

## AMENDMENTS TO SENATE BILL NO. 907

Sponsor: REPRESENTATIVE ADOLPH

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1 Amend Bill, page 1, line 30, by striking out "in special  
2 funds," and inserting  
3 providing for time for filing returns for certain sales and use  
4 taxpayers; establishing a restricted account within the  
5 Agricultural College Land Scrip Fund; in borrowing for capital  
6 facilities, further providing for definitions, for Neighborhood  
7 Improvement Zone Fund, for Keystone Opportunity Zone and for  
8 duration and providing for Commonwealth pledges and for  
9 confidentiality, providing for financially distressed  
10 municipalities and for Keystone Special Development Zones; in  
11 education tax credits, making an editorial change and providing  
12 for Department of Revenue and for Department of Community and  
13 Economic Development; in special funds, further providing for  
14 funding and

15 Amend Bill, page 1, line 31, by inserting after "investments"  
16 ; providing for 2011-2012 budget implementation and  
17 restrictions; in general budget implementation, further  
18 providing for executive offices and for the Auditor General,  
19 providing for Pennsylvania Infrastructure Investment Authority  
20 Accounts, further providing for the Pennsylvania Higher  
21 Education Assistance Agency, repealing provisions related to the  
22 Legislative Department, providing for the Catastrophic Loss  
23 Benefits Continuation Fund and further providing for the State  
24 Gaming Fund; in 2010-2011 budget implementation, further  
25 providing for the Department of Education; providing for audits;  
26 and making related repeals

27 Amend Bill, page 2, lines 1 through 3, by striking out all of  
28 said lines and inserting

29 Section 1. The act of April 9, 1929 (P.L.343, No.176), known  
30 as The Fiscal Code, is amended by adding sections to read:  
31 Section 202.2. Time for Filing Returns for Certain Sales and  
32 Use Taxpayers.--(a) Notwithstanding section 217 of the act of  
33 March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of  
34 1971," after May 31, 2011, for every sales and use tax licensee  
35 whose total sales and use tax reported or required to be

1 reported for the third calendar quarter of the preceding year  
2 equals or exceeds twenty-five thousand dollars (\$25,000), the  
3 licensee shall, on or before the twentieth day of each month,  
4 file a single sales and use tax return consisting of all of the  
5 following:

6 (1) Except as provided in paragraph (2), an amount equal to  
7 fifty per centum of the licensee's total sales and use tax  
8 liability reported or required to be reported for the same month  
9 in the preceding calendar year if the licensee was a monthly  
10 sales and use tax filer. If the licensee was a quarterly or  
11 semi-annual sales and use tax filer, an amount equal to fifty  
12 per centum of the licensee's average total sales and use tax  
13 liability reported or required to be reported for that tax  
14 period in the preceding calendar year. The average total sales  
15 and use tax liability shall be the total sales and use tax  
16 liability reported or required to be reported for the tax period  
17 divided by the number of months in that tax period. For  
18 licensees that were not in business during the same month in the  
19 preceding calendar year or were in business for only a portion  
20 of that month, an amount equal to fifty per centum of the  
21 average total sales and use tax liability reported or required  
22 to be reported for each tax period the licensee has been in  
23 business. If the licensee is filing a sales and use tax  
24 liability for the first time with no preceding tax periods, the  
25 amount shall be zero.

26 (2) For a return due June 20, 2011, the percentage used in  
27 the calculation under paragraph (1) shall be fifty-five per  
28 centum.

29 (3) An amount equal to the sales and use taxes due for the  
30 preceding month, less any amounts paid in the preceding month as  
31 required by paragraph (1).

32 (b) The sales and use tax required to be reported under this  
33 section shall be due and payable by the licensee on the day the  
34 return is required to be filed and all payments must accompany  
35 the return.

36 (c) The department shall determine whether the amounts  
37 reported under this section shall be remitted as one combined  
38 payment or as two separate payments.

39 (d) The department may require the filing of the returns and  
40 the payments for filers under this section by electronic means  
41 approved by the department.

42 (e) If a licensee required to remit payments under this  
43 section fails to make a timely payment or makes a payment which  
44 is less than the required amount, the department may, in  
45 addition to any applicable penalties, impose an additional  
46 penalty equal to five per centum of the amount due under this  
47 section which was not timely paid. The penalty under this  
48 subsection shall be determined when the tax return is filed for  
49 the tax period.

50 (f) A reference in statute or regulation to section 217 of  
51 the "Tax Reform Code of 1971" shall also be deemed a reference

1 to this section.

2 Section 507. Restricted Account within Agricultural College  
3 Land Scrip Fund.--(a) A restricted account is hereby  
4 established within the Agricultural College Land Scrip Fund for  
5 the purpose of funding agricultural research programs and  
6 agricultural extension services.

7 (b) The restricted account established under this section  
8 shall consist of such moneys as are appropriated or transferred  
9 to the restricted account.

10 (c) Following an appropriation or transfer, the State  
11 Treasurer shall pay, on an equal monthly basis during the fiscal  
12 year, the money in the restricted account to the Commonwealth's  
13 land grant university for agricultural research programs and for  
14 agricultural extension services.

15 (d) Money deposited in the Agricultural College Land Scrip  
16 Fund prior to the effective date of this section, and the  
17 interest earned thereon, shall be paid pursuant to the act of  
18 April 1, 1863 (P.L.213, No.227), entitled "An act to accept the  
19 grant of Public Lands, by the United States, to the several  
20 states, for the endowment of Agricultural Colleges," and the act  
21 of May 7, 1923 (P.L.145, No.110), entitled "An act providing for  
22 the redemption and cancellation of the bond issued under the  
23 act, approved April third, one thousand eight hundred and  
24 seventy-two (Pamphlet Laws, thirty-nine), entitled 'An act  
25 directing the sale of the bonds composing the Agricultural  
26 College land scrip fund, and authorizing the issue of a new  
27 bond in lieu thereof, and abolishing the board commissioners  
28 created by act of April first, one thousand eight hundred and  
29 sixty-three,' and for the investment of the moneys in the fund  
30 resulting from such redemption, and the payment of the interest  
31 therefrom by the Sinking Fund Commission to Pennsylvania State  
32 College."

33 Section 1.1. The definition of "contracting authority" in  
34 section 1602-B of the act, added October 9, 2009 (P.L.537,  
35 No.50), is amended and the section is amended by adding  
36 definitions to read:

37 Section 1602-B. Definitions.

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

41 "Bonds." Includes notes, instruments, refunding notes and  
42 bonds and other evidences of indebtedness or obligations.

43 \* \* \*

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

1 contract with the Office of the Budget to receive those grants].

2 "Department." The Department of Revenue of the Commonwealth.

3 \* \* \*

4 Section 1.2. Section 1604-B(b) introductory paragraph and  
5 (9), (c) introductory paragraph, (d) and (e) of the act, added  
6 October 9, 2009 (P.L.537, No.50), are amended and the section is  
7 amended by adding subsections to read:

8 Section 1604-B. Neighborhood Improvement Zone Fund.

9 \* \* \*

10 (a.1) Certification.--

11 (1) Within 30 days of the end of each calendar year,  
12 each qualified business shall file a report with the  
13 department which complies with all of the following:

14 (i) States each State tax, calculated in accordance  
15 with subsection (b), which was paid by the qualified  
16 business in the prior calendar year.

17 (ii) Lists each State tax refund which complies with  
18 all of the following:

19 (A) The refund is for a tax:

20 (I) set forth in subsection (b); and

21 (II) certified as paid under subsection (b).

22 (B) The refund was received in the prior  
23 calendar year by the qualified business.

24 (iii) Is in a form and manner required by the  
25 department.

26 (2) In addition to any penalties imposed under the act  
27 of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code  
28 of 1971, for failure to timely pay State taxes, failure to  
29 file a timely and complete report under paragraph (1) shall  
30 result in the imposition of a penalty of 10% of all State  
31 taxes, calculated in accordance with subsection (b), which  
32 were payable by the qualified business in the prior calendar  
33 year.

34 (3) Any penalty imposed under this subsection shall be  
35 imposed, assessed and collected by the department under the  
36 provisions for imposing, assessing and collecting penalties  
37 under Article II of the Tax Reform Code of 1971. When the  
38 penalty is received, the money shall be transferred from the  
39 General Fund to the fund.

40 (4) Within 30 days of the end of each calendar year,  
41 each qualified business shall file a report with the local  
42 taxing authority reporting all local taxes, calculated in  
43 accordance with subsection (b), which were paid by the  
44 qualified business in the prior calendar year. The report  
45 from each qualified business shall also list any local tax  
46 refunds of taxes set forth in subsection (b) received in the  
47 prior calendar year by the qualified business and any refunds  
48 related to the local taxes as calculated in accordance with  
49 subsection (b). The report shall be in a form and manner  
50 required by the department.

51 (b) Calculation.--Within 60 days of the end of each

1 [quarter] calendar year, the [Department of Revenue shall  
2 calculate the amounts under this subsection for improvement and  
3 development in the neighborhood improvement zone, the facility  
4 complex and the facility. The contracting authority shall  
5 provide good faith estimates of quarterly amounts to be  
6 calculated in a form and manner required by the Department of  
7 Revenue. The Department of Revenue] department shall [estimate  
8 the quarterly amounts, subject to an annual reconciliation, and  
9 shall] certify the amounts of State taxes paid, less any State  
10 tax refunds received, by the qualified businesses filing reports  
11 under subsection (a.1)(1) to the Office of the Budget [within 90  
12 days of the end of a fiscal quarter]. Beginning in 2012 and in  
13 each calendar year thereafter, by November 1, the department  
14 shall calculate, in accordance with this subsection, amounts of  
15 State taxes actually received by the Commonwealth from each  
16 qualified business that filed a report under subsection (a.1)(1)  
17 in the prior calendar year; and the department shall certify the  
18 amounts received to the office. An entity collecting a local tax  
19 within the neighborhood improvement zone shall, within 30 days  
20 of the end of [a fiscal quarter] each calendar year, submit all  
21 of the local taxes [collected that are to be calculated under  
22 this subsection] that are to be calculated under this subsection  
23 and which were paid in the prior calendar year, less any  
24 certified local tax refunds received by a qualified business in  
25 the prior calendar year, to the State Treasurer [for transfer]  
26 to be deposited in the fund under subsection (d). This  
27 subsection shall not apply to any taxes subject to a valid  
28 pledge or security interest entered into in order to secure debt  
29 service on bonds if the pledge or security interest was entered  
30 into prior to May 1, 2011, and is still in effect. The following  
31 shall be the amounts calculated and certified:

32 \* \* \*

33 (9) Except for a tax levied against real property and  
34 notwithstanding any other law, an amount equal to any tax  
35 imposed by the Commonwealth or any of its political  
36 subdivisions on a qualified business engaged in an activity  
37 within the neighborhood improvement zone or directly or  
38 indirectly on any sale or purchase of goods or services,  
39 where the point of sale or purchase is within the  
40 neighborhood improvement zone.

