



Senate Community, Economic & Recreational Development Committee

Senator Mario M. Scavello

Chairman

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House Bill 782 Printer's No. 1680

Prime Sponsor: Rep. Ted Nesbit
Committee: Community, Economic and Recreational Development

SYNOPSIS:

Amends Title 4 (Amusements) to expedite PGCB approval requirements for businesses that provide nongaming goods and services to casinos.

SUMMARY:

Definitions:

“Gaming floor” is any portion of a licensed facility where slot machines or table games are offered.

“Gaming-related restricted area” is any area of a licensed facility, as determined by the board or the slot machine licensee, where access is limited and designated as restricted.

“Gaming Service Provider” is amended to exempt “nongaming service provider”, meaning a person that requires access to a gaming floor or gaming-related restricted area.

“Nongaming Service Provider (NSP)” is a person that is not a “gaming service provider” and provides goods or services that do not require access to the gaming floor or a gaming-related restricted area of a licensed facility, or provides goods or services to a slot machine licensee for use in the operation of the licensed facility.

Required Notification:

A slot machine licensee that contracts with a NSP shall provide notification to the Board prior to the provision of goods or services to a licensed facility, or the provision of goods or services to assist in the operation of the facility.

Notification shall occur on a form and in a manner as required by the Board and be accompanied by a fee of no more than \$100.

Notification is valid for 3 years, unless modified by the Board.

Notification shall include the following:

- Contact information for the NSP;
- A description of the goods and services to be provided;
- An affirmation that the slot machine licensee will not permit the NSP to have access to the gaming floor or a gaming-related restricted area;
- An affirmation that the slot machine licensee has performed due diligence regarding the NSP and the NSP will not adversely affect the integrity of gaming or the public interest; and
- Any other information the Board requires.

Conditions:

A slot machine licensee that contracts with an NSP shall be subject to the following:

- The NSP and its employees shall only provide the goods and services in a manner as described in the notification.
- The slot machine licensee shall have notified the Board of any material change in the information provided in the notification.
- The slot machine licensee is responsible for ensuring the NSP's employees do not enter the gaming floor or any gaming-related restricted area.
- The slot machine licensee shall report to the Board any NSP that enters the gaming floor or restricted area or commits an act that adversely affects the public interest or the integrity of gaming.
- The Board retains the authority to prohibit an NSP or its employees from providing goods or services at the licensed facility if prohibition is necessary to protect the public interest or integrity of gaming.

Authority to Exempt and Additional Authority of the Board:

The Board may exempt an NSP from notification requirements if the Board finds that the NSP's business is regulated by the federal government, a Commonwealth agency or the PA Supreme Court; or if notification is not necessary to protect the integrity of gaming or public interest.

The Board is provided the discretion to require a NSP to undergo the standard gaming service provider pre-approval process.

Emergency Notification:

The Board may utilize an NSP prior to notification to the Board when a threat to public health, welfare or safety occurs or when circumstances outside the control of the slot machine licensee require immediate action to mitigate damage or loss.

When utilizing an NSP for an emergency situation as described above, a slot machine licensee shall:

- Contact the Board immediately; and
- Provide the required notification within a reasonable time as determined by the Board.

List of Prohibited Nongaming Service Providers:

The Board is provided the authority to develop and maintain a list of NSP's that are prohibited from engaging in business with a slot machine licensee, and slot machine licensees are prohibited from engaging in business with an NSP on the list.

Duties of Nongaming Service Providers:

NSP's shall do the following:

- Cooperate with the Board regarding any investigation, hearing, enforcement action or disciplinary action;
- Comply with conditions, orders and rulings of the Board; and

- Report to the slot machine licensee any changes in circumstances or issues that may render the NSP unqualified to engage in business with the slot machine licensee.

Effective Date: 60 days.

BILL HISTORY:

In the House:

PN 0857 Referred to GAMING OVERSIGHT, March 9, 2017

PN 1553 Reported as amended, April 25, 2017

First consideration, April 25, 2017

Laid on the table, April 25, 2017

Removed from table, April 26, 2017

PN 1680 Second consideration, with amendments, May 8, 2017

Re-committed to APPROPRIATIONS, May 8, 2017

Re-reported as committed, May 9, 2017

Third consideration and final passage, May 9, 2017 (195-0)

In the Senate:

Referred to COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT, May 15, 2017

Prepared by: Zubeck 6/27/2017