

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1342 Session of 2017

INTRODUCED BY SANTORA, DIAMOND AND MILLARD, MAY 5, 2017

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, MAY 5, 2017

AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated
 2 Statutes, in licensees relating to gaming, providing for slot
 3 machine license operation fee; and, in revenues, further
 4 providing for establishment of State Gaming Fund and net slot
 5 machine revenue distribution.

6 The General Assembly of the Commonwealth of Pennsylvania
 7 hereby enacts as follows:

8 Section 1. Title 4 of the Pennsylvania Consolidated Statutes
 9 is amended by adding a section to read:

10 § 1326.1. Slot machine license operation fee.

11 (a) Imposition.--Beginning January 1, 2017, each Category 1
 12 and Category 2 licensed gaming entity shall pay to the board an
 13 annual slot machine license operation fee in an amount equal to
 14 20% of the slot machine license fee paid at the time of issuance
 15 under section 1209(a) (relating to slot machine license fee).

16 (b) Payment of fee.--The slot machine license operation fee
 17 imposed under subsection (a) shall be paid in equal monthly
 18 installments on or before the first day of each month.

19 (c) Failure to pay.--The board may at the board's discretion
 20 suspend, revoke or deny a permit or license issued under this

1 part to a Category 1 licensed gaming entity or Category 2
2 licensed gaming entity that fails to pay the slot machine
3 license operation fee imposed under subsection (a).

4 (d) Deposit.--The slot machine license operation fees
5 collected by the board under this section shall be deposited in
6 the fund and are appropriated to the department on a continuing
7 basis for the purposes enumerated under section 1403(c) (3)
8 (relating to establishment of State Gaming Fund and net slot
9 machine revenue distribution).

10 Section 2. Section 1403(c) (2) (iii) (A) and (3) and (e) are
11 reenacted and amended and subsection (c) is amended by adding
12 paragraphs to read:

13 § 1403. Establishment of State Gaming Fund and net slot machine
14 revenue distribution.

15 * * *

16 (c) Transfers and distributions.--The department shall:

17 * * *

18 (2) From the local share assessment established in
19 subsection (b), make quarterly distributions among the
20 counties hosting a licensed facility in accordance with the
21 following schedule:

22 * * *

23 (iii) If the facility is a Category 2 licensed
24 facility and if the county in which the licensed facility
25 is located is:

26 (A) A county of the first class: [4%] 2% of the
27 gross terminal revenue to the county hosting the
28 licensed facility from each such licensed facility.
29 Notwithstanding any other provision to the contrary,
30 funds from licensed gaming entities located within a

1 county of the first class shall not be distributed
2 outside of a county of the first class. The first
3 \$5,000,000 of the total amount distributed annually
4 to the county of the first class shall be distributed
5 to the Philadelphia School District.

6 * * *

7 (3) From [the local share assessment established in
8 subsection (b)] the slot machine operation fees deposited
9 into the fund under section 1326.1(d) (relating to slot
10 machine license operation fee), make quarterly distributions
11 among the municipalities, including home rule municipalities,
12 hosting a licensed facility in accordance with the following
13 schedule:

14 [(i) To a city of the second class hosting a
15 licensed facility, other than a Category 3 licensed
16 facility, 2% of the gross terminal revenue or \$10,000,000
17 annually, whichever is greater, shall be paid by each
18 licensed gaming entity operating a facility located in
19 that city. In the event that the revenues generated by
20 the 2% do not meet the \$10,000,000 minimum specified in
21 this subparagraph, the department shall collect the
22 remainder of the minimum amount of \$10,000,000 from each
23 licensed gaming entity operating a facility in the city
24 and deposit that amount in the city treasury.]

25 (i.1) To a city of the first class hosting a
26 licensed facility, other than a Category 3 licensed
27 facility, \$10,000,000 annually shall be distributed to
28 the city treasury.

29 (i.2) To a city of the second class hosting a
30 licensed facility, other than a Category 3 licensed

1 facility, \$10,000,000 annually shall be distributed to
2 the city treasury.