41 (c) [Income] State tax liability apportionment.--For the  
42 purpose of making the calculations under subsection (b), the  
43 [taxable income of a corporation that is] State tax liability of  
44 a qualified business shall be apportioned to the neighborhood  
45 improvement zone by multiplying the Pennsylvania [taxable  
46 income] State tax liability by a fraction, the numerator of  
47 which is the property factor plus the payroll factor plus the  
48 sales factor and the denominator of which is three, in  
49 accordance with the following:

50 (d) Transfers.--

51 (1) Within ten days of receiving [notification]

1 certification under subsection (b), the Secretary of the  
2 Budget shall direct the State Treasurer to, notwithstanding  
3 any other law, transfer the amounts [calculated] certified  
4 under subsection (b) from the General Fund to the fund.  
5 Beginning in 2013 and in each year thereafter, the amounts  
6 certified by the secretary to the State Treasurer and the  
7 amounts transferred by the State Treasurer to the fund shall  
8 be determined as follows:

9 (i) Add amounts certified by the department under  
10 subsection (b) for the prior calendar year.

11 (ii) Subtract from the sum under subparagraph (i)  
12 any State tax refunds paid as certified by the department  
13 under subsection (b).

14 (iii) Add to the difference under subparagraph (ii)  
15 any amounts certified under subsection (b) with respect  
16 to the second prior calendar year.

17 (iv) Subtract from the sum under subparagraph (iii)  
18 any amounts certified under subsection (b) which are less  
19 than the amounts previously certified under subsection  
20 (b) with respect to the second prior calendar year.

21 (2) The State Treasurer shall provide [quarterly  
22 payments] an annual transfer to the contracting authority  
23 until the bonds issued to finance and refinance the  
24 improvement and development of the neighborhood improvement  
25 zone and the construction of the [contracted] facility or  
26 facility complex are retired. [The payment in each quarter]  
27 Each annual transfer to the contracting authority shall be  
28 equal to the balance of the fund on the [last day of the  
29 prior calendar quarter] date of the transfer under paragraph  
30 (1).

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

33 (1) May only be utilized for payment of debt service on  
34 bonds issued for the improvement and development of all or  
35 any part of the neighborhood improvement zone and the purpose  
36 of constructing a facility or facility complex, for payment  
37 of debt service on bonds issued to refund those bonds and to  
38 replenish amounts required in any debt service reserve funds  
39 established to pay debt service on bonds. The term of a bond  
40 to be refunded shall not exceed the maximum term permitted  
41 for the original bond issued for the improvement or  
42 development of the neighborhood improvement zone and the  
43 construction of a facility or facility complex.

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

47 \* \* \*

48 (g) Excess money.--Within 30 days of the end of each  
49 calendar year, any money remaining in the fund at the end of the  
50 prior calendar year after the required payments under subsection  
51 (d) (2) were made in the prior calendar year shall be refunded in

1 the following manner:

2 (1) Money shall first be returned to the General Fund to  
3 the extent that the excess money is part of the transfer  
4 under subsection (d)(1).

5 (2) Money shall next be paid to the contracting  
6 authority to the extent that the amounts paid under  
7 subsection (d)(2) consisted of local taxes. The contracting  
8 authority shall return the money to the appropriate entities  
9 collecting local tax who submitted the local taxes to the  
10 State Treasurer under subsection (b).

11 Section 1.3. Sections 1605-B and 1606-B of the act, added  
12 October 9, 2009 (P.L.537, No.50), are amended to read:

13 Section 1605-B. Keystone Opportunity Zone.

14 [Within 30 days of the effective date of this section] Before  
15 September 1, 2011, the city shall apply to the [department]  
16 Department of Community and Economic Development to decertify  
17 and remove the designation of all or part of the Keystone  
18 Opportunity Zone [in accordance with] on behalf of all political  
19 subdivisions. The provisions of section 309 of the act of  
20 October 6, 1998 (P.L.705, No.92), known as the Keystone  
21 Opportunity Zone, Keystone Opportunity Expansion Zone and  
22 Keystone Opportunity Improvement Zone Act shall be deemed  
23 satisfied as to all political subdivisions. The [department]  
24 Department of Community and Economic Development shall act on  
25 the application within 30 days.

26 Section 1606-B. Duration.

27 The neighborhood improvement zone shall be in effect for a  
28 period equal to [the length of time of the bonds that are  
29 initially issued.] one year following retirement of all bonds  
30 issued to finance or refinance the improvement and development  
31 of the neighborhood improvement zone or the construction of the  
32 facility or the facility complex. The maximum term of the bond,  
33 including the refunding of the bond, shall not exceed 30 years.

34 Section 1.4. The act is amended by adding sections to read:  
35 Section 1607-B. Commonwealth pledges.

36 If and to the extent that the contracting authority pledges  
37 amounts required to be transferred to the fund under section  
38 1604-B for the payment of bonds issued by the contracting  
39 authority, until all bonds secured by the pledge of the  
40 contracting authority, together with the interest on the bonds,  
41 are fully paid or provided for, the Commonwealth pledges to and  
42 agrees with any person, firm, corporation or government agency,  
43 whether in this Commonwealth or elsewhere, and to and with any  
44 Federal agency subscribing to or acquiring the bonds issued by  
45 the contracting authority that the Commonwealth itself will not,  
46 nor will it authorize any government entity to, abolish or  
47 reduce the size of the neighborhood improvement zone; to amend  
48 or repeal section 1604-B(a.1), (b) or (d); to limit or alter the  
49 rights vested in the contracting authority in a manner  
50 inconsistent with the obligations of the contracting authority  
51 with respect to the bonds issued by the contracting authority;

1 or to otherwise impair revenues to be paid under this article to  
2 the contracting authority necessary to pay debt service on  
3 bonds. Nothing in this section shall limit the authority of the  
4 Commonwealth or any government entity to change the rate, tax  
5 bases or any subject of any specific tax or repealing or  
6 enacting any tax.

7 Section 1608-B. Confidentiality.

8 Notwithstanding any law providing for the confidentiality of  
9 tax records, the contracting authority and the local taxing  
10 authorities shall have access to any reports and certifications  
11 filed under this article, and the contracting authority shall  
12 have access to any State or local tax information filed by a  
13 qualified business in the Neighborhood Improvement Zone solely  
14 for the purpose of documenting the certifications required by  
15 this article. Any other use of the tax information shall be  
16 prohibited as provided under law.

17 Section 1.5. The act is amended by adding an article to  
18 read:

19 ARTICLE XVI-D.1

20 FINANCIALLY DISTRESSED MUNICIPALITIES

21 Section 1601-D.1. Administrative oversight.

22 (a) Scope.--This section applies to a city of the third  
23 class which is determined to be financially distressed under  
24 section 203 of the act of July 10, 1987 (P.L.246, No.47), known  
25 as the Municipalities Financial Recovery Act.

26 (b) Limitation on bankruptcy.--Notwithstanding any other  
27 provision of law, including section 261 of the Municipalities  
28 Financial Recovery Act, no distressed city may file a petition  
29 for relief under 11 U.S.C. Ch. 9 (relating to adjustment of  
30 debts of a municipality) or any other Federal bankruptcy law,  
31 and no government agency may authorize the distressed city to  
32 become a debtor under 11 U.S.C. Ch. 9 or any other Federal  
33 bankruptcy law.

34 (c) Penalty.--If a city subject to this section fails to  
35 comply with subsection (b), all Commonwealth funding to the city  
36 shall be suspended.

37 (d) Expiration.--This section shall expire July 1, 2012.

38 Section 1.6. Article XVI-F heading of the act, added July 6,  
39 2010 (P.L.279, No.46), is amended to read:

40 ARTICLE XVI-F

41 [(RESERVED)]

42 KEYSTONE SPECIAL DEVELOPMENT ZONE

43 Section 1.7. The act is amended by adding sections to read:

44 Section 1601-F. Scope of article.

45 This article relates to the Keystone Special Development Zone  
46 program.

47 Section 1602-F. Definitions.

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

51 "Affiliate." As follows:



1           (1) An entity which is part of the same "affiliated  
2 group," as defined in section 1504(a) of the Internal Revenue  
3 Code of 1986 (Public Law 99-514, 26 U.S.C. § 1504(a)), as a  
4 Keystone Special Development Zone employer; or

5           (2) An entity that would be part of the same "affiliated  
6 group" except that the entity or the Keystone Special  
7 Development employer is not a corporation.

8           "Department." The Department of Community and Economic  
9 Development of the Commonwealth.

10          "Employee." An individual who:

11           (1) is employed in this Commonwealth by a Keystone  
12 Special Development Zone employer, or its predecessor, after  
13 the effective date of this article;

14           (2) is employed for at least 35 hours per week by a  
15 Keystone Special Development Zone employer; and

16           (3) spends at least 90% of his or her working time for  
17 the Keystone Special Development Zone employer at the  
18 Keystone Special Development Zone location.

19          "Full-time equivalent employee." The whole number of  
20 employees, rounded down, that equals the sum of:

21           (1) the total paid hours, including paid time off and  
22 family leave under the Family and Medical Leave Act of 1993  
23 (Public Law 103-3, 29 U.S.C. § 2601 et seq.), of all of a  
24 Keystone Special Development Zone employer's employees  
25 classified as nonexempt during the Keystone Special  
26 Development Zone employer's tax year divided by 2000; and

27           (2) a total number arrived at by adding, for each  
28 Keystone Special Development Zone employer's employee  
29 classified as exempt scheduled to work at least 35 hours per  
30 week, the fraction equal to the portion of the year the  
31 exempt employee was paid by the Keystone Special Development  
32 Zone employer. Whether an employee shall be classified as  
33 exempt or nonexempt shall be determined under the Fair Labor  
34 Standards Act of 1938 (52 Stat. 1060, 29 U.S.C. § 201 et  
35 seq.).

