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Pennsylvania Gaming Control Board Eliminates One Percent Ownership License Requirement for Privately Held Companies

Yesterday, the Pennsylvania Gaming Control Board (the “Board”) [issued new licensing thresholds](#) for principals of privately held companies, which brings Pennsylvania in line with the ownership licensing threshold of other states in the gaming industry. Effective immediately, only individuals and entities which hold a five percent or greater direct or indirect ownership interest in a privately held slot machine, management company, operator, manufacturer, supplier, or manufacturer designee licensee will need to apply for and obtain principal licenses from the Board. Previously, Pennsylvania required that any individual who held a one percent or greater direct or indirect interest in a privately held company required principal license approval. The one percent threshold placed a heavier licensing burden on owners in privately held companies than in public companies and was an outlier to the requirements of other gaming states.

Although the Board retains discretion to require licensure of entities and individuals as it deems necessary, this increase in the ownership threshold marks a significant and positive shift for owners in privately held companies and lessens the licensing burden on these companies.

Importantly, individuals or entities who have already filed applications or obtained licenses in Pennsylvania due to their one percent or greater ownership interest can now seek withdrawal or surrender if their ownership is below five percent, and if the Board otherwise considers it unnecessary for them to be licensed. Formal revisions to the language of the applicable Pennsylvania regulations are being drafted, but the Board notified all applicants and licensees that this change shall be effective immediately.

If you have any questions about this important change or need assistance in withdrawing applications or surrendering existing licenses, please contact [Stephen D. Schrier](#), [Michael P. Trainor](#), or a member of Blank Rome’s [Gaming](#) group.

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