

THE FISCAL CODE - OMNIBUS AMENDMENTS
Act of Oct. 9, 2009, P.L. 537, No. 50

Cl. 72

Session of 2009
No. 2009-50

HB 1614

AN ACT

Amending the act of April 9, 1929 (P.L.343, No.176), entitled, as amended, "An act relating to the finances of the State government; providing for the settlement, assessment, collection, and lien of taxes, bonus, and all other accounts due the Commonwealth, the collection and recovery of fees and other money or property due or belonging to the Commonwealth, or any agency thereof, including escheated property and the proceeds of its sale, the custody and disbursement or other disposition of funds and securities belonging to or in the possession of the Commonwealth, and the settlement of claims against the Commonwealth, the resettlement of accounts and appeals to the courts, refunds of moneys erroneously paid to the Commonwealth, auditing the accounts of the Commonwealth and all agencies thereof, of all public officers collecting moneys payable to the Commonwealth, or any agency thereof, and all receipts of appropriations from the Commonwealth, authorizing the Commonwealth to issue tax anticipation notes to defray current expenses, implementing the provisions of section 7(a) of Article VIII of the Constitution of Pennsylvania authorizing and restricting the incurring of certain debt and imposing penalties; affecting every department, board, commission, and officer of the State government, every political subdivision of the State, and certain officers of such subdivisions, every person, association, and corporation required to pay, assess, or collect taxes, or to make returns or reports under the laws imposing taxes for State purposes, or to pay license fees or other moneys to the Commonwealth, or any agency thereof, every State depository and every debtor or creditor of the Commonwealth," providing for method of filing; further providing for the definition of "cigarettes"; providing for the definition of "little cigars"; establishing the independent fiscal office; further providing for notice and publication of lists of property subject to custody and control of the Commonwealth; providing for borrowing for capital facilities and for oil and gas wells; further providing for the State Workers' Insurance Board and for sunset provisions relating to State Workers' Insurance Fund investment authority; providing for Pennsylvania Gaming Economic Development and Tourism Fund and for Water and Sewer System Assistance Bond Fund; further providing for Department of Corrections, for Department of Education, for Department of Environmental Protection, for Pennsylvania State Police and for Pennsylvania Emergency Management Agency; providing for 2009-2010 budget implementation and for 2009-2010 restrictions on appropriations for funds and accounts; abolishing the Board of Trustees of the Scranton State School for the Deaf; and making related repeals.

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

Section 1. The act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, is amended by adding a section to read:

Section 10. Method of Filing.--(a) The Department of Revenue may require any return, report or other document required to be filed for a tax administered by the department prepared by a third party who submits fifty or more returns per year to be filed by any method prescribed by the department, including by telephonic, electronic or other method. Notice of the method of filing shall be published in the Pennsylvania Bulletin and on the Department of Revenue's Internet website at least sixty days prior to the due date of the return, report or other document required to be filed by telephonic, electronic or other method. The notice shall refer to this section.

(b) Failure to file a return, report or other document by the method required under subsection (a) shall subject the tax preparer to a penalty of one percent of the tax due on the return, report or other document up to a maximum of five hundred dollars (\$500), but not less than ten dollars (\$10). This penalty shall be assessed and collected in the manner provided by the act of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of 1971." This penalty shall be in addition to any civil penalty imposed in the applicable article of the "Tax Reform Code of 1971" for failure to file a return, report or other document. The criminal penalty for failure to file a return, report or other document by the method required under subsection (a) shall be the same as the criminal penalty for failure to file a return, report or other document under the applicable article of the "Tax Reform Code of 1971."

(c) (1) The Department of Revenue may waive the requirement to file by the method required under subsection (a) when the department determines that any of the following apply:

(i) The prescribed filing method causes an undue hardship.

(ii) The preparer or taxpayer requests a waiver in writing that clearly states why the filing method causes an undue hardship.

(2) In determining whether filing by the method required under subsection (a) causes an undue hardship, the Department of Revenue may consider unusual circumstances that may prevent the person from filing by the prescribed method or any other factor that the department determines is relevant.

Section 1.1. The definition of "cigarettes" in section 202-A of the act, added July 2, 1993 (P.L.250, No.46), is amended and the section is amended by adding a definition to read:

Section 202-A. Definitions.--As used in this article--

* * *

"Cigarettes" shall mean and include any roll for smoking made wholly or in part of tobacco, irrespective of size or shape, and whether or not such tobacco is flavored, adulterated or mixed with any other ingredient, the wrapper or cover of which is made of paper or any other substance or material, excepting tobacco, and shall not include cigars. **For purposes of licensing under this article only, the term shall include little cigars.**

* * *

"Little cigars" shall mean any roll for smoking that weighs not more than four pounds per thousand, where the wrapper or cover is made of natural leaf tobacco or of any substance containing tobacco.

* * *

Section 1.2. The act is amended by adding an article to read:

ARTICLE V-A
INDEPENDENT FISCAL OFFICE

Section 501-A. Scope of article.

This article relates to independence in fiscal matters.

Section 502-A. Definitions.

The following words and phrases when used in this article shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Baseline budget." A draft budget using current dollar values that projects current-year levels of budget authority, outlays and revenues and the deficit or surplus into the new budget year and out years on the basis of current laws and policies.

"Committee." The Independent Fiscal Office Selection Committee.

"Commonwealth agency." Any office, department, authority, board, multistate agency or commission of the executive branch. The term includes:

- (1) The Office of the Governor.
- (2) The Office of Attorney General, the Department of the Auditor General and the Treasury Department.
- (3) An independent agency, as defined in the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.
- (4) A State-affiliated entity, as defined in the Right-to-Know Law.
- (5) The General Assembly.
- (6) The Judiciary.

"Director." The Director of the Independent Fiscal Office.

"Office." The Independent Fiscal Office established in section 503-A.

Section 503-A. Office established.

There is established a nonpartisan Independent Fiscal Office as an independent agency.

Section 504-A. Duties of office.

The office shall:

(1) Prepare revenue estimates to include Federal funds, State revenues and funds from other resources, including any projected revenue surplus or deficit for a given fiscal year, as provided under section 505-A.

(2) By January 1 of each year, provide a baseline budget that includes levels of spending necessary to retain the current program and statutory requirements.

(3) Provide an analysis of the executive budget, including budgetary projections, economic outlook, economic impact and an analysis of all related tax and revenue proposals. The budget analysis may include performance recommendations to secure greater efficiency and economy.

(4) Develop and use econometric models to annually forecast State revenues and update the models. The office shall make the equations of a model and any historic databases related to the model available to the Appropriations Committee of the Senate, the Appropriations Committee of the House of Representatives, the Majority Leader and Minority Leader of the Senate and the Majority Leader and Minority Leader of the House of Representatives.

(5) By November 15 of each year, provide an assessment of the State's current fiscal condition and a projection of what the fiscal condition will be during the next five years. The assessment shall take into account the state of the economy, demographics, revenues and expenditures.

(6) Monitor State taxes and other receipts.

(7) Develop performance measures for executive-level programs and departments and evaluate performance measures and results as promulgated and reported by executive-level departments. Performance measurements shall be outcome based and include activity cost analysis, measures of status improvement of recipient populations, economic outcomes and performance benchmarks against similar State programs.

(8) Establish an Internet website.

Section 505-A. Revenue estimates.

(a) Initial revenue estimate.--By the second week of February, the office shall submit to the General Assembly an initial revenue estimate for the next fiscal year.

(b) Official revenue estimate.--

(1) By June 15 of each year, the office shall submit to the General Assembly an official final binding revenue estimate for the next fiscal year. If the General Appropriation Act is not enacted by July 1, the office shall prepare a revised revenue estimate by the 15th of each succeeding month until such time as the General Appropriation Act is enacted. The revised revenue estimate prepared immediately preceding enactment shall be binding.

(2) The revenue estimate submitted under this section shall establish the maximum amount of tax revenue which may be considered for the General Appropriation Act for the ensuing fiscal year. No changes in the revenue estimates shall be made by the office after submission under paragraph (1) unless significant changes in economic assumptions or changes in statutes affecting revenues and receipts are enacted.

(3) The office shall publish the methodology used to develop revenue estimates.

(4) Following the adoption of a General Appropriation Act or Supplemental Appropriation Act by the General Assembly, the Governor shall certify that the budget appropriations made by the General Assembly do not exceed the actual and estimated revenue and surplus available according to the official final binding revenue estimate under paragraph (1).

(c) Information.--The office shall provide the Appropriations Committee of the Senate, the Appropriations Committee of the House of Representatives and the Secretary of the Budget all data, assumptions and econometric models used to develop projections and revenue estimates.

(d) Required information.--

(1) A revenue estimate submitted by the office under this subsection shall include all of the following:

(i) An assessment of the Pennsylvania economy and the national economy and the impact of the existing or emerging State or national economic trends on revenue performance for the current year and the forecasted or projected revenue collections for the budget year and the succeeding year.

(ii) A summary of current year-to-date revenue collections by specific tax or revenue source, including Federal funds, the General Fund, the State Lottery Fund and the Motor License Fund and a detailed explanation of any negative or positive variation from the prior year's official revenue estimate, including the reasons or events contributing to the variation.

(iii) Any projected revenue surplus or deficit for the current budget year.

(2) A revenue estimate shall be based on existing statutes and tax policy and existing or emerging State or national economic trends.

(3) The office shall prepare a revenue estimate of any change in State tax law proposed as part of the annual State budget. If the proposed change in State tax law will have a fiscal impact in excess of \$10,000,000 in any fiscal year, the estimate shall be prepared on the basis of assumptions that estimate the probable behavioral responses of taxpayers, businesses and other persons to the proposed changes and shall include a statement identifying those assumptions.

(e) Department of Revenue.--The Department of Revenue in conjunction with the Secretary of the Budget shall make revenue estimates for the use of the Governor in preparing the budget. Section 506-A. Budget information.

The office shall be notified and shall attend any briefings provided by the Governor or the Secretary of the Budget under section 619 of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929. Section 507-A. Expenditures.

(a) Expenditure reports.--Commonwealth agencies shall make monthly expenditure data available to the office. The data shall be provided within seven days after the end of each month. The monthly data shall include a summary of the last monthly submission. The data shall be provided in finished reports or electronically, as determined by the office. The data shall be provided by fund, by appropriation, by department and by organization within each department and shall include:

- (1) Number of filled personnel positions and their cost.
- (2) Itemized personnel vacancies and their cost.
- (3) New positions created and their cost.
- (4) Wage and overtime costs.
- (5) Allotments and expenditures for itemized personnel expenses.
- (6) Allotments and expenditures for itemized operating expenses.
- (7) Allotment and expenditures for itemized fixed assets.
- (8) The rate of expenditures in appropriations for major subsidy and grant programs during the month.

(b) Budget requests.--Commonwealth agencies shall submit their agency budget requests to the office and the Office of the Budget. The Commonwealth agency budget requests shall be submitted to both offices at the same time.

(c) Revenue reports.--The Governor shall make monthly revenue reports to the office. The revenue reports shall show the actual collection of revenue itemized by source and a comparison of the actual collections with estimated collections for each month. The comparison shall include an analysis of any change in collection patterns which will cause a shortfall or overrun on annual estimates of more than 1%.

(d) Other revenue data.--Commonwealth agencies shall cause to be prepared any other revenue data as may be requested from time to time by the office.

(e) Electronic access.--Except for information that is confidential pursuant to statute, the office shall have access to all information available under this section on inquiry-only screens through an integrated central computer system. Section 508-A. Revenue conference.

By January 31 of each year, the office shall convene a meeting with the Secretary of the Budget and the chairman and minority chairman of the Appropriations Committee of the Senate

and the chairman and minority chairman of the Appropriations Committee of the House of Representatives to discuss the following:

(1) An assessment of the Pennsylvania economy and the national economy and the impact of the economic trends on revenue performance for the budget year and the succeeding year.

(2) Recommended changes to revenue forecasting and econometric models being considered by the office.

(3) Current year-to-date revenue collections by specific tax or revenue source, including Federal funds, the General Fund, the State Lottery Fund and the Motor License Fund and variations that may be occurring in the revenue estimate submitted under section 505-A(a).

(4) Any statutory or tax policy changes that may be recommended by the Governor or the General Assembly for the next succeeding fiscal year.

Section 509-A. Access to information.

(a) Agencies.--The director is authorized to secure information, data, expense information, estimates and statistics directly from a Commonwealth agency or a political subdivision. All Commonwealth agencies and political subdivisions shall furnish the director with all reports of expenditure for each agency and any other available material or data which the director determines to be necessary in the performance of the duties of the office, other than material, the disclosure of which would be a violation of law. The director is also authorized, upon agreement with the head of any Commonwealth agency or political subdivision, to utilize the services, facilities and personnel of the agency with or without reimbursement.

(b) Office of the Budget.--In carrying out the duties and functions of the office, the director is authorized to obtain information, data, estimates and statistics developed by the Office of the Budget and all Commonwealth agencies. The Governor shall submit to the office copies of final agency budget requests.

