered inimical to the interest of the Commonwealth or of licensed video gaming therein, or both if known attributes of the person's character and background meet one or more of the following criteria:

(1) Are incompatible with the maintenance of public confidence and trust in the credibility, integrity and stability of the operation of a licensed facility.

(2) May reasonably be expected to impair the public perception of, and confidence in, the strict regulatory process created by 4 Pa.C.S. Part III (relating to video gaming).

(3) Create or enhance a risk of the fact or appearance of unsuitable, unfair or illegal practices, methods or activities in the conduct of gaming or in the business or financial arrangements incidental thereto.

(c) A finding of inimicality may be based upon the following:

(1) The nature and notoriety of the character or background of the person.

(2) The history and nature of the involvement of the person with licensed gaming in this Commonwealth or another jurisdiction.

(3) The nature and frequency of contacts or associations of the person with an establishment licensee.

(4) Other factors reasonably related to the maintenance of public confidence in the efficacy of the regulatory process and the integrity of video gaming operations.

(d) A person's race, color, creed, national origin or ancestry, or sex will not be a reason for placing the name of a person upon the exclusion list.

§ 1120.4. Duties of the Bureau and the Office of Enforcement Counsel.

(a) The Bureau will, on its own initiative, or upon referral by a law enforcement agency or an establishment licensee, investigate a person to determine whether the person meets the criteria for exclusion provided in 4 Pa.C.S. § 3901 (relating to exclusion or ejection of certain persons) and § 1119.3 (relating to video gaming self-exclusion list).

(b) If, upon completion of an investigation, the Bureau determines that an individual should be placed on the exclusion list, the Office of Enforcement Counsel will file a petition for exclusion with the Clerk identifying the candidate and setting forth a factual basis for the petition. The petition must include information demonstrating that the individual satisfies the criteria for exclusion or ejection under 4 Pa.C.S. § 3901 or this chapter.

§ 1120.5. Placement on the exclusion list.

(a) A person may be placed on the exclusion list upon any of the following:

(1) Entry of an order of the Board.

(2) Receipt of an order from a court of competent jurisdiction in this Commonwealth, excluding or ejecting the person from establishment licensee facilities in this Commonwealth.

(b) The placement of a person on the exclusion list shall have the effect of requiring the exclusion or ejection of the excluded person from establishment licensee facilities.

(c) An excluded person may not collect in any manner or in any proceeding any winnings or recover any losses arising as a result of any gaming activity for the entire period of time that the person is on the Board's exclusion list.

(d) Winnings incurred by an excluded person shall be remitted to the Board to support compulsive and problem gambling programs of the Board.

(e) For the purposes of this section, any winnings issued to, found on or about, or redeemed by an excluded person shall be presumed to constitute winnings subject to remittance to the Board.

§ 1120.6. Demand for Hearing on the exclusion of a person.

(a) Upon the filing of a petition for exclusion, the Office of Enforcement Counsel will serve the petition upon the person by personal service or certified mail at the last known address of the person. The notice will inform the person of the right to a hearing under 4 Pa.C.S. § 3901(h) (relating to exclusion or ejection of certain persons) and include a copy of the petition.

(b) Upon service of the petition, the person subject to the petition shall have 30 days to demand a hearing before the Board or presiding officer. Failure to demand a hearing within 30 days after service will be deemed an admission of all matters and facts alleged in the Office of Enforcement Counsel's petition for exclusion and preclude the person from having an administrative hearing.

(c) If a formal hearing is demanded by the person named in the petition for exclusion, a hearing will be scheduled as provided in § 491a.8 (relating to hearings generally). At the hearing, the Office of Enforcement Counsel will have the burden of proof to demonstrate that the person named in the petition for exclusion satisfies the criteria for exclusion in 4 Pa.C.S. § 3901 or § 1120.3 (relating to criteria for exclusion or ejection). Unless the matter is heard directly by the Board, the presiding officer will prepare a report and recommendation as provided in § 494a.4 (relating to report or report and recommendation of the presiding officer) for consideration by the Board.

§ 1120.7. Board review.

After a hearing, or if a hearing was not requested and the facts in the petition are deemed admitted, the Board may:

- (1) Issue an order placing the person's name on the exclusion list.
- (2) Issue an order removing or denying the placement of the person's name on the exclusion list.
- (3) Refer the matter to a presiding officer for further hearing.

§ 1120.8. Duties of establishment licensees.

(a) Establishment licensees shall establish procedures to prevent violations of this chapter and submit a copy of the procedures to the Director of OCPG 30 days prior to initiation of gaming activities at the establishment licensee's facility. An establishment licensee will be notified in writing of any deficiencies in the plan and may submit revisions to the plan to the Director of OCPG. The establishment licensee may not commence operations until the Director of OCPG approves the procedures. Amendments to these procedures shall be submitted to and approved by the Director of OCPG prior to implementation.

(b) Establishment licensees shall distribute copies of the exclusion list to the appropriate employees. Additions, deletions or other updates to the list shall be distributed by an establishment licensee to its employees within 2 business days of the establishment licensee's receipt of the updates from the Board.

(c) An establishment licensee shall exclude or eject from its establishment licensee facility all of the following:

(1) An excluded person.

(2) A self-excluded person.

(d) If an excluded person enters, attempts to enter or is in an establishment licensee facility and is recognized by employees of the establishment licensee, the establishment licensee shall do all of the following:

(1) Immediately notify law enforcement with jurisdiction over the establishment licensee's facility.

(2) Notify the Director of OCPG and the Bureau in writing within 24 hours.

(e) The establishment licensee has the continuing duty to inform the Bureau, in writing, of the names of persons the establishment licensee believes are appropriate for placement on the exclusion list.

§ 1120.9. Petition to remove name from the exclusion list.

(a) An excluded person may file a petition with the Clerk to request a hearing for removal of his name from the exclusion list at any time after 5 years from the placement of his name on the exclusion list.

(b) The petition shall be signed by the excluded person, contain supporting affidavits and state the specific grounds believed by the petitioner to constitute good cause for removal from the exclusion list. Upon receipt of the petition, the Office of Enforcement Counsel may file an answer in accordance with § 493a.5 (relating to answers to complaints, petitions, motions and other filings requiring a response).

(c) An excluded person who is barred from requesting a hearing concerning his removal from the exclusion list by the 5-year period of exclusion in subsection (a) may petition the Board for early consideration at any time. An excluded person may not, within the 5-year period of exclusion, file more than one petition for early consideration.

(d) A petition for early consideration must contain the information required under subsection (b). Upon receipt of the petition, the Office of Enforcement Counsel may file an answer in accordance with § 493a.5.

(e) The Board will consider, when making its decision on a petition for early consideration, the nature of the facts and circumstances giving rise to the person's placement on the exclusion list, and whether there are extraordinary facts and circumstances warranting early consideration of the excluded person's request for removal from the exclusion list.

SUBPART O. FANTASY CONTESTS

CHAPTER 1201. FANTASY CONTESTS GENERALLY

Sec.

1201.1. Scope.

1201.2. Definitions.

§ 1201.1. Scope.

The purpose of this subpart is to implement and govern the operation and conduct of fantasy contests in this Commonwealth as provided for in 4 Pa.C.S. Chapter 3 (relating to fantasy contests).

§ 1201.2. Definitions.

The following words and terms, when used in this subpart, have the following meanings, unless the context clearly indicates otherwise:

Applicant—A person who, on his own behalf or on behalf of another, is applying for permission to engage in any act or activity which is regulated under this subpart. If the applicant is a person other than an individual, the Board will determine the associated persons whose qualifications are necessary as a precondition to the licensing of the applicant.

Beginner—A participant who has entered fewer than 51 contests offered by a single licensed operator or who does not meet the definition of “highly-experienced player.”

Entry fee—The cash or cash equivalent paid by a participant to a licensed operator to participate in a fantasy contest.

Fantasy contest—

(i) An online fantasy or simulated game or contest with an entry fee and a prize or award in which all of the following apply:

(A) The value of all prizes or awards offered to winning participants is established and made known to participants in advance of the contest and the value is not determined by the number of participants or the amount of any fees paid by those participants.

(B) All winning outcomes reflect the relative knowledge and skill of participants and are determined by accumulated statistical results of the performance of individuals, including athletes in the case of sports events.

(C) The winning outcome is not based on the score, point spread or performance of a single actual team or combination of teams, or solely on a single performance of an individual athlete or player in a single actual event.

- (ii) The term does not include social fantasy contests.

Fantasy contest account—The formal electronic system implemented by a licensed operator to record a participant's entry fees, prizes or awards and other activities related to participation in the licensed operator's fantasy contests.

Fantasy contest license—A license issued by the Board authorizing a person to offer fantasy contests in this Commonwealth in accordance with this subpart.

Fantasy contest terminal—A computerized or electronic terminal or similar device within a licensed facility that allows participants to do all of the following:

- (i) Register for a fantasy contest account.
- (ii) Pay an entry fee.
- (iii) Select athletes for a fantasy contest.
- (iv) Receive winnings.
- (v) Otherwise participate in a fantasy contest.

Highly experienced player—

- (i) Any participant who has done all of the following:

- (A) Entered more than 1,000 fantasy contests.

- (B) Won more than three fantasy contest prizes or awards valued at \$1,000

or more.

- (ii) Once a participant is classified as a highly-experienced player, a player shall remain classified as a highly-experienced player.

Key employee—An individual who is employed by an applicant for a fantasy contest license or a licensed operator in a director or department head capacity or who is empowered to make discretionary decisions that regulate fantasy contest operations as determined by the Board.

Licensed facility—

- (i) The physical land-based location at which a licensed gaming entity is authorized to place and operate slot machines and, if authorized by the Board, to conduct table games or interactive gaming, or both.

- (ii) The term includes any of the following:

(A) An area of a licensed racetrack at which was previously authorized under 4 Pa.C.S. § 1207(17) (relating to regulatory authority of the board) to operate slot machines prior to the April 28, 2018.

(B) A Board-approved interim facility or temporary facility.

(C) An area of a hotel which the Board determines is suitable to conduct table games.

(D) An area of a licensed facility where casino simulcasting is conducted, as approved by the Board.

(iii) The term does not include a redundancy facility or an interactive gaming restricted area which is not located on the premises of a licensed facility as approved by the Board and which is maintained and operated by an interactive gaming certificate holder in connection with interactive gaming or casino simulcasting.

Licensed operator—A person who holds a fantasy contest license.

Participant—An individual who participates in a fantasy contest, whether the individual is located in this Commonwealth or another jurisdiction.

Person—A natural person, corporation, publicly traded corporation, foundation, organization, business trust, estate, limited liability company, licensed corporation, trust, partnership, limited liability partnership, association or any other form of legal business entity.

Principal—An officer, director or person who directly holds a beneficial interest in or ownership of the securities of an applicant for a fantasy contest license or a licensed operator, a person who has a controlling interest in an applicant for a fantasy contest license or a licensed operator or who has the ability to elect a majority of the board of directors of a licensed operator or to otherwise control a licensed operator, lender or other licensed financial institution of an applicant for a fantasy contest license or a licensed operator, other than a bank or lending institution which makes a loan or holds a mortgage or other lien acquired in the ordinary course of business, underwriter of an applicant for a fantasy contest license or a licensed operator or other person or employee of an applicant for a fantasy contest license or a licensed operator deemed to be a principal by the Board.

Prize or award—Anything of value worth \$100 or more, or any amount of cash or cash equivalents.

Publicly traded corporation—A person, other than an individual, who:

(i) Has a class or series of securities registered under the Securities Exchange Act of 1934 (15 U.S.C.A. §§ 78a—78qq).

(ii) Is a registered management company under the Investment Company Act of 1940 (15 U.S.C.A. §§ 80a-1—80a-64).

(iii) Is subject to the reporting requirements under section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.A. § 78o(d)) by reason of having filed a registration statement that has become effective under the Securities Act of 1933 (15 U.S.C.A. §§ 77a—77aa).

Script—A list of commands that a fantasy contest related computer software program can execute that is created by a participant or third party not approved by the licensed operator to automate processes on a licensed operator's fantasy contest platform.

Season-long fantasy contest—A fantasy contest offered by a licensed operator that is conducted over an entire sports season.

Social fantasy contest—A fantasy contest which meets one or more of the following criteria:

(i) Nothing is offered to participants other than game-based virtual currency that cannot be redeemed for cash, merchandise or anything of value outside the context of game play.

(ii) The contest is free to all participants.

(iii) The entity offering the contest does not receive compensation other than an administrative fee for the maintenance of statistical information in connection with the contest.

(iv) The winnings offered are of no greater value than the lowest individual fee charged to a single participant for entering or participating in the contest.

(v) The contest encompasses an entire season of the activity in which the underlying competition is being conducted and the winnings offered, if any, are determined by agreement of the participants only to distribute fully the participants' contributions to a fund established to grant the winnings for the contest.

Suspicious transaction—A transaction between a licensed operator or an employee of a licensed operator and an individual that involves the acceptance or redemption by a person of cash or cash equivalent involving or aggregating \$5,000 or more which a licensed operator or employee of a licensed operator knows, suspects or has reason to believe:

(i) Involves funds derived from illegal activities or is intended or conducted to conceal or disguise funds or assets derived from illegal activities.

(ii) Is part of a plan to violate or evade a law or regulation to avoid a transaction reporting requirement under the laws or regulations of the United States or the Commonwealth, including a plan to structure a series of transactions to avoid a transaction reporting requirement under the laws of the United States or the Commonwealth.

(iii) Has no apparent lawful purpose or is not the type of transaction in which a person would normally be expected to engage and the licensed operator or employee knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction.

CHAPTER 1202. APPLICATION REQUIREMENTS

Sec.

1202.1. General licensing requirements.

1202.2. Fantasy contest licenses.

1202.3. Licensed gaming entities.

1202.4. Principals.

1202.5. Key employees.

1202.6. Gaming service providers.

§ 1202.1. General licensing requirements.

A fantasy contest license holder may conduct fantasy contests in this Commonwealth in accordance with 4 Pa.C.S. Chapter 3 (relating to fantasy contests) and this subpart.

§ 1202.2. Fantasy contest licenses.

(a) An application for a fantasy contest license shall be submitted on forms or in an electronic format supplied or approved by the Board and must contain all of the following information:

(1) The identity of the applicant as follows:

(i) If the applicant is an individual, the name, Federal employer identification number, contact information and business address of the applicant.

(ii) If the applicant is a corporation, the name and business address of the corporation, the state of its incorporation, and the full name, contact information and business address of each officer and director thereof.

(iii) If the applicant is a foreign corporation, the name and business address of the corporation, whether it is qualified to do business in this Commonwealth, and the full name, contact information and business address of each officer and director thereof.

(iv) If the applicant is a partnership or joint venture, the name, contact information and business address of each officer thereof.

(2) The name and location of the applicant's licensed facility, if applicable.

(3) The name, contact information and business address of the person having custody of the applicant's financial records.

(4) The name and business address, job title, fingerprints and a photograph of each principal and key employee of the applicant who will be involved in fantasy contests and who is not currently licensed by the Board, if known. If the principal and key employee are currently licensed by the Board, the application must specifically identify their participation in offering fantasy contests.

(5) Information and documentation concerning financial background and resources, as the Board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant.

(6) A copy of any agreement or agreements the applicant has entered into or a detailed description of the terms and conditions of any agreement the applicant will enter into to facilitate the operation or conduct of fantasy contests.

(7) Any other information the Board may require.

(b) Upon request of the Board or Board staff, the applicant shall cooperate and provide supplemental information in support of its application. The applicant shall provide requested documents, records, supporting data and other information within the time period specified in the request or, if no time is specified, within 30 days of the date of the request. If the applicant fails to provide the requested information within the required time period in the request, the Board may deny the application.

(c) The application, and amendments thereto, and other specific documents designated by the Board shall be sworn to or affirmed by the applicant before a notary public which shall be filed promptly with the Board.

(d) An application and related materials that have been submitted to the Board will become the property of the Board and will not be returned to the applicant.

§ 1202.3. Licensed gaming entities.

(a) An abbreviated application for a fantasy contest license by a licensed gaming entity may be submitted on forms or in an electronic format supplied or approved by the Board.

(b) Upon request of the Board or Board staff, the applicant shall cooperate and provide supplemental information in support of its application. The applicant shall provide requested documents, records, supporting data and other information within the time period specified in the request or, if no time is specified, within 30 days of the date of the request. If the applicant fails to provide the requested information within the required time period in the request, the Board may deny the application.

(c) The application, and amendments thereto, and other specific documents designated by the Board shall be sworn to or affirmed by the applicant before a notary public which shall be filed promptly with the Board.

(d) An application and related materials that have been submitted to the Board will become the property of the Board and will not be returned to the applicant.

§ 1202.4. Principals.

(a) A principal as defined in this subpart shall apply for licensure as a principal in accordance with § 433a.8 (relating to principal applications).

(b) In addition to information required under § 433a.8, an individual required to be licensed as a principal, unless otherwise directed by the Board, shall submit all of the following:

(1) The nonrefundable application fee posted on the Board's web site.

(2) A description of responsibilities as a principal.

(3) Details relating to a similar license, permit or other authorization obtained in another jurisdiction.

(4) The consent to a background investigation by the Bureau and a release to obtain the information necessary for the completion of the background investigation.

(5) Other information required by the Board.

