

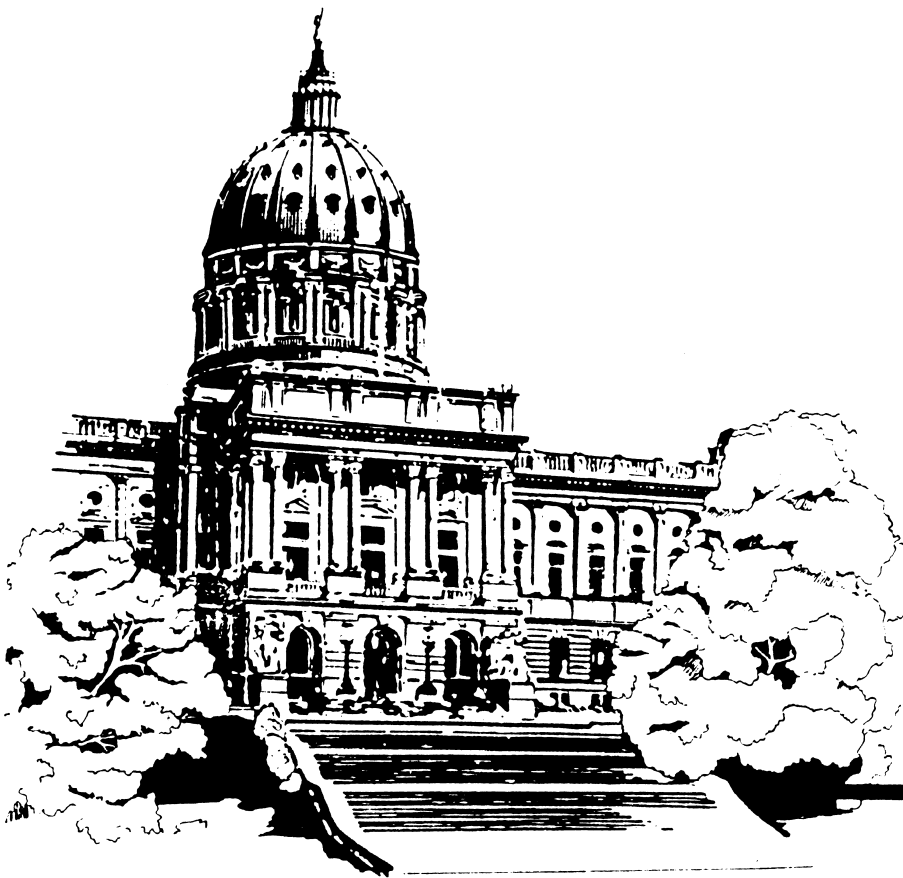
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RULES AND REGULATIONS

Title 58—RECREATION

PENNSYLVANIA GAMING CONTROL BOARD

[58 PA. CODE CHS. 1401a—1411a]

Sports Wagering

The Pennsylvania Gaming Control Board (Board), under the general authority in 4 Pa.C.S. § 1202(b)(30) (relating to general and specific powers) and the specific authority in 4 Pa.C.S. § 13C02 (relating to regulatory authority) adds Chapters 1401a—1411a regarding sports wagering to read as set forth in Annex A, and reserves Chapters 1401—1411.

Purpose of this Final-Form Rulemaking

This final-form rulemaking establishes the regulatory oversight structure for the conduct of retail and interactive or mobile sports wagering in this Commonwealth.

Explanation

Subpart Q (relating to sports wagering) establishes the regulations necessary for the Board to issue sports wagering certificates to slot machine licensees who wish to offer sports wagering, as well as the licensing of the principals and key employees of the certificate holders and other entities involved such as sports wagering operators, manufacturers, suppliers and gaming service providers. In addition, Subpart Q provides rules for player accounts, licensed operator duties and restrictions, and accounting and internal controls governing the conduct of sports wagering. Finally, Subpart Q addresses advertising, compulsive and problem gambling, and self-exclusion of players from sports wagering in this Commonwealth.

Chapter 1401a. General Sports Wagering Provisions

Section 1401a.1 (relating to scope) provides the scope of the subpart and its applicability to retail and interactive or mobile sports wagering. This section clarifies that any sports wagering certificate holder that offers interactive or mobile sports wagering must also comply with the provisions contained in Subpart L (relating to interactive gaming), as interactive or mobile sports wagering operations are considered a form of interactive gaming.

Section 1401a.2 (relating to definitions) provides the general definitions of terms used throughout Subpart Q for the conduct of retail and interactive or mobile sports wagering. Section 1401a.3 (relating to initial and renewal authorization and license fees) addresses the initial granting of sports wagering certificates to slot machine licensees in the Commonwealth, and section 1401a.4 (relating to sports wagering certificate petition and standards) outlines the information required in a petition from a slot machine licensee to be considered for a sports wagering certificate. This information is what will be reviewed by the Board to determine if a slot machine licensee has established the necessary organizational framework to operate a successful sports wagering operation.

Section 1401a.5 (relating to conduct of sports wagering generally) outlines the general provisions relating to sports wagering operations. It addresses who may conduct sports wagering operations, where sports wagering may be offered, the offering of sports wagering through a sports wagering operator, prohibitions on minors and involuntary-excluded or self-excluded individuals from engaging in sports wagering, requirements to ensure

sports wagering is only conducted by individuals within the boundaries of the Commonwealth and requirements to ensure the integrity of sports wagering operations before they can commence offerings sports wagering. Under the Pennsylvania Race Horse Development and Gaming Act (4 Pa.C.S. §§ 1101—1904) (act), Sports wagering may be conducted in a sports wagering area at the sports wagering certificate holder's licensed facility, a temporary facility adjacent to the licensed facility, or a nonprimary location of a Category 1 slot machine licensee. An amendment to the Fiscal Code in Act 23 of 2020 of May 29, 2020 (P.L. 158, No. 23) also permits a certificate holder to operate a sports wagering area in a Category 4 licensed facility owned by a Category 1, 2 or 3 slot machine licensee. Unlike interactive gaming, a sports wagering certificate holder may only partner with one sports wagering operator to offer sports wagering in this Commonwealth and thus may only have one sports wagering web site and mobile application. The web sites and mobile applications created by a sports wagering operator must clearly identify the sports wagering certificate holder with whom the operator has partnered with.

Section 1401a.6 (relating to permitted sports wagering activities) describes the permitted sports wagering activities that may be offered within this Commonwealth. This includes the types of sporting events that may be wagered upon and the types of wagers that an individual can place. The Board permits sports wagers to be placed on professional sporting events, collegiate sporting events, and certain amateur events approved by the Board. Amateur events may be wagered upon when the participants involved are not minors and there is satisfactory oversight of the event to ensure the integrity of sports wagers placed on the event. This is consistent with industry standards. This section also addresses the concept of layoff wagers, which occur in one of two ways: (1) a sports wagering certificate holder or operator places a wager with another sports wagering certificate holder or operator directly, in order to mitigate potential large liability losses on an event; or (2) a sports wagering certificate holder or operator solicits a layoff wager from an authorized trader to place a large who then places a wager with the certificate holder or operator in an effort to mitigate potential large liability losses on an event.

Section 1401a.7 (relating to prohibited and restricted sports wagering activities) outlines sports wagering activities that are prohibited in this Commonwealth. This includes wagering on unapproved amateur events, high school athletics, and proxy wagering. This section also places prohibitions on wagers that sports wagering certificate holders and operators may accept. For example, a sports wagering certificate holder or operator may not knowingly accept a sports wager from an athlete if the event the athlete is wagering on is in the same league or under the same governing body in which the athlete competes. For clarity, a sports wagering certificate holder or operator is prohibited from knowingly allowing a professional baseball player from wagering on baseball games in the same league. This is just one example of prohibited wagering activity; the section contains several others that are designed to protect the integrity of sports wagering operations.

Section 1401a.8 (relating to persons prohibited from engaging in sports wagering activities) enumerates the individuals who are prohibited from engaging in sports wagering in the Commonwealth, or who are limited in the

manner in which they may place sports wagers. This includes minors and athletes or other individuals who have exclusive information about the team. It also provides a procedure for teams or leagues to provide to the Board the biographical information of individuals who should be prohibited from certain wagering activities due to their role with a sports team or league. This list of individuals will be provided to sports wagering certificate holders and operators.

Section 1401a.9 (relating to physical characteristics of sports wagering areas; security and surveillance of sports wagering area; other requirements) provides the requirements for the physical characteristics of the sports wagering areas, both in a licensed facility and any non-primary location where sports wagering has been authorized by the Board. These requirements are designed to ensure that sports wagering areas will contain adequate measures to ensure the security of the sports wagering operations, including proper surveillance coverage and physical security of ticket writing stations.

Chapter 1402a. Sports Wagering Operators

Chapter 1403a. Sports Wagering Manufacturer

Chapter 1404a. Sports Wagering Supplier

Chapter 1405a. Sports Wagering Gaming Service Providers

Chapter 1406a. Sports Wagering Principals and Key, Gaming and Nongaming Employees

These chapters of this final-form rulemaking establish the categories of licensure required for certain entities to participate in various areas of the offering of sports wagering in the Commonwealth, based upon the statutory criteria in 4 Pa.C.S. Chapter 13C (relating to sports wagering).

A sports wagering operator, as described in Chapter 1402a (relating to sports wagering operators), is an entity that is licensed by the Board to operate a sports wagering system or platform in order to provide sports wagering to individuals in the Commonwealth on behalf of a sports wagering certificate holder. This entity must apply for and be issued a sports wagering operator license and pay all applicable license fees. No sports wagering operator may offer sports wagering in this Commonwealth on its own independence from a sports wagering certificate holder; it must be done in partnership with or on behalf of a sports wagering certificate holder. Each sports wagering certificate holder may partner with one sports wagering operator to offer retail and interactive or mobile sports wagering, or may also choose to enlist the services of one operator to handle retail sports wagering and a different operator to handle interactive or mobile sports wagering. A sports wagering certificate holder is limited to only having one sports wagering web site and one mobile application.

Sports wagering manufacturers, as described in Chapter 1403a (relating to sports wagering manufacturer), are entities who manufacture, build, rebuild, fabricate, assemble, produce, program, design, sell, lease, offer or otherwise make modifications to any authorized sports wagering device or associated equipment for use or operation in this Commonwealth for sports wagering purposes. The entity must apply for licensure as a sports wagering manufacturer and pay all applicable license fees, a process which may be abbreviated if the entity is currently licensed to manufacture devices or associated equipment for other forms of gaming in the Commonwealth.

Sports wagering suppliers, as described in Chapter 1404a (relating to sports wagering supplier), are entities

who sell, lease, offer or otherwise provide, distribute or service sports wagering devices or associated equipment to a sports wagering certificate holder or sports wagering operator. The entity must apply for licensure as a sports wagering supplier and pay all applicable license fees, a process which may be abbreviated if the entity is currently licensed to supply devices or associated equipment for other forms of gaming in the Commonwealth.

Sports wagering gaming service providers, as described in Chapter 1405a (relating to sports wagering gaming service providers), are individuals or entities who provide certain services to sports wagering certificate holders or operators. Sports wagering gaming services providers must either be certified with the Board or registered with the Board, a determination made based upon the nature of the services being provided. Sports wagering gaming service providers shall apply for certification or registration and pay all applicable fees associated with the application. If the entity is already certified or registered with the Board and will be providing similar services to sports wagering certificate holders or operators, no additional applications or fees are required. Included in this Chapter are provisions related to how a sports wagering gaming service provider may be placed on the Prohibited Gaming Service Provider List maintained by the Board, and conversely, how an entity can apply for removal from the List.

Chapter 1406a (relating to sports wagering principals and key, gaming and nongaming employees) details the licensure procedures for individuals who are deemed to be sports wagering principals, sports wagering key employees, sports wagering gaming employees, and sports wagering nongaming employees. Restrictions on the ability to place sports wagers are placed on licensed or registered employees of entities involved in sports wagering in the Commonwealth. For example, an individual who is employed by a sports wagering operator may not place a sports wager at a retail sportsbook where the operator offers sports wagering or on any interactive sports wagering web site or mobile application offered by the sports wagering operator. These provisions are designed to prevent an employee of an entity from taking gaining any unfair or inside advantage based upon his or her knowledge of the sports wagering system.

Chapter 1407a. Sports Wagering Testing and Controls

This chapter establishes all procedures for the testing and control aspects of the sports wagering system or platform used by the sports wagering certificate holder or sports wagering operator acting on behalf of a certificate holder and all associated devices and equipment. This includes self-service sports wagering kiosks, which allow a patron to make a wager on a stand-alone wagering terminal, and redemption terminals which allow a patron to redeem winning sports wagers. Section 1407a.1 (relating to scope) contains the scope of the chapter and how the testing and controls supplement those contained in other Subparts. Section 1407a.2 (relating to definitions) contains the applicable definitions for the chapter. Section 1407a.3 (relating to testing and approval generally) contains the general provisions for testing and controls, such as the types of sports wagering devices that are required to be tested and approved, prior to implementation.

Section 1407a.4 (relating to wagering device requirements generally) outlines the requirements for a sports wagering device. It sets forth all of the necessary functions that a wagering device must be able to perform, and all of the data that must be recorded for each transaction. Section 1407a.5 (relating to self-service kiosks and point

of sale system requirements) contains the provisions for self-service kiosks and point of sale system requirements. A self-service kiosk allows a patron to place a sports wagering or redeem a winning sports wagering ticket without the assistance of a sports wagering employee. These kiosks allow a patron to insert funds, and the screen provides all of the available sports wagering available to the patron, including the odds for each wager. The point of sale systems are used by the ticket writers at the windows to process a sports wager for a patron. This section contains the procedures that a sports wagering certificate holder or sports wagering operator must follow when doing a “drop,” which is the removal of all accumulated funds in the self-service kiosks.

Sections 1407a.6 and 1407a.7 (relating to ticket/voucher requirements; and ticket/voucher redemption requirements) set forth the requirements for a sports wagering ticket and sports wagering voucher and the requirements for redeeming the same. A sports wagering ticket is the physical slip of paper that evidences the wager placed by the patron, including the event wagered on, the amount wagered, the potential winnings, and information required to uniquely identify the ticket. A sports wagering voucher acts in the same manner as a slot machine or other gaming voucher; it is a cash equivalent that a patron may use to place a sports wager with a ticket writer or at a self-service sports wagering kiosk. In accordance with prior Board policy, a sports wagering voucher shall not expire. However, a sports wagering ticket may expire 1 year from the conclusion date of the event wagered on, or the last event to conclude in a multi-wager ticket such as a parlay.

As it pertains to interactive or mobile sports wagering and the systems implemented to offer them in the Commonwealth, these systems must comply with the provisions in Subpart L, specifically Chapters 809a and 810a (relating to interactive gaming platform requirements; and interactive gaming testing and controls) published at 51 Pa.B. 5389 (August 28, 2021), and will be tested in accordance with those Chapters.

Chapter 1408a. Sports Wagering Accounting and Internal Controls

This chapter establishes the requirements and procedures for the revenue accounting and reporting of sports wagering as well as other necessary reporting requirements. The internal controls are the systems and procedures that a sports wagering certificate holder or sports wagering operator will operate under when conducting sports wagering operations. The list of items that must be contained in a set of internal controls that is filed with the Board can be found in § 1408a.3 (relating internal controls). Section 1408a.4 (relating to terms and conditions) sets forth requirements for the adoption, approval, and posting of the terms and conditions a sports wagering certificate holder or sports wagering operator will implement at the retail sports book or in its interactive or mobile sports wagering. Section 1408a.5 (relating to information to be displayed/provided) provides all of the necessary information that must be on display in a retail sportsbook and on an interactive or mobile sportsbook. This includes the identity of the certificate holder or operator, the house rules for sports wagering, and all problem gambling information.

Sections 1408a.6 and 1408a.7 (relating to segregation of bank accounts; and sports wagering certificate holder’s or sports wagering operator’s organization) set forth requirements when it comes to the bank accounts utilized for sports wagering funds and the organizational structure

for certificate holder and operators. This includes the requirement of having employees who are dedicated for information technology security and protection of the integrity of interactive or mobile sports wagering.

Sections 1408a.8 and 1408a.9 (relating to risk management; and integrity monitoring) address risk management and integrity monitoring. The concepts, while similar, vary in intent and necessity in sports wagering operations. Risk management is the system and procedures put in place by sports wagering operators to determine which sporting events they want to offer, monitoring of data including scores and player statistics, setting of appropriate odds and lines on sporting events, and setting of maximum wagering limits all of which are implemented to manage risk and maximize revenue. These procedures are designed to minimize risk, errors, or other omissions to ensure there is not an adverse effect on gaming.. Integrity monitoring is the process by which a certificate holder or operator observes the wagering going on, either at the retail sports book or on an interactive or mobile sportsbook, with the intent on preventing any unusual or suspicious wagering activity which could indicate that the integrity of the game or match has been compromised.

Sections 1408a.10, 1408a.11 and 1408a.12 (relating to mandatory logging; records/data retention requirements; and required reports), detail the logging and reporting requirements for the sports wagering certificate holder or operator, and the sports wagering system used. The reports, while numerous, provide the Board with a complete and detailed picture of the entire sports wagering operation. These reports are often built into the sports wagering system, and the Board has access to all of them using a back-office tool.

Section 1408a.13 (relating to accounting controls for the sports wagering area) sets forth the accounting controls for sports wagering areas of retail sportsbooks. Unlike interactive or mobile sports wagering, where everything is automated, from payments to the placement of a wager, retail sportsbooks still operate largely on a cash basis. This section details the requirements for ensuring all funds are accounted at each sports wagering ticket window. And lastly, Section 1408a.14 (relating to sports wagering accounts) cross-references to Subpart L, indicated that interactive or mobile sports wagering accounts must comply with the provisions contained therein.

Chapter 1409a. Sports Wagering Advertisements, Promotions and Tournaments

This chapter establishes the standards for sports wagering advertising and promotions. Section 1409a.1 (relating to general requirements) states generally that advertising and promotions must comply with the provisions of Subparts C—E, I and L. This applies to all advertisements that are posted at or for the retail sportsbook or interactive and mobile sportsbook, and any and all promotions run by the certificate holder or operator. Section 1409a.2 (relating to sports wagering contests, tournaments, pools or other organized events) provides the details that a certificate holder or operator must submit in order to run a sports wagering contest, tournament, pool or other organized event. All sports wagering contests, tournaments, pools or other organized events that a certificate holder or operator offers, with individuals paying entry fees to join, must comply with the provisions and be approved by the Board prior to their offering.

Chapter 1410a. Sports Wagering Compulsive and Problem Gambling Requirements

Chapter 1411a. Sports Wagering Self-Excluded Persons

These chapters address compulsive and problem gambling requirements for sports wagering certificate holders and operators, and set forth the options available for players to set responsible gaming limits or to self-exclude from sports wagering.

There were no specific provisions in the act for sports wagering compulsive and problem gambling requirements or self-exclusion. Given that sports wagering at retail sportsbooks takes place at licensed facilities or other Board-authorized locations (such as off-track betting locations owned and operated by slot machine licensees who hold a sports wagering certificate), the compulsive and problem gambling requirements and self-exclusion procedures shall be handled in accordance with the underlying provisions in Subpart I (relating to compulsive and problem gambling) of the Board's regulations. Under the act, interactive and mobile sports wagering is considered a form of interactive gaming. Therefore, the compulsive and problem gambling requirements and self-exclusion for this form of sports wagering shall be handled in accordance with the respective requirements in Subpart L of the Board's regulations.

Response to Comments

The Board received comments from the Independent Regulatory Review Commission (IRRC) and the responses to those comments are as follows:

1. *Protection of the public health, safety and welfare; Implementation procedures.*

The Board acted with due diligence in getting the final-form regulations promulgated to regulate the sports wagering and interactive gaming industry, which includes interactive or mobile sports wagering. After the passage of Act 42 of 2017 of October 30, 2017 (P.L. 419, No. 42), the Board was tasked with promulgating regulations for five separate forms of expanded gaming in rapid succession. In December 2020, Governor Tom Wolf signed Act 114 of 2020 of November 23, 2020 (P.L. 1140, No. 114) making amendments to the Fiscal Code of the Commonwealth. Act 114 of 2020 included a provision that extended the expiration date of temporary regulations of the Board from two years after publication to three years after publication. Therefore, the temporary regulations for interactive gaming, originally adopted in five different packages, expired or do not expire until varying dates between January 6, 2021, and March 9, 2022. As noted in the comment, the sports wagering temporary regulations do not expire until June 23, 2021, July 28, 2021, or September 15, 2021. To date, the Board has not had any issues involved in the regulatory oversight of either sports wagering or interactive gaming, which includes interactive or mobile sports wagering.

2. *Compliance with the Regulatory Review Act and regulations of IRRC.*

All matters addressed in this comment have been remedied in the final-form Regulatory Analysis Form.

3. *§ 1401a.1. Scope—Protection of the public health, safety and welfare; and reasonableness of requirements.*

The language is amended to reflect the recommended changes in § 1401a.1. As the changes pertain to § 1407a.1 and § 1408a.1 (relating to scope), those provisions state that the regulatory provisions contained therein supplement the applicable regulations in the other referenced subparts or chapters. As indicated by the

language contained therein, those other subparts or chapters must also be complied with only if a sports wagering certificate holder or sports wagering operator holds those other respective licenses, issued under those subparts or chapters. As such, §§ 1407a.1 and 1408a.1 are not designed to create a new obligation, but rather are meant to provide clarity to a sports wagering certificate holder or sports wagering operator regarding the continued obligation to comply with the regulatory provisions if the entity is also licensed under those other subparts and chapters.

4. *§ 1401a.2. Definitions—Clarity.*

This section is amended to reflect the recommended changes.

5. *§ 1401a.5. Conduct of sports wagering generally—Clarity.*

These subsections are amended to reflect the recommended changes.