(c) Computer database.--In order to carry out its duties under this article, the office shall have access to the computerized database of a State agency that is required to aid the office in the performance of its duties under sections 504-A and 505-A, except that any statutory requirements regarding privacy of individuals' records shall be observed in providing access.

(d) Daily revenue data.--

(1) The Secretary of Revenue and the Secretary of the Budget shall post revenue collection data for each deposit day and make the information available to the office and the chairman and minority chairman of the Appropriations Committee of the Senate and the chairman and minority chairman of the Appropriations Committee of the House of Representatives.

(2) The daily revenue data shall be presented in a manner similar to and consistent with the daily revenue data provided on June 30, 2007. In no case shall each deposit day contain less information than was accessible during the 2006-2007 fiscal year as a result of changes in reporting procedures, accounting systems or computer systems.

(3) The Governor, the Attorney General, the Auditor General and the State Treasurer shall cause to be prepared any other revenue data as may be requested by the office.

(e) Civil action.--If information is not made available by a Commonwealth agency or political subdivision within a reasonable time, the director may make a written request to the agency head, stating the authority to receive the information. The agency head shall have ten days to respond. If the information is not provided within ten days of the receipt of the agency response, the director may bring a civil action to require the agency head to provide the information.

Section 510-A. Selection and organization committee.

(a) Selection and organization committee.--There is established a committee to organize the office and select the director of the office consisting of the following:

(1) The chairman and minority chairman of the Appropriations Committee of the Senate and the chairman and minority chairman of the Appropriations Committee of the House of Representatives.

(2) The Majority Leader and the Minority Leader of the Senate and the Majority Leader and the Minority Leader of the House of Representatives.

(3) The President pro tempore of the Senate and the Speaker of the House of Representatives.

(4) The Governor.

(b) Duties of committee.--The following shall apply:

(1) By October 31, 2010, the selection and organization committee shall deliberate the following:

(i) The organizational structure of the office.

(ii) The procedures to be adopted to select the director of the office.

(iii) The operational budget for the office.

(2) By November 30, 2010, the selection and organization committee shall submit a report to the Secretary of the Budget, the chairman and minority chairman of the Appropriations Committee and the chairman and minority chairman of the Finance Committee of the Senate and the chairman and minority chairman of the Appropriations Committee and the chairman and minority chairman of the Finance Committee of the House of Representatives setting forth a plan to establish the office, including an operational budget, and to select the director of the office.

Section 511-A. Appointment.

(a) Director.--The office shall be headed by a director appointed by the selection committee under section 510-A. The appointment shall be made without regard to political affiliation and solely on the basis of fitness to perform the duties of the office based on qualifications published by the selection committee.

(b) Deputy director.--The director shall appoint a deputy director who shall perform such duties as assigned by the director and who shall, during the absence or incapacity of the director or a vacancy, act as the director.

(c) Term.--The term of office of the director shall be six years. An individual appointed as director to fill a vacancy prior to the expiration of a term shall serve only for the unexpired portion of that term. An individual serving as director at the expiration of a term may continue to serve until a successor is appointed.

(d) Removal.--The director may be removed by a concurrent resolution passed by the Senate and the House of Representatives and approval of the Governor.

Section 512-A. Powers and duties of director.

(a) Personnel.--The director shall appoint and fix the compensation of personnel necessary to carry out the duties and

functions of the office. All personnel shall be appointed without regard to political affiliation and solely on the basis of their fitness to perform their duties.

(b) Experts and consultants.--In carrying out the duties and functions of the office, the director may procure the temporary or intermittent services of experts or consultants by contract.

Section 513-A. Conflict.

This article supersedes sections 618 and 618.1 of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

Section 514-A. Expiration.

This article shall expire upon enactment of the act of July 6, 2010 (P.L.1367, No.1A), known as the General Appropriation Act of 2010.

Section 2. Section 1301.12(c) and (d) of the act, amended June 29, 2002 (P.L.614, No.91), are amended to read:

Section 1301.12. Notice and Publication of Lists of Property Subject to Custody and Control of the Commonwealth under this Article.--* * *

(c) The State Treasurer is not required to [publish in such notice] **include in such notice published in an English language newspaper of general circulation any item of less than [one hundred dollars (\$100)] two hundred fifty dollars (\$250) or to include in such notice published in a legal newspaper any item of less than two hundred fifty dollars (\$250),** unless the State Treasurer, **in either instance,** deems such publication to be in the public interest.

(d) Within nine (9) months from the receipt of the report required by section 1301.11, the State Treasurer shall mail a notice to each person having an address listed who appears to be entitled to property of the value of [one hundred dollars (\$100)] **two hundred fifty dollars (\$250) or more** subject to custody and control of the Commonwealth under this article. The mailed notice shall contain:

1. A statement that, according to a report filed with the State Treasurer, property is being held to which the addressee appears entitled;

2. The name and address of the holder of the property and any necessary information regarding changes of name and address of the holder;

3. A statement that, if satisfactory proof of claim is not presented by the owner to the holder by the date specified in the published notice, claims should thereafter be filed with the State Treasurer.

* * *

Section 3. The act is amended by adding articles to read:

ARTICLE XVI-B

BORROWING FOR CAPITAL FACILITIES

Section 1601-B. Scope of article.

This article relates to neighborhood improvement zones.

Section 1602-B. Definitions.

The following words and phrases when used in this article shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Capital Facilities Debt Enabling Act." The act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act.

"City." A city of the third class with, on the effective date of this section, a population of at least 106,000 and not more than 107,000, based on the 2000 Federal decennial census.

"Contracting authority." An authority created under 53 Pa.C.S. Ch. 56 (relating to municipal authorities) for the purpose of designating a neighborhood improvement zone and constructing a facility or other authority created under the laws of this Commonwealth which is eligible to apply for and receive redevelopment assistance capital grants under Chapter 3 of the act of February 9, 1999 (P.L.1, No.1), known as the Capital Facilities Debt Enabling Act, and which is under a contract with the Office of the Budget to receive those grants.

"Facility." A stadium, arena or other structure owned or leased by a professional sports organization at which professional athletic events are conducted in the presence of individuals who pay admission to view the event constructed or operated by the contracting authority.

"Facility complex." A development or complex of residential, commercial, exhibition, hospitality, conference, retail and community uses which includes a stadium arena or other place owned, leased or utilized by a professional sports organization at which a professional athletic event or other events are conducted in the presence of individuals who pay admission to view the event.

"Fund." The Neighborhood Improvement Zone Fund established under section 1604-B.

"Neighborhood improvement zone." A neighborhood improvement zone designated by the contracting authority for the purposes of neighborhood improvement and development within a city.

"Professional sports organization." A sole proprietorship, corporation, limited liability company, partnership or association that meets all of the following:

(1) Owns a professional sports franchise.

(2) Conducts professional athletic events of the sports franchise at a facility.

"Qualified business." An entity authorized to conduct business in this Commonwealth which is located or partially located within a neighborhood improvement zone and is engaged in the active conduct of a trade or business for the taxable year. An agent, broker or representative of a business shall not be considered to be in the active conduct of trade or business for the business.

Section 1603-B. Facility.

The contracting authority may designate a neighborhood improvement zone of not greater than 130 acres in which a facility or facility complex may be constructed and may borrow funds for the purpose of improvement and development within the neighborhood improvement zone and construction of a facility or facility complex within the zone.

Section 1604-B. Neighborhood Improvement Zone Fund.

(a) Special fund.--There is established a special fund known as the Neighborhood Improvement Zone Fund. Interest income derived from investment of the money in the fund shall be credited by the Treasury Department to the fund.

(b) Calculation.--Within 60 days of the end of each quarter, the Department of Revenue shall calculate the amounts under this subsection for improvement and development in the neighborhood improvement zone, the facility complex and the facility. The contracting authority shall provide good faith estimates of quarterly amounts to be calculated in a form and manner required by the Department of Revenue. The Department of Revenue shall estimate the quarterly amounts, subject to an annual reconciliation, and shall certify the amounts to the Office of the Budget within 90 days of the end of a fiscal quarter. An entity collecting a local tax within the

neighborhood improvement zone shall, within 30 days of the end of a fiscal quarter, submit all of the local taxes collected that are to be calculated under this subsection to the State Treasurer for transfer to the fund under subsection (d). The following shall be the amounts calculated:

(1) An amount equal to all corporate net income tax, capital stock and franchise tax, personal income tax, business privilege tax, business privilege licensing fees and earned income tax related to the ownership and operation of a professional sports organization conducting professional athletic events at the facility or facility complex.

(2) An amount equal to all of the following:

(i) All personal income tax, earned income tax and local services tax withheld from its employees by a professional sports organization conducting professional athletic events at the facility or facility complex.

(ii) All personal income tax, earned income tax and local services tax withheld from the employees of any provider of events at or services to, or any operator of an enterprise in, the facility or facility complex.

(iii) All personal income tax, earned income tax and local services tax to which the Commonwealth would be entitled from performers or other participants, including visiting teams, at an event or activity at the facility or facility complex.

(3) An amount equal to all sales and use tax related to the operation of the professional sports organization and the facility and enterprises developed as part of the facility complex. This paragraph shall include sales and use tax paid by any provider of events or activities at or services to the facility or facility complex, including sales and use tax paid by vendors and concessionaires and contractors at the facility or facility complex.

(4) An amount equal to all tax paid to the Commonwealth related to the sale of any liquor, wine or malt or brewed beverage in the facility or facility complex.

(5) The amount paid by the professional sports organization or by any provider of events or activities at or services to the facility or facility complex of any new tax enacted by the Commonwealth following the effective date of this section.

(6) An amount equal to all personal income tax, earned income tax and local services tax withheld from personnel by the professional sports organization or by a contractor or other entity involved in the construction of the facility or facility complex.

(7) An amount equal to all sales and use tax paid on materials and other construction costs, whether withheld or paid by the professional sports organization or other entity, directly related to the construction of the facility or facility complex.

(8) An amount equal to all of the following:

(i) All corporate net income tax, capital stock and franchise tax, personal income tax, business privilege tax, business privilege licensing fees and earned income tax related to the ownership and operation of any qualified business within the neighborhood improvement zone.

(ii) All personal income tax, earned income tax and local services tax withheld from its employees by a qualified business within the neighborhood improvement zone.

(iii) All personal income tax, earned income tax and local services tax withheld from the employees of a qualified business that provides events, activities or services in the neighborhood improvement zone.

(iv) All personal income tax, earned income tax and local services tax to which the Commonwealth would be entitled from performers or other participants at an event or activity in the neighborhood improvement zone.

(v) All sales and use tax related to the operation of a qualified business within the neighborhood improvement zone. This subparagraph shall include sales and use tax paid by a qualified business that provides events, activities or services in the neighborhood improvement zone.

(vi) All tax paid by a qualified business to the Commonwealth related to the sale of any liquor, wine or malt or brewed beverage within the neighborhood improvement zone.

(vii) The amount paid a qualified business within the neighborhood improvement zone of any new tax enacted by the Commonwealth following the effective date of this section.

(viii) All personal income tax, earned income tax and local services tax withheld from personnel by a qualified business involved in the improvement, development or construction of the neighborhood improvement zone.

(ix) All sales and use tax paid on materials and other construction costs, whether withheld or paid by the professional sports organization or other qualified business, directly related to the improvement, development or construction of the neighborhood improvement zone.

(x) An amount equal to any amusement tax paid by a qualified business operating in the neighborhood improvement zone. No political subdivision or other entity authorized to collect amusement taxes may impose or increase the rate of any tax on admissions to places of entertainment, exhibition, amusement or upon athletic events in the neighborhood improvement zone which are not in effect on the date the neighborhood improvement zone is designated by the contracting authority.

(9) Except for a tax levied against real property, an amount equal to any tax imposed by the Commonwealth or any of its political subdivisions on a qualified business engaged in an activity within the neighborhood improvement zone.

(c) Income apportionment.--For the purpose of making the calculations under subsection (b), the taxable income of a corporation that is a qualified business shall be apportioned to the neighborhood improvement zone by multiplying the Pennsylvania taxable income by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor and the denominator of which is three, in accordance with the following:

(1) The property factor is a fraction, the numerator of which is the average value of the taxpayer's real and tangible personal property owned or rented and used in the neighborhood improvement zone during the tax period and the denominator of which is the average value of all the taxpayer's real and tangible personal property owned or rented and used in this Commonwealth during the tax period but shall not include the security interest of any

corporation as seller or lessor in personal property sold or leased under a conditional sale, bailment lease, chattel mortgage or other contract providing for the retention of a lien or title as security for the sales price of the property.

(2) The following apply:

(i) The payroll factor is a fraction, the numerator of which is the total amount paid in the neighborhood improvement zone during the tax period by the taxpayer for compensation and the denominator of which is the total compensation paid in this Commonwealth during the tax period.

(ii) Compensation is paid in the neighborhood improvement zone if:

(A) the person's service is performed entirely within the neighborhood improvement zone;

(B) the person's service is performed both within and without the neighborhood improvement zone, but the service performed without the neighborhood improvement zone is incidental to the person's service within the neighborhood improvement zone; or

(C) some of the service is performed in the neighborhood improvement zone and the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in the neighborhood improvement zone, or the base of operations or the place from which the service is directed or controlled is not in any location in which some part of the service is performed, but the person's residence is in the neighborhood improvement zone.