(c) Following review of the application and background investigation, the Board may approve a principal license if the applicant has proven by clear and convincing evidence that the applicant is a person of good character, honesty and integrity, and is eligible and suitable to be licensed as a principal.

(d) A principal license is not transferable.

(e) A temporary credential, which may be valid up to 270 days, may be issued by the Board to a principal if the Board determines additional time is needed to complete an investigation for licensure.

§ 1202.5. Key employees.

(a) A key employee as defined in this subpart shall apply for licensure as a key employee in accordance with § 435a.2 (relating to key employee license).

(b) In addition to information required under § 435a.2, an individual required to be licensed as a key employee, unless otherwise directed by the Board, shall submit all of the following:

(1) The nonrefundable application fee posted on the Board's web site.

(2) A description of employment responsibilities.

(3) The consent to a background investigation by the Bureau and a release to obtain the information necessary for the completion of the background investigation.

(4) Details relating to a similar license or other authorization obtained in another jurisdiction.

(5) Other information required by the Board.

(c) Following review of the application and background investigation, the Board may approve a key employee license if the applicant has proven by clear and convincing evidence that the applicant is a person of good character, honesty and integrity, and is eligible and suitable to be licensed as a key employee.

(d) A temporary credential, which may be valid up to 270 days, may be issued by the Board to a key employee if the Board determines additional time is needed to complete an investigation for licensure.

(e) An individual may not perform duties associated with a position that requires a key employee license prior to receiving a temporary or permanent credential unless otherwise authorized by the Board.

§ 1202.6. Gaming service providers.

The Board may, in its discretion, require a licensed operator who is not a licensed gaming entity to apply for a certificate or registration as a gaming service provider to provide fantasy contests to, or on behalf of, a licensed gaming entity under 4 Pa.C.S. § 342 (relating to licensed gaming entities).

CHAPTER 1203. APPLICATION PROCESS

Sec.

1203.1. Application review and processing.

1203.2. Application withdrawal.

1203.3. Existing activity.

1203.4. Renewals.

1203.5. Licensed entity representatives.

§ 1203.1. Application review and processing.

(a) The Board will review applications submitted under this subpart to ensure compliance with 4 Pa.C.S. Chapter 3 (relating to fantasy contests) and Board regulations.

(b) If an applicant fails to include any required documentation or information, the Board will notify the applicant and give him an opportunity to cure the deficiency.

(c) Upon a determination that the prerequisites for filing have been met, the application will be accepted for filing and Board staff, if applicable, will:

(1) Obtain information as may be necessary to determine the qualifications of the applicant and any matter relating to the application.

(2) Promptly conduct an investigation of the applicant and on any matter relating to the application, if applicable.

(3) Request the Department to promptly conduct or update a tax clearance review.

(4) Request the Pennsylvania State Police or Federal Bureau of Investigation to conduct or update a criminal history review.

(5) Request any agencies, entities or persons to provide information to the Board as deemed necessary by the Board.

(d) An application submitted under this subpart and information obtained by Board staff relating to the application will be part of the evidentiary record to be utilized by the Board when deciding to approve, condition, issue or deny a fantasy contest license.

(e) A determination as to the merit of the applicant to receive a fantasy contest license will be made within 120 days. If the license is not approved, the Board will provide the applicant with the justification for not issuing the fantasy contest license.

§ 1203.2. Application withdrawal.

(a) A request for withdrawal of an application may be made at any time prior to the Board taking action on the application in accordance with all of the following requirements:

(1) A request for withdrawal of an entity applying for a license, certification or registration, or an individual applying for a principal license shall be made by filing a petition with the Board in accordance with § 493a.4 (relating to petitions generally).

(2) A request for withdrawal of an individual applying for a key employee license or a permit shall be made on a form supplied by the Bureau of Licensing. If Board staff objects to the request for withdrawal, the person filing the form will be notified and may be required to file a petition for withdrawal with the Board in accordance with § 493a.4.

(b) The petition or form must set forth the reasons for the withdrawal.

(c) When rendering a decision on a petition for withdrawal, the Board may set the conditions of withdrawal and may deny or grant the request with or without prejudice.

(d) Unless the Board otherwise directs, fees or other payments relating to an application, license, permit, registration or certification are not refundable by reason of the withdrawal.

§ 1203.3. Existing activity.

An applicant for a fantasy contest license who is conducting fantasy contests in this Commonwealth prior to the effective date of 4 Pa.C.S. Chapter 3 (relating to fantasy contests), or during the time period of a renewal application, may operate fantasy contests during the application or renewal process and prior to the Board granting a fantasy contest license unless the Board has reasonable cause to believe the person or licensed operator is, or may be, in violation of 4 Pa.C.S. Chapter 3 and the Board has required the person to suspend the operation of a fantasy contest until the Board takes action on the application.

§ 1203.4. Renewals.

(a) Licenses and registrations issued under this subpart will be for a term of 5 years from the date of issuance.

(b) An application for renewal of a license or registration shall be submitted at least 180 days prior to the expiration of the license or registration and must include an update of the information in the initial application and any prior renewal applications.

(c) A license, permit or registration for which an application for renewal has been timely filed will continue in effect until the Board acts upon the application for renewal.

§ 1203.5. Licensed entity representatives.

(a) A licensed entity representative shall register with the Board in a manner prescribed by the Board. The registration must include the name, employer or firm, business address and business telephone number of the licensed entity representative and any licensed operator, applicant for licensure or other person being represented.

(b) A licensed entity representative has an affirmative duty to update its registration information on an ongoing basis. Failure to update a registration is punishable by the Board.

CHAPTER 1204. FANTASY CONTEST LICENSES

Sec.

1204.1. Fantasy contest license issuance and statement of conditions.

§ 1204.1. Fantasy contest license issuance and statement of conditions.

(a) *Issuance criteria.* In addition to the criteria in 4 Pa.C.S. Chapter 3 (relating to fantasy contests), the Board will not issue or renew a fantasy contest license unless all of the following criteria have been established by the applicant:

(1) The applicant has fulfilled each condition set by the Board or contained in 4 Pa.C.S. Chapter 3, including the execution of a statement of conditions.

(2) The applicant is found suitable consistent with the laws of the Commonwealth and is otherwise qualified to be issued a fantasy contest license.

(b) Statement of conditions.

(1) The applicant, as a condition precedent to the issuance of a fantasy contest license, shall execute a Statement of Conditions in the manner and form required by the Board. Execution of the Statement of Conditions constitutes the acceptance of each provision in the Statement of Conditions by the applicant.

(2) Failure to fully comply with any provision in an executed Statement of Conditions constitutes a violation and may result in Board-imposed administrative sanctions, up to and including revocation, against a licensee.

CHAPTER 1205. FANTASY CONTESTS

Sec.

1205.1. Fantasy contests generally.

1205.2. Procedures to govern the conduct of fantasy contests.

1205.3. Fantasy contest accounts.

1205.4. Fantasy contest licensed operator duties.

1205.5. Fantasy contest licensed operator restrictions.

1205.6. Licensed gaming entities.

1205.7. Record and data retention.

§ 1205.1. Fantasy contests generally.

A fantasy contest licensee may offer a fantasy contest only under all of the following conditions:

(1) The value of all prizes or awards offered to winning participants is established and made known in advance of the fantasy contest.

(2) The value of the prize or award is not determined by the number of participants or the amount of fees paid by the participants.

(3) The winning outcome reflects the relative knowledge and skill of the participant.

(4) The winning outcome is not based on the score, point spread or performance of a single actual team or combination of teams, or solely on a single performance of an individual athlete or player in a single actual event.

(5) The winning outcome is based on statistical results accumulated from fully completed athletic sports contests or events, except that participants may be credited for

statistical results accumulated in a suspended or shortened sports event which has been partially completed on account of weather or other natural or unforeseen event.

§ 1205.2. Procedures to govern the conduct of fantasy contests.

(a) Each fantasy contest license holder shall establish and implement procedures governing the conduct of fantasy contests, as approved by the Board.

(b) The governing procedures must include, at a minimum, all of the following:

(1) A participant may not be eligible to engage in a fantasy contest by a licensed operator without first establishing a fantasy contest account, unless the fantasy contest is through a fantasy contest terminal in a licensed facility.

(2) Prior to a participant engaging in a fantasy contest or making a deposit in a fantasy contest account, the licensed operator shall verify the age, location and identity of the participant. A person under 18 years of age may not engage in a fantasy contest by a licensed operator. If the participant is utilizing a fantasy contest terminal in a licensed facility, the participant shall be 21 years of age to engage in a fantasy contest.

(3) Each time a participant enters his registered fantasy account, he shall enter his unique username and password to verify his identity.

(4) Prior to accepting of a participant's entry fee for a specific fantasy contest, all Board-approved rules, prizes and award values must be posted on the specific fantasy contest homepage in a clear and decipherable manner.

(5) Provisions to prohibit a participant from participating in beginner fantasy contests, except as provided by 4 Pa.C.S. § 325(4.1)(ii) (relating to conditions of licensure). If a participant who is not a beginner attempts to enter a beginner contest, his account shall be temporarily suspended from further fantasy contest participation for 15 days and the fantasy contest operator shall ban the individual from any further participation in beginner fantasy contests offered by the licensed operator.

(6) Provisions to prohibit a highly experienced player from participating in fantasy contests that exclude highly experienced players. In accordance with 4 Pa.C.S. § 325(4.2), if a participant who is a highly experienced player attempts to enter a fantasy contest for which he is ineligible, his account must be temporarily suspended for 15 days and his account shall be banned from entering further contests of this type.

(7) Upon the creation of a fantasy contest account or the engagement of a fantasy contest terminal in a licensed facility, the licensed operator shall require the participant to identify any professional sports in which he currently engages in and which are subject to a fantasy contest and shall limit the participant's account from entering into contests of that sport.

(8) Allowing a person to restrict himself from entering a fantasy contest or accessing a fantasy contest account for a specific period of time as determined by the participant and implement procedures to prevent the person from participating in the licensed operator's fantasy contests.

(9) Allowing a person to restrict the total amount of deposits that the participant may pay to the licensed operator for a specific time period established by the participant and implement procedures to prevent the participant from exceeding the limit.

(10) Establishing procedures to monitor for and prevent the use of scripts.

(11) Establishing procedures determining when a fantasy contest locks and when no further entries or substitutions can be made. The procedures must require that the prize stipulated in the entry rules is available and can be demonstrated upon request of the Board.

(12) A process for a fantasy contest operator to receive and respond to participant complaints and reconciling a participant's fantasy contest account.

§ 1205.3. Fantasy contest accounts.

(a) A participant in a fantasy contest by a licensed operator may only enter a fantasy contest if the participant has established an account with the fantasy contest operator.

(b) The licensed operator shall perform all of the following with respect to each participant account:

(1) Verify the age, location and identity of participants in a fantasy contest prior to accepting an entry in a fantasy contest by the participant account holder.

(2) Assure the participant has funds on account sufficient to pay the fantasy contest entry fee at the time of entry.

(3) Require that each time a participant enters his registered fantasy account, he shall enter his unique username and password to verify his identity.

(4) Provide the account holder the option to:

(i) Restrict the participant from entering a fantasy contest or accessing a fantasy contest account for a specific period of time as determined by the account holder.

(ii) Restrict the total amount of deposits that the participant may pay to the licensed operator for a specific time period established by the participant.

(iii) Restrict the total amount of entry fees that the participant may pay to the licensed operator for a specific time period established by the participant.

(iv) Restrict the number of fantasy contests the participant may enter for a specific time period as determined by the account holder.

(v) With respect to subparagraphs (i)—(iv), a participant may make his limits more restrictive at any time but may not make a limit less restrictive within 90 days of imposing a restriction.

(5) Prevent unauthorized withdrawals from a fantasy contest account.

(6) Establish protocols for participants to withdraw funds whether the account is open or closed.

(7) Establish procedures for closing accounts and paying balances.

(8) Establish procedures for the disbursement of unclaimed prizes.

§ 1205.4. Fantasy contest licensed operator duties.

(a) A licensed operator shall comply with the conditions of licensure in 4 Pa.C.S. Chapter 3 (relating to fantasy contests) and the Board's regulations.

(b) A licensed operator shall continually monitor fantasy contests for conduct which violates the provisions and restrictions of 4 Pa.C.S. Chapter 3 and the Board's regulations, and immediately take steps to report this conduct to the Bureau upon discovery.

(c) A licensed operator shall implement measures to ensure the confidentiality of participants' personal, financial and account information, and to prevent the public disclosure of this information except as provided by law.

(d) A licensed operator shall timely remit all taxes and assessments to the Department as provided for in 4 Pa.C.S. Chapter 3.

(e) A licensed operator shall cooperate with the Board, the Bureau, the Department and law enforcement authorities performing any function or duties related to monitoring, investigating or enforcing 4 Pa.C.S. Chapter 3 or regulations relating to fantasy contest-related activities.

(f) A licensed operator shall permit access to the licensee's premises and fantasy contest terminal premises used in connection with the conduct of fantasy contests for the Board, the Bureau, the Department and the Pennsylvania State Police to facilitate the ability to perform regulatory oversight and law enforcement functions.

(g) A licensed operator shall submit a record of all participant complaints along with a description of how the complaint was resolved and reconciled to the Board on a quarterly basis.

(h) A licensed operator shall submit to the Bureau a record of any suspicious transactions as provided in 4 Pa.C.S. § 325(4.5) (relating to conditions of licensure) within 2 business days of learning of the event.

(i) Each licensed operator shall maintain an office or place of business in this Commonwealth and shall file with the Board the address and contact information for a person or representative in this Commonwealth authorized to receive service of process, documents and requests issued by the Board. If the Board makes a request for information or delivers documents or a notice to that address, it shall constitute receipt of those documents or requests by the licensed operator or applicant. If the Board will require access to the database for the licensed operator, this information shall be kept and be made available to the Board at the Pennsylvania office address.

§ 1205.5. Fantasy contest licensed operator restrictions.

A licensed operator may not do all of the following:

(1) Except as provide in paragraph (2), permit an individual under 18 years of age to participate in a fantasy contest.

(2) Permit an individual under 21 years of age to participate in a fantasy contest which is conducted within a licensed facility.

(3) Offer a fantasy contest based in whole or in part on collegiate or high school events or players.

(4) Permit a participant to enter a fantasy contest prior to establishing a fantasy contest account, unless the licensed operator is also a licensed gaming entity and the participant enters the fantasy contest through a fantasy contest terminal located within the licensed gaming entities licensed facility.

(5) Establish a fantasy contest account for a person who is not an individual.

(6) Alter the rules established for a fantasy contest after a participant has entered the fantasy contest.

(7) Issue credit to a participant to establish or fund a fantasy contest account.

(8) Permit the use of scripts by participants. A licensed operator shall implement technologies to prevent the use of scripts.

(9) Knowingly market to a participant during a time period in which the participant has self-excluded from the licensed operator's fantasy contests.

(10) Knowingly allow a self-excluded person to collect, keep or retain a prize.

(11) Knowingly accept a deposit or entry in excess of a limit established by a participant for the specific time period established by the participant.

(12) Share confidential information that could affect fantasy contest play with third parties until the information is made publicly available.

(13) Knowingly permit a principal, an employee of a licensed operator or a relative living in the same household of an employee, or a principal of a licensed operator to become a participant in a fantasy contest offered by any licensed operator in which the licensed operator offers a prize or award.

§ 1205.6. Licensed gaming entities.

(a) A licensed gaming entity which holds a fantasy contest license may petition the Board for authority to place and operate fantasy contest terminals within the licensed gaming entity's licensed facility.

(b) A licensed gaming entity may not place a fantasy contest terminal on its approved gaming floor. The Board's Executive Director will approve the placement of terminals within the licensed facility.

(c) A participant entering a fantasy contest through a fantasy contest terminal is not required to establish an account with the licensed gaming entity prior to entering the fantasy contest.

(d) A licensed gaming entity which offers a fantasy contest through a fantasy contest terminal may offer slot machine promotional play or table game match play to a participant who is at least 21 years of age as a prize or award or for participating in a fantasy contest conducted by the licensed gaming entity, as approved by the Board.

(e) A licensed gaming entity which obtains authorization from the Board to conduct fantasy contests through fantasy contest terminals is subject to all requirements and restrictions, except for those relating to prior account establishment, in this chapter and Chapters 1206—1209.

§ 1205.7. Record and data retention.

(a) A licensed operator shall retain account information for a 5-year period, including records of deposits into and out of a fantasy contest account, winnings, payouts and withdrawals, and record of participant play of fantasy contests.

(b) A licensed operator shall retain records of each fantasy contest conducted by the licensed operator for a 5-year period.

(c) A licensed operator shall retain copies of all advertisements for at least 2 years from the date of the last use of the advertisement and shall retain records to identify where advertisements were placed.

CHAPTER 1206. ACCOUNTING AND INTERNAL CONTROLS

Sec.

1206.1. Fantasy contest accounting and internal controls.

§ 1206.1. Fantasy contest accounting and internal controls.

(a) At least 45 days prior to commencing fantasy contests under this subpart, except as provided for in § 1203.3 (relating to existing activity), a fantasy contest licensee or an applicant for a fantasy contest license shall submit to the Board for approval all internal control systems and audit protocols for the fantasy contest operations.

