

**CHAPTER 427a. MANUFACTURERS**

Sec.

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**Authority**

The provisions of this Chapter 427a issued under 4 Pa.C.S. §§ 1202(b)(9), (13)—(20), (23) and (30), 1202.1(b) and (e), 1205, 1311.1, 1311.2, 1317, 1317.1, 1319, 1321(a)(1) and (2), 1325, 1326, 1331 and 1406, unless otherwise noted.

**Source**

The provisions of this Chapter 427a adopted October 26, 2007, effective October 28, 2007, 37 Pa.B. 5752, unless otherwise noted.

**§ 427a.1. Manufacturer general requirements.**

(a) A manufacturer seeking to manufacture slot machines, table game devices and associated equipment for use in this Commonwealth shall apply to the Board for a manufacturer license.

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

**Authority**

The provisions of this § 427a.1 amended under 4 Pa.C.S. §§ 1202(b)(9)—(23), 1205, 1206(f) and (g), 1207(1) and (2), 1208(1)(iii), 1209(b), 1212, 1213, 13A11, 13A12—13A14, 13A15 and 1802 and Chapter 13.

**Source**

The provisions of this § 427a.1 amended June 12, 2015, effective June 13, 2015, 45 Pa.B. 2829. Immediately preceding text appears at serial page (334131).

**Cross References**

This section cited in 58 Pa. Code § 1107.1 (relating to manufacturer licenses).

**§ 427a.2. Manufacturer license applications and standards.**

(a) An applicant for a manufacturer license shall submit:

(1) An original and one copy of the Manufacturer 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.

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(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 (relating to key employee license) and principal under Chapter 433a (relating to principal licenses) as specified by the Manufacturer 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 a 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 the safeguards and policies.

(b) In addition to the materials required under subsection (a), an applicant for a manufacturer license shall:

(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 slot machines, table game devices or associated equipment which meet one or more of the following criteria:

(i) Are specifically designed for use in the operation of a slot machine or table game device.

(ii) Are needed to conduct an authorized game.

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

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

(c) In determining whether an applicant is suitable to be licensed as a manufacturer under this section, the Board will consider 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 1317.1 of the act (relating to manufacturer licenses).

(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:

(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.

**Authority**

The provisions of this § 427a.2 amended under 4 Pa.C.S. §§ 1202(b)(9)—(23), 1205, 1206(f) and (g), 1207(1) and (2), 1208(1)(iii), 1209(b), 1212, 1213, 13A11, 13A12—13A14, 13A15 and 1802 and Chapter 13.

**Source**

The provisions of this § 427a.2 amended June 12, 2015, effective June 13, 2015, 45 Pa.B. 2829. Immediately preceding text appears at serial pages (334131) to (334132) and (363705).

**Cross References**

This section cited in 58 Pa. Code § 427a.4 (relating to alternative manufacturer licensing standards); and 58 Pa. Code § 1107.1 (relating to manufacturer licenses).

**§ 427a.3. Manufacturer license term and renewal.**

(a) The initial manufacturer license will be valid for 1 year from the date of approval of the license by the Board. Renewals of a manufacturer license will be valid for 3 years from the date of the approval of the renewal of the license by the Board.

(b) A Manufacturer License Renewal Application Form and renewal fee shall be filed at least 2 months prior to the expiration of the current license.

(c) A manufacturer license for which a completed renewal application and fee has been received by the Board will continue in effect for an additional 6 month period or until acted upon by the Board, whichever occurs first.

**Authority**

The provisions of this § 427a.3 amended under 4 Pa.C.S. §§ 1103, 1202(b)(30), 1209(b), 1308, 1311, 1311.1, 1311.2, 1317(c), 1317.1(c), 1317.2, 1321, 1326, 1406 and 1518(a)(13).

**Source**

The provisions of this § 427a.3 amended October 22, 2010, effective October 23, 2010, 40 Pa.B. 6083; amended September 14, 2012, effective September 15, 2012, 42 Pa.B. 5857. Immediately preceding text appears at serial pages (353403) to (353404).