(3) The sales factor is a fraction, the numerator of which is the total sales of the taxpayer in the neighborhood improvement zone during the tax period and the denominator of which is the total sales of the taxpayer in this Commonwealth during the tax period.

(i) Sales of tangible personal property are in the neighborhood improvement zone if the property is delivered or shipped to a purchaser that takes possession within the neighborhood improvement zone regardless of the F.O.B. point or other conditions of the sale.

(ii) Sales other than sales of tangible personal property are in the neighborhood improvement zone if:

(A) the income-producing activity is performed in the neighborhood improvement zone; or

(B) the income-producing activity is performed both within and without the neighborhood improvement zone and a greater proportion of the income-producing activity is performed in the neighborhood improvement zone than in any other location, based on costs of performance.

(d) Transfers.--

(1) Within ten days of receiving notification under subsection (b), the Secretary of the Budget shall direct the State Treasurer to, notwithstanding any other law, transfer the amounts calculated under subsection (b) from the General Fund to the fund.

(2) The State Treasurer shall provide quarterly payments to the contracting authority until the bonds issued to finance the improvement and development of the neighborhood improvement zone and the construction of the contracted

facility or facility complex are retired. The payment in each quarter shall be equal to the balance of the fund on the last day of the prior calendar quarter.

(e) Restriction on use of funds.--Funds transferred under subsection (d):

(1) May only be utilized for payment of debt service on bonds issued for the improvement and development of all or any part of the neighborhood improvement zone and the purpose of constructing a facility or facility complex.

(2) May not be utilized for purposes of renovating or repairing a facility or facility complex, except for capital maintenance and improvement projects.

(f) Ticket surcharge.--The entity operating the facility may collect a capital repair and improvement ticket surcharge, the proceeds of which shall be deposited into the fund. The funds shall be maintained and utilized as follows:

(1) The money deposited under this subsection may not be encumbered for any reason and shall be transferred to the entity for capital repair and improvement projects upon request from the entity.

(2) Upon the expiration of the neighborhood improvement zone under section 1606-B, any and all portions of the fund attributable to the ticket surcharge shall be immediately transferred to the contracting authority to be held in escrow where they shall be unencumbered and maintained by the contracting authority in the same manner as the fund. Upon the transfer, any ticket surcharge collected by the operating entity shall thereafter be deposited in the account maintained by the contracting authority and dispersed for a capital repair and improvement project upon request by the operating entity.

Section 1605-B. Keystone Opportunity Zone.

Within 30 days of the effective date of this section, the city shall apply to the department to decertify and remove the designation of all or part of the Keystone Opportunity Zone in accordance with section 309 of the act of October 6, 1998 (P.L.705, No.92), known as the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act. The department shall act on the application within 30 days.

Section 1606-B. Duration.

The neighborhood improvement zone shall be in effect for a period equal to the length of time of the bonds that are initially issued.

ARTICLE XVI-E
OIL AND GAS WELLS
SUBARTICLE A

PRELIMINARY PROVISIONS

Section 1601-E. Definitions.

The following words and phrases when used in this article shall have the meanings given to them in this subarticle unless the context clearly indicates otherwise:

"Department." The Department of Conservation and Natural Resources of the Commonwealth.

"Fund." The Oil and Gas Lease Fund established under the act of December 15, 1955 (P.L.865, No.256), entitled, "An act requiring rents and royalties from oil and gas leases of Commonwealth land to be placed in a special fund to be used for conservation, recreation, dams, and flood control; authorizing the Secretary of Forests and Waters to determine the need for and location of such projects and to acquire the necessary land."

"Marcellus well." An active production well certified by the Department of Environmental Protection as a well from which gas from the Marcellus Shale formation, as determined by the United States Geological Survey, was extracted during the fiscal year, including wells on Commonwealth and non-Commonwealth land. Section 1602-E. Appropriation.

Notwithstanding any other provision of law and except as provided in section 1603-E, no money in the fund from royalties may be expended unless appropriated by the General Assembly. In making appropriations, the General Assembly shall consider the adoption of an allocation to municipalities impacted by a Marcellus well.

Section 1603-E. Department of Conservation and Natural Resources.

Subject to the availability of money in the fund, up to \$50,000,000 from the fund from royalties shall be appropriated annually to the department to carry out the purposes set forth in the act of December 15, 1955 (P.L.865, No.256), entitled "An act requiring rents and royalties from oil and gas leases of Commonwealth land to be placed in a special fund to be used for conservation, recreation, dams, and flood control; authorizing the Secretary of Forests and Waters to determine the need for and location of such projects and to acquire the necessary land." The department shall give preference to the operation and maintenance of State parks and forests.

Section 1604-E. Transfer.

Notwithstanding section 1603-E or any other provision of law, in fiscal year 2009-2010 the amount of \$60,000,000 shall be transferred from the fund to the General Fund.

Section 3.1. Sections 1731-A and 1732-A of the act, added July 7, 2005 (P.L.174, No.41), are reenacted and amended to read:

Section 1731-A. State Workers' Insurance Board.

Notwithstanding any inconsistent provisions of section 1512 of the act of June 2, 1915 (P.L.736, No.338), known as the Workers' Compensation Act, section 504 of the act of November 30, 1965 (P.L.847, No.356), known as the Banking Code of 1965, section 922 of the act of December 14, 1967 (P.L.746, No.345), known as the Savings Association Code of 1967, and any other law of this Commonwealth, the power of the State Workers' Insurance Board to invest money shall include the power to hold, purchase, sell, assign, transfer and dispose of securities, including common stock with the following restrictions:

(1) Investments in equities may not exceed the lesser of:

(i) 20% of the State Workers' Insurance Fund's assets; or

(ii) the State Workers' Insurance Fund's statutory surplus after discount, **except that, in the event that the statutory surplus is less than 7 1/2% of the book value of the assets of the State Workers' Insurance Fund, the investment in equities may not exceed the percentage set forth in the provisions applicable to savings banks in section 504 of the Banking Code of 1965.**

(1.1) Investments in equities shall be made subject to the prudent man rule of section 504(c) of the Banking Code of 1965.

(2) The State Workers' Insurance Board shall establish a policy for investments and shall meet at least annually to develop a schedule for rebalancing its investments in securities to meet the restriction of paragraph (1).

Section 1732-A. Expiration.

This subarticle shall expire June 30, [2009] 2010.

Section 3.2. Article XVII-A of the act is amended by adding subarticles to read:

**SUBARTICLE H
PENNSYLVANIA GAMING ECONOMIC DEVELOPMENT
AND TOURISM FUND**

Section 1771-A. Definitions.

The following words and phrases when used in this subarticle shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Affiliated entity." Any of the following:

(1) A subsidiary or holding company of a lobbying firm or other business entity owned in whole or in part by a lobbying firm.

(2) An organization recognized by the Internal Revenue Service as a tax-exempt organization under section 501(c) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)) established by a lobbyist or lobbying firm or an affiliated entity.

"Authority." The Commonwealth Financing Authority.

"Eligible applicant." As defined in the H2O PA Act.

"H2O PA Act." The act of July 9, 2008 (P.L.908, No.63), known as the H2O PA Act.

"High hazard unsafe dam." As defined in the H2O PA Act.

"Lobbying." The term shall have the meaning given to it in 65 Pa.C.S. § 13A03 (relating to definitions). The term shall also include an effort to influence the action of the authority or the Department of Community and Economic Development relating to the approval, award, receipt or denial of a grant under the H2O PA Act.

"Project." As defined in the H2O PA Act.

Section 1772-A. Certification of funds.

On or before January 1 of each year, the Secretary of the Budget shall certify to the authority and the State Treasurer the amount of funds available for transfer from the Gaming Economic Development and Tourism Fund under the provisions of section 301 of the H2O PA Act for the next fiscal year.

Section 1773-A. Request for appropriation.

If inadequate funds are available to the authority to pay all the costs related to indebtedness incurred to fund projects under the H2O PA Act after the transfer of funds from the Gaming Economic Development and Tourism Fund under section 301 of the H2O PA Act, the Secretary of the Budget on behalf of the authority shall seek an appropriation from the General Fund to fully pay the costs.

Section 1774-A. Amount of grants.

Notwithstanding the provisions of section 501(d) of the H2O PA Act, grants shall be made as follows:

(1) A minimum of \$85,000,000 shall be awarded to flood control projects.

(2) A minimum of \$50,000,000 shall be awarded to high-hazard unsafe dam projects. No more than \$20,000,000 may go to an eligible applicant that is the Commonwealth or an independent agency.

Section 1775-A. Eligible applicants.

Notwithstanding any other provision of the H2O PA Act to the contrary, a not-for-profit organization that owns a high hazard unsafe dam and has filed with the authority an application for a grant under section 502(a)(3) of the H2O PA Act prior to the effective date of this section shall be an eligible applicant for a grant under section 502(a)(3) of the H2O PA Act.

Section 1776-A. Prohibited activities.

(a) Limitation on giving compensation.--A person or its affiliated entity may not compensate or incur an obligation to compensate a person to engage in lobbying for compensation contingent in whole or in part upon the approval, award, receipt or denial of a grant under Chapters 1, 2, 3, 4, 5, 6 and 7 of the H2O PA Act.

(b) Limitation on receiving compensation.--A person or its affiliated entity may not engage in or agree to engage in lobbying for compensation contingent in whole or in part upon the approval, award, receipt or denial of any grant under Chapters 1, 2, 3, 4, 5, 6 and 7 of the H2O PA Act.

(c) Inapplicability.--The provisions of this section shall not apply to an eligible applicant that compensates a person to prepare or assist in the preparation of a grant application and related materials for submission to the authority under the H2O PA Act if the following requirements are met:

(1) The person is not identified in the submitted application.

(2) The person has no direct contact with the authority, unless the person is responding to requests for additional information or clarification.

(3) The person is paid a fixed fee for the preparation or assistance or a percentage of the amount of any grant approved, awarded or received of up to .5%.

(d) Violation.--A violation of this section shall be considered an intentional violation of 65 Pa.C.S. § 13A09(e) (relating to penalties).

SUBARTICLE I WATER AND SEWER SYSTEMS ASSISTANCE BOND FUND

Section 1781-A. Definitions.

The following words and phrases when used in this subarticle shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Assistance Act." The act of July 9, 2008 (P.L.915, No.64), known as the Water and Sewer Systems Assistance Act.

"Fund." The Water and Sewer Systems Assistance Bond Fund.

"Issuing officials." The Governor, the Auditor General and the State Treasurer.

"Municipality ." As defined in the Assistance Act.

"Nutrient credit." As defined in the Assistance Act.

"Project." As defined in the Assistance Act.

Section 1782-A. Water and Sewer Systems Assistance Bond Fund.

(a) Establishment.--The Water and Sewer Systems Assistance Bond Fund, which is created in the State Treasury, shall be the source from which all payments are authorized, with the approval of the Governor, to carry out the purposes of this section and as otherwise provided for in the Assistance Act.

(b) Purpose of fund.--The money in the fund shall only be utilized in accordance with the provisions of the Assistance Act for grants and loans to municipalities, public utilities and other entities implementing eligible projects and for the purchase or trading of nutrient credits.

(c) Exemption.--Money in the fund is exempt and not to be considered under the limitations of section 5(c)(2) of the act of March 1, 1988 (P.L.82, No.16), known as the Pennsylvania Infrastructure Investment Authority Act.

Section 1783-A. Commonwealth indebtedness.

(a) Borrowing authorized.--

(1) If the electorate approves a referendum question, in accordance with the provisions of the Assistance Act, for incurring indebtedness in the amount and for the purposes

prescribed in the Assistance Act and this article, the issuing officials, pursuant to the provisions of section 7(a)(3) of Article VIII of the Constitution of Pennsylvania, are authorized and directed to borrow, on the credit of the Commonwealth, money not exceeding in the aggregate the sum of \$400,000,000, in increments of not more than \$150,000,000 every year over a three-year period after the effective date of this section, not including money borrowed to refund outstanding bonds, notes or replacement notes, as may be found necessary to carry out the purposes of the Assistance Act.

(2) As evidence of the indebtedness, general obligation bonds of the Commonwealth shall be issued to provide money necessary to carry out the purposes of the Assistance Act for the total amounts, in the form, in the denominations and subject to the terms and conditions of issue, redemption and maturity, rate of interest and time of payment of interest, as the issuing officials direct, except that the latest stated maturity date shall not exceed 20 years from the date of the first obligation issued to evidence the debt.

(3) All bonds and notes issued under the authority of the Assistance Act must bear facsimile signatures of the issuing officials and a facsimile of the Great Seal of the Commonwealth and must be countersigned by an authorized officer of an authorized loan and transfer agent of the Commonwealth.

(4) All bonds and notes issued in accordance with the provisions of this section shall be direct obligations of the Commonwealth, and the full faith and credit of the Commonwealth is pledged for the payment of the interest on them, as it becomes due, and for the payment of the principal at maturity. The principal of and interest on the bonds and notes shall be payable in lawful money of the United States.

(5) All bonds and notes issued under the provisions of this section shall be exempt from taxation for State and local purposes.