6. *§ 1401a.6. Permitted sports wagering activities—Statutory authority; and Clarity.*

The Board possesses authority under 4 Pa.C.S. § 13C02 to establish the standards and procedures for sports wagering and the standards and procedures to govern the conduct of sports wagering and system of wagering. The inclusion of international team and individual events is consistent with industry standards. These events are popular with individuals who participate in sports wagering, and also the governing bodies that oversee the events maintain a high level of integrity monitoring, which ensures the protection of players. Additionally, many of these events feature athletes who are professional or collegiate athletes, but who at the time are participating in an event representing their home country.

The language in § 1401a.6(c) was amended to reflect the recommended changes. As the terms in this subsection are not used significantly throughout the entire subpart, moving them to the definitions section is unnecessary. Additionally, language was struck from subsection (c)(3) relating to parlay wagers, as it was redundant.

An authorized trader need not seek licensure from the Board to enter into a layoff wagering agreement with a sports wagering certificate holder or sports wagering operator. Subsection (f)(2) requires that the entity be licensed by a regulatory oversight body in the area of banking, security, or insurance, and therefore, additional licensure by the Board is unnecessary.

7. *§ 1401a.7. Prohibited and restricted sports wagering activities—Statutory authority; and Clarity.*

The "amateur sporting events" in § 1401a.7(b) refer primarily to the previously referenced international team and individual sporting events, which are typically considered amateur events. It also includes events that involve individuals 18 years of age or older that are not necessarily professional or collegiate, such as club soccer or rugby (U19, U20 or U21 leagues). The Board possesses authority under 4 Pa.C.S. § 13C02 to establish the standards and procedures for sports wagering and the standards and procedures to govern the conduct of sports wagering and system of wagering. The inclusion of international team and individual events is consistent with industry standards. These events are popular with individuals who participate in sports wagering and also the governing bodies that oversee the events maintain a high level of integrity monitoring, which ensures the protection of players. Additionally, many of these events feature

athletes who are professional or collegiate athletes, but who at the time are participating in an event representing their home country.

Subsection (c) is amended to provide better clarity on the issue of ownership interests in sports wagering certificate holders or sports wagering operators by individuals or entities who are connected to athletic teams or governing bodies. This amendment removes the blanket prohibition language, which would have prevented persons who are athletes or individuals in a position of authority on a sports team or governing body from owning 10% or more of a certificate holder or operator. The updated language now prohibits any sports wagering certificate holder or sports wagering operator who has a 10% or greater owner who is one of the listed individuals from accepting wagers on that specific team or on events run by that governing body. This amended language still provides the necessary integrity protection of sports wagering operations, while not stifling the industry from growing.

8. § 1401a.9. *Physical characteristics of sports wagering areas; security and surveillance of sports wagering area; other requirements—Clarity and lack of ambiguity.*

Responses to the comments provided by the commentators are provided as follows.

9. § 1402a.2. *Sports wagering operator application and standards—Clarity and lack of ambiguity.*

This language is consistent with the Board's existing body of licensing regulations, in addition to the other final-form rulemakings that pertain to expanded gaming. There may be instances where an entity has filed an application for licensure for a different license or for a different form of gaming, and the Board may determine that the filing of another application is not necessary, if the information contained therein would be duplicative.

10. § 1402a.3. *Sports wagering operator license term and renewal—Clarity.*

This language is consistent with the Board's existing body of licensing regulations, in addition to the other final-form rulemakings that pertain to expanded gaming. The provisions in all applicable sections noted refer to all renewal applications that are filed prior to the expiration of the license in question. If the application is not filed until after the license expires, it is treated as an application for a new license, as no license is currently valid that can be extended during the pendency of the application.

11. § 1402a.2. *Sports wagering operator change of control—Clarity.*

The definition of "bureau" has been added to the definitions in § 1401a.2.

12. § 1403a.2. *Sports wagering manufacturer license application and standards—Clarity.*

Principal affiliates is a term already defined in the Board's licensing regulations in Chapter 433a (relating to principal licenses), and therefore, inclusion of the definition in this subpart of regulations would be duplicative. Additionally, only requiring principal affiliates to also file the necessary applications for licensure is consistent with the Board's existing body of regulations.

13. § 1405a.6. *Authorized sports wagering gaming service providers list; prohibited sports wagering gaming service providers—Clarity.*

The subsections are amended to reflect the recommended changes.

14. § 1405a.7. *Permission to conduct business prior to certification or registration—Clarity; and implementation.*

This section is updated to reflect that the notice would be sent by registered mail, to be able to confirm receipt of the notice.

15. § 1405a.9. *Duty to investigate—Clarity; and Implementation procedures.*

The investigations required in §§ 1405a.2 and 1405a.3 (relating to sports wagering gaming service provider certification applications; and sports wagering gaming service provider registration applications) are investigations done by the Board after the application for registration or certification have been filed. The duty to investigate in this section requires a sports wagering certificate holder or sports wagering operator to do its own investigation of the entity before entering into a contractor relationship with the provider. The goal is to prevent applications for certification or registration being filed with the Board by persons or providers who would not qualify to be certified or registered, something which a certificate holder or operator would be able to discern if a reasonable investigation was performed.

16. § 1406a.1. *General provisions—Clarity.*

These subsections do apply to nongaming employees who have a registration issued by the Board.

17. § 1406a.5. *Sports wagering nongaming employees—Clarity.*

This subsection is amended to reflect the recommended changes.

18. § 1407a.2. *Definitions—Clarity.*

Currently, sports wagering accounts are not used to place wagers on self-service kiosks, and may only be used for interactive or mobile sports wagering.

19. § 1407a.3. *Testing and approval generally—Clarity.*

A definition of "interactive or mobile sportsbook" is added to § 1401a.2.

The language in subsection (d) is amended for consistency purposes as recommended.

20. § 1407a.4. *Wagering device requirements generally—Clarity.*

Responses to the comments provided by the commentators are provided as follows as it pertains to subsections (g)–(i).

By way of further explanation as to subsection (i), if a person who has a pending sports wager that was placed at a retail sportsbook and then self-excludes, he or she likely would not be identified as a self-excluded person until he or she attempted to redeem the winning sports wagering ticket. If the person enters the licensed facility while on the casino self-exclusion list, he or she would be in violation of the self-exclusion. If the person was redeeming a ticket above the Federal threshold for reporting, the individual would likely be identified as self-excluded and the winnings (actual amount won, not including the original bet placed) would be subject to confiscation and remittance to the Board, under the Board's self-exclusion procedures. If he or she mailed in the ticket to be redeemed, the individual's name would show up on the casino self-exclusion list during the redemption process, and once again, the winnings would be confiscated and remitted to the Board.

It would be inappropriate to require that an individual who has pending sports wagers forfeit the funds used to place those wagers after placing himself or herself on the self-exclusion list. The individual in that instance has decided to avail himself or herself of a voluntary program to curb problem gambling; it would be punitive to also then impose what amounts to a financial penalty on the individual who self-excludes by requiring forfeiture of the funds. The most equitable approach is to cancel the pending wager and return the funds used to place the wager to the patron.

Also, as it pertains to pending sports wagers placed on an interactive or mobile sportsbook, the cancelling of pending wagers and return of funds is not unduly burdensome. Certificate holders or operators that offer interactive or mobile sports wagering are required to regularly update their player database with information on individuals who self-exclude from the Board's Office of Compulsive and Problem Gambling, and suspend or close the accounts of individuals who self-exclude. If an individual has a pending wager at that time, the wager may easily be cancelled and those funds returned to the player with the rest of the funds on deposit with the certificate holder or operator.

21. § 1407a.6. *Ticket/voucher requirements—Clarity.*

This paragraph is amended to reflect the recommended changes.

22. § 1407a.8. *Sports wagering interactive system requirements—Clarity.*

This subsection is amended to reflect the recommended changes.

23. § 1408a.3. *Internal controls—Clarity.*

The language in paragraph (21) is amended to reflect the recommended changes. Paragraph (21)(iii) is amended to provide clarity as to the meaning of the section.

Responses to the comments provided by the commentators are provided as follows as it pertains to subsections (j) and (o).

24. § 1408a.8. *Risk management—Protection of the public interest, safety and welfare; and Implementation.*

This section is amended to reflect the recommended changes to be consistent with § 1401a.5(h).

In determining whether a sports wagering certificate holder or sports wagering operator's in-house risk management unit will be satisfactory, Board staff will review the submitted information required under § 1408a.8(b). If Board staff finds that the information provide will ensure the proper level of risk management required for sports wagering operations to occur, the in-house unit will be deemed satisfactory for use.

Responses to the comments provided by the commentators are provided as follows as it pertains to subsection (b)(10) and cancellation of wagers placed due to error.

25. § 1408a.9. *Integrity monitoring—Clarity; Protection of the public interest, safety and welfare; and implementation.*

This subsection is amended to reflect the recommended changes to be consistent with § 1401a.5(g).

The Board's proposed integrity monitoring procedures are consistent with the industry standards imposed in other jurisdictions. The Board will evaluate the sports wagering certificate holder or sports wagering operators internal controls to ensure proper safeguards are in place for the in-house unit.

The reporting of integrity issues is done through an online portal, set up to provide sports wagering certificate holders or sports wagering operators ease of access in reporting unusual or suspicious betting activity, similar to the submission of internal controls.

The phrase "in a timely manner" is deleted because under § 1408a.9(f)(1), the requirement is that the information be provided in a report within 5 calendar days.

26. § 1409a.2. *Sports wagering contests, tournaments, pools or other organized events—Clarity and lack of ambiguity.*

Subsection (a)(5) prevents the collecting of or paying out real money during a contest, tournament or pool. Once initial entry fees are paid under subsection (b) and the contest, tournament or pool starts, any wagers to be placed or picks to be made during that event must use tournament credits or points. Therefore, the sections are not in conflict.

The language regarding discontinuation of sports wagering contests, pools or tournaments is updated to reflect that it must occur immediately upon notification. Many of these contests or pools run for a short period of time, sometimes only hours long, so it is imperative that contests that could adversely impact the integrity of gaming be shut down promptly.

27. *Miscellaneous—Clarity.*

Issues of clarity identified are updated, as necessary.

The Board received public comment from Greenwood Gaming and Entertainment, Inc., d/b/a Parx Casino, and the responses to those comments are as follows:

I. *The Board should clarify § 1407a.4(e)(12).*

As subsection (e) states, the information contained in the numbered paragraphs only needs to be recorded by the sports wagering device, that is, the platform used by the sports wagering certificate holder or sports wagering operator. The information need not be provided to the patron on the sports wagering ticket, but must be accurately recorded by the system, and nothing in the subsection requires it be provided to the patron.

II. *The Board should provide clarification of § 1407a.4(g).*

This subsection is updated to reflect the recommended changes.

III. *The Board should recognize that wagering devices cannot automatically prevent the posting, voiding, and cancellation of wagers without human interaction.*

The Board understands that sports wagering devices are not infallible, and there are many instances where human intervention to prevent improper wagering from occurring or to remedy improperly placed wagers will be necessary. The ultimate goal, however, should still be that these devices prevent past posting of wagers as best as possible.

IV. *The Board should eliminate the requirement in § 1407a.4(i), as the implementation of this requirement is not feasible at retail locations, would be unduly burdensome, and creates the risk for potential abuse.*

As stated previously in response to the comments from IRRC, it would be inappropriate to assess what essentially becomes a financial penalty on an individual who chooses to self-exclude while an outstanding sports wager is pending. The potential forfeiture of the wager may discourage a problem gambler, someone who truly needs to avail himself of the self-exclusion program, from seeking the help he or she needs. The risk of abuse of this

regulatory requirement is drastically outweighed by the benefits provided by the voluntary self-exclusion program.

The Board understands that there may be minor feasibility issues related to the pending sports wagers placed by individuals who subsequently self-exclude. But as indicated previously, those individuals could be readily identified if and when an individual sought to redeem a winning sports wager, placed at a retail sports book prior to placement on the self-exclusion list, assuming the sports wagering certificate holder or sports wagering operator act in accordance with the Board's self-exclusion requirements. The same applies to pending sports wagers placed on a sports wagering certificate holder's or sports wagering operator's interactive or mobile sports wagering platform. If a sports wager is pending at the time an individual self-excludes, and the certificate holder or operator is updating their system with information from the Board's self-exclusion database as required, the wager needs to be cancelled and the funds returned to the patron's account. Then, under the Board's interactive gaming self-exclusion procedures, contained in Subpart L, the interactive gaming or sports wager account should be suspended or closed. The Board does not believe these requirements to be overly burdensome.

V. *The Board should clarify the term "ticket overrides" in § 1407a.6(g)(2).*

The term "ticket overrides" is deleted, as it is encompassed in the other terms contained in subsection (g)(2).

VI. *The Board should provide clarification of § 1408a.3(j).*

The Catalog of Events must be submitted to the Board 72 hours before implementation of the proposed change is planned to occur. The Board will notify the sports wagering certificate holder or sports wagering operator within those 72 hours if the revisions are approved. If approved, implementation may occur as scheduled; if denied, the sports wagering certificate holder or sports wagering operator will need to revise the submission and re-submit to the Board for approval. If full review of the revisions by Board staff is not able to be completed within 72 hours, the certificate holder or operator will be notified that the approval has been tolled under the internal controls procedures, and they must wait for approval before the revisions can be implemented.

VII. *The Board should enable sports wagering certificate holders to cancel wagers at their discretion if the Board approves certain cancellation criteria.*

While the Board understands that flexibility in offering sports wagering is important to sports wagering certificate holders and sports wagering operators, it is the Board's responsibility to ensure that there is a fair and secure environment for individuals who engage in sports wagering. Allowing for the unilateral cancelling of wagers by a sports wagering certificate holder or sports wagering operator at their discretion due to an error of their own making creates the risk of inconsistency in application across the industry. Board approval of cancellation of wagers is a paramount step in achieving the Board's goal of fair sports wagering operations across the board. This is an industry standard across the country.

These provisions do not apply to all instances in which a void is needed, such as the cancellation of a sporting event all together or other instances not related to palpable errors. This is outlined with the House Rules put in place by each operator, which include specific guidelines for the voiding of transactions.

VIII. *The Board should modify the language in § 1408a.3(o).*

This section is updated to reflect the recommended changes.

IX. *The Board should provide leniency in waiving regulations, upon request, as applied to nonprimary locations.*

Nonprimary locations are not solely under the jurisdiction of the Board, but also must be run in accordance with the regulatory requirements set forth by the State Horse Racing Commission. The Board and its staff are always available to discuss regulatory concerns of sports wagering certificate holder and sports wagering operators, and would continue to work in consultation with the Horse Racing Commission to make nonprimary locations as successful and patron friendly as possible. If a certificate holder or operator identifies issues related to nonprimary locations, such as or similar to those cited in the comment, it is possible those issues could be resolved through a formal request to the Board or Board staff.

The Board received public comment from Downs Racing, L.P., d/b/a Mohegan Sun Pocono, and the responses to those comments are as follows:

I. *The Board should clarify conflicting language on satellite sports wagering areas.*

Section 1401a.9(b) is amended to reflect the recommended changes.

II. *The Board should clarify the proposed physical characteristics for sports wagering areas to ensure seamless integration of sports wagering and horse racing at nonprimary locations.*

As stated previously in response to Greenwood Gaming and Entertainment, Inc.'s similar comment, the Board will permit as much flexibility as possible with the regulatory requirements for sports wagering at nonprimary locations, to encourage the integration of the two activities. This will take coordination with the Horse Racing Commission, but the Board is committed to making sports wagering at nonprimary locations a successful part of the sports wagering industry in the Commonwealth.

III. *The restrictions on ownership of sports wagering certificate holders and sports wagering operators should be clarified.*

As indicated previously in response to IRRRC's comment, the language in § 1401a.7(c) was clarified. The blanket prohibition on ownership of more than 10% was modified, so that now a person or entity that is an athlete or connected to an athletic team or governing body may own 10% or more of a sports wagering certificate holder or sports wagering operator. However, that certificate holder or operator is not permitted to accept wagers on sporting events in which that athlete or team participates.

Affiliates of sports wagering certificate holders or sports wagering operators are not exempted from this provision.

IV. *The Board should exercise its discretion to permit wagering on eSports.*

The Board believes that unless and until the legislature expands the definition of sports wagering or sporting event to explicitly include eSports, it would exceed the Board's statutory authority to permit these wagering activities.

V. *Sports wagering certificate holders and sports wagering operators should not be required to share information regarding unusual or suspicious wagering activity with sports governing bodies/leagues.*

The Board acknowledges Mohegan Sun Pocono's support for the deletion of this requirement from the temporary regulations.

Fiscal Impact

Commonwealth. The Board expects that this final-form rulemaking will have a relatively small fiscal impact on the Board and other Commonwealth agencies, which primarily is the result of the need for some additional personnel to process and review applications, as well as to monitor and regulate the conduct of sports wagering. Most of the additional duties will be absorbed by existing Board staff. The costs of the final-form regulations will be paid for by an assessment against the licensed sports wagering certificate holder's sports wagering revenue as determined by the Department of Revenue.

Political subdivisions. This final-form rulemaking will not have fiscal impact on political subdivisions of this Commonwealth.

Private sector. This final-form rulemaking will not have a fiscal impact on the private sector other than for those who elect to participate in sports wagering. If pursued by an entity, there will be licensing costs as set forth by 4 Pa.C.S. Chapter 13C to offer sports wagering as a certificate holder or operator, or to be licensed as a manufacturer, supplier or gaming service provider.

General public. This final-form rulemaking will not have fiscal impact on the general public.

Paperwork Requirements

A slot machine licensee who wishes to offer sports wagering must file a Petition for Issuance of a Sports Wagering Certificate, as well as any necessary licensure applications for principals, key employees, gaming and nongaming employees.

A sports wagering operator, sports wagering manufacturer, sports wagering supplier, sports wagering service provider, and principals, key employees, and gaming and nongaming employees thereof involved in the provision of sports wagering in this Commonwealth will be required to file applications with the Board providing information regarding the person's proposed activity, as well as accounting and internal control protocols and background information of each individual sufficient to permit the Board to determine the individual's suitability for licensure. All applications are available on the Board's web site at <https://gamingcontrolboard.pa.gov/>.

If an individual wishes to join the casino self-exclusion list (to exclude from retail sports wagering) or the interactive gaming self-exclusion list (to exclude from interactive and mobile sports wagering), the person may do so online on the Board's web site by filling out a web-based form. The Board's web site address for self-exclusion is <https://responsibleplay.pa.gov/self-exclusion/>.

Effective Date

This final-form rulemaking will become effective upon publication in the *Pennsylvania Bulletin*.

Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P.S. § 745.5(a)), on November 12, 2020, the Board submitted a copy of the proposed rulemaking, published at 50 Pa.B. 7277 (December 26, 2020) IRRC and to the

Chairpersons of the House Gaming Oversight Committee and the Senate Community, Economic and Recreational Development Committee for review and comment.

Under section 5(c) of the Regulatory Review Act, the Board is required to submit to IRRC and the House and Senate Committees copies of comments received during the public comment period, as well as other documents when requested. With regard to this rulemaking, no comments were received from the Committees.

Under section 5a(j.2) of the Regulatory Review Act (71 P.S. § 745.5a(j.2)), on July 14, 2021, the final-form rulemaking was deemed approved by the House and Senate Committees. Under section 5.1(e) of the Regulatory Review Act, IRRC met on July 15, 2021, and approved the final-form rulemaking.

Findings

The Board finds that:

(1) Public notice of intention to adopt these amendments was given under sections 201 and 202 of the act of July 31, 1968 (P.L. 769, No. 240) (45 P.S. §§ 1201 and 1202), known as the Commonwealth Documents Law, and the regulations thereunder, 1 Pa. Code §§ 7.1 and 7.2. (relating to notice of proposed rulemaking required; and adoption of regulations).

(2) This final-form rulemaking is necessary and appropriate for the administration and enforcement of 4 Pa.C.S. Part II (relating to gaming).

Order

The Board, acting under 4 Pa.C.S. Part II, orders that:

(1) The regulations of the Board, 58 Pa. Code, are amended by deleting §§ 1401.1—1401.8, 1402.1—1402.3, 1403.1—1403.7, 1404.1—1404.7, 1405.1—1405.9, 1406.1—1406.8, 1407.1—1407.9, 1408.1—1408.13, 1409.1, 1410.1 and 1411.1 and adding 1401a.1—1401a.9, 1402a.1—1402a.4, 1403a.1—1403a.6, 1404a.1—1404a.6, 1405a.1—1405a.9, 1406a.1—1406a.8, 1407a.1—1407a.9, 1408a.1—1408a.14, 1409a.1, 1409a.2, 1410a.1 and 1411a.1 to read as set forth in Annex A.

(2) The Chairperson of the Board shall certify this order and Annex A and deposit them with the Legislative Reference Bureau as required by law.

(3) This order shall take effect upon publication in the *Pennsylvania Bulletin*.

DAVID M. BARASCH,
Chairperson

(*Editor's Note:* For IRRC's approval order, see 51 Pa.B. 4174 (July 31, 2021).)

Fiscal Note: Fiscal Note 125-234 remains valid for the final adoption of the subject regulations.

Annex A

TITLE 58. RECREATION

PART VII. GAMING CONTROL BOARD

Subpart Q. SPORTS WAGERING

CHAPTER 1401. (Reserved)

Sec. 1401.1—1401.8. (Reserved).

CHAPTER 1401a. GENERAL SPORTS WAGERING PROVISIONS

Sec.
1401a.1. Scope.
1401a.2. Definitions.
1401a.3. Initial and renewal authorization and license fees.
1401a.4. Sports wagering certificate petition and standards.

- 1401a.5. Conduct of sports wagering generally.
- 1401a.6. Permitted sports wagering activities.
- 1401a.7. Prohibited and restricted sports wagering activities.
- 1401a.8. Persons prohibited from engaging in sports wagering activities.
- 1401a.9. Physical characteristics of sports wagering areas; security and surveillance of sports wagering area; other requirements.

§ 1401a.1. Scope.

(a) The purpose of this subpart is to govern the operation of sports wagering in this Commonwealth. The purpose of this chapter is to establish definitions for this subpart and create the process by which a slot machine licensee can seek approval to conduct sports wagering. The act and the Board's regulations promulgated thereunder shall otherwise apply when not in conflict with this subpart.

