
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1408 Session of
2015

INTRODUCED BY KOTIK, PAYNE, MUSTIO, D. COSTA, READSHAW, KORTZ,
THOMAS, MILLARD, KINSEY, COHEN, McNEILL, YOUNGBLOOD, MATZIE
AND EVERETT, JUNE 25, 2015

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, JUNE 25, 2015

AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated
2 Statutes, in general provisions relating to gaming, further
3 providing for definitions; in licensees, providing for
4 Category 1 slot machines in qualified airports, further
5 providing for additional Category 1 slot machine license
6 requirements, providing for Category 2 slot machines in
7 qualified airports and for Category 3 slot machines in
8 qualified airports; further providing for establishment of
9 State Gaming Fund and net slot machine revenue distribution;
10 and establishing the Municipal Services Fund.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. Section 1103 of Title 4 of the Pennsylvania
14 Consolidated Statutes is amended by adding definitions to read:
15 § 1103. Definitions.

16 The following words and phrases when used in this part shall
17 have the meanings given to them in this section unless the
18 context clearly indicates otherwise:

19 * * *

20 "Qualified airport." A qualified first class airport, a
21 qualified second class airport and a qualified municipal

1 airport.

2 "Qualified first class airport." An airport that is governed
3 by a municipal authority and located in a county of the first
4 class.

5 "Qualified municipal airport." An airport located in a
6 county other than a county of the first class or county of the
7 second class and that provides services for an airline passenger
8 flight outside the contiguous United States at least once
9 annually.

10 "Qualified second class airport." An airport that is
11 governed by a municipal authority and located in a county of the
12 second class.

13 * * *

14 Section 2. Title 4 is amended by adding a section to read:
15 § 1302.1. Category 1 slot machines in qualified airports.

16 (a) Eligibility.--Notwithstanding section 1307 (relating to
17 number of slot machine licenses) or any other provision of this
18 part or regulation to the contrary, a slot machine licensee may
19 operate slot machines in specified areas located within a
20 qualified airport, only if:

21 (1) Approval sought from the governing authority of a
22 qualified airport for a licensee currently operating under
23 section 1302 (relating to Category 1 slot machine license) is
24 granted.

25 (2) Subsequent approval is granted by the board.

26 (b) Number of slot machines.--

27 (1) A qualified airport may enter into a contract with
28 more than one slot machine licensee, provided that the total
29 number of slot machines in the qualified airport does not
30 exceed 500.

1 (2) Notwithstanding section 1210 (relating to number of
2 slot machines) the board may approve not more than:

3 (i) For a qualified first class airport, 100 slot
4 machines per slot machine licensee.

5 (ii) For a qualified second class airport, 250 slot
6 machines per slot machine licensee.

7 (iii) For a qualified municipal airport, 500 slot
8 machines per slot machine licensee.

9 (c) Application.--In order to be approved by a governing
10 authority of a qualified airport and the board, a licensee under
11 section 1302 must provide a detailed plan to both entities
12 describing execution of the plan in accordance with current
13 procedures maintained by the board.

14 (d) Qualified airport slot machine license fee.--

15 (1) The board shall impose a one-time fee to be paid by
16 each slot machine licensee that operates slot machines within
17 a specified area of a qualified airport and shall be
18 deposited in the fund.

19 (2) The amount of the fee shall be as follows:

20 (i) For a qualified first class airport, the fee
21 shall be \$10,000 per slot machine.

22 (ii) For a qualified second class airport, the fee
23 shall be \$5,000 per slot machine.

24 (iii) For a qualified municipal airport, the fee
25 shall be \$1,000 per slot machine.

26 (3) The provisions of section 1209(b), (c), (d) and (e)
27 (relating to slot machine license fee) shall apply to this
28 one-time fee.

29 (e) Conduct of table games.--A qualified airport slot
30 machine licensee shall not be authorized to conduct table games.

1 Section 3. Section 1303(c) of Title 4 is amended to read:

2 § 1303. Additional Category 1 slot machine license
3 requirements.

4 * * *

5 (c) Limitations.--The issuance of a Category 1 slot machine
6 license shall entitle the licensee to operate slot machines only
7 within the grounds of a licensed racetrack[.] and, if approved
8 by the board and governing authority of a qualified airport,
9 within specified areas of a qualified airport as provided in
10 section 1302.1 (relating to Category 1 slot machines in
11 qualified airports).

12 * * *

13 Section 4. Title 4 is amended by adding sections to read:

14 § 1304.1. Category 2 slot machines in qualified airports.

15 (a) Eligibility.--Notwithstanding section 1307 (relating to
16 number of slot machine licenses) or any other provision of this
17 part or regulation to the contrary, a slot machine licensee may
18 operate slot machines in specified areas located within a
19 qualified airport, only if:

20 (1) Approval sought from the governing authority of a
21 qualified airport for a licensee currently operating under
22 section 1304 (relating to Category 2 slot machine license) is
23 granted.

24 (2) Subsequent approval is granted by the board.

25 (b) Number of slot machines.--

26 (1) A qualified airport may enter into a contract with
27 more than one slot machine licensee, provided that the total
28 number of slot machines in the qualified airport does not
29 exceed 500.

30 (2) Notwithstanding section 1210 (relating to number of

1 slot machines) the board may approve not more than:

2 (i) For a qualified first class airport, 100 slot
3 machines per slot machine licensee.