(b) An applicant for a fantasy contest license who is conducting fantasy contests in this Commonwealth prior to the effective date of 4 Pa.C.S. Chapter 3 (relating to fantasy contests) shall submit a copy of its internal control systems and audit protocols for the fantasy contest operations simultaneously with its application for a fantasy contest license.

(c) A fantasy contest licensed operator's internal controls and audit protocols must include all of the following:

(1) Provide for reliable records, accounts and reports of any financial event that occurs in the conduct of fantasy contests, including reports to the Board related to fantasy contests.

(2) Provide for accurate and reliable financial records related to the conduct of fantasy contests, including by or through participants located in this Commonwealth.

(3) Establish procedures and security for the recordation of wagering, winnings, and fantasy contest adjusted revenue and taxation.

(4) Establish procedures and security standards for the maintenance of fantasy contests and associated equipment used in connection with the conduct of fantasy contests.

(5) Establish procedures and rules to govern the conduct of fantasy contests and the responsibility of employees related to fantasy contest.

(6) Establish procedures for the collection, recording and deposit of revenue from the conduct of fantasy contests by or through participants located in this Commonwealth.

(7) Establish reporting procedures and records required to ensure that all money generated from fantasy contests by or through participants located in this Commonwealth is accounted for.

(8) Ensure that all functions, duties and responsibilities related to fantasy contests are appropriately segregated and performed in accordance with sound financial practices by qualified employees.

(9) Ensure the confidentiality of participant's personal and financial information.

(10) Ensure the segregation of participant funds from operational funds in separate accounts and maintain a reserve in the form of cash, cash equivalents, security deposits held by banks and processors, an irrevocable letter of credit, payment processor reserves and receivables, a bond or a combination thereof in an amount sufficient to pay all prizes and awards offered to winning participants.

(d) The submissions required under subsections (a) and (b) must include a detailed description of the fantasy contest license operator's administrative and accounting procedures related to fantasy contests, including its written system of internal controls. Each written system of internal controls must include all of the following:

(1) An organizational chart depicting appropriate functions and responsibilities of employees involved in fantasy contests.

(2) A description of the duties and responsibilities of each position shown on the organizational chart.

(3) A detailed narrative description of the administrative and accounting procedures to satisfy the requirements in 4 Pa.C.S. § 325 (relating to conditions of licensure).

(4) The record retention policy of the licensed operator.

(5) The procedure to be utilized to ensure that money generated from the conduct of fantasy contests is safeguarded, including mandatory counting and recording procedures.

(6) Procedures to ensure that recorded accountability for assets is compared with actual assets at intervals required by the Board and appropriate action is taken with respect to discrepancies.

(7) Procedures to be utilized by an employee of a licensed operator in the event of a malfunction of a fantasy contest terminal or other equipment used in the conduct of fantasy contests.

(8) Procedures to be utilized by a licensed operator to prevent minors from entering fantasy contests.

(9) Other items the Board may request in writing to be included in the internal controls.

(10) A statement signed by the chief financial officer of the proposed licensed operator or other competent person and the chief executive officer of the proposed licensed operator or other competent person attesting that the officer believes, in good faith, that the system satisfies the requirements in 4 Pa.C.S. § 325.

(e) Except as provided in § 1203.3, prior to authorizing a licensed operator to commence the conduct of fantasy contests, the Board will review the system of internal controls and audit protocols submitted under subsections (a) and (b) to determine whether it conforms to the requirements in this chapter and whether it provides adequate and effective controls for the conduct of fantasy contests.

(f) If a licensed operator intends to make a change or amendment to its system of internal controls, it shall submit the change or amendment electronically to the Bureau of Gaming Operations in a manner prescribed by the Bureau of Gaming Operations. The licensed operator may implement the change or amendment upon receipt of approval or on the 30th calendar day following the filing of a complete submission unless the fantasy contest licensee receives written notice tolling the change or amendment in accordance with subsection (g) or written notice from the Board's Executive Director rejecting the change or amendment.

(g) If during the 30-day review period in subsection (f), the Bureau of Gaming Operations preliminarily determines that a procedure in a submission contains an insufficiency likely to negatively affect the integrity of fantasy contests or the control of revenue generated from fantasy contests, the Bureau of Gaming Operations, by written notice to the licensed operator, will:

(1) Specify the nature of the insufficiency and, when possible, an acceptable alternative procedure.

(2) Direct that the 30-calendar day review period in subsection (f) be tolled and that any internal controls at issue not be implemented until approved under subsection (i).

(h) Examples of submissions that may contain an insufficiency likely to negatively affect the integrity of fantasy contests include the following:

(1) Submissions that fail to provide information sufficient to permit the review of fantasy contests.

(2) Submissions that fail to provide for the segregation of incompatible functions so that no employee is in a position to commit an error or perpetrate a fraud and to conceal the error or fraud in the normal course of the employee's duties.

(3) Submissions that do not include forms or other materials referenced in the submission or required under 4 Pa.C.S. Chapter 3 or this subpart.

(4) Submissions that would implement operations or accounting procedures not authorized by 4 Pa.C.S. Chapter 3 or this subpart.

(i) When a change or amendment has been tolled under subsection (g), the licensed operator may submit a revised change or amendment within 30 days of receipt of the written notice from the Bureau of Gaming Operations. The licensed operator may implement the revised change or amendment upon receipt of written notice of approval from the Board's Executive Director or on the 30th calendar day following the filing of the revision unless the licensed operator receives written notice tolling the change or amendment in accordance with subsection (g) or written notice from the Board's Executive Director rejecting the change or amendment.

CHAPTER 1207. ADVERTISING

Sec.

1207.1. Fantasy contest advertising.

§ 1207.1. Fantasy contest advertising.

(a) Advertisements related to fantasy contests used by a licensed operator through any form of media, Internet application, or fantasy contest terminal or its agent may not do all of the following:

(1) Contain false or misleading information. An advertisement will be considered misleading if it makes representations about average winnings without equally prominently representing the average net winnings of all players and that not all players will achieve the results referenced.

(2) Portray play by minors (other than professional athletes who may be minors), students, schools, colleges or their settings.

(3) Represent endorsements by minors, college athletes, colleges or college athletic associations.

(4) Appear in a publication that is aimed exclusively or primarily at minors, or individuals attending an elementary or secondary school or school-related event.

(5) Fail to disclose conditions or limiting factors associated with the advertisement.

(b) A licensed operator may not directly market to a person on the Board's fantasy contest self-exclusion list.

(c) A licensed operator or fantasy contest terminal operator or its agent shall discontinue as expeditiously as possible the use of a particular advertisement in this Commonwealth or directed to residents in this Commonwealth upon receipt of written notice that the Board's Office of Compulsive and Problem Gaming has determined that the use of the particular advertisement in this Commonwealth could adversely impact the public or the integrity of fantasy gaming.

CHAPTER 1208. COMPULSIVE AND PROBLEM GAMING

Sec.

1208.1. Signage requirements.

1208.2. Problem gambling information.

§ 1208.1. Signage requirements.

(a) A fantasy contest licensee shall conspicuously post notices on the licensee's web site, including on the account registration and access page, a statement providing the following: "If you or someone you know has a gambling problem, help is available. Call (1-800-GAMBLER)."

(b) The operator of any fantasy contest terminal shall conspicuously post notice on the front of the fantasy contest terminal and notices on the opening screen and on an account registration or access screen, if applicable, a statement providing the following: "If you or someone you know has a gambling problem, help is available. Call (1-800-GAMBLER)."

§ 1208.2. Problem gambling information.

A licensed operator shall make available through its web site a Responsible Gaming page, as approved by the Board's Office of Compulsive and Problem Gaming (Office), containing links to compulsive and problem gaming treatment information and provider sites and materials provided by the Office regarding compulsive and problem gaming in a .pdf format which can be viewed, downloaded and printed by an individual.

CHAPTER 1209. SELF-EXCLUSION

Sec.

1209.1. Self-exclusion definitions.

1209.2. Self-exclusion procedure.

1209.3. Fantasy contest self-exclusion list.

1209.4. Duties of fantasy contest licensees.

1209.5. Removal from fantasy contest self-exclusion list.

§ 1209.1. Self-exclusion definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Fantasy contest activity—The play of fantasy contests at any location in this Commonwealth.

Fantasy contest related activity—An activity related to the play of fantasy contests including creating a player account, funding a player account or withdrawing funds on account.

Fantasy contest self-excluded person—A person whose name and identifying information is included, at the person's request, on the fantasy contest self-exclusion list maintained by the Board.

Fantasy contest self-exclusion list—A list of names and identifying information of persons who, under this chapter, have voluntarily agreed to be excluded from the conduct of fantasy contests for a period of time as selected by the person.

Winnings—Any money or thing of value received from, or owed by, a fantasy contest licensee as a result of a fully executed fantasy contest transaction.

§ 1209.2. Self-exclusion procedure.

(a) A person may request to be self-excluded from fantasy contest activities in this Commonwealth.

(b) A person requesting self-exclusion shall complete a form approved by the Board for the purpose of self-excluding from fantasy contests and fantasy contest-related activity, and which is available on the fantasy contest licensee's web site. The person shall do all of the following:

(1) Provide the individual's complete name, including any aliases or nicknames, current address, telephone number, e-mail address, age, date of birth, state of issue of driver's license and driver's license number.

(2) Identify the period of time in years for which the individual seeks to self-exclude. The period of time for fantasy contest self-exclusion may not be less than 1 year.

(3) Agree that, during any period of voluntary self-exclusion, the person may not collect any winnings or recover any losses resulting from any fantasy contest activity.

(4) Agree to release, indemnify, hold harmless and forever discharge the Commonwealth, the Board and all fantasy contest licensees from claims, damages, losses, expenses or liability arising out of, by reason of or relating to the fantasy contest self-excluded person or to any other party for any harm, monetary or otherwise, which may arise as a result of one or more of the following:

(i) The failure of a fantasy contest licensee to withhold fantasy contest privileges from or restore fantasy contest privileges to a fantasy contest self-excluded person.

(ii) Otherwise permitting or not permitting a fantasy contest self-excluded person to engage in fantasy contest activity while on the list of fantasy contest self-excluded persons.

(iii) Confiscation of the individual's winnings.

(5) Agree to other conditions established by the Board.

(c) Forms to be used to request placement on the fantasy contest self-exclusion list must be available on the responsible gaming webpage of each fantasy contest licensed operator's web site. The forms will also be available on the Board's web site.

§ 1209.3. Fantasy contest self-exclusion list.

(a) The Board will maintain the official fantasy contest self-exclusion list and provide access to an updated fantasy contest self-exclusion list on a weekly basis to each licensed operator by transmitting the fantasy contest self-exclusion list electronically to each licensed operator.

(b) The notice provided to licensed operators by the Board will include all of the following information concerning a person who has been added to the fantasy contest self-exclusion list:

(1) The individual's complete name, including any aliases or nicknames.

(2) Current address.

(3) Telephone number.

(4) E-mail address.

(5) Age.

(6) Date of birth.

(7) State of issue of driver's license and driver's license number.

(c) A licensed operator shall establish procedures to ensure that its data base of self-excluded persons is updated to correspond with the Board's current fantasy contest self-exclusion list.

(d) A licensed operator shall maintain a copy of the fantasy contest self-exclusion list and establish procedures to ensure that all appropriate employees and agents of the licensed operator are notified of the updated self-exclusion list within 5 business days after the day notice is transmitted electronically to each fantasy contest license.

(e) Information furnished to or obtained by the Board under this chapter will be deemed confidential and will not be disclosed except in accordance with this chapter and 4 Pa.C.S. § 325(6)(ii) (relating to conditions of licensure).

(f) Except as provided in 4 Pa.C.S. § 325(6)(ii), licensed operators and employees or agents thereof may not disclose the name of, or any information about, a person who has

requested fantasy contest self-exclusion to anyone other than employees and agents of the licensed operator whose duties and functions require access to the information.

(g) A fantasy contest self-excluded person may not collect in any manner or in any proceeding any winnings or recover any losses arising as a result of any gaming activity for the entire period of time that the person is on the fantasy contest self-exclusion list.

(h) Winnings incurred by a fantasy contest self-excluded person shall be remitted to the Board to support compulsive and problem gambling programs of the Board.

(i) For the purposes of this section, winnings issued to or redeemed by a fantasy contest self-excluded person will be presumed to constitute winnings subject to remittance to the Board.

§ 1209.4. Duties of fantasy contest licensees.

(a) A fantasy contest licensee shall do all of the following:

(1) Deny fantasy contest related activities to a fantasy contest self-excluded person.

(2) Ensure that a fantasy contest self-excluded persons may not establish an account or deposit money in an established account while the person is on the fantasy contest self-exclusion list.

(3) Retain a record of any attempts of a fantasy contest self-excluded person to engage in fantasy contest related activity and to provide the record to the Board's Office of Compulsive and Problem Gaming (Office) in a form and manner as approved by the Office. The record must include the name of the self-excluded person, the date of the occurrence and a description of the attempted fantasy contest related activity.

(4) Notify the Office within 24 hours of identifying that an individual on the self-exclusion list has gained access to the individual's account or has entered a fantasy contest.

(5) Make available to patrons materials explaining the fantasy contest self-exclusion program.

(b) The list of video gaming self-excluded persons is confidential, and any distribution of the list to an unauthorized source constitutes a violation of 4 Pa.C.S. Chapter 3 (relating to fantasy contests).

§ 1209.5. Removal from fantasy contest self-exclusion list.

An individual who has elected to self-exclude from fantasy contest related activity will remain on the self-exclusion list for the duration of the period selected and will be removed from the fantasy contest self-exclusion list only upon the conclusion of the period of self-exclusion.

SUBPART Q. SPORTS WAGERING

CHAPTER 1401. GENERAL SPORTS WAGERING PROVISIONS

Sec.

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1401.7. Prohibited and restricted sports wagering activities.

1401.8. Persons prohibited from engaging in sports wagering activities.

§ 1401.1. Scope.

The purpose of this subpart is to govern the operation of sports wagering in this Commonwealth. The purpose of this chapter is to establish definitions for this subpart and create the process by which a slot machine licensee can seek approval to conduct sports wagering. The act and the Board's regulations promulgated thereunder shall otherwise apply when not in conflict with this subpart.

§ 1401.2. Definitions.

The following words and terms, when used in this subpart, have the following meanings, unless the context clearly indicates otherwise:

Associated equipment—Any equipment or mechanical, electromechanical or electronic contrivance, component or machine used in connection with sports wagering, including equipment which affects the proper reporting and counting of gross sports wagering revenue and computerized systems for controlling and monitoring sports wagering.

Cash equivalent—An asset that is readily convertible to cash, including any of the following:

- (i) Chips or tokens.
- (ii) Travelers checks.
- (iii) Foreign currency and coin.
- (iv) Certified checks, cashier's checks and money orders.
- (v) Personal checks or drafts.

(vi) A negotiable instrument applied against credit extended by a certificate holder, an interactive gaming operator, sports wagering operator or a financial institution.

(vii) A prepaid access instrument.

(viii) Any other instrument or representation of value that the Board deems a cash equivalent.

Certificate holder—A slot machine licensee granted a certificate by the Board to conduct sports wagering in this Commonwealth.

Gaming employee—An employee of any of the following who the Board determines, after a review of the work to be performed, requires a gaming employee permit for the protection of the integrity of sports wagering within this Commonwealth:

(i) A certificate holder, interactive gaming operator licensee or sports wagering operator licensee.

(ii) A sports wagering manufacturer.

(iii) A sports wagering supplier.

(iv) A sports wagering gaming service provider.

(v) Any other person as determined by the Board.

Gaming school—Any educational institution approved by the Department of Education as an accredited college or university, community college, Pennsylvania private licensed school or its equivalent and whose curriculum guidelines are approved by the Department of Labor and Industry to provide education and job training related to employment opportunities associated with sports wagering, including sports wagering devices and associated equipment maintenance and repair.

Gross sports wagering revenue—

(i) The total of cash or cash equivalents received from sports wagering minus the total of:

(A) Cash or cash equivalents paid to players as a result of sports wagering.

(B) Cash or cash equivalents paid to purchase annuities to fund prizes payable to players over a period of time as a result of sports wagering.

(C) The actual cost paid by the sports wagering certificate holder for any personal property distributed to a player as a result of sports wagering. This clause does not include travel expenses, food, refreshments, lodging or services.

(ii) The term does not include any of the following:

(A) Counterfeit cash or chips.

(B) Coins or currency of other countries received as a result of sports wagering, except to the extent that the coins or currency are readily convertible to cash.

(C) Cash taken in a fraudulent act perpetrated against a sports wagering certificate holder for which the sports wagering certificate holder is not reimbursed.

Key employee—Any individual who is employed in a director or department head capacity and who is empowered to make discretionary decisions that regulate sports wagering operations or systems, including the director of sports wagering, director of sports wagering system programs or other similar job classifications associated with sports wagering and any employee who is not otherwise designated as a gaming employee and who supervises the operations or systems of the sports wagering department or to whom the sports wagering department directors or sports wagering department heads report and other positions not otherwise designated or defined under this part which the Board determines based on detailed analyses of job descriptions as provided in the internal controls of the sports wagering certificate holder or sports wagering operator licensee as approved by the Board. All other gaming employees unless otherwise designated by the Board shall be classified as nonkey employees.