3 (ii) To a city of the second class A hosting a
4 licensed facility, other than a Category 3 licensed
5 facility, [2% of the gross terminal revenue or]
6 \$10,000,000 annually[, whichever is greater, shall be
7 paid by each licensed entity operating a licensed
8 facility located in that city] shall be distributed to
9 the city, subject, however, to the budgetary limitation
10 in this subparagraph. The amount allocated to the
11 designated municipalities shall not exceed 50% of their
12 total budget for fiscal year 2003-2004, adjusted for
13 inflation in subsequent years by an amount not to exceed
14 an annual cost-of-living adjustment calculated by
15 applying the percentage change in the Consumer Price
16 Index immediately prior to the date the adjustment is due
17 to take effect. Any remaining moneys shall be [collected
18 by the department from each licensed gaming entity and]
19 distributed in accordance with paragraph (2) based upon
20 the classification of county where the licensed facility
21 is located. [In the event that the revenues generated by
22 the 2% do not meet the \$10,000,000 minimum specified in
23 this subparagraph, the department shall collect the
24 remainder of the minimum amount of \$10,000,000 from each
25 licensed gaming entity operating a facility in the city,
26 pay any balance due to the city and transfer any
27 remainder in accordance with paragraph (2).]

28 (iii) To a city of the third class hosting a
29 licensed facility, other than a Category 3 licensed
30 facility, [2% of the gross terminal revenue or]

1 \$10,000,000 annually[, whichever is greater, shall be
2 paid by each licensed gaming entity operating a licensed
3 facility located in that city,] less any amount up to
4 \$5,000,000 received pursuant to a written agreement with
5 a licensed gaming entity executed prior to the effective
6 date of this part, shall be distributed to the city,
7 subject, however, to the budgetary limitation in this
8 subparagraph. In the event that the city has a written
9 agreement with a licensed gaming entity executed prior to
10 the effective date of this part, the amount paid under
11 the agreement to the city shall be applied and credited
12 [to the difference between 2% of the gross terminal
13 revenue and the \$10,000,000 owed under this subparagraph
14 if the 2% of the gross terminal revenue is less than
15 \$10,000,000. If 2% of the gross terminal revenue is
16 greater than the \$10,000,000 required to be paid under
17 this subparagraph, the credit shall not apply. The amount
18 of gross terminal revenue required to be paid pursuant to
19 the agreement shall be deemed to be gross terminal
20 revenue for purposes of this subparagraph.], up to
21 \$5,000,000, to the slot machine license operation fee
22 owed under section 1326.1. The amount allocated to the
23 designated municipalities shall not exceed 50% of their
24 total budget for fiscal year 2003-2004, adjusted for
25 inflation in subsequent years by an amount not to exceed
26 an annual cost-of-living adjustment calculated by
27 applying the percentage change in the Consumer Price
28 Index immediately prior to the date the adjustment is due
29 to take effect. Any remaining moneys shall be [collected
30 by the department from each licensed gaming entity and]

1 distributed in accordance with paragraph (2) based upon
2 the classification of county where the licensed facility
3 is located. [In the event that the revenues generated by
4 the 2% do not meet the \$10,000,000 minimum specified in
5 this subparagraph, the department shall collect the
6 remainder of the minimum amount of \$10,000,000 from each
7 licensed gaming entity operating a facility, pay any
8 balance due to the city of the third class and transfer
9 any remainder in accordance with paragraph (2).]

10 (iii.1) If a licensed facility, other than a
11 Category 3 licensed facility, is located in a city of the
12 third class and the city is located in more than one
13 county of the third class, [2% of the gross terminal
14 revenue or] \$10,000,000 annually[, whichever is greater,]
15 shall be distributed as follows: 80% to the host city
16 and 20% to the city of the third class located solely in
17 a nonhost county in which the host city of the third
18 class is also located. If a licensed facility, other than
19 a Category 3 licensed facility, is located in a city of
20 the third class and that city is located solely in a host
21 county of the third class in which a nonhost city of the
22 third class is also located, [2% of gross terminal
23 revenue or] \$10,000,000 annually[, whichever is greater,]
24 shall be distributed as follows: 80% to the host city
25 and 20% to a city of the third class located both in a
26 nonhost county of the third class and in a host county of
27 the third class in which the host city of the third class
28 is located.