(b) Any sports wagering certificate holder or sports wagering operator who offers interactive or mobile sports wagering as a form of interactive gaming shall also comply with all applicable provisions in Subpart L (relating to interactive gaming) as it pertains to the development, implementation, and use of interactive or mobile sports wagering system operations, specifically Chapters 809a—815a.

§ 1401a.2. Definitions.

The following words and terms, when used in this subpart, have the following meanings, unless the context clearly indicates otherwise:

Associated equipment—Any equipment or mechanical, electromechanical or electronic contrivance, component or machine used in connection with sports wagering, including equipment which affects the proper reporting and counting of gross sports wagering revenue and computerized systems for controlling and monitoring sports wagering.

Authorized trader—An entity who has been authorized by a sports wagering certificate holder or sports wagering operator to place a layoff wager pursuant to a layoff wager agreement.

Bureau—The Bureau of Investigations and Enforcement.

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 certificate holder, an interactive gaming operator, sports wagering 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.

Gaming day—The period of time from 6 a.m. to 5:59:59 a.m. the following calendar day, corresponding to the beginning and ending times of sports wagering activities for the purpose of accounting reports and determination of gross sports wagering revenue.

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 sports wagering within this Commonwealth:

- (i) A sports wagering certificate holder, interactive gaming operator or sports wagering operator.
- (ii) A sports wagering manufacturer.
- (iii) A sports wagering supplier.
- (iv) A sports wagering gaming service provider.
- (v) Any other person as determined by the Board.

Gross sports wagering revenue—

(i) The total of cash or cash equivalents received from sports wagering minus the total of:

(A) Cash or cash equivalents paid to players as a result of sports wagering.

(B) Cash or cash equivalents paid to purchase annuities to fund prizes payable to players over a period of time as a result of sports wagering.

(C) The actual cost paid by the sports wagering certificate holder for any personal property distributed to a player as a result of sports wagering. This clause does not include travel expenses, food, refreshments, lodging or services.

(ii) The term does not include any of the following:

(A) Counterfeit cash or chips.

(B) Coins or currency of other countries received as a result of sports wagering, except to the extent that the coins or currency are readily convertible to cash.

(C) Cash taken in a fraudulent act perpetrated against a sports wagering certificate holder for which the sports wagering certificate holder is not reimbursed.

Interactive or Mobile Sportsbook—An authorized sports wagering web site or mobile application offered to registered players in this Commonwealth by a sports wagering certificate holder or sports wagering operator.

Interactive or mobile sports wagering—Sports wagering offered to registered players in this Commonwealth by a sports wagering certificate holder or sports wagering operator by means of an authorized sports wagering web site or mobile application.

Key employee—All of the following:

(i) An individual who is employed in a director or department head capacity and who is empowered to make discretionary decisions that regulate sports wagering operations or systems, including the director of sports wagering or other similar job classifications associated with sports wagering.

(ii) An employee who is not otherwise designated as a gaming employee and who supervises the operations or systems of the sports wagering department or to whom the sports wagering department directors or sports wagering department heads report.

(iii) Other positions not otherwise designated or defined under this subpart which the Board determines based on detailed analyses of job descriptions as provided in the internal controls of the sports wagering certificate holder or sports wagering operator as approved by the Board.

Layoff wager—

(i) A wager placed by a sports wagering certificate holder or sports wagering operator with another sports

wagering certificate holder or sports wagering operator located in this Commonwealth for the purposes of offsetting patron wagers.

(ii) A wager sought and accepted by a sports wagering certificate holder or sports wagering operator placed by an authorized trader for the purposes of offsetting patron wagers.

Layoff wager agreement—An agreement entered into between a sports wagering certificate holder or sports wagering operator and an authorized trader which governs the terms and conditions for the placement of layoff wagers.

Player—An individual wagering cash, a cash equivalent or other thing of value on a sporting event, combination of sporting events or the individual performance statistics of an athlete in a sporting event, including during a contest or tournament, the act of which may deliver or entitle the individual to receive cash, a cash equivalent or other thing of value from another player or sports wagering certificate holder, interactive gaming operator or sports wagering operator.

Registered player—An individual who has entered into a sports wagering account agreement with a sports wagering certificate holder or sports wagering operator offering interactive or mobile sports wagering.

Retail sportsbook—Sports wagering activities conducted by means of self-service kiosks or point of sale system in the sports wagering areas of a sports wagering certificate holder's approved locations.

Sporting event—A professional or collegiate sports or athletic event or a motor race event, including international team and international individual athletic events.

Sports wagering—

(i) The business of accepting wagers on sporting events or on the individual performance statistics of athletes in a sporting event or combination of sporting events by any system or method of wagering, including at a retail sportsbook or over the Internet through web sites and mobile applications when authorized by the Board. The term includes exchange wagering, parlays, over-under, moneyline, pools and straight bets. The term does not include the other forms of gaming or wagering listed in section 13C01 of the act (relating to definitions).

Sports wagering area—

(i) The physical land-based location at which a certificate holder is authorized, under Chapter 13C of the act (relating to sports wagering), to conduct retail sports wagering. The area must be:

(A) A designated area within the certificate holder's slot machine licensed facility, as approved by the Board.

(B) A Board-approved temporary facility that is physically connected to, attached to or adjacent to the certificate holder's slot machine licensed facility for a period not to exceed 18 months.

(C) A nonprimary location of a Category 1 slot machine licensee under 3 Pa.C.S. Chapter 93 (relating to race horse industry reform) upon Board approval in consultation with the State Horse Racing Commission.

(D) At a Category 4 licensed facility, if the holder of the Category 4 slot machine license also holds a Category 1, 2 or 3 slot machine license and has acquired a sports wagering certificate under that Category 1, 2 or 3 license.

(ii) The term does not include a redundancy facility or an interactive gaming or interactive or mobile sports

wagering 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 a certificate holder, interactive gaming operator or sports wagering operator in connection with sports wagering.

Sports wagering certificate—A certificate awarded by the Board under this subpart that authorizes a slot machine licensee to conduct sports wagering in accordance with this subpart.

Sports wagering certificate holder—A slot machine licensee to whom the Board has awarded a sports wagering certificate.

Sports wagering device—Any mechanical, electrical or computerized contrivance, terminal, machine or other device, apparatus, equipment or supplies approved by the Board and used to conduct sports wagering.

Sports wagering gaming service provider—A person that is not required to be licensed as a sports wagering operator, interactive gaming operator, sports wagering manufacturer, sports wagering supplier, interactive gaming manufacturer or interactive gaming supplier and:

(i) Provides goods or services to a sports wagering certificate holder, interactive gaming operator or sports wagering operator for the operation of sports wagering.

(ii) Is determined to be a sports wagering gaming service provider by the Board.

Sports wagering interactive system—All hardware, software and communications that comprise a type of server-based sports wagering system for the purpose of offering authorized interactive or mobile sports wagering in this Commonwealth when authorized by the Board.

Sports wagering manufacturer—A person who manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs, sells, leases, offers or otherwise makes modifications to any authorized sports wagering device or associated equipment for use or operation in this Commonwealth for sports wagering purposes.

Sports wagering manufacturer license—A license issued by the Board authorizing a sports wagering manufacturer to manufacture, build, rebuild, fabricate, assemble, produce, program, design, sell, lease, offer or otherwise make modifications to any authorized sports wagering device or associated equipment for use or operation in this Commonwealth for sports wagering purposes.

Sports wagering operator—A person licensed by the Board to offer sports wagering at a retail sportsbook or offer interactive or mobile sports wagering through the provision of a sports wagering platform on behalf of a sports wagering certificate holder. The term includes an interactive gaming operator applicant or licensee that seeks to operate retail sports wagering or interactive or mobile sports wagering system on behalf of sports wagering certificate holder.

Sports wagering platform—The combination of hardware and software or other technology designed and used to manage, conduct and record retail and interactive or mobile sports wagering activity as approved by the Board. The term includes any emerging or new technology deployed to advance the conduct and operation of retail and interactive or mobile sports wagering activity as approved through regulation by the Board.

Sports wagering restricted area—Any room or area, as approved by the Board, used by a sports wagering certificate holder, interactive gaming operator or sports wagering operator to manage, control and operate sports

wagering, including, when approved by the Board, redundancy facilities and remote gaming server locations.

Sports wagering supplier—A person who provides, distributes or services any authorized sports wagering device or associated equipment for use or operation in this Commonwealth for sports wagering purposes that is not otherwise required to be licensed as a sports wagering manufacturer or sports wagering gaming service provider.

Sports wagering supplier license—A license issued by the Board authorizing a sports wagering supplier to provide products or services related to any authorized sports wagering device or associated equipment to a sports wagering certificate petitioner or holder or sports wagering operator for use or operation in this Commonwealth for sports wagering purposes.

§ 1401a.3. Initial and renewal authorization and license fees.

(a) Prior to the Board issuing a sports wagering certificate, sports wagering operator license or renewal thereof, the sports wagering certificate holder or sports wagering operator shall pay the authorization or license fee.

(b) If an interactive gaming operator licensee, licensed in accordance with the provisions of Subpart L (relating to interactive gaming), has already remitted the required licensing fee, the Board will not assess an additional fee for the interactive gaming operator licensee to acquire a sports wagering operator license.

§ 1401a.4. Sports wagering certificate petition and standards.

(a) A slot machine licensee seeking to offer sports wagering in this Commonwealth may petition the Board for a sports wagering certificate.

(b) A petitioner for a sports wagering certificate shall submit all of the following to the Board:

(1) The name, business address and contact information of the slot machine licensee petitioning for a sports wagering certificate.

(2) The name, business address and contact information of any affiliate, sports wagering operator or other person that will be a party to an agreement with the sports wagering certificate petitioner related to the operation of sports wagering on behalf of the sports wagering certificate petitioner and a description of the services to be provided.

(3) The name and business address, job title and a photograph of each principal and key employee of the sports wagering petitioner who will be involved in the conduct of sports wagering and whether or not the principal or key employee is currently licensed by the Board.

(4) A statement identifying what types of sports wagering, including the sporting events, the sports wagering certificate petitioner intends to offer.

(5) A statement identifying whether the sports wagering petitioner intends to offer retail sports wagering, interactive or mobile sports wagering, or a combination thereof.

(6) A statement identifying whether the sports wagering petitioner intends to utilize a temporary facility for its retail sports wagering operations or system.

(7) If the petitioner is a Category 1 slot machine licensee, a statement identifying whether the sports wagering petitioner intends to offer retail sports wagering in any nonprimary locations.

(8) The estimated number of full-time and part-time employment positions that will be created as a result of sports wagering if a sports wagering certificate is issued.

(9) An updated hiring plan under section 1510(a) of the act (relating to labor hiring preferences) which outlines the sports wagering certificate petitioner's plan to promote the representation of diverse groups and Commonwealth residents in the employment positions.

(10) A brief description of the economic benefits expected to be realized by the Commonwealth if a sports wagering certificate is issued.

(11) The details of any financing obtained or that will be obtained to fund an expansion or modification of the sports wagering certificate petitioner's licensed facility to accommodate sports wagering and to otherwise fund the cost of commencing sports wagering.

(12) Information and documentation concerning financial background and resources to establish the financial stability, integrity and responsibility of the sports wagering certificate petitioner.

(13) Information and documentation concerning the terms of any agreement with a sports wagering operator.

(14) Information and documentation to establish that the sports wagering certificate petitioner has sufficient business ability and experience to conduct a successful sports wagering operation, including the sports wagering certificate petitioner's history in slot machine and table game operations, employment data and capital investment in casino operations.

(15) Information and documentation that the sports wagering certificate petitioner has or will have the financial ability to pay the sports wagering authorization fee.

(16) Detailed site plans identifying the proposed sports wagering area and sports wagering restricted area, including security and surveillance plans and plans relative to compliance with the Clean Indoor Air Act (35 P.S. §§ 637.1—637.11).

(17) An overview of all of the following:

(i) The sports wagering certificate petitioner's initial system of internal and accounting controls applicable to sports wagering including the areas described in paragraph (16).

(ii) The sports wagering certificate petitioner's proposed standards to protect, with a reasonable degree of certainty, the privacy and security of its registered players.

(iii) The sports wagering devices and associated equipment and interactive or mobile sports wagering system, or both, that the sports wagering certificate petitioner plans to or will utilize to manage, administer or control its sports wagering operations or systems as well as the identity of any third parties providing these devices and associated equipment.

(18) A description of accounting systems, including accounting systems for all of the following:

(i) Sports wagering accounts.

(ii) Per wager charges, if applicable.

(iii) Transparency and reporting to the Board and the Department.

(iv) Ongoing auditing and internal control compliance reviews.

(19) A description outlining the impact that sports wagering petitioner's plans will have on the number of slot machines and table games in operation at its licensed facility.

(20) An overview of any necessary additions to the petitioner's Compulsive and Problem Gambling Plan necessitated by sports wagering.

(c) The Board will approve a sports wagering petition if the petitioner establishes all of the following by clear and convincing evidence:

(1) The petitioner's slot machine license and table game operation certificate are in good standing with the Board.

(2) The conduct of sports wagering at the petitioner's licensed facility will increase revenues and employment opportunities.

(3) The petitioner possesses adequate funds or has secured adequate financing to:

(i) Fund any necessary expansion or modification of the petitioner's licensed facility to accommodate the conduct of sports wagering.

(ii) Pay the authorization fee in accordance with section 13C61 of the act (relating to sports wagering authorization fee).

(iii) Commence sports wagering operations or system at its licensed facility.

(4) The petitioner has the financial stability, integrity and responsibility to conduct sports wagering.

(5) The petitioner has sufficient business ability and experience to create and maintain a successful sports wagering operation.

(6) The petitioner's proposed internal and external security and proposed surveillance measures within the area of the licensed facility where the petitioner seeks to conduct sports wagering are adequate.

(7) The petitioner has satisfied the petition requirements.

§ 1401a.5. Conduct of sports wagering generally.

(a) Sports wagering may only be conducted in this Commonwealth by a sports wagering certificate holder or a sports wagering operator on behalf of a sports wagering certificate holder. A sports wagering operator may be a licensed interactive gaming operator and provide interactive gaming and sports wagering services.

(b) Sports wagering conducted in this Commonwealth by a sports wagering certificate holder or a sports wagering operator may only be offered to players as follows:

(1) At a designated, clearly identified sports wagering area, at the sports wagering certificate holder's licensed facility.

(2) At a temporary facility that is physically connected to, attached to or adjacent to the sports wagering certificate holder's slot machine licensed facility for a period not to exceed 18 months.

(3) At a nonprimary location of a Category 1 slot machine licensee under 3 Pa.C.S. Chapter 93 (relating to race horse industry reform).

(4) At a Category 4 licensed facility, if the holder of the Category 4 slot machine license also holds a Category 1, 2 or 3 slot machine license and has acquired a sports wagering certificate under that Category 1, 2 or 3 license.

(5) Through a single interactive sports wagering web site or mobile application that clearly and prominently displays the name of the sports wagering certificate holder.

(c) Sports wagering certificate holders may employ the services of a sports wagering operator to assist its sports wagering operations through any or all of the means identified in subsection (b).

(i) A sports wagering certificate holder may employ the services of two sports wagering operators only if one sports wagering operator provides services related to retail sports wagering and the other provides services related to interactive or mobile sports wagering.

(ii) A sports wagering certificate holder may only offer one sports wagering web site and one sports wagering mobile application.

(d) A sports wagering certificate holder or a sports wagering operator may not permit the following individuals to engage in sports wagering activities:

(1) Individuals under 21 years of age.

(2) Individuals on the Board's sports wagering exclusion list.

(3) Individuals on the Board's casino self-exclusion list for retail sports wagering or the interactive gaming self-exclusion list for interactive or mobile sports wagering.

(4) Individuals located outside of Pennsylvania.

(e) A sports wagering certificate holder or a sports wagering operator seeking to offer interactive or mobile sports wagering shall have a server or other equipment located in this Commonwealth that is capable of receiving sports wagering bets and that conforms with the requirements set forth by the Board in Subpart L (relating to interactive gaming).

(f) A sports wagering certificate holder or a sports wagering operator seeking to offer interactive or mobile sports wagering shall utilize geolocation tools to ensure players placing sports wagering bets are located in this Commonwealth.

(g) As set forth in § 1408a.9 (relating to integrity monitoring), a sports wagering certificate holder or a sports wagering operator shall employ the services of a third-party integrity monitor that is certified by the Board as required under § 1405a.1(a)(4) (relating to general sports wagering gaming service provider requirements) to assist the sports wagering certificate holder or a sports wagering operator in protecting against and identifying suspicious or illegal sports wagering activities, or otherwise demonstrate to the Board's satisfaction that it has established an in-house unit capable of performing this function with appropriate segregation of functions and reporting duties.

(h) As set forth in § 1408a.8 (relating to risk management), a sports wagering certificate holder or sports wagering operators shall employ the services of a third-party risk manager that is certified by the Board as required under § 1405a.1(a)(4) to assist the certificate holder or a sports wagering operator to manage the risk and liabilities associated with operating a sportsbook, or otherwise demonstrate to the Board's satisfaction that it has established an in-house unit capable of performing this function with appropriate segregation of functions and reporting duties.

(i) A sports wagering certificate holder or a sports wagering operator may not commence sports wagering

operations through any of the means identified in subsection (b) to players in this Commonwealth until the Board approves all necessary associated applications, including applications of key employees, gaming employees, manufacturers, suppliers and gaming service providers.

(j) A sports wagering certificate holder or a sports wagering operator shall comply with all applicable Federal laws governing the conduct of sports wagering and interstate commerce.

§ 1401a.6. Permitted sports wagering activities.

(a) A sports wagering certificate holder or sports wagering operator shall submit to the Board for approval the events and types of wagers it proposes offering to players prior to accepting any sports wagering bets.

(b) The Board may permit a sports wagering certificate holder or sports wagering operator to offer wagering on any of the following sporting events:

- (1) Professional athletic events.
- (2) Collegiate athletic events.
- (3) Professional motor race events.
- (4) International team and international individual athletic events.
- (5) Any other sporting events as approved by the Board.

(c) The Board may permit a sports wagering certificate holder or sports wagering operator to offer any of the following types of wagers on the sporting events or on the individual performance statistics of athletes in a sporting event enumerated in subsection (b):

(1) *Exchange wagering*—A marketplace which permits patrons to bet with or against each other through a gaming platform operated and managed by a sports wagering certificate holder or sports wagering operator.

(2) *In-game wagers*—Wagers placed on the outcome of a sporting event or proposition wagers made after the athletic event has started and can continue during the course of live play of the athletic event.

(3) *Parlay wagers*—A wager on two or more outcomes in which all outcome wagers must win or cover for the patron to win or, a series of three or more teams in 2-team parlays.

(4) *Proposition wagering*—Wagers placed on the occurrence or nonoccurrence of a specific outcome of events within a game not directly involving the game’s final outcome.

(5) *Straight wagers*—A pre-game or pre-match wager on a single game or single event that will be determined by a point spread, money line or total score.

(6) Other types of wagers as approved by the Board.

(d) A sports wagering certificate holder or a sports wagering operator shall make available to patrons a clear explanation of all types of wagers permitted by the Board and events on which those wagers are permitted.

(e) A sports wagering certificate holder or sports wagering operator may place a layoff wager with another sports wagering certificate holder or sports wagering operator located in this Commonwealth for the purpose of offsetting patron wagers made under this subpart provided that the following occurs:

(1) The sports wagering certificate holder or sports wagering operator placing the layoff wager discloses its

identity to the sports wagering certificate holder or sports wagering operator receiving the layoff wager.

(2) The receiving sports wagering certificate holder or sports wagering operator agrees to accept the layoff wager after receiving notification of the identity of the sports wagering certificate holder or sports wagering operator placing the layoff wager.

(f) A sports wagering certificate holder or sports wagering operator acting may seek and accept layoff wagers from an authorized trader under a layoff wager agreement submitted under subsection (f)(1)(B)(i) for the purposes of offsetting patron wagers.

(1) The sports wagering certificate holder or sports wagering operator seeking and accepting the layoff wagers has set forth in its internal controls under Chapter 1408a (relating to sports wagering accounting and internal controls) all of the following:

(A) Procedures for initiating a request for a layoff wager from an authorized trader.

(B) Procedures for entering a layoff wager agreement with an authorized trader.

(i) All layoff wager agreements entered into between a sports wagering certificate holder or sports wagering operator and an authorized trader must be provided to the Board with the internal controls submission.

(C) Procedures for recording a layoff wager.

(D) Procedures for auditing layoff wagers.

(2) An entity acting as an authorized trader under a layoff wager agreement must be licensed or certified by a regulatory oversight body in the area of banking, securities or insurance, and documentation of the licensure or certification shall be provided to the Board with the layoff wager agreement submitted under subsection (f)(1)(B)(i).

(3) A layoff wager placed by an authorized trader may be done in person at a sports wagering certificate holder or sports wagering operator’s retail sportsbook or by way of an interactive or mobile sports wagering system.

(4) All layoff wagers placed by an authorized trader using a sports wagering certificate holder’s or sports wagering operator’s interactive or mobile sports wagering platform must be executed by means of the authorized trader’s sports wagering account, and the individual placing the wager must be physically present in this Commonwealth.

§ 1401a.7. Prohibited and restricted sports wagering activities.

(a) The following sports wagering activity is prohibited:

(1) Wagering on high school sporting events governed by the Pennsylvania Interscholastic Athletic Association or a similar governing body.

(2) Wagering on amateur sporting events that have not otherwise been specifically approved by the Board.

(3) Wagering on the account of or on behalf of any other person, or any other form of proxy wagering.

(4) Any other sports wagering activity as prohibited by the Board.

(b) A sports wagering certificate holder or sports wagering operator is prohibited from:

(1) Knowingly accepting wagers from athletes on sporting events of the type in which the athlete participates as

well as sporting events governed by the same governing body under which the athlete competes.