Player—An individual wagering cash, a cash equivalent or other thing of value in the play or operation of sports wagering, including during a contest or tournament, the act of which may deliver or entitle the individual to receive cash, a cash equivalent or other thing of value from another player or sports wagering certificate holder, interactive gaming operator or sports wagering operator.

Registered player—An individual who has entered into a sports wagering account agreement with a sports wagering certificate holder, interactive gaming operator or sports wagering operator.

Sporting event—A professional or collegiate sports or athletic event, a motor race event or other similar event as determined by the Board.

Sports wagering—

(i) The business of accepting wagers on sporting events or on the individual performance statistics of athletes in a sporting event or combination of sporting events by any system or method of wagering, including over the Internet through web sites and mobile applications when authorized by the Board. The term includes exchange wagering, parlays, over-under, moneyline, pools and straight bets.

(ii) The term does not include:

(A) Pari-mutuel betting on the outcome of thoroughbred or harness horse racing as authorized under 3 Pa.C.S. Chapter 93 (relating to race horse industry reform).

(B) Lottery games of the Pennsylvania State Lottery as authorized under the State Lottery Law (72 P.S. §§ 3761-101—3761-2103).

(C) Bingo as authorized under the Bingo Law (10 P.S. §§ 301—308.1).

(D) Small games of chance as authorized under the Local Option Small Games of Chance Act (10 P.S. §§ 328.101—328.3101).

(E) Slot machine gaming and progressive slot machine gaming as defined and authorized under this part.

(F) Table games.

(G) Keno.

(H) Fantasy contests.

(I) iLottery under 4 Pa.C.S. Chapter 5 (relating to lottery).

Sports wagering area—

(i) The physical land-based location at which a certificate holder is authorized, under sections 13C01—13C71 of the act (relating to sports wagering), to conduct non-Internet-based sports wagering. The area must be:

(A) A designated area within the certificate holder's slot machine licensed facility, as approved by the Board.

(B) A Board-approved temporary facility that is physically connected to, attached to or adjacent to the certificate holder's slot machine licensed facility for a period not to exceed 18 months.

(C) A nonprimary location of a Category 1 slot machine licensee under 3 Pa.C.S. Chapter 93 upon Board approval in consultation with the State Horse Racing Commission.

(ii) The term does not include a redundancy facility or an interactive gaming or interactive sports wagering restricted area which is not located on the premises of a licensed facility as approved by the Board and which is maintained and operated by a certificate holder, interactive gaming operator or sports wagering operator in connection with sports wagering.

*Sports wagering certificate—*A certificate awarded by the Board under this subpart that authorizes a slot machine licensee to conduct sports wagering in accordance with this subpart.

Sports wagering certificate holder—A slot machine licensee to whom the Board has awarded a sports wagering certificate.

Sports wagering device—Any mechanical, electrical or computerized contrivance, terminal, machine or other device, apparatus, equipment or supplies approved by the Board and used to conduct sports wagering.

Sports wagering gaming service provider—A person that is not required to be licensed as a sports wagering operator, interactive gaming operator, sports wagering manufacturer, sports wagering supplier, interactive gaming manufacturer or interactive gaming supplier and:

(i) Provides goods or services to a sports wagering certificate holder, interactive gaming operator or sports wagering operator for the operation of sports wagering.

(ii) Is determined to be a sports wagering gaming service provider by the Board.

Sports wagering interactive system—All hardware, software and communications that comprise a type of server-based sports wagering system for the purpose of offering authorized sports wagering, mobile sports wagering or interactive sports wagering in this Commonwealth when authorized by the Board.

Sports wagering interactive web site—The interactive gaming skin through which a sports wagering certificate holder, or interactive gaming operator or sports wagering operator on behalf of a sports wagering certificate holder, makes authorized sports wagering, mobile sports wagering or interactive sports wagering available for play when authorized by the Board.

Sports wagering manufacturer—A person who manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs, sells, leases, offers or otherwise makes modifications to any authorized sports wagering device or associated equipment for use or operation in this Commonwealth for sports wagering purposes.

Sports wagering manufacturer license—A license issued by the Board authorizing a sports wagering manufacturer to manufacture, build, rebuild, fabricate, assemble, produce, program, design, sell, lease, offer or otherwise make modifications to any authorized sports wagering device or associated equipment for use or operation in this Commonwealth for sports wagering purposes.

Sports wagering operator—A person licensed by the Board to operate sports wagering, a mobile sports wagering system or an interactive sports wagering system, through the provision of an interactive gaming or sports wagering platform, on behalf of sports wagering certificate holder. The term includes an interactive gaming operator applicant or licensee that seeks to operate sports wagering, mobile sports wagering or an interactive sports wagering system on behalf of sports wagering certificate holder.

Sports wagering platform—The combination of hardware and software or other technology designed and used to manage, conduct and record mobile sports wagering or interactive sports wagering activity as approved by the Board. The term includes any emerging or new technology deployed to advance the conduct and operation of sports wagering, mobile sports wagering or interactive sports wagering activity as approved through regulation by the Board.

Sports wagering restricted area—Any room or area, as approved by the Board, used by a sports wagering certificate holder, interactive gaming operator or sports wagering operator to manage, control and operate sports wagering, including, when approved by the Board, redundancy facilities and remote gaming server locations.

Sports wagering supplier—A person who provides, distributes or services any authorized sports wagering device or associated equipment for use or operation in this Commonwealth for sports wagering purposes that is not otherwise required to be licensed as a sports wagering manufacturer or sports wagering gaming service provider.

Sports wagering supplier license—A license issued by the Board authorizing a sports wagering supplier to provide products or services related to any authorized sports wagering device or associated equipment to a sports wagering certificate petitioner or holder or sports wagering operator licensee for use or operation in this Commonwealth for sports wagering purposes.

§ 1401.3. Initial and renewal authorization and license fees.

(a) Prior to the Board issuing a sports wagering certificate, an interactive gaming operator license, sports wagering operator license or renewal thereof, the sports wagering certificate holder, interactive gaming operator licensee or sports wagering operator licensee shall pay the authorization or license fee.

(b) If an interactive gaming operator licensee has already remitted the required licensing fee, the Board will not assess an additional fee for the interactive gaming operator licensee to acquire a sports wagering operator license.

§ 1401.4. Sports wagering certificate petition and standards.

(a) A slot machine licensee seeking to offer sports wagering in his Commonwealth may petition the Board for a sports wagering certificate.

(b) A petitioner for a sports wagering certificate shall submit all of the following to the Board:

(1) The name, business address and contact information of the slot machine licensee petitioning for a sports wagering certificate.

(2) The name, business address and contact information of any affiliate, sports wagering operator or other person that will be a party to an agreement with the sports wagering certificate petitioner related to the operation of sports wagering on behalf of the sports wagering certificate petitioner and a description of the services to be provided.

(3) The name and business address, job title and a photograph of each principal and key employee of the sports wagering petitioner who will be involved in the conduct of sports wagering and whether or not the principal or key employee is currently licensed by the Board.

(4) A statement identifying what types of sports wagering, including the sporting events, the sports wagering certificate petitioner intends to offer.

(5) A statement identifying whether the sports wagering petitioner intends to offer land-based sports wagering, mobile sports wagering, interactive sports wagering or a combination thereof.

(6) A statement identifying whether the sports wagering petitioner intends to utilize a temporary facility for its land-based sports wagering operations or system.

(7) If the petitioner is a Category 1 slot machine licensee, a statement identifying whether the sports wagering petitioner intends to offer land-based sports wagering in a nonprimary location.

(8) The estimated number of full-time and part-time employment positions that will be created as a result of sports wagering if a sports wagering certificate is issued.

(9) An updated hiring plan under section 1510(a) of the act (relating to labor hiring preferences) which outlines the sports wagering certificate petitioners plan to promote the representation of diverse groups and Commonwealth residents in the employment positions.

(10) A brief description of the economic benefits expected to be realized by the Commonwealth if a sports wagering certificate is issued.

(11) The details of any financing obtained or that will be obtained to fund an expansion or modification of the sports wagering certificate petitioner's licensed facility to accommodate sports wagering and to otherwise fund the cost of commencing sports wagering.

(12) Information and documentation concerning financial background and resources to establish the financial stability, integrity and responsibility of the sports wagering certificate petitioner.

(13) Information and documentation concerning the terms of any agreement with a sports wagering operator.

(14) Information and documentation to establish that the sports wagering certificate petitioner has sufficient business ability and experience to conduct a successful sports

wagering operation, including the sports wagering certificate petitioner's history in slot machine and table game operations, employment data and capital investment in casino operations.

(15) Information and documentation that the sports wagering certificate petitioner has or will have the financial ability to pay the sports wagering authorization fee.

(16) Detailed site plans identifying the proposed sports wagering area and sports wagering restricted area, including security and surveillance plans and plans relative to compliance with the Clean Indoor Air Act (35 P.S. §§ 637.1—637.11).

(17) An overview of all of the following:

(i) The sports wagering certificate petitioner's initial system of internal and accounting controls applicable to sports wagering including the areas described in paragraph (16).

(ii) The sports wagering certificate petitioner's proposed standards to protect, with a reasonable degree of certainty, the privacy and security of its registered players.

(iii) The sports wagering devices and associated equipment and mobile sports wagering or interactive sports wagering system, or both, that the sports wagering certificate petitioner plans to or will utilize to manage, administer or control its sports wagering operations or systems as well as the identity of any third parties providing these devices and associated equipment.

(18) A description of accounting systems, including accounting systems for all of the following:

(i) Sports wagering accounts.

(ii) Per wager charges, if applicable.

(iii) Transparency and reporting to the Board and the Department.

(iv) Ongoing auditing and internal control compliance reviews.

(19) A description outlining the impact that sports wagering petitioner's plans will have on the number of slot machines and table games in operation at its licensed facility.

(20) An overview of any necessary additions to the petitioner's Compulsive and Problem Gambling Plan necessitated by sports wagering.

(c) The Board will approve a sports wagering petition if the petitioner establishes all of the following by clear and convincing evidence:

(1) The petitioner's slot machine license and table game operation certificate are in good standing with the Board.

(2) The conduct of sports wagering at the petitioner's licensed facility will increase revenues and employment opportunities.

(3) The petitioner possesses adequate funds or has secured adequate financing to:

(i) Fund any necessary expansion or modification of the petitioner's licensed facility to accommodate the conduct of sports wagering.

(ii) Pay the authorization fee in accordance with section 13C61 of the act (relating to sports wagering authorization fee).

(iii) Commence sports wagering operations or system at its licensed facility.

(4) The petitioner has the financial stability, integrity and responsibility to conduct sports wagering.

(5) The petitioner has sufficient business ability and experience to create and maintain a successful sports wagering operation.

(6) The petitioner's proposed internal and external security and proposed surveillance measures within the area of the licensed facility where the petitioner seeks to conduct sports wagering are adequate.

(7) The petitioner has satisfied the petition requirements.

§ 1401.5. Conduct of sports wagering generally.

(a) Sports wagering may only be conducted in this Commonwealth by a sports wagering certificate holder or a sports wagering operator licensee on behalf of a sports wagering certificate holder. A sports wagering operator may be a licensed interactive gaming operator and provide interactive gaming and sports wagering services on behalf of certificate holders.

(b) Sports wagering conducted in this Commonwealth by a sports wagering certificate holder or a sports wagering operator licensee on behalf of a sports wagering certificate holder may only be offered to players as follows:

(1) At a designated, clearly identified area, comprised of not less than 1,000 square feet, at the sports wagering certificate holder's licensed facility.

(2) At a temporary facility that is physically connected to, attached to or adjacent to the sports wagering certificate holder's slot machine licensed facility for a period not to exceed 18 months.

(3) At a nonprimary location of a Category 1 slot machine licensee under 3 Pa.C.S. Chapter 93 (relating to race horse industry reform).

(4) At an area not identified in paragraphs (1) — (3) as approved by the Board.

(5) Through a single interactive web site or mobile application that clearly and prominently displays the name of the sports wagering certificate holder.

(c) Sports wagering certificate holders may employ the services of one sports wagering operator licensee to assist its sports wagering operations through any or all of the means identified in subsection (b).

(d) A sports wagering certificate holder or a sports wagering operator licensee on behalf of a sports wagering certificate holder may not offer sports wagering to players that are:

(1) Under 21 years of age.

(2) On the Board's sports wagering exclusion list.

(3) On the Board's sports wagering self-exclusion list.

(e) A sports wagering certificate holder or a sports wagering operator licensee on behalf of a sports wagering certificate holder seeking to offer an interactive sportsbook shall have a server or other equipment located in this Commonwealth that is capable of receiving sports wagering bets and that conforms with the requirements set forth by the Board.

(f) A sports wagering certificate holder or a sports wagering operator licensee on behalf of a sports wagering certificate holder seeking to offer an interactive sportsbook shall utilize geolocation tools to ensure players placing sports wagering bets are located in this Commonwealth.

(g) A sports wagering certificate holder or a sports wagering operator licensee on behalf of a sports wagering certificate holder shall employ the services of a third-party integrity monitor that is licensed by the Board to assist the sports wagering certificate holder or a sports wagering operator licensee on behalf of a sports wagering certificate holder in protecting against and identifying suspicious or illegal sports wagering activities, or otherwise demonstrate to the Board's satisfaction that it has established an in-house unit capable of performing this function with appropriate segregation of functions and reporting duties.

(h) A sports wagering certificate holder or sports wagering operator licensees on behalf of sports wagering certificate holders shall employ the services of a third-party risk manager that is licensed by the Board to assist the certificate holder or a sports wagering operator licensee on behalf of a sports wagering certificate holder licensee to manage the risk and liabilities associated with operating a sportsbook, or otherwise demonstrate to the Board's satisfaction that it has established an in-house unit capable of performing this function with appropriate segregation of functions and reporting duties.

(i) A sports wagering certificate holder or a sports wagering operator licensee on behalf of a sports wagering certificate holder may not offer a sportsbook through any of the means identified in subsection (b) to players in this Commonwealth until the Board approves all necessary associated applications, including applications of key employees, gaming employees, manufacturers, suppliers and gaming service providers.

(j) A sports wagering certificate holder or a sports wagering operator licensee on behalf of a sports wagering certificate holder shall comply with all applicable Federal laws governing the conduct of sports wagering and interstate commerce.

§ 1401.6. Permitted sports wagering activities.

(a) A sports wagering certificate holder or sports wagering operator licensee on behalf of a sports wagering certificate holder shall submit to the Board for approval the events and types of wagers it proposes offering to players prior to accepting any sports wagering bets.

(b) The Board may permit a sports wagering certificate holder or sports wagering operator licensee on behalf of a sports wagering certificate holder to offer wagering on any of the following events:

(1) Professional athletic events.

(2) Collegiate athletic events.

(3) Professional motor race events.

(4) International team and international individual athletic events including those events governed by the International Olympic Committee and the International Federation of Association Football.

(c) The Board may permit a sports wagering certificate holder or sports wagering operator licensee on behalf of a sports wagering certificate holder to offer the any of the following types of wagers on the events enumerated in subsection (b):

(1) Exchange wagering—A marketplace which permits patrons to bet with or against each other through a gaming platform operated and managed by a sports wagering operator.

(2) In-game wagers—Wagers placed on the outcome of an athletic event after the athletic event has started and can continue during the course of live play of the athletic event.

(3) Parlay wagers—A wager on two or more outcomes in which all outcome wagers must win or cover for the patron to win or, a series of three or more teams in 2-team parlays. For the patron to win, all of the teams must cover/win.

(4) Proposition wagering—Wagers placed on the occurrence or nonoccurrence of a specific outcome of events within a game not directly involving the game's final outcome.

(5) Straight wagers—A wager on a single game or single event that will be determined by a point spread, money line or total score.

(6) Other types of wagers as approved by the Board.

(d) A sports wagering certificate holder or a sports wagering operator licensee shall make available to patrons a clear explanation of all types of wagers permitted by the Board and events on which those wagers are permitted.

(e) A sports wagering certificate holder or sports wagering operator licensee on behalf of a sports wagering certificate holder may place a layoff wager with another sports wagering certificate holder or sports wagering operator licensee located in this Commonwealth for the purpose of offsetting patron wagers made under Subpart Q (relating to sports wagering) provided that:

(1) The sports wagering certificate holder or sports wagering operator licensee placing the layoff wager discloses its identity to the sports wagering certificate holder or sports wagering operator licensee receiving the layoff wager and

(2) The receiving sports wagering certificate holder or sports wagering operator licensee agrees to accept the layoff wager after receiving notification of the identity of the sports wagering certificate holder or sports wagering operator licensee placing the layoff wager.

§ 1401.7. Prohibited and restricted sports wagering activities.

(a) The following sports wagering activity is prohibited:

(1) Wagering on high school athletic events governed by the Pennsylvania Interscholastic Athletic Association or a similar governing body.

(2) Wagering on amateur athletic events, other than collegiate athletic events, unless otherwise specifically approved by the Board.

(3) Any other sports wagering activity as prohibited by the Board.

(b) A sports wagering certificate holder or sports wagering operator licensee is prohibited from:

(1) Knowingly accepting wagers from athletes on athletic events of the type in which the athlete participates as well as athletic events governed by the same governing body under which the athlete competes.

(2) Knowingly accepting wagers from a person who holds a position of authority or influence sufficient to exert influence over the participants in an athletic event, or a person professionally connected to an athletic event or governing body including referees, officials, coaches, managers, handlers, athletic trainers or a person with access to certain types of exclusive information on any athletic event overseen by the governing body.