36          The calculation under this definition excludes employees  
37 previously employed by an affiliate and employees previously  
38 employed by the Keystone Special Development Zone employer  
39 outside of a Keystone Special Development Zone.

40          "Keystone Special Development Zone." A parcel of real  
41 property that meets all of the following:

42           (1) On July 1, 2011, was within a special industrial  
43 area, as described in section 305(a) of the act of May 19,  
44 1995 (P.L.4, No.2), known as the Land Recycling and  
45 Environmental Remediation Standards Act, for which the  
46 Department of Environmental Protection has executed a special  
47 industrial area consent order and agreement, as provided  
48 under section 502(a) of the Land Recycling and Environmental  
49 Remediation Standards Act.

50           (2) On July 1, 2011, had no permanent vertical  
51 structures affixed to it.

1           (3) Is certified by the Department of Environmental  
2           Protection as meeting the requirements of paragraphs (1) and  
3           (2).

4           "Keystone Special Development Zone employer." A person or  
5           entity subject to the taxes imposed under Article III, IV, VI,  
6           VII, VIII or XV of the act of March 4, 1971 (P.L.6, No.2) known  
7           as the Tax Reform Code of 1971, who employs one or more  
8           employees at a Keystone Special Development Zone. The term shall  
9           include a pass-through entity. The term shall not include any of  
10           the following:

11           (1) An employer who, after January 1, 1990,  
12           intentionally or negligently caused or contributed to, in any  
13           material respect, a level of regulated substance above the  
14           cleanup standards in the act of May 19, 1995 (P.L.4, No.2),  
15           known as the Land Recycling and Environmental Remediation  
16           Standards Act, on, in or under the Keystone Special  
17           Development Zone at which an employee is employed.

18           (2) An employer engaged in construction improvements on  
19           a Keystone Special Development Zone.

20           "Pass-through entity." A partnership as defined in section  
21           301(n.0) of the act of March 4, 1971 (P.L.6, No.2), known as the  
22           Tax Reform Code of 1971, or a Pennsylvania S corporation as  
23           defined in section 301(n.1) of the Tax Reform Code of 1971.

24           "Qualified tax liability." Any tax owed by a Keystone  
25           Special Development Zone employer attributable to a business  
26           activity conducted within a Keystone Special Development Zone  
27           for a tax year under Article III, IV, VI, VII, VIII or XV of the  
28           act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code  
29           of 1971.

30           Section 1603-F. Keystone Special Development Zone tax credit.

31           (a) Tax credit.--A Keystone Special Development Zone  
32           employer shall be entitled to claim a tax credit against its  
33           qualified tax liability as provided in this article.

34           (b) Process.--

35           (1) A Keystone Special Development Zone employer shall  
36           notify the department of its qualification for a tax credit  
37           under this article by February 1 for tax credits earned  
38           during a taxable year ending in the prior calendar year.

39           (2) The notification shall contain the following:

40           (i) The name, address and taxpayer identification  
41           number of the Keystone Special Development Zone employer.

42           (ii) Verification that it is a Keystone Special  
43           Development Zone employer located in a Keystone Special  
44           Development Zone.

45           (iii) The names, addresses and Social Security  
46           numbers of all employees for which the credit is claimed.

47           (iv) Verification that each employee identified in  
48           subparagraph (iii) spent at least 90% of the employee's  
49           working time for the Keystone Special Development Zone  
50           employer at the employer's Keystone Special Development  
51           Zone location.

1           (v) Any other information required by the  
2           department.

3           (3) To qualify for the credit, the Department of Revenue  
4           must certify that the Keystone Special Development Zone  
5           employer is current with all tax liabilities.

6           (4) By March 1 of each year the department shall send  
7           the Keystone Special Development Zone employer who submitted  
8           the notification a certificate of its qualification for the  
9           credit, which certificate the Keystone Special Development  
10           Zone employer shall present to the Department of Revenue when  
11           filing its return claiming the credit.

12           (c) Amount.--The amount of the tax credit a Keystone Special  
13           Development Zone employer may earn in any tax year shall be  
14           equal to \$2,100 for each full-time equivalent employee in excess  
15           of the number of full-time equivalent employees employed by the  
16           Keystone Special Development Zone employer prior to January 1,  
17           2012.

18           (d) Application of tax credits.--A Keystone Special  
19           Development Zone employer must first use its Keystone Special  
20           Development Zone tax credit against its qualified tax liability.

21           (d.1) Sale or assignment of tax credit.--

22           (1) If the Keystone Special Development Zone employer is  
23           entitled to a credit in any year that exceeds its qualified  
24           tax liability for that year, upon application to and approval  
25           by the department, a Keystone Special Development Zone  
26           employer which has been awarded a tax credit may sell or  
27           assign, in whole or in part, the tax credit granted to the  
28           Keystone Special Development Zone employer. The application  
29           must be on the form required by the department and must  
30           include or demonstrate all of the following:

31                   (i) The applicant's name and address.

32                   (ii) A copy of the tax credit certificate previously  
33                   issued by the department.

34                   (iii) A statement as to whether any part of the tax  
35                   credit has been applied to tax liability of the applicant  
36                   and the amount so applied.

37                   (iv) Any other information required by the  
38                   department.

39           (2) The department shall review the application and,  
40           upon being satisfied that all requirements have been met,  
41           shall approve the application and shall notify the Department  
42           of Revenue.

43           (3) The purchaser or assignee of all or a portion of a  
44           Keystone Special Development Zone tax credit under this  
45           section shall claim the credit in the taxable year in which  
46           the purchase or assignment is made. The purchaser or assignee  
47           of a tax credit may use the tax credit against any tax  
48           liability of the purchaser or assignee under Article III, IV,  
49           VI, VII, VIII or XV of the Tax Reform Code of 1971. The  
50           amount of the tax credit used may not exceed 75% of the  
51           purchaser's or assignee's tax liability for the taxable year.

1 The purchaser or assignee may not carry over, carry back,  
2 obtain a refund of or assign the Keystone Special Development  
3 Zone credit. The purchaser or assignee shall notify the  
4 department and the Department of Revenue of the seller or  
5 assignor of the Keystone Special Development Zone tax credit  
6 in compliance with procedures specified by the department.

7 (e) Use and carryforward.--

8 (1) A Keystone Special Development Zone employer may  
9 earn the tax credit allowed under this article beginning in  
10 any tax year beginning in 2012 and for a period of up to ten  
11 tax years during the 15-year period beginning July 1, 2012,  
12 and ending June 30, 2026.

13 (2) A Keystone Special Development Zone employer may  
14 carry forward for up to ten years a tax credit earned under  
15 this article:

16 (i) which it is unable to use; or

17 (ii) which it does not sell or assign.

18 (3) Tax credits carried forward under paragraph (2)  
19 shall be used on a first-in-first-out basis.

20 (f) Dual-use prohibited.--In a given year, a Keystone  
21 Special Development Zone employer may only earn tax credits  
22 under subsection (c) or (d) or under the act of October 6, 1998  
23 (P.L.705, No.92), known as the Keystone Opportunity Zone,  
24 Keystone Opportunity Expansion Zone and Keystone Opportunity  
25 Improvement Zone Act. A Keystone Special Development Zone  
26 employer may not claim a credit under both this section and  
27 Article XVIII-B of the Tax Reform Code of 1971.

28 (g) Pass-through entities.--

29 (1) If a Keystone Special Development Zone employer is a  
30 pass-through entity and it has any unused tax credit under  
31 subsection (c), (d) or (e), it may elect in writing,  
32 according to procedures established by the Department of  
33 Revenue, to transfer all or a portion of the credit to  
34 shareholders, members or partners in proportion to the share  
35 of the entity's distributive income to which the shareholder,  
36 member or partner is entitled.

37 (2) A Keystone Special Development Zone employer that is  
38 a pass-through entity, and a shareholder, member or partner  
39 of that Keystone Special Development Zone employer may not  
40 both claim the Keystone Special Development Zone tax credit  
41 earned by the Keystone Special Development Zone employer for  
42 any tax year.

43 (3) A shareholder, member or partner of a Keystone  
44 Special Development Zone employer that is a pass-through  
45 entity to whom a credit is transferred under this subsection  
46 shall immediately claim the credit in the taxable year in  
47 which the transfer is made.

48 (h) Transfer.--Any tax credit or tax credit carryforward  
49 that a Keystone Special Development Zone employer is entitled to  
50 use may be transferred to a successor entity of the Keystone  
51 Special Development Zone employer.

1 (i) Penalties.--The following shall apply:

2 (1) A company which receives Keystone Special  
3 Development Zone tax credits and fails to substantially  
4 maintain the operations related to the Keystone Special  
5 Development Zone tax credits in this Commonwealth for a  
6 period of five years from the date the company first submits  
7 a Keystone Special Development Zone tax credit certificate to  
8 the Department of Revenue shall be required to refund to the  
9 Commonwealth the total amount of credits granted, with  
10 interest and a penalty of 20% of the amount of credits  
11 granted.

12 (2) The department may waive the penalties in subsection  
13 (a) if it is determined that a company's operations were not  
14 maintained or the new jobs were not created because of  
15 circumstances beyond the company's control. Circumstances  
16 include natural disasters, unforeseen industry trends or a  
17 loss of a major supplier or market.

18 Section 1604-F. Tax liability attributable to Keystone Special  
19 Development Zone.

20 (a) Determinations of attributable tax liability.--Tax  
21 liability attributable to business activity conducted within a  
22 Keystone Special Development Zone shall be computed, construed,  
23 administered and enforced in conformity with Article III, IV,  
24 VI, VII, VIII or XV of the act of March 4, 1971 (P.L.6, No.2),  
25 known as the Tax Reform Code of 1971, whichever is applicable,  
26 and with specific reference to the following:

27 (1) If the entire business of the employer in this  
28 Commonwealth is transacted wholly within the Keystone Special  
29 Development Zone, the tax liability attributable to business  
30 activity within a Keystone Special Development Zone shall  
31 consist of the Pennsylvania income as determined under  
32 Article III, IV, VI, VII, VIII or XV, whichever is  
33 applicable, of the Tax Reform Code of 1971.