(2) Knowingly accepting wagers from a person who holds a position of authority or influence sufficient to exert influence over the participants in a sporting event, or a person professionally connected to a sporting event or governing body including referees, officials, coaches, managers, handlers, athletic trainers or a person with access to certain types of exclusive information on any sporting event overseen by the governing body.

(3) Knowingly accepting wagers from a person the certificate holder or operator has reason to believe or suspect is placing the wager on behalf of or for the benefit of another individual that is prohibited from participating in sports wagering under these regulations or other applicable State or Federal law.

(4) Knowingly accepting wagers from a person the sports wagering certificate holder or sports wagering operator has reason to believe or suspect is attempting to place multiple wagers or structure wagers in any manner that is an attempt to evade or circumvent these regulations or other applicable State or Federal law.

(5) Knowingly accepting or holding cash or cash equivalents with the understanding that the money will be used to place a wager upon the occurrence of a specified future contingency unless a sports wagering ticket/voucher detailing the wager is immediately issued upon the sports wagering certificate holder's and sports wagering operator's acceptance of the money.

(6) Knowingly accepting any wagers other than those permitted by the Board.

(7) Knowingly accepting wagers on events and odds other than those posted or otherwise available to the public by the sports wagering certificate holder or sports wagering operator.

(8) Knowingly accepting a wager from or making payment to a person acting behalf of any other person, or any other form of proxy wagering.

(9) Knowingly allowing a person to make a wager utilizing the account of another person.

(c) If an athlete or person who holds a position of authority or influence sufficient to exert influence over the participants in a sporting event, or a person professionally connected to a sporting event or governing body including coaches, managers, handlers, athletic trainers, team physicians or other physicians providing medical consultation or treatment of an athletic participant or a person with access to certain types of exclusive information on any sporting event overseen by the governing body owns a 10% or more direct or indirect ownership interest in or control of a sports wagering certificate holder or a sports wagering operator, the certificate holder or operator shall not accept wagers on any sporting events in which the athlete, person, or team or governing body the individual is professionally connected to participates.

(d) If a sports wagering certificate holder or sports wagering operator owns a 10% or more direct or indirect ownership interest in or control of an athletic team, organization or governing body of athletic teams or organizations, the certificate holder or operator shall not accept wagers on any sporting events in which that team or organization participates, or on any sporting event overseen by that governing body of athletic teams or organizations.

§ 1401a.8. Persons prohibited from engaging in sports wagering activities.

(a) No person under 21 years of age of may engage in sports wagering with a sports wagering certificate holder or sports wagering operator.

(b) No collegiate, amateur or professional athlete, referee, official, coach, manager, handler or athletic trainer or employee or contractor of a team or athletic organization who has access to nonpublic or exclusive information concerning an athlete or team may engage in sports wagering on a sporting event or the performance of an individual in a sporting event in which the person or team is participating.

(c) No collegiate, amateur or professional athlete, referee, official, coach, manager, handler, athletic trainer or employee of a team or athletic organization who has access to nonpublic or exclusive information concerning an athlete or team may engage in sports wagering on a sporting event or the performance of an individual in sporting events in the sport or league in which the person is involved.

(d) No person identified in subsections (a)—(c) may collect any winnings or recoup any losses from a sports wagering certificate holder or sports wagering operator as a result of engaging in sports wagering in violation of this section.

(e) Winnings of a person prohibited from engaging in sports wagering under this section shall be confiscated and retained by the sports wagering certificate holder or sports wagering operator and shall properly be accounted for in all necessary reports.

(f) An athletic team or the governing body or league of an athletic team may provide to the Board a list of all persons within the team's organization as well as all league officials or referees prohibited from engaging in sports wagering under this section, along with the specific type of sporting events from which the person is prohibited from participating in sports wagering activities. The Board shall provide that list of persons identified by the athletic team or governing body or league to sports wagering certificate holders and sports wagering operators to facilitate these prohibitions on sports wagering activities.

§ 1401a.9. Physical characteristics of sports wagering areas; security and surveillance of sports wagering area; other requirements.

(a) A sports wagering certificate holder or sports wagering operator shall establish a physical, land-based retail sportsbook in one of the locations set forth in § 1401a.5(b)(1)—(4) (relating to conduct of sports wagering generally).

(b) A sports wagering area shall be a single area of dedicated public space with clearly established walls or defined borders. Satellite sports wagering areas located within a permitted location under § 1401a.5(b)(1)—(4) shall also be permitted upon approval by the Board.

(c) A sports wagering area shall include a restricted sports wagering area for conducting sports wagering transactions that:

(1) Shall be designed and constructed to provide maximum security for the materials stored and the activities performed therein, with the design and construction approved by the Board.

(2) Includes one or more ticket writer windows, each of which shall contain:

(i) A writer's drawer and terminal through which financial transactions related to sports wagering will be conducted. Writers shall not commingle funds with other sources and shall not transfer funds directly with another writer.

(ii) A permanently affixed number, which shall be visible to surveillance.

(iii) Windows, as approved by the Board, which shall be fully enclosed and designed to prevent direct access to the materials stored and activities performed therein.

(iv) Manually triggered silent alarms, which shall be connected directly to surveillance and security.

(v) Surveillance coverage capable of accurate visual monitoring and recording of any activities, including the capturing of a patron's facial image when conducting transactions at the counter.

(vi) An alarm for each exit door that is not a mantrap.

(vii) A secure location, such as a vault, for the purpose of storing funds issued by the cage to be used in the operation of sports wagering. The secure location shall:

(A) Be located in an area not open to the public.

(B) Have surveillance cameras capable of accurate visual monitoring and recording of any activities in the area.

(c) A sports wagering area shall have an operating balance of no more than \$1 million.

(1) Whenever a retail sportsbook accumulates funds in excess of \$1 million, the excess funds shall be transferred to the cage no later than at the end of each shift.

(2) The funds shall be transferred with appropriate licensed employee and container shall be accompanied by a security officer.

(3) Prior to transporting the funds, security shall notify the surveillance department that the transfer will take place.

(d) A sports wagering area may have slot machines or other authorized games with the approval of the Board, unless the sports wagering area is in a nonprimary location of a Category 1 slot machine licensee.

(e) A sports wagering certificate holder or sports wagering operator shall include signage in the sports wagering area that displays "If you or someone you know has a gambling problem, call 1-800-GAMBLER," or comparable language approved by the Board, including in print advertisements or other media advertising the sports wagering operations of the sports wagering certificate holder or sports wagering operator.

CHAPTER 1402. (Reserved)

Sec.
1402.1—1402.3. (Reserved).

CHAPTER 1402a. SPORTS WAGERING OPERATORS

Sec.
1402a.1. Sports wagering operator requirements.
1402a.2. Sports wagering operator application and standards.
1402a.3. Sports wagering operator license term and renewal.
1402a.4. Sports wagering operator change of control.

§ 1402a.1. Sports wagering operator requirements.

A person seeking to operate sports wagering on behalf of a sports wagering certificate holder in this Commonwealth may apply with the Board for a sports wagering operator license.

§ 1402a.2. Sports wagering operator application and standards.

(a) An applicant for a sports wagering operator license shall submit all of the following:

(1) An Entity Enterprise Application and Disclosure Information Form unless otherwise directed by the Board.

(2) The nonrefundable application fee posted on the Board's web site.

(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 principal under Chapter 433a (relating to principal licenses) and § 1406a.2 (relating to sports wagering principals) and key employee under Chapter 435a (relating to key, gaming and nongaming employees; Board-issued credentials) and § 1406a.3 (relating to sports wagering key employees) as specified by the Enterprise Application and Disclosure Information Form.

(b) In determining whether an applicant is suitable to be licensed as a sports wagering operator under this section, the Board will consider all of the following:

(1) The financial fitness, good character, honesty, integrity and responsibility of the sports wagering operator license applicant.

(2) If all principals of the sports wagering operator license applicant are eligible and suitable under the standards of section 1311.1 of the act (relating to licensing of principals).

(3) The integrity of all financial backers.

(4) The suitability of the sports wagering operator license applicant and the principals of the sports wagering operator license applicant 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.

§ 1402a.3. Sports wagering operator license term and renewal.

(a) A sports wagering operator license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(b) A renewal application for a sports wagering operator license shall be filed at least 6 months prior to the expiration of the current license.

(c) A sports wagering operator license for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

§ 1402a.4. Sports wagering operator change of control.

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

(1) More than 20% of a sports wagering operator'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 sports wagering operator.

(3) Any other interest in a sports wagering operator which allows the acquirer to control the sports wagering operator.

(b) A sports wagering operator shall notify the Bureau and the Bureau of Licensing in a form or manner prescribed by the Bureau of Licensing immediately upon becoming aware of any proposed or contemplated change of control of the sports wagering operator.

(c) Prior to acquiring a controlling interest in a sports wagering operator, 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 all of the following:

(1) A copy of all documents governing the acquisition.

(2) Completed applications for the acquiring company, as required under § 1402a.2 (relating to sports wagering operator application and standards) and an application from every principal under Chapter 433a (relating to principal licenses) and § 1406a.2 (relating to sports wagering principals) and any identified key employee under Chapter 435a (relating to key, gaming and nongaming employees; Board-issued credentials) and § 1406a.3 (relating to sports wagering key employees) as specified by the Enterprise Entity Application and Disclosure Information Form and other persons as determined by the Board.

(d) A person or group of persons seeking to acquire a controlling interest in a sports wagering operator 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 (c).

(e) A person or group of persons may not acquire a controlling interest in a sports wagering operator until the petition required under subsection (c) has been approved. A person or group of persons seeking to acquire a controlling interest in a sports wagering operator and the sports wagering operator may enter into an agreement of sale that is contingent on Board approval of the petition.

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

(1) The acquirer is an existing licensed slot machine licensee, table game certificate holder, interactive gaming operator or sports wagering operator.

(2) The existing licensed slot machine licensee, table game certificate holder, interactive gaming operator or sports wagering operator 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.

CHAPTER 1403. (Reserved)

Sec.
1403.1—1403.7. (Reserved).

CHAPTER 1403a. SPORTS WAGERING MANUFACTURER

Sec.
1403a.1. Sports wagering manufacturer license requirements.
1403a.2. Sports wagering manufacturer license application and standards.
1403a.3. Sports wagering manufacturer license term and renewal.
1403a.4. Sports wagering manufacturer abbreviated license process.
1403a.5. Sports wagering manufacturer licensee responsibilities.
1403a.6. Sports wagering manufacturer licensee change of control.

§ 1403a.1. Sports wagering manufacturer license requirements.

(a) A person seeking to manufacture, build, rebuild, fabricate, assemble, produce, program, design, sell, lease, offer or otherwise make modifications to any authorized sports wagering device or associated equipment for use or operation in this Commonwealth for sports wagering purposes shall apply to the Board for a sports wagering manufacturer license.

(b) In accordance with section 1317.1(e)(3) of the act (relating to manufacturer licenses), an applicant for or the holder of a sports wagering 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 sports wagering supplier license.

§ 1403a.2. Sports wagering manufacturer license application and standards.

(a) An applicant for a sports wagering manufacturer license shall submit all of the following:

(1) An Enterprise Entity Application and Disclosure Information Form for the applicant and each of the applicant's principal affiliates unless otherwise directed by the Board.

(2) The nonrefundable application fee posted on the Board's web site.

(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 principal under Chapter 433a (relating to principal licenses) and § 1406a.2 (relating to sports wagering principals) and key employee under Chapter 435a (relating to key, gaming and nongaming employees; Board-issued credentials) and § 1406a.3 (relating to sports wagering key employees) as specified by the Enterprise Entity Application and Disclosure Information Form and other persons as determined by the Board.

(5) An affirmation that neither the sports wagering manufacturer license 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 sports wagering manufacturer license applicant has neither applied for nor holds a sports wagering supplier license.

(b) In addition to the materials required under subsection (a), an applicant for a sports wagering manufacturer license shall do all of the following:

(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 sports wagering manufacturer license applicant has the ability to manufacture, build, rebuild, repair, fabricate, assemble, produce, program, design or otherwise make modifications to autho-

rized sports wagering devices or associated equipment which meet one or more of the following criteria:

- (i) Are specifically designed for use in the operation of sports wagering or a sports wagering device or associated equipment.
- (ii) Are needed to conduct authorized sports wagering.
- (iii) Have the capacity to determine the outcome of the sports wagering activity.
- (iv) Have the capacity to affect the calculation, storage, collection or control of gross sports wagering gaming revenue.

(c) In determining whether an applicant is suitable to be licensed as a sports wagering manufacturer under this section, the Board will consider all of the following:

- (1) The financial fitness, good character, honesty, integrity and responsibility of the sports wagering manufacturer license applicant.
- (2) If all principals of the sports wagering manufacturer license applicant are eligible and suitable under the standards of section 1311.1 of the act (relating to licensing of principals).
- (3) The integrity of all financial backers.
- (4) The suitability of the sports wagering manufacturer license applicant and the principals of the sports wagering manufacturer license applicant 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.

§ 1403a.3. Sports wagering manufacturer license term and renewal.

- (a) A sports wagering manufacturer license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.
- (b) A renewal application for a sports wagering manufacturer license shall be filed at least 6 months prior to the expiration of the current license.
- (c) A sports wagering manufacturer license for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

§ 1403a.4. Sports wagering manufacturer abbreviated license process.

- (a) The Board may use an abbreviated licensing process if the sports wagering manufacturer license applicant holds a license issued by the Board to manufacture slot machines, table games, table game devices, interactive games, video gaming terminals or associated equipment and all of the following shall apply:
 - (1) The license was issued by the Board and is currently in good standing.
 - (2) The entity to whom the manufacturer license was issued affirms there has been no material change in circumstances relating to the licensee.

(3) The Board determines, in its sole discretion, that there has been no material change in circumstances relating to the licensee that necessitates that the abbreviated process not be used.

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

§ 1403a.5. Sports wagering manufacturer licensee responsibilities.

- (a) A holder of a sports wagering manufacturer license has a continuing duty to do all of the following:
 - (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 sports wagering manufacturer licensees, provide notification of all SEC filings or, if the sports wagering manufacturer licensee 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 sports wagering manufacturer who is a gaming or nongaming employee as defined in §§ 401a.3 and 1401a.2 (relating to definitions) shall obtain a permit under §§ 435a.3 and 1406a.4 (relating to occupation permit; and sports wagering gaming employees) or registration under §§ 435a.5 and 1406a.5 (relating to nongaming employee registration; and sports wagering nongaming employees).

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

§ 1403a.6. Sports wagering manufacturer licensee change of control.

- (1) More than 20% of a sports wagering 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 sports wagering manufacturer licensee.
 - (3) Any other interest in a sports wagering manufacturer licensee which allows the acquirer to control the sports wagering manufacturer licensee.
- (b) A sports wagering manufacturer licensee shall notify the Bureau and the Bureau of Licensing in a form or manner prescribed by the Bureau of Licensing immediately upon becoming aware of any proposed or contemplated change of control of the sports wagering manufacturer licensee.
- (c) Prior to acquiring a controlling interest in a sports wagering 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 all of the following:

- (1) A copy of all documents governing the acquisition.
- (2) Completed applications for the acquiring company, as required under this chapter and an application from every principal under Chapter 433a (relating to principal

licenses) and § 1406a.2 (relating to sports wagering principals) and any identified key employee under Chapter 435a (relating to key, gaming and nongaming employees; Board-issued credentials) and § 1406a.3 (relating to sports wagering key employees) as specified by the Enterprise Entity Application and Disclosure Information Form and other persons as determined by the Board.

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

(d) A person or group of persons seeking to acquire a controlling interest in a sports wagering 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 (c).

(e) A person or group of persons may not acquire a controlling interest in a sports wagering manufacturer licensee until the petition required under subsection (c) has been approved. A person or group of persons seeking to acquire a controlling interest in a sports wagering manufacturer licensee and the sports wagering 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 sports wagering manufacturer licensee when all of the following conditions are met:

(1) The acquirer is an existing licensed slot machine, table game, interactive gaming, sports wagering or video gaming terminal manufacturer.

(2) The existing licensed sports wagering 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.

CHAPTER 1404. (Reserved)

Sec.
1404.1—1404.7. (Reserved).

CHAPTER 1404a. SPORTS WAGERING SUPPLIER

Sec.
1404a.1. Sports wagering supplier license requirements.
1404a.2. Sports wagering supplier application and standards.
1404a.3. Sports wagering supplier license term and renewal.
1404a.4. Sports wagering supplier abbreviated license process.
1404a.5. Sports wagering supplier licensee responsibilities.
1404a.6. Sports wagering supplier change of control.

§ 1404a.1. Sports wagering supplier license requirements.

(a) A person seeking to sell, lease, offer or otherwise provide, distribute or service sports wagering devices or associated equipment to a sports wagering certificate holder or sports wagering operator in this Commonwealth shall apply to the Board for a sports wagering supplier license.

(b) In accordance with sections 1317 and 1317.1 of the act (relating to supplier licenses; and manufacturer licenses), an applicant for or the holder of a sports wagering supplier license or any of the sports wagering supplier applicant's or licensee's affiliates, intermediaries,

subsidiaries or holding companies may not apply for or hold a slot machine license or a sports wagering manufacturer license.

§ 1404a.2. Sports wagering supplier application and standards.

(a) An applicant for a sports wagering supplier license shall submit all of the following:

(1) An Enterprise Entity Application and Disclosure Information Form for the sports wagering supplier applicant and each of the sports wagering supplier applicant's principal affiliates unless otherwise directed by the Board.

(2) The nonrefundable application fee posted on the Board's web site.

(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 principal under Chapter 433a (relating to principal licenses) and § 1406a.2 (relating to sports wagering principals) and key employee under Chapter 435a (relating to key, gaming and nongaming employees; Board-issued credentials) and § 1406a.3 (relating to sports wagering key employees) as specified by the Enterprise Entity Application and Disclosure Information Form and other persons as determined by the Board.

(5) An affirmation that neither the sports wagering supplier license 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 sports wagering supplier license applicant has neither applied for nor holds a sports wagering manufacturer license.

(b) In addition to the materials required under subsection (a), an applicant for a sports wagering supplier license shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) In determining whether a sports wagering supplier license applicant is suitable to be licensed as a sports wagering supplier under this section, the Board will consider all of the following:

(1) The financial fitness, good character, honesty, integrity and responsibility of the sports wagering supplier license applicant.

(2) If all principals of the sport wagering supplier license applicant are eligible and suitable under the standards of section 1311.1 of the act (relating to licensing of principals).

(3) The integrity of all financial backers.

(4) The suitability of the sport wagering supplier license applicant and the principals of the applicant 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.

§ 1404a.3. Sports wagering supplier license term and renewal.

(a) A sports wagering supplier license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(b) A renewal application for a sports wagering supplier license shall be filed at least 6 months prior to the expiration of the current license.

(c) A sports wagering supplier license for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

§ 1404a.4. Sports wagering supplier abbreviated license process.

(a) The Board may use an abbreviated licensing process if the sports wagering supplier license applicant holds a license issued by the Board to supply slot machines, table games, table game devices, interactive gaming devices, video gaming terminal or associated equipment and all of the following apply:

(1) The license was issued by the Board and is currently in good standing.

(2) The entity to whom the supplier license was issued affirms there has been no material change in circumstances relating to the license.

(3) The Board determines, in its sole discretion, that there has been no material change in circumstances relating to the licensee applying for the sports wagering supplier license that necessitates that the abbreviated process not be used.

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

§ 1404a.5. Sports wagering supplier licensee responsibilities.

(a) A holder of a sports wagering supplier license has a continuing duty to do all of the following:

(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 sports wagering supplier licensees, provide notification of all SEC filings or, if the sports wagering supplier licensee 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 sports wagering supplier who is a gaming or nongaming employee as defined in §§ 401a.3 and 1401a.2 (relating to definitions) shall obtain a permit under §§ 435a.3 and 1406a.4 (relating to occupation permit; and sports wagering gaming employees) or registration under §§ 435a.5 and 1406a.5 (relating to nongaming employee registration; and sports wagering nongaming employees).

§ 1404a.6. Sports wagering supplier change of control.

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

(1) More than 20% of a sports wagering supplier 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 sports wagering supplier licensee.

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

(b) A sports wagering supplier licensee shall notify the Bureau and the Bureau of Licensing in a form or manner prescribed by the Bureau of Licensing immediately upon becoming aware of any proposed or contemplated change of control of the sports wagering supplier licensee.

(c) Prior to acquiring a controlling interest in a sports wagering supplier 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 all of the following:

(1) A copy of all documents governing the acquisition.

(2) Completed applications for the acquiring company, as required under this chapter and an application from every principal under Chapter 433a (relating to principal licenses) and § 1406a.2 (relating to sports wagering principals) and any identified key employee under Chapter 435a (relating to key, gaming and nongaming employees; Board-issued credentials) and § 1406a.3 (relating to sports wagering key employees) as specified by the Enterprise Entity Application and Disclosure Information Form and other persons as determined by the Board.

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

(d) A person or group of persons seeking to acquire a controlling interest in a sports wagering supplier 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 (c).

(e) A person or group of persons may not acquire a controlling interest in a sports wagering supplier licensee until the petition, required under subsection (c), has been approved. A person or group of persons seeking to acquire a controlling interest in a sports wagering supplier licensee and the sports wagering supplier licensee may enter into a sales agreement 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 sports wagering supplier licensee when all of the following conditions are met:

(1) The acquirer is an existing licensed slot machine, table game, interactive gaming, sports wagering or video gaming terminal supplier.

(2) The existing licensed sports wagering supplier 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.

CHAPTER 1405. (Reserved)

Sec.
1405.1—1405.9. (Reserved).

CHAPTER 1405a. SPORTS WAGERING GAMING SERVICE PROVIDERS

Sec.
1405a.1. General sports wagering gaming service provider requirements.
1405a.2. Sports wagering gaming service provider certification applications.
1405a.3. Sports wagering gaming service provider registration applications.
1405a.4. Qualification of individuals and entities of certified sports wagering gaming service providers.
1405a.5. Sports wagering gaming service provider registration and certification term and renewal.
1405a.6. Authorized gaming service providers list; prohibited gaming service providers.
1405a.7. Permission to conduct business prior to certification or registration.
1405a.8. Emergency sports wagering gaming service provider.
1405a.9. Duty to investigate.