29 (iv) To a township of the first class hosting a
30 licensed facility, other than a Category 3 licensed

1 facility, [2% of the gross terminal revenue or]
2 \$10,000,000 annually[, whichever is greater, shall be
3 paid by each licensed gaming entity operating a licensed
4 facility located in the township] shall be distributed to
5 the township, subject, however, to the budgetary
6 limitation in this subparagraph. The amount allocated to
7 the designated municipalities shall not exceed 50% of
8 their total budget for fiscal year 2003-2004, adjusted
9 for inflation in subsequent years by an amount not to
10 exceed an annual cost-of-living adjustment calculated by
11 applying the percentage change in the Consumer Price
12 Index immediately prior to the date the adjustment is due
13 to take effect. Any remaining money shall be [collected
14 by the department from each licensed gaming entity and]
15 distributed in accordance with paragraph (2) based upon
16 the classification of county where the licensed facility
17 is located. [In the event that the revenues generated by
18 the 2% do not meet the \$10,000,000 minimum specified in
19 this subparagraph, the department shall collect the
20 remainder of the minimum amount of \$10,000,000 from each
21 licensed gaming entity operating a licensed facility in
22 the township, pay any balance due to the township and
23 transfer any remainder in accordance with paragraph (2).]

24 (v) To a township of the second class hosting a
25 licensed facility:

26 (A) [2% of the gross terminal revenue or]
27 \$10,000,000 annually[, whichever is greater, shall be
28 paid by each licensed gaming entity operating a
29 licensed facility, other than a Category 3 licensed
30 facility or a licensed facility owning land adjacent

1 to the licensed facility located in more than one
2 township of the second class,] shall be distributed
3 to the township of the second class hosting [the] a
4 licensed facility, other than a Category 3 licensed
5 facility or a licensed facility located in more than
6 one township of the second class, subject, however,
7 to the budgetary limitation in this subparagraph. The
8 amount allocated to the designated municipalities
9 shall not exceed 50% of their total budget for fiscal
10 year 2003-2004, adjusted for inflation in subsequent
11 years by an amount not to exceed an annual cost-of-
12 living adjustment calculated by applying the
13 percentage change in the Consumer Price Index
14 immediately prior to the date the adjustment is due
15 to take effect. Any remaining money shall be
16 [collected by the department from each licensed
17 gaming entity and] distributed in accordance with
18 paragraph (2) based upon the classification of county
19 where the licensed facility is located. [If revenues
20 generated by the 2% do not meet the \$10,000,000
21 minimum specified in this subparagraph, the
22 department shall collect the remainder of the minimum
23 amount of \$10,000,000 from each licensed gaming
24 entity operating a licensed facility in the township,
25 pay any balance due to the township and transfer any
26 remainder in accordance with paragraph (2).]

27 (B) [2% of the gross terminal revenue or]
28 \$10,000,000 annually[, whichever is greater,] less
29 the amount paid under clause (C), shall be [paid by
30 each licensed gaming entity operating a licensed

1 facility and owning land adjacent to the licensed
2 facility located in more than one township of the
3 second class, other than a Category 3 licensed
4 facility,] distributed to the township of the second
5 class hosting [the] a licensed facility which owns
6 land adjacent to the licensed facility located in
7 more than one township of the second class, other
8 than a Category 3 licensed facility, subject,
9 however, to the budgetary limitation in this
10 subparagraph. The amount allocated to the designated
11 municipalities may not exceed 50% of their total
12 budget for the fiscal year 2003-2004, adjusted for
13 inflation in subsequent years by an amount not to
14 exceed an annual cost-of-living adjustment calculated
15 by applying the percentage change in the Consumer
16 Price Index immediately prior to the date the
17 adjustment is due to take effect. Any remaining money
18 shall be [collected by the department from each
19 licensed gaming entity and] distributed in accordance
20 with paragraph (2) based upon the classification of
21 the county where the licensed facility is located.
22 The county commissioners of a county of the third
23 class in which the licensed facility is located shall
24 appoint an advisory committee for the purpose of
25 advising the county as to the need for municipal
26 grants for health, safety, transportation and other
27 projects in the public interest to be comprised of
28 two individuals from the host municipality, two from
29 contiguous municipalities within the county of the
30 third class and one from the host county. [In the

1 event that the revenues generated by the 2% do not
2 meet the \$10,000,000 minimum specified in this
3 subparagraph, the department shall collect the
4 remainder of the minimum amount of \$10,000,000 from
5 each licensed gaming entity operating a licensed
6 facility in the township, pay any balance due to the
7 township and transfer any remainder in accordance
8 with paragraph (2).]