4 (ii) For a qualified second class airport, 250 slot
5 machines per slot machine licensee.

6 (iii) For a qualified municipal airport, 500 slot
7 machines per slot machine licensee.

8 (c) Application.--In order to be approved by a governing
9 authority of a qualified airport and the board, a licensee under
10 section 1304 must provide a detailed plan to both entities
11 describing execution of the plan in accordance with current
12 procedures maintained by the board.

13 (d) Qualified airport slot machine license fee.--

14 (1) The board shall impose a one-time fee to be paid by
15 each slot machine licensee that operates slot machines within
16 a specified area of a qualified airport and shall be
17 deposited in the fund.

18 (2) The amount of the fee shall be as follows:

19 (i) For a qualified first class airport, the fee
20 shall be \$10,000 per slot machine.

21 (ii) For a qualified second class airport, the fee
22 shall be \$5,000 per slot machine.

23 (iii) For a qualified municipal airport, the fee
24 shall be \$1,000 per slot machine.

25 (3) The provisions of section 1209(b), (c), (d) and (e)
26 (relating to slot machine license fee) shall apply to this
27 one-time fee.

28 (e) Conduct of table games.--A qualified airport slot
29 machine licensee shall not be authorized to conduct table games.

30 § 1305.1. Category 3 slot machines in qualified airports.

1 (a) Eligibility.--Notwithstanding section 1307 (relating to
2 number of slot machine licenses) or any other provision of this
3 part or regulation to the contrary, a slot machine licensee may
4 operate slot machines in specified areas located within a
5 qualified airport, only if:

6 (1) Approval sought from the governing authority of a
7 qualified airport for a licensee currently operating under
8 section 1305 (relating to Category 3 slot machine license) is
9 granted.

10 (2) Subsequent approval is granted by the board.

11 (b) Number of slot machines.--

12 (1) A qualified airport may enter into a contract with
13 more than one slot machine licensee, provided that the total
14 number of slot machines in the qualified airport does not
15 exceed 500.

16 (2) Notwithstanding sections 1210 (relating to number of
17 slot machines) and 1305(c) the board may approve not more
18 than:

19 (i) For a qualified first class airport, 100 slot
20 machines per slot machine licensee.

21 (ii) For a qualified second class airport, 250 slot
22 machines per slot machine licensee.

23 (iii) For a qualified municipal airport, 500 slot
24 machines per slot machine licensee.

25 (c) Application.--In order to be approved by a governing
26 authority of a qualified airport and the board, a licensee under
27 section 1305 must provide a detailed plan to both entities
28 describing execution of the plan in accordance with current
29 procedures maintained by the board.

30 (d) Qualified airport slot machine license fee.--

1 (1) The board shall impose a one-time fee to be paid by
2 each slot machine licensee that operates slot machines within
3 a specified area of a qualified airport and shall be
4 deposited in the fund.

5 (2) The amount of the fee shall be as follows:

6 (i) For a qualified first class airport, the fee
7 shall be \$10,000 per slot machine.

8 (ii) For a qualified second class airport, the fee
9 shall be \$5,000 per slot machine.

10 (iii) For a qualified municipal airport, the fee
11 shall be \$1,000 per slot machine.

12 (3) The provisions of section 1209(b), (c), (d) and (e)
13 (relating to slot machine license fee) shall apply to this
14 one-time fee.

15 (e) Conduct of table games.--A qualified airport slot
16 machine licensee shall not be authorized to conduct table games.

17 Section 5. Section 1403(b) of Title 4 is amended and
18 subsection (c) is amended by adding a paragraph to read:

19 § 1403. Establishment of State Gaming Fund and net slot machine
20 revenue distribution.

21 * * *

22 (b) Slot machine tax.--

23 (1) The department shall determine and each slot machine
24 licensee shall pay a daily tax of 34% from its daily gross
25 terminal revenue from the slot machines in operation at its
26 facility and from the slot machines of the slot machine
27 licensee in operation at a qualified airport, if applicable,
28 and a local share assessment as provided in subsection (c).

29 (2) All funds owed to the Commonwealth, a county or a
30 municipality under this section shall be held in trust by the

1 licensed gaming entity for the Commonwealth, the county
2 [and], the municipality and, where applicable, the municipal
3 authority governing a qualified airport until the funds are
4 paid or transferred to the fund.

5 (3) Unless otherwise agreed to by the board, a licensed
6 gaming entity shall establish a separate bank account to
7 maintain gross terminal revenue until such time as the funds
8 are paid or transferred under this section.

9 (4) Moneys in the fund are hereby appropriated to the
10 department on a continuing basis for the purposes set forth
11 in subsection (c).

12 (c) Transfers and distributions.--The department shall:

13 * * *

14 (1.1) From the slot machine tax collected from each
15 qualified airport, distribute and deposit the slot machine
16 tax as follows:

17 (i) Sixty percent to the licensed gaming entity that
18 operates the slot machines at the qualified airport.

19 (ii) Ten percent to the municipal authority
20 governing the qualified airport.

21 (iii) Thirty percent to be deposited into the
22 Municipal Services Fund, which fund is hereby established
23 in the State Treasury.

24 * * *

25 Section 6. This act shall take effect in 60 days.