§ 1405a.1. General sports wagering gaming service provider requirements.

(a) Except as provided in § 1405a.8 (relating to emergency sports wagering gaming service provider), a sports wagering gaming service provider or person seeking to conduct business with a sports wagering certificate holder or sport wagering operator shall apply to the Board for certification, unless explicitly exempted by the Board, if the sports wagering gaming service provider or person does any of the following:

(1) Meets the definition of a certified gaming service provider under §§ 437a.1 and 1401a.2 (relating to general gaming service provider requirements; and definitions).

(2) Meets the definition of a certified interactive gaming service provider under § 807a.1 (relating to general interactive gaming service provider requirements).

(3) Provides odds or raw data to sports wagering certificate holders or sports wagering operators that is used to conduct sports wagering in this Commonwealth.

(i) An athletic team, organization or governing body of an athletic team or organization who partners with or otherwise contracts with a sports wagering certificate holder or sports wagering operator to provide raw data that is used to conduct sports wagering shall not be required to be a certified sports wagering gaming service provider.

(ii) A sports wagering certificate holder or sports wagering operator who partners with or otherwise contracts with an athletic team, organization or governing body of an athletic team or organization under subparagraph (i) shall file a Notification with the Board in a manner prescribed by the Bureau of Licensing.

(4) Provides risk management services or integrity monitoring services to sports wagering certificate holders or sports wagering operators.

(5) Any other person as determined by the Board.

(b) Except as provided in § 1405a.8, a sports wagering gaming service provider or person seeking to conduct business with a sports wagering certificate holder or sport wagering gaming operator shall apply to the Board for a registration if the sports wagering gaming service provider or person is providing goods or services related to sports wagering and the person is not required to be certified as a sports wagering gaming service provider. This subsection applies to all of the following:

(1) Persons who meet the definition of a registered gaming service provider under §§ 437a.1 and 1401a.2.

(2) Persons who meet the definition of a registered interactive gaming service provider under § 807a.1.

(3) Any other person as determined by the Board.

(c) A holder of a gaming service provider registration or certification or the holder of an interactive gaming service provider registration or certification seeking to provide the same or similar services to a sports wagering certificate holder or sports wagering operator will not be required to file a new application for registration or certification and will not be required to submit additional licensing fees.

(d) A holder of a sports wagering gaming service provider certification, registration or authorization has a continuing duty to comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

§ 1405a.2. Sports wagering gaming service provider certification applications.

(a) A person seeking a sports wagering gaming service provider certification, not otherwise excluded under § 1405a.1(c) (relating to general sports wagering gaming service provider requirements), shall submit a Certification Application and Disclosure Form. The application and fee toward the cost of the investigation of the sports wagering gaming service provider applicant, as posted on the Board's web site, shall be submitted to the Bureau of Licensing by the sports wagering gaming service provider applicant unless otherwise directed by the Bureau of Licensing.

(b) In addition to the requirements of subsection (a), an applicant for a sports wagering gaming service provider certification shall do all of the following:

(1) Submit applications and release authorizations for each individual required to be qualified under § 1405a.4 (relating to qualification of individuals and entities of certified sports wagering gaming service providers).

(2) Comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) An applicant for a sports wagering gaming service provider certification shall reimburse the Board for costs incurred in conducting the investigation of the applicant.

(d) A sports wagering gaming service provider certification will not be issued until all fees and costs have been paid.

§ 1405a.3. Sports wagering gaming service provider registration applications.

(a) A sports wagering gaming service provider or person seeking registration, not otherwise excluded under § 1405a.1(c) (relating to general sports wagering gaming service provider requirements), shall submit a Gaming Service Provider Registration Form. The application and fee toward the cost of the investigation of the sports wagering gaming service provider applicant, as posted on the Board's web site, shall be submitted to the Bureau of Licensing by the sports wagering gaming service provider applicant unless otherwise directed by the Bureau of Licensing.

(b) In addition to the materials required under subsection (a), an applicant for a sports wagering gaming service provider registration shall do all of the following:

(1) Submit release authorizations for each individual required to be qualified under § 1405a.4 (relating to

qualification of individuals and entities of certified sports wagering gaming service providers).

(2) Comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(3) Submit fingerprints of all of the following individuals in a manner prescribed by the Bureau:

(i) Each officer and director of the registered sports wagering gaming service provider applicant. For purposes of this subparagraph, "officer" means a president, chief executive officer, a chief financial officer and a chief operating officer, and any person routinely performing corresponding functions with respect to an organization whether incorporated or unincorporated.

(ii) Each individual who has a direct or indirect ownership or beneficial interest of 10% or more in the registered sports wagering gaming service provider applicant.

(iii) Each salesperson of a registered sports wagering gaming service provider who solicits business from, or has regular contact with, any representatives of a certificate holder or licensee or any employee of a registered sports wagering gaming service provider applicant who will be engaging in that conduct.

(c) A person who holds any direct or indirect ownership or beneficial interest in a registered sports wagering gaming service provider or has the right to any profits or distributions directly or indirectly, from the registered sports wagering gaming service provider or applicant for sports wagering gaming service provider registration may be required to submit fingerprints if the Bureau determines that the submission of fingerprints of the person is necessary to protect the public interest or to enhance the integrity of gaming in this Commonwealth.

(d) Each of the individuals required to submit fingerprints under subsection (b)(3) shall be found qualified by the Board.

(e) An individual who is a gaming or nongaming employee as defined in §§ 401a.3 and 1401a.2 (relating to definitions) shall obtain a gaming employee occupation permit in accordance with §§ 435a.3 and 1406a.4 (relating to occupation permit; and sports wagering gaming employees) or a nongaming employee registration in accordance with §§ 435a.5 and 1406a.5 (relating to nongaming employee registration; and sports wagering nongaming employees).

(f) An applicant for a sports wagering gaming service provider registration shall reimburse the Board for costs incurred in conducting the investigation of the applicant.

(g) A sports wagering gaming service provider registration will not be issued until all fees and costs have been paid.

§ 1405a.4. Qualification of individuals and entities of certified sports wagering gaming service providers.

(a) The following individuals are required to submit a Pennsylvania Personal History Disclosure Form and be found qualified by the Board:

(1) Each officer and director of a certified sports wagering gaming service provider or applicant for sports wagering gaming service provider certification. For the purposes of this paragraph, "officer" means a president, chief executive officer, a chief financial officer and a chief operating officer and any person routinely performing

corresponding functions with respect to an organization whether incorporated or unincorporated.

(2) Each individual who has a direct or indirect ownership or beneficial interest of 10% or more in the certified sports wagering gaming service provider or applicant for sports wagering gaming service provider certification. A certified sports wagering gaming service provider or applicant for sports wagering gaming service provider certification shall provide information or documentation requested by the Board necessary to determine compliance with this paragraph.

(3) Each salesperson of a certified sports wagering gaming service provider who solicits business from, or has regular contact with, any representatives of a certificate holder or operator or any employee of a certified sports wagering gaming service provider or applicant for interactive gaming service provider certification who will be engaging in that conduct.

(b) Each entity that directly owns 20% or more of the voting securities of a certified sports wagering gaming service provider or person applying for sports wagering gaming service provider certification shall file a Certification Form—Holding Company with the Bureau of Licensing and be found qualified by the Board.

(c) The following persons may be required to submit a Certification Form—Holding Company or a Pennsylvania Personal History Disclosure Form and be found qualified by the Board if the Bureau of Licensing determines that the qualification of the person is necessary to protect the public interest or to enhance the integrity of gaming in this Commonwealth:

(1) An intermediary or holding company of a certified sports wagering gaming service provider or applicant for sports wagering gaming service provider certification not otherwise required to be qualified.

(2) An officer or director of an intermediary or holding company of a certified sports wagering gaming service provider or applicant for sports wagering gaming service provider certification.

(3) An employee of a certified sports wagering gaming service provider or applicant for sports wagering gaming service provider certification.

(4) A person who holds any direct or indirect ownership or beneficial interest in a certified sports wagering gaming service provider or applicant for sports wagering gaming service provider certification, or has the right to any profits or distribution, directly or indirectly, from the certified sports wagering gaming service provider or applicant for sports wagering gaming service provider certification.

(5) A trustee of a trust that is required to be found qualified under this section.

(d) The Bureau of Licensing may issue a temporary credential to an individual who is required to be qualified by the Board under this section if:

(1) The individual's presence in a restricted gaming area is needed.

(2) The company with which the individual is associated is on the authorized Gaming Service Provider List.

(e) Upon request, the Bureau of Licensing will issue a credential to an individual who has been found qualified under this section if the sports wagering gaming service provider has been certified.

(f) An employee of a certified sports wagering gaming service provider who is a gaming or nongaming employee as defined in §§ 401a.3 and 1401a.2 (relating to definitions) shall obtain a permit under §§ 435a.3 and 1406a.4 (relating to occupation permit; and sports wagering gaming employees) or registration under §§ 435a.5 and 1406a.5 (relating to nongaming employee registration; and sports wagering nongaming employees).

§ 1405a.5. Sports wagering gaming service provider registration and certification term and renewal.

(a) Sports wagering gaming service provider certifications, registrations and renewals issued under this subpart will be valid for 5 years from the date of Board approval.

(b) Registered and certified sports wagering gaming service providers shall submit to the Board a completed renewal application or form and renewal fee at least 6 months prior to the expiration of a certification, registration or authorization.

(c) A certification or registration for which a completed renewal application and fee has been received by the Bureau of Licensing will continue to be in effect until the Board sends written notification to the holder of the certification or registration that the Board has approved or denied the certification or registration.

§ 1405a.6. Authorized gaming service providers list; prohibited gaming service providers.

(a) The Board will maintain a list of authorized gaming service providers and a list of prohibited gaming service providers. The authorized list will contain the names of persons or entities who:

- (1) Have been registered or certified.
- (2) Are currently authorized to conduct business with sports wagering certificate holders or sports wagering operators under § 1405a.7 (relating to permission to conduct business prior to certification or registration).

(b) Except as permitted under § 1405a.8 (relating to emergency sports wagering gaming service provider), a sports wagering certificate holder or sports wagering operator may not purchase goods or services from a sports wagering gaming service provider unless the sports wagering gaming service provider is on the authorized gaming service provider list. A sports wagering certificate holder or sports wagering operator or any affiliate, intermediary, subsidiary or holding company thereof acting on behalf of the sports wagering certificate holder or sports wagering operator may not enter into an agreement or continue to do business with a sports wagering gaming service provider on the Prohibited Gaming Service Providers List.

(c) The Board may place a person or provider on the Prohibited Gaming Service Provider List if:

- (1) The sports wagering gaming service provider has failed to comply with this chapter.
- (2) The sports wagering gaming service provider has failed to cooperate with Board staff in its review and investigation of the sports wagering gaming service provider's application.
- (3) The sports wagering gaming service provider's application for certification or registration has been denied or withdrawn with prejudice or the sports wagering gaming service provider has had its sports wagering gaming service provider certification or registration suspended or revoked.

(4) The sports wagering gaming service provider has failed to provide information to a sports wagering certificate holder or sports wagering operator that is necessary for the sports wagering certificate holder or sports wagering operator to comply with this chapter.

(d) A person or provider seeking to be removed from the Prohibited Gaming Service Providers List shall file a petition for removal in accordance with § 493a.4 (relating to petitions generally) and shall be responsible for all costs associated with the person's petition for removal from the Prohibited Gaming Service Providers List. The petition must state the specific grounds believed by the petitioner to constitute good cause for removal from the Prohibited Gaming Service Providers List and how the sports wagering gaming service provider has cured any deficiencies that led to the sports wagering gaming service provider being placed on the Prohibited Gaming Service Providers List.

(e) The Board may impose a monetary penalty or other appropriate sanction in connection with the removal of a person or provider from the Prohibited Gaming Service Providers List, or attach any reasonable condition to the removal of a person or provider from the Prohibited Gaming Service Providers List.

§ 1405a.7. Permission to conduct business prior to certification or registration.

(a) Notwithstanding § 1405a.1 (relating to general sports wagering gaming service provider requirements), the Bureau of Licensing may authorize an applicant for a sports wagering gaming service provider certification or registration to conduct business with a sports wagering certificate holder or sports wagering operator prior to the certification or registration of the sports wagering gaming service provider applicant if all of the following criteria are met:

- (1) A completed Gaming Service Provider Registration Form or a completed Gaming Service Provider Certification Application and Disclosure Information Form has been filed by the certificate holder or licensee in accordance with this chapter.
- (2) The sports wagering certificate holder or sports wagering operator certifies that it has performed due diligence on the sports wagering gaming service provider applicant.
- (3) The applicant for a sports wagering gaming service provider registration or certification agrees, in writing, that the grant of permission to conduct business prior to registration or certification does not create a right to continue to conduct business and that the Bureau of Licensing may rescind, at any time, the authorization granted under this section, with or without prior notice to the applicant, if the Bureau of Licensing is informed that the suitability of the applicant may be at issue or the applicant fails to cooperate in the application or investigatory process.

(b) If the Office of Enforcement Counsel issues a Notice of Recommendation for Denial to an applicant for certification or registration, the Bureau of Licensing may rescind the permission granted to the applicant for certification or registration to conduct business with a sports wagering certificate holder or sports wagering operator under subsection (a). If the permission is rescinded, the applicant for certification or registration shall cease conducting business with the sports wagering certificate holder or sports wagering operator by the date specified in the notice of the rescission by the Bureau of Licensing under subsection (c).

(c) The Bureau of Licensing will notify the applicant for certification or registration and the sports wagering certificate holder or sports wagering operator by registered mail or e-mail, or both, that permission for the applicant for certification or registration to conduct business with the sports wagering certificate holder or sports wagering operator under subsection (a) has been rescinded and that the sports wagering certificate holder or sports wagering operator shall cease conducting business with the applicant for certification or registration by the date specified in the notice.

§ 1405a.8. Emergency sports wagering gaming service provider.

(a) A sports wagering certificate holder or sports wagering operator may utilize a sports wagering gaming service provider that is not registered, certified or authorized to conduct business in accordance with § 1405a.6 (relating to authorized gaming service providers list; prohibited gaming service providers) when a threat to public safety exists or circumstances outside the control of the sports wagering certificate holder or sports wagering operator create an urgency of need which does not permit the delay involved in using the formal method of sports wagering gaming service provider certification or registration. A sports wagering certificate holder or sports wagering operator may not use a sports wagering gaming service provider on the Prohibited Gaming Service Provider List.

(b) When using a sports wagering gaming service provider that is not registered, certified or authorized to conduct business to respond to an emergency, the sports wagering certificate holder or sports wagering operator shall do all of the following:

(1) Immediately notify the Bureau of Licensing of the emergency and the sports wagering gaming service provider that was selected to provide emergency services.

(2) File a Sports Wagering Gaming Service Provider Emergency Notification Form with the Bureau of Licensing within 72 hours after commencement of the sports wagering gaming service provider's services and a written explanation of the basis for the procurement of the emergency sports wagering gaming service provider.

(c) An employee of the emergency sports wagering gaming service provider who is providing emergency services that requires access to restricted area shall obtain a temporary access credential in accordance with § 1406a.7 (relating to emergency and temporary credentials) prior to performing any work.

(d) If the sports wagering certificate holder or sports wagering operator continues to utilize the sports wagering gaming service provider after the emergency circumstances have passed or if the Bureau of Licensing determines that the circumstances did not necessitate the use of an emergency sports wagering gaming service provider that was not registered, certified or on the authorized list, the sports wagering certificate holder or sports wagering operator and sports wagering gaming service provider shall comply with the requirements in this chapter.

§ 1405a.9. Duty to investigate.

(a) A sports wagering certificate holder or sports wagering operator shall investigate the background and qualifications of the applicants for sports wagering gaming service provider registration or certification with whom it intends to have a contractual relationship or enter into an agreement.

(b) A sports wagering certificate holder or sports wagering operator has an affirmative duty to avoid agreements or relationships with persons applying for a sports wagering gaming service provider registration or certification whose background or associations are injurious to the public health, safety, morals, good order and general welfare of the people of this Commonwealth, or who threaten the integrity of gaming in this Commonwealth.

(c) A sports wagering certificate holder or sports wagering operator has a duty to inform the Board of an action by an applicant for or holder of a sports wagering gaming service provider registration or certification, which the sports wagering certificate holder or sports wagering operator believes would constitute a violation of the act or this subpart.

CHAPTER 1406. (Reserved)

Sec.
1406.1—1406.8. (Reserved).

CHAPTER 1406a. SPORTS WAGERING PRINCIPALS AND KEY, GAMING AND NONGAMING EMPLOYEES

Sec.
1406a.1. General provisions.
1406a.2. Sports wagering principals.
1406a.3. Sports wagering key employees.
1406a.4. Sports wagering gaming employees.
1406a.5. Sports wagering nongaming employees.
1406a.6. Board credentials.
1406a.7. Emergency and temporary credentials.
1406a.8. Loss, theft or destruction of credentials.

§ 1406a.1. General provisions.

(a) An individual seeking a principal license, key employee license, gaming employee occupation permit or nongaming employee registration to participate in sports wagering in this Commonwealth shall apply to the Board as follows:

(1) Principal and key employee applicants shall submit a completed Multi-Jurisdictional Personal History Disclosure Form as well as a completed Principal/Key Employee Form—Pennsylvania Supplement to the Multi-Jurisdictional Personal History Disclosure Form.

(2) Gaming employee occupation permit applicants and nongaming employee registration applicants shall submit the Gaming Employee or Nongaming Employee Registration Application using the SLOTSLink Electronic Application system.

(3) All applicants shall submit the nonrefundable application fee posted on the Board's web site.

(b) In addition to the materials required in subsection (a), an applicant shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) The holder of a principal license, key employee license, gaming employee occupation permit or nongaming employee registration shall provide an updated photograph at the request of Board staff.

(d) An applicant for a gaming employee occupation permit or nongaming employee registration shall be at least 18 years of age.

(e) After reviewing the application and the results of the applicant's background investigation, the Board may issue a principal license, key employee license, gaming employee occupation permit or nongaming employee registration if the individual has proven that he is a person of good character, honesty and integrity and is eligible

and suitable to be licensed as a principal, key employee, gaming employee or nongaming employee.

(f) All sports wagering certificate holders and sports wagering operators that hire an individual who holds a key employee license, gaming employee occupation permit or registration issued by the Board shall contact the Bureau of Licensing to confirm that the individual's key employee license, gaming employee occupation permit or registration is in good standing prior to allowing the individual to perform work associated with sports wagering in this Commonwealth.

(g) An individual who holds a principal license, key employee license, gaming employee occupation permit or registration is subject to all of the following wagering restrictions relative to sports wagering:

(1) An individual who holds a license, permit or registration and is currently employed by or is a principal of a sports wagering certificate holder may not place wagers at the sports wagering certificate holder's retail sports wagering locations.

(2) If the job duties of the individual who holds a license, permit or registration and is currently employed by or is a principal of a sports wagering certificate holder include sports wagering, the individual may not place wagers through the web site or mobile application offered by or associated with the sports wagering certificate holder.

(3) The licensed, permitted or registered individual shall wait at least 30 days following the date that the individual is no longer employed by the sports wagering certificate holder in a position that includes sports wagering job duties before the individual may wager at the sports wagering certificate holder's retail sports wagering location or through the web site or mobile application offered by or associated with the sports wagering certificate holder.

(4) An individual who holds a license, permit or registration and is currently employed by or is a principal of a sports wagering operator may not wager anywhere the sports wagering operator operates a retail sports wagering location or through the web site or mobile application offered by or associated with the sports wagering operator.

(5) The licensed, permitted or registered individual shall wait at least 30 days following the date that the individual is no longer employed by the sports wagering operator before the individual may wager at the sports wagering operator's retail sports wagering location or through the web site or mobile application offered by or associated with the sports wagering operator.

(6) An individual whose job duties include sports wagering and who holds a license, permit or registration and is currently employed by or is a principal of a sports wagering manufacturer or sports wagering supplier may not wager at any retail sports wagering location or through the web site or mobile application offered by or associated with the sports wagering certificate holder or sports wagering operator that offers games, services or uses equipment manufactured, supplied, developed or programmed by the sports wagering manufacturer or sports wagering supplier.

§ 1406a.2. Sports wagering principals.

(a) Principals and principal entities, as defined in §§ 401a.3 and 433a.1 (relating to definitions), shall submit an application for licensure as described in § 1406a.1 (relating to general provisions).

(b) A principal license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(c) A renewal application for a principal license shall be filed at least 6 months prior to expiration of the current license.

(d) A principal license for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

(e) A principal license issued under this subpart will only be valid for the licensed or certified entity with which the principal is associated.

§ 1406a.3. Sports wagering key employees.

(a) Key employees, as defined in §§ 401a.3 and 1401a.2 (relating to definitions), shall submit an application for licensure as described in § 1406a.1 (relating to general provisions).

(b) A key employee license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(c) A renewal application for a key employee license shall be filed at least 6 months prior to expiration of the current license.

(d) A key employee license for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

(e) A key employee license issued under this subpart will be valid for employment with any licensed or certified entity.

§ 1406a.4. Sports wagering gaming employees.

(a) Gaming employees, as defined in §§ 401a.3 and 1401a.2 (relating to definitions), shall submit an application for licensure as described in § 1406a.1 (relating to general provisions).

(b) In addition to the materials required to be submitted under this subpart, gaming employee occupation permit applicants shall submit verification of an offer of employment from a licensed or certified entity.

(c) A gaming employee occupation permit and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(d) A renewal application for a gaming employee occupation permit shall be filed at least 6 months prior to expiration of the current permit.

(e) A gaming employee occupation permit for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

(f) An individual who wishes to receive a gaming employee occupation permit under this subpart may authorize an applicant for or holder of a sports wagering certificate, sports wagering operator license, sports wagering manufacturer license, sports wagering supplier license, or sports wagering gaming service provider certification or registration to file an application on the individual's behalf.