34 (2) If the entire business of the employer in this  
35 Commonwealth is not transacted wholly within the Keystone  
36 Special Development Zone, the tax liability of an employer in  
37 a Keystone Special Development Zone shall be determined upon  
38 such portion of the Pennsylvania tax liability of such  
39 employer attributable to business activity conducted within  
40 the Keystone Special Development Zone and apportioned in  
41 accordance with subsection (b).

42 (b) Tax liability apportionment.--The tax liability of an  
43 employer shall be apportioned to the Keystone Special  
44 Development Zone by multiplying the Pennsylvania tax liability  
45 by a fraction, the numerator of which is the property factor  
46 plus the payroll factor and the denominator of which is two, in  
47 accordance with the following:

48 (1) The property factor is a fraction, the numerator of  
49 which is the average value of the employer's real and  
50 tangible personal property owned or rented and used in the  
51 Keystone Special Development Zone during the tax period and

1 the denominator of which is the average value of the  
2 employer's real and tangible personal property owned or  
3 rented and used in this Commonwealth during the tax period  
4 but shall not include the security interest of any employer  
5 as seller or lessor in personal property sold or leased under  
6 a conditional sale, bailment lease, chattel mortgage or other  
7 contract providing for the retention of a lien or title as  
8 security for the sales price of the property.

9 (2) The payroll factor is a fraction, the numerator of  
10 which is the total amount paid in the Keystone Special  
11 Development Zone during the tax period by the employer to an  
12 employee as compensation and the denominator of which is the  
13 total compensation paid by the employer in this Commonwealth  
14 during the tax period.

15 Section 1.8. The heading of Article XVI-H of the act, added  
16 July 6, 2010 (P.L.279, No.46), is amended to read:

17 ARTICLE XVI-H

18 [EDUCATIONAL] TAX CREDITS

19 Section 1.9. The act is amended by adding sections to read:  
20 Section 1602-H. Department of Revenue.

21 For fiscal year 2011-2012 and each fiscal year thereafter and  
22 notwithstanding section 1709-B(a) of the act of March 4, 1971  
23 (P.L.6, No.2), known as the Tax Reform Code of 1971, the amount  
24 of credits approved by the Department of Revenue under Article  
25 XVII-B of the Tax Reform Code of 1971 shall not exceed  
26 \$55,000,000 in a fiscal year; and \$11,000,000 of that amount  
27 shall be allocated exclusively for small business. As used in  
28 this section, the term "small business" has the meaning ascribed  
29 in section 1702-B of the Tax Reform Code of 1971.

30 Section 1603-H. Department of Community and Economic  
31 Development.

32 For fiscal year 2011-2012 and each fiscal year thereafter,  
33 the Department of Community and Economic Development may approve  
34 tax credits as follows:

35 (1) Notwithstanding section 1707-D(a) of the Tax Reform  
36 Code of 1971, the aggregate amount of tax credits awarded  
37 under Article XVII-D of the Tax Reform Code of 1971 shall not  
38 exceed \$60,000,000 in a fiscal year.

39 (2) Notwithstanding section 1804-B(e) of the Tax Reform  
40 Code of 1971, awards by the department shall not exceed  
41 \$10,100,000 in tax credits under Article XVIII-B of the Tax  
42 Reform Code of 1971.

43 Section 2. Section 1702-A of the act, amended July 4, 2008  
44 (P.L.629, No.53), is amended to read:

45 Section 1702-A. Funding.

46 (a) Intent.--It is hereby declared as the intent and goal of  
47 the General Assembly to create a stabilization reserve in an  
48 eventual amount of 6% of the revenues of the General Fund of the  
49 Commonwealth.

50 (b) Transfer of portion of surplus.--

51 (1) Except as may be provided in paragraph (2), for

1 fiscal years beginning after June 30, 2002, the following  
2 apply:

3 (i) Except as set forth in this paragraph, if the  
4 Secretary of the Budget certifies that there is a surplus  
5 in the General Fund for a specific fiscal year, 25% of  
6 the surplus shall be deposited by the end of the next  
7 succeeding quarter into the Budget Stabilization Reserve  
8 Fund.

9 (ii) If the Secretary of the Budget certifies, after  
10 June 30, 2005, that there is a surplus in the General  
11 Fund for the fiscal year 2004-2005, 15% of the surplus  
12 shall be deposited by the end of the next succeeding  
13 quarter into the Budget Stabilization Reserve Fund.

14 (iii) No amount of the surplus in the General Fund  
15 for fiscal year 2007-2008 may be deposited into the  
16 Budget Stabilization Reserve Fund.

17 (iv) No amount of the surplus in the General Fund  
18 for fiscal year 2010-2011 may be deposited into the  
19 Budget Stabilization Reserve Fund.

20 (2) If, at the end of any fiscal year, the ending  
21 balance of the Budget Stabilization Reserve Fund equals or  
22 exceeds 6% of the actual General Fund revenues received for  
23 the fiscal year in which the surplus occurs, 10% of the  
24 surplus shall be deposited by the end of the next succeeding  
25 quarter into the Budget Reserve Stabilization Fund.

26 (c) Appropriated funds.--The General Assembly may at any  
27 time provide additional amounts from any funds available to this  
28 Commonwealth as an appropriation to the Budget Stabilization  
29 Reserve Fund.

30 Section 2.1. The heading of Subarticle D of Article XVII-A  
31 of the act, added July 7, 2005 (P.L.174, No.41), is reenacted to  
32 read:

33 Amend Bill, page 2, line 6, by striking out "2" and inserting

34 2.2

35 Amend Bill, page 3, line 12, by striking out "3" and

36 inserting

37 2.3

38 Amend Bill, page 3, by inserting between lines 16 and 17

39 Section 3. Repeals are as follows:

40 (1) The General Assembly finds and declares as follows:

41 (i) Each year, articles on budget implementation are  
42 added to the act.

43 (ii) These articles are temporary in nature but are  
44 placed permanently into the act, utilizing article  
45 numbers and section numbers.

46 (iii) Reusing article numbers and section numbers

1 will keep the text of the act more concise.

2 (iv) The repeal under paragraph (2) is necessary to  
3 effectuate paragraph (1)(iii).

4 (2) Articles XVII-B and XVII-C of the act, added July 5,  
5 2006 (P.L.296, No.66), and amended or repealed in part July  
6 17, 2007 (P.L.141, No.42), are repealed.

7 Section 4. The act is amended by adding articles to read:

8 ARTICLE XVII-B

9 2011-2012 BUDGET IMPLEMENTATION

10 SUBARTICLE A

11 PRELIMINARY PROVISIONS

12 Section 1701-B. Applicability of article.

13 Except as specifically provided in this article, this article  
14 applies to the General Appropriation Act of 2011 and all other  
15 appropriation acts of 2011.

16 Section 1702-B. Definitions and abbreviations.

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

20 "General Appropriation Act." The act of \_\_\_\_\_, 2011 (P.L. \_\_\_\_\_,  
21 No.1A), known as the General Appropriation Act of 2011.

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

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

27 "AIDS." Acquired Immune Deficiency Syndrome.

28 "ARC." Appalachian Regional Commission.

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

31 "BG." Block Grant.

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

33 "CSBG." Community Services Block Grant.

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

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

38 "DOE." Department of Energy.

39 "EEOC." Equal Employment Opportunity Commission.

40 "EPA." Environmental Protection Agency.

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

43 "FEMA." Federal Emergency Management Agency.

44 "FTA." Federal Transit Administration.

45 "HUD." Department of Housing and Urban Development.

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

47 "LSTA." The Library Services and Technology Act (Public Law  
48 104-208, 20 U.S.C. § 9101 et seq.).

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

50 "MHSBG." Mental Health Services Block Grant.

51 "MR." Mental Retardation.



1 "PAFE." Pennsylvania Agricultural Food Exposition.  
2 "PHHSBG." Preventive Health and Health Services Block Grant.  
3 "RSAT." Residential Substance Abuse Treatment.  
4 "SABG." Substance Abuse Block Grant.  
5 "SCDBG." Small Communities Development Block Grant.  
6 "SDA." Service Delivery Area.  
7 "SSBG." Social Services Block Grant.  
8 "TANF." Temporary Assistance for Needy Families.  
9 "TANFBG." Temporary Assistance for Needy Families Block  
10 Grant.  
11 "TEFAP." Temporary Emergency Food Assistance Program.  
12 "WIA." The Workforce Investment Act of 1998 (Public Law  
13 105-220, 112 Stat. 936).  
14 "WIC." Women, Infants and Children Program.

15 SUBARTICLE B

16 EXECUTIVE DEPARTMENTS

17 Section 1711-B. Governor (Reserved).  
18 Section 1712-B. Executive Offices.  
19 Funds for intermediate punishment treatment programs shall be  
20 allocated in the same proportion as funding provided in fiscal  
21 year 2010-2011 for intermediate punishment programs and for  
22 intermediate punishment drug and alcohol treatment.  
23 Section 1713-B. Lieutenant Governor (Reserved).  
24 Section 1714-B. Attorney General (Reserved).  
25 Section 1715-B. Auditor General (Reserved).  
26 Section 1716-B. Treasury Department (Reserved).  
27 Section 1717-B. Department of Aging (Reserved).  
28 Section 1718-B. Department of Agriculture.  
29 No less than 80% of the funds appropriated for hardwoods  
30 research and promotion shall be equally distributed among the  
31 hardwood utilization groups of this Commonwealth established  
32 prior to the effective date of this section.  
33 Section 1719-B. Department of Community and Economic  
34 Development.

35 The following shall apply to appropriations for the  
36 Department of Community and Economic Development:

37 (1) For fiscal year 2011-2012, funds appropriated to  
38 Keystone Communities shall include allocations for the Main  
39 Street and Elm Street programs in amounts not less than the  
40 amounts allocated in fiscal year 2010-2011.

41 (2) Funds appropriated for Partnerships for Regional  
42 Economic Performance shall be allocated to Industrial  
43 Development Corporations, Industrial Resource Centers, Local  
44 Development Districts and Small Business Development Centers.  
45 Forty percent of the funds appropriated shall be pro rata  
46 allocated to the entity in proportion to the 2010-2011  
47 appropriations to the entities. The department shall provide  
48 notice of the allocation by October 1, 2011. The remaining  
49 60% of funds appropriated for this program shall be  
50 distributed in accordance with program guidelines.