9 (C) [\$160,000 annually shall be paid by each
10 licensed gaming entity operating a licensed facility
11 and owning land adjacent to the licensed facility
12 located in more than one township of the second
13 class, other than a Category 3 licensed facility, to
14 the township of the second class that is located in a
15 county of the fifth class in which the adjacent land
16 is located, including racetracks, grazing fields or
17 any other adjoining real property.] For land owned by
18 a licensed gaming entity, other than a Category 3
19 licensed facility, and located in more than one
20 township of the second class: \$160,000 shall be
21 distributed annually to the township of the second
22 class which is located in a county of the fifth class
23 if the land owned, including racetracks, grazing
24 fields and other adjoining real property, is adjacent
25 to the licensed facility.

26 (vi) To a borough hosting a licensed facility, other
27 than a Category 3 licensed facility, [2% of the gross
28 terminal revenue or] \$10,000,000 annually[, whichever is
29 greater, shall be paid by each licensed gaming entity
30 operating a licensed facility located in that borough,]

1 shall be distributed to the borough, subject, however, to
2 the budgetary limitation in this subparagraph. The amount
3 allocated to the designated municipalities shall not
4 exceed 50% of their total budget for fiscal year 2003-
5 2004, adjusted for inflation in subsequent years by an
6 amount not to exceed an annual cost-of-living adjustment
7 calculated by applying the percentage change in the
8 Consumer Price Index immediately prior to the date the
9 adjustment is due to take effect. Any remaining money
10 shall be [collected by the department from each licensed
11 gaming entity and] distributed in accordance with
12 paragraph (2) based upon the classification of county
13 where the licensed facility is located. [In the event
14 that the revenues generated by the 2% do not meet the
15 \$10,000,000 minimum specified in this subparagraph, the
16 department shall collect the remainder of the minimum
17 amount of \$10,000,000 from each licensed gaming entity
18 operating a licensed facility in the borough, pay any
19 balance due to the borough and transfer any remainder in
20 accordance with paragraph (2).]

21 (vii) To an incorporated town hosting a licensed
22 facility, other than a Category 3 licensed facility, [2%
23 of the gross terminal revenue or] \$10,000,000 annually[,
24 whichever is greater, shall be paid by each licensed
25 entity operating a licensed facility located in the
26 town,] shall be distributed to the incorporated town,
27 subject, however, to the budgetary limitation in this
28 subparagraph. The amount allocated to the designated
29 municipalities shall not exceed 50% of their total budget
30 for fiscal year 2003-2004, adjusted for inflation in

1 subsequent years by an amount not to exceed an annual
2 cost-of-living adjustment calculated by applying the
3 percentage change in the Consumer Price Index immediately
4 prior to the date the adjustment is due to take effect.
5 Any remaining money shall be [collected by the department
6 from each licensed gaming entity and] distributed in
7 accordance with paragraph (2) based upon the
8 classification of county where the licensed facility is
9 located. [In the event that the revenues generated by the
10 2% do not meet the \$10,000,000 minimum specified in this
11 subparagraph, the department shall collect the remainder
12 of the minimum amount of \$10,000,000 from each licensed
13 gaming entity operating a licensed facility in the
14 incorporated town, pay any balance due to the town and
15 transfer any remainder in accordance with paragraph (2).

16 (viii) (A) Except as provided in clause (B) or (C),
17 to a municipality of any class hosting a Category 3
18 facility, 2% of the gross terminal revenue from the
19 Category 3 licensed facility located in the
20 municipality, subject, however, to the budgetary
21 limitation in this clause. The amount allocated to
22 the designated municipalities shall not exceed 50% of
23 their total budget for fiscal year 2009, adjusted for
24 inflation in subsequent years by an amount not to
25 exceed an annual cost-of-living adjustment calculated
26 by applying the percentage change in the Consumer
27 Price Index immediately prior to the date the
28 adjustment is due to take effect. Any remaining money
29 shall be collected by the department from each
30 licensed gaming entity and distributed in accordance

1 with paragraph (2) based upon the classification of
2 county where the licensed facility is located.

3 (B) If the municipality hosting a Category 3
4 licensed facility is a borough located in a county of
5 the third class and the borough is contiguous to a
6 city of the third class, 1% of gross terminal revenue
7 shall be distributed to the host borough and 1% of
8 gross terminal revenue shall be distributed to the
9 city of the third class that is contiguous to the
10 host borough, subject, however, to the budgetary
11 limitation in this clause. The amount allocated to
12 each designated municipality shall not exceed 50% of
13 its total budget for fiscal year 2009, adjusted for
14 inflation in subsequent years by an amount not to
15 exceed an annual cost-of-living adjustment calculated
16 by applying the percentage increase, if any, in the
17 Consumer Price Index immediately prior to the date
18 the adjustment is due to take effect. Any remaining
19 money shall be collected by the department from each
20 licensed gaming entity and distributed in accordance
21 with paragraph (2) based upon the classification of
22 county where the licensed facility is located.