(g) A gaming employee occupation permit issued under this chapter will be valid for employment with any licensed, certified or registered entity.

§ 1406a.5. Sports wagering nongaming employees.

(a) Nongaming employees, as defined in § 401a.3 (relating to definitions), shall submit an application for registration as described in this section.

(b) In addition to the materials required to be submitted under this subpart, nongaming employee registration applicants shall submit verification of an offer of employment from a licensed or certified entity.

(c) A nongaming employee registration and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(d) A renewal application for a nongaming employee registration shall be filed at least 6 months prior to expiration of the current registration.

(e) A nongaming employee registration for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

(f) An individual who wishes to receive a nongaming employee registration under this subpart may authorize an applicant for or holder of a sports wagering certificate, sports wagering operator license, sports wagering manufacturer license, sports wagering supplier license, or sports wagering gaming service provider certification or registration to file an application on the individual's behalf.

(g) A nongaming employee registration issued under this chapter will be valid for employment with any licensed, certified or registered entity.

§ 1406a.6. Board credentials.

The individuals required to be licensed, permitted or registered under this subpart shall obtain a Board credential as described in § 435a.6 (relating to Board credentials) if it is determined by the Bureau of Licensing that a credential is necessary to perform the individual's job functions.

§ 1406a.7. Emergency and temporary credentials.

The individuals required to be licensed, permitted or registered under this subpart may obtain an emergency or temporary Board credential as described in §§ 435a.7, 435a.8 and 435a.9a (relating to emergency credentials; temporary credentials; and gaming service provider employee temporary access credentials).

§ 1406a.8. Loss, theft or destruction of credentials.

(a) As soon as possible, but no later than 24 hours following the loss, theft or destruction of a Board credential, emergency credential or temporary credential, the person to whom the credential was issued shall notify the Bureau of Licensing.

(b) The sports wagering licensee, on behalf of an employee whose Board-issued credential was lost, stolen or destroyed, may request a replacement Board credential by submitting a Request for Duplicate PGCB Credential Form and the fee established by the Board to the Bureau of Licensing.

CHAPTER 1407. (Reserved)

Sec.
1407.1—1407.9. (Reserved).

CHAPTER 1407a. SPORTS WAGERING TESTING AND CONTROLS

Sec.
1407a.1. Scope.
1407a.2. Definitions.
1407a.3. Testing and approval generally.

1407a.4. Wagering device requirements generally.
1407a.5. Self-service kiosks and point of sale system requirements.
1407a.6. Ticket/voucher requirements.
1407a.7. Ticket/voucher redemption requirements.
1407a.8. Sports wagering interactive system requirements.
1407a.9. Sports wagering system general requirements.

§ 1407a.1. Scope.

To ensure the integrity and security of sports wagering operations in this Commonwealth, the requirements of this chapter apply to all sports wagering certificate holders and sports wagering operators seeking to offer sports wagering to patrons in this Commonwealth. The requirements in this chapter supplement, where not in conflict with and where applicable, existing Board regulations in Subparts E and L (relating to slot machine, table game and associated equipment testing and control; accounting and internal controls; and interactive gaming) applicable to slot machine licensees, interactive gaming certificate holders and interactive gaming operators unless the context clearly indicates otherwise.

§ 1407a.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Authentication process—A method used by a system to verify the validity of software. The method requires calculation of an output digest, which is compared to a secure embedded value. The minimum output digest shall be of 128-bit complexity. Software shall be deemed to have been authenticated if the calculated digest equals the secure embedded value.

Communication technology—The methods used and the components employed to facilitate the transmission of information including transmission and reception systems based on wire, cable, radio, microwave, light, optics or computer data networks.

Point of sale system—All the hardware, software and communications that comprises a stand-alone or integrated system capable of accepting sports wagers by means of terminals attended to by a cashier and is located at a sports wagering certificate holder's approved locations.

Self-service kiosks—Unattended self-service booths or self-standing structure with computers, including touch-screen computers, at which a patron can place sports wagers and that dispenses sports wagering tickets/vouchers.

Sports wagering account—Electronic account that may be established by a patron for the purpose of sports wagering by means of a sports wagering certificate holder's or sports wagering operator's interactive sports wagering web site or interactive sports wagering mobile application under these regulations.

Sports wagering communication—The transmission of a wager between a point of origin and a point of reception by aid of a communications technology.

Sports wagering device and associated equipment—A self-service kiosk, point of sale system or other device, including associated equipment, used to accept sports wagering as permitted for use in this Commonwealth by the Board.

Sports wagering interactive system—All hardware, software and communications that comprise a type of server-based sports wagering system for the purpose of offering authorized interactive or mobile sports wagering in this Commonwealth when authorized by the Board.

Sports wagering system—All sports wagering devices, equipment, communication technology, software and hardware approved by the Board to conduct sports wagering in this Commonwealth.

Ticket/voucher redemption device—Unattended self-service booths or self-standing structures with computers, including touch-screen computers, at which a patron can redeem sports wagering tickets/vouchers and that dispense winnings in the form of cash or cash equivalent.

§ 1407a.3. Testing and approval generally.

(a) Prior to operating a retail sportsbook or a sportsbook through a web site or mobile application as a form of interactive gaming, all sports wagering devices and software used in conjunction with these operations must be submitted to the Board's Office of Gaming Laboratory Operations for review and testing and be approved by the Board.

(b) For purposes of this section, sports wagering devices and software that shall be submitted for testing and approval include:

- (1) Self-service kiosks.
- (2) Point of sale systems.
- (3) Ticket/voucher redemption devices.

(4) Sports wagering interactive system components, including all hardware, software and associated equipment that comprise a type of server-based sports wagering system for the purpose of offering authorized sports wagering, mobile sports wagering or interactive sports wagering.

(5) Other related devices or systems as required by the Board.

(c) The Board shall require the payment of all costs for the testing and approval of sports wagering devices and software used in conjunction with the operation of a retail sportsbook or an interactive or mobile sportsbook as a form of interactive gaming.

(d) Submissions to the Office of Gaming Laboratory Operations of sports wagering devices and software used in conjunction with the operation of a retail sportsbook or an interactive or mobile sportsbook shall adhere to the requirements in § 461a.4 (relating to submission for testing and approval) where applicable.

§ 1407a.4. Wagering device requirements generally.

(a) Wagering device programs shall contain sufficient information to identify the software and revision level of the information stored on the wagering device.

(b) Wagering devices shall have the ability to authenticate that all critical components being utilized are valid upon installation of the software, each time the software is loaded for use and on demand as required by the Board. Critical components may include wagering information, elements that control the communications with the sports wagering system or other components that are needed to ensure proper operation of the wagering device. In the event of a failed authentication (that is, program mismatch or authentication failure), the wagering device shall cease all wagering operations and display an appropriate error message. The sports wagering system shall have the ability to disable the wagering device upon any unsuccessful authentication.

(c) Wagering devices shall be capable of performing the following functions:

- (1) Creating wagers.

- (2) Settling wagers.

- (3) Voiding wagers.

- (4) Cancelling wagers.

(d) Wagering devices that offer in-game wagers shall be capable of the following:

- (1) The accurate and timely update of odds for in-game wagers.

- (2) The ability to notify the patron of any change in odds after placement of a wager is attempted.

- (3) The ability for a patron to confirm the wager after notification of the change in odds.

- (4) The ability to freeze or suspend the offering of wagers, when necessary.

(e) Wagering devices shall be capable of recording all of the following information for each wager made:

- (1) Description of event.
- (2) Event number.
- (3) Wager selection.
- (4) Type of wager.
- (5) Amount of wager.
- (6) Amount of potential payout.
- (7) Date and time of wager.
- (8) Identity of cashier accepting the wager.
- (9) Unique wager identifier.

(10) Expiration date of the sports wagering ticket, which shall be no sooner than 1 year from the conclusion of the event in the case of a single wager, or the conclusion of the last event of a multiple wager ticket (that is, parlay or round robin wagers).

- (11) Patron name, if known.

- (12) Date, time, amount and description of the settlement.

- (13) Location of where the wager was placed.

- (14) Identity of the ticket writer settling the wager, if applicable.

(f) For lost or stolen tickets that are redeemed, a wagering device shall record and maintain the following information:

- (1) Date and time of redemption;
- (2) Employee responsible for redeeming the ticket;
- (3) Name of patron redeeming the ticket;
- (4) Unique ticket identifier;
- (5) Location of the redemption.

(g) When a sports wager is voided or cancelled, the system shall clearly indicate that the sports wagering ticket is voided or cancelled, render it nonredeemable other than for the return of the value of the original wager, and make an entry in the system indicating the void or cancellation and identify the cashier or automated process.

(h) Wagering devices shall prevent past posting of wagers and the voiding or cancellation of wagers after the outcome of the event is known.

(i) In the event a person has a pending sports wager and then is excluded or self-excludes, the wager shall be cancelled and the funds returned to the patron.

(j) Wagering devices shall have controls in place to review the accuracy and timeliness of any data feeds used to offer or settle wagers. In the event that an incident or error occurs that results in incorrect or loss of communication with data feeds used to offer or redeem wagers, the errors shall be reported in accordance with reporting requirements under § 1408a.8 (relating to risk management).

§ 1407a.5. Self-service kiosks and point of sale system requirements.

(a) Self-service kiosks and point of sale devices shall have an identification badge affixed to the exterior of the device by the manufacturer. The identification badge shall not be removable without leaving evidence of tampering. This badge shall include all of the following minimum information:

(1) The complete name of the manufacturer or some appropriate abbreviation for same.

(2) A unique serial number.

(3) The self-service kiosk or point of sale device model number.

(4) The date of manufacture.

(b) Self-service kiosks and point of sale devices shall meet all of the following basic hardware requirements:

(1) Identification for any printed circuit board (PCB) that impacts the integrity of the self-service kiosk or point of sale device shall include all of the following:

(i) Each PCB shall be clearly identifiable by an alphanumeric identification and, when applicable, a revision number.

(ii) If track cuts, patch wires or other circuit alterations are introduced to the PCB, then a new revision number shall be assigned.

(2) If the self-service kiosk or point of sale device contains switches or jumpers, or both, they shall be fully documented for evaluation by the Board's Office of Gaming Laboratory.

(3) The self-service kiosk or point of sale device shall be designed so that power and data cables into and out of the self-service kiosk or point of sale device can be routed so that they are not accessible to the general public.

(4) Wired communication ports shall be clearly labeled and must be securely housed within the self-service kiosk or point of sale device to prevent unauthorized access to the ports or their associated cable connectors.

(b) Self-service kiosks and point of sale devices shall meet all of the following basic power requirements:

(1) The self-service kiosk and point of sale device shall not be adversely affected, other than resets, by surges or dips of ± 20% of the supply voltage. It is acceptable for the self-service kiosk or point of sale device to reset provided no damage to the equipment or loss or corruption of data is experienced.

(2) The power supply used in a self-service kiosk or point of sale device must be appropriately fused or protected by circuit breakers. The amperage rating of all fuses and circuit breakers must be clearly stated on or near the fuse or the breaker.

(3) An on/off switch that controls the electrical current supplied to the self-service kiosk or point of sale device shall be located in a place which is readily accessible

within the interior of the self-service kiosk or point of sale device. The on/off positions of the switch shall be clearly labeled.

(c) Self-service kiosks and point of sale device shall meet all of the following basic security requirements:

(1) A self-service kiosk or point of sale device shall be robust enough to resist forced entry into any secured doors, areas or compartments. In the event that extreme force is applied to the cabinet materials causing a potential breach in self-service kiosk or point of sale device security, evidence of tampering must be conspicuous. "Secured areas" or "secured compartments" shall include the external doors such as the main door, cash compartment doors such as a drop box door, peripheral device access areas, or other sensitive access areas of the self-service kiosk or point of sale device.

(2) The following requirements apply to the self-service kiosk's or point of sale device's external doors:

(i) External doors shall be manufactured of materials that are suitable for allowing only legitimate access to the inside of the self-service kiosk cabinet or point of sale device. Doors and their associated hinges shall be capable of withstanding determined and unauthorized efforts to gain access to the interior of the self-service kiosk or point of sale device and shall leave conspicuous evidence of tampering if an attempt is made.

(ii) The seal between the self-service kiosk cabinet or point of sale device and the door of a locked area shall be designed to resist the entry of objects. It shall not be possible to insert an object into the self-service kiosk or point of sale device that disables a door open sensor when the self-service kiosk's or point of sale device's door is fully closed, without leaving conspicuous evidence of tampering.

(iii) External doors shall be secure and support the installation of locks.

(iv) Doors that provide access to secure areas of the self-service kiosk or point of sale device shall be monitored by a door access detection system.

(A) The detection system shall register a door as being open when the door is moved from its fully closed and locked position, provided power is supplied to the self-service kiosk or point of sale device.

(B) When any door that provides access to a secured area or secured compartment registers as open, the self-service kiosk or point of sale device shall cease wagering operations and display an appropriate error message.

(d) Self-service kiosks and point of sale devices shall meet all of the following basic critical nonvolatile memory requirements:

(1) Critical nonvolatile memory shall be used to store all data elements that are considered vital to the continued operation of the self-service kiosk or point of sale device, including self-service kiosk configuration and point of sale device data and state of operations.

(2) Critical nonvolatile memory shall not store sensitive information outside of self-service kiosk and point of sale device operations; however, critical nonvolatile memory may be maintained by any component of the sports wagering system.

(3) The self-service kiosk or point of sale device must have a backup or archive capability, which allows the recovery of critical nonvolatile memory should a failure occur.

(4) Critical nonvolatile memory storage shall be maintained by a methodology that enables errors to be identified. This methodology may involve signatures, check sums, redundant copies, database error checks or other methods approved by the Board.

(5) Comprehensive checks of critical nonvolatile memory data elements shall be made on startup. Non-volatile memory that is not critical to self-service kiosk or point of sale device integrity is not required to be checked.

(6) An unrecoverable corruption of critical nonvolatile memory shall result in an error. Upon detection, the self-service kiosk and point of sale device software shall cease to function. Additionally, the critical nonvolatile memory error shall cause any communication external to the self-service kiosk to cease.

(e) Self-service kiosk and point of sale device software, after a program interruption, shall recover to the state it was in immediately prior to the interruption occurring. Any communications to an external device shall not begin until the program resumption routine, including any self-test, is completed successfully.

(f) On a scheduled basis, a sports wagering certificate holder or sports wagering operator shall remove the bill validator boxes in the self-service kiosks.

(1) The self-service kiosk drop shall be monitored and recorded by surveillance.

(2) The sports wagering certificate holder or sports wagering operator shall submit the self-service kiosk drop schedule to the Board, with the schedule to include:

(i) The time that a drop is scheduled to commence.

(ii) The number and locations of the self-service kiosks in the sports wagering area or on the gaming floor of a licensed facility.

(g) A security department member and a finance department member shall obtain the keys necessary to perform the self-service kiosk drop or currency cassette replacement, or both, in accordance with the sports wagering certificate holder or sports wagering operator's key sign-out procedures.

(1) The security department shall control the keys to the outer door of the self-service kiosks.

(2) The finance department shall control the keys to the bill validator boxes or currency cassettes, or both.

(h) A finance department member with no incompatible job functions shall place empty bill validator boxes needed for the self-service kiosk drop into a secured cart which shall be transported in the presence of a member of the security department at all times.

(i) A sports wagering certificate holder or sports wagering operator shall reconcile the self-service kiosks on a scheduled basis under internal controls.

(1) Any variance of \$500 or more shall be documented by the accounting department and reported in writing to the Office of Sports Wagering and Bureau of Casino Compliance within 72 hours of the end of the gaming day which the variance was discovered.

(2) The report shall indicate the cause of the variance and shall contain any documentation required to support the stated explanation.

(j) A sports wagering certificate holder or sports wagering operator shall include in its internal controls required under § 1408a.3 (relating to internal controls) the set of

self-service kiosk key controls and accounting protocols, including the procedures for the drop and count of self-service kiosk funds, and all point of sale devices.

§ 1407a.6. Ticket/voucher requirements.

(a) Tickets/vouchers generated by a self-service kiosk or by a point of sale system shall include all of the following general information:

(1) Name and address of the party issuing the ticket/voucher.

(2) A barcode or similar symbol or marking, as approved by the Board, corresponding to a unique wager identifier.

(3) Method of redeeming a winning ticket/voucher by means of mail.

(4) Identification of the self-service kiosk or cashier at the point of sale device that generated the ticket/voucher.

(b) Tickets/vouchers generated by a self-service kiosk or by a point of sale system shall include all of the following specific information:

(1) Amount of ticket/voucher.

(2) Date, time and location of issuance.

(3) Unique voucher identifier.

(4) Expiration date of the ticket.

(5) Date, time and location of redemption, if applicable based upon the method of redemption.

(c) Tickets/vouchers generated by a self-service kiosk or by a point of sale system shall be capable of being processed and redeemed if lost, stolen, destroyed or otherwise mutilated.

(d) Tickets/vouchers generated by a self-service kiosk or by a point of sale system shall be capable of clearly indicating that a ticket/voucher is voided or cancelled and rendered nonredeemable or is expired in the case of a sports wagering ticket when redemption is attempted.

(e) A sports wagering voucher shall not expire in accordance with the provisions of § 461b.3(a) (relating to gaming vouchers).

(f) A winning sports wagering ticket may expire, with the expiration date to be no less than 1 year from the conclusion of the event in the case of a single wager, or the conclusion of the last event of a multiple wager ticket (that is, parlay or round robin wagers).

(g) A sports wagering certificate holder or sports wagering operator shall include in its internal controls required under § 1408a.3 (relating to internal controls):

(1) The sports wagering ticket expiration policy and procedures that will be implemented, including the procedures for the handling of funds from expired sports wagering tickets and the reporting of those funds for revenue purposes.

(2) The policies and procedures for paying or writing tickets, or both, that are over the set limits, voiding tickets, and issuing corrections to tickets.

§ 1407a.7. Ticket/voucher redemption requirements.

(a) Winning sports wagering tickets/vouchers shall be redeemed by a writer or a self-service kiosk after verifying the validity of the wagering ticket through the sports wagering system. The writer or a self-service kiosk shall cause the sports wagering system to electronically redeem and cancel the wagering ticket upon redemption.

(b) A patron may redeem by mail a winning sports wagering ticket/voucher to the address provided thereon in accordance with the sports wagering certificate holder's or sports wagering operator's internal controls.

(c) A patron may redeem a winning sports wagering ticket/voucher issued at a sports wagering certificate holder's main retail sportsbook at any of the sports wagering certificate holder's non-primary sports wagering locations or at sports wagering area of a Category 4 licensed facility, and vice versa.

(d) Self-service kiosks shall be capable of recognizing payment limitations or payment errors such as bill out jams and insufficient funds. When a payment limitation or error occurs, the self-service kiosk shall be designed to electronically record the payout limitation or error and perform all of the following:

- (1) Reject the transaction.
- (2) Issue an error receipt.
- (3) Issue a replacement sports wagering ticket/voucher.

(e) When an error receipt is issued from a self-service kiosk, the self-service kiosk or receipt shall advise the patron or employee to see a point of sale cashier for payment. Error receipts shall be designed to include all of the following, at a minimum:

- (1) The time and date.
- (2) Identification of the issuing self-service kiosks.
- (3) Specifies the amount of money that the self-service kiosks failed to dispense.

(f) When used to redeem sports wagering tickets/vouchers, self-service kiosks shall work in conjunction with an approved sports wagering system and shall be designed to:

(1) Accurately obtain the unique identification number of the item presented for redemption and cause the information to be accurately and securely relayed to the sports wagering system for the purpose of redemption.

(2) Issue currency or a sports wagering ticket/voucher, or both, in exchange for the item presented only if the sports wagering system has authorized and recorded the transaction.

(3) Return a sports wagering ticket/voucher to the patron when it cannot be validated by the sports wagering system or is otherwise unredeemable.

(g) When used to redeem sports wagering tickets/vouchers, the self-service kiosk or kiosk computer system shall be capable of generating a "Sports Wagering Ticket/Voucher Redemption Machine Report" for each gaming day. The report shall include the ticket/voucher's unique identifier, the date and time of redemption and the value of the ticket/voucher.

§ 1407a.8. Sports wagering interactive system requirements.

(a) Sports wagering platforms must adhere to the requirements in Chapter 809a (relating to interactive gaming platform requirements) of these regulations.

(b) Sports wagering interactive systems must adhere to the requirements in Chapter 810a (relating to interactive gaming testing and controls) of the Board's regulations.

§ 1407a.9. Sports wagering system general requirements.

(a) A sports wagering system shall, at least once every 24 hours, perform a self-authentication process on all

software used to offer, record and process wagers to ensure there have been no unauthorized modifications. In the event of an authentication failure, at a minimum, the sports wagering system shall immediately notify the certificate holder's or operator's sports wagering manager and the Board within 24 hours. The results of all self-authentication attempts shall be recorded by the system and maintained for a period of not less than 90 days.

(b) The sports wagering certificate holder or sports wagering operator operating the sports wagering system shall provide to the Board real time in-person administrative access and remote access to wagering transaction and related data as deemed necessary in a manner approved by the Board. A sports wagering certificate holder or sports wagering operator shall include in its internal controls required under § 1408a.3 (relating to internal controls) the policies and procedures that will be implemented regarding real time in-person administrative read-only access and remote read-only access to the sports wagering system by the Board.

(c) A sports wagering system shall be capable of preventing any sports wager in excess of \$10,000 or making a payout in excess of \$10,000 until authorized by the sports wagering manager. A sports wagering certificate holder or sports wagering operator shall include in its internal controls required under § 1408a.3 the policies and procedures that will be implemented regarding those wagers and payouts.

CHAPTER 1408. (Reserved)

Sec. 1408.1—1408.13. (Reserved).

CHAPTER 1408a. SPORTS WAGERING ACCOUNTING AND INTERNAL CONTROLS

Sec.