(6) The bonds may be issued as coupon bonds or registered as to both principal and interest as the issuing officials determine. If interest coupons are attached, they shall contain the facsimile signature of the State Treasurer.

(7) The issuing officials shall provide for amortization of the bonds in substantial and regular amounts over the term of the debt so that the bonds of each issue allocated to the project to be funded from the bond issue shall mature within a period not to exceed the appropriate amortization period for each project as specified by the issuing officials, but in no case in excess of 20 years. The first retirement of principal shall be stated to mature prior to the expiration of a period of time equal to one-tenth of the time from the date of the first obligation issued to evidence the debt to the date of the expiration of the term of the debt. Retirements of principal shall be regular and substantial if made in annual or semiannual amounts, whether by stated serial maturities or by mandatory sinking fund retirements.

(8) The issuing officials are authorized to provide by resolution for the issuance of refunding bonds for the purpose of refunding any debt issued under the provisions of the Assistance Act and this article and outstanding, either by voluntary exchange with the holders of the outstanding debt or by providing funds to redeem and retire the outstanding debt with accrued interest, any premium

payable on the debt and the costs of issuance and retirement of the debt, at maturity or at any call date. The issuance of the refunding bonds, the maturities and other details of the refunding bonds, the rights of the holders of the refunding bonds and the duties of the issuing official in respect to the refunding bonds shall be governed by the applicable provisions of this section. Refunding bonds, which are not subject to the aggregate limitation of \$400,000,000 of debt to be issued under the Assistance Act, may be issued by the issuing officials to refund debt originally issued or to refund bonds previously issued for refunding purposes.

(9) If action is to be taken or decision made by the issuing officials and the issuing officials are not able unanimously to agree, the action or decision of the Governor and either the Auditor General or the State Treasurer shall be binding and final.

(b) Sale of bonds.--

(1) When bonds are issued, they shall be offered for sale at not less than 98% of the principal amount and accrued interest and shall be sold by the issuing officials to the highest and best bidder or bidders after due public advertisement on the terms and conditions and upon open competitive bidding as the issuing officials direct. The manner and character of the advertisement and the time of advertising shall be prescribed by the issuing officials. No commission shall be allowed or paid for the sale of any bonds issued under the authority of the Assistance Act and this article.

(2) Any portion of any bond issue so offered and not sold or subscribed for at public sale may be disposed of by private sale by the issuing officials in the manner and at prices, not less than 98% of the principal amount and accrued interest, as the Governor directs. No commission shall be allowed or paid for the sale of any bonds issued under the authority of the Assistance Act.

(3) When bonds are issued, the bonds of each issue shall constitute a separate series to be designated by the issuing officials or may be combined for sale as one series with other general obligation bonds of the Commonwealth.

(4) Until permanent bonds can be prepared, the issuing officials may issue, in lieu of permanent bonds, temporary bonds in the form and with the privileges as to registration and exchange for permanent bonds as determined by the issuing officials.

(5) The proceeds realized from the sale of bonds and notes, except refunding bonds and replacement notes, under the provisions of the Assistance Act and this article shall be paid into the fund. The proceeds shall be paid by the State Treasurer periodically to those Commonwealth officers and Commonwealth agencies authorized to expend them at the times and in the amounts necessary to satisfy the funding needs of those Commonwealth agencies. The proceeds of the sale of refunding bonds and replacement notes shall be paid to the State Treasurer and applied to the payment of principal, any accrued interest and premium and the cost of redemption of the bonds and notes for which the obligations shall have been issued.

(6) Pending application for the purposes authorized, money held or deposited by the State Treasurer may be invested or reinvested as are other funds in the custody of the State Treasurer in the manner provided by law. All earnings received from the investment or deposit of the funds

shall be paid into the State Treasury to the credit of the fund. The earnings in excess of bond discounts allowed, expenses paid for the issuance of bonds and notes and interest arbitrage rebates due to the Federal Government shall be transferred annually to the fund. Any interest or investment income shall be applied to assist in the payment of the debt service incurred in connection with the Assistance Act and this article.

(7) The Auditor General shall prepare the necessary registry book to be kept in the office of the authorized loan and transfer agent of the Commonwealth for the registration of any bonds, at the request of owners of the bonds, according to the terms and conditions of issue directed by the issuing officials.

(8) There is appropriated to the State Treasurer from the fund as much money as may be necessary for all costs and expenses in connection with the issue of and sale and registration of the bonds and notes in connection with the Assistance Act and this article and the payment of interest arbitrage rebates or proceeds of the bonds and notes.

(c) Temporary financing authorization.--

(1) Pending the authorized issuance of bonds of the Commonwealth, the issuing officials are authorized, in accordance with the provisions of the Assistance Act and this article and on the credit of the Commonwealth, to make temporary borrowings not to exceed three years in anticipation of the issue of bonds in order to provide funds in the amounts deemed advisable prior to the issue of bonds. In order to provide for and in connection with the temporary borrowings, the issuing officials are authorized in the name and on behalf of the Commonwealth to enter into any purchase, loan or credit agreement or other agreement with any bank, trust company or other lending institution, investment banking firm or person, in the United States having power to enter into the agreement. The agreement may contain provisions which are not inconsistent with the provisions of the Assistance Act or this article and authorized by the issuing officials.

(2) All temporary borrowings made under this section shall be evidenced by notes of the Commonwealth, which shall be issued for amounts not exceeding in the aggregate the applicable statutory and constitutional debt limitation in the form and denominations and subject to terms and conditions of sale and issue, prepayment or redemption and maturity, rate of interest and time of payment of interest as the issuing officials authorize and direct in accordance with the Assistance Act and this article. The authorization and direction may provide for the subsequent issuance of replacement notes to refund outstanding notes or replacement notes. The replacement notes shall, upon issuance, evidence the borrowing and may specify other terms and conditions with respect to the notes and replacement notes as the issuing officials determine and direct.

(3) If the authorization and direction of the issuing officials provide for the issuance of replacement notes, the following shall apply:

(i) The issuing officials may, on behalf of the Commonwealth, issue, enter into or authorize and direct the State Treasurer to enter into an agreement with any bank, trust company, investment banking firm or other institution or person, in the United States having the power to enter the agreement:

(A) To purchase or underwrite an issue or series of issues or notes.

(B) To credit, enter into a purchase, loan or credit agreement, draw money pursuant to the agreement on the terms and conditions set forth in the agreement and issue notes as evidence of borrowings made under the agreements.

(C) To appoint an issuing and payment agent or agents with respect to the notes.

(D) To do other acts necessary or appropriate to provide for the payment, when due, of the interest on and the principal of the notes.

(ii) The agreements may provide for the compensation of purchasers or underwriters of notes or replacement notes by discounting the purchase price of the notes or by payment of a fixed fee or commission at the time of issuance. All other costs and expenses, including fees for agreements related to the notes, issuing and paying agent costs and costs and expenses of issuance, may be paid from the proceeds of the notes.

(4) If the issuing officials provide for the issuance of replacement notes all subject to the authorization and direction of the issuing officials, the following apply:

(i) At or prior to the time of delivery of the notes or replacement notes, the State Treasurer shall determine the principal amount, date of issue, interest rate or procedure for establishing interest rate, rate of discount, denominations and all other terms and conditions relating to the issuance.

(ii) The State Treasurer shall perform all acts necessary to pay or cause to be paid, when due, all principal of and interest on the notes being refunded by replacement notes and to assure that the replacement notes may draw upon any money available for that purpose pursuant to any purchase, loan or credit agreement established with respect to the replacement notes.

(5) Outstanding notes evidencing the borrowings may be funded and retired by the issuance and sale of the bonds of the Commonwealth as authorized in this subarticle. The refunding bonds shall be issued and sold no later than a date three years after the date of issuance of the first notes evidencing the borrowings to the extent that payment of the notes has not otherwise been made or provided for by sources other than proceeds of replacement notes.

(6) The proceeds of all the temporary borrowing shall be paid to the State Treasurer to be held and disposed of in accordance with the provisions of the Assistance Act and this article.

(d) Debt retirement.--

(1) All bonds issued under the Assistance Act and this article shall be redeemed at maturity, together with all interest due on the bonds; and these principal and interest payments shall be paid from the Water and Sewer Systems Assistance Bond Sinking Fund, which is created. For the specific purpose of redeeming the bonds at maturity and paying all interest on the bonds in accordance with the information received from the Governor, the General Assembly shall appropriate money to the Water and Sewer Systems Assistance Bond Sinking Fund for the payment of interest on the bonds and notes and their principal at maturity. All money paid into the Water and Sewer Systems Assistance Bond Sinking Fund and all of the money not necessary to pay

accruing interest shall be invested by the State Treasurer in the securities as are provided by law for the investment of the sinking funds of the Commonwealth.

(2) The State Treasurer, with the approval of the Governor, may use any of the money in the fund not necessary to conduct the referendum authorizing the indebtedness necessary to carry out the Assistance Act and this article to purchase and retire all or part of the bonds and notes issued pursuant to the Assistance Act and this article. If all or part of the bonds and notes are purchased, they shall be canceled and returned to the loan and transfer agent as canceled and paid bonds and notes. Following the purchase, all payments of interest on the bonds and notes shall cease. The canceled bonds, notes and coupons, together with any other canceled bonds, notes and coupons, shall be destroyed as promptly as possible, but no later than two years after cancellation. A certification evidencing the destruction of the canceled bonds, notes and coupons shall be provided by the loan and transfer agent to the issuing officials. All canceled bonds, notes and coupons shall be marked to make the canceled bonds, notes and coupons nonnegotiable.

(3) The State Treasurer shall determine and report to the Secretary of the Budget by November 1 of each year the amount of money necessary for the payment of interest on outstanding obligations and the principal of the obligations, if any, for the following fiscal year and the times and amounts of the payments. The Governor shall include in every budget submitted to the General Assembly full information relating to the issuance of bonds and notes under the Assistance Act and this article and the status of the Water and Sewer Systems Assistance Bond Sinking Fund for the payment of interest on the bonds and notes and their principal at maturity.

(4) The General Assembly shall appropriate an amount equal to the sums necessary to meet repayment obligations for principal and interest for deposit into the Water and Sewer Systems Assistance Bond Sinking Fund.

(e) Expiration.--Authorization to issue bonds and notes, not including refunding bonds and replacement notes, for the purpose of the Assistance Act and this article shall expire ten years from the effective date of this section.

Section 4. Sections 1721-E, 1722-E, 1723-E, 1733-E and 1735-E of the act, added July 17, 2007 (P.L.141, No.42), are amended to read:

Section 1721-E. Department of Corrections [(Reserved)].

The following shall apply to appropriations for the Department of Corrections:

(1) When making expenditures from appropriations for the operation of State correctional institutions, the Department of Corrections shall give consideration to minimum relief factor values calculated when determining staffing levels for corrections officers and food service instructors at each State correctional institution.

(2) (Reserved).

Section 1722-E. Department of Education [(Reserved)].

(a) General rule.--For the 2010-2011 school year and every school year thereafter, payments under section 1376.1(b.2) of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, for a chartered school that establishes a satellite campus with the approval of the department for the purpose of enrolling students previously enrolled in a school for the deaf formerly operated by the Commonwealth shall, in

addition to any amount otherwise calculated under section 1376.1(b.2), include the amount provided in fiscal year 2009-2010 pursuant to section 1722-J(10)(ii). The total shall be subject to the annual adjustment under section 1376.1(b.2) (1) of the Public School Code of 1949.

(b) Additional funding.--For the 2010-2011 and 2011-2012 school years, in addition to any other funds provided to it, the department shall provide to a chartered school that establishes a satellite campus with approval of the department for the purpose of enrolling students previously enrolled in a school for the deaf formerly operated by the Commonwealth, out of funds appropriated to the department, an amount equal to \$500,000 annually to the extent appropriated by the General Assembly.

Section 1723-E. Department of Environmental Protection
[(Reserved)].

The Department of Environmental Protection may assess a fee to applicants who apply for funds under section 306 of the act of July 9, 2008 (1st Sp.Sess., P.L.1873, No.1), known as the Alternative Energy Investment Act. The department shall publish the fee on its publicly accessible Internet website. Proceeds from the fee shall be used to administer the provision of loans, grants, reimbursements or rebates under section 306 of the Alternative Energy Investment Act. No fee authorized under this section may exceed \$150 for commercial applicants and \$100 for residential applicants.

Section 1733-E. Pennsylvania State Police [(Reserved)].

The following shall apply to appropriations for the Pennsylvania State Police:

(1) The Pennsylvania State Police may not close a barracks until the Pennsylvania State Police conducts a public hearing and provides 30 days' notice, which shall be published in the Pennsylvania Bulletin and in at least two local newspapers.

(2) (Reserved).

Section 1735-E. Pennsylvania Emergency Management Agency
[(Reserved)].