51 Section 1720-B. Department of Conservation and Natural

1 Resources (Reserved).

2 Section 1721-B. Department of Corrections (Reserved).

3 Section 1722-B. Department of Education.

4 The following shall apply to appropriations for the  
5 Department of Education in the General Appropriation Act:

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

16 (2) Notwithstanding the provisions of section 1724-A of  
17 the act of March 10, 1949 (P.L.30, No.14), known as the  
18 Public School Code of 1949, and 24 Pa.C.S. section 8329  
19 (relating to payments on account of social security  
20 deductions from appropriations), no payments shall be made to  
21 charter schools or cyber charter schools authorized under the  
22 provisions of Article XVII-A of the Public School Code of  
23 1949 or any successor provisions contained in the Public  
24 School Code of 1949, from funds appropriated for school  
25 employees social security.

26 Section 1723-B. Department of Environmental Protection.

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

30 (1) (Reserved).

31 (2) Notwithstanding the provisions of section 502 of the  
32 act of July 9, 2008 (1st Sp.Sess., P.L.1873, No.1), known as  
33 the Alternative Energy Investment Act, in fiscal year  
34 2011-2012, no funds shall be appropriated from the General  
35 Fund to the department for the Consumer Energy Program. Any  
36 appropriation for fiscal year 2011-2012 is revoked.

37 Section 1724-B. Department of General Services (Reserved).

38 Section 1725-B. Department of Health.

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

41 (1) Funds appropriated for lupus programs shall be  
42 distributed in the same proportion as distributed in fiscal  
43 year 2010-2011.

44 (2) Funds appropriated for biotechnology research  
45 include \$750,000 for a regenerative medicine center located  
46 in a county of the second class and \$1,036,000 for an  
47 institution for hepatitis and virus research located in a  
48 county of the second class A, which conducts research related  
49 to developing new therapies for viral hepatitis and liver  
50 cancer.

51 Section 1726-B. Insurance Department (Reserved).

1 Section 1727-B. Department of Labor and Industry.

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

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

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

18 Section 1728-B. Department of Military and Veterans Affairs  
19 (Reserved).

20 Section 1729-B. Department of Public Welfare.

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

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

25 (i) The department, upon approval of the secretary,  
26 may transfer Federal funds appropriated for TANFBG child  
27 care assistance to the CCDFBG child-care services  
28 appropriation to provide child-care services to  
29 additional low-income families if the transfer of funds  
30 will not result in a deficit in the appropriation. The  
31 secretary shall provide notice ten days prior to a  
32 transfer under this subparagraph to the chairman and  
33 minority chairman of the Appropriations Committee of the  
34 Senate and the chairman and minority chairman of the  
35 Appropriations Committee of the House of Representatives.

36 (ii) The department, upon approval of the secretary,  
37 may transfer Federal funds appropriated for CCDFBG child  
38 care assistance to the CCDFBG child-care services  
39 appropriation to provide child-care services to  
40 additional low-income families, provided that the  
41 transfer of funds will not result in a deficit in the  
42 appropriation. The secretary shall provide notice ten  
43 days prior to a transfer under this subparagraph to the  
44 chairman and minority chairman of the Appropriations  
45 Committee of the Senate and the chairman and minority  
46 chairman of the Appropriations Committee of the House of  
47 Representatives.

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

50 (i) No funds appropriated for approved capitation  
51 plans shall be used to pay a provider who fails to supply

1 information in a form required by the department in order  
2 to facilitate claims for Federal financial participation  
3 for services rendered to general assistance clients.

4 (ii) For fiscal year 2011-2012, payments to  
5 hospitals for Community Access Fund grants shall be  
6 distributed under the formulas utilized for these grants  
7 in fiscal year 2010-2011. If the total funding available  
8 for Community Access Fund payments in fiscal year  
9 2011-2012 is less than that available in fiscal year  
10 2010-2011, payments shall be made on a pro rata basis.

11 (iii) Funds appropriated for medical assistance  
12 transportation shall only be utilized as a payment of  
13 last resort for transportation for eligible medical  
14 assistance recipients.

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

20 (v) Federal or State funds appropriated under the  
21 General Appropriation Act in accordance with Article  
22 VIII-H of the act of June 13, 1967 (P.L.31, No.21), known  
23 as the Public Welfare Code, not used to make payments to  
24 hospitals qualifying as Level III trauma centers shall be  
25 used to make payments to hospitals qualifying as Levels I  
26 and II trauma centers.

27 (vi) Qualifying university-affiliated physician  
28 practice plans which received funds for the fiscal year  
29 2010-2011 shall not receive any less than 50% of the  
30 State appropriation made available to those university-  
31 affiliated physician practice plans during fiscal year  
32 2010-2011.

33 (vii) Qualifying State-related academic medical  
34 centers which received funds for the fiscal year  
35 2010-2011 shall not receive any less than 50% of the  
36 State appropriation made available to those academic  
37 medical centers during fiscal year 2010-2011. From funds  
38 appropriated for qualifying State-related academic  
39 medical centers, \$2,000,000 shall be distributed to an  
40 academic medical center located in a third class county  
41 with a population between 210,000 and 215,000 under the  
42 2010 Federal decennial census, \$500,000 shall be  
43 distributed to an academic medical center located in a  
44 third class county with a population between 279,000 and  
45 282,000 under the 2010 Federal decennial census and  
46 \$500,000 to an academic medical center located in a city  
47 of the first class who did not receive funding during  
48 fiscal year 2010-2011.

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

51 (i) Funds appropriated for breast cancer screening

1 may be used for women's medical services, including  
2 noninvasive contraception supplies.

3 (ii) (Reserved).

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

5 (i) Funds appropriated for women's service programs  
6 grants to nonprofit agencies whose primary function is to  
7 provide alternatives to abortion shall be expended to  
8 provide services to women until childbirth and for up to  
9 12 months thereafter, including food, shelter, clothing,  
10 health care, counseling, adoption services, parenting  
11 classes, assistance for postdelivery stress and other  
12 supportive programs and services and for related outreach  
13 programs. Agencies may subcontract with other nonprofit  
14 entities which operate projects designed specifically to  
15 provide all or a portion of these services. Projects  
16 receiving funds referred to in this subparagraph shall  
17 not promote, refer for or perform abortions or engage in  
18 any counseling which is inconsistent with the  
19 appropriation referred to in this subparagraph and shall  
20 be physically and financially separate from any component  
21 of any legal entity engaging in such activities.

22 (ii) Federal funds appropriated for TANFBG  
23 Alternatives to Abortion shall be utilized solely for  
24 services to women whose gross family income is below 185%  
25 of the Federal poverty guidelines.

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

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

40 (ii) Reimbursement for children and youth services  
41 made under section 704.1 of the Public Welfare Code shall  
42 not exceed the amount of State funds appropriated. It is  
43 the intent of the General Assembly that counties do not  
44 experience any adverse fiscal impact due to the  
45 department's maximization efforts.

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

50 (7) County human services. The Department of Public  
51 Welfare shall convene a working group comprised of Department

1 of Public Welfare personnel and the County Commissioners  
2 Association of Pennsylvania for the purpose of developing  
3 mutually agreeable pilot programs for allocation of county  
4 human services funding as multiple purpose grants, permitting  
5 counties to utilize funds at the county level normally  
6 provided in categorical allocations, such as child welfare,  
7 mental health, substance abuse and similar programs. The  
8 Department of Public Welfare shall report jointly developed  
9 recommendations to the General Assembly no later than October  
10 31, 2011, with the intent of establishing the multipurpose  
11 pilot grant programs in the 2012-2013 budget.

12 (8) Funds appropriated shall not be used to privatize  
13 the forensic unit of any State mental institution.

14 (9) The provisions of 8 U.S.C. §§ 1611 (relating to  
15 aliens who are not qualified aliens ineligible for Federal  
16 public benefits), 1612 (relating to limited eligibility of  
17 qualified aliens for certain Federal programs) and 1642  
18 (relating to verification of eligibility for Federal public  
19 benefits) shall apply to payments and providers.

20 (10) From funds appropriated for autism intervention and  
21 services, \$450,000 shall be distributed to a behavioral  
22 health facility located in a fifth class county with a  
23 population between 130,000 and 135,000 under the 2010 Federal  
24 decennial census that operates a center for autism and  
25 developmental disabilities.

26 Section 1730-B. Department of Revenue.

27 Notwithstanding section 1705-D(f) of the act of March 4, 1971  
28 (P.L.6, No.2), known as the Tax Reform Code of 1971, a purchaser  
29 or assignee may carry forward a tax credit purchased or assigned  
30 in calendar year 2011 against qualified tax liabilities incurred  
31 in the next taxable year. If a credit is carried over to the  
32 succeeding taxable year, it shall be reduced by the amount that  
33 was used as a credit during the immediately preceding taxable  
34 year.

35 Section 1731-B. Department of State (Reserved).

36 Section 1732-B. Department of Transportation (Reserved).

37 Section 1733-B. Pennsylvania State Police.

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

40 (1) Payments made to municipalities under 53 Pa.C.S. §  
41 2170 (relating to reimbursement of expenses) shall be limited  
42 to funds available. If funds are not available to make full  
43 payments, the Municipal Police Officers' Education and  
44 Training Commission shall make payments on a pro rata basis.

45 (2) (Reserved).