- 1408a.1. Scope.
- 1408a.2. Definitions.
- 1408a.3. Internal controls.
- 1408a.4. Terms and conditions.
- 1408a.5. Information to be displayed/provided.
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- 1408a.7. Sports wagering certificate holder's or sports wagering operator's organization.
- 1408a.8. Risk management.
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- 1408a.14. Sports wagering accounts.

§ 1408a.1. Scope.

To ensure the integrity and security of sports wagering operations in this Commonwealth, the requirements of this chapter apply to all sports wagering certificate holders and sports wagering operators seeking to offer sports wagering to patrons in this Commonwealth. The requirements in this chapter supplement, where not in conflict with and where applicable, existing Board regulations in Subparts E and L (relating to slot machine, table game and associated equipment testing and control; accounting and internal controls; and interactive gaming) and Chapter 465a (relating to accounting and internal controls) applicable to slot machine licensees, interactive gaming certificate holders and interactive gaming operators unless the context clearly indicates otherwise.

§ 1408a.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Integrity monitoring—Observing sports wagering to identify suspicious wagering activity or unusual wagering activity to then report the activities to required parties.

Personal identifiable information—Any data or information that can be used, on its own or with other data or information, to identify, contact or otherwise locate a player or registered player, including a player's or registered player's name, address, date of birth and social security number.

Risk management—Processes and tools that sports wagering certificate holders or sports wagering operators use to manage the risk and liabilities associated with sports wagering.

Sports wagering device and associated equipment—Self-service kiosk, point of sale system or other device, including associated equipment, used to accept sports wagering as permitted for use in this Commonwealth by the Board.

Sports wagering system—Sports wagering devices, equipment, communication technology, software and hardware approved by the Board to conduct sports wagering in this Commonwealth.

Suspicious wagering activity—Unusual wagering activity that cannot be explained and is indicative of match fixing, the manipulation of an event, misuse of inside information or other prohibited activity.

Unusual wagering activity—Abnormal wagering activity exhibited by patrons and deemed by the sports wagering certificate holder or sports wagering operator as a potential indicator of suspicious activity which may include the size of a patron's wager or increased wagering volume on a particular event or wager type.

§ 1408a.3. Internal controls.

(a) At least 90 days prior to commencing sports wagering under this subpart, a sports wagering certificate holder or sports wagering operator shall submit to the Board for approval internal controls for all aspects of sports wagering, including retail sportsbooks, interactive sportsbook operations through a web site or mobile application and nonprimary location sportsbook operations, prior to implementation and any time a change is made thereafter. The internal controls shall include detailed procedures for system security, operations, accounting, and other information as required by the Board.

(b) Notwithstanding subsection (a), the procedures and controls may be implemented by a sports wagering certificate holder or sports wagering operator upon the filing of the procedures and controls with the Board and written approval to commence operations by the Executive Director. Each procedure or control submission shall contain both narrative and diagrammatic representations of the system to be utilized and shall include the following:

(1) Provide for reliable accounting controls, including the standardization of forms and definition of terms to be utilized in the retail sports wagering and interactive or mobile sports wagering operations.

(2) Procedures, forms and, where appropriate, details as to the reconciliation of assets and documents contained in the retail sports wagering cashier drawers. These procedures shall provide for the reporting of any overage or shortage.

(3) Job descriptions and the system of personnel and chain of command, establishing a diversity of responsibility among employees engaged in sports wagering opera-

tions, including employees of a sports wagering operator and identifying primary and secondary management and supervisory positions for areas of responsibility.

(4) Procedures for the registration of players and establishment of sports wagering accounts, including a procedure for authenticating the age, identity and physical address of an applicant for a sports wagering account and whether the applicant is a person prohibited from establishing or maintaining an account under applicable laws or regulations.

(5) Procedures for terminating a registered player's sports wagering account and the return of any funds remaining in the sports wagering account to the registered player.

(6) Procedures for suspending or terminating a dormant sports wagering account and the return of any funds remaining in the dormant sports wagering account to the registered player.

(7) Procedures for the logging in and authentication of a registered player to enable the player to commence sports wagering and the logging off of the registered player when the registered player has completed play, including a procedure to automatically log a registered player out of the registered player's sports wagering account after a specified period of inactivity.

(8) Procedures for the crediting and debiting of a registered player's sports wagering account.

(9) Procedures for cashing checks, receiving electronic negotiable instruments and for redeeming cash equivalents.

(10) Procedures for withdrawing funds from a sports wagering account by the registered player.

(11) Procedures for the protection of a registered player's funds, including the segregation of a registered player's funds from operating funds of the sports wagering certificate holder or sports wagering operator.

(12) Procedures for recording transactions pertaining to sports wagering.

(13) Procedures for the security and sharing of personal identifiable information of a registered player, funds in a sports wagering account and other information as required by the Board. The procedures shall include the means by which a sports wagering certificate holder or sports wagering operator will provide notice to a registered player related to the sharing of personal identifiable information.

(14) Procedures and security for the calculation and recordation of revenue.

(15) Procedures for the security of the sports wagering platform, sports wagering interactive system, sports wagering devices and associated equipment.

(16) Procedures and security standards as to receipt, handling and storage of sports wagering devices and associated equipment.

(17) Procedures and security standards to protect and respond to suspected or actual hacking or tampering by any person with the sports wagering certificate holder's or sports wagering operator's interactive sports wagering web site, mobile application and sports wagering devices and associated equipment.

(18) Procedures to verify each registered player's physical location each time a registered player logs into his or her sports wagering account and at appropriate intervals thereafter as determined by the Board.

(19) Procedures and appropriate measures implemented to deter, detect and, to the extent possible, to prevent cheating, including collusion and use of cheating devices, including the use of software programs that make wagers according to algorithms.

(20) Procedures to govern emergencies, including suspected or actual cyber-attacks, hacking or tampering with the sports wagering certificate holder's or sports wagering operator's interactive sports wagering platform, interactive sports wagering web site or mobile application and sports wagering devices and associated equipment. The procedures shall include the process for the reconciliation or repayment of a registered player's sports wagering account.

(21) If any athlete or person who holds a position of authority or influence sufficient to exert influence over the participants in sporting event, as fully described in § 1401a.7(c) (relating to prohibited and restricted sports wagering activities) of this subpart, has less than 10% direct or indirect ownership interest in or control of a sports wagering certificate holder or a sports wagering operator, procedures for the following shall be included:

(i) Providing notice to the Board of the identity of the owner, and if known, the ownership interest in the sports wagering certificate holder or sports wagering operator.

(ii) Implementing appropriate measures to prevent an athlete or a person from participating in the management or operations of sports wagering activities of a sports wagering certificate holder or a sports wagering operator.

(iii) Obtaining a certification from the owner acknowledging that the less than 10% direct or indirect owner is not permitted to be a customer of the sports wagering certificate holder or operator under § 1401a.7(b)(2), not permitted participate in the management or operations of the sports wagering certificate holder or sports wagering operator, and in the instance of an owner of an athletic team, not permitted to engage in sports wagering activity on any team in the league as that in which he has an ownership interest.

(c) The submission required under subsections (a) and (b) shall include a detailed description of the sports wagering certificate holder's or sports wagering operator's administrative and accounting procedures related to sports wagering, including its written system of internal controls. Each written system of internal controls shall include:

(1) An organizational chart depicting appropriate functions and responsibilities of employees involved in sports wagering.

(2) A description of the duties and responsibilities of each position shown on the organizational chart.

(3) The record retention policy of the sports wagering certificate holder or sports wagering operator.

(4) The procedure to be utilized to ensure that money generated from the conduct of sports wagering is safeguarded and accounted for.

(5) Procedures to ensure that recorded accountability for assets is compared with actual assets at intervals required by the Board and appropriate action is taken with respect to discrepancies.

(6) Procedures to be utilized by an employee of a sports wagering certificate holder or sports wagering operator in the event of a malfunction of a sports wagering certificate holder's interactive sports wagering platform, interactive

sports wagering web site or mobile application and sports wagering devices and associated equipment used in the conduct of sports wagering.

(7) Procedures to be utilized by the sports wagering certificate holder or sports wagering operator to prevent persons under 21 years of age, self-excluded or involuntary excluded individuals, individuals who are prohibited from wagering in accordance with § 1401a.8 (relating to persons prohibited from engaging in sports wagering activities) and players outside this Commonwealth from engaging in sports wagering.

(8) Other items the Board may request in writing to be included in the internal controls.

(d) Prior to authorizing a sports wagering certificate holder or sports wagering operator to commence the conduct of sports wagering, the Board shall review and approve the system of internal controls, security protocols and audit protocols submitted under this chapter to determine whether they conform to the requirements of this chapter and whether they provide adequate and effective controls for the conduct of sports wagering.

(e) If a sports wagering certificate holder or sports wagering operator intends to make a change or amendment to its system of internal controls, it shall submit the change or amendment electronically to the Bureau of Gaming Operations, in a manner prescribed by the Bureau of Gaming Operations. The sports wagering certificate holder or sports wagering operator may implement the change or amendment on the 30th calendar day following the filing of a complete submission unless the sports wagering certificate holder or sports wagering operator receives written notice tolling the change or amendment in accordance with this chapter or written notice from the Board's Executive Director rejecting the change or amendment.

(f) If during the 30-day review period in this chapter, the Bureau of Gaming Operations preliminarily determines that a procedure in a submission contains an insufficiency likely to negatively affect the integrity of sports wagering or the control of revenue generated from sports wagering, the Bureau of Gaming Operations, by written notice to the sports wagering certificate holder or sports wagering operator, will:

(1) Specify the nature of the insufficiency and, when possible, an acceptable alternative procedure.

(2) Direct that the 30-calendar day review period in this chapter to be tolled and that any internal controls at issue not be implemented until approved under this chapter.

(g) Examples of submissions that may contain an insufficiency likely to negatively affect the integrity of sports wagering may include any of the following:

(1) Submissions that fail to provide information sufficient to permit the review of sports wagering activities by the Board.

(2) Submissions that fail to provide for the segregation of incompatible functions so that no employee is in a position to both commit an error or perpetrate a fraud and to conceal the error or fraud in the normal course of the employee's duties.

(3) Submissions that do not include forms or other materials referenced in the submission or required under the act or this subpart.

(4) Submissions that would implement operations or accounting procedures not authorized by the act or this subpart.

(h) Whenever a change or amendment has been tolled under this chapter, the sports wagering certificate holder or sports wagering operator may submit a revised change or amendment within 30 days of receipt of the written notice from the Bureau of Gaming Operations. The sports wagering certificate holder or sports wagering operator may implement the revised change or amendment upon receipt of written notice of approval from the Board's Executive Director or on the 30th calendar day following the filing of the revision unless the sports wagering certificate holder or sports wagering operator receives written notice tolling the change or amendment in accordance with this chapter or written notice from the Board's Executive Director rejecting the change or amendment.

(i) A sports wagering certificate holder or sports wagering operator shall submit to the Board for approval a Catalog of Events and Wagers, which shall include a description of the events and wagers intended to be offered and shall include the following:

- (1) Sport.
- (2) Competition or league.
- (3) Governing body.
- (4) Games or matches.

(5) Description of the type of events that it intends to accept wagers on as well as the type of wagers it intends to accept.

(j) A sports wagering certificate holder or sports wagering operator shall submit for approval any revision to the Catalog of Events and Wagers at least 72 hours in advance of implementation of these changes. A sports wagering certificate holder or sports wagering operator must maintain a catalog of all prior and current events and the types of wagers it offered on the events.

(k) The Board reserves the right to prohibit the acceptance of wagers and may order the cancellation or discontinuation of wagering, and require refunds on any event which may have an impact on the public or the integrity of sports wagering operations.

(l) A sports wagering certificate holder or sports wagering operator shall only accept wagers on sporting events for which:

- (1) The outcome can be verified.
- (2) The outcome can be generated by a reliable and independent process.
- (3) The outcome is not affected by any wagers placed.
- (4) The event is conducted in conformity with all applicable laws or regulations.

(m) A sports wagering certificate holder or sports wagering operator shall not unilaterally rescind or cancel any wager made under this chapter without prior approval of the Board.

(n) The available wagers, including the event number, odds and a brief description of the event, shall be displayed to the public, the sports wagering certificate holder or sports wagering operator's closed circuit television system, interactive sports wagering web site and mobile application.

(o) Winning sports wagering tickets shall be redeemed through the sports wagering system, and a ticket writer or self-service kiosk shall cause the winning ticket to be reflected as claimed or redeemed in the sports wagering system upon redemption.

§ 1408a.4. Terms and conditions.

(a) A sports wagering certificate holder or sports wagering operator shall develop terms and conditions for sports wagering which shall be included in the internal controls. The terms and conditions and any changes thereto must be acknowledged by the player and the acknowledgment must be date and time-stamped by the sports wagering system.

(b) The terms and conditions must address all aspects of the sports wagering operation, including all of the following:

(1) Name of the party or parties with whom the player is entering into a contractual relationship, including any sports wagering certificate holder or sports wagering operator.

(2) Player's consent to have the sports wagering certificate holder or sports wagering operator confirm the player's age, identity and, for purposes of interactive sports wagering, location.

(3) Rules and obligations applicable to the player other than rules of sports wagering including all of the following:

(i) Prohibition from allowing any other person to access or use his or her sports wagering account.

(ii) Prohibition from engaging in sports wagering activity, unless the player is physically located in this Commonwealth.

(iii) Consent to the monitoring and recording by the sports wagering certificate holder, the sports wagering operator or the Board, or both, of any wagering communications and geographic location information.

(iv) Consent to the jurisdiction of this Commonwealth to resolve any disputes arising out of sports wagering.

(v) Prohibition against utilizing automated computerized software or other equivalent mechanism to engage in sports wagering.

(4) Full explanation of fees and charges imposed upon a player related to sports wagering transactions.

(5) Availability of account statements detailing sports wagering account activity.

(6) Privacy policies, including information access and use of customer data.

(7) Legal age policy, including a statement that it is a criminal offense to allow a person who is under 21 years of age to participate in sports wagering and a player who does so shall be prohibited from participating in sports wagering.

(8) Notification that if the player's sports wagering account remains dormant for a period of 2 years any funds remaining on deposit and any pending wagers may be forfeited under applicable State and Federal laws.

(9) Player's right to set responsible gaming limits and self-exclude.

(10) Player's right to suspend his or her sports wagering account for a period of no less than 72 hours.

(11) Actions that will be taken in the event a player becomes disconnected from the sports wagering system during active betting.

(12) Notice that a malfunction voids all transactions.

(13) Estimated time-period for withdrawal of funds from the sports wagering account.

(14) Detailed information regarding compulsive and problem gaming and self-exclusion to be displayed on a player protection page.

(15) Method for changing or retrieving a password or other approved access security feature and the ability to choose “strong authentication” log in protection.

(16) Method for filing a complaint with the sports wagering certificate holder or sports wagering operator and method for filing with the Board an unresolved complaint after all reasonable means to resolve the complaint with the sports wagering certificate holder or sports wagering operator have been exhausted.

(17) Method for obtaining a copy of the terms and conditions agreed to when establishing a sports wagering account.

(18) Method for the player to obtain account and wagering history from the sports wagering certificate holder or sports wagering operator.

(19) Notification of Federal prohibitions and restrictions regarding sports wagering activity, specifically, any limitations upon sports wagering activity as set forth in The Wire Act (18 U.S.C.A. §§ 1081—1084) and the Unlawful Internet Gaming Enforcement Act (31 U.S.C.A. §§ 5361—5367). The notice shall explicitly state that it is a Federal offense for persons physically located outside of this Commonwealth to engage in sports wagering activity through a sports wagering certificate holder or sports wagering operator, unless explicitly authorized by State or Federal law.

(20) Any other information as required by the Board.

§ 1408a.5. Information to be displayed/provided.

A sports wagering certificate holder or sports wagering operator shall provide for the prominent display of the following information at the certificate holder’s retail sportsbook and on a page which, by virtue of the construction of the web site or mobile application, registered players must access before beginning a sports wagering session:

(a) The full name of the sports wagering certificate holder and, as applicable, the sports wagering operator and address from which it carries on business.

(b) A logo, to be provided by the Board for display on the certificate holder’s or licensee’s online sportsbook, indicating that the sports wagering certificate holder, and as applicable, the sports wagering operator is authorized to operate sports wagering in this Commonwealth.

(c) The license number of the sports wagering certificate holder, and as applicable, the sports wagering operator.

(d) A statement that persons under 21 years of age are not permitted to engage in sports wagering.

(e) Readily available information at the certificate holder’s retail sportsbook or active links on the sports wagering certificate holder’s or sports wagering operator’s sports wagering web site or mobile application that contains all of the following:

- (1) Information explaining how disputes are resolved.
- (2) Problem gaming information that is designed to offer information pertaining to responsible gaming.
- (3) Board’s contact information.
- (4) Information that allows for a patron to choose to be excluded from engaging in sports wagering.

(5) Comprehensive house rules governing wagering transactions with patrons. The house rules must be immediately available to patrons at a licensed facility’s retail and interactive or mobile application sportsbooks, and must be included in a sports wagering certificate holder’s or sports wagering operator’s internal controls required under § 1408a.3 (relating to internal controls). The rules must include all of the following:

- (i) Method for calculation and payment of winning wagers.
- (ii) Description of the process for handling incorrectly posted events, odds, wagers or results.
- (iii) Effect of schedule changes.
- (iv) Method of notifying patrons of odds or proposition changes.
- (v) Acceptance of wagers at other than posted terms.
- (vi) Expiration of any winning ticket.
- (vii) Method of contacting the operator for questions and complaints.
- (viii) Description of person prohibited from engaging in sports wagering.
- (ix) A statement regarding the policy and methods for limiting the maximum amount that a patron can win on any particular wager; however, the policy will not preclude a patron from collecting a payout in excess of the purported amount if the system allows the patron to place a valid wager that pays more than the stated maximum amount.
- (x) Methods of funding a sports wager.

§ 1408a.6. Segregation of bank accounts.

(a) A sports wagering certificate holder or sports wagering operator shall maintain a domestic bank account for player’s funds separate from all other operating accounts to ensure the security of funds held in the player’s sports wagering accounts.

(b) The balance maintained in this account shall be greater than or equal to the sum of the daily ending cashable balance of all player sports wagering accounts and unpaid wagers.

(c) A sports wagering certificate holder or sports wagering operator shall have unfettered access to all player sports wagering account and transaction data to ensure the amount of funds held in its independent account is sufficient. A sports wagering certificate holder’s or sports wagering operator’s Chief Financial Officer shall file a quarterly attestation with the Board, unless otherwise directed by the Board, that the funds have been safeguarded under this section.

§ 1408a.7. Sports wagering certificate holder’s or sports wagering operator’s organization.

(a) A sports wagering certificate holder’s or sports wagering operator’s systems of internal controls must include organization charts depicting segregation of functions and responsibilities and descriptions of the duties and responsibilities for each position shown on each organization chart. Sports wagering certificate holder or sports wagering operator shall be permitted, except as otherwise provided in this section, to tailor organizational structures to meet the needs or policies of a particular management philosophy. A sports wagering certificate holder’s or sports wagering operator’s organization charts must provide for:

(1) A system of personnel and chain of command which permits management and supervisory personnel to be held accountable for actions or omissions within their areas of responsibility.

(2) The segregation of incompatible functions, duties and responsibilities so that no employee is in a position to both commit an error or perpetrate a fraud and to conceal the error or fraud in the normal course of the employee's duties.

(3) The performance of all functions, duties and responsibilities in accordance with sound financial practices by qualified personnel.

(4) The areas of responsibility which are not so extensive as to be impractical for an individual to monitor.

(b) In addition to other positions required as part of a sports wagering certificate holder's or sports wagering operator's internal controls, a sports wagering certificate holder or sports wagering operator must maintain an information technology department supervised by an individual and licensed as a key employee who functions, for regulatory purposes, as the information technology director. A sports wagering certificate holder or sports wagering operator shall employ an information technology security officer and, if the certificate holder or licensee offers interactive or mobile sports wagering, an interactive gaming manager, both of whom shall be licensed as a key employee.

(c) The information technology director shall be responsible for the integrity of all data, the quality, reliability and accuracy of all computer systems and software used by the sports wagering certificate holder or sports wagering operator in the conduct of sports wagering activities, whether the data and software are located within or outside the certificate holder's or operator's facility, including, without limitation, specification of appropriate computer software, hardware, and procedures for security, physical integrity, audit and maintenance of:

(1) Access codes and other computer security controls used to insure appropriately limited access to computer software and data.

(2) Monitoring logs of user access, security incidents and unusual transactions.

(3) Logs used to document and maintain the details of any hardware and software modifications.

(4) Computer tapes, disks or other electronic storage media containing data relevant to sports wagering operations.

(5) Computer hardware, communications equipment and software used in the conduct of sports wagering.

(d) The information technology security officer shall report to the information technology director and be responsible for:

(1) Maintaining access codes and other computer security controls used to insure appropriately limited access to computer software and data.

(2) Reviewing logs of user access, security incidents and unusual transactions.

(3) Coordinating the development of the sports wagering certificate holder's or sports wagering operator's information security policies, standards and procedures.

(4) Coordinating the development of an education and training program on information security and privacy matters for employees and other authorized users.

(5) Ensuring compliance with all State and Federal information security policies and rules.

(6) Preparing and maintaining security-related reports and data.

(7) Working with internal and external audit personnel to ensure all findings are addressed in a timely and effective manner.

(8) Developing and implementing an Incident Reporting and Response System to address security breaches, policy violations and complaints from external parties.

(9) Serving as the official contact for information security and data privacy issues, including reporting to law enforcement.

(10) Developing and implementing an ongoing risk assessment program that targets information security and privacy matters by identifying methods for vulnerability detection and remediation and overseeing the testing of those methods.

(11) Remaining current with the latest information technology security and privacy legislation, rules, advisories, alerts, and vulnerabilities to ensure the sports wagering certificate holder's security program and security software is effective.