(3) Knowingly accepting wagers from a person the certificate holder or licensee has reason to believe or suspect is placing the wager on behalf of or for the benefit of another individual that is prohibited from participating in sports wagering under these regulations or other applicable State or Federal law.

(4) Encouraging or instructing a patron to attempt to or to structure wagers in any manner that is an attempt to evade or circumvent these regulations or other applicable State or Federal law.

(5) Knowingly accept or hold cash or cash equivalents with the understanding that the moneys will be used to place a wager upon the occurrence of a specified future contingency unless a sports wagering ticket/voucher detailing the wager is immediately issued upon the sports wagering certificate holder's and sports wagering operator licensee's acceptance of the moneys.

(6) Knowingly accept any wagers other than those permitted by the Board and shall only accept wagers on events and odds posted by the sports wagering certificate holder or sports wagering operator licensee.

(c) An athlete or person who holds a position of authority or influence sufficient to exert influence over the participants in an athletic event, or a person professionally connected to an athletic event or governing body including coaches, managers, handlers, athletic trainers, team physicians or other physicians providing medical consultation or treatment of an athletic participant or a person with access to certain types of exclusive information on any athletic event overseen by the governing body is prohibited from having any ownership interest in or control of a sports wagering certificate holder or a sports wagering operator.

(d) Sports wagering certificate holders and sports wagering operators are prohibited from having any ownership interest in or control of an athletic team, organization or governing body of an athletic team or organization upon which the sports wagering certificate holder or sports wagering operator accepts wagers.

§ 1401.8. Persons prohibited from engaging in sports wagering activities.

(a) No person under 21 years of age may engage in sports wagering with a sports wagering certificate holder or sports wagering operator licensee.

(b) No collegiate or professional athlete, referee, official, coach, manager, handler or athletic trainer or employee or contractor of a team or athletic organization who has access to nonpublic information concerning an athlete or team may engage in sports wagering on an

athletic event or the performance of an individual in the athletic event in which the person is participating or otherwise has access to nonpublic or exclusive information.

(c) No collegiate or professional athlete, referee, official, coach, manager, handler, athletic trainer or employee of a team or athletic organization who has access to nonpublic information concerning an athlete or team may engage in sports wagering on an athletic event or the performance of an individual in athletic events in the sport or league in which the person is involved.

(d) No person identified in subsections (a)—(c) may collect any winnings or recoup any losses from a sports wagering certificate holder or sports wagering operator licensee as a result of engaging in sports wagering in violation of this section.

(e) Winnings of a person prohibited from engaging in sports wagering under this section shall be forfeited to the Board.

(f) An athletic team or the governing body or league of an athletic team may provide to the Board a list of all persons within the teams' organization as well as all league officials or referees prohibited from engaging in sports wagering under this section, along with the specific type of athletic events from which the person is prohibited from participating in sports wagering activities. The Board shall provide that list of persons identified by the athletic team or governing body or league to sports wagering certificate holders and sports wagering operator licensees to facilitate these prohibitions on sports wagering activities.

CHAPTER 1402. SPORTS WAGERING OPERATORS

Sec.

1402.1. Sports wagering operator requirements.

1402.2. Sports wagering operator application and standards.

1402.3. Sports wagering operator license term and renewal.

§ 1402.1. Sports wagering operator requirements.

(a) 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.

(b) The Board may issue conditional authorization to a person applying for a sports wagering operator license until January 28, 2020.

(1) Conditional authorization issued under this subpart will remain in effect until the earlier of the date occurring 12 months after the issuance of the authorization or the date upon which the Board makes a final determination on the person's application.

(i) The effectiveness of a conditional authorization may be extended by the Board not more than once, upon a showing of good cause.

(ii) Conditional authorization will allow an applicant for a sports wagering operator license to engage in all of the functions of a licensed sports wagering operator for the duration of the conditional authorization.

(2) A conditional authorization may not be issued unless all of the following apply:

(i) The sports wagering operator license applicant has submitted a complete application for a sports wagering operator license to the Board.

(ii) The sports wagering operator license applicant agrees to pay or has paid the fee prescribed by the Board prior to the issuance of conditional authorization.

(iii) The Bureau does not have an objection to the issuance of a conditional authorization to the sports wagering operator license applicant.

§ 1402.2. Sports wagering operator application and standards.

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

(1) An original and one copy of the Sport Wagering 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 § 1406.2 (relating to sports wagering gaming principals) as specified by the Enterprise Application and Disclosure Information Form.

(5) A sworn or affirmed statement that the sports wagering operator license 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 of the safeguards and policies.

(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.

(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.

§ 1402.3. 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 certificate.

(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.

CHAPTER 1403. SPORTS WAGERING MANUFACTURER

Sec.

1403.1. Sports wagering manufacturer license requirements.

1403.2. Sports wagering manufacturer license application and standards.

1403.3. Sports wagering manufacturer license term and renewal.

1403.4. Sports wagering manufacturer abbreviated license process.

1403.5. Sports wagering manufacturer conditional license process.

1403.6. Sports wagering manufacturer licensee responsibilities.

1403.7. Sports wagering manufacturer licensee change of control.

§ 1403.1. Sports wagering manufacturer license requirements.

(a) A person seeking to manufacture, build, rebuild, fabricate, assemble, produce, program, design, sell, lease, offer or otherwise make modifications to any authorized sports wagering device or associated equipment for use or operation in this Commonwealth for sports wagering purposes shall apply to the Board for a sports wagering manufacturer license.

(b) In accordance with section 1317.1(e)(3) of the act (relating to manufacturer licenses), an applicant for or the holder of a sports wagering manufacturer 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 sports wagering supplier license.

§ 1403.2. Sports wagering manufacturer license application and standards.

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

(1) An original and one copy of the Enterprise Entity 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 principal under Chapter 433a (relating to principal licenses) and § 1406.2 (relating to sports wagering gaming principals) as specified by the Enterprise Entity Application and Disclosure Information Form and other persons as determined by the Board.

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

(6) A sworn or affirmed statement that the sports wagering manufacturer license 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 of the safeguards and policies.

(b) In addition to the materials required under subsection (a), an applicant for a sports wagering manufacturer license shall do all of the following:

(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 sports wagering manufacturer license applicant has the ability to manufacture, build, rebuild, repair, fabricate, assemble, produce, program, design or otherwise make modifications to authorized sports wagering devices or associated equipment which meet one or more of the following criteria:

(i) Are specifically designed for use in the operation of sports wagering or a sports wagering device or associated equipment.

(ii) Are needed to conduct authorized sports wagering.

(iii) Have the capacity to determine the outcome of the sports wagering activity.

(iv) Have the capacity to affect the calculation, storage, collection or control of gross sports wagering gaming revenue.

(c) In determining whether an applicant is suitable to be licensed as a sports wagering manufacturer 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 manufacturer license applicant.

(2) If all principals of the sports wagering manufacturer 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.

(4) The suitability of the sports wagering manufacturer license applicant and the principals of the sports wagering manufacturer 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.

§ 1403.3. Sports wagering manufacturer license term and renewal.

(a) A sports wagering manufacturer 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 manufacturer license shall be filed at least 6 months prior to the expiration of the current license.

(c) A sports wagering manufacturer 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.

§ 1403.4. Sports wagering manufacturer abbreviated license process.

(a) The Board may use an abbreviated licensing process if the sports wagering manufacturer license applicant holds a license issued by the Board to manufacture slot machines,

table games, table game devices, interactive games video gaming terminals or associated equipment and all of the following apply:

(1) The manufacturer license was issued by the Board within a 36-month period immediately preceding the date the entity files a sports wagering manufacturer application.

(2) The licensee applying for the sports wagering manufacturer license affirms there has been no material change in circumstances relating to the licensee.

(3) The Board determines, in its sole discretion, that there has been no material change in circumstances relating to the licensee applying for the sports wagering manufacturer license that necessitates that the abbreviated process not be used.

(b) This section may not be construed to waive any fees associated with obtaining a sports wagering manufacturer license through the application process in this Commonwealth.

§ 1403.5. Sports wagering manufacturer conditional license process.

(a) The Board may issue conditional authorization to a person applying for a sports wagering manufacturer license until January 28, 2020.

(1) Conditional authorization issued under this subpart will remain in effect until the earlier of the date occurring 12 months after the issuance of the authorization or the date upon which the Board makes a final determination on the person's application.

(i) The effectiveness of a conditional authorization may be extended by the Board not more than once, upon a showing of good cause by the applicant.

(ii) Conditional authorization will allow an applicant for a sports wagering manufacturer license to engage in all of the functions of a licensed sports wagering manufacturer for the duration of the conditional authorization.

(2) A conditional authorization may not be issued unless all of the following apply:

(i) The sports wagering manufacturer license applicant has submitted a complete application for a sports wagering manufacturer license to the Board.

(ii) The sports wagering manufacturer license applicant agrees to pay or has paid the fee prescribed by the Board prior to the issuance of conditional authorization.

(iii) The Bureau does not have an objection to the issuance of a conditional authorization to the sports wagering manufacturer license applicant.

(b) An applicant for a sports wagering manufacturer license that has received a conditional sports wagering manufacturer license shall provide to the Board in the manner and

the form as the Board will prescribe, on the 20th day following the end of each calendar quarter thereafter, a summary of the quarterly sales made to all sports wagering certificate petitioners and holders and sports wagering operator applicants and licensees in this Commonwealth, as well as all contracts or invoices concerning these sales upon request by the Board.

(c) Nothing in this section may be construed to waive any fees associated with obtaining a license through the application process in this Commonwealth.

§ 1403.6. Sports wagering manufacturer licensee responsibilities.

(a) A holder of a sports wagering manufacturer license has a continuing duty to do all of the following:

(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 sports wagering manufacturer licensees, provide notification of all SEC filings or, if the sports wagering manufacturer licensee 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.

(b) An employee of a licensed sports wagering manufacturer 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).

§ 1403.7. Sports wagering manufacturer licensee change of control.

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

(1) More than 20% of a sports wagering manufacturer 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 sports wagering manufacturer licensee.

(3) Any other interest in a sports wagering manufacturer licensee which allows the acquirer to control the sports wagering manufacturer licensee.

(b) A sports wagering manufacturer 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 sports wagering manufacturer licensee.

(c) Prior to acquiring a controlling interest in a sports wagering manufacturer 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 all of the following:

(1) A copy of all documents governing the acquisition.

(2) Completed applications for the acquiring company, as required under this chapter and principals as required under Chapter 433a (relating to principal licenses) and § 1406.2 (relating to sports wagering gaming principals).

(3) An affirmation that neither the acquirer nor any of its affiliates, intermediaries, subsidiaries or holding companies is a slot machine licensee or sports wagering certificate petitioner or holder and that the acquirer has neither applied for nor holds a sports wagering supplier license.

(d) A person or group of persons seeking to acquire a controlling interest in a sports wagering manufacturer 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 (c).

(e) A person or group of persons may not acquire a controlling interest in a sports wagering manufacturer licensee 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 manufacturer licensee and the sports wagering manufacturer licensee may enter into an agreement of sale 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 sports wagering manufacturer licensee when all of the following conditions are met:

(1) The acquirer is an existing licensed slot machine, table game, interactive gaming or video gaming terminal manufacturer.

(2) The existing licensed sports wagering manufacturer 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.

CHAPTER 1404. SPORTS WAGERING SUPPLIER

Sec.

1404.1. Sports wagering supplier license requirements.

- 1404.2. Sports wagering supplier application and standards.
- 1404.3. Sports wagering supplier entity term and renewal.
- 1404.4. Sports wagering supplier abbreviated license process.
- 1404.5. Sports wagering supplier conditional license process.
- 1404.6. Sports wagering supplier licensee responsibilities.
- 1404.7. Sports wagering supplier change of control.

§ 1404.1. Sports wagering supplier license requirements.

(a) A person seeking to sell, lease, offer or otherwise provide, distribute or service sports wagering devices or associated equipment to a sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee in this Commonwealth or provide integrity monitoring services to a sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee shall apply to the Board for a sports wagering 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 sports wagering supplier license or any of the sports wagering supplier applicant's or licensee's affiliates, intermediaries, subsidiaries or holding companies may not apply for or hold a slot machine license or a sports wagering manufacturer license.

§ 1404.2. Sports wagering supplier application and standards.

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

(1) An original and one copy of the Enterprise Entity Application and Disclosure Information Form for the sports wagering supplier applicant and each of the sports wagering supplier 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 principal under Chapter 433a (relating to principal licenses) and § 1406.2 (relating to sports wagering gaming principals) as specified by the Enterprise Entity Application and Disclosure Information Form and other persons as determined by the Board.

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

(6) A sworn or affirmed statement that the sports wagering supplier license 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 of the safeguards and policies.

(b) In addition to the materials required under subsection (a), an applicant for a sports wagering supplier license shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) In determining whether a sports wagering supplier license applicant is suitable to be licensed as a sports wagering supplier 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 supplier license applicant.

(2) If all principals of the sport wagering supplier 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.

(4) The suitability of the sport wagering supplier license applicant and the principals of the 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.

§ 1404.3. Sports wagering supplier entity term and renewal.

(a) A sports wagering supplier 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 supplier license shall be filed at least 6 months prior to the expiration of the current license.

(c) A sports wagering supplier 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.

§ 1404.4. Sports wagering supplier abbreviated license process.

(a) The Board may use an abbreviated licensing process if the sports wagering supplier license applicant holds a license issued by the Board to supply slot machines, table games, table

game devices, interactive gaming devices, video gaming terminal or associated equipment and all of the following apply:

(1) The supplier license was issued by the Board within a 36-month period immediately preceding the date the entity files a sports wagering supplier license application to sell, lease, offer or otherwise provide, distribute or service sports wagering devices or associated equipment to a sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee in this Commonwealth or provide risk management services, integrity services or odds to a sports wagering certificate petitioner or holder or sports wagering operator applicant or licensee.

(2) The licensee applying for the sports wagering supplier license affirms there has been no material change in circumstances relating to the license.

(3) The Board determines, in its sole discretion, that there has been no material change in circumstances relating to the licensee applying for the sports wagering supplier license that necessitates that the abbreviated process not be used.

(b) This section may not be construed to waive any fees associated with obtaining sports wagering supplier license through the application process in this Commonwealth.

§ 1404.5. Sports wagering supplier conditional license process.

(a) The Board may issue conditional authorization to a person applying for a sports wagering supplier license until January 28, 2020.

(1) Conditional authorization issued under this subpart will remain in effect until the earlier of the date occurring 12 months after the issuance of the authorization or the date upon which the Board makes a final determination on the person's application.

(i) The effectiveness of a conditional authorization may be extended by the Board not more than once, upon a showing of good cause.

(ii) Conditional authorization will allow an applicant for a sports wagering supplier license to engage in all of the functions of a licensed sports wagering supplier for the duration of the conditional authorization.

(2) A conditional authorization may not be issued unless all of the following apply:

(i) The sports wagering supplier license applicant has submitted a complete application for a sports wagering supplier license to the Board.

(ii) The sports wagering supplier applicant agrees to pay or has paid the fee prescribed by the Board prior to the issuance of conditional authorization.

(iii) The Bureau does not have an objection to the issuance of a conditional authorization to the sports wagering supplier license applicant.

(b) An applicant for sports wagering supplier license that has received a conditional sports wagering supplier license shall provide to the Board in the manner and the form as the Board will prescribe, on the 20th day following the end of each calendar quarter thereafter, a summary of the quarterly sales made to all sports wagering certificate petitioners and holders and sports wagering operator applicants and licensees in this Commonwealth, as well as all contracts or invoices concerning these sales upon request by the Board.

(c) Nothing in this section may be construed to waive fees associated with obtaining a license through the application process in this Commonwealth.

§ 1404.6. Sports wagering supplier licensee responsibilities.

(a) A holder of a sports wagering supplier license has a continuing duty to do all of the following:

(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 sports wagering supplier licensees, provide notification of all SEC filings or, if the sports wagering supplier licensee 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.

(b) An employee of a licensed sports wagering supplier 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).

§ 1404.7. Sports wagering supplier change of control.

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

(1) More than 20% of a sports wagering 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 sports wagering supplier licensee.

(3) Any other interest in a sports wagering supplier licensee which allows the acquirer to control a sports wagering supplier licensee.

(b) A sports wagering 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 sports wagering supplier licensee.

(c) Prior to acquiring a controlling interest in a sports wagering 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 all of the following:

(1) A copy of all documents governing the acquisition.

(2) Completed applications for the acquiring company, as required under this chapter and principals as required under Chapter 433a (relating to principal licenses) and § 1406.2 (relating to sports wagering gaming principals).

(3) An affirmation that neither the acquirer nor any of its affiliates, intermediaries, subsidiaries or holding companies is a slot machine licensee or sports wagering certificate petitioner or holder and that the acquirer has neither applied for nor holds a sports wagering manufacturer license.

(d) A person or group of persons seeking to acquire a controlling interest in a sports wagering 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 (c).

(e) A person or group of persons may not acquire a controlling interest in a sports wagering supplier licensee 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 supplier licensee and the sports wagering 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 sports wagering supplier licensee when all of the following conditions are met:

(1) The acquirer is an existing licensed slot machine, table game, interactive gaming or video gaming terminal supplier.

(2) The existing licensed sports wagering 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.