The Pennsylvania Emergency Management Agency shall provide semiannual reports of all grants awarded by the Pennsylvania Emergency Management Agency from Federal disaster assistance or relief funds, homeland security and defense funds, avian flu/pandemic preparedness or other public health emergency funds to the chairman and minority chairman of the Appropriations Committee of the Senate and the chairman and minority chairman of the Appropriations Committee of the House of Representatives. The reports shall include information relating to the entity receiving grant money from the agency, including the name and address of the entity, the amount of the grant, the date of issuance and the purpose of the grant. Reports shall be submitted by August 15 for grants awarded during the period from January 1 through June 30 and by February 15 for grants awarded during the period from July 1 through December 31.

Section 5. The act is amended by adding articles to read:

ARTICLE XVII-J
2009-2010 BUDGET IMPLEMENTATION
SUBARTICLE A
PRELIMINARY PROVISIONS

Section 1701-J. Applicability.

Except as specifically provided in this article, this article applies to the General Appropriation Act of 2009, the Supplemental Appropriation Act of 2009 and, as appropriate, all other appropriation acts of 2009.

Section 1702-J. Definitions and abbreviations.

(a) Definitions.--The following words and phrases when used in this article shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"General Appropriation Act." The act of August 5, 2009 (P.L.607, No.1A), known as the General Appropriation Act of 2009, and the act of October 9, 2009 (P.L.779, No.10A), known as the Supplemental Appropriation Act of 2009.

"Secretary." The Secretary of the Budget of the Commonwealth.

(b) Abbreviations.--The following abbreviations when used in this article shall have the meanings given to them in this section:

"AIDS." Acquired Immune Deficiency Syndrome.

"ARC." Appalachian Regional Commission.

"ARRA." The American Recovery and Reinvestment Act of 2009 (Public Law 111-5, 123 Stat. 115).

"BG." Block Grant.

"CCDFBG." Child Care and Development Fund Block Grant.

"Chartered school." A school chartered by the Commonwealth.

"CSBG." Community Services Block Grant.

"DCSI." Drug Control and Systems Improvement Formula Grant Program.

"DFSC." The Safe and Drug-Free Schools and Communities Act (Public Law 107-110, 20 U.S.C. § 7101 et seq.).

"DOE." Department of Energy.

"EEOC." Equal Employment Opportunity Commission.

"EPA." Environmental Protection Agency.

"ESEA." The Elementary and Secondary Education Act of 1965 (Public Law 89-10, 20 U.S.C. § 6301 et seq.).

"FEMA." Federal Emergency Management Agency.

"FTA." Federal Transit Administration.

"HUD." Department of Housing and Urban Development.

"LIHEABG." Low-Income Home Energy Assistance Block Grant.

"LSTA." The Library Services and Technology Act (Public Law 104-208, 20 U.S.C. § 9101 et seq.).

"MCHSBG." Maternal and Child Health Services Block Grant.

"MHBSBG." Mental Health Services Block Grant.

"MR." Mental Retardation.

"PAFE." Pennsylvania Agricultural Food Exposition.

"PHHSBG." Preventive Health and Health Services Block Grant.

"RSAT." Residential Substance Abuse Treatment.

"SABG." Substance Abuse Block Grant.

"SCDBG." Small Communities Development Block Grant.

"SDA." Service Delivery Area.

"SSBG." Social Services Block Grant.

"TANF." Temporary Assistance for Needy Families.

"TANFBG." Temporary Assistance for Needy Families Block Grant.

"TEFAP." Temporary Emergency Food Assistance Program.

"WIA." The Workforce Investment Act of 1998 (Public Law 105-220, 112 Stat. 936).

"WIC." Women, Infants and Children Program.

Section 1703-J. Warrants (Reserved).

SUBARTICLE B

EXECUTIVE DEPARTMENT

Section 1711-J. Governor (Reserved).

Section 1712-J. Executive Offices.

The following shall apply to appropriations for the Executive Offices:

(1) Funds appropriated for public television station grants shall be paid in an amount equal to the formula award

amount determined by the Pennsylvania Public Television Network Commission for fiscal year 2008-2009. If insufficient funds are appropriated, such payments shall be paid on a pro rata basis.

(2) (Reserved).

Section 1713-J. Lieutenant Governor (Reserved).

Section 1714-J. Attorney General (Reserved).

Section 1715-J. Auditor General (Reserved).

Section 1716-J. Treasury Department (Reserved).

Section 1717-J. Department of Aging (Reserved).

Section 1718-J. Department of Agriculture (Reserved).

Section 1719-J. Department of Community and Economic Development.

The sum of \$12,000,000 shall be transferred from the Small Business First Fund to the Machinery and Equipment Loan Fund to be used in accordance with 12 Pa.C.S. § 2905 (relating to eligibility for loans; terms and conditions).

Section 1720-J. Department of Conservation and Natural Resources (Reserved).

Section 1721-J. Department of Corrections (Reserved).

Section 1722-J. Department of Education.

The following shall apply to appropriations for the Department of Education from the General Appropriation Act:

(1) Notwithstanding any other provision of law, funds received under the ARRA shall be spent in accordance with the ARRA and applicable rules and guidelines developed by the Federal Government.

(2) Notwithstanding any other provision of law, a board of school directors of a school district may reopen its 2009-2010 budget to reflect Federal and State allocations for fiscal year 2009-2010 provided by the General Appropriation Act.

(3) Annual payments from the appropriation to institutions of higher learning for defraying the expenses of hearing-impaired or sight-impaired students shall not exceed \$500 per student.

(4) Notwithstanding any other provision of law, Federal and State funds shall be distributed to each community college in an amount equal to the amount paid under section 1913-A(b)(1.6) of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, during the 2008-2009 fiscal year. If insufficient funds are appropriated, the payments shall be made on a pro rata basis.

(5) Funds appropriated for special education payments to school districts shall be distributed to each school district in an amount equal to the amount paid during the 2008-2009 school year under section 2509.5(zz) of the Public School Code of 1949. If insufficient funds are appropriated, the payments shall be made on a pro rata basis.

(6) (i) Funds appropriated for the Educational Assistance Program shall be distributed to each school entity in an amount equal to the amount paid during the 2008-2009 school year. If insufficient funds are appropriated, the payments shall be made on a pro rata basis.

(ii) For purposes of the Educational Assistance Program established in section 1502-C of the Public School Code of 1949 and this paragraph, "school entity" shall mean any of the following located in this Commonwealth: a school district, joint school district, area vocational-technical school or independent school.

(7) Funds appropriated for Pennsylvania accountability grants shall be distributed to each school district in an amount equal to the amount paid during the 2008-2009 school year. If insufficient funds are appropriated, the payments shall be made on a pro rata basis.

(8) The following shall apply to professional and temporary professional employees of a school formerly operated by the Commonwealth:

(i) The Commonwealth shall create a pool for each school comprised of the professional and temporary professional employees who have received formal notice of suspension from the Commonwealth as a result of the Commonwealth's decision to cease Commonwealth operation of the school.

(ii) For the three school years immediately following the formal notice of suspension from the Commonwealth, employees in a pool created under subparagraph (i) shall be offered employment by each eligible school entity, as determined under subparagraph (iv) associated with the applicable pool created under subparagraph (i), when that eligible school entity has a vacancy for a position that an employee in the applicable pool is properly certified to fill, provided that no employee of the eligible school entity in which the vacancy exists, including a suspended or demoted employee, has a right to the vacancy under the Public School Code of 1949 or the collective bargaining agreement of the respective eligible school entity.

(iii) For the three school years immediately following the formal notice of suspension from the Commonwealth, no new employee shall be hired by an eligible school entity, as determined under subparagraph (iv) associated with the applicable pool created under subparagraph (i), until the position has been offered, in order of seniority, to all properly certified members of the applicable pool created under subparagraph (i).

(iv) For the purpose of subparagraphs (ii) and (iii), an "eligible school entity" shall be determined as follows:

(A) a school district, vocational-technical school or intermediate unit, the administration building of which is 17 miles or less from the administration building of a school formerly operated by the Commonwealth or a school district which is adjacent to the school district in which a school formerly operated by the Commonwealth was situate; or

(B) a school district with average daily membership greater than or equal to 8,000, the administration building of which is 45 miles or less from the administration building of a school formerly operated by the Commonwealth, and which relies on State revenue for no less than 50% of the school district's total budget in the most recent year for which data has been published on the Department of Education's public Internet website.

(9) (i) Employees hired from a pool under paragraph (8) and former employees of a school formerly operated by the Commonwealth who resigned from a school formerly operated by the Commonwealth within the six months prior to the effective date of an act of the General Assembly declining to fund the school and who accepted employment

at a school district, intermediate unit or vocational-technical school shall be credited by the hiring school district, intermediate unit or vocational-technical school for all sick leave accumulated in the school and shall be credited for years of service in the school for purposes of salary schedule placement. Employees shall further be credited for their years of service in the school for purposes of sabbatical leave eligibility, suspension and realignment rights and eligibility for any retirement incentives or severance payments in a hiring school district, intermediate unit or vocational-technical school.

(ii) Nothing in this paragraph shall be construed to supersede or preempt any provision of an individual employment agreement between a school district, intermediate unit or vocational-technical school and an employee entered into prior to the effective date of this paragraph, or any provision of a collective bargaining agreement in effect as of the effective date of this paragraph and negotiated by a school entity and an exclusive representative of the employees in accordance with the act of July 23, 1970 (P.L.563, No.195), known as the Public Employee Relations Act.

(10) The appropriation for the Scranton State School for the Deaf - Transition funding shall be distributed as follows:

(i) In addition to any other funding provided pursuant to section 1376.1(b.2) of the Public School Code of 1949, the Department of Education shall provide to each chartered school in the 2009-2010 school year for enrollment during the 2009-2010 school year for one or more students who were enrolled as of May 1, 2009, in a school for the deaf formerly operated by the Commonwealth, an amount equal to the product of the following:

(A) The number of students enrolled in the chartered school as of October 1, 2009, who were enrolled as of May 1, 2009, in a school for the deaf formerly operated by the Commonwealth, divided by the total number of such students enrolled in all chartered schools as of October 1, 2009, who were enrolled as of May 1, 2009, in a school for the deaf formerly operated by the Commonwealth.

(B) Three million three hundred thousand dollars.

(ii) In addition to any other funds provided to a chartered school under subparagraph (i), the department shall provide to each chartered school that establishes a satellite campus with approval of the department for the purpose of enrolling students previously enrolled in a school for the deaf formerly operated by the Commonwealth, the amount of \$27,273 multiplied by the number of students enrolled in the chartered school as of October 1, 2009, who were enrolled as of May 1, 2009, in a school for the deaf formerly operated by the Commonwealth, provided that the total amount under this subparagraph shall not exceed \$2,100,000.

(11) The Department of Education, with assistance from the Department of Public Welfare and the Juvenile Court Judges Commission, shall submit a report to the General Assembly by June 1, 2010, detailing the costs to school districts and the Commonwealth to provide educational

services to children who are adjudicated delinquent and committed to nonpublic residential facilities pursuant to 42 Pa.C.S. § 6352 (relating to disposition of delinquent child) for the 2008-2009 school year. The report shall identify the following information relating to each facility:

- (i) Facility location.
- (ii) School district where each facility is located.
- (iii) Provider of educational services at each facility, including whether those services are under contract or provided by an entity other than the facility.
- (iv) Department of Education's classification of the education program at each facility.
- (v) Number of students committed by the court receiving educational services at each facility.
- (vi) School district of residence for each student committed by the court at each facility.
- (vii) Tuition fee charged by the educational services provider per student committed by the court at each facility.
- (viii) Entity responsible for each tuition payment for each student committed by the court at each facility.

The term "facility" shall mean any nonpublic program supervised or licensed pursuant to the act of June 13, 1967 (P.L.31, No.21), known as the Public Welfare Code, that provides out-of-home, residential services to a child who is adjudicated delinquent .

(12) (i) Each school district shall take such steps as necessary during fiscal year 2009-2010 in order to have or maintain a certified safety committee by December 31, 2010, for the purposes of section 1002(b) of the act of June 2, 1915 (P.L.736, No.338), known as the Workers' Compensation Act. The Department of Labor and Industry shall provide the Department of Education with the list of school districts who have a certified safety committee. In the case of a school district that does not submit evidence to the Department of Education that complies with this paragraph, the Department of Education shall deduct from any allocation from the Commonwealth to which the school district is entitled the amount of the discount the school district would otherwise receive under section 1002(b) of the Workers' Compensation Act.

(ii) Subparagraph (i) shall not apply to a school district that cannot receive a premium discount under section 1002(b) of the Workers' Compensation Act, or an equivalent reduction in contribution rates, by establishing and maintaining a certified safety committee because it is authorized to self-insure its liabilities under section 305 of the Workers' Compensation Act or pool its liabilities under section 802 of the Workers' Compensation Act.

(13) Notwithstanding the provisions of 24 Pa.C.S. § 8329(a) (relating to payments on account of social security deductions from appropriations) when calculating payments by the Commonwealth under 24 Pa.C.S. § 8329, the Department of Education shall treat wages paid out of the ARRA State Stabilization Fund or out of ARRA funds appropriated for Individual with Disabilities Education (Part B - Preschool - Age 3-5) as covered wages which are not federally funded.