46 Section 1734-B. State Civil Service Commission (Reserved).

47 Section 1735-B. Pennsylvania Emergency Management Agency  
48 (Reserved).

49 Section 1736-B. Pennsylvania Fish and Boat Commission  
50 (Reserved).

51 Section 1737-B. State System of Higher Education (Reserved).

1 Section 1737.1-B. State-related institutions (Reserved).  
2 Section 1738-B. Pennsylvania Higher Education Assistance Agency  
3 (Reserved).  
4 Section 1739-B. Pennsylvania Historical and Museum Commission  
5 (Reserved).  
6 Section 1740-B. Pennsylvania Infrastructure Investment  
7 Authority (Reserved).  
8 Section 1741-B. Environmental Hearing Board (Reserved).  
9 Section 1742-B. Pennsylvania Board of Probation and Parole  
10 (Reserved).  
11 Section 1743-B. Pennsylvania Public Television Network  
12 Commission (Reserved).  
13 Section 1744-B. Pennsylvania Securities Commission (Reserved).  
14 Section 1745-B. State Tax Equalization Board (Reserved).  
15 Section 1746-B. (Reserved).  
16 Section 1747-B. (Reserved).  
17 Section 1748-B. (Reserved).  
18 Section 1749-B. Thaddeus Stevens College of Technology  
19 (Reserved).  
20 Section 1750-B. Pennsylvania Housing Finance Agency (Reserved).  
21 Section 1751-B. LIHEABG (Reserved).  
22 SUBARTICLE C  
23 STATE GOVERNMENT SUPPORT AGENCIES  
24 Section 1761-B. Health Care Cost Containment Council.  
25 The Health Care Cost Containment Council shall submit a  
26 report to the chairman and minority chairman of the  
27 Appropriations Committee of the Senate and the chairman and  
28 minority chairman of the Appropriations Committee of the House  
29 of Representatives specifying the amount and source of proceeds  
30 received from the sale of data by the council. The report shall  
31 supplement the annual report of financial expenditures required  
32 under section 17.1 of the act of July 8, 1986 (P.L.408, No.89),  
33 known as the Health Care Cost Containment Act. The proceeds  
34 received from the sale of data may be used for the operations of  
35 the council.  
36 Section 1762-B. State Ethics Commission (Reserved).  
37 Section 1763-B. Legislative Reference Bureau (Reserved).  
38 Section 1764-B. Legislative Budget and Finance Committee  
39 (Reserved).  
40 Section 1765-B. Legislative Data Processing Committee  
41 (Reserved).  
42 Section 1766-B. Joint State Government Commission (Reserved).  
43 Section 1767-B. Joint Legislative Air and Water Pollution  
44 Control and Conservation Committee (Reserved).  
45 Section 1768-B. Legislative Audit Advisory Commission  
46 (Reserved).  
47 Section 1769-B. Independent Regulatory Review Commission  
48 (Reserved).  
49 Section 1770-B. Capitol Preservation Committee (Reserved).  
50 Section 1771-B. Pennsylvania Commission on Sentencing  
51 (Reserved).

1 Section 1772-B. Center for Rural Pennsylvania (Reserved).  
2 Section 1773-B. Commonwealth Mail Processing Center (Reserved).  
3 Section 1774-B. Transfers.

4 During the 2011-2012 fiscal year, any amount unexpended on  
5 the effective date of the General Appropriations Act of 2011  
6 may, upon the written concurrence of the President pro tempore  
7 of the Senate, the Speaker of the House of Representatives, the  
8 Majority Leader of the Senate and the Majority Leader of the  
9 House of Representatives, be transferred between any of the  
10 following accounts:

- 11 (1) Legislative Reference Bureau.
- 12 (2) Legislative Budget and Finance Committee.
- 13 (3) Legislative Data Processing Committee.
- 14 (4) Joint State Government Commission.
- 15 (5) Local Government Commission.
- 16 (6) Legislative Audit Advisory Commission.
- 17 (7) Center for Rural Pennsylvania.
- 18 (8) Commonwealth Mail Processing Center.
- 19 (9) Joint Legislative Air and Water Pollution Control  
20 and Conservation Committee.

21 SUBARTICLE D

22 JUDICIAL DEPARTMENT

23 Section 1781-B. Supreme Court (Reserved).  
24 Section 1782-B. Superior Court (Reserved).  
25 Section 1783-B. Commonwealth Court (Reserved).  
26 Section 1784-B. Courts of common pleas (Reserved).  
27 Section 1785-B. Community courts; magisterial district judges  
28 (Reserved).  
29 Section 1786-B. Philadelphia Traffic Court (Reserved).  
30 Section 1787-B. Philadelphia Municipal Court (Reserved).  
31 Section 1788-B. Judicial Conduct Board (Reserved).  
32 Section 1789-B. Court of Judicial Discipline (Reserved).  
33 Section 1790-B. Juror cost reimbursement (Reserved).  
34 Section 1791-B. County court reimbursement (Reserved).  
35 Section 1792-B. Senior judges (Reserved).  
36 Section 1793-B. Transfer of funds by Supreme Court (Reserved).

37 SUBARTICLE E

38 GENERAL ASSEMBLY

39 (RESERVED)

40 ARTICLE XVII-C

41 2011-2012 RESTRICTIONS ON APPROPRIATIONS

42 FOR FUNDS AND ACCOUNTS

43 Section 1701-C. Applicability of article.

44 Except as specifically provided in this article, this article  
45 applies to the General Appropriation Act of 2011 and all other  
46 appropriation acts of 2011.

47 Section 1702-C. State Lottery Fund.

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

50 (2) (Reserved).

51 Section 1703-C. Energy Conservation and Assistance Fund



1                   (Reserved).  
2 Section 1704-C. Judicial Computer System Augmentation Account  
3                   (Reserved).  
4 Section 1704.1-C. Access to Justice Account (Reserved).  
5 Section 1705-C. Emergency Medical Services Operating Fund  
6                   (Reserved).  
7 Section 1706-C. State Stores Fund (Reserved).  
8 Section 1707-C. Motor License Fund (Reserved).  
9 Section 1708-C. Hazardous Material Response Fund (Reserved).  
10 Section 1709-C. Milk Marketing Fund (Reserved).  
11 Section 1710-C. Home Investment Trust Fund (Reserved).  
12 Section 1711-C. Tuition Payment Fund (Reserved).  
13 Section 1712-C. Banking Department Fund (Reserved).  
14 Section 1713-C. Firearm Records Check Fund (Reserved).  
15 Section 1714-C. Ben Franklin Technology Development Authority  
16                   Fund (Reserved).  
17 Section 1715-C. Tobacco Settlement Fund.  
18     (a) Deposits.--  
19         (1) Notwithstanding sections 303(b)(2), (3) and (4) and  
20         306 of the act of June 26, 2001 (P.L.755, No.77), known as  
21         the Tobacco Settlement Act, the following shall apply:  
22             (i) For fiscal year 2011-2012, the strategic  
23             contribution payments received in fiscal year 2010-2011  
24             pursuant to the Master Settlement Agreement shall remain  
25             in the Tobacco Settlement Fund.  
26             (ii) For fiscal year 2011-2012, the funds  
27             appropriated under section 306(b)(1)(i) of the Tobacco  
28             Settlement Act shall remain in the Tobacco Settlement  
29             Fund.  
30             (iii) For fiscal year 2011-2012, 36% of the money  
31             appropriated under section 306(b)(1)(iii) of the Tobacco  
32             Settlement Act may not be expended, transferred or lapsed  
33             but shall remain in the Tobacco Settlement Fund.  
34             (iv) For fiscal year 2011-2012, 33.3% of the money  
35             appropriated under section 306(b)(1)(vi) of the Tobacco  
36             Settlement Act may not be expended, transferred or lapsed  
37             but shall remain in the Tobacco Settlement Fund.  
38             (v) For fiscal year 2011-2012, 50% of the money  
39             appropriated under section 306(b)(1)(v) of the Tobacco  
40             Settlement Act may not be expended, transferred or lapsed  
41             but shall remain in the Tobacco Settlement Fund.  
42         (2) Money deposited into the fund under paragraph (1)  
43         shall be appropriated for health-related purposes. If  
44         applicable, the amount appropriated in accordance with this  
45         paragraph shall be matched by appropriated Federal augmenting  
46         funds.  
47         (b) Use of funds.--Funds deposited in the Tobacco Settlement  
48         Fund from payments received in April 2011 and April 2012 shall  
49         be used to make appropriations pursuant to this section and  
50         section 306 of the Tobacco Settlement Act.  
51         (c) Allocation.--Funding for local programs under section

1 708(b) of the Tobacco Settlement Act shall be allocated as  
2 follows:

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

6 (2) The remaining 70% of grant funding to primary  
7 contractors for local programs shall be allocated on a per  
8 capita basis of each county with a population greater than  
9 60,000. The per capita formula shall be applied only to that  
10 portion of the population that is greater than 60,000 for  
11 each county.

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

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

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

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

31 (e) Health Venture Account investments.--Notwithstanding  
32 Chapter 3 of the Tobacco Settlement Act, all assets, nonliquid  
33 investments, contractually obligated money, return on  
34 investments, and any other money or assets in the Health Venture  
35 Investment Account shall be retained in the Health Venture  
36 Investment Account for continued investment by the Tobacco  
37 Settlement Investment Board in health care, biotechnology or any  
38 other health-related businesses which are expected to grow  
39 substantially in the future. The requirements for venture  
40 capital investments outlined in section 305(f) of the Tobacco  
41 Settlement Act shall be maintained.

42 Section 1716-C. Restricted receipts accounts.

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

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

49 (1) ARC Housing Revolving Loan Program.

50 (2) (Reserved).

51 (c) Department of Conservation and Natural Resources.--The

1 following restricted receipt accounts may be established for the  
2 Department of Conservation and Natural Resources:

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

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

- 11 (1) Education of the Disabled - Part C.
- 12 (2) LSTA - Library Grants.
- 13 (3) The Pennsylvania State University Federal Aid.
- 14 (4) Emergency Immigration Education Assistance.
- 15 (5) Education of the Disabled - Part D.
- 16 (6) Homeless Adult Assistance Program.
- 17 (7) Severely Handicapped.
- 18 (8) Medical Assistance Reimbursements to Local Education  
19 Agencies.

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

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

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

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

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

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

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

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

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

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

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

- 51 (1) Retired Employees Medicare Part D.

1           (2) Justice Assistance.

2           (3) Juvenile Accountability Incentive.

3           (4) Early Retiree Reinsurance Program.

4 Section 1720-C. State Gaming Fund (Reserved).

5       Section 5. Sections 1712-E and 1715-E of the act, added July  
6 17, 2007 (P.L.141, No.42), are amended to read:

7 Section 1712-E. Executive Offices.

8       (a) Appropriations.--The following shall apply to  
9 appropriations for the Executive Offices:

10           (1) Pennsylvania Commission on Crime and Delinquency.

11 Funds remaining after application of section 202 of a General  
12 Appropriation Act for the appropriation for grants-in-aid for  
13 intermediate punishment programs shall be distributed to  
14 counties based on the following formula:

15           (i) Fifty percent shall be based on the proportion  
16 of offenders diverted from the county prison system to  
17 county intermediate punishment programs.

18           (ii) Fifty percent shall be based on the proportion  
19 of offenders diverted from the State correctional system  
20 to the county prison system.

21           (2) Grants for specialized probation services, including  
22 school-based, community-based, intensive supervision and  
23 aftercare services, shall be provided in accordance with  
24 standards adopted by the Juvenile Court Judges Commission.