CHAPTER 1405. SPORTS WAGERING GAMING SERVICE PROVIDERS

Sec.

- 1405.1. General sports wagering gaming service provider requirements.
- 1405.2. Sports wagering gaming service provider certification applications.
- 1405.3. Sports wagering gaming service provider registration applications.
- 1405.4. Qualification of individuals and entities of certified sports wagering gaming service providers.
- 1405.5. Sports wagering gaming service provider registration and certification term and renewal.
- 1405.6. Authorized sports wagering gaming service providers list; prohibited sports wagering gaming service providers.
- 1405.7. Permission to conduct business prior to certification or registration.
- 1405.8. Emergency sports wagering gaming service provider.
- 1405.9. Duty to investigate.

§ 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 or integrity services to a sports wagering certificate petitioner or holder or sports wagering operator licensee.

(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).

§ 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).

§ 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.

§ 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.

§ 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.

§ 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 provider 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.

CHAPTER 1406. SPORTS WAGERING PRINCIPALS AND KEY, GAMING AND NONGAMING EMPLOYEES

Sec.

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1406.8. Loss, theft or destruction of credentials.

§ 1406.1. General provisions.

(a) An individual seeking a principal license, key employee license, gaming employee occupation permit or nongaming employee registration to participate in sports wagering in this Commonwealth shall apply to the Board as follows:

(1) Principal and key employee applicants shall submit an original and one copy of a completed Multi-Jurisdictional Personal History Disclosure Form as well as an original and one copy of a completed Principal/Key Employee Form—Pennsylvania Supplement to the Multi-Jurisdictional Personal History Disclosure Form.

(2) Gaming employee occupation permit applicants and nongaming employee registration applicants shall submit the Gaming Employee or Nongaming Employee Registration Application using the SLOTS Link.

(3) All applicants shall submit the nonrefundable application fee posted on the Board's web site.

(b) In addition to the materials required in subsection (a), an applicant shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) The holder of a principal license, key employee license, gaming employee occupation permit or nongaming employee registration shall provide an updated photograph at the request of Board staff.

(d) An applicant for a gaming employee occupation permit or nongaming employee registration shall be at least 18 years of age.

(e) After reviewing the application and the results of the applicant's background investigation, the Board may issue a principal license, key employee license, gaming employee occupation permit or nongaming employee registration if the individual has proven that he is a person of good character, honesty and integrity and is eligible and suitable to be licensed as a principal, key employee, gaming employee or nongaming employee.

(f) All sports wagering certificate petitioner holders and sports wagering operator applicants and licensees that hire an individual who holds a key employee license, gaming employee occupation permit or registration issued by the Board shall contact the Bureau of Licensing to confirm that the individual's key employee license, gaming employee occupation permit or registration is in good standing prior to allowing the individual to perform work associated with sports wagering in this Commonwealth.

(g) An individual who holds a principal license, key employee license, gaming employee occupation permit or registration is subject to all of the following wagering restrictions relative to sports wagering:

(1) An individual whose job duties include sports wagering and who holds a license, permit or registration and is currently employed by or is a principal of a sports wagering certificate holder may not place wagers at the sports wagering certificate holder's land based sports wagering location or through the web site or mobile application offered by or associated with the sports wagering certificate petitioner or holder. The licensed, permitted or registered individual shall wait at least 30 days following the date that the individual is no longer employed

in a position that includes sports wagering job duties before the individual may wager at the sports wagering certificate petitioner's or holder's land based sports wagering location or through the web site or mobile application offered by or associated with the sports wagering certificate petitioner or holder.

(2) An individual who holds a license, permit or registration and is currently employed by or is a principal of a sports wagering operator applicant or licensee may not wager anywhere the sports wagering operator applicant or licensee has land based sports wagering location or through the web site or mobile application offered by or associated with the sports wagering operator applicant or licensee. The licensed, permitted or registered individual shall wait at least 30 days following the date that the individual is no longer employed by the sports wagering operator applicant or licensee before the individual may wager at the sports wagering operator applicant's or licensee's land based sports wagering location or through the web site or mobile application offered by or associated with the sports wagering operator applicant or licensee.

(3) An individual whose job duties include sports wagering and who holds a license, permit or registration and is currently employed by or is a principal of a sports wagering manufacturer or sports wagering supplier applicant or licensee may not wager at any location or through the web site or mobile application offered by or associated with the sports wagering certificate petitioner or holder that offers games, services or uses equipment manufactured, supplied, developed or programmed by the sports wagering manufacturer or sports wagering supplier applicant or licensee.

§ 1406.2. Sports wagering gaming principals.

(a) Principals, as defined in this chapter, shall submit an application for licensure as described in this section.

(b) A principal license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(c) A renewal application for a principal license shall be filed at least 6 months prior to expiration of the current license.

(d) A principal 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.

(e) A principal license issued under this subpart will be only be valid for the licensed or certified entity with which the principal is associated.

§ 1406.3. Sports wagering key employees.

(a) Key employees, as defined in this chapter, shall submit an application for licensure as described in this section.

(b) A key employee license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(c) A renewal application for a key employee license shall be filed at least 6 months prior to expiration of the current license.

(d) A key employee 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.

(e) A key employee license issued under this subpart will be valid for employment with any licensed or certified entity.

§ 1406.4. Sports wagering gaming employees.

(a) Gaming employees, as defined in this chapter, shall submit an application for licensure as described in this section.

(b) In addition to the materials required to be submitted under this subpart, gaming employee occupation permit applicants shall submit verification of an offer of employment from a sports wagering applicant or licensee.

(c) A gaming employee occupation permit and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(d) A renewal application for a gaming employee occupation permit shall be filed at least 6 months prior to expiration of the current permit.

(e) A gaming employee occupation permit for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

(f) An individual who wishes to receive a gaming employee occupation permit under this subpart may authorize an applicant for or holder of a sports wagering applicant or licensee to file an application on the individual's behalf.

(g) A gaming employee occupation permit issued under this chapter will be valid for employment with any licensed, certified or registered entity.

§ 1406.5. Sports wagering nongaming employees.

(a) Nongaming employees, as defined in this chapter, shall submit an application for licensure as described in this section.

(b) In addition to the materials required to be submitted under this subpart, nongaming employee registration applicants shall submit verification of an offer of employment from a sports wagering applicant or licensee.

(c) A nongaming employee registration and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(d) A renewal application for a nongaming employee registration shall be filed at least 6 months prior to expiration of the current registration.

(e) A nongaming employee registration for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

(f) An individual who wishes to receive a nongaming employee registration under this subpart may authorize a sports wagering applicant or licensee to file an application on the individual's behalf.

(g) A nongaming employee registration issued under this chapter will be valid for employment with any licensed, certified or registered entity.

§ 1406.6. Board credentials.

The individuals required to be licensed, permitted or registered under this subpart shall obtain a Board credential as described in this subpart.

§ 1406.7. Emergency and temporary credentials.

The individuals required to be licensed, permitted or registered under this subpart may obtain an emergency or temporary Board credential as described in §§ 435a.7, 435a.8 and 435a.9a (relating to emergency credentials; temporary credentials; and gaming service provider employee temporary access credentials).

§ 1406.8. Loss, theft or destruction of credentials.

(a) As soon as possible, but no later than 24 hours following the loss, theft or destruction of a Board credential, emergency credential or temporary credential, the person to whom the credential was issued shall notify the Bureau of Licensing.

(b) The sports wagering applicant or licensee, on behalf of an employee whose Board-issued credential was lost, stolen or destroyed, may request a replacement Board credential by submitting a Request for Duplicate PGCB Credential Form and the fee established by the Board to the Bureau of Licensing.

CHAPTER 1407. SPORTS WAGERING TESTING AND CONTROLS

Sec.

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§ 1407.1. Scope.

To ensure the integrity and security of sports wagering operations in this Commonwealth, the requirements of this chapter apply to all sports wagering certificate holders and sports wagering operator licensees seeking to offer sports wagering to patrons in this Commonwealth. The requirements in this chapter supplement, where not in conflict with and where applicable, existing Board regulations Subpart E (relating to slot machine, table game and associated equipment testing and control; accounting and internal controls) and Subpart L (relating to interactive gaming) applicable to slot machine licensees, interactive gaming certificate holders and interactive gaming operators unless the context clearly indicates otherwise.

§ 1407.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Authentication process—A method used by a system to verify the validity of software. The method requires calculation of an output digest, which is compared to a secure embedded value. The minimum output digest shall be of 128-bit complexity. Software shall be deemed to have been authenticated if the calculated digest equals the secure embedded value.

Communication technology—The methods used and the components employed to facilitate the transmission of information including transmission and reception systems based on wire, cable, radio, microwave, light, optics or computer data networks.

Onsite sportsbook—Sports wagering activities conducted by means of self-service kiosks or point of sale system in the sports wagering areas of a sports wagering certificate holder's approved locations.

Point of sale system—All the hardware, software and communications that comprises a stand-alone or integrated system capable of accepting sports wagers by means of terminals attended to by a cashier and is located at sports wagering certificate holder's approved locations.

Self-service kiosks—Unattended self-service booths or self-standing structure with computers, including touch-screen computers, at which a patron can place sports wagers and that dispenses sports wagering tickets/vouchers.

Sports wagering account—Electronic account that may be established by a patron at a casino property for the purpose of sports wagering or by means of a sports wagering certificate holder's or sports wagering operator's interactive sports wagering skin or interactive sports

wagering web site for the purpose of wagering under these regulations, including deposits, withdrawals, wagered amounts and payouts on winning wagers.

Sports wagering communication—The transmission of a wager between a point of origin and a point of reception by aid of a communications technology.

Sports wagering device and associated equipment—A self-service kiosk, point of sale system or other device, including associated equipment, used to accept sports wagering as permitted for use in this Commonwealth by the Board.

Sports wagering interactive system—All hardware, software and communications that comprise a type of server-based sports wagering system for the purpose of offering authorized sports wagering, mobile sports wagering or interactive sports wagering in this Commonwealth when authorized by the Board.

Sports wagering operations—The business of accepting wagers on sports events or on the individual performance of athletes in a sporting event or combination of sporting events by any system or method of wagering, including over the internet, mobile applications and onsite sports wagering systems.

Sports wagering platform—The combination of hardware and software or other technology designed and used to manage, conduct and record mobile sports wagering or interactive sports wagering activity, as approved by the Board. The term shall include any emerging or new technology deployed to advance the conduct and operation of sports wagering, mobile sports wagering or interactive sports wagering activity, as approved through regulation by the Board.

Sports wagering system—All sports wagering devices, equipment, communication technology, software and hardware approved by the Board to conduct sports wagering in this Commonwealth.

Ticket/Voucher redemption device—Unattended self-service booths or self-standing structures with computers, including touch-screen computers, at which a patron can redeem sports wagering tickets/vouchers and that dispenses winnings in the form of cash or cash equivalent.

§ 1407.3. Testing and approval generally.

(a) Prior to operating an onsite sportsbook or an online or mobile sportsbook (that is, an interactive sportsbook), all sports wagering devices and software used in conjunction with these operations must be submitted to the Board's Office of Gaming Laboratory Operations for review and testing and approved by the Board.

(b) For purposes of this section, sports wagering devices and software that shall be submitted for testing and approval include:

- (1) Self-service kiosks.
- (2) Point of sale systems.
- (3) Ticket/Voucher redemption devices.

(4) Sports wagering interactive system components, including all hardware, software and associated equipment that comprise a type of server-based sports wagering system for the purpose of offering authorized sports wagering, mobile sports wagering or interactive sports wagering.

- (5) Other related devices or systems as required by the Board.

(c) The Board shall require the payment of all costs for the testing and approval of sports wagering devices and software used in conjunction with the operation of an onsite sportsbook or an online or mobile sportsbook prior to final approval of the devices and software.

(d) Submissions to the Office of Gaming Laboratory Operations of sports wagering devices and software used in conjunction with the operation of an onsite sportsbook or an online or mobile sportsbook should adhere to the requirements in § 461a.4 (relating to submission for testing and approval) where applicable.

§ 1407.4. Wagering device requirements generally.

(a) Wagering device programs shall contain sufficient information to identify the software and revision level of the information stored on the wagering device.

(b) Wagering devices shall have the ability to authenticate that all critical components being utilized are valid upon installation of the software, each time the software is loaded for use and on demand as required by the Board. Critical components may include wagering information, elements that control the communications with the sports wagering system or other components that are needed to ensure proper operation of the wagering device. In the event of a failed authentication (that is, program mismatch or authentication failure), the wagering device shall cease all wagering operations and display an appropriate error message. The sports wagering system shall have the ability to disable the wagering device upon any unsuccessful verification.

(c) Wagering devices shall be capable of recording all of the following information for each wager made:

- (1) Description of event.
- (2) Event number.
- (3) Wager selection.

- (4) Type of wager.
- (5) Amount of wager.
- (6) Date and time of wager.
- (7) Unique wager identifier.
- (8) An indication of when the ticket expires.

§ 1407.5. Self-service kiosks and point of sale system requirements.

(a) Self-service kiosks and point sale devices shall have an identification badge affixed to the exterior of the device by the manufacturer. The identification badge shall not be removable without leaving evidence of tampering. This badge shall include all of the following minimum information:

- (1) The complete name of the manufacturer or some appropriate abbreviation for same.
- (2) A unique serial number.
- (3) The self-service kiosk or point of sale device model number.
- (4) The date of manufacture.

(b) Self-service kiosks and point of sale devices shall meet all of the following basic hardware requirements:

(1) Identification for any printed circuit board (PCB) that impacts the integrity of the self-service kiosk or point of sale device shall include all of the following:

(i) Each PCB shall be clearly identifiable by an alphanumeric identification and, when applicable, a revision number.

(ii) If track cuts, patch wires, or other circuit alterations are introduced to the PCB, then a new revision number shall be assigned.

(2) If the self-service kiosk or point of sale device contains switches or jumpers, or both, they shall be fully documented for evaluation by the Board's Office of Gaming Laboratory.

(3) The self-service kiosk or point of sale device shall be designed so that power and data cables into and out of the self-service kiosk or point of sale device can be routed so that they are not accessible to the general public.

(4) Wired communication ports shall be clearly labeled and must be securely housed within the self-service kiosk or point of sale device to prevent unauthorized access to the ports or their associated cable connectors.

(b) Self-service kiosks and point of sale devices shall meet all of the following basic power requirements:

(1) The self-service kiosk and point of sale device shall not be adversely affected, other than resets, by surges or dips of $\pm 20\%$ of the supply voltage. It is acceptable for the self-service kiosk or point of sale device to reset provided no damage to the equipment or loss or corruption of data is experienced.

(2) The power supply used in a self-service kiosk or point of sale device must be appropriately fused or protected by circuit breakers. The amperage rating of all fuses and circuit breakers must be clearly stated on or near the fuse or the breaker.

(3) An on/off switch that controls the electrical current supplied to the self-service kiosk or point of sale device shall be located in a place which is readily accessible within the interior of the self-service kiosk or point of sale device. The on/off positions of the switch shall be clearly labeled.

(c) Self-service kiosks and point of sale device shall meet all of the following basic security requirements:

(1) A self-service kiosk or point of sale device shall be robust enough to resist forced entry into any secured doors, areas or compartments. In the event that extreme force is applied to the cabinet materials causing a potential breach in self-service kiosk or point of sale device security, evidence of tampering must be conspicuous. "Secured areas" or "secured compartments" shall include the external doors such as the main door, cash compartment doors such as a drop box door, peripheral device access areas, or other sensitive access areas of the self-service kiosk or point of sale device.

(2) The following requirements apply to the self-service kiosk's or point of sale device's external doors:

(i) External doors shall be manufactured of materials that are suitable for allowing only legitimate access to the inside of the self-service kiosk cabinet or point of sale device. Doors and their associated hinges shall be capable of withstanding determined and unauthorized efforts to gain access to the interior of the self-service kiosk or point of sale device and shall leave conspicuous evidence of tampering if an attempt is made.

(ii) The seal between the self-service kiosk cabinet or point of sale device and the door of a locked area shall be designed to resist the entry of objects. It shall not be possible to insert an object into the self-service kiosk or point of sale device that disables a door open sensor when the self-service kiosk's or point of sale device's door is fully closed, without leaving conspicuous evidence of tampering.

(iii) External doors shall be secure and support the installation of locks.

(iv) Doors that provide access to secure areas of the self-service kiosk or point of sale device shall be monitored by a door access detection system.

(A) The detection system shall register a door as being open when the door is moved from its fully closed and locked position, provided power is supplied to the self-service kiosk or point of sale device.

(B) When any door that provides access to a secured area or secured compartment registers as open, the self-service kiosk or point of sale device shall cease wagering operations, and display an appropriate error message.

(d) Self-service kiosks and point of sale devices shall meet all of the following basic critical nonvolatile memory requirements:

(1) Critical nonvolatile memory shall be used to store all data elements that are considered vital to the continued operation of the self-service kiosk or point of sale device, including self-service kiosk configuration and point of sale device data and state of operations.

(2) Critical nonvolatile memory shall not store sensitive information outside of self-service kiosk and point of sale device operations; however, critical nonvolatile memory may be maintained by any component of the sports wagering system.

(3) The self-service kiosk or point of sale device must have a backup or archive capability, which allows the recovery of critical nonvolatile memory should a failure occur.