(14) The following apply to libraries:

(i) Funds appropriated for libraries shall be distributed to each library under the following formula:

(A) Divide the sum of the amount of funding that the library received in fiscal year 2007-2008 under section 2316 of the Public School Code of 1949 by the total State-aid subsidy for fiscal year 2007-2008.

(B) Multiply the quotient under clause (A) by the total State-aid subsidy for 2009-2010.

(ii) Following distribution of funds appropriated for State aid to libraries, any remaining funds may be distributed at the discretion of the State Librarian.

(iii) If funds appropriated for State aid to libraries in fiscal year 2009-2010 are less than funds appropriated in fiscal year 2002-2003, the State Librarian may waive standards as prescribed in section 103 of the act of June 14, 1961 (P.L.324, No.188), known as The Library Code, relating to hours of operation, continuing professional development, collections, expenditures and other aspects of library operation.

(iv) (A) Each library system receiving State aid under this subsection may distribute the local library share of that aid in a manner as determined by the board of directors of the library system.

(B) This subparagraph shall not apply to a library system operating in a county of the second class.

(15) (i) The Department of Education may utilize up to \$4,500,000 of undistributed funds not expended, encumbered or committed from appropriations for grants and subsidies made to the department to assist school districts certified as an education empowerment district under section 1705-B(h)(3) of the Public School Code of 1949.

(ii) There is hereby established a restricted account in the State Treasury from which payments under this paragraph shall be paid. Funds shall be transferred by the Secretary of the Budget to the restricted account to the extent necessary to make payments under this paragraph. Funds in the restricted account are hereby appropriated to carry out the purposes of this paragraph. The subsidy payment from this restricted account shall be utilized to supplement the operational budget of the eligible school districts.

(16) Notwithstanding section 2510.1 of the Public School Code of 1949, payments made to school districts for the instruction of homebound children shall only be made to the extent funds are appropriated for this purpose.

(17) The appropriation for basic education funding shall be distributed as follows:

(i) The Commonwealth shall pay to each school district a basic education funding allocation for the 2008-2009 school year which shall consist of the sum of the following:

(A) An amount equal to the allocations received by the school district for the 2007-2008 school year under section 2502.48(d)(1) and (2) and (e) of the Public School Code of 1949.

(B) If a school district has been declared a Commonwealth partnership school district under Article XVII-B of the Public School Code of 1949, an amount equal to \$2,000,000.

(C) (I) For a school district subject to section 2502.48(d)(3)(i) of the Public School Code of 1949, 27.82% of the amount determined under section 2502.48(c)(1) of the Public School Code of 1949.

(II) For a school district subject to section 2502.48(d)(3)(ii) of the Public School Code of 1949, 21.4% of the amount determined under section 2502.48(c)(1) of the Public School Code of 1949.

(III) Any additional amount required so that the total amount provided under clause (A) and this clause equals 2% greater than the amount provided under section 2502.48(d) and (e) of the Public School Code of 1949.

(ii) For the purpose of the calculation under section 2502.48(c)(1) of the Public School Code of 1949, for payments made under this subsection:

(A) The amount per student under section 2502.48(a) of the Public School Code of 1949 shall be increased by the index for the school year in which funding will be paid. The term "index" shall have the meaning given to it under section 2501 of the Public School Code of 1949.

(B) The number used for the purpose of each school district's calculation under section 2502.48(b)(5)(ii)(B) of the Public School Code of 1949 shall not be less than one.

(iii) Any increase in basic education funding under this subsection shall qualify as an increase in basic education funding for the purpose of section 2502.49 of the Public School Code of 1949. The Department of Education may grant a waiver for the use of up to 25% of the funds subject to section 2502.49(a)(1) of the Public School Code of 1949 if all of the following apply:

(A) The school district would otherwise be required to reduce or eliminate one or more of the programs listed under section 2502.49(a)(1) of the Public School Code of 1949 due to a projected budget shortfall.

(B) The funds subject to the waiver will be used to maintain one or more existing programs listed under section 2502.49(a)(1) of the Public School Code of 1949.

(C) The school district has, in the determination of the Department of Education, pursued alternative opportunities for greater efficiency and internal savings in order to fund the program or programs without need for a waiver.

(D) The program to be maintained addresses a significant need of the school district's students and has demonstrated effectiveness at increasing student achievement in the school district, in the determination of the Department of Education.

(iv) The decision to grant a waiver shall be at the sole discretion of the Department of Education and shall not be subject to appeal.

(18) Community colleges shall comply with the provisions of section 1737-J.

(b) Definitions.--The words and phrases used in this section shall have the meanings given to them in the Public School Code of 1949.

Section 1723-J. Department of Environmental Protection.

The following shall apply to appropriations for the Department of Environmental Protection in the General Appropriation Act:

(1) Appropriations include funds for the Water Resources Technical Assistance Center in an amount to be determined by the department in cooperation with the Water Conservation Subcommittee of the Statewide Water Resources Committee.

(2) Notwithstanding the provisions of section 502 of the act of July 9, 2008 (1st Sp.Sess., P.L.1873, No.1), known as the Alternative Energy Investment Act, in fiscal year 2009-2010, no funds shall be appropriated from the General Fund to the department for the Consumer Energy Program. The appropriation for fiscal year 2009-2010 is revoked .

Section 1724-J. Department of General Services (Reserved).

Section 1725-J. Department of Health.

The following shall apply to appropriations for the Department of Health in the General Appropriation Act:

(1) Funds appropriated for lupus programs shall be distributed in the same proportion as distributed in fiscal year 2008-2009.

(2) Funds appropriated for arthritis outreach and education shall be equitably distributed among the central, western and eastern regions of this Commonwealth based on the ratio of population served in each region to the total population served in this Commonwealth.

(3) Funds appropriated for biotechnology research include \$1,100,000 for a regenerative medicine center located in a county of the second class and \$1,500,000 for an institution for hepatitis and virus research located in a county of the second class A, which conducts research related to developing new therapies for viral hepatitis and liver cancer.

Section 1726-J. Insurance Department (Reserved).

Section 1727-J. Department of Labor and Industry.

The following shall apply to appropriations for the Department of Labor and Industry in the General Appropriation Act:

(1) The appropriation for payment to the Vocational Rehabilitation Fund for work of the State Board of Vocational Rehabilitation includes \$2,153,000 for a Statewide professional service provider association for the blind to provide specialized services and prevention of blindness services and \$431,000 to provide specialized services and prevention of blindness services in cities of the first class.

(2) For the "Reed Act-Unemployment Insurance" and "Reed Act-Employment Services and Unemployment Insurance" appropriations, the total amount which may be obligated shall not exceed the limitations under section 903 of the Social Security Act (49 Stat. 620, 42 U.S.C. § 1103).

Section 1728-J. Department of Military and Veterans Affairs (Reserved).

Section 1729-J. Department of Public Welfare.

The following shall apply to appropriations for the Department of Public Welfare from the General Appropriation Act:

(1) Authorized transfers for child-care services. The following shall apply:

(i) The department, upon approval of the secretary, may transfer Federal funds appropriated for TANFBG Child

Care Assistance to the CCDFBG Child Care Services appropriation to provide child-care services to additional low-income families if the transfer of funds will not result in a deficit in the appropriation. The secretary shall provide notice ten days prior to a transfer under this subparagraph to the chairman and minority chairman of the Appropriations Committee of the Senate and the chairman and minority chairman of the Appropriations Committee of the House of Representatives.

(ii) The department, upon approval of the secretary, may transfer Federal funds appropriated for CCDFBG Child Care Assistance to the CCDFBG Child Care Services appropriation to provide child-care services to additional low-income families, provided that the transfer of funds will not result in a deficit in the appropriation. The secretary shall provide notice ten days prior to a transfer under this subparagraph to the chairman and minority chairman of the Appropriations Committee of the Senate and the chairman and minority chairman of the Appropriations Committee of the House of Representatives.

(2) Federal and State medical assistance payments. The following shall apply:

(i) When making payments for medical assistance outpatient or capitation services, the department shall not require a recipient to obtain a physician referral in order to receive chiropractic services.

(ii) No funds appropriated for approved capitation plans shall be used to pay a provider who fails to supply information in a form required by the department in order to facilitate claims for Federal financial participation for services rendered to general assistance clients.

(iii) For fiscal year 2009-2010, additional Federal and State inpatient funding is included to provide for Community Access Fund payments. Payments to hospitals for Community Access Fund grants shall be distributed under the formulas utilized for these grants in fiscal year 2008-2009. If the total funding available for Community Access Fund payments in fiscal year 2009-2010 is less than that available in fiscal year 2008-2009, payments shall be made on a pro rata basis.

(iv) Qualifying State-related academic medical centers shall not receive any less funding than received for the fiscal year 2004-2005 State appropriation level if Federal funding for academic medical centers is not made available to those academic medical centers during fiscal year 2009-2010.

(v) If supplemental Federal funding for physician practice plans is not made available during fiscal year 2009-2010, qualifying universities and affiliated physician practice plans shall not receive any less funding than the amount received for the fiscal year 2007-2008 State appropriation level.

(vi) Funds appropriated for medical assistance transportation shall only be utilized as a payment of last resort for transportation for eligible medical assistance recipients.

(vii) The department shall consider pharmaceutical services a covered benefit for recipients who are eligible for such services and whose care is managed through contracts between the department and managed care contractors. Pharmaceutical benefits shall remain

a covered benefit in the contracts between the department and managed care contractors for fiscal years 2008-2009 and 2009-2010. If the department elects to bid a contract for fiscal year 2010-2011 that does not include pharmaceutical services as a covered benefit for recipients whose care is managed through contracts between the department and managed care contractors, the Secretary of Public Welfare shall do all of the following:

(A) By March 30, notify in writing the chair and minority chair of the Appropriations Committee of the Senate, the chair and minority chair of the Appropriations Committee of the House of Representatives, the chair and minority chair of the Public Health and Welfare Committee of the Senate and the chair and minority chair of the Health and Human Services Committee of the House of Representatives.

(B) Additionally bid a contract for fiscal year 2010-2011 that does include pharmaceutical services as a covered benefit for recipients who are eligible for such services and whose care is managed through contracts between the department and managed care contractors.

(C) Conduct any procurement for existing or new zones in a public manner, including publication of any request for proposal on the Department of Public Welfare's publicly accessible Internet website.

(viii) Amounts allocated from funds appropriated for medical assistance outpatient services for the Select Plan for Women Preventative Health Services shall be used for women's medical services, including noninvasive contraception supplies.

(ix) Federal or State funds appropriated under the General Appropriation Act in accordance with the act of March 24, 2004 (P.L.148, No.15) , known as the Pennsylvania Trauma Systems Stabilization Act, not used to make payments to hospitals qualifying as Level III trauma centers shall be used to make payments to hospitals qualifying as Level I and II trauma centers.

(3) Breast cancer screening. The following shall apply:

(i) Funds appropriated for breast cancer screening may be used for women's medical services, including noninvasive contraception supplies.

(ii) (Reserved).

(4) Women's service programs. The following shall apply:

(i) Funds appropriated for women's service programs grants to nonprofit agencies whose primary function is to provide alternatives to abortion shall be expended to provide services to women until childbirth and for up to 12 months thereafter, including food, shelter, clothing, health care, counseling, adoption services, parenting classes, assistance for postdelivery stress and other supportive programs and services and for related outreach programs. Agencies may subcontract with other nonprofit entities which operate projects designed specifically to provide all or a portion of these services. Projects receiving funds referred to in this subparagraph shall not promote, refer or perform abortions or engage in any counseling which is inconsistent with the appropriation referred to in this subparagraph and shall be physically and financially

separate from any component of any legal entity engaging in such activities.

(ii) Funds appropriated for women's service programs shall be used for women's medical services, including noninvasive contraception supplies.

(iii) Federal funds appropriated for TANF BG Alternatives to Abortion shall be utilized solely for services to women whose gross family income is below 185% of the Federal poverty guidelines.

(5) County children and youth programs. The following shall apply:

(i) No more than 50% of funds allocated from the State appropriation for county children and youth programs to each county shall be expended until each county submits to the department data for the prior State fiscal year, and updated quarterly, on the unduplicated caseloads, unduplicated services and number of caseworkers by county program. Data shall be submitted in a form acceptable to the department. A copy of the data shall be sent to the chairman and minority chairman of the Appropriations Committee of the Senate and to the chairman and the minority chairman of the Appropriations Committee of the House of Representatives.

(ii) Reimbursement for children and youth services made pursuant to section 704.1 of the act of June 13, 1967 (P.L.31, No.21), known as the Public Welfare Code, shall not exceed the amount of State funds appropriated. It is the intent of the General Assembly that counties do not experience any adverse fiscal impact due to the department's maximization efforts.

(6) Community-based family centers. No funds appropriated for community-based family centers may be considered as part of the base for calculation of the county child welfare needs-based budget for a fiscal year.

Section 1730-J. Department of Revenue (Reserved).

Section 1731-J. Department of State (Reserved).

Section 1732-J. Department of Transportation (Reserved).

Section 1733-J. Pennsylvania State Police.

The following shall apply to appropriations for the Pennsylvania State Police from the General Appropriation Act:

(1) Payments made to municipalities under 53 Pa.C.S. § 2170 (relating to reimbursement of expenses) shall be limited to funds available. If funds are not available to make full payments, the Municipal Police Officers' Education and Training Commission shall make payments on a pro rata basis.