23 (C) If the municipality hosting a Category 3
24 licensed facility is a township of the second class
25 in a county of the fifth class which is contiguous to
26 a county of the seventh class, 2% of the gross
27 terminal revenue from the Category 3 licensed
28 facility located in the municipality shall be
29 distributed to the municipality, subject, however, to
30 the budgetary limitation in this clause. The amount

1 allocated to the designated municipalities shall not
2 exceed the lesser of \$1,000,000 or 50% of their total
3 budget for fiscal year 2009, adjusted for inflation
4 in subsequent years by an amount not to exceed an
5 annual cost-of-living adjustment calculated by
6 applying the percentage change in the Consumer Price
7 Index immediately prior to the date the adjustment is
8 due to take effect. Any remaining money shall be
9 collected by the department from each licensed gaming
10 entity and distributed in equal amounts to each
11 municipality contiguous to the host municipality.
12 However, the amount to be allocated to any contiguous
13 municipality shall not exceed the lesser of
14 \$1,000,000 or 50% of the municipality's total budget
15 for fiscal year 2009, adjusted for inflation in
16 subsequent years by an amount not to exceed an annual
17 cost-of-living adjustment calculated by applying the
18 percentage change in the Consumer Price Index
19 immediately prior to the date the adjustment is due
20 to take effect. Any money remaining following
21 distribution to contiguous municipalities shall be
22 collected by the department and distributed in
23 accordance with paragraph (2) based upon the
24 classification of county where the licensed facility
25 is located.

26 (ix) Any municipality not specifically enumerated in
27 subparagraphs (i) through (viii), 2% of the gross
28 terminal revenue to the municipality hosting the licensed
29 facility from each such licensed facility.

30 (x) If the licensed facility is located in more than

1 one municipality, the amount available shall be
2 distributed on a pro rata basis determined by the
3 percentage of acreage located in each municipality to the
4 total acreage of all municipalities occupied by the
5 licensed facility.

6 (xi) If the licensed facility is located at a resort
7 which is also an incorporated municipality, such
8 municipality shall not be eligible to receive any
9 distribution under this paragraph. The distribution it
10 would have otherwise been entitled to under this
11 paragraph shall instead be distributed in accordance with
12 paragraph (2) based upon the county where the licensed
13 facility is located.

14 (xii) The distributions provided in this paragraph
15 shall be based upon municipal classifications in effect
16 on the effective date of this section. For the purposes
17 of this paragraph, any reclassification of municipalities
18 as a result of a Federal decennial census or of a State
19 statute shall not apply to this paragraph.

20 (xiii) If any provision of this paragraph is found
21 to be unenforceable for any reason, the distribution
22 provided for in such unenforceable provision shall be
23 made to the municipality in which the licensed facility
24 is located.

25 (xiv) Nothing in this paragraph shall prevent any of
26 the above municipalities from entering into
27 intergovernmental cooperative agreements with other
28 jurisdictions for sharing this money.

29 (xv) Notwithstanding any other law, agreement or
30 provision in this part to the contrary, all revenues

1 provided, directed or earmarked under this section to or
2 for the benefit of a city of the second class in which an
3 intergovernmental cooperation authority has been
4 established and is in existence pursuant to the act of
5 February 12, 2004 (P.L.73, No.11), known as the
6 Intergovernmental Cooperation Authority Act for Cities of
7 the Second Class, shall be directed to and under the
8 exclusive control of such intergovernmental cooperation
9 authority to be used:

10 (A) to reduce the debt of the second class city;

11 (B) to increase the level of funding of the
12 municipal pension funds of the second class city; or

13 (C) for any other purposes as determined to be
14 in the best interest of the second class city by such
15 intergovernmental cooperation authority. Such
16 revenues shall not be directed to or under the
17 control of such city of the second class or any
18 coordinator appointed pursuant to the act of July 10,
19 1987 (P.L.246, No.47), known as the Municipalities
20 Financial Recovery Act, for such city of the second
21 class.]