(4) Critical nonvolatile memory storage shall be maintained by a methodology that enables errors to be identified. This methodology may involve signatures, check sums, redundant copies, database error checks or other methods approved by the Board.

(5) Comprehensive checks of critical nonvolatile memory data elements shall be made on startup. Nonvolatile memory that is not critical to self-service kiosk or point of sale device integrity is not required to be checked.

(6) An unrecoverable corruption of critical nonvolatile memory shall result in an error. Upon detection, the self-service kiosk and point of sale device software shall cease to function. Additionally, the critical nonvolatile memory error shall cause any communication external to the self-service kiosk to cease.

(e) Self-service kiosk and point of sale device software, after a program interruption, shall recover to the state it was in immediately prior to the interruption occurring. Any communications to an external device shall not begin until the program resumption routine, including any self-test, is completed successfully.

§ 1407.6. Ticket/Voucher requirements.

(a) Tickets/vouchers generated by a self-service kiosk or by a point of sale system shall include all of the following general information:

- (1) Name and address of the party issuing the ticket/voucher.
- (2) A barcode or similar symbol or marking, as approved by the Board, corresponding to a unique wager identifier.
- (3) Method of redeeming a winning ticket/voucher by means of mail.
- (4) Identification of the self-service kiosk or cashier at the point of sale device that generated the ticket/voucher.

(b) Tickets/vouchers generated by a self-service kiosk or by a point of sale system shall include all of the following specific information:

- (1) Amount of ticket/voucher.
- (2) Date, time and location of issuance.
- (3) Unique voucher identifier.
- (4) Expiration date of the ticket/voucher.
- (5) Date, time and location of redemption, if applicable.

(c) Tickets/vouchers generated by a self-service kiosk or by a point of sale system shall be capable of processing lost, destroyed or expired wagering tickets/vouchers.

(d) Tickets/vouchers generated by a self-service kiosk or by a point of sale system shall be capable of clearly indicating that a ticket/voucher is voided or cancelled and rendered nonredeemable.

§ 1407.7. Ticket/Voucher redemption requirements.

(a) Winning sports wagering tickets/vouchers shall be redeemed by a point of sale cashier or a self-service kiosk after verifying the validity of the wagering ticket through the sports wagering system. The point of sale cashier or a self-service kiosk shall cause the sports wagering system to electronically redeem and cancel the wagering ticket upon redemption.

(b) A patron may redeem by mail a winning sports wagering ticket/voucher to the address provided thereon in accordance with the sports wagering operator's internal controls.

(c) Self-service kiosks shall be capable of recognizing payment limitations or payment errors such as bill out jams and insufficient funds. When a payment limitation or error occurs, the

self-service kiosk shall be designed to electronically record the payout limitation or error and perform all of the following:

- (1) Reject the transaction.
- (2) Issue an error receipt.
- (3) Issue a replacement sports wagering ticket/voucher.

(d) When an error receipt is issued from a self-service kiosk, the self-service kiosk or receipt shall advise the patron or employee to see a point of sale cashier for payment. Error receipts shall be designed to include all of the following, at a minimum:

- (1) The time and date.
- (2) Identification of the issuing self-service kiosks.
- (3) Specifies the amount of money that the self-service kiosks failed to dispense.

(e) When used to redeem sports wagering tickets/vouchers, self-service kiosks shall work in conjunction with an approved sports wagering system and shall be designed to:

(1) Accurately obtain the unique identification number of the item presented for redemption and cause the information to be accurately and securely relayed to the sports wagering system for the purpose of redemption.

(2) Issue currency or a sports wagering voucher, or both, in exchange for the item presented only if the sports wagering system has authorized and recorded the transaction.

(3) Return a sports wagering ticket/voucher to the patron when it cannot be validated by the sports wagering system or is otherwise unredeemable.

(f) When used to redeem sports wagering tickets/vouchers, the self-service kiosk or kiosk computer system shall be capable of generating a "Sports Pool Ticket/Voucher Redemption Machine Report" for each gaming day. The report shall include the ticket/voucher's unique identifier, the date and time of redemption and the value of the ticket/voucher.

§ 1407.8. Sports wagering interactive system requirements.

(a) Sports wagering platforms must adhere to the requirements in Chapter 809 (relating to interactive gaming platform requirements—temporary regulations) of these regulations.

(b) Sports wagering interactive systems must adhere, where applicable, to the requirements in Chapter 810 (relating to interactive gaming testing and controls—temporary regulations) of these regulations.

§ 1407.9. Sports wagering system general requirements.

(a) A sports wagering system shall, at least once every 24 hours, perform a self-authentication process on all software used to offer, record and process wagers to ensure there have been no unauthorized modifications. In the event of an authentication failure, at a minimum, the sports wagering system shall immediately notify the certificate holder's or operator's sports wagering manager and the Board within 24 hours. The results of all self-authentication attempts shall be recorded by the system and maintained for a period of not less than 90 days.

(b) The sports wagering operator operating the sports wagering system shall provide access to wagering transaction and related data as deemed necessary by the Board in a manner approved by the Board.

(c) A sports wagering system shall be capable of preventing any sports wager in excess of \$10,000 or making a payout in excess of \$10,000 until authorized by the sports wagering manager.

CHAPTER 1408. SPORTS WAGERING ACCOUNTING AND INTERNAL CONTROLS

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§ 1408.1. Scope.

To ensure the integrity and security of sports wagering operations in this Commonwealth, the requirements of this chapter apply to all sports wagering certificate holders and sports wagering operator licensees seeking to offer sports wagering to patrons in this Commonwealth. The requirements in this chapter supplement, where not in conflict with and where applicable, existing Board regulations in Subpart E (relating to slot machine, table game and associated equipment testing and control; accounting and internal controls), Chapter 465a (relating to accounting and internal controls) and Subpart L (relating to interactive gaming) applicable to slot machine licensees, interactive gaming certificate holders and interactive gaming operators unless the context clearly indicates otherwise.

§ 1408.2. Definitions.

The following words and terms, when used in this Chapter, have the following meanings, unless the context clearly indicates otherwise:

Integrity monitoring—Monitoring of sports wagering to identify unusual betting or suspicious sports wagering activities from a match-fixing and sporting corruption standpoint to then report the activities to required parties.

Onsite sportsbook—Sports wagering activities conducted by means of self-service kiosks or point of sale system in the sports wagering area of a sports wagering certificate holder's approved location.

Personal identifiable information—Any data or information that can be used, on its own or with other data or information, to identify, contact or otherwise locate a player or registered player, including a player's or registered player's name, address, date of birth and social security number.

Risk management—Processes and tools that sports wagering certificate holders or sports wagering operators use to manage the risk and liabilities associated with sports wagering.

Sports wagering device and associated equipment—Self-service kiosk, point of sale system or other device, including associated equipment, used to accept sports wagering as permitted for use in this Commonwealth by the Board.

Sports wagering operations—The business of accepting wagers on sports events or on the individual performance of athletics in a sporting event or combination of sporting events by any system or method of wagering, including over the internet, mobile applications and onsite sports wagering systems.

Sports wagering system—Sports wagering devices, equipment, communication technology, software and hardware approved by the Board to conduct sports wagering in this Commonwealth.

§ 1408.3. Internal controls.

(a) At least 90 days prior to commencing sports wagering under this part, a sports wagering certificate holder or sports wagering operator licensee shall submit to the Board for approval internal controls for all aspects of sports wagering (that is, onsite sportsbook operations, interactive sportsbook operations and nonprimary location sportsbook operations) prior to implementation and any time a change is made thereafter. The internal controls shall include detailed procedures for system security, operations, accounting, reporting of compulsive and problem gamblers and other information as required by the Board.

(b) Notwithstanding subsection (a), the procedures and controls may be implemented by a sports wagering certificate holder or sports wagering operator licensee upon the filing of the procedures and controls with the Board and written approval to commence operations by the Executive Director. Each procedure or control submission shall contain both narrative and diagrammatic representations of the system to be utilized and shall include the following:

(1) Provide for reliable accounting controls, including the standardization of forms and definition of terms to be utilized in the sports wagering operations.

(2) Procedures, forms and, where appropriate, formulas to govern any of the following:

(i) Calculation of hold percentages.

(ii) Revenue drops.

(iii) Expense and overhead schedules.

(iv) Complimentary services.

(v) Cash-equivalent transactions.

(3) Job descriptions and the system of personnel and chain of command, establishing a diversity of responsibility among employees engaged in sports wagering operations, including employees of a sports wagering operator and identifying primary and secondary management and supervisory positions for areas of responsibility.

(4) Procedures for the registration of players and establishment of sports wagering accounts, including a procedure for authenticating the age, identity and physical address of an applicant for a sports wagering account and whether the applicant is a person prohibited from establishing or maintaining an account under applicable laws or regulations.

(5) Procedures for terminating a registered player's sports wagering account and the return of any funds remaining in the sports wagering account to the registered player.

(6) Procedures for suspending or terminating a dormant sports wagering account and the return of any funds remaining in the dormant sports wagering account to the registered player.

(7) Procedures for the logging in and authentication of a registered player to enable the player to commence sports wagering and the logging off of the registered player when the registered player has completed play, including a procedure to automatically log a registered player out of the registered player's sports wagering account after a specified period of inactivity.

(8) Procedures for the crediting and debiting of a registered player's sports wagering account.

(9) Procedures for cashing checks, receiving electronic negotiable instruments and for redeeming cash equivalents.

(10) Procedures for withdrawing funds from a sports wagering account by the registered player.

(11) Procedures for the protection of a registered player's funds, including the segregation of a registered player's funds from operating funds of the sports wagering certificate holder or sports wagering operator.

(12) Procedures for recording transactions pertaining to sports wagering.

(13) Procedures for the security and sharing of personal identifiable information of a registered player, funds in a sports wagering account and other information as required by the Board. The procedures shall include the means by which a sports wagering certificate holder or sports wagering operator licensee will provide notice to a registered player related to the sharing of personal identifiable information.

(14) Procedures and security for the calculation and recordation of revenue.

(15) Procedures for the security of sports wagering devices and associated equipment.

(16) Procedures and security standards as to receipt, handling and storage of sports wagering devices and associated equipment.

(17) Procedures and security standards to protect and respond to suspected or actual hacking or tampering by any person with the sports wagering certificate holder's or sports wagering operator licensee's interactive sports wagering web site and sports wagering devices and associated equipment.

(18) Procedures to verify each registered player's physical location each time a registered player logs into his or her sports wagering account and at appropriate intervals thereafter as determined by the Board.

(19) Procedures and appropriate measures implemented to deter, detect and, to the extent possible, to prevent cheating, including collusion and use of cheating devices, including the use of software programs that make wagers according to algorithms.

(20) Procedures to govern emergencies, including suspected or actual cyber-attacks, hacking or tampering with the sports wagering certificate holder's interactive sports wagering skin, interactive sports wagering platform, interactive sports wagering web site and sports wagering devices and associated equipment. The procedures shall include the process for the reconciliation or repayment of a registered player's sports wagering account.

(c) The submission required under subsections (a) and (b) shall include a detailed description of the sports wagering certificate holder's or sports wagering operator licensee's administrative and accounting procedures related to sports wagering, including its written system of internal controls. Each written system of internal controls shall include:

(1) An organizational chart depicting appropriate functions and responsibilities of employees involved in sports wagering.

(2) A description of the duties and responsibilities of each position shown on the organizational chart.

(3) The record retention policy of the sports wagering certificate holder or sports wagering operator licensee.

(4) The procedure to be utilized to ensure that money generated from the conduct of sports wagering is safeguarded and accounted for.

(5) Procedures to ensure that recorded accountability for assets is compared with actual assets at intervals required by the Board and appropriate action is taken with respect to discrepancies.

(6) Procedures to be utilized by an employee of a sports wagering certificate holder or sports wagering operator licensee in the event of a malfunction of sports wagering certificate holder's interactive sports wagering skin, interactive sports wagering platform, interactive sports wagering web site and sports wagering devices and associated equipment used in the conduct of sports wagering.

(7) Procedures to be utilized by the sports wagering certificate holder or sports wagering operator licensee to prevent persons under 21 years of age, self-excluded or involuntary excluded individuals and players outside this Commonwealth from engaging in sports wagering.

(8) Other items the Board may request in writing to be included in the internal controls.

(d) Prior to authorizing a sports wagering certificate holder or sports wagering operator licensee to commence the conduct of sports wagering, the Board shall review and approve the system of internal controls, security protocols and audit protocols submitted under this chapter to determine whether they conform to the requirements of this chapter and whether they provide adequate and effective controls for the conduct of sports wagering.

(e) If a sports wagering certificate holder or sports wagering operator licensee intends to make a change or amendment to its system of internal controls, it shall submit the change or amendment electronically to the Bureau of Gaming Operations, in a manner prescribed by the Bureau of Gaming Operations. The sports wagering certificate holder or sports wagering

operator licensee may implement the change or amendment on the 30th calendar day following the filing of a complete submission unless the sports wagering certificate holder or sports wagering operator licensee receives written notice tolling the change or amendment in accordance with this chapter or written notice from the Board's Executive Director rejecting the change or amendment.

(f) If during the 30-day review period in this chapter, the Bureau of Gaming Operations preliminarily determines that a procedure in a submission contains an insufficiency likely to negatively affect the integrity of sports wagering or the control of revenue generated from sports wagering, the Bureau of Gaming Operations, by written notice to the sports wagering certificate holder or sports wagering operator licensee, will:

(1) Specify the nature of the insufficiency and, when possible, an acceptable alternative procedure.

(2) Direct that the 30-calendar day review period in this chapter to be tolled and that any internal controls at issue not be implemented until approved under this chapter.

(g) Examples of submissions that may contain an insufficiency likely to negatively affect the integrity of sports wagering may include any of the following:

(1) Submissions that fail to provide information sufficient to permit the review of sports wagering activities by the Board, the Bureau, the Department or law enforcement.

(2) Submissions that fail to provide for the segregation of incompatible functions so that no employee is in a position to both commit an error or perpetrate a fraud and to conceal the error or fraud in the normal course of the employee's duties.

(3) Submissions that do not include forms or other materials referenced in the submission or required under the act or this part.

(4) Submissions that would implement operations or accounting procedures not authorized by the act or this part.

(h) Whenever a change or amendment has been tolled under this chapter, the sports wagering certificate holder or sports wagering operator licensee may submit a revised change or amendment within 30 days of receipt of the written notice from the Bureau of Gaming Operations. The sports wagering certificate holder or sports wagering operator licensee may implement the revised change or amendment upon receipt of written notice of approval from the Board's Executive Director or on the 30th calendar day following the filing of the revision unless the sports wagering certificate holder or sports wagering operator licensee receives written notice tolling the change or amendment in accordance with this chapter or written notice from the Board's Executive Director rejecting the change or amendment.

(i) A sports wagering certificate holder or sports wagering operator licensee shall submit to the Board a catalog of the type of events that it intends to accept wagers on as well as the type

of wagers it intends to accept. A sports wagering certificate holder or sports wagering operator licensee shall notify the Board of any changes to the catalogue at least 72 hours in advance of implementation of these changes. A sports wagering certificate holder or sports wagering operator licensee must maintain a catalogue of all prior and current events and the types of wagers it offered on the events.

§ 1408.4. Terms and conditions.

Nothing in this section shall be interpreted to prohibit onsite sportsbook from accepting anonymous sports wagers at self-service kiosks or point of sale terminals.

(a) A sports wagering certificate holder or sports wagering operator licensee shall develop terms and conditions for sports wagering which shall be included in the internal controls. The terms and conditions and any changes thereto must be acknowledged by the player and the acknowledgment must be date and time-stamped by the sports wagering system.

(b) The terms and conditions must address all aspects of the sports wagering operation, including all of the following:

(1) Name of the party or parties with whom the player is entering into a contractual relationship, including any sports wagering certificate holder or sports wagering operator licensee.

(2) Player's consent to have the sports wagering certificate holder or sports wagering operator licensee confirm the player's age, identity and, for purposes of interactive sports wagering, location.

(3) Rules and obligations applicable to the player other than rules of sports wagering including all of the following:

(i) Prohibition from allowing any other person to access or use his or her sports wagering account.

(ii) Prohibition from engaging in sports wagering activity, unless the player is physically located in this Commonwealth.

(iii) Consent to the monitoring and recording by the sports wagering certificate holder, the sports wagering operator licensee or the Board, or both, of any wagering communications and geographic location information.

(iv) Consent to the jurisdiction of this Commonwealth to resolve any disputes arising out of sports wagering.

(v) Prohibition against utilizing automated computerized software or other equivalent mechanism to engage in sports wagering.

(4) Full explanation of fees and charges imposed upon a player related to sports wagering transactions.

(5) Availability of account statements detailing player account activity.

(6) Privacy policies, including information access and use of customer data.

(7) Legal age policy, including a statement that it is a criminal offense to allow a person who is under 21 years of age to participate in sports wagering and a player who does so shall be prohibited from participating in sports wagering.

(8) Notification that if the player's sports wagering account remains dormant for a period of 1 year any funds remaining on deposit and any pending wagers may be forfeited under applicable State and Federal laws.

(9) Player's right to set responsible gaming limits and self-exclude.

(10) Player's right to suspend his or her sports wagering account for a period of no less than 72 hours.

(11) Actions that will be taken in the event a player becomes disconnected from the sports wagering system during active betting.

(12) Notice that a malfunction voids all transactions.