(e) The interactive gaming manager shall report to the information technology director, or other department manager as approved by the Board, and be responsible for ensuring the proper operation and integrity of interactive or mobile sports wagering and reviewing all reports of suspicious behavior. The interactive gaming manager shall immediately notify the Bureau upon detecting any person participating in interactive or mobile sports wagering who is:

(1) Engaging in or attempting to engage in, or who is reasonably suspected of cheating, theft, embezzlement, collusion, money laundering or any other illegal activities.

(2) A self-excluded person.

(3) A person that is prohibited by the sports wagering certificate holder or sports wagering operator from sports wagering.

§ 1408a.8. Risk management.

(a) A sports wagering certificate holder or sports wagering operator must implement risk management procedures. These procedures may be provided in-house by a unit capable of performing this function with appropriate segregation of functions and reporting duties, or by an independent third party certified by the Board as required under § 1405a.4(a)(4) (relating to qualification of individuals and entities of certified sports wagering gaming service providers).

(b) A sports wagering certificate holder's or sports wagering operator's internal controls must contain a description of its risk management framework including all of the following:

(1) Automated and manual risk management procedures.

(2) User access controls for all sportsbook personnel.

(3) Information regarding segregation of duties.

(4) Information regarding fraud detection.

(5) Controls ensuring regulatory compliance.

(6) Description of anti-money laundering compliance standards.

(7) Description of all software applications that comprise the sports wagering system.

(8) Description of all types of wagers available to be offered by the sports wagering system.

(9) Description of all integrated third-party systems.

(10) Description of the policies and procedures to be followed in the event that an error occurs in the offering of an event or wager, including cancellation of the wagers placed due to error, which shall be subject to Board approval.

(11) Any other information required by the Board.

(c) A sports wagering certificate holder or sports wagering operator shall file with the Office of Sports Wagering, in a manner and form developed by the Board, a report of any error that occurs in offering an event or wager or if an unapproved event or wager is offered to the public.

(1) Reports shall be filed no later than 5 calendar days after a sports wagering certificate holder or sports wagering operator initially detects or discovers facts that constitute the basis of filing a report.

(2) In situations involving activity that requires immediate attention, a sports wagering certificate holder or sports wagering operator shall immediately notify the Office of Sports Wagering in addition to the timely filing of a report.

(d) A sports wagering certificate holder or sports wagering operator shall maintain a copy of any report filed with the Board and the original or business record equivalent of any supporting documentation for a period of 5 years from the date the report was filed.

(1) Supporting documentation shall be identified and maintained by a sports wagering certificate holder or sports wagering operator as such, and shall be deemed to have been filed with the report.

(2) A sports wagering certificate holder or sports wagering operator shall make all supporting documentation available to the Board upon request.

§ 1408a.9. Integrity monitoring.

(a) A sports wagering certificate holder or sports wagering operator must implement integrity monitoring procedures. These procedures may be provided in-house by a unit capable of performing this function with appropriate segregation of functions and reporting duties or by an independent third party certified by the Board as required under § 1405a.1(a)(4) (relating to general sports wagering gaming service provider requirements).

(b) A sports wagering certificate holder or sports wagering operator must share information of unusual wagering activity or other suspicious wagering activity regarding sports wagering in this Commonwealth with:

(1) Other sports wagering certificate holders or sports wagering operators.

(2) The Board.

(c) A sports wagering certificate holder or sports wagering operator must submit a yearly report to the Board detailing its integrity monitoring services and summarizing any unusual wagering activity or other suspicious wagering activity notifications issued during that time period.

(d) A sports wagering certificate holder or sports wagering operator receiving a report of unusual wagering activity or suspicious wagering activity is permitted to suspend wagering on events related to the report and

may only cancel related wagers under procedures previously approved by the Board.

(e) A sports wagering certificate holder or sports wagering operator must provide the Board with remote access to its integrity monitoring system which shall provide at a minimum:

(1) Reports of unusual wagering activity.

(2) If the activity was determined to be suspicious.

(3) The actions taken by the sports wagering certificate holder or sports wagering operator.

(f) A sports wagering certificate holder or sports wagering operator shall file with the Office of Sports Wagering, in a manner and form developed by the Board, a report of any unusual wagering activity or suspicious wagering activity.

(1) Reports shall be filed no later than 5 calendar days after a sports wagering certificate holder or sports wagering operator initially detects or discovers facts that constitute the basis of filing a report.

(2) In situations involving activity that requires immediate attention, a sports wagering certificate holder or sports wagering operator shall immediately notify the Office of Sports Wagering in addition to the timely filing of a report.

(g) A sports wagering certificate holder or sports wagering operator shall maintain a copy of any report filed with the Board and the original or business record equivalent of any supporting documentation for a period of 5 years from the date the report was filed.

(1) Supporting documentation shall be identified and maintained by a sports wagering certificate holder or sports wagering operator as such, and shall be deemed to have been filed with the report.

(2) A sports wagering certificate holder or sports wagering operator shall make all supporting documentation available to the Board upon request.

§ 1408a.10. Mandatory logging.

A sports wagering certificate holder's or sports wagering operator's sports wagering system must comply with the mandatory logging requirements in Subpart L (relating to interactive gaming) of the Board's regulations.

§ 1408a.11. Records/data retention requirements.

A sports wagering certificate holder's or sports wagering operator's sports wagering system must comply with the record/data retention requirements in Chapter 465a (relating to accounting and internal controls) and Subpart L (relating to interactive gaming) of the Board's regulations.

§ 1408a.12. Required reports.

(a) Nothing in this section shall be interpreted to prohibit a retail sportsbook from accepting anonymous sports wagers at self-service kiosks or point of sale terminals. These wagers should be included in the required reports detailed in this section and identified as "anonymous player" or a similar identifier.

(b) A sports wagering certificate holder's or sports wagering operator's sports wagering system must comply with the reporting requirements in Subpart L (relating to interactive gaming) of the Board's regulations as it pertains to interactive sports wagering through a web site or mobile application.

(c) A sports wagering certificate holder or sports wagering operator must generate reports specific to its sports wagering operations as specified by the Board that shall include, at a minimum:

- (1) The report title.
- (2) The date or time period of activity, or description "as of" a point in time.
- (3) The date and time the report was generated.
- (4) Page numbering, indicating the current page and total number of pages.
- (5) Subtotals and grand totals as required by the Board.
- (6) A description of any filters applied to the data presented in the document.
- (7) Column and row titles, if applicable.
- (8) The name of the sports wagering certificate holder or sports wagering operator.

(d) All required reports shall be generated by the sports wagering certificate holder or sports wagering operator, even if the period specified contains no data to be presented. The report generated shall indicate all required information and contain an indication of "No Activity" or similar message if no data appears for the period specified.

(e) The sports wagering certificate holder or sports wagering operator shall provide a mechanism to export the data generated for any report to a format approved by the Board and as often as required by the Board.

(f) For retail sports wagering operations, a sports wagering system shall generate, at a minimum, all of the following daily reports:

(1) A "Sports Wagering Intake Summary Report" which shall include:

- (i) Tickets sold.
- (ii) Tickets paid.
- (iii) Tickets voided.
- (iv) Each ticket cancelled.
- (v) Sports wagering voucher issued.
- (vi) Sports wagering voucher redeemed.
- (vii) Over or short amount to writer's drawer.
- (viii) Grand total of each transaction type for all writers.

(2) A "Sports Wagering Results Summary Report" which shall include for each event type (that is, NFL, NHL, MLB, NCCA by sports, parlay, and the like):

- (i) Ticket sales.
- (ii) Tickets paid.
- (iii) Tickets voided
- (iv) Tickets cancelled.
- (v) Expired tickets.
- (vi) Net sports wagering gross revenue.
- (vii) Grand total of each transaction type for all events.

(3) A "Sports Wagering Ticket Expiration Detail Report" which shall include:

- (i) Ticket identification number.
- (ii) Date and time of issuance.
- (iii) Event.

(iv) Wager description.

(v) Bet amount.

(vi) Payout amount.

(4) A "Sports Wagering Voided Ticket Report" which shall include:

- (i) Ticket number.
- (ii) Date and time of issuance.
- (iii) Event.
- (iv) Wager description.
- (v) Bet amount.
- (vi) Writer name or identification number.
- (vii) Reason for void.

(5) A "Sports Wagering Cancelled Ticket Report" which shall include all of the following:

- (i) Ticket number.
- (ii) Date and time of issuance.
- (iii) Event.
- (iv) Wager description.
- (v) Bet amount.
- (vi) Reason for cancellation.

(6) A "Sports Wagering Ticket Liability Report" which shall include all of the following:

- (i) Ticket number.
- (ii) Date and time of issuance.
- (iii) Event.
- (iv) Wager description.
- (v) Amount.
- (vi) Status (pending or complete).

(7) A "Sports Wagering Voucher Liability Report" which shall include all of the following:

- (i) Voucher number.
- (ii) Date and time of issuance.
- (iii) Amount.

(g) The Sports Wagering Results Summary Report shall be reconciled with the Sports Wagering Intake Summary Report, and any discrepancy shall be reported to the Board.

(h) For retail sports wagering and interactive or mobile sports wagering, a sports wagering system shall generate, at a minimum, all of the following daily reports:

(1) A "Sports Wagering Detail Report" which shall include all of the following:

- (i) Transaction time.
- (ii) Patron account identifier, for interactive or mobile sports wagering.
- (iii) Wager identification number.
- (iv) Event type.
- (v) Wager description.
- (vi) Event date.
- (vii) Wager placed amount.
- (viii) Wager paid amount.
- (ix) Voided wager amount.
- (x) Cancelled wager amount.

- (xi) Resettled wager adjustment amount.
- (xii) Transaction impact on sports wagering revenue.
- (2) A "Sports Wagering Voided Wager Report" which shall include all of the following:
 - (i) Transaction time.
 - (ii) Patron account identifier, for interactive or mobile sports wagering.
 - (iii) Ticket wager identification number.
 - (iv) Date and time of issuance.
 - (v) Time of void.
 - (vi) Event type.
 - (vii) Wager description.
 - (viii) Event date.
 - (ix) Wager amount.
 - (x) Cashier employee name or identification number.
 - (xi) Reason for void.
- (3) A "Sports Wagering Cancelled Wager Report" which shall include all of the following:
 - (i) Transaction time.
 - (ii) Patron account identifier, for interactive or mobile sports wagering.
 - (iii) Ticket wager identification number.
 - (iv) Date and time of issuance.
 - (v) Event type.
 - (vi) Wager description.
 - (vii) Event date.
 - (viii) Wager amount.
 - (ix) Reason for cancellation.
- (4) A "Sports Wagering Resettlement Report" which shall include all of the following:
 - (i) Patron account identifier, for interactive or mobile sports wagering.
 - (ii) Wager identification number.
 - (iii) Event type.
 - (iv) Wager description.
 - (v) Date and time of initial settlement.
 - (vi) Date and time of resettlement.
 - (vii) Unsettled amount.
 - (viii) Resettlement amount.
 - (ix) Net adjustment.
- (i) For retail sports wagering and interactive or mobile sports wagering, a sports wagering system shall generate on a monthly basis on the last day of each calendar month a "Retail Sports Wagering Liability Report" and an "Interactive or Mobile Sports Wagering Liability Report" which shall include all of the following:
 - (1) Date generated.
 - (2) Patron account identifier, for interactive or mobile sports wagering.
 - (3) Wager identification number.
 - (4) Event type.
 - (5) Wager description.
 - (6) Date and time of issuance.

- (7) Event date.
 - (8) Amount.
 - (9) Status (that is, pending or complete).
- § 1408a.13. Accounting controls for the sports wagering area.**
- (a) The assets for which each ticket writer is responsible shall be maintained on an imprest basis. A ticket writer shall not permit any other person to access his or her imprest inventory.
 - (b) A ticket writer shall begin a shift with an imprest amount of currency and coin to be known as the "sports wagering inventory." No funds shall be added to or removed from the sports wagering inventory during the shift, except:
 - (1) In collection of sports wagering wagers.
 - (2) To make change for a patron buying a sports wagering ticket.
 - (3) In collection for the issuance of sports wagering vouchers.
 - (4) In payment of winning or properly cancelled or refunded sports wagering tickets.
 - (5) In payment of sports wagering vouchers.
 - (6) In exchanges with the cage, a satellite cage or sports wagering area vault supported by proper documentation, which documentation shall be sufficient for accounting reconciliation purposes.
 - (c) A "sports wagering count sheet" shall be completed and signed by the sports wagering shift supervisor, and the following information, at a minimum, shall be recorded thereon at the commencement of shift:
 - (1) The date, time and shift of preparation.
 - (2) The denomination of currency of coin in the sports wagering inventory issued to the ticket writer.
 - (3) The total amount of each denomination in the sports wagering inventory issued to the ticket writer.
 - (4) The sports wagering window number to which the ticket writer has been assigned.
 - (5) The signature of the sports wagering shift supervisor.
 - (d) A ticket writer assigned to a ticket window shall count and verify the sports wagering inventory in an area out of view of the public, and shall agree the count to the sports wagering count sheet. The ticket writer shall sign the count sheet attesting to the accuracy of the information recorded thereon. The sports wagering inventory shall be placed in the ticket writer's drawer and transported directly to the appropriate sports wagering area window by the ticket writer.
 - (e) At the conclusion of a ticket writer's shift, the ticket writer's drawer and its contents shall be transported to an area out of view of the public, where the ticket writer shall perform a blind count of the contents of the drawer and record the following information, at a minimum, on the sports wagering count sheet:
 - (1) The date, time and shift of preparation.
 - (2) The denomination of cash or cash equivalents in the drawer.
 - (3) The total amount of each denomination of cash or cash equivalents in the drawer.
 - (4) The signature of the ticket writer.

(f) A sports wagering supervisor, or above, shall compare the ticket writer net for the shift generated by the terminal and if it agrees with the sports wagering count sheet total plus the sports wagering inventory, shall agree the count to the sports wagering count sheet and shall sign the sports wagering count sheet attesting to the accuracy.

(g) If the sports wagering window net for the shift as generated by the system does not agree with the sports wagering count sheet total plus the sports wagering inventory, the sports wagering supervisor, or above, shall record any overage or shortage. If the count does not agree, the ticket writer and the sports wagering supervisor, or above, shall attempt to determine the cause of the discrepancy with the count.

(h) If the discrepancy cannot be resolved by the ticket writer and sports wagering supervisor, or above, the discrepancy shall be reported in writing to the sports wagering manager or department supervisor in charge at the time. Any discrepancy in excess of \$500 shall be reported to the Office of Sports Wagering and Bureau of Casino Compliance, with a report that shall include the following:

- (1) Date.
- (2) Shift.
- (3) Name of the ticket writer.
- (4) Name of the sports wagering supervisor, or above.
- (5) Window number.
- (6) Amount of the discrepancy.

§ 1408a.14. Sports wagering accounts.

A sports wagering certificate holder's or sports wagering operator's sports wagering system shall comply with the player account requirements in Subpart L (relating to interactive gaming) of the Board's regulations as it pertains to sports wagering accounts used by a patron to participate in interactive or mobile sports wagering.

CHAPTER 1409. (Reserved)

Sec.
1409.1. (Reserved).

CHAPTER 1409a. SPORTS WAGERING ADVERTISEMENTS, PROMOTIONS AND TOURNAMENTS

Sec.
1409a.1. General requirements.
1409a.2. Sports wagering contests, tournaments, pools or other organized events.

§ 1409a.1. General requirements.

A sports wagering certificate holder or sports wagering operator must comply with the advertisement and promotions requirements of Subparts C—E, I and L regarding its retail and interactive or mobile sportsbooks, including those provisions that require sports wagering certificate holders or sports wagering operators to submit all information to the Board as required by Subparts C—E, I and L.

§ 1409a.2. Sports wagering contests, tournaments, pools or other organized events.

(a) A sports wagering certificate holder or sports wagering operator may offer a sports wagering contest, tournament, pool or other organized event in which a player purchases entry and engages in competitive play against other players, subject to the following:

(1) Prior to offering a sports wagering contest, tournament, pool or other organized event, a sports wagering certificate holder or sports wagering operator shall file with the Office of Sports Wagering Operations notification of the terms and conditions of the contest, tournament, pool or other organized event at least 2 business days prior to the start of the contest, tournament, pool or other organized event.

(2) The terms and conditions for the contest, tournament, pool or other organized contest shall not be altered by the sports wagering certificate holder or sports wagering operator after notification to the Office of Sports Wagering Operation without filing an additional notification, and shall include, at a minimum, all of the following:

(i) A description of the sports wagering contest, tournament, pool or other organized event.

(ii) The dates and times in which the sports wagering contest, tournament, pool or other organized event will be conducted.

(iii) Rules concerning sports wagering contest, tournament, pool or other organized event play and participation.

(iv) Participation eligibility requirements, including all of the following:

(A) The minimum and maximum number of participants.

(B) Entry fees charged.

(C) The monetary amount and description of the prizes to be awarded.

(v) All conditions registered players shall meet to qualify for entry into, and advancement through, a sports wagering contest, tournament, pool or other organized event.

(vi) Funding source amounts comprising the prize pool (for example, the sports wagering entry fees).

(vii) Prize structure on payouts.

(viii) Methodology for determining winners of the sports wagering contest, tournament, pool or other organized event.

(ix) Any other information required by the Board.

(3) The terms and conditions for all sports wagering contests, tournaments, pools or other organized events shall be posted on the interactive sports wagering web site or mobile application or, if applicable, in the sports wagering area of a retail sports book, and shall be stated in a clear and concise manner using plain language.

(4) The terms and conditions of each sports wagering contest, tournament, pool or other organized event must be readily accessible to players on the interactive sports wagering web site or mobile application and remain available for review by players until the completion of the sports wagering contest, tournament, pool or other organized event.

(5) A sports wagering contest, tournament, pool or other organized event may not accept real money from any source nor pay out real money in any way during a contest, tournament, pool or other organized event, and must utilize contest, tournament, pool or other organized event specific points or credits which do not have cash value.

(b) Entry fees collected, less cash prizes paid, are to be included in the calculation of gross sports wagering

revenue. In determining the amount to be included in the event that cash prizes paid out to players exceed entry fees collected, the sports wagering certificate holder or sports wagering operator shall be deemed to have paid the fees for the players.

(c) After completion of a sports wagering contest, tournament, pool or other organized event, the results shall be made available on the interactive sports wagering web site or mobile application or, if applicable, in the sports wagering area of a retail sportsbook, for the players to review. Subsequent to posting, the results shall be recorded and be made available upon request, with the recording including all of the following:

- (1) The name of the sports wagering contest, tournament, pool or other organized event.
- (2) Date or dates of the sports wagering contest, tournament, pool or other organized event.
- (3) Total number of entries.
- (4) Total amount of entry fees collected.
- (5) Total prize pool.
- (6) Amounts paid for each winning category.

(d) Immediately upon notification from the Board's Executive Director, a sports wagering certificate holder or sports wagering operator licensee shall discontinue a sports wagering contest, tournament, pool or other organized event when it has been determined that the conduct of a sports wagering contest, tournament, pool or other organized event could adversely impact the public or the integrity of gaming.

(e) A sports wagering contest, tournament, pool or other organized event may only be comprised of sporting events and wagers contained in the sports wagering certificate holder or sports wagering operator's approved Catalog of Events and Wagers under § 1408a.3(i) (relating to internal controls).

(f) All software and sports wagering devices and associated equipment used in conjunction with sports wagering contests, tournaments, pools or other organized events are subject to requirements set forth in § 1407a.3 (relating to testing and approval generally).

(g) Sports wagering contests, tournaments, pools or other organized events that do not require payment of an entry fee by a player are not subject to notification to the Office of Sports Wagering, but shall be considered a promotion and submitted as a notification to the Office of Sports Wagering under § 813a.3 (relating to promotions).

(h) When conducting a sports wagering contest, tournament, pool or other organized event, a sports wagering certificate holder or sports wagering operator shall comply with the provisions of § 811a.9 (relating to required reports; reconciliation). In addition to the reports contained therein, the sports wagering certificate holder or sports wagering operator shall maintain and make available to the Board upon request the following information for sports wagering contests, tournaments, pools or other organized events:

- (1) Name of the sports wagering contest, tournament, pool or other organized event.
- (2) Start date of the sports wagering contest, tournament, pool or other organized event.

- (3) End date of the sports wagering contest, tournament, pool or other organized event.
- (4) Total number of entrants.
- (5) Total number of entries.
- (6) Total amount of entry fees.
- (7) Fees collected.
- (8) Total prize pool.
- (9) Patron's wagering selections.
- (10) Contest, tournament, pool or other organized event results.
- (11) Amounts paid for each winning category.

(i) A sports wagering certificate holder or sports wagering operator licensee shall maintain records related to the conduct of sports wagering contests, tournaments, pools or other organized events in accordance with § 465a.6(c) (relating to retention, storage and destruction of books, records and documents) which shall be made available to Board staff and the Department upon request.

CHAPTER 1410. (Reserved)

Sec.
1410.1. (Reserved).

**CHAPTER 1410a. SPORTS WAGERING
COMPULSIVE AND PROBLEM GAMBLING
REQUIREMENTS**

Sec.
1410a.1. General requirements.

§ 1410a.1. General requirements.

(a) A sports wagering certificate holder or sports wagering operator must comply with the compulsive and problem gambling provisions of Subparts I and L (relating to compulsive and problem gambling; and interactive gaming) regarding its retail and interactive or mobile sportsbooks.

(b) A sports wagering certificate holder or sports wagering operator shall amend its current compulsive gaming plans and programs to include sports wagering activities.

CHAPTER 1411. (Reserved)

Sec.
1411.1. (Reserved).

**CHAPTER 1411a. SPORTS WAGERING
SELF-EXCLUDED PERSONS**

Sec.
1411a.1. General requirements.

§ 1411a.1. General requirements.

(a) A sports wagering certificate holder or sports wagering operator must comply with the self-exclusion provisions of Subparts I and L (relating to compulsive and problem gambling; and interactive gaming) regarding its retail and interactive or mobile sportsbooks.

(b) A sports wagering certificate holder or sports wagering operator shall amend its current self-exclusion plans and programs to include sports wagering activities.

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