

Subpart L. INTERACTIVE GAMING

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Authority

The temporary provisions of this Subpart L issued under 4 Pa.C.S. §§ 1202(b)(30) and 13B03(b), unless otherwise noted.

Source

The temporary provisions of this Subpart L adopted January 5, 2018, effective January 6, 2018, expire January 6, 2020, 48 Pa.B. 21, unless otherwise noted.

CHAPTER 801. GENERAL INTERACTIVE GAMING PROVISIONS—
TEMPORARY REGULATIONS

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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 certificateholder or an interactive gaming operator on behalf of an interactive gaming certificateholder 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 certificateholder, an interactive gaming certificateholder, 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 certificateholder, 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 certificateholder 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 certificateholder'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 certificateholder 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 certificateholder 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 certificateholder 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 certificateholder 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 certificateholder 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 certificateholder for which the interactive gaming certificateholder is not reimbursed and may not be considered to have been paid to the interactive gaming certificateholder 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 certificateholder 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 certificateholder 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 certificateholder for purposes of interactive gaming and amounts taken in fraudulent acts perpetrated against an interactive gaming certificateholder for which the interactive gaming certificateholder is not reimbursed may not be considered to have been paid to the interactive gaming certificateholder 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 certificateholder or interactive gaming operator using a computer network of Federal and non-Federal interoperable packet switched data networks through which an interactive gaming certificateholder 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 certificateholder 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 certificateholder 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 certificateholder or interactive gaming operator.

Interactive gaming agreement—An agreement entered into by or between an interactive gaming certificateholder 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 cer-

tificateholder. The term includes an interactive gaming agreement entered into between an interactive gaming certificateholder 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 certificateholder—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 certificateholder. 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 certificateholders 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 certificateholder 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 certificateholder 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 certificateholder 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 certificateholders 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 certificateholder 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 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 certificateholder 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 certificateholders 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 certificateholder 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 certificateholder 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 certificateholders 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 certificateholder, 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 certificateholder.

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.

Cross References

This section cited in 58 Pa. Code § 805.6 (relating to interactive gaming manufacturer licensee responsibilities); 58 Pa. Code § 806.6 (relating to interactive gaming supplier licensee responsibilities); 58 Pa. Code § 807.3 (relating to interactive gaming service provider registration applications); 58 Pa. Code § 807.4 (relating to qualification of individuals and entities of certified interactive gaming service providers); 58 Pa. Code § 808.3 (relating to interactive key employees); and 58 Pa. Code § 808.4 (relating to interactive gaming employees).

§ 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 certificateholder or interactive gaming operator licensee shall pay the certificate or license fee.

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(390924) No. 523 Jun. 18

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