22 (4) From the local share assessment established in
23 subsection (b), make quarterly distributions among the
24 municipalities, including home rule municipalities, hosting a
25 licensed facility in accordance with the following schedule:

26 (i) Except as provided in subparagraph (ii) or
27 (iii), to a municipality of any class hosting a Category
28 3 facility, 2% of the gross terminal revenue from the
29 Category 3 licensed facility located in the municipality,
30 subject, however, to the budgetary limitation in this

1 subparagraph. The amount allocated to the designated
2 municipalities shall not exceed 50% of their total budget
3 for fiscal year 2009, adjusted for inflation in
4 subsequent years by an amount not to exceed an annual
5 cost-of-living adjustment calculated by applying the
6 percentage change in the Consumer Price Index immediately
7 prior to the date the adjustment is due to take effect.
8 Any remaining money shall be collected by the department
9 from each licensed gaming entity and distributed in
10 accordance with paragraph (2) based upon the
11 classification of county where the licensed facility is
12 located.

13 (ii) If the municipality hosting a Category 3
14 licensed facility is a borough located in a county of the
15 third class and the borough is contiguous to a city of
16 the third class, 1% of gross terminal revenue shall be
17 distributed to the host borough and 1% of gross terminal
18 revenue shall be distributed to the city of the third
19 class that is contiguous to the host borough, subject,
20 however, to the budgetary limitation in this
21 subparagraph. The amount allocated to each designated
22 municipality shall not exceed 50% of its total budget for
23 fiscal year 2009, adjusted for inflation in subsequent
24 years by an amount not to exceed an annual cost-of-living
25 adjustment calculated by applying the percentage
26 increase, if any, in the Consumer Price Index immediately
27 prior to the date the adjustment is due to take effect.
28 Any remaining money shall be collected by the department
29 from each licensed gaming entity and distributed in
30 accordance with paragraph (2) based upon the

1 classification of county where the licensed facility is
2 located.

3 (iii) If the municipality hosting a Category 3
4 licensed facility is a township of the second class in a
5 county of the fifth class which is contiguous to a county
6 of the seventh class, 2% of the gross terminal revenue
7 from the Category 3 licensed facility located in the
8 municipality shall be distributed to the municipality,
9 subject, however, to the budgetary limitation in this
10 subparagraph. The amount allocated to the designated
11 municipalities shall not exceed the lesser of \$1,000,000
12 or 50% of their total budget for fiscal year 2009,
13 adjusted for inflation in subsequent years by an amount
14 not to exceed an annual cost-of-living adjustment
15 calculated by applying the percentage change in the
16 Consumer Price Index immediately prior to the date the
17 adjustment is due to take effect. Any remaining money
18 shall be collected by the department from each licensed
19 gaming entity and distributed in equal amounts to each
20 municipality contiguous to the host municipality. The
21 amount to be allocated to any contiguous municipality
22 shall not exceed the lesser of \$1,000,000 or 50% of the
23 municipality's total budget for fiscal year 2009,
24 adjusted for inflation in subsequent years by an amount
25 not to exceed an annual cost-of-living adjustment
26 calculated by applying the percentage change in the
27 Consumer Price Index immediately prior to the date the
28 adjustment is due to take effect. Any money remaining
29 following distribution to contiguous municipalities shall
30 be collected by the department and distributed in

1 accordance with paragraph (2) based upon the
2 classification of county where the licensed facility is
3 located.

4 (5) From the slot machine operation fees deposited in
5 the fund under section 1326.1(d), make quarterly
6 distributions to any municipality not specifically enumerated
7 in paragraph (3) or (4) hosting a Category 1 licensed
8 facility or a Category 2 licensed facility, equal to
9 \$10,000,000 annually.

10 (6) From the local share assessment established in
11 subsection (b), make quarterly distributions to any
12 municipality not enumerated in paragraph (3) or (4) hosting a
13 Category 3 licensed facility: 2% of the gross terminal
14 revenue paid by each licensed gaming entity operating a
15 Category 3 licensed facility.

16 (7) If a licensed facility is located in more than one
17 municipality, the amount available shall be distributed on a
18 pro rata basis determined by the percentage of acreage
19 located in each municipality to the total acreage of all
20 municipalities occupied by the licensed facility.

21 (8) If a licensed facility is located at a resort which
22 is also an incorporated municipality, the municipality shall
23 not be eligible to receive any distribution under paragraph
24 (3), (4), (5) or (6). The distribution it would have
25 otherwise been entitled to under paragraph (3), (4), (5) or
26 (6) shall instead be distributed in accordance with paragraph
27 (2) based upon the classification of county where the
28 licensed facility is located.