25       (b) Purchase cards.--The Office of the Budget shall, where  
26 practicable, maximize the use of purchase cards for financial  
27 transactions involving the Commonwealth in accordance with an  
28 interagency agreement establishing usage guidelines between the  
29 office and the Treasury Department.

30       (c) Treasury Offset Program.--

31           (1) The Office of the Budget is authorized to enter into  
32 an agreement with the United States to participate in the  
33 Treasury Offset Program under 31 U.S.C. § 3716 (relating to  
34 administrative offset) for the collection of any debts owed  
35 to Commonwealth agencies. The agreement may provide for the  
36 United States to submit debts owed to Federal agencies for  
37 offset against Commonwealth payments and provide for the  
38 Commonwealth to submit debts owed to Commonwealth agencies  
39 for offset against Federal payments.

40           (2) The Treasurer of the United States shall reduce any  
41 Commonwealth payment by the amount of any Federal debt  
42 submitted in accordance with the agreement authorized by this  
43 subsection and pay the amount to the appropriate Federal  
44 official in accordance with the procedures specified in the  
45 agreement.

46 Section 1715-E. Auditor General.

47       The following shall apply to appropriations to the Auditor  
48 General:

49           (1) Funds appropriated to the Department of the Auditor  
50 General shall be for the purpose of performing postaudits in  
51 accordance with generally accepted government auditing

1 standards.

2 (2) [(Reserved).] If the Auditor General fails to  
3 deliver an annual audit of Commonwealth-managed federally  
4 funded programs by March 31, 2012 and each March 31  
5 thereafter, in accordance with the Single Audit Act of 1984  
6 (Public Law 98-502, 31 U.S.C. § 7501 et seq.) and related  
7 guidance issued by the United States Office of Management and  
8 Budget, the State Treasurer shall not authorize the release  
9 of any funds appropriated to the Auditor General in the  
10 quarter following the failure of the Auditor General to  
11 deliver the audit. The Auditor General shall not bill any  
12 Commonwealth agency to make up for any funding deficiency  
13 caused by the State Treasurer withholding payments under this  
14 paragraph.

15 Section 6. The act is amended by adding a section to read:  
16 Section 1719.1-E. Pennsylvania Infrastructure Investment  
17 Authority Accounts.

18 Fifteen million dollars in funds allocated to PENNVEST under  
19 27 Pa.C.S. § 6104(d)(6) (relating to fund) shall be transferred  
20 from the authority to the Pennsylvania Gaming Economic  
21 Development and Tourism Fund. Funds deposited into the  
22 Pennsylvania Gaming Economic Development and Tourism Fund shall  
23 be included in fund distribution made under section 301 of the  
24 act of July 9, 2008 (P.L.908, No.63), known as the H2O PA Act,  
25 and shall be used by the Commonwealth Financing Authority to  
26 support the H2O program established in that act. The  
27 Commonwealth Financing Authority shall repay to the authority  
28 the funds transferred under this section by June 30, 2020.  
29 Section 10(f) of the act of March 1, 1988 (P.L.82, No.16), known  
30 as the Pennsylvania Infrastructure Investment Authority Act,  
31 shall not apply to this transfer.

32 Section 7. Section 1738-E of the act, added July 17, 2007  
33 (P.L.141, No.42), is amended to read:  
34 Section 1738-E. Pennsylvania Higher Education Assistance Agency  
35 [(Reserved)].

36 (a) Appropriations.--The following shall apply to  
37 appropriations for the Pennsylvania Higher Education Assistance  
38 Agency from the General Appropriation Act:

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

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

47 (b) Blind and deaf student program.--

48 (1) The Pennsylvania Higher Education Assistance Agency  
49 may, in conformance with policies, standards, rules and  
50 regulations adopted by the State Board of Education, contract  
51 with institutions of higher education for the awarding of

1 higher education equal opportunity program grants. Programs  
2 for which grants may be awarded shall include remedial  
3 learning services, counseling services or tutorial services.  
4 Funds provided under this subsection may not be used to pay  
5 tuition, room and board or other institutional costs or fees  
6 incurred by students.

7 (2) Each institution of higher education requesting a  
8 grant to provide a program under this subsection shall submit  
9 an application in a form and manner as the agency may  
10 require. The application shall include a description of the  
11 nature and the methods by which all funds granted will be  
12 used by the applicant institution to contribute to the  
13 provision, maintenance or improvement of programs designed to  
14 enhance opportunities for disadvantaged part-time and full-  
15 time students to achieve their educational goals.

16 (3) The Pennsylvania Higher Education Assistance Agency  
17 shall use funds appropriated for higher education of blind or  
18 deaf students to make grants for defraying the necessary  
19 expenses of any students who are blind or deaf and who are  
20 regularly enrolled students pursuing a course of study or  
21 profession in a university, college, conservatory of music,  
22 normal, professional or vocation school approved by the  
23 Department of Education. In order to receive a grant, a blind  
24 or deaf student who desires to attend, or who is attending, a  
25 school or institution shall apply as required under paragraph  
26 (2). Grant awards shall be established annually by the  
27 Pennsylvania Higher Education Assistance Agency based on  
28 available resources.

29 (4) Up to 2.5% of funds appropriated annually to carry  
30 out the purposes of this subsection may be used to pay the  
31 costs of administration.

32 (5) Beginning July 1, 2011, the rights, powers and  
33 duties exercised by the Secretary of Education under the  
34 former act of August 31, 1971 (P.L.423, No.101), known as the  
35 Higher Education Equal Opportunity Act, are transferred to  
36 and shall be exercised by the Pennsylvania Higher Education  
37 Assistance Agency. Existing regulations promulgated under the  
38 former Higher Education Equal Opportunity Act shall continue  
39 in full force and effect by the Pennsylvania Higher Education  
40 Assistance Agency until the agency promulgates new or  
41 additional regulations.

42 (6) The agency shall have access to student level data  
43 that is collected by the Department of Education that relates  
44 to the administration of this subsection in accordance with  
45 Federal and State law.

46 (7) As used in this subsection, the following words and  
47 phrases shall have the meanings given to them in this  
48 paragraph unless the context clearly indicates otherwise:  
49 "Full-time student." A bona fide resident of this  
50 Commonwealth who has been admitted as a full-time student to an  
51 institution of higher education and who is economically and

1 educationally disadvantaged in accordance with criteria  
2 established by the State Board of Education.

3 "Institutions of higher education." A postsecondary  
4 institution in this Commonwealth authorized to award degrees.

5 "Part-time student." A bona fide resident of this  
6 Commonwealth who:

7 (1) Has been admitted into a degree program as a less  
8 than full-time student in an institution of higher education.

9 (2) Is enrolled in at least the equivalent of six  
10 semester credits or 225 clock hours of instruction per  
11 semester in an institution of higher education.

12 (3) Is economically and educationally disadvantaged in  
13 accordance with the criteria established by the State Board  
14 of Education.

15 Section 8. Subarticle C heading of Article XVII-E and  
16 sections 1761-E, 1762-E, 1763-E, 1764-E, 1765-E, 1766-E, 1767-E,  
17 1768-E, 1769-E, 1770-E, 1771-E, 1772-E, 1773-E, 1774-E and 1775-  
18 E of the act, added July 17, 2007 (P.L.141, No.42), are  
19 repealed:

20 [SUBARTICLE C

21 LEGISLATIVE DEPARTMENT

22 Section 1761-E. Senate (Reserved).

23 Section 1762-E. House of Representatives (Reserved).

24 Section 1763-E. Legislative Reference Bureau.

25 (1) Notwithstanding any other provision of law to the  
26 contrary, including 62 Pa.C.S. (relating to procurement), the  
27 Pennsylvania Consolidated Statutes, advance copies of  
28 statutes, volumes of the Laws of Pennsylvania and other  
29 publications shall be printed under contracts entered into by  
30 the Legislative Reference Bureau and distributed as  
31 determined by the bureau. Money from sales shall be paid to  
32 the bureau or the Department of General Services, as the  
33 bureau shall determine, and that money shall be paid into the  
34 State Treasury to the credit of the General Fund. Money from  
35 sales is hereby appropriated from the General Fund to the  
36 Legislative Reference Bureau for the editing, printing and  
37 distribution of the Pennsylvania Consolidated Statutes,  
38 advance copies of statutes, volumes of the Laws of  
39 Pennsylvania and other publications and for related expenses.

40 (2) Contingent expenses connected with the work of the  
41 bureau shall be paid on warrants of the State Treasurer in  
42 favor of the director on the presentation of the director's  
43 requisitions.

44 (3) The director shall file an accounting of the  
45 contingent expenses, together with supporting documents  
46 whenever possible, in the office of the bureau.

47 Section 1764-E. Legislative Budget and Finance Committee  
48 (Reserved).

49 Section 1765-E. Legislative Data Processing Committee  
50 (Reserved).

51 Section 1766-E. Joint State Government Commission (Reserved).

1 Section 1767-E. Local Government Commission (Reserved).  
2 Section 1768-E. Joint Legislative Air and Water Pollution  
3 Control and Conservation Committee (Reserved).  
4 Section 1769-E. Legislative Audit Advisory Commission  
5 (Reserved).  
6 Section 1770-E. Independent Regulatory Review Commission  
7 (Reserved).  
8 Section 1771-E. Capitol Preservation Committee (Reserved).  
9 Section 1772-E. Pennsylvania Commission on Sentencing  
10 (Reserved).  
11 Section 1773-E. Center for Rural Pennsylvania (Reserved).  
12 Section 1774-E. Commonwealth Mail Processing Center (Reserved).  
13 Section 1775-E. Chief Clerk of the Senate and Chief Clerk of  
14 the House of Representatives (Reserved).]

15 Section 9. The act is amended by adding a section to read:  
16 Section 1798-E. Catastrophic Loss Benefits Continuation Fund.

17 For fiscal year 2011-2012 and for each fiscal year  
18 thereafter, all surcharges collected under 75 Pa.C.S. § 6506  
19 (relating to surcharge) by any division of the Unified Judicial  
20 System shall be deposited in the General Fund upon receipt.