(2) (Reserved).

Section 1734-J. State Civil Service Commission (Reserved).

Section 1735-J. Pennsylvania Emergency Management Agency (Reserved).

Section 1736-J. Pennsylvania Fish and Boat Commission (Reserved).

Section 1737-J. State System of Higher Education.

The following shall apply to appropriations for the State System of Higher Education from the General Appropriation Act:

(1) Each public institution of higher education as defined in Article XX-C of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, shall do all of the following:

(i) Agree to accept with full junior standing the associate of arts or associate of science degree into a parallel baccalaureate program as outlined in subparagraph (iii) by the timelines established by the

Transfer and Articulation Oversight Committee but no later than December 31, 2011. For purposes of this paragraph, an associate of arts or associate of science degree is a degree designed primarily for transfer to a baccalaureate institution and must contain a minimum of 60 credits.

(ii) Submit to the Department of Education interim reports outlining the actions that the public institution of higher education has undertaken or intends to undertake to comply with subparagraph (i), which shall be filed by December 31, 2009, June 30, 2010, and December 31, 2010.

(iii) As a member of the Transfer and Articulation Oversight Committee established in section 2004-C of the Public School Code of 1949:

(A) By December 1, 2009, consult with the Department of Education on a process and timeline, subject to approval by the department, to identify the associate of arts or associate of science degree aligned with the graduation requirements of the parallel baccalaureate degree in all public institutions of higher education in consultation with faculty and personnel.

(B) Identify associate of arts or associate of science degree programs for transfer with full junior standing into a parallel baccalaureate degree in consultation with faculty and personnel in those degree programs by December 31, 2011.

(C) Identify modifications that may be required in existing associate or baccalaureate degrees to satisfy external accreditation or licensure requirements in consultation with faculty and personnel. Approved modifications shall recognize all competencies attained within either the associate or baccalaureate programs.

(D) Define requirements, in consultation with faculty and personnel, for education degrees, including early childhood education degrees, leading to certification to be included in an associate degree and to be accepted for transfer with full junior standing into a parallel baccalaureate degree program.

(2) (Reserved).

Section 1737.1-J. State-related institutions.

The following shall apply to State-related institutions:

(1) (i) No later than June 15, 2010, each State-related institution shall identify 30 credit hours of course content from equivalent courses identified under Article XX-C of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, that it will accept from a student accepted for transfer from an institution of higher education participating in Article XX-C of the Public School Code of 1949. A State-related institution shall count a course in the same manner that it would count the same or equivalent course if taken by a student at the State-related institution.

(ii) Each State-related institution shall make the information identified in subparagraph (i) available to the Department of Education for posting on the department's publicly accessible Internet website.

(iii) Nothing in this paragraph shall be construed to:

(A) Require a State-related institution to apply a course to graduation or degree requirements if that course or its equivalent course would not be applied to graduation or degree requirements if taken at the State-related institution.

(B) Infringe on a State-related institution's sole authority to accept a student for transfer, to determine acceptance into a major, to determine the campus assignment of such student or to determine how many and which credit hours shall apply for the transfer student toward the completion of a degree. The manner in which accepted courses apply toward completion of a degree and whether they are counted for general education, major or free elective credit shall be subject to the requirements established by the accepting State-related institution for each individual major or program of study.

(C) Prohibit a State-related institution's ability to enter into discussions with the Department of Education to increase the number of credits pursuant to subparagraph (i).

(iv) For the purpose of this paragraph, "State-related institution" shall have the meaning given to it in Article XX-C of the Public School Code of 1949.

(2) (Reserved).

Section 1738-J. Pennsylvania Higher Education Assistance Agency.

The following shall apply to appropriations for the Pennsylvania Higher Education Assistance Agency from the General Appropriation Act:

(1) Maximization of funds. The Pennsylvania Higher Education Assistance Agency shall use funds appropriated for matching payments for student aid funds to maximize the receipt of Federal funds to the fullest extent possible.

(2) Limitation. No college, university or institution receiving a direct appropriation from the Commonwealth shall be eligible to participate in the institutional assistance grants program.

(3) Agricultural loan forgiveness. In distributing funds appropriated for agricultural loan forgiveness, the agency shall give preference to renewal applicants.

Section 1739-J. Pennsylvania Historical and Museum Commission (Reserved).

Section 1740-J. Pennsylvania Infrastructure Investment Authority (Reserved).

Section 1741-J. Environmental Hearing Board (Reserved).

Section 1742-J. Pennsylvania Board of Probation and Parole (Reserved).

Section 1743-J. Pennsylvania Public Television Network Commission (Reserved).

Section 1744-J. Pennsylvania Securities Commission (Reserved).

Section 1745-J. State Tax Equalization Board (Reserved).

Section 1746-J. Health Care Cost Containment Council.

(1) The Health Care Cost Containment Council shall submit a report to the chairman and minority chairman of the Appropriations Committee of the Senate and the chairman and minority chairman of the Appropriations Committee of the House of Representatives specifying the amount and source of proceeds received from the sale of data by the council. The report shall supplement the annual report of financial expenditures required under section 17.1 of the act of July 8, 1986 (P.L.408, No.89), known as the Health Care Cost

Containment Act. Twenty-five percent of the proceeds received from the sale of data may be used for the operations of the council. The remainder of the proceeds shall be deposited in the General Fund and shall not be expended unless appropriated by the General Assembly.

(2) The sum of \$2,300,000 is transferred from the Health Care Cost Containment Council to the General Fund, to include money appropriated to or received by the council prior to 2008-2009 that is unspent or uncommitted.

Section 1747-J. State Ethics Commission (Reserved).

Section 1748-J. State Employees' Retirement System (Reserved).

Section 1749-J. Thaddeus Stevens College of Technology (Reserved).

Section 1750-J. Pennsylvania Housing Finance Agency (Reserved).

Section 1751-J. LIHEABG (Reserved).

Section 1752-J. Budget Stabilization Reserve Fund (Reserved).

SUBARTICLE C

LEGISLATIVE DEPARTMENT

(Reserved)

SUBARTICLE D

JUDICIAL DEPARTMENT

Section 1781-J. Supreme Court (Reserved).

Section 1782-J. Superior Court (Reserved).

Section 1783-J. Commonwealth Court (Reserved).

Section 1784-J. Courts of common pleas (Reserved).

Section 1785-J. Community courts; magisterial district judges (Reserved).

Section 1786-J. Philadelphia Traffic Court (Reserved).

Section 1787-J. Philadelphia Municipal Court (Reserved).

Section 1788-J. Judicial Conduct Board (Reserved).

Section 1789-J. Court of Judicial Discipline (Reserved).

Section 1790-J. Juror cost reimbursement (Reserved).

Section 1791-J. County court reimbursement (Reserved).

Section 1792-J. Senior judges (Reserved).

Section 1793-J. Transfer of funds by Supreme Court (Reserved).

ARTICLE XVII-K

2009-2010 RESTRICTIONS ON APPROPRIATIONS

FOR FUNDS AND ACCOUNTS

Section 1701-K. Applicability.

Except as specifically provided in this article, this article applies to the act of August 5, 2009 (P.L.607, No.1A), known as the General Appropriation Act of 2009, the act of October 9, 2009 (P.L.779, No.10A), known as the Supplemental Appropriation Act of 2009, and as appropriate, all other appropriation acts of 2009.

Section 1702-K. State Lottery Fund.

(1) Funds appropriated for PENNCARE shall not be utilized for administrative costs by the Department of Aging.

(2) (Reserved).

Section 1703-K. Energy Conservation and Assistance Fund (Reserved).

Section 1704-K. Judicial Computer System Augmentation Account.

The Supreme Court and the Court Administrator of Pennsylvania are prohibited from augmenting the amount appropriated to the Judicial Computer System Augmentation Account by billings to other appropriations to the judicial branch for the Statewide Judicial Computer System or for any other purpose.

Section 1704.1-K. Access to Justice Account.

Notwithstanding 42 Pa.C.S. § 4906 (relating to distribution of funds), moneys in the Access to Justice Account may be distributed at any time upon requisition of the Court

Administrator of Pennsylvania to the Pennsylvania Interest on Lawyers Trust Account Board.

Section 1705-K. Emergency Medical Services Operating Fund (Reserved).

Section 1706-K. State Stores Fund (Reserved).

Section 1707-K. Motor License Fund (Reserved).

Section 1708-K. Hazardous Material Response Fund (Reserved).

Section 1709-K. Milk Marketing Fund (Reserved).

Section 1710-K. Home Investment Trust Fund (Reserved).

Section 1711-K. Tuition Payment Fund (Reserved).

Section 1712-K. Banking Department Fund (Reserved).

Section 1713-K. Firearm Records Check Fund (Reserved).

Section 1714-K. Ben Franklin Technology Development Authority Fund (Reserved).

Section 1715-K. Tobacco Settlement Fund.

(a) Deposits.--

(1) Notwithstanding sections 303(b)(2), (3) and (4) and 306 of the act of June 26, 2001 (P.L.755, No.77), known as the Tobacco Settlement Act, the following shall apply:

(i) For fiscal year 2009-2010, the strategic contribution payments received in fiscal year 2008-2009 pursuant to the Master Settlement Agreement shall be deposited in the Tobacco Settlement Fund.

(ii) For fiscal year 2009-2010, \$15,000,000 of the funds derived under section 303(b)(3) of the Tobacco Settlement Act shall be deposited into the Tobacco Settlement Fund.

(iii) For fiscal year 2009-2010, \$10,000,000 of the funds derived under section 303(b)(4) of the Tobacco Settlement Act shall be deposited into the Tobacco Settlement Fund.

(iv) For fiscal year 2009-2010, 25% of the money appropriated under section 306(b)(1)(iii) of the Tobacco Settlement Act may not be expended, transferred or lapsed but shall remain in the Tobacco Settlement Fund.

(v) For fiscal year 2009-2010, 33.3% of the money appropriated under section 306(b)(1)(vi) of the Tobacco Settlement Act may not be expended, transferred or lapsed but shall remain in the Tobacco Settlement Fund.

(2) Money deposited into the fund under paragraph (1) shall be appropriated for health-related purposes. If applicable, the amount appropriated in accordance with this paragraph shall be matched by appropriated Federal augmenting funds.

(b) Transfers.--

(1) Notwithstanding sections 306 and 307 of the Tobacco Settlement Act, the following shall apply.

(i) For fiscal year 2009-2010, 37.5% of the money appropriated under section 306(b)(1)(iii) of the Tobacco Settlement Act is transferred from the Tobacco Settlement Fund to the General Fund.

(ii) For fiscal year 2010-2011, 37.5% of the money appropriated under section 306(b)(1)(iii) of the Tobacco Settlement Act is transferred from the Tobacco Settlement Fund to the General Fund.

(iii) For fiscal year 2009-2010, 100% of the money received in fiscal year 2008-2009 appropriated under section 306(b)(1)(i) of the Tobacco Settlement Act shall be transferred from the Tobacco Endowment Account for Long-Term Hope to the Tobacco Settlement Fund.

(iv) For fiscal year 2009-2010, \$150,000,000 is transferred from the Tobacco Endowment Account for Long-Term Hope to the General Fund.

(v) For fiscal year 2010-2011, \$250,000,000 is transferred from the Tobacco Endowment Account for Long-Term Hope to the General Fund.

(2) Money transferred under paragraph (1)(iii) shall be appropriated for health-related purposes. If applicable, the amount appropriated in accordance with this paragraph shall be matched by appropriated Federal augmenting funds.

(c) Allocation.--Funding for local programs under section 708(b) of the Tobacco Settlement Act shall be allocated as follows:

(1) Thirty percent of grant funding to primary contractors for local programs shall be allocated equally among each of the 67 counties.

(2) The remaining 70% of grant funding to primary contractors for local programs shall be allocated on a per capita basis of each county with a population greater than 60,000. The per capita formula shall be applied only to that portion of the population that is greater than 60,000 for each county.

(3) Budgets shall be developed by each primary contractor to reflect service planning and expenditures in each county. Each primary contractor will ensure that services are available to residents of each county and must expend the allocated funds on a per-county basis pursuant to paragraphs (1) and (2).

(4) The Department of Health shall compile a detailed annual report of expenditures per county and the specific programs offered in each region. This report shall be made available on the Department of Health's publicly available Internet website 60 days following the close of each fiscal year.

(5) During the third quarter of the fiscal year, funds which have not been spent within a service area may be reallocated to support programming in the same region.

(d) Use of money for lobbying prohibited.--No money derived from an appropriation by the General Assembly from the Tobacco Settlement Fund may be used for the lobbying of any State public official.

Section 1716-K. Community Health Reinvestment Restricted Account.

(a) Establishment.--There is established in the State Treasury a restricted receipt account in the Tobacco Settlement Fund to be known as the Community Health Reinvestment Restricted Account. Interest earned on money in the account shall remain in the account.