**§ 427a.4. Alternative manufacturer licensing standards.**

(a) If an applicant for a manufacturer license holds a similar license in another jurisdiction in the United States, the applicant may submit with its application required under § 427a.2(a) (relating to manufacturer license applications and standards) a request for the Board to adopt an abbreviated licensing process under section 1319 of the act (relating to alternative manufacturer licensing standards).

(b) The Board may use the abbreviated process if:

(1) The Board determines, after investigation, that the licensing standards in the jurisdiction in which the applicant is licensed are similarly comprehensive, thorough and provide equal, if not greater, safeguards as provided in the act and that granting the request is in the public interest.

(2) The applicant has provided a copy of its most recent application or renewal for the similar license in the other jurisdiction and a copy of the license or the order issued by the other jurisdiction granting the license.

(3) The applicant has no administrative or enforcement actions pending in another jurisdiction or the applicant has adequately disclosed and explained the action to the satisfaction of the Board.

(4) There are no pending or ongoing investigations of the applicant in another jurisdiction which may render the applicant unsuitable or the applicant has adequately disclosed and explained the investigation to the satisfaction of the Board.

(c) This section may not be construed to waive fees associated with obtaining a license through the application process in this Commonwealth.

#### Authority

The provisions of this § 427a.4 amended under 4 Pa.C.S. §§ 1202(b)(9)—(23), 1205, 1206(f) and (g), 1207(1) and (2), 1208(1)(iii), 1209(b), 1212, 1213, 13A11, 13A12—13A14, 13A15 and 1802 and Chapter 13.

#### Source

The provisions of this § 427a.4 amended June 12, 2015, effective June 13, 2015, 45 Pa.B. 2829. Immediately preceding text appears at serial page (363706).

### § 427a.5. Responsibilities of a manufacturer.

(a) A holder of a manufacturer license shall have a continuing duty to:

(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 manufacturers, 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 (relating to definitions) shall obtain a permit under § 435a.3 (relating to occupation permit) or registration under § 435a.5 (relating to nongaming employee registration).

#### Authority

The provisions of this § 427a.5 amended under 4 Pa.C.S. §§ 1202(b)(9)—(23), 1205, 1206(f) and (g), 1207(1) and (2), 1208(1)(iii), 1209(b), 1212, 1213, 13A11, 13A12—13A14, 13A15 and 1802 and Chapter 13.

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**Source**

The provisions of this § 427a.5 amended June 12, 2015, effective June 13, 2015, 45 Pa.B. 2829. Immediately preceding text appears at serial pages (363706) and (334135).

**§ 427a.6. Change of control of a manufacturer licensee.**

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

(1) More than 20% of a 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 manufacturer licensee.

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

(b) 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.

(c) 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:

(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 key employees as required under § 435a.2 (relating to key employee license).

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

(d) 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 (b).

(e) A person or group of persons may not acquire a controlling interest in a manufacturer licensee until the petition required under subsection (b) 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.

(f) The requirements of this section do not apply to the acquisition of a controlling interest in a manufacturer licensee when the following conditions are met:

- (1) The acquirer is an existing licensed manufacturer.
- (2) The existing licensed 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.

**Authority**

The provisions of this § 427a.6 issued under 4 Pa.C.S. §§ 1202(b)(9)—(23), 1205, 1206(f) and (g), 1207(1) and (2), 1208(1)(iii), 1209(b), 1212, 1213, 13A11, 13A12—13A14, 13A15 and 1802 and Chapter 13.

**Source**

The provisions of this § 427a.6 adopted June 12, 2015, effective June 13, 2015, 45 Pa.B. 2829.

**Cross References**

This section cited in 58 Pa. Code § 433a.3 (relating to interests in licensees held by individuals); and 58 Pa. Code § 433a.4 (relating to interests in licensees held by entities).

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