21 Section 10. Section 1799-E of the act, amended or added July  
22 17, 2007 (P.L.141, No.42) and July 6, 2010 (P.L.279, No.46), is  
23 amended to read:

24 Section 1799-E. State Gaming Fund.

25 (a) Transfers for Volunteer Fire Company and Volunteer  
26 Ambulance Service Grant Act.--Commencing with fiscal year  
27 2007-2008 and continuing annually thereafter, the sum of  
28 \$25,000,000 shall be transferred from the State Gaming Fund to  
29 the General Fund and is hereby appropriated on a continuing  
30 basis to the Pennsylvania Emergency Management Agency for the  
31 purpose of making grants [in accordance with Chapter 7 of the  
32 act of July 31, 2003 (P.L.73, No.17), known as the Volunteer  
33 Fire Company and Volunteer Ambulance Service Grant Act] under 35  
34 Pa.C.S. Ch. 78 (relating to grants to volunteer fire companies  
35 and volunteer services). Annually, the sum of \$22,000,000 shall  
36 be expended for the purpose of making grants to eligible  
37 volunteer fire companies [pursuant to Chapter 3 of the Volunteer  
38 Fire Company and Volunteer Ambulance Service Grant Act] under 35  
39 Pa.C.S. Ch. 78 Subch. B (relating to volunteer fire company  
40 grant program). Annually, the sum of \$3,000,000 shall be  
41 expended for the purpose of making grants to eligible volunteer  
42 ambulance services [pursuant to Chapter 5 of the Volunteer Fire  
43 Company and Volunteer Ambulance Service Grant Act] under 35  
44 Pa.C.S. Ch. 78 Subch. C (relating to volunteer ambulance service  
45 grant program).

46 (b) (Reserved).

47 (c) Performance audit.--Notwithstanding section 408, a  
48 performance audit of the Pennsylvania Gaming Control Board  
49 commenced in 2007 by the Auditor General shall be paid for from  
50 funds appropriated to the Auditor General.

51 (d) Utilization.--The board shall not encumber or commit



1 funds obtained from any source, including a commercial loan or  
2 the sale of gaming receipts, unless appropriated by the General  
3 Assembly.

4 (e) Assessments for property tax relief.--Notwithstanding  
5 subsection (g) or any other provision of law to the contrary, if  
6 the Secretary of the Budget authorizes a transfer from the  
7 Property Tax Relief Reserve Fund and determines that the moneys  
8 in the fund are insufficient to support the transfer, the  
9 Secretary of the Budget shall notify the Pennsylvania Gaming  
10 Control Board and, upon notification, the board shall  
11 immediately assess each slot machine licensee for the repayment  
12 [of the loans authorized] of the insufficiency in an amount that  
13 is proportional to each slot machine licensee's gross terminal  
14 revenue. The amount shall be deducted from amounts owed under  
15 sections 1720-G, 1720-I and 1720-K in an amount that is  
16 proportional to each slot machine licensee's gross terminal  
17 revenue.

18 (f) Appropriations solely from assessments.--Beginning in  
19 fiscal year 2010-2011 and each fiscal year thereafter, all funds  
20 for the operation of the Pennsylvania State Police, the  
21 Department of Revenue and the Attorney General shall be  
22 appropriated solely from an assessment on gross terminal revenue  
23 from accounts under 4 Pa.C.S. § 1401 (relating to slot machine  
24 licensee deposits) in an amount equal to that appropriated by  
25 the General Assembly for that fiscal year. The Pennsylvania  
26 State Police, Department of Revenue or Attorney General shall  
27 not assess any charge, fee, cost of operations or other payment  
28 from a licensed gaming entity in excess of amounts appropriated  
29 in any such fiscal year unless specifically authorized by law.

30 (g) Establishment of repayment schedule.--No later than June  
31 30, 2011, the Pennsylvania Gaming Control Board, in consultation  
32 with all licensed gaming entities, shall establish a schedule  
33 governing the repayment by licensed gaming entities of loans  
34 provided to the Pennsylvania Gaming Control Board under sections  
35 1720-G, 1720-I and 1720-K. The following shall apply:

36 (1) Repayment of loans provided to the Pennsylvania  
37 Gaming Control Board pursuant to sections 1720-G, 1720-I and  
38 1720-K by licensed gaming entities shall begin [at such time  
39 as at least 11 slot machine licenses have been issued and 11  
40 licensed gaming entities have commenced operation of slot  
41 machines] January 1, 2012.

42 (2) The Pennsylvania Gaming Control Board shall  
43 establish a repayment schedule that, at a minimum:

44 (i) Sets forth the dates upon which the repayments  
45 shall be due. Payments may be required on a quarterly,  
46 semiannual or annual basis.

47 (ii) Assesses to each slot machine licensee costs  
48 for repayment of loans from the Property Tax Relief  
49 Reserve Fund made under sections 1720-G, 1720-I and 1720-  
50 K in an amount that is proportional to each slot machine  
51 licensee's gross terminal revenue.

1 (iii) Results in full repayment of amounts loaned  
2 pursuant to sections 1720-G, 1720-I and 1720-K not  
3 earlier than five years nor later than ten years  
4 following commencement of the loan repayments by the slot  
5 machine licensee.

6 Section 11. Section 1722-L(a)(11) of the act, added July 6,  
7 2010 (P.L.279, No.46), is amended to read:

8 Section 1722-L. Department of Education.

9 (a) General rule.--The following shall apply to  
10 appropriations for the Department of Education in the General  
11 Appropriation Act for the fiscal year beginning July 1, 2010:

12 \* \* \*

13 (11) Notwithstanding the provisions of 24 Pa.C.S. §  
14 8329(a) (relating to payments on account of social security  
15 deductions from appropriations) when calculating payments by  
16 the Commonwealth under 24 Pa.C.S. § 8329, the Department of  
17 Education shall treat wages paid out of the ARRA State  
18 Stabilization Fund or out of ARRA funds appropriated for  
19 Individual with Disabilities Education (Part B - Preschool  
20 -Age 3-5) out of the Education Jobs Fund Grant as covered  
21 wages which are not federally funded.

22 \* \* \*

23 Section 12. The act is amended by adding an article to read:

24 ARTICLE XVII-O

25 AUDITS

26 Section 1701-O. Audits of Race Horse Development Funds.

27 The following shall apply:

28 (1) By December 31, 2011, and each December 31  
29 thereafter, the Department of Agriculture, in conjunction  
30 with the Office of the Budget, shall conduct a financial  
31 audit of all funds distributed under 4 Pa.C.S. § 1406(a)  
32 (relating to distributions from Pennsylvania Race Horse  
33 Development Fund) for the prior fiscal year. The audit shall  
34 include recommendations for changes relating to the  
35 maintenance, use or administration of these funds.

36 (2) The audits and audited financial statements required  
37 under this section and 4 Pa.C.S. § 1406(e) for fiscal years  
38 ending prior to June 30, 2011, shall be open for public  
39 inspection and provided, within 60 days of the effective date  
40 of this section, to the persons listed in paragraph (5).

41 (3) The following apply:

42 (i) Notwithstanding 4 Pa.C.S. § 1406(e), each  
43 horsemen's organization shall, within 90 days after the  
44 end of the organization's fiscal year, prepare annual  
45 financial statements in accordance with generally  
46 accepted accounting principles for the horsemen's  
47 organization and all of its affiliates.

48 (ii) The financial statements required under  
49 subparagraph (i) shall be prepared beginning in the  
50 horsemen's organization fiscal year ending prior to June  
51 30, 2011, and for each fiscal year thereafter.

1           (iii) The financial statements required under  
2           subparagraph (i) shall include additional information as  
3           necessary to reconcile the information in the financial  
4           statement to the amounts received by the horsemen's  
5           organization during the same fiscal year.

6           (4) The department may engage independent certified  
7           public accountants to conduct the audit under paragraph (1)  
8           and to audit the annual financial statements and accompanying  
9           information filed under paragraph (3) for each fiscal year.  
10          The department shall provide copies of each audit to the  
11          persons listed in paragraph (5) (ii), (iii), (iv) and (v).

12          (5) The horsemen's organization shall provide all  
13          financial statements, reports and additional information  
14          required under paragraph (3) to all of the following within  
15          90 days of the end of the organization's fiscal year:

16           (i) The department.

17           (ii) The chairman and minority chairman of the  
18           Community, Economic and Recreational Development  
19           Committee of the Senate and the chairman and minority  
20           chairman of the Gaming Oversight Committee of the House  
21           of Representatives.

22           (iii) The chairman and minority chairman of the  
23           Agriculture and Rural Affairs Committee of the Senate and  
24           the chairman and minority chairmen of the Agriculture and  
25           Rural Affairs Committee of the House of Representatives.

26           (iv) The Pennsylvania Gaming Control Board.

27           (v) The State Horse Racing Commission and the State  
28           Harness Racing Commission.

29          (6) All distributions under 4 Pa.C.S. § 1406 shall be  
30          suspended for any horsemen's organization that the department  
31          certifies is out of compliance with the requirements of this  
32          section.

33          (7) Each horsemen's organization shall cooperate fully  
34          with all audits under this section and shall reimburse the  
35          department for all fees and costs to administer this section.

36          (8) For the purposes of this section, the term  
37          "horsemen's organization" shall have the same meaning as  
38          defined under 4 Pa.C.S. § 1103 (relating to definitions).

39          Section 13. Repeals are as follows:

40           (1) Section 217 of the act of March 4, 1971 (P.L.6,  
41           No.2), known as the Tax Reform Code of 1971, is repealed  
42           insofar as it is inconsistent with the addition of section  
43           202.2 of the act.

44           (2) The General Assembly declares that the repeal under  
45           paragraph (4) (i) is necessary to effectuate the amendment of  
46           section 1738-E of the act.

47           (3) The General Assembly declares that the repeals under  
48           paragraph (4) (ii) and (iii) are necessary to effectuate the  
49           addition of section 1798-E of the act.

50           (4) The following acts and parts of acts are repealed:

51           (i) The act of August 31, 1971 (P.L.423, No.101),

1 known as the Higher Education Equal Opportunity Act.  
2 (ii) Section 712(m) of the act of March 20, 2002  
3 (P.L.154, No.13), known as the Medical Care Availability  
4 and Reduction of Error (Mcare) Act.  
5 (iii) The provisions of 75 Pa.C.S. § 6506(b).

6 Amend Bill, page 3, line 17, by striking out all of said line  
7 and inserting

8 Section 14. The following shall apply:

9 (1) The reenactment or amendment of Article XVII-A

10 Amend Bill, page 3, by inserting between lines 19 and 20

11 (2) The amendment of section 1722-L of the act shall  
12 apply retroactively to July 1, 2010.

13 Amend Bill, page 3, line 20, by striking out "5" and

14 inserting

15 15