(b) Agreement on community health reinvestment.--Each calendar year, a corporation under 40 Pa.C.S. Ch. 61 (relating to hospital plan corporations) or 63 (relating to professional health services plan corporations) that is a party to the Agreement on Community Health Reinvestment entered into February 2, 2005, by the Insurance Department and the Capital Blue Cross, Highmark, Inc., Hospital Service Association of Northeastern Pennsylvania and Independence Blue Cross, and published in the Pennsylvania Bulletin at 35 Pa.B. 4155 (July 23, 2005), shall pay to the account the amount calculated for such calendar year in section 5 of the agreement, published at 35 Pa.B. 4156.

(c) Appropriation.--The money in the account, including all interest earned, is appropriated to the Insurance Department

to be used in accordance with the agreement on community health reinvestment described in subsection (b).

Section 1717-K. Health Care Provider Retention Account.

The sum of \$708,000,000 is transferred from the Health Care Provider Retention Account established under section 1112(a) of the act of March 20, 2002 (P.L.154, No.13), known as the Medical Care Availability and Reduction of Error (Mcare) Act, to the General Fund.

Section 1717.1-K. Medical Care Availability and Reduction of Error Fund.

The following shall apply:

(1) The sum of \$100,000,000 is transferred from the Medical Care Availability and Reduction of Error Fund established under section 712 of the act of March 20, 2002 (P.L.154, No.13), known as the Medical Care Availability and Reduction of Error (Mcare) Act, to the General Fund.

(2) Notwithstanding section 712(m) of the Medical Care Availability and Reduction of Error (Mcare) Act and 75 Pa.C.S. § 6506(b) (relating to surcharge), for fiscal years 2009-2010 and 2010-2011, all surcharges collected under 75 Pa.C.S. § 6506 by any division of the Unified Judicial System shall be deposited in the General Fund upon receipt.

Section 1718-K. Budget Stabilization Reserve Fund.

(a) General provisions.--Notwithstanding section 1703-A(b), the sum of \$755,000,000 is transferred from the Budget Stabilization Reserve Fund to the General Fund.

(b) Surplus.--No amount of the surplus in the General Fund in fiscal year 2009-2010 shall be deposited into the Budget Stabilization Reserve Fund.

Section 1718.1-K. Gaming Economic Development and Tourism Fund.

Notwithstanding the provisions of 4 Pa.C.S. Part II (relating to gaming) and the act of July 9, 2008 (P.L.908, No.63), known as the H2O PA Act, \$5,080,000 is hereby appropriated from the Gaming Economic Development and Tourism Fund to the Department of General Services to meet additional payment obligations for the project itemized in section 3(2)(i)(D) of the act of July 25, 2007 (P.L.342, No.53), known as the Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2007.

Section 1719-K. Restricted receipt accounts.

(a) General provisions.--The secretary may create restricted receipt accounts for the purpose of administering Federal grants only for the purposes designated in this section.

(b) Department of Community and Economic Development.--The following restricted receipt accounts may be established for the Department of Community and Economic Development:

- (1) ARC Housing Revolving Loan Program.
- (2) (Reserved).

(c) Department of Conservation and Natural Resources.--The following restricted receipt accounts may be established for the Department of Conservation and Natural Resources:

- (1) Federal Aid to Volunteer Fire Companies.
- (2) Federal Land and Water Conservation Fund Act.
- (3) National Forest Reserve Allotment.
- (4) Federal Land and Water Conservation Fund Act -

Conservation and Natural Resources.

(d) Department of Education.--The following restricted receipt accounts may be established for the Department of Education:

- (1) Education of the Disabled - Part C.
- (2) LSTA - Library Grants.
- (3) The Pennsylvania State University Federal Aid.

- (4) Emergency Immigration Education Assistance.
- (5) Education of the Disabled - Part D.
- (6) Homeless Adult Assistance Program.
- (7) Severely Handicapped.
- (8) Medical Assistance Reimbursements to Local Education Agencies.

(e) Department of Environmental Protection.--The following restricted receipt accounts may be established for the Department of Environmental Protection:

- (1) Federal Water Resources Planning Act.
- (2) Flood Control Payments.
- (3) Soil and Water Conservation Act - Inventory of Programs.

(f) Department of Health.--The following restricted receipt accounts may be established for the Department of Health:

- (1) Share Loan Program.
- (2) (Reserved).

(g) Department of Transportation.--The following restricted receipt accounts may be established for the Department of Transportation:

- (1) Capital Assistance Elderly and Handicapped Programs.
- (2) Railroad Rehabilitation and Improvement Assistance.
- (3) Ridesharing/Van Pool Program - Acquisition.

(h) Pennsylvania Emergency Management Agency.--The following restricted receipt accounts may be established for the Pennsylvania Emergency Management Agency:

- (1) Receipts from Federal Government - Disaster Relief - Disaster Relief Assistance to State and Political Subdivisions.
- (2) (Reserved).

(i) Pennsylvania Historical and Museum Commission.--The following restricted receipt accounts may be established for the Pennsylvania Historical and Museum Commission:

- (1) Federal Grant - National Historic Preservation Act.
- (2) (Reserved).

(j) Executive Offices.--The following restricted receipt accounts may be established for the Executive Offices:

- (1) Retired Employees Medicare Part D.
- (2) Justice Assistance.
- (3) Juvenile Accountability Incentive.

Section 1720-K. State Gaming Fund.

(a) Deduction of certain appropriations.--Notwithstanding the provisions of section 504(c)(1) of the act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act, funds appropriated to the Pennsylvania Gaming Control Board from the State Gaming Fund shall be deducted from the amount transferred to the Property Tax Relief Reserve Fund under section 504(b) of the Taxpayer Relief Act and loaned to the Pennsylvania Gaming Control Board for payment of the board's administrative and operating expenses for the fiscal year commencing July 1, 2009. Funds loaned to the board under this section and sections 1720-G and 1720-I shall be repaid from the accounts established under 4 Pa.C.S. § 1401 (relating to slot machine licensee deposits) in accordance with subsection (b).

(b) Assessment for repayment.--Notwithstanding the provisions of 4 Pa.C.S. § 1901.1 (relating to repayments to State Gaming Fund), the Pennsylvania Gaming Control Board shall assess slot machine licensees for repayment of funds transferred and loaned to the board under subsection (a) from the State Gaming Fund in accordance with 4 Pa.C.S. § 1402 (relating to gross terminal revenue deductions) for repayment to the Property Tax Relief Reserve Fund at such time as at least 11 slot machine

licenses have been issued and 11 licensed gaming entities have commenced the operation of slot machines. The board shall adopt a repayment schedule that assesses to each slot machine licensee costs for the repayment of amounts appropriated under this section in an amount that is proportional to each slot machine licensee's gross terminal revenue.

(c) Property tax relief.--

(1) Notwithstanding the provisions of section 504 of the Taxpayer Relief Act, until the loan to the Pennsylvania Gaming Control Board under subsection (a) is repaid, the Secretary of the Budget is authorized to provide for property tax relief under section 503(d) of the Taxpayer Relief Act, regardless of whether the amount deposited in the Property Tax Relief Reserve Fund is less than required by section 504 of the Taxpayer Relief Act.

(2) Notwithstanding the provisions of 4 Pa.C.S. § 1901.1, beginning January 1, 2011, if the Secretary of the Budget determines that the moneys in the Property Tax Relief Reserve Fund are needed for property tax relief, the secretary shall notify the Pennsylvania Gaming Control Board and, upon notification, the board shall immediately assess each slot machine licensee for the repayment of the loan in an amount that is proportional to each slot machine licensee's gross terminal revenue.

(d) Other appropriations solely from assessment.--

(1) All funds for the operation of the Pennsylvania State Police, Department of Revenue and Attorney General are appropriated solely from an assessment on gross terminal revenue from accounts under 4 Pa.C.S. § 1401 in an amount equal to that appropriated by the General Assembly for fiscal year 2009-2010. The Pennsylvania State Police, Attorney General or Department of Revenue shall not assess any charge, fee, cost of operations or other payment from a licensed gaming entity in excess of amounts appropriated for fiscal year 2009-2010, unless specifically authorized by law.

(2) This subsection shall not apply to any voluntary payment made by a new slot machine licensee in accordance with similar payments voluntarily made by existing licensees.

Section 1721-K. Pennsylvania Racehorse Development Fund.

(Reserved).

Section 1722-K. Straw Purchase Prevention Education Fund.

Notwithstanding the provisions of 18 Pa.C.S. § 6187 (relating to transfer for initial funding), in fiscal year 2009-2010, no funds shall be transferred from the General Fund to the Straw Purchase Prevention Education Fund established in 18 Pa.C.S. § 6186 (relating to Straw Purchase Prevention Education Fund).

Section 6. Notwithstanding any other provision of law, the Scranton State School for the Deaf and the Board of Trustees of the Scranton State School for the Deaf are abolished.

Section 7. Repeals are as follows:

(1) (Reserved).

(2) (Reserved).

(3) The General Assembly declares that the repeals under paragraph (4) are necessary to effectuate the addition of section 1722-J(8), (9) and (10) of the act.

(4) The following acts or parts of acts are repealed insofar as they are inconsistent with this act:

(i) Sections 3 and 4 of the act of May 8, 1913

(P.L.163, No.112), entitled "An act providing for an examination of the Pennsylvania Oral School for the Deaf, at Scranton, Lackawanna County, Pennsylvania; providing for the transfer, under certain conditions, of the said

Oral School for the Deaf to the Commonwealth; regulating said school in the event of such transfer; and making an appropriation to carry out the purposes of this act."

(ii) Sections 2 and 202 of the act of June 7, 1923 (P.L. 498, No. 274), known as The Administrative Code.

(iii) Sections 202, 401 and 1311 of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

(iv) Section 5.1 of the act of July 8, 1957 (P.L.579, No.321), entitled, "An act establishing minimum compensation and increments for members of the faculty and administration of the Thaddeus Stevens State School of Technology, the Scotland School for Veterans' Children, and the Scranton State School for the Deaf, providing leave of absence with pay for faculty members and the superintendent of schools and imposing duties on the Board of Trustees of such schools and the Secretary of Education."

(v) Section 1.2 of the act of December 12, 1973 (P.L.397, No.141), known as the Professional Educator Discipline Act.

(vi) 24 Pa.C.S. §§ 8102 and 8327.

(4.1) The General Assembly declares that the repeal under paragraph (5) is necessary to effectuate the addition of section 1717.1-K of the act.

(5) Chapter 11 of the act of March 20, 2002 (P.L.154, No.13), known as the Medical Care Availability and Reduction of Error (Mcare) Act, is repealed.

(6) The act of July 9, 2008 (P.L.908, No.63), known as the H2O PA Act, is repealed insofar as it is inconsistent with this act.

(7) All other acts and parts of acts are repealed insofar as they are inconsistent with this act.

(8) The following appropriations in the act of August 5, 2009 (P.L.607, No.1A), known as the General Appropriation Act of 2009, vetoed in part, are repealed:

(i) The State appropriation for smoke-free Pennsylvania enforcement in section 215 of the act is repealed.

(ii) The State appropriation for a separate State-funded vocational rehabilitation program to provide vocational rehabilitation services leading to competitive employment for OVR-eligible persons with disabilities unable to receive services through the Federal Vocational Rehabilitation Program in section 217 of the act is repealed.

(iii) The Federal appropriation for "Home Visitation to Prevent Child Maltreatment" in section 219 of the act is repealed.

(iv) The Federal appropriation for "Emergency Food Assistance" in section 1712 of the act is repealed.

(v) The Federal and State appropriations for payments for early intervention services, for "Individuals with Disabilities Education," for "Food and Nutrition - Local," for "Esea - Title I - Local" and for "ARRA - Education for Homeless Children and Youth" in section 1714 of the act are repealed.

(vi) The Federal appropriations for "Survey Studies" and "State Energy Program (SEP)" in section 1715 of the act are repealed.

(vii) The Federal appropriations for "Programs for the Aging - Title III," and "Programs for the Aging - Title V" in section 1731 of the act are repealed.

Section 8. The provisions of this act are severable. If any provision of this act or its application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application.

Section 9. This act shall apply as follows:

(1) The addition of section 1776-A of the act shall apply to contracts entered into on or after the effective date of this paragraph.

(1.1) The following provisions shall apply retroactively to July 1, 2009:

(i) The amendment of section 1721-E of the act.

(ii) The amendment of section 1722-E of the act.

(iii) The amendment of section 1733-E of the act.

(iv) The amendment of section 1735-E of the act.

(v) Except as set forth in paragraph (3), the addition of Article XVII-J of the act.

(vi) The addition of Article XVII-K of the act.

(2) The amendment of section 1723-E of the act shall apply retroactively to May 1, 2009.

(3) Paragraph (1.1)(v) does not apply to the addition of section 1722-J(8) and (9) of the act.

(4) The reenactment and amendment of sections 1731-A and 1732-A shall apply retroactively to June 30, 2009.

Section 10. This act shall take effect as follows:

(1) Notwithstanding paragraph (2), the addition of section 510-A of the act shall take effect October 15, 2010.

(2) The addition of Article V-A of the act shall take effect November 30, 2010.

(3) The remainder of this act shall take effect immediately.

APPROVED--The 9th day of October, A.D. 2009.

EDWARD G. RENDELL