

**CHAPTER 802. INTERACTIVE GAMING CERTIFICATES—
TEMPORARY REGULATIONS**

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 certificateholder 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 certificateholder 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 certificateholder 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 certificateholder 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 certificateholder 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 inter-

active 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 January 6, 2018, 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 competed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

[Next page is 803-1.]