(13) Estimated time-period for withdrawal of funds from the sports wagering account.

(14) Detailed information regarding compulsive and problem gaming and self-exclusion to be displayed on a player protection page.

(15) Method for changing or retrieving a password or other approved access security feature and the ability to choose "strong authentication" log in protection.

(16) Method for filing a complaint with the sports wagering certificate holder or sports wagering operator licensee and method for filing with the Board an unresolved complaint after all reasonable means to resolve the complaint with the sports wagering certificate holder or sports wagering operator licensee have been exhausted.

(17) Method for obtaining a copy of the terms and conditions agreed to when establishing a sports wagering account.

(18) Method for the player to obtain account and wagering history from the sports wagering certificate holder or sports wagering operator licensee.

(19) Notification of Federal prohibitions and restrictions regarding sports wagering activity, specifically, any limitations upon sports wagering activity as set forth in The Wire Act (18 U.S.C.A. §§ 1081 et seq.) and the Unlawful Internet Gaming Enforcement Act (31 U.S.C.A. §§ 5361—5367). The notice shall explicitly state that it is a Federal offense for persons physically located outside of this Commonwealth to engage in sports wagering activity through a sports wagering certificate holder or sports wagering operator licensee, unless explicitly authorized by State or Federal law.

(20) Any other information as required by the Board.

§ 1408.5. Information to be displayed/provided.

A sports wagering certificate holder or sports wagering operator licensee shall provide for the prominent display of the following information at the certificate holder's onsite sportsbook and on a page which, by virtue of the construction of the web site, registered players must access before beginning a sports wagering session:

(a) The full name of the sports wagering certificate holder and, as applicable, the sports wagering operator licensee and address from which it carries on business.

(b) A logo, to be provided by the Board for display on the certificate holder's or licensee's online sportsbook, indicating that the sports wagering certificate holder, and as applicable, the sports wagering operator licensee on behalf of the sports wagering certificate holder, is authorized to operate sports wagering in this Commonwealth.

(c) The license number of the sports wagering certificate holder or sports wagering operator licensee.

(d) A statement that persons under 21 years of age are not permitted to engage in sports wagering.

(e) Readily available information at the certificate holder's onsite sportsbook or active links on the sports wagering certificate holder's or sports wagering operator licensee's sports wagering web site that contains all of the following:

(1) Information explaining how disputes are resolved.

(2) Problem gaming information that is designed to offer information pertaining to responsible gaming.

(3) Board's contact information.

(4) Information that allows for a patron to choose to be excluded from engaging in sports wagering.

(5) Comprehensive house rules governing wagering transactions with patrons. The house rules must be immediately available to patrons at a licensed facility's onsite, online and mobile application sportsbooks. The rules must include all of the following:

- (i) The types of wagers accepted.
- (ii) How winning wagers will be paid.
- (iii) The effect of schedule changes.
- (iv) The redemption period for winning tickets.
- (v) The method of noticing odds or line changes to patrons.

§ 1408.6. Segregation of bank accounts.

(a) A sports wagering certificate holder or sports wagering operator licensee shall maintain a bank account for player's funds separate from all other operating accounts to ensure the security of funds held in the player's sports wagering accounts.

(b) The balance maintained in this account shall be greater than or equal to the sum of the daily ending cashable balance of all player sports wagering accounts and unpaid wagers.

(c) A sports wagering certificate holder or sports wagering operator licensee shall have unfettered access to all player sports wagering account and transaction data to ensure the amount of funds held in its independent account is sufficient. A sports wagering certificate holder's or sports wagering operator licensee's Chief Financial Officer shall file a monthly attestation with the Board, unless otherwise directed by the Board, that the funds have been safeguarded under this section.

§ 1408.7. Sports wagering certificate holder's or sports wagering operator licensee's organization.

(a) A sports wagering certificate holder's or sports wagering operator licensee's systems of internal controls must include organization charts depicting segregation of functions and responsibilities and descriptions of the duties and responsibilities for each position shown on each organization chart. Sports wagering certificate holder or sports wagering operator licensee shall be permitted, except as otherwise provided in this section, to tailor organizational structures to meet the needs or policies of a particular management philosophy. A sports wagering certificate holder's or sports wagering operator licensee's organization charts must provide for:

(1) A system of personnel and chain of command which permits management and supervisory personnel to be held accountable for actions or omissions within their areas of responsibility.

(2) The segregation of incompatible functions, duties and responsibilities so that no employee is in a position to both commit an error or perpetrate a fraud and to conceal the error or fraud in the normal course of the employee's duties.

(3) The performance of all functions, duties and responsibilities in accordance with sound financial practices by qualified personnel.

(4) The areas of responsibility which are not so extensive as to be impractical for an individual to monitor.

(b) In addition to other positions required as part of a sports wagering certificate holder's or sports wagering operator licensee's internal controls, a sports wagering certificate holder or sports wagering operator licensee must maintain an information technology department supervised by an individual and licensed as a key employee who functions, for regulatory purposes, as the information technology director. In addition, sports wagering certificate holder's or sports wagering operator licensee's must employ an information technology security officer and, if the certificate holder or licensee offers sports wagering online or through a mobile application, an interactive gaming manager, both of whom shall be licensed as a key employee.

(c) The information technology director shall be responsible for the items listed in § 465a.11 (relating to slot machine licensee's organization; jobs compendium) as well as the integrity of all data, the quality, reliability, and accuracy of all computer systems and software used by the sports wagering certificate holder or sports wagering operator licensee in the conduct of sports wagering activities, whether the data and software are located within or outside the certificate holder's or licensee's facility, including, without limitation, specification of appropriate computer software, hardware, and procedures for security, physical integrity, audit and maintenance of:

(1) Access codes and other computer security controls used to insure appropriately limited access to computer software and data.

(2) Monitoring logs of user access, security incidents and unusual transactions.

(3) Logs used to document and maintain the details of any hardware and software modifications.

(4) Computer tapes, disks, or other electronic storage media containing data relevant to sports wagering operations.

(5) Computer hardware, communications equipment and software used in the conduct of sports wagering.

(d) The information technology security officer shall report to the information technology director and be responsible for:

(1) Maintaining access codes and other computer security controls used to insure appropriately limited access to computer software and data.

(2) Reviewing logs of user access, security incidents and unusual transactions.

(3) Coordinating the development of the sports wagering certificate holder's or sports wagering operator licensee's information security policies, standards and procedures.

(4) Coordinating the development of an education and training program on information security and privacy matters for employees and other authorized users.

(5) Ensuring compliance with all State and Federal information security policies and rules.

(6) Preparing and maintaining security-related reports and data.

(7) Working with internal and external audit personnel to ensure all findings are addressed in a timely and effective manner.

(8) Developing and implementing an Incident Reporting and Response System to address security breaches, policy violations and complaints from external parties.

(9) Serving as the official contact for information security and data privacy issues, including reporting to law enforcement.

(10) Developing and implementing an ongoing risk assessment program that targets information security and privacy matters by identifying methods for vulnerability detection and remediation and overseeing the testing of those methods.

(11) Remaining current with the latest information technology security and privacy legislation, rules, advisories, alerts, and vulnerabilities to ensure the sports wagering certificate holder's security program and security software is effective.

(e) The interactive gaming manager shall report to the information technology director, or other department manager as approved by the Board, and be responsible for ensuring the proper operation and integrity of interactive and mobile application sports wagering and reviewing all reports of suspicious behavior. The interactive gaming manager shall immediately notify the Bureau upon detecting any person participating in interactive and mobile application sports wagering who is:

(1) Engaging in or attempting to engage in, or who is reasonably suspected of cheating, theft, embezzlement, collusion, money laundering or any other illegal activities.

(2) A self-excluded person.

(3) A person that is prohibited by the sports wagering certificate holder or sports wagering operator licensee from sports wagering.

§ 1408.8. Risk management.

(a) A sports wagering certificate holder or sports wagering operator must implement risk management procedures. These procedures may be provided in-house or by an independent third party.

(b) A sports wagering certificate holder's or sports wagering operator's internal controls must contain a description of its risk management framework including all of the following:

- (1) Automated and manual risk management procedures.
- (2) User access controls for all sportsbook personnel.
- (3) Information regarding segregation of duties.
- (4) Information regarding fraud detection.
- (5) Controls ensuring regulatory compliance.
- (6) Description of anti-money laundering compliance standards.
- (7) Description of all software applications that comprise the sports wagering system.
- (8) Description of all types of wagers available to be offered by the sports wagering system.
- (9) Description of all integrated third-party systems.
- (10) Any other information required by the Board.

§ 1408.9. Integrity monitoring.

(a) A sports wagering certificate holder or sports wagering operator must implement integrity monitoring procedures. These procedures may be provided in-house or by an independent third party.

(b) A sports wagering certificate holder or sports wagering operator must share information in timely manner of unusual betting activity or other suspicious activity regarding sports wagering in this Commonwealth with:

- (1) Other sports wagering certificate holders or sports wagering operators.

(2) The Board.

(3) Applicable sports governing bodies/leagues.

(c) A sports wagering certificate holder or sports wagering operator must submit a yearly report to the Board detailing its integrity monitoring services and summarizing any unusual betting activity or other suspicious activity notifications issued during that time period.

(d) A sports wagering certificate holder or sports wagering operator receiving a report of unusual betting activity or suspicious activity is permitted to suspend wagering on events related to the report and may only cancel related wagers under procedures previously approved by the Board, or its designee.

(e) A sports wagering certificate holder or sports wagering operator must provide the Board with remote access to its integrity monitoring system which shall provide at a minimum:

(1) Reports of unusual betting activity.

(2) If the activity was determined to be suspicious.

(3) The actions taken by the sports wagering certificate holder or sports wagering operator.

§ 1408.10. Mandatory logging.

A sports wagering certificate holder's or sports wagering operator's sports wagering system must comply with the mandatory logging requirements in Subpart L (relating to interactive gaming) of the Board's regulations.

§ 1408.11. Records/data retention requirements.

A sports wagering certificate holder's or sports wagering operator's sports wagering system must comply with the record/data retention requirements in Chapter 465a (relating to accounting and internal controls) and Subpart L (relating to interactive gaming) of the Board's regulations.

§ 1408.12. Required reports.

Nothing in this section shall be interpreted to prohibit an onsite sportsbook from accepting anonymous sports wagers at self-service kiosks or point of sale terminals. These wagers should be included in the required reports detailed in this section and identified as "anonymous player" or a similar identifier.

(a) A sports wagering certificate holder's or sports wagering operator's sports wagering system must comply with the reporting requirements in Subpart L (relating to interactive gaming) of the Board's regulations.

(b) A sports wagering certificate holder or sports wagering operator must generate reports specific to its sports wagering operations as specified by the Board that shall include, at a minimum:

- (1) The report title.
- (2) The date or time period of activity, or description "as of" a point in time.
- (3) The date and time the report was generated.
- (4) Page numbering, indicating the current page and total number of pages.
- (5) Subtotals and grand totals as required by the Board.
- (6) A description of any filters applied to the data presented in the document.
- (7) Column and row titles, if applicable.
- (8) The name of the sports wagering certificate holder or sports wagering operator licensee.

(c) All required reports shall be generated by the sports wagering certificate holder or sports wagering operator licensee, even if the period specified contains no data to be presented. The report generated shall indicate all required information and contain an indication of "No Activity" or similar message if no data appears for the period specified.

(d) The sports wagering certificate holder or sports wagering operator licensee shall provide a mechanism to export the data generated for any report to a format approved by the Board and as often as required by the Board.

(e) A sports wagering system shall generate, at a minimum, all of the following reports:

- (1) A "Sports Wagering Account Transaction Report" which shall include:
 - (i) Date of activity.
 - (ii) Player's name and account number.
 - (iii) Date and time player's session started.
 - (iv) Unique transaction number.
 - (v) Type of event (for example, Super Bowl 2019).
 - (vi) Date and time of each transaction.

(vii) Amount of each transaction.

(viii) Type of each transaction (for example, deposit, withdrawal, adjustment, and the like).

(ix) Method of deposit/withdrawal (for example, cash, debit instrument, prepaid access instrument or credit card, personal check, cashier's check, wire transfer, money order and transfer to/from account).

(x) User ID and employee name handling the transaction, if assisting player.

(xi) Amount of outstanding account balance before and after each transaction.

(xii) Date and time player session ended.

(xiii) Subtotals by transaction type.

(xiv) Ending account balance at the end of the player's session.

(2) A "Sports Wagering Account Balance Summary Report" which shall include:

(i) Date of activity.

(ii) Player's name and account number.

(iii) Status of account (for example, active, inactive, closed, suspended, and the like).

(iv) Date account was opened.

(v) Date registration information was provided by player.

(vi) Date registration information was verified by the sports wager certificate holder or sports wagering operator licensee.

(vii) Date of last activity.

(viii) Amount of beginning account balance.

(ix) Total amount of deposit transactions.

(x) Total amount of withdrawal transactions.

(xi) Total amount of account adjustment transactions.

(xii) Amount of ending account balance.

(3) A "Daily Sports Wagering Player's Funds Transaction Report" which shall include:

(i) Player's name and account number.

(ii) Amount of beginning account balance.

(iii) Unique transaction number.

(iv) Date and time of deposit/withdrawal or account balance adjustment.

(v) Amount of deposit/withdrawal or account balance adjustment.

(vi) Nature of deposit/withdrawal (for example, cash, debit instrument, prepaid access instrument or credit card, personal check, cashier's check, wire transfer, money order and transfer to/from casino account).

(vii) Reason/description of adjustment to account balance, if applicable.

(viii) User ID and name of employee handling the deposit, withdrawal or account balance adjustment transaction, if assisting authorized player.

(ix) User ID and name of supervisor authorizing an adjustment to account balance, if applicable.

(x) Totals for each type of transaction.

(xi) Amount of ending balance.

(4) A "Daily Sports Wagering Account Adjustment Report" which shall include:

(i) Player's name and account number.

(ii) Date and time of account balance adjustment.

(iii) Unique transaction number.

(iv) User ID and name of employee handling the account balance adjustment transaction, if applicable.

(v) User ID and name of supervisor authorizing an adjustment to account balance.

- (vi) Amount of account balance adjustment.
- (vii) Type of account adjustment.
- (viii) Reason/description of adjustment to account balance.

following: (5) A "Sports Wagering Game Play Report" which shall include all of the

- (i) Date of activity.
- (ii) Sport event name.
- (iii) Date and time session started for gaming day.
- (iv) Date and time for each session transaction.
- (v) Type of session transaction.
- (vi) Amount of session transaction.
- (vii) Compensation amount collected by sports wager certificate holder or sports wagering operator licensee.
- (viii) Amount of jackpot win, if applicable.
- (ix) Other amounts collected by sports wagering certificate holder or sports wagering operator licensee.
- (x) Description of other amounts collected.
- (xi) Amounts refunded.
- (xii) Description of amounts refunded.
- (xiii) Date and time session ended for gaming day.
- (xiv) Total amount by transaction type.

(6) A "Sports Betting Revenue Report" which shall include all of the following:

- (i) Date.
- (ii) Type of event.
- (iii) Total wagered.

(iv) Other amounts collected by sports wagering certificate holder or sports wagering operator licensee.

(v) Description of other amounts collected.

(vi) Amounts refunded.

(vii) Description of amounts refunded.

(7) A "Sports Wagering Revenue Deposit Report" which shall include all of the following:

(i) Month/year of activity.

(ii) Bank account number.

(iii) Date of deposit.

(iv) Amount of gaming day revenue collected by the sports wagering certificate holder or sports wagering operator licensee.

§ 1408.13. Player accounts.

A sports wagering certificate holder's or sports wagering operator's sports wagering system must comply with the player account requirements in Subpart L (relating to interactive gaming) of the Board's regulations.

CHAPTER 1409. SPORTS WAGERING ADVERTISEMENTS, PROMOTIONS AND TOURNAMENTS

Sec.

1409.1. General requirements.

§ 1409.1. General requirements.

A sports wagering certificate holder or sports wagering operator licensee must comply with the advertisement, promotions and tournament provisions of Subparts C—E, I and L regarding its onsite, online and mobile application sportsbooks including those provisions that require certificate holders or licensees to submit all advertisements, promotions and tournament information to the Board.

CHAPTER 1410. SPORTS WAGERING COMPULSIVE AND PROBLEM GAMBLING REQUIREMENTS

Sec.

1410.1. General requirements.

§ 1410.1. General requirements.

(a) A sports wagering certificate holder or sports wagering operator licensee must comply with the compulsive and problem gambling provisions of Subpart I (relating to compulsive and problem gambling) and Subpart L (relating to interactive gaming) regarding its onsite, online and mobile application sportsbooks.

(b) A sports wagering certificate holder or sports wagering operator licensee may amend its current compulsive gaming plans, programs, and the like to include sports wagering activities.

CHAPTER 1411. SPORTS WAGERING SELF-EXCLUDED PERSONS

Sec.

1411.1. General requirements.

§ 1411.1. General requirements.

(a) A sports wagering certificate holder or sports wagering operator licensee must comply with the self-exclusion provisions of Subpart I (relating to compulsive and problem gambling) and Subpart L (relating to interactive gaming) regarding its onsite, online and mobile application sportsbooks.

(b) A sports wagering certificate holder or sports wagering operator licensee may amend its current self-exclusion plans, programs, and the like to include sports wagering activities.