29 (9) The distributions provided in paragraph (3), (4),
30 (5) or (6) shall be based upon municipal classifications in

1 effect on July 5, 2004. For the purposes of paragraphs (3),
2 (4), (5) and (6), any reclassification of municipalities as a
3 result of a Federal decennial census or of a State statute
4 shall not apply to paragraphs (3), (4), (5) and (6).

5 (10) If any provision of paragraph (3), (4), (5) or (6)
6 is found to be unenforceable for any reason, the distribution
7 provided for in the unenforceable provision shall be made to
8 the municipality in which the licensed facility is located.

9 (11) Nothing in paragraph (3), (4), (5) or (6) shall be
10 construed to prevent any of the above municipalities from
11 entering into intergovernmental cooperative agreements with
12 other jurisdictions for sharing the funds distributed to
13 them.

14 (12) Notwithstanding any other law, agreement or
15 provision in this part to the contrary, all revenues
16 provided, directed or earmarked under this section to or for
17 the benefit of a city of the second class in which an
18 intergovernmental cooperation authority has been established
19 and is in existence under the act of February 12, 2004
20 (P.L.73, No.11), known as the Intergovernmental Cooperation
21 Authority Act for Cities of the Second Class, shall be
22 directed to and under the exclusive control of the
23 intergovernmental cooperation authority to be used:

24 (i) to reduce the debt of the city of the second
25 class;

26 (ii) to increase the level of funding of the
27 municipal pension funds of the city of the second class;
28 or

29 (iii) for any other purposes as determined to be in
30 the best interest of the city of the second class by the

1 intergovernmental cooperation authority. The revenues
2 shall not be directed to or under the control of the city
3 of the second class or any coordinator appointed under
4 the act of July 10, 1987 (P.L.246, No.47), known as the
5 Municipalities Financial Recovery Act, for the city of
6 the second class.

7 * * *

8 (e) Reporting.--

9 (1) In cooperation with the department and the
10 Commonwealth Financing Authority, the Department of Community
11 and Economic Development shall submit an annual report on all
12 distributions of local share assessments and slot machine
13 license operation fees to counties and municipalities under
14 this section to the chairman and minority chairman of the
15 Appropriations Committee of the Senate, the chairman and
16 minority chairman of the Community, Economic and Recreational
17 Development Committee of the Senate, the chairman and
18 minority chairman of the Appropriations Committee of the
19 House of Representatives and the chairman and minority
20 chairman of the Gaming Oversight Committee of the House of
21 Representatives. The report shall be submitted by [August 31,
22 2010] March 31, 2018, and by [August] March 31 of each year
23 thereafter.

24 (2) All counties and municipalities receiving
25 distributions of local share assessments or slot machine
26 license operation fees under this section shall submit
27 information to the Department of Community and Economic
28 Development on a form prepared by the Department of Community
29 and Economic Development that sets forth the amount and use
30 of the funds received in the prior calendar year. The form

1 shall set forth whether the funds received were deposited in
2 the county's or municipality's General Fund or committed to a
3 specific project or use.

4 * * *

5 Section 3. Licensed gaming entities required to make
6 payments under 4 Pa.C.S. § 1326.1 shall:

7 (1) receive a credit against payments due in calendar
8 year 2017 for any payments made up to the date the first
9 payment is due under paragraph (2) under the following:

10 (i) 4 Pa.C.S. § 1403(c)(3)(i), (ii), (iii), (iii.1),
11 (iv), (v), (vi) and (vii) and 4(i) and (ii), formerly (3)
12 (viii)(A) and (B), as those provisions were in existence
13 prior to the effective date of the amendment of 4 Pa.C.S.
14 § 1403; or

15 (ii) any written agreement between a municipality
16 and a licensed gaming entity required to make payments
17 under 4 Pa.C.S. § 1326.1 entered into prior to the
18 effective date of this section that relates to the
19 payments required under 4 Pa.C.S. § 1403(c)(3)(i), (ii),
20 (iii), (iii.1), (iv), (v), (vi) and (vii) and 4(i) and
21 (ii), formerly (3)(viii)(A) and (B), as those provisions
22 existed prior to the effective date of the amendment of 4
23 Pa.C.S. § 1403; and

24 (2) commence the payments due under this section the
25 first day of the first calendar month following the effective
26 date of this section.

27 Section 4. This act shall take